

DEBAO PROPERTY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200715053Z)

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") ON THE ANNOUNCEMENT OF THE UNAUDITED FINANCIAL STATEMENTS FOR SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2019

The Board of Directors (the "Board") of Debao Property Development Ltd. (the "Company") wishes to announce the following in response to the queries raised by the SGX-ST on 20 August 2019 in relation to the announcement of the unaudited financial statements for second quarter and half year results ended 30 June 2019 made by the Company on 13 August 2019.

SGX-ST's Query 1

Current assets – Trade and other receivables – Page 5

Provide a breakdown of the "other receivables" included in the RMB830,500,000 amount.

Company's Response

	RMB (000s)
Trade receivables	73,130
Other receivables	18,621
Other receivables from disposed subsidiaries	228,927
Deposits paid	20,963
Receivables from joint operations	95,159
Advance to related party	161,687
Prepaid interest expenses	110,032
Other prepaid expenses	1,504
Construction work unbilled receivables	120,477
Trade and other receivables	830,500

SGX-ST's Query 2

Cash flows from operating activities – Impairment loss on available for sale assets – Page 9

Provide further details, including the basis for the impairment loss of RMB17,963,000.

Company's Response

During the year, the Group disposed 43% of its shares in its subsidiary, Profit Consortium Sdn Bhd ("PCSB"). As at the end of 2Q2019, the Group holds 19% of the shares in PCSB and this investment has been reclassified to asset held for sales. The Group intends to dispose of this remaining 19% and the impairment loss represents the deficit of its selling price over the net assets of PCSB. (For details of the abovementioned disposal, please refer to our announcement on 25 July 2019). The impairment loss on available-for-sale assets (or impairment loss on asset held for sales) recorded in 2Q2019 is to bring down the value to its recoverable amount, computed by using its estimated fair value less costs to sell.

By Order of the Board

Zhong Yuzhao
Executive Director and Chief Executive Officer
22 August 2019