

DEBAO PROPERTY DEVELOPMENT LTD.
(Incorporated in Singapore on 16 August 2007)
(Registration Number: 200715053Z)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

Debao Property Development Ltd. (“**Company**”, and together with its subsidiaries, “**Group**”) was placed on the watch-list pursuant to Rule 1311(2) of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 3 March 2016.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (“**Board**”) wishes to provide an update on the financial situation of the Company and the Group for the first quarter ended 31 March 2016 (“**1Q2016**”).

Update on Financial Position and Outlook

The Group’s revenue for 1Q2016 was RMB16.8 million, as compared to RMB10.9 million for the first quarter ended 31 March 2015 (“**1Q2015**”). The increase in revenue was mainly attributed to an increase in revenue from property development sales, which was in turn due to a higher gross floor area sold and recognised and a higher average selling price per square metre achieved in 1Q2016 compared to the previous corresponding period.

The Group recorded a net profit of RMB32.6 million in 1Q2016, as compared to a net loss of RMB43.5 million in 1Q2015. The increase in profit was contributed by the increase in revenue as stated above, a significant increase in foreign exchange gain and a decrease in finance cost.

For more details on the financial position of the Group, please refer to our separate announcement on the Group’s unaudited financial statements for 1Q2016 released on 12 May 2016.

Update on Future Direction and Other Material Development

Since the inclusion of the Company on the watch-list, the Group has taken steps in an effort to meet the requirements needed to exit from the watch-list. The Company had carried out a share consolidation of every fifteen (15) existing ordinary shares in the capital of the Company into one (1) ordinary share (“**Share Consolidation**”). The Share Consolidation was completed on 9 May 2016.

Save for the above, there are no other material developments that may have a significant impact on the financial position of the Group or on its future direction.

The Board will update shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

By Order of the Board

Mr Yuan Lesheng
Executive Chairman and CEO
12 May 2016