

## DEBAO PROPERTY DEVELOPMENT LTD.

(Company Registration No. 200715053Z)  
(Incorporated in the Republic of Singapore)

---

### PROPOSED CONSOLIDATION OF EVERY FIFTEEN (15) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE (“PROPOSED SHARE CONSOLIDATION”)

---

#### 1. INTRODUCTION

- 1.1. The Board of Directors (“**Board**”) of Debao Property Development Ltd. (“**Company**”) wishes to announce that the Company is proposing to undertake a share consolidation exercise to consolidate every fifteen (15) existing ordinary shares (“**Existing Shares**”) in the capital of the Company (“**Shares**”) into one (1) ordinary share (“**Consolidated Share**”).
- 1.2. Pursuant to the Proposed Share Consolidation, each shareholder of the Company (“**Shareholder**”) will receive one (1) Consolidated Share for every fifteen (15) Existing Shares held as at the books closure date to be determined by the Directors in their absolute discretion as they deem fit (“**Books Closure Date**”), fractional entitlements to be disregarded.

#### 2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

- 2.1. Under the Proposed Share Consolidation, every fifteen (15) Existing Shares registered in the name or standing to the credit of the securities account of each Shareholder or Depositor (as the case may be) as at the Books Closure Date will be consolidated into one (1) Consolidated Share.
- 2.2. Each Shareholder will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.
- 2.3. Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fraction of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. **Shareholders who hold less than fifteen (15) Existing Shares as at the Books Closure Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of fifteen (15) Existing Shares prior to the Books Closure Date.**
- 2.4. As at the date of this announcement, the Company has an issued and paid-up share capital of S\$187,147,000 comprising 1,125,000,000 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of S\$187,147,000 comprising approximately 75,000,000 Consolidated Shares.

### 3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

- 3.1. With effect from 2 March 2015, the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) implemented a minimum trading price requirement of S\$0.20 per share for shares of issuers listed on Mainboard as a continuing listing requirement (“**MTP Requirement**”).
- 3.2. A transition period of 12 months from 2 March 2015 (i.e. 1 March 2016) was given to affected issuers to undertake corporate actions to meet the MTP requirement.
- 3.3. Issuers which are not able to meet the MTP Requirement on 1 March 2016 (or in the case of companies which have consolidated their shares before 1 March 2016, on 1 September 2016) and at any of the subsequent quarterly review dates will be placed on the watch-list.
- 3.4. The review of whether an issuer has satisfied the MTP Requirement will be based on the volume weighted average price of the shares of the issuer for the six (6) months preceding the date of review.
- 3.5. The Company announced on 2 March 2016 that based on the review conducted by SGX-ST on 1 March 2016, as the Company has recorded a volume weighted average price of less than S\$0.20 over the last 6 months from 1 September 2015 to 29 February 2016, the Company has been placed on the watch-list with effect from 3 March 2016 in accordance with Rule 1311(2) of the Listing Manual of the SGX-ST (“**Listing Manual**”).
- 3.6. The Company would need to take steps to meet the minimum trading price exit criterion under Rule 1314 of the Listing Manual (“**Minimum Trading Price Exit Criterion**”) for its removal from the watch-list within 36 months from 3 March 2016, failing which SGX-ST may either remove the Company from the Official List or suspend trading in the Company’s shares with a view to removing the Company from the Official List.
- 3.7. The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders as the Proposed Share Consolidation would facilitate the Company’s ability to satisfy the MTP Requirement and constitute an active step taken by the Company to meet the Minimum Trading Price Exit Criterion.
- 3.8. **However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

### 4. APPROVALS AND CONDITIONS

- 4.1. The Proposed Share Consolidation is subject to, *inter alia*, the following:-
  - (a) the approval of Shareholders for the Proposed Share Consolidation at an extraordinary general meeting (“**EGM**”) to be convened; and
  - (b) the in-principle approval of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Mainboard of the SGX-ST.
- 4.2. An application will be made to the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares pursuant to the Proposed Share Consolidation on the Mainboard of the SGX-ST. The Company will release an announcement on the outcome of the application in due course.

**5. DESPATCH OF CIRCULAR**

- 5.1. A circular containing, *inter alia*, notice of the EGM and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.
- 5.2. **Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors of the Company are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.**

By Order of the Board  
**DEBAO PROPERTY DEVELOPMENT LTD.**

Yuan Le Sheng  
Executive Chairman and CEO  
3 March 2016