

## **DEBAO PROPERTY DEVELOPMENT LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 200715053Z)

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### **RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) ON THE QUERIES RAISED BY THE SGX-ST ON 26 SEPTEMBER 2024.**

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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 26 September 2024 in relation to the progress of its delisting and exit offer pursuant to Listing Rule 1309.

#### **SGX-ST’s Query 1**

In the Company’s correspondence with SGX on its exit offer, the Company had alluded that, inter alia, there is a possibility of a striking out notice by ACRA on the Company’s Singapore subsidiaries (“Potential Strike Out Action by ACRA”) and in connection, the Company may possibly be liquidated. Please provide more details why there may be a Potential Strike Out Action by ACRA and the date when this may happen. To also advise what steps the Board has taken to update the registration of these subsidiaries to keep their operational statuses current and if not, justify why it is not necessary to do so. To disclose the business activities of these subsidiaries and whether they are significant subsidiaries of the Company. To quantify the value of the total assets held by these subsidiaries.

#### **Company’s Response**

On 25 November 2023, the Accounting and Corporate Regulatory Authority (ACRA) of Singapore issued the Company an intention to strike off notice (“strike-off notice”) for its subsidiary, Derong Real Estate Holdings Pte. Ltd. (UEN: 200715168C), under section 344(1) of the companies act.

A ‘Lodgment of an Objection Against Striking Off’ was made on 6 December 2023 by the Company. ACRA acknowledged receipt of the objection to striking off on 6 December 2023, mentioning that if the objection is not cleared by 6 February 2024, the striking off application will lapse. No objection from ACRA in relation to our objection has been received, and the strike-off action by ARCA is lifted.

Please refer to our announcement dated 27 September 2024 for further details.

This strike-off notice arose mainly due to the non-compliance in filing of annual returns and related audit reports.

Derong Real Estate Holdings Pte. Ltd. does not carry on any business activities and its net assets is approximately RMB 12 million, as at 30 June 2024.

The net assets of Debao Group is approximately RMB 121 million, as at 30 June 2024.

The Company is focused now on seeking funds to carry out the delisting.

### **SGX-ST's Query 2**

Listing Rule 703 read with Paragraph 8(r) of Appendix 7.1 requires the immediate disclosure for the involuntary striking-off of the issuer's subsidiaries. Please explain why the Company had not disclose the Potential Strike Out Action by ACRA via SGXNet announcement in accordance to the Listing Rules.

### **Company's Response**

The Company released an announcement on 27 September 2024 in relation to the strike-off notice by ARCA on 6 December 2023. The Company wishes to apologize for the late disclosure arising from this omission. As the Company was successful in its appeal against the strike-out, it had overlooked this matter. But this has also spurred the Company to focus on seeking a delisting offer.

### **SGX-ST's Query 3**

Noting that the board is in full awareness of the Potential Strike Out Action by ACRA, please elaborate how the directors had acted in the best interest of the Company and its shareholders in taking actions to prevent Potential Strike Out Action by ACRA and safeguarding the assets of the Company and its shareholder

### **Company's Response**

A 'Lodgment of an Objection Against Striking Off' was made on 6 December 2023 by the Company to prevent the strike-off of its subsidiary.

The Company is now also arranging for the filing of its annual returns and audit reports to prevent further potential strike-off notices.

The Company is in the midst of negotiating with Huarong to advance funding to perform these audits and to make a delisting offer.

### **SGX-ST's Query 4**

In relation to the exit offer for the directed delisting issued to the Company in 2 March 2022, please disclose whether the Board and the Company had taken any specific steps to make an exit offer to resolve this matter and provide details as to what has been done to-date to comply with Listing Rule 1309. Please advise what actions will be taken by the Company to stave off the urgency from the Potential Strike Out Action by ACRA.

### **Company's Response**

The Company is still waiting for the approval from Huarong on further investments and loan arrangements.

Once further information is obtained, the Company will provide a more concrete delisting plan, including the making of an exit offer.

To stave off the urgency of a potential strike-out action by ACRA, the company is focused on treating this delisting process with urgency.

**SGX-ST's Query 5**

If the Company does not intend to comply with Listing Rule 1309, please disclose whether the company intends to take actions to comply with Listing Rule 1308(a) where the Board will undertake a voluntary liquidation for the purpose of fulfilling the requirement for an exit offer. To disclose whether the Board will be appointing a liquidator and provide the name of the proposed liquidator, as well as the timeline for the appointment if this is the case.

**Company's Response**

The Company intends to fully comply with Listing Rule 1309 by making an exit offer.