

## DEBAO PROPERTY DEVELOPMENT LTD.

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

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### ANNOUNCEMENT OF LITIGATION WITHDRAWAL

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The Board of Directors (the “**Board**”) of Debao Property Development Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refer to the legal proceedings commenced by the Company’s wholly-owned subsidiary, Pavillion Treasures Land and Development Sdn. Bhd. (“**Pavillion Treasures**”) in the Kuala Lumpur High Court (the “**Claim**”), and wishes to announce that it has formally withdrawn the court action against Pavillion Treasures.

The defendants named in the Claim are Profit Consortium Sdn. Bhd. (“**Profit Consortium**”), Starlight Glory Sdn. Bhd. (“**Starlight**”) and four other individuals. The Claim relates to alleged minority oppression of Pavillion Treasures, currently a 1.0% shareholder in Profit Consortium.

The Group sought for a declaration that the affairs of Profit Consortium has been oppressively conducted by Starlight and the four individuals, and therefore the allotment of 102,000,034 new ordinary shares by Profit Consortium to Starlight (the “**Share Issue**”), as announced on 1 September 2020, is null and void. The Share Issue resulted in the percentage shareholding of Pavillion Treasures in Profit Consortium to reduce from 19.0% to 1.0%.

As at the date of this announcement, Pavillion Treasures has withdrawn the court action against Profit Consortium, Starlight, and the four other individuals. Save as disclosed, there are no material terms for the said withdrawal.

The Board is of the view that withdrawal is in the interests of the Company.

The potential financial impact of the Claim cannot be quantified at this stage as the Group is not seeking liquidated damages. The Board is also of the view that the Claim is not expected to have a material impact on the Company’s operations for the current financial year ending 31 December 2020.

The Company will keep the shareholders informed of the progress of the matter and will make further announcements, when appropriate.

By Order of the Board

Zhong Yuzhao  
Executive Director and Chief Executive Officer  
16 October 2020