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 QUERIES RAISED BY THE SGX-ST ON 1 OCTOBER 2024 REGARDING COMPANY'S ANNOUNCEMENTS ON 27 SEPTEMBER 2024, 29 SEPTEMBER 2024 AND 30 SEPTEMBER 2024 IN RELATION TO THE ACRA STRIKE OFF NOTICE AND OBJECTION LODGED ("27 SEP ANNOUNCEMENT"), RESPONSES TO SGX QUERIES ("29 SEP ANNOUNCEMENT") AND ADDITIONAL RESPONSES TO SGX QUERIES ("30 SEP ANNOUNCEMENT") RESPECTIVELY.

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 1 October 2024 as follows:

SGX-ST's Query 1

In the 27 Sep Announcement, the Company disclosed, inter alia, that "a 'Lodgment of an Objection Against Striking Off' was made on 6 December 2023 by the Company and 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." Conversely, in the 29 Sep Announcement, the Company had further disclosed, inter alia, that "no objection from ACRA in relation to our objection has been received, and the strike-off action by ARCA is lifted."

a. Please explain the discrepancy in the 27 and 29 Sep Announcements and clarify on the current status of the Company's lodgment of an objection against the ACRA Strike Off Notice.
b. If the Company had indeed been successful in its appeal against the ACRA Strike Off Notice, please disclose the date of approval received from ACRA, when the strike-off action by ARCA was lifted and whether there are any conditions imposed by ACRA pursuant to such approval.

Company's Response

a. According to the notice the Company received from ACRA when making the objection for its subsidiary, it was mentioned that if there is no objection from ACRA by 6 February 2024, the strike-off notice will lapse. The Company did not receive any further notice from ACRA and thus believe there is no strike-off action by ACRA up to this announcement date.

b. As explained in (a) above, there is no approval needed from ACRA and thus there is no conditions imposed.

SGX-ST's Query 2

In the 29 Sep Announcement, it was disclosed that the Company is still "waiting for the approval from Huarong on further investments and loan arrangements".
a. Please advise on the length of time that the Company had been awaiting for the approval.
b. Please provide the indicative timeline and milestones to be met in relation to (i) obtaining the approval from Huarong, and (ii) providing an exit offer upon receipt of the Huarong's approval.
c. In the event that this timeline has lapsed, please disclose whether the Board would be conducting a voluntary liquidation of the Company.
d. Please also disclose the exit offer options considered by the Board, the Board's assessment of each of these exit offer options and the bases for such an assessment.

Company's Response

a. The Company has been waiting for approval from Huarong since January 2023.

b. As Huarong needs to go through its internal approval process, the timeline for approval is not certain but we have been informed verbally that approval can be expected by the coming Chinese New Year in 2025. The Company will proceed with haste once this approval is obtained.

c. If the timeline has lapsed, the Board will consider all options including voluntary liquidation.

d. There are two options, namely an exit monetary offer or voluntary liquidation. In the case of voluntary liquidation the Company will need to seek approval at an EGM and will need a majority of 75% voting in favour. The Company will therefore continually assess the exit offer as a priority.

SGX-ST's Query 3

In the 30 Sep Announcement, the Company disclosed that its Independent Directors ("ID") are in favour of the voluntary liquidation of the Company, but its CEO and Executive Directors ("ED") are not in favour of voluntary liquidation and prefer to focus on seeking a delisting offer. Please provide the factors taken into consideration and the bases for the assessments of the voluntary liquidation of the Company by (i) IDs; and (ii) CEO and EDs. Please also provide the Board's assessment as to whether such decision made by the Board is in the best interests of the Company and its shareholders.

Company's Response

(i) The major factor taken into consideration by the IDs for a voluntary liquidation is that there is currently no exit offer. The IDs are mindful that this requires majority directors support and 75% shareholders approval at an EGM.

(ii) The major factors taken into consideration by the CEO and EDs are the value that can be returned to shareholders on the exit offer, compared to the residual value after going through the voluntary liquidation process, as all the major assets are pledged for bank borrowings. In terms of timing, a liquidation may be a long drawn process.

These options are constructively deliberated and considered, as the Board seeks to act in the best interests of its shareholders.

SGX-ST's Query 4

We note that the Company does not meet the minimum number of three for its audit committee ("AC") since the resignation of ID, Mr Miu Ka Keung Kevin ("Mr Miu") on 21 February 2024 and had not filled the vacancy within three months as required by Listing Rule 704(8). Additionally, the current board composition of the Company also do not comply with Provisions 2.2 and 2.3 of the Code of Corporate Governance 2018 ("Code") that requires independent directors to make up a majority of the Board where the Chairman is not independent, as well as non-executive directors to make up a majority of the Board. Please disclose the indicative timeline that the Company will comply with the Listing Rule 704(8) and the relevant Code.

Company's Response

Due mainly to the adverse economic environment in the property sector, the Company has difficulty in finding a replacement for Mr. Miu. The company however is targeting to fill the vacancy by the end of October 2024.