

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 ANNOUNCEMENT OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (“2Q2024”)

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 21 August 2024 in relation to the announcement of the unaudited financial statements for the six months ended 30 June 2024 made by the Company on 14 August 2024.

SGX-ST’s Query 1

The Company disclosed that the last progress update on the litigation case involving key management of Foshan Nanhai Chuangxintian Hotel Management Co., Ltd (“Chuangxintian”) as was as of April 2024 when the Company contacted the Economic Investigation Team of Commercial Criminal Investigation Department of Municipal Public Security Bureau of Guangzhou City. Please elaborate on the Company’s statement of the “significant adverse impact on the Group’s core operations” from the litigation which the Company had disclosed this as one of key assumption for the Group to continue as a going concern under paragraph 2.1 (c) on Page 6.

Company’s Response

Please refer to our response to SGX query #5 released on 27 November 2023 for the details of the litigation case which involve our ex-management 譚凱欣. She was arrested in relation to scam cases that are being investigated in relation to the Shenzhen Binhai Fund Management Co. Ltd.

Debao Property Development Limited was not involved in the Shenzhen Binhai Management Co. Ltd scam cases and the group did not receive any questioning or investigation from the police bureau.

The statement on paragraph 2.1 (c) on Page 6: “The ongoing litigation cases do not have any significant adverse impact on the Group’s core operations”, was added as one of the key assumption for the group to continue as a going concern mainly because the police bureau did not release any information to non-related parties and the audit committee at that point of time considered this statement was necessary until the scam case was formally finalized and closed. Until July 2024, the group still has not receive further information/news in relation to this scam case.

SGX-ST's Query 2

Please provide an update on the approval from Huarong on further investment/loan and also on the Company's progress in the delisting.

Company's Response

The company is still waiting for the approval from Huarong on further investment/loan arrangements. Once further information is obtained, the company will provide a more concrete delisting plan.

SGX-ST's Query 3

We note that arising from the resignation of Mr Kevin Miu (Independent Director ("ID") and member of the Audit Committee ("AC"), among others, of the Company) effective from 21 February 2024, the Company's AC do not meet the minimum of three members and had neither filled the vacancy within three months from Mr Kevin Miu's resignation nor sought an extension of time from the Exchange to fill the vacancy pursuant to Listing Rule 704(8). Please disclose whether the Nominating Committee had identified a replacement for Mr Kevin Miu, explain the reasons for the delay and how the Company will comply with the Listing Rules.

Company's Response

We apologies for the omission in seeking an extension of time from the Exchange to fill the vacancy pursuant to Listing Rule 704(8).

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