

# DEBAO PROPERTY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200715053Z)

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## DESPATCH OF CIRCULAR TO SHAREHOLDERS IN RELATION TO

(1) PROPOSED ADOPTION OF SHARE BUYBACK MANDATE

(2) PROPOSED CHANGE OF AUDITORS

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### 1. INTRODUCTION

1.1. The board of directors (the “**Board**” or “**Directors**”) of Debao Property Development Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company intends to:

- (a) adopt a share buyback mandate (“**Share Buyback Mandate**”); and
- (b) change the Company’s auditors from Deloitte & Touche LLP to Nexia TS Public Accounting Corporation (“**Proposed Change of Auditors**”).

1.2. The circular (“**Circular**”) containing, inter alia, details of the Share Buyback Mandate, the Proposed Change of Auditors and the notice of the extraordinary general meeting to be convened in respect thereto (“**EGM**”) on Friday, 30 November 2018 at 11.00 a.m. (or as soon after the conclusion of the annual general meeting (“**AGM**”) of the Company to be held at 10.00 a.m. on the same day and at the same place) at 80 Raffles Place, #33-00 UOB Plaza 1, Singapore 048624, has been despatched today to shareholders of the Company (“**Shareholders**”).

### 2. SHARE BUYBACK MANDATE

2.1. The Board has proposed to obtain Shareholder’s mandate for the Company to purchase its own ordinary shares up to ten per centum (10%) of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) (“**Shares**”) on the terms and conditions as stated in the Circular.

2.2. For more information on the Share Buyback Mandate, please refer to paragraph 2 of the Circular.

### 3. PROPOSED CHANGE OF AUDITORS

3.1. The Company’s existing auditors, Deloitte & Touche LLP (“**Deloitte**”) have been auditors of the Company since 1 April 2008. At the Company’s last AGM held on 27 April 2017, the Shareholders approved the re-appointment of Deloitte as the auditors of the Company to hold office until the conclusion of the next AGM. Deloitte, the outgoing auditors, will not be seeking re-appointment as auditors of the Company at the financial year 2017 (“**FY2017**”) AGM.

3.2. The audit committee of the Company (“**Audit Committee**”) had invited proposals from various audit firms, and received Nexia TS Public Accounting Corporation’s (“**Nexia TS**”) proposal. The Audit Committee, after considering various factors, including the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore, recommends to the Board the appointment of Nexia TS as auditor of the Company.

- 3.3. The Board, having taken into account the Audit Committee's recommendation is satisfied that Nexia TS will be able to meet the audit requirements of the Company. The Board noted that the scope of audit services to be provided by Nexia TS will be comparable to the services currently provided by Deloitte with cost savings to the Company, and recommends to the Shareholders that Nexia TS be appointed as auditors of the Company for the financial year ending 31 December 2018.
- 3.4. The appointment of Nexia TS as auditors of the Company will be subject to the approval of the Shareholders at the EGM, and Nexia TS will hold office until the conclusion of the next AGM.
- 3.5. For more information on the Proposed Change of Auditors, please refer to paragraph 3 of the Circular.

Shareholders who do not receive the Circular within one week from the date hereof should contact the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623.

An electronic copy of the Circular and the Notice of EGM to Shareholders is also available on the website of the Singapore Exchange Securities Trading Limited at <http://www.sgx.com>.

By Order of the Board

Zhong Yuzhao  
Executive Director and Chief Executive Officer  
15 November 2018