

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198003839Z)

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FULL-YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the “**Board**”) of Emerging Towns & Cities Singapore Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) refers to the Company’s announcement dated 28 February 2025 in relation to unaudited full-year financial statements announcement for the financial year ended 31 December 2024 (“**FY2024**”) (the “**Preliminary Unaudited Results**”). Further reference is made to the audited financial statements for FY2024 (“**Audited Financial Statements**”) contained in the Company’s annual report for FY2024, which will be released on SGXNET on 6 June 2025.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board wishes to announce that subsequent to the release of the Preliminary Unaudited Results, there were certain adjustments and reclassifications made to the Preliminary Unaudited Results in respect of the consolidated financial statements, following the finalisation of the audit. Shareholders are advised to read the Audited Financial Statements set out in the Company’s annual report for FY2024.

The details of the material variances between the Audited Financial Statements and the Preliminary Unaudited Results of the Company are shown below:

Consolidated Statement of profit or loss and other comprehensive Income

FY2024	Per Audited Financial Statements	Per Preliminary Unaudited results^	Variance		Note
	\$'000 (Audited)	\$'000 (Unaudited)	\$'000	%	
<u>Continuing operations</u>					
Revenue	13,670	13,677	(7)	-	n.m.
Other income	2	2	-	-	
Changes in inventories	(415)	(415)	-	-	
Purchases and related costs	(3,564)	(3,564)	-	-	
Amortisation of intangible assets	(1)	(1)	-	-	
Depreciation of property, plant and equipment	(92)	(120)	28	(23%)	1
Depreciation of right-of-use assets	(454)	(454)	-	-	
Staff costs	(4,723)	(4,722)	(1)	-	n.m.
Short-term lease expenses	(34)	(34)	-	-	
Other operating expenses	(2,503)	(2,164)	(339)	16%	2
Finance costs	(48)	(48)	-	-	
Profit before taxation from continuing operations	1,838	2,157			
Taxation	(282)	(279)	(3)	1%	n.m.
Profit for the year from continuing operations	1,556	1,878			

n.m.: Not material

Consolidated Statement of profit or loss and other comprehensive Income (Cont'd)

FY2024	Per Audited Financial Statements \$'000 (Audited)	Per Preliminary Unaudited results^ \$'000 (Unaudited)	Variance \$'000 %		Note
Discontinued operations					
Loss from discontinued operations, net of tax	(75,221)	(32,593)	(42,628)	>100%	3
Loss for the year	(73,665)	(30,715)			
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation gain arising from consolidation of foreign operations	555	555			
Foreign currency translation loss reclassified to profit or loss on disposal of subsidiaries	2,848	-			
Other comprehensive income for the year, net of tax of nil	3,403	555	2,848	>100%	4
Total comprehensive loss for the year	(70,262)	(30,160)			
Profit/(Loss) attributable to:					
Owners of the Company					
- From continuing operations	1,082	1,380	(298)	(22%)	1-2
- From discontinued operations	(55,992)	(67,151)	11,159	(17%)	3-4
	(54,910)	(65,771)			
Non-controlling interests					
- From continuing operations	474	498	(24)	(5%)	1-2
- From discontinued operations	(19,229)	34,558	(53,787)	<(100%)	3-4
	(18,755)	35,056			
Loss for the year	(73,665)	(30,715)			
Total comprehensive income/(loss) attributable to:					
Owners of the Company					
- From continuing operations	1,095	1,393	(298)	(21%)	1-2
- From discontinued operations	(52,879)	(66,886)	14,007	(21%)	3-4
	(51,784)	(65,493)			
Non-controlling interests					
- From continuing operations	477	500	(23)	(5%)	1-2
- From discontinued operations	(18,955)	34,833	(53,788)	<(100%)	3-4
	(18,478)	35,333			
Total comprehensive loss for the year	(70,262)	(30,160)			

n.m.: Not material

[^]The Company has adopted a revised presentation format for its profit and loss statement, moving from a function-based presentation to a nature-based presentation format. The comparative figures for the Preliminary Unaudited results have been represented to reflect these changes in classification.

Statements of financial position

FY2024	The Per Audited Financial Statements \$'000 (Audited)	Group Per Preliminary Unaudited results \$'000 (Unaudited)	Variance		Note
			\$'000	%	
ASSETS					
Non-Current Assets					
Property, plant and equipment	1,067	668	399	60%	5
Right-of-use assets	2,776	2,776	-	-	
Intangible assets	22	22	-	-	
Deferred tax assets	-	16	(16)	(100%)	6
Long-term deposits	116	-	116	100%	7
	3,981	3,482			
Current Assets					
Inventories	415	415	-	-	
Trade and other receivables	2,340	3,783	(1,443)	(38%)	8
Prepayments	171	-	171	100%	9
Cash and bank balances	5,471	5,471	-	-	
	8,397	9,669			
Total assets	12,378	13,151			
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	43,580	43,580	-	-	
Reserves	(40,180)	(39,882)	(298)	1%	n.m.
Equity attributable to owners of the Company	3,400	3,698			
Non-controlling interests	460	484	(24)	(5%)	1-2
Total equity	3,860	4,182			
Non-Current Liabilities					
Lease liabilities	1,714	1,714	-	-	
	1,714	1,714			
Current Liabilities					
Lease liabilities	859	859	-	-	
Trade and other payables	5,704	5,995	(291)	(5%)	10
Advance consideration received from customers	-	401	(401)	(100%)	10
Current tax payable	241	-	241	100%	10
	6,804	7,255			
Total liabilities	8,518	8,969			
Total equity and liabilities	12,378	13,151			

n.m.: Not material

Consolidated Statement of Cash Flows

FY2024	Per Audited Financial Statements	Per Preliminary Unaudited results	Variance		Note
	\$'000 (Audited)	\$'000 (Unaudited)	\$'000	%	
Net cash generated from operating activities	17,459	16,807	652	4%	11
Net cash used in investing activities	(8,139)	(7,660)	(479)	6%	12
Net cash used in financing activities	(7,213)	(7,250)	37	(1%)	n.m.

n.m.: Not material

Notes:**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

- 1) The decrease in depreciation of property, plant and equipment is mainly due to the reclassification of certain expenses, which were previously recorded as depreciation expenses under other operating expenses.
- 2) The increase in other operating expenses is mainly due to the recognition of marketing expenses that were previously recorded under other receivables.
- 3) The increase in loss from discontinued operations, net of tax, is mainly due to higher losses on the disposal of subsidiaries, arising from the recognition of non-controlling interests in the disposed group.
- 4) The increase in other comprehensive income is due to the reclassification of foreign currency translation losses relating to the disposal of subsidiaries.

Statements of Financial Position

- 5) The increase in property, plant and equipment is due to the reclassification of prepayments that were previously recorded under trade and other receivable.
- 6) The decrease in deferred tax asset is due to the derecognition of certain deferred tax credits.
- 7) The increase in long-term deposits is due to the reclassification of certain balances from trade and other receivables.
- 8) The decrease in trade and other receivables is mainly due to the reclassification of certain balances to property, plant and equipment, long-term deposits, trade and other payables, as well as recognition of marketing expenses previously recorded as other receivables.
- 9) The increase in prepayment is due to reclassification of certain trade and other receivables.
- 10) The decrease in trade and other payables is mainly due to the reclassification of certain receivables to payables and the reclassification of certain payables to current tax payable, partially offset by the reclassification of advance consideration received from customers to trade and other payables.

Consolidated statement of cash flows

- 11) The increase in net cash generated from operating activities is mainly due to the reclassification of prepayments to property, plant and equipment, as well as adjustments arising from exchange differences on translation of cash and cash equivalents.
- 12) The increase in net cash used in investing activities is mainly due to higher capital expenditure on plant, property and equipment.

Caution in Trading

The shares in the Company have been suspended from trading on the SGX-ST since 3 March 2021. In the meantime, Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Shareholder and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Joseph Lim

Executive Director and Chief Executive Officer

6 June 2025

*This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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