

1 December 2022



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EMERGING TOWNS & CITIES SINGAPORE LTD.

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Attention: **Mr. Joseph Lim**
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Gentlemen/Ladies:

RE: EXECUTIVE SUMMARY OF LEGAL COMPLIANCE REVIEW – MYANMAR BUSINESS ACTIVITIES

1. BACKGROUND

- 1.1 Emerging Towns & Cities Singapore Ltd. (the **“Company”**), a company incorporated in the Republic of Singapore (**“Singapore”**) and listed on the Catalist board of the Singapore Exchange Securities Trading Limited, is involved, through its subsidiary, Golden Land Real Estate Development Co., Ltd. (**“GL”**), in the development of the Golden City complex (the **“Golden City Project”**) located in the Republic of the Union of Myanmar (**“Myanmar”**).
- 1.2 Following the change of government initiated by the Myanmar military (the **“Tatmadaw”**) on 1 February 2021 (the **“Myanmar Change of Regime”**), and further to discussions with the Singapore Exchange Regulation Pte. Ltd (the **“SGX”**) after the publication of a report dated 25 February 2021 titled “SGX-listed firm contributes millions for Myanmar army, financing international crimes” (the **“Publication”**),¹ the Company and GL have agreed to conduct a legal review of certain aspects of their respective business activities in Singapore and Myanmar (the **“Legal Review”**) under an approved scope of review (the **“Approved Scope of Review”**).
- 1.3 To this end, Kelvin Chia Partnership (**“we”** or **“KCP”**) has been instructed by the Company and GL to conduct the Legal Review based on the Approved Scope of Review and to put forward a document of our findings and conclusions arising from such Legal Review (the **“Report”**).²
- 1.4 This document sets forth a summary of the Report (the **“Summary”**), which is designed to provide an overview of the work performed in the course of the Legal Review and should thereby be read in conjunction with the Report. This Summary is not intended to be a stand-alone or independent document and our findings and conclusions herein are therefore subject to the findings, conclusions, assumptions, qualifications and limitations set forth in the Report.
- 1.5 All terms not separately defined in this Summary shall have the same meaning given to them in the Report. All underlined matters in this Summary reflect and correspond to the same underlined matters in the Report.

¹ The article can be accessed at <https://www.justiceformyanmar.org/stories/singapore-stock-exchange-listed-real-estate-firm-contributes-millions-for-myanmar-army>. The Company had on 2 March 2021 submitted responses to the SGX’s initial queries on the Company’s operations in Myanmar (see <https://links.sgx.com/FileOpen/ETC%20Singapore%20-%20Response%20to%20queries%20on%20Report.ashx?App=Announcement&FileID=650749>).

² To the extent that aspects of the Approved Scope of Review require Myanmar-law review (specifically with respect to matters relating to GL and its business operations), KCP has procured the assistance of Kelvin Chia Yangon Ltd. (**“KCY”**) to render advice under Myanmar law. At the same time, and on specific matters under the Approved Scope of Review requiring knowledge and application of laws relating to the Covered Unilateral Economic Sanctions, we have procured the assistance of Lowenstein Sandler LLP (<https://www.lowenstein.com/>) (the **“External Sanctions Counsel”**) and have relied upon such advice. The External Sanctions Counsel is led by Doreen Edelman, Partner and Chair of Global Trade and Policy (see <https://www.lowenstein.com/people/attorneys/doreen-edelman>).

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- 1.6 This Summary and the Report upon which it is based should not be considered as a comment or opinion by us on the current political situation or the status of any regime in Myanmar (including under international law or international legal principles), and we accept no attribution of such comment or opinion by reason of our engagement for this Legal Review or the issuance of the Report.
- 1.7 The Approved Scope of Review is limited only to the risk arising from the Covered Unilateral Economic Sanctions. We have not considered as part of the Report the risk of liability under international law, including particularly international human rights law, that the Company or GL, including any of its shareholders, directors, officers, employees and representatives, may be exposed to by its continued dealings in Myanmar and in particular under the Built-Operate-Transfer arrangement that has been entered into for the development of the Golden City Project (the “**BOT Lease**”).
- 1.8 **THIRD-PARTIES DOING BUSINESS WITH THE COMPANY OR GL OR OTHERWISE DOING BUSINESS IN MYANMAR MUST SEPARATELY AND INDEPENDENTLY (A) DETERMINE WHETHER THEY ARE BOUND BY ANY UNILATERAL SANCTIONS INVOLVING MYANMAR OR ITS CITIZENS (INCLUDING THE COVERED UNILATERAL SANCTIONS REGULATIONS), (B) UNDERTAKE AN INDEPENDENT ANALYSIS OF RISKS ARISING FROM THEIR DEALINGS IN MYANMAR (INCLUDING WITH THE COMPANY AND/OR GL); AND (C) IMPLEMENT ALL MEASURES AND STEPS NECESSARY TO ENSURE COMPLIANCE WITH THE CORRESPONDING UNILATERAL SANCTIONS OR ANY OTHER LAW TO OR BY WHICH THEY ARE BOUND. WE DO NOT ASSUME ANY DUTY OR LIABILITY FOR ANY AND ALL ACTIONS, CLAIMS, PROCEEDINGS LOSSES, COSTS, DAMAGES AND LIABILITIES OF ANY NATURE, INCLUDING ATTORNEYS’ FEES AND COSTS AND EXPERT WITNESS FEES AND COSTS, THAT ANY THIRD-PARTY MAY INCUR OR SUFFER AS REGARDS THE FINDINGS AND CONCLUSIONS GIVEN PURSUANT TO THE REPORT OR THIS SUMMARY OR RELIANCE THEREON.**
- 1.9 Unless otherwise specified and subject to applicable assumptions and qualifications hereunder, all findings, conclusions and information in this Summary and in the Report are current only as at the Report Issuance Date (being 1 December 2022).

2. SUMMARY OF FINDINGS AND CONCLUSIONS

Our findings and conclusions are subject to the assumptions and qualifications described in Paragraphs 1.4 to 1.9, above, including Paragraphs 2.3 to 2.11 and Schedule 3 (*Assumptions*) and Schedule 4 (*Qualifications*) of the Report.

2.1. COMPLIANCE WITH THE APPLICABLE LAWS OF SINGAPORE AND MYANMAR

- 2.1.1. In this section, we conclude that the Company and GL have the legal capacity and regulatory approvals to engage in their respective business activities under the Applicable Laws and based on their respective constitutional and operating licenses (including corporate reporting requirements).

A. The Company

- (1) ***Due registration, authorized business activities and constitutional permits.*** The Company has the legal capacity under its Constitution to “undertake any business or activity or enter into any transaction” under the Applicable Laws of Singapore. The Company presently does business only as a holding company to group investments that currently only consists of the Golden City Project.
- (2) ***Constitution.*** The terms of the Company’s current Constitution conforms to the Applicable Laws of Singapore.

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- (3) **Operating licenses and permits.** The Applicable Laws of Singapore do not require the Company to secure any additional or specific license or permit in order to maintain its current status as holding company in relation to entities engaging in real estate development projects.
- (4) **Regulatory Compliance.** The Company is current on its reporting obligations to the Accounting and Corporate Regulatory Authority of Singapore (the “ACRA”) and the SGX, including with respect to the Company’s Code of Corporate Governance 2018.
- (5) **Compliance with Catalyst Rule 225 and Practice Note 2B.** Based on the ETC Disclosures and on representations given by ETC Representatives, neither the Company nor GL have received any notice of breach or enforcement action from any governmental authority in Singapore or Myanmar in relation to any money laundering, terrorist financing or other illicit activities (see further our discussion under Paragraph 2.1.2 below, and Paragraphs 5.1.2.A.4 and 5.1.2.B.2 of the Report). Further, based on the ETC Disclosures and representations, and the documents and information sighted, the Company’s and GL’s business activities have not resulted in any breach of the Applicable Laws, including the Covered Unilateral Economic Sanctions and applicable AML and CFT obligations, so as to justify delisting for “illicit activities” under Catalyst Rule 225 and Practice Note 2B, including the acquisition by the Company of its interest in GL and the Golden City Project.

B. GL

- (1) **Due registration, authorized business activities and constitutional permits.** GL is a duly incorporated private limited company existing under the Applicable Laws of Myanmar and has the legal capacity to enter into and conduct the construction, development and operation (including rental and leasing activities) of the Golden City Project under the Applicable Laws of Myanmar.
- (2) **Constitution.** The terms of GL’s M&AA do not contravene any Applicable Laws of Myanmar, and do not provide for any provisions that would otherwise limit or prevent GL from engaging in its authorized or current business activities, including the construction and development of the Golden City Project.
- (3) **Operating licenses and permits.** GL has been issued by the Yangon Development Committee (the “YCDC”) with the required Construction Permits and subsequent Building Completion Certificates for the Golden Land Project. We have also sighted Fire Safety Certificates and other supplementary approvals/permits including for design, piling work, renovation, water supply, etc.
- (4) **Employment.** Based on ETC Disclosures, GL has not registered and/or paid Social Security Board contributions for their 12 foreign employees.³ We have sighted a template employment contract which, according to ETC Disclosures, has been executed with all employees. We have not sighted any proof of registration of these employment contracts, or issuance of the required foreign labour cards, visas or personal income tax registrations for GL’s foreign employees.⁴

³ In practice, the Social Security Board has allowed the late registration by an employer of its employees provided that, upon registration, social security contributions are paid as they fall due. Thus, GL must register their foreign employees with the Social Security Board and upon registration, it will have to make social security contributions for each of its employees, to the relevant township office of the Social Security Board, on a monthly basis (within 15 days after the end of the respective month for which contributions are due). Based on the confirmation of the Company on 5 August 2022, while noting that GL has been informed by the SSB office that registration is not compulsory for foreign employees, based on the 2012 Social Security Law and the Social Security Directive 5/2014, the SSB registration and contribution is compulsory for businesses employing at least 5 employees, whether they are foreigners or citizens.

⁴ In practice, as far as we are aware, Township Labour Offices have not taken any action or imposed any penalty on an employer for the registration of the employment contracts at a much later date than the date of employment. Thus, GL should liaise with its relevant Township Labour Office for registration of its employment contracts.

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- (5) ***Environmental Permits and Licenses.*** At the time of the approval of its MIC Permit in 2013 and the completion of construction of its buildings from 2016 to 2019, GL was not required to undertake any Environmental Impact Assessment (an “EIA”) or an Initial Environmental Examination (an “IEE”). While EIA and IEE are now required under existing EIA Procedures, this requirement has not been given retroactive effect.
- (6) ***Condominium Operations.*** We have sighted GL’s Condominium Developer License dated 31 October 2019 and valid until 30 September 2024. GL has yet to receive the corresponding Condominium Registration Certificates for the Golden City Project and particularly for the completed portions of the said development. The absence of such Condominium Registration Certificates, however, will not prevent GL from continuing with its existing business activities under its MIC Permit and corresponding land rights authorization.
- (7) ***Serviced Apartment Business.*** No license has as yet been issued to GL for the management and operation of such hotels and serviced apartments by the Ministry of Hotels and Tourism.
- (8) ***General MIC and DICA Compliance.*** We have sighted GL’s latest quarterly report for the period of October to December 2020, and then subsequently, for the period from April to June 2022. GL has also confirmed that it has submitted its quarterly report to the Myanmar Investment Commission of Myanmar (the “MIC”) for the period from January to March 2022. GL has also submitted its latest Annual Return on 1 October 2021, with the deadline for the next Annual Return submission being on 6 October 2022.

2.1.2. In this section, we conclude that the Company and GL have satisfied their respective anti-money laundering (AML) obligations under the Applicable Laws of Singapore and Myanmar.

A. The Company

Investment holding companies such as the Company are not required to formulate specific policies or due diligence procedures in relation to its respective anti-money laundering (AML) obligations under the Applicable Laws of Singapore. According to the Company’s Annual Report (2021), the ETC Group in FY 2021 did not receive any whistle blowing complaints, or notifications of incidents of bribery or corruption. Further, no instances of fines or penalties for non-compliance have been imposed on the ETC Group during that reporting period. The Company has not conducted any internal investigations involving any directors, officers, employees or agents on allegations of money laundering, bribery or corruption in the conduct of the Company’s business operations.

B. GL

GL does not fall among the list of entities that are considered to be a Reporting Organization under the Myanmar AML. Instead, GL has represented that it has adopted its own AML Policy and implements its own know-your-client mechanism under Section 2(b). We have not received any information from GL that it has violated any of the obligations to be observed by a non-Reporting Organization under the Myanmar AML. Neither are we aware of any official information or public information that would point to any violation by GL of its obligations under the Myanmar AML.

2.1.3. In this section, we conclude that the Company and GL have satisfied their respective CFT obligations under the Applicable Laws of Singapore and Myanmar.

There is no requirement under the Applicable Laws of Singapore for entities such as the Company to have a separate CFT policy. Similarly, as GL is not a Reporting Organisation under the Applicable Laws of Myanmar, no CFT policy is required. We have not sighted any material contracts entered into by the

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Company or GL which, appear to have committed any of the “terrorist acts” as specifically defined under the Applicable Laws of Singapore or Myanmar or have been specifically listed as a terrorist organization by relevant Singapore or Myanmar authorities or corresponding Applicable Laws.

The actions of the *Tatmadaw*, including the Quarter Master General Office, are not generally covered by Singapore’s anti-terror legislation. Neither have the *Tatmadaw* nor the Quarter Master General Office been designated by the Central Committee for Counter as a “terrorist”, a “terrorist entity” or a “terrorist organization” or found by the same Central Committee for Counter Terrorism to have committed any “terrorist act” as defined under the Counter Terrorism Law of Myanmar. As such, GL’s lease payments under the BOT Lease will not likely have financed terrorism in the manner defined, covered or penalized under the Applicable Laws of Singapore or Myanmar.

2.1.4. In this section, we conclude that the Company has satisfied the Applicable Laws of Singapore and Myanmar in entering into and implementing its respective material borrowings. However, GL has not satisfied the Applicable Laws of Myanmar with respect to the Related Party Loan.

A. The Company

Direct Borrowings. The ETC Representatives confirmed that the Company has not, in its own name, taken any bank loan nor has it directly entered into any financing agreements involving the Golden City Project or the business conducted by GL. Instead, we have sighted an inter-company loan agreement dated 25 January 2017 between DAS Pte. Ltd. (a 70% majority registered shareholder of UGP)⁵ (“**DAS**”) and the Company (the “**Inter-Company Loan Agreement**”), by which the Company assumed DAS’s obligations under a loan agreement between DAS and Luo Shandong. The ETC Representatives have confirmed that the loan under the Inter-Company Loan Agreement is still outstanding.

Guarantees. The Company acted as parent-company guarantor in relation to the Syndicated Facility Agreement (specific details of this Syndicated Facility Agreement is provided in Paragraph 2.1.4.B below and Paragraph 5.1.4.B of the Report) through the execution of a Deed of Guarantee and Undertaking dated 8 June 2020 in favour of Industrial and Commercial Bank of China Limited (Yangon Branch) (the “**GL Parent-company Guarantee**”). The directors are authorized under the Company’s Constitution to provide the guarantee for the benefit of GL, and there are no restrictions under the Applicable Laws of Singapore for the Company to be paid a guarantee fee as described under the GL Letter Agreement.

B. GL

We summarize below the details of the borrowings directly taken out by GL which have been disclosed by ETC Representatives to be current and outstanding:

1. Syndicated Facility Agreement with Industrial and Commercial Bank of China Limited (Yangon Branch), E. Sun Commercial Bank Ltd. (Yangon Branch) and Kanbawza Bank

No approval from the Central Bank of Myanmar (the “**CBM**”) is required since the borrower and lenders are all on-shore entities. Moreover, the requirement of notifying and submitting the relevant information to the MIC is only applicable to an off-shore loan. Hence, GL is not required to inform MIC of this on-shore loan prior to its entry.

Relevantly, Section 229 of the Myanmar Companies Law requires that the particulars of the mortgage or charge over assets of a company must be registered with the

⁵ “UGP” is Uni Global Power Pte. Ltd., a 70% majority registered shareholder of GL.

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Directorate of Investment and Company Administration of Myanmar (the “DICA”). In this regard, we have sighted the Certificate of Registration for the charge issued through MyCo on 8 June 2020.

2. Loan from Asiabiz Services Ltd., Strong Ever Limited, Sunshine Shimmer Limited and D3 Capital Limited (the “Related Party Loan”).

Based on the ETC Disclosures, GL’s representatives reported that GL has not applied for and received any approval from the CBM or the MIC on the Related Party Loan. Moreover, based on ETC Disclosures, the funds have been reportedly received by GL offshore and have also been spent offshore.

Accordingly, there is a risk that the licensed banks in Myanmar will deny the outward remittance of funds to satisfy GL’s repayment obligations. We are not aware that any approval from the CBM has ever been issued for the opening of any offshore accounts. Neither does Myanmar law impose any specific penalty for the foregoing default. ETC Representatives have, in any event, advised us that the offshore account in Singapore used for this Related Party Loan was closed on 15 April 2021, and that GL has no other existing offshore bank account.

2.2. WHETHER THE COMPANY’S CONTINUED INVESTMENT AND/OR BUSINESS OPERATIONS IN MYANMAR WILL RESULT IN A BREACH OF ANY APPLICABLE LAWS OF SINGAPORE OR MYANMAR

Owing to the absence of any material change in the Applicable Laws of Singapore or Myanmar, particularly with respect to the treatment and legal status of investments into Myanmar by the Singapore government and/or under the Applicable Laws of Singapore, the Company’s continued investment and/or business activities in Myanmar (that must nevertheless be conducted in a manner that complies with the said existing Applicable Laws of Singapore and Myanmar) will not likely result in any breach thereof.

2.3. RESPECTING THE COVERED UNILATERAL ECONOMIC SANCTIONS

Without prejudice to the conclusions, assumptions, qualifications and limitations set forth in the Report and those described in Paragraphs 1.4 to 1.8, above, our discussions and conclusions on Covered Unilateral Economic Sanctions in this Paragraph 2.3 are subject to the qualifications set forth in Schedule 4 of the Report.

- 2.3.1. In this section, we conclude that none of the contracts or agreements provided to us for review as Inspected Documents and entered into by the Company or GL include or feature any Sanctions Clauses that could be enforced or implemented by reason of the Myanmar Change of Regime.

Illegality Clause. The Syndicated Facility Agreement between GL and Industrial and Commercial Bank of China Limited (Yangon Branch), E. Sun Commercial Bank Ltd. (Yangon Branch) and Kanbawza Bank includes an “illegality” clause that could potentially give rise to a right on the part of a lender to demand accelerated performance following the imposition of the Covered Unilateral Economic Sanctions. As discussed under Paragraph 5.3.2.A of the Report, we have found that the entities comprising the ETC Group and their respective shareholders, as well as the respective directors and senior management of each of the ETC Group entities, are not named in any Covered Sanctions Lists or in the U.N. Reports, and as such (but subject in all cases to our further discussion under Paragraph 2.3.2.A, below, and Paragraph 5.3.2.A of the Report), GL cannot be considered a sanctioned person in a manner that will give rise to any “illegality” under the aforementioned Syndicated Facility Agreement. However, this is subject to the continuing risk of “secondary sanctions” that may be imposed by the OFAC against the relevant Lender, by reason of providing financing to GL that, in turn, maintains a continuing relationship with the *Tatmadaw* (through the Quarter Master General Office) under the BOT

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Lease (see our discussion under Paragraph 2.3.3.C, below and Paragraph 5.3.3.C of the Report). This is also subject to the continuing risk of “secondary sanctions” that may be imposed on ETC and GL itself, for maintaining a contractual relationship with the Quarter Master General Office under the BOT Lease.

Force Majeure Clause. GL has also entered into lease agreements with its customers that contain “force majeure” clauses that could nonetheless be cited by counterparties as a basis to suspend or terminate the performance of obligations owed to GL under the corresponding lease agreement, provided that the events considered as “force majeure events” under the relevant lease agreement have taken place. These may potentially include events that arise from the Myanmar Change of Regime (as distinct from the imposition of any of the Covered Unilateral Economic Sanctions covered under any Sanctions Clause). For your information, we have enumerated these contracts and agreements under Schedule 2 of the Report.

Doctrine of Frustration. The Applicable Laws of Myanmar also provides for the termination of a contract or agreement if after the contract or agreement is made, an act to be performed thereunder “becomes impossible, or, by reason of some event which the promisor could not prevent, becomes void when the act becomes impossible or unlawful.” In the case of GL, therefore, a counterparty may seek to avoid the performance of a contract or agreement if governed by the Applicable Laws of Myanmar upon the ground that performance by such counterparty is unlawful by reason of the imposition of any of the Covered Unilateral Economic Sanctions.

2.3.2. In this section, we determine the existence of contracts, business arrangements or business relationships with any Target Counterparties.

A. The Company and GL and their respective shareholders, directors and senior management, are not named in any Covered Sanctions Lists or in the U.N. Reports

Majority Ownership and Control. Based on the Inspected Documents and Schedule 1 (*ETC Group Structure with Directors and Senior Management*) of the Report, the entities comprising the ETC Group and their respective shareholders, as well as the respective directors and senior management of each of the ETC Group entities, are not named in any Covered Sanctions Lists or in the U.N. Reports. This also implies that the ETC Group (but, for the avoidance of doubt, is not defined to include the Minority Shareholders) is not owned by persons named in any Covered Sanctions Lists.

Nevertheless, the Company or GL can still be considered a sanctioned person under U.K. Economic Sanctions and the E.U. Economic Sanctions if they are “controlled by” a person on any of the U.K. Consolidated List and the E.U. Sanctions List. In this regard, assuming the representations by the ETC representative are true and correct (see Paragraph 5.3.2 of the Report), then the inclusion of the Minority Shareholders or certain shareholders, directors or senior management of the Minority Shareholders in any of the U.K. Consolidated List and the E.U. Sanctions List would not result in the designation of the Company or GL as a sanctioned person.

Effect of Statutory and Contractual Minority Rights. The Applicable Laws of Myanmar (for GL and Nature Link Company Limited) and the Applicable Laws of Singapore (for UGP and its various minority shareholders) provide for minority rights in favor of the Minority Shareholders. Additionally, the UGP SHA similarly provides the UGP’s minority shareholders with indirect rights to block shareholders’ resolutions with respect to the conduct of UGP’s business activities. Such rights may be considered sufficient to give rise to control by Nature Link Company Limited over the business and operations of GL (see discussion under Paragraph 2.1.1.8, above, and Paragraph 5.1.1.A.8 of the Report) or by the Minority Shareholders of UGP over the business and operations of UGP (see discussion under Paragraph 2.1.1.8, above and

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under Paragraph 5.1.1.A.8 of the Report), thereby resulting in a finding that either the Company or GL is also a sanctioned person.

B. Status of the BOT Lease as a contract, agreement or arrangement with a sanctioned or a potentially sanctioned person under the Covered Sanctions Lists and the U.N. Reports

For the Golden City Project, GL (with Nature Link Travels and Tours Co., Ltd.) entered into the BOT Lease, which is a "Lease Agreement by B.O.T. Basic" with the Quarter Master General Office dated 15 October 2013 for the lease of an 8.369-acre parcel of land located at No. 3 Land Survey Block, Kan Be, Yankin Township, Yangon Region, Myanmar.

(1) Status of the BOT Lease under the Covered Unilateral Economic Sanctions

1. Singapore Economic Sanctions, Myanmar Economic Sanctions and U.N. Economic Sanctions

As at the Report Issuance Date, no Singapore, Myanmar or U.N. Economic Sanctions have been issued against Myanmar, any Myanmar person, or any other person by reason of the Myanmar Change of Regime. As such, there is no corresponding sanctions list implemented by Singapore, Myanmar or the United Nations that would consider the Quarter Master General Office or any of its officers, or the *Tatmadaw*, generally, as sanctioned persons for purposes of Singapore Economic Sanctions, Myanmar Economic Sanctions and U.N. Economic Sanctions.

2. U.S. Economic Sanctions and U.K. Economic Sanctions

Since the Quarter Master General Office has been specifically named in the U.S. SDN List and the U.K. Consolidated List, it will be considered a Target Counterparty under U.S. Economic Sanctions and the U.K. Economic Sanctions for purposes of the Report. Nevertheless, this alone would not, make the continued effectivity of the BOT Lease and the payments made by GL to the Quarter Master General Office thereunder unlawful under the U.S. Economic Sanctions and U.K. Economic Sanctions in the absence of circumstances or activities giving rise to a "nexus" in or to the United States or the United Kingdom (see our further discussion under Paragraph 2.3.3.B below and Paragraph 5.3.3.B of the Report). However, the aforesaid statement is subject to the continuing and overriding risk of "secondary sanctions" under U.S. Economic Sanctions.

3. E.U. Economic Sanctions

For purposes of E.U. Economic Sanctions, the Quarter Master General Office can be considered as *controlled* by a designated or listed person and can thereby itself be deemed a designated or listed person. Thus, the BOT Lease can be considered as having been entered into with a Target Counterparty under the E.U. Economic Sanctions for purposes of the Report. Nevertheless, this alone would not make the continued effectivity of the BOT Lease and the payments made by GL to the Quarter Master General Office thereunder unlawful under such E.U. Economic Sanctions in the absence of circumstances or activities giving rise to a "nexus" in or to the European Union (see our further discussion under Paragraph 2.3.3.B below and Paragraph 5.3.3.B of the Report).

C. Contracts, business arrangements or business relationships with other Target Counterparties

We have identified persons who have entered into separate agreements with GL (each denominated as an "Agreement for the Transfer of Possessory Rights") involving units in the Golden City Project (the "**Customer Agreements**") whose names are identical with the names of persons in the Covered Sanctions Lists and U.N. Reports (the "**Identified Customers**").

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(1) Covered Sanctions Lists

GL confirmed that none of the Identified Customers are the persons named in the Covered Sanctions Lists and the U.N. Reports.⁶

(2) Status of the Customer Agreements under the Covered Unilateral Economic Sanctions

1. Singapore Economic Sanctions, Myanmar Economic Sanctions and U.N. Economic Sanctions

As at the Report Issuance Date, no Singapore, Myanmar or U.N. Economic Sanctions have been issued against Myanmar, any Myanmar person, or any other person by reason of the Myanmar Change of Regime. As such, there is no corresponding sanctions list implemented by Singapore, Myanmar or the United Nations that would consider any of the Identified Customers as sanctioned persons for purposes of Singapore Economic Sanctions, Myanmar Economic Sanctions and U.N. Economic Sanctions.

2. U.S. Economic Sanctions, U.K. Economic Sanctions and E.U. Economic Sanctions

Each of the Covered Unilateral Economic Sanctions prohibit persons subject to the jurisdiction of the United States, the United Kingdom or member country of the European Union (as applicable) from entering into business and commercial transactions with persons or entities specifically designated in corresponding sanctions lists. However, even assuming that the Identified Customers are listed in the corresponding Covered Sanctions Lists, this fact would not make the continued effectivity of any Customer Contract unlawful under the Covered Unilateral Economic Sanctions in the absence of circumstances or activities that would give rise to a “nexus” in or to the United States, the United Kingdom or the European Union (see our further discussion under Paragraph 2.3.3.B, below, and Paragraph 5.3.3.B of the Report, but see also continuing and overriding risk of “secondary sanctions” as discussed under Paragraph 5.3.3.C of the Report).

D. The U.N. Economic Interests Report

The U.N. Economic Interests Report specifically mentions the Quarter Master General, the Quarter Master General Office and the Golden City Project in the section on “Mapping Tatmadaw economic structures and interests.” We note that the mention or inclusion of the Quarter Master General and the Quarter Master General Office, or of the Golden City Project, in the Economic Interests Report does not, by this fact alone, render GL or the Golden City Project, or any contract, arrangement or investment involving these entities illegal or unlawful, especially since the United Nations itself has not implemented any specific sanctions regime involving Myanmar, or upon persons, entities or groups following the Myanmar Change of Regime.

2.3.3. In this section, we conclude that the Covered Unilateral Economic Sanctions and obligations and penalties arising therefrom are generally not binding upon or enforceable against the Company and GL, however, there is a risk that the United States may impose secondary sanctions against the Company or GL with respect to the entry into and continued implementation of the BOT Lease.

A. Singapore Economic Sanctions, Myanmar Economic Sanctions and U.N. Economic Sanctions

⁶ We have not been required under the Approved Scope of Work nor have we in fact conducted a separate or independent review or confirmation of the background and identity of these Identified Customers. We have thereby assumed the truth and accuracy of the ETC Disclosures and other publicly available information.

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As at the Report Issuance Date, the U.N. Security Council has not issued any sanctions against Myanmar, any Myanmar person or any other person by reason of the Myanmar Change of Regime.

As at the Report Issuance Date, both Singapore and Myanmar have not issued any sanctions against Myanmar, any Myanmar person, or any other person by reason of the Myanmar Change of Regime, whether pursuant to its obligations as member of the United Nations, or independently.

B. U.S Economic Sanctions, U.K. Economic Sanctions and E.U. Economic Sanctions

Neither the Company nor GL engages in any business that could otherwise give rise to a “nexus” in the United States, the United Kingdom or the European Union. In this regard, and based on the confirmation received with respect to each entity in the ETC Group (as stated in 5.3.3.B of the Report), we believe that the Company and GL will not likely be bound by or subject to U.S Economic Sanctions, U.K. Economic Sanctions and E.U. Economic Sanctions and will not thereby be within the power of the relevant authorities in each of these jurisdictions to impose corresponding penalties or liabilities arising from any non-compliance or non-conformity by the Company and GL of the requirements under such sanctions regulations (subject to Paragraph 2.3.3.C below).

C. Secondary Sanctions under U.S. Economic Sanctions

The entry into and continued implementation of the BOT Lease that specifically involves the payment of amounts (even in Myanmar Kyats) as “land use rights” to the Quarter Master General Office, a sanctioned person included in the U.S. SDN List, as well as the continuing relationship with the Identified Customers (should they be confirmed to be the same persons listed in the U.S. SDN List) could give rise to a risk that the United States may impose secondary sanctions against it.

2.3.4. In this section, we conclude that the existing contracts with any of the Target Counterparties (particularly the BOT Lease) have not breached any of the Covered Unilateral Economic Sanctions.

Findings on Covered Unilateral Economic Sanctions. Based on our findings as summarized in Paragraph 5.3.4 of the Report, the Company and GL cannot be said to be in breach of any Covered Unilateral Economic Sanction by reason of the continued existence of the BOT Lease (including any lease payments made or to be made to the Quarter Master General Office) and the Customer Agreements (assuming the Identified Customers are Target Counterparties) because:

- (a) No sanctions have yet been issued by the United Nations, Singapore or Myanmar that would make any such continuing dealings improper or illegal; and,
- (b) Based on the representations of the ETC Representatives under Paragraph 2.3.3.B, above (and Paragraph 5.3.3.B of the Report), the Company and GL do not have any “nexus” with any of the United States, the United Kingdom and the European Union, and are thereby not bound to comply with any sanctions regulations enforced or implemented by any of these jurisdictions.

Nevertheless, there is still a risk that the United States will enforce “secondary sanctions” against GL or the Company.

Qualifications on Findings. Sanctioning authorities exercise broad discretion in the exercise of their sanctioning powers, including the scope of their respective jurisdictions in the enforcement of corresponding sanctions regimes. Therefore, notwithstanding our conclusions, we cannot assure that

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relevant sanctioning authorities will not exercise this discretion in a manner that would adversely affect the Company and GL, especially in light of the following matters:

(1) Transactions in U.S. Dollars, Pound Sterling and Euros

For the Company and GL, there exists a continuing risk that relevant sanctions authorities, particularly the OFAC, may adjudge either or both of them liable for breaching U.S. Economic Sanctions by reason of its continuing relationship with the *Tatmadaw* under the BOT Lease and (potentially) other sanctioned persons through the Customer Agreements, and citing as basis for its jurisdiction the fact that the financial institutions with which the Company or GL has existing banking or financing relationship have, in turn, transacted the funds of the Company or GL with U.S. banks and financial institutions.

(2) The Minority Shareholders

There is a continuing risk that the activities of Minority Shareholders may be imputed to the Company or GL, *first*, upon the broad exercise by relevant authorities of their broad discretion to enforce relevant sanctions regulations and second, by virtue of the minority rights in favour of the Minority Shareholders, and UGP's minority shareholders indirect rights to block shareholders' resolutions, which will be considered sufficient to give rise to control by Nature Link Company Limited over the business and operations of GL (arising from the Golden Land JV Agreement) or by the Minority Shareholders of UGP (arising from the UGP SHA) over the business and operations of UGP.

(3) Personal and non-business transactions

The representations given by ETC Representatives in Paragraph 2.3.3.B and Paragraph 5.3.3.B of the Report on the transactions entered into by shareholders, beneficial owners, directors, key management, officers or employees, or other persons acting on behalf of the Company or GL is limited only to official, business-related or corporate transactions made on behalf of the Company or GL. It is possible, therefore, that these shareholders, beneficial owners, directors, key management, officers, employees, or persons acting on behalf of the Company or GL may have entered into a personal or non-business transaction with a Target Counterparty, or a party who is a U.S. Person, a U.K. Person or a person subject to E.U. Economic Sanctions.

In this regard, relevant sanctions authorities could exercise their discretion in extending their jurisdiction to such personal transactions, particularly where these transactions would result in a "nexus" with the individual involved, even when acting in a personal or non-business capacity. Therefore, the level of risk ultimately depends on the nature of the specific nexus to the United States, the role of the individual and the nature of the transaction involved.

Non-payment of annual Land Use Premium in light of potential breach of the Covered Unilateral Economic Sanctions (including secondary sanctions). The BOT Lease specifically obliges the Lessee (being GL) to pay Land Use Premiums and Land Lease Premiums to the Quarter Master General Office. We have reviewed both the provisions of the BOT Lease and the Applicable Laws of Myanmar (being the governing law of the BOT Lease) to determine whether there would be any contractual or statutory basis by which GL's failure to perform its obligations under the BOT Lease, particularly with respect to the forthcoming payment of the Land Lease Premium could be excused. We have unfortunately found none.

Source of Funds for lease payments under the BOT Lease. As to the specific source of these lease payments under the BOT Lease, the ETC Representatives have represented and confirmed that such payments were made out: (a) from the GL initial paid-up capital (as contributed by GL's shareholders) with respect to the first lease payment on 15 November 2013, and (b) subsequently, from revenues

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generated by GL in the conduct of its real estate business (*i.e.*, from the sale and lease of units at the Golden City Project) and not from any equity contributed by its shareholders or amounts borrowed from any related or third-party creditors (including, for example, the Inter-company Loan between Luo Shandong, a non-substantial Minority Shareholder, and DAS, which was subsequently assumed by the Company – see Paragraph 2.1.4.A, above, and Paragraph 5.1.4.A of the Report).

2.4. ASSESSMENT ON ADEQUACY AND EFFECTIVENESS OF THE COMPANY’S AND GL’S CONTROLS TO ENSURE REASONABLE COMPLIANCE WITH THE APPLICABLE LAWS THAT HAVE OR ARE EXPECTED TO HAVE A MATERIAL IMPACT ON THEIR BUSINESSES AND OPERATIONS

- (1) The Company’s board has three board committees, namely the Nominating & Corporate Governance Committee (the “**NCGC**”), the Audit Committee (the “**AC**”) and the Remuneration Committee (the “**RC**”). The Company provides a training budget for its directors to attend courses and seminars in relation to new laws, regulations and commercial risks in the industry.

The AC’s primary function is to assist the board in fulfilling its responsibilities relating to corporate accounting and auditing reporting practices of the Company, the integrity of the Company’s financial reports and the Company’s system of internal controls regarding finance, accounting, legal compliance and ethics.

- (2) The AC has established whistle blowing arrangements via which employees may confidentially raise concerns about possible improprieties in various matters directly to members of the AC.
- (3) The AC has further appointed the audit firm Foo Kon Tan LLP to audit the Company’s accounts. Baker Tilly Consultancy (Singapore) Pte. Ltd. (“**Baker Tilly**”) conducts internal audits of the Company and implements enterprise risk management (the “**ERM**”) initiatives within the ETC Group, in order to determine whether the Company’s or GL’s internal checks and balances are adequate, and makes reports directly to the AC.
- (4) The ETC Representatives have adopted customer due diligence when selling property to its customers, such as through the collection of names, ID cards, address, phone number, occupational background, etc., and requires customers to declare the legitimacy of their sources of funding.
- (5) The ETC Group has also developed and implemented various group-wide policies, the most relevant of which for purposes of this Legal Review are the Code of Ethics, and separate company policies on Conflict-of-Interest, Share Trading, and Whistle Blowing. We do not foresee any material issues with the contents of these policies which are in compliance with the Applicable Laws of Singapore and Myanmar. However, these policies should be strengthened by the inclusion of further illustrations and further details in terms of implementation since they may be considered too generic to address the specific risks of doing business in Myanmar (see Paragraph 3.1 of this Summary, below, and Paragraph 6.1 of the Report).

3. RECOMMENDATIONS AND SUGGESTED MITIGATION MEASURES
3.1. COMPLIANCE REVIEW
3.1.1. Recommendations in respect of the Company’s Compliance with Applicable Laws of Singapore

We have not identified any instances where the Company may be in breach in respect of the Company’s compliance with the Applicable Laws of Singapore (including AML obligations).

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3.1.2. Recommendations in respect of the GL's Compliance with Applicable Laws of Myanmar

A. Licenses and Permits

First, GL is a real estate development company that operates under required constitutional licenses and permits for the conduct of its business activity, *i.e.*, an MIC Permit and corresponding long-term lease of land underlying the Golden City Project.

Second, we have also identified the non-observance by GL of requirements under the Applicable Laws of Myanmar that relate to other operating licenses of GL (that is, other than the constitutional licenses and permits identified above):

- (a) non-registration of GL's foreign employees with the Social Security Board;
- (b) no evidence of registration of the employment contract with the relevant Township Labor Office in the prescribed template; and
- (c) belated submission of quarterly reports to the MIC.

The non-observance of the foregoing requirements may result in the imposition of penalties and fines against GL, but these will not likely result in an inability by GL to properly engage in its existing business activities. Still, it is recommended for GL to remedy the foregoing non-compliance in order to avoid fines that may be issued by reason thereof.

B. AML Obligations

Since GL is not a Reporting Organization under the Myanmar AML, it is not required to adopt a specific set of AML-related rules or policies. Thus, while the AML Policy of GL only sets out a basic provision to collect information from its clients, the Myanmar AML is silent on the adequacy of this approach as it only imposes a specific standard for Reporting Organizations. In this regard, the Company may wish to seek further legal advice on how to strengthen its know-your-client mechanism as well as other monitoring requirements, regardless of whether GL will be considered a Reporting Organization under the Myanmar AML.

3.1.3. Recommendations in respect of the Company's and GL's controls to ensure reasonable compliance with the Applicable Laws that have or are expected to have a material impact on their businesses and operations

A. Additional targeted training for directors and/or key management

Per the Annual Report (2021), the Company has allocated a training budget for the Company's directors to attend courses and seminars in relation to their duties as directors and other legal compliance and risk matters.

We recommend that such training programmes also take into account the regulatory framework and requirements for private companies incorporated in Singapore (being DAS and UGP), as well as for companies incorporated in Myanmar (being GL). The training programmes should also be extended to directors and/or key management of other entities within the ETC Group who are not involved at the Company level, to ensure compliance across the various entities.

As we have not received further details as to the exact courses which the Company's directors have undergone, we recommend that the Company consider ensuring that each director attends training in relation to AML compliance, sanctions regimes (as further discussed below)

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and the general maintenance of the Company's and GL's various permits and licences which are critical for the operation of its business.

B. Internal and External Audits

As discussed in Paragraph 2.4.3 above, the Company has previously engaged external and independent audit and risk management professionals to ensure that the ETC Group's accounts and internal systems are in compliance with Applicable Laws, and the directors of the Company has accordingly relied on these audits.

Going forward, and as further elaborated on below, we further recommend that Company and GL take in consideration the specific risk of any sanctions regimes which may be triggered by its business activities in Myanmar.

C. Code of Ethics, Share Trading Policy, Whistle Blowing Policy and Conflict of Interest Policy

Based on our general assessment and findings as stated in Paragraph 5.4 of the Report, we summarise in the matrix below our recommendations in respect of the four policies adopted by the Company and GL, vis-à-vis compliance with the corresponding Applicable Laws:

Aspect or Policy	Suggestions/Recommendations
Adoption of the Policies	Company and GL to provide (or to continue to make available) copies of the policies translated in the language primarily understood by their employees, such as Burmese and Chinese.
Code of Ethics	The Company and GL may consider providing guidelines, clarifications, or training to employees, directors and/or key officials on how to spot instances of breach, especially in respect of the Applicable Laws relating to AML/CFT.
Share Trading Policy	Managers may under this policy nominate selected individuals to be added to the list of Prescribed Employees. This updated list of Prescribed Employees should be made available and circulated to all employees concerned.
Whistle Blowing Policy	Consistent with the objectives of the Company and GL to encourage employees to report violations and offences without fear of reprisal, we recommend the following: <ol style="list-style-type: none"> Specify the procedures and the persons who will be assessing the criteria that would entitle a whistle blower to certain assurances under Clause 4; Update the contact details of the independent director of the Company, to whom potential employees will report; Appoint point persons specifically assigned or identified for each of the ETC Group's subsidiaries, including GL.; and Make available the contact details of the relevant authorities in Singapore and in Myanmar to which an employee may report a possible violation or offence.
Conflict-of-Interest Policy	The Company and GL should ensure that reviews stated under Clauses 3 and 4 of the Conflict-of-Interest Policy are in fact consolidated and performed annually, and that a system is in place to ensure that employees who have declared conflicts are not allocated to work on matters with whom they are conflicted

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	unless specific approval has been given. Such approval and rationale should be documented.
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3.2. Sanctions Review

Our findings for this Legal Review have revealed the existence of contracts, business arrangements or business relationships with Target Counterparties or potential Target Counterparties who are either:

- (a) named in the Covered Sanctions; or
- (b) “controlled by” persons named therein and thereby deemed as sanctioned persons under U.K. Economic Sanctions and E.U. Economic Sanctions.

Our recommendations under this Paragraph 3.2 of the Summary (and Paragraph 6.2 of the Report) have thereby focused on addressing the foregoing two branches; *first*, by suggesting steps to the Company and GL to maintain their status as outside the enforcement authority of the sanctions authorities; and *second*, by suggesting to the Company and GL the adoption of a sanctions review mechanism that would allow them to identify Target Counterparties and actively evaluate risks under Unilateral Sanctions that could arise from future dealings, contracts and arrangements with such Target Counterparties.

3.2.1. Maintaining the status of the Company and GL as outside the enforcement authority of jurisdictions enforcing the Covered Unilateral Economic Sanctions

- (1) Direct coverage by the Covered Unilateral Economic Sanctions

Consistent with the representations given by the ETC Representatives under Paragraph 2.3.3.B of this Summary, the Company and GL must continue to ensure that throughout the existence of the relevant Covered Unilateral Economic Sanctions, each such entity including its corresponding shareholders, beneficial owners, directors, key management, officers, employees, or any other persons acting on their behalf, must not (a) be a U.S. Person, a U.K. Person or a person to whom the E.U. Economic Sanctions applies, and (b) where applicable, perform any corporate act while physically within the territory of the United States, the United Kingdom or the European Union.

- (2) Coverage by “nexus” under the Covered Unilateral Economic Sanctions

The Company and GL should ensure that, in the conduct of its business operations, it does not establish a “nexus” with any of the jurisdictions enforcing the Covered Unilateral Economic Sanctions, which could also be a basis for the enforcement of corresponding sanctions liability. Consistent with the representations that have already been given by the ETC Representatives under Paragraph 2.3.3.B of this Summary, the Company and GL should also ensure that throughout the existence of the relevant Covered Unilateral Economic Sanctions, each of the Company and GL, including its corresponding shareholders, beneficial owners, directors, key management, officers, employees, or any other persons acting on their behalf, must not:

- (a) have any sales or other business operations in the United States, the United Kingdom or the European Union;
- (b) directly or indirectly, own or have any rights to any property (including any bank accounts or other financial assets) or any financial, economic, pecuniary or other similar interest found, situated or otherwise within the jurisdiction of the United States, the United Kingdom or the European Union or is in the possession or control of any U.S. Person, U.K. Person or person to whom the E.U. Economic Sanctions applies;

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- (c) have any existing contractual, business or other arrangement, whether direct or indirect, with any person (including any employee, representative or agent of such person) who may be considered a U.S. Person, U.K. Person or person to whom the E.U. Economic Sanctions applies, including any bank or financial institution or any person who is an assignee, purchaser, lessee, or tenant of any unit located in the Golden City Project; and,
- (d) enter into any contract or arrangement for the importation of or exporting or re-exporting of goods, services, technology, or technical data ultimately originating from the United States, the United Kingdom or the European Union or goods, services, technology, or technical data with U.S., U.K. or E.U.-origin inputs/ components (any importation and installation of such U.S., U.K. or E.U.-origin inputs, if necessary for the installation, maintenance and up-keep of specific machinery and equipment used by customers and other users of the Golden City Project must be undertaken at arm's length with third-party independent contractors or service providers).

(3) Financial transactions

In maintaining its status as outside the enforcement authority of jurisdictions enforcing the Covered Unilateral Economic Sanctions, particular care should be exercised by the Company and GL in its financial dealings, specifically with banks and financial institutions. Ideally, all dealings with ETC Group's banks and financial institutions will be subject to an undertaking that any funds linked to a transaction involving the Company and GL will not, in turn, be further transacted through banks or financial institutions that are U.S. Persons, U.K. Persons or persons subject to E.U. jurisdiction. Whether this can be implemented in fact is a matter to be discussed with the relevant bank or financial institution.

(4) Personal dealings

Relevant sanctions authorities could exercise their discretion in extending their jurisdiction even to such personal transactions, particular where these transactions would result in a "nexus" with the individual involved, even when acting in a personal or non-business capacity. Because of this risk, any sanctions compliance policy or procedure adopted by the Company and GL to maintain its status as outside the enforcement authority of jurisdictions enforcing the Covered Unilateral Economic Sanctions should include a clear and straightforward notice mechanism by which shareholders, beneficial owners, directors, key management, officers or employees, or other persons acting on behalf of the Company or GL can give notice to the Company or GL of any transaction (including personal transactions) that may involve a U.S. Person, a U.K. Person or a person subject to E.U. Economic Sanctions. This would allow the Company or GL to evaluate the risk of liability that could result from the implementation of such transaction, and if the risk is found significant, the relevant person should be bound not to enter into or implement the relevant transaction.

3.2.2. Identifying Target Counterparties and actively evaluating risks involving Unilateral Sanctions that arise from any such future dealings, contracts and arrangements
A. Establishing and implementing an effective sanctions policy

Our review of compliance procedures currently implemented by the Company and GL has shown that while safeguards exist to ensure compliance of local regulatory requirements, no specific policy or procedure exists to address risks arising from Unilateral Sanctions, and this includes both dealings with potentially sanctioned persons and dealings with persons that are themselves bound to comply with Unilateral Sanctions obligations. A risk-based approach is

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usually adopted, with the suggested main features and elements of the procedure or policy specifically enumerated in Paragraph 6.2.2.A of the Report. It is recommended that the drafting and implementation of sanctions compliance procedure or policy be undertaken with the assistance of legal counsel.

B. Extending sanctions review to existing related persons and entities

Apart from ensuring that prospective counterparties with which the Company and GL deal are not, and are not otherwise owned or controlled by, sanctioned persons, the Company and GL must also implement similar procedures and policies to ensure that its existing controlling shareholders and directors, and any of its employees or personnel who have the ability to control or influence the management and operation of the business, are not, and are not otherwise owned or controlled by, sanctioned persons. This is to ensure that the Company and GL will not, itself, be considered as sanctioned under the Covered Unilateral Economic Sanctions Regulations.

3.3.3. Identifying counterparties who may have rights to terminate or unwind transactions with GL and the Company.

The contracts and arrangements that GL currently maintains with Target Counterparties (particularly under the BOT Lease) may create future situations that could allow counterparties to new contracts with the Company and GL to terminate or unwind transactions with the Company or GL in a manner that could be prejudicial to its interests. As such the Company and GL should be vigilant in the evaluating any future agreements or arrangements to minimize the risk that a termination will take place. Among the matters that the Company and GL can consider are the following:

- (a) The nationality and business activities of the potential counterparty, with the view to determining whether such counterparty is a U.S. Person, a U.K. Person or a person subject to jurisdiction of the European Union, or otherwise subject to any of the Covered Unilateral Economic Sanctions;
- (b) The terms and conditions of the agreements to be executed, including the existence and scope of any of the following clauses:
 - (i) a Sanctions Clause;
 - (ii) an illegality clause of the nature similar to what is found under the Syndicated Loan Facility; and,
 - (iii) a force majeure clause that covers illegality or the imposition of sanctions of any kind.

3.3.4. Unilateral Sanctions imposed by Other Jurisdictions

The Approved Scope of Review extends only to the Covered Unilateral Economic Sanctions. There are, however, other countries and jurisdictions that enforce Unilateral Sanctions that involve Myanmar, Myanmar citizens, or non-Myanmar persons doing business or maintaining contacts with Myanmar. Toward this end, the Company and GL may therefore wish to conduct a risk-based analysis of its exposure to liability from these other Unilateral Sanctions, including a review of its existing business activities to determine if any these involve persons or entities that could be bound to comply with these Unilateral Sanctions or which otherwise could establish a “nexus” with the Company or GL, that could, in turn, establish enforcement jurisdiction on the part of these other countries adopting Unilateral Sanctions.

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3.3.5. Addressing findings in the U.N. Reports

The mention of GL and the Golden City Project in the U.N. Reports does not, by this fact alone, render the business activities of GL or those involving the Golden City Project, or any contract, arrangement or investment involving these entities illegal or unlawful, especially since the United Nations itself has not implemented any specific sanctions regime involving Myanmar, or upon persons, entities or groups following the Myanmar Change of Regime. Nonetheless, the Company and GL may wish to take-up the option already adopted by other similarly-named Myanmar persons and entities (such as Japan Tobacco Inc., Healy Consultants, Universal Apparel Co., Ltd., among others), to correct factual inaccuracies in the U.N. Reports respecting the Golden City Project or otherwise, to clarify the nature of its business activities in Myanmar and its relationship with the Tatmadaw and the Quarter Master General Office.

4. CONCLUSION

Based on the agreed upon scope of work, summary of findings and applicable assumptions, qualifications and limitations set forth herein:

- 4.1. The Company's investment and business activities in Myanmar and Singapore satisfy the requirements of applicable Singapore and Myanmar laws involving foreign investment and licensing, nationality restrictions, financing, anti-money laundering (AML) and countering the financing of terrorism (CFT);
- 4.2. The Company's continued investment and/or continued business operations of its operating company in Myanmar, GL, will not result in a breach of any Singapore or Myanmar laws;
- 4.3. On the Covered Unilateral Sanctions Regimes:
 - 4.3.1. As confirmed by separate advice received by KCP from External Sanctions Counsel, and provided that specific circumstances and practices adopted by the Company are observed and maintained (including with respect to completing lease payments in Myanmar Kyats only), the existence of the BOT Lease between GL and the Quarter Master General Office, a sanctioned person under sanctions programs implemented by the United States, the United Kingdom and the European Union, for the use of land underlying the Company's Golden Land Project in Myanmar will not likely result in any direct enforcement action against the Company or GL by relevant sanctions authorities from these jurisdictions;
 - 4.3.2. Notwithstanding the foregoing, however, the continued existence of the BOT Lease may subject the Company and GL to so-called "secondary sanctions" by United States sanctions authorities; and,
 - 4.3.3. At the same time, because of the broad discretion exercised by sanctioning authorities from these jurisdictions, there is no guarantee that even with the observance and maintenance of such circumstances and practices that would generally exclude the Company and GL from any direct enforcement action by these sanctioning authorities, such sanctioning authorities may nonetheless interpret corresponding sanctions regulations as applying to the Company and GL, particularly considering the continued existence of the BOT Lease and corresponding payments made by GL to the Quarter Master General Office, a sanctioned person.

5. BENEFIT AND DISCLAIMER

- 5.1. This Summary and the Report upon which it is based are strictly for the benefit and reliance of the Company and GL only.

1 December 2022

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- 5.2. No guidance, mitigation or remedy in this Summary and the Report have considered the interests or circumstances of, or purported to be offered as legal advice to or adoption by, any third-parties doing business with the Company or GL or who has invested or may invest in the Company or GL, or is otherwise doing business in Myanmar, and such third-parties must therefore determine for themselves the most appropriate measures necessary to mitigate risks arising from their dealings with the Company and/or GL or their business in Myanmar.
- 5.3. **WHILE KCP HAS CONSENTED TO THE DISCLOSURE OR PUBLICATION OF THIS SUMMARY TO PARTIES OTHER THAN THE COMPANY AND GL (INCLUDING THE PUBLICATION OF THIS SUMMARY AT SGXNET OR THROUGH ANY OTHER METHOD OR PLATFORM AS REQUIRED BY THE SGX), THIS DISCLOSURE OR PUBLICATION IS UNDERSTOOD TO BE FOR INFORMATIONAL PURPOSES ONLY. KCP DOES NOT ASSUME ANY DUTY OR LIABILITY FOR ANY AND ALL ACTIONS, CLAIMS, PROCEEDINGS LOSSES, COSTS, DAMAGES AND LIABILITIES OF ANY NATURE, INCLUDING ATTORNEYS' FEES AND COSTS AND EXPERT WITNESS FEES AND COSTS, THAT ANY THIRD-PARTY MAY INCUR OR SUFFER AS REGARDS THE FINDINGS AND CONCLUSIONS GIVEN PURSUANT TO THIS SUMMARY OR THE REPORT OR RELIANCE THEREON.**

Sincerely yours,



KELVIN CHIA PARTNERSHIP