

EMERGING TOWNS & CITIES SINGAPORE LTD.

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

OUTCOME OF APPLICATION FOR WAIVER OF UNDERTAKINGS

1. INTRODUCTION

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 announcements dated 25 January 2017, 26 January 2017 and 20 April 2017 and the Company’s circulars dated 3 February 2017, 28 February 2018, 28 June 2018, 8 April 2019, 25 August 2020, 5 April 2023 and 25 May 2026 (collectively, the “**Previous Announcements**”) in respect of, inter alia, the convertible loan agreement dated 25 January 2017 and entered into between Mr Luo Shandong (“**Mr Luo**”) as lender and the Company as borrower, as supplemented and amended by the addendum deeds thereto (collectively, the “**Convertible Loan Agreement**”).

Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Previous Announcements.

In connection with the Company’s resumption of trading in 2018, the Company had on 28 June 2018 submitted the following undertakings to the Sponsor:

- (a) an undertaking to procure third parties who are independent of Mr Luo and his concert parties to take over Mr Luo’s Shares as and when he exercises the Conversion Right (the “**First Undertaking**”); and
- (b) an undertaking that in the event the Company is not able to procure any such third parties as and when Mr Luo exercises the Conversion Right, the Company is to redeem a portion of the Convertible Loan Agreement in cash such that at any point in time, Mr Luo will not hold more than 10% of the enlarged share capital of the Company or will not become the single largest shareholder of the Company (the “**Second Undertaking**”, together with the First Undertaking, collectively the “**Undertakings**”).

2. REASONS FOR WAIVER APPLICATION

In light of the possibility that Mr Luo could exercise his right to convert the Outstanding Amount on or before 25 May 2026, being the Maturity Date of the Convertible Loan Agreement (the “**Maturity Date**”), the Company had made an application for the waiver of the Undertakings (the “**Waiver Application**”) through its Sponsor, to the SGX Regco, for the following reasons:

- (i) pursuant to the Company’s entry into subscription agreements with certain investors in relation to the subscription of convertible bonds aggregating S\$4,500,000 and convertible into an aggregate of 968,270,000 new ordinary shares each in the capital of the Company, Ms Cao Yongyan has become a controlling shareholder of the Company holding approximately 22.34% of the existing issued and paid up share capital of the Company (excluding treasury shares and subsidiary holdings) of 1,950,342,934³ and is now the single largest shareholder of the Company. Accordingly, the concern which the

Second Undertaking had sought to address, i.e. avoiding Mr Luo being the single largest shareholder of the Company, is no longer a concern;

- (ii) conversion of the Convertible Loan Agreement into fully paid new ordinary shares in the Company at the conversion price of S\$0.09 per conversion share, which represents a significant premium to the current market price of the shares of the Company of approximately S\$0.0231¹, is more favourable to the Company as compared to redemption of the Convertible Loan Agreement in cash. As at the market price² of the shares of the Company, the value represented by the conversion of the Excess Amount (as defined below) into approximately 13,602,832 new ordinary shares in the Company is only approximately S\$314,225 as compared to the Excess Amount as at the Maturity Date of S\$1,224,255, being a difference of approximately S\$910,030; and
- (iii) the Waiver had been sought due to the possibility that Mr Luo may exercise his right to convert the Outstanding Amount on or before the Maturity Date.

In the event that Mr Luo had elected to convert the Outstanding Amount on or before the Maturity Date, the Company would have to prepay an amount of approximately US\$862,151 (approximately S\$1,224,255³) (the "**Excess Amount**") in cash prior to the Maturity Date, so as to reduce the Outstanding Amount on the Maturity Date to ensure that the Mr Luo's aggregate shareholding upon issue of the conversion shares will not exceed 10% of the post-conversion enlarged share capital.

3. NO OBJECTION FROM SGX REGCO IN RELATION TO THE WAIVER APPLICATION

The Board wishes to announce that SGX Regco had on 29 May 2026 informed the Company, through its Sponsor, that it has no objection to the Company's Waiver Application, having considered the following:

- (a) there have been material changes in the Company's circumstances since the Undertakings were imposed;
- (b) Mr Luo would not become the single largest shareholder following conversion of the Convertible Loan Agreement and the excess over the 10% threshold is marginal; and
- (c) the Company has confirmed that, to the best of its knowledge, it is not aware of any relationship between Mr Luo and Ms Cao or the bond investors,

(collectively, the "**Exchange's Considerations**").

Accordingly, SGX Regco noted that it has no objection to the Company's Waiver Application, subject to the conditions as provided below:

- (a) the Company announcing the following, including as required under Rule 106 of the Catalist Rules:

¹ Based on the volume weighted average price of the shares for the trades done on the Singapore Exchange Securities Trading Limited on 13 May 2026 being the full market day prior to 14 May 2026, the date of the Company's Waiver Application.

² As at the date of the Company's application for the Waiver, being 14 May 2026.

³ Based on the exchange rate of US\$1.00: S\$1.42 according to the Convertible Loan Agreement dated 25 January 2017

- (i) the Waiver granted;
- (ii) the reasons for seeking the Waiver;
- (iii) the Exchange's Considerations;
- (iv) the conditions upon which the Waiver is granted; and
- (v) whether the Waiver conditions have been satisfied as at the date of the announcement.

If the Waiver conditions have not been satisfied, the Issuer must make an announcement as and when the conditions have been satisfied; and

- (b) submission of a written confirmation from the Board that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution.

(collectively, the “**Conditions**” and each a “**Condition**”).

The Waiver will not be effective if any of the Conditions have not been fulfilled.

4. **CONFIRMATION FROM THE COMPANY**

The Company had submitted a written confirmation to the SGX Regco on 2 June 2026 that to the best of the Board's knowledge and belief, the Waiver will not be in contravention of any laws and regulations governing the Company and the Constitution of the Company.

Following the disclosures in this announcement and submission of the written confirmation, the Company has complied with Conditions (a) and (b) of the Waiver.

5. **CONVERSION ALLOTMENT**

The Company's obligations in respect of the Undertakings only arise in the event Mr Luo exercises his right to convert the Outstanding Amount. Accordingly, in the situation where the Company is the party which elects to convert the Outstanding Amount on the Maturity Date, the Undertakings would not be applicable.

Pursuant to the Convertible Loan Agreement, the Company was, on the Maturity Date, required to either convert the Outstanding Amount into the Conversion Shares, or make full repayment of the Outstanding Amount in cash. As such, the Company had on 25 May 2026, being the Maturity Date of the Convertible Loan Agreement, elected to convert the Outstanding Amount, into fully paid new ordinary shares (the “**Conversion Shares**”) in the Company at the conversion price of S\$0.09 per Conversion Share, resulting in the allotment and issuance of 204,887,011 Conversion Shares (the “**New Shares**”) to Mr Luo on 25 May 2026 (the “**Conversion Allotment**”). Please refer to the Company's announcement dated 25 May 2026 for more details.

As at the Maturity Date, the Company had not received any notice from Mr Luo of his intention to convert the Outstanding Amount. As the Undertakings relate to the scenario where Mr Luo exercises his Conversion Right, in light of the above Conversion Allotment (where the conversion was elected by the Company on the Maturity Date), the Undertakings have lapsed.

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. Shareholders 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

2 June 2026

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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