

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 198003839Z)

MONTHLY UPDATE ON THE COMPANY'S FUTURE PLANS AND PROGRESS TOWARDS SUBMISSION OF ITS TRADING RESUMPTION PROPOSAL

1. Introduction

The Board of Directors of Emerging Towns & Cities Singapore Ltd. (the “**Company**” together with its subsidiaries, collectively the “**Group**”) refers to:

- (A) the announcement dated 9 February 2023 in relation to the grant of an extension of time to 31 July 2023 for the Company to comply with Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”);
- (B) the announcements dated 28 February 2023, 31 March 2023, 28 April 2023, 31 May 2023, 30 June 2023, 31 July 2023, 31 August 2023, 29 September 2023, 31 October 2023, 30 November 2023, 28 December 2023, 31 January 2024, 29 February 2024, 28 March 2024, 30 April 2024, 16 May 2024, 28 June 2024, 31 July 2024, 30 August 2024, 30 September 2024, 30 October 2024 and 29 November 2024;
- (C) the announcements dated 21 April 2023 in relation to (i) the appointment of Mr Ye Binlin as Independent Director, Chairman of the Audit Committee, member of the Nominating & Corporate Governance Committee and member of the Remuneration Committee, and (ii) the reconstitution of the Board and Board Committees of the Company;
- (D) the announcement dated 1 July 2023 in relation to the Company's entry into a sale a purchase agreement (“**SPA**”) with Grand Ally Investments Pte. Ltd. (the “**Purchaser**”) to dispose of DAS Pte. Ltd. (the “**Proposed Disposal**”);
- (E) the announcement dated 17 August 2023 in relation to the Company's application for a waiver of Rule 1014(5) of the Catalist Rules (the “**Waiver Application**”) to such extent that the Company need only carry out an independent property valuation of Golden Land instead of a business valuation of DAS Pte. Ltd. and its subsidiaries (the “**DAS Group**”);
- (F) the announcement dated 21 December 2023 in relation to the Company's withdrawal of the Waiver Application;
- (G) the announcement dated 15 March 2024 in relation to the incorporation of an indirect wholly-owned subsidiary, Hainan Jiupeng Chuhe Technology Co., Ltd. (海南九鹏初禾科技有限公司) (“**HJC**”);
- (H) the announcement dated 28 March 2024 in relation to the Company's entry into a supplemental agreement to the SPA with the Purchaser to extend the long-stop date from 31 March 2024 to 31 December 2024;
- (I) the announcements dated 26 July 2024 and 15 October 2024 in relation to (i) the Company's entry into subscription agreements (the “**Subscription Agreements**”) with certain investors in relation to the proposed 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 (the “**Proposed Subscription**”); and (ii) the Company’s entry into option agreements (the “**Management Option Agreements**”) with key members of the management of HJC (the “**Group Employees**”), pursuant to which the Company intends to grant options to subscribe for an aggregate amount of 239,080,000 ordinary shares in the capital of the Company (the “**Proposed Grant**”);

- (J) the announcement dated 16 September 2024 in relation to the application for striking-off of the ETC Smart Builder Pte. Ltd.;
- (K) the announcement dated 15 November 2024 in relation to the extraordinary general meeting of the Company to be held on 6 December 2024 (the “**EGM**”) to seek Shareholders’ approval of the Proposed Transactions (as defined in the circular to Shareholders dated 15 November 2024 (the “**Circular**”)) and attaching the Circular containing details thereof, together with the opinions and recommendations of the Directors and the notice of EGM;
- (L) the announcement dated 29 November 2024 in relation to the Company’s responses to the Singapore Exchange Regulation’s queries on the announcement dated 15 November 2024 in relation to the EGM and the Circular;
- (M) the announcement dated 6 December 2024 in relation to the results of the EGM;
- (N) the announcement dated 26 December 2024 in relation to (i) the completion of the Proposed Disposal and (ii) entry into the Deed of Discharge (as defined in the Circular), Indemnity Deed (as defined below) and Collateral Agreement (as defined in the Circular); and
- (O) the announcement dated 26 December 2024 in relation to the appointment of Mr Duan Yupeng as an Executive Officer of the Company,

(the “**Previous Announcements**”)

and wishes to update the Shareholders on the Company’s future plans and progress towards submission of its trading resumption proposal pursuant to Rule 1304 of the Catalist Rules.

Capitalised terms in this announcement (unless otherwise defined or the context otherwise requires) have the same meaning ascribed to them in the Previous Announcements.

2. Completion of the Proposed Disposal

As disclosed in the Company’s announcement dated 2 March 2021, following its consultation with Singapore Exchange Regulation (“**SGX RegCo**”) and the Sponsor in relation to the report published by an activist group on the Company’s operations in Myanmar on 25 February 2021, the Company announced that, *inter alia*, it had voluntarily decided to convert the trading halt into a suspension in the trading of its securities (the “**Suspension**”). On 3 March 2021, the Company entered into the Suspension.

On 7 March 2022, SGX RegCo released the Regulator’s Column titled “What SGX expects of issuers in respect of sanctions-related risks, subject or activity” (the “**Regulator’s Column**”) which set out the requirement that “the issuer should remain suspended until it has demonstrated to SGX that it is no longer a Sanctioned Subject or it has ceased the Sanctioned Activity”. Even though the independent Financial Review and independent Legal Review had been completed in September 2021 and December 2022 respectively, and whilst the Company is itself neither a

Sanctioned Subject (as defined in the Regulator's Column) nor engaged in Sanctioned Activity (as defined in the Regulator's Column), after consultation with SGX RegCo and the Sponsor, the Board understands that Company will remain suspended due to the Company's business operations currently being conducted in a Sanctioned Nation (as defined in the Regulator's Column). Given the uncertainty as to when the political situation in Myanmar may improve and when the unilateral sanctions from the United States, the European Union and the United Kingdom would cease, the Board has been looking into all possible avenues to divest its investment in Myanmar as part of its plan to resume the trading of its securities.

As disclosed in the Company's announcement dated 1 July 2023, the Company has on 1 July 2023 entered into the SPA with the Purchaser in relation to the Proposed Disposal and has on 28 March 2024 entered into the Supplemental Agreement with the Purchaser to extend the long-stop date from 31 March 2024 to 31 December 2024.

Further to the EGM held on 6 December 2024, the approval of the Shareholders for, *inter alia*, the Proposed Disposal and the Proposed Discharge was obtained.

As disclosed in the Company's announcement dated 26 December 2024, the Proposed Disposal has been completed on 26 December 2024 (being the Disposal Completion Date) and pursuant to the completion of the Proposed Disposal, the following, *inter alia*, has taken place:

- (i) receipt of the first tranche of the Disposal Consideration of S\$1,500,000 by the Company;
- (ii) entry into the Deed of Discharge; and
- (iii) entry into the Collateral Agreement.

Accordingly, the Company no longer holds any of the registered capital of DAS. As such, DAS, UGP and Golden Land are no longer subsidiaries of the Company.

As at the date of this Announcement, the Company has received S\$2,000,000 of the total Disposal Consideration, with a second tranche of S\$1,000,000 payable within six months after the Disposal Completion Date and a final tranche of S\$1,000,000 within 12 months after the Disposal Completion Date, secured by the Collateral Agreement as elaborated under section 5 below.

3. Deed of Discharge

As part of the Proposed Disposal, it is a condition precedent that the Deed of Discharge be executed by ICBC in favour of the Company in relation to the irrevocable and unconditional discharge and release of the company from the Corporate Guarantee issued by the Company in favour of ICBC to secure the Golden Land syndicated bank loan of approximately US\$33 million. The Deed of Discharge has on 26 December 2024 been entered into between ICBC, the Company and the Purchaser, in relation to the Proposed Discharge.

Pursuant to the Deed of Discharge, the Proposed Discharge is conditional upon the completion of the Proposed Disposal and the Purchaser providing certain documents to ICBC to its reasonable satisfaction at the cost and expense of the Purchaser.

4. Indemnity Deed

Further to the Proposed Discharge, the Company and the Purchaser have on 26 December 2024 entered into an additional deed (the "**Indemnity Deed**") whereby the Purchaser shall, *inter alia*,

indemnify the Company in connection with the Corporate Guarantee for the period between the completion of the Proposed Disposal and the completion of the Proposed Discharge (i.e. release of the Company from its obligations under the Corporate Guarantee).

The Company will make further announcements on the Proposed Discharge as appropriate or when there are further developments on the same.

5. Collateral Agreement

As part of the Proposed Disposal, it is a condition precedent that the Collateral Agreement (which relates to the provision by Golden Land to the Company of property units in Golden City owned by Golden Land in aggregate valued at no less than S\$3,000,000 based on an independent valuation as collateral) be executed. The Collateral Agreement provides security for the due payment of the second tranche and third tranche of the Disposal Consideration of S\$2,000,000 in total (i.e. 50% of the Disposal Consideration).

On 26 December 2024, Golden Land, the Purchaser and the Company have entered into the Collateral Agreement. Pursuant to the Collateral Agreement, Golden Land grants in favour of the Company a first fixed charge over certain property units in Golden City owned by Golden Land which has been appraised to have an aggregate value of approximately S\$3,073,000 (based on the independent property valuation dated 8 November 2024 issued by C.I.M. Property Consultants Co., Ltd. (and reviewed by Colliers Philippines) and the exchange rate of S\$1.3544: US\$1.00 (as extracted from the Monetary Authority of Singapore) as at 23 December 2024), as continuing security for the payment and discharge of all moneys, debts and liabilities due, owing or incurred which are now or may at any time and from time to time hereafter be due, owing or incurred by the Purchaser to the Company under or in connection with the SPA.

6. Proposed Subscription, Proposed Transfer of Controlling Interest and Proposed Grant

As disclosed in the Company's announcements dated 26 July 2024 and 15 October 2024, the Company has entered into the Subscription Agreements and the Management Option Agreements in relation to the Proposed Subscription and the Proposed Grant respectively.

The Proposed Subscription is being undertaken mainly to inject capital and working capital into the live streaming e-commerce and related businesses, including the operations of HJC. As announced in the Company's announcement dated 15 March 2024, the Company, through its wholly-owned subsidiary ETC Capital Pte. Ltd. has incorporated an indirect wholly-owned subsidiary, HJC, in the People's Republic of China, with principal activities being live streaming e-commerce business and online and offline sales of consumer products. The Proposed Subscription, if approved at the EGM, will result in the transfer of controlling interest in the Company to one of the Investors, Ms Cao Yongyan (the "**Proposed Transfer of Controlling Interest**").

The purpose of the Proposed Grant is to provide an opportunity for the Group Employees to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

The Company has on 15 November 2024 published on SGXNET the Circular in relation to the EGM to seek the approval of the Shareholders for, inter alia, the Proposed Subscription, the Proposed Transfer of Controlling Interest and the Proposed Grant. Further to the EGM held on 6

December 2024, the approval of the Shareholders for, *inter alia*, the Proposed Subscription, the Proposed Transfer of Controlling Interest and the Proposed Grant was obtained.

For further information on the salient details of the Proposed Subscription, the Proposed Transfer of Controlling Interest and the Proposed Grant, please refer to the Company's announcements dated 26 July 2024 and 15 October 2024 and the Circular.

7. Proposed Diversification

The Company has on 15 November 2024 published on SGXNET the Circular in relation to the EGM to seek the approval of the Shareholders for, *inter alia*, the Proposed Diversification.

As disclosed in the Circular, the Group is engaged mainly in the real estate business via the DAS Group, which is the subject of the Proposed Disposal, aside from HJC, which was incorporated in March 2024 with principal activities being the live streaming e-commerce and related business, including online and offline sales of consumer products (the "**E-Commerce and Retail Business**"). Through HJC, the Company has incorporated further subsidiaries to support the E-Commerce and Retail Business.

Further to the EGM held on 6 December 2024, the approval of the Shareholders for, *inter alia*, the Proposed Diversification was obtained.

Following the completion of the Proposed Disposal on 26 December 2024, the Company's remaining and principal business is the existing E-Commerce and Retail Business.

8. Caution in Trading

The shares in the Company have been suspended from trading on the SGX-ST since 3 March 2021. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as completion of the remaining Proposed Transactions (as defined in the Circular) are subject to the fulfilment of conditions precedent, and there is no certainty or assurance as at the date of this announcement that the remaining Proposed Transactions will be completed.

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

30 December 2024

*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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