



EMERGING TOWNS & CITIES SINGAPORE LTD
新世界地产集团有限公司

ANNUAL REPORT
2020



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CORPORATE PROFILE

BACKGROUND

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited, Emerging Towns & Cities Singapore Ltd. (“ETC Singapore” or the “Company”, and together with its subsidiaries, the “Group”) was incorporated in Singapore on 17 October 1980. Formerly known as China Titanium Limited, the Company adopted the name Cedar Strategic Holdings Limited on 7 December 2012 following the restructuring of its business model, effectively changing its core business to real estate. Ready to embark on its next phase of growth, the Company later rebranded itself as ETC Singapore as it embarked on a business strategy focusing on quality real estate assets in emerging markets.

CORPORATE DEVELOPMENTS

On 8 June 2020, the Group announced that its subsidiaries, Golden Land Real Estate Development Co., Ltd (“Golden Land”) and Uni Global Power Pte. Ltd. had entered into a secured syndicated facility agreement (the “Facility Agreement”) led by Industrial Commercial Bank of China Limited (Yangon Branch) and Kanbawza Bank (Yangon). The Facility Agreement comprises a US\$47.0 million term loan facility and a MMK4.5 billion term loan facility secured by (a) certain assets relating to the Golden City project owned by Golden Land in the Yankin township of Yangon, Myanmar and (b) all the shares in Golden Land held by Uni Global Power Pte. Ltd. (“UGP”), comprising 70.0% of the entire issued and paid-up share capital of Golden Land. The loans secured have been earmarked, inter alia, to finance Golden Land’s operational needs in connection with the Group’s Golden City project and its existing loans.

Subsequently on 15 June 2020, the Group announced the Third Addendum Deed in relation to the Convertible Loan Agreement (“CLA”) entered into between the Company and Mr Luo Shandong on 25 January 2017. Pursuant to the Third Addendum Deed, the maturity date of the CLA had been amended from 39 months to 75 months from the date of the CLA. The Third Addendum Deed was approved by shareholders during the Group’s Extraordinary General Meeting convened on 17 September 2020, effectively extending the maturity date of the CLA from 25 April 2020 by an additional 36 months to 25 April 2023.

On 13 January 2021, the Group announced that it had entered into share subscription agreements with both HS Global Group Limited (“HS Group”) and Nextcore Asset Management Limited (“Nextcore”) respectively. Pursuant to the subscription agreements, HS Global and Nextcore have agreed to subscribe for up to 680,000,000 and 650,000,000 new ordinary shares in the capital of the Company respectively at a price of S\$0.03 per share, amounting to an aggregate consideration of up to S\$39,900,000. Subject to the fulfilment of precedent conditions under each subscription agreement, the Group intends to use 100.0% of the net proceeds totalling S\$39,220,000 (after deducting administrative expenses and relevant professional fees of approximately US\$680,000) for (i) the expansion of the business of the Group through investments, acquisition, joint ventures or strategic alliances or development of new or existing property development projects, and (ii) for general working capital purposes.

In February 2021, the Group faced operating disruptions in Myanmar as the military seized power from the civilian government

and declared a state of emergency. Subsequently and in view of the evolving situation in Myanmar, the Company had on 3 March 2021 taken proactive measures to voluntarily suspend the trading of its securities so as to engage independent professionals to look into these matters with the intention to provide assurance to the market and relevant stakeholders. Subsequently in April 2021, after consultation with the Singapore Exchange Regulation Pte. Ltd (“SGX RegCo”) and the Sponsor, the Company appointed Nexia TS Advisory Pte Ltd and Kelvin Chia Partnership to each conduct independent reviews regarding, inter alia, the Company’s investment and business activities in Myanmar and Singapore for compliance with applicable laws and on the applicability and effect of the Group’s business operations due to the unilateral sanctions imposed on Myanmar. Details of the findings of each of the independent reviews is currently pending. Accordingly, the proposed share subscription agreements with each of HS Global and Nextcore have been temporarily placed on hold until the completion of the independent reviews.

STRATEGY & OUTLOOK

The Group continues to execute its growth strategy in property investment and development through the following three respects:

- The Group adopts a two-pronged approach of balancing between short-term development profit and long-term recurrent rental income to achieve sustainable growth;
- Given its modest financial ability, the Group maximises shareholder value by prospecting for value accretive investment opportunities within emerging towns and cities beyond Myanmar; and
- The Group strives to diversify and rejuvenate its shareholder structure by attracting investment interests of strategic shareholders whom will yield potential operational synergies.





GROUP CHAIRMAN'S STATEMENT

DEAR FELLOW SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present to you Emerging Towns & Cities Singapore's ("ETC Singapore", or the "Company", and together with its subsidiaries, the "Group") annual report for the financial year ended 31 December 2020 ("FY2020").

The onset of the COVID-19 global pandemic, which has had damaging consequences to the lives and livelihoods of many, has also thwarted economic and business growth around the world. Being presently a single asset company focused on the development and management of our flagship Golden City project based in Yangon, Myanmar, the operating challenges we faced amid the pandemic has been further exacerbated since the Myanmar military seized control of the country on 1 February 2021 and declared a year-long state of emergency. These have impacted the country significantly, with the kyat depreciating, business activity falling and food insecurity rising. The World Bank has also projected Myanmar's GDP to contract by approximately 10% in 2021¹.

Despite the challenging operating conditions and uncertain macroeconomic outlook during the year, we managed to generate a turnover of S\$27.8 million for FY2020, mainly attributable to the sale and recognition of 50 Golden City property units totalling S\$22.1 million with a gross profit margin of 21.3%, contracting marginally by 3.5 percentage points from 24.8% in the preceding year. Moreover, we have a remaining order book of 60 Golden City property units that have already been sold and are expected to be progressively recognised upon handover.

Our two-pronged growth strategy of supplementing our short-term development profits with long-term recurring income continues to gain traction, as we were able to record an 18.6% year-on-year increase in rental income to S\$5.7 million by leasing out property units of our Golden City project set aside as investment properties. The growth in recurring rental income has not come by chance, but bears testament to our ongoing efforts to position Golden City as one of the top developments in Myanmar. Leveraging on our established track record, we remain well-positioned to capitalise on the next wave of corporations and foreign investors who are expected to set foot in Myanmar once the political situation stabilises.

Apart from driving sales and marketing efforts for Golden City, we have also set in motion a series of corporate developments which will set the foundation for the Group to pursue growth over the longer-term.

For one, we had on 8 June 2020 announced that our subsidiaries, Golden Land Real Estate Development Co., Ltd ("Golden Land") and Uni Global Power Pte. Ltd. ("UGP") had entered into a secured syndicated facility agreement with Industrial Commercial Bank of China Limited (Yangon Branch) and Kanbawza Bank (Yangon) to secure US\$47.0 million and MMK4.5 billion worth of term loan facilities respectively. Given our current cashflow situation, these loan facilities have been secured in a timely manner and will be utilised to support Golden Land's operational needs in connection with our Golden City project and its existing loans.

Additionally, we had on 13 January 2021 announced our entry into proposed share subscription agreements with each of HS Global Group Limited ("HS Global") and Nextcore Asset Management Limited ("Nextcore") to place out a total of up to an aggregate of 1,330,000,000 new ordinary shares in the capital of ETC Singapore for an aggregate consideration of up to S\$39,900,000. While the share subscription agreement is subject to the fulfilment of the precedent conditions, inter alia, the receipt

of shareholders' approval, we believe that having HS Global and Nextcore on board as strategic investors will enhance our competitive strengths as a niche property player as we prospect for untapped opportunities in high-growth emerging markets beyond Myanmar moving forward.

Beyond our strategic plans for growth, we would like to provide an update to shareholders on the recent developments relating to the Group's operations in Myanmar as the military seized power from the civilian government and declared a state of emergency in February 2021. In view of the evolving situation in Myanmar, the Company had on 3 March 2021 taken proactive measures to voluntarily suspend the trading of its securities so as to engage independent professionals to look into these matters with the intention to provide assurance to the market and relevant stakeholders. Subsequently in April 2021, after consultation with the SGX RegCo and the Sponsor, the Company appointed Nexia TS Advisory Pte Ltd and Kelvin Chia Partnership to each conduct independent reviews regarding, inter alia, the Company's investment and business activities in Myanmar and Singapore for compliance with applicable laws and on the applicability and effect of the Group's business operations due to the unilateral sanctions imposed on Myanmar. Details of the findings of each of the independent reviews is currently pending. Accordingly, the proposed share subscription agreements with each of HS Global and Nextcore have been temporarily placed on hold until the completion of the independent reviews.

While we acknowledge that the current political situation in Myanmar continues to evolve and remains unclear at this stage, it is without a doubt that the country is a fast-emerging economy with a large population and a sizeable market in urgent need of housing and infrastructure development. For these reasons, Myanmar remains ripe with business and investment opportunities which are poised to benefit Golden City once the political tensions are resolved and the situation normalises.

Beyond our existing Golden City project, we remain cognisant of the challenges we face as a single asset company and acknowledge the importance of expanding our horizons to diversify our revenue streams and to mitigate the single country risk. At the same time, we will continue to remain equally mindful of the need to be prudent in our assessment of potential investment opportunities amidst the uncertain global macroeconomic landscape. Ultimately, we remain committed to executing the appropriate strategies which will enable us to chart sustainable growth for the Group and maximise shareholder value over the longer term.

To conclude this message, I would like to take this opportunity to sincerely thank our committed management team and employees for their hard work and dedication over the years, especially during this challenging period amid the COVID-19 pandemic and uncertain political situation in Myanmar. Last but not least, I would like to express my heartfelt appreciation and thanks to our loyal shareholders for your unwavering support and belief in the Board and Management.

Yours Sincerely,

ANG MONG SENG BBM

Non-Executive Group Chairman and Independent Director

¹ "No cash, no internet and safety fears: Myanmar entrepreneurs struggle to stay afloat two months after coup", *South China Morning Post*, 23 April 2021

BOARD OF DIRECTORS



MR ANG MONG SENG BBM

Non-Executive and Independent Group Chairman, Chairman of the Nominating & Corporate Governance Committee and a member of the Audit Committee and Remuneration Committee

Appointed to the Board on 25 May 2018

Mr Ang Mong Seng has more than 30 years of experience in estate management. He was the Chief Operating Officer of EM Services Pte Ltd from 2002 to 2011 and General Manager for Sembawang Town Council from 1988 to 1997.

Mr Ang was the Member of Parliament for the Bukit Gombak Single Member Constituency from 1997 to 2001 and Hong Kah Group Representation Constituency from 2001 to 2011. He served as the Chairman of Hong Kah Town Council from 1997 to 2011 and was a member of the House Committee in Parliament. He was also the Vice Chairman of South West Community Development Council. Mr Ang retired from politics prior to the 2011 General Elections.

Mr Ang holds a Bachelor of Arts degree from the Nanyang University, Singapore. He is a recipient of the Public Service Medal (PBM) and Public Service Star (BBM).



MR TAN THIAM HEE

Group Chief Executive Officer and Executive Director

Appointed to the Board as Independent Director on 24 June 2015 and as the Group Chief Executive Officer and Executive Director on 15 December 2015

Mr Tan is a professional accountant by training and has garnered more than 20 years of experience as CFO or CEO in various industries, including marine, construction, property development and investments, pharmaceutical, leisure, manufacturing, trading and investments holding.

Mr Tan is active in the corporate scene, having helped companies to IPO in both the Singapore as well as the Australian Securities Exchanges. Mr Tan has also driven several merger and acquisition exercises as well as corporate restructuring or divestment exercises. Mr Tan is also very familiar with the various financial institutions and has helped many companies secure their financing needs.

Mr Tan has a Master of Business Administration in International Business and a Bachelor of Accountancy (Merit) from the Nanyang Technological University of Singapore. Mr Tan is also a Fellow of the Institute of Singapore Chartered Accountants and CPA Australia, a member of the Singapore Institute of Directors and a Graduate member of the Australian Institute of Company Directors.

BOARD OF DIRECTORS

**MR ZHU XIAOLIN**

Group President and Executive Director
and a member of Nominating &
Corporate Governance Committee.

Appointed to the Board on 30 March 2017

Mr. Zhu is currently the chief executive officer and director of UGP and chairman and director of Golden Land Real Estate Development Co., Ltd. Based in Yangon, he is responsible for the development of the Company's project, Golden City. Under his charge, Golden City has become the best-selling luxury mixed-development project in Yangon.

Mr. Zhu has more than 10 years of working experience in the real estate and mineral resources sectors. He has worked in and held senior positions in various Fortune 500 companies, including Motorola Inc., Siemens AG, Sichuan New Hope Group Co., Ltd. and its subsidiaries, and Sichuan Chuanwei Group Co., Ltd. and its subsidiaries.

Mr. Zhu has led many companies which are listed on the Hong Kong Stock Exchange, most significantly, China Vanadium Titano-Magnetite Mining Company Limited, PRC's first iron ore company listed in the Main Board of Hong Kong Stock Exchange in 2009. In March 2010, Mr. Zhu set up China Poly metallic Mining Co., Ltd., a ferrous mining company, and led the company through its successful listing on the Hong Kong Stock Exchange in December 2011.

Mr. Zhu graduated with a degree in economics from the Southwest University of Finance and Economics in Chengdu City, Sichuan Province, PRC, and is also a certified public accountant.

**MR TEO CHENG KWEE**

Non-executive Director and a member
of the Audit Committee and the
Remuneration Committee

Appointed to the Board on 21 July 2015

Mr Teo brings with him more than 30 years of vast experience in the building and construction industry and his prominent projects include the Supreme Court Building, the Merlion at Sentosa, Nanyang Technological University, besides several condominium and housing development projects.

Mr Teo has more than 40 years of experience in management and cross-border investment and has led the IPOs of multiple Hong Kong and Singapore listed companies. Mr Teo is the founder, a former Non-executive Director and former CEO of Sapphire Corporation Limited, a company listed on the SGX-ST.

Mr Teo is a committed investor in Myanmar with multiple on-going projects. Mr Teo entered Myanmar in the early 1990s and was the contractor for Traders Hotel (now known as Sule Shangri-La, Yangon). Mr Teo founded and led the Golden City Project, Yangon's first mixed development and also the tallest and one of the best-selling development project in Myanmar. Mr Teo's vast experience and acute business acumen has contributed to the Company.

KEY MANAGEMENT



MR JOSEPH LIM

Group Chief Financial Officer / Appointed on 1 October 2015

Joseph oversees the finance, accounting and treasury functions of the Group. He brings with him more than 20 years of post-graduation experience in accounting, auditing, treasury, risk management and investments with extensive background in public companies listed on SGX-ST and the Australian Securities Exchange.

Joseph graduated from the Nanyang Technological University of Singapore with a Bachelor of Accountancy. He is a Fellow of the Institute of Singapore Chartered Accountants, a member of the Singapore Institute of Directors, a Certified Internal Auditor and a Chartered Financial Consultant.



MR LAI XUE JUN

Senior Vice President & Regional General Manager – Myanmar

Mr Lai has over 14 years of working experience in large corporations in the investment and banking sectors. From 2007 to 2012, he was the Vice President and General Manager of property development group, Sichuan Yuan Dong Group, managing all their property development projects in China. He joined Golden Land in 2013 as General Manager overseeing marketing, construction and design-related works, as well as leading the cost control department.

He is highly involved in the social community in Myanmar and holds positions such as the Vice Chairman of Myanmar Chinese Chamber of Commerce and Consultant of Myanmar & Taiwan Commerce Organisation. He is a fellow member of Myanmar Taiwanese Business Association and member of Myanmar China Enterprise Chamber of Commerce.



MR LI BO

Vice President
(Sales & Marketing) & Regional Sales & Marketing Director – Myanmar

Mr Li joined Golden Land in 2013 as Vice General Manager and Marketing Director, focusing on marketing and sales. Prior to joining the Company, Mr. Li worked in a property development group, Sichuan Yuan Dong Group, as President Assistant and Marketing Director where he was involved in marketing and strategic planning. He obtained his Master Degree in Real Estate Management from University of Aberdeen Scotland in 2009.



MR IRWIN ANG CHEE LIONG

Vice President (Quality Assurance) / Appointed on 6 March 2017

For the past 22 years, Mr. Ang has been working in the construction industry for A1 & A2 Main-Contractors companies in Singapore. Responsible for execution of overall planning and coordinates all development works starting from conceptualisation, design, to on-going construction till completion with high quality standards control. Apart from meeting all building authorities' standards and compliance, he ensures all works are carried out in accordance with well established and implemented safety measures.

Notable completed projects include HDB's largest project (S\$369 million) Casa Clementi (CLN4C8) achieving an overall Building Construction Authority of Singapore (BCA) CONQUAS-21 score of 91.5%.

He has now joined ETC Singapore as Vice President on quality assurance and control for the project Golden City Development in Yangon, Myanmar.



OPERATION AND FINANCIAL REVIEW

The Group, for the financial year ended 31 December 2020 (“FY2020”), reported a revenue of S\$27.8 million to record a net loss of S\$4.1 million and net loss attributable to shareholders of S\$2.6 million.

FINANCIAL RESULTS

Revenue for FY2020 was mainly contributed by the sale of Golden City property units of S\$22.1 million (79.5% of total revenue) and the rental of Golden City property units of S\$5.7 million (20.5% of total revenue). Revenue for FY2019 was mainly contributed by the sale of Golden City property units of S\$36.6 million (88.4% of total revenue) and the rental of Golden City property units of S\$4.8 million (11.6% of total revenue).

The Group reported revenue, and therefore profits, for units sold (i.e. units where the sale and purchase agreement have already been signed) on the earlier of handing over of the property units or one month after notification to buyers to take over the property units. 50 and 107 units were recognized as revenue in FY2020 and FY2019 respectively for Golden City project.

Gross profit of approximately S\$10.1 million was recorded for FY2020, after deducting direct costs (consisting mainly of cost of the property units sold) of approximately S\$17.7 million. The gross profit margin for sale of properties for Golden City was approximately 21.3%.

Other income decreased from S\$22.1 million in FY2019 to S\$3.7 million in FY2020 mainly due to the fair value loss of S\$2.3 million (presented under “other expenses”) compared to fair value gain of S\$17.9 million in FY2019 from the revaluation of investment properties in the Golden City project, partially offset by higher imputed finance income arising from

customer financing as some residential units from the Golden City project were sold on an instalment plan to customers. Others included penalties received from customers who were past due on instalments.

Distribution costs, which arose from the sale of property units, decreased from S\$1.4 million in FY2019 to S\$1.0 million in FY2020 mainly due to lower advertising and sales commission expenses in the Golden City project. These expenses comprised primarily of salaries and related costs for the sales and marketing staff, travelling and transportation costs, commissions and marketing expenses.

Administration expenses increased from S\$5.3 million in FY2019 to S\$5.7 million in FY2020, mainly due higher professional fees, partially offset by lower salaries and related costs.

Other expenses increased from S\$1.0 million in FY2019 to S\$2.8 million in FY2020 mainly due to fair value loss of S\$2.3 million from the revaluation of investment properties in the Golden City project.

The finance costs decreased from S\$10.1 million in FY2019 to S\$9.8 million in FY2020 mainly due to lower interest expenses from borrowings. Finance costs mainly comprised of interest expenses incurred from borrowings, imputed financing expenses arising from advance consideration received from customers and imputed interest expenses (which have no cash flow impact) arising from the land lease premium from the Golden City project.

Taxation decreased from a tax expense of S\$3.1 million in FY2019 to tax credit of S\$1.4 million in FY2020 mainly due to the fair value loss of investment properties in the Golden City



OPERATION AND FINANCIAL REVIEW

project and unwinding of deferred tax liabilities (deferred tax liabilities were recognized when the development properties were recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer) from the sale of development properties in the Golden City project.

FINANCIAL POSITION

Investment properties, which are accounted for at fair value, increased mainly due to net transfer of 9 units of residential and commercial units mainly from development properties to investment properties following the commencement of the operating lease to third party, partially offset by the fair value loss from the revaluation of investment properties in the Golden City project. Property, plant and equipment increased mainly due to the net transfer of an investment property unit to property, plant and equipment, partially offset by depreciation incurred on the property, plant and equipment.

Development properties decreased mainly due to the progressive recognition of income from property units sold upon handover, as well as the transfer to investment properties. The development properties acquired at acquisition date are being recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer. Trade receivables decreased mainly due to lower trade receivables upon payment of the outstanding amounts by customers, partially offset by the progressive recognition of income upon handover of the property units sold.

Deferred tax liabilities decreased mainly due to the fair value loss for the investment properties and development property units that were progressively sold, thereby reducing the deferred tax liabilities recognized for the development properties. Deferred tax liabilities relating to development properties were recognized when the development properties were recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer and when development properties are transferred to investment properties following the commencement of operating leases.

Borrowings, including current and non-current, have increased mainly due to a syndicated bank loan taken up during the year, partially offset by repayment of loans. Accrued land lease premium, including current and non-current, increased mainly due to the imputed interest expense (which have no cashflow impact) arising from the land lease premium from the Golden City project. Trade and other payables decreased mainly due to payments made to suppliers. Advance consideration received from customers decreased mainly due to handover of property units in the Golden City project to buyers.



CASH FLOW

Net cash used in operating activities was approximately S\$11.2 million for FY2020 mainly due to changes in working capital.

Net cash used in investing activities was approximately S\$0.4 million for FY2020 mainly due to addition of investment properties and purchase of property, plant and equipment.

Net cash generated from financing activities was S\$9.9m million for FY2020 mainly due to proceeds from new bank loan, partially offset by interest paid and repayment of loans.

OPERATION AND FINANCIAL REVIEW

GOLDEN CITY

	Sales value (USD million)	No. of units	Total floor area (’000 sq ft)
Sold (SPA signed & stated at gross)	221.0	631	826.8
Unsold (Incl. deposit received but contract not signed)	168.2	434	641.9
Total	389.2	1,065	1,468.7
Notified and Handed over	176.7	558	731.1
Notified, but not handed over	4.6	13	16.9
Total Sold and Recognized in P&L (at Gross)	181.3	571	748.0

Through two acquisition phases completed on 20 December 2016 and 27 February 2017 respectively, ETC Singapore has, through its wholly-owned subsidiary, DAS, acquired an effective 49.0% equity stake in Golden Land Real Estate Development Co., Ltd. (“Golden Land”) for an aggregate consideration of US\$24.9 million. Golden Land is the developer of the Golden City project, a luxury mixed-use development with an estimated gross floor area of approximately 3.0 million square feet in the Yankin township of Yangon, Myanmar.

Towering at an unprecedented height of 33 storeys, the iconic development offers unobstructed views of key landmarks including the Shwedagon Pagoda and the Inya Lake. Located in its vicinity are prestigious real estate and lifestyle amenities, including five-star hotels, fine dining restaurants, international schools, hospitals, embassies and office headquarters of prominent international corporations (e.g. Telenor, Unilever, MIC, LG, Petronas, Bangkok Bank, Keppel).

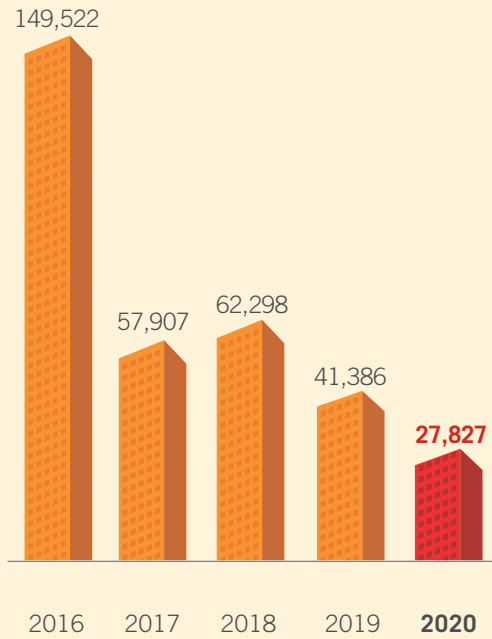
The development of this brownfield project consists of four distinct phases, with the initial two phases comprising residential blocks, while the final two phases being set aside for other uses including commercial space. As at 31 December 2020, the construction of the first two phases have been completed. The sales for the first two phases, commenced in March 2014 and 1H2015 respectively, and are ongoing. Average selling price of the residential units amounts to approximately US\$260 per square feet, with the majority of buyers being affluent locals.

Since its inception, the project has also been actively engaging the local community through the Golden City Charity Foundation, donations, volunteer work, and other CSR activities.

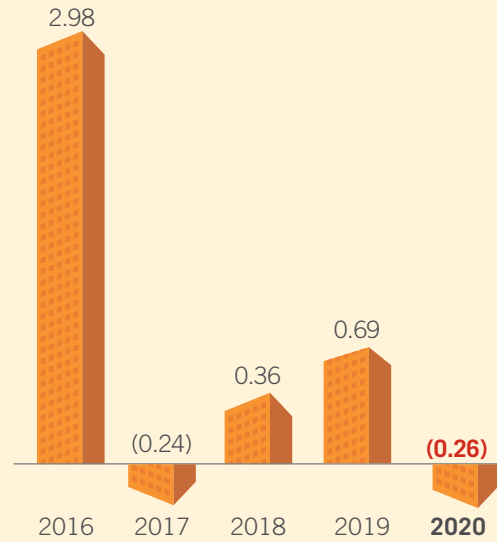


FINANCIAL SUMMARY

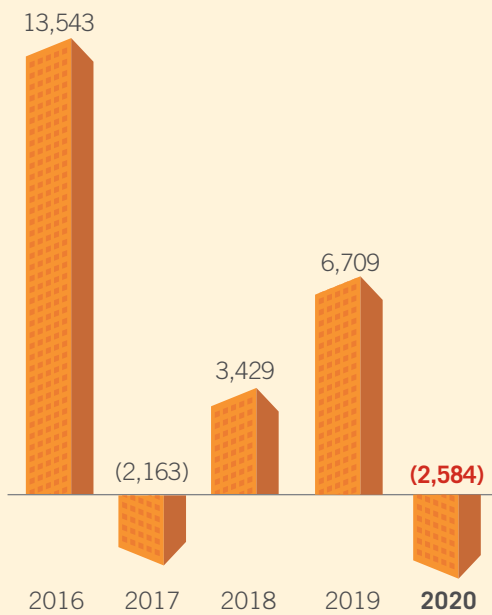
REVENUE (S\$'000)



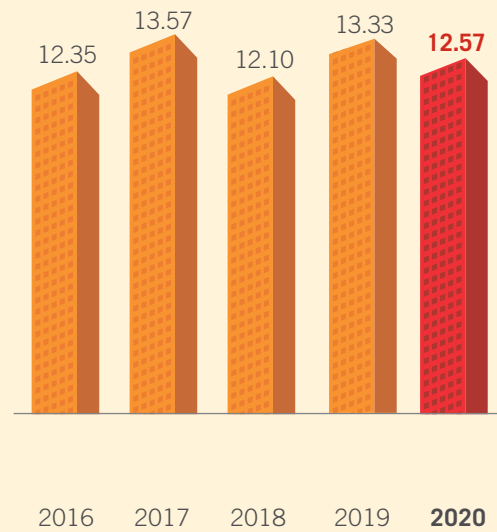
BASIC EARNINGS/(LOSS) PER SHARE*
(cents)



PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS (S\$'000)



NET TANGIBLE ASSETS PER SHARE*
(cents)



* Number of shares for prior years were restated to show the effects of the share consolidation on 5 December 2016.

FINANCIAL YEAR REVIEW

Decrease in Revenue

Decrease in revenue mainly due to fewer Golden City property units recognized as revenue in FY2020. 50 units were recognized as revenue in FY2020 as compared to 107 units in FY2019.

Decrease in Gross Profit

The FY2020 gross profit margin for sales of development properties in the Golden City project was approximately 21.3% (2019: 24.8%).

Decrease in Other Income

Decrease in other income in FY2020 mainly due to fair value loss (presented under "other expenses") compared to fair value gain in FY2019 from the revaluation of investment properties in the Golden City project.

Decrease in Distribution costs

Decrease in distribution costs in FY2020 mainly due to lower sales and advertising costs.

Increase in Administrative expenses

Increase in administration expenses in FY2020 mainly due to higher professional fees.

Increase in other expenses

Increase in other expenses in FY2020 mainly due to fair value loss from the revaluation of investment properties in the Golden City project.

Decrease in Finance costs

Decrease in finance costs mainly due to lower interest expenses from borrowings.

Decrease in Taxation

Decrease in taxation mainly due to the fair value loss recorded.

Net cash used in operating activities was approximately S\$11.2 million for FY2020 mainly due to changes in working capital.

Net cash used in investing activities was approximately S\$0.4 million for FY2020 mainly due to addition of investment properties and purchase of property, plant and equipment.

Net cash generated from financing activities was S\$9.9 million for FY2020 mainly due to proceeds from new bank loan, partially offset by interest paid and repayment of loans.

FINANCIAL PERFORMANCE (S\$'000)

	Group	
	FY2020	FY2019
Revenue	27,827	41,386
Cost of sales	(17,690)	(27,781)
Gross profit	10,137	13,605
Other income	3,683	22,134
Distribution costs	(1,002)	(1,402)
Administrative expenses	(5,736)	(5,272)
Other expenses	(2,809)	(1,022)
Finance costs	(9,789)	(10,146)
(Loss)/Profit before taxation	(5,516)	17,897
Taxation	1,434	(3,134)
(Loss)/Profit for the year	(4,082)	14,763

	Group	
	FY2020	FY2019
Net Cash (used in)/generated from operating activities	(11,226)	10,442
Net cash used in investing activities	(434)	(1,954)
Net cash generated from/(used in) financing activities	9,927	(8,252)
Net (decrease)/increase in cash and cash equivalents	(1,733)	236
Cash and cash equivalents at 1 January	3,222	3,026
Exchange differences on translation of cash and cash equivalents at 1 January	(65)	(40)
Cash and cash equivalents at 31 December	1,424	3,222

FINANCIAL YEAR REVIEW

FINANCIAL POSITION (\$S'000)

Mainly due to the net transfer of 9 units of residential and commercial units from development properties to investment properties following the commencement of the operating lease to 3rd party, partially offset by the fair value loss from the revaluation of investment properties.

Mainly due to progressive recognition of income from property units sold upon handover, as well as the transfer to investment properties.

Trade receivable, including current and non-current, decreased mainly due to lower trade receivables upon payment of the outstanding amounts by customers, partially offset by the progressive recognition of income upon handover of the property units sold.

Mainly due to foreign currency translation difference in overseas operations.

Mainly due to the fair value loss for the investment properties as well as development property units that were progressively sold, thereby reducing the deferred tax liabilities recognized for the development properties.

Borrowings, including current and non-current, increased mainly due to a syndicated bank loan taken up during the year, partially offset by repayment of loans.

Accrued land lease premium, including current and non-current, increased mainly due to the imputed interest expense arising from the land lease premium from the Golden City project.

Mainly due to payments made to suppliers

Mainly due to handover of property units in the Golden City project to buyers.

ASSETS

Non-Current Assets

Property, plant and equipment

Right-of-use assets

Subsidiaries

Investment properties

Trade receivables

Total Non-Current assets

Current Assets

Development properties

Trade and other receivables

Prepayments

Cash and cash equivalents

Total assets

EQUITY AND LIABILITIES

Capital and Reserves

Share capital

Capital reduction reserve

Equity component of convertible loan reserve

Capital reserve

Revaluation reserve

Share option reserve

Foreign currency translation reserve

Accumulated profit/(losses)

Equity attributable to equity holders of the Company

Non-controlling interests

Total equity

LIABILITIES

Non-Current

Provisions for site restoration

Deferred tax liabilities

Lease liabilities

Borrowings

Accrued land lease premium

Advance consideration received from customers

Current

Borrowings

Accrued land lease premium

Lease liabilities

Trade and other payables

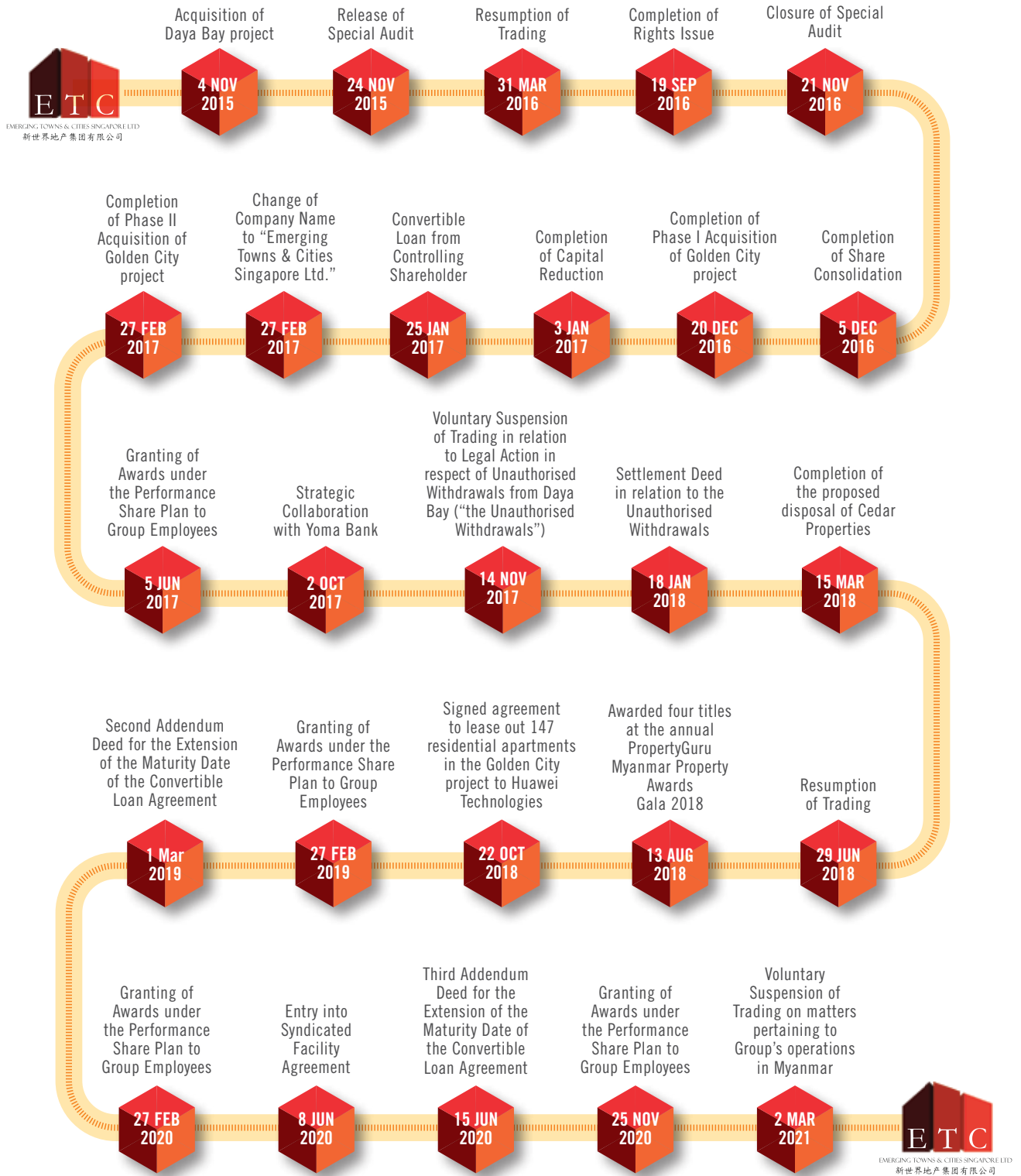
Advance consideration received from customers

Total liabilities

Total equity and liabilities

	Group		Company	
	FY2020	FY2019	FY2020	FY2019
ASSETS				
Non-Current Assets				
Property, plant and equipment	4,360	4,235	28	73
Right-of-use assets	68	174	68	174
Subsidiaries	-	-	35,393	35,393
Investment properties	113,780	113,087	-	-
Trade receivables	4,671	8,787	-	-
Total Non-Current assets	122,879	126,283	35,489	35,640
Current Assets				
Development properties	150,797	162,354	-	-
Trade and other receivables	11,169	12,935	160	35,109
Prepayments	154	584	26	27
Cash and cash equivalents	2,137	3,222	115	166
Total assets	287,136	305,378	35,790	70,942
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	43,580	43,354	43,580	43,354
Capital reduction reserve	15,998	15,998	15,998	15,998
Equity component of convertible loan reserve	13,483	13,317	13,483	13,317
Capital reserve	24,695	24,695	10,987	10,987
Revaluation reserve	299	299	-	-
Share option reserve	730	730	730	730
Foreign currency translation reserve	(5,639)	(3,321)	-	-
Accumulated profit/(losses)	19,127	21,711	(50,360)	(14,862)
Equity attributable to equity holders of the Company	112,273	116,783	34,418	69,524
Non-controlling interests	11,139	12,651	-	-
Total equity	123,412	129,434	34,418	69,524
LIABILITIES				
Non-Current				
Provisions for site restoration	23	23	23	23
Deferred tax liabilities	27,145	29,039	-	-
Lease liabilities	5	57	5	57
Borrowings	-	11,825	-	-
Accrued land lease premium	24,826	21,486	-	-
Advance consideration received from customers	-	1,877	-	-
Total Non-Current liabilities	51,999	64,307	28	80
Current				
Borrowings	59,785	31,567	-	-
Accrued land lease premium	8,245	10,699	-	-
Lease liabilities	58	104	58	104
Trade and other payables	32,505	51,511	1,286	1,234
Advance consideration received from customers	11,132	17,756	-	-
Total Current liabilities	111,725	111,637	1,344	1,338
Total liabilities	163,724	175,944	1,372	1,418
Total equity and liabilities	287,136	305,378	35,790	70,942

CORPORATE MILESTONES





SUSTAINABILITY REPORT

BOARD'S STATEMENT

Dear Stakeholders,

We are pleased to present our sustainability report for FY2020. We adopt the Global Reporting Initiative ("GRI") standards in our reporting of key material sustainability aspects and how they impact Environment, Social and Governance ("ESG") factors. In this report, stakeholders can find disclosures on our sustainability efforts, progress and targets as we strive to provide greater value-added services for all our stakeholders.

This year, the COVID-19 pandemic has widely affected many countries and industries globally. Living through the upheavals caused by the pandemic has given all of us at Emerging Towns & Cities Singapore Ltd. ("ETC Singapore" or the "Group") a greater awareness of the social impact we can make for our local communities. We have worked ever more closely with our employees, communities and other stakeholders to help each other overcome challenges posed by the pandemic.

ETC Singapore remains steadfast in embracing innovative business strategies and development of properties that will generate sustainable value for all our stakeholders. Of notable mention, our two-pronged strategy of supplementing our short-term development profits with long-term recurring rental income has allowed us to continue to generate sustainable income amidst the COVID-19 crisis.

We are expecting a bumpy ride ahead with further economic slowdown and uncertainties as the world continues to grapple with the COVID-19 pandemic. ETC Singapore will continue to work closely with all our stakeholders to help each other tide over this crisis. The Board remain fully supportive of ETC Singapore management's commitment to further enhance our sustainability efforts and performance.

The success of our sustainability journey requires collaboration and continued efforts from all stakeholders. We would like to express our gratitude towards our employees, business partners, customers and all other stakeholders for their support and commitment to our sustainability goals. We aim to continue to create greater value for all our stakeholders in the year ahead.

ABOUT THIS REPORT

Scope of Report

This is the fifth Sustainability Report publication by ETC Singapore. The report covers the Group's performance, sustainability efforts and initiatives, and business impacts in relation to the ESG factors. All data and activities reported are for the financial period from 1 January 2020 to 31 December 2020 ("FY2020") unless stated otherwise.

Reporting Framework

The reporting standards are in accordance to Global Reporting Initiative (GRI) Standards: Core Options. The report is divided into four principles established by GRI standards: (1) Stakeholder Inclusiveness; (2) Sustainability Context; (3) Materiality; (4) Completeness.

Stakeholder inclusiveness principle was implemented through stakeholder communication and engagement. The Sustainability Context principle was implemented to establish parameters of the ESG aspects. Materiality principle is determined through internal discussion and stakeholder discussion on effect an organisation has on the economy, environment or society. Thereafter, all relevant factors were weighed by respective stakeholders in accordance to importance and impact on ETC Singapore. This combined assessment enables ETC Singapore to identify and address material ESG aspects for the business. The report covers the ESG performance of the Group across its core operations in Singapore and Myanmar.

Report Content and Quality

The report aims to showcase ETC Singapore's initiatives and strategies related to sustainability and responsible business development. We aim to address key concerns and issues faced by stakeholders and we adopt GRI's reporting principles to ensure our content quality.

Contact Us

As part of our continuous effort on improving the coverage of our sustainability practices, we welcome our stakeholders to submit their questions or feedback on any aspect of our sustainability performance to info@etcsingapore.com.

SUSTAINABILITY REPORT

MANAGING SUSTAINABILITY AT ETC SINGAPORE



CORPORATE VISION

Building infrastructure using sustainable methods for our existing and future generations.



OUR MISSION

- ▶ Enhance stakeholders' value through sustainable business practices;
- ▶ Empowering our communities to advance and prosper; and
- ▶ Active approach towards reducing our environmental impact.



BOARD OF DIRECTORS



ENGINEERING



QUALITY ASSURANCE



FINANCE



HUMAN RESOURCE



ROLES

The board oversees and provides input to management on Group's policies, strategies and corporate social responsibilities.



PERFORMANCE GOALS

The Board sets and reviews performance and goals established for sustainability and corporate social responsibilities.



FEEDBACK

The Board receives periodic feedback from Management regarding key stakeholders, Group business activities and performance.



REPORTING AND DISCLOSURE

The Board reviews sustainability and corporate responsibility reports issued.

SUSTAINABILITY REPORT

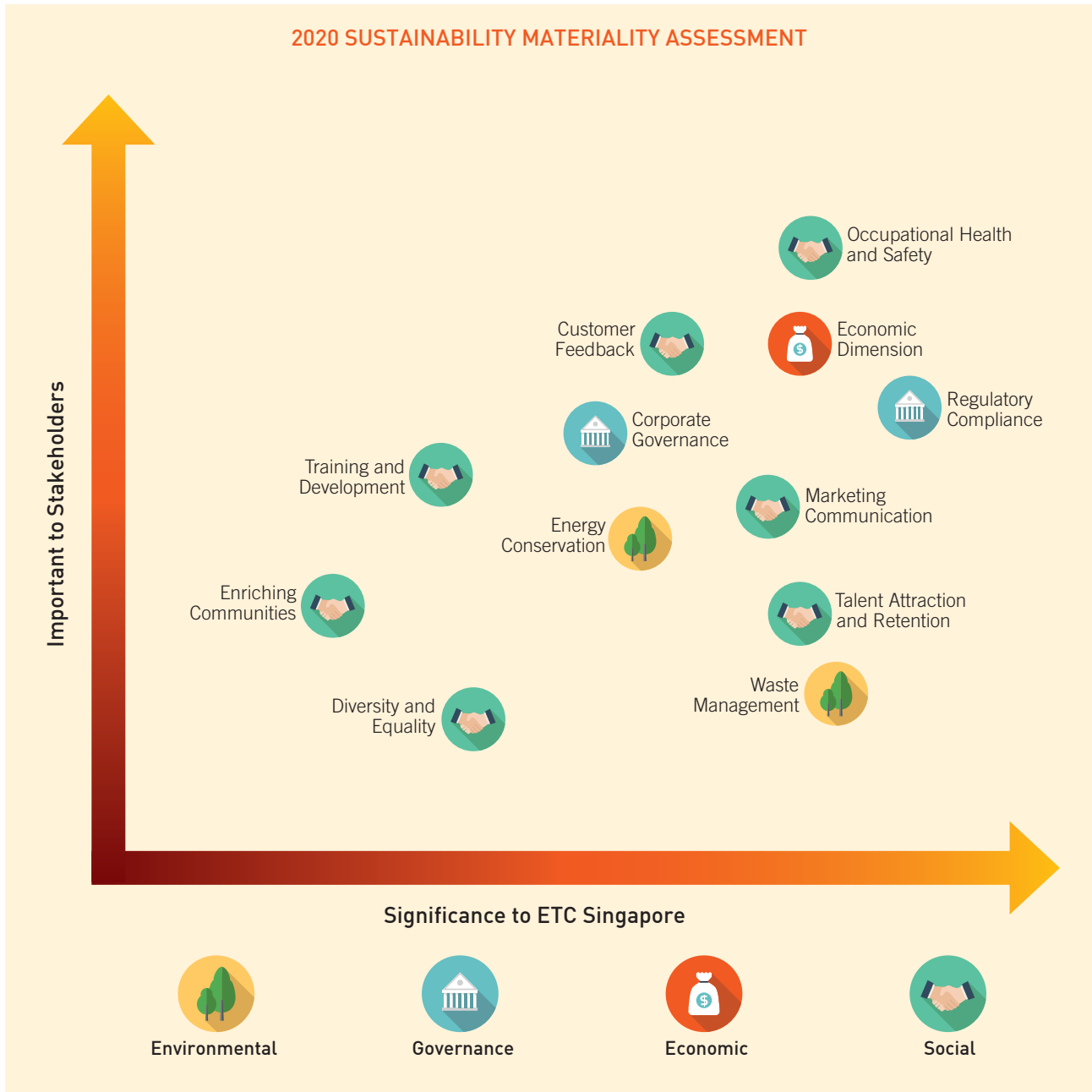
STAKEHOLDER ENGAGEMENT

Stakeholder	Platforms	Frequency	Key Feedback/Issue	Commitments to Sustainability
Employees 	Performance appraisal	Annual	<ul style="list-style-type: none"> Employee safety and welfare Staff training and development opportunities Work-life balance Remuneration and benefits Fair and competitive employment practices 	<ul style="list-style-type: none"> Provide equitable job growth opportunities Create a safe and cohesive working environment Improve job satisfactions and rewarding performances Digital communication platform
	Employee training and development	Ad-hoc		
	Platform for submission of feedback	Perpetual		
	Dialogue session with senior management	Annual		
Customers 	Quality assurance programs	Perpetual	<ul style="list-style-type: none"> Quality properties sold and leased to customers Timely response to customer feedback and complaints 	<ul style="list-style-type: none"> Build properties with high standard of quality and safety Formalise a customer feedback handling process Active communication to relay change implementations
	Project progress monitoring	Monthly		
	Customer feedback channels	Ad-hoc		
	Social Media channel	Ad-hoc		
Investors 	Annual/Extraordinary general meetings	Annual	<ul style="list-style-type: none"> Return on investment Business growth Risk management Corporate governance Compliance to listing requirements Timely and transparent reporting 	<ul style="list-style-type: none"> Strive to generate sustainable long-term returns on investment Adhere to timely and transparent dissemination of accurate and relevant information to the market Digital communication platform
	Financial result announcements	Half-yearly		
	SGX announcements	Ad-hoc		
	Annual report	Annual		
	Company website	Perpetual		
	Shareholders' dialogue sessions	Annual		
Government/regulatory authorities 	Sustainability reporting	Ad-hoc	<ul style="list-style-type: none"> Compliance with regulatory requirements Corporate Governance Safe working environment 	<ul style="list-style-type: none"> Strict compliance with relevant laws and regulations Fair and reasonable business practices Place employees' health and safety as priority
	Meetings, briefings and regular reporting	Ad-hoc		
	Correspondences through emails and letters	Ad-hoc		
The Community 	Community outreach initiatives	Ad-hoc	<ul style="list-style-type: none"> Eco-sustainable business practices Safe environment Contribution to local community 	<ul style="list-style-type: none"> Management of impacts on the community Understand and support initiatives by local community/government

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The materiality analysis was performed to assess key sustainability issues of importance to the business operations and stakeholders. The assessment factors in potential impact of each topic and its significance to stakeholders.










The assessment is performed in accordance to Global Reporting Initiative (GRI) guidelines using a materiality matrix which factors potential impact and significance to the stakeholders. In our revisit of material topics identified in FY2019, the 12 material topics remain relevant to our business and stakeholders. Measures are in place to address these 12 material aspects in the report.

SUSTAINABILITY REPORT

MATERIAL TOPIC AT A GLANCE

Material Topics	Relevance to ETC Singapore	How we are addressing the issue
Economic		
Economic dimension 	<p>Property investment projects require immense capital commitment and uncertainty in reaping the returns. The business is required to strike a balance between risks and rewards prior to committing the working capital.</p> <p>The projects involve many stakeholders and we are responsible to commit our best efforts in ensuring the property development business is properly managed and economically sustainable.</p>	<p>The Group follows a stringent approach towards risk management to ensure existing and emerging risks are accounted for.</p> <p>Our management consists of professionals with expertise from all relevant fields and is highly involved in the operations of the Group.</p>
Social Dimensions		
Talent Attraction and Retention 	<p>Employees are key pillars of our Group's long-term success and sustainability of our business.</p>	<p>We offer competitive compensation packages and equitable job growth opportunities to retain employees. In addition, annual bonuses and increments are provided to employees.</p> <p>During COVID-19 pandemic, there was no deduction of employee's wages during the period. Further, incentives were given to employees who continue to service our customers during the lockdown period.</p>
Occupational Health & Safety 	<p>Health and safety of our employees are our utmost priority. Outbreak of global pandemic (COVID-19) has severely impacted business across the globe. It is our responsibility to ensure a safe environment for our stakeholders.</p>	<p>We perform periodic safety inspections on our buildings and carry out immediate rectification actions on faults.</p> <p>During COVID-19 pandemic, the Group has implemented several safe management measures within the Golden City Project in Yangon, Myanmar.</p>
Training and Development 	<p>Training and development programmes are essential part of our Group to enhance the human capital capacity and business operations. Competent employees create long-term sustainable value for both the Group and our stakeholders.</p>	<p>We conduct orientations, on-job trainings, and in-house training programmes for our employees.</p> <p>During COVID-19 pandemic, safety guidelines were established. Employees are educated with general hygiene guidelines and equipped with knowledge to facilitate in our business operations with our stakeholders.</p>
Diversity and Equality 	<p>Employees are generally concerned with fair work place practices and ensuring equal employment and promotion opportunities at the workplace.</p>	<p>We adopt fair employment practices and recruit employees based on merit, regardless of their age, gender, nationality, religion and sexual orientation. We advocate for workforce diversity and collaborative working environment for all our employees. We believe this will enhance employee efficiency and productivity.</p>

SUSTAINABILITY REPORT

Material Topics	Relevance to ETC Singapore	How we are addressing the issue
Enriching Communities 	<p>Being part of a bigger community and with a strategy targeted at developing economy, stakeholders are concerned with how we can promote development and growth in the region as we grow our business.</p>	<p>The Group made several donations to local non-profit organisations and participated in community service activities since 2018.</p> <p>During COVID-19 pandemic, the Group has played its role in educating and providing amenities to local communities.</p>
Environmental Dimensions		
Energy Efficiency 	<p>We recognise that energy conservation has added benefit of cost-savings to our business. We are committed to taking measures in minimising our energy wastage and improving energy efficiency.</p>	<p>Our buildings are equipped with LED lighting to improve energy efficiency and reduce electricity consumption.</p>
Waste management 	<p>Unsustainable amounts of waste output have resulted in land scarcity for waste disposal.</p> <p>Furthermore, the increasing cost of waste treatment will have a significant impact on the long-term viability of our business. Therefore, it is vital that we have a proper waste management programme in place to reduce waste output.</p>	<p>We have engaged third party vendors to ensure all wastes at the construction sites are properly disposed and treated.</p> <p>We actively promote “reduce, reuse and recycle” efforts to our employees in managing wastes at our offices.</p>
Customer Feedback 	<p>We value customer feedback as part of our continuous effort in pursuing a sustainable business. The quality of property management services depends on our capability in resolving customers’ problem and complaints and value-add their experience with us.</p>	<p>Feedback channels are established and readily available for our customers to convey their inputs to the property management representatives. Follow-up actions are taken immediately to address customer concerns.</p>
Marketing Communication 	<p>Our Group focuses on ethical and responsible marketing. Any misrepresentation of information could adversely impact the Group’s reputation as property developer.</p>	<p>We conduct trainings and periodic meetings with third-party agents to educate them on our marketing agenda, sales and pricing policies, as well as standards of ethics and integrity.</p>
Governance Dimension		
Corporate Governance 	<p>We are accountable to our shareholders and wider community as a listed entity. We strive towards establishing a strong corporate governance with zero tolerance towards unethical practice.</p>	<p>We seek to uphold the highest standard of corporate governance and transparency, ensuring full compliance to the Singapore Code of Corporate Governance.</p> <p>We have implemented a code of conduct that employees of all levels are expected to abide by. We also hold zero tolerance for corruption and have a whistle blower policy in place to report any instances of non-compliance.</p>
Regulatory Compliance 	<p>As a business with operations in Singapore and Myanmar, we are required to comply with the regulatory framework in these countries. Any failure to do so could result in financial and legal consequences, and in the worst-case scenario, threaten the continuity of our business.</p>	<p>We engage dedicated legal counsels with the requisite expertise and specialisations in the jurisdictions that we operate in. We are kept abreast of changes in regulatory requirements. Material contracts are reviewed by the legal counsel.</p>

SUSTAINABILITY REPORT

ECONOMIC

We strive to create long-term value for our shareholders through sound risk management, which includes sustainable investment and development of properties in emerging economies.

Building a Sustainable Business

Investing in Emerging Markets

The Group's core business lies in identifying and investing in niche and emerging markets, with particular focus on development properties, investment properties and other related businesses in which it may value-add. We have in place a systematic approach in assessing the potential opportunities and risks in operating in emerging markets. Investing in emerging markets is chosen as part of our corporate strategy as they are currently at the forefront of economic growth, generating the highest rates of real Gross Domestic Product ("GDP") growth globally.

Golden City Project

Golden City project remains our Group's sole project. We have adopted a two-pronged growth strategy of supplementing our short-term development profits with long-term recurring rental income. As we continue to look for buyers for our residential and commercial units, a portion of unsold units are being leased out to generate rental income.

Recurring income from rental of apartments and commercial units contribute 20% of total revenue. The recurring rental income serves as a source of sustainable income for the Group as we see a slowdown in unit sales due to the COVID-19 pandemic.

FUTURE OUTLOOK

We are expecting a delay to the commencement of the Golden City Project Phase 3 due to the COVID-19 lockdown in Myanmar. With the slowdown in property market, we remain cautiously optimistic of future market outlook and are looking to leverage on online expos and promotions to reach out to more customers during this COVID-19 period.

OUR PERFORMANCE & TARGETS

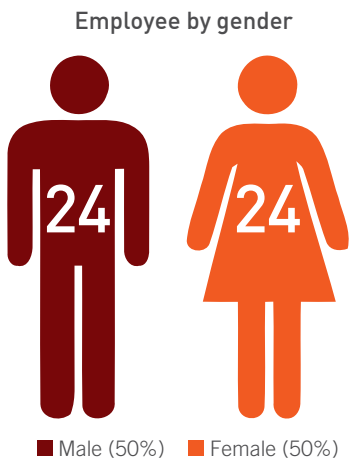
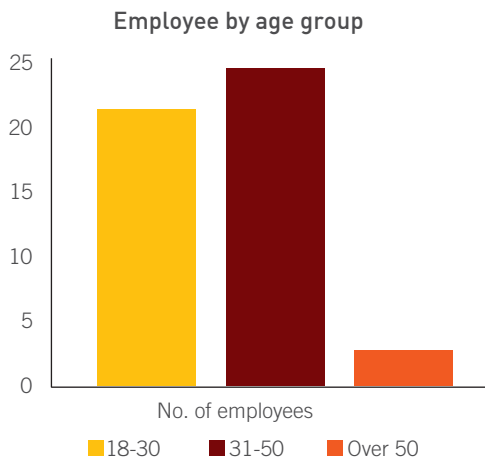
ECONOMIC PERFORMANCE IN FY2020	
FY2020 Target	Performance Update
Continue to be prudent in management of our financial positions and set realistic goals for our economic performance.	Budgets, forecasts and financial results are presented and discussed at Board meetings. This allows Directors to monitor the Group's performance and management's fulfilment of goals and objectives set by the Board.
Identify markets in line with current investment mandate to expand our portfolio.	We have exercised a prudent approach to evaluate emerging markets and conduct feasibility studies before making investment

ECONOMIC TARGET IN FY2021	
FY2021 Target	Action Plan
Prudent in management of our financial positions and set realistic goals.	Financial budgets, cash flow forecasts and project plans, made in consideration of current business climate and foreseeable future, are set on a yearly basis.
Identify markets in line with current investment mandate to expand and diversify our portfolio.	We seek to expand and diversify our investment portfolio by actively searching for potential opportunities in other emerging property markets.

SUSTAINABILITY REPORT

SOCIAL

We believe our employees are key pillars of the Group's long-term success. We focus on employees' needs and expectation and commit resources to empowering and supporting the development of our employees. We strive to create greater value through our business activities and community initiatives. Our team dynamics are as shown in the charts below:

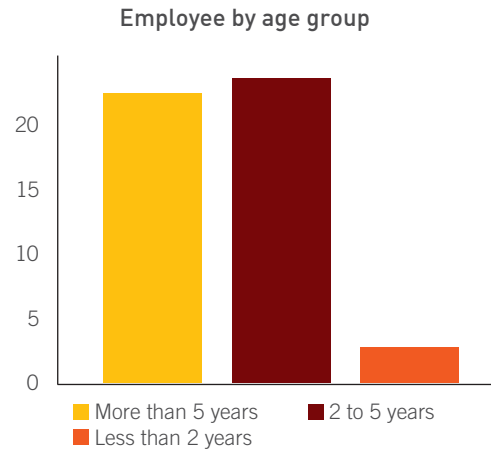


(a) Our Talents

Talent Management

We adopt fair employment practices and advocate diversity within our Group. We offer competitive remuneration packages and equitable career growth opportunities to attract talents to our Group and retain our current employees. We have in place a set of stringent selection criteria to evaluate candidates that best fit the Group's culture, values and needs. We strive to create a cohesive and diverse environment for all employees and cultivate synergy across different disciplines.

We work towards catering to individual employee's expectation and offer unique employment packages. Our investment in employee is evidence by their service years. As at 31 December 2020, 47% of our existing employees have been with the Group for 2 to 5 years and 45% of the existing employees have been with the Group for more than 5 years. Our current employees' average year of service is 4.5 years with the Group.

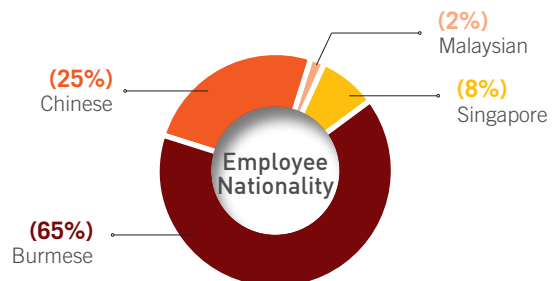


Diversity in Our Workplace

The Group focus on streamlining and lean operations and we strive to maintain an efficient and competent workforce. As at 31 December 2020, we have 48 employees of various nationality under our headcount of operations. We advocate diversity and strive towards a cohesive environment to cater to employees' needs.

Fair Dismissal Process

Our termination policies are aligned with local regulations. Dismissal by the Group can be due to various factors such as unsatisfactory performance, non-compliance with code of conduct and etc. Employees affected by dismissal will be notified and documented in the termination letter.



We adopt a transparent approach in our dismissal procedure and strive to provide full disclosure of information to all our employees. This prevents misinformation from disrupting the cohesive environment and employee morale. During FY2020, the Group has 8 reported dismissals.

SUSTAINABILITY REPORT

(b) Navigating the COVID-19 Pandemic

We are readily committed in the growth of our people and we seek to equip our employees with future-ready skillsets and knowledge to meet the needs of their professional functions. In FY2020, the COVID-19 pandemic has adversely affected our business operations and we have placed a greater emphasis on our workplace health and safety. Our initiatives to combat COVID-19 pandemic are as follows:

Office protocol: Employees are required to take temperature and don on mask prior to entering the office. Surgical masks are provided to all employees by the Group. Temperature taking exercise is performed daily and mandatory for all employees. Employee who is not feeling well will be asked to return home.

Social distancing measures: Office premises and common areas are labelled and cordoned-off to ensure safe social distancing between employees and visitors. The Group enforce strict measures to ensure the safety and well-being of all our employees.

Workplace amenities: Our workplace is equipped with hand sanitiser and medical-grade mask is readily available for our employees. The Group's hostel is equipped with quarantine facilities to house employees with suspected symptoms for 14 days. In the event the condition of the quarantined employee does not show any signs of improvement, he/she will be sent to the hospital for treatment.

Communication with stakeholders: We actively communicate with our stakeholders through newsletters and social media platforms to relay latest information on the COVID-19 pandemic and measures taken by the Group to safeguard interest of our stakeholders.



Professional disinfection: There is regular building disinfection performed by the building management staff. The stakeholder's safety concern is our utmost priority. We strive to create a safe environment for all our owners, residents, employees and community.

Business Continuity Plan

The Group has a Business Continuity Plan (BCP) in place to communicate and relay essential information such as hygiene standards and regulatory instructions from local authorities to employees. In addition, the Group has staggered the workforce into two different teams to improve traceability and minimise risk of contracting the pandemic.

The Group understands the strain of the COVID-19 pandemic on businesses, our employees and our stakeholders. To better serve our stakeholders and safeguard our employees, we provide additional allowance and protective gears, such as medical-grade mask to frontline employees and office staff.

Quarantine Facilities

The Group has implemented additional measures to ensure the physical well-being of employees by having isolation facilities for COVID-19 suspected case. Employee, visitor or resident with suspected symptoms of COVID-19 infection will be quarantined in the facility.

Working Capital Management

With the COVID-19 pandemic, we are expecting a significant slowdown in property sales and have adopted prudent financial management to ensure that we have sufficient working capital to tide over the period. Additionally, we have secured syndicated loans which will be used to finance our operations.

(c) Our Customers

Building Customers Confidence

We believe that building rapport and strong trusting relationships with all our customers is fundamental in ensuring the long-term success of our business. By following up closely with our customers and paying attention to their needs and concerns, we are able to implement corrective actions when the need arises. We work closely with the property manager at Golden City to ensure that the built environment is safe, well-maintained and conducive for our residents. This constant cycle of actively seeking feedback and implementing improvements allow us to not only ensure that our customers' needs are heard but to also promise the highest quality of safety and service for all.

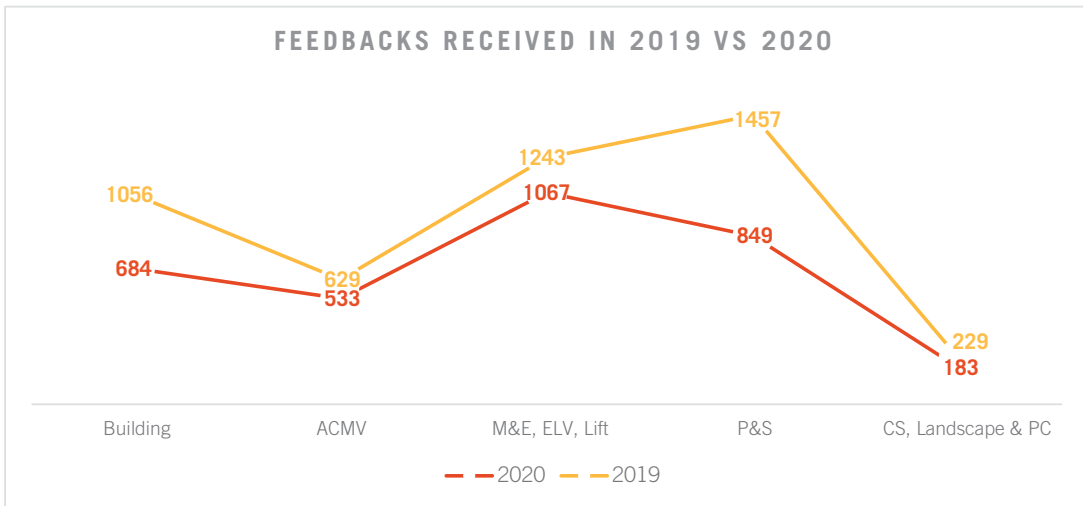
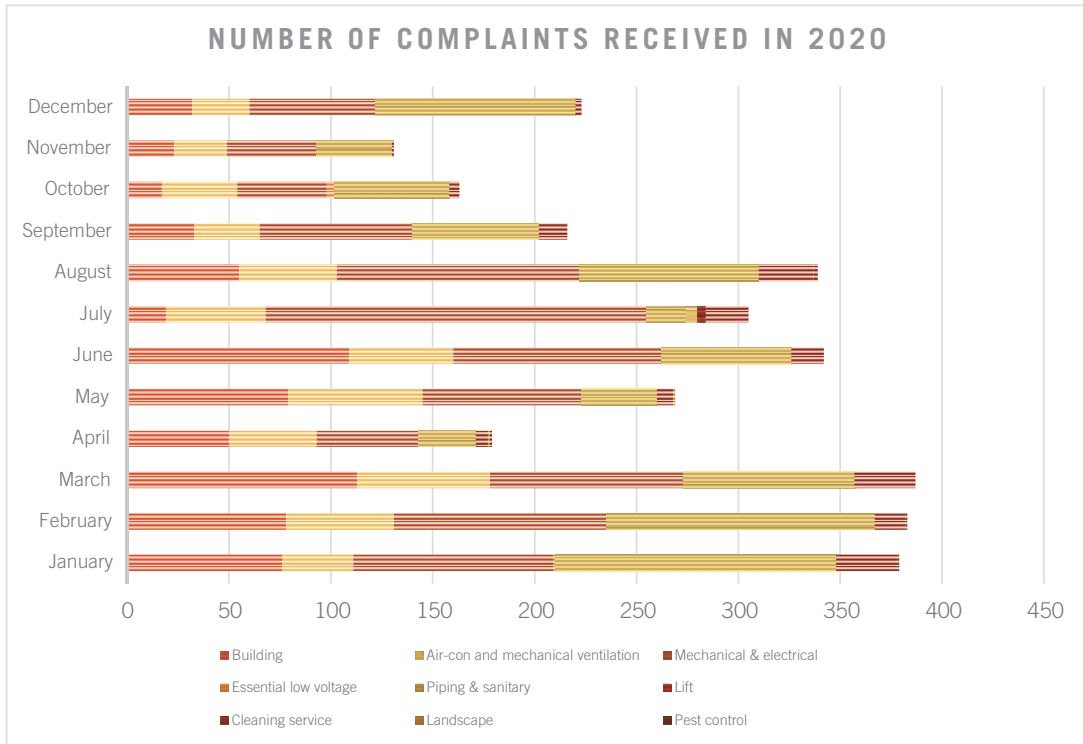
Complaints Resolution

We welcome all feedbacks and complaints from our residents living in the Golden City project. To facilitate this process, we have established feedback channels for our residents to voice their concerns through our property manager. Feedbacks and complaints are usually categorised into the following categories:

- ▶ Building
- ▶ Mechanical & Electrical
- ▶ Piping & Sanitary
- ▶ Cleaning Service
- ▶ Pest Control
- ▶ Air-Con & Mechanical Ventilation
- ▶ Essential Low Voltage
- ▶ Lift
- ▶ Landscape

By categorising complaints received into the above categories and assigning a dedicated and experienced team to each category, we are able to escalate the issue to the responsible personnel and resolve it timely. We continually seek to resolve the concerns from the residents as soon as they arise.

SUSTAINABILITY REPORT



(d) Our Communities

Commitment to Giving

We believe in empowering the lives of others and contributing back to the communities that supported our business. Due to COVID-19 pandemic outbreak, we were not able to conduct any visits to our beneficiaries. However, we remain committed to improve the community through other aspects. In FY2020, we donated 13,500 medical grade mask, 500 hand gloves, and contributed MMK 10 million to the local communities. We strive towards creating value in the lives of the community.



SUSTAINABILITY REPORT

OUR PERFORMANCE & TARGETS

We are pleased to announce that there were no instances of non-compliances relating to labour laws and regulations in both Singapore and Myanmar for FY2020. Our workplace and construction sites also recorded zero workplace injuries and fatalities. We will continue to adhere by strict safety guidelines in order to keep our workplace injury-free.

SOCIAL PERFORMANCE IN FY2020	
FY2020 Target	Performance Update
Zero cases of non-compliances with local labour laws and regulations.	No reported non-compliance with local labour laws and regulations.
Zero instances of workplace injuries and fatalities.	Zero incident of workplace injuries and fatalities.
Reduce customer complaints by 15%.	Total customer complaints received in 2020 was reduced by 28% as compared to FY2019.

SOCIAL TARGET FOR FY2021	
FY2021 Target	Action Plan
Zero cases of non-compliances with local labour laws and regulations.	<ul style="list-style-type: none"> Our Human Resources will constantly update themselves and comply with any new labour laws and regulations.
Zero instances of workplace injuries and fatalities.	<ul style="list-style-type: none"> Safety remains as our topmost priority and we will ensure that all safety guidelines are strictly adhered by our employees.
Reduce customer complaints by 5%.	<ul style="list-style-type: none"> All complaints are aimed to be resolved within the day to ensure that our customers' needs are met timely. Regular maintenance will be provided to ensure that our facilities remain at the highest level of standards.

ENVIRONMENTAL

Being a player in the property development industry, we understand the need for us to manage our operations to ensure environmental sustainability. The Group is committed to optimising the usage of natural resources and minimising environmental impact that arise from our construction and business activities. We endeavour to play our part in building a green and sustainable future by educating our stakeholders and implementing measures to reduce our ecological footprint.

(a) Energy Efficiency and Resource Conservation

We recognise that investing in energy and resource conservation not only reduces our carbon footprint but also makes business sense in cost savings. Therefore, we are committed to taking measures in minimising our overall energy consumption and improving energy efficiency to reduce the environmental impact of our operations. In this regard, all buildings in our Golden City project in Yangon, Myanmar are retrofitted with energy efficient Light-Emitting Diode ("LED") lightings, which have proven to be more energy efficient and durable compared to traditional incandescent bulbs, without affecting the lighting levels.

Employees are also encouraged to adopt environmentally friendly practices in their daily course of work. For instance, employees are constantly reminded to switch off the lights whenever they are no longer in use, as well as to reuse office paper. Additionally, in the Myanmar office, the air conditioners are controlled centrally and will be switched off automatically after office hours. Permit to switch on the air conditioner is to be applied by employees who are working overtime.

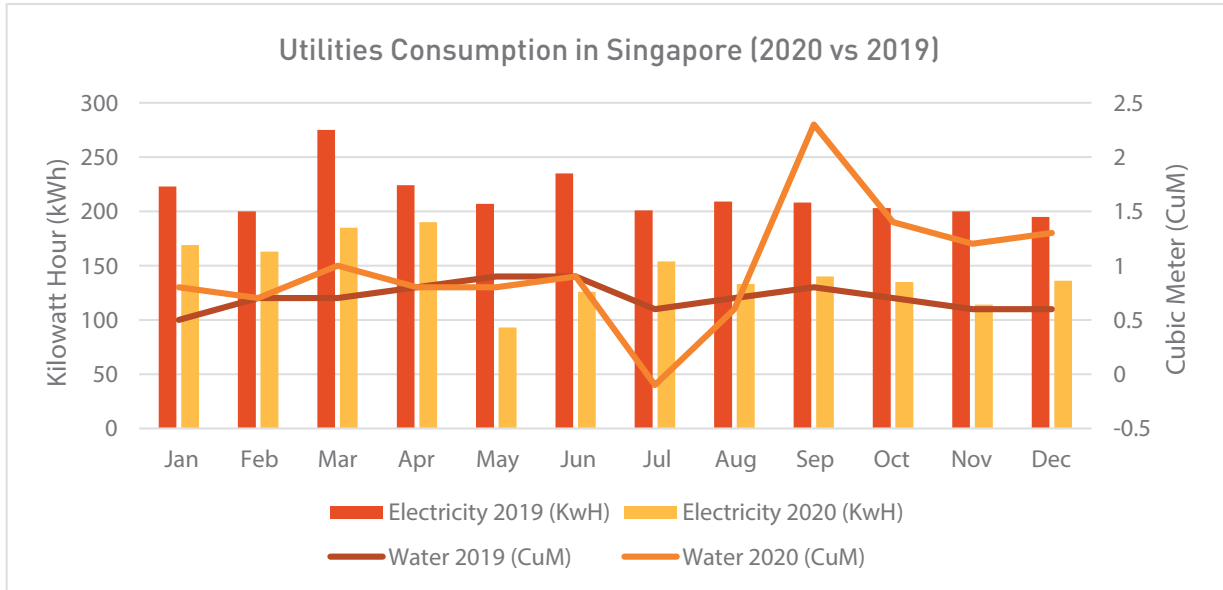
The Group has been monitoring the electricity consumption of our Singapore office and Golden City project in Myanmar. Water consumption is only tracked for our Singapore office. The electricity and water consumption in FY2020 can be found in the charts on the next page.

(b) Waste Management

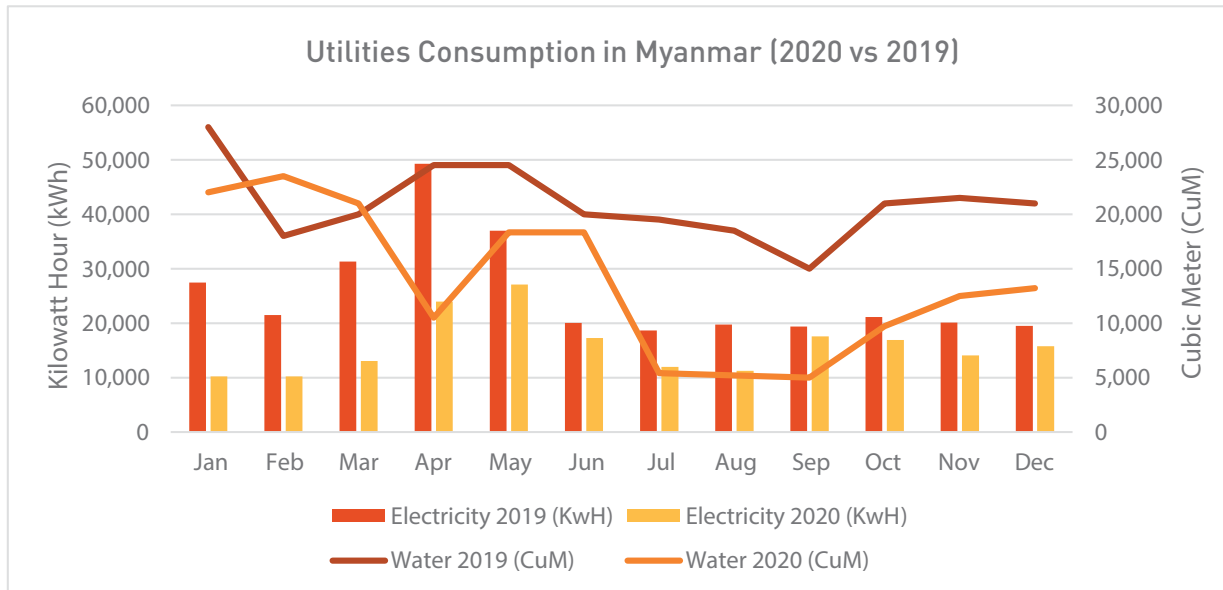
As part of our commitment to environmental preservation, we have put in concerted efforts to make waste management a part of our operations and processes. We strive to efficiently manage and minimise waste generated from our business activities. Waste is treated and disposed responsibly should the option to reuse and/or recycle be not practical for the Group.

Waste generated from our residential properties (i.e. food, water and human wastes etc.) are channelled through well-functioning pumps and segregated accordingly. To ensure that the wastes are properly disposed of, the Group engages reputable waste management and disposal vendors to collect, treat and dispose all of the wastes generated. Such systematic waste management minimises disposal volume and costs.

SUSTAINABILITY REPORT



*Water consumption for July 2020 was -0.1 Cu M due to reversal of overcharged amounts for April, May and June.



SUSTAINABILITY REPORT

OUR PERFORMANCE & TARGETS

We are fully committed to comply with all environment-related legal requirements as required by local regulatory authorities and other stakeholders. In FY2020, the Group had fully complied with the local regulations, ensuring that the disposal of wastes meets the requirements set by the regulators. There were no instances of non-compliance and/or fines pertaining to environmental regulations being imposed on the Group in FY2020.

ENVIRONMENT PERFORMANCE IN FY2020	
FY2020 Target	Performance Update
Maintain zero instances of non-compliance to all relevant environmental regulations of the jurisdictions that we operate in for FY2020	No reported incident of non-compliance with regulatory requirements.
Continue to raise awareness of electricity and water conservation among residential customers and employees	Staff are informed of water and electricity conservation practices through notices placed at offices and work sites
Begin monitoring of water consumption for the Golden Land Project in Myanmar	Water consumption for our Myanmar work site is managed and tracked by our contractors

ENVIRONMENT TARGET FOR FY2021	
FY2021 Target	Action Plans
Maintain zero instances of non-compliance to all relevant environmental regulations of the jurisdictions that we operate in for FY2020	<ul style="list-style-type: none"> Ensure 100% compliance to all relevant regulatory requirements in the jurisdictions that we operate in Work closely with the legal counsel in Myanmar in order to be adequately prepared for any regulatory changes
Continue to raise awareness of electricity and water conservation among residential customers and employees	<ul style="list-style-type: none"> Continue to put up displays on methods of water/energy conservation on residents' notice board Continue to display pictorials in office toilets to educate employees on water conservation and best practices

GOVERNANCE

We recognise that establishing a high standard of corporate governance is fundamental to building trust and reputation among our stakeholders. We seek to uphold a high standard of corporate governance through our commitment to transparency and accountability to stakeholders.

The Group is also committed to comply with all legal and regulatory requirements in the jurisdictions that we operate in, and thus building a building a positive corporate image through exemplary corporate governance and business ethics.

(a) Corporate Governance

The Board ensures the alignment of our corporate governance framework with the principles and guidelines of the Code of Corporate Governance 2018 (the "CG Code") issued by the Monetary Authority of Singapore (MAS). The Board and Senior Management is also dedicated to conducting business with integrity consistently, setting the tone at the top.

In order to assist in the execution of the Board's responsibilities, the Board has set up three committees namely the Nominating and Corporate Governance Committee ("NCGC"), Remuneration Committee ("RC") and the Audit Committee ("AC"). The composition of the Board is reviewed annually to ensure an appropriate mix of diversity, expertise and experience which enables the Management to benefit from the diverse perspective of issues that are brought before the Board. A performance evaluation process where the effectiveness of the Board as a whole and Board Committees as a whole is carried out annually.

Risk Management

The constantly evolving business environment has fuelled a heightened need for organisations to identify, measure, prioritise and respond to the risks that threaten business objectives and operations. At the Group, we are prudent in managing our risk-reward relationship.

An Enterprise Risk Assessment is conducted annually to identify and respond to emerging new risks, and to ensure that existing risks that the Group are exposed to are well managed and adequately mitigated. By working closely with our stakeholders and consistent monitoring, we will actively assess our risks and review our risk management system, ensuring our capability to manage and respond to new threats remains adequate and effective.

Employee's Code of Conduct

As a Group, we are committed to conducting our business with integrity and honesty. We have zero tolerance towards all forms of corruption and fraud. All employees are expected to adhere to the Group's Code of Ethics, which is easily accessible to all employees via the Group's website. The objective of the Group's Code of Ethics is to provide guidance on the standard of behaviour expected from employees of all levels and employees who engage in any misconduct or whose performance is unsatisfactory may be subject to disciplinary action up to and including immediate dismissal.

SUSTAINABILITY REPORT

Whistle Blowing

A whistleblowing policy has been implemented to help employees who have concerns over any wrong-doing within our Group relating to unlawful conduct, financial malpractice or dangers to our Group, the public or the environment. Employees may report any suspected reportable conduct to the Chairman of the AC and/or member of the AC. All disclosures will be treated in a confidential manner, protecting the identity of the employee that made the disclosure so as to encourage employees to report any suspicious activities without fear of reprisal. For the reporting period, we have not received any whistleblowing reports.

(b) Regulatory Compliance

Ensuring that the Group is in compliance with the relevant rules and regulations is preeminent to the Group's integrity and ability to foster trust among stakeholders. As a responsible organisation listed on the Catalist Board (SGX:1CO) of the SGX-ST, the Group seeks to comply with all relevant laws and regulations including the Listing Manual of SGX-ST ("Listing Manual"), Companies Act and Employment Act in Singapore.

Our Group's main property development project – Golden City is located in Myanmar, where we are expected to comply with relevant laws and regulations in Myanmar, such as, but not limited to, the following:

- ▶ The Myanmar Investment Law 2016 ("MIL")
- ▶ Myanmar Investment Rules 2017
- ▶ Myanmar Companies Law 2018 ("MCL")
- ▶ Employment and Skill Development Law 2013
- ▶ Condominium Law (Myanmar)
- ▶ Myanmar Corporate Income Tax ("CIT")
- ▶ Payment of Wages Law 2016
- ▶ Minimum Wages Law 2013
- ▶ Foreign Exchange Management Law ("FEML") 2012
- ▶ The Environmental Conservation Law 2012
- ▶ Social Security Law 2012

To ensure ongoing compliance to the relevant rules and regulations, the Group has engaged a legal counsel in Myanmar who will notify us should there be any changes in the laws and regulations that are relevant and might have direct impact on our business.

OUR PERFORMANCE & TARGETS

By abiding to the CG Code, the Group has been able to uphold its reputation and investor's confidence. The Group has also complied to all relevant laws and regulations, and there were no instances of fines or penalties for regulator non-compliances being imposed on the Group during our reporting period.

Corporate Governance Performance in FY2020	
FY2020 Target	Performance Update
Maintain zero instances of non-compliance and/or regulatory breaches for FY2020.	No reported incident of non-compliance or regulatory breaches.
Maintain zero incidents of bribery or corruptions.	No reported incident of bribery or corruptions.

Corporate Governance Target for FY2021	
FY2021 Target	Action Plans
Maintain zero instances of non-compliance and/or regulatory breaches for FY2021.	<ul style="list-style-type: none"> • Ensure full compliance with all relevant regulatory requirements in the jurisdictions that we operate in. • Work closely with the legal counsel in Myanmar in order to be adequately prepared for any regulatory changes.
Maintain zero incidents of bribery or corruptions.	<ul style="list-style-type: none"> • Maintain a zero-tolerance attitude towards corruption and fraud.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI STANDARDS	Disclosure No.	Disclosure Title	Cross-Reference Annual Report (AR) Sustainability Report (SR)	Page
1. Organisational profile	Disclosure 102-1	Name of the organisation	AR-Corporate Profile	01
	Disclosure 102-2	Activities, brands, products, and services	AR-Corporate Profile	01
	Disclosure 102-3	Location of headquarters	AR-Corporate Profile	01
	Disclosure 102-4	Location of operations	AR-Corporate Profile	01
	Disclosure 102-5	Ownership and legal form	AR-Corporate Profile	01
	Disclosure 102-6	Markets served	AR-Corporate Profile	01
	Disclosure 102-7	Scale of the organisation	AR-Corporate Profile	01
	Disclosure 102-8	Information on employees and other workers	SR-Social	20-22
	Disclosure 102-9	Supply chain	AR-Group Chairman's Statement	02
	Disclosure 102-10	Significant changes to the organisation and its supply chain	AR-Group Chairman's Statement	02
	Disclosure 102-11	Precautionary Principle or approach	SR-Environment	23-24
	Disclosure 102-12	External initiatives	None in our reporting period.	–
	Disclosure 102-13	Membership of associations	None in our reporting period.	–
	2. Strategy	Disclosure 102-14	Statement from senior decision-maker	AR-Group Chairman's Statement
Disclosure 102-15		Key impacts, risks, and opportunities	SR-Materiality Assessment	16
3. Ethics and integrity	Disclosure 102-16	Values, principles, standards, and norms of behaviour	SR-Governance	25-26
	Disclosure 102-17	Mechanisms for advice and concerns about ethics	SR-Governance	25-26
4. Governance	Disclosure 102-18	Governance structure	AR-Directors' Profile	03-04
	Disclosure 102-19	Delegating authority	AR-Key Management	05
	Disclosure 102-20	Executive-level responsibility for economic, environmental, and social topics	Chief Financial Officer (CFO)	–
	Disclosure 102-21	Consulting stakeholders on economic, environmental, and social topics	SR-Stakeholder Engagement	15
	Disclosure 102-22	Composition of the highest governance body and its committees	AR-Directors' Profile	03-04
	Disclosure 102-23	Chair of the highest governance body	AR-Directors' Profile	03-04
	Disclosure 102-24	Nominating and selecting the highest governance body	AR-Corporate Governance Report	35-58
	Disclosure 102-25	Conflicts of interest	AR-Corporate Governance Report	35-58

SUSTAINABILITY REPORT

GRI STANDARDS	Disclosure No.	Disclosure Title	Cross-Reference Annual Report (AR) Sustainability Report (SR)	Page
	Disclosure 102-26	Role of highest governance body in setting purpose, values, and strategy	AR-Directors' Profile	03-04
	Disclosure 102-27	Collective knowledge of highest governance body	AR-Directors' Profile	03-04
	Disclosure 102-28	Evaluating the highest governance body's performance	SR-Corporate Governance	25-26
	Disclosure 102-29	Identifying and managing economic, environmental, and social impacts	SR-Economic, Social, Environmental & Governance	19-26
	Disclosure 102-30	Effectiveness of risk management processes	SR-Corporate Governance	25-26
	Disclosure 102-31	Review of economic, environmental, and social topics	SR-Economic, Social, Environmental & Governance	19-26
	Disclosure 102-32	Highest governance body's role in sustainability reporting	SR-Managing Sustainability at ETC	14
	Disclosure 102-33	Communicating critical concerns	SR-Managing Sustainability at ETC	14
	Disclosure 102-34	Nature and total number of critical concerns	No critical concerns in our reporting period.	–
	Disclosure 102-35	Remuneration policies	AR-Corporate Governance Report	35-58
	Disclosure 102-36	Process for determining remuneration	AR-Corporate Governance Report	35-58
	Disclosure 102-37	Stakeholders' involvement in remuneration	AR-Corporate Governance Report	35-58
	Disclosure 102-38	Annual total compensation ratio	AR-Corporate Governance Report	35-58
	Disclosure 102-39	Percentage increase in annual total compensation ratio	AR-Corporate Governance Report	35-58
5. Stakeholder engagement	Disclosure 102-40	List of stakeholder groups	SR-Stakeholder Engagement	15
	Disclosure 102-41	Collective bargaining agreements	Not applicable as there are no collective bargaining agreements in our reporting period.	–
	Disclosure 102-42	Identifying and selecting stakeholders	SR-Stakeholder Engagement	15
	Disclosure 102-43	Approach to stakeholder engagement	SR-Stakeholder Engagement	15
	Disclosure 102-44	Key topics and concerns raised	SR-Materiality Assessment	16
6. Reporting practice	Disclosure 102-45	Entities included in the consolidated financial statements	AR-Corporate Profile	01
	Disclosure 102-46	Defining report content and topic Boundaries	SR-About this Report	13
	Disclosure 102-47	List of material topics	SR-Materiality Assessment	16
	Disclosure 102-48	Restatements of information	No restatement of information in our sustainability report.	–
	Disclosure 102-49	Changes in reporting	No change to our sustainability report.	–

SUSTAINABILITY REPORT

GRI STANDARDS	Disclosure No.	Disclosure Title	Cross-Reference Annual Report (AR) Sustainability Report (SR)	Page
	Disclosure 102-50	Reporting period	SR-About this Report	13
	Disclosure 102-51	Date of most recent report	31 December 2020	–
	Disclosure 102-52	Reporting cycle	Annual	–
	Disclosure 102-53	Contact point for questions regarding the report	SR-About this Report	13
	Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	SR-About this Report	13
	Disclosure 102-55	GRI content index	SR-GRI Content Index	27-33
	Disclosure 102-56	External assurance	None during the reporting period.	–
GRI201: Economic Performance	Disclosure 201-1	Direct economic value generated and distributed	AR-Operation and Financial Review	06-08
	Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	Not applicable as the impact of business on climate change is insignificant.	–
	Disclosure 201-3	Defined benefit plan obligations and other retirement plans	Not applicable, retirement and pension plans are as per local manpower regulations.	–
	Disclosure 201-4	Financial assistance received from government	No financial assistance received in our reporting period.	–
GRI 202: Market Presence	Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not reported as the salaries of all employees exceed the local minimum wages.	–
	Disclosure 202-2	Proportion of senior management hired from the local community	AR-Key management	05
GRI 203: Indirect Economic Impacts	Disclosure 203-1	Infrastructure investments and services supported	None in our reporting period.	–
	Disclosure 203-2	Significant indirect economic impacts	Not applicable as our business does not have significant indirect economic impact.	–
GRI 204: Procurement Practices	Disclosure 204-1	Proportion of spending on local suppliers	AR-Operation and Financial Review	06-08
GRI 205: Anti-Corruption	Disclosure 205-1	Operations assessed for risks related to corruption	SR-Governance	25-26
	Disclosure 205-2	Communication and training about anti-corruption policies and procedures	SR-Governance	25-26
	Disclosure 205-3	Confirmed incidents of corruption and actions taken	No reported cases during the reporting period.	–
GRI 206: Anti-Competitive Behaviour	Disclosure 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No reported cases during the reporting period.	–



SUSTAINABILITY REPORT

GRI STANDARDS	Disclosure No.	Disclosure Title	Cross-Reference Annual Report (AR) Sustainability Report (SR)	Page
GRI 301: Materials	Disclosure 301-1	Materials used by weight or volume	Not applicable, as the material in use is monitored by the main contractor of our property development projects.	–
	Disclosure 301-2	Recycled input materials used	Not applicable as the Group's property development projects do not use recycled materials.	–
	Disclosure 301-3	Reclaimed products and their packaging materials	Not applicable to the Group's business.	–
GRI 302: Energy	Disclosure 302-1	Energy consumption within the organisation	SR-Environment	23-24
	Disclosure 302-2	Energy consumption outside of the organisation	Not applicable to the Group's business.	–
	Disclosure 302-3	Energy intensity	SR-Environment	23-24
	Disclosure 302-4	Reduction of energy consumption	SR-Environment	23-24
	Disclosure 302-5	Reductions in energy requirements of products and services	Not applicable to the Group's business	–
GRI 303: Water	Disclosure 303-1	Water withdrawal by source	Not applicable as water use in our operations is not considered significant.	–
	Disclosure 303-2	Water sources significantly affected by withdrawal of water		
	Disclosure 303-3	Water recycled and reused		
	Disclosure 303-4	Water discharge		
	Disclosure 303-5	Water consumption	SR-Environment	23-24
GRI 304: Biodiversity	Disclosure 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable as our offices and project development sites are not carried out in protected areas and areas of high biodiversity.	–
	Disclosure 304-2	Significant impacts of activities, products, and services on biodiversity		
	Disclosure 304-3	Habitats protected or restored		
	Disclosure 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		
GRI 305: Emissions	Disclosure 305-1	Direct (Scope 1) GHG emissions	Not applicable as our offices and project development sites do not produce significant levels of GHG and other hazardous emissions.	–
	Disclosure 305-2	Energy indirect (Scope 2) GHG emissions		
	Disclosure 305-3	Other indirect (Scope 3) GHG emissions		
	Disclosure 305-4	GHG emissions intensity		
	Disclosure 305-5	Reduction of GHG emissions		
	Disclosure 305-6	Emissions of ozone-depleting substances (ODS)		

SUSTAINABILITY REPORT

GRI STANDARDS	Disclosure No.	Disclosure Title	Cross-Reference Annual Report (AR) Sustainability Report (SR)	Page
	Disclosure 305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions		
GRI 306: Effluents and Waste	Disclosure 306-1	Water discharge by quality and destination	Not reported as our business does not have significant water discharge.	–
	Disclosure 306-2	Waste by type and disposal method	SR-Environment	23-24
	Disclosure 306-3	Significant spills	Not applicable as our business does not have significant spills.	–
	Disclosure 306-4	Transport of hazardous waste	Not applicable as our business does not generate hazardous wastes.	–
	Disclosure 306-5	Water bodies affected by water discharges and/or runoff	Not applicable as there are no water bodies affected by water discharge from our operations.	–
GRI 307: Environmental Compliance	Disclosure 307-1	Non-compliance with environmental laws and regulations	No reported cases in the reporting period.	–
GRI 308: Supplier Environmental Assessment	Disclosure 308-1	New suppliers that were screened using environmental criteria	No new contractors/suppliers during the reporting period.	–
	Disclosure 308-2	Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment	Disclosure 401-1	New employee hires and employee turnover	SR-Social	20-22
	Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR-Social	20-22
	Disclosure 401-3	Parental leave	SR-Social	20-22
GRI 402: Labour/ Management Relations	Disclosure 402-1	Minimum notice periods regarding operational changes	Not applicable as there are not any significant operational changes during the reporting period.	–
GRI 403: Occupational Health and Safety	Disclosure 403-1	Workers representation in formal joint management-worker health and safety committees	Not applicable as the Group does not have a health and safety committee.	–
	Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	No reported cases of workplace injury or casualty during the reporting period.	–
	Disclosure 403-3	Workers with high incidence or high risk of diseases related to their occupation	Not applicable as our business do not expose workers to high risk of diseases.	–
	Disclosure 403-4	Health and safety topics covered in formal agreements with trade unions	Not applicable as there are no formal agreement with trade unions.	–
GRI 403: Occupational Health and Safety	Disclosure 403-5	Worker training on occupational health and safety	SR-Social	20-22
	Disclosure 403-6	Promotion of worker health	SR-Social	20-22

SUSTAINABILITY REPORT

GRI STANDARDS	Disclosure No.	Disclosure Title	Cross-Reference Annual Report (AR) Sustainability Report (SR)	Page
	Disclosure 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR-Social	20-22
	Disclosure 403-8	Workers covered by an occupational health and safety management system	SR-Social	20-22
	Disclosure 403-9	Work-related injuries	No reported cases of work-related injuries during the reporting period.	–
	Disclosure 403-10	Work-related ill health	No reported cases of work-related ill health during the reporting period.	–
Disclosure 404-1 GRI 404: Training and Education	Disclosure 404-1	Average hours of training per year per employee	Not reported as the employees receive on-the-job training.	–
	Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	SR-Social	20-22
	Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	SR-Social	20-22
GRI 405: Diversity and Equal Opportunity	Disclosure 405-1	Diversity of governance bodies and employees	AR- Directors' profile and Key Management	03-05
	Disclosure 405-2	Ratio of basic salary and remuneration of women to men	Not reported as the nature of construction industry is male-dominated.	–
GRI 406: Non-discrimination	Disclosure 406-1	Incidents of discrimination and corrective actions taken	No indication of occurrence during the reporting period.	–
GRI 407: Freedom of Association and Collective Bargaining	Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No indication of occurrence during the reporting period.	–
GRI 408: Child Labour	Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labour	No indication of occurrence during the reporting period.	–
GRI 409: Forced or Compulsory Labour	Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No indication of occurrence during the reporting period.	–
GRI 409: Forced or Compulsory Labour	Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour.	We have not identified this risk in our course of normal operations.	–
GRI 410: Security Practices	Disclosure 410-1	Security personnel trained in human rights policies or procedures.	Not applicable as security is outsourced and not relevant to our operations.	–
GRI 411: Rights of Indigenous Peoples	Disclosure 411-1	Incidents of violations involving rights of indigenous peoples	Not applicable as our Group do not involve interactions with indigenous people.	–
GRI 412: Human Rights Assessment	Disclosure 412-1	Operations that have been subject to human rights reviews or impact assessments	SR-Social	20-22
	Disclosure 412-2	Employee training on human rights policies or procedures	SR-Social	20-22

SUSTAINABILITY REPORT

GRI STANDARDS	Disclosure No.	Disclosure Title	Cross-Reference Annual Report (AR) Sustainability Report (SR)	Page
	Disclosure 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No such agreements during the reporting period.	–
GRI 413: Local Communities	Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	SR-Social	20-22
	Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	Our business operations do not have significant negative impacts on local communities.	–
GRI 414: Supplier Social Assessment	Disclosure 414-1	New suppliers that were screened using social criteria	No new contractors/suppliers during the reporting period.	–
	Disclosure 414-2	Negative social impacts in the supply chain and actions taken	No negative social impacts occurred during the reporting period.	–
GRI 415: Public Policy	Disclosure 415-1	Political contributions	None during our reporting period.	–
GRI 416: Customer Health and Safety GRI 416: Customer Health and Safety	Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	SR-Social	20-22
	Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No indication of occurrence during the reporting period.	–
GRI 417: Marketing and Labeling	Disclosure 417-1	Requirements for product and service information and labeling	Not applicable to our business.	–
	Disclosure 417-2	Incidents of non-compliance concerning product and service information and labelling	No reported cases during the reporting period.	–
	Disclosure 417-3	Incidents of non-compliance concerning marketing communications		–
GRI 418: Customer Privacy	Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No reported cases during the reporting period.	–
GRI 419: Socioeconomic Compliance	Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	No reported cases during the reporting period.	–

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66	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
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70	NOTES TO THE FINANCIAL STATEMENTS



CORPORATE GOVERNANCE REPORT

The Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) require an issuer to describe its corporate governance practices with specific reference to the principles and provisions of the Code of Corporate Governance issued on 6 August 2018 (the “**Code**”) in its annual report. An issuer is also required to disclose any variation from any provisions of the Code together with an appropriate explanation for such variation and an explanation on how the practices it had adopted are consistent with the intent of the relevant principle in the annual report.

The Board of Directors (“**Board**”) and the management of Emerging Towns & Cities Singapore Ltd. (“**ETC**” or the “**Company**”) wish to assure its shareholders that they are committed to maintaining a high standard of corporate governance to protect the interests of shareholders, employees and customers, and to promote investors’ confidence.

In accordance with Rule 710 of the Catalist Rules, this Corporate Governance Report dated 2 September 2021 (this “**Report**”) sets out the Company’s corporate governance practices, which have been adopted based on the Code. The Company believes that it has largely complied with the spirit and intent of the Code and in areas where the Company’s practices have varied from the Code, rationale for the same is provided herein. The Company has also adopted, where appropriate, best practices set out in the Practice Guidance issued on 6 August 2018 (the “**Practice Guidance**”), which complements the Code by providing guidance on the application of the principles and provisions of the Code and setting out best practices for companies.

In addition to the Code, the Company has also adopted a code of ethics (“**Ethics**”) to provide its employees with guidance on how to act in ways to prevent the Group, its employees and all those who come into contact with the Group from being exposed to harm. Copies of the Company’s Ethics have been circulated to the Group’s employees and may also be found at the Company’s registered office.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board’s principal roles include promoting long-term shareholder value, ensuring that the businesses of the Company and its subsidiaries (collectively referred herein as the “**Group**”) are effectively managed and properly conducted by management and ensuring proper observance of corporate governance practices.

In addition to statutory duties and responsibilities, the Board’s duties include the following:

- a) reviewing and approving the annual budget;
- b) reviewing and approving key business and financial strategies and objectives for the Group;
- c) reviewing and approving major corporate and/or financial restructuring and/or share issuance;
- d) reviewing and approving major transactions, including acquisitions, divestments, investments and capital expenditure;
- e) ensuring internal controls are in place and functional for the Group’s continuing operations and which enables risks to be assessed and managed;
- f) overseeing risk management strategies;
- g) reviewing and approving periodic and annual results announcements;
- h) reviewing and approving the annual report and audited financial statements;
- i) reviewing and providing guidance to the management of the Company;
- j) ensuring the adequacy of necessary financial and human resources to meet the Group’s objectives;
- k) providing entrepreneurial leadership and setting strategic directions;

CORPORATE GOVERNANCE REPORT

- l) establishing and maintaining the Company's values and standards and ensuring obligations to shareholders and others are understood and met;
- m) approving nominations to the Board and appointments of key personnel;
- n) ensuring the Group's compliance with all relevant and applicable laws and regulations; and
- o) assuming responsibility for the corporate governance of the Group.

The Board has set up three committees to assist in the execution of the Board's responsibilities. These committees ("**Board Committees**") include the Nominating and Corporate Governance Committee ("**NCGC**"), Remuneration Committee ("**RC**") and Audit Committee ("**AC**"). Each Committee functions within clearly defined terms of its respective charter. In particular, the NCGC reviews the effectiveness of the Board, AC, and RC, as well as each individual Director annually, while the Board reviews the effectiveness of the NCGC annually.

Directors' Attendance at Board, Board Committee Meetings and other Additional Meetings

The Board meets at least four times each year and at other times as and when required. Board Committees meet at certain time periods in accordance with their respective Charters or as needed. Meetings are held in person and by telephone conference to enable the widest possible participation by Directors, taking into account those who may be in different geographical locations. The Directors also engage in discussions via email correspondence. Where a decision has to be made before a Board meeting is convened, directors' resolutions in writing are circulated in accordance with the Constitution of the Company and the Directors are also provided with all relevant information and documents to allow them to make informed decisions.

The attendance of the Directors at meetings of the Board and Board Committees and general meetings of shareholders in the financial year ended 31 December 2020 ("**FY2020**") is tabulated below:

Directors' Attendance at Board, Board Committee Meetings and general meetings of shareholders held during the financial year ended 31 December 2020

	Board of Directors	Audit Committee	Nominating & Corporate Governance Committee	Remuneration Committee	General Meetings of shareholders
Number of Meetings per Charter	4	4	1	2	–
Number of Meetings Held	4	4	1	2	1

Name of Directors	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended
Ang Mong Seng	4	4	1	2	1
Tan Thiam Hee	4	4 (attended as invitee)	1 (attended as invitee)	2 (attended as invitee)	1
Zhu Xiaolin	4	4 (attended as invitee)	1	2 (attended as invitee)	1
Lim Jun Xiong Steven ¹	4	4	1	2	1
Teo Cheng Kwee	4	4	1	1	1

Note:

- Resigned as an Independent Director of the Company and stepped down as a Chairman of AC, Chairman of RC and Member of NCGC on 5 April 2021. Announcements in relation to cessation as an Independent Director and reconstitution of Board composition were released via SGXNET on 6 April 2021.

CORPORATE GOVERNANCE REPORT

The Board's approval is required for all major matters such as corporate restructuring, mergers and acquisitions, investments, acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's unaudited periodic results and annual results, interested person transactions of a material nature, and declaration of interim dividends and proposal of final dividends. All other matters are delegated to committees whose actions are reported to and monitored by the Board. The matters delegated are listed out in the charter of each committee.

The Board noted that formal documents have been adopted to set out the following:

- (a) the approval matrix;
- (b) delegation of limits of authority;
- (c) the matters reserved for the Board's decision; and
- (d) clear directions to management on matters that must be approved by the Board.

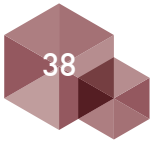
In the event that a Director is interested in any transactions of the Group or faces any other conflicts of interest, he shall be obliged to inform the Board accordingly and abstain from any discussions or making any recommendations or decisions in relation to that transaction or involving the issues of conflict.

The Company has a training budget for its Directors to attend courses and seminars, which is utilised as and when needed. The Company relies on and encourages its Directors to update themselves on new laws, regulations and changing commercial risks in the industry. Accordingly, information on courses or seminars in relation to the roles and responsibilities as a director of a listed company as well as revisions to laws or regulations (which are applicable to the Group) are disseminated to Directors. The NCGC has recommended that each Director should attend a minimum of 5 hours of director training and/or courses each year. To ensure that the Directors have the opportunities to develop their skills and knowledge, with effect from the financial year ended 31 December 2020, the Group Chairman (who is also the NC Chairman) will regularly review and agree with each Director on his training and professional development needs.

The Company also has in place orientation programs for newly-appointed Directors to ensure that they are familiar with the Group's structure, the Group's business, and its operations. New Directors will be expected to undergo orientation with the Company which includes meeting with the Group Chairman and the Executive Directors for an introduction to the business of the Group. Newly-appointed Directors are encouraged to attend formal courses to familiarise themselves with the regulatory environment in Singapore and the roles and responsibilities as a director of a listed company. The external auditors also briefed the AC members on the developments in accounting standards (where applicable) during AC meetings whilst the Company Secretary periodically updates the Board on any changes in the regulatory environment in Singapore as well as those pertaining to the roles and responsibilities of a director of a listed company. Newly-appointed directors are provided with formal letters of appointment (setting out the directors' duties and obligations) at their appointment.

Changes to regulations and accounting standards are monitored closely by the management of the Company. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Directors' disclosure obligations (as determined by the management of the Company in consultation with professional(s)), Directors are briefed either during Board meetings or at specially-convened sessions conducted by professionals. Information relating to such regulatory changes is also circulated to the Board via email for their attention. Newly-appointed Directors will be briefed by the Group Chairman and the Executive Directors on the business activities of the Group and its strategic directions.

In order to ensure that the Board is able to contribute in a meaningful manner during Board meetings, the management provides the members of the Board with management accounts at each Board meeting, as well as relevant background information and documents relating to the items of business to be discussed at each Board meeting, such as copies of disclosure documents, budgets, forecasts and monthly internal financial statements, before the scheduled meeting. In respect of budgets, any material variance between projections and actual results are disclosed and explained to the Board. Key information relating to the Group's operations and finances are also circulated to the Board via email so that the Directors may monitor with ease the Group's performance as well as the management's fulfilment of goals and objectives set by the Board.



CORPORATE GOVERNANCE REPORT

The Directors are also regularly briefed by the management of the Company on the business activities of the Group. The Directors are responsible for the Group's strategic directions as well as its corporate practices, and are accordingly also regularly briefed by the management of the Company on the day-to-day implementation of such strategic directions and corporate practices.

The Directors have separate and independent access to the management of the Company, including the Group Chief Executive Officer ("**Group CEO**"), Group President ("**Group President**") and Group Chief Financial Officer ("**Group CFO**") and Company Secretary of the Group. The Company Secretary and/or representatives from the Company Secretary's office attends all meetings of the Board and the Board Committees and prepares the minutes of such meetings. The minutes of such meetings are then circulated to the Board and the Board Committees, as the case may be. The Company Secretary also advises the Board on governance matters and ensures that the procedures for such meetings are in accordance with the Constitution and all applicable rules and regulations (including the requirements of the Singapore Companies Act, Cap. 50 and the Catalist Rules) are complied with. Further to the above, the Company Secretary helps to facilitate communications within the Board and the Board Committees and between management and the Directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company allows Directors to take independent professional advice on matters affecting the Group, and such costs will be borne by the Company. Further to the above, Directors have, at all times, unrestricted access to the Company's records and information.

The Group has also adopted the Ethics which sets out the principles and guidelines relating to, among other things, conflict of interests, transactions with suppliers and customers, transactions with related persons, confidentiality, and insider trading.

Board Composition & Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

As at the date of this Report, the Board comprises the following members:

Ang Mong Seng BBM	Non-Executive and Independent Group Chairman
Tan Thiam Hee	Executive Director and Group Chief Executive Officer
Zhu Xiaolin	Executive Director and Group President
Teo Cheng Kwee	Non-Executive Director

Under the Constitution of the Company, the Board must comprise a minimum of two members. However, the Constitution of the Company does not impose any limit on the maximum number of Directors the Company may appoint. The composition of the Board is also reviewed on an annual basis by the NCGC to ensure that the Board has the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for the effective functioning of and informed decision-making in the Company.

In view of the cessation of Lim Jun Xiong Steven as an Independent Director of the Company on 5 April 2021, the Company is unable to meet the requirements set out in Rule 704(7) of the Catalist Rules and Section 201B(4) of the Companies Act (Cap. 50) and to comply with the relevant principles and provisions of the Code of Corporate Governance 2018 in relation to the composition of the Audit Committee, Remuneration Committee and Nominating & Corporate Governance Committee. The Company has been endeavouring to fill the vacancies in the said committees, however due to the current suspension in the trading of the Company's securities, the Company has not been able to identify and appoint a suitable candidate to take on the position as an additional independent director of the Company. As of date of this report, the Company was granted an extension of time till 29 October 2021 to comply with Catalist Rule 704(7) and will make further announcements as and when there are material developments in relation to the aforesaid appointment of an additional Independent Director. Save for the appointment of an additional independent director to the Company to ensure compliance with, inter alia, the Catalist Rules, following the review of the Board's size for FY2020, the NCGC is of the view that the Board's size of four Directors as at the date of this Report are appropriate and that the Board and Board Committees possess the appropriate diversity – being a mix of nationality, skills, knowledge, expertise and experience to provide core competencies in areas such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and experience or knowledge that are relevant to the direction of the expansion of the Group.

CORPORATE GOVERNANCE REPORT

The Board considers an “independent” Director as one is independent in conduct, character and judgement, and who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment in the best interests of the Company. Pursuant to Rule 406(3)(d) of the Catalist Rules and Practice Guidance 2, a director is deemed to be non-independent if:

- (i) he (or an immediate family member) is or was a substantial shareholder or partner (with 5% or more stake) or executive officer or director of a third party providing or receiving significant payments or material services from the Company and/or subsidiaries in the current or immediate past financial year;
- (ii) he is employed by the Company or its related corporations for the current year or any past three financial years;
- (iii) he has an immediate family member who is employed or has been employed by the Company or its related corporations for the past three financial years and whose remuneration is determined by the RC;
- (iv) he (or an immediate family member) is or has been directly associated with a substantial shareholder of the Company in the current or immediate past financial year; or
- (v) he (or an immediate family member) provided to or received from the Company and/or its subsidiaries any significant payments or material services, other than compensation for board service, in the current or immediate past financial year.

The Board and the NCGC are of the opinion that each of the Independent Directors satisfies the criteria of an “independent” Director.

There are no Directors who have served on the Board beyond nine years as at the date of this Report.

As of date of this report and for reasons disclosed in the earlier paragraphs, the Board comprises two Executive Director and two Non-Executive Directors. The Non-Executive Independent Group Chairman is an Independent Director, not the same person as the Group CEO and not part of the management team. The Chairman and the Group CEO are not immediate family members as defined in the Catalist Rules, and does not have close family ties with the Group CEO as determined by the NCGC.

Although the Non-Executive Directors do not make up majority of the Board as of date of this Report, the NCGC and the Board are of the view that it complies with the intent of Principle 2 of the Code, having considered that, amongst others, the Board is able to exercise independent judgment on corporate affairs and that no one individual group(s) of individuals dominates any decision-making process as the existing Board Committees does not comprise any Executive Directors.

The NGSC and the Board will continue to assess its independence, Board composition and diversity.

There are no alternate directors appointed to the Board as at the date of this Report.

The Non-Executive Directors, led by the Non-Executive and Independent Group Chairman, meet at least once annually and as and when required without the presence of management. The chairman of such meetings provides feedback to the Board as appropriate.

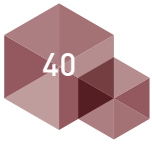
Key information on each Director is set on pages 3 to 4 of the Annual Report.

The Board has no dissenting views on the Group Chairman’s statement for the year under review.

Non-Executive Group Chairman, Executive Director and Group CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

As at the date of this Report, the Company has a Non-Executive and Independent Group Chairman, an Independent Director, a Non-Executive Director, an Executive Director/Group CEO and an Executive Director/Group President. In addition, the Company also has a Group CFO with specific areas of responsibility within the Company. There is a clear division of responsibilities between the Non-Executive Group Chairman, the other Independent Director, and the management of the Company, who are also not related to each other.



CORPORATE GOVERNANCE REPORT

The responsibilities of the Non-Executive Group Chairman include the following:

- a) leading the Board, ensuring its effectiveness in all aspects of its role, and setting out its agenda;
- b) ensuring that the Directors receive complete, adequate, accurate, timely and clear information;
- c) critiquing key proposals by management before they are presented to the Board;
- d) ensuring effective communication with shareholders and other stakeholders;
- e) encouraging constructive relations between the Board and management;
- f) facilitating the effective contribution of the Non-Executive/Independent Directors towards the Company;
- g) encouraging constructive relations between the Executive Directors and Non-Executive/Independent Directors; and
- h) promoting high standards of corporate governance.

The Group CEO is engaged in the overall management of the Group. The Group CEO's responsibilities pertaining to the Board include the following:

- a) scheduling meetings that enable the Board to perform its duties responsibly;
- b) preparing meeting agendas in consultation with the Non-Executive Group Chairman;
- c) ensuring quality, quantity and timeliness of the flow of information between the management and the Board; and
- d) assisting to ensure compliance with the Company's guidelines on corporate governance.

The Group CEO manages the business of the Company, implements the Board's decisions and monitors the translation of the Board's decisions into executive action. He reviews and approves the agendas for the Board meetings. He exercises control over the quality, quantity and timeliness of information flow between the Board and management.

Mr Zhu Xiaolin, the Executive Director/Group President is engaged in the overall management of the Group's property business. In addition to managing the business of the Company, the Executive Director/Group President also implements the Board's decisions and monitors the translation of the Board's decisions into executive action.

The Group CFO is engaged to oversee the finance, accounting and treasury functions of the Group's businesses. In addition to overseeing the finance responsibilities in the Group, the Group CFO also assists the Group CEO in the day-to-day management of the Group.

The Board is of the view that the roles of the Non-Executive Group Chairman, other Independent Director, Executive Director/Group CEO, Executive Director/Group President and Group CFO are separate, thereby ensuring an appropriate balance of power between them and creating increased accountability in both the Board and management, as well as enabling greater capacity of the Board for independent decision-making.

As the Board is led by the Non-Executive and Independent Group Chairman, the Board does not have a lead independent director. However, if a situation arises where the Non-Executive and Independent Group Chairman is conflicted, the Board will appoint a lead independent director to provide leadership. As at the date of this Report, no situation has arisen where the Non-Executive and Independent Group Chairman is conflicted.



CORPORATE GOVERNANCE REPORT

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NCGC comprises the following members:

Ang Mong Seng BBM (Chairman)	Non-Executive and Independent Group Chairman
Zhu Xiaolin	Executive Director and Group President

The NCGC currently comprises two Directors following the cessation of Lim Jun Xiong Steven as an independent director on 5 April 2021. The NCGC Chairman is independent. Pursuant to the Code, the NCGC should comprise at least three directors, the majority of whom including the chairman, should be independent. As stated above, in view of the cessation of the previous independent director and the Company's current situation, a suitable replacement for an additional independent director has not been identified. The NCGC meets once each year in accordance with its Charter and at other times as required. The NCGC performs a dual function as set out in its Charter. It provides assistance to the Board of Directors in the selection and assessment of Directors, and it has oversight of the Group's corporate governance practices.

In line with its Charter, the responsibilities of the NCGC in the selection and assessment of Directors include the following:

- a) recommending to the Board the appropriate structure, size and composition of the Board, taking into account the size and needs of the Group, as well as the skill mix, qualities and experience required of Directors (including the recommendation of personal professional development programs for the Directors, as the case may be) to advance the business interests of the Group and to promote long-term shareholder value;
- b) recommending to the Board the size and composition of Board Committees that would enable each Committee to function competently and effectively;
- c) considering the suitability of nominees for appointment as new Directors, having regard to each nominee's background, potential contribution to the Group based on his experience and expertise, and his ability to exercise independent business judgment;
- d) considering the suitability of Directors for re-nomination, having regard to their past contributions and performance, including their attendance and degree of participation at meetings;
- e) assessing, on an annual basis, the independence of the Directors;
- f) evaluating, on an annual basis, the performance of each individual Director, the performance of each Board Committee, and the performance of the Board as a whole, as well as the development and review of the actual process for such evaluation;
- g) recommending to the Board the termination of membership of individual Directors in accordance with corporate policy on terminations for cause or other appropriate reasons; and
- h) reviewing and recommending to the Board other policies and succession plans related to the Board from time to time.

In the event that there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NCGC will review the change to be implemented and make recommendations to the Board accordingly. For the appointment of new Directors, the NCGC will, in consultation with the Board, examine the existing Board's strength, capabilities and the existing Directors' contribution of skills, knowledge and experience to the Group and the Board. The NCGC will take into account the future needs of the Group and together with the Board, it will seek candidates who are able to contribute to the Group. The NCGC seeks candidates widely and beyond persons directly known to the existing Directors.

CORPORATE GOVERNANCE REPORT

The NCGC recommends suitable candidates to the Board and if such candidates are appointed, announcements relating to their appointment shall be released via SGXNET. In the event of cessation of any individuals as Director or executive officer, the Chairman of the NCGC will conduct exit interviews with the Director or executive officer, as the case may be, and announcements, where required pursuant to the Catalist Rules, relating to such cessation will also be released via SGXNET.

The dates of initial appointment and last re-election of each Director are set out as follows:

Name of Directors	Appointment	Date of Initial Appointment	Date of last re-election/ re-appointment
Ang Mong Seng	Non-Executive and Independent Group Chairman	25 May 2018	23 April 2019
Tan Thiam Hee	Executive Director and Group Chief Executive Officer	24 June 2015	23 April 2019
Zhu Xiaolin	Executive Director and Group President	30 March 2017	26 April 2020
Teo Cheng Kwee	Non-Executive Director	21 July 2015	23 April 2020

The NCGC also reviews the composition of the Board and the independence of each Director annually. To determine the independence of the Independent Directors, the NCGC reviews disclosures/declarations made by the Independent Directors. The forms for these disclosures/declarations are drawn up based on the provisions in the Code and the Catalist Rules. Pursuant to its review, the NCGC is of the view that Mr Ang Mong Seng is independent in conduct, character and judgement, and does not have any relationships, including immediate family relationships, with the other Directors, the Company, its related corporations, its substantial shareholders or its officers and are deemed to be independent of the Group and its management.

A list of directorships of the Directors of the Board in other listed companies, as well as their principal commitments and interests in the Company and related corporations (if any) as at the date of this Report are set out below:

Name of Directors	Directorship in Listed Company (excluding the Company)		Principal Commitments	Shareholding in the Company and related corporations	
	Present	Past Preceding 5 years		Direct	Indirect
Ang Mong Seng	Nil	AnnAik Limited Gaylin Holdings Limited (now known as Amos Group Limited) United Fiber System Limited Chip Eng Seng Corporation Ltd. Hoe Leong Corporation Ltd.	Director of Chinese Opera Institute and Vice Chairman of Pei Hwa Foundation	N.A.	N.A.
Tan Thiam Hee	Koon Holdings Limited	GPS Alliance Holdings Limited	Executive Director and Group Chief Executive Officer of ETC	360,000 ordinary shares ¹	N.A.
Zhu Xiaolin	Nil	Nil	Executive Director and Group President of ETC	151,120,969 ordinary shares	49,269,895 ordinary shares ²
Teo Cheng Kwee	Nil	Sapphire Corporation Limited China Vanadium Titano-Magnetite Mining Company Limited	Nil	59,281,760 ordinary shares ³	N.A.

CORPORATE GOVERNANCE REPORT

Notes:

1. Mr Tan Thiam Hee has interests in 5,000,000 options granted under the CSH Employee Share Option Scheme 2009.
2. Mr Zhu Xiaolin is deemed interested in 49,269,895 ordinary shares held by Phillip Securities Pte. Ltd. as his nominee.
3. Mr Teo Cheng Kwee has interests in 2,000,000 options granted under the CSH Employee Share Option Scheme 2009.

The Board has determined that each Director may only hold a maximum of 6 board directorships in public listed companies, although the limit may vary in accordance to each Director's contribution and individual circumstances (e.g. if a Director is transitioning out of a board). The NCGC also has in place internal guidelines to address the competing time commitments of Directors serving on multiple boards. If a Director is on the board of other companies, the NCGC shall consider whether adequate time and attention have been devoted to the affairs of the Company. In the event there are sufficient grounds for complaint, the Chairman of the Board will discuss the issue with the Director, and if necessary, remind him of the consequences of failure to rectify the situation within the period required.

After conducting reviews, the NCGC is satisfied that the current Directors have been able to devote adequate time and attention to the affairs of the Company and that they are able to and have been adequately carrying out their duties as Directors of the Company.

In its selection and appointment of new Directors, the NCGC receives recommendations from existing Directors and the Company's professional advisors. At least two members of the NCGC will conduct interviews with the potential new Director before recommending their appointments to the Board for approval.

The NCGC also recommends all appointments and re-nominations of Directors to the Board. Regulation 87 of the Company's Constitution provides inter alia and subject to the other provisions in the Constitution, that at each annual general meeting ("AGM") of the Company, one-third of the Directors for the time being, or, if their number is not three or multiples of three, then the number nearest one-third (rounded upwards where necessary) shall retire from office at least once every three years by rotation from the date of his appointment or last re-election, but he shall also be eligible for re-election. The Directors to retire in every year shall be those who have been in office for the longest period since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Based on the above, Mr Ang Mong Seng and Mr Tan Thiam Hee are required to retire pursuant to Regulation 87 of the Company's Constitution at the forthcoming AGM.

It be noted that Mr Ang Mong Seng and Mr Tan Thiam Hee have given their consent to stand for re-election as Directors of the Company at the forthcoming AGM. The NCGC and the Board have recommended Mr Ang Mong Seng and Mr Tan Thiam Hee, who shall be retiring pursuant to Regulation 87 of the Company's Constitution at the forthcoming AGM, to be re-elected.

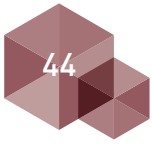
Consistent with the spirit of the Constitution, the NCGC has also determined that commencing from January 2004, members of the Board Committees shall assume the chairmanship by rotation, and the term of office as Chairman shall not exceed five consecutive years. The Board Committees shall be re-constituted at a later date when required. The NCGC and RC were last re-constituted on 25 May 2018. The AC was last re-constituted on 11 January 2019.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

In addition to the above and in line with its Charter, the NCGC is also responsible for adopting and implementing corporate governance measures to achieve good stewardship of the Company. In this respect, its responsibilities include:

- a) proposing objective performance criteria which incorporates qualitative and quantitative factors to evaluate on an annual basis the performance of the Board as a whole, and of each Board Committee separately, and that of each Director;
- b) implementing appropriate programmes for orientation and training of new Directors, and to update the Board on relevant new laws, regulations, and changing commercial risks in the industry, from time to time;



CORPORATE GOVERNANCE REPORT

- c) advising the Board on corporate governance issues, generally where they are not covered by other Board Committees, including but not limited to shareholders' issues; and
- d) performing other functions assigned by law, the Company's Constitution, or by the Board from time to time.

In assessing the performance and effectiveness of the Directors in fulfilling their duties, the NCGC takes into account, among other factors, the Director's qualifications in relation to general commercial knowledge, specific industry experience, political and social knowledge of the countries the Group operates in, attendance at Board or Board Committee meetings in person or via teleconference, availability at all reasonable times and the degree of participation at Board and Board Committee meetings, quality of interventions or difference of opinion expressed, and any special contributions. The NCGC also considers whether the Director has a reasonable understanding of the Company's business and the industry, the Director's working relationship with the other members of the Board, as well as feedback from other Directors.

In assessing the performance and effectiveness of the Board and its committees, the NCGC takes into account, among other factors, the Board Committees' and the Board's ability to work with the senior management of the Company, the discussions and due deliberations of the Board and the Board Committees, and whether objectives and targets set at the commencement of the relevant financial years have been met.

After evaluation, the NCGC considered the performance and effectiveness of each individual current Director, the Board Committees and the Board as a whole, to be satisfactory. The Board as a whole considered the performance of the NCGC to be satisfactory. For the avoidance of doubt, each member of the NCGC abstains from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

Reviews of each individual Board member's performance and effectiveness, as well as the performance and effectiveness of the Board Committees and the Board are undertaken on a continuous basis by the NCGC with inputs from the various Board members. Renewals or replacements of Directors do not necessarily reflect their contributions to date but may be driven by the need to position and shape the Board in line with the medium-term needs of the Company and its business.

The NCGC has not appointed any external facilitator for the assessments of the Board, the Board Committees and each Director for FY2020.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC comprises the following members:

Ang Mong Seng BBM	Non-Executive and Independent Group Chairman
Teo Cheng Kwee	Non-Executive Director

CORPORATE GOVERNANCE REPORT

The RC currently comprises two Directors. All members of the RC are Non-Executive Directors. Following the cessation of Lim Jun Xiong Steven who was previously the Chairman of the RC, no person has been appointed as the Chairman of the RC. Pursuant to the Code, the RC should comprise at least three directors, the majority of whom including the chairman, should be independent. As stated above, in view of the cessation of the previous independent director and the Company's current situation, a suitable replacement for an additional independent director has not been identified. The RC is governed by its own Charter and its primary function is to advise the Board on compensation issues. In particular, in relation to the Directors and key management, the RC bears in mind that a meaningful portion of their compensation should be contingent upon the financial performance of the Company, in order to foster the creation of long-term shareholder value.

In line with its Charter, the RC's responsibilities include the following:

- a) advising the Board of Directors on compensation theory and practice, as well as best practices with regard to non-cash compensation and trends;
- b) reviewing management's appraisal on the current market situation (as it relates to compensation issues) and management's recommendation of the overall aggregate adjustments to be made at the next annual review of compensation for all staff, management, and Directors, including stock options and other equity incentive schemes;
- c) recommending to the Board compensation packages for the Executive Directors, Non-Executive Directors, Group CEO, Group President and Group CFO;
- d) determining and recommending to the Board the allocation of share options, performance shares and other equity incentives, if any, to Directors, management, and staff;
- e) reviewing and assessing the performance of management and adopting appropriate measures to assess such performances; and
- f) ensuring that appropriate structures for management succession and career development are adopted.

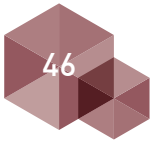
The RC meets once each year and at other times as required, in accordance with its Charter.

No remuneration consultants have been engaged for FY2020.

The management, together with the RC, recommends the compensation for Non-Executive Director(s) and Independent Director(s) to the Board, taking into account factors such as time spent and the responsibilities of the Directors, the current market circumstances, and the need to attract directors of experience and standing. The Directors' fees are compared against market standards to ensure that they are in line with market norms. As the members of the RC do not participate in any decisions concerning their own remuneration, management takes on that role and the Board accepts the management's recommendation. Payment of Directors' fees is subject to shareholders' approval at the AGM. The RC and the Board are of the view that the compensation of the current Non-Executive Director(s) and Independent Director(s) is adequate and not excessive.

The RC administers the ETC Employee Share Option Scheme 2016 (previously known as the CSH Employee Share Option Scheme 2016) and the ETC Performance Share Plan 2016 (previously known as the CSH Performance Share Plan 2016), which were approved by the Company's shareholders at the Extraordinary General Meeting held on 21 November 2016. The performance-related elements of remuneration are designed to align the interests of Directors, management, and staff with those of shareholders and to link their rewards to corporate and individual performance. Details of the ETC Employee Share Option Scheme 2016 and the ETC Performance Share Plan 2016 including awards made are found on pages 59 to 62 of the Annual Report in the Directors' Statement and Note 27 of the financial statements as well as the Company's Circular to shareholders dated 28 October 2016 which may be found on SGXNET.

Non-Executive Directors receive basic Directors' fees and additional fees for serving as a Board Committee Chairman. Executive Directors do not receive Directors' fees. A long-term incentive scheme for Directors, management, and staff includes share options and share awards.



CORPORATE GOVERNANCE REPORT

Directors' fees of up to S\$180,000 for the financial year ending 31 December 2022, which are to be paid quarterly in arrears, will be recommended to the shareholders for approval at the forthcoming AGM. The actual Directors' fees paid out will be disclosed in the Company's Annual Report for the relevant financial year.

It was noted that Directors' fees of up to S\$180,000 for the financial year ending 31 December 2021 have been approved by the shareholders during the last AGM held on 12 June 2020. It was also noted that Directors' fees of approximately S\$144,000 for the financial year ended 31 December 2020 have been paid out or accrued.

The management, together with the RC, determines and recommends to the Board the compensation package of the Executive Directors, taking into account their experience and knowledge as well as the existing circumstances in the employment market.

With regard to the remuneration of other key management executives, the RC, together with the management, reviews proposals which are made by the Executive Directors. The remuneration policy for the key management executives is guided by the National Wage Council guidelines, and also takes into consideration the Company's performance as well as the responsibilities and performance of individual key management executives. The latter is measured by goals and objectives set for each key management executive in congruence with the Company's overall goals and objectives.

The NC and the RC have reviewed the terms of the service contracts for the Executive Directors and they are of the view that the Executive Directors have service contracts which include fair and reasonable terms for termination under appropriate notice and these service contracts are in line with market practices and are not overly generous.

The Board is of the view that it is not necessary to present its remuneration policy before shareholders for approval at the AGM as the remuneration policy for executives is a management decision that the Board is generally entitled to make. Whilst a summary of the remuneration policy has been set out in this Report, the Company has not disclosed all the specific relationships between remuneration, performance and value creation, as set out in Practice Guidance 8, for confidentiality reasons.

In addition, the Board is of the view that there is no need to institute contractual provisions to allow the Company to reclaim incentive components of Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss, as they owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of such a breach of fiduciary duties.

Details of the Directors and key management executives' remuneration for FY2020 are set out below. Disclosure of the Directors' remuneration is also made in Note 22 of the financial statements.

Directors' Remuneration

	Fees %	Salary and Bonus %	Other Benefits* %	Total %
Directors				
Between S\$300,000 – S\$399,999				
Tan Thiam Hee ¹	–	84.26	15.74	100
Between S\$200,000 – S\$299,999				
Zhu Xiaolin ²	–	95.05	4.95	100
Between S\$0 – S\$99,999				
Ang Mong Seng ³	100	–	–	100
Lim Jun Xiong Steven ⁴ (Resigned on 5 April 2021)	100	–	–	100
Teo Cheng Kwee ⁵	100	–	–	100

CORPORATE GOVERNANCE REPORT

Notes:

* Other benefits, where applicable, include granting of share options under the ETC Employee Share Option Scheme 2016, granting of awards under the ETC Performance Share Plan 2016 and/or employer's contribution to the Central Provident Fund.

1. Director's remuneration for FY2020 was S\$344,674.
2. Director's remuneration for FY2020 was S\$242,434.
3. Director's fees for FY2020 were S\$54,000.
4. Director's fees for FY2020 were S\$51,000.
5. Director's fees for FY2020 were S\$39,000.

Key Management Personnel's Remuneration

	Fees %	Salary and Bonus %	Other Benefits* %	Total %
Key Management Personnel				
Between S\$200,000 – S\$299,999				
Joseph Lim (Group CFO)	–	81.43	18.57	100
Lai Xuejun (SVP & Regional GM – Myanmar)	–	74.25	25.75	100
Between S\$100,000 – S\$199,999				
Li Bo (VP (Sales & Marketing) & Regional Sales & Marketing Director – Myanmar)	–	76.67	23.33	100
Irwin Ang Chee Liong (VP (Quality Assurance))	–	74.77	25.23	100
Zhang Xiaoping (Administrative Director)	–	69.59	30.41	100

Notes:

* Other benefits, where applicable, include granting of share options under the ETC Employee Share Option Scheme 2016, granting of awards under the ETC Performance Share Plan 2016, benefits in kind and/or employer's contribution to the Central Provident Fund.

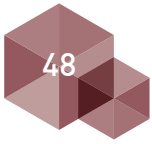
The total remuneration paid to the top key management personnel (who are not Directors or the Group CEO) in FY2020 is S\$990,499. No termination, retirement and post-employment benefits were granted to directors, the CEO and the top key management personnel (who are not Directors or the Group CEO) in FY2020.

The Company does not disclose the individual remuneration of the key management personnel to the nearest thousand but in bands of S\$100,000 for confidentiality reasons so as to prevent competitors from knowing salaries offered by the Company to its key management personnel of similar status in the Group.

Other than Mr Zhu Xiaolin, an Executive Director and the Group President, there are no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the Group CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2020.

The Board confirms that the remuneration paid to the Executive Directors and key management personnel of the Group is based, inter alia, on the prevailing market forces, their qualification and expertise and their contribution to the Group.

For the purpose of Rule 704(10) of the Catalyst Rules, the Company hereby confirms that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of any Director, Group CEO or substantial shareholders of the Group.



CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Audit Committee

Principle 10: The Board has an AC which discharges its duties objectively.

To ensure that corporate governance is effectively practiced, the current Directors have established self-regulatory and monitoring mechanisms, including the establishment of the AC, which comprises the following members:

Ang Mong Seng BBM	Non-Executive and Independent Group Chairman
Teo Cheng Kwee	Non-Executive Director

the AC currently comprises two directors, all of whom are non-executive. Following the cessation of Lim Jun Xiong Steven who was previously the Chairman of the AC, no person has been appointed as the Chairman of the AC. Pursuant to the Code, the AC should comprise at least three directors, all of whom are non-executive and the majority of whom including the chairman, should be independent. As stated above, in view of the cessation of the previous independent director and the Company's current situation, a suitable replacement for an additional independent director has not been identified. The members of the AC have recent and relevant accounting or related financial management expertise or experience. The AC does not comprise any former partners or directors of the company's existing auditing firm or auditing corporation.

The roles and responsibilities of the AC are established in accordance with the Code. The Charter provides for a minimum of four meetings a year, and at such other times as required.

The AC's primary function is to provide assistance to the Board of Directors by fulfilling its responsibilities relating to corporate accounting and auditing reporting practices of the Company, the quality and integrity of the financial reports of the Company, and the Company's system of internal controls regarding finance, accounting, legal compliance and ethics as established by the management and the Board. The AC reports to the Board how it has discharged its responsibilities and whether it was able to discharge its duties independently.

In line with its Charter, the responsibilities of the AC include the following:

- a) recommending the appointment or dismissal of external auditors (subject to shareholders' approval) and in relation to this, the AC considers the independence and objectivity of the external auditors, reviews and recommends to the Board the compensation and terms of engagement of the external auditors, and reviews the scope and results of the audit and its cost effectiveness. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC reviews the nature and extent of such services with the objective of balancing between maintaining auditors' objectivity against cost-effectiveness;
- b) considering, in consultation with the external auditors, the audit scope and the plans of external auditors on the coverage and effective use of audit resources;
- c) reviewing, with the external auditors, their audit reports;
- d) reviewing the assistance given by the Company's officers to the external auditors;
- e) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- f) reviewing and assessing management processes, including but not limited to strategic planning, operations, performance measurement, and reporting, in order to resist over-ambitious and unethical behaviour;
- g) inquiring from management and external auditors about significant risks or exposures, and assessing steps taken by management to minimise or control the Company's exposure to such risks;

CORPORATE GOVERNANCE REPORT

- h) considering and reviewing with the external auditors and internal auditors (as the case may be) at least annually the adequacy, effectiveness, and efficiency of management processes, financial controls, operational controls, compliance controls, information technology controls, security, and risk management systems, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto;
- i) maintaining free and open communications between Directors, external auditors, and management;
- j) meeting with the external auditors, management, and any others considered appropriate in separate executive sessions to discuss any matters that the AC believes should be discussed privately at least annually;
- k) reviewing all non-audit services provided by the Group's external auditors, Foo Kon Tan LLP, if any;
- l) recommending and approving the appointment or dismissal of the internal auditors and in relation to this, the AC considers the independence and objectivity of the internal auditors, reviews and recommends to the Board the compensation of the internal auditors; and
- m) reviewing the adequacy, effectiveness, scope and results of the internal audit function.

The AC has in place "Whistle Blowing" arrangements by which staff may, in confidence, raise concerns either verbally or in writing (via email) about possible improprieties in matters of financial reporting or other matters within the Company to the members of the AC directly. The objective is to ensure that arrangements are in place for independent investigations of such matters and for appropriate follow-up action to be taken. Copies of the "Whistle Blowing" policy have been circulated to the employees and are also available at the Company's registered office.

Foo Kon Tan LLP is an audit firm registered with the Singapore Accounting & Corporate Regulatory Authority and its appointment as the Company's external auditors was approved by the Company's shareholders at the Extraordinary General Meeting held on 21 August 2009. The AC noted that there were no non-audit services rendered by Foo Kon Tan LLP in FY2020. In accordance with Rule 1204(6) of the Catalist Rules, the audit fees paid to Foo Kon Tan LLP for their audit services in FY2020 are approximately S\$100,000 (excluding disbursements and GST).

Foo Kon Tan LLP was also appointed in FY2020 to audit the accounts of the Company, its subsidiaries and its significant associated companies, if any. The Company has therefore acted in compliance with Rule 712 and Rule 715 of the Catalist Rules.

The AC reviewed the independence and objectivity of the external auditors as required under Section 206(1A) of the Companies Act and determined that the external auditors were independent in carrying out their audit of the Group's financial statements. The AC had also reviewed the scope and quality of the external auditors' work, taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority before recommending the external auditors to the Board for re-appointment. After taking into account the resources and experience of Foo Kon Tan LLP and the audit engagement partner assigned to the audit, Foo Kon Tan LLP's other audit engagements, the size and complexity of the audit for the Group as well as the number and experience of the staff assigned by Foo Kon Tan LLP for the audit, the AC is of the view that Foo Kon Tan LLP is able to meet its audit obligations. Together with the Board, the AC recommends the re-appointment of Foo Kon Tan LLP at the forthcoming AGM.

The external auditors also brief the AC members on the developments in accounting standards (where applicable) during AC meetings to keep the AC members abreast of changes to the accounting standards and issues which have a direct impact on financial statements. The AC has full access to the external auditors and internal auditors without the presence of management and is authorised to have full and unrestricted access to management and all personnel, records, operations, properties, and other informational sources of the Company as required or desirable to properly discharge its responsibilities. The AC has met with the external auditors without the presence of management in FY2020. The AC has full discretion to invite any Director or executive officer to its meetings, has the authority to conduct or authorise investigations into any matters within its scope of responsibilities, and reasonable resources to enable it to discharge its functions.

The AC noted that the external auditors have issued a "Disclaimer of Opinion" and did not express an opinion on the accompanying consolidated financial statements of the Group for FY2020 and the statement of financial position of the Company as at 31 December 2020. The AC noted the following basis for Disclaimer of Opinion raised by the external auditor in its audit report for FY2020. Below are the AC's commentary on the auditor's report:

CORPORATE GOVERNANCE REPORT

Basis for Disclaimer of Opinion	Comments by the AC
<p>Use of going concern assumption</p>	<p>For FY2020, the Group incurred net loss and net operating cash outflows of S\$4,082,000 (2019: net profit of S\$14,763,000) and S\$11,226,000 (2019: net operating cash inflows of S\$10,442,000). In addition, the Group did not meet a financial covenant in respect of its bank loan during FY2020, resulting in the loan being repayable on demand. Consequently, the bank loan of S\$54,138,000 had been wholly classified as current as at 31 December 2020. The Group had borrowings amounting to S\$59,785,000 due for repayment within the next 12 months or on demand, with cash and bank balances of S\$2,137,000 as at 31 December 2020.</p> <p>Notwithstanding this, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements, due to the following:</p> <ul style="list-style-type: none"> (i) The Group had net current assets and net assets of S\$52,532,000 (2019: S\$67,458,000) and S\$123,412,000 (2019: S\$129,434,000), respectively, as at 31 December 2020, while the Company had net assets of S\$34,418,000 (2019: S\$69,524,000) as at 31 December 2020. (ii) In respect of the bank loan of S\$54,138,000 for which principal repayment of US\$2,350,000 was required to be made every three months for five years from 8 June 2020, the Group had subsequently negotiated the repayment terms with the bank and obtained a temporary relief through the revision of the repayment schedule. The next principal repayment of US\$4,130,000 is scheduled on 8 March 2023, to be made every three months until 8 June 2025. The Group does not expect the bank to call for full repayment of the bank loan for the breach in financial covenant. <p>Based on the above, the directors are satisfied that the Group and Company will have sufficient working capital and financial resources to enable them to meet their obligations as and when they fall due and continue as going concern for 12 months from the end of the reporting period.</p>
<p>Net realisable value of development properties</p>	<p>The AC considered the approach and methodology in determining the estimated net realisable value of the development properties, which is dependent upon the Group's expectations of future selling prices. In making its estimates of future selling prices, the Group takes into account the available recently transacted prices, prices of comparable properties located in the same vicinity as the development project, macroeconomic and real estate price trend. Senior management has applied its knowledge of the business in its regular review of the estimates.</p> <p>The AC also reviewed the development properties to ensure that they are correctly classified as development property, various transfers from development properties to investment properties for appropriateness and the adequateness of the disclosures made in the financial statements and as set out under Note 7 to the financial statements.</p>

CORPORATE GOVERNANCE REPORT

<p>Independent reviews</p>	<p>In April 2021, after consultation with Singapore Exchange Regulation Pte. Ltd. and the Sponsor, the Company appointed (a) Nexia TS Advisory Pte Ltd as the independent reviewer to conduct reviews in order to provide assurance to all stakeholders regarding the Group’s dealings and (b) Kelvin Chia Partnership as an independent reviewer to conduct an independent review of the Company’s investment and business activities in Myanmar and Singapore for compliance with applicable laws and on the applicability and effect on the Group’s business operations due to the unilateral sanctions imposed on Myanmar (collectively the “Independent Reviews”). Details of the findings of each of the independent reviews is currently pending.</p> <p>The AC will review carefully the findings of the Independent Reviews once available and consider the recommendations, if any, set out in the Independent Reviews, to enhance and improve.</p>
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Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

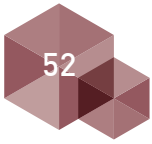
The Board acknowledges that it is responsible for the overall internal control framework but also recognises that all internal control systems contain inherent limitations and that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risks of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against misstatements or losses. The Board and AC review regularly the adequacy and effectiveness of the Group’s risk management and internal control systems, including but not limited to financial, operational, and compliance controls. In particular, the Group has adopted the Ethics as well as a “Whistle Blowing” policy to ensure that there are no irregularities in the Company’s business dealings and that there is a system of integrity and reliability.

Whilst the Company recognises the importance of having a system of internal controls designed to provide reasonable assurance that assets are safeguarded and financial reporting is reliable, the Board recognises that no internal control system could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud and other irregularities. The system is designed to manage rather than eliminate all risks of failure in the Company’s pursuit to achieve its business objectives.

The AC and management also review the Group’s operational activities on an on-going basis to identify areas of material risks. The AC together with the management and the internal and external auditors will table all control issues and review the appropriate measures being recommended to mitigate areas of weaknesses highlighted to the Board during its meetings.

The Board has reviewed and evaluated the adequacy and effectiveness of the Company’s system of internal controls and work procedures and processes. Internal controls have been put in place to safeguard the shareholders’ investment and the Company’s assets, and to ensure that the Company’s financial statements give a true and fair view of the Company’s operations and finances.

The Company has engaged Baker Tilly Consultancy (Singapore) Pte Ltd (“**Baker Tilly**”), a suitably appointed qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, to conduct an internal audit of the Company as well as to implement enterprise risk management (“**ERM**”) initiatives within the Group to assist in determining whether the Group’s checks and balances and control systems are adequate. In addition, Baker Tilly assists on the implementation of sustainability practices throughout the Group to assess and disclose the environmental and social aspects of the Group’s performance. Baker Tilly has unfettered access to all the Company’s documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company. Baker Tilly reports directly to the AC and provides reports to AC on a timely basis. The AC reviewed the independence, adequacy and effectiveness of the internal auditors as required under Rule 1204(10C) of the Catalyst Rules and determined that the internal auditors are independent, effective and adequately resourced. The AC decides on the appointment, termination and compensation of the internal auditors.



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At present, the Board relies on external audit reports and management letters prepared by the external auditors, Baker Tilly's internal audit findings and ERM report on any material non-compliance or internal control weaknesses. Going forward, the Board would be able to, in addition to the aforesaid, rely on Baker Tilly's sustainability reporting to better determine whether the Group conducts its business responsibly, particularly the environmental and social aspects.

The Group's external auditors, Foo Kon Tan LLP, contribute by providing an independent perspective on the relevant internal controls arising from their audit, the findings of which are reported to the AC. The AC is satisfied that the independence of the external auditors is not compromised by any other material relationship with the Company.

The AC has also set in place certain internal controls (for example, setting limits on transactions amounts and having different bank signatories), risk management practices and sustainability practices, taking into consideration the risks which the Group is exposed to, the likelihood of occurrence of such risks, the costs of implementing the corresponding controls and the environmental and social interactions within the communities in which the issuers operate. Furthermore, as mentioned above, the Company is assisted by Foo Kon Tan LLP (in the course of their audit), and has engaged Baker Tilly to conduct an internal audit on the Group, to introduce ERM initiatives for the Group and to advise on the Group's corporate transparency on responsible business practices, particularly the environmental and social aspects.

In April 2021, after consultation with Singapore Exchange Regulation Pte. Ltd. and the Sponsor, the Company appointed (a) Nexia TS Advisory Pte Ltd as the independent reviewer to conduct reviews in order to provide assurance to all stakeholders regarding the Group's dealings and (b) Kelvin Chia Partnership as an independent reviewer to conduct an independent review of the Company's investment and business activities in Myanmar and Singapore for compliance with applicable laws and on the applicability and effect on the Group's business operations due to the unilateral sanctions imposed on Myanmar (collectively the "**Independent Reviews**"). Details of the findings of each of the independent reviews is currently pending.

The Board has received assurance from each of the Executive Directors (including the Group CEO and Group President) and Group CFO that the financial records of the Group for FY2020 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from each of the Executive Directors (including the Group CEO and Group President) and Group CFO that the Group's risk management and internal control systems are adequate and effective for FY2020.

Subject to the findings of the Independent Reviews, the results of which are still pending, based on the Company's corporate structure and scope of operations and based on the internal controls established and maintained by the Group, work performed by the external and internal auditors, and reviews performed by management, the AC and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational (including without limitation, political, economic and social risks in the jurisdiction(s) in which the Group operates), compliance and information technology risks, and risk management systems were adequate and effective as at 31 December 2020. The Board and the AC will review carefully the findings of the Independent Reviews once available and consider the recommendations, if any, set out in the Independent Reviews, to enhance and further improve, where appropriate, the Group's internal controls.

KEY OPERATIONAL RISKS

The Board is aware of the risk profiles which may adversely affect the Company's financial performance, financial position and cash flows in the event that any of these risk factors develop into actual events. The Board thinks that the following risks could affect the Company (please note that this is a non-exhaustive list):

General Country and Political Risks associated with the Company's business in Myanmar

Political, economic and social instability in Myanmar

The Group's Golden City project is based in Myanmar, which has the potential to be politically and economically unstable. The previous governing military regime was succeeded by a civilian government. The new government has already implemented a number of political, economic and social reforms. However, there is no certainty that the reform will continue or be successful, and there is no certainty that the business and investment environment in Myanmar will continue to improve or be sustainable.

CORPORATE GOVERNANCE REPORT

Various parts of the country are also experiencing a rise in ethnic and sectarian tensions, which, if escalated further, could hamper investor confidence, economic potential, and growth and stability of the construction industry. Any unfavourable changes in the political, economic and social conditions of Myanmar, and the existence of conditions impacting upon safety and security, may also adversely affect the Group's business and operations in Myanmar.

The political situation of Myanmar is even more complicated and unstable after the military seized power in February 2021 from the civilian government. It is widely expected that the military authorities will remain in power until the next general election, which is scheduled in 2023, but at enormous costs to the economy and polity. The backlash to military rule, coupled with the outbreak of COVID-19, which has caused major disruptions across global supply chains and dampened economic growth prospects across the globe, will push the economy into a recession in 2021.

Further, any changes in the political, economic and social policies of the Myanmar government may lead to changes in the laws and regulations or the interpretation and application of the same, as well as changes in the foreign exchange regulations, taxation and land ownership and development restrictions, which may adversely affect the Group's financial performance.

The Myanmar legal system is still maturing and the interpretation and application of Myanmar laws and regulations involve uncertainty

The Group's operations in Myanmar is subject to the laws and regulations promulgated by the Myanmar legislature, and notifications and guidelines from various government authorities and bodies. These include the laws and regulations relating to labour (such as those dealing with subjects such as work hours, wages and overtime, minimum wage and workmen's compensation) and foreign ownership of land. The laws and regulations of Myanmar may be supplemented or otherwise modified by unofficial or internal guidelines and practices which exist but which are not documented or which are not generally available to the public or uniformly applied. Such guidelines and practices may not have been ruled upon by the courts or enacted by legislative bodies and may be subject to change without notice or adequate notice. There are also limited precedents on the interpretation, implementation or enforcement of Myanmar laws and regulations, and there is limited judicial review over administrative actions and decisions. Therefore, a high degree of uncertainty exists in connection with the application of existing laws and regulations to events, circumstances and conditions.

Myanmar laws and regulations are also undergoing extensive changes. Changes in the laws and regulations may however not adequately address shortcomings in the legal and regulatory regimes and even if they do, may not be successfully implemented or could be subjected to uncertainty and differences in application and interpretation. Further, changes in the laws may be unpredictable and may in some instances introduce conditions that will increase the costs of doing business in Myanmar and adversely affect the Group's financial performance.

While Myanmar adopts a mixed legal system of common law, civil law and customary law, governmental policies play an overriding role in the implementation of the laws. Furthermore, the application and administration of Myanmar laws and regulations may be subject to a certain degree of discretionary determination by the authorities and may differ in implementation across various regional governments and government authorities and bodies.

In any event, the resolution of commercial and investment disputes by domestic tribunals, either through the courts or arbitration proceedings, is, at present, limited. Myanmar enacted the Arbitration Law 2016 (Law 5/2016 – the Arbitration Law) to replace the Arbitration Act 1944, thus implementing the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958. Amongst other provisions, the Arbitration Law 2016 provides for enforcement of foreign arbitration awards in Myanmar, which may be refused by a court in the following circumstances:

- (1) a party to the arbitration agreement was under some incapacity;
- (2) the said agreement is not valid under the law to which the parties have subjected to it or, failing any indication thereon, under the law of the country where the award was made;
- (3) the party against whom the award is invoked was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case;

CORPORATE GOVERNANCE REPORT

- (4) the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration;
- (5) the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties or, failing such agreement, was not in accordance with the law of the country where the arbitration took place; or
- (6) the award has not yet become binding on the parties or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made.

Whilst Myanmar is also a party to the ASEAN Comprehensive Investment Agreement (2009), it is likewise unclear as yet how disputes covered by and the protections afforded under this agreement will be treated and resolved under Myanmar law or by the Myanmar courts.

Limited accessibility of publicly available information and statistics in Myanmar

Under the current business environment in Myanmar, it may be very difficult to obtain up-to-date information and statistics on other businesses in Myanmar that may be relevant to the Group in terms of, inter alia, business activities, geographical spread, track record, operating and financial leverage, liquidity, quality of earnings and accounting, economic outlook, growth statistics and other relevant data. As such it may be difficult for the Group to access the prospects and potential of any business opportunities available to the Group from time to time. Consequently, the investment and business decisions of the Group may not be in the future be based on accurate, complete and timely information. Inaccurate information may adversely affect the Group's business decisions, which could materially and adversely affect the business and financial condition of the Group.

Foreign exchange control risks in Myanmar

In 2012, the Central Bank of Myanmar adopted a managed float for the Kyats after a 35-year fixed exchange rate regime. Although this policy shift is widely considered to be a positive development in the liberalisation of Myanmar's economy, the actual impact of such change is yet to be ascertained. Significant fluctuations of the Kyats against the United States dollar or the Singapore dollar could have a material adverse effect on the Group's operations and financial conditions and prospects.

The remittance of funds in and out of Myanmar is governed by the Foreign Exchange Management Law, 2012 and the implementing regulations being Notification No. 7/2014 and *Criteria for Offshore Loan*, published on the CBM website (collectively, "**FEML**"). Under FEML as it is applied in practice, the remittance of funds into Myanmar in the form of equity, working capital, or payments for trade or services are generally considered to be current account transfers and do not require approval of the Central Bank of Myanmar ("**CBM**").

However, capital account transfers into Myanmar require CBM approval, which includes offshore loans disbursed to Myanmar residents/companies. In order to apply for CBM approval for an offshore loan, the borrower must submit an application to CBM, which must include, amongst other things:

- (1) cover page, addressed to CBM including a summary of the main points (lender, borrower, amount, interest rate – interest rate for intercompany loans generally cannot exceed 6-7% p.a., and third-party loans generally cannot exceed 13% p.a. as a matter of practice);
- (2) repayment schedule;
- (3) draft loan agreement;
- (4) proof that the borrower has paid at least US\$500,000 in equity into the company and that after the loan is disbursed, it will maintain a prescribed debt-to-equity ratio (in the Criteria for Offshore Loan, published on the CBM website, this is stated to be between 3:1 – 4:1, and we are aware that in practice, CBM will sometimes allow 5:1);

CORPORATE GOVERNANCE REPORT

- (5) if the borrower has a Myanmar Investment Commission (“MIC”) permit, then it must establish that, of the equity proposed in the MIC proposal, that 80% of that equity has been paid-in; and
- (6) other miscellaneous documents, such as corporate documents and audited accounts.

In remitting funds outside of Myanmar, if the payment is current account, including payments for trade and services, CBM approval is not required, although the local bank has discretion to refer the matter to the CBM, and in practice, local banks often require a number of documents and information, sometimes making these transfers difficult.

If an offshore loan into Myanmar has been approved by CBM, then the repayment of that loan offshore should not require further CBM approval. However, if the actual repayment deviates from the repayment schedule approved by CBM in the first instance, then the local bank may refer to the matter to CBM, although this can usually be managed with the local bank.

Repatriation of dividends should not require CBM approval provided that the equity brought into Myanmar in the first instance was reported to CBM. In practice, local banks may require CBM approval before repatriating dividends, and will in any case require proof that dividends come from profits and that the company has paid all income tax on profits in that year, which would usually come in the form of the audited accounts of the company (for the year in which that profit is made) and tax clearance. If the company has a MIC permit or endorsement order, MIC approval will be required before the bank will repatriate dividends.

Mitigation of the Risks

The key management of the Golden City project have the relevant expertise and experience in managing the Golden City project in Myanmar and since the military seized power in February 2021 from the civilian government, there have not been any changes to the individuals comprising such key management, which has mitigated the abovementioned risks associated with the Group's operations in the Myanmar region as having the same key management has ensured some semblance of stability within the Group's operations despite the current uncertain climate in Myanmar. In particular, Mr Zhu Xiaolin, an Executive Director and Group President of the Company, is currently the chairman and director of Golden Land Real Estate Development Co. Ltd. and the chief executive officer and director of Uni Global Power Pte. Ltd. Together with Mr Lai Xuejun, Mr Zhu Xiaolin manages and operates the Golden City project. Mr Zhu Xiaolin and Mr Lai Xuejun hold interests in the Company and in Uni Global Power Pte. Ltd. which aligns the interests of Mr Zhu Xiaolin and Mr Lai Xuejun with the Group. Both Mr Zhu Xiaolin and Mr Lai Xuejun are part of the founding investors and management of the Golden City project.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

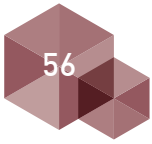
Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Information is communicated to shareholders on a timely basis. Where disclosure is inadvertently made to a selected group, the Company will make the same disclosure publicly as soon as practicable for it to do so. Communication is made through:



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- annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual reports include all relevant information about the Group, including future developments and other disclosures required under the Catalist Rules and the relevant accounting standards;
- financial statements containing a summary of the financial information and affairs of the Group for the period;
- notices of annual general meetings and extraordinary general meetings (“Notices”);
- replies to email queries from shareholders;
- disclosures to the SGX-ST and the shareholders by releasing announcements via SGXNET; and
- circulars or letters to shareholders to provide the shareholders with more information on its major transactions.

One of the Board’s principal duties is to protect and enhance the long-term value and returns to the Company’s shareholders. This accountability to shareholders is demonstrated through the provision of announcements on the financial results of the Group as well as timely announcements on news releases of significant corporate developments and activities of the Group such that shareholders will have information to evaluate and assess the Group’s financial position and prospects.

The financial statements were signed by two Directors, thereby confirming that, to the best of the Board’s knowledge, nothing had come to the attention of the Board which may render the unaudited interim financial results contained in that announcement to be false or misleading in any material aspect.

Further to the above, the Company also completes and submits compliance checklists to its Sponsor (if applicable and when required) to ensure that all announcements, circulars or letters to our shareholders comply with the requirements set out in the Catalist Rules.

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The Group values dialogue with investors and believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders’ views and addressing their concerns where possible. The Group adopts the practice of regularly communicating major developments in its business and operations through SGXNET and news releases and where appropriate also directly to shareholders, other investors, analysts, the media, the public and its employees.

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Half yearly and full year results as well as the annual reports are announced or issued within the mandatory period. However, any information that may be regarded as undisclosed material information about the Group will not be given. The Group issues announcements and news releases on an immediate basis where required under the SGX-ST Catalist Rules. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that the stakeholders and the public have fair access to the information.

Briefings and meetings for analysts and the media are held, generally coinciding with the release of the Group’s half yearly and full year results. Presentations are made, as appropriate, at general meetings to explain the Group’s strategies, performance and major developments. Presentation materials are made available on SGXNET and the Company’s website for the benefit of shareholders.

Notices of general meetings are advertised in the press and published via SGXNET. The results of all general meetings are also published via SGXNET. To facilitate participation by the shareholders, the Constitution of the Company allows the shareholders to attend and vote at all general meetings of the Company by proxies. Proxy forms can be sent to the Company’s Share Registrar by mail. At all general meetings, each distinct issue is voted via a separate resolution unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled” or made inter-conditional on each other, the Company explains the reasons and material implications in the Notice of meeting. The Company provides the necessary

CORPORATE GOVERNANCE REPORT

information on each resolution to enable shareholders to exercise their vote on an informed basis. For resolutions on the election or re-election of Directors, the Company provides sufficient information on the background of Directors, their contributions to the Company, and the Board and Board Committee positions they are expected to hold upon election.

The Board also regards the general meetings as opportunities to communicate directly with the shareholders and encourages greater shareholder participation. As such, the shareholders are encouraged to attend general meetings of the Company to grasp a better understanding of the Group's businesses and be informed of the Group's strategic goals and objectives, as well as to interact with the Directors before and after the general meetings. Notices of general meetings are dispatched to the shareholders at least 14 days before the meeting if ordinary businesses are to be transacted at the meeting or at least 21 days before the meeting if special businesses are to be transacted at the meeting.

General meetings of the Company will be chaired by the Group Chairman and are also attended by other Directors, the management, the Company Secretary and if necessary, the external and internal auditors. At all general meetings, the Company informs shareholders of the rules governing general meetings and shareholders are given the opportunity to air their views and to ask the Group Chairman, the individual Directors and the Chairmen of Board Committees questions regarding the Company. The external auditors are also present to assist the Board in answering the shareholders' queries, where they are able to do so, and in particular, about the conduct of audit and the preparation and content of the auditors' report. In compliance with Rule 730A(2) of the Catalist Rules, resolutions tabled at general meetings of shareholders are put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings of shareholders.

The Company Secretary and/or representatives from the Company Secretary's office prepares the minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. The minutes of such meetings are then circulated to the Board for approval. Thereafter, the minutes are published on the Company's corporate website as soon as practicable and are also available to shareholders upon request.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate. In compliance with Rule 704(23) of the Catalist Rules, in the event that the Board decides not to declare or recommend a dividend, the Company expressly discloses the reason(s) for the decision together with the announcement of the relevant financial statements.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company's strategy and key areas of focus in relation to the management of stakeholder relationships during FY2020 can be found on pages 15 to 16 of the Annual Report in the Sustainability Report. Stakeholders can access information on the Group via its corporate website at: www.etc singapore.com

INTERNAL COMPLIANCE CODE ON DEALINGS IN COMPANY'S SECURITIES

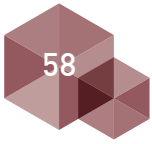
(Catalist Rule 1204(19))

The Company has its own internal compliance code to provide guidance for both itself, and its Directors and employees (including employees with access to price-sensitive information on the Company's shares) on dealings in the Company's securities, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Rule 1204(19) of the Catalist Rule, the Company issues a directive informing the Directors and employees that they are not allowed to deal in the Company's shares during the period commencing one month before the date of announcement of the Company's half year and annual results. These trading restrictions end on the date of the results announcement. Additionally, both Directors and employees are prohibited from dealing in securities of the Company while in possession of price-sensitive information. They are required to report to the Company Secretary whenever they deal in the Company's shares. The Company Secretary assists the AC and the Board to monitor such share transactions and to make the necessary announcements.

An officer of the Company should not deal in the Company's securities on short-term considerations.

The Board confirms that as at the date of this Report, the Company has complied with Rule 1204(19) of the Catalist Rules.



CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

(Catalist Rule 907)

The Group has established procedures to ensure that all transactions with interested persons are properly documented and reported in a timely manner to the AC, and that the transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders, in accordance with the internal controls set up by the Company on interested person transactions. In the event that a member of the AC is involved in any interested person transaction, he will abstain from reviewing that particular transaction.

There were no transactions entered into by the Group with interested persons and their associates for FY2020 of S\$100,000 or more.

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Catalist Rule 920.

MATERIAL CONTRACTS

(Catalist Rule 1204(8))

There were no material contracts of the Company or its subsidiaries involving the interests of the Group CEO, any Director or controlling shareholders subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.

RISK MANAGEMENT

(Catalist Rule 1204(4)(b)(iv))

The management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to manage and mitigate these risks. The management reviews all the significant control policies and procedures and highlights all significant findings to the Directors and the AC.

NON-SPONSOR FEES

(Catalist Rule 1204(21))

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The current Continuing Sponsor of the Company is RHT Capital Pte. Ltd. ("**RHT Capital**"). No non-sponsor fees were paid to RHT Capital by the Company for FY2020.

EMPLOYEE SHARE OPTION SCHEME

(Catalist Rule 1204(16))

On 21 November 2016, shareholders terminated the CSH Employee Share Option Scheme 2009 (previously known as CTL Employee Share Option Scheme and which was approved by the Company's shareholders at the Extraordinary General Meeting held on 21 August 2009) and approved the ETC Employee Share Option Scheme 2016 (previously known as the CSH Employee Share Option Scheme 2016) and the ETC Performance Share Plan 2016 (previously known as the CSH Performance Share Plan 2016). Information on the ETC Employee Share Option Scheme 2016 and the ETC Performance Share Plan 2016 can be found on pages 59 to 62 of the Annual Report in the Directors' Statement and Note 27 of the financial statements.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

We submit this annual report to the members together with the audited consolidated financial statements of Emerging Towns & Cities Singapore Ltd. (the "Company") and its subsidiaries (the "Group") and statement of financial position of the Company for the financial year ended 31 December 2020.

In our opinion,

- (a) the accompanying statements of the Group and the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors of the Company in office at the date of this statement are:

Ang Mong Seng (Non-Executive Group Chairman and Independent Director)

Tan Thiam Hee (Executive Director and Group Chief Executive Officer)

Zhu Xiaolin (Executive Director and Group President)

Teo Cheng Kwee (Non-Executive Director)

Arrangements to enable directors to acquire benefits by means of the acquisition of shares, debentures or options

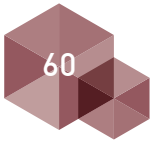
Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects was to enable the directors of the Company to acquire benefits by means of the acquisition of shares, debentures or options of the Company or any other body corporate, other than as disclosed in this statement.

Directors' interest in shares, debentures or options

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, none of the directors who held office at the end of the financial year was interested in shares, debentures or options of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.1.2020	As at 31.12.2020 and 21.1.2021 [#]	As at 1.1.2020	As at 31.12.2020 and 21.1.2021 [#]
The Company				
Emerging Towns & Cities Singapore Ltd.				
Ordinary shares				
Tan Thiam Hee	360,000	360,000	–	–
Zhu Xiaolin	151,120,969	151,120,969	49,269,895	49,269,895
Teo Cheng Kwee	59,281,760	59,281,760	–	–
Share options				
Tan Thiam Hee	5,000,000	5,000,000	–	–
Teo Cheng Kwee	2,000,000	2,000,000	–	–

[#] There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2021.



DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Equity compensation benefits

At the date of this statement, the Company has the following employee share option scheme and performance share plan for granting share options and share awards to employees and directors of the Company and its subsidiaries:

- (a) the Emerging Towns & Cities Singapore Ltd. Employee Share Option Scheme 2016 (the "2016 Scheme") which was approved at an Extraordinary General Meeting of the Company held on 21 November 2016; and
- (b) the Emerging Towns & Cities Singapore Ltd. Performance Share Plan 2016 (the "Plan") which was approved at an Extraordinary General Meeting of the Company held on 21 November 2016.

The 2016 Scheme and the Plan are administered by the Company's Remuneration Committee which at the date of this statement comprises the following members:

Ang Mong Seng
Teo Cheng Kwee

Under the 2016 Scheme, the Company may grant options to employees and directors of the Company and its subsidiaries in recognition of their services and contributions to the growth and performance of the Group. Under the Plan, the Company may grant share awards to employees and directors of the Company and its subsidiaries to incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company. The 2016 Scheme and the Plan align the interest of the participants with those of shareholders so as to motivate them to contribute towards future growth and profitability of the Group and maximisation of shareholder value in the longer term.

The total number of new shares over which options or awards may be granted pursuant to the 2016 Scheme and the Plan respectively, when added to the number of shares issued and issuable under such other share-based incentive plans of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

Under the 2016 Scheme, options granted with exercise prices equal to the market price may be exercised after the first anniversary of the date of grant and will expire after ten years from the date of grant. Options with exercise prices which represent a discount to the market price may be exercised after the second anniversary of the date of grant and will expire after ten years from the date of grant.

Under the 2016 Scheme, a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then (a) the exercise price in respect of the shares comprised in any option(s) to the extent unexercised; (b) the class and/or number of shares comprised in any option(s) to the extent unexercised and the rights attached thereto; and/or (c) the class and/or number of shares in respect of which additional options may be granted to participants of the 2016 Scheme may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the date of the exercise of an option provided that the record date relating to such variation precedes such date of exercise.

Under the Plan, if a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then (a) the class and/or number of shares which are the subject of an award to the extent not yet vested; and/or (b) the class and/or number of shares over which future awards may be granted under the Plan may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the vesting date of an award provided that the record date relating to such variation precedes such date of vesting.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

There were no options granted under the 2016 Scheme during the financial year under review. The Employee Share Option Scheme (the "2009 Scheme") approved in 2009 was terminated by the shareholders at an Extraordinary General Meeting of the Company held on 21 November 2016. Options already granted under the 2009 Scheme remain valid and exercisable until the end of the relevant exercise period.

Details of outstanding options granted under the 2009 Scheme as at the end of the financial year are as follows:

Date of grant	Balance as at 1.1.2020	Options cancelled or lapsed	Option exercised	Balance as at 31.12.2020	Exercise price per share option	Exercisable period
17.5.2016	15,000,000	–	–	15,000,000	\$0.075	17.5.2018 to 16.5.2026

There were no options granted to the directors, controlling shareholders of the Company or their associates (as defined in the Listing Manual – Section B: Rules of Catalist ("Catalist Rules") of Singapore Exchange Securities Trading Limited) as at the end of the financial year under the Schemes, except as follows:

Name of participant	Options granted during financial year under review (including terms)	Aggregate options granted since commencement of scheme to end of financial year under review	Aggregate options commencement exercised since end of financial year under review	Aggregate options outstanding as at end of financial year under review
2009 Scheme				
Tan Thiam Hee	–	5,000,000	–	5,000,000
Teo Cheng Kwee	–	2,000,000	–	2,000,000

There were no material conditions to which the options granted under the 2009 Scheme were subject.

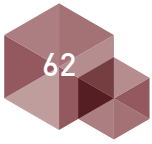
Save for Mr Tan Thiam Hee, no director or employee the Company or any of its subsidiaries has received 5% or more of the total number of options available under the Schemes. No options have been granted to the directors and employees of the Company's subsidiaries since the commencement of the share option schemes to the end of the financial year under review.

There were no unissued shares of subsidiaries under option as at the end of the financial year. No shares have been issued during the financial year by virtue of the exercise of the options to take up unissued shares of the Company.

There were no awards granted to the directors, controlling shareholders of the Company or their associates (as defined in the Catalist Rules) as at the end of the financial year under the Plan, except as follows:

Name of participant	Total number of shares comprised in awards granted during the financial year under review (including terms)	Aggregate number of shares comprised in awards granted since the commencement of the Plan to the end of the financial year under review	Aggregate number of shares comprised in awards released since the commencement of the Plan to the end of the financial year under review	Aggregate number of shares comprised in awards which have not been released as at the end of the financial year under review
Tan Thiam Hee	–	360,000	360,000	–

No director or employee of the Company or any of its subsidiaries has received 5% or more of the total number of shares available under the Plan.



DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

There were 11,141,000 new ordinary shares granted to the eligible group employees for the financial year under review, and the aggregate number of shares comprised in awards granted to the directors and employees of the Company's subsidiaries since the commencement of the Plan to the end of the financial year under review is 22,167,000.

Audit Committee

The Audit Committee at the date of this statement comprises the following members:

Ang Mong Seng
Teo Cheng Kwee

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Chapter 50, the Catalist Rules and the Code of Corporate Governance. The functions performed are detailed in the Report on Corporate Governance set out in the Annual Report of the Company for the financial year ended 31 December 2020.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Foo Kon Tan LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

Lim Jun Xiong Steven has resigned as Independent Director of the Company with effect from 5 April 2021. To meet the requirements set out in Catalist Rule 704(7) and comply with the relevant principles and provisions of the Code of Corporate Governance 2018 ("Code") with regard to, inter alia, the composition of the respective Board Committees, the Board and the Nominating & Corporate Governance Committee endeavour to fill the vacancies to the Board Committees, including the Audit Committee, by 29 October 2021 so to meet the minimum number of not less than three members for each of the Audit Committee, Nominating & Corporate Governance Committee and Remuneration Committee.

Independent auditor

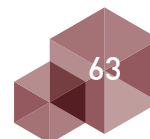
The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

ANG MONG SENG

TAN THIAM HEE

Dated: 1 September 2021



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EMERGING TOWNS & CITIES SINGAPORE LTD.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Emerging Towns & Cities Singapore Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Use of going concern assumption

For the financial year ended 31 December 2020, the Group incurred net loss and net operating cash outflows of \$4,082,000 and \$11,226,000, respectively. In addition, as disclosed in Note 13(i) to the financial statements, the Group did not meet a financial covenant in respect of its bank loan during the financial year ended and as at 31 December 2020, resulting in the loan being repayable on demand. Consequently, the bank loan of \$54,138,000 had been wholly classified as current as at 31 December 2020. The Group had borrowings amounting to \$59,785,000 due for repayment within the next 12 months or on demand, with cash and bank balances of \$2,137,000 as at 31 December 2020. The Group had subsequently negotiated the repayment terms with the bank and obtained a temporary relief through the revision of the repayment schedule, though there is no waiver of compliance of the relevant financial covenant obtained from the bank. The next principal repayment of US\$4,130,000 is scheduled on 8 March 2023, to be made every three months until 8 June 2025.

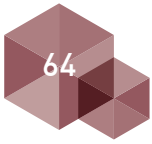
The Group's working capital primarily comprises development properties. The extremely challenging conditions and events, which have an adverse impact on the property market in Myanmar during and subsequent to the financial year ended 31 December 2020, continue to affect the realisation of the Group's development properties, resulting in a significant strain on its cash flows. The conditions and events above give rise to material uncertainties on the ability of the Group and Company to continue as going concern.

Management has prepared the financial statements on a going concern basis based on the assumptions disclosed in Note 2(a) to the financial statements. However, based on the information available to us, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves whether the use of the going concern assumption in preparing these financial statements is appropriate in view of the factors described above, and as the arrangements to secure additional funding have yet to conclude at the date of these financial statements.

If the Group and the Company were unable to continue in operational existence, the Group and the Company may be unable to discharge their liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may need to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to the financial statements.

Net realisable value of development properties

Stated on the consolidated statement of financial position as at 31 December 2020 are development properties of \$150,797,000 (Note 7), which are required to be measured at the lower of cost and net realisable value in accordance with SFRS(I) 1-2 Inventories. We are unable to obtain sufficient appropriate audit evidence to assess the realisability of the development properties, and ascertain their net realisable values and whether any write-down should be recognised. Consequently, we are unable to satisfy ourselves as to the appropriateness of the carrying amount of the Group's development properties as at 31 December 2020.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EMERGING TOWNS & CITIES SINGAPORE LTD.

Basis for Disclaimer of Opinion (Cont'd)

Independent reviews

As disclosed in Note 33 to the financial statements, the Company had appointed independent reviewers to conduct reviews of contractual payments and fund-raising of the Group, and the Group's investment and business activities in Myanmar and Singapore for compliance with applicable laws and on the applicability and effect on the Group's business operations due to the unilateral sanctions imposed on Myanmar. Details of the findings of the independent reviews have yet to conclude at the date of these financial statements. Based on the information available to us, we are unable to determine whether any adjustments might have been necessary in respect of the financial statements of the Group and the Company.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for *Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the effect of the matters described in the *Basis for Disclaimer of Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit in this independent auditor's report is Chin Sin Beng.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
Singapore

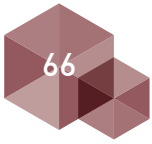
1 September 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	The Group		The Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	4,360	4,235	28	73
Right-of-use assets	4	68	174	68	174
Subsidiaries	5	–	–	35,393	35,393
Investment properties	6	113,780	113,087	–	–
Trade receivables	8	4,671	8,787	–	–
		122,879	126,283	35,489	35,640
Current Assets					
Development properties	7	150,797	162,354	–	–
Trade and other receivables	8	11,169	12,935	160	35,109
Prepayments		154	584	26	27
Cash and bank balances	9	2,137	3,222	115	166
		164,257	179,095	301	35,302
Total assets		287,136	305,378	35,790	70,942
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	10	43,580	43,354	43,580	43,354
Reserves	11	68,693	73,429	(9,162)	26,170
Equity attributable to owners of the Company		112,273	116,783	34,418	69,524
Non-controlling interests		11,139	12,651	–	–
Total equity		123,412	129,434	34,418	69,524
Non-Current Liabilities					
Deferred tax liabilities	12	27,145	29,039	–	–
Borrowings	13	–	11,825	–	–
Accrued land lease premium	14	24,826	21,486	–	–
Lease liabilities	15	5	57	5	57
Advance consideration received from customers	17	–	1,877	–	–
Provision for site restoration		23	23	23	23
		51,999	64,307	28	80
Current Liabilities					
Borrowings	13	59,785	31,567	–	–
Accrued land lease premium	14	8,245	10,699	–	–
Lease liabilities	15	58	104	58	104
Trade and other payables	16	32,505	51,511	1,286	1,234
Advance consideration received from customers	17	11,132	17,756	–	–
		111,725	111,637	1,344	1,338
Total liabilities		163,724	175,944	1,372	1,418
Total equity and liabilities		287,136	305,378	35,790	70,942

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Revenue	18	27,827	41,386
Cost of sales		(17,690)	(27,781)
Gross profit		10,137	13,605
Other income	19	3,683	22,134
Selling and distribution expenses		(1,002)	(1,402)
Administrative expenses		(5,736)	(5,272)
Other expenses	20	(2,809)	(1,022)
Finance costs	21	(9,789)	(10,146)
(Loss)/Profit before taxation	22	(5,516)	17,897
Taxation	23	1,434	(3,134)
(Loss)/Profit for the year		(4,082)	14,763
Other comprehensive loss:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising from consolidation of foreign operations		(2,332)	(2,147)
Other comprehensive loss for the year, net of tax of nil		(2,332)	(2,147)
Total comprehensive (loss)/income for the year		(6,414)	12,616
(Loss)/Profit attributable to:			
Owners of the Company		(2,584)	6,709
Non-controlling interests		(1,498)	8,054
		(4,082)	14,763
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(4,902)	4,702
Non-controlling interests		(1,512)	7,914
		(6,414)	12,616
(Loss)/Earnings per share attributable to owners of the Company (Singapore cent)			
– basic	24	(0.26)	0.69
– diluted	24	(0.26)	0.58

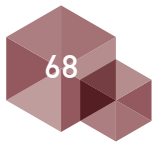
The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Share capital \$'000	Capital reduction reserve \$'000	Capital reserve \$'000	Revaluation reserve \$'000	Share option reserve \$'000	Equity component of convertible loan \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2019	43,126	15,998	24,695	299	730	13,150	(1,314)	15,002	111,686	4,737	116,423
Profit for the year	-	-	-	-	-	-	-	6,709	6,709	8,054	14,763
Other comprehensive loss for the year	-	-	-	-	-	-	(2,007)	-	(2,007)	(140)	(2,147)
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	(2,007)	6,709	4,702	7,914	12,616
Contributions by and distributions to owners											
Interest incurred on convertible loan	-	-	-	-	-	167	-	-	167	-	167
Issuance of ordinary shares arising from performance share plan	228	-	-	-	-	-	-	-	228	-	228
Transactions with owners in their capacity as owners	228	-	-	-	-	167	-	-	395	-	395
Balance at 31 December 2019	43,354	15,998	24,695	299	730	13,317	(3,321)	21,711	116,783	12,651	129,434
Balance at 1 January 2020	43,354	15,998	24,695	299	730	13,317	(3,321)	21,711	116,783	12,651	129,434
Loss for the year	-	-	-	-	-	-	-	(2,584)	(2,584)	(1,498)	(4,082)
Other comprehensive loss for the year	-	-	-	-	-	-	(2,318)	-	(2,318)	(14)	(2,332)
Total comprehensive loss for the year	-	-	-	-	-	-	(2,318)	(2,584)	(4,902)	(1,512)	(6,414)
Contributions by and distributions to owners											
Interest incurred on convertible loan	-	-	-	-	-	166	-	-	166	-	166
Issuance of ordinary shares arising from performance share plan	226	-	-	-	-	-	-	-	226	-	226
Transactions with owners in their capacity as owners	226	-	-	-	-	166	-	-	392	-	392
Balance at 31 December 2020	43,580	15,998	24,695	299	730	13,483	(5,639)	19,127	112,273	11,139	123,412

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$'000	2019 \$'000
Cash Flows from Operating Activities			
(Loss)/Profit before taxation		(5,516)	17,897
Adjustments for:			
Depreciation of property, plant and equipment	3	385	475
Depreciation of right-of-use assets	4	106	104
Fair value loss/(gain) on investment properties	20	2,284	(17,851)
Financing expense on payment from customers	21	1,555	1,525
Financing income on payments from customers	19	(3,580)	(2,513)
Gain on disposal of property, plant and equipment	19	–	(6)
Interest expense	21	8,234	8,621
Interest income	19	(12)	(5)
Share-based payment transactions	22	226	228
Operating profit before working capital changes		3,682	8,475
Development properties		4,777	25,771
Trade and other receivables		9,353	4,620
Trade and other payables		(29,038)	(28,424)
Cash (used in)/generated from operations		(11,226)	10,442
Income tax paid		–	–
Net cash (used in)/generated from operating activities		(11,226)	10,442
Cash Flows from Investing Activities			
Additions to investment properties	6	(252)	(1,766)
Interest received		12	5
Proceeds from disposal of property, plant and equipment		–	13
Purchase of property, plant and equipment	3	(194)	(206)
Net cash used in investing activities		(434)	(1,954)
Cash Flows from Financing Activities			
Bank balances pledged		(713)	–
Interest paid		(3,275)	(3,899)
Proceeds from bank loans		62,119	–
Repayment of bank loans		(29,790)	(2,989)
Repayment of shareholders' loans		(1,191)	(429)
Repayment of third party loan		(14,757)	(750)
Repayment of other loan		–	(80)
Payment of accrued land lease premium		(2,359)	–
Payment of lease liabilities		(107)	(105)
Net cash generated from/(used in) financing activities		9,927	(8,252)
Net (decrease)/increase in cash and cash equivalents		(1,733)	236
Cash and cash equivalents at beginning of year		3,222	3,026
Exchange differences on translation of cash and cash equivalents		(65)	(40)
Cash and cash equivalents at end of year	9	1,424	3,222

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

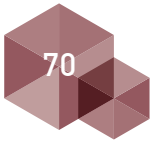
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Reconciliation of liabilities arising from financing activities

The following are disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

	As at 1 January 2020 \$'000	Cash flows – Proceeds from loans \$'000	Cash flows – Repayment of loans \$'000	Other non- cash flows \$'000	Exchange difference on translation \$'000	As at 31 December 2020 \$'000
Borrowings (Note 13)						
– bank loans	21,527	62,119	(29,790)	–	282	54,138
– loans from shareholders of a subsidiary	2,773	–	(1,191)	–	(48)	1,534
– amount due to a third party (non-trade)	19,092	–	(14,757)	–	(222)	4,113
	<u>43,392</u>	<u>62,119</u>	<u>(45,738)</u>	<u>–</u>	<u>12</u>	<u>59,785</u>
Accrued land lease premium (Note 14)	32,185	–	(2,359)	3,880	(635)	33,071
Lease liabilities (Note 15)	161	–	(107)	9	–	63
	<u>75,738</u>	<u>62,119</u>	<u>(48,204)</u>	<u>3,889</u>	<u>(623)</u>	<u>92,919</u>
	As at 1 January 2019 \$'000	Cash flows – Proceeds from loans \$'000	Cash flows – Repayment of loans \$'000	Other non- cash flows \$'000	Exchange difference on translation \$'000	As at 31 December 2019 \$'000
Borrowings (Note 13)						
– bank loans	24,798	–	(2,989)	–	(282)	21,527
– loans from shareholders of a subsidiary	3,224	–	(429)	–	(22)	2,773
– amount due to a third party (non-trade)	20,091	–	(750)	–	(249)	19,092
– other loan	80	–	(80)	–	–	–
	<u>48,193</u>	<u>–</u>	<u>(4,248)</u>	<u>–</u>	<u>(553)</u>	<u>43,392</u>
Accrued land lease premium (Note 14)	28,762	–	–	3,840	(417)	32,185
Lease liabilities (Note 15)	248	–	(105)	18	–	161
	<u>77,203</u>	<u>–</u>	<u>(4,353)</u>	<u>3,858</u>	<u>(970)</u>	<u>75,738</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1 GENERAL INFORMATION

The financial statements of Emerging Towns & Cities Singapore Ltd. (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors’ Statement.

The Company is incorporated as a limited liability company and domiciled in Singapore.

The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 80 Robinson Road, #17-02, Singapore 068898.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are as stated in Note 5.

2(A) BASIS OF PREPARATION

The financial statements are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) (“SFRS(I)”) promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention except as otherwise described in the notes below.

The financial statements are presented in Singapore dollar which is the Company’s functional currency. All financial information is presented in Singapore dollar and rounded to the nearest thousand, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(A) BASIS OF PREPARATION (CONT'D)

Significant judgements in applying accounting policies

Going concern

For the financial year ended 31 December 2020, the Group incurred net loss and net operating cash outflows of \$4,082,000 (2019: net profit of \$14,763,000) and \$11,226,000 (2019: net operating cash inflows of \$10,442,000). In addition, as disclosed in Note 13(i) to the financial statements, the Group did not meet a financial covenant in respect of its bank loan during the financial year ended 31 December 2020, resulting in the loan being repayable on demand. Consequently, the bank loan of \$54,138,000 had been wholly classified as current as at 31 December 2020. The Group had borrowings amounting to \$59,785,000 due for repayment within the next 12 months or on demand, with cash and bank balances of \$2,137,000 as at 31 December 2020.

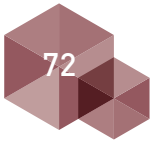
Notwithstanding this, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements, due to the following:

- (i) The Group had net current assets and net assets of \$52,532,000 (2019: \$67,458,000) and \$123,412,000 (2019: \$129,434,000), respectively, as at 31 December 2020, while the Company had net assets of \$34,418,000 (2019: \$69,524,000) as at 31 December 2020.
- (ii) In respect of the bank loan of \$54,138,000 for which principal repayment of US\$2,350,000 was required to be made every three months for five years from 8 June 2020, the Group had subsequently negotiated the repayment terms with the bank and obtained a temporary relief through the revision of the repayment schedule. The next principal repayment of US\$4,130,000 is scheduled on 8 March 2023, to be made every three months until 8 June 2025. The Group does not expect the bank to call for full repayment of the bank loan for the breach in financial covenant.

Based on the above, the directors are satisfied that the Group and Company will have sufficient working capital and financial resources to enable them to meet their obligations as and when they fall due and continue as going concern for 12 months from the end of the reporting period.

Determination of functional currencies

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(A) BASIS OF PREPARATION (CONT'D)

Significant judgements in applying accounting policies (cont'd)

Impairment of subsidiaries (Note 5)

The Company assesses at the end of each reporting period whether there is any indication that the investments in subsidiaries may be impaired. If any indication exists, the investment in subsidiary is tested for impairment. The recoverable amount is the higher of fair value less costs of disposal and value in use. Estimating the fair value less costs of disposal requires the Company to make an estimate of the expected selling prices of the underlying assets and the estimated cash outflows to settle the obligations in respect of the underlying liabilities.

Net realisable value of development properties (Note 7)

The assessment of net realisable value of development properties is a judgemental process, taking into account the Group's expectations of future selling prices (net of all estimated selling expenses) of the properties, which are affected by macroenvironment and microenvironment factors, including demand and supply, interest rates, government policies and economic conditions. Net realisable value is the net amount specific to the Group that it expects to realise from the sale of the properties in the ordinary course of business. Any shortfall in the net realisable value over the cost of the properties is accounted for as a write-down on development properties recognised in the Group's profit or loss.

Impairment of trade and other receivables (Note 8)

The impairment for trade and other receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on past payment history, existing market conditions as well as forward-looking estimates at the end of each reporting period. In respect of trade receivables due from buyers for sale of properties, the Group has considered the right to repossess the property from the buyer in the event of payment default, resulting in the expected credit loss on the Group's trade receivables being insignificant.

Deferred taxation on investment properties (Note 12)

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment properties portfolio and concluded that the Group's investment properties are held under the business model whose objective is to consume substantially all of the economic benefits embodied the investment properties over time, rather than through sale.

Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. The Group recognises deferred taxes on changes in fair value of investment properties.

Income taxes (Note 23)

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(A) BASIS OF PREPARATION (CONT'D)**Significant accounting estimates and assumptions used in applying accounting policies**Depreciation of property, plant and equipment (Note 3)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The estimation of useful lives is based on assumptions about wear and tear, ageing, changes in demand and the Group's historical experience with similar assets. The Group performs annual reviews on whether the assumptions made on useful lives continue to be valid. As changes in the expected level of usage, maintenance programmes and technological developments could affect the economic useful lives and the residual values of these assets, future depreciation charges could be revised. If depreciation on the Group's property, plant and equipment increases/decreases by 10% from management's estimates, the Group's profit for the year will decrease/increase by \$39,000 (2019: \$48,000).

Valuation of investment properties (Note 6)

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers using various valuation methods including the direct comparison method and a combination of discounted cash flows method and capitalisation method. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

The carrying amount of investment properties at the end of the reporting period is disclosed in Note 6 to the financial statements. If the fair value of investment properties increases/decreases by 5%, the Group's profit for the year will increase/decrease by \$5,689,000 (2019: \$5,654,000).

2(B) ADOPTION OF NEW AND REVISED SFRS(I) EFFECTIVE IN 2020

On 1 January 2020, the Group adopted the following SFRS(I) that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I).

Reference	Description
Amendments to SFRS(I) 3	Definition of a Business
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	Interest Rate Benchmark Reform
Various	Revised Conceptual Framework for Financial Reporting

The adoption of these new and amended SFRS(I) did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements, except for the following:

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*

The amendments clarify the definition of material and how it should be applied by including in the definition guidance. The new definition of material states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(B) ADOPTION OF NEW AND REVISED SFRS(I) EFFECTIVE IN 2020 (CONT'D)

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material* (cont'd)

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

2(C) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The following are the new or amended SFRS(I) and SFRS(I) INT issued that are not yet effective but may be early adopted for the current financial year. However, the Group has not early adopted the new or amended SFRS(I) and SFRS(I) INT in preparing these financial statements:

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Amendment to SFRS(I) 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-16	Property, plant and equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 10 and SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be determined
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 17	Insurance Contracts	1 January 2023
Amendments to SFRS(I) 4	Extension of the Temporary Exemption from Applying SFRS(I) 9	1 January 2023
Annual Improvements to SFRS(I)s 2018 – 2020 Cycle:		
– Amendment to SFRS(I) 1	Subsidiary as a First-time Adopter	1 January 2022
– Amendment to SFRS(I) 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
– Amendment to Illustrative Examples accompanying SFRS(I) 16	Lease Incentives	1 January 2022
– Amendment to SFRS(I) 1-41	Taxation in Fair Value Measurements	1 January 2022

Management does not anticipate that the adoption of the above SFRS(I) in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except for the following:

Amendment to SFRS(I) 16 *COVID-19 Related Rent Concessions*

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. The amendment provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(C) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

Amendment to SFRS(I) 16 COVID-19 Related Rent Concessions (cont'd)

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic, and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

Entities applying the practical expedient must disclose this fact, whether the expedient has been applied to all qualifying rent concessions, and the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The amendment is effective for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

These amendments should be applied for annual periods beginning on or after 1 January 2023 retrospectively in accordance with SFRS(I) 1-8. Earlier application is permitted. If an entity applies these amendments for an earlier period, it shall disclose that fact.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

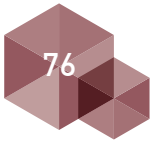
Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Consolidation (cont'd)

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)).

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Other expenditure is recognised as an expense during the financial year in which it is incurred.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

If a property was previously held for own use, it is accounted for as property, plant and equipment up to the date of change in use before its transfer to investment properties. Any difference at the date of the change in use between the carrying amount of the property and its fair value is recognised as a revaluation reserve, even if the property was previously measured using the cost model. On subsequent disposal of the investment property, any existing revaluation surplus that was previously recognised is transferred to retained earnings.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment (cont'd)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Leasehold land	70 years from 15 October 2013
Building	70 years from 15 October 2013
Office equipment	5 to 8 years
Furniture and fittings	3 years
Renovations	5 years
Motor vehicles	1 to 8 years

For acquisitions and disposals during the financial year, depreciation is recognised in profit or loss from the month that the property, plant and equipment are installed and are available for use, and to the month of disposal, respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

Subsidiaries

In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

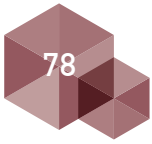
Investment properties

Investment properties include those portions of commercial properties and apartments that are held for long-term rental yields and/or capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for the Group's own occupation. Investment properties comprise completed investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, any gain or loss on disposal or retirement of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investment properties (cont'd)

Transfers

Transfers to, or from, investment properties are made when there is a change in use, evidenced by:

- commencement of owner occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer of investment properties to development properties; or
- commencement of an operating lease to another party, for a transfer from development properties or property, plant and equipment to investment properties.

When the use of an investment property changes such that it is transferred to owner-occupied property or inventory, its fair value at the date of transfer becomes its deemed cost for subsequent accounting.

Development properties

Development properties are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs and other costs directly attributable to the development activities. Cost includes an appropriate share of development overheads allocated based on normal capacity. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

Land held for future development where no significant development has been undertaken is stated at the lower of cost and net realisable value.

Borrowing costs that are directly attributable to the acquisition and development of a development property are capitalised as part of the development property during the period of development until the completion of development.

For a transfer to investment properties from development properties for sale, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the financial instruments. Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at FVTPL, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition. Refer to the accounting policy on "Revenue from contracts with customers".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Initial recognition and measurement (cont'd)

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are “solely payments of principal and interest (“SPPI”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

The Group does not hold any financial assets at FVOCI or financial assets at FVTPL.

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Group’s business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

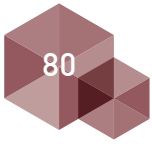
Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group’s financial assets at amortised cost comprise trade and other receivables and cash and bank balances.

A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (“ECLs”) associated with its debt instrument financial assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

For trade receivables, the Group measures the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At the end of each reporting period, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

The Group's financial liabilities comprise borrowings, accrued land lease premium, lease liabilities and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities (cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss, such as interest-bearing borrowings, are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Borrowings

Borrowings which are due to be settled more than 12 months after the end of the reporting period are included in current borrowings in the statement of financial position if the loan facility agreements include an overriding repayment on demand clause which gives the lender the right to demand repayment at any time at its sole discretion and irrespective of whether a default event has occurred, or when the Group has defaulted or breached a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the borrowings become payable on demand, even if the lender agreed after the reporting period and before the authorisation of the financial statements for issue not to demand payment as a consequence of the breach. These borrowings are classified as current because, at the end of the reporting period, the Group does not have an unconditional right to defer its settlement for at least twelve months after that date.

However, those borrowings with breaches or defaults of loan agreement terms are classified as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the Group can rectify the breach and/or during which the lender cannot demand immediate repayment. Other borrowings due to be settled more than 12 months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

Financial guarantees

The Company has issued corporate guarantees to financial institutions for the borrowings of a subsidiary. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantees.

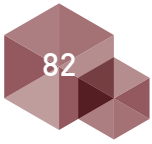
Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of the loss allowance determined in accordance with the impairment model under SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from a customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract liabilities relate to advance consideration received from customers.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude bank balances restricted in use.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Convertible loan

When a convertible loan is issued at fair value, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible loan; this amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option, which is recognised net of income tax effects and included in shareholders' equity. The carrying amount of the conversion option is not changed in subsequent periods. Any directly attributable transaction costs are allocated to the liability portion and conversion option in proportion to their initial carrying amounts.

When the conversion option is exercised, the carrying amount of the conversion option will be reclassified to share capital. When the conversion option is allowed to lapse, the carrying amount of the conversion option will be reclassified to retained earnings.

Interest and gains and losses relating to the liability portion are recognised in profit or loss. On conversion, the liability portion is reclassified to equity; no gain or loss is recognised on conversion.

A gain or loss is recognised on the extinguishment of convertible loan. The consideration paid is allocated to the debt and equity components of the existing convertible loan at the date of the transaction using the same allocation method as on initial recognition. The amount of gain or loss relating to the liability component is recognised in profit or loss, while the amount of consideration relating to the equity component is recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Convertible loan (cont'd)

When determining whether to classify a financial instrument as an equity instrument or a financial liability, the Group assesses the substance of the contractual arrangement rather than its legal form. A financial instrument is an equity instrument rather than a financial liability, if it includes no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group; and if the instrument will or may be settled in the issuer's own equity instruments, it is a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Company exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instrument.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised as provisions.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

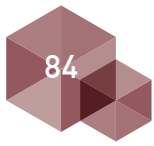
Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease (including extension option) unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

The Group as a lessee (cont'd)

Lease liability (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liabilities are presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases (cont'd)

The Group as a lessee (cont'd)

Right-of-use asset (cont'd)

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office premise 3 years

Office equipment 5 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

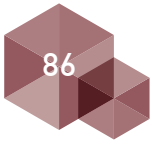
Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income taxes (cont'd)

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity.

Employee benefits

Pension obligations

The Group and the Company participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. In particular, the Company contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, while the Myanmar-incorporated subsidiary contributes to the Social Security Board in Myanmar. These contributions to national pension schemes are charged to profit or loss in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Employee Share Option Scheme

The Company has an employee share option scheme for the granting of non-transferable options.

The Group issues equity-settled share options to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant.

Non-market vesting conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under option that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve is credited to the share capital account when new ordinary shares are issued.

In the Company's separate financial statements, the fair value of options granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investments in subsidiaries, with a corresponding increase in equity over the vesting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits (cont'd)

Performance Share Plan

Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expense is amortised and recognised in profit or loss on a straight-line basis over the vesting period. At the end of each reporting period, the Company revises its estimates of the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to profit or loss, with a corresponding adjustment to equity over the remaining vesting period.

In the Company's separate financial statements, the fair value of shares granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investments in subsidiaries, with a corresponding increase in equity over the vesting period.

Related parties

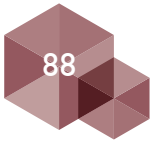
A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

- b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal and value in use, based on an internal discounted cash flow evaluation. Impairment loss recognised for a cash-generating unit is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in profit or loss.

Revenue from contracts with customers

Sale of development properties

The Group develops and sells residential and commercial properties before completion of construction of the properties. As the Group does not have an enforceable right to payment for performance completed to date, the Group accounts for revenue on the sale of development properties using the completion of contract method.

Revenue from the sale of development properties is recognised when the control of the properties has been transferred to the buyers, i.e. when the legal possessory right of the property passes to the buyer upon signing of the property handover notice by the buyer. Payments received from buyers prior to this stage are recorded as "advance consideration received from customers".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue from contracts with customers (cont'd)

Sale of development properties (cont'd)

The Group receives payments from buyers for the sale of development properties. Under the payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer does not coincide and where the difference between the timing of receipt of the payments and the transfer of control of the property is 12 months or more, there exists a significant financing component arising from payments from buyers. A finance income or finance expenses will be recognised depending on the arrangement, whether payments are received from buyers after or before the properties are handed over and revenue is recognised, respectively.

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

Incremental costs of fulfilling a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

The Group pays commissions to its employees for each contract that they obtain for the sale of development property. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commission (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Rental income

Rental income (net of any incentives given to the lessees) under operating leases are accounted for on a straight-line basis over the lease terms.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Government grants

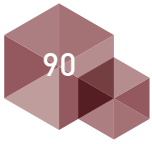
Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are deducted against the related expense.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is also the functional currency of the Company.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis as either other income or other expenses depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transactions.

Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of the transactions; and
- (iii) All resulting currency translation differences are recognised as other comprehensive income in the currency translation reserve in equity.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s executive directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are shown in Note 28 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment results that are reported to the executive directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted to employees and convertible loan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold land \$'000	Building \$'000	Office equipment \$'000	Furniture and fittings \$'000	Renovations \$'000	Motor vehicles \$'000	Total \$'000
<u>Cost</u>							
At 1 January 2019	833	2,285	1,182	842	130	508	5,780
Transfer to investment properties (Note 6)	-	-	(330)	-	-	-	(330)
Additions	-	-	63	1	-	142	206
Disposal	-	-	-	-	-	(120)	(120)
Exchange difference on translation	(15)	(40)	(23)	(15)	-	(16)	(109)
At 31 December 2019	818	2,245	892	828	130	514	5,427
Transfer to investment properties (Note 6)	-	(892)	-	-	-	-	(892)
Transfer from investment properties (Note 6)	-	1,256	-	-	-	-	1,256
Additions	-	105	73	-	-	16	194
Exchange difference on translation	(19)	(54)	(26)	(20)	(3)	(13)	(135)
At 31 December 2020	799	2,660	939	808	127	517	5,850
<u>Accumulated depreciation</u>							
At 1 January 2019	8	14	297	220	17	302	858
Depreciation (Note 22)	8	82	166	151	45	23	475
Disposal	-	-	-	-	-	(113)	(113)
Exchange difference on translation	(1)	(2)	(8)	(6)	-	(11)	(28)
At 31 December 2019	15	94	455	365	62	201	1,192
Depreciation (Note 22)	8	59	110	140	41	27	385
Transfer to investment properties (Note 6)	-	(40)	-	-	-	-	(40)
Exchange difference on translation	(1)	(3)	(17)	(16)	(4)	(6)	(47)
At 31 December 2020	22	110	548	489	99	222	1,490
<u>Carrying amount</u>							
At 31 December 2020	777	2,550	391	319	28	295	4,360
At 31 December 2019	803	2,151	437	463	68	313	4,235

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Office equipment \$'000	Renovations \$'000	Total \$'000
<u>Cost</u>			
At 1 January 2019, 31 December 2019 and 31 December 2020	35	130	165
<u>Accumulated depreciation</u>			
At 1 January 2019	24	17	41
Depreciation	6	45	51
At 31 December 2019	30	62	92
Depreciation	4	41	45
At 31 December 2020	34	103	137
<u>Carrying amount</u>			
At 31 December 2020	1	27	28
At 31 December 2019	5	68	73

The Group's property, plant and equipment include right-of-use asset with carrying amount of \$777,000 (2019: \$803,000) as at 31 December 2020 relating to leasehold land.

As at 31 December 2020, the carrying amount of the Group's property, plant and equipment pledged to financial institutions to secure loans (Note 13) comprises building of \$1,502,000 (2019: \$nil).

4 RIGHT-OF-USE ASSETS

The Group and the Company	Office premise \$'000	Office equipment \$'000	Total \$'000
<u>Cost</u>			
At 1 January 2019	269	–	269
Addition	–	9	9
At 31 December 2019 and 31 December 2020	269	9	278
<u>Accumulated depreciation</u>			
At 1 January 2019	–	–	–
Depreciation	104	–	104
At 31 December 2019	104	–	104
Depreciation	104	2	106
At 31 December 2020	208	2	210
<u>Carrying amount</u>			
At 31 December 2020	61	7	68
At 31 December 2019	165	9	174

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5 SUBSIDIARIES

The Company	2020	2019
	\$'000	\$'000
Unquoted equity investments, at cost	39,993	39,993
Less: Allowance for impairment losses	(4,600)	(4,600)
	35,393	35,393

Details of the subsidiaries are:

Name	Principal activities	Country of incorporation/ Principal place of business	Percentage of effective equity interest held by the Group	
			2020	2019
			%	%
<u>Held by the Company</u>				
Futura Asset Holdings Pte. Ltd. ⁽¹⁾	Inactive	Singapore	100	100
Trechance Holdings Limited ⁽³⁾	Dormant	Hong Kong	100	100
DAS Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100	100
<u>Held by DAS Pte. Ltd.</u>				
Uni Global Power Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	70	70
<u>Held by Uni Global Power Pte. Ltd.</u>				
Golden Land Real Estate Development Co. Ltd. ⁽²⁾	Property development and investment	Myanmar	49	49

(1) Audited by Foo Kon Tan LLP for statutory purpose

(2) Audited by Foo Kon Tan LLP for consolidation purpose

(3) Not required to be audited

Details of subsidiaries that have material non-controlling interests

The table below shows details of subsidiaries in the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of effective interests and voting rights held by non-controlling interests	(Loss)/Profit allocated to non-controlling interests	Other comprehensive loss allocated to non-controlling interests	Accumulated non-controlling interests
2020					
DAS Group	Singapore and Myanmar	51%	(1,498)	(14)	11,139
2019					
DAS Group	Singapore and Myanmar	51%	8,054	(140)	12,651

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5 SUBSIDIARIES (CONT'D)

Summarised financial information in respect of the subsidiaries that have material non-controlling interests are set out below. No dividend was declared during the financial year. The summarised financial information below represents amounts before intra-group eliminations.

Summarised consolidated statement of financial position

DAS Group	2020 \$'000	2019 \$'000
Non-current assets	122,783	126,035
Current assets	164,983	179,852
Non-current liabilities	(51,971)	(64,227)
Current liabilities	(142,636)	(143,931)
	93,159	97,729
Equity attributable to owners of the Company	82,020	85,078
Equity attributable to non-controlling interests	11,139	12,651
	93,159	97,729

Summarised consolidated statement of profit or loss and other comprehensive income

DAS Group	2020 \$'000	2019 \$'000
Revenue and other income	31,510	62,879
Expenses	(34,455)	(46,198)
(Loss)/Profit for the year	(2,945)	16,681
(Loss)/Profit attributable to owners of the Company	(1,447)	8,627
(Loss)/Profit attributable to non-controlling interests	(1,498)	8,054
(Loss)/Profit for the year	(2,945)	16,681
Total comprehensive (loss)/income attributable to owners of the Company	(3,058)	7,496
Total comprehensive (loss)/income attributable to non-controlling interests	(1,512)	7,914
Total comprehensive (loss)/income for the year	(4,570)	15,410

Other summarised information

DAS Group	2020 \$'000	2019 \$'000
Net cash (outflow)/inflow from operating activities	(11,349)	9,265
Net cash outflow from investing activities	(434)	(188)
Net cash inflow/(outflow) from financing activities	10,747	(8,147)
Net cash (outflow)/inflow for the year	(1,036)	930

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 INVESTMENT PROPERTIES

The Group	2020 \$'000	2019 \$'000
Investment properties	113,780	113,087

Movement in investment properties during the financial year is as follows:

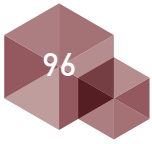
The Group	2020 \$'000	2019 \$'000
At 1 January	113,087	65,228
Additions	252	1,766
Transfer from development properties (Note 7)	5,259	39,680
Transfer to development properties (Note 7)	–	(10,608)
Transfer from property, plant and equipment (Note 3)	852	330
Transfer to property, plant and equipment (Note 3)	(1,256)	–
Fair value (loss)/gain recognised in profit or loss (Note 20)	(2,284)	17,851
Exchange difference on translation	(2,130)	(1,160)
At 31 December	113,780	113,087

The investment properties are as follows:

Location	Description	Net floor area (square metres)	Tenure
2020			
<u>Golden City Project</u>			
No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	228 residential units, 5 retail units and 15 office units	31,542	70 years
2019			
<u>Golden City Project</u>			
No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	221 residential units, 4 retail units and 14 office units	29,812	70 years

The carrying amount of investment properties pledged to secure borrowings is \$85,755,000 (2019: \$75,620,000).

At the end of the reporting period, the fair values of investment properties are determined by an independent professional valuer, C.I.M. Property Consultants Co., Ltd. (Colliers International Myanmar) ("CIM"), for the Golden City Project, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. The valuation of the investment properties is based on the properties' highest and best use. For all the Group's investment properties, the current use is considered the highest and best use. Fair value measurements are disclosed in Note 32.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 INVESTMENT PROPERTIES (CONT'D)

Golden City Project

A land lease agreement under a Build, Operate and Transfer (“BOT”) arrangement was entered into between the Office of the Commander-in-Chief (Army) Quarter Master General Office (“QM Office”) as lessor, and Golden Land Real Estate Development Co. Ltd. (“GLRE”) and one of its non-controlling shareholders as lessees, on 15 October 2013. GLRE received the Myanmar Investment Commission permit on 23 October 2013 and it grants GLRE the right to carry out the construction and operation of shopping mall, hotel, residences, services apartments and office tower. The project has an initial tenure of 50 years and is extendable for further two terms of 10 years each. At the expiry of the BOT contract, GLRE is required to transfer the shopping mall, hotel, residences, service apartments and office tower along with all fixed assets back to the QM Office.

As at 31 December 2020

The investment properties within the Golden City Project comprised (i) 228 residential units with an average size of 116 square metres per unit, with an aggregated total area of 26,197 square metres, located in Block 1-6 of the project, and they are currently leased to local and PRC corporations for a lease term of 1-3 years; (ii) ground floor retail space located in Block 1, 3, 4 and 7 of the project, which is currently leased to 5 lessees for a lease term of 1-2 years; and (iii) 15 office units within the Golden City Business Centre with an aggregated total area of 4,793 square metres, which are currently leased to 11 lessees for a lease term of 1-3 years.

CIM used the market approach to determine the market values of the 228 residential units based on the sale of similar substitute properties, while the market values of the 5 ground floor retail units and 15 office units within Golden City Business Centre were determined using the income capitalisation approach by taking into account the rental rate achievable in the current market, with a capitalisation rate of 10%.

As at 31 December 2019

The investment properties within the Golden City Project comprised (i) 221 residential units with an average size of 116 square metres per unit, with an aggregated total area of 25,636 square metres, located in Block 1-6 of the project, and they are currently leased to local and PRC corporations for a lease term of 1-3 years; (ii) ground floor retail space located in Block 1, 3, 4 and 7 of the project, which is currently leased to 4 lessees for a lease term of 1-2 years; and (iii) 14 office units within the Golden City Business Centre with an aggregated total area of 3,667 square metres, which are currently leased to 8 lessees for a lease term of 1-3 years.

CIM used the market approach to determine the market values of the 221 residential units based on the sale of similar substitute properties, while the market values of the 4 ground floor retail units and 14 office units within Golden City Business Centre were determined using the income capitalisation approach by taking into account the rental rate achievable in the current market, with a capitalisation rate of 10%.

The following amounts are recognised in profit or loss:

The Group	2020 \$'000	2019 \$'000
Rental income from investment properties (Note 18)	5,682	4,791
Direct operating expenses arising from investment properties that generated rental income	(2,016)	(3,016)

Direct operating expenses comprised mainly commercial tax of 5% applied on the rental income earned by the Myanmar subsidiary by the local tax authority and finance costs incurred on investment properties pledged to secure borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7 DEVELOPMENT PROPERTIES

The Group	2020 \$'000	2019 \$'000
Land held for development, at cost	31,226	30,560
Completed properties held for sale, at cost	119,571	131,794
	150,797	162,354

Movement in development properties during the financial year is as follows:

The Group	2020 \$'000	2019 \$'000
At 1 January	162,354	219,616
Additions	12,607	–
Transfer to investment properties (Note 6)	(5,259)	(39,680)
Transfer from investment properties (Note 6)	–	10,608
Units sold and recognised in profit or loss	(16,434)	(25,569)
Exchange difference on translation	(2,471)	(2,621)
At 31 December	150,797	162,354

The completed properties held for sale are as follows:

Location	Description	Net floor area (square metres)	The Group's effective interest
2020			
<u>Golden City Project</u>			
No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	271 residential units, 9 retail units and 3 office units	43,319	49%
2019			
<u>Golden City Project</u>			
No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	316 residential units, 12 retail units and 13 office units	51,274	49%

The carrying amount of development properties pledged to secure borrowings (Note 13) is \$54,693,000 (2019: \$1,186,000).

Land held for development relates to Phases 3 and 4 of the Golden City Project, with an aggregate gross land area of 3,408 square metres.

As at 31 December 2020, 64 out of 271 residential units, 6 out of 9 retail units and 2 out of 3 office units have been contracted for sale, with advances amounting to US\$6,580,000 (\$8,696,000) received from buyers.

As at 31 December 2019, 93 out of 316 residential units, 8 out of 12 retail units and 6 out of 13 office units have been contracted for sale, with advances amounting to US\$14,252,000 (\$19,179,000) received from buyers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables				
– Non-current	4,671	8,787	–	–
– Current	7,290	8,966	–	–
	11,961	17,753	–	–
Amounts due from subsidiaries (non-trade)	–	–	126	35,080
Amounts due from shareholders of a subsidiary (non-trade)	3,845	3,940	–	–
Other receivables	34	29	34	29
	3,879	3,969	160	35,109
	15,840	21,722	160	35,109
Comprising				
– Non-current	4,671	8,787	–	–
– Current	11,169	12,935	160	35,109
	15,840	21,722	160	35,109

Trade receivables mainly comprise outstanding receivables from buyers of property units under instalment plans. Trade receivables which are not past due are those which are within the instalment payment schedules.

The non-trade amounts due from subsidiaries, comprising advances to and payments on behalf of the subsidiaries, are unsecured, interest-free and repayable on demand. The non-trade amount due from a subsidiary of S\$34,486,000 has been fully impaired during the current financial year taking into account the available liquid assets of the subsidiary to repay the amount.

The non-trade amounts due from shareholders of a subsidiary, which relate to advances extended by the subsidiary to its non-controlling interests in prior years, are unsecured, interest-free and repayable on demand.

The ageing analysis of trade and other receivables at the end of the reporting period is as follows:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
No credit terms (repayable on demand)	3,879	3,969	160	35,109
Not past due	7,361	12,870	–	–
Past due but not impaired				
– Less than 12 months	3,170	1,137	–	–
– More than 12 months	1,430	3,746	–	–
	15,840	21,722	160	35,109

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 CASH AND BANK BALANCES

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash on hand	145	286	–	–
Cash at banks	1,992	2,936	115	166
	2,137	3,222	115	166

At the end of the reporting period, the weighted-average interest rate of bank balances is 0.49% (2019: 0.20%) per annum.

The carrying amount of cash and bank balances pledged to secure borrowings is \$713,000 (2019: \$nil).

For the purpose of the consolidated statement of cash flows, cash and bank balances comprise the following:

	2020 \$'000	2019 \$'000
The Group		
Cash and bank balances	2,137	3,222
Less: Bank balances pledged	(713)	–
	1,424	3,222

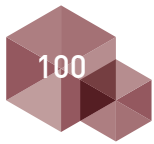
10 SHARE CAPITAL

	2020 Number of ordinary shares	2019 Number of ordinary shares	2020 \$'000	2019 \$'000
The Group and the Company				
<u>Issued and fully paid, with no par value</u>				
At 1 January	970,931,934	962,166,934	43,354	43,126
Issuance of ordinary shares under performance share plan	11,141,000	8,765,000	226	228
At 31 December	982,072,934	970,931,934	43,580	43,354

On 27 February 2020 and 25 November 2020, the Company allotted 7,122,000 and 4,019,000 new ordinary shares in the capital of the Company to eligible employees at \$0.017 and \$0.026 per share, respectively, in accordance with the terms of the Performance Share Plan 2016.

On 27 February 2019, the Company allotted 8,765,000 new ordinary shares in the capital of the Company to eligible employees at \$0.026 per share, in accordance with the terms of the Performance Share Plan 2016.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 RESERVES

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Capital reduction reserve	15,998	15,998	15,998	15,998
Capital reserve	24,695	24,695	10,987	10,987
Revaluation reserve	299	299	–	–
Share option reserve	730	730	730	730
Equity component of convertible loan reserve	13,483	13,317	13,483	13,317
Foreign currency translation reserve	(5,639)	(3,321)	–	–
Accumulated profits/(losses)	19,127	21,711	(50,360)	(14,862)
	68,693	73,429	(9,162)	26,170

Capital reduction reserve

Capital reduction reserve relates to the reduction in the par value of each ordinary share in the share capital of the Company which was approved by the Court of Singapore and became effective on 9 February 2004.

Capital reserve

Capital reserve represents (i) the difference between the fair value at inception and the carrying amount of the convertible loan, recorded in capital reserve as a common control transaction, (ii) the difference between the price purchase consideration paid and the carrying amount of the non-controlling interest at the date of additional acquisition of 25.025% interest in DAS Group, and (iii) the gain on disposal of subsidiaries to a former controlling shareholder of the Company.

Revaluation reserve

Revaluation reserve relates to the gain arising from the re-measurement of owner-occupied properties transferred to investment properties at fair value upon the change in use of the properties.

Share option reserve

Share option reserve represents equity-settled share options granted to directors and employees of the Group. The reserve is made up of the cumulative value of services received from the directors and employees recorded on the grant of the equity-settled share options.

Equity component of convertible loan

Equity component of convertible loan relates to the equity conversion feature of the convertible loan extended by a former controlling shareholder of the Company amounting to US\$29,125,000 (equivalent to \$42,120,000), net of the amount that has already been converted, which can be repaid in cash or settled through the issuance of ordinary shares in the Company, at the Company's discretion.

A second addendum deed was entered into on 1 March 2019 between the Company and the former controlling shareholder, pursuant to which the Company and the former controlling shareholder agreed to extend the maturity date of the convertible loan by an additional 12 months, from 25 April 2019 to 25 April 2020.

A third addendum deed was entered into on 15 June 2020 between the Company and the former controlling shareholder, pursuant to which the Company and the former controlling shareholder agreed to extend the maturity date of the convertible loan by an additional 36 months, from 25 April 2020 to 25 April 2023.

Foreign currency translation reserve

Foreign currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 DEFERRED TAX LIABILITIES

The Group	2020 \$'000	2019 \$'000
At 1 January	29,039	26,283
Recognised in profit or loss (Note 23)	(1,434)	3,134
Exchange difference on translation	(460)	(378)
At 31 December	27,145	29,039
To be settled after one year	27,145	29,039

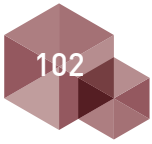
The balance comprises tax on the following temporary differences:

The Group	Property, plant and equipment \$'000	Investment properties \$'000	Development properties \$'000	Total \$'000
At 1 January 2019	462	6,331	19,490	26,283
Recognised in profit or loss (Note 23)	–	7,754	(4,620)	3,134
Exchange difference on translation	(8)	(112)	(258)	(378)
At 31 December 2019	454	13,973	14,612	29,039
Recognised in profit or loss (Note 23)	–	(605)	(829)	(1,434)
Exchange difference on translation	(8)	(223)	(229)	(460)
At 31 December 2020	446	13,145	13,554	27,145

Temporary differences on development properties arise from fair value adjustments on development properties acquired in a business combination in previous years.

13 BORROWINGS

The Group	2020 \$'000	2019 \$'000
Non-current		
Amount due to a third party (non-trade) (Note (v))	–	11,825
Current		
Bank loans (Notes (i), (ii) and (iii))	54,138	21,527
Loans from shareholders of a subsidiary (Note (iv))	1,534	2,773
Amount due to a third party (non-trade) (Note (v))	4,113	7,267
	59,785	31,567
	59,785	43,392



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 BORROWINGS (CONT'D)

Borrowings comprise the following:

(i) Bank loan 1 – ICBC, Esun and KBZ

On 8 June 2020, GLRE entered into a syndicated facility agreement comprising US\$45,000,000, US\$2,000,000 and MMK4,500,000,000 with Industrial and Commercial Bank of China Limited (Yangon Branch) (“ICBC”), E.SUN Commercial Bank, Ltd (Yangon Branch) (“Esun”) and Kanbawza Bank (Yangon) (“KBZ”), respectively (“Syndicated Facility”). As at 31 December 2020, GLRE had utilised a total of US\$47,000,000 from the Syndicated Facility. The proceeds of the Syndicated Facility were used to finance GLRE’s operational needs and to refinance its loans. The interest rate is based on the six-month USD LIBOR (London interbank offered rate) plus a margin equal to 100 basis points and the CBM (Central Bank of Myanmar) Reference Rate plus a margin equal to 100 basis points for its USD and MMK loan, respectively. In respect of the USD loan utilised, GLRE will make equal principal repayment of US\$2,350,000 every three months for five years from the First Utilisation Date, being 8 June 2020.

The Syndicated Facility is secured by the following:

- (a) charges over certain of the Group’s property, plant and equipment (Note 3) with a total carrying amount of \$1,502,000 as at 31 December 2020;
- (b) charges over shares in the Company’s subsidiaries;
- (c) charges over certain of the Group’s development properties (Note 7) and investment properties (Note 6) with a total carrying amount of \$130,218,000 as at 31 December 2020;
- (d) charges over certain of the Group’s cash and bank balances (Note 9);
- (e) charges over certain of the Group’s trade receivables; and
- (f) corporate guarantees by the Company.

Under the terms of the Syndicated Facility, GLRE is required to comply with certain financial covenants for the duration of the loan. During the financial year, GLRE did not meet a financial covenant, being that the total borrowings of GLRE shall not exceed five times of its earnings before interest, tax, depreciation and amortisation at any time. Consequently, the loan amounting to \$54,138,000 became repayable on demand and was classified as current as at 31 December 2020.

GLRE had made a partial principal repayment of US\$1,000,000 for March 2021 and had subsequently negotiated the repayment terms with the bank and obtained a temporary relief through the revision of the repayment schedule. The next principal repayment of US\$4,130,000 is scheduled on 8 March 2023, to be made every three months until 8 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 BORROWINGS (CONT'D)

(ii) Bank loan 2 – Maybank

On 3 July 2017, GLRE entered into a facility agreement of US\$7,500,000 with Malayan Banking Berhad (Yangon Branch) (“Maybank Facility”). The proceeds of the Maybank Facility are used for the development of Golden City Project Phase 2 and the interest rate is based on Maybank’s cost of funds plus a margin equals to 200 basis points. Under the Maybank Facility, GLRE will make repayment every six months, in tranches of US\$100,000, US\$100,000, US\$1,800,000, US\$2,500,000 and US\$1,500,000, with the final repayment of US\$1,500,000 by 29 June 2020. The loan is secured by bankers’ guarantees, a corporate guarantee provided by the Company, and the Group’s investment properties and development properties with a total carrying amount of \$14,673,000 as at 31 December 2019. The guarantee fees charged by the Company to the subsidiary are consistent with those charged by financial institutions.

The loan was fully repaid during the financial year ended 31 December 2020.

(iii) Bank loan 3 – Esun

On 14 July 2017, GLRE entered into a facility agreement of US\$15,000,000 with E.SUN Commercial Bank, Ltd. (“Esun Facility”). The proceeds of the Esun Facility are used for the development of Golden City Project Phases 2 and 3 and the interest rate is based on three-month LIBOR plus a margin equal to 230 basis point. Under the Esun Facility, the Group will make annual repayment of US\$250,000 each by 30 June 2018 and 30 June 2019, with the final repayment of US\$14,500,000 by 13 July 2020. The loan is secured by bankers’ guarantees, a corporate guarantee provided by the Company, and the Group’s investment properties and development properties with a total carrying amount of \$9,611,000 as at 31 December 2019. The guarantee fees charged by the Company to the subsidiary are consistent with those charged by financial institutions.

GLRE also separately entered into an agreement with Kanbawza Bank and Ayeyarwady Bank Limited, such that the respective banks will give banker’s guarantee to Esun for any default or non-payment for any amounts due to Esun under the Esun Facility. A guarantee fee of US\$225,000 and US\$300,000 was paid to Kanbawza Bank and Ayeyarwady Bank, respectively, for the issuance of such banker’s guarantee. The Company also provided a corporate guarantee to Esun in respect of the Esun Facility, and charged GLRE a guarantee fee of US\$450,000 for the issuance of corporate guarantee.

The loan was fully repaid during the financial year ended 31 December 2020.

(iv) Loans from shareholders of a subsidiary

On 19 October 2016, GLRE entered into a loan agreement with the non-controlling interests of UGP, pursuant to which the non-controlling interests agreed to grant GLRE unsecured loans at a fixed interest rate of 6% per annum for the development of the Golden City Project. The loans are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13 BORROWINGS (CONT'D)

(v) Amount due to a third party (non-trade)

On 20 November 2018, GLRE entered into a financing arrangement with a third party. Pursuant to the terms of the agreement, the third party agreed to grant GLRE an amount of US\$15,000,000 at a financing rate of 13% per annum for the development of the Golden City Project. The amount is repayable on 20 November 2021. The amount is collateralised against the Group's investment properties and development properties with a total carrying amount of \$10,230,000 (2019: \$52,522,000) as at 31 December 2020.

The carrying amounts of borrowings which are short-term or repayable on demand approximate their fair values. The carrying amounts and fair values of long-term borrowings at the end of the reporting period are as follows:

The Group	Carrying amount \$'000	Fair value \$'000
2019		
Amount due to a third party (non-trade) (Note (v))	19,092	19,296

In 2019, the fair values were derived from the discounted cash flow analyses, using the discount rate based on the Group's incremental borrowing rate which the directors expect would be available to the Group at the end of the reporting period. The fair value hierarchy was Level 2.

14 ACCRUED LAND LEASE PREMIUM

The Group	2020 \$'000	2019 \$'000
At 1 January	32,185	28,762
Accreted interest (Note 21)	3,880	3,840
Payment of land lease premium	(2,359)	–
Exchange difference on translation	(635)	(417)
At 31 December	33,071	32,185
Represented by:		
– Non-current	24,826	21,486
– Current	8,245	10,699
	33,071	32,185

Accrued land lease premium relates to the leasehold land which is a right-of-use asset included in property, plant and equipment.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 LEASE LIABILITIES

The Group and the Company	2020	2019
	\$'000	\$'000
Undiscounted lease payments due:		
– Year 1	65	107
– Year 2	2	65
– Year 3	2	2
– Year 4	2	2
– Year 5	–	2
	71	178
Less: Unearned interest cost	(8)	(17)
	63	161
Represented by:		
– Non-current	5	57
– Current	58	104
	63	161

Interest expense on lease liabilities of \$9,000 (2019: \$9,000) is recognised within “finance costs” in profit or loss (Note 21).

Total cash outflows for all leases in the year amount to \$107,000 (2019: \$105,000).

The lease liabilities relate to the corporate office premise and equipment which are leased by the Company.

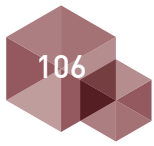
The Group’s and the Company’s lease liabilities are secured by the lessor’s title to the leased assets.

16 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Trade payables	16,548	33,689	–	–
Accrued operating expenses	4,485	4,788	1,045	870
Accrued interest	504	1,095	–	–
Amount due to a subsidiary (non-trade)	–	–	54	75
Rental deposits received	126	636	–	–
Other payables	723	841	187	131
	22,386	41,049	1,286	1,076
Business and other tax payable	10,119	10,462	–	–
Intragroup financial guarantees	–	–	–	158
	32,505	51,511	1,286	1,234

The non-trade amount due to a subsidiary, comprising advances from and payments on behalf by the subsidiary, is unsecured, interest-free and repayable on demand.

As at 31 December 2019, the Company has provided corporate guarantees in respect of the bank loans of a subsidiary, and has charged that subsidiary guarantee fees consistent with those charged by financial institutions (Note 13).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17 ADVANCE CONSIDERATION RECEIVED FROM CUSTOMERS

The Group	2020 \$'000	2019 \$'000
Advance consideration received from customers	11,132	19,633
Represented by:		
– Non-current	–	1,877
– Current	11,132	17,756
	11,132	19,633

Advance consideration received from customers represents amounts of consideration billed to buyers of development properties prior to completion of the performance obligation.

Revenue recognised during the financial year ended 31 December 2020 that was included in advance consideration received from customers at the beginning of the year was \$11,372,000 (2019: \$16,791,000).

18 REVENUE

The Group	2020 \$'000	2019 \$'000
Revenue from contracts with customers		
– Sale of development properties	22,145	36,595
– Rental income from investment properties (Note 6)	5,682	4,791
	27,827	41,386
Timing of transfer of goods and services		
– At a point in time	22,145	36,595
– Over time	5,682	4,791
	27,827	41,386

19 OTHER INCOME

The Group	2020 \$'000	2019 \$'000
Fair value gain on investment properties (Note 6)	–	17,851
Financing income on payments from customers	3,580	2,513
Foreign exchange gain, net	–	40
Gain on disposal of property, plant and equipment	–	6
Interest income on bank balances	12	5
Penalty on late payment from customers	–	650
Others	91	1,069
	3,683	22,134

20 OTHER EXPENSES

The Group	2020 \$'000	2019 \$'000
Fair value loss on investment properties (Note 6)	2,284	–
Others	525	1,022
	2,809	1,022

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21 FINANCE COSTS

The Group	2020 \$'000	2019 \$'000
Accreted interest on accrued land lease premium (Note 14)	3,880	3,840
Accreted interest on lease liabilities (Note 15)	9	9
Interest expense on borrowings	3,739	4,216
Interest expense on convertible loan	166	167
Others	440	389
	8,234	8,621
Financing expense on payments from customers	1,555	1,525
	9,789	10,146

22 (LOSS)/PROFIT BEFORE TAXATION

The Group	Note	2020 \$'000	2019 \$'000
(Loss)/Profit before taxation has been arrived at after charging:			
Depreciation of property, plant and equipment	3	385	475
Depreciation of right-of-use assets	4	106	104
Staff costs			
Directors of the Company:			
Directors' fees		197	294
Directors' remuneration other than fees		522	739
– salaries and other related costs		12	12
– contributions to defined contribution plan		534	751
Directors of a subsidiary:			
– directors' fees		26	74
– directors' salaries		127	214
– equity-settled share-based payment transactions		47	53
		200	341
Key management personnel (other than directors):			
– salaries and other related costs		599	508
– contributions to defined contribution plan		33	30
– equity-settled share-based payment transactions		159	121
		791	659
Other than directors and key management personnel:			
– salaries and other related costs		1,316	1,948
– contributions to defined contribution plan		21	22
– equity-settled share-based payment transactions		20	54
		1,357	2,024
		3,079	4,069

Included within staff costs are Job Support Scheme ("JSS") grants of \$104,000 from the Singapore Government to help employers to retain their local employees during the period of economic uncertainty as a result of the COVID-19 pandemic. JSS grant income is allocated over the period to match the related staff costs for which the grants are intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

23 TAXATION

The Group	2020 \$'000	2019 \$'000
Current taxation	–	–
Deferred taxation (Note 12)	(1,434)	3,134
	(1,434)	3,134

The Company and Futura Asset Holdings Pte. Ltd. (“Futura”), which are incorporated and established in Singapore, are subject to Singapore income tax at 17% (2019: 17%). Trechance Holdings Limited (“Trechance”), which is incorporated and established in Hong Kong, is subject to Hong Kong income tax at 16.5% (2019: 16.5%). No provisions for Singapore and Hong Kong taxes have been made as the respective group entities do not have assessable profits subject to Singapore and Hong Kong taxes.

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable tax rate on (loss)/profit before tax as a result of the following:

The Group	2020 \$'000	2019 \$'000
(Loss)/Profit before taxation	(5,516)	17,897
Tax at Singapore tax rate of 17% (2019: 17%)	(938)	3,043
Effect of different tax rates in foreign jurisdictions	(351)	1,476
Tax effect on non-deductible expenses	236	222
Tax effect on non-taxable income	(339)	(1,607)
Utilisation of previously unrecognised tax losses	(42)	–
	(1,434)	3,134

Non-deductible expenses mainly include the operating expenses incurred by the Company, Futura and Trechance that have no taxable income.

GLRE has obtained a five-year corporate tax exemption from the Myanmar Investment Commission and Inland Revenue of Myanmar up to 30 November 2021. Consequently, non-taxable income mainly arises from GLRE.

At the end of the reporting period, the Company has unused tax losses of \$1,946,000 (2019: \$2,191,000) allowed to be carried forward and used to offset against future taxable profits of the Company. The unused tax losses are subject to agreement by the Inland Revenue Authority of Singapore. Deferred tax assets have not been recognised in respect of the tax losses because there is no reasonable certainty that future taxable profits will be available against which the Company can utilise the benefits. The unused tax losses have no expiry date.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24 (LOSS)/EARNINGS PER SHARE**Basic earnings per share**

The calculation of basic earnings per share was based on the loss attributable to ordinary shareholders of \$2,584,000 (2019: profit of \$6,709,000), and a weighted average number of ordinary shares outstanding of 977,351,000 (2019: \$969,563,000), calculated as follows:

Weighted average number of ordinary shares

The Group	2020 '000	2019 '000
Issued ordinary shares at beginning of year (Note 10)	970,932	962,167
Effect of ordinary shares issued during the year	6,419	7,396
Weighted average number of ordinary shares	977,351	969,563

Diluted earnings per share

The calculation of diluted earnings per share was based on the loss attributable to ordinary shareholders of \$2,584,000 (2019: profit of \$6,709,000), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 977,351,000 (2019: 1,163,185,000), calculated as follows:

Weighted average number of ordinary shares

The Group	2020 '000	2019 '000
Weighted average number of ordinary shares (basic)	977,351	969,563
Effect of convertible loan	–	193,622
Weighted average number of ordinary shares (diluted)	977,351	1,163,185

As at 31 December 2020, the outstanding convertible loan was excluded from the calculations of the diluted weighted average number of ordinary shares in issue as its effect would have been anti-dilutive.

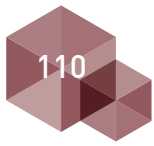
At the end of the reporting period, the 15,000,000 share options outstanding do not have a dilutive effect because the average market price of the Company's ordinary shares for the financial years ended 31 December 2020 and 2019 does not exceed the exercise price.

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, in addition to the related party information disclosed elsewhere in the financial statements, the Company entered into the following transactions with related parties:

The Group	2020 \$'000	2019 \$'000
Property management fees expense	(525)	(517)
Purchase of property, plant and equipment	(9)	–

The related parties are companies which are owned by certain directors and key management personnel of the Company.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26 LEASES

Operating lease

Where the Group is the lessor,

Operating leases, in which the Group is the lessor, relate to investment properties owned by the Group, with lease terms of 1 to 3 years (Note 6). The lessees do not have option to purchase the properties at the expiry of the lease periods.

The leases are classified as operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred. The Group is exposed to changes in residual value at the end of the lease term, the Group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the investment properties.

The Group's revenue from rental income received on the investment properties is disclosed in Note 18 to the financial statements.

The following table sets out a maturity analysis of lease payments in respect of the Group's investment properties, showing the undiscounted lease payments to be received after the end of the reporting period.

The Group	2020 \$'000	2019 \$'000
Undiscounted lease payments to be received		
– Year 1	2,709	2,397
– Year 2	226	221
– Year 3	134	94
– Year 4	131	–
– Year 5	126	–
	3,326	2,712

27 SHARE-BASED PAYMENT TRANSACTIONS

The Company has the following employee share option scheme and performance share plan for granting share options and share awards to employees and directors of the Company and its subsidiaries:

- (a) the Emerging Towns & Cities Singapore Ltd. Employee Share Option Scheme 2016 (the "2016 Scheme") which was approved at an Extraordinary General Meeting of the Company held on 21 November 2016; and
- (b) the Emerging Towns & Cities Singapore Ltd. Performance Share Plan 2016 (the "Plan") which was approved at an Extraordinary General Meeting of the Company held on 21 November 2016.

The 2016 Scheme and the Plan are administered by the Company's Remuneration Committee whose members are all independent or non-executive directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27 SHARE-BASED PAYMENT TRANSACTIONS (CONT'D)

Under the 2016 Scheme, the Company may grant options to employees and directors of the Company and its subsidiaries in recognition of their services and contributions to the growth and performance of the Group. Under the Plan, the Company may grant share awards to employees and directors of the Company and its subsidiaries to incentivise participants to excel in their performance and encourage greater dedication and loyalty to the Company. The 2016 Scheme and the Plan align the interest of the participants with those of shareholders so as to motivate them to contribute towards future growth and profitability of the Group and maximisation of shareholder value in the longer term.

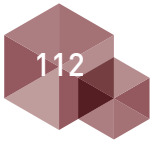
The total number of new shares over which options or awards may be granted pursuant to the 2016 Scheme and the Plan respectively, when added to the number of shares issued and issuable under such other share-based incentive plans of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

Under the 2016 Scheme, options granted with exercise prices equal to the market price may be exercised after the first anniversary of the date of grant and will expire after ten years from the date of grant. Options with exercise prices which represent a discount to the market price may be exercised after the second anniversary of the date of grant and will expire after ten years from the date of grant.

Under the 2016 Scheme, a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then (a) the exercise price in respect of the shares comprised in any option(s) to the extent unexercised; (b) the class and/or number of shares comprised in any option(s) to the extent unexercised and the rights attached thereto; and/or (c) the class and/or number of shares in respect of which additional options may be granted to participants of the 2016 Scheme may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the date of the exercise of an option provided that the record date relating to such variation precedes such date of exercise.

Under the Plan, if a variation in the issued share capital of the Company (whether by way of a capitalisation of profits, reserves, rights issue, reduction (including any reduction arising by reason of the Company purchasing or acquiring its issued shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever) shall take place, then (a) the class and/or number of shares which are the subject of an award to the extent not yet vested; and/or (b) the class and/or number of shares over which future awards may be granted under the Plan may, at the option of the Remuneration Committee, be adjusted in such manner as the Remuneration Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the vesting date of an award provided that the record date relating to such variation precedes such date of vesting.

There were no options granted under the 2016 Scheme during the financial year under review. The Employee Share Option Scheme (the "2009 Scheme") approved in 2009 was terminated by the shareholders at an Extraordinary General Meeting of the Company held on 21 November 2016. Options already granted under the 2009 Scheme remain valid and exercisable until the end of the relevant exercise period.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28 OPERATING SEGMENTS

For management purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units, as follows:

The Group's business is organised into three business segments, namely:

- (i) Property development – relates to the development of properties for sale in Myanmar;
- (ii) Property investment – relates to the business of investing in properties to earn rentals and for capital appreciation in Myanmar; and
- (iii) Corporate – comprises the corporate office in Singapore which incurs general corporate expenses and the inactive entities in the Group.

The Group accounts for inter-segment transactions on terms agreed between parties. Inter-segment transactions comprising advances between segments are eliminated on consolidation.

Segment revenue and expenses:

Segment revenue and expenses are the operating revenue and expenses reported in the consolidated statement of profit or loss and other comprehensive income that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Capital expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to a segment.

Management monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

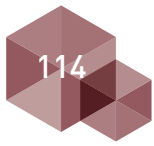
Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operates with these industries. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28 OPERATING SEGMENTS (CONT'D)

	Property development		Property investment		Corporate		Eliminations		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
The Group	22,145	36,595	5,682	4,791	-	-	-	-	27,827	41,386
Segment revenue										
Results										
Segment (loss)/profit	(9,388)	(4,029)	1,337	1,775	(1,658)	(2,037)	510	54	(9,199)	(4,237)
Other income	3,675	4,071	-	17,851	634	575	(626)	(363)	3,683	22,134
(Loss)/Profit before taxation	(5,713)	42	1,337	19,626	(1,024)	(1,462)	(116)	(309)	(5,516)	17,897
Taxation	863	4,620	571	(7,754)	-	-	-	-	1,434	(3,134)
(Loss)/Profit for the year	(4,850)	4,662	1,908	11,872	(1,024)	(1,462)	(116)	(309)	(4,082)	14,763
Attributable to:										
Owners of the Company	(2,380)	2,391	936	6,089	(1,024)	(1,462)	(116)	(309)	(2,584)	6,709
Non-controlling interests	(2,470)	2,271	972	5,783	-	-	-	-	(1,498)	8,054
	(4,850)	4,662	1,908	11,872	(1,024)	(1,462)	(116)	(309)	(4,082)	14,763
Assets and liabilities										
Segment assets	173,073	192,331	113,780	113,087	366	608	(83)	(648)	287,136	305,378
Segment liabilities	131,042	125,786	31,258	48,131	1,341	1,379	83	648	163,724	175,944
Capital expenditure and significant non-cash items										
Capital expenditure on property, plant and equipment	194	206	-	-	-	-	-	-	194	206
Depreciation of property, plant and equipment	340	424	-	-	45	51	-	-	385	475
Depreciation of right-of-use assets	-	-	-	-	106	104	-	-	106	104



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28 OPERATING SEGMENTS (CONT'D)

Geographical segments

The Group	Myanmar \$'000	Singapore \$'000	Total \$'000
2020			
Revenue	27,827	–	27,827
Non-current assets *	118,112	96	118,208
2019			
Revenue	41,386	–	41,386
Non-current assets *	117,249	247	117,496

* Excluding non-current trade receivables

Geographically, the non-current assets and operations of the Group are primarily located in Myanmar for the financial years ended 31 December 2020 and 31 December 2019.

There is no revenue from transactions with a single external customer that amounts to 10 per cent or more of the Group's revenue.

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and their risk management philosophy. The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

There has been no change to the Group's and the Company's exposure to financial risks or the manner in which they manage and measure the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

29.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

29.1 Credit risk (cont'd)

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through on-going credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

There are no significant concentrations of credit risk through exposure to individual customers. Nonetheless, the Group is exposed to the real estate sector in Myanmar.

The Group applies the SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade receivables.

Exposure to credit risk

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

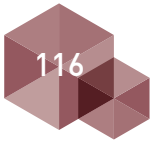
Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. The ECL on trade receivables are estimated by reference to payment history, current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date.

For sale of residential properties, as the Group is contractually entitled to retain all instalments payments received from the customer and repossess the sold property for resale in the event of default payments, the credit loss risk in respect of outstanding progress billings to the customer is mitigated by these financial safeguards. Credit risk in respect of trade receivables related to property leasing is deemed to be low due to security deposits received from tenants.

Other receivables

Loss allowance for other receivables is measured at an amount equal to 12-month expected credit losses. The expected credit losses on other receivables is estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the end of the reporting period, no loss allowance for other receivables was required.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

29.1 Credit risk (cont'd)

Amounts due from related parties

Except for the non-trade amount due from a subsidiary which is credit-impaired, the amounts due from subsidiaries are considered to have low credit risk as the Company has control or significant influence over the operating, investing and financing activities of these entities. The use of advances to assist with the related subsidiaries' cash flow management is in line with the Group's capital management. Amounts due from shareholders of a subsidiary are recoverable from the undistributed profits of the subsidiary. There has been no significant increase in the credit risk of the amounts due from shareholders of the subsidiary since initial recognition. In determining the ECL, management has taken into account the financial position and financial performance of the related parties, and a forward-looking analysis of the performance of the operations of the related parties.

At the end of the reporting period, the Company has issued corporate guarantees to banks for the borrowings undertaken by a subsidiary (Note 13). These borrowings amounted to \$54,138,000 (2019: \$21,527,000) at the end of the reporting period. The credit risk, being the principal risk to which the Company is exposed, represents the loss that would be recognised upon a default by the subsidiary.

The current interest rates charged by the banks on the loans to the subsidiary are at market rates and are consistent with the borrowing costs of the subsidiary without any corporate guarantee.

At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the corporate guarantees, as the Company has assessed.

To mitigate credit risk arising from corporate guarantees, management continually monitors the risk and has established processes including performing credit evaluations of the parties for which the Group provides corporate guarantees. Corporate guarantees are only for intragroup financing purposes and given by the Company on behalf of its subsidiaries.

The Group's and the Company's major classes of financial assets are bank deposits and trade receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 8.

29.2 Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

29.2 Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Between 1 and 5 years \$'000	More than 5 years \$'000
The Group					
2020					
<u>Non-derivative financial liabilities</u>					
Borrowings (Note 13)	59,785	66,505	66,505	-	-
Accrued land lease premium (Note 14)	33,071	239,171	11,968	14,899	212,304
Lease liabilities (Note 15)	63	71	65	6	-
Trade and other payables (Note 16)	22,386	22,386	22,386	-	-
	115,305	328,133	100,924	14,905	212,304
2019					
<u>Non-derivative financial liabilities</u>					
Borrowings (Note 13)	43,392	46,944	33,218	13,726	-
Accrued land lease premium (Note 14)	32,185	245,818	10,699	15,169	219,950
Lease liabilities (Note 15)	161	178	107	71	-
Trade and other payables (Note 16)	41,049	41,049	41,049	-	-
	116,787	333,989	85,073	28,966	219,950
The Company					
2020					
<u>Non-derivative financial liabilities</u>					
Lease liabilities (Note 15)	63	71	65	6	-
Trade and other payables (Note 16)	1,286	1,286	1,286	-	-
Intragroup financial guarantees (Note 16)	-	54,138	54,138	-	-
	1,349	55,495	55,489	6	-
2019					
<u>Non-derivative financial liabilities</u>					
Lease liabilities (Note 15)	161	178	107	71	-
Trade and other payables (Note 16)	1,076	1,076	1,076	-	-
Intragroup financial guarantees (Note 16)	158	21,527	21,527	-	-
	1,395	22,781	22,710	71	-

Except for the Company's cash flows arising from its intra-group corporate guarantees (Note 29.1), it is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

At the end of the reporting period, the Company does not consider it probable that a claim will be made against it under the intra-group corporate guarantees.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows.

The Group and the Company ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group and the Company maintain sufficient level of cash and bank balances and have available adequate amount of committed credit facilities from financial institutions to meet their working capital requirements. The Group also relies on short-term funding from shareholders, non-controlling interests, other related parties or individuals, where necessary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

29.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bank loans and bank balances at floating rates. Loans from shareholders of a subsidiary, non-trade amount due to a third party and other loan bear interest at fixed rates. All other financial assets and liabilities are interest-free.

At the end of the reporting period, the carrying amount of the interest-bearing financial instruments is as follows:

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Fixed rate instruments				
Financial liabilities				
– loans from shareholders of a subsidiary	(1,534)	(2,773)	–	–
– amount due to a third party (non-trade)	(4,113)	(19,092)	–	–
	(5,647)	(21,865)	–	–
Variable rate instruments				
Financial assets				
– bank balances	1,992	2,936	115	166
Financial liabilities				
– bank loans	(54,138)	(21,527)	–	–
	(52,146)	(18,591)	115	166

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the end of the reporting period, if interest rates had been 100 (2019: 100) basis points higher/lower with all other variables held constant, the Group's results net of tax and equity would have been \$521,000 (2019: \$186,000) lower/higher, arising mainly as a result of higher/lower interest expenses on floating rate bank loans, offset by higher/lower interest income from floating rate bank balances.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

The Group's and the Company's policy is to obtain the most favourable interest rates available without increasing their interest rate exposure.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**29.4 Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises when transactions are denominated in foreign currencies.

The Group and the Company have transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of the group entities. The foreign currencies in which these transactions are denominated are primarily Singapore dollar ("SGD"), Myanmar kyat ("MMK"), Renminbi ("RMB") and United States dollar ("USD"). The Group's and the Company's receivable and payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and bank balances denominated in Singapore dollar, Myanmar kyat and United States dollar for working capital purposes.

Consequently, the Group and the Company are exposed to movements in foreign currency exchange rates. The Group and the Company do not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The Group's and the Company's exposures in financial instruments to the various foreign currencies are mainly as follows:

	Singapore dollar \$'000	Myanmar kyat \$'000	Renminbi \$'000	United States dollar \$'000
The Group				
2020				
Cash and bank balances	94	1,023	1	15
Trade and other payables	(10)	-	-	-
Net exposure	<u>84</u>	<u>1,023</u>	<u>1</u>	<u>15</u>
2019				
Trade and other receivables	1	-	-	289
Cash and bank balances	147	2,542	-	5
Trade and other payables	(33)	(73)	(61)	(723)
Net exposure	<u>115</u>	<u>2,469</u>	<u>(61)</u>	<u>(429)</u>
The Company				United States dollar \$'000
2020				
Trade and other receivables				<u>136</u>
Net exposure				<u>136</u>
2019				
Trade and other receivables				289
Trade and other payables				(723)
Net exposure				<u>(434)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

29.4 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates below against the functional currencies of the respective group entities, on the Group's results net of tax.

	2020 \$'000	2019 \$'000
The Group		
SGD – strengthened 5% (2019: 5%)	4	6
– weakened 5% (2019: 5%)	(4)	(6)
MMK – strengthened 5% (2019: 5%)	51	123
– weakened 5% (2019: 5%)	(51)	(123)
RMB – strengthened 5% (2019: 5%)	–	(3)
– weakened 5% (2019: 5%)	–	3
USD – strengthened 5% (2019: 5%)	1	(21)
– weakened 5% (2019: 5%)	(1)	21
The Company		
USD – strengthened 5% (2019: 5%)	6	(22)
– weakened 5% (2019: 5%)	(6)	22

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effect.

29.5 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group and the Company do not hold any quoted or marketable financial instruments, hence, are not exposed to any movement in market prices.

30 FINANCIAL INSTRUMENTS

Accounting classifications of financial assets and financial liabilities

	Amortised cost \$'000	Other financial liabilities at amortised cost \$'000	Total carrying amount \$'000
The Group			
2020			
<u>Financial assets</u>			
Trade and other receivables (Note 8)	15,840	–	15,840
Cash and bank balances (Note 9)	2,137	–	2,137
	<u>17,977</u>	<u>–</u>	<u>17,977</u>
<u>Financial liabilities</u>			
Borrowings (Note 13)	–	59,785	59,785
Accrued land lease premium (Note 14)	–	33,071	33,071
Lease liabilities (Note 15)	–	63	63
Trade and other payables (Note 16)	–	22,386	22,386
	<u>–</u>	<u>115,305</u>	<u>115,305</u>

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30 FINANCIAL INSTRUMENTS (CONT'D)**Accounting classifications of financial assets and financial liabilities (cont'd)**

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Amortised cost \$'000	Other financial liabilities at amortised cost \$'000	Total carrying amount \$'000
The Group			
2019			
<u>Financial assets</u>			
Trade and other receivables (Note 8)	21,722	–	21,722
Cash and bank balances (Note 9)	3,222	–	3,222
	<u>24,944</u>	<u>–</u>	<u>24,944</u>
<u>Financial liabilities</u>			
Borrowings (Note 13)	–	43,392	43,392
Accrued land lease premium (Note 14)	–	32,185	32,185
Lease liabilities (Note 15)	–	161	161
Trade and other payables (Note 16)	–	41,049	41,049
	<u>–</u>	<u>116,787</u>	<u>116,787</u>
The Company			
2020			
<u>Financial assets</u>			
Trade and other receivables (Note 8)	160	–	160
Cash and bank balances (Note 9)	115	–	115
	<u>275</u>	<u>–</u>	<u>275</u>
<u>Financial liabilities</u>			
Lease liabilities (Note 15)	–	63	63
Trade and other payables (Note 16)	–	1,286	1,286
	<u>–</u>	<u>1,349</u>	<u>1,349</u>
2019			
<u>Financial assets</u>			
Trade and other receivables (Note 8)	35,109	–	35,109
Cash and bank balances (Note 9)	166	–	166
	<u>35,275</u>	<u>–</u>	<u>35,275</u>
<u>Financial liabilities</u>			
Lease liabilities (Note 15)	–	161	161
Trade and other payables (Note 16)	–	1,076	1,076
	<u>–</u>	<u>1,237</u>	<u>1,237</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

31 CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are:

- (a) To safeguard the Group's and the Company's ability to continue as going concern;
- (b) To support the Group's and the Company's stability and growth;
- (c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company, and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to externally imposed capital requirements.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings, accrued land lease premium, lease liability and trade and other payables, less cash and bank balances. Total capital represents equity attributable to owners of the Company.

	The Group		The Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Borrowings (Note 13)	59,785	43,392	-	-
Accrued land lease premium (Note 14)	33,071	32,185	-	-
Lease liabilities (Note 15)	63	161	63	161
Trade and other payables (Note 16)	32,505	51,511	1,286	1,234
Total debt	125,424	127,249	1,349	1,395
Less: Cash and bank balances (Note 9)	(2,137)	(3,222)	(115)	(166)
Net debt	123,287	124,027	1,234	1,229
Equity attributable to the owners of the Company	112,273	116,783	34,418	69,524
Total capital	112,273	116,783	34,418	69,524
Total capital and net debt	235,560	240,810	35,652	70,753
Gearing ratio	52%	52%	3%	2%

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32 FAIR VALUE MEASUREMENTDefinition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

Financial assets and financial liabilities measured or disclosed at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, certain borrowings, and trade and other payables) or those which reprice regularly approximate their fair values because of the short period to maturity or repricing. The fair value of non-current financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Financial assets and liabilities not measured at fair value but for which fair values are disclosed *

The Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2019				
Amount due to a third party (non-trade)	–	19,296	–	19,296

* Exclude financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term or repayable on demand nature and where the effect of discounting is immaterial.

Fair value measurement of non-financial instruments

The following table shows the levels within the fair value hierarchy of non-financial instruments measured at fair value on a recurring basis.

The Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2020				
<u>Non-financial assets</u>				
Investment properties (Note 6)	–	–	113,780	113,780
2019				
<u>Non-financial assets</u>				
Investment properties (Note 6)	–	–	113,087	113,087

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

32 FAIR VALUE MEASUREMENT (CONT'D)

Fair value measurement of non-financial instruments (cont'd)

The following table shows the Group's valuation technique used in measuring the fair value of the investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct comparison method – Residential units	<ul style="list-style-type: none"> Average price per square metre 	The estimated fair value would increase/decrease if: <ul style="list-style-type: none"> Average price per square metre was higher/lower
Income capitalisation method – Retail units and office units	<ul style="list-style-type: none"> Capitalisation rate Expected rental growth Expected vacancy period 	The estimated fair value would increase/decrease if: <ul style="list-style-type: none"> Capitalisation rate was lower/higher; Expected growth rate was higher/lower; and Expected vacancy rate was shorter/longer

33 EVENTS AFTER THE END OF REPORTING PERIOD

On 13 January 2021, the Company entered into a Share Subscription Agreement with HS Global Group Limited and Nextcore Asset Management Limited, pursuant to which an aggregate of 1,330,000,000 new ordinary shares in the capital of the Company will be allotted at an issue price of \$0.03 per subscription share, for an aggregate subscription amount of \$39,900,000.

On 1 February 2021, the Tatmadaw, armed forces of Myanmar, seized power from the civilian government and declared a state of emergency in Myanmar. The Group has assessed that this is a material non-adjusting event, and its financial effect cannot be reliably estimated. The Group is actively monitoring the situation, putting in place measures to minimise the impact to its business, and will react actively to minimise the impact on the operations and financial position of the Group arising from the evolving situation.

With effect from 5 April 2021, Lim Jun Xiong Steven ceased as an independent director of the Company.

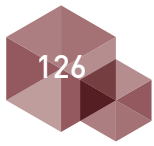
On 9 April 2021, the Company announced that it has appointed Nexia TS Advisory Pte Ltd as an independent reviewer to conduct contractual payments and fund-raising reviews of the Group.

On 15 June 2021, the Company announced that it has appointed Kelvin Chia Partnership as an independent reviewer to conduct review of the Group's investment and business activities in Myanmar and Singapore for compliance with applicable laws and on the applicability and effect on the Group's business operations due to the unilateral sanctions imposed on Myanmar. Details of the findings of each of the independent reviews are currently pending.

ADDITIONAL INFORMATION

Interested person transactions entered into during the financial years ended 31 December 2020 and 31 December 2019 respectively pursuant to Chapter 9 of the Listing Manual Section B: Rules of Catalist issued by the Singapore Exchange Securities Limited (“SGX-ST”) by the Group as follows:

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	2020 S\$’000	2019 S\$’000	2020 S\$’000	2019 S\$’000
Nil	-	-	-	-



STATISTICS OF SHAREHOLDINGS

AS AT 10 AUGUST 2021

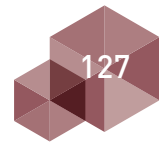
Issued share capital	:	S\$32,841,618.4724
No. of issued and fully paid-up shares	:	982,072,934
Class of shares	:	Ordinary share
Voting rights attached to shares	:	One vote per share
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	379	5.36	13,878	0.00
100 – 1,000	1,236	17.48	648,954	0.07
1,001 – 10,000	2,796	39.53	11,999,144	1.22
10,001 – 1,000,000	2,606	36.84	214,634,865	21.85
1,000,001 and above	56	0.79	754,776,093	76.86
Total	7,073	100.00	982,072,934	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Zhu Xiaolin	151,120,969	15.39
2	Zhang Xiang	89,000,000	9.06
3	Phillip Securities Pte Ltd	73,415,340	7.48
4	CGS-CIMB Securities (Singapore) Pte Ltd	71,206,452	7.25
5	Teo Cheng Kwee	59,281,760	6.04
6	Raffles Nominees (Pte) Limited	37,442,298	3.81
7	Maybank Kim Eng Securities Pte. Ltd	30,089,310	3.06
8	Zhang Xiaoping	22,339,130	2.27
9	Tan Eng Chua Edwin	19,245,640	1.96
10	Tao Xucheng	18,000,000	1.83
11	Wong Pak Him Patrick	18,000,000	1.83
12	Lai Xuejun	15,291,200	1.56
13	DBS Nominees Pte Ltd	12,287,731	1.25
14	Lim & Tan Securities Pte Ltd	11,940,776	1.22
15	Toh Liang Keng	11,169,565	1.14
16	Christopher Chong Meng Tak	11,082,200	1.13
17	ABN Amro Clearing Bank N.V.	8,241,328	0.84
18	OCBC Securities Private Ltd	7,736,772	0.79
19	Xie Jing	5,887,000	0.60
20	Teo Ee Seng	5,000,000	0.51
	Total:	677,777,471	69.02



STATISTICS OF SHAREHOLDINGS

AS AT 10 AUGUST 2021

Substantial Shareholders

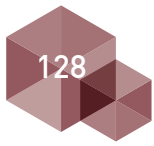
(as shown in the Company's register of Substantial Shareholders)

Name	Number of Shares Held as Direct	%	Number of Shares Held as Deemed	%
Zhu Xiaolin	151,120,969	15.39	49,269,895	5.02
Teo Cheng Kwee	59,281,760	6.04	–	–
Zhang Xiang	89,000,000	9.06	–	–

1. Mr Zhu Xiaolin is deemed interested in 49,269,895 shares held by Phillip Securities Pte Ltd as his nominee.
2. Mr Teo Cheng Kwee has interests in 2,000,000 options granted under the CSH Employee Share Option Scheme 2009.

Public Shareholdings

Based on the information available to the Company as at 10 August 2021, approximately 64.46% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist issued by SGX-ST.



NOTICE OF ANNUAL GENERAL MEETING

To All Shareholders

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders (“Shareholders”) of **EMERGING TOWNS & CITIES SINGAPORE LTD.** (the “Company”) will be held by way of electronic means on Wednesday, 22 September 2021 at 9.30 a.m. to transact the following businesses:

Ordinary Business

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended 31 December 2020 and the Auditors’ Report thereon. **Resolution 1**
2. To re-elect Mr Ang Mong Seng as Director, who shall retire pursuant to Regulation 87 of the Company’s Constitution. **Resolution 2**

{See Explanatory Note (1)}

3. To re-elect Mr Tan Thiam Hee as Director, who shall retire pursuant to Regulation 87 of the Company’s Constitution. **Resolution 3**

{See Explanatory Note (1)}

4. To approve the payment of the proposed directors’ fees of up to S\$180,000 to be paid quarterly in arrears for the financial year ending 31 December 2022. **Resolution 4**
5. To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix its remuneration. **Resolution 5**
6. To transact any other business which may be properly transacted at an Annual General Meeting.

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Rule 806 of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”), authority be and is hereby given to the Directors to:

- (a) (i) issue shares in the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and,

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with subparagraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to Shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held.

{See Explanatory Note (2)}

Resolution 6

8. **Mandate to Directors to issue Shares under the ETC Employee Share Option Scheme**

That approval be and is hereby given to the Directors to offer and grant options over ordinary shares in the Company in accordance with the rules of the ETC Employee Share Option Scheme (the “**Scheme**”); and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, to allot and issue from time to time such number of shares in the capital of the Company (the “**Scheme Shares**”) as may be required to be issued pursuant to the exercise of the options that may be granted under the Scheme provided always that the aggregate number of the Scheme Shares (excluding treasury shares and subsidiary holdings) available under the Scheme shall not exceed 15% of the total issued share capital of the Company from time to time, as determined in accordance with the rules of the Scheme.

{See Explanatory Note (3)}

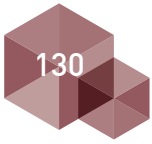
Resolution 7

9. **Mandate to Directors to issue Shares under the ETC Performance Share Plan**

That approval be and is hereby given to the Directors to offer and grant awards of ordinary shares in the Company in accordance with the rules of the ETC Performance Share Plan (the “**Plan**”); and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, to allot and issue from time to time such number of shares in the capital of the Company (the “**Plan Shares**”) as may be required to be issued comprised in the awards that may be granted under the Plan provided always that the aggregate number of the Plan Shares (excluding treasury shares and subsidiary holdings) available under the Plan shall not exceed 15% of the total issued share capital of the Company from time to time, as determined in accordance with the rules of the Plan.

{See Explanatory Note (4)}

Resolution 8



NOTICE OF ANNUAL GENERAL MEETING

10. Proposed renewal of the Share Purchase Mandate

All capitalised terms in the Resolution 11 below and defined in the Letter to Shareholders dated 3 September 2021 (the "Letter") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Letter.

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), and such other laws and regulations as may for the time being be applicable, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases ("**Market Purchase**"), transacted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or
- (ii) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules,

(the "**Share Purchase Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and the expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the share purchases are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked;

(d) in this Ordinary Resolution:

"**Prescribed Limit**" means 10% of the total number of Shares as at the date of passing of this Resolution (excluding any treasury shares that may be held by the Company from time to time and subsidiary holdings), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered;

"**Relevant Period**" means the period commencing from the date of passing of this Resolution and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier;

NOTICE OF ANNUAL GENERAL MEETING

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 115% of the Average Closing Price;

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the Market Purchase or, as the case may be, the day of the making of an offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) day period and the day on which the purchases are made;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

- (e) the Directors and each of them be and are hereby authorised to do all acts and things (including, without limitation, executing all such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the Share Purchase Mandate as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

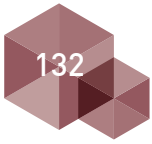
{See Explanatory Note (5)}

Resolution 9

By Order of the Board

Ong Beng Hong
Tan Swee Gek
Joint Secretaries

Singapore
2 September 2021



NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

(1) Ordinary Resolutions 2 and 3 – To re-elect Mr Ang Mong Seng and Mr Tan Thiam Hee as Directors, who shall retire pursuant to Regulation 87 of the Constitution of the Company

If re-elected, Mr Ang Mong Seng will remain as the Non-Executive Group Chairman and Independent Director of the Company, Chairman of the Nominating & Corporate Governance Committee and a member of the Audit and Remuneration Committees.

If re-elected, Mr Tan Thiam Hee will remain as the Group Chief Executive Officer and Executive Director of the Company.

(2) Ordinary Resolution 6 – Authority to issue shares in the capital of the Company pursuant to Rule 806 of the Listing Manual – Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited (“SGX-ST”)

The Ordinary Resolution 6 proposed in item 7 above, if passed, will authorise the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(3) Ordinary Resolution 7 – Mandate to Directors to issue Shares under the ETC Employee Share Option Scheme

Ordinary Resolution 7 proposed in item 8 above is to allow the Directors to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme provided that the aggregate number of shares to be issued under the Scheme, when aggregated with shares issued or to be issued under the Plan and/or any other existing share options or share schemes of the Company does not exceed 15% of the total number of shares issued by the Company, excluding treasury shares and subsidiary holdings, if any, from time to time. The Scheme was first approved by the Shareholders at the Extraordinary General Meeting held on 21 November 2016. Details of the Scheme may also be found in the Circular to Shareholders dated 28 October 2016.

(4) Ordinary Resolution 8 – Mandate to Directors to issue Shares under the ETC Share Performance Plan

Ordinary Resolution 8 proposed in item 9 above is to allow the Directors to issue shares in the Company pursuant to awards granted or to be granted under the Plan provided that the aggregate number of shares to be issued comprised in the awards that may be granted under the Plan, when aggregated with shares issued or to be issued under the Scheme and/or any other existing share options or share schemes of the Company does not exceed 15% of the total number of shares issued by the Company, excluding treasury shares and subsidiary holdings, if any, from time to time. The Plan was first approved by the Shareholders at the Extraordinary General Meeting held on 21 November 2016. Details of the Plan may also be found in the Circular to Shareholders dated 28 October 2016.

(5) Ordinary Resolution 9 – Proposed renewal of the Share Purchase Mandate

Ordinary Resolution 9 proposed in item 10 above is to seek the Shareholders' approval for the proposed renewal of the Share Purchase Mandate. Detailed information on the proposed renewal of the Share Purchase Mandate, including the rationale for the same, is set out in the Letter.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member, including a relevant intermediary, entitled to vote at the AGM must appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM.

“**Relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (2) The instrument or form appointing the Chairman of the AGM as proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The instrument must be submitted not less than 72 hours before the time appointed for holding the AGM, in the manner specified in the section titled “**IMPORTANT NOTICE ON AGM ARRANGEMENTS IN LIGHT OF COVID-19**” below.
- (3) Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (4) By pre-registering to attend the AGM and/or any adjournment thereof, submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, submitting any questions related to the resolutions to be tabled for approval at the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation, compilation and/or publication of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

IMPORTANT NOTICE ON AGM ARRANGEMENTS IN LIGHT OF COVID-19

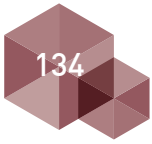
The AGM is being convened, and will be held, only by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Annual Report, this Notice of AGM and the accompanying Proxy Form will not be sent to members of the Company. Instead, these documents will be made available on SGXNet and at the Company’s website at the URL <http://investor.etcingsapore.com/newsroom.html>.

A Shareholder will need an internet browser and PDF reader to view these documents on SGXNet and the Company’s website.

Shareholders are advised to read the Notice of AGM carefully in order to decide whether they should vote in favour of or against the ordinary resolution, or to abstain from voting on the ordinary resolution, to be tabled at the AGM.

This notice sets out the Company’s arrangements relating to, among others, attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance, addressing of substantial and relevant questions prior to or at the AGM and/or voting by appointing the Chairman of the AGM as proxy.

In light of the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, a member (including a relevant intermediary) will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.



NOTICE OF ANNUAL GENERAL MEETING

Members may participate at the AGM by following the steps set out below:

1. Registration for Live Webcast

Members will be able to follow the proceedings of the AGM through a live audio-visual webcast or live audio-only stream (collectively, “**Live Webcast**”) via mobile phone, tablet, computer or any such electronic device.

To do so, a member must pre-register **by no later than 9.30 a.m. on 18 September 2021** (“**Registration Deadline**”), at the URL: <https://forms.gle/fTbx1a9KLSA565Zf8>, for authentication of their status as members.

Members who have been authenticated will receive email instructions to access the Live Webcast of the proceedings of the AGM by 9.30 a.m. on 21 September 2021. Members who have registered by the Registration Deadline but have not received email instructions by 9.30 a.m. on 21 September 2021 may contact the Company by email at info@etcsingapore.com for assistance.

Members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) who wish to participate in the AGM should, in addition to pre-registering, approach their respective agents as soon as possible, so that the necessary arrangements can be made by the relevant agents for their participation in the AGM.

2. Members' Queries

Members will not be able to speak or ask questions during the Live Webcast. It is important to note that any questions must be submitted in advance of the AGM.

All questions must be submitted **by no later than 9.30 a.m. on 18 September 2021** to the Company:

- (a) **via the pre-registration website** at the URL: <https://forms.gle/fTbx1a9KLSA565Zf8>; or
- (b) **in hard copy** by sending personally or by post and lodging the same at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544.

For verification purposes, when submitting any questions by post, members **MUST** provide the Company with their particulars (comprising: full name (for individuals)/company name (for corporations) as it appears on his/her/its CDP/CPF/SRS share records, email address, contact number, NRIC/passport number/company registration number, the manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS) and number of shares held).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will endeavour to address the substantial and relevant queries, as determined by the Company, from members prior to or at the AGM. The minutes of the AGM, which will include responses to substantial and relevant queries from members which are addressed during the AGM, shall thereafter be published on SGXNet, within one (1) month from the conclusion of the AGM.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) can submit their questions in relation to any resolution set out in the Notice of AGM upon pre-registration, however, they should, in addition to pre-registering, approach their respective agents as soon as possible, so that the necessary arrangements can be made by the relevant agents for their participation in the AGM.

Please note that members will not be able to ask questions at the AGM “**live**” during the Live Webcast, and therefore it is important for members to submit their questions in advance of the AGM.

3. Proxy Voting

A member (including a relevant intermediary) will not be able to attend the AGM physically in person and will not be able to vote online on the resolution to be tabled for approval at the AGM. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. The instrument appointing the Chairman of the AGM as proxy has been uploaded together with this Notice of AGM on SGXNet on the same day.

NOTICE OF ANNUAL GENERAL MEETING

Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:

- (a) if **in hard copy** and sent personally or by post, the proxy form must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544; or
- (b) if via email, the proxy form must be received by the Company's Share Registrar at main@zicoholdings.com,

in any case **not less than 72 hours** before the time for holding the AGM and at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download the proxy form, which is available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and at the Company's website at the URL <http://investor.etc singapore.com/newsroom.html>, complete and sign the proxy form, before submitting it personally or by post to the address provided above, or scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) and wish to appoint the Chairman of the AGM as proxy, should approach their respective agents to submit their votes by **9.30 a.m. on 13 September 2021**.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

In the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

IMPORTANT: The Company would like to remind Shareholders that, with the constantly evolving COVID-19 situation, the situation is fluid and the Company may be required to change its AGM arrangements at short notice. Shareholders should check the above URL and SGXNet for updates on the AGM.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this notice.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Ang Mong Seng and Mr Tan Thiam Hee are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 22 September 2021 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “Catalist Rules”), the information relating to the Retiring Directors as set out in Appendix 7F of the Catalyst Rules is set out below:

	MR ANG MONG SENG	MR TAN THIAM HEE
Date of Appointment	25 May 2018	24 June 2015
Date of last re-appointment	23 April 2019	23 April 2019
Age	71	51
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NCGC and has reviewed and considered the qualification, work experience and suitability of Mr Ang Mong Seng for re-appointment as a Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Ang Mong Seng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NCGC and has reviewed and considered the qualification, work experience and suitability of Mr Tan Thiam Hee for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Mr Tan Thiam Hee possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Group Chairman and Independent Director, Chairman of the Nominating & Corporate Governance Committee and member of the Audit and Remuneration Committees	Group Chief Executive Officer and Executive Director
Professional qualifications	Bachelor of Arts, Nanyang University, Singapore (1973)	Chartered Accountant (Singapore) – Fellow Certified Public Accountants (Australia) – Fellow Singapore Institute of Directors – Member Australian Institute of Company Directors – Graduate Member
Working experience and occupation(s) during the past 10 years	<u>2001 – 2011</u> Chief Operating Officer, E M Services Private Limited	<u>Current</u> Executive Director and Group Chief Executive Officer of Emerging Towns & Cities Singapore Ltd. Non-executive Director of Koon Holdings Limited <u>2013 – 2020</u> Director of ACH Investments Pte. Ltd. <u>2013 – 2014</u> Executive Chairman of GPS Alliance Holdings Limited <u>2008 – 2013</u> Managing Director & Chief Executive of Koon Holdings Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR ANG MONG SENG	MR TAN THIAM HEE
Shareholding interest in the listed issuer and its subsidiaries	Nil	360,000 ordinary shares and 5,000,000 options granted under the CSH Employee Share Option Scheme 2009
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries)	No	No
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	<p>Past (for the last 5 years): Director of AnnAik Limited Director of Gaylin Holdings Limited (now known as Amos Group Limited) Director of United Fiber System Limited Director of Chip Eng Seng Corporation Ltd. Director of Hoe Leong Corporation Ltd Director of E Lucky Star Pte. Ltd. Director of Spike Healthcare Pte. Ltd (struck off)</p> <p>Present: Director of Chinese Opera Institute Director of Pei Hwa Foundation Independent Director of Emerging Towns & Cities Singapore Ltd.</p>	<p>Past (for the last 5 years): Director of GPS Alliance Holdings Limited Director of Ach Investments Pte Ltd Director of KS Resources Pte. Ltd. Director of AT&S Pte. Ltd. Director of Pinnovationtechnologies Pte. Ltd (struck-off) Director of Finding Goodness Innovative Learning Pte. Ltd (struck-off) Director of Cedar Properties Pte. Ltd (struck off) Director of Viva Healthcare Pte. Ltd Director of Bizgo (Sg) Pte. Ltd. (gazetted to be struck off) Director of Bizgo Holdings Pte Ltd Director of Bizgo India Private Limited</p> <p>Present: Executive Director and Group Chief Executive Officer of Emerging Towns & Cities Singapore Ltd. Non-executive Director of Koon Holdings Limited Director of Uni Global Power Pte. Ltd. Director of Futura Asset Holdings Pte. Ltd. Director of DAS Pte. Ltd. Director of SG Plus Investment and Development Pte. Ltd Director of Borden Eagle Singapore Pte. Ltd. Director of Hin Leong Marine International (Pte.) Ltd. (in liquidation) Director of Ocean Bunkering Services (Pte) Ltd (in liquidation) Director of Xihe Investment Pte Ltd (in liquidation) Director of Viva Corporate Advisory Pte. Ltd Director of Koon Construction & Transport Co. Pte. Ltd Director of Golden Land Real Estate Development Co., Ltd</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR ANG MONG SENG	MR TAN THIAM HEE
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	Yes Ocean Bunkering Services (Pte) Ltd, Hin Leong Marine International (Pte) Ltd, and Xihe Investment Pte Ltd (“Companies”) is undergoing liquidation pursuant to compulsory winding up proceedings as part of the judicial management process for Hin Leong Trading (Pte.) Ltd. Mr Tan was nominated by PricewaterhouseCoopers, the judicial manager, to be the director for the Companies. Koon Holdings Ltd and its subsidiary Koon Construction and Transport Co., Pte. Ltd., is currently undergoing schemes of arrangement. Mr Tan is a non-executive director of the company.
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR ANG MONG SENG	MR TAN THIAM HEE
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR ANG MONG SENG	MR TAN THIAM HEE
<p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.	N.A.

PROXY FORM

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Company Registration Number: 198003839Z)

(Incorporated in the Republic of Singapore)

This Proxy Form, together with the Notice of Annual General Meeting and Annual Report, has been made available on SGXNet and the Company's website at the URL <http://investor.etcsgapore.com/newsroom.html>. A printed copy of this proxy form will NOT be despatched to members.

IMPORTANT:

1. Due to the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, a member (including a relevant intermediary) will not be able to attend the AGM in person.
2. Alternative arrangements relating to (i) attendance at the AGM through electronic means (including arrangement by which the AGM can be electronically accessed through live audio-visual webcast or live audio-only stream); (ii) submission of questions to the Chairman of the Meeting in advance of the AGM, addressing substantial and relevant questions at the AGM; and (iii) voting by proxy at the AGM are set out in the Notice of the AGM.
3. For investors who have used their CPF moneys to buy shares in the capital of EMERGING TOWNS & CITIES SINGAPORE LTD., the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name), NRIC/Passport Number* _____
of _____ (Address)

being a member/members of Emerging Towns & Cities Singapore Ltd. (the "**Company**") hereby appoint the Chairman of the Annual General Meeting ("**AGM**") as *my/our proxy to vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means on **Wednesday, 22 September 2021 at 9.30 a.m.** and at any adjournment thereof.

*I/We direct the Chairman of the AGM to vote for or against, or to abstain from voting on, the Resolutions, proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the Chairman of the AGM will abstain from voting. The Resolution to be put to the vote at the AGM shall be decided by way of poll.

No.	Resolutions Relating To:	For*	Against*	Abstain*
	Ordinary Business			
1.	To adopt the Directors' Statement, Audited Financial Statements and Auditors' Report			
2.	To re-elect Mr Ang Mong Seng as Director			
3.	To re-elect Mr Tan Thiam Hee as Director			
4.	To approve Directors' Fees to be paid quarterly in arrears for the year ending 31 December 2022			
5.	To re-appoint Foo Kon Tan LLP as Auditors of the Company			
	Special Business			
6.	To authorise the Directors to issue shares pursuant to Rule 806 of the Catalist Rules			
7.	To authorise the Directors to issue shares pursuant to the ETC Employee Share Option Scheme			
8.	To authorise the Directors to issue shares pursuant to the ETC Performance Share Plan			
9.	To approve the proposed renewal of the Share Purchase Mandate			

* If you wish to exercise all your votes "For" or "Against" or to abstain from voting on the resolution in respect of all your votes, please indicate your vote "For" or "Against", or "Abstain", with "X" within the box provided. Alternatively, if you wish to exercise some and not all of your votes "For" and/or "Against" the relevant resolution and/or to abstain from voting in respect of the resolution, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2021.

Register	Number of Shares Held
(1) CDP Register	
(2) Register of Members	

Signature of Shareholder(s) or Common Seal

Important: Please read notes on the reverse.



Notes:

1. A member should insert the total number of shares held. If the member has shares entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited (“CDP”), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members of the Company, he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the said Depository Register and registered in his name in the Register of Members of the Company, he/she/it should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. A member of the Company (including a relevant intermediary) will not be able to attend the AGM physically in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. Due to the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, a member (including a relevant intermediary) will not be able to attend the AGM in person. Members will be able to follow the proceedings of the AGM through a live audio-visual webcast or live audio-only stream (collectively, “Live Webcast”) via mobile phone, tablet, computer or any such electronic device. To do so, a member must preregister by no later than 9.30 a.m. on 18 September 2021 (“Registration Deadline”), at the URL: <https://forms.gle/fTbx1a9KLSA565Zf8>. Following authentication of their status as members, authenticated members will receive email instructions to access the Live Webcast of the proceedings of the AGM by 9.30 a.m. on 21 September 2021. Members who have registered by the Registration Deadline but have not received email instructions by 9.30 a.m. on 21 September 2021 may contact the Company by email at info@etcsingapore.com for assistance.
 4. The Chairman of the AGM, as proxy, need not be a member of the Company.
 5. The instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (a) if in hard copy and sent personally or by post, the proxy form must be deposited at the office of the Company’s Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544; or
 - (b) if via email, the proxy form must be received by the Company’s Share Registrar at main@zicoholdings.com, in any case not less than 72 hours before the time for holding the AGM and at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
 6. If sent personally or by post, the instrument appointing the Chairman of the AGM as proxy of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing the Chairman of the AGM as proxy of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
 7. Where an instrument appointing the Chairman of the AGM as proxy is submitted by email, it must be authorised in the following manner:
 - by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
 8. Where an instrument appointing the Chairman of the AGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 9. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy). In the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

IMPORTANT REMINDER: The Company would like to remind Shareholders that, with the constantly evolving COVID-19 situation, the situation is fluid and the Company may be required to change its AGM arrangements at short notice. Shareholders should check the Company’s website and SGXNet for updates on the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ang Mong Seng BBM
(Non-Executive Group Chairman and Independent Director)

Tan Thiam Hee
(Executive Director and Group Chief Executive Officer)

Zhu Xiaolin
(Executive Director and Group President)

Teo Cheng Kwee
(Non-Executive Director)

AUDIT COMMITTEE

Ang Mong Seng BBM
Teo Cheng Kwee

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

Ang Mong Seng BBM
(Chairman)
Zhu Xiaolin

REMUNERATION COMMITTEE

Ang Mong Seng BBM
Teo Cheng Kwee

COMPANY SECRETARIES

Ong Beng Hong
Tan Swee Gek

REGISTERED OFFICE

80 Robinson Road #17-02
Singapore 068898
T: (65) 6584 9411
E: info@etcsingapore.com
www.etcsingapore.com

COMPANY REGISTRATION

198003839Z

REGISTRAR & SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
8 Robinson Road, #03-00, ASO Building
Singapore 048544

CATALIST SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay
#24-02
Singapore 048580

INDEPENDENT AUDITOR

Foo Kon Tan LLP
Public Accountants and Chartered Accountants
24 Raffles Place #07-03
Clifford Centre
Singapore 048621

Partner-in-charge: Chin Sin Beng
(Appointed from the financial year ended
31 December 2019)

EMERGING TOWNS & CITIES SINGAPORE LTD.

80 Robinson Road #17-02

Singapore 068898

Company Registration No: 198003839Z

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