

EMERGING TOWNS & CITIES SINGAPORE LTD
(Incorporated in the Republic of Singapore)
(Company Registration No. 198003839Z)

Condensed Interim Financial Statements for the six months and full year ended 31 December 2021

This announcement had 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 (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinion made or reports contained in this announcement.

The contact person for the Sponsor is Ms Bao Qing, Registered Professional, RHT Capital Pte. Ltd., 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

Table of Contents

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	1
B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	2
C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.....	3
D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY.....	4
E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	6
F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULE	21

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME**

		Group			
	Note	Half-Year Ended	Half-Year Ended	Full-Year Ended	Full-Year Ended
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
		Unaudited	Unaudited	Unaudited	Audited
		S\$'000	S\$'000	S\$'000	S\$'000
Revenue	4	5,655	11,302	9,358	27,827
Cost of sales [^]		(9,178)	(7,322)	(11,519)	(17,690)
Gross (loss)/profit		(3,523)	3,980	(2,161)	10,137
Other income	6	1,715	2,622	1,504	3,683
Selling and distribution costs		(349)	(314)	(466)	(1,002)
Administrative expenses		(4,428)	(3,750)	(6,326)	(5,736)
Other expenses	7	(5,025)	(4,920)	(14,019)	(2,809)
Finance costs	8	(5,243)	(4,959)	(9,026)	(9,789)
Loss before taxation	9	(16,853)	(7,341)	(30,494)	(5,516)
Taxation	10	1,431	1,481	4,139	1,434
Loss for the period/year		(15,422)	(5,860)	(26,355)	(4,082)
Loss attributable to:					
Owners of the Company		(7,745)	(3,082)	(13,354)	(2,584)
Non-controlling interests		(7,677)	(2,778)	(13,001)	(1,498)
		(15,422)	(5,860)	(26,355)	(4,082)
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss in subsequent periods (net of tax)					
Currency translation differences arising from consolidation of foreign operations		748	(6,920)	2,506	(2,332)
Total comprehensive loss for the period/year		(14,674)	(12,780)	(23,849)	(6,414)
Total comprehensive loss attributable to:					
Owners of the Company		(6,990)	(9,996)	(10,804)	(4,902)
Non-controlling interests		(7,684)	(2,784)	(13,045)	(1,512)
		(14,674)	(12,780)	(23,849)	(6,414)
Loss per share attributable to owners of the Company (Singapore cents)					
- Basic	19	(0.79)	(0.31)	(1.36)	(0.26)
- Diluted	19	(0.79)	(0.31)	(1.36)	(0.26)

[^]: Cost of sales for the half year and full year ended 31 December 2021 included allowance for foreseeable losses on development properties of S\$5,866,000 and S\$6,852,000 respectively.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
		Unaudited	Audited	Unaudited	Audited
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-Current					
Property, plant and equipment	11	4,117	4,360	1	28
Right-of-use assets		5	68	5	68
Subsidiaries		-	-	35,393	35,393
Investment properties	12	107,350	113,780	-	-
Trade receivables	14	2,437	4,671	-	-
		113,909	122,879	35,399	35,489
Current					
Development properties	13	142,884	150,797	-	-
Trade and other receivables	14	5,997	11,169	349	160
Prepayments		59	154	25	26
Cash and cash equivalents	15	3,844	2,137	77	115
		152,784	164,257	451	301
Total assets		266,693	287,136	35,850	35,790
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	18	43,580	43,580	43,580	43,580
Reserves		58,056	68,693	(9,820)	(9,162)
Equity attributable to equity holders of the Company		101,636	112,273	33,760	34,418
Non-controlling interests		(1,906)	11,139	-	-
Total equity		99,730	123,412	33,760	34,418
LIABILITIES					
Non-Current					
Deferred tax liabilities		23,555	27,145	-	-
Accrued land lease premium	17	24,668	24,826	-	-
Advance consideration received from customers		602	-	-	-
Lease liabilities		3	5	3	5
Provision for site restoration		-	23	-	23
		48,828	51,999	3	28
Current					
Borrowings	16	61,329	59,785	-	-
Accrued land lease premium	17	12,897	8,245	-	-
Lease liabilities		2	58	2	58
Trade and other payables		35,167	32,505	2,085	1,286
Advance consideration received from customers		8,740	11,132	-	-
		118,135	111,725	2,087	1,344
Total liabilities		166,963	163,724	2,090	1,372
Total equity and liabilities		266,693	287,136	35,850	35,790

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Note	Group	
	Full-Year Ended	Full-Year Ended
	31-Dec-2021	31-Dec-2020
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Loss before taxation	(30,494)	(5,516)
Adjustments for:		
Depreciation of property, plant and equipment	360	385
Depreciation of right-of-use assets	63	106
Share-based compensation	-	226
Financing expense on payment from customers	1,108	1,555
Financing income on payments from customers	(1,053)	(3,580)
Fair value loss on investment properties	8,784	2,284
Impairment loss on amount due from shareholder of a subsidiary	3,908	-
Allowance for foreseeable losses on development properties	6,852	-
Interest income	(7)	(12)
Interest expense	7,918	8,234
Operating (loss)/profit before working capital changes	(2,561)	3,682
Trade and other receivables	4,920	9,353
Trade and other payables	(2,988)	(29,038)
Development properties	4,415	4,777
Cash generated from / (used in) operations	3,786	(11,226)
Income tax paid	-	-
Net cash generated from / (used in) operating activities	3,786	(11,226)
Cash Flows from Investing Activities		
Interest received	7	12
Purchase of property, plant and equipment	(25)	(194)
Additions to investment properties	(9)	(252)
Net cash used in investing activities	(27)	(434)
Cash Flows from Financing Activities		
Bank balances pledged	(460)	(713)
Interest paid	(685)	(3,275)
Payment of lease liabilities	(58)	(107)
Payment of accrued land lease premium	-	(2,359)
Proceeds from bank loans	-	62,119
Repayment of bank loans	(1,349)	(29,790)
Repayment of third party loan	-	(14,757)
Repayment of shareholders' loans	-	(1,191)
Net cash (used in) / generated from financing activities	(2,552)	9,927
Net increase / (decrease) in cash and cash equivalents	1,207	(1,733)
Cash and cash equivalents at beginning of year	1,424	3,222
Effect of exchange rate fluctuations on cash and cash equivalents	40	(65)
Cash and cash equivalents at end of year	2,671	1,424

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group

The Group	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Equity component of convertible loan S\$'000	Exchange fluctuation reserve S\$'000	Accumulated profits S\$'000	Total attributable to equity holders of the company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance as at 1 January 2021	43,580	15,998	24,695	730	299	13,483	(5,639)	19,127	112,273	11,139	123,412
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	2,550	(13,354)	(10,804)	(13,045)	(23,849)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Interest incurred on convertible loan	-	-	-	-	-	167	-	-	167	-	167
Balance at 31 December 2021	43,580	15,998	24,695	730	299	13,650	(3,089)	5,773	101,636	(1,906)	99,730

The Group	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Equity component of convertible loan S\$'000	Exchange fluctuation reserve S\$'000	Accumulated profits S\$'000	Total attributable to equity holders of the company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2020	43,354	15,998	24,695	730	299	13,317	(3,321)	21,711	116,783	12,651	129,434
Total comprehensive loss for the year	-	-	-	-	-	-	(2,318)	(2,584)	(4,902)	(1,512)	(6,414)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Issue of ordinary shares arising from performance share plan	226	-	-	-	-	-	-	-	226	-	226
Interest incurred on convertible loan	-	-	-	-	-	166	-	-	166	-	166
Balance at 31 December 2020	43,580	15,998	24,695	730	299	13,483	(5,639)	19,127	112,273	11,139	123,412

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Company Registration No. 198003839Z)

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company

The Company	Share capital	Capital reduction reserve	Capital reserve	Equity component of convertible loan	Share option reserve	Accumulated losses	Total Equity attributable to equity holders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021	43,580	15,998	10,987	13,483	730	(50,360)	34,418
Interest incurred on convertible loan	-	-	-	167	-	-	167
Total comprehensive loss for the year	-	-	-	-	-	(825)	(825)
Balance at 31 December 2021	43,580	15,998	10,987	13,650	730	(51,185)	33,760

The Company	Share capital	Capital reduction reserve	Capital reserve	Equity component of convertible loan	Share option reserve	Accumulated losses	Total Equity attributable to equity holders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2020	43,354	15,998	10,987	13,317	730	(14,862)	69,524
Interest incurred on convertible loan	-	-	-	166	-	-	166
Issue of ordinary shares arising from performance share plan	226	-	-	-	-	-	226
Total comprehensive loss for the year	-	-	-	-	-	(35,498)	(35,498)
Balance at 31 December 2020	43,580	15,998	10,987	13,483	730	(50,360)	34,418

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Emerging Towns & Cities Singapore Ltd. (the “**Company**”) is incorporated as a limited company and domiciled in Singapore. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (the “**Group**”).

The principal activities of the Company are those relating to investing holding. The principal activities of the subsidiaries are:

- a) Investment holding
- b) Property development and investment

2. Summary of significant accounting policies

2.1 Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s. The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the financial year beginning on 1 January 2021. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.2 Going concern

For the financial year ended 31 December 2021, the Group incurred a net loss of S\$26,355,000. In addition, as disclosed in Note 16, the Group did not meet a financial covenant in respect of its bank loan during the financial year ended 31 December 2021, resulting in the loan being repayable on demand. Consequently, the bank loan of S\$55,173,000 had been wholly classified as current as at 31 December 2021. The Group had borrowings amounting to S\$61,329,000 due for repayment within the next 12 months or on demand, with cash and bank balance of S\$3,844,000 as at 31 December 2021.

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:

- The Group had net current assets and net assets of S\$34,649,000 and S\$99,730,000 respectively, as at 31 December 2021 while the Company had net assets of S\$33,760,000 as at 31 December 2021.

2.2 Going concern (Cont'd)

- During the year ended 31 December 2021, the Group had negotiated the repayment terms with the bank and obtained a temporary relief through the revision of the repayment schedule. The next principal repayment is scheduled on 8 March 2023. The Group does not expect the bank to call for full repayment of the bank loan for the breach in financial covenant.

2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

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

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4 Segment and revenue information

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

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

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

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.

4 Segment and revenue information (Cont'd)

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.

The 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. Unallocated items comprise mainly corporate assets (primarily in the Company's headquarters), head office expenses, and tax assets and liabilities.

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

4.1 Reportable segments

	Property Development		Property Investment		Corporate		Eliminations		Total	
	Half-Year Ended		Half-Year Ended		Half-Year Ended		Half-Year Ended		Half-Year Ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue	4,122	8,272	1,533	3,030	-	-	-	-	5,655	11,302
Results										
Segment (loss)/profit	(15,393)	(7,063)	1,122	2,399	(753)	(1,020)	364	426	(14,660)	(5,258)
Other (expenses)/income	(2,804)	2,638	611	(4,705)	361	370	(361)	(386)	(2,193)	(2,083)
(Loss)/Profit before taxation	(18,197)	(4,425)	1,733	(2,306)	(392)	(650)	3	40	(16,853)	(7,341)
Taxation	1,584	631	(153)	850	-	-	-	-	1,431	1,481
(Loss)/Profit for the period	(16,613)	(3,794)	1,580	(1,456)	(392)	(650)	3	40	(15,422)	(5,860)
Attributable to:										
Owners of the Company	(8,131)	(1,909)	775	(563)	(392)	(650)	3	40	(7,745)	(3,082)
Non-controlling interests	(8,482)	(1,885)	805	(893)	-	-	-	-	(7,677)	(2,778)
	(16,613)	(3,794)	1,580	(1,456)	(392)	(650)	3	40	(15,422)	(5,860)

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

4.1 Reportable segments (Cont'd)

	Property Development		Property Investment		Corporate		Eliminations		Total	
	Full-Year Ended		Full-Year Ended		Full-Year Ended		Full-Year Ended		Full-Year Ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue	5,601	22,145	3,757	5,682	-	-	-	-	9,358	27,827
Results										
Segment (loss)/profit	(21,310)	(9,388)	2,900	3,621	(1,618)	(1,658)	719	510	(19,309)	(6,915)
Other (expenses)/income	(2,404)	3,675	(8,784)	(2,284)	720	634	(717)	(626)	(11,185)	1,399
(Loss)/Profit before taxation	(23,714)	(5,713)	(5,884)	1,337	(898)	(1,024)	2	(116)	(30,494)	(5,516)
Taxation	1,943	863	2,196	571	-	-	-	-	4,139	1,434
(Loss)/Profit for the year	(21,771)	(4,850)	(3,688)	1,908	(898)	(1,024)	2	(116)	(26,355)	(4,082)
Attributable to:										
Owners of the Company	(10,654)	(2,380)	(1,804)	936	(898)	(1,024)	2	(116)	(13,354)	(2,584)
Non-controlling interests	(11,117)	(2,470)	(1,884)	972	-	-	-	-	(13,001)	(1,498)
	(21,771)	(4,850)	(3,688)	1,908	(898)	(1,024)	2	(116)	(26,355)	(4,082)
Assets and liabilities										
Segment assets	159,475	173,073	107,350	113,780	194	366	(326)	(83)	266,693	287,136
Segment liabilities	109,453	131,042	55,807	31,258	2,029	1,507	(326)	(83)	166,963	163,724

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

4.2 Geographical segments

Geographical Segments	Myanmar S\$'000	Singapore S\$'000	Total S\$'000
Half-Year ended 31 December 2021			
Revenue	5,655	-	5,655
Half-Year ended 31 December 2020			
Revenue	11,302	-	11,302

Geographical Segments	Myanmar S\$'000	Singapore S\$'000	Total S\$'000
Full-Year ended 31 December 2021			
Revenue	9,358	-	9,358
Non-current assets*	111,466	6	111,472
Full-Year ended 31 December 2020			
Revenue	27,827	-	27,827
Non-current assets*	118,112	96	118,208

*Excluding non-current trade receivables

Geographically, the non-current assets and operations of the Group are primarily located in Myanmar of the financial period ended 31 December 2021 and 31 December 2020.

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

4.3 Disaggregation of Revenue

	Group			
	Half-year Ended		Full-year Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:				
- Sale of development properties	4,122	8,272	5,601	22,145
- Rental income from investment properties	1,533	3,030	3,757	5,682
	5,655	11,302	9,358	27,827
Timing of transfer of goods and services in respect of revenue from contracts with customers				
- At a point in time	4,122	8,272	5,601	22,145

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020.

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets at amortised cost				
Trade and other receivables (Note 14)	8,434	15,840	349	160
Cash and bank balances (Note 15)	3,844	2,137	77	115
	12,278	17,977	426	275
Financial liabilities at amortised cost				
Borrowings (Note 16)	61,329	59,785	-	-
Accrued land lease premium (Note 17)	37,565	33,071	-	-
Lease liabilities	5	63	5	63
Trade and other payables	24,651	22,386	2,085	1,286
	123,550	115,305	2,090	1,349

6 Other income

	Group			
	Half-Year Ended		Full-Year Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financing income on payments from customers	663	2,610	1,053	3,580
Fair value gain on investment properties	611	-	-	-
Others	441	12	451	103
	1,715	2,622	1,504	3,683

7 Other expenses

	Group			
	Half-Year Ended		Full-Year Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Fair value loss on investment properties	-	4,705	8,784	2,284
Impairment loss on amount due from shareholder of a subsidiary	3,908	-	3,908	-
Other operating expenses	1,117	215	1,327	525
	5,025	4,920	14,019	2,809

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

8 Finance costs

	Group			
	Half-Year Ended		Full-Year Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Accreted interest on accrued land lease premium	1,696	1,816	3,786	3,880
Accreted interest on lease liabilities	4	5	7	9
Financing expense on payments from customers	869	807	1,108	1,555
Interest expense on borrowings	2,207	1,900	3,529	3,739
Interest expense on convertible loan	84	83	167	166
Others	383	348	429	440
	5,243	4,959	9,026	9,789

9 Loss before taxation

Other than as disclosed elsewhere in these condensed interim financial statements, loss before taxation for the period/year has been arrived at after charging the following:

	Group			
	Half-Year Ended		Full-Year Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for foreseeable losses	5,866	-	6,852	-
Impairment loss on amount due from shareholder of a subsidiary	3,908	-	3,908	-
Depreciation of property, plant and equipment	173	190	360	385
Staff costs	1,994	1,584	2,995	3,079

9.1 Related party transactions

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

	Group			
	Half-Year Ended		Full-Year Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Office rental expense	-	-	9	-
Property management fees	1,117	215	1,327	525

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

10 Taxation

The Group calculates the period income tax credit using the tax rate that would be applicable to the expected total annual losses. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	Half-Year Ended		Full-Year Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Current taxation	-	-	-	-
Deferred taxation	(1,431)	(1,481)	(4,139)	(1,434)
	(1,431)	(1,481)	(4,139)	(1,434)

11 Property, plant and equipment

During the six months ended 31 December 2021, the Group acquired fixed assets amounting to S\$15,000.

12 Investment properties

The Group's investment properties consist of both residential and commercial (retail and office units) properties, held for long-term rental yields.

	Group	
	31 December 2021	31 December 2020
	S\$'000	S\$'000
Investment properties, at fair value	107,350	113,780
At 1 January	113,780	113,087
Additions	9	252
Transfer from development properties (Note 13)	188	5,259
Transfer to development properties (Note 13)	(223)	-
Transfer from property, plant and equipment	-	852
Transfer to property, plant and equipment	-	(1,256)
Fair value loss recognised in profit or loss (Note 7)	(8,784)	(2,284)
Exchange difference on translation	2,380	(2,130)
At 31 December 2021	107,350	113,780

12 Investment properties (cont'd)

The investment properties are as follows:

Location	Description	Net floor area (square metres)	Tenure
31 December 2021			
Golden City Project			
No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	229 residential units, 5 retail units and 14 office units	31,734	70 years
31 December 2020			
Golden City Project			
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

The carrying amount of investment properties pledged to secure borrowings is S\$80,881,000 (2020: S\$85,755,000).

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. in partnership with Colliers being the reviewer, 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.

13. Development properties

The Group's development properties consist of completed residential and commercial (retail and office) properties held for sale.

	Group	
	31 December 2021	31 December 2020
	S\$'000	S\$'000
Development properties, at cost	142,884	150,797
At 1 January	150,797	162,354
Additions	150	12,607
Transfer to investment properties (Note 12)	(188)	(5,259)
Transfer from investment properties (Note 12)	223	-
Units sold and recognised in profit or loss	(4,330)	(16,434)
Allowance for foreseeable losses (Note 13.1)	(6,852)	-
Exchange difference on translation	3,084	(2,471)
At 31 December	142,884	150,797

13. Development properties (Cont'd)

The completed properties held for sale are as follows:

Location	Description	Net floor area (square metres)	Tenure
31 December 2021			
Golden City Project No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	254 residential units, 9 retail units and 4 office units	41,692	70 years
31 December 2020			
Golden City Project No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar	271 residential units, 9 retail units and 3 office units	43,319	70 years

The carrying amount of development properties pledged to secure borrowings is S\$53,771,000 (2020: S\$54,693,000).

13.1 Allowance for foreseeable losses

Movements in allowance for foreseeable losses are as follows:

	Group
	31 December
	2021
	S\$'000
At 1 January	-
Allowance made	6,852
Exchange difference on translation	30
At 31 December	6,882

Development properties are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of selling expenses. The write-down to net realisable value is presented as allowance for foreseeable losses.

The allowance for foreseeable losses is determined by management after taking into consideration of the estimated selling prices. The estimated selling prices are based on recent selling prices for the development project and prevailing market conditions, whilst taking into account the prices of comparable properties located in the same vicinity as the development project and real estate price trend. The allowance made for foreseeable losses is include in "cost of sales".

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

14 Trade and other receivables

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables				
- Non-current	2,437	4,671	-	-
- Current	5,991	7,290	-	-
	8,428	11,961	-	-
Amounts due from subsidiaries (non-trade)	-	-	343	126
Amount due from shareholder of a subsidiary (non-trade)	3,923	3,845	-	-
Impairment loss	(3,923)	-	-	-
	-	3,845	-	-
Other receivables	6	34	6	34
	6	3,879	349	160
	8,434	15,840	349	160
Comprising				
- Non-current	2,437	4,671	-	-
- Current	5,997	11,169	349	160
	8,434	15,840	349	160

15 Cash and cash equivalents

	Group	
	31 December 2021	31 December 2020
	S\$'000	S\$'000
Cash and bank balances	3,844	2,137
Less: Bank balances pledged	(1,173)	(713)
	2,671	1,424

The carrying amount of cash and bank balances pledged to secure borrowings is S\$1,173,000 (2020: S\$713,000).

16 Borrowings

	Group			
	31 December 2021		31 December 2020	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
Financial liabilities:				
Bank loans ⁽¹⁾	55,173	-	54,138	-
Loan from third party ⁽²⁾	4,311	-	4,113	-
Loans from related parties	-	1,845	-	1,534
	59,484	1,845	58,251	1,534

16 Borrowings (Cont'd)

Details of any collateral

1. The syndicated bank loan is secured by certain assets relating to Golden City and certain shares in Golden City project held by a subsidiary.
2. The loan from third party is secured by certain units of residential apartments.

During the financial years ended 31 December 2021 and 31 December 2020, the Group did not meet certain financial covenant with respect to the entry into a syndicated facility agreement as announced by the Company on 8 June 2020, resulting in the loan being repayable on demand. During the year ended 31 December 2021, the Group had negotiated the repayment terms with the bank and obtained a temporary relief through the revision of the repayment schedule. The next principal repayment is scheduled on 8 March 2023. The Group does not expect the bank to call for full repayment of the bank loan for the breach in financial covenant.

17 Accrued Land Lease Premium

	Group	
	31 December 2021	31 December 2020
	S\$'000	S\$'000
At 1 January	33,071	32,185
Accreted interest	3,786	3,880
Payment of land lease premium	-	(2,359)
Exchange difference on translation	708	(635)
At 31 December	37,565	33,071
Represented by:		
Non-Current	24,668	24,826
Current	12,897	8,245
	37,565	33,071

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

18 Share Capital

	The Group and the Company			
	31 December 2021		31 December 2020	
	Number of shares ('000)	\$'000	Number of shares ('000)	\$'000
Issued and fully paid, with no par value				
At 1 January	982,073	43,580	970,932	43,354
Issuance of ordinary shares under performance share plan	-	-	11,141	226
At 31 December	982,073	43,580	982,073	43,580

The Company did not hold any treasury shares as at 31 December 2021 and 31 December 2020.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

19 Loss Per Share

	Group			
	Half-Year Ended		Full-Year Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Loss per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (cents)	(0.79)	(0.31)	(1.36)	(0.26)
(ii) On a fully diluted basis (cents)	(0.79)	(0.31)	(1.36)	(0.26)
Number of shares in issue:				
(i) Based on weighted average no. of ordinary shares in issue (in millions)	982	976	982	976
(ii) On a fully diluted basis (in millions)	1,181	1,175	1,181	1,175

As at 31 December 2021 and 31 December 2020, the outstanding convertible loan was excluded from the calculation of the diluted weighted average number of ordinary shares in issue as its effect would have been anti-dilutive.

Loss per ordinary share is calculated based on the Group's profit for the financial year attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the year under review.

As at 31 December 2021 and 31 December 2020, the 15 million share options outstanding did not have a dilutive effect because the average market price of the Company's ordinary shares for the respective financial periods ended 31 December 2021 and 31 December 2020 did not exceed the exercise price.

20 Dividend

No dividend has been declared or recommended.

21 Net Asset Value

	Group		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net Asset Value (S\$'000)	99,730	123,412	33,760	34,418
Based on existing issued share capital (cents per share)	10.16	12.57	3.44	3.50
Net Asset Value has been computed based on the share capital of (in millions of shares)	982	982	982	982

22 Fair Value Measurement

Definition 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.

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	Level 2	Level 3	Total
	S\$'000	S\$'000	S\$'000	S\$'000
31 December 2021				
Non-financial assets				
Investment properties	-	-	107,350	107,350
31 December 2020				
Non-financial assets				
Investment properties	-	-	113,780	113,780

23 Subsequent Events

There are no known subsequent events which have led to adjustments to this set of interim financial statement.

F. Other Information Required by Appendix 7C of the Catalist Rule

1. Review

The condensed consolidated statements of financial position of Emerging Towns & Cities Singapore Ltd. (“**Company**”, together with its subsidiaries, the “**Group**”) as at 31 December 2021 and the related condensed consolidated statement of profit or loss, and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes (the “**Condensed Interim Financial Statements**”) have not been audited or reviewed by the Company’s auditors.

2. Review of the performance of the Group

Financial Performance (FY2021 vs FY2020)

Note: Due to the nature of the industry that the Company operates in, recognition of revenue from the sale of properties is driven by project hand-over. Consequently, the full year results may not be a good indication of profitability trend.

Revenue

	Group		
	FY2021	FY2020	Increase/(decrease)
	S\$'000	S\$'000	%
Golden City			
Sale of Properties	5,601	22,145	(74.7%)
Rental Income	3,757	5,682	(33.9%)
Total Revenue	9,358	27,827	(66.4%)

Revenue for financial year ended 31 December 2021 (“FY2021”) was mainly contributed by the sale of Golden City property units of S\$5.6 million (59.9% of total revenue) and the rental of Golden City property units of S\$3.8 million (40.1% of total revenue). Revenue for financial year ended 31 December 2020 (“FY2020”) was mainly contributed by the sale of Golden City property units of S\$22.1 million (79.6% of total revenue) and the rental of Golden City property units of S\$5.7 million (20.4% 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. 17 and 50 units were recognized as revenue in FY2021 and FY2020 respectively for Golden City project.

Gross Profit

	Group		
	FY2021	FY2020	Increase/(decrease)
	S\$'000	S\$'000	%
Golden City			
Sale of Properties	1,069	4,711	(77.3%)
Rental Income	3,622	5,426	(33.2%)
Allowance for foreseeable losses	(6,852)	-	n.m.
Total Gross (Loss)/ Profit	(2,161)	10,137	n.m.

n.m.: not meaningful

*: in excess of 100%

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

Gross loss of approximately S\$2.2 million was recorded for FY2021, after deducting direct costs (consisting mainly of cost of the property units sold) of approximately S\$4.7 million and allowance for foreseeable losses on development properties of approximately S\$6.9 million.

Other Income

	Group		
	FY2021	FY2020	Increase/(decrease)
	S\$'000	S\$'000	%
Imputed interest income	1,053	3,580	(70.6%)
Others	451	103	n.m.*
Other Income	1,504	3,683	(59.2%)

n.m.: not meaningful

*: in excess of 100%

Other income decreased from S\$3.7 million in FY2020 to S\$1.5 million in FY2021 mainly due to the lower imputed interest income in the Golden City project. Others included bank interest and repossession of advances from customers who were past due on instalments.

Selling and Distribution Costs

Selling and Distribution costs, which arose from the sale of property units, decreased from S\$1.0 million in FY2020 to S\$0.5 million in FY2021 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

Administration expenses increased from S\$5.7 million in FY2020 to S\$6.3 million in FY2021, mainly due to unrealised exchange losses in FY2021 vis-a-vis unrealised exchange gains in FY2020, partially offset by lower salaries and related expenses, from the Golden City project.

Other Expenses

	Group		
	FY2021	FY2020	Increase/(Decrease)
	S\$'000	S\$'000	%
Fair value loss on investment properties	8,784	2,284	n.m.*
Impairment loss on amount due from shareholder of a subsidiary	3,908	-	n.m.
Other operating expense	1,327	525	n.m.*
Other expenses	14,019	2,809	n.m.*

n.m.: not meaningful

*: in excess of 100%

Other expenses increased from S\$2.8 million in FY2020 to S\$14.0 million in FY2021 mainly due to higher fair value loss from the revaluation of investment properties in the Golden City project, impairment provision made on amount due from shareholder of a subsidiary and higher operating expense arising from property management for the Golden City project.

Finance Costs

The finance costs decreased from S\$9.8 million in FY2020 to S\$9.0 million in FY2021 mainly due to lower interest expenses from borrowings and lower financing expense on payments from customers. 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

	Group		
	FY2021	FY2020	Increase/(Decrease)
	S\$'000	S\$'000	%
Income tax	-	-	-
Deferred tax	4,139	1,434	n.m.*
Taxation	4,139	1,434	n.m.*

n.m.: not meaningful

*: in excess of 100%

Taxation increased from a tax credit of S\$1.4 million in FY2020 to S\$4.1 million in FY2021 mainly due to the fair value loss of investment properties and unwinding of deferred tax liabilities from the sale of development properties in the Golden City project. 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.

Review of Financial Position (31 December 2021 vs 31 December 2020)

Non-Current Assets

Property, plant and equipment (“PPE”) decreased mainly due to depreciation during the year. Investment properties, which are accounted for at fair value, decreased mainly due to the fair value loss from the revaluation of investment properties. Trade receivables, comprising of amounts due from buyers that are one year or more, have decreased mainly due to the re-classification from non-current assets to current assets as the trade receivables approached maturity and are collectible within one year as at 31 December 2021, partially offset as property units sold were progressively recognized as income upon handover.

Current Assets

Development properties decreased mainly due to the progressive recognition of income from property sold upon handover, as well as allowance for foreseeable losses recognised during the year. 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 payment of the outstanding amounts by customer, partially offset as property units sold were progressively recognized as income upon handover. Included in the trade receivables were S\$4.8 million relating to receivables past due but not impaired as the amounts are not expected to be uncollectible due to Golden City having the right to repossess the unit in the event of default of payment by the buyers.

Non-Current Liabilities

Deferred tax liabilities decreased 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. 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. Advanced consideration received from customers increased mainly due to sales made during the year.

Current Liabilities

Borrowings increased mainly due to exchange difference on translation, partially offset by repayment of bank loan. Accrued land lease premium increased mainly due to the imputed interest expense (which has no cashflow impact) arising from the land lease premium from the Golden City project. Trade and other payables increased mainly due to exchange difference on translation. Advance consideration received from customers decreased mainly due to handover of property units in the Golden City project to buyers.

Review of Cashflow

Net cash generated from operating activities was approximately S\$3.8 million for FY2021 mainly due to changes in working capital.

Net cash used in investing activities was approximately S\$27,000 for FY2021 mainly due to addition of investment properties and purchase of property, plant and equipment.

Net cash used in financing activities was approximately S\$2.6 million for FY2021 mainly due to repayment of bank loan and interest paid.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The current results are in line with the commentary in paragraph 6 of the 2021 half year Results Announcement dated 16 September 2021.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months.

The Group's core business lies in identifying and investing in niche markets, with particular focus on development properties, investment properties and other related businesses in which it may value-add. The Group's sole project, Golden City, is based in the Yankin township of Yangon, Myanmar.

Golden City Project

As at 31 December 2021, approximately US\$223.8 million (approximately S\$302.0 million) of gross development value comprising 640 units (837,800 square feet) of the Golden City project have been sold. Correspondingly, a total of 588 residential units have been recognised as revenue as at 31 December 2021. Barring any unforeseen circumstances, revenue for the remaining units sold is expected to be progressively recognised upon the handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier. The Golden City project comprises 4 phases. Phase 1 and Phase 2 construction has been completed. Due to the impact of the outbreak of COVID-19 and the political situation in Myanmar, the Board of Directors has decided to suspend the construction of Phase 3 and Phase 4 until the social and economic situation in Myanmar improves.

The most significant problem facing developers and realtors hoping to sell units remains an enduring banking crisis in Myanmar amid restrictions placed on withdrawals by the new military government. The local currency, the kyat, has lost about 20% of its value since the coup. As confidence in the kyat and local banks have failed, ordinary people in Myanmar have instead placed their trust in assets such as gold, cars, the US dollar and real estate.

("A bleak outlook for Myanmar real estate as military seizes control", PropertyGuru Asia Property Awards ,10 August 2021)

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months. (Cont'd)

According to Myanmar Economic Monitor, The World Bank is maintaining a bleak outlook for Myanmar and the international lender estimates that Myanmar's economy shrank 18% for the fiscal year in 2021, and projects just 1% growth in the 12 months to September 2022. This 1% growth projection remains consistent with a critically weak economy, while reflecting recent signs of stabilization in some areas. The coup has weighted heavily on the economy with the western countries responded to the coup with sanctions, and a number of major companies announced plans to cease operations in Myanmar on human rights concerns.

("World Bank Sees "Critically Weak" Outlook for Myanmar This Year", BNN Bloomberg, 25 January 2022)

The Group continues to monitor the outbreak of COVID-19 and the political situation in Myanmar, following the state of emergency declared by the Myanmar military. COVID-19 has caused major disruptions across global supply chains and dampened economic growth prospects across the globe while the political situation in Myanmar continues to evolve and remains unclear at this stage. In the near term, the impact from the above is expected to weigh on the demand for properties and short-term volatilities are likely given the fluidity of the situation, barring any further unforeseen material deterioration of the COVID-19 impact and political situation in Myanmar. Should weaker economic prospects materialise, this may further adversely impact the Group's financial performance, due to but not limited to lower sales, delay in collections from customers, lower operating income and lower property valuations. The Group is actively monitoring the situation and will announce material developments, if any.

5. Where the latest financial statements are subjected to an adverse opinion, qualified opinion or disclaimer of opinion

a) Updates on the effort taken to resolve each outstanding audit issue

(i) Net realisable value of development properties

As at 31 December 2021, the Group has recognised allowance of foreseeable losses amounting to S\$6,882,000 (Note 13.1). The allowance for foreseeable losses is determined by management after taking into consideration of the estimated selling prices. The estimated selling prices are based on recent selling prices for the development project and prevailing market conditions, whilst taking into account the prices of comparable properties located in the same vicinity as the development project and real estate price trend.

(ii) Independent reviews

As disclosed in the Company's announcement dated 22 September 2021, the independent financial review by the appointed independent reviewer, Nexia TS Advisory Pte Ltd, has been completed. The independent legal review of the Group's dealings in Myanmar by the appointed independent reviewer, Kelvin Chia Partnership, is currently ongoing. Further to comments from the Singapore Exchange Regulation (the "SGX RegCo") on 21 October 2021, the Company has engaged KCP to undertake a follow-on engagement to address matters in the current legal review that require further clarification or elaboration and additional issues which were not previously contemplated, including those arising from the issuance of a legal memorandum by Felicity Gerry QC on 20 October 2021. The Company notes that KCP has since provided the revised draft report to the SGX RegCo for their comments on 20 December 2021. The Board will review carefully the findings of the Independent Reviews and consider the recommendation, if any, set out in the Independent Reviews, to enhance and improve.

- b) **Confirmation from the board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed**

The Board confirms that all impact of outstanding audit issues on the financial statements in relation to FY2020 have been adequately disclosed.

6. Dividend

- (a) **Current Financial Period Reported On**
Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended.

- (b) **Corresponding Period of the Immediately Preceding Financial Year**
Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared or recommended.

- (c) **Date payable**

Not applicable.

- (d) **Record Date**

Not applicable.

- (e) **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

No dividend has been declared or recommended for the financial period ended 31 December 2021 as the Company intends to reserve its cash resources to safeguard the Group's and the Company's ability to continue as a going concern.

7. **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Party Transactions.

8. **Disclosure on the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of the proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.**

No new proceeds have been raised in the year ended 31 December 2021.

EMERGING TOWNS & CITIES SINGAPORE LTD.
(Company Registration No. 198003839Z)

9. Confirmation that the issuer had procured undertakings from all its directors and executive officers.

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there are no persons occupying managerial position in the Company or in any of its principal subsidiaries that are related to a director, CEO or a substantial shareholder of the Company.

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it had procured undertakings from all its directors and executive officers in accordance with Rule 720(1) of the Catalist Rules.

ON BEHALF OF THE DIRECTORS

Ang Mong Seng
Non-Executive Group Chairman

BY ORDER OF THE BOARD
25 February 2022