

CIRCULAR DATED 15 NOVEMBER 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Emerging Towns & Cities Singapore Ltd. (the “**Company**”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company (“**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the CDP, you should immediately forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Please refer to Sections 15 and 16 for further information on steps to be taken by Shareholders to participate in the Extraordinary General Meeting.

The legal adviser appointed by the Company for the purpose of the corporate actions set out in this Circular is Wong Tan & Molly Lim LLC.

This Circular has been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Joseph Au at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.



EMERGING TOWNS & CITIES SINGAPORE LTD

新世界地产集团有限公司

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 198003839Z)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- (I) THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF DAS PTE. LTD. (THE “PROPOSED DISPOSAL”);**
- (II) THE PROPOSED DISCHARGE OF THE DEED OF GUARANTEE AND UNDERTAKING DATED 8 JUNE 2020 IN RELATION TO THE LOANS OF GOLDEN LAND REAL ESTATE DEVELOPMENT CO., LTD. (THE “PROPOSED DISCHARGE”);**
- (III) THE PROPOSED ISSUE OF CONVERTIBLE BONDS AGGREGATING S\$4,500,000 CONVERTIBLE INTO AN AGGREGATE AMOUNT OF 968,270,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “PROPOSED SUBSCRIPTION”);**
- (IV) THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MS CAO YONGYAN (THE “PROPOSED TRANSFER OF CONTROLLING INTEREST”);**
- (V) THE PROPOSED GRANT OF OPTIONS TO SUBSCRIBE FOR AN AGGREGATE AMOUNT OF 239,080,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO KEY MEMBERS OF MANAGEMENT OF HAINAN JIUPENG CHUHE TECHNOLOGY CO., LTD. (THE “PROPOSED GRANT”); AND**
- (VI) THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS INTO THE E-COMMERCE AND RETAIL BUSINESS (THE “PROPOSED DIVERSIFICATION”)**

IMPORTANT DATES AND TIMES

Last date and time for submission of questions	:	25 November 2024 at 10.00 a.m.
Last date and time for lodgement of Proxy Form	:	3 December 2024 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	6 December 2024 at 10.00 a.m.
Place of Extraordinary General Meeting	:	160 Robinson Road, #06-01 SBF Center, Singapore 068914

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

- “Associate”** : (a) in relation to any Director, chief executive officer or Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Automatic Conversion”** : The automatic conversion of the Bonds
- “Automatic Conversion Events”** : (a) completion of the Proposed Disposal;
- (b) the novation or discharge of the Company’s obligations under the Corporate Guarantee; and
- (c) the resumption of trading of the Company’s shares on the SGX-ST and receipt of a listing and quotation notice in relation to the Conversion Shares from the SGX-ST
- “Board”** : The board of Directors of the Company
- “Bondholder”** : The person in whose name a Bond is registered
- “Bonds”** : The convertible bonds in the aggregate principal amount of S\$4,500,000
- “Bonds Conversion Price” or “Conversion Price”** : The conversion price of approximately S\$0.004647 per Conversion Share
- “Bonds Initial Maturity Date”** : The date falling 2 years from the date of the Bonds
- “Bonds Maturity Date”** : (a) the Bonds Initial Maturity Date;
- (b) the extended date falling an additional 6 months from the Bonds Initial Maturity Date at the request of the Company and with the consent of the Investor; or
- (c) such other date as may be agreed in writing between the parties, as the case may be
- “Bond Proceeds”** : The aggregate net proceeds from the Proposed Subscription after deducting estimated fees and expenses of approximately S\$0.1 million
- “Bonds Subscription Price”** : The par value of the Bonds amounting in aggregate to S\$4,500,000
- “Business Valuation”** : The business valuation of DAS by CCA
- “Business Valuation Summary Letter”** : The valuation summary letter dated 8 November 2024 issued by CCA pursuant to the Business Valuation, which is set out in Appendix B of this Circular
- “Catalist”** : The Catalist Board of the SGX-ST

DEFINITIONS

“Catalist Rules”	: Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CCA”	: Chay Corporate Advisory Pte. Ltd.
“CDP”	: The Central Depository (Pte) Limited
“Certificates”	: Bond certificates to be issued to each Bondholder in respect of his or her registered holding of Bonds
“CIM”	: C.I.M. Property Consultants Co., Ltd.
“Circular”	: This circular to Shareholders dated 15 November 2024
“Collateral Agreement”	: The pledge agreement in such form and containing such terms and conditions as the Company may require which relates to the provision by Golden Land to the Company of property units in Golden City owned by Golden Land in aggregate valued at no less than S\$3,000,000 based on an independent valuation as collateral
“Colliers”	: Colliers Philippines
“Companies Act”	: Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company” or “Issuer”	: Emerging Towns & Cities Singapore Ltd.
“Conditions”	: The terms and conditions endorsed on the Bonds and in the form or substantially in the form set out in the Subscription Agreements
“Constitution”	: The Constitution of the Company, as amended, modified or supplemented from time to time
“Control”	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Interest”	: The interest of the Controlling Shareholder(s)
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of all voting shares in the Company (unless the SGX-ST determines that such a person is not a Controlling Shareholder); or (b) in fact exercises Control over the Company
“Conversion Shares”	: The number of new ordinary shares in the capital of the Company arising from the conversion of the Bonds, being an aggregate number of 968,270,000 new ordinary shares, to be issued credited as fully paid up upon conversion of the Bonds in accordance with the terms of the Subscription Agreements, such ordinary shares to rank <i>pari passu</i> in all respects with all other existing Shares
“Corporate Guarantee”	: The deed of guarantee and undertaking dated 8 June 2020 made between the Company and ICBC to secure the loans of Golden Land from ICBC, E.SUN Commercial Bank, Ltd (Yangon Branch) and Kanbawza Bank (Yangon)
“CPF”	: The Central Provident Fund

DEFINITIONS

“CSH Employee Share Option Scheme 2009”	:	The Cedar Strategic Holdings Ltd. Employee Share Option Scheme approved by the Shareholders at an extraordinary general meeting of the Company held on 21 August 2009
“DAS”	:	DAS Pte. Ltd. (Registration No. 201626415E)
“DAS Group”	:	DAS and its subsidiary, UGP, and the subsidiary of UGP, Golden Land
“Deed of Discharge”	:	The deed of discharge to be executed by ICBC in favour of the Company, in relation to the Proposed Discharge
“Directors”	:	The directors of the Company as at the Latest Practicable Date and each a “Director”
“Disposal Completion”	:	The completion of the Proposed Disposal by the Company and delivery by the Purchaser of (i) the First Tranche of the Disposal Consideration, (ii) the duly executed Deed of Discharge, and (iii) the duly executed Collateral Agreement, conditional upon the satisfaction (or waiver, if capable of being waived) of the Disposal Conditions Precedent
“Disposal Completion Date”	:	The date on which Disposal Completion occurs
“Disposal Conditions Precedent”	:	The conditions precedent to the Proposed Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Disposal Consideration”	:	The aggregate consideration of the sum of S\$4.0 million in cash, payable by the Purchaser to the Company in relation to the Proposed Disposal
“Disposal Deposit”	:	A deposit of S\$500,000 of the Disposal Consideration
“Disposal Long-Stop Date”	:	31 December 2024
“Disposal Proceeds”	:	The aggregate net proceeds from the Proposed Disposal after deducting estimated fees and expenses of approximately S\$0.1 million
“E-Commerce and Retail Business”	:	The live streaming e-commerce and related business, including online and offline sales of consumer products
“EGM”	:	The extraordinary general meeting of the Company to be held on 6 December 2024 at 10.00 a.m.
“ETCC”	:	ETC Capital Pte. Ltd. (Registration No. 202408692W)
“ETCC Call Option”	:	The call options granted by the Company to the respective Investors to require the Company to sell to the respective Investors all (but not some only) of the Relevant ETCC Shares, pursuant to the terms and conditions of the Subscription Agreements
“ETCC Disposal”	:	The disposal of ETCC upon the exercise of the ETCC Call Option or the ETCC Put Option
“ETCC Put Option”	:	The put options granted by respective Investors to the Company to require the respective Investors to purchase from the Company all (but not some only) of the Relevant ETCC Shares, pursuant to the terms and conditions of the Subscription Agreements
“Enlarged Share Capital”	:	The enlarged issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) of 2,391,257,799 ordinary shares, assuming the conversion of the LSD Convertible Loan, the conversion of the Bonds, and the exercise of the Management

DEFINITIONS

	Options, subject to adjustment in the event of changes in the capitalisation structure of the Company
“Expiry Date”	: The final day of the Management Options’ option period
“First Tranche”	: A first tranche payment of S\$1,500,000 of the Disposal Consideration
“FY2023”	: The financial year ended 31 December 2023
“Grant Completion Date”	: The completion date of the Proposed Grant
“Golden City”	: The property development located at Golden City Complex, Yankin Road, Yankin Township, Yangon, Myanmar which is built by Golden Land
“Golden Land”	: Golden Land Real Estate Development Co., Ltd. (Registration No. 159187179)
“Group”	: The Company and its subsidiaries
“Group Employees”	: Key members of management of HJC, being Mr Duan Yupeng, Ms Zhu Li and Mr Li Liwei
“HJC”	: Hainan Jiupeng Chuhe Technology Co., Ltd. (海南九鹏初禾科技有限公司) (Registration No. 91460000MADELT3G7W)
“ICBC”	: Industrial and Commercial Bank of China Limited (Yangon Branch)
“Investors”	: Ms Cao Yongyan, Ms Yao Ling, Ms Chen Jianqun, Mr Lu Xisong, Mr Tang Wei, Ms Zhang Junyun, and Ms Chen Wenjia
“Irrevocable Undertakings”	: The irrevocable undertakings given by Mr Zhu Xiaolin and Mr Teo Cheng Kwee to the Company in connection with the Proposed Disposal
“Latest Accounts”	: The latest announced consolidated financial statements of the Group for the financial period ended 30 September 2024
“Last Trading Day”	: 25 February 2021, being the last trading day prior to the Company’s request for a trading halt of trading in the Shares on 26 February 2021, which trading halt was converted to a suspension on 3 March 2021 at the request of the Company
“Latest Practicable Date”	: 13 November 2024, being the latest practicable date prior to the issuance of this Circular
“LPS”	: Loss per Share
“LSD Convertible Loan”	: The convertible loan agreement dated 25 January 2017 entered into between the Company and Luo Shandong (as supplemented and amended from time to time)
“Management Options”	: The Option FY2024 and Option FY2025, being the options to subscribe for an aggregate amount of 239,080,000 Management Option Shares granted pursuant to the Management Option Agreements at the Options Exercise Price
“Management Agreements”	Option : The option agreements dated 26 July 2024 and entered into between the Company and each of Mr Duan Yupeng and Ms Zhu Li, and the option agreement dated 15 October 2024 and entered into between the Company and Mr Li Liwei, respectively

DEFINITIONS

“Management Proceeds”	Option	: The aggregate net proceeds from the Proposed Grant after deducting estimated fees and expenses of approximately S\$10,000
“Management Shares”	Option	: The number of new ordinary shares each in the capital of the Company upon exercise of the Management Options, being an aggregate number of 239,080,000 new ordinary shares
“Market Day”		: A day on which the SGX-ST is open for trading in securities
“Notice of EGM”		: The notice of the EGM which is set out on pages N-1 to N-5 of this Circular
“Notification”		: The written notice to be given by the Company upon satisfaction of the Targets to notify the Group Employees of the commencement of the Option Period
“NTA”		: Net tangible assets
“Options Exercise Price”		: The exercise price of approximately S\$0.004647 per share
“Option FY2024”		: The right to subscribe for the Option Shares FY2024 in accordance with the respective Management Option Agreements
“Option FY2025”		: The right to subscribe for the Option Shares FY2025 in accordance with the respective Management Option Agreements
“Option Period”		: The period commencing from the date of the Notification and expiring on the date falling 3 months from the date of the Notification or such other date as may be agreed between the parties
“Option Shares FY2024”		: The aggregate of 119,540,000 new ordinary shares to be issued credited as fully paid up upon exercise of the Option FY2024 in accordance with the terms of the respective Management Options Agreements, such ordinary shares to rank <i>pari passu</i> in all respects with all other existing Shares;
“Option Shares FY2025”		: The aggregate of 119,540,000 new ordinary shares to be issued credited as fully paid up upon exercise of the Option FY2025 in accordance with the terms of the respective Management Options Agreements, such ordinary shares to rank <i>pari passu</i> in all respects with all other existing Shares
“Outstanding Options”		: The 15,000,000 options granted under the CSH Employee Share Option Scheme (each option carrying the right to subscribe for 1 new Share in the capital of the Company at an exercise price of S\$0.075 exercisable from the date falling 24 months after the date of the grant up till 17 May 2026) existing as at the Latest Practicable Date that were previously issued by the Company, the number and issue price of which have been adjusted pursuant to the completion of the Company’s consolidation of every 25 existing ordinary shares to 1 consolidated share, fractional entitlements to be disregarded, as disclosed in the Company’s announcement dated 5 December 2016
“Proposed Discharge”		: The proposed irrevocable and unconditional discharge and release of the Company from the Corporate Guarantee in accordance with the terms and conditions of the Deed of Discharge
“Proposed Disposal”		: The proposed disposal of the Sale Shares by the Company to the Purchaser, in accordance with the terms and conditions of the Sale and Purchase Agreement

DEFINITIONS

- “Proposed Diversification”** : The proposed diversification of the Group’s business into the E-Commerce and Retail Business
- “Proposed Grant”** : The proposed grant of Management Options to the Group Employees, in accordance with the terms and conditions of the Management Option Agreements.
- “Proposed Subscription”** : The proposed issue of the Bonds by the Company to the Investors, convertible into an aggregate amount of 968,270,000 Conversion Shares, in accordance with the terms and conditions of the Subscription Agreements
- “Proposed Transfer of Controlling Interest”** : The transfer of controlling interest in the Company to Ms Cao Yongyan upon the allotment and issuance of Conversion Shares to Ms Cao Yongyan
- “Proposed Transactions”** : Collectively, the Proposed Disposal, the Proposed Discharge, the Proposed Subscription, the Proposed Transfer of Controlling Interest, the Proposed Grant and the Proposed Diversification
- “Property Valuation”** : The property valuation of the properties of Golden City by CIM (and reviewed by Colliers)
- “Property Valuation Certificate”** : The valuation certificate dated 8 November 2024 issued by CIM (and reviewed by Colliers) pursuant to the Property Valuation, which is set out in Appendix A of this Circular
- “Purchaser”** : Grand Ally Investments Pte. Ltd. (Registration No. 202304031N)
- “RMB”** : Renminbi, being the lawful currency of the People’s Republic of China
- “Register of Members”** : Register of members of the Company
- “Relevant ETCC Shares”** : The number of issued and fully paid-up ordinary shares in the capital of ETCC held by the Company stated in the respective Subscription Agreements, being the number of shares in ETCC in proportion to the Investors’ subscription amount
- “Sale and Purchase Agreement”** : The sale and purchase agreement dated 1 July 2023 and entered into between the Company and Purchaser in relation to the Proposed Disposal
- “Sale Shares”** : 24,875,000 ordinary shares of DAS, representing the entire issued and paid-up share capital of DAS, which is to be sold by the Company to the Purchaser pursuant to the Proposed Disposal
- “Securities Account”** : A securities account maintained by a Depositor with the CDP but not including a securities sub-account maintained with a depository agent
- “Securities and Futures Act”** : Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
- “SGX Regco”** : Singapore Exchange Regulation
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “SGXNet”** : Singapore Exchange Network, being a system network used by listed companies for sending information and making announcements to the SGX-ST or any other system networks prescribed by the SGX-ST for the purpose of making that information available to the market

DEFINITIONS

- “Shareholders”** : The registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
- “Shares”** : Issued and paid-up ordinary shares in the capital of the Company, and each a **“Share”**
- “Subscription Agreements”** : The subscription agreements dated 26 July 2024 and entered into between the Company and the Investors
- “Subscription Conditions Precedent”** : The conditions precedent to the Proposed Subscription in accordance with the terms and conditions of the Subscription Agreements
- “Subscription Completion Date”** : Completion date of the Proposed Subscription
- “Subscription Deposit”** : A deposit of an aggregate amount of S\$2,250,000, being 50% of the Bonds Subscription Price
- “Subscription Long-Stop Date”** : The date falling 12 months from the date of the Subscription Agreements or such other date as the parties may agree
- “Substantial Shareholder”** : A person (including a corporation) who has an interest in not less than 5% of the total issued voting Shares
- “Supplemental Agreement”** : The supplemental agreement to the Sale and Purchase Agreement entered into between the Company and the Purchaser dated 28 March 2024, to extend the long-stop date from 31 March 2024 to 31 December 2024
- “Sponsor”** : RHT Capital Pte. Ltd.
- “SRS”** : Supplementary Retirement Scheme
- “S\$” and “cents”** : Singapore dollars and cents respectively, being the lawful currency of Singapore
- “Takeover Code”** : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
- “Targets”** : (a) for Option FY2024: net profit of HJC based on the audited accounts of HJC for the financial period from date of incorporation and ending 31 December 2024 of at least RMB11 million, excluding fair value gain or loss, intra-group management fees and charges; and

(b) for Option FY2025: net profit of HJC based on the audited accounts of HJC for the financial year ending 31 December 2025 of at least RMB20 million, excluding fair value gain or loss, intra-group management fees and charges.
- “UGP”** : Uni Global Power Pte. Ltd. (Registration No. 201303683E)
- “US\$”** : United States dollar, being the lawful currency of the United States of America
- “WTL”** : Wong Tan & Molly Lim LLC
- “%” or “per cent.”** : Per centum or percentage

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The terms “**treasury shares**”, “**subsidiaries**”, “**subsidiary holdings**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Catalist Rules or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act, the Catalist Rules or any such statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

The exchange rates used in this Circular are for reference only. Unless otherwise stated, all currency translations of S\$ and US\$ used in this Circular are based on the exchange rate of S\$1.3385: US\$1.00 (as extracted from the Monetary Authority of Singapore) as at the Latest Practicable Date. No representation is made that any RMB and US\$ amount was, could have been, will be or can be converted into S\$ amounts at any of the exchange rates used in this Circular, at any other rate or at all.

Any reference in this Circular to Shares being allotted to a person includes allotment to CDP for the account of that person.

LETTER TO SHAREHOLDERS



EMERGING TOWNS & CITIES SINGAPORE LTD.

新世界地产集团有限公司

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 198003839Z)

Board of Directors:

Mr Ang Mong Seng (*Non-Executive and Independent Group Chairman*)
Mr Joseph Lim (*Executive Director and Chief Executive Officer*)
Mr Ye Binlin (*Independent Director*)
Mr Teo Cheng Kwee (*Non-Executive Director*)
Mr Zhu Xiaolin (*Non-Executive Director*)

Registered Office:

80 Robinson Road
#17-02 Singapore
068898

15 November 2024

To: The Shareholders of Emerging Towns & Cities Singapore Ltd.

Dear Sir/Madam

- (I) **THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF DAS PTE. LTD. (THE “PROPOSED DISPOSAL”);**
- (II) **THE PROPOSED DISCHARGE OF THE DEED OF GUARANTEE AND UNDERTAKING DATED 8 JUNE 2020 IN RELATION TO THE LOANS OF GOLDEN LAND REAL ESTATE DEVELOPMENT CO., LTD. (THE “PROPOSED DISCHARGE”);**
- (III) **THE PROPOSED ISSUE OF CONVERTIBLE BONDS AGGREGATING S\$4,500,000 CONVERTIBLE INTO AN AGGREGATE AMOUNT OF 968,270,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “PROPOSED SUBSCRIPTION”);**
- (IV) **THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MS CAO YONGYAN (THE “PROPOSED TRANSFER OF CONTROLLING INTEREST”);**
- (V) **THE PROPOSED GRANT OF OPTIONS TO SUBSCRIBE FOR AN AGGREGATE AMOUNT OF 239,080,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO KEY MEMBERS OF MANAGEMENT OF HAINAN JIUPENG CHUHE TECHNOLOGY CO., LTD. (THE “PROPOSED GRANT”); AND**
- (VI) **THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS INTO THE E-COMMERCE AND RETAIL BUSINESS (THE “PROPOSED DIVERSIFICATION”)**

1 **INTRODUCTION**

1.1 **Background**

1.1.1 The Proposed Disposal and the Proposed Discharge

On 1 July 2023, the Company announced that it had entered into the Sale and Purchase Agreement with the Purchaser in relation to the Proposed Disposal. Pursuant to the terms and subject to the conditions of the Sale and Purchase Agreement, the Company shall sell to the Purchaser and the

LETTER TO SHAREHOLDERS

Purchaser shall purchase the Sale Shares, representing 100% of the total issued and paid-up capital of DAS. The Proposed Disposal is considered a “major transaction” of the Company as defined under Chapter 10 of the Catalist Rules and is subject to the approval of the Shareholders at an EGM.

As part of the Proposed Disposal, it is a condition precedent that the Deed of Discharge be executed by ICBC in favour of the Company in relation to the irrevocable and unconditional discharge and release of the Company from the Corporate Guarantee issued by the Company in favour of ICBC to secure the Golden Land syndicated bank loan of approximately US\$33 million.

The Company has on 28 March 2024 entered into the Supplemental Agreement with the Purchaser to extend the Disposal Long-Stop Date from 31 March 2024 to 31 December 2024.

Please refer to Section 2 of this Circular for details on the Proposed Disposal and the Proposed Discharge.

1.1.2 The Proposed Subscription and the Proposed Transfer of Controlling Interest

The Company has on 26 July 2024 entered into Subscription Agreements with the Investors:

Name	Principal amount of Bonds subscribed (\$)	Conversion Shares	Percentage of current share capital ⁽¹⁾ (%)	Percentage of Enlarged Share Capital ⁽²⁾ (%)
Cao Yongyan	2,025,000	435,721,500	44.37	18.22
Yao Ling	450,000	96,827,000	9.86	4.05
Chen Jianqun	450,000	96,827,000	9.86	4.05
Lu Xisong	450,000	96,827,000	9.86	4.05
Tang Wei	450,000	96,827,000	9.86	4.05
Zhang Junyun	337,500	72,620,250	7.39	3.04
Chen Wenjia	337,500	72,620,250	7.39	3.04
Total	4,500,000	968,270,000	98.59	40.50

Notes:

(1) Based on existing issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) of 982,072,934 ordinary shares as at the Latest Practicable Date.

(2) Based on the Enlarged Share Capital of 2,391,257,799 ordinary shares.

The Investors have agreed to subscribe for the Bonds at the Bonds Subscription Price.

The Subscription Agreements and completion of the proposed subscription of bonds by each of the Investors are not inter-conditional.

Assuming the Bonds are fully converted, the Proposed Subscription will result in a transfer of a controlling interest to one of the Investors, Ms Cao Yongyan, the Company will, pursuant to Rule 803 of the Catalist Rules, to seek approval of its shareholders for, amongst others, the allotment and issue of Conversion Shares to Ms Cao Yongyan.

The Proposed Subscription is not underwritten and there is no placement agent appointed for the purpose of the Proposed Subscription. The Proposed Subscription will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act. As such, no prospectus

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or offer information statement will be issued by the Company or lodged with the SGX-ST in connection therewith.

Please refer to Section 3 of this Circular for details on the Proposed Subscription and Section 4 for details on the Proposed Transfer of Controlling Interest.

1.1.3 The Proposed Grant

The Company has on 26 July 2024 and 15 October 2024 entered into Management Option Agreements with the Group Employees, pursuant to which the Company intends to grant the Management Options at the Options Exercise Price.

The Group Employees comprise key management of HJC as follows:

Name	Designation	Management Option Shares	Percentage of current share capital ⁽¹⁾ (%)	Percentage of Enlarged Share Capital ⁽²⁾ (%)
Duan Yupeng	General Manager	107,586,000	10.95	4.50
Zhu Li	Deputy General Manager	71,724,000	7.30	3.00
Li Liwei	Financial Controller	59,770,000	6.09	2.50
Total		239,080,000	24.34	10.00

Notes:

(1) Based on existing issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) of 982,072,934 ordinary shares as at the Latest Practicable Date.

(2) Based on the Enlarged Share Capital of 2,391,257,799 ordinary shares.

The Management Option Agreements and completion of the proposed grant of options to each of the Group Employees are not inter-conditional.

The Proposed Grant is not underwritten and there is no placement agent appointed for the purpose of the Proposed Grant. The Proposed Grant will be undertaken in accordance with Section 273(1)(i) of the Securities and Futures Act. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

Please refer to Section 5 of this Circular for details on the Proposed Grant.

1.1.4 The Proposed Diversification

The Company is seeking Shareholders' approval for the diversification of the Company's business into the E-Commerce and Retail Business.

Please refer to Section 6 of this Circular for details on the Proposed Diversification.

1.2 **Extraordinary General Meeting**

The Board is proposing to convene an EGM to seek Shareholders' approval in respect of the following resolutions:

- (i) Proposed Disposal (Ordinary Resolution 1);
- (ii) Proposed Discharge (Ordinary Resolution 2);
- (iii) Proposed Subscription (Ordinary Resolution 3);
- (iv) Proposed Transfer of Controlling Interest (Ordinary Resolution 4);
- (v) Proposed Grant (Ordinary Resolution 5); and

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- (vi) Proposed Diversification (Ordinary Resolution 6).

For the purposes herein, the proposals set out in items (i) to (vi) above shall collectively be referred to as the Proposed Transactions.

Shareholders should note that the Ordinary Resolutions 1, 2, 3, 4, 5 and 6 are inter-conditional. This means that if any of the Ordinary Resolutions are not approved, none of the other Ordinary Resolutions will be passed.

1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information pertaining to the Proposed Transactions to be tabled at the EGM and to seek Shareholders' approval in relation thereto at the EGM to be held at 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on 6 December 2024 at 10.00 a.m. The Notice of EGM is set out on pages N-1 to N-5 of this Circular.

The SGX-ST takes no responsibility for the accuracy of any of the statements made or opinions made or reports contained in this Circular.

2 THE PROPOSED DISPOSAL AND THE PROPOSED DISCHARGE

2.1 Information on the Purchaser

The Purchaser is a private company limited by shares incorporated in Singapore on 3 February 2023 and is an investment holding company. The directors and shareholders of the Purchaser are Mr Lai Xuejun, Mr Li Bo and Ms Zhang Xiaoping and the remaining shareholders are Ms Li Xiaolin, Mr Zhang Yongming and Mr Tang Ronghui, all of whom are the management of Golden Land.

To the best of the knowledge of the Directors, save that the directors and shareholders of the Purchaser are the management of Golden Land, each of the directors and shareholders of the Purchaser have no existing relationship (including business relationship) with the Company, the Group, its Directors, its Substantial Shareholders and are not interested persons as defined under Chapter 9 of the Catalist Rules.

2.2 Information on DAS

DAS, a wholly-owned subsidiary of the Company, is an investment holding company which holds 70% shareholding interest in UGP, which in turn holds 70% shareholding interest in Golden Land. Golden Land is the developer of the Golden City project, a luxury mixed-use development in the Yankin township of Yangon, Myanmar.

2.3 Principal Terms of the Proposed Disposal

2.3.1 Consideration and Satisfaction of Consideration

The Disposal Consideration shall be payable by way of cashier's order or bank remittance in favour of the Company by the Purchaser to the Company in the following manner:

- (a) Disposal Deposit to be paid within 7 days of the date of the Sale and Purchase Agreement;
- (b) First Tranche at the Disposal Completion;
- (c) a second tranche of S\$1,000,000 within 6 months after the Disposal Completion Date; and
- (d) a third tranche of S\$1,000,000 within 12 months after the Disposal Completion Date.

In accordance with the terms of the Sale and Purchase Agreement, the Disposal Consideration is final and not subject to re-assessment following the completion of the Property Valuation and the Business Valuation, which were performed in order to comply with Rule 1014(5) of the Catalist Rules. While the Property Valuation Certificate and Business Valuation Summary Letter will provide further insight into

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the fair value of the properties held by Golden Land and the fair value of DAS, the Disposal Consideration was arrived at by agreement between the Company and the Purchaser at arm's length, on a "willing-buyer, willing-seller" basis after taking into account the Company's situation as elaborated under Section 2.4 below. As other attempts to attract potential buyers have not been successful and after careful analysis and discussions, the Board is of the view that the agreed Disposal Consideration is in the best interest of the Company and its Shareholders, as it enables the Company to cease its exposure to the Myanmar market and progress its plan to resume the trading of its securities.

The Disposal Deposit has been paid to the Company on 6 July 2023.

If Disposal Completion is unable to take place due to the Company's inability to satisfy any Disposal Conditions Precedent for which it is responsible by the Disposal Long-Stop Date, the Disposal Deposit shall be refunded to the Purchaser in full. If Disposal Completion is unable to take place due to any other reason, the Disposal Deposit shall be forfeited in favour of the Company.

2.3.2 Conditions Precedent

The Disposal Completion shall be conditional upon the Disposal Conditions Precedent being satisfied (or waived, if capable of being waived) on or prior to the Disposal Long-Stop Date. The Disposal Conditions Precedent are as follows:

- (a) execution of the following:
 - (i) the Deed of Discharge; and
 - (ii) the Collateral Agreement;
- (b) all consents, approvals, waivers or clearances for the Proposed Disposal and the Proposed Discharge which are necessary or which the Company and/or the Purchaser has been advised that is desirable to obtain, including but not limited to such consents, approvals, waivers or clearances from such government or regulatory authorities or third parties as the case may be, having been obtained by the Company and/or the Purchaser, such consents approvals, waivers or clearances not having been amended or revoked before the Disposal Completion, and to the extent that such consents, approvals, waivers and clearances are subject to any conditions required to be fulfilled before the Disposal Completion, all such conditions being reasonably acceptable to the Company and the Purchaser and having been duly so fulfilled, including but not limited to all necessary consents and/or waivers being obtained from ICBC, E.SUN Commercial Bank, Ltd (Yangon Branch) and Kanbawza Bank (Yangon) for the entry by the Company into the Proposed Disposal and the Proposed Discharge;
- (c) completion of all necessary financial, legal and all other due diligence by the Purchaser on DAS (with the results being reasonably satisfactory to the Purchaser in all respects);
- (d) board and shareholder approvals of the Purchaser for the Proposed Disposal and the Proposed Discharge (if required);
- (e) the approval of the Company's Board of Directors of, *inter alia*:
 - (i) the Proposed Disposal and the Proposed Discharge; and
 - (ii) all matters which are necessary or incidental to the Proposed Disposal and the Proposed Discharge;
- (f) the approval of Company's shareholders at a general meeting of, *inter alia*:
 - (i) the Proposed Disposal and the Proposed Discharge; and
 - (ii) all matters which are necessary or incidental to the Proposed Disposal and the Proposed Discharge;

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- (g) all relevant authorisations, consents, approvals, resolutions, licences and exemptions necessary for the ordinary course of business of DAS and the Proposed Disposal and the Proposed Discharge remaining valid, existing and being in full force and effect;
- (h) representations and warranties in the Sale and Purchase Agreement being true, correct and complete as at the date of execution of the Sale and Purchase Agreement and the Disposal Completion Date;
- (i) DAS having fully settled, repaid or obtained waivers of all existing inter-company debt and liabilities between (i) the Company and (ii) DAS, UGP or Golden Land (other than that which arise in the ordinary course of DAS' business) and all amounts owing by Golden Land to its out-going directors who will resign from directorship of Golden Land on Disposal Completion; and
- (j) board and shareholder approvals (if necessary) of DAS Group (DAS, UGP and Golden Land) for the change in the composition of the board of directors of DAS Group (DAS, UGP and Golden Land) with effect on and from the Disposal Completion Date, with the nominees of the Company stepping down (pursuant to appropriate letters of resignation and exculpation) and the nominees of the Purchaser being appointed to form the new board of directors.

If any Disposal Conditions Precedent is not satisfied or waived by the party having the benefit of that Disposal Conditions Precedent (if capable of being waived) by the Disposal Long-Stop Date, Disposal Completion shall not take place.

2.3.3 Warranties

Pursuant to the Sale and Purchase Agreement, the Company has furnished representations and warranties typical for transactions such as the Proposed Disposal.

2.3.4 Completion

Disposal Completion means the delivery of such documents in connection with the disposal of the Sale Shares by the Company and delivery by the Purchaser of (i) the First Tranche of the Disposal Consideration, (ii) the duly executed Deed of Discharge, (iii) the duly executed Collateral Agreement, conditional upon the satisfaction (or waiver, if capable of being waived) of the Disposal Conditions Precedent; and the Disposal Completion Date means the date on which Disposal Completion occurs.

2.4 **Rationale for the Proposed Disposal and the Proposed Discharge**

As disclosed in the Company's announcement dated 2 March 2021, following its consultation with the SGX RegCo and the Sponsor in relation to the report published by an activist group on the Company's operations in Myanmar on 25 February 2021, the Company announced that, *inter alia*, it had voluntarily decided to convert the trading halt which had been requested for by the Company on 26 February 2021 into a suspension in the trading of its securities. On 3 March 2021, the Company entered into the suspension of trading of its securities.

On 7 March 2022, SGX RegCo released the Regulator's Column titled "What SGX expects of issuers in respect of sanctions-related risks, subject or activity" (the "**Regulator's Column**") which set out the requirement that "the issuer should remain suspended until it has demonstrated to SGX that it is no longer a Sanctioned Subject or it has ceased the Sanctioned Activity". Even though an independent financial review and an independent legal review had been completed in September 2021 and December 2022 respectively, and whilst the Company is itself neither a Sanctioned Subject (as defined in the Regulator's Column) nor engaged in Sanctioned Activity (as defined in the Regulator's Column), after consultation with SGX RegCo and the Sponsor, the Board understands that Company will remain suspended due to the Company's business operations currently being conducted in a Sanctioned Nation (as defined in the Regulator's Column).

The Company further notes the requirement set out in the Regulator's Column that "*When trading in an issuer's securities is suspended, the issuer should submit a proposal to SGX within 12 months from the date of suspension on the proposed remediation measures, which should be implemented with a view to ceasing to be a Sanctioned Subject or ceasing the Sanctioned Activity.*" Given the uncertainty as to when the political situation in Myanmar may improve and when the unilateral sanctions from the

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United States, the European Union and the United Kingdom would cease, and the suspension of the Company's shares since 3 March 2021, the Company understands that, based on its previous consultations with SGX RegCo and the Sponsor, there is significant risk that it may be delisted by SGX if there is no change in status for the foreseeable future.

In view of the above and as announced in prior SGXNet announcements and its annual reports for the financial years ended 31 December 2023 and 31 December 2022, the Board and the management have been looking into all possible avenues to divest its investment in Myanmar as part of its plan to resume the trading of the Company's securities and have approached various potential buyers. Since 2021, the Company has been in negotiations with various potential investors and professionals to divest its investment in Myanmar via the sale of its 100% shareholding stake in DAS.

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

Assuming completion of the Proposed Disposal and the Proposed Discharge, the Purchaser will take over the Corporate Guarantee in the Company's stead. In the event of a successful completion of the Proposed Disposal and the Proposed Discharge, the DAS would cease to be a subsidiary of the Group and the Company would cease its exposure to the Myanmar market.

As other attempts to attract potential buyers have not been successful, the Board is of the view that the Proposed Disposal and the Proposed Discharge are in the best interests of the Company and the Shareholders based on current circumstances, as part of its plan to resume the trading of its securities.

2.5 Key Financial Information on DAS Group

Based on the Latest Accounts, both the net liability value and net tangible liabilities of DAS Group stood at S\$27.2 million, and the loss before tax of DAS Group was S\$38.4 million. Adjusted with a waiver of amounts owed by DAS to the Company in accordance with paragraph 3.2(a) of Practice Note 10A of the Catalist Rules and taking into account the Disposal Consideration of S\$4.0 million, the Proposed Disposal would result in a net loss of approximately S\$67.2 million.

2.6 Property Valuation and Business Valuation

Rule 1014(5) of the Catalist Rules states that, notwithstanding Rule 1014(2), where a disposal of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 75%, the issuer must appoint a competent and independent valuer to value the assets to be disposed.

The Company had commissioned independent valuers, CIM (with Colliers being the reviewer) to carry out the Property Valuation and CCA to carry out the Business Valuation for the purposes of the Proposed Disposal.

2.7 Details of Property Valuation Certificate and Business Valuation Summary Letter

According to the Property Valuation Certificate, the fair value of the properties held by Golden Land as at the valuation date of 31 July 2024 is estimated to be approximately US\$96,700,400 (approximately S\$129,433,485) which comprised (i) leasehold land value of US\$5,880,000 (approximately S\$7,870,380), representing vacant land designated for phases 3 and 4; and (ii) gross development value of US\$90,820,400 (approximately S\$121,563,105), representing completed property units in phases 1 and 2 that are owned by Golden Land.

CIM adopted the market approach and income approach in arriving at the fair value of the properties held by Golden Land. Please refer to the Property Valuation Certificate set out in Appendix A (Property Valuation Certificate) to this Circular.

According to the Business Valuation Summary Letter, the fair value of DAS as at the valuation date of 31 July 2024 is estimated to be approximately US\$8,762,217 (approximately S\$11,728,228).

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CCA adopted the asset-based approach in arriving at the value of the fair value of DAS. Please refer to the Business Valuation Summary Letter set out in Appendix B (Business Valuation Summary Letter) to this Circular.

Shareholders are advised to read and consider the Property Valuation Certificate and the Business Valuation Summary Letter carefully, in particular the scope of work, valuation approach, terms of reference, key assumptions and critical factors taken into account by CIM and CCA.

2.8 Use of Proceeds

The proceeds from the Proposed Disposal will be used for general working capital purposes to cover the Group's head office expenses, including employees' salaries, legal and professional fees, rental and ancillary head office expenses going forward and repayment of the Group's existing liabilities (including but not limited to legal and professional fees and other ancillary expenses incurred to date).

2.9 Relative Figures under Rule 1006 of the Catalist Rules

The relative figures computed on the relevant bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Disposal and based on the Latest Accounts are as follows:

Rule 1006	Bases	Relative figure
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	523.6% ⁽¹⁾
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss.	96.9% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	12.0% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable ⁽⁵⁾

Notes:

- (1) Based on (i) the unaudited net asset value of approximately S\$4.0 million of the Sale Shares, adjusted with a waiver of amounts of approximately S\$31.1 million owed by DAS to the Company in accordance with paragraph 3.2(a) of Practice Note 10A of the Catalist Rules and (ii) the unaudited net asset value of the Group of approximately S\$764,000, based on the Latest Accounts.
- (2) Based on (i) the unaudited loss of approximately S\$38.4 million of DAS Group (including associated

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transaction cost to be incurred for the Proposed Disposal of approximately S\$0.1 million) and (ii) the unaudited loss of the Group of approximately S\$39.7 million, based on the Latest Accounts.

- (3) Based on (i) the Disposal Consideration of S\$4.0 million and (ii) the Company's market capitalisation calculated based on 982,072,934 issued shares (excluding treasury shares and subsidiary holdings) multiplied by S\$0.034 (being the last traded price on 25 February 2021, the last trading day before the Company requested for a trading halt on 26 February 2021).
- (4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the figures computed on the basis of each of Rules 1006(a) and (b) exceeds 50%, the Proposed Disposal therefore constitutes a "major transaction" under Chapter 10 of the Catalist Rules. Accordingly, Rule 1014 of the Catalist Rules applies to the Proposed Disposal and the Proposed Disposal is subject to the approval of Shareholders at the EGM.

2.10 Irrevocable Undertakings

The Company has received the Irrevocable Undertakings from: (i) Mr Zhu Xiaolin in respect of 200,390,864 Shares representing approximately 20.40% of all the issued Shares (excluding treasury shares and subsidiary holdings) and (ii) Mr Teo Cheng Kwee in respect of 59,281,760 Shares representing approximately 6.04% of all the issued Shares (excluding treasury shares and subsidiary holdings). Pursuant to the Irrevocable Undertakings, Mr Zhu Xiaolin and Mr Teo Cheng Kwee have undertaken to, *inter alia*, subject to any applicable laws, rules or regulations, vote or procure the voting of, all their shareholdings in the Company, whether held directly or indirectly, in favour of the Proposed Disposal.

Save for the Irrevocable Undertakings, the Company has not received any undertakings from any other party in connection to the Proposed Disposal.

3 THE PROPOSED SUBSCRIPTION

3.1 Information on the Investors

The information on the Investors were provided by the Investors and background checks conducted by the Company on a best-efforts basis. In respect of such information provided by the Investors which is beyond the Company's background checks, the Company and the Directors have not independently verified the accuracy and correctness of such information, and the Company's responsibility is limited to the proper extraction and reproduction of such information herein, in the context that the information is being disclosed in this announcement.

The Investors were introduced to the Company through mutual business associates and are based in China. The rationale for placing to the Investors is as set out in Section 3.4 of this Circular. There are no introducer fees paid or payable in connection with the Proposed Subscription.

Ms Cao Yongyan is proficient in enterprise financial management and has more than 10 years' experience in financial management, risk management and control. She was formerly a financial controller of a large enterprise in China.

Ms Yao Ling graduated from the Open University of China and has many years of experience in the operation and management of large stores and companies, including many years of experience as store manager, regional manager and store operation management.

Ms Chen Jianqun graduated from Panzhihua Radio and Television University, majoring in accounting and computing. She has more than 20 years of experience in corporate financial management and financial planning.

Mr Lu Xisong graduated from Sichuan International Studies University, majoring in English. He has more than 10 years of experience in corporate organisation, project investment, and corporate finance in China.

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Mr Tang Wei graduated from Guizhou University of Finance and Economics. He has more than 10 years of experience in accounting and corporate finance and corporate mergers and acquisitions in Hong Kong and China.

Ms Zhang Junyun has many years of experience in sales and business development, managing teams and developing sales and business development strategies to achieve sales targets.

Ms Chen Wenjia graduated from Sichuan University of Science and Engineering, majoring in marketing. She has many years of experience in marketing and promotion, event planning, platform operation, and public event promotion.

As at the Latest Practicable Date, none of the Investors hold any shares or convertible securities in the capital of the Company. The Bonds, if converted, will be solely for the Investors' investment purposes.

The Investors have each represented and warranted to the Company that they are not acting in concert, in collaboration with or co-operating, pursuant to an agreement or undertaking (whether formal or informal), with any existing director or shareholder of the Company, to obtain or consolidate effective control of the Company through the issue of the Bonds and/or the Conversion Shares (including as contemplated in the Takeover Code).

To the best of the knowledge of the Directors, each of the Investors have no existing relationship (including business relationships) with the Company, the Group, its Directors, its Substantial Shareholders and is not a person to whom the Company is prohibited from issuing shares to, as provided under Rule 812(1) of the Catalist Rules.

3.2 Principal Terms of the Proposed Subscription

3.2.1 Conditions Precedent to Issuance of Bonds

The obligations of the Company and the Investors under their respective Subscription Agreements (i) to complete the subscription of the Bonds, and (ii) in relation to the ETCC Disposal, including the grant and exercise of the options, are conditional upon the Subscription Conditions Precedent. The Subscription Conditions Precedent are as follows:

- (a) execution by each of the Investors of undertakings in such form as may be required by the Company confirming, *inter alia*, that each of the Investors are not acting in concert with any other parties and that the mandatory take-over provisions pursuant to Rule 14 of the Takeover Code will not be triggered by the Proposed Subscription;
- (b) all consents, approvals, waivers or clearances for the Proposed Subscription and ETCC Disposal which are necessary or which the Company or the respective Investors have been advised that it is desirable to obtain, including but not limited to such consents, approvals, waivers or clearances from such government or regulatory authorities or third parties as the case may be, having been obtained by the Company or the respective Investors, such consents approvals, waivers or clearances not having been amended or revoked before the completion, and to the extent that such consents, approvals, waivers and clearances are subject to any conditions required to be fulfilled before the completion, all such conditions being reasonably acceptable to the Company and the respective Investors and having been duly so fulfilled for the entry by the Company and the respective Investors into the Proposed Subscription and ETCC Disposal;
- (c) completion of all necessary financial, legal and all other due diligence by the respective Investors on the Company, with the results being reasonably satisfactory to the respective Investors in all respects;
- (d) the approval of the Company's Board of Directors of, *inter alia*:
 - (i) the Proposed Subscription and the ETCC Disposal;
 - (ii) the issuance of the Bonds and the Conversion Shares pursuant to Section 161 of Companies Act and the Catalist Rules;

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- (iii) in relation to Ms Cao Yongyan, the allotment and issuance of a controlling interest in the Company to Ms Cao Yongyan pursuant to Rule 803 of the Catalist Rules; and
 - (iv) all matters which are necessary or incidental to the Proposed Subscription and the ETCC Disposal;
- (e) the approval of Company's shareholders at a general meeting of, *inter alia*:
 - (i) the Proposed Subscription and the ETCC Disposal;
 - (ii) the issuance of the Bonds and the Conversion Shares pursuant to Section 161 of the Companies Act and the Catalist Rules;
 - (iii) in relation to Ms Cao Yongyan, the allotment and issuance of a controlling interest in the Company to Ms Cao Yongyan pursuant to Rule 803 of the Catalist Rules; and
 - (iv) all matters which are necessary or incidental to the Proposed Subscription and the ETCC Disposal;
- (f) the Company remaining listed on the SGX-ST;
- (g) all relevant authorisations, consents, approvals, resolutions, licences and exemptions necessary for the ordinary course of business of the Company and the Proposed Subscription and the ETCC Disposal remaining valid, existing and being in full force and effect;
- (h) no notice, order, judgment, action or proceeding of any court, arbitrator, authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful the Proposed Subscription or which is reasonably likely to materially and adversely affect the right of the respective Investors to own the legal and beneficial title of the Company, following completion of the Proposed Subscription;
- (i) no notice, order, judgment, action or proceeding of any court, arbitrator, authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful the ETCC Disposal or which is reasonably likely to materially and adversely affect the right of the respective Investors to own the legal and beneficial title of ETCC, following completion of the ETCC Disposal; and
- (j) on the Subscription Completion Date, the representations and warranties of the Company and the respective Investors in the Subscription Agreements being true, accurate and correct in all material respects as if made on the Subscription Completion Date, with reference to the then existing circumstances and the Company and the respective Investors having performed in all material respects all of its/their obligations under the Subscription Agreements to be performed on or before the Subscription Completion Date.

If any of the conditions above are not satisfied on or before the Subscription Long-Stop Date, the Subscription Agreement shall *ipso facto* cease and determine thereafter.

3.2.2 Completion, Deposit and Bonds Subscription Price

As at the date of the Subscription Agreements, the Company has received Subscription Deposit from the Investors, as a deposit.

Completion of the Proposed Subscription shall take place on or before the Subscription Long-Stop Date.

If completion is unable to take place due to the Company's inability to satisfy any condition precedent for which it is responsible by the Subscription Long-Stop Date, the Subscription Deposit shall be refunded to the respective Investors in full. If completion is unable to take place due to any other reason, the Subscription Deposit shall be forfeited in favour of the Company. Upon completion of the Proposed Subscription, the Subscription Deposit shall no longer be refundable and the Investors shall

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make payment of the outstanding sum of the Bonds subscribed by him/her, being in aggregate 50% of the Bonds Subscription Price.

3.2.3 Details and Principal Terms of the Bonds

The Bonds will be issued in registered form and will not be listed. The Bonds constitute unconditional, unsubordinated and unsecured obligations of the Company. There is no interest payable on the Bonds.

Automatic Conversion shall occur on a date falling 7 days following the completion of all three Automatic Conversion Events.

The Bonds will be redeemed by the Company at the issue price of the Bonds on the Bonds Maturity Date.

The Bonds may not be redeemed at the option of the Company or the Investors prior to the Bonds Maturity Date, except upon Automatic Conversion or event of default (as described in the Subscription Agreements). In the event SGX-ST does not grant a listing and quotation notice for the Conversion Shares, the Investors shall not be entitled to convert any part of the Bonds into Conversion Shares. The Company has disclosed within the Subscription Agreements that its securities are currently suspended and there is no certainty or assurance that a listing and quotation notice in relation to the Conversion Shares will be granted by the SGX-ST.

The Company shall, not later than 1 month before the Bonds Maturity Date, take reasonable steps to notify the Investors in writing of the Bonds Maturity Date and announce the expiry of the relevant Bonds on SGXNet.

The conversion of the Bonds would result in the issue of a maximum of 968,270,000 Conversion Shares, representing approximately 98.59% of existing issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) of 982,072,934 ordinary shares and approximately 40.50% of the Enlarged Share Capital of 2,391,257,799 ordinary shares. The terms and conditions of the Bonds provide for adjustment to the Bonds Conversion Price in the event of rights, bonus or other capitalisation issues. Please refer to Appendix C (Adjustments to Conversion Price and Number of Conversion Shares) of this Circular for more details.

The Company shall be at liberty from time to time to create and issue further shares in the capital of the Company either as cash or bonus distribution and to issue further subscription rights, bonds, options or other convertible instruments, upon such terms and conditions as the Company sees fit, but the Investors shall not have any participating rights in such issue. The terms and conditions of the Bonds do not provide the Investors with any right to participate in any distributions and/or offers of further securities made by the Company unless the Bonds are converted into the Conversion Shares.

3.2.4 Bonds Conversion Price

The Bonds Conversion Price shall be approximately S\$0.004647 per Conversion Share, representing a discount of approximately 86.21% to the volume weighted average price of S\$0.0337 of the Shares for the trades done on the SGX-ST on 25 February 2021 being the full market day prior to the suspension of the Company's securities.

The Bonds Conversion Price was determined after taking into consideration, *inter alia*, the existing high market capitalisation of approximately S\$33.39 million (based on the last closing price of S\$0.034 per Share prior to Company's entry into a suspension in the trading of its securities on 3 March 2021) is not intended to represent a value which would commercially be deemed acceptable by the parties as a base for the Bonds in connection with the Proposed Subscription as it is subject to the Proposed Disposal and Proposed Discharge, which represents the main operations of the Company. The Company has also considered the commercial aspects of the Proposed Subscription. The Bonds Conversion Price ascribes a value of approximately S\$5.5 million for existing shareholders (assuming the conversion of the LSD Convertible Loan into equity, with the interest included up to the Latest Accounts) on a fully diluted basis (assuming the maximum issuance and conversion of the Bonds and the maximum issuance and exercise of the Management Options).

Rule 811(2)(a) of the Catalist Rules provides that for an issue of convertible securities, if the conversion price is fixed, the price must not be more than 10% discount to the prevailing market price of the

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underlying shares prior to the signing of the relevant agreement. Rule 811(3) of the Catalist Rules provides, *inter alia*, that Rule 811(2) of the Catalist Rules is not applicable if specific shareholder approval is obtained for the issue of convertible securities. As the Bonds Conversion Price represents more than a 10% discount to the prevailing market price of the underlying shares prior to the suspension of the Company's securities and Conversion Shares exceed the limit allowed under the general share issue mandate that was approved by shareholders of the Company at the annual general meeting held on 26 April 2024, the issue of the Conversion Shares is subject to the specific approval of Shareholders for the purposes of Rule 811(3) of the Catalist Rules and Rule 805 of the Catalist Rules.

3.3 ETCC Put Option and ETCC Call Option

Pursuant to the respective Subscription Agreements:

- (A) the respective Investors have granted the Company the ETCC Put Option; and
- (B) the Company has granted the respective Investors the ETCC Call Option.

The ETCC Put Option and the ETCC Call Option allows both the Company and the Investors the flexibility of reaching full and final settlement of all amounts payable by the Company under the Bonds in a manner other than the payment of cash by the Company.

Subject to the Subscription Conditions Precedents and subject to the relevant Catalist Rules and prevailing rules and regulations applicable at the Bonds Maturity Date, if any of the Automatic Conversion Events has yet to take place as at the Bonds Maturity Date, for an option period of 14 days commencing from the Bonds Maturity Date (or such period as the parties may agree in writing), the Company and the respective Investors may either exercise the ETCC Put Option or exercise the ETCC Call Option respectively as full and final settlement of all amounts payable by the Company under the Bonds as at the Bonds Maturity Date on the terms and subject to the conditions of the Subscription Agreements.

3.4 Rationale and Use of Proceeds

As announced in the Company's announcement dated 15 March 2024, the Company, through its wholly-owned subsidiary, ETCC has incorporated an indirect wholly-owned subsidiary, HJC in the People's Republic of China, with principal activities being the E-Commerce and Retail Business. The Proposed Subscription is being undertaken mainly to inject capital and working capital into the E-Commerce and Retail Business, including the operations of HJC.

The Bond Proceeds are approximately S\$4.4 million. Assuming the Proposed Subscription is fully subscribed, the Company intends to use the Bond Proceeds in the following proportions:

Use of Bond Proceeds	Amount Allocated (S\$)	Percentage Allocation (%)
E-Commerce and Retail Business, including the operations of HJC	4,280,000	97.27
General working capital purposes, legal and professional fees and ancillary expenses for the Group	120,000	2.73
Total	4,400,000	100.00

Pending the deployment of the Bond Proceeds and the conversion of the Bonds, the net proceeds may be deposited with banks and/or financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group. As at the Latest Practicable Date, the Company has injected approximately S\$2.1 million into HJC as share capital out of the Subscription Deposit received to date, being S\$2.25 million.

The Company will make periodic announcements on the utilisation of the Bond Proceeds as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's interim and full year financial statements issued under Rule 705 of the Catalist Rules and

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its annual report(s). As the proceeds will be used for working capital purposes, the Company will disclose a breakdown with specific details on how the proceeds have been applied. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

3.5 Undertakings by Investors

The Investors have further irrevocably undertaken not to sell or transfer any of the Bonds and/or the Conversion Shares nor circulate or distribute, directly or indirectly, any offering document or material relating to the Bonds and/or the Conversion Shares, within a period of 6 months from the Subscription Completion Date.

4 THE PROPOSED TRANSFER OF CONTROLLING INTEREST

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a Controlling Interest without prior approval of shareholders in general meeting.

The Proposed Subscription, if approved at the EGM, will result in the transfer of controlling interest in the Company to one of the Investors, Ms Cao Yongyan. Assuming the Bonds are fully converted, Ms Cao Yongyan will hold 435,721,500 Conversion Shares in respect of the Bonds subscribed, representing 18.22% of the Enlarged Share Capital. Therefore, Shareholders' approval for the Proposed Subscription and the Proposed Transfer of Controlling Interest is therefore required pursuant to Rule 803 of the Catalist Rules.

Please refer to Section 11 of this Circular for further details on the dilutive effect of, *inter alia*, the Proposed Subscription and Proposed Grant on the shareholding structure of the Company.

5 THE PROPOSED GRANT

5.1 Information on the Group Employees

The Group Employees comprise the key management of HJC, being Mr Duan Yupeng, Ms Zhu Li and Mr Li Liwei. As at the Latest Practicable Date, none of the Group Employees hold any shares or convertible securities in the capital of the Company. Please refer to Section 6.7 of this Circular for the Group Employees' profiles.

The Group Employees have each represented and warranted to the Company that they are not acting in concert, in collaboration with or co-operating, pursuant to an agreement or undertaking (whether formal or informal), with any existing director or shareholder of the Company, to obtain or consolidate effective control of the Company through the issue of the Management Options and/or the Management Option Shares (including as contemplated in the Takeover Code).

To the best of the knowledge of the Directors, each of the Group Employees have no existing relationship (including business relationships) with the Company, the Group, its Directors, its Substantial Shareholders, save for their employment with HJC, and is not a person to whom the Company is prohibited from issuing shares to, as provided under Rule 812(1) of the Catalist Rules.

5.2 Principal Terms of the Proposed Grant

5.2.1 Conditions Precedent to Grant of Management Options

The obligations of the Company and the Group Employees under the respective Management Option Agreements in connection to the Proposed Grant and of each exercise of the Management Options shall be conditional upon the following:

- (a) all consents, approvals, waivers or clearances for the Proposed Grant which are necessary or which the Company or the respective Group Employees have been advised that it is desirable to obtain, including but not limited to such consents, approvals, waivers or clearances from such government or regulatory authorities or third parties as the case may be, having been obtained by the Company or the respective Group Employees, such consents approvals,

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waivers or clearances not having been amended or revoked before the completion, and to the extent that such consents, approvals, waivers and clearances are subject to any conditions required to be fulfilled before the completion, all such conditions being reasonably acceptable to the Company and the respective Group Employees and having been duly so fulfilled for the entry by the Company and the respective Group Employees into the Proposed Grant;

- (b) the approval of the Company's Board of Directors of, *inter alia*:
 - (i) the Proposed Grant;
 - (ii) the issuance of the Management Options and the Management Option Shares pursuant to Section 161 of the Companies Act and the Catalyst Rules; and
 - (iii) all matters which are necessary or incidental to the Proposed Grant;
- (c) the approval of Company's shareholders at a general meeting of, *inter alia*:
 - (i) the Proposed Grant;
 - (ii) the issuance of the Management Options and the Management Option Shares pursuant to Section 161 of the Companies Act and the Catalyst Rules;
 - (iii) all matters which are necessary or incidental to the Proposed Grant; and
 - (iv) the Proposed Subscription;
- (d) the Company remaining listed on the SGX-ST;
- (e) all relevant authorisations, consents, approvals, resolutions, licences and exemptions necessary for the ordinary course of business of the Company and the Proposed Grant remaining valid, existing and being in full force and effect;
- (f) no notice, order, judgment, action or proceeding of any court, arbitrator, authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful the Proposed Grant or which is reasonably likely to materially and adversely affect the right of the respective Group Employees to own the legal and beneficial title of the Company, following completion of the Proposed Grant;
- (g) on the Grant Completion Date, the representations and warranties of the Group Employees herein being true, accurate and correct in all material respects as if made on the Grant Completion Date, with reference to the then existing circumstances and the Group Employees having performed in all material respects all of their obligations hereunder to be performed on or before the Grant Completion Date.

If any of the conditions above are not satisfied on or before 26 July 2025 or such other date as the parties may agree, the Management Option Agreements shall *ipso facto* cease and determine thereafter.

5.2.2 Completion

Completion of the Proposed Grant shall take place on or before 26 July 2025 or on such other date as may be agreed between the parties.

5.2.3 Details and Principal Terms of the Management Options

The Management Options comprise the Option FY2024 and the Option FY2025, in respect of each of the Group Employees, each being the right to subscribe for the relevant Management Option Shares upon exercise of the respective options in accordance with the respective Management Option Agreements. Subject to the conditions precedent to the Proposed Grant, Management Options shall be exercisable by the Group Employees, in whole only, during the relevant Option Period only if the Targets have been met to the Company's satisfaction (to be determined at the Company's sole discretion).

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The Company shall, upon satisfaction of the Targets, issue the Notification to notify the Group Employees of the commencement of the Option Period. The Notification in respect of the Option FY2024 is to be issued within 10 days from the date of the audited accounts of HJC for the financial period ending 31 December 2024, provided always that if trading in the Company's shares has not at such time resumed or a listing and quotation notice for the Management Option Shares from the SGX-ST has not at such time been granted, the Notification in respect of the Option FY2024 shall instead be issued within 10 days from the date of resumption of trading in the Company's shares or receipt of a listing and quotation notice for the Management Option Shares from the SGX-ST, whichever is later. The Notification in respect of the Option FY2025 is to be issued within 10 days from the date of the audited accounts of HJC for the financial year ending 31 December 2025, provided always that if trading in the Company's shares has not at such time resumed or a listing and quotation notice for the Management Option Shares from the SGX-ST has not at such time been granted, the Notification in respect of the Option FY2025 shall instead be issued within 10 days from the date of resumption of trading in the Company's shares or receipt of a listing and quotation notice for the Management Option Shares from the SGX-ST, whichever is later.

Unless otherwise decided by the Company at its absolute discretion, the Management Options shall, to the extent unexercised, immediately lapse without any claim whatsoever against the Company:

- (a) if the Group Employee breaches any provisions of the relevant Management Options Agreement;
- (b) in the event of the Group Employee's misconduct as determined by the Company in its sole and absolute discretion or any violation of any law or regulation or breach of any regulation or internal rules of the Group, such breach being regarded as serious by the Company in its absolute discretion;
- (c) in the event of the cessation of the Group Employee's employment with HJC or any Group company for any reason whatsoever (other than due to ill health, injury or disability, redundancy, retirement at or after the legal retirement age, retirement before the legal retirement age with the consent of HJC or the Company, the subsidiary by which he is employed ceasing to be a Group company, the undertaking or part of the undertaking of such subsidiary being transferred otherwise than to another Group company, or upon the death of the Group Employee);
- (d) the Group Employee's bankruptcy or the happening of any event which deprives him of the legal or beneficial ownership of the Management Options;
- (e) if an order is made for the winding-up of the Company on the basis of its insolvency; or
- (f) on the last day of the relevant option period applying to the relevant Management Options.

The Company shall, not later than 1 month before the Expiry Date, take reasonable steps to notify the Group Employee in writing of the Expiry Date and announce the expiry of the relevant Management Options on SGXNet.

The Conversion of the Management Options will result in the issue of a maximum of 239,080,000 Management Option Shares arising from the exercise of the Management Options, representing approximately 24.34% of existing issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) of 982,072,934 ordinary shares and approximately 10.00% of the Enlarged Share Capital of 2,391,257,799 ordinary shares. The terms and conditions of the Management Options provide for adjustment to the Options Exercise Price in the event of rights, bonus or other capitalisation issues.

As the Proposed Grant is unrelated to the existing ETC Employee Share Option Scheme, separate approval from Shareholders will be sought for the Proposed Grant.

The Management Options are personal to the Group Employees and the Group Employee may not transfer, pledge, encumber or otherwise dispose of the Management Options, save with the prior written consent of the Company.

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The Company shall be at liberty from time to time to create and issue further shares in the capital of the Company either as cash or bonus distribution and to issue further subscription rights, bonds, options or other convertible instruments, upon such terms and conditions as the Company sees fit, but the Group Employees shall not have any participating rights in such issue. The terms and conditions of the Management Options do not provide the Group Employee with any right to participate in any distributions and/or offers of further securities made by the Company unless the Management Options are converted into the Management Option Shares.

5.2.4 Options Exercise Price

The Options Exercise Price shall be approximately S\$0.004647 per Option Share, representing a discount of approximately 86.21% to the volume weighted average price of S\$0.0337 of the Shares for trades done on the SGX-ST on 25 February 2021 being the full market day prior to the suspension of the Company's securities.

The Options Exercise Price was determined after taking into consideration, *inter alia*, the existing high market capitalisation of approximately S\$33.39 million (based on the last closing price of S\$0.034 per Share prior to Company's entry into a suspension in the trading of its securities on 3 March 2021) is not intended to represent a value which would commercially be deemed acceptable by the parties as a base for the Proposed Grant as it is subject to the Proposed Disposal and Proposed Discharge, which represents the main operations of the Company. The Company has also considered the commercial aspects of the Proposed Grant. The Options Exercise Price ascribes a value of approximately S\$5.5 million for existing shareholders (assuming the conversion of the LSD Convertible Loan into equity, with the interest included up to the Latest Accounts) on a fully diluted basis (assuming the maximum issuance and conversion of the Bonds and the maximum issuance and exercise of the Management Options).

Rule 811(2)(a) of the Catalist Rules provides that for an issue of convertible securities, if the conversion price is fixed, the price must not be more than 10% discount to the prevailing market price of the underlying shares prior to the signing of the relevant agreement. Rule 811(3) of the Catalist Rules provides, *inter alia*, that Rule 811(2) of the Catalist Rules is not applicable if specific shareholder approval is obtained for the issue of convertible securities. As the Options Exercise Price represents more than a 10% discount to the prevailing market price of the underlying shares prior to the suspension of the Company's securities, the issue of the Management Option Shares is subject to the specific approval of Shareholders for the purposes of Rule 811(3) of the Catalist Rules.

5.3 **Rationale and Use of Proceeds**

The purpose of the Proposed Grant is to provide an opportunity for the Group Employees to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group. The Company believes that the Proposed Grant will enable the Company to structure a competitive remuneration package, which is designed as an additional incentive tool to reward and retain Group Employees, as well as to achieve the following objectives:

- (a) to recognise and reward past contributions and services;
- (b) to motivate to Group Employees to continue performing and out-perform their standards and efficiency and to maintain a high level of contribution to the Group;
- (c) to retain key Group Employees whose contributions are important to the long-term growth and success of the Group;
- (d) to attract potential employees with relevant skills and talents necessary to enhance the Group's business; and
- (e) to align the interests of the Group Employees with the interests of Shareholders.

The Management Option Proceeds are approximately S\$1.1 million. Assuming the Management Options are fully exercised, the Company intends to use the proceeds for general working capital purposes, legal and professional fees and ancillary expenses for the Group.

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Pending the deployment of the Management Option Proceeds, the net proceeds may be deposited with banks and/or financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Management Option Proceeds as and when such proceeds are materially disbursed and provide a status report on the use of such proceeds in the Company's interim and full year financial statements issued under Rule 705 of the Catalyst Rules and its annual report(s). As the proceeds will be used for working capital purposes, the Company will disclose a breakdown with specific details on how the proceeds have been applied. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6 **THE PROPOSED DIVERSIFICATION**

6.1 **Existing Business**

As of the Latest Practicable Date, the Group is engaged mainly in the real estate business via the DAS Group, which is the subject of the Proposed Disposal, aside from HJC, which was incorporated in March 2024 with principal activities being the E-Commerce and Retail Business. Through HJC, the Company has further incorporated 25 subsidiaries as at the Latest Practicable Date to support the E-Commerce and Retail Business.

If the Proposed Disposal is completed, the Company's remaining and principal business will be the existing E-Commerce and Retail Business.

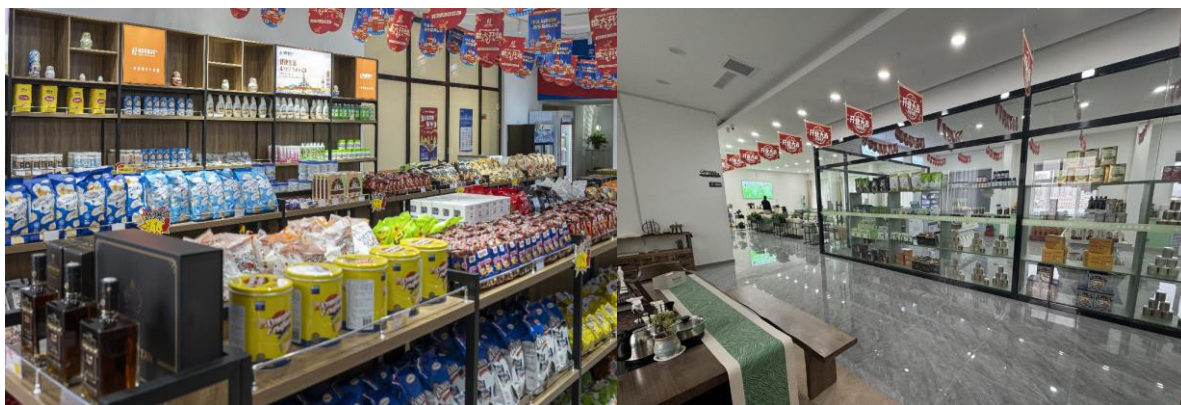
6.2 **The Proposed Diversification**

The E-Commerce and Retail Business as at the Latest Practicable Date has three major in-house brands, namely Seed Global Purchase (初禾全球购), Seed Selection (初禾海选), and Seed Wit Nutritious Family (初禾智慧营养家+), which mainly consist of consumer food and snacks, health food and supplements and condiments. Using platform(s) set up by HJC, the E-Commerce and Retail Business engages more than 60,000 customers via more than 130 online private community groups. The online retail business is supported by 43 boutique stores (under lease and size ranging from 50 to 100 sqm) and 4 flagship stores (under lease and size ranging from 500 to 1,200 sqm). As at the Latest Practicable Date, the Group has obtained the required material licences and permits for its E-Commerce and Retail Business' operations. Through its "online + offline" retail business model, which is serviced by more than 600 employees, HJC plans to achieve precise customer targeting and content marketing for brand communication and value maximisation.



Photos 1 & 2: boutique stores

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Photos 3 & 4: flagship stores

Its operations in China include cities / counties such as Chengdu, Zigong, Fushun, Rongxian, Jiangyou, Deyang, Mianyang, Jincheng and Shenyang. In anticipation of the continued organic growth of the E-Commerce and Retail Business, subsequent expansion or potential subsequent acquisitions by the Company in the E-Commerce and Retail Business, coupled with the Proposed Disposal which upon completion would result in the Company's exiting its existing real estate business, the Company anticipates a change in risk profile of the Company and is therefore seeking approval of Shareholders in relation to the Proposed Diversification.

The Group may also, as part of the expansion into the E-Commerce and Retail Business, acquire, invest in or dispose of shares or interests in any entity that is in the E-Commerce and Retail Business. The Group does not plan to restrict the E-Commerce and Retail Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the E-Commerce and Retail Business as and when the opportunity arises.

The decision on whether an investment should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the respective business, amount of investment required and risks associated with such an investment, nature of expertise required and political, social and economic conditions, taking into account the opportunities available.

Subject to Shareholders' approval for the Proposed Diversification at the EGM, should the Company pursue any of such business opportunities under the E-Commerce and Retail Business, such business activities shall constitute part of the ordinary course of business of the Company (where it does not change the risk profile of the Company), and the Company will make the requisite announcements to update Shareholders in accordance with the requirements of the Catalist Rules.

6.3 Rationale for the Proposed Diversification

The Group believes that the Proposed Diversification will contribute positively to the Company and provide the following benefits to the Group:

(a) Recurrent revenue stream

The growth of the E-Commerce and Retail Business pursuant to the Proposed Diversification is expected to provide a revenue stream for the Group. The Group will further develop and expand the E-Commerce and Retail Business prudently by working with its stakeholders and strategic partners, with a view of enhancing long-term shareholder value and achieving sustainable growth.

(b) Provision of revenue stream and income base after completion of the Proposed Disposal

The Proposed Diversification is expected to provide the Group with a revenue stream following the completion of the Proposed Disposal and an income base for future growth.

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(c) Contribution towards the Company's resumption of trading proposal

The shares in the Company have been suspended from trading on the SGX-ST since 3 March 2021. As disclosed in its announcements to date, the Company has been working towards the submission of a resumption of trading proposal to the SGX-ST.

The proposal of an expansion in its existing E-Commerce and Retail Business after the disposal of the existing real estate business would form an important component of the resumption of trading proposal.

(d) Enhancement of shareholder value

The Proposed Diversification is part of the corporate strategy of the Group towards resumption of trading and to provide Shareholders with long-term growth. Following completion of the Proposed Disposal, the E-Commerce and Retail Business will become the next core business of the Group. It is envisaged to provide more business opportunities and income to the Group at relatively low initial capital outlay, which can be channelled towards the enhancement of shareholder value in the long-term.

(e) Positive prospects in the e-commerce industry

The Group's diversification into the live streaming e-commerce business in China offers an opportunity to tap into a dynamic and rapidly growing market, leveraging the popularity of live streaming and the unique shopping behaviours of Chinese consumers, with a view towards increasing the Group's business opportunities and thereafter contributing positively to the growth, profitability and financial position of the Group.

(f) Flexibility to enter into transactions relating to the E-Commerce and Retail Business in the ordinary course of business

Subject to the Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the E-Commerce and Retail Business, may be deemed to be in the Company's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalyst Rules. Accordingly, the Company may, in its ordinary course of business, enter into transactions relating to the E-Commerce and Retail Business and which will not change the risk profile of the Company, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the E-Commerce and Retail Business arise, subject to the exceptions as set out in Section 6.4 below. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

6.4 Requirements of the Catalyst Rules

Chapter 10 of the Catalyst Rules regulates transactions which are not in the ordinary course of business of a company and which are material, as determined based on certain relative figures computed with respect to the transaction and the company, including net asset value, net profits, the aggregate value of the consideration vis-à-vis market capitalisation of the company and equity securities. Specifically, a material transaction which is not in the ordinary course of business of a company is required to be approved by shareholders of a company. In addition, a material transaction which changes the risk profile of the company is, notwithstanding that it is in the ordinary course of business of such company, required to be approved by shareholders of a company.

Rule 1002(1) of the Catalyst Rules provides that "transaction" generally refers to the acquisition or disposal of assets, or the provision of financial assistance, by an issuer or a subsidiary that is not listed on the SGX-ST or an approved exchange, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature. It also excludes the provision of financial assistance to the issuer, or its subsidiary or associated company.

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As such, the compliance requirements prescribed under Rule 1010 of the Catalist Rules and Rule 1014 of the Catalist Rules do not apply to transactions which are within the Company's existing core business for so long as it is in the ordinary course of its business or of a revenue nature. Pursuant to Rule 1014 of the Catalist Rules, a "major transaction" is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules (a) exceeds 75% but is less than 100% in respect of an acquisition or (b) exceeds 50% in respect of a disposal or the provision of financial assistance. A "major transaction" must be made conditional upon approval by shareholders in a general meeting. In the case where the transaction exceeds 5% but is less than 75% (for an acquisition) or 50% (for a disposal or provision of financial assistance) on the bases set out in Rule 1006 of the Catalist Rules, the transaction is defined as a disclosable transaction and an announcement requiring disclosure of the prescribed information set out in Rule 1010 of the Catalist Rules will also be required.

Pursuant to Practice Note 10A of the Catalist Rules, shareholders' approval is not required for an acquisition that is regarded to be in, or in connection with the ordinary course of an issuer's business, if (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Guidelines are provided under Practice Note 10A of the Catalist Rules on the assessment of what consists of "existing principal business" and "change of risk profile". Practice Note 10A of the Catalist Rules also states that a disposal of an issuer's business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business.

As the Company anticipates a change in risk profile of the Company arising from the continued organic growth of the E-Commerce and Retail Business, subsequent expansion or potential subsequent acquisitions by the Company in the E-Commerce and Retail Business, and the Proposed Disposal and exit from its existing real estate business, the Company is seeking approval of Shareholders in relation to the Proposed Diversification.

Upon approval by Shareholders of the Proposed Diversification, any acquisition which is in, or is in connection with, the E-Commerce and Retail Business, would be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules even if the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed the thresholds set out in Rule 1014 of the Catalist Rules, unless such transaction changes the risk profile of the Group or is subject to Rule 1015 of the Catalist Rules on very substantial acquisitions or reverse takeovers. This will reduce substantially the administrative time and expenses in convening Shareholder meetings for any transactions in the E-Commerce and Retail Business, as well as provide the Group with greater flexibility to pursue business opportunities in the E-Commerce and Retail Business which may be time-sensitive in nature.

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification is being sought:

- (a) where an acquisition of assets (whether or not the acquisition is deemed to be in the ordinary course of business of the Company) is one where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the Company, the transaction is classified as a very substantial acquisition or reverse takeover and would be subject to Rule 1015 of the Catalist Rules, and such transaction will be made conditional upon approval by Shareholders at a general meeting;
- (b) Practice Note 10A of the Catalist Rules will apply and Shareholders' approval would be required for any transaction (which falls within the definition as set out in Rule 1002(1) of the Catalist Rules) which changes the risk profile of the Company;
- (c) when the Group enters into its first "major transaction" as defined under Rule 1014 of the Catalist Rules (the "**First Major Transaction**") involving an acquisition of business or entity in the E-Commerce and Retail Business, or where any of the Rule 1006 of the Catalist Rules figures in respect of several such acquisitions aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval; and
- (d) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such transactions and the

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Company will comply with the relevant provisions of Chapter 9 of the Catalist Rules. In particular, pursuant to Rule 905 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 3% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 3% of the Group's latest audited NTA, the Group must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Pursuant to Rule 906 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 5% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 5% of the Group's latest audited NTA, the Group must obtain shareholder approval for the interested person transaction.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls under sub-paragraphs (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules. In addition, the Company will be required to comply with any applicable and prevailing Catalist Rules as may be amended or modified from time to time.

6.5 Risk Factors

This section sets out the risk factors which, to the best of the Directors' knowledge and belief, are material to Shareholders in making an informed judgment on the Proposed Diversification. The expansion and growth of the existing E-Commerce and Retail Business involves a number of risks, including risks associated with the live streaming e-commerce industry, risks associated with the expansion of businesses and general competition, economic, political and regulatory risks.

The risks declared below are not intended to be exhaustive. New risk factors may emerge from time to time and it is not possible for the management to predict all risk factors, nor can the Company assess the impact of all factors on the E-Commerce and Retail Business or the extent to which any factor or combination of factors may affect the E-Commerce and Retail Business.

Some risks are not yet known to the Group and there may be risks which the Group currently believes are not material at present but may subsequently turn out to be. The risk factors set out in this section should not be construed as a comprehensive list of all risk factors relating to the expansion of the existing E-Commerce and Retail Business. If any of the considerations and uncertainties described below develop into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

Shareholders should carefully consider and evaluate the risk factors and all other information contained in this Circular and consider the risk factors in light of your own investment objectives and financial circumstances before deciding whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from your accountants, stockbrokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

(a) If the e-commerce market does not grow, or grows slower than expected, demand for the Group's goods and services could be adversely affected.

Continued demand from the Group's existing and potential suppliers and principals to promote, market and sell their merchandise through online and offline marketplaces depends on whether e-commerce will continue to be widely accepted and experience the expected growth. The Group's future results of operations will depend on numerous factors affecting the continued development of the e-commerce industry, which may be beyond its control. These factors include:

- the growth of internet, broadband, personal computer and mobile penetration and usage in China and globally, and the rate of any such growth;
- the trust and confidence level of online retail consumers in China and globally, as well as changes in consumers' demographics, tastes and preferences;

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- whether alternative retail channels or business models that better address the needs of consumers emerge; and
- the development of order fulfilment, payment and other ancillary services associated with online purchases.

If consumer utilisation of online and offline marketplaces does not grow or grows slower than the Group expects, demand for merchandise that the Group sells under third party brands and its private labels would be adversely affected, the Group's revenue would be negatively impacted and its ability to pursue its growth strategy would be compromised.

- (b) If the complexities and challenges faced by the Group's supplier and principals in seeking to sell online and offline diminish, or if they increase their in-house e-commerce capabilities as an alternative to the e-commerce goods and services provided by the Group, demand for the Group's e-commerce goods and services, as well as the Group's product range and sales revenue could be adversely affected.**

One of the key attractions of goods and services provided by the Group to its suppliers and principals is its ability to help in addressing the complexities and difficulties that they face in the e-commerce market, such as leveraging the popularity of live streaming and the unique shopping behaviours of Chinese consumers. If the level of such complexities and difficulties declines as a result of changes in the e-commerce landscape or otherwise, or if the Group's suppliers or principals choose to increase their in-house support capabilities as an alternative to the Group's e-commerce goods and services, the Group's e-commerce goods and services may become less important or attractive to its suppliers and principals, and as a consequence, demand for the Group's e-commerce goods and services may decline and the Group's product range and sales revenue may be adversely affected.

- (c) Material disruption of or any compromise to e-commerce channels or platforms could materially and adversely affect the Group's operations and sales**

The Group's goods and services which rely on e-commerce channels and platforms, including third-party service providers, which could cease operations unexpectedly due to a number of events, including interruptions in telecommunication services, cyber security breaches, computer viruses and other unlawful access. Any material channel downtime or disruption could reduce sales in online marketplaces on which the Group sells its merchandise, disrupt delivery of service and expose the Group to potential liability. As the Group operates on a limited number of online marketplaces, the adverse effects of such downtime and disruption could be significant to its operations as a whole. As at the Latest Practicable Date, the Group has not experienced material disruption of its e-commerce channels where it sells its merchandise.

- (d) If the Group fails to anticipate changes in the consumers' buying preferences or to adjust or improve product range, quality or features accordingly, the Group's results of operation may be materially and adversely impacted**

Long-term growth of the E-Commerce and Retail Business relies upon the Group's ability to anticipate and respond to the market and consumer trends with respect to merchandise sold through the online and offline marketplaces. The Group needs to keep abreast of emerging and changing consumer preferences and their impact on the e-commerce industry, and anticipate product trends that will appeal to existing and potential consumers. If the Group fails to promptly identify and respond to changes in merchandising and consumer preferences, acting to adjust or improve product range, quality or features accordingly, and prudently manage its inventory to avoid overstocking or understocking of merchandise, sales of merchandise could suffer and negatively impact the Group's financial results.

- (e) The Group may face product liability claims if merchandise sold under third party brands and/or private labels are found to contain defects or are unfit for purpose**

In the event the merchandise the Group sells under its private label are found to be unfit for their intended purpose or contain defects which cause the Group's customers to suffer loss, personal injury or death from the use of such merchandise, the Group may be required to

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compensate its customers for such loss, personal injury and/or death. In the case of the merchandise of third-party brands that the Group sells on online and offline marketplaces, the Group may not be able to seek full or any indemnification or compensation as a result of any loss, personal injury or death caused by such merchandise for which it is liable to compensate. In such cases, the Group will be exposed to for product liability arising from defects in its merchandise. The Group may also have to recall such merchandise if there are allegations of them being unsafe.

In the event that that legal proceedings are instituted against the Group, the Group may have to spend significant amount of resources to defend itself and this may have an adverse effect on its business and financial position. In addition, if the merchandise which the Group sells are found to be defective, the Group may, as a distributor, face adverse publicity which may negatively affect the Group's business and financial performance.

While the Group is not able to provide assurance that the merchandise will not infringe product liability laws in the future, as at the Latest Practicable Date, the Group is currently not aware of any product liability infringement by the merchandise which it sells or distributes. Additionally, as the majority of the merchandise the Group sells are from third-party suppliers, the Group has not taken up product liability insurance.

(f) The Group may seek opportunities for growth through acquisitions, joint ventures, investments and partnerships, which may not be successful

The Group may seek opportunities for growth through strategic alliances, acquisitions, joint ventures, investments and partnerships. There is no assurance that such transactions and initiatives or any of these efforts will be successful. The acquisitions and investments that the Group may make, or joint ventures and partnerships that the Group may enter into, may expose the Group to additional business or operating risks or uncertainties, including but not limited to the following:

- (i) inability to effectively integrate and manage the acquired businesses;
- (ii) inability of the Group to exert control over the actions of its joint venture partners, including any non-performance, default or bankruptcy of the joint venture partners;
- (iii) time and resources expended to coordinate internal systems, controls, procedures and policies;
- (iv) disruption to ongoing business and diversion of the management's time and attention from the Group's day-to-day operations and other business concerns;
- (v) risk of entering markets that the Group may have no or limited prior experience or dealing with new counterparties;
- (vi) potential loss of key employees and customers of the existing business and acquired businesses;
- (vii) risk that an investment or acquisition may reduce the Group's future earnings; and
- (viii) exposure to unknown liabilities.

The expansion of the Group's business in other jurisdictions may expose it to the risks related to a new business venture as well as to the risks of operating in a new jurisdiction that has economic, legal and regulatory conditions that are different from the existing jurisdictions that the Group operates in. Accordingly, there is no assurance of the Group's success or the sustainability of its business in the other jurisdictions. Inability to adapt or assimilate its operations to the new market could have a material adverse effect on its business, financial condition, results of operations and prospects.

If the Group is unable to successfully implement its growth strategy or is unable to address the risks associated with the Group's acquisitions, joint ventures, investments and partnerships, or if the Group encounters unforeseen expenses, difficulties, complications or

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delays in connection with the integration of acquired businesses and the expansion of operations, or fails to achieve acquisition synergies, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(g) The Group has a limited operating history in the E-Commerce and Retail Business

The Group has a limited operating history in the E-Commerce and Retail Business upon which to evaluate the viability and sustainability of its business. The Group's history of operating in the E-Commerce and Retail Business is relatively short as it only incorporated HJC on 15 March 2024.

The Group's historical results may not be indicative of its future performance and Shareholders should consider the Group's future prospects in light of the risks and uncertainties of early-stage companies operating in fast evolving high-tech industries in emerging markets.

Some of these risks and uncertainties relate to the ability of the Group to:

- (i) retain existing suppliers and customers and attract new suppliers and customers;
- (ii) maintain growth rates across the Group's various business segments;
- (iii) expansion into new product categories and new geographies;
- (iv) maintain and expand the Group's network of partners which include online and offline distribution channel partners and third-party service providers;
- (v) maintain and upgrade the Group's technology and infrastructure;
- (vi) anticipate and adapt to changing customer preferences;
- (vii) create and increase awareness of the brands, goods and services distributed by the Group;
- (viii) adapt to competitive market conditions;
- (ix) adapt to disruption of online and offline marketplaces and distribution channels;
- (x) adapt to disruption of online and offline supply chains;
- (xi) address customers' concerns relating to after-sales service and warranty, privacy and communication, safety, security or other factors;
- (xii) adapt to changes in the Group's brands, goods and services that are mandated by, or elected to be undertaken by the Group, to address legislation, regulations or government policies;
- (xiii) maintain adequate control of the Group's expenses;
- (xiv) raise funds for future expansion and growth; and
- (xv) attract and retain qualified personnel.

If the Group is unsuccessful in addressing any of these risks and uncertainties, its business, financial condition and results of operations may be materially and adversely affected.

(h) The risk management and internal control systems of the Group may not be able to exhaustively assess and mitigate all risks

The risk management and internal control systems of the Group may not be able to exhaustively assess or mitigate all risks. The Group's internal control system includes an organisational framework and policies and procedures that are designed to monitor and control

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potential risk areas relevant to its business operations. Although the Group's internal control procedures are designed to monitor its operations and ensure overall compliance, there is no assurance that its risk management and internal control systems will be able to identify, prevent and manage all risks or all non-compliance incidents exhaustively in a timely manner, and it may not be always possible to detect and prevent every fraud, scam, counterfeit and other misconduct in a timely manner, which could harm the Group's reputation and cause material and adverse effects to its business, operational results, financial condition and prospects.

The Group's risk management and internal controls also depend on the effective implementation of such systems by its employees. Due to the significant size of the Group's operations, there is no assurance that such implementation will not involve any human errors or mistakes, which may materially and adversely affect the Group's business and operational results.

As the Group is likely to offer a broader and more diverse range of products and services in the future, its risk management capabilities are likely to require further enhancement. If the Group fails to timely adapt its risk management policies and procedures to its changing business, its business, financial condition, operational results and prospects could be materially and adversely affected.

(i) Any improper use or disclosure of the Group's business data could harm the Group's reputation

The Group's business generates and processes personal, transactional, demographic and behavioural data. The Group faces risks inherent in handling large volumes of data, protecting the security of such data and regulatory compliance in relation to such data. In particular, the Group faces challenges relating to data from transactions and other activities on the Group's and/or third parties' platforms or systems, including:

- protecting the data in and hosted on the Group's and/or third parties' systems, including against cyber-attacks on its systems by outside parties or fraudulent behaviour by its employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from customers and regulatory and governmental authorities relating to such data.

As at the Latest Practicable Date, the Group is not aware of any improper use or disclosure of its business data.

(j) The Group is subject to risks relating to economic, political, legal or social environment in the overseas markets that it operates in

The E-Commerce and Retail Business' operations are in China and therefore dependent on the political, economic, regulatory and social conditions in China. Should the Group expand to other overseas markets, the Group may be dependent on the political, economic, regulatory and social conditions in such countries. The business, earnings, asset values, and prospects of the Group as well as the value of the Shares may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, exchange control regulations, consumer industry laws and regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting China or elsewhere, where applicable.

The Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on the Group's operations or the price of or market for the Shares. Any adverse development in the political situation and economic uncertainties in China or elsewhere could materially and adversely affect the results of operations of the Group.

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Such political or regulatory changes include (but are not limited to) the introduction of new laws and regulations which impose and/or increase restrictions on the conduct of business, the repatriation of profits, the imposition of capital controls and changes in interest rates.

(k) The Group is subject to laws, regulations and guidelines in connection with its business operations in the overseas markets that it operates in

The Group may require the relevant licenses, permits and/or approvals to be issued by the relevant authorities in China or such other overseas markets which it may operate in. Accordingly, there is no assurance that the relevant licences, permits and/or approvals will be granted or, where granted, will not be revoked or will be renewed in the future. Any revocation, rejection or non-renewal of any licences, permits and/or approvals or any changes to the relevant legislation, regulations or guidelines in connection with its business operations in China or elsewhere, whether currently or in the future, could affect the ability of the Group to continue with its business in the respective overseas markets. This may in turn affect the business operations of the Group as well as its profitability.

There is no assurance that the laws, regulations and guidelines which are applicable to the Group's business will not change. In the event of any such amendments, the Group may need to ensure compliance with such new laws, regulations and guidelines or the Group may also need to comply with new licensing requirements under such laws, regulations and guidelines. If it is unable to comply or are unable to obtain such new licences, permits and/or approvals the business operations of the Group may be adversely affected. As at the Latest Practicable Date, the Group has obtained the required material licences and permits for its E-Commerce and Retail Business' operations.

6.6 Funding for the E-Commerce and Retail Business

The E-Commerce and Retail Business will be primarily funded through the Proposed Subscription. As noted in Section 3.4 of this Circular, the Company intends to use approximately 97.27% (being an amount of S\$4,280,000) of the Bond Proceeds in the E-Commerce and Retail Business, including the operations of HJC.

As and when necessary and deemed appropriate, the Group may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

6.7 Management and Board of Directors of the E-Commerce and Retail Business

The E-Commerce and Retail Business will be managed by the management of the Company, headed by Mr Joseph Lim (Chief Executive Officer) and Mr Chua Yong Sheng (Assistant Financial Controller) and the management of HJC, headed by Mr Duan Yupeng (General Manager), Ms Zhu Li (Deputy General Manager) and Mr Li Liwei (Financial Controller). The Board of Directors of HJC comprises Mr Joseph Lim, Mr Zhu Xiaolin, Mr Duan Yupeng and Ms Zhu Li.

Mr Joseph Lim has over 10 years of senior management experience with extensive background in public companies listed on SGX-ST and the Australian Securities Exchange, with operations spanning Asia, Europe and Australia. He is currently overseeing the Group's executive operations and responsible for the Group's strategic direction, corporate development and planning and investor relations.

Mr Chua Yong Sheng brings over 10 years of expertise in auditing and accounting. He is a member of CPA Australia (Certified Practising Accountant) and a member of the Chartered Global Management Accountant (CGMA). In his current role, he oversees the finance, accounting, and treasury functions for the Group.

Mr Duan Yupeng graduated from University of Glasgow with a Master of Finance. He has years of experience in corporate reorganization, corporate mergers and acquisitions, project investment and financing, and market expansion in various industries. He is responsible for the operation and management of HJC. Mr Duan Yupeng is also the legal representative of HJC and reports to the Board of Directors of HJC in his capacity as General Manager.

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Ms Zhu Li graduated from Open University of China, majoring in Business Administration. She has years of experience in consumer goods marketing management, formulating sales strategies and managing sales teams. She is responsible for the marketing management and supply chain management of HJC.

Mr Li Liwei graduated from Sichuan Institute of Technology and has years of experience in financial management, financial analysis and control. He has served as financial controller in large enterprises and is responsible for the finance, accounting, financial risk and tax of HJC.

The Group will continue to monitor developments and progress in the E-Commerce and Retail Business, evaluate the manpower and expertise required, and where necessary, strengthen the management and execution team of the E-Commerce and Retail Business with additional candidates with the credentials and experience relevant to the E-Commerce and Retail Business. In making decisions, the Board and the management will engage and seek the advice of suitably qualified external personnel, consultants, industry experts and professionals for the E-Commerce and Retail Business as and when required.

6.8 Risk Management and Safeguards

The Board does not have a separate risk committee and is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company following the Proposed Diversification.

The Audit Committee will be required to approve appropriate risk management procedures and measurement methodologies, and be involved in identifying and managing the various business risks for the E-Commerce and Retail Business. The Audit Committee will:

- (a) 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;
- (b) reviewing, with the external auditors, their audit reports;
- (c) reviewing the assistance given by the Company's officers to the external auditors;
- (d) 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;
- (e) 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;
- (f) inquiring from the management and external auditors about significant risks or exposures, and assessing steps taken by the management to minimise or control the Company's exposure to such risks;
- (g) 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 the management's responses thereto;
- (h) maintaining free and open communications between Directors, external auditors, and the management;
- (i) meeting with the external auditors, the management, and any others considered appropriate in separate executive sessions to discuss any matters that the Audit Committee believes should be discussed privately at least annually; and

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- (j) reviewing the adequacy, effectiveness, scope and results of the internal audit function.

The Board and the Audit Committee will endeavour to ensure that the risk management and internal control systems are implemented commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the E-Commerce and Retail Business; and protect the integrity of the Group's financial and accounting information, promote accountability and prevent fraud, where necessary, and will review such risk management systems periodically to assess its adequacy.

The Board and the Audit Committee will adopt internal policies before tabling proposals for any new projects or investments under the E-Commerce and Retail Business. In addition, the Board and the Audit Committee (which is required to review the risk exposure of the E-Commerce and Retail Business of the Company at regular intervals) will review the risk exposure of the E-Commerce and Retail Business at intervals of not less than annually.

The risk management and internal control systems, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, prosecution being taken against the Company and/or its employees, disruption to the risk management system, and/or an adverse effect on the Group's financial condition and results of operations.

6.9 Future Plans and Prospects

The Proposed Diversification is part of the Company's efforts towards the resumption of trading of its shares. As noted in Section 6.2 above, the E-Commerce and Retail Business currently has operations in various cities / counties in China. The Proposed Diversification will offer new business opportunities and provide the Group with revenue streams so as to enhance shareholder value for the Company.

6.10 Financial Reporting

For the purposes of reporting the financial performance of the Group, in accordance with the applicable accounting standards and the Catalist Rules, where the financial result of the E-Commerce and Retail Business has been accounted for and disclosed as a separate business segment in the Group's latest financial statements. The Group's financial statements will continue to be periodically announced in accordance with the requirements set out in Chapter 7 of the Catalist Rules.

6.11 No change to the Board

There is no change to the Board arising from the Proposed Diversification.

7 FINANCIAL EFFECTS

7.1 The Proposed Disposal and the Proposed Discharge

7.1.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the Proposed Disposal and the Proposed Discharge are set out below. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2023 and assuming the completion of the Proposed Disposal and the Proposed Discharge, as set out below. Based on the audited consolidated financial statements of the Group for FY2023, adjusted with a waiver of amounts owed by DAS Pte. Ltd. to the Company, the Proposed Disposal for a total consideration of S\$4.0 million would represent a net loss of approximately S\$70.7 million after taking into account the estimated fees and expenses of approximately S\$0.1 million. The Company has assumed the same in the preparation of the pro forma financial effects below.

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The pro forma financial effects are only presented for illustration purposes and are not intended to reflect the actual future financial position and performance of the Company or the Group after the Proposed Disposal and the Proposed Discharge.

7.1.2 NTA

Assuming that the Proposed Disposal and the Proposed Discharge were completed on 31 December 2023 and based on the Group's audited consolidated financial statements for FY2023, the pro forma financial effects of the Proposed Disposal and the Proposed Discharge on the unaudited consolidated NTA of the Group are as follows:

	As at 31 December 2023	
	Before the Proposed Disposal and the Proposed Discharge	After the Proposed Disposal and the Proposed Discharge
NTA of the Group (S\$'000)	34,331	1,595
Number of Shares	982,072,934	982,072,934
NTA per share (cents)	3.50	0.16

Note:

- (1) The NTA of DAS Group as at 31 December 2023 which was taken into consideration to arrive at the post-disposal NTA of the Group does not represent the NTA at the date of completion.

7.1.3 LPS

Assuming that the Proposed Disposal and the Proposed Discharge had been completed on 1 January 2023 and based on the Group's audited consolidated financial statements for FY2023, the pro forma financial effects of the Proposed Disposal and the Proposed Discharge on the unaudited consolidated LPS of the Group are as follows:

	For FY2023	
	Before the Proposed Disposal and the Proposed Discharge	After the Proposed Disposal and the Proposed Discharge
Loss after tax (S\$'000)	(23,156)	(71,927)
Weighted average number of Shares	982,072,934	982,072,934
LPS (cents)	(2.36)	(7.32)

Note:

- (1) The financials of DAS Group as at 31 December 2023 which were taken into consideration to arrive at the post-disposal net loss attributable to Shareholders do not represent the values at the date of completion.

7.1.4 Gearing

Assuming that the Proposed Disposal and the Proposed Discharge had been completed on 31 December 2023 and based on the Group's audited consolidated financial statements for FY2023, the pro forma financial effects of the Proposed Disposal and the Proposed Discharge on the gearing of the Group are as follows:

	As at 31 December 2023	
	Before the Proposed Disposal and the Proposed Discharge	After the Proposed Disposal and the Proposed Discharge
Total Debts (S\$'000)	46,177	Nil
Total Equity (S\$'000)	34,331	1,595
Gearing Ratio (times)	1.35	Nil

Note:

- (1) The debts and equity of DAS Group as at 31 December 2023 which were taken into consideration to arrive at the post-disposal debts and equity of the Group do not represent the values at the date of completion.

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7.2 The Proposed Subscription and the Proposed Grant

7.2.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the Proposed Subscription and the Proposed Grant taken together are set out below, prepared based on the audited consolidated financial statements of the Group for the FY2023.

The pro forma financial effects before the Proposed Subscription and the Proposed Grant have been prepared assuming the following:

- (A) the completion of the Proposed Disposal and the Proposed Discharge; and
- (B) the conversion of the LSD Convertible Loan into equity, with the interest included up to 30 September 2024.

The pro forma financial effects after the Proposed Subscription and the Proposed Grant have been prepared assuming the following:

- (A) completion of the maximum issuance and conversion of the Bonds;
- (B) completion of the maximum issuance and exercise of the Management Options;
- (C) the completion of the Proposed Disposal and the Proposed Discharge; and
- (D) the conversion of the LSD Convertible Loan into equity, with the interest included up to 30 September 2024.

The pro forma financial effects are only presented for illustration purposes and are not intended to reflect the actual future financial position and performance of the Group in the event that the Proposed Subscription and the Proposed Grant have been completed.

7.2.2 Share Capital

In the event that the Proposed Subscription and the Proposed Grant have been completed, the pro forma financial effects on the share capital of the Company for FY2023 are as follows:

	Before the Proposed Subscription and the Proposed Grant	After the Proposed Subscription and the Proposed Grant
Number of Shares	1,183,442,438	2,391,257,799
Amount of share capital (S\$)	50,964,874	56,617,872

7.2.3 NTA

Assuming that the Proposed Subscription and the Proposed Grant have been completed on 31 December 2023 and based on the Group's audited consolidated financial statements for FY2023 and taking into account the estimated fees and expenses of approximately S\$0.1 million, the pro forma financial effects of the Proposed Subscription and the Proposed Grant (including non-controlling interests) on the consolidated NTA of the Group are as follows:

	As at 31 December 2023	
	Before the Proposed Subscription and the Proposed Grant	After the Proposed Subscription and the Proposed Grant
NTA of the Group (S\$'000)	1,595	7,106
Number of Shares	1,183,442,438	2,391,257,799
NTA per share (cents)	0.13	0.30

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7.2.4 LPS

Assuming that the Proposed Subscription and the Proposed Grant are completed on 1 January 2023 and based on the Group's audited consolidated financial statements for FY2023 and taking into account the estimated fees and expenses of approximately S\$0.1 million, the pro forma financial effects of the Proposed Subscription and the Proposed Grant on the consolidated LPS of the Group are as follows:

	For FY2023	
	Before the Proposed Subscription and the Proposed Grant	After the Proposed Subscription and the Proposed Grant
Loss after tax (S\$'000)	(71,927)	(72,027)
Weighted average number of Shares	1,183,442,438	2,391,257,799
LPS (cents)	(6.08)	(3.01)

7.2.5 Gearing

Assuming that the Proposed Subscription and the Proposed Grant are completed on 31 December 2023 and based on the Group's audited consolidated financial statements for FY2023, the pro forma financial effects of the Proposed Subscription and the Proposed Grant on the gearing of the Group are as follows:

	As at 31 December 2023	
	Before the Proposed Subscription and the Proposed Grant	After the Proposed Subscription and the Proposed Grant
Total Debts (S\$'000)	Nil	Nil
Total Equity (S\$'000)	1,595	7,106
Gearing Ratio (times)	Nil	Nil

7.3 **The Proposed Transactions**

7.3.1 Bases and Assumptions

For the purposes of illustration only, the pro forma financial effects of the Proposed Transactions are set out below, prepared based on the audited consolidated financial statements of the Group for FY2023 and assuming the completion assuming (i) the completion of the Proposed Transactions; (ii) the conversion of the LSD Convertible Loan; (iii) the conversion of the Bonds; and (iv) the exercise of the Management Options.

The pro forma financial effects are only presented for illustration purposes and are not intended to reflect the actual future financial position and performance of the Company or the Group after the Proposed Transactions.

7.3.2 Share Capital

In the event that the Proposed Transactions have been completed, the pro forma financial effects on the share capital of the Company for FY2023 are as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Number of Shares	982,072,934	2,391,257,799
Amount of share capital (S\$)	32,841,618	56,617,872

7.3.3 NTA

Assuming that the Proposed Transactions have been completed on 31 December 2023 and based on the Group's audited consolidated financial statements for FY2023 and taking into account the estimated fees and expenses of approximately S\$0.1 million, the pro forma financial effects of the

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Proposed Transactions (including non-controlling interests) on the consolidated NTA of the Group are as follows:

	As at 31 December 2023		
	Before the Transactions	Proposed	After the Proposed Transactions
NTA of the Group (S\$'000)	34,311		7,106
Number of Shares	982,072,934		2,391,257,799
NTA per share (cents)	3.50		0.30

7.3.4 LPS

Assuming that the Proposed Transactions are completed on 1 January 2023 and based on the Group's audited consolidated financial statements for FY2023 and taking into account the estimated fees and expenses of approximately S\$0.1 million, the pro forma financial effects of the Proposed Transactions on the consolidated LPS of the Group are as follows:

	For FY2023		
	Before the Transactions	Proposed	After the Proposed Transactions
Loss after tax (S\$'000)	(23,156)		(72,027)
Weighted average number of Shares	982,072,934		2,391,257,799
LPS (cents)	(2.36)		(3.01)

7.3.5 Gearing

Assuming that the Proposed Transactions are completed on 31 December 2023 and based on the Group's audited consolidated financial statements for FY2023, the pro forma financial effects of the Proposed Transactions on the gearing of the Group are as follows:

	As at 31 December 2023		
	Before the Transactions	Proposed	After the Proposed Transactions
Total Debts (S\$'000)	46,177		Nil
Total Equity (S\$'000)	34,331		7,106
Gearing Ratio (times)	1.35		Nil

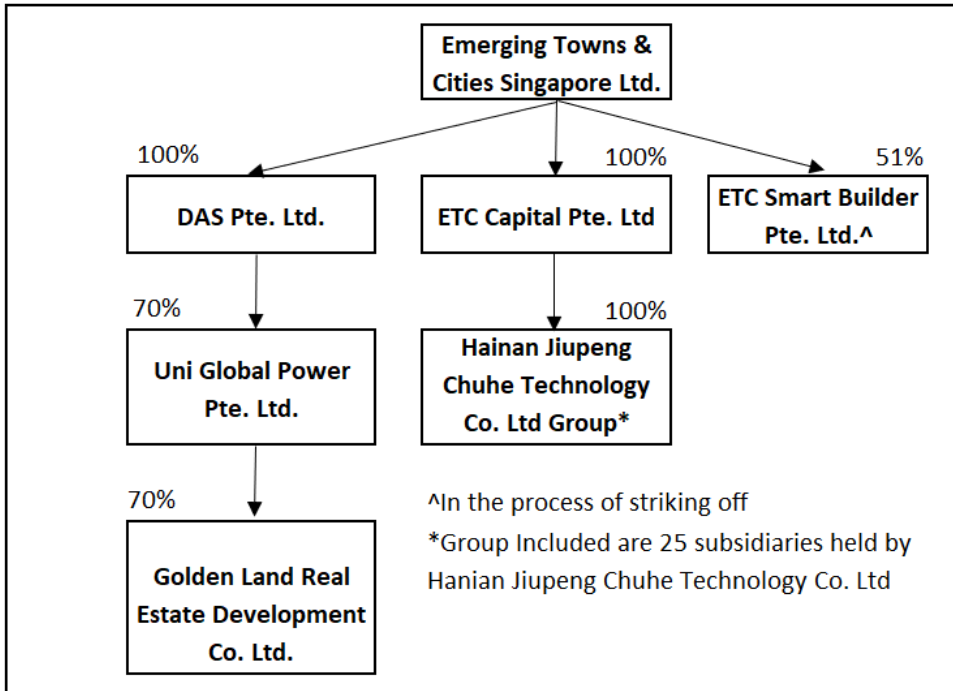
8 DIRECTORS' OPINION

The Directors are of the opinion that, after taking into consideration:

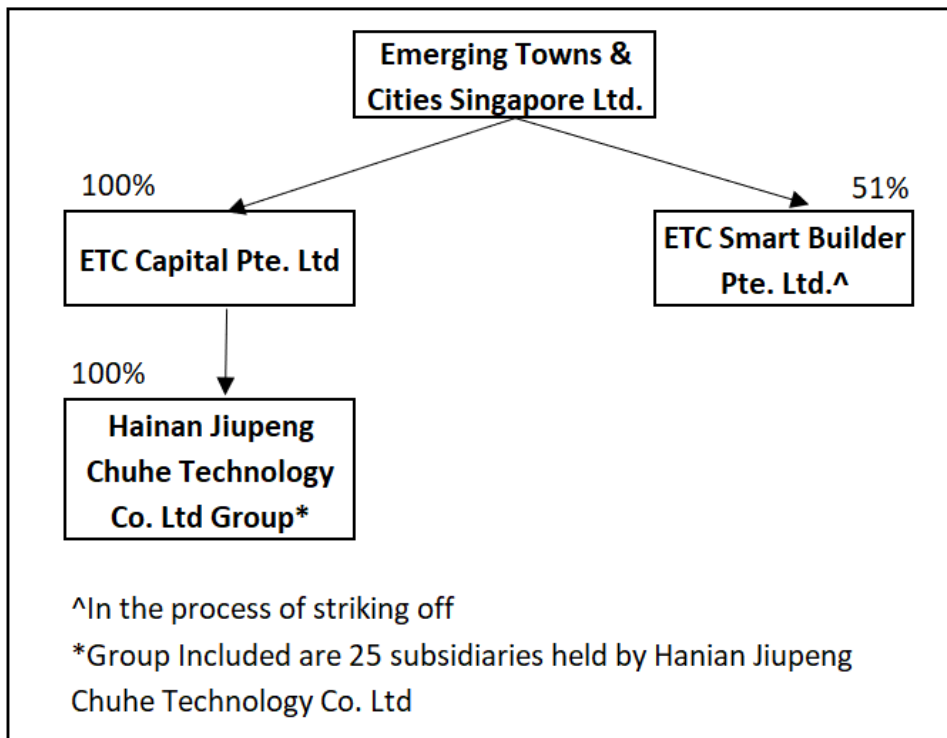
- (i) the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements and (i) the Proposed Subscription is mainly for the purpose of injecting capital and working capital into the E-Commerce and Retail Business, including the operations of HJC, and (ii) the Proposed Grant is to, *inter alia*, motivate and recognise employees as part of a competitive remuneration package; and
- (ii) the Group's present bank facilities, the Bond Proceeds and the Management Option Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

9 GROUP STRUCTURE

The structure of the Group as at the Latest Practicable Date is set out as follows:



The structure of the Group after the completion of the Proposed Transactions is set out as follows:



10 SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Transactions and no service contracts in relation thereto are proposed to be entered into by the Company.

LETTER TO SHAREHOLDERS

11 INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS, INVESTORS AND GROUP EMPLOYEES

11.1 To the best of the knowledge of the Directors, the interests of:

- (A) the Directors, the current Substantial Shareholders, Investors and Group Employees in the share capital of the Company as at the Latest Practicable Date; and
- (B) the Directors, the current Substantial Shareholders, Investors and Group Employees in the share capital of the Company upon the completion of the Proposed Transactions and assuming the conversion of the LSD Convertible Loan, the conversion of the Bonds and the exercise of the Management Options,

based on the Register of Directors' Shareholdings, the Register of Substantial Shareholders, and the shareholding structure of the Company as at the Latest Practicable Date are set out below:

	As at the Latest Practicable Date						After the Proposed Transactions					
	Direct Interest		Deemed Interest		Total No. of Shares Held	%	Direct Interest		Deemed Interest		Total No. of Shares Held	%
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾			No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾		
Directors												
Ang Mong Seng	-	-	-	-	-	-	-	-	-	-	-	-
Joseph Lim ⁽³⁾	1,733,000	0.18	-	-	1,733,000	0.18	1,733,000	0.07	-	-	1,733,000	0.07
Ye Binlin	-	-	-	-	-	-	-	-	-	-	-	-
Teo Cheng Kwee ⁽⁴⁾	59,281,760	6.04	-	-	59,281,760	6.04	59,281,760	2.48	-	-	59,281,760	2.48
Zhu Xiaolin ⁽⁵⁾	151,120,969	15.39	49,269,895	5.02	200,390,864	20.40	151,120,969	6.32	49,269,895	2.06	200,390,864	8.38%

LETTER TO SHAREHOLDERS

Current Substantial Shareholder(s) (other than Director(s))												
Zhang Xiang	89,000,000	9.06	-	-	89,000,000	9.06	89,000,000	3.72	-	-	89,000,000	3.72
Investors												
Cao Yongyan	-	-	-	-	-	-	435,721,500	18.22	-	-	435,721,500	18.22
Yao Ling	-	-	-	-	-	-	96,827,000	4.05	-	-	96,827,000	4.05
Chen Jianqun	-	-	-	-	-	-	96,827,000	4.05	-	-	96,827,000	4.05
Lu Xisong	-	-	-	-	-	-	96,827,000	4.05	-	-	96,827,000	4.05
Tang Wei	-	-	-	-	-	-	96,827,000	4.05	-	-	96,827,000	4.05
Zhang Junyun	-	-	-	-	-	-	72,620,250	3.04	-	-	72,620,250	3.04
Chen Wenjia	-	-	-	-	-	-	72,620,250	3.04	-	-	72,620,250	3.04
Group Employees												
Duan Yupeng	-	-	-	-	-	-	107,586,000	4.50	-	-	107,586,000	4.50
Zhu Li	-	-	-	-	-	-	71,724,000	3.00	-	-	71,724,000	3.00
Li Liwei	-	-	-	-	-	-	59,770,000	2.50	-	-	59,770,000	2.50

Notes:

- (1) Calculated based on the existing issued and paid-up share capital of the Company of 982,072,934 Shares as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

- (2) Calculated based on the Enlarged Share Capital of 2,391,257,799 Shares.
- (3) Mr Joseph Lim has interests in 2,000,000 Outstanding Options granted under the CSH Employee Share Option Scheme 2009.
- (4) Mr Teo Cheng Kwee has interests in 2,000,000 Outstanding Options granted under the CSH Employee Share Option Scheme 2009.
- (5) Mr Zhu Xiaolin is deemed interested in 49,269,895 shares held by Philip Securities Pte. Ltd. as his nominee.

After the completion of the Proposed Transactions and assuming conversion of the LSD Convertible Loan, Mr Teo Cheng Kwee and Mr Zhang Xiang will cease to be Substantial Shareholders of the Company, Mr Luo Shandong will become a Substantial Shareholder of the Company and Ms Cao Yongyan will become a Controlling Shareholder of the Company.

As at the Latest Practicable Date, none of the Company's directors or Controlling Shareholders or their respective associates has any interest, direct or indirect, in the Proposed Transactions other than through their respective shareholdings (if any) in the Company.

- 11.2 Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of its total number of issued shares (excluding treasury shares) are held by public Shareholders. As at the Latest Practicable Date, approximately 64.32% of the issued Shares (excluding treasury shares) are held by public Shareholders. As at the Latest Practicable Date and assuming the completion of the Proposed Transactions including the conversion of the LSD Convertible Loan, the conversion of the Bonds and the exercise of the Management Options, approximately 61.45% of the issued Shares (excluding treasury shares) will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake the Proposed Transactions without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

12 LISTING AND QUOTATION OF CONVERSION SHARES AND MANAGEMENT OPTION SHARES

The Company will be submitting an application, through its Sponsor, to the SGX-ST for the admission to and listing and quotation of the Conversion Shares and the Management Option Shares on the SGX-ST in conjunction with the Company's resumption of trading proposal to the SGX-ST at an appropriate time. The Company will make the necessary announcements upon application for the listing and quotation of the Conversion Shares and the Management Option Shares. The listing and quotation notice, if and when given by the SGX-ST, is not to be taken as an indication of the merits of the Conversion Shares, the Management Option Shares, the Proposed Subscription, the Proposed Grant, the Company, its subsidiaries and its securities. The Company will make the necessary announcements once the listing approval in respect of the Conversion Shares and Management Option Shares has been obtained.

13 DIRECTORS' RECOMMENDATIONS

13.1 The Proposed Disposal

After having considered, amongst other things, the rationale for and benefits of the Proposed Disposal, the Directors are of the view that the Proposed Disposal is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 1 in relation to the Proposed Disposal.

13.2 The Proposed Discharge

After having considered, amongst other things, the rationale for and benefits of the Proposed Discharge, the Directors are of the view that the Proposed Discharge is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 2 in relation to the Proposed Discharge.

13.3 The Proposed Subscription

After having considered, amongst other things, the rationale for and benefits of the Proposed Subscription, the Directors are of the view that the Proposed Subscription is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 3 in relation to the Proposed Subscription.

13.4 The Proposed Grant

After having considered, amongst other things, the rationale for and benefits of the Proposed Grant, the Directors are of the view that the Proposed Grant is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 4 in relation to the Proposed Grant.

13.5 The Proposed Transfer of Controlling Interest

After having considered, amongst other things, the rationale for and benefits of the Proposed Transfer of Controlling Interest, the Directors are of the view that the Proposed Transfer of Controlling Interest is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 5 in relation to the Proposed Transfer of Controlling Interest.

13.6 The Proposed Diversification

After having considered, amongst other things, the rationale for and benefits of the Proposed Diversification, the Directors are of the view that the Proposed Diversification is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 6 in relation to the Proposed Diversification.

LETTER TO SHAREHOLDERS

13.7 No regard to Specific Objectives

In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

14 INTER-CONDITIONALITY

Shareholders should note that the Ordinary Resolutions 1, 2, 3, 4, 5 and 6 are inter-conditional. This means that if any of the Ordinary Resolutions are not approved, none of the Ordinary Resolutions will be passed.

15 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-5 of this Circular, will be held at 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on 6 December 2024 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolutions relating to the Proposed Transactions as set out in the Notice of EGM.

16 ACTION TO BE TAKEN BY THE SHAREHOLDERS

Physical meeting

- (1) The EGM is being convened and will be held physically at 160 Robinson Road, #06-01 SBF Center, Singapore 068914. **There will be no option for members to participate virtually.**

Members' Queries

- (2) Members, including investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), will be able to submit questions in advance of, or "live" at, the EGM.
- (3) Questions may be submitted in advance of the EGM **no later than 10.00 a.m. on 25 November 2024** to the Company:
 - (a) **via email** to info@etcsingapore.com; 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 77 Robinson Road #06-03, Robinson 77, Singapore 068896.
- (4) 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).
- (5) 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.
- (6) The Company will endeavour to address the substantial and relevant queries from members as determined by the Company, by **29 November 2024**, by publishing the Company's responses to such questions on SGXNet and the Company's website at the URL: <http://investor.etcsingapore.com/newsroom.html>. The Company will address those substantial and relevant questions which have not already been addressed prior to the EGM, as well as

LETTER TO SHAREHOLDERS

those received “live” at the EGM itself, during the EGM. The minutes of the EGM shall thereafter be published on SGXNet, within one (1) month from the conclusion of the EGM.

Voting

- (7) Live voting will be conducted during the EGM for members and proxies attending the EGM. Shareholders will be instructed on how to cast their votes at the EGM.
- (8) Save for a member who is a relevant intermediary as defined in Section 15(9), a member entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his stead. Where a member (other than a relevant intermediary) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (9) A member who is a relevant intermediary entitled to attend the EGM and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“**Relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act 1970 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 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 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.
- (10) A proxy need not be a member of the Company.
 - (11) The instrument or form appointing a proxy or proxies must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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.
 - (12) Where an instrument appointing a 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.
 - (13) 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.

LETTER TO SHAREHOLDERS

- (14) In the case of joint shareholders, all holders must sign the instrument appointing a proxy/proxies.
- (15) The instrument of 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 77 Robinson Road #06-03, Robinson 77, Singapore 068896; 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 EGM and at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Members are strongly encouraged to submit completed proxy forms electronically via email.
- (16) Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including CPF and/or SRS investors) and who wish to participate in the EGM should approach their respective agents **by 5.00 p.m. on 26 November 2024** in order to facilitate the necessary arrangements for them to participate in the EGM.
- (17) The Company shall be entitled to reject the instrument appointing a 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 of proxy (such as in the case where the appointor submits more than one instrument of proxy).
- (18) In the case of shares entered in the Depository Register, the Company may reject any instrument appointing a 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.

Documents for EGM

- (19) The Company's Notice of EGM, proxy form and request form ("**Request Form**") for members to request for a physical copy of the Company's Circular are sent to members by mail. The Circular, Notice of EGM, proxy form and Request Form are available on the Company's website at the URL: <http://investor.etcsingapore.com/newsroom.html> and SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.
- (20) A member will need an internet browser and PDF reader to view these documents on SGXNet and the Company's website.

17 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

18 CONSENTS

CIM has given and have not withdrawn its written consent to the issue of this Circular and the inclusion of its name, the Property Valuation Certificate as set out in Appendix A and all references thereto, in

LETTER TO SHAREHOLDERS

the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

CCA has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name, the Business Valuation Summary Letter as set out in Appendix B and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular.

The legal adviser to the Company in relation to this Circular, WTL, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name herein and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

19 **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road #17-02 Singapore 068898 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Sale and Purchase Agreement;
- (b) the Supplemental Agreement;
- (c) the Corporate Guarantee;
- (d) the Irrevocable Undertakings;
- (e) the Property Valuation Report and Property Valuation Certificate;
- (f) the Business Valuation Report and Business Valuation Summary Letter;
- (g) the letters of consent from CIM, CCA, and WTL referred to in Section 18 of this Circular;
- (h) the Subscription Agreements;
- (i) the Management Option Agreements;
- (j) the Constitution; and
- (k) the annual report of the Company for FY2023.

Yours faithfully

For and on behalf of the Board of Directors of
EMERGING TOWNS & CITIES SINGAPORE LTD.

Joseph Lim
Executive Director and Chief Executive Officer

APPENDIX A – PROPERTY VALUATION CERTIFICATE

C.I.M Property Consultants Co., Ltd.
Valuation and Advisory Services

Suite 31& 33, Level 14,
No. (3/A), Junction City Tower, Pabedan
Yangon, Myanmar

MAIN +959 795 733378
EMAIL karlo.pobre@cim-pc.com



Date: 08 November 2024

The Board of Directors

Emerging Towns & Cities Singapore Ltd.
80 Robinson Road
#17-02
Singapore 068898

Dear Sirs,

Property Valuation Certificate

Address of the Property	: Golden City Project (No. (3) Land Survey Block, Kan be, Yankin Township, Yangon Region, Myanmar)
Name of Client	: Emerging Towns & Cities Singapore Ltd.
Other Intended Users	: In accordance with the distribution requirements of a circular, additional intended users of this valuation report may comprise shareholders and investors, regulatory authorities, executive management, appointed financial and legal advisors, and prospective acquirers or strategic partners.
Purpose of Valuation (Intended Use)	: Facilitate ETC's proposed divestment of DAS Pte. Ltd.
Interest of Value	: Land & Building
Basis of Valuation	: <p>The Property will be valued on the basis of Fair Value, which is defined 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”, in accordance with International Financial Reporting Standards IFRS 13 Fair Value Measurement”.</p> <p>A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.</p> <p>The highest and best use for this property is for a mixed use and integrated development aligned with the land lease agreement provided by The Client as well as based on our high-level professional assessment of the site, its location and overall economic activity within the trade area.</p> <p>Note however, that CIM did not undertake any feasibility study for the development to attest the overall financial viability of the development, and shall not be held liable to the project’s financial performance.</p>
Valuation Standards Adopted	: <p>This valuation has been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC).</p> <p>The RICS monitors registered valuers under its Conduct and Disciplinary regulations. The valuer is regulated by the RICS under the RICS valuer</p>

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Valuation and Advisory Services

Suite 31& 33, Level 14,
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Yangon, Myanmar

MAIN : 4959 795 733378
EMAIL : karlo.pobre@cim-pc.com



	<i>registration scheme.</i>	
Registered Owner	: <i>Nature Link Travels & Tours Co., Ltd. and Golden Land Real Estate Development Co., Ltd.</i>	
Tenure of Property	: <i>BOT (50 + 10 + 10)</i>	
Master Plan of Zoning		
Brief Description of Property	: <i>Golden City complex is a mixed-use development that will comprise condominiums, retail, office, and serviced apartments on an 8.369-acre (33,868.141 square metre) leased parcel of land.</i>	
Gross Floor Area (GFA)	: <i>Retail Units – 30,616 square feet (2,844 square metres) Office Units – 68,870 square feet (6,398 square metres) Residential Units (Phase 1) – 191,418 square feet (17,783 square metres) Residential Units (Phase 2) – 209,461 square feet (19,459 square metres)</i>	
Valuation Approach	: <i>Market Approach and Income Approach</i>	
Total Land Area	: <i>8.369 acres (33,868.141 square metres)</i>	
Date of Valuation	: <i>31 July 2024</i>	
Capitalisation Rate	: <i>10%</i>	
Discount Rate	: <i>12.5%</i>	
Fair Value of the Property	<i>Leasehold Land Value (with 59.1 Years Remaining)</i>	<i>USD5,880,000 United States Dollar</i>

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	<p style="text-align: right;"><i>Five Million Eight Hundred Eighty Thousand</i></p> <ul style="list-style-type: none"> <i>This value represents a vacant land area of 12,337.21 square meters designated for Phases 3 and 4, with a remaining lease term of 59.1 years.</i> 		
	<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">Gross Development Value <i>(of 272 Units of Condominiums, 21 Units Of Offices And 15 Units Of Retails)</i></td> <td style="width: 40%;">USD90,820,400 <i>United States Dollar Ninety Million Eight Hundred Twenty Thousand Four Hundred</i></td> </tr> </table> <ul style="list-style-type: none"> <i>This value represents 272 condominium units, 21 office units, and 15 retail units in Phases 1 and 2, all of which are completed and owned by Golden Land Real Estate Development Co., Ltd..</i> 	Gross Development Value <i>(of 272 Units of Condominiums, 21 Units Of Offices And 15 Units Of Retails)</i>	USD90,820,400 <i>United States Dollar Ninety Million Eight Hundred Twenty Thousand Four Hundred</i>
Gross Development Value <i>(of 272 Units of Condominiums, 21 Units Of Offices And 15 Units Of Retails)</i>	USD90,820,400 <i>United States Dollar Ninety Million Eight Hundred Twenty Thousand Four Hundred</i>		
Fair Value of the Property	<p><i>Retails – USD1,163 per square metre</i> <i>Offices – USD1,938 per square metre</i> <i>Residentials – USD2,017 per square metre</i></p>		
Valuation Assumptions	<p><i>This valuation report is subject to the standard caveats and assumptions listed in the appendices and follows the agreed terms of engagement. Key assumptions include:</i></p> <ul style="list-style-type: none"> <i>The property is assumed to be free of any liens, charges, or encumbrances unless stated otherwise.</i> <i>Premiums or fees related to the property's acquisition, transfer, or mortgage have been settled.</i> <i>The property is free from easements or rights-of-way.</i> <i>Proper title has been obtained, and the property is freely transferable.</i> <i>Information provided by the client is assumed to be reliable and fit for valuation purposes, with no responsibility for accuracy by the valuer.</i> <i>No detailed site measurements or service tests have been conducted, and all dimensions are approximations.</i> <i>The property is assumed to be free from environmental hazards and in a good state of repair.</i> <i>The portfolio is valued assuming it can be developed and sold to maximize value without a bulk sale discount.</i> <i>No liability is accepted for third-party use, and the report is confidential unless consent is given.</i> <p><i>The report notes the current political situation in Myanmar has affected the economy and real estate market, with less reliance on previous market data. The valuation is subject to material uncertainty, and regular reviews are recommended due to unpredictable market impacts.</i></p>		

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Special Assumption

This valuation is prepared on the basis of a special assumption, which combines an additional adjustment under the condition of sale to reflect the significant impact of exchange rate fluctuations. Given the current volatility in exchange rates, particularly affecting selling prices in the local real estate market, it has been observed that this economic factor has directly influenced the final transaction prices of comparable properties. The use of this special assumption may affect the reported value, and any future changes in exchange rates or market conditions may result in a materially different valuation outcome

For and on behalf of

C.I.M Property Consultants Co., Ltd

Karlo Pobre, REB SIOR
BSc Economics
Managing Director

For and on behalf of

Colliers Philippines

Marissa Benitez, FRICS
RICS Registered Valuer 1285465
Consultant
Valuation and Advisory Services

For and on behalf of

C.I.M Property Consultants Co., Ltd

Hsan Pyae
B.A (Hons) Philosophy
Manager
Valuation and Advisory Services



Business Valuation Summary Letter

8 November 2024

The Board of Directors
Emerging Towns & Cities Singapore Ltd.
80 Robinson Road #17-02
Singapore 068898

Indicative Business Valuation of DAS Pte. Ltd.

Dear Sirs,

1. Introduction

Chay Corporate Advisory Pte Ltd (“CCA”) has been appointed by Emerging Town & Cities Singapore Ltd. (“ETC”) to perform a business valuation to determine the fair value of DAS Pte. Ltd. (“DAS” or the “Company”) as at 31 July 2024 (“Valuation Date”) for the purposes of a proposed divestment of the Company by ETC (“Corporate Action”).

The letter is a summary containing information from our valuation report dated 8 November 2024 (the “Valuation Report”). Accordingly, this letter and its contents should be read in conjunction with the full text in the full Valuation Report.

2. Terms of reference

- i) The objective of the Valuation Report is to provide an independent view of the fair value of the Company as at the Valuation Date for the purpose of a Corporate Action in accordance with the International Valuation Standards (“IVS”) as prescribed by the International Valuation Standards Council (“IVSC”).
- ii) We have not undertaken any due diligence or audit of the financial information provided to us. The accuracy of such information is the sole responsibility of the management of the Company (“Management”).

APPENDIX B – BUSINESS VALUATION SUMMARY LETTER

- iii) Our estimation of the indicative valuation of the Company is based on its existing operations and does not take into account of any fundamentally different business that Management may pursue in the foreseeable future.
- iv) We are not expressing an opinion on the commercial merits and structure on the transaction of the Company and accordingly, this valuation report does not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merits of the transaction of the Company. The assessment of the commercial and investment merits of this transaction is solely the responsibility of both ETC and the Management. In addition, our work should not be constructed as an investment advice to the current or prospective shareholders/ investors of the Company.
- v) We have not conducted a comprehensive review of the business, operation or financial conditions of the Company nor any work in relation to the feasibility or tax efficiency of the Company's business operation, and accordingly our Valuation Report will not make any representation or warranty, expressed or implied in this regard.
- vi) Our scope in this engagement does not require us to express, and we do not express a view on the future prospects of the Company, or any views on the future trading process of the shares or the financial condition of the Company.
- vii) Our terms of reference do not require us to provide advice on legal, regulatory, accounting or taxation matters made available to us if ETC or the Company has obtained specialist advice, and where we will consider, and where appropriate, relied upon such advice.
- viii) The information used by us in preparing the Valuation Report has been obtained from a variety of sources as indicated within the Valuation Report. While our work has involved an analysis of the financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided to us by and on the behalf of the Company.

3. Use of Valuation Report and Business Valuation Summary Letter

Our work will be carried out solely for the use of ETC. This valuation report resulting from our work may not be used for any other purpose or by any other person, referred to in any document or made available to any party (other than your professional advisors acting in that capacity) without our prior written consent, except for the purpose of any matter relating to the Corporate Action (including making references to and reproduction in the shareholders' circular and being made available for inspection). Any recommendation made by the Directors to the shareholders of ETC shall remain the responsibility of such Directors.

4. Reliance on available information and representation from the Management

In the course of our work, we have held discussions with the Management. We have also examined and relied on information provided by the Company, including the property valuation report dated 8 November 2024, and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance.

However, we have a duty to exercise reasonable professional skill and care in performing our work in accordance with the terms of this engagement. Our work will, where appropriate, be conducted in accordance with International Valuation Standards ("IVS") as prescribed by the International Valuation Standards Council ("IVSC").

The Management have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute full and true disclosure, in all material respects and facts relating to the Company as required for the purposes of our valuation.

In no circumstances shall we be liable, other than in the event of our bad faith, willful default for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Management and the Directors, employees or staffs of the Company or any other person of whom we have made inquiries of during the course of our work.

5. Valuation methodology

The basis of the valuation will be made by reference to the fair value. Fair value is defined as the amount at which the shares would change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. Fair value, as defined above, is a concept of value which may or may not equal the “purchase / sale price” that could be obtained if the shares were sold to a special purchaser in an actual transaction in the open market

Special purchasers may be willing to pay higher prices to gain control or obtain the capacity to reduce or eliminate competition, ensure a source of material supply or sales, achieve cost savings arising on business combinations following acquisition, or any other synergies which may be enjoyed by the purchaser. Our valuation will not be premised on the existence of a special purchase.

In valuing the Company, we have adopted the asset-based approach as the primary valuation methodology to determine the value of the Company due to the following reasons:

- i. As there is currently “no end in sight” in respect of the civil war in Myanmar, Management continues to forecast losses for the foreseeable future owing to the weakening Myanmar Kyat (“MKK”), should the Myanmar economy remains subdued and the political situation in Myanmar remains unclear; and
- ii. The scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Company.

The asset-based approach is applicable when the underlying asset values constitute the prime determinant of corporate worth. The application of the company’s operations (such as an investment or real estate holding company) and/or if the outlook for a particular company’s earnings is somewhat uncertain, or returns based on earnings are insufficient to justify the investment in assets.

This approach focuses on individual asset and liability values derived from the company’s balance sheet, which are adjusted to reflect the fair value. In addition, the asset-based approach can also be applied in situations whereby liquidation is imminent.

Our valuation is based on various inputs and assumptions with respect to the Company, including their respective present and future financial conditions, business strategies and the environment in which they operate. These assumptions are based on the information that we have been provided and discussions with the Company and Management reflecting current expectations on current and future events.

Among other inputs and assumptions that are stated in the Valuation Report, the key inputs and assumptions are as follows:

APPENDIX B – BUSINESS VALUATION SUMMARY LETTER

- i) The Company will continue as a going concern without significant changes to its management;
- ii) The future operations of the Company will not be adversely affected by changes to its key personnel, management team and company shareholdings prior to the proposed divestment by ETC;
- iii) All contracts entered into by the Company will continue to be in effect for the foreseeable future;
- iv) No audit or review has been carried out on the management accounts for the seven months financial period from 1 January to 31 July 2024;
- v) The information provided to us reflects the financial positions of the Company as at the valuation date for the seven months financial period from 1 January to 31 July 2024;
- vi) The Company has legal title to all assets as mentioned in the financial information provided to you by the management of the Company (“Management”). All assets, which are physically in existence, are in good working condition.
- vii) There is no known risk that any of these assets are subject to compulsory acquisition by any third party or government body;
- viii) There will be no major changes in the corporate taxation basis or rates applicable to the Company prior to the proposed divestment by ETC;
- ix) Related party transactions, if any, are carried out on an arm’s length basis and will continue to be so for the foreseeable future save for those relating to ETC, even if there are any changes in the shareholding structure; and
- x) There are no subsequent events which will have material effect on the unaudited management accounts for the seven months financial period ended 31 July 2024 up to the date of this letter.

Notwithstanding that no independent assessment of the assumptions was conducted, as part of the terms of reference, CCA has made such reasonable enquiries and used judgment as would have been deemed necessary on the reasonable use of such information and/or representations provided by the Management and have no reason to doubt its accuracy or reliability.

6. Conclusion

In summary and as detailed in the Valuation Report, based on the asset-based approach, the Company is in aggregated adjusted net assets of USD 8,762,217 as at the Valuation Date, the adjustments of which are as follows:

- Intercompany waiver; and
- Fair value loss based on the property valuation report dated 8 November 2024.

Accordingly, the fair value of the Company derived based on the asset-based approach is approximately USD 8,762,217 as at the Valuation Date.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this letter and the Valuation Report. Such conditions may change significantly over a relatively short period and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this letter to reflect events or developments subsequent to the date of this letter and the Valuation Report.

Yours faithfully,



Chay Yiowmin, CVA
CEO and Founder
Chay Corporate Advisory Pte. Ltd.

APPENDIX C – ADJUSTMENTS TO CONVERSION PRICE AND NUMBER OF CONVERSION SHARES

The provisions in the Subscription Agreements relating to the adjustments to the Conversion Price and number of Conversion Shares are reproduced *in italics below*.

“9. Adjustment to Conversion Price and number of Conversion Shares

- (a) *The Conversion Price and the number of Conversion Shares held by each Bondholder shall from time to time be adjusted by the Directors in consultation with a reputable bank or merchant bank in Singapore selected by the Directors (the “**Approved Bank**”) in accordance with Condition 9(b) below, which adjustment shall be certified by the auditors. The Conversion Price and the number of Conversion Shares held by each Bondholder shall, subject to these Conditions, from time to time be adjusted as provided in these Conditions in all or any of the following cases:*
- (i) *an issue by the Issuer of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund but excluding any issue of Shares in respect of which Shareholders may elect to receive Shares in lieu of cash or other dividend) to the Shareholders or an issue by the Issuer of bonus Shares at nil consideration; or*
 - (ii) *a Capital Distribution (as defined in Condition 9(b)(ii) below) made by the Issuer to the Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or*
 - (iii) *an offer or invitation made by the Issuer to the Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or*
 - (iv) *an alteration of the value of the Shares by reason of any consolidation, subdivision or conversion.*

*For the purpose of this Condition 9, “**Market Day**” means a day on which the SGX-ST is open for trading in securities and “**Last Dealt Price**” means, in relation to a Share on a relevant Market Day, the last dealt price per Share for one or more board lots of Shares on that Market Day on which there is trading of the Shares on SGX-ST.*

- (b) *Subject to these Conditions, the Conversion Price and the number of Bonds held by each Bondholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of Conditions 9(a)(i) to 9(a)(iv) above or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Approved Bank shall determine):*
- (i) *If and whenever the Issuer shall make any issue of Shares to the Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature and including capital redemption reserve fund, other than an issue of Shares in respect of which Shareholders may elect to receive Shares in lieu of cash or other dividend) or an issue by the Issuer of bonus Shares at nil consideration, the Conversion Price and the number of Bonds held by each Bondholder shall be adjusted in the following manner:*

$$\text{New Conversion Price} = \frac{A}{(A + B)} \times X$$

$$\text{Adjusted number of Bond} = \frac{(A + B)}{A} \times Y$$

where:

A = *the aggregate number of issued and fully paid up Shares immediately before such capitalisation issue;*

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CONVERSION SHARES**

B = the aggregate number of Shares to be issued pursuant to any allotment to the Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any capital redemption reserve fund other than an issue of Shares in respect of which Shareholders may elect to receive Shares in lieu of cash or other dividend) or an issue by the Issuer of bonus Shares at nil consideration;

X = existing Conversion Price; and

Y = existing number of Bonds held.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of Market Day next following the record date for such issue.

For the purpose of this Condition 9, “record date” in relation to the relevant transaction means the date as at the close of business (or such other time as may be notified by the Issuer) on which the Shareholders must be registered as such to participate therein.

In the event that there are no appropriate adjustments to the Conversion Price or the number of Bonds, the Approved Bank may propose other forms of distribution (either cash or non-cash) to Bondholders in lieu of or in conjunction with the adjustments to the Conversion Price or the number of Bonds. Such distributions shall be certified by the auditors to be appropriate and are subject to the approvals of SGX-ST and the Sponsor, if required, and of the Shareholders at a general meeting.

(ii) If and whenever:

(aa) the Issuer shall make a Capital Distribution to the Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(bb) the Issuer shall make any offer or invitation to the Shareholders whereunder they may acquire or subscribe for Shares by way of rights;

then, in respect of each such case, the Conversion Price shall be adjusted in the following manner:

$$\text{New Conversion Price} = \frac{C - D}{C} \times X$$

and in the case of Condition 9(b)(ii)(bb), the number of Bonds held by each Bondholder shall be adjusted as follows:

$$\text{Adjusted number of Bonds} = \frac{C}{(C - D)} \times Y$$

where:

C = the average of the Last Dealt Prices on the 5 Market Days immediately preceding the date on which the Capital Distribution or any offer or invitation referred to in Condition 9(b)(ii)(bb), as the case may be, is publicly announced to the SGX-ST or (failing any such announcement), immediately preceding the date of the Capital Distribution, as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under Condition 9(b)(ii)(bb), the value of the rights attributable to one Share (as defined below); or (ii) in the case of any other transaction falling within Condition

APPENDIX C – ADJUSTMENTS TO CONVERSION PRICE AND NUMBER OF CONVERSION SHARES

9(b)(ii), the fair market value as determined (with the concurrence of the auditors) by an Approved Bank of that portion of the Capital Distribution or of the “nil-paid” rights attributable to one Share; and

X = as in X above; and

Y = as in Y above.

For the purpose of definition (i) of “D” above, the “value of the rights attributable to one Share” shall be calculated in accordance with the following formula:

$$\frac{C - E}{F + 1}$$

where:

C = as in C above;

E = the subscription price for one additional Share under the terms of such offer or invitation to acquire or subscribe for Shares by way of rights;

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights; and

1 = one

For the purposes of Conditions 9(a)(ii) and 9(b)(ii), “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue (not falling under Condition 9(b)(i) above) of Shares or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund but excluding any issue of Shares in respect of which Shareholders may elect to receive Shares in lieu of cash or other dividend). Any distribution out of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund but excluding any issue of Shares in respect of which Shareholder may elect to receive Shares in lieu of cash or other dividend) made after 31 December 2023 shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Issuer or any of its subsidiaries on or before that date and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

Such adjustments will be effective (if appropriate, retroactively) from:

- (aa) in the case of a transaction falling under Condition 9(b)(ii)(aa), the commencement of the Market Day next following the record date for such transactions; and
- (bb) in the case of a transaction falling under Condition 9(b)(ii)(bb), the commencement of the Market Day next following the closing date for such offer or invitation. For the purposes of this Condition 9(b), “**closing date**” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

In the event there are no appropriate adjustments to the Conversion Price or the number of Bonds, the Approved Bank may propose other forms of distribution (either cash or non-cash) to Bondholders in lieu of or in conjunction with the adjustments to the Conversion Price or the number of Bonds. Such distributions shall be certified by the auditors to be

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appropriate and are subject to the approvals of the Sponsor and of the Shareholders at a general meeting.

- (iii) *If and whenever the Issuer makes any allotment to the Shareholders as provided in Condition 9(b)(i) above and also makes any offer or invitation to the Shareholders as provided in Condition 9(b)(ii)(bb) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Conversion Price and the number of Bonds held by each Bondholder shall be adjusted in the following manner:*

$$\text{New Conversion Price} = \frac{(G \times J) + (H \times E)}{(G + H + B) \times J} \times X$$

$$\text{Adjusted number of Bonds} = \frac{(G + H + B) \times J}{(G \times J) + (H \times E)} \times Y$$

where:

B = as in B above;

E = as in E above;

G = the aggregate number of issued and fully paid-up Shares on the record date;

H = the aggregate number of new Shares to be issued under an offer or invitation to acquire or subscribe for Shares by way of rights;

J = the average of the Last Dealt Prices on the 5 Market Days immediately preceding the date on which the capitalisation issue and the offer or invitation is publicly announced to the SGX-ST or (failing any such announcement), immediately preceding the date of the capitalisation issue and the offer or invitation;

X = as in X above; and

Y = as in Y above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day following the closing date for the above transactions.

For the purposes of this condition, “closing date” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

In the event there are no appropriate adjustments to the Conversion Price or the number of Bonds, the Approved Bank may propose other forms of distribution (either cash or non-cash) to Bondholder in lieu of or in conjunction with the adjustments to the Conversion Price or the number of Bonds. Such distributions shall be certified by the auditors to be appropriate and are subject to the approvals of the Sponsor and of the Shareholders at a general meeting.

- (iv) *If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different value, the Conversion Price shall be adjusted in the following manner:*

$$\text{New Conversion Price} = \frac{\text{Revised value for each Share}}{\text{Original value for each Share}} \times X$$

and the number of Bonds shall be adjusted in the following manner:

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$$\text{Adjusted number of Bonds} = \frac{\text{Original value for each Share} \times Y}{\text{Revised value for each Share}}$$

where:

X = as in X above; and

Y = as in Y above.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective.

- (c) Notwithstanding any of the provisions hereinbefore contained, no adjustment to the Conversion Price or the number of Bonds held by each Bondholder will be required in respect of:
- (i) an issue by the Issuer of Shares to officers, including Directors, or employees of the Issuer or any of its subsidiaries pursuant to any share performance plans, share purchase or option schemes approved by the Shareholders in general meeting; or
 - (ii) an issue by the Issuer of Shares in consideration or part consideration for any other securities, assets or business; or
 - (iii) any issue by the Issuer of Shares pursuant to the conversion of any of the Bonds and any other warrants or the conversion of any convertible securities previously issued by the Issuer; or
 - (iv) any issue by the Issuer of securities convertible into Shares or of rights to acquire or subscribe for Shares and the issue of Shares arising from the conversion or exercise of such securities or rights issued.
- (d) Any adjustment to the Conversion Price will be rounded upwards to the nearest 0.0001 cent and in no event shall any adjustment (otherwise than upon the consolidation of Shares into shares of a larger par value) involve an increase in the Conversion Price or a reduction of the number of Bonds held by any Bondholder. No adjustment(s) to the Conversion Price shall be made unless it has been certified to be in accordance with Condition 9(b) by the auditors. No adjustment will be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than 0.0001 cent and any adjustment which would otherwise then be required shall be carried forward and taken into account appropriately in any subsequent adjustment.
- (e) Any adjustment to the number of Bonds held by each Bondholder will be rounded downwards to the nearest whole Bond. No adjustment to the number of Bonds shall be made unless:
- (i) it has been certified to be in accordance with Condition 9(b) by the auditors; and
 - (ii) listing and quotation notice has been granted by the SGX-ST for the listing of and quotation for such additional new Shares as may be issued on the conversion of any such Bonds.
- (f) If for any reason an event giving rise to an adjustment (“**First Adjustment**”) made to the Conversion Price or the number of Bonds held by each Bondholder pursuant to these Conditions is cancelled, revoked or not completed, the Conversion Price or the number of Bonds held by each Bondholder may, at the discretion of the Issuer, be readjusted to the amount and number prevailing immediately prior to the First Adjustment with effect from such date and in such manner as an Approved Bank may consider appropriate.
- (g) Notwithstanding the provisions referred to in this Condition 9, in any circumstances where the Directors consider that adjustments to the Conversion Price and/or the number of Bonds held by

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each Bondholder provided under the said provisions should not be made or should be calculated on a different basis or date or take effect on a different date or that an adjustment to the Conversion Price and/or the number of Bonds held by each Bondholder should be made notwithstanding that no such adjustment is required or contemplated under the said provisions, the Issuer may appoint an Approved Bank to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of this Condition 9 is appropriate or inappropriate, as the case may be, and, if such Approved Bank shall consider the adjustment to be appropriate or inappropriate, as the case may be, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner as shall be considered by such Approved Bank to be in its opinion appropriate.

- (h) *Whenever there is an adjustment as herein provided, the Issuer shall give notice to the Bondholders in accordance with Condition 10 and through a SGXNet announcement to be posted on the Internet at the SGX-ST website that the Conversion Price and/or the number of Bonds held by each Bondholder has/have been adjusted and setting forth the event giving rise to the adjustment, the Conversion Price and/or the number of Bonds in effect prior to such adjustment, the adjusted Conversion Price and/or the number of Bonds and the effective date thereof and shall at all times thereafter so long as any of the Bonds remain exercisable make available for inspection at its registered office for the time being:*
- (i) *a signed copy of the certificate of the auditors certifying the adjustment to the Conversion Price and/or the number of Bonds; and*
 - (ii) *a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price and/or the number of Bonds in effect prior to such adjustment, the adjusted Conversion Price and/or the number of Bonds and the effective date thereof;*

and shall, on request and at the expense of the Bondholder, send a copy thereof to any Bondholder. Whenever there is an adjustment to the number of Bonds held by each Bondholder, the Issuer will, as soon as practicable but not later than 7 Market Days after the effective date of such adjustment (or such longer period as the SGX-ST may permit), despatch by ordinary post Bond Certificates for the additional number of Bonds issued to each Bondholder, at the risk and expense of that Bondholder, to his address appearing in the register of Bondholders provided that if additional Bonds are issued to each Bondholder as a result of an adjustment which is cancelled, revoked or not completed and the number of Bonds held by each Bondholder is readjusted pursuant to Condition 9(g), such additional Bonds shall be deemed to be cancelled with effect from such date and in such manner and on such terms and conditions as an Approved Bank may consider appropriate.

- (i) *If the Directors, the Approved Bank and the auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Bank acting as expert and not as an arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the auditors shall in such circumstances be necessary.*
- (j) *Without prejudice to the generality of Condition 9(h) above, if the Issuer shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into Shares, or attach thereto any rights to acquire or subscribe for Shares, the Issuer shall appoint an Approved Bank to consider whether any adjustment is appropriate and if such Approved Bank and the Directors shall determine that any adjustment is appropriate the Conversion Price and/or the number of Bonds held by each Bondholder shall be adjusted accordingly.*
- (k) *In giving any certificate or making any adjustment hereunder, the auditors and the Approved Bank shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest*

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error, their decisions shall be conclusive and binding the Issuer, the Bondholders and all persons having an interest in the Bonds.

- (l) Notwithstanding anything herein contained, any adjustment to the Conversion Price and/or the number of Bonds held by each Bondholder other than in accordance with the provisions of this Condition 9 shall be subject to the approval of the Sponsor and agreed to by the Issuer, the auditors and the Approved Bank.*

- (m) If the Issuer shall purchase or otherwise acquire any classes of shares issued by it pursuant to the provisions of the Companies Act 1967 of Singapore, the Issuer shall, if so required by the Bondholders by way of a special resolution, appoint an Approved Bank to consider whether any adjustments to the Conversion Price and/or the number of Bonds held by each Bondholder is appropriate and the Conversion Price and/or the number of Bonds held by each Bondholder shall be adjusted accordingly.”*

NOTICE OF EXTRAORDINARY GENERAL MEETING

EMERGING TOWNS & CITIES SINGAPORE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 198003839Z)
(the "Company")

All capitalised terms in the Ordinary Resolutions below and defined in the circular dated 15 November 2024 to the shareholders of the Company (the "Circular") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("EGM") of the Company will be held at 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on **Friday, 6 December 2024 at 10.00 a.m.** for the purpose of considering and, if thought fit, passing with or without amendment, the following Ordinary Resolutions:

ORDINARY RESOLUTION 1 – PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF DAS PTE. LTD.

THAT, subject to and contingent upon the passing of Ordinary Resolutions 2, 3, 4, 5 and 6:

- (a) approval be and is hereby given for the Proposed Disposal, being a major transaction under Chapter 10 of the Catalist Rules and a disposal of the whole or substantially the whole of the Company's undertaking or property under Section 160 of the Companies Act; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he/she may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he/she may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 2 – PROPOSED DISCHARGE OF THE DEED OF GUARANTEE AND UNDERTAKING DATED 8 JUNE 2020 IN RELATION TO THE LOANS OF GOLDEN LAND REAL ESTATE DEVELOPMENT CO., LTD.

THAT, subject to and contingent upon the passing of Ordinary Resolutions 1, 3, 4, 5 and 6:

- (a) approval be and is hereby given for the Proposed Discharge; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he/she may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he/she may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 3 – THE PROPOSED ISSUE OF CONVERTIBLE BONDS AGGREGATING S\$4,500,000 CONVERTIBLE INTO AN AGGREGATE AMOUNT OF 968,270,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

THAT, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 4, 5 and 6:

- (a) approval be and is hereby given for the issue of the Bonds to the respective Investors, at the Bonds Subscription Price of an aggregate of S\$4,500,000 on and subject to the terms of the respective Subscription Agreements, which, for the avoidance of doubt, are separate and not inter-conditional;
- (b) approval be and is hereby pursuant to Rule 811 of the Catalist Rules for the Bonds to be issued at the Bonds Subscription Price (being par value of the Bonds amounting in aggregate to S\$4,500,000) and a Bonds Conversion Price of approximately S\$0.004647 per Conversion Share (as may be adjusted in accordance with the Subscription Agreements), being a discount of more than 10% to the prevailing market price of underlying shares prior to suspension of the Company's shares;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) approval be and is hereby given for the allotment and issue of an aggregate of Conversion Shares upon the automatic conversion of the Bonds into Conversion Shares (on the completion of the Automatic Conversion Events) and such further Conversion Shares to the Investors as may be required or permitted to be allotted and issued upon the adjustment of the Bonds Conversion Price pursuant to the terms of the respective Subscription Agreements, to be issued credited as fully paid up upon conversion of the Bonds or upon such adjustment, in accordance with the terms of the respective Subscription Agreements, such ordinary shares to rank *pari passu* in all respects with the then existing Shares;
- (d) approval be and is hereby given for (i) the grant of the ETCC Call Option by the Company to the respective Investors and exercise of the ETCC Call Option by the Investors pursuant to the terms and conditions of the respective Subscription Agreements, and (ii) exercise by the Company of the ETCC Put Option granted by the respective Investors to the Company pursuant to the terms and conditions of the respective Subscription Agreements, which, at the time of exercise of the options, is subject to the relevant Catalist Rules and/or Section 160 of the Companies Act; and
- (e) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he/she may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he/she may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 4 – THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MS CAO YONGYAN

THAT, subject to and contingent upon the passing of Ordinary Resolutions 1, 2, 3, 5 and 6:

- (a) pursuant to Rule 803 of the Catalist Rules, approval be and is hereby given for the Proposed Transfer of Controlling Interest to Ms Cao Yongyan upon the allotment and issue of Conversion Shares to Ms Cao Yongyan; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he/she may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he/she may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 5 – THE PROPOSED GRANT OF OPTIONS TO SUBSCRIBE FOR AN AGGREGATE AMOUNT OF 239,080,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO KEY MEMBERS OF MANAGEMENT OF HAINAN JIUPENG CHUHE TECHNOLOGY CO., LTD.

THAT, subject to and contingent upon passing of Ordinary Resolutions 1, 2, 3, 4 and 6:

- (a) approval be and is hereby given for the grant of (i) the Option FY2024, carrying the right to subscribe for the Option Shares FY2024, and (ii) the Option FY2025, carrying the right to subscribe for the Option Shares FY2025, to the respective Group Employees, on and subject to the terms of the respective Management Options Agreements;
- (b) approval be and is hereby pursuant to Rule 811 of the Catalist Rules for the Management Options to be granted at the Options Exercise Price of approximately S\$0.004647 per share (as may be adjusted in accordance with the Management Option Agreements), being a discount of more than 10% to the prevailing market price of underlying shares prior to suspension of the Company's shares;
- (c) approval be and is hereby given for the allotment and issue of an aggregate of 239,080,000 Management Option Shares upon the exercise of the Management Options, and such further Management Option Shares to the Group Employees as may be required or permitted to be allotted and issued upon the adjustment of the Options Exercise Price of the Management Options pursuant to the terms of the respective Management Options Agreements, to be issued credited as fully paid up upon exercise of the Management Options or upon such adjustment, in accordance with the terms of the respective Management Options Agreements, such ordinary shares to rank *pari passu* in all

NOTICE OF EXTRAORDINARY GENERAL MEETING

respects with the then existing Shares; and

- (d) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he/she may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he/she may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

ORDINARY RESOLUTION 6 – THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS INTO THE E-COMMERCE AND RETAIL BUSINESS

THAT, subject to and contingent upon passing of Ordinary Resolutions 1, 2, 3, 4 and 5:

- (a) approval be and is hereby given for the Proposed Diversification of the business of the Group into the E-Commerce and Retail Business and any other activities related to E-Commerce and Retail Business; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he/she may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he/she may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

Shareholders should note that the Ordinary Resolutions 1, 2, 3, 4, 5 and 6 are inter-conditional. This means that if any of the Ordinary Resolutions are not approved, none of the Ordinary Resolutions will be passed.

By Order of the Board

Joseph Lim
Executive Director and Chief Executive Officer

15 November 2024

Notes:

Physical meeting

- (1) The EGM is being convened and will be held physically at 160 Robinson Road, #06-01 SBF Center, Singapore 068914. **There will be no option for members to participate virtually.**

Members’ Queries

- (2) Members, including investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), will be able to submit questions in advance of, or “live” at, the EGM.
- (3) Questions may be submitted in advance of the EGM **no later than 10.00 a.m. on 25 November 2024** to the Company:
- (a) **via email** to info@etcsingapore.com; 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 77 Robinson Road #06-03, Robinson 77, Singapore 068896.
- (4) 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).

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (5) 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.
- (6) The Company will endeavour to address the substantial and relevant queries from members as determined by the Company, by 29 November 2024, by publishing the Company's responses to such questions on SGXNet and the Company's website at the URL: <http://investor.etcsingapore.com/newsroom.html>. The Company will address those substantial and relevant questions which have not already been addressed prior to the EGM, as well as those received "live" at the EGM itself, during the EGM. The minutes of the EGM shall thereafter be published on SGXNet, within one (1) month from the conclusion of the EGM.

Voting

- (7) Live voting will be conducted during the EGM for members and proxies attending the EGM. Shareholders will be instructed on how to cast their votes at the EGM.
- (8) Save for a member who is a relevant intermediary as defined in Note 9, a member entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his stead. Where a member (other than a relevant intermediary) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (9) A member who is a relevant intermediary entitled to attend the EGM and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 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 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 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.
- (10) A proxy need not be a member of the Company.
- (11) The instrument or form appointing a proxy or proxies must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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.
- (12) Where an instrument appointing a 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.
- (13) 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.
- (14) In the case of joint shareholders, all holders must sign the instrument appointing a proxy/proxies.
- (15) The instrument of 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 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

(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 EGM and at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Members are strongly encouraged to submit completed proxy forms electronically via email.

- (16) Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (including CPF and/or SRS investors) and who wish to participate in the EGM should approach their respective agents **by 5.00 p.m. on 26 November 2024** in order to facilitate the necessary arrangements for them to participate in the EGM.
- (17) The Company shall be entitled to reject the instrument appointing a 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 of proxy (such as in the case where the appointor submits more than one instrument of proxy).
- (18) In the case of shares entered in the Depository Register, the Company may reject any instrument appointing a 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.

Documents for EGM

- (19) The Company's Notice of EGM, proxy form and request form ("**Request Form**") for members to request for a physical copy of the Company's Circular are sent to members by mail. The Circular, Notice of EGM, proxy form and Request Form are available on the Company's website at the URL: <http://investor.etcsingapore.com/newsroom.html> and SGX website at the URL: <https://www.sgx.com/securities/company-announcements>.
- (20) A member will need an internet browser and PDF reader to view these documents on SGXNet and the Company's website.

Personal data privacy:

By attending the EGM and/or any adjournment thereof, submitting an instrument appointing a proxy/proxies and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, or submitting any questions related to the resolutions to be tabled for approval at the EGM, 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 EGM (including any adjournment thereof) and the preparation, compilation and/or publication of the attendance lists, minutes and other documents relating to the EGM (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 proxy/proxies and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy/proxies and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy/proxies and/or 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.

PROXY FORM

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 Extraordinary General Meeting and Circular, has been made available on SGXNet and the Company's website at the URL:
<http://investor.etc singapore.com/newsroom.html>.

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the EGM and vote (please see Note 3 for the definition of "relevant intermediary").
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
3. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal data privacy

By submitting an instrument appointing a proxy/proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 15 November 2024.

I/We _____ (Name), NRIC/Passport Number* _____

of _____ (Address)

being a member/members of Emerging Towns & Cities Singapore Ltd. (the "Company") hereby appoint Mr/Mrs/Ms

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the Extraordinary General Meeting ("EGM") as *my/our proxy to vote for *me/us on *my/our behalf at the EGM to be held at 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on **Friday, 6 December 2024 at 10.00 a.m.** and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against, or to abstain from voting on, the Resolutions, proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The Resolutions to be put to the vote at the EGM shall be decided by way of poll.

No.	Resolutions	For*	Against*	Abstain*
1.	To approve of the Proposed Disposal			
2.	To approve of the Proposed Discharge			
3.	To approve of the Proposed Subscription			
4.	To approve of the Proposed Transfer of Controlling Interest			
5.	To approve of the Proposed Grant			
6.	To approve of the Proposed Diversification			

* 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 _____ 2024.

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.

PROXY FORM

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, 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, 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. Save for a member who is a relevant intermediary as defined in Note 3, a member entitled to attend and vote at the Extraordinary General Meeting (“**EGM**”) is entitled to appoint one or two proxies to attend and vote in his stead. Where a member (other than a relevant intermediary) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A member who is a relevant intermediary entitled to attend the EGM and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“**Relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act 1970 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 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 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.
4. A proxy need not be a member of the Company.
 5. In the case of joint shareholders, all holders must sign the instrument appointing a proxy/proxies.
 6. The instrument appointing a 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 77 Robinson Road #06-03, Robinson 77, Singapore 068896; 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 EGM and at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Members are strongly encouraged to submit completed proxy forms electronically via email.
 7. The instrument or form appointing a proxy or proxies must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy or proxies 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.
 8. Where an instrument appointing a 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.

PROXY FORM

9. Where an instrument appointing a 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.
10. The submission of an instrument appointing a proxy/proxies by a member of the Company does not preclude him from attending and voting in person at the EGM if he is able to do so. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
11. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

General

12. The Company shall be entitled to reject the instrument appointing a 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 a 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 a 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.

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 EGM.