

EMERGING TOWNS & CITIES SINGAPORE LTD.

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

RESPONSE TO SGX QUERIES ON 8 JUNE 2020 ANNOUNCEMENT

The Board of Directors (the “**Board**”) of Emerging Towns & Cities Singapore Ltd. (the “**Company**” or “**ETC**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 8 June 2020 (the “**Announcement**”) in relation to the entry by the Company’s subsidiaries, Golden Land Real Estate Development Co., Ltd (“**Golden Land**”) and Uni Global Power Pte. Ltd. (“**UGP**”) into a secured syndicated facility agreement led by Industrial and Commercial Bank of China Limited (Yangon Branch) (“**ICBC Yangon**”) and Kanbawza Bank (Yangon) (the “**Facility Agreement**”).

Unless otherwise defined, all capitalised terms herein shall have the meaning ascribed to them in the Announcement.

The Board would like to respond to the queries received from Singapore Exchange Regulation (“**SGX**”) in relation to the Announcement as follows:

SGX’s Query 1

Please provide information on the shareholdings of Golden Land and UGP, specifically,

- (i) ETC’s effective shareholding interest in Golden Land and UGP;

Company’s response

As at the date hereof, the Company, through its wholly-owned subsidiary, DAS Pte. Ltd. (“**DAS**”), owns 70% of the entire issued and paid up share capital of UGP. UGP in turn holds 70% of the entire issued and paid up share capital of Golden Land.

Accordingly, the Company’s effective shareholding interest in Golden Land and UGP are 49% and 70% respectively.

- (ii) To disclose all other shareholders of Golden Land and UGP; and

Company’s response

Nature Link Co., Ltd. (“**Nature Link**”), an investment holding company incorporated in Myanmar, owns 30% of the entire issued and paid up share capital of Golden Land.

Besides DAS, the other shareholders of UGP, which are investment holding companies incorporated in British Virgin Islands, are as follows:

- (a) Asiabiz Services Ltd (“**ASL**”), which owns 9% of the entire issued and paid up share capital of UGP;
- (b) D3 Capital Limited, which owns 9% of the entire issued and paid up share capital of UGP,
- (c) Consortium Investments Limited, which owns 3% of the entire issued and paid up share capital of UGP; and
- (d) Sunshine Shimmer Limited, which owns 9% of the entire issued and paid up share capital of UGP.

- (iii) Whether Golden Land and UGP are associates of interested parties to ETC.

Company's response

Mr Zhu Xiaolin (“**Mr Zhu**”) is an executive director and Group President of the Company, and the controlling shareholder of the Company. Accordingly, Mr Zhu is an “interested person” under Chapter 9 of the Listing Manual Section B: Rules of Catalist.

As at the date hereof, Mr Zhu holds a direct interest of 151,120,969 shares and a deemed interest of 49,269,895 shares constituting approximately 15.45% and 5.04% respectively of the total number of issued and paid-up ordinary shares of the Company, and a total interest of 200,390,864 shares constituting approximately 20.49% of the total number of issued and paid-up ordinary shares of the Company. In this regard, Mr Zhu is deemed interested in the shares held by the Company (directly or indirectly) in DAS, UGP and Golden Land. Mr Zhu is also the sole shareholder of ASL. As he is deemed interested in over 30% of Golden Land and UGP respectively, Golden Land and UGP are associates of Mr Zhu.

Save as disclosed above, Golden Land and UGP are not associates of interested persons to the Company.

SGX's Query 2

The Announcement states that ‘*The Facility Agreement comprises a US\$47 million term loan facility (the “USD Loan”) and a MMK4.5 billion term loan facility (the “MMK Loan”, and together with the USD Loan, the “Loans”) secured by (a) certain assets relating to the Golden City project owned by Golden Land in the Yankin township of Yangon, Myanmar (the “Golden City Project”); and (b) all the shares in Golden Land held by UGP, comprising 70% of the entire issued and paid up share capital of Golden Land. The Company will provide a corporate guarantee in connection with the Facility Agreement to guarantee the full and punctual performance and discharge of all obligations, debts and liabilities of UGP and Golden Land in connection with the Loans.*’ Please provide information on:

- (i) Whether the shares of the remaining shareholder(s) in Golden Land are similarly pledged in the Facility Agreement for the Loans;

Company's response

The shares of Nature Link in Golden Land are not pledged in the Facility Agreement for the Loans.

- (ii) Whether the other shareholders have similarly provided corporate guarantees for the Loans; and

Company's response

Nature Link has not provided a corporate guarantee for the Loans.

- (iii) If the responses to Q2.(i) and/or Q2.(ii) are negative, the rationale for the Company to provide these pledges and/or guarantees.

Company's response

Nature Link is a Myanmar incorporated entity. ICBC Yangon, which is a foreign bank in Myanmar, had requested that the shares in Golden Land owned by a foreign entity (being UGP) be pledged in the Facility Agreement for the Loans. In consideration of the shareholders of UGP agreeing to UGP granting the charge over its shares in Golden Land (the “**Share Charge**”), a fee is payable by Golden Land to the shareholders of UGP (including DAS).

As the Group holds the majority interest in Golden Land and Nature Link is the minority shareholder of Golden Land, ICBC Yangon had requested that the Company provide a corporate

guarantee for the Loans. In consideration of the Company providing the corporate guarantee for the Loans (the “**Corporate Guarantee**”), a fee is payable by Golden Land to the Company.

The Share Charge and the Corporate Guarantee were requested by ICBC Yangon for the reasons set out above, and the terms of the Facility Agreement, including the provision of the Share Charge and the Corporate Guarantee, have been negotiated at length between the parties.

By Order of the Board

Mr Tan Thiam Hee
Group Chief Executive Officer and Executive Director

12 June 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

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

The contact person for the Sponsor is: Name: Mr Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd. Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619 Telephone: (65) 6381 6966