

CIRCULAR DATED 25 AUGUST 2020

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.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “Definitions”.

This Circular 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”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this Circular.

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

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

This Circular, together with the Notice of Extraordinary General Meeting and the attached Proxy Form, has been made available on SGXNet and the Company’s website at the URL <http://investor.etcsgaport.com/newsroom.html>. A printed copy of this Circular will NOT be despatched to Shareholders.

In light of the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live audio-visual webcast or listening to the EGM proceedings via live audio-only stream, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Please refer to Section 6 of this Circular and the Notice of Extraordinary General Meeting for further information, including the steps to be taken by Shareholders to participate at the EGM.



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

**THE PROPOSED THIRD EXTENSION OF THE EXPIRY DATE OF THE CONVERSION RIGHT
UNDER THE CONVERTIBLE LOAN AGREEMENT ENTERED INTO
BETWEEN THE COMPANY AND MR LUO SHANDONG**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	14 September 2020 at 9.30 a.m.
Date and time of Extraordinary General Meeting	:	17 September 2020 at 9.30 a.m.
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means

CONTENTS

Page

DEFINITIONS3

CIRCULAR

1	INTRODUCTION	7
1.1	Extraordinary General Meeting.....	7
1.2	Purpose of this Circular	7
2	THE PROPOSED THIRD EXTENSION OF THE EXPIRY DATE OF THE CONVERSION RIGHT UNDER THE CONVERTIBLE LOAN AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND MR LUO SHANDONG.....	8
2.1	Background	8
2.2	Terms and Conditions of the Third Addendum Deed.....	9
2.3	The Proposed Third Extension	10
2.4	Rationale for the Proposed Third Extension.....	10
3	INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	11
4	DIRECTORS' RECOMMENDATION	11
5	EXTRAORDINARY GENERAL MEETING	11
6	ACTION TO BE TAKEN BY THE SHAREHOLDERS.....	12
7	DIRECTORS' RESPONSIBILITY STATEMENT	12
8	LEGAL ADVISER.....	12
9	DOCUMENTS AVAILABLE FOR INSPECTION	12
	NOTICE OF EXTRAORDINARY GENERAL MEETING	13
	PROXY FORM.....	17

DEFINITIONS

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

- “Addendum Deed”** : The addendum deed to the Convertible Loan Agreement dated 18 January 2018 and entered into between the Company and Mr Luo
- “Application”** : The application to SGX Regco dated 25 April 2020 by the Company, through the Sponsor, for a waiver and to be released from the Undertaking
- “associate”** : (a) In relation to any Director, chief executive officer, 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 Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any 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
- “Board”** : The board of Directors of the Company
- “Catalist”** : The Catalist Board of the SGX-ST
- “Catalist Rules”** : Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended up to the Latest Practicable Date
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 25 August 2020
- “Companies Act”** : Companies Act (Cap. 50) of Singapore, as amended, modified or supplemented from time to time
- “Company”** : Emerging Towns & Cities Singapore Ltd.
- “Control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
- “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 Right”** : The right under the Convertible Loan Agreement to convert up to the full sum of US\$29,302,144 and any interest accrued thereon into Conversion Shares in the Company, amounting to an aggregate of up to approximately 468,102,000 Conversion Shares

DEFINITIONS

- “Conversion Shares”** : The fully paid new ordinary shares in the Company to be allotted and issued by the Company pursuant to the exercise of the Conversion Right based on the conversion price of S\$0.09 per Conversion Shares
- “Convertible Loan Agreement”** : The convertible loan agreement dated 25 January 2017 and entered into between Mr Luo as lender and the Company as borrower, as supplemented and amended from time to time
- “CPF”** : Central Provident Fund
- “Directors”** : The directors of the Company as at the Latest Practicable Date and each a **“Director”**
- “EGM”** : The extraordinary general meeting of the Company to be held on 17 September 2020 at 9.30 a.m. by way of electronic means
- “Group”** : The Company and its subsidiaries
- “Latest Practicable Date”** : 19 August 2020, being the latest practicable date prior to the publication of this Circular
- “Maturity Date”** : The maturity date under the Convertible Loan Agreement
- “Mr Luo”** : Mr Luo Shandong, the controlling shareholder of the Company as at the day the Convertible Loan Agreement was signed
- “New Shares”** : 193,630,352 fully paid new ordinary shares in the Company
- “Notice”** : The Company’s notice dated 25 April 2020 to Mr Luo
- “Notice of EGM”** : The notice of the EGM which is set out on pages 13 to 16 of this Circular
- “Outstanding Amount”** : The total indebtedness outstanding under the Convertible Loan Agreement
- “Outstanding Options”** : The 16,000,000 options granted under 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 (each option carrying the right to subscribe for one (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 twenty-five (25) existing ordinary shares to one (1) consolidated share, fractional entitlements to be disregarded, as disclosed in the Company’s announcement dated 5 December 2016
- “PRC”** : The People’s Republic of China
- “Proposed Third Extension”** : The proposed third extension of the expiry date of the Conversion Right by an additional 36 months, in accordance with the terms and conditions of the Third Addendum Deed
- “Register of Members”** : Register of members of the Company
- “Second Addendum Deed”** : The second addendum deed to the Convertible Loan Agreement dated 1 March 2019 and entered into between the Company and Mr Luo
- “Securities Account”** : A securities account maintained by a Depositor with the CDP but not including a securities sub-account maintained with a Depository Agent

DEFINITIONS

“Securities and Futures Act”	: Securities and Futures Act (Cap. 289) of Singapore, as amended, modified or supplemented from time to time
“SGX Regco”	: Singapore Exchange Regulation Pte Ltd
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGXNET”	: The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“Shareholders”	: The registered holders of Shares in the register of members of the Company, 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”
“Sponsor”	: RHT Capital Pte. Ltd.
“Substantial Shareholder”	: A person (including a corporation) who has an interest in not less than 5% of the total issued voting Shares
“S\$” and “cents”	: Singapore dollars and cents respectively, being the lawful currency of Singapore
“Third Addendum Deed”	: The third addendum deed to the Convertible Loan Agreement dated 15 June 2020 and entered into between the Company and Mr Luo
“Undertaking”	: The undertakings submitted to the Sponsor by the Company on 28 June 2018
“US\$” and “cents”	: United States dollars and cents respectively, being the lawful currency of the United States of America
“%” or “per cent.”	: Per centum or percentage

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 **“subsidiaries”** and **“related corporations”** shall have the meanings ascribed to them respectively in Sections 5 and 6 of 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 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 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.

DEFINITIONS

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.

Any exchange rates used in this Circular are for reference only. No representation is made that any 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.

CIRCULAR



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

Board of Directors:

Ang Mong Seng (*Non-Executive Group Chairman / Independent Director*)
Tan Thiam Hee (*Group Chief Executive Officer and Executive Director*)
Zhu Xiaolin (*Group President and Executive Director*)
Lim Jun Xiong Steven (*Independent Director*)
Teo Cheng Kwee (*Non-Executive Director*)

Registered Office:

160 Robinson Road
#12-08 SBF Center
Singapore 068914

25 August 2020

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

Dear Sir/Madam

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED THIRD EXTENSION OF THE EXPIRY DATE OF THE CONVERSION RIGHT UNDER THE CONVERTIBLE LOAN AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND MR LUO SHANDONG

1 INTRODUCTION

1.1 Extraordinary General Meeting

The Board is proposing to convene an EGM to seek Shareholders' approval in respect of the proposed third extension (the "**Proposed Third Extension**") of the expiry date of the Conversion Right under the convertible loan agreement dated 25 January 2017 and entered into between Mr Luo Shandong ("**Mr Luo**") as lender and the Company as borrower (the "**Convertible Loan Agreement**", as supplemented and amended from time to time).

1.2 Purpose of this Circular

- 1.2.1 The purpose of this Circular is to provide Shareholders with information pertaining to the aforementioned proposal to be tabled at the EGM and to seek Shareholders' approval in relation thereto at the EGM to be held by way of electronic means on 17 September 2020 (Thursday) at 9.30 a.m. The Notice of EGM is set out on pages 13 to 16 of this Circular.
- 1.2.2 This Circular has been prepared solely for the purpose outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.
- 1.2.3 **The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.**

CIRCULAR

2 THE PROPOSED THIRD EXTENSION OF THE EXPIRY DATE OF THE CONVERSION RIGHT UNDER THE CONVERTIBLE LOAN AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND MR LUO SHANDONG

2.1 Background

Under the Convertible Loan Agreement entered into between Mr Luo as lender and the Company as borrower, Mr Luo has the right at any time on or before the maturity date (the “**Maturity Date**”) of 15 months from the date of the Convertible Loan Agreement to convert up to the full sum of US\$29,302,144 and any interest accrued thereon into Conversion Shares in the Company, amounting to an aggregate of up to approximately 468,102,000 Conversion Shares (the “**Conversion Right**”).

The Shareholders had at the extraordinary general meeting of the Company held on 27 February 2017 approved the proposed allotment and issue of up to approximately 468,102,000 Conversion Shares at a conversion price of S\$0.09 per Conversion Share each pursuant to the Convertible Loan Agreement.

Pursuant to the Addendum Deed to the Convertible Loan Agreement dated 18 January 2018 and entered into between the Company and Mr Luo, *inter alia*, the Maturity Date was amended from 15 months from the date of the Convertible Loan Agreement to 27 months from the date of the Convertible Loan Agreement. The Shareholders had at the extraordinary general meeting of the Company held on 15 March 2018 approved the extension of the expiry date of the Conversion Right by an additional 12 months due to the change of Maturity Date.

Pursuant to the Second Addendum Deed to the Convertible Loan Agreement dated 1 March 2019 and entered into between the Company and Mr Luo, *inter alia*, the Maturity Date was amended from 27 months from the date of the Convertible Loan Agreement to 39 months from the date of the Convertible Loan Agreement. The Shareholders had at the annual general meeting of the Company held on 23 April 2019 approved the extension of the expiry date of the Conversion Right by an additional 12 months due to the change of Maturity Date.

On 25 April 2020, the Company announced that:

- (a) pursuant to the Convertible Loan Agreement, the outstanding principal amount and interest shall have become fully due and payable by the Company on the Maturity Date, being 39 months from the date of the Convertible Loan Agreement (i.e. 25 April 2020);
- (b) prior to 25 April 2020 and since the end of 2019, the Company and Board made several attempts to reach out to Mr Luo, including and not limited to making trips to the PRC before the travel ban, to negotiate for an extension of the expiry date of the Conversion Right and Maturity Date. Despite all the efforts, the Company had not been able to contact Mr Luo directly;
- (c) the Company had submitted an application to SGX Regco, through the Sponsor, for a waiver and to be released from the Undertaking submitted to the Sponsor on 28 June 2018 (the “**Application**”) for the reasons as set out in the Company’s announcement dated 25 April 2020 in relation to the update on Convertible Loan Agreement with Mr Luo; and
- (d) pending the outcome of the Application, the Company had elected to convert approximately US\$12,272,346 (approximately S\$17,426,732¹), being the total indebtedness outstanding under the Convertible Loan Agreement (the “**Outstanding Amount**”) as at the Maturity Date, automatically into 193,630,352 fully paid new ordinary shares (the “**New Shares**”) in the Company on the Maturity Date, at the conversion price of S\$0.09 per Conversion Share. The New Shares were deemed issued and allotted on the Maturity Date, subject to any requisite approvals from the SGX-ST and/or SGX Regco being obtained in relation to the New Shares, and would rank *pari passu* in all respects with the existing Shares of the Company.

Note:

1. Based on the exchange rate of US\$1.00: S\$1.42 according to the Convertible Loan Agreement.

CIRCULAR

On 15 June 2020, the Company announced that following the Company's announcement dated 25 April 2020, Mr Luo contacted the Company through his representative on 25 May 2020 and requested that the Company withdraw its notice dated 25 April 2020 to Mr Luo (the "**Notice**"), pursuant to which the Company had elected to convert the Outstanding Amount as at the Maturity Date automatically into the New Shares.

The Company and Mr Luo had on 15 June 2020 entered into a third addendum deed to the Convertible Loan Agreement (the "**Third Addendum Deed**").

As at 15 June 2020, the Company had not obtained SGX Regco's approval for a waiver and release from the Undertaking. In view of the Third Addendum Deed, the Company had, through the Sponsor, submitted its application to SGX Regco to withdraw the Application.

As the Notice has been withdrawn pursuant to the Third Addendum Deed and the New Shares were only deemed issued and allotted subject to any requisite approvals from the SGX-ST and/or SGX Regco being obtained in relation to the New Shares (which, as set out above, had not been obtained), the New Shares have not been allotted and issued, and there has been no increase in the total number of issued and paid-up ordinary shares of the Company, which remains as 978,053,934 ordinary shares as at 15 June 2020 and as at the Latest Practicable Date.

2.2 Terms and Conditions of the Third Addendum Deed

Pursuant to the Third Addendum Deed, *inter alia*:

- (a) notwithstanding the Notice, at the request of Mr Luo, the Company agreed to withdraw the Notice, and Mr Luo agreed to and acknowledged the Company's withdrawal of the Notice and that the Outstanding Amount as at 25 April 2020 has not been converted in accordance with the Convertible Loan Agreement;
- (b) the Maturity Date has been amended from 39 months from the date of the Convertible Loan Agreement to 75 months from the date of the Convertible Loan Agreement. For avoidance of doubt, the revised Maturity Date is 25 April 2023;
- (c) the Proposed Third Extension of the expiry date of the Conversion Right by an additional 36 months due to the change of Maturity Date shall be subject to approval from the SGX-ST, if necessary, and the Shareholders; and
- (d) Mr Luo has unconditionally and irrevocably undertaken to the Company, *inter alia*, that:
 - (i) he shall, subject to any applicable laws, rules or regulations and provided that he and/or his associates are not required by the SGX-ST to abstain from voting as shareholders of the Company in respect of the Proposed Third Extension, vote or procure the voting of, all his shareholdings in the Company and all the shareholdings of his associates in the Company at the time thereof, whether held directly or indirectly, in favour of the Proposed Third Extension in order to procure the passing of the resolution(s) of Shareholders, if necessary, for and in connection with the Proposed Third Extension; and
 - (ii) to the extent it is within his power and authority to do so without contravention of any applicable laws or regulations, he shall not, directly or indirectly, take any action, or omit to take any action, which would:
 - (A) cause him to breach his obligations under the Third Addendum Deed;
 - (B) conflict with or diminish his obligations under the Third Addendum Deed; or
 - (C) be or may be prejudicial to or otherwise frustrate the Proposed Third Extension.

Save as stated in the Third Addendum Deed, all the other terms and conditions of the Convertible Loan Agreement shall remain in full force and effect.

2.3 The Proposed Third Extension

As the Maturity Date under the Convertible Loan Agreement has been amended from 39 months from the date of the Convertible Loan Agreement to 75 months from the date of the Convertible Loan Agreement, and the Conversion Right is exercisable at any time on or before the Maturity Date, the expiry date of the Conversion Right will be extended by an additional 36 months, from 25 April 2020 to 25 April 2023, subject to approval from the Shareholders.

Accordingly, an ordinary resolution will be proposed at the EGM to seek Shareholders' approval in respect of the Proposed Third Extension of the expiry date of the Conversion Right by an additional 36 months.

2.4 Rationale for the Proposed Third Extension

On 28 June 2018, the Company announced that SGX Regco had on 21 June 2018 issued a letter in relation to the Company's application, through its Sponsor, for the resumption of trading in the Company's shares. SGX Regco's approval on the application was subject to, *inter alia*, the submission of certain undertakings to the Sponsor and the Company had on 28 June 2018 submitted the following undertakings (the "**Undertaking**") to the Sponsor:

- (a) an undertaking to procure third parties who are independent of Mr Luo and his concert parties to take over Mr Luo's Shares as and when he exercises the Conversion Right; and
- (b) an undertaking that in the event the Company is not able to procure any such third parties as and when Mr Luo exercises the Conversion Right, the Company is to redeem a portion of the Convertible Loan Agreement in cash such that at any point in time, Mr Luo will not hold more than 10% of the enlarged share capital of the Company or will not become the single largest shareholder of the Company as a direct consequence of Mr Luo's exercise of the Conversion Right.

The Company has, since the signing of the Undertaking, been trying to seek new investors to either buy out Mr Luo's Convertible Loan Agreement and/or Shares and/or new share placements in order to reduce the shareholding percentages of Mr Luo when the Outstanding Amount is converted into new Shares, and has not been able to procure third parties to take over Mr Luo's Shares as and when Mr Luo exercises the Conversion Right.

The Company is seeking the Proposed Third Extension for the following reasons:

- (i) if the Company is unable to obtain the Proposed Third Extension and it is unable to convert the Outstanding Amount into Shares, the Company would then be liable to repay the Outstanding Amount to Mr Luo in cash;
- (ii) the Company has accounted for the Outstanding Amount under the Convertible Loan Agreement as equity and if the Company is unable to obtain the Proposed Third Extension and is unable to convert the Outstanding Amount into Shares, the Company would have to reclass the Outstanding Amount from equity to current liabilities, this will have a negative material impact on the Company's financial position;
- (iii) given the current cashflow situation of the Company, if the Company were required to repay the Outstanding Amount to Mr Luo in cash, this may have a negative material impact on the Company's cashflow and finances; and
- (iv) the Proposed Third Extension would provide the Company with more time to seek new investors to either buy out Mr Luo's Convertible Loan Agreement and/or Shares and/or new share placements in order to reduce the shareholding percentages of Mr Luo when the Outstanding Amount is converted into new Shares.

Accordingly, after considering these circumstances, the Board believes that the Proposed Third Extension is in the best interests of the Company.

CIRCULAR

3 **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- 3.1 The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	Shareholding (%) ⁽¹⁾	Number of Shares	Shareholding (%) ⁽¹⁾	Number of Shares	Shareholding (%) ⁽¹⁾
Director(s)						
Ang Mong Seng	-	-	-	-	-	-
Tan Thiam Hee ⁽²⁾	360,000	0.04	-	-	360,000	0.04
Zhu Xiaolin	151,120,969	15.45	49,269,895	5.04	200,390,864	20.49
Lim Jun Xiong Steven	-	-	-	-	-	-
Teo Cheng Kwee ⁽⁴⁾	59,281,760	6.06	-	-	59,281,760	6.06
Substantial Shareholder(s)						
Zhang Xiang	89,000,000	9.10	-	-	89,000,000	9.10

Notes:

- (1) Calculated based on 978,053,934 Shares in the capital of the Company.
- (2) Mr Tan Thiam Hee has interests in 5,000,000 Outstanding Options.
- (3) Mr Zhu Xiaolin is deemed interested in 49,269,895 shares held by Phillip Securities Pte Ltd as his nominee.
- (4) Mr Teo Cheng Kwee has interests in 2,000,000 Outstanding Options.

- 3.2 As at the Latest Practicable Date, none of the Company's directors or controlling shareholders or their associates has any interest, direct or indirect, in the Proposed Third Extension other than through their respective shareholdings in the Company.

4 **DIRECTORS' RECOMMENDATION**

- 4.1 After having considered, amongst other things, the rationale for the Proposed Third Extension, the Directors are of the view that the Proposed Third Extension is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Third Extension.
- 4.2 In giving the above recommendation, 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.

5 **EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages 13 to 16 of this Circular, will be held by way of electronic means on 17 September 2020 (Thursday) at 9.30 a.m., for the purpose of considering

CIRCULAR

and, if thought fit, passing with or without modification the Resolution set out in the Notice of EGM.

6 ACTION TO BE TAKEN BY THE SHAREHOLDERS

- 6.1** In light of the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live audio-visual webcast or listening to the EGM proceedings via live audio-only stream, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.
- 6.2** Shareholders should refer to the Notice of EGM set out on pages 13 to 16 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM .

7 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 Third Extension, 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.

8 LEGAL ADVISER

For the purposes of this Circular, Wong Tan & Molly Lim LLC has been appointed as the legal adviser to the Company in relation to Singapore law.

9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 160 Robinson Road, #12-08 SBF Center, Singapore 068914 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Convertible Loan Agreement, the Addendum Deed, the Second Addendum Deed and the Third Addendum Deed; and
- (b) the annual report of the Company for the financial year ended 31 December 2019.

In light of the prevailing regulations due to the COVID-19 situation, any Shareholder who wishes to inspect the documents should contact the Company at the email address info@etcsingapore.com at least 3 working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents. Shareholders will need to identify themselves by stating his/her/its full name as it appears on his/her/its CDP/CPF/SRS share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

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

Tan Thiam Hee
Group Chief Executive Officer and Executive Director

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 Resolutions below and defined in the circular dated 25 August 2020 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 of the Company (the “EGM”) will be held by way of electronic means on 17 September 2020 (Thursday) at 9.30 a.m. Please refer to the section below on “**IMPORTANT NOTICE ON EGM ARRANGEMENTS IN LIGHT OF COVID-19**”.

The Circular, this Notice of EGM and the accompanying Proxy Form have been made available on SGXNet. Printed copies of these documents will NOT be despatched to members of the Company.

The EGM will be held for the purpose of considering and, if thought fit, passing with or without amendment, the following Resolution:

ORDINARY RESOLUTION 1 – THE PROPOSED THIRD EXTENSION OF THE EXPIRY DATE OF THE CONVERSION RIGHT UNDER THE CONVERTIBLE LOAN AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND MR LUO SHANDONG

Resolved that:

- (a) approval be and is hereby given for the third extension of the expiry date of the Conversion Right under the convertible loan agreement entered into between the Company and Mr Luo Shandong by an additional 36 months (the “**Proposed Third Extension**”); and
- (b) the Directors and each of them be and are hereby authorised to do all acts and things (including, without limitation, executing all such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Third Extension as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

By Order of the Board

Tan Thiam Hee
Group Chief Executive Officer and Executive Director
25 August 2020

Notes:

- (1) A member, including a relevant intermediary, entitled to vote at the EGM must appoint the Chairman of the EGM to act as proxy and direct the vote at the EGM.

“**Relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (2) The instrument or form appointing the Chairman of the EGM as proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The instrument must be submitted not less than 72 hours before the time appointed for holding the EGM, in the manner specified in the section titled “**IMPORTANT NOTICE ON EGM ARRANGEMENTS IN LIGHT OF COVID-19**” below.
- (3) Where the instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- (4) By pre-registering to attend the EGM and/or any adjournment thereof, submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, 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 representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

IMPORTANT NOTICE ON EGM ARRANGEMENTS IN LIGHT OF COVID-19

The EGM is being convened, and will be held, only by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Circular, this Notice of EGM and the accompanying Proxy Form will not be sent to members of the Company. Instead, these documents will be made available on SGXNet and at the Company’s website at the URL <http://investor.etsingapore.com/newsroom.html>. A Shareholder will need an internet browser and PDF reader to view these documents on SGXNet and the Company’s website.

Shareholders are advised to read the Notice of EGM carefully in order to decide whether they should vote in favour of or against the ordinary resolution, or to abstain from voting on the ordinary resolution, to be tabled at the EGM.

This notice sets out the Company’s arrangements relating to, among others, attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance, addressing of substantial and relevant questions prior to or at the EGM and/or voting by appointing the Chairman of the EGM as proxy.

In light of the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, a member (including a relevant intermediary) will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.

Members may participate at the EGM by following the steps set out below:

1. Registration for Live Webcast

Members will be able to follow the proceedings of the EGM through a live audio-visual webcast or live audio-only stream (collectively, “**Live Webcast**”) via mobile phone, tablet, computer or any such electronic device.

To do so, a member must pre-register **by no later than 9.30 a.m. on 14 September 2020** (“**Registration Deadline**”), at the URL: <https://forms.gle/PsqTGJ58GRStufnH9>, for authentication of their status as members.

Members who have been authenticated will receive email instructions to access the Live Webcast of the proceedings of the EGM by 9.30 a.m. on 16 September 2020. Members who have registered by the Registration Deadline but have not received email instructions by 9.30 a.m. on 16 September 2020 may contact the Company by email at info@etsingapore.com for assistance.

Members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the Live Webcast.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) who wish to participate in the EGM should, in addition to pre-registering, approach their respective agents as soon as possible, so that the necessary arrangements can be made by the relevant agents for their participation in the EGM.

2. Members' Queries

Members will not be able to speak or ask questions during the Live Webcast. It is important to note that any questions must be submitted in advance of the EGM.

All questions must be submitted **by no later than 9.30 a.m. on 14 September 2020** to the Company:

- (a) **via the pre-registration website** at the URL: <https://forms.gle/PsqTGJ58GRStufnH9>; or
- (b) **in hard copy** by sending personally or by post and lodging the same at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544.

For verification purposes, when submitting any questions by post, members **MUST** provide the Company with their particulars (comprising: full name (for individuals) / company name (for corporations) as it appears on his/her/its CDP/CPF/SRS share records, email address, contact number, NRIC / passport number / company registration number, the manner in which the member holds his/her/its shares in the Company (e.g. via CDP, CPF or SRS) and number of shares held).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will endeavour to address the substantial and relevant queries, as determined by the Company, from members prior to or at the EGM. The minutes of the EGM, which will include responses to substantial and relevant queries from members which are addressed during the EGM, shall thereafter be published on SGXNet, within one (1) month from the conclusion of the EGM.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) can submit their questions in relation to any resolution set out in the Notice of EGM upon pre-registration, however, they should, in addition to pre-registering, approach their respective agents as soon as possible, so that the necessary arrangements can be made by the relevant agents for their participation in the EGM.

Please note that members will not be able to ask questions at the EGM "live" during the Live Webcast, and therefore it is important for members to submit their questions in advance of the EGM.

3. Proxy Voting

A member (including a relevant intermediary) will not be able to attend the EGM physically in person and will not be able to vote online on the resolution to be tabled for approval at the EGM. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. The instrument appointing the Chairman of the EGM as proxy has been uploaded together with this Notice of EGM on SGXNet on the same day.

Members (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:

- (a) if **in hard copy** and sent personally or by post, the proxy form must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544; or
- (b) if **via email**, the proxy form must be received by the Company's Share Registrar at main@zicoholdings.com,

in any case **not less than 72 hours** before the time for holding the EGM and at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download the proxy form, which is available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and at the Company's website at the URL <http://investor.etcingsingapore.com/newsroom.html>, complete and sign the proxy form, before submitting it personally or by post to the address provided above, or scanning and sending it by email to the email address provided above. In view of the current COVID-19 situation and the

NOTICE OF EXTRAORDINARY GENERAL MEETING

related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act) and wish to appoint the Chairman of the EGM as proxy, should approach their respective agents to submit their votes **by 9.30 a.m. on 8 September 2020.**

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

In the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

IMPORTANT: The Company would like to remind Shareholders that, with the constantly evolving COVID-19 situation, the situation is fluid and the Company may be required to change its EGM arrangements at short notice. Shareholders should check the above URL and SGXNet for updates on the EGM.

PROXY FORM

EMERGING TOWNS & CITIES SINGAPORE LTD.

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

PROXY FORM EXTRAORDINARY GENERAL MEETING

This Proxy Form, together with the Notice of Extraordinary General Meeting and the circular dated 25 August 2020 to the shareholders of the Company, has been made available on SGXNet and the Company's website at the URL <http://investor.etcingsapore.com/newsroom.html>. A printed copy of this proxy form will NOT be despatched to members.

IMPORTANT

1. Due to the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, a member (including a relevant intermediary) will not be able to attend the EGM in person.

2. Alternative arrangements relating to (i) attendance at the EGM through electronic means (including arrangements by which the EGM can be electronically accessed through live audio-visual webcast or live audio-only stream); (ii) submission of questions to the Chairman of the Meeting in advance of the EGM, addressing substantial and relevant questions at the EGM; and (iii) voting by proxy at the EGM are set out in the Notice of the EGM.

3. For investors who have used their CPF moneys to buy shares in the capital of EMERGING TOWNS & CITIES SINGAPORE LTD., this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

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

of _____ (Address)

being a member/members of **EMERGING TOWNS & CITIES SINGAPORE LTD.** (the "**Company**"), hereby appoint the Chairman of the Extraordinary General Meeting of the Company ("**EGM**"), as *my/our proxy to vote for *me/us on *my/our behalf at the EGM to be held by way of electronic means on 17 September 2020 (Thursday) at 9.30 a.m. and at any adjournment thereof.

*I/We direct the Chairman of the EGM to vote for or against, or to abstain from voting on, the Resolution 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 Chairman of the EGM will abstain from voting. The Resolution to be put to the vote at the EGM shall be decided by way of poll.

	ORDINARY RESOLUTION	For*	Against*	Abstain*
1.	THE PROPOSED THIRD EXTENSION OF THE EXPIRY DATE OF THE CONVERSION RIGHT UNDER THE CONVERTIBLE LOAN AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND MR LUO SHANDONG			

* 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 _____ 2020.

Signature(s) of Member(s)/Common Seal

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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 of the Company, he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the said Depository Register and registered in his name in the Register of Members of the Company, he/she/it should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. A member of the Company (including a relevant intermediary) will not be able to attend the EGM physically in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in this proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. Due to the current COVID-19 situation and the related safe-distancing measures put in place in Singapore, a member (including a relevant intermediary) will not be able to attend the EGM in person. Members will be able to follow the proceedings of the EGM through a live audio-visual webcast or live audio-only stream (collectively, “Live Webcast”) via mobile phone, tablet, computer or any such electronic device. To do so, a member must pre-register **by no later than 9.30 a.m. on 14 September 2020** (“Registration Deadline”), at the URL: <https://forms.gle/PsqTGJ58GRStufnH9>. Following authentication of their status as members, authenticated members will receive email instructions to access the Live Webcast of the proceedings of the EGM by 9.30 a.m. on 16 September 2020. Members who have registered by the Registration Deadline but have not received email instructions by 9.30 a.m. on 16 September 2020 may contact the Company by email at info@etcsingapore.com for assistance.
 4. The Chairman of the EGM, as proxy, need not be a member of the Company.
 5. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
 - (a) if **in hard copy** and sent personally or by post, the proxy form must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00, ASO Building, Singapore 048544; or
 - (b) if **via email**, the proxy form must be received by the Company's Share Registrar at main@zicoholdings.com,

in any case **not less than 72 hours** before the time for holding the EGM and at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

6. If sent personally or by post, the instrument appointing the Chairman of the EGM as proxy of an individual must be under the hand of the appointor or of his attorney duly authorised in writing and the instrument appointing the Chairman of the EGM as proxy of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing the Chairman of the EGM as proxy is submitted by email, it must be authorised in the following manner:
 - by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

PROXY FORM

- by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
8. Where an instrument appointing the Chairman of the EGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 9. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy). In the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

IMPORTANT REMINDER: The Company would like to remind Shareholders that, with the constantly evolving COVID-19 situation, the situation is fluid and the Company may be required to change its EGM arrangements at short notice. Shareholders should check the Company's website and SGXNet for updates on the EGM.

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.