

EMERGING TOWNS & CITIES SINGAPORE LTD.

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

UPDATE TO SPECIAL NOTICE / REQUISITION FOR AN EXTRAORDINARY GENERAL MEETING

The Board of Directors (the “**Board**”) of Emerging Towns & Cities Singapore Ltd. (the “**Company**” and together with its subsidiaries the “**Group**”) refers to the following announcements:

- (a) the Company’s announcement released on 14 November 2017 regarding the legal action the Group was undertaking in respect of unauthorised withdrawals from Huizhou Daya Bay Mei Tai Cheng Property Development Co., Limited involving companies controlled by Mr Luo Shandong (“**Mr Luo**”) (the “**14 November 2017 Announcement**”)
- (b) the Company’s announcement released on 20 November 2017 in relation to the receipt of special notice / requisition for an extraordinary general meeting from Mr Luo (“**the Requisition**”);
- (c) the Company’s announcement released on 20 November 2017 in relation to the request for suspension; and
- (d) the Company’s announcement released on 23 November 2017 in relation to the receipt of notice of compliance,

(collectively, the “**Announcements**”).

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as in the Announcements.

The Board wishes to announce that, in view of the Board’s commitment to good corporate governance and following discussions between the Company’s Sponsor and the Board, the Board will not be convening the EGM for the following reasons:

- (i) the EGM being sought to be convened seeks the removal of Mr Christopher Chong Meng Tak and Mr Peter Tan (the “**Independent Directors**”) as directors of the Company. As at the date hereof, Mr Christopher Chong Meng Tak and Mr Peter Tan comprise the only independent directors on the Board.

In accordance with Principle 2 of the Code of Corporate Governance issued on 2 May 2012 (the “**Code**”), there should be a strong and independent element on the Board. If the Independent Directors are removed, the Company would not be in compliance with the Code as the Board would comprise only non-independent directors;

- (ii) in accordance with Rule 226(2)(d) of Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”), the Sponsor is required to advise on the suitability of directors arising from proposed changes in the Board.

The Sponsor has reviewed the curricula vitae (“**CVs**”) of Ms Shasha (Liang) Du and Mr Wang Guang (the “**Proposed Directors**”) attached to the Requisition Notice and noted that the CVs of the Proposed Directors were not updated and did not give a complete background of the Proposed Directors. The Requisition Notice also did not contain the consents of the Proposed Directors for their appointment as Directors of the Company. The Sponsor has requested additional information from Mr Luo’s legal counsel on the Proposed Directors including, *inter alia*, relevant disclosures for the purpose of the appointment of the Proposed Directors. Certain of such additional information which has just been provided to the Sponsor today is incomplete and other of such information, despite several reminders, has not been

forthcoming as at the date hereof; in the absence of sufficient information, the Sponsor is currently unable to advise on the suitability of the Proposed Directors;

- (iii) in accordance with the Notice of Compliance and pursuant to Catalist Rule 305(1)(c), the SGX Regco requires the Company to obtain prior approval of the Exchange under Catalist Rule 720(2)(a), for a period not exceeding 3 years, for the appointment of a director or an executive officer.

As at the date hereof, the Board has not received any notice that the Exchange has approved the appointment of the Proposed Directors;

- (iv) the Company had through the 14 November 2017 Announcement disclosed the legal action the Group was undertaking in respect of the Unauthorised Withdrawals involving companies controlled by Mr Luo;
- (v) the Requisition was issued on 16 November 2017 following the disclosure in the 14 November 2017 Announcement of the action being taken in respect of the Unauthorised Withdrawals;
- (vi) it is likely the purpose of the Requisition is to hamper the Company's efforts to proceed with legal action against Mr Luo in connection with the Unauthorised Withdrawals; and
- (vi) in view of the above, the Board has taken legal advice on the Requisition. Having considered the advice, the Board is of the opinion that the Proposed Directors would not be suitable to be appointed to the Board and the Board has concluded that it is not compelled to convene the EGM that Mr Luo has requisitioned.

The Board will provide further updates to shareholders if and when there are material developments on this matter.

In the meantime, for clarity, the voluntary suspension of trading in the Company's shares shall continue until such time that matters in respect of the Unauthorised Withdrawals and the proposed removal and appointment of directors are resolved.

By Order of the Board

Mr Tan Thiam Hee
Group Chief Executive Officer and Executive Director

7 December 2017

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 ("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 assumes 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 details of the contact person for the Sponsor is:

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