

EMERGING TOWNS & CITIES SINGAPORE LTD.

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

UPDATE ON SETTLEMENT IN RELATION TO LEGAL ACTION IN RESPECT OF UNAUTHORISED WITHDRAWALS FROM HUIZHOU DAYA BAY MEI TAI CHENG PROPERTY DEVELOPMENT CO., LIMITED

1. UPDATE ON SETTLEMENT

- 1.1. The Board of Directors (the “**Board**”) of Emerging Towns & Cities Singapore Ltd. (the “**Company**” and together with its subsidiaries the “**Group**”) refers to the Company’s announcement released on 18 January 2018 in relation to the settlement deed (the “**Settlement Deed**”) entered into on 18 January 2018 (the “**Execution Date**”) by the Company, Cedar Properties Pte. Ltd. (“**CPPL**”) and Mr Luo Shandong (“**Mr Luo**”) (the “**Settlement Deed Announcement**”).

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

- 1.2. In compliance with the terms of the Settlement Deed, as of 25 January 2018, the following steps required to be taken by the Company, CPPL and Mr Luo within 7 days of the Execution Date have been completed as follows:

- (i) on 25 January 2018, the Company filed a Notice of Discontinuance to discontinue the Singapore Lawsuit against all the defendants;
- (ii) CPPL has taken all necessary steps to withdraw and/or discontinue the PRC Proceedings expeditiously including filing an application for the withdrawal of the PRC Proceedings on 25 January 2018;
- (iii) Mr Luo’s lawyers have sent the Company’s lawyers an open letter stating that the demands in the Section 216A Notice are withdrawn as of the date of the Execution Date;
- (iv) Mr Luo’s lawyers have sent the Company’s lawyers an open letter stating that the First Requisition Notice is withdrawn as of the date of the Execution Date;
- (v) Mr Luo has transferred full legal and beneficial title to 149,410,864 of his shares in the Company to Mr Zhu Xiaolin (the “**Transfer**”);
- (vi) Mr Yang Cha has resigned from his position as a director on the board of directors of Huizhou Daya Bay; and
- (vii) the Company has received all bank tokens of Huizhou Daya Bay.

- 1.3. As the Company and Mr Luo have entered into the SPA and the Addendum Deed, the Transfer has been fully completed, Mr Yang Cha has resigned from his position as a director on the board of directors of Huizhou Daya Bay and the Company has received all bank tokens of Huizhou Daya Bay, the directors on the Board as of the Execution Date (“**the Existing Directors**”) shall resign at such times as may be requested by Mr Zhu Xiaolin, subject to (if required) the approval of the SGX-ST and the Company’s Sponsor, provided that at the time of such request(s) the requesting party is the controlling shareholder of the Company. As previously announced, the Existing Directors shall not be required to resign from their positions as directors on the Board upon the occurrence of the earlier of the following events:

- (i) 3 months have passed since the completion of the sale of the Sale Share; or
- (ii) 50% of the Existing Directors have resigned.

In the event that Mr Zhu Xiaolin requests for the resignation of any of the Existing Directors who are independent directors (“**the Existing Independent Directors**”), the Existing Independent Directors shall only be required to resign from their positions as directors on the Board upon the approval of the SGX-ST of the independent director(s) who will be appointed to the Board in place of the Existing Independent Directors.

2. FURTHER ANNOUNCEMENTS

The Company will make further announcements on the matters set out in this Announcement as appropriate or when there are material developments on the same.

3. CAUTION IN DEALING

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

4. STATUS OF VOLUNTARY SUSPENSION OF TRADING IN THE COMPANY'S SHARES

The voluntary suspension of trading in the Company's shares (the “**Voluntary Suspension**”) effective 20 November 2017 was requested on the basis that it would be prudent to do so until such time that matters in respect of the Unauthorised Withdrawals and the proposed removal and appointment of directors are resolved. The Company has taken steps towards addressing such matters by entering into the Settlement Deed with Mr Luo. Following such steps, the Company is working towards the lifting of the Voluntary Suspension and will make further announcements when there are material developments on the matter.

By Order of the Board

Mr Tan Thiam Hee
Group Chief Executive Officer and Executive Director

25 January 2018

*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:

*Name: Mr. Nathaniel C.V. (Registered Professional, RHT Capital Pte. Ltd.)
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619
Tel: 6381 6757*