

EMERGING TOWNS & CITIES SINGAPORE LTD.

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

MONTHLY UPDATE ON THE COMPANY'S FUTURE PLANS AND PROGRESS TOWARDS SUBMISSION OF ITS TRADING RESUMPTION PROPOSAL

1. Introduction

The Board of Directors of Emerging Towns & Cities Singapore Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement dated 9 February 2023 in relation to the grant of an extension of time to 31 July 2023 for the Company to comply with Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”) and the previous update announcement dated 28 February 2023 (the “**Previous Announcements**”) and wishes to update the shareholders on the Company’s future plans and progress towards submission of its trading resumption proposal pursuant to Rule 1304 of the Catalist Rules.

Capitalised terms in this announcement (unless otherwise defined or the context otherwise requires) have the same meaning ascribed to them in the Previous Announcements.

2. Proposed Divestment of DAS Pte. Ltd. and Potential Investment

As disclosed in the Company’s announcement dated 2 March 2021, following its consultation with Singapore Exchange Regulation (“**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 into a suspension in the trading of its securities (the “**Suspension**”). On 3 March 2021, the Company entered into the Suspension.

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 the independent Financial Review and 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). Given the uncertainty as to when the political situation in Myanmar may improve and when the unilateral sanctions from the United States, the European Union and the United Kingdom would cease, the Board has been looking into all possible avenues to divest its investment in Myanmar as part of its plan to resume the trading of its securities.

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 Pte. Ltd. (the “**Proposed Divestment**”). As part of the Proposed Divestment, the potential purchasers will be required to take over the Company’s corporate guarantee for Golden Land Real Estate Development Co., Ltd.’s syndicated bank loan of approximately

US\$42 million (the “**Proposed Transfer**”). In the event of a successful completion of Proposed Divestment and Proposed Transfer, the Company would cease its exposure to the Myanmar market.

Given the current animosity from various countries towards investment in Myanmar and unilateral sanctions from the United States, the European Union and the United Kingdom, interest in such Proposed Divestment has been very limited; nevertheless the Board will continue to endeavour to divest the Company’s investment in Myanmar. As of March 2023, the Company is now in advanced discussions with a potential purchaser and will provide further updates if definitive and binding legal agreement(s) are entered into.

Besides the Proposed Divestment and Proposed Transfer, the Board would also seek to raise additional capital from investors for new projects and businesses, as part of its plan to resume the trading of its securities. The Board is currently in advanced stages of discussion with a potential investor and will provide further updates if definitive and binding legal agreement(s) are entered into.

As at the date of this announcement, no definitive agreements in relation to any transactions have been entered into by the Group, and there can be no assurance or certainty that any discussions will be successfully concluded and any definitive agreements be entered into. In the meantime, Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Shareholder and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

3. Appointment of Independent Director

Since the Sixth Extension for the Company to comply with Rule 704(7) of the Catalist Rules, the Company has identified a potential candidate for the Independent Director position and to fill the vacancy in the Board Committees of the Company. The Company and the potential candidate have progressed to advanced discussions and it is intended that the potential candidate be appointed as Chairman of the Audit Committee, member of the Nominating & Corporate Governance Committee and member of the Remuneration Committee. The Company will provide further updates once the details of the potential candidate’s appointment are confirmed.

BY ORDER OF THE BOARD

Joseph Lim
Executive Director and Chief Executive Officer

31 March 2023

*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**”).*

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 contact person for the Sponsor is Ms Bao Qing - Registered Professional, 36 Robinson Road, #10-06, City House, Singapore 068877, sponsor@rhtgoc.com