

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

Condensed Interim Financial Statements for the
second Quarter and six months ended 30 June
2024

Pursuant to Rule 705(2) of the Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) requires the Company to announce its quarterly financial statements in view of the disclaimer of opinion issued by the Company’s auditor in the latest audited financial statements for the financial year ended 31 December 2023.

This announcement has been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | | Group | | | |
|--|-----------|--|--|----------------------------------|----------------------------------|
| | Note | 2 nd Quarter Ended 30-June-24 | 2 nd Quarter Ended 30-June-23 | Half-Year Ended 30-June-24 | Half-Year Ended 30-June-23 |
| | | Unaudited | Unaudited | Unaudited | Unaudited |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 4 | 14,328 | 8,677 | 27,220 | 13,193 |
| Cost of sales | | (9,580) | (8,353) | (18,153) | (11,534) |
| Gross profit | | 4,748 | 324 | 9,067 | 1,659 |
| Other income | 6 | 927 | 2,278 | 1,915 | 2,825 |
| Selling and distribution expenses | | (1,649) | (765) | (3,490) | (1,369) |
| Administrative expenses* | | (3,963) | (1,917) | (8,391) | (3,459) |
| Other expenses | 7 | (125) | (1,917) | (279) | (2,094) |
| Finance costs | 8 | (2,583) | (3,848) | (4,894) | (6,550) |
| Loss before taxation | 9 | (2,645) | (5,845) | (6,072) | (8,988) |
| Taxation | 10 | (29) | (144) | 7 | (116) |
| Loss for the period | | (2,674) | (5,989) | (6,065) | (9,104) |
| Loss attributable to: | | | | | |
| Owners of the Company | | (1,142) | (2,917) | (2,853) | (4,488) |
| Non-controlling interests | | (1,532) | (3,072) | (3,212) | (4,616) |
| | | (2,674) | (5,989) | (6,065) | (9,104) |
| Other comprehensive income | | | | | |
| Items that may be reclassified to profit or loss in subsequent periods (net of tax) | | | | | |
| Currency translation differences arising from consolidation of foreign operations | | 180 | 976 | 996 | 512 |
| Total comprehensive loss for the period | | (2,494) | (5,013) | (5,069) | (8,592) |
| Total comprehensive loss attributable to: | | | | | |
| Owners of the Company | | (1,061) | (2,439) | (2,371) | (4,237) |
| Non-controlling interests | | (1,433) | (2,574) | (2,698) | (4,355) |
| | | (2,494) | (5,013) | (5,069) | (8,592) |
| Loss per share attributable to owners of the Company (Singapore cents) | | | | | |
| - Basic | 20 | (0.12) | (0.30) | (0.29) | (0.46) |
| - Diluted | 20 | (0.12) | (0.30) | (0.29) | (0.46) |

*: Administrative expenses for the second quarter and six months ended 30 June 2024 included a net foreign exchange loss of S\$2,609,000 (2Q2023: S\$1,174,000) and S\$6,080,000 (1H2023:S\$1,609,000), respectively.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

| | Note | Group | | Company | |
|---|------|-------------------------|----------------------|-------------------------|----------------------|
| | | 30-June-24 Unaudited | 31-Dec-23 Audited | 30-June-24 Unaudited | 31-Dec-23 Audited |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | | |
| Non-Current | | | | | |
| Property, plant and equipment | 11 | 6,547 | 4,158 | - | - |
| Subsidiaries | 12 | - | - | 17,670 | 16,070 |
| Investment properties | 13 | 72,049 | 80,908 | - | - |
| Right-of-use assets | | 1,142 | - | - | - |
| Trade receivables | 15 | 4,281 | 3,857 | - | - |
| | | 84,019 | 88,923 | 17,670 | 16,070 |
| Current | | | | | |
| Development properties | 14 | 76,372 | 80,320 | - | - |
| Inventories | | 95 | - | - | - |
| Trade and other receivables | 15 | 7,200 | 3,274 | 220 | 81 |
| Cash and cash equivalents | 16 | 6,739 | 4,562 | 22 | 48 |
| | | 90,406 | 88,156 | 242 | 129 |
| Total assets | | 174,425 | 177,079 | 17,912 | 16,199 |
| EQUITY AND LIABILITIES | | | | | |
| Capital and Reserves | | | | | |
| Share capital | 19 | 43,580 | 43,580 | 43,580 | 43,580 |
| Reserves | | 23,322 | 25,611 | (29,874) | (29,758) |
| Equity attributable to equity holders of the Company | | 66,902 | 69,191 | 13,706 | 13,822 |
| Non-controlling interests | | (37,558) | (34,860) | - | - |
| Total equity | | 29,344 | 34,331 | 13,706 | 13,822 |
| LIABILITIES | | | | | |
| Non-Current | | | | | |
| Deferred tax liabilities | | 13,361 | 13,043 | - | - |
| Accrued land lease premium | 18 | 25,463 | 24,777 | - | - |
| Lease liability | | 846 | - | - | - |
| Advance consideration received from customers | | 1,170 | 1,368 | - | - |
| | | 40,840 | 39,188 | - | - |
| Current | | | | | |
| Borrowings | 17 | 45,366 | 46,177 | - | - |
| Accrued land lease premium | 18 | 16,253 | 14,836 | - | - |
| Lease liability | | 311 | - | - | - |
| Trade and other payables | | 36,490 | 32,672 | 4,206 | 2,377 |
| Advance consideration received from customers | | 5,821 | 9,875 | - | - |
| | | 104,241 | 103,560 | 4,206 | 2,377 |
| Total liabilities | | 145,081 | 142,748 | 4,206 | 2,377 |
| Total equity and liabilities | | 174,425 | 177,079 | 17,912 | 16,199 |

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| | Group | |
|--|-----------------|-----------------|
| | Half-Year Ended | Half-Year Ended |
| | 30-June-24 | 30-June-23 |
| Note | Unaudited | Unaudited |
| | S\$'000 | S\$'000 |
| Cash Flows from Operating Activities | | |
| Loss before taxation | (6,072) | (8,988) |
| Adjustments for: | | |
| Forfeiture of advance consideration received from customers | (296) | (926) |
| Depreciation of property, plant and equipment | 66 | 46 |
| Depreciation of right-of-use assets | 15 | - |
| Financing expense on payment from customers | 489 | 1,296 |
| Financing income on payments from customers | (1,391) | (827) |
| Fair value gain on investment properties | (105) | (940) |
| Interest income | (49) | (12) |
| Interest expense | 4,405 | 7,009 |
| Operating loss before working capital changes | (2,938) | (3,342) |
| Trade and other receivables | (2,355) | (37) |
| Advance consideration received from customers | (4,077) | 1,762 |
| Trade and other payables | 5,112 | 1,049 |
| Inventories | (95) | - |
| Development properties | 12,150 | 8,593 |
| Cash generated from operations, representing net cash generated from operating activities | 7,797 | 8,025 |
| Cash Flows from Investing Activities | | |
| Purchase of property, plant and equipment | (219) | - |
| Interest received | 49 | 12 |
| Net cash (used in)/generated from investing activities | (170) | 12 |
| Cash Flows from Financing Activities | | |
| Bank balances pledged | 1,107 | (823) |
| Interest paid | (1,580) | (2,863) |
| Payment of land lease premium | (900) | (1,492) |
| Lease payments | (2) | - |
| Repayment of bank loan | (2,708) | (1,461) |
| Repayment of third party loan | - | (344) |
| Repayment of loans from shareholders of a subsidiary | - | (1,279) |
| Net cash used in financing activities | (4,083) | (8,262) |
| Net increase/(decrease) in cash and cash equivalents | 3,544 | (225) |
| Cash and cash equivalents at beginning of period | 3,129 | 3,507 |
| Effect of exchange rate fluctuations on cash and cash equivalents | (260) | (28) |
| Cash and cash equivalents at end of period | 6,413 | 3,254 |
| 16 | | |

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group

| The Group | Share capital | Capital reduction reserve | Capital reserve | Share option reserve | Revaluation reserve | Equity component of convertible loan | Exchange fluctuation reserve | Accumulated losses | Total attributable to equity holders of the company | Non-controlling interests | Total equity |
|--|---------------|---------------------------|-----------------|----------------------|---------------------|--------------------------------------|------------------------------|--------------------|---|---------------------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 1 January 2024 | 43,580 | 15,998 | 24,695 | 730 | 299 | 13,984 | (3,114) | (26,981) | 69,191 | (34,860) | 34,331 |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | - | 482 | (2,853) | (2,371) | (2,698) | (5,069) |
| Transactions with owners, recognized directly in equity | | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | | |
| Interest incurred on convertible loan | - | - | - | - | - | 82 | - | - | 82 | - | 82 |
| Balance at 30 June 2024 | 43,580 | 15,998 | 24,695 | 730 | 299 | 14,066 | (2,632) | (29,834) | 66,902 | (37,558) | 29,344 |

| The Group | Share capital | Capital reduction reserve | Capital reserve | Share option reserve | Revaluation reserve | Equity component of convertible loan | Exchange fluctuation reserve | Accumulated profits/(losses) | Total attributable to equity holders of the company | Non-controlling interests | Total equity |
|--|---------------|---------------------------|-----------------|----------------------|---------------------|--------------------------------------|------------------------------|------------------------------|---|---------------------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 1 January 2023 | 43,580 | 15,998 | 24,695 | 730 | 299 | 13,818 | (2,834) | (15,349) | 80,937 | (23,054) | 57,883 |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | - | 251 | (4,488) | (4,237) | (4,355) | (8,592) |
| Transactions with owners, recognised directly in equity | | | | | | | | | | | |
| Contributions by and distributions to owners | | | | | | | | | | | |
| Incorporation of subsidiary with non-controlling interests | - | - | - | - | - | - | - | - | - | 10 | 10 |
| Interest incurred on convertible loan | - | - | - | - | - | 83 | - | - | 83 | - | 83 |
| Balance at 30 June 2023 | 43,580 | 15,998 | 24,695 | 730 | 299 | 13,901 | (2,583) | (19,837) | 76,783 | (27,399) | 49,384 |

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D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company

| The Company | Share capital | Capital reduction reserve | Capital reserve | Equity component of convertible loan | Share option reserve | Accumulated losses | Total Equity attributable to equity holders of the Company |
|---|---------------|---------------------------|-----------------|--------------------------------------|----------------------|--------------------|--|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2024 | 43,580 | 15,998 | 10,987 | 13,984 | 730 | (71,457) | 13,822 |
| Interest incurred on convertible loan | - | - | - | 82 | - | - | 82 |
| Total comprehensive loss for the period | - | - | - | - | - | (198) | (198) |
| Balance at 30 June 2024 | 43,580 | 15,998 | 10,987 | 14,066 | 730 | (71,655) | 13,706 |

| The Company | Share capital | Capital reduction reserve | Capital reserve | Equity component of convertible loan | Share option reserve | Accumulated losses | Total Equity attributable to equity holders of the Company |
|---|---------------|---------------------------|-----------------|--------------------------------------|----------------------|--------------------|--|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 January 2023 | 43,580 | 15,998 | 10,987 | 13,818 | 730 | (55,493) | 29,620 |
| Interest incurred on convertible loan | - | - | - | 83 | - | - | 83 |
| Total comprehensive loss for the period | - | - | - | - | - | (148) | (148) |
| Balance at 30 June 2023 | 43,580 | 15,998 | 10,987 | 13,901 | 730 | (55,641) | 29,555 |

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Emerging Towns & Cities Singapore Ltd. (the “**Company**”) is incorporated as a limited company and domiciled in Singapore. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the second quarter and six months ended 30 June 2024 comprise the Company and its subsidiaries (the “**Group**”).

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are:

- a) Investment holding;
- b) Property development and investment; and
- c) Live streaming e-commerce business and online and offline sales of consumer products.

2. Summary of significant accounting policies

2.1 Basis of Preparation

The condensed interim financial statements for the second quarter and six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023 (“**FY2023**”).

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s. The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the financial period beginning on 1 January 2024. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.2 Going concern

For the financial period ended 30 June 2024, the Group incurred a net loss of S\$6,065,000. In addition, as at 30 June 2024, the Group had net current liabilities of S\$13,835,000. Furthermore, as disclosed in Note 17, the Group did not meet the financial covenants and did not make full payment for a facility fee that was due in respect of its bank loan during the financial year ended 31 December 2023, resulting in the loan being repayable on demand. Consequently, the bank loan of S\$44,349,000 had been wholly classified as current as at 30 June 2024. The Group had borrowings amounting to S\$45,366,000 due for repayment within the next 12 months or on demand, with cash and bank balances of S\$6,739,000 as at 30 June 2024.

Notwithstanding this, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements due to the following:

- The Group generated net operating cash inflows of S\$7,797,000 for the financial period ended 30 June 2024.

2. Summary of significant accounting policies (Cont'd)

2.2 Going concern (Cont'd)

- The Group and the Company had net assets of S\$29,344,000 and S\$13,706,000, respectively, as at 30 June 2024.
- As at 30 June 2024, the principal repayments were repaid on time. The Group does not expect the bank to call for full repayment of the bank loan for the breach in financial covenants or default in facility fee payment.

2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

The Group's business is organised into four business segments, namely: -

- (i) Property development – relates to the development of properties for sale in Myanmar;
- (ii) Property investment – relates to the business of investing in properties to earn rentals and for capital appreciation in Myanmar;
- (iii) Live streaming e-commerce – relates to the live streaming e-commerce business and online and offline sales of consumer products in People's Republic of China ("PRC"); and
- (iv) Corporate – comprises corporate office in Singapore which incurs general corporate expenses and the dormant or inactive entities in the Group.

The Group accounts for inter-segment transactions on terms agreed between parties. Inter-segment transactions comprising advances between segments are eliminated on consolidation.

All operating segments' operating results are reviewed regularly by the Group's executive directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment revenue and expenses:

Segment revenue and expenses are the operating revenue and expenses reported in the consolidated statement of profit or loss and other comprehensive income that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

4 Segment and revenue information (Cont'd)

Segment assets and liabilities:

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The management monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate with these industries. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily in the Company's headquarters), head office expenses, and tax assets and liabilities.

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4.1 Reportable segments

| | Property Development | | Property Investment | | Live streaming e-commerce | | Corporate | | Eliminations | | Total | |
|--------------------------------------|----------------------|----------------|----------------------|--------------|---------------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|----------------|
| | Second Quarter Ended | | Second Quarter Ended | | Second Quarter Ended | | Second Quarter Ended | | Second Quarter Ended | | Second Quarter Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 Jun 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Segment revenue | 11,178 | 7,729 | 993 | 948 | 2,157 | - | - | - | - | - | 14,328 | 8,677 |
| Results | | | | | | | | | | | | |
| Segment (loss)/profit | (4,906) | (8,755) | 908 | 702 | 541 | - | (266) | (246) | 151 | 176 | (3,572) | (8,123) |
| Other income | 927 | 1,338 | - | 940 | - | - | 151 | 175 | (151) | (175) | 927 | 2,278 |
| (Loss)/Profit before taxation | (3,979) | (7,417) | 908 | 1,642 | 541 | - | (115) | (71) | - | 1 | (2,645) | (5,845) |
| Taxation | 7 | 91 | - | (235) | (36) | - | - | - | - | - | (29) | (144) |
| (Loss)/Profit for the period | (3,972) | (7,326) | 908 | 1,407 | 505 | - | (115) | (71) | - | 1 | (2,674) | (5,989) |
| Attributable to: | | | | | | | | | | | | |
| Owners of the Company | (1,951) | (3,525) | 446 | 677 | 474 | - | (111) | (70) | - | 1 | (1,142) | (2,917) |
| Non-controlling interests | (2,021) | (3,801) | 462 | 730 | 31 | - | (4) | (1) | - | - | (1,532) | (3,072) |
| | (3,972) | (7,326) | 908 | 1,407 | 505 | - | (115) | (71) | - | 1 | (2,674) | (5,989) |

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4.1 Reportable segments (Cont'd)

| | Property Development | | Property Investment | | Live streaming e-commerce | | Corporate | | Eliminations | | Total | |
|--------------------------------------|----------------------|-----------------|---------------------|---------------|---------------------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|----------------|
| | Half-Year Ended | | Half-Year Ended | | Half-Year Ended | | Half-Year Ended | | Half-Year Ended | | Half-Year Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 Jun 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Segment revenue | 23,212 | 11,334 | 1,851 | 1,859 | 2,157 | - | - | - | - | - | 27,220 | 13,193 |
| Results | | | | | | | | | | | | |
| Segment (loss)/profit | (9,984) | (13,084) | 1,692 | 1,437 | 541 | - | (539) | (513) | 303 | 347 | (7,987) | (11,813) |
| Other income | 1,810 | 1,885 | 105 | 940 | - | - | 302 | 347 | (302) | (347) | 1,915 | 2,825 |
| (Loss)/Profit before taxation | (8,174) | (11,199) | 1,797 | 2,377 | 541 | - | (237) | (166) | 1 | - | (6,072) | (8,988) |
| Taxation | 69 | 119 | (26) | (235) | (36) | - | - | - | - | - | 7 | (116) |
| (Loss)/Profit for the period | (8,105) | (11,080) | 1,771 | 2,142 | 505 | - | (237) | (166) | 1 | - | (6,065) | (9,104) |
| Attributable to: | | | | | | | | | | | | |
| Owners of the Company | (3,971) | (5,358) | 867 | 1,034 | 474 | - | (224) | (164) | 1 | - | (2,853) | (4,488) |
| Non-controlling interests | (4,134) | (5,722) | 904 | 1,108 | 31 | - | (13) | (2) | - | - | (3,212) | (4,616) |
| | (8,105) | (11,080) | 1,771 | 2,142 | 505 | - | (237) | (166) | 1 | - | (6,065) | (9,104) |
| Assets and liabilities | | | | | | | | | | | | |
| Segment assets | 98,242 | 114,709 | 72,049 | 92,622 | 3,988 | - | 356 | 120 | (210) | (43) | 174,425 | 207,408 |
| Segment liabilities | 124,608 | 139,584 | 14,378 | 16,519 | 1,996 | - | 4,309 | 1,964 | (210) | (43) | 145,081 | 158,024 |

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4.1 Geographical segments

| Geographical Segments | Myanmar S\$'000 | PRC S\$'000 | Singapore S\$'000 | Total S\$'000 |
|--|----------------------------|------------------------|------------------------------|--------------------------|
| Second Quarter ended 30 June 2024 | | | | |
| Revenue | 12,171 | 2,157 | - | 14,328 |
| Second Quarter ended 30 June 2023 | | | | |
| Revenue | 8,677 | - | - | 8,677 |
| Geographical Segments | | | | |
| | Myanmar S\$'000 | PRC S\$'000 | Singapore S\$'000 | Total S\$'000 |
| Half-Year ended 30 June 2024 | | | | |
| Revenue | 25,063 | 2,157 | - | 27,220 |
| Non-current assets* | 78,578 | 1,160 | - | 79,738 |
| Half-Year ended 30 June 2023 | | | | |
| Revenue | 13,193 | - | - | 13,193 |
| Non-current assets* | 96,449 | - | - | 96,449 |

*Excluding non-current trade receivables

Major customers

For the financial periods ended 30 June 2024 and 30 June 2023, there is no revenue from transactions with a single external customer that amounts to 10 per cent or more of the Group's revenue.

4.2 Disaggregation of Revenue

| | Group | | | |
|--|-----------------------------|-------------------------|-------------------------|-------------------------|
| | Second Quarter Ended | | Half-Year Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue from contracts with customers | | | | |
| - Sale of development properties | 11,178 | 7,729 | 23,212 | 11,334 |
| - Live streaming e-commerce | 2,157 | - | 2,157 | - |
| | 13,335 | 7,729 | 25,369 | 11,334 |
| - Rental income from investment properties | 993 | 948 | 1,851 | 1,859 |
| | 14,328 | 8,677 | 27,220 | 13,193 |
| Timing of transfer of goods and services in respect of revenue from contracts with customers | | | | |
| - At a point in time | 13,335 | 7,729 | 25,369 | 11,334 |

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5 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 June 2024 and 31 December 2023.

| | Group | | Company | |
|--|-------------------------|-----------------------------|-------------------------|-----------------------------|
| | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial assets at amortised cost | | | | |
| Trade and other receivables* (Note 15) | 10,479 | 7,115 | 214 | 65 |
| Cash and bank balances (Note 16) | 6,739 | 4,562 | 22 | 48 |
| | 17,218 | 11,677 | 236 | 113 |
| Financial liabilities at amortised cost | | | | |
| Borrowings (Note 17) | 45,366 | 46,177 | - | - |
| Accrued land lease premium (Note 18) | 41,716 | 39,613 | - | - |
| Trade and other payables** | 26,415 | 23,164 | 4,206 | 2,377 |
| | 113,497 | 108,954 | 4,206 | 2,377 |

*Excluding prepayments

**Excluding business and other taxes payable

6 Other income

| | Group | | | |
|---|-----------------------------|---------------------|------------------------|---------------------|
| | Second Quarter Ended | | Half-Year Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Fair value gain on investment properties (Note 13) | - | 940 | 105 | 940 |
| Imputed interest income | 853 | 341 | 1,391 | 827 |
| Forfeiture of advance consideration received from customers | - | 906 | 296 | 926 |
| Others | 74 | 91 | 123 | 132 |
| | 927 | 2,278 | 1,915 | 2,825 |

7 Other expenses

| | Group | | | |
|--|-----------------------------|---------------------|------------------------|---------------------|
| | Second Quarter Ended | | Half-Year Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Late payment penalty on trade payables | - | 1,755 | - | 1,755 |
| Property management fee expense (Note 9.1) | 125 | 162 | 279 | 339 |
| | 125 | 1,917 | 279 | 2,094 |

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8 Finance costs

| | Group | | | |
|---|-----------------------------|---------------------|------------------------|---------------------|
| | Second Quarter Ended | | Half-Year Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Accreted interest on accrued land lease premium | 1,064 | 1,057 | 2,118 | 2,099 |
| Accreted interest on lease liabilities | 1 | - | 1 | - |
| Financing expense on payments from customers | 421 | 951 | 489 | 1,296 |
| Interest expense on borrowings | 1,056 | 1,799 | 2,204 | 3,072 |
| Interest expense on convertible loan | 41 | 41 | 82 | 83 |
| | 2,583 | 3,848 | 4,894 | 6,550 |

9 Loss before taxation

Other than as disclosed elsewhere in these condensed interim financial statements, loss before taxation for the period has been arrived at after charging the following:

| | Group | | | |
|------------------------------|-----------------------------|---------------------|------------------------|---------------------|
| | Second Quarter Ended | | Half-Year Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Foreign exchange losses, net | 2,609 | 1,174 | 6,080 | 1,609 |
| Depreciation expenses | 48 | 23 | 81 | 46 |
| Staff costs | 1,107 | 480 | 1,726 | 1,087 |

9.1 Related party transactions

During the period, in addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following transactions with related parties:

| | Group | | | |
|--|-----------------------------|---------------------|------------------------|---------------------|
| | Second Quarter Ended | | Half-Year Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Office rental expense | 9 | 4 | 18 | 9 |
| Property management fee expense (Note 7) | 125 | 162 | 279 | 339 |

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10 Taxation

The Group calculates the period income tax (expense)/credit using the tax rate that would be applicable to the expected total annual losses. The major components of income tax (expense)/credit in the condensed interim consolidated statement of profit or loss are:

| | Group | | | |
|-------------------|-----------------------------|---------------------|------------------------|---------------------|
| | Second Quarter Ended | | Half-Year Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Current taxation | (36) | - | (36) | - |
| Deferred taxation | 7 | (144) | 43 | (116) |
| | (29) | (144) | 7 | (116) |

11 Property, plant and equipment

During the half-year ended 30 June 2024, the Group acquired assets amounting to S\$219,000 (1H2023: S\$Nil).

12 Subsidiaries

| | Company |
|--|----------------|
| | S\$'000 |
| At 31 December 2023, at carrying amount | 16,070 |
| Half-year ended 30 June 2024 | |
| At 1 January 2024 | |
| Addition | 1,600 |
| At 30 June 2024 | 17,670 |

On 5 March 2024, the Company incorporated a wholly-owned subsidiary, ETC Capital Pte. Ltd., with an issued and paid-up capital of S\$1,000 in Singapore. On 2 May 2024, the Company increased the issued and paid up share capital to S\$1,600,000.

On 15 March 2024, the Company, through ETC Capital Pte. Ltd., incorporated an indirect wholly-owned subsidiary, Hainan Jiupeng Chuhe Technology Co., Ltd. (海南九鹏初禾科技有限公司) (“HJC”), with a registered capital of S\$1,500,000 in the PRC.

During the financial period ended 30 June 2024, the Company, through HJC, incorporated the below 16 subsidiaries in the PRC:

- Chongqing Chuhe Yinchen Technology Co., Ltd. (重庆初禾引晨科技有限公司)
- Chongqing Chuhe Zhixing Technology Co., Ltd. (重庆初禾之星科技有限公司)
- Chongqing Chuhe Qingxiang Technology Co., Ltd. (重庆初禾青湘科技有限公司)
- Chongqing Chuhe Quanxing Technology Co., Ltd. (重庆初禾权星科技有限公司)
- Chongqing Chuhe Deyi Technology Co., Ltd. (重庆初禾德亿科技有限公司)
- Chongqing Chuhe Beirong Technology Co., Ltd. (重庆初禾倍荣科技有限公司)
- Chongqing Chuhe Jinyao Technology Co., Ltd. (重庆初禾金耀科技有限公司)
- Chongqing Chenfang Chunhong Technology Co., Ltd (重庆宸方春洪科技有限责任公司)

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12 Subsidiaries (Cont'd)

- Jincheng Chuhe Mingde Technology Co., Ltd. (晋城初禾明德科技有限公司)
- Jincheng Chuhe Yihe Technology Co., Ltd. (晋城初禾一禾科技有限公司)
- Deyang Chuhe Yuanxu Technology Co., Ltd. (德阳初禾元旭科技有限公司)
- Chengdu Chuhe Fengyang Technology Co., Ltd. (成都初禾峰洋科技有限公司)
- Chengdu Chuhe Jiulin Technology Co., Ltd. (成都初禾玖霖科技有限公司)
- Chengdu Chuhe Chengjin Technology Co., Ltd. (成都初禾诚锦科技有限公司)
- Chengdu Chuhe Hexin Technology Co., Ltd. (成都初禾合鑫科技有限公司)
- Shenyang Jiufu Millennium Technology Co., Ltd. (沈阳玖佛千禧科技有限责任公司)

Details of the subsidiaries are:

| Name | Principal activities | Country of incorporation/ Principal place of business | Percentage of effective equity interest held by the Group | |
|--|--|--|---|-----------------------|
| | | | 30 June 2024 % | 31 December 2023 % |
| <u>Held by the Company</u> | | | | |
| DAS Pte. Ltd. ("DAS") | Investment holding | Singapore | 100 | 100 |
| ETC Smart Builder Pte. Ltd. ("ETCSB") | Inactive | Singapore | 51 | 51 |
| ETC Capital Pte. Ltd. ("ETCC") | Investment holding | Singapore | 100 | - |
| <u>Held by DAS</u> | | | | |
| Uni Global Power Pte. Ltd. ("UGP") | Investment holding | Singapore | 70 | 70 |
| <u>Held by UGP</u> | | | | |
| Golden Land Real Estate Development Co. Ltd. ("GLRE") | Property development and investment | Myanmar | 49 | 49 |
| <u>Held by ETCC</u> | | | | |
| Hainan Jiupeng Chuhe Technology Co., Ltd. (海南九鹏初禾科技有限公司) ("HJC") | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 100 | - |
| <u>Held by HJC</u> | | | | |
| Chongqing Chuhe Yinchen Technology Co., Ltd. (重庆初禾引晨科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |

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12 Subsidiaries (Cont'd)

Details of the subsidiaries are:

| Name | Principal activities | Country of incorporation/ Principal place of business | Percentage of effective equity interest held by the Group | |
|--|--|--|---|-----------------------|
| | | | 30 June 2024 % | 31 December 2023 % |
| Held by HJC (Cont'd) | | | | |
| Chongqing Chuhe Zhixing Technology Co., Ltd. (重庆初禾之星科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chongqing Chuhe Qingxiang Technology Co., Ltd. (重庆初禾青湘科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chongqing Chuhe Quanxing Technology Co., Ltd. (重庆初禾权星科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chongqing Chuhe Deyi Technology Co., Ltd. (重庆初禾德亿科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chongqing Chuhe Beirong Technology Co., Ltd. (重庆初禾倍荣科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chongqing Chuhe Jinyao Technology Co., Ltd. (重庆初禾金耀科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chongqing Chenfang Chunhong Technology Co., Ltd (重庆宸方春洪科技有限责任公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 100 | - |
| Jincheng Chuhe Mingde Technology Co., Ltd. (晋城初禾明德科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Jincheng Chuhe Yihe Technology Co., Ltd. (晋城初禾一禾科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |

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12 Subsidiaries (Cont'd)

Details of the subsidiaries are:

| Name | Principal activities | Country of incorporation/ Principal place of business | Percentage of effective equity interest held by the Group | |
|---|--|--|---|-----------------------|
| | | | 30 June 2024 % | 31 December 2023 % |
| <u>Held by HJC (Cont'd)</u> | | | | |
| Deyang Chuhe Yuanxu Technology Co., Ltd. (德阳初禾元旭科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chengdu Chuhe Fengyang Technology Co., Ltd. (成都初禾峰洋科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chengdu Chuhe Jiulin Technology Co., Ltd. (成都初禾玖霖科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chengdu Chuhe Chengjin Technology Co., Ltd. (成都初禾诚锦科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 90 | - |
| Chengdu Chuhe Hexin Technology Co., Ltd. (成都初禾合鑫科技有限公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 100 | - |
| Shenyang Jiufu Millennium Technology Co., Ltd. (沈阳玖佛千禧科技有限责任公司) | Live Streaming e-commerce business and online and offline sales of consumer products | People's Republic of China | 100 | - |

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13 Investment properties

The Group's investment properties consist of both residential and commercial (retail and office units) properties, held for long-term rental yields.

| | Group |
|---|----------------|
| | <u>S\$'000</u> |
| At 31 December 2023, at fair value | 80,908 |
| Half-Year ended 30 June 2024 | |
| At 1 January 2024 | |
| Transfer to development properties (Note 14) | (9,932) |
| Transfer from development properties (Note 14) | 876 |
| Transfer to property, plant and equipment | (2,103) |
| Fair value gain recognised in profit or loss (Note 6) | 105 |
| Exchange difference on translation | 2,195 |
| At 30 June 2024 | 72,049 |

The investment properties are as follows:

| Location | Description | Net floor area (square metres) | Tenure |
|--|---|---|---------------|
| 30 June 2024 | | | |
| Golden City Project | | | |
| No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar | 154 residential units, 8 retail units and 12 office units | 22,938 | 70 years |
| 31 December 2023 | | | |
| Golden City Project | | | |
| No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar | 173 residential units, 6 retail units and 15 office units | 26,453 | 70 years |

The aggregate carrying amount of investment properties pledged to secure borrowings is S\$54,062,000 (FY2023: S\$61,449,000).

At financial year ended 31 December 2023, the fair values of investment properties for the Golden City Project are determined by independent professional valuers, C.I.M. Property Consultants Co., Ltd. and Colliers International Philippines Inc., which have appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. The valuation of the investment properties is based on the properties' highest and best use. For all the Group's investment properties, the current use is considered the highest and best use. For the financial period ended 30 June 2024, the management has determined that there is no significant variance from the valuation performed on as at 31 December 2023.

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14. Development properties

The Group's development properties consist of completed residential and commercial (retail and office) properties held for sale.

| | Group |
|---|----------------|
| | <u>S\$'000</u> |
| At 31 December 2023, at cost | 80,320 |
| Half-Year ended 30 June 2024 | |
| At 1 January 2024 | |
| Addition | 1,076 |
| Transfer to investment properties (Note 13) | (876) |
| Transfer from investment properties (Note 13) | 9,932 |
| Units sold and recognised in profit or loss | (16,304) |
| Exchange difference on translation | 2,224 |
| At 30 June 2024, at cost | 76,372 |

The completed properties held for sale are as follows:

| Location | Description | Net floor area (square metres) | Tenure |
|--|---|-----------------------------------|----------|
| 30 June 2024 | | | |
| Golden City Project | | | |
| No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar | 137 residential units, 7 retail units and 1 office units | 22,133 | 70 years |
| 31 December 2023 | | | |
| Golden City Project | | | |
| No. 3, Land Survey Block, Kanbe, Yankin Road, Yankin Township, Yangon, Myanmar | 156 residential units, 9 retail units and 1 office units | 26,935 | 70 years |

The aggregate carrying amount of development properties pledged to secure borrowings is S\$20,291,000 (FY2023: S\$24,174,000).

14.1 Allowance for foreseeable losses

Movements in allowance for foreseeable losses are as follows:

| | Group |
|------------------------------------|----------------|
| | <u>S\$'000</u> |
| At 1 January 2024 | 40,961 |
| Exchange difference on translation | 1,134 |
| At 30 June 2024 | 42,095 |

14. Development properties (Cont'd)

14.1 Allowance for foreseeable losses (Cont'd)

Development properties are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of selling expenses. The write-down to net realisable value is presented as allowance for foreseeable losses on development properties.

The allowance for foreseeable losses is determined by management after taking into consideration of the estimated selling prices. The estimated selling prices are based on recent selling prices for the development project and prevailing market conditions, whilst taking into account the prices of comparable properties located in the same vicinity as the development project and real estate price trend. The allowance made for foreseeable losses is included within cost of sales.

15 Trade and other receivables

| | Group | | Company | |
|---|-----------------|---------------------|-----------------|---------------------|
| | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Trade receivables | | | | |
| - Non-current | 4,281 | 3,857 | - | - |
| - Current | 4,900 | 3,223 | - | - |
| | 9,181 | 7,080 | - | - |
| | | | | |
| | Group | | Company | |
| | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Amounts due from shareholders of a subsidiary (non-trade) | 3,850 | 3,746 | - | - |
| Allowance for impairment losses | (3,850) | (3,746) | - | - |
| | - | - | - | - |
| Amounts due from subsidiaries (non-trade) | - | - | 34,695 | 34,549 |
| Allowance for impairment losses | - | - | (34,487) | (34,487) |
| | - | - | 208 | 62 |
| Amounts due from related party | 1,015 | - | - | - |
| Other receivables | 283 | 35 | 6 | 3 |
| | 1,298 | 35 | 214 | 65 |
| Prepayments | 1,002 | 16 | 6 | 16 |
| | 2,300 | 51 | 220 | 81 |
| | | | | |
| Comprising | | | | |
| Non-current | 4,281 | 3,857 | - | - |
| Current | 7,200 | 3,274 | 220 | 81 |
| | 11,481 | 7,131 | 220 | 81 |

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16 Cash and cash equivalents

The carrying amount of bank balances pledged to secure bank loan is S\$326,000 (FY2023: S\$1,433,000).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

| | Group | |
|-----------------------------|---------------------|-------------------------|
| | 30 June 2024 | 31 December 2023 |
| | S\$'000 | S\$'000 |
| Cash and bank balances | 6,739 | 4,562 |
| Less: Bank balances pledged | (326) | (1,433) |
| | 6,413 | 3,129 |

17 Borrowings

| | Group | | | |
|---|---------------------|-----------|-------------------------|-----------|
| | 30 June 2024 | | 31 December 2023 | |
| | Secured | Unsecured | Secured | Unsecured |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Amount repayable in one year or less, or on demand | | | | |
| Financial liabilities: | | | | |
| Bank loan ⁽¹⁾ | 44,349 | - | 45,188 | - |
| Amount due to a third party (non-trade) ⁽²⁾ | 1,017 | - | 989 | - |
| | 45,366 | - | 46,177 | - |

Details of any collateral

1. The syndicated bank loan is secured by certain assets relating to Golden City and certain shares in Golden City project held by a subsidiary.
2. The amount due to a third party (non-trade) is secured by certain units of residential apartments.

During the financial year ended 31 December 2023, the Group did not meet the financial covenants and did not make full payment for a facility fee that was due with respect to the entry into a syndicated facility agreement as announced by the Company on 8 June 2020, resulting in the loan being repayable on demand. Consequently, the syndicated bank loan amounting to S\$44,349,000 has been reclassified as current as at 30 June 2024. As at 30 June 2024, the principal repayments were repaid on time. The Group does not expect the bank to call for full repayment of the bank loan for the breach in financial covenants or default in facility fee payment.

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18 Accrued Land Lease Premium

| | Group |
|-------------------------------------|----------------|
| | <u>S\$'000</u> |
| At 31 December 2023, at cost | 39,613 |
| Half-Year ended 30 June 2024 | |
| At 1 January 2024 | |
| Accreted interest | 2,118 |
| Payment of land lease premium | (900) |
| Exchange difference on translation | 885 |
| At 30 June 2024, at cost | 41,716 |
| Represented by: | |
| Non-Current | 25,463 |
| Current | 16,253 |
| | 41,716 |

Accrued land lease premium relates to the leasehold land which is a right-of-use asset included in the cost of property, plant and equipment, investment properties and development properties.

19 Share Capital

| | The Group and the Company | | | |
|---|----------------------------------|--------|-----------------------------|--------|
| | 30 June 2024 | | 31 December 2023 | |
| | Number of shares '000 | \$'000 | Number of shares '000 | \$'000 |
| Issued and fully paid, with no par value | | | | |
| Beginning and end of interim period/year | 982,073 | 43,580 | 982,073 | 43,580 |

The Company did not hold any treasury shares as at 30 June 2024 and 31 December 2023.

The Company's subsidiaries did not hold any shares in the Company as at 30 June 2024 and 31 December 2023.

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20 Loss Per Share

| | Group | | | |
|---|-----------------------------|---------------------|-------------------------|---------------------|
| | Second Quarter Ended | | Six Months Ended | |
| | 30 June 2024 | 30 June 2023 | 30 June 2024 | 30 June 2023 |
| <i>Loss per ordinary share:</i> | | | | |
| (i) Based on weighted average no. of ordinary shares in issue (cents) | (0.12) | (0.30) | (0.29) | (0.46) |
| (ii) On a fully diluted basis (cents) | (0.12) | (0.30) | (0.29) | (0.46) |
| <i>Number of shares in issue:</i> | | | | |
| (i) Based on weighted average no. of ordinary shares in issue (in millions) | 982 | 982 | 982 | 982 |
| (ii) On a fully diluted basis (in millions) | 1,187 | 1,187 | 1,187 | 1,187 |

As at 30 June 2024 and 30 June 2023, the outstanding convertible loan was excluded from the calculation of the diluted weighted average number of ordinary shares in issue as its effect would have been anti-dilutive.

Loss per ordinary share is calculated based on the Group's loss for the financial period attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the period under review.

As at 30 June 2024 and 30 June 2023, the 15 million share options outstanding did not have a dilutive effect because the average market price of the Company's ordinary shares for the respective financial periods ended 30 June 2024 and 30 June 2023 did not exceed the exercise price.

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2024 and 30 June 2023.

21 Dividend

No dividend has been declared or recommended.

22 Net Asset Value

| | Group | | Company | |
|---|---------------------|-------------------------|---------------------|-------------------------|
| | 30 June 2024 | 31 December 2023 | 30 June 2024 | 31 December 2023 |
| Net Asset Value (S\$'000) | 29,344 | 34,331 | 13,706 | 13,822 |
| Based on existing issued share capital (cents per share) | 2.99 | 3.50 | 1.40 | 1.41 |
| Net Asset Value has been computed based on the share capital of (in millions of shares) | 982 | 982 | 982 | 982 |

23 Fair Value Measurement

Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

Financial assets and financial liabilities measured or disclosed at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of financial assets and liabilities with a maturity of less than one year, comprising trade and other receivables, cash and bank balances, non-trade amount due to a third party, and trade and other payables (excluding business and other taxes payable), those which are repayable on demand, comprising bank loan or those which reprice regularly, approximate their fair values because of the short period to maturity or repricing. The fair value of non-current financial assets and liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group and the Company for similar financial instruments.

The fair value disclosure of accrued land lease premium is not required.

Fair value measurement of non-financial instruments

The following table shows the levels within the fair value hierarchy of non-financial instruments measured at fair value on a recurring basis.

| The Group | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|----------------|----------------|----------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 30 June 2024 | | | | |
| Non-financial assets | | | | |
| Investment properties | - | - | 72,049 | 72,049 |
| 31 December 2023 | | | | |
| Non-financial assets | | | | |
| Investment properties | - | - | 80,908 | 80,908 |

24 Subsequent Events

As disclosed in the Company's announcement dated 26 July 2024 (the "26 July 2024 Announcement"), the Company has on 26 July 2024 entered into the Subscription Agreements and the Management Option Agreements in relation to the Proposed Subscription and the Proposed Grant respectively (each as defined in the 26 July 2024 Announcement). The Company will convene an EGM to seek the approval of the Shareholders for the Proposed Subscription and the Proposed Grant in due course.

24 Subsequent Events (Cont'd)

In July 2024, the Company, through HJC, incorporated the below 7 subsidiaries in the PRC to support the live streaming e-commerce business:

- Jincheng Shikun Xuanyuan Trading Co., Ltd. (晋城十琨轩园商贸有限公司)
- Chongqing Chuhe Yude Technology Co., Ltd. (重庆初禾域德科技有限公司)
- Chongqing Chuhe Xiangrui Technology Co., Ltd. (重庆初禾祥睿科技有限公司)
- Shenyang Chuhe Wanxiang Technology Co., Ltd. (沈阳初禾万祥科技有限公司)
- Sichuan Qijiu Kunming Technology Co., Ltd. (四川七玖坤明科技有限公司)
- Chengdu Chuhe Huitong Technology Co., Ltd. (成都初禾汇通科技有限公司)
- Chengdu Chuhe Jinming Technology Co., Ltd (成都初禾金铭科技有限公司)

F. Other Information Required by Appendix 7C of the Catalist Rules

1. Review

The condensed consolidated statements of financial position of Emerging Towns & Cities Singapore Ltd. (“**Company**”, together with its subsidiaries, the “**Group**”) as at 30 June 2024 and the related condensed consolidated statement of profit or loss, and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes (the “**Condensed Interim Financial Statements**”) have not been audited or reviewed by the Company’s auditors.

2. Review of the performance of the Group

2.1 Financial Performance (1H2024 vs 1H2023)

Revenue

| | Group | | |
|---------------------------|---------------|---------------|----------------------------|
| | 1H2024 | 1H2023 | Increase/(Decrease) |
| | S\$'000 | S\$'000 | % |
| Sale of Properties | 23,212 | 11,334 | n.m* |
| Rental Income | 1,851 | 1,859 | (0.4%) |
| Live streaming e-commerce | 2,157 | - | 100% |
| Total Revenue | 27,220 | 13,193 | n.m* |

n.m.: not meaningful

*: in excess of 100%

Revenue for the financial period ended 30 June 2024 (“**1H2024**”) was mainly contributed by the sale of Golden City property units of S\$23.2 million (85.3% of total revenue), the rental of Golden City property units of S\$1.9 million (6.8% of total revenue) and the live streaming e-commerce business in the PRC of S\$2.2 million (7.9% of total revenue). Revenue for the financial period ended 30 June 2023 (“**1H2023**”) was contributed by the sale of Golden City property units of S\$11.3 million (85.9% of total revenue) and the rental of Golden City property units of S\$1.9 million (14.1% of total revenue).

The Group reported revenue, and therefore profits, for units sold (i.e. units where the sale and purchase agreement have already been signed) on the earlier of handing over of the property units or one month after notification to buyers to take over the property units. 53 and 39 units were recognised as revenue in 1H2024 and 1H2023 respectively for Golden City project.

2. Review of the performance of the Group (Cont'd)

2.1 Financial Performance (1H2024 vs 1H2023) (Cont'd)

Gross Profit

| | Group | | |
|------------------------------|---------------|---------------|----------------------------|
| | 1H2024 | 1H2023 | Increase/(Decrease) |
| | S\$'000 | S\$'000 | % |
| Sale of Properties | 5,817 | (112) | n.m. |
| Rental Income | 1,764 | 1,771 | (0.4%) |
| Live streaming e-commerce | 1,486 | - | 100% |
| Total Gross Profit | 9,067 | 1,659 | n.m.* |

n.m.: not meaningful

*: in excess of 100%

Gross profit of S\$9.1 million was recorded for 1H2024, after deducting direct costs (consisting mainly of cost of the property units and inventory sold).

Other Income

| | Group | | |
|---|---------------|---------------|----------------------------|
| | 1H2024 | 1H2023 | Increase/(Decrease) |
| | S\$'000 | S\$'000 | % |
| Fair value gain on investment properties | 105 | 940 | (88.8%) |
| Imputed interest income | 1,391 | 827 | 68.2% |
| Forfeiture of advance consideration received from customers | 296 | 926 | (68.0%) |
| Others | 123 | 132 | (6.8%) |
| Total Other Income | 1,915 | 2,825 | (32.2%) |

Other income decreased from S\$2.8 million in 1H2023 to S\$1.9 million in 1H2024, mainly due to lower forfeiture of advance consideration received from customers who were past due on instalments as well as lower fair value gain on investment properties, partially offset by higher imputed interest income.

Selling and distribution expenses

Selling and distribution expenses, arising mainly from the sale of property units, increased from S\$1.4 million in 1H2023 to S\$3.5 million in 1H2024, mainly due to higher sales commission expenses in the Golden City project and the salaries and related costs from the live streaming e-commerce business in the PRC. These expenses primarily comprised salaries and related costs for the sales and marketing staff, travel and transportation expenses, commissions, and marketing expenses.

Administrative expenses

Administrative expenses increased from S\$3.5 million in 1H2023 to S\$8.4 million in 1H2024, mainly due to higher foreign exchange losses incurred in the Golden City project during the period and the salaries and related costs from the live streaming e-commerce business in the PRC.

2. Review of the performance of the Group (Cont'd)

2.1 Financial Performance (1H2024 vs 1H2023) (Cont'd)

Other Expenses

| | Group | | |
|--|---------------|---------------|----------------------------|
| | 1H2024 | 1H2023 | Increase/(Decrease) |
| | S\$'000 | S\$'000 | % |
| Late payment penalty on trade payables | - | 1,755 | (100%) |
| Property management fee expense | 279 | 339 | (17.7%) |
| Total Other expenses | 279 | 2,094 | (86.7%) |

Other expenses decreased from S\$2.1 million in 1H2023 to S\$279,000 in 1H2024, mainly due to lower operating expense arising from property management for the Golden City project. In 1H2023, there were late payment penalty incurred on trade payables.

Finance Costs

The finance costs decreased from S\$6.6 million in 1H2023 to S\$4.9 million in 1H2024, mainly due to lower financing expense on payments from customers and lower interest expense on borrowings. Finance costs mainly comprised of interest expenses incurred from borrowings, imputed financing expenses arising from advance consideration received from customers and imputed interest expenses (which have no cash flow impact) arising from the land lease premium from the Golden City project.

Taxation

| | Group | | |
|-----------------------|---------------|---------------|----------------------------|
| | 1H2024 | 1H2023 | Increase/(Decrease) |
| | S\$'000 | S\$'000 | % |
| Income tax | (36) | - | (100%) |
| Deferred tax | 43 | (116) | n.m |
| Total Taxation | 7 | (116) | n.m |

n.m.: not meaningful

Taxation decreased from a tax expense of S\$116,000 in 1H2023 to tax credit of S\$7,000 in 1H2024 mainly due to the unwinding of deferred tax liabilities from the development property units that were progressively sold in the Golden City project. The deferred tax liabilities were recognised when the development properties were recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer.

2.2 Financial Position (30 June 2024 vs 31 December 2023)

Non-Current Assets

Property, plant and equipment ("PPE") increased mainly due to net transfer of 3 property units from investment properties to PPE. Investment properties, which are accounted for at fair value, decreased mainly due to net transfer of 19 property units from investment properties to development properties and PPE. Right-of-use assets related to the rental of office and shop leases, representing the Group's right to use an asset over the lease term pertained to the live streaming e-commerce business in the PRC. Trade receivables, comprising of amounts due from buyers that are one year or more, have increased mainly due to property units sold were progressively recognised as income upon handover, partially offset by the re-classification from non-current assets to current assets as the trade receivables approached maturity and are collectible within one year as at 30 June 2024.

2. Review of the performance of the Group (Cont'd)

2.2 Financial Position (30 June 2024 vs 31 December 2023) (Cont'd)

Current Assets

Development properties decreased mainly due to progressive recognition of income from property sold upon handover during the period, partially offset by residential units transferred from investment properties. The development properties acquired at acquisition date are being recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer. Trade receivables increased mainly due to property units sold that were progressively recognized as income upon handover, partially offset by payment of the outstanding amounts by customers. Included in the trade receivables were S\$4.0 million relating to receivables past due but not impaired as the amounts are not expected to be uncollectible due to Golden City having the right to repossess the unit in the event of default of payment by the buyers

Non-Current Liabilities

Deferred tax liabilities increased mainly due to exchange difference on translation. Deferred tax liabilities relating to development properties were recognised when the development properties were recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer and when development properties are transferred to investment properties following the commencement of operating leases. Accrued land lease premium increased mainly due to exchange difference on translation. Lease liability, representing the Group's obligation to make lease payments over the lease term, pertained to the live streaming e-commerce business in the PRC. Advance consideration received from customers decreased mainly to the handover of property units in the Golden City project to buyers, partially offset by sales made during the period.

Current Liabilities

Borrowings decreased mainly due to loan repayments. Accrued land lease premium increased mainly due to the imputed interest expense (which has no cashflow impact) arising from the land lease premium from the Golden City project, partially offset by the repayment of land lease premium. Lease liability, representing the Group's obligation to make lease payments over the lease term, pertained to the live streaming e-commerce business in the PRC. Trade and other payables increased mainly due to increase in accrued expenses and deposits received. Advance consideration received from customers decreased mainly to the handover of property units in the Golden City project to buyers, partially offset by sales made during the period.

2.3 Cashflow

Net cash generated from operating activities was approximately S\$7.8 million for 1H2024 mainly due to changes in working capital.

Net cash used in investing activities was approximately S\$170,000 for 1H2024 mainly due to purchase of property, plant and equipment.

Net cash used in financing activities was approximately S\$4.1 million for 1H2024 mainly due to interest paid, repayment of bank loan and land lease premium, partially offset by the decrease of bank balances pledged.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's unaudited financial results for the financial period ended 30 June 2024 are in line with the Company's profit guidance announcement on 2 August 2024.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months.

The Group's core business lies in identifying and investing in niche markets, with particular focus on businesses in which it may value-add. The Group's main project, Golden City, is based in the Yankin township of Yangon, Myanmar. This year, the Group expanded into a new business segment, live streaming e-commerce business and online and offline sales of consumer products in the PRC.

Live streaming e-commerce business

During the financial period, the Group incorporated HJC, along with its 16 subsidiaries, venturing into the live streaming e-commerce business and online and offline sales of consumer products in the PRC. The Group began operations in this new segment in April 2024 and has recorded a net profit of approximately S\$505,000. Subsequent to the financial period, the Group has incorporated an additional 7 subsidiaries in the PRC.

China will promote the construction of overseas warehouses and expand cross-border e-commerce exports, He Yadong, spokesperson for the Ministry of Commerce, said on Thursday. Cross-border e-commerce serves as a vital force for boosting the development of China's foreign trade. Over the past five years, China's cross-border e-commerce trade has grown more than tenfold, he told a regular press conference.

During the first quarter of 2024, China's cross-border e-commerce trade reached 577.6 billion yuan (\$81.23 billion), rising 9.6 percent year-on-year, of which exports amounted to 448 billion yuan with a growth rate of 14 percent.

("China pushes for construction of overseas warehouses" China Daily, 31 May 2024)

China's e-commerce market has the potential to further expand in the next few years amid improved penetration by internet platform operators into key sectors, despite a slowdown in retail sales, according to a senior JPMorgan analyst, Alex Yao. "Even if offline retail [activity] remains moderate, online [sales] could see double-digit growth just by taking market share from [bricks-and-mortar stores]."

"There is ample room for [e-commerce platform operators] to take market share if they are able to continuously improve their value proposition to stakeholders, particularly consumers," Yao said.

("China's e-commerce market still has 'ample room' for growth despite slowdown in retail sales, JPMorgan analyst says" South China Morning Post, 17 May 2024)

Golden City project

As at 30 June 2024, approximately US\$278.2 million (approximately S\$377.16 million) of gross development value comprising 818 units (1.11 million square feet) of the Golden City project have been sold. Correspondingly, a total of 789 residential units have been recognised as revenue as at 30 June 2024. Barring any unforeseen circumstances, revenue for the remaining units sold is expected to be progressively recognised upon the handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier. The Golden City project comprises 4 phases. Phase 1 and Phase 2 construction has been completed.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months. (Cont'd)

Relentless conflict and the military's imposition of compulsory conscription are driving Myanmar's economy into a deepening crisis, according to the latest World Bank analysis. The bank predicts Myanmar's gross domestic product will grow 1% in the year through next March. In December, the institution forecast growth of 2% for the civil war-torn country. The bank said in its report released on Wednesday that the slower growth "is largely due to the persistence of high inflation and constraints on access to labor, foreign exchange, and electricity." The country's GDP increased 1% in the 12 months through this past March.

("Myanmar GDP to stagnate as conscription chases away workers: World Bank" Nikkei Asia, 12 June 2024)

Although currency impacts on the wider economy have been negative in the most part, Pobre of CIM says the lack of confidence in the kyat has spurred some activity in the property market as people in the country seek safety for their wealth.

An economic recovery is underway in Myanmar. Yet the base is extremely low, and the future remains far from certain, according to most analysts. Fitch Solutions has forecast 3.5 percent economic growth for the 2024 financial year.

("Back to basics for Myanmar's real estate sector" PropertyGuru Asia Property Awards, 2 January 2024)

The Group continues to monitor the political situation in Myanmar following the state of emergency declared by the Myanmar military as the political situation in Myanmar continues to evolve and remains unclear at this stage. In the near term, the impact of the above is expected to weigh on the demand for properties, and short-term volatilities are likely given the fluidity of the situation, barring any further unforeseen material deterioration of the political situation in Myanmar. Should weaker economic prospects materialise and interest rates remain elevated, this may further adversely impact the Group's financial performance, due to but not limited to lower sales, delays in collections from customers, lower operating income, higher finance costs and lower property valuations. The Group is actively monitoring the situation and will announce material developments, if any.

5. Where the latest financial statements are subjected to an adverse opinion, qualified opinion or disclaimer of opinion

a) Updates on the effort taken to resolve each outstanding audit issue

Use of going concern assumption

As disclosed in Note 2.2, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements.

Net realisable value of development properties

As at 30 June 2024, the Company has recognised allowance of foreseeable losses amounting to S\$42.1 million (Note 14.1). The allowance for foreseeable losses is determined by management after taking into consideration of the estimated selling prices. The estimated selling prices are based on recent selling prices for the development project and prevailing market conditions.

5. Where the latest financial statements are subjected to an adverse opinion, qualified opinion or disclaimer of opinion (Cont'd)

a) Updates on the effort taken to resolve each outstanding audit issue (Cont'd)

Disposal group classified as held for sale and discontinued operations

As at 30 June 2024, the directors have considered the following factors in assessing whether the sale is highly probable in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*:

- The sale is at a price that is significantly lower than its current fair value. The cash consideration for the proposed disposal of S\$4,000,000 is significantly lower than the net assets of the disposal group on a revalued basis. The Company has yet to appoint an independent professional valuer for the business valuation required for the proposed disposal pursuant to the Catalyst Rules of the SGX-ST.
- The Company has yet to meet the pertinent terms and conditions precedent in the sale and purchase agreement, including obtaining the discharge and release from the bank in respect of the deed of guarantee and undertaking by the Company to secure the bank loan of GLRE, and the approval of the Company's shareholders for the proposed disposal. It is also uncertain that the Company is able to obtain the required shareholders' approval for the proposed disposal, in view that the cash consideration for the proposed disposal of S\$4,000,000 is significantly lower than the net assets of the disposal group on a revalued basis.
- In conjunction with the proposed disposal, the Company has to raise additional capital from potential investors for new projects and businesses, as part of its plan to resume the trading of its securities. Subsequent to the proposed disposal, if there is no significant operation or business to generate profit in order to sustain the expenses and requirement of a company listed on the SGX-ST, this would result in the Company being deemed as a cash company pursuant to the Catalyst Rules.
- Based on the conditions at the end of the reporting period, it is uncertain for the sale to be completed within one year from the date of classification. The sale and purchase agreement was entered into on 1 July 2023. The Company has not fulfilled the conditions precedent before the long-stop date of 31 March 2024. Notwithstanding that the long-stop date has been subsequently extended to 31 December 2024, it is still uncertain for the proposed disposal to be completed by 31 December 2024, due to the reasons described above. Accordingly, significant changes to the plan may have to be made or that the plan may be withdrawn.

Opening balances and comparative information

As at 30 June 2024, the conditions related to the matters on which a disclaimer of opinion was issued for the financial statements for the year ended 31 December 2023 remain unchanged, potentially affecting the corresponding figures for the current financial period.

5. Where the latest financial statements are subjected to an adverse opinion, qualified opinion or disclaimer of opinion (Cont'd)

b) Confirmation from the board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The Board confirms that all impact of outstanding audit issues on the financial statements in relation to FY2023 have been adequately disclosed.

6. Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared or recommended.

(c) Date payable

Not applicable.

(d) Record Date

Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the financial period ended 30 June 2024 as the Company intends to reserve its cash resources to safeguard the Group's and the Company's ability to continue as a going concern.

7. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested party transactions.

8. Disclosure on the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of the proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.

No use of proceeds and no new proceeds have been raised in the financial period ended 30 June 2024.

9. Disclosure on acquisitions and realisations of shares pursuant to Rule 706A of the Catalist Rules.

As disclosed in Note 12, during the financial period ended 30 June 2024, the Company incorporated a wholly-owned subsidiary, ETC Capital Pte. Ltd., in Singapore and incorporated an indirect wholly-owned subsidiary, HJC, along with 16 other indirect subsidiaries in the PRC.

As disclosed in Note 24, subsequent to the financial period ended 30 June 2024, the Company, through HJC, incorporated 7 subsidiaries in the PRC.

Save for the above, there were no acquisitions and realisation of shares resulting in a company becoming or ceasing to be a subsidiary or associated company of the Company, or resulting in the Company increasing or reducing its shareholding percentage in a subsidiary or associated company.

10. Confirmation that the issuer had procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it had procured undertakings from all its directors and executive officers in accordance with Rule 720(1) of the Catalist Rules.

11. Negative assurance confirmation pursuant to Rule 705(5) of the Catalist Rules.

Joseph Lim and Zhu Xiaolin, being two of the Directors of the Company, do hereby confirm on behalf of the Board of the Company that, to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited condensed interim financial statements for the six months ended 30 June 2024 to be false or misleading in any material aspect, having considered that, including but not limited to, all material information has been assessed to ensure the reliability of the financial results, and the financial statements provide a fair and balanced view of any material factors that have affected the Company's business conditions and financial position.

BY ORDER OF THE BOARD

Ang Mong Seng
Non-Executive Group Chairman

13 August 2024