

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**" together with its subsidiaries, collectively the "**Group**") refers to:

- (A) 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**");
- (B) the announcements dated 28 February 2023, 31 March 2023, 28 April 2023, 31 May 2023, 30 June 2023, 31 July 2023, 31 August 2023, 29 September 2023, 31 October 2023, 30 November 2023, 28 December 2023, 31 January 2024, 29 February 2024, 28 March 2024, 30 April 2024, 16 May 2024, 28 June 2024 and 31 July 2024;
- (C) the announcements dated 21 April 2023 in relation to (i) the appointment of Mr Ye Binlin as Independent Director, Chairman of the Audit Committee, member of the Nominating & Corporate Governance Committee and member of the Remuneration Committee, and (ii) the reconstitution of the Board and Board Committees of the Company;
- (D) the announcement dated 1 July 2023 in relation to the Company's entry into a sale a purchase agreement ("**SPA**") with Grand Ally Investments Pte. Ltd. (the "**Purchaser**") to dispose of DAS Pte. Ltd. (the "**Proposed Disposal**");
- (E) the announcement dated 17 August 2023 in relation to the Company's application for a waiver of Rule 1014(5) of the Catalist Rules (the "**Waiver Application**") to such extent that the Company need only carry out an independent property valuation of Golden Land instead of a business valuation of DAS Group;
- (F) the announcement dated 21 December 2023 in relation to the Company's withdrawal of the Waiver Application;
- (G) the announcement dated 15 March 2024 in relation to the incorporation of an indirect wholly-owned subsidiary, Hainan Jiupeng Chuhe Technology Co., Ltd. (海南九鹏初禾科技有限公司) ("**HJC**");
- (H) the announcement dated 28 March 2024 in relation to the Company's entry into a supplemental agreement to the SPA with the Purchaser to extend the long-stop date from 31 March 2024 to 31 December 2024; and
- (I) the announcement dated 26 July 2024 in relation to (i) the Company's entry into subscription agreements (the "**Subscription Agreements**") with certain investors in relation to the proposed subscription of convertible bonds aggregating S\$4,500,000 and convertible into an aggregate of 968,270,000 new ordinary shares each in the capital of the Company (the "**Proposed Subscription**"); and (ii) the Company's entry into option

agreements (the “**Management Option Agreements**”) with key members of the management of HJC (the “**Group Employees**”), pursuant to which the Company intends to grant options to subscribe for an aggregate amount of 239,080,000 ordinary shares in the capital of the Company (the “**Proposed Grant**”),

(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 Disposal of DAS Pte. Ltd.**

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.

As disclosed in the Company’s announcement dated 1 July 2023, the Company has on 1 July 2023 entered into the SPA with the Purchaser in relation to the Proposed Disposal and has on 28 March 2024 entered into the Supplemental Agreement with the Purchaser to extend the long-stop date from 31 March 2024 to 31 December 2024.

As part of the Proposed Disposal, it is a condition precedent that the Company be discharged from its corporate guarantee for Golden Land Real Estate Development Co., Ltd.’s syndicated bank loan of approximately US\$36 million (the “**Proposed Transfer**”). Assuming completion of the Proposed Disposal, the Purchaser will take over the corporate guarantee in the Company’s stead. In the event of a successful completion of Proposed Disposal and Proposed Transfer, the Company would cease its exposure to the Myanmar market.

The Company will convene an EGM to seek the approval of the Shareholders for the Proposed Disposal and a Circular containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of EGM in connection therewith, will be dispatched to the Shareholders in due course.

3. Proposed Subscription and Proposed Grant

As disclosed in the Company's announcement dated 26 July 2024, 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.

The Proposed Subscription is being undertaken mainly to inject capital and working capital into the live streaming e-commerce and related businesses, including the operations of HJC. As announced in the Company's announcement dated 15 March 2024, the Company, through its wholly-owned subsidiary ETC Capital Pte. Ltd. has incorporated an indirect wholly-owned subsidiary, HJC, in the People's Republic of China, with principal activities being live streaming e-commerce business and online and offline sales of consumer products.

The purpose of the Proposed Grant is to provide an opportunity for the Group Employees to participate in the equity of the Company, so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

For further information on the salient details of the Proposed Subscription and the Proposed Grant, please refer to the Company's announcement dated 26 July 2024.

The Company will convene an EGM to seek the approval of the Shareholders for, *inter alia*, the Proposed Subscription and the Proposed Grant and a Circular containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of EGM in connection therewith, will be dispatched to the Shareholders in due course.

4. Proposed Diversification

The Company will be seeking Shareholders' approval for diversification of the Company's business into the live streaming e-commerce and related business at an appropriate juncture.

The Company will convene an EGM to seek the approval of the Shareholders for, *inter alia*, the Proposed Diversification and a Circular containing, *inter alia*, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of EGM in connection therewith, will be dispatched to the Shareholders in due course.

5. Caution in Trading

The shares in the Company have been suspended from trading on the SGX-ST since 3 March 2021. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as completion of the Proposed Disposal, Proposed Subscription and Proposed Grant are subject to the fulfilment of conditions precedent, and there is no certainty or assurance as at the date of this announcement that the Proposed Disposal, Proposed Subscription and Proposed Grant will be completed or the Proposed Diversification approved by shareholders.

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.

BY ORDER OF THE BOARD

Joseph Lim

Executive Director and Chief Executive Officer

30 August 2024

*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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