

QUARTERLY FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD
ENDED 30 SEPTEMBER 2019

Part 1

INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2, Q3 AND Q4), HALF-YEAR AND FULL YEAR RESULTS

1 (a) (i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	3 rd Qtr Ended 30/9/2019	3 rd Qtr Ended 30/9/2018 (Restated) [#]	Increase/ (Decrease)	YTD 3 rd Qtr Ended 30/9/2019	YTD 3 rd Qtr Ended 30/9/2018 (Restated) [#]	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	12,344	793	n.m.*	36,068	21,143	70.6%
Cost of sales	(8,273)	(38)	n.m.*	(25,172)	(15,449)	62.9%
Gross profit	4,071	755	n.m.*	10,896	5,694	91.4%
Other income	736	2,098	(64.9%)	13,958	3,444	n.m.*
Distribution costs	(441)	(334)	32.0%	(1,242)	(1,865)	(33.4%)
Administrative expenses	(1,257)	(955)	31.6%	(4,518)	(4,484)	0.8%
Other operating expenses	(253)	(10)	n.m.*	(693)	(372)	86.3%
Finance costs	(2,578)	(963)	n.m.*	(7,702)	(3,370)	n.m.*
Profit/(loss) before taxation	278	591	(53.0%)	10,699	(953)	n.m.
Taxation	334	(656)	n.m.	(1,841)	285	n.m.
Profit/(loss) for the period	612	(65)	n.m.	8,858	(668)	n.m.
Profit/(loss) attributable to:						
Owners of the Company	26	(56)	n.m.	3,613	(884)	n.m.
Non-controlling interests	586	(9)	n.m.	5,245	216	n.m.*
	612	(65)	n.m.	8,858	(668)	n.m.

n.m.: not meaningful

*: in excess of 100%

[#]: Comparative results have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue from Contracts with Customers and prior year adjustments

1 (a) (ii) Included in the determination of profit/(loss) before taxation are the following items:

	Group					
	3rd Qtr Ended 30/9/2019	3rd Qtr Ended 30/9/2018 (Restated)[#]	Increase/ (Decrease)	YTD 3rd Qtr Ended 30/9/2019	YTD 3rd Qtr Ended 30/9/2018 (Restated)[#]	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation expense	(193)	(31)	n.m.*	(737)	(111)	n.m.*
Exchange gain, net	92	2	n.m.*	49	11	n.m.*
Fair value gain on investment properties	239	1,826	(86.9%)	11,389	2,648	n.m.*
Interest income	1	3	(66.7%)	5	12	(58.3%)
Financing income arising from payments from customers	441	230	91.7%	1,701	690	n.m.*
Financing expense arising from payments from customers	(168)	-	n.m.	(821)	-	n.m.
Interest expense on accrued land lease premium	(972)	(951)	2.2%	(2,884)	(2,791)	3.3%
Interest expense on borrowings	(1,130)	(12)	n.m.*	(3,374)	(579)	n.m.*
Rental income	1,212	793	52.8%	3,454	2,438	41.7%

n.m.: not meaningful

*: in excess of 100%

#: Comparative results have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue from Contracts with Customers and prior year adjustments

A statement of comprehensive income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	3 rd Qtr Ended 30/9/2019	3 rd Qtr Ended 30/9/2018 (Restated) [#]	Increase/ (Decrease) %	YTD 3 rd Qtr Ended 30/9/2019	YTD 3 rd Qtr Ended 30/9/2018 (Restated) [#]	Increase/ (Decrease) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit/(loss) for the period	612	(65)	n.m.	8,858	(668)	n.m.
Other comprehensive income						
Currency translation differences arising from consolidation of foreign operations	2,767	380	n.m.*	954	2,574	(62.9%)
Reclassification of foreign currency translation differences on disposal of subsidiary	-	-	-	-	271	(100.0%)
Total comprehensive profit for the period	3,379	315	n.m.*	9,812	2,177	n.m.*
Total comprehensive income attributable to:						
Owners of the Company	2,716	491	n.m.*	4,475	2,707	65.3%
Non-controlling interests	663	(176)	n.m.	5,337	(530)	n.m.
	3,379	315	n.m.*	9,812	2,177	n.m.*

n.m.: not meaningful

*: in excess of 100%

#: Comparative results have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue from Contracts with Customers and prior year adjustments

1 (b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
ASSETS				
Non-Current				
Property, plant and equipment	4,179	4,942	86	144
Right-of-use assets	191	-	191	-
Subsidiaries	-	-	35,393	35,393
Investment properties	120,398	65,228	-	-
Trade receivables	7,530	9,390	-	-
	132,298	79,560	35,670	35,537
Current				
Development properties	161,652	219,616	-	-
Prepayments	493	1,415	56	23
Trade and other receivables	12,672	14,450	35,379	35,629
Cash and cash equivalents	1,059	3,026	147	850
	175,876	238,507	35,582	36,502
Total assets	308,174	318,067	71,252	72,039
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	43,354	43,126	43,354	43,126
Capital reduction reserve	15,998	15,998	15,998	15,998
Equity component of convertible loan reserve	13,275	13,150	13,275	13,150
Capital reserve	24,695	24,695	10,987	10,987
Revaluation reserve	299	299	-	-
Share option reserve	730	730	730	730
Foreign currency translation reserve	(452)	(1,314)	-	-
Accumulated profit/(losses)	18,615	15,001	(14,513)	(13,274)
Equity attributable to equity holders of the Company	116,514	111,685	69,831	70,717
Non-controlling interests	10,074	4,737	-	-
Total equity	126,588	116,422	69,831	70,717

1 (b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (cont'd...)

	Group		Company	
	30-Sep-19 S\$'000	31-Dec-18 S\$'000	30-Sep-19 S\$'000	31-Dec-18 S\$'000
LIABILITIES				
Non-Current				
Lease liabilities	74	-	74	-
Provisions for site restoration	23	23	23	23
Deferred tax liabilities	28,512	26,283	-	-
Advance consideration received from customers	3,565	3,549	-	-
Borrowings	16,315	35,005	-	-
Accrued land lease premium	25,266	24,920	-	-
	73,755	89,780	97	23
Current				
Lease liabilities	102	-	102	-
Borrowings	31,050	13,188	-	80
Accrued land lease premium	6,816	3,842	-	-
Trade and other payables	55,203	68,395	1,222	1,219
Advance consideration received from customers	14,660	26,440	-	-
	107,831	111,865	1,324	1,299
Total liabilities	181,586	201,645	1,421	1,322
Total equity and liabilities	308,174	318,067	71,252	72,039

1 (b) (ii) Aggregate amount of group's borrowings and debt securities

	Group		Group	
	30-Sep-19		31-Dec-18	
	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 loans	24,183	-	5,794	-
Loan from third party	4,146	-	4,090	-
Loans from related parties	-	2,721	-	3,304
	<u>28,329</u>	<u>2,721</u>	<u>9,884</u>	<u>3,304</u>
Amount repayable after one year				
Financial liabilities:				
Bank loans	-	-	19,004	-
Loan from third party	16,315	-	16,001	-
	<u>16,315</u>	<u>-</u>	<u>35,005</u>	<u>-</u>

Details of any collateral

The bank loans are secured by bank guarantees with pledge over certain units of residential apartments. The loan from third party is secured by certain units of residential apartments.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3 rd Qtr Ended 30-Sep-19	3 rd Qtr Ended 30-Sep-18 [#]	YTD 3 rd Qtr Ended 30-Sep-19	YTD 3 rd Qtr Ended 30-Sep-18 [#]
	S\$'000	S\$'000	S\$'000	S\$'000
Cash Flows from Operating Activities				
Profit/(loss) before taxation	278	591	10,699	(953)
Adjustments for:				
Depreciation of property, plant and equipment	193	31	737	111
Share-based compensation	-	-	-	98
Fair value gain on investment properties	(239)	(1,826)	(11,389)	(2,648)
Interest income	(1)	(3)	(5)	(12)
Financing income on payments from customers	(441)	(230)	(1,701)	(690)
Finance costs	2,578	963	7,702	3,370
Operating profit/(loss) before working capital changes	2,368	(474)	6,043	(724)
Trade and other receivables	1,270	659	6,744	2,134
Trade and other payables	5,340	906	(18,565)	(5,593)
Development properties	(8,172)	(205)	12,675	5,912
Cash generated from operations	806	886	6,897	1,729
Income tax paid	-	-	-	-
Net cash generated from operating activities	806	886	6,897	1,729
Cash Flows from Investing Activities				
Interest received	1	3	5	12
Additions to investment properties	-	-	(2,101)	-
Purchase of property, plant and equipment	(145)	(170)	(145)	(170)
Disposal of subsidiary, net of cash disposed of (Note A)	-	-	-	(10,709)
Net cash used in investing activities	(144)	(167)	(2,241)	(10,867)
Cash Flows from Financing Activities				
Interest paid	(1,109)	-	(2,812)	-
Lease payments	(26)	-	(78)	-
Repayment of shareholders' loans	-	(615)	-	(615)
Proceeds from shareholders' loans	-	-	-	5,374
Proceeds from bank loans	-	-	-	4,240
Repayment of bank loans	-	(402)	(3,718)	(19,540)
Net cash used in financing activities	(1,135)	(1,017)	(6,608)	(10,541)

Group

	3 rd Qtr Ended 30-Sep-19	3 rd Qtr Ended 30-Sep-18 [#]	YTD 3 rd Qtr Ended 30-Sep-19	YTD 3 rd Qtr Ended 30-Sep-18 [#]
Net decrease in cash and cash equivalents	(473)	(298)	(1,952)	(19,679)
Cash and cash equivalents at beginning of period	1,542	1,751	3,026	21,072
Effect of exchange rate fluctuations on cash and cash equivalents	(10)	(32)	(15)	28
Cash and cash equivalents at end of period	1,059	1,421	1,059	1,421

[#]: Comparative results have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue from Contracts with Customers and prior year adjustments

Note A: The net assets and liabilities arising from the disposal of subsidiaries and the cash flow effects of the disposal were as follows:

	Group YTD 3 rd Qtr Ended 30-Sep-18
	S\$'000
Plant and equipment	913
Investment properties	51,051
Development properties	1,721
Trade and other receivables	5,275
Cash and bank balances	10,709
Trade and other payables	(10,590)
Current tax payable	(4,152)
Advances from customers	(21,489)
Deferred tax liabilities	(6,330)
Net assets disposed	27,108
Foreign currency translation reserve gain realised	271
Non-controlling interests	(10,888)
Gain on disposal of subsidiaries, recorded in capital reserve	446
Total consideration	16,937
Amount set off against convertible loan	(16,937)
Cash and bank balances in subsidiaries disposed of	(10,709)
Net cash outflow arising from disposal	(10,709)

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Company Registration No. 198003839Z

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the periods ended 30 September 2019 and 30 September 2018 - Group

The Group	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Equity component of convertible loan S\$'000	Exchange fluctuation reserve S\$'000	Accumulated profits S\$'000	Total attributable to equity holders of the company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2019	43,126	15,998	24,695	730	299	13,150	(1,314)	15,001	111,685	4,737	116,422
Adoption of SFRS(I) 16	-	-	-	-	-	-	-	1	1	-	1
Balance as at 1 January 2019 as restated	43,126	15,998	24,695	730	299	13,150	(1,314)	15,002	111,686	4,737	116,423
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	(1,828)	3,587	1,759	4,674	6,433
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Issue of ordinary shares arising from performance share plan	228	-	-	-	-	-	-	-	228	-	228
Interest incurred on convertible loan	-	-	-	-	-	83	-	-	83	-	83
Balance at 30 June 2019	43,354	15,998	24,695	730	299	13,233	(3,142)	18,589	113,756	9,411	123,167
Total comprehensive income for the period	-	-	-	-	-	-	2,690	26	2,716	663	3,379
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Interest incurred on convertible loan	-	-	-	-	-	42	-	-	42	-	42
Balance at 30 September 2019	43,354	15,998	24,695	730	299	13,275	(452)	18,615	116,514	10,074	126,588

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the periods ended 30 September 2019 and 30 September 2018 – Group (Continued)

The Group	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Equity component of convertible loan S\$'000	Exchange fluctuation reserve S\$'000	Accumulated profits S\$'000	Total attributable to equity holders of the company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2018	43,126	15,998	24,249	632	299	29,886	(3,952)	11,572	121,810	8,723	130,533
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	3,044	(828)	2,216	(354)	1,862
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Disposal of subsidiary	-	-	446	-	-	(16,937)	271	-	(16,220)	(10,888)	(27,108)
Interest incurred on convertible loan	-	-	-	-	-	117	-	-	117	-	117
Share-based compensation	-	-	-	98	-	-	-	-	98	-	98
Balance at 30 June 2018	43,126	15,998	24,695	730	299	13,066	(637)	10,744	108,021	(2,519)	105,502
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	547	(56)	491	(176)	315
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Interest incurred on convertible loan	-	-	-	-	-	42	-	-	42	-	42
Balance at 30 September 2018	43,126	15,998	24,695	730	299	13,108	(90)	10,688	108,554	(2,695)	105,859

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

Consolidated Statement of Changes in Equity for the periods ended 30 September 2019 and 30 September 2018 - Company

The Company	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Equity component of convertible loan S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity attributable to equity holders of the Company S\$'000
Balance at 1 January 2019	43,126	15,998	10,987	13,150	730	(13,274)	70,717
Adoption of SFRS(I) 16	-	-	-	-	-	1	1
Balance as at 1 January 2019 as restated	43,126	15,998	10,987	13,150	730	(13,273)	70,718
Issue of ordinary shares arising from performance share plan	228	-	-	-	-	-	228
Interest incurred on convertible loan	-	-	-	83	-	-	83
Total comprehensive loss for the period	-	-	-	-	-	(815)	(815)
Balance at 30 June 2019	43,354	15,998	10,987	13,233	730	(14,088)	70,214
Interest incurred on convertible loan	-	-	-	42	-	-	42
Total comprehensive loss for the period	-	-	-	-	-	(425)	(425)
Balance at 30 September 2019	43,354	15,998	10,987	13,275	730	(14,513)	69,831

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Company Registration No. 198003839Z

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)**

Consolidated Statement of Changes in Equity for the periods ended 30 September 2019 and 30 September 2018 – Company (Continued)

The Company	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Equity component of convertible loan S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity attributable to equity holders of the Company S\$'000
Balance at 1 January 2018	43,126	15,998	4,057	29,886	632	(10,887)	82,812
Share-based compensation	-	-	-	-	98	-	98
Disposal of subsidiary	-	-	6,930	(16,937)	-	-	(10,007)
Interest incurred on convertible loan	-	-	-	117	-	-	117
Total comprehensive loss for the period	-	-	-	-	-	(1,531)	(1,531)
Balance at 30 June 2018	43,126	15,998	10,987	13,066	730	(12,418)	71,489
Interest incurred on convertible loan	-	-	-	42	-	-	42
Total comprehensive loss for the period	-	-	-	-	-	(519)	(519)
Balance at 30 September 2018	43,126	15,998	10,987	13,108	730	(12,937)	71,012

- 1 (d)(ii) Details of any changes in the issuer’s share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares, excluding treasury shares of the issuer and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital	Number of shares
Ordinary shares issued and fully paid	
Balance as at 30 September 2019	970,931,934

There were no changes to share capital of the Company during the quarter ended 30 September 2019.

As at 30 September 2019, convertibles (including options to subscribe for ordinary shares in our Company) are as follows:

	As at 30 September 2019 No. of shares	As at 30 September 2018 No. of shares
Convertible loan dated 25 January 2018 (maturity date: 25 April 2020)	193,621,726	191,770,399
Share options granted on 17 May 2016 (expire on 17 May 2026)	15,000,000	15,000,000
	<u>208,621,726</u>	<u>206,770,399</u>

Pursuant to a second addendum deed entered on 1 March 2019 between the Company and Mr Luo Shandong (“Mr Luo”), the Company and Mr Luo have agreed (i) to extend the maturity date of the convertible loan agreement by an additional 12 months, from 25 April 2019 to 25 April 2020 and (ii) to extend the expiry date of the conversion right due to the change of maturity date, which was approved by the shareholders on 23 April 2019.

The Company did not hold any treasury shares as at 30 September 2019 and 30 September 2018.

There were no subsidiary holdings as at 30 September 2019 and 30 September 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year

The Company's total number of issued shares (excluding treasury shares) as at 30 September 2019 is 970,931,934 (31 December 2018: 962,166,934).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares at the end of the current financial period reported on.

Not applicable. The Company does not hold any treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the financial period reported on.

Not applicable. There were no subsidiary holdings.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited financial statements as at 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, and SFRS(I) Interpretations, that are relevant to the Group:

- SFRS(I) 16 *Leases*;
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*;
- Amendments to SFRS(I) 9 *Prepayment Features with Negative Compensation*;
- Amendments to SFRS(I) 1-28 *Long-term Interests in Associates and Joint Ventures*;
- Amendments to SFRS(I) 3 and 11 *Previously held interest in a joint operation*;
- Amendments to SFRS(I) 1-12 *Income tax consequences of payments on financial instruments classified as equity*; and
- Amendments to SFRS(I) 1-23 *Borrowing costs eligible for capitalisation*

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 16

SFRS(I) 16 is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

SFRS(I) 16 has resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The adoption of SFRS(I) 16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. The differences from the balance sheet as previously reported at 31 December 2018 are as follows:

Group and Company balance sheet	1 January 2019
	S\$'000
Increase in right-of-use assets	269
Decrease in property, plant and equipment	(20)
Increase in lease liabilities	(248)
Increase in accumulated profits/(losses)	1

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

Group			
3rd Qtr Ended	3rd Qtr Ended	YTD 3rd Qtr Ended	YTD 3rd Qtr Ended
30/9/2019	30/9/2018	30/9/2019	30/9/2018
	(Restated)		(Restated)

Profit/(loss) per ordinary share (Comparatives are restated to show the effects of the share consolidation):

(i) Based on weighted average no. of ordinary shares in issue (cents)

	-*	-*	0.37	(0.09)
	3rd Qtr Ended 30/9/2019	3rd Qtr Ended 30/9/2018 (Restated)	YTD 3rd Qtr Ended 30/9/2019	YTD 3rd Qtr Ended 30/9/2018 (Restated)

(ii) On a fully diluted basis (cents)

	-*	-*	0.31	(0.08)
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*: less than 0.01

Number of shares in issue
(Comparatives are restated to show the effects of the share consolidation):

(i) Based on weighted average no. of ordinary shares in issue (in millions)

	971	962	969	962
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(ii) On a fully diluted basis (in millions)

	1,165	1,154	1,163	1,154
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Earnings per ordinary share is calculated based on the Group's profit 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 September 2019 and 30 September 2018, 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 September 2019 and 30 September 2018 does not exceed the exercise price.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital (excluding treasury shares) of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
Net Asset Value (S\$'000)	126,588	116,422	69,831	70,717
Based on existing issued share capital (cents per share)	13.04	12.10	7.19	7.35
Net Asset Value has been computed based on the share capital of (in millions of shares)	971	962	971	962

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Financial Performance (3Q2019 vs 3Q2018)

Note: Due to the nature of the industry that the Company operates in, recognition of revenue from the sale of properties is driven by project hand-over. Consequently, quarterly results may not be a good indication of profitability trend. Contributions from Daya Bay were included in the revenue, cost of sales, other income and expenses in the financial period under review until the disposal of Cedar Properties Pte Ltd ("CPPL"), effectively divesting the stake in the Daya Bay project, on 15 March 2018.

Revenue

	Group		Increase/(Decrease)
	3Q2019	3Q2018 (Restated)	
	S\$'000	S\$'000	%
Sale of Properties			
- Golden City	11,132	-	n.m.*
Total Sales of Properties	11,132	-	n.m.*
Rental Income			
- Golden City	1,212	786	54.2%
- ETC	-	7	(100.0%)
Total Rental Income	1,212	793	52.8%
Total Revenue	12,344	793	n.m.*

n.m.: not meaningful
*: in excess of 100%

Revenue for 3Q2019 was mainly contributed by the sale of property units in the Golden City project of S\$11.1 million (90% of total revenue) and the rental of Golden City residential and commercial units of S\$1.2 million. Revenue for 3Q2018 was mainly contributed by the rental of Golden City residential and commercial units of S\$0.8 million (99% of total revenue).

The Group booked revenue, and therefore profits, for units sold (i.e. units where the sale and purchase agreement has 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. The Golden City project recognized or booked 31 units as revenue arising from the sales of properties in 3Q2019.

Gross Profit

	Group		Increase/(Decrease)
	3Q2019	3Q2018 (Restated)	
	S\$'000	S\$'000	%
Sale of Properties			
- Golden City	2,920	-	n.m.*
Total Sale of Properties	2,920	-	n.m.*
Rental Income			

- Golden City	1,151	748	53.9%
- ETC	-	7	(100.0%)
Total Rental Income	1,151	755	52.5%

	Group		
	3Q2019	3Q2018	Increase/(Decrease)
		(Restated)	
	S\$'000	S\$'000	%
Total Gross Profit	4,071	755	n.m.*

n.m.: not meaningful
*: in excess of 100%

Gross profit of approximately S\$4.1 million was recorded for 3Q2019, after deducting direct costs (consisting mainly of cost of the property units sold) of approximately S\$8.3 million. The gross profit margins for sale of properties for Golden City was approximately 26.2%.

Other Income

	Group		
	3Q2019	3Q2018	Increase/(Decrease)
		(Restated)	
	S\$'000	S\$'000	%
Fair value gain	239	1,826	(86.9%)
Imputed interest income	441	230	91.7%
Interest income	1	3	(66.7%)
Others	55	39	41.0%
Other Income	736	2,098	(64.9%)

n.m.: not meaningful
*: in excess of 100%

Other income decreased from S\$2.1 million in 3Q2018 to S\$0.7 million in 3Q2019 mainly due to the lower fair value gain of S\$0.2 million arising from the transfer of one residential unit from development properties to investment properties following the commencement of operating lease to 3rd party, supplemented by higher imputed finance income arising from customer financing as some residential units from the Golden City project were sold on an instalment plan to customers. Others included penalties received from customers who were past due on instalments.

Distribution Costs

Distribution costs, which arose from the sale of property units in the Golden City project, increased from S\$0.3 million in 3Q2018 to S\$0.4 million in 3Q2019 mainly due to higher advertising, and sales commission expenses in the Golden City project. These expenses comprised primarily of salaries and related costs for the sales and marketing staff, travelling and transportation costs, commissions and marketing expenses.

Administration Expenses

Administration expenses increased from S\$1.0 million in 3Q2018 to S\$1.3 million in 3Q2019, mainly due to higher professional fees and lower unrealised exchange gains arising from the

Golden City project offset by lower management performance incentives in the Golden City project.

Finance Costs

The finance costs increased from S\$1.0 million in 3Q2018 to S\$2.6 million in 3Q2019 mainly due to increase in borrowings and the capitalisation of borrowing costs for the construction of Phase 2 in 3Q2018. The Group has ceased the capitalisation of borrowing costs following the completion of Phase 2 in October 2018. 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		Increase/(Decrease)
	3Q2019	3Q2018	
	S\$'000	S\$'000	%
Income tax	-	-	-
Deferred tax	334	(656)	n.m.
Taxation	334	(656)	n.m.

n.m.: not meaningful

*: in excess of 100%

Taxation decreased from a tax expense of S\$0.7 million in 3Q2018 to a tax credit of S\$0.3 million in 3Q2019 mainly due to the unwinding of deferred tax liabilities (deferred tax liabilities were recognized when the development properties were recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer) from the sale of development properties in the Golden City project partially offset by recognition of deferred tax liabilities from the fair value gain of investment properties in the Golden City project.

Review of Financial Position (30 September 2019 vs 31 December 2018)

Non-Current Assets

Investment properties, which are accounted for at fair value, increased mainly due to the transfer of 160 units of residential and commercial units from development properties to investment properties following the commencement of the operating lease to 3rd party. Property, plant and equipment decreased mainly due to depreciation and transfer to investment properties following the commencement of operating lease to 3rd party. Trade receivables, comprising of amounts due from buyers that are one year or more, have decreased mainly due to 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 Sep 2019, partially offset as property units sold were progressively recognized as income upon handover.

Current Assets

Development properties decreased mainly due to the progressive recognition of income from property units sold upon handover, as well as the transfer to 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 decreased mainly due to lower trade receivables upon payment of the outstanding amounts by customers, partially offset as property units sold were progressively recognized as income upon handover. Included in the trade receivables were S\$5.0 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 the fair value gain for the transfer of units from development properties to investment properties, partially offset by development property units that were progressively sold, thereby reducing the deferred tax liabilities recognized for the development properties. Deferred tax liabilities relating to development properties were recognized 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. Borrowings have decreased mainly due to the reclassification from non-current liabilities to current liabilities as the bank loans approached maturity and are due within one year.

Current Liabilities

Borrowings have increased mainly due to the reclassification from non-current liabilities to current liabilities as the bank loans approached maturity and are due within one year, partially offset by partial repayment of bank loan. Accrued land lease premium increased due to the imputed interest expense (which have no cashflow impact) arising from the land lease premium from the Golden City project. Trade and other payables decreased mainly due to payments made to suppliers. Advance consideration received from customers decreased mainly due to handover of property units in the Golden City project to buyers.

Cash Flow

Net cash generated from operating activities was approximately S\$0.8 million for 3Q2019 mainly from the operating profit.

Net cash used in investing activities was approximately S\$0.1 million for 3Q2019 mainly due to the purchase of property, plant and equipment.

Net cash used in financing activities was S\$1.1 million for 3Q2019 mainly due to the interest paid.

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

The current results are in line with the commentary in paragraph 10 of the 2Q2019 Results Announcement dated 14 Aug 2019.

10. 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 development properties, investment properties and other related businesses in which it may value-add. The Group's sole project, Golden City, is based in the Yankin township of Yangon, Myanmar.

Golden City Project

As at 30 September 2019, approximately US\$217.9 million (approximately S\$301.2 million) of gross development value comprising 613 units (820,790 square feet) of the Golden City project have been sold. Correspondingly, a total of 519 units have been recognised as revenue as at 30 September 2019. Barring any unforeseen circumstances, revenue for the remaining units sold is

expected to be progressively recognised upon handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier. The Golden City project comprises of 4 phases. Phase 1's and Phase 2's construction has been completed and commencement of Phase 3 is subject to feasibility studies and project financing.

Renting to foreigners is one of the few pockets of support for the local property market, which is undergoing a multiyear slowdown that began in 2015. (Paradise Real Estate Agency's) Ko Phyo Thu Aung said foreigners prefer apartments in Kamayut and Yankin townships nearer to downtown Yangon while locals who rent prefer Thaketa and South Okkalapa townships. Market observers believe that continued reforms to the economy as well as implementation of legislation such as the Condominium Law 2016 and Condominium Rules 2017 can help support more interest in property.

("Foreign rentals crucial to property market during rainy months", Myanmar Times, 26 Aug 2019)

Over the past years, Colliers has witnessed developers saturate the supply stock with upscale offerings. This, in turn, has led the high-tier spectrum of the market reach an oversupply state. While we recognize the presence of capable buyers, the demand for such offerings remains niche. The high-end segment (currently priced at USD2,920 per sq m) was able to preserve its 60% take-up status as of Q2 2019 only because of the healthy sales observed in projects (e.g. Golden City, The Lake Suites, and Thanlyin Star City) built by established developers in Yangon.

("Yangon Condominium Market Report Q2 2019", Colliers Myanmar, 2 Sept 2019)

Yangon's building completions have markedly slowed down over the last nine months. Although the citywide occupancy rate marginally improved due to the limited entry of new supply and the significant price reductions in some projects, the pace of absorption has remained sluggish. Nonetheless, demand is still expected to increase especially in the next two years with potentially better macroeconomic situation in the country. While more office buildings will come online in the next two years, deferrals in construction may hamper further decreases in rental rates.

("Yangon Office Market Report Q3 2019", Colliers Myanmar, 24 September 2019)

Since the government commenced a series of economic transformations in 2011, the city has witnessed mounting investment interests coming from numerous companies and institutions. The influx of international companies has ultimately driven foreign manpower requirements skyward. This growth has greatly encouraged strong rental activity in the residential sector, specifically in the serviced apartment market. With the immense interest of the government in further liberalising more sectors, corporate housing requirements is seen to rise in 2020 onwards.

("Yangon Serviced Apartment Market Report Q2 2019", Colliers Myanmar, 13 Aug 2019)

11. 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) **Books closure date**

Not applicable.

12. 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 as the Board would like to conserve cash for working capital requirements.

13. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

Tan Thiam Hee and Zhu Xiaolin, being two of the Directors of Emerging Towns & Cities Singapore Ltd. (the "**Company**"), do hereby confirm on behalf of the Board of Directors 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 financial results for the 3rd quarter ended 30 September 2019 to be false or misleading in any material aspect.

14. 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.

15. 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 new proceeds have been raised in the quarter ended 30 September 2019.

16. Confirmation that the issuer had procured undertakings from all its directors and executive officers.

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.

ON BEHALF OF THE DIRECTORS

Ang Mong Seng
Non-Executive Group Chairman

BY ORDER OF THE BOARD
13 Nov 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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