

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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		
	Full Year Ended 31/12/2017	Full Year Ended 31/12/2016	Increase/ (Decrease)
	S\$ '000	S\$ '000	%
Revenue	59,310	149,522	(60.3%)
Cost of Sales	(42,275)	(124,397)	(66.0%)
Gross Profit	17,035	25,125	(32.2%)
Other Income @	12,237	5,537	n.m.*
Distribution Costs	(8,244)	(1,656)	n.m.*
Administration Expenses	(10,528)	(3,447)	n.m.*
Other non-operating expenses	(2,444)	(159)	n.m.*
Finance Costs	(1,942)	(1,597)	21.6%
Profit before taxation	6,114	23,803	(74.3%)
Taxation	(1,295)	10,555	n.m.
Profit for the year	4,819	34,358	(86.0%)
Attributable to:			
Owners of the Company	36	13,543	(99.7%)
Non-Controlling Interests	4,783	20,815	(77.0%)
	4,819	34,358	(86.0%)

n.m. : not meaningful

*: in excess of 100%

@: Included under Other Income for FY2016 was a negative goodwill of approximately S\$4.9 million which arose from the acquisition of DAS Pte. Ltd. ("DAS")

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

	Group		
	Full Year Ended 31/12/2017	Full Year Ended 31/12/2016	Increase/ (Decrease)
	S\$ '000	S\$ '000	%
Depreciation of property, plant & equipment	(397)	(249)	59.4%
Fair value gain on investment properties (net)	11,963	622	n.m.*
Writeback/(impairment) on other Receivables	-	100	(100.0%)
Write back of amounts due to an ex-director	-	470	(100.0%)
Exchange gain/(loss), net	(858)	5	n.m.
Interest Income	75	30	n.m.*
Interest expense	(1,504)	(1,597)	(5.8%)
Rental Income	2,972	2,058	44.4%
Negative goodwill	-	4,884	(100.0%)

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

	Group		
	Full Year Ended 31/12/2017	Full Year Ended 31/12/2016	Increase/ (Decrease)
	S\$ '000	S\$ '000	%
Profit for the year	4,819	34,358	(86.0%)
Other Comprehensive income			
Currency translation differences arising from consolidation	(7,944)	(492)	n.m.*
- Losses			
Total Comprehensive (Loss)/Profit for the year	(3,125)	33,866	n.m.
Attributable to:			
Owners of the Company	(7,908)	13,051	n.m.
Non-controlling interests	4,783	20,815	(77.0%)
	(3,125)	33,866	n.m.

n.m. : not meaningful

*: in excess of 100%

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		
	31-Dec-17 S\$'000	31-Dec-16 S\$'000	1-Jan-16* S\$'000	31-Dec-17 S\$'000	31-Dec-16 S\$'000	1-Jan-16* S\$'000
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	5,509	7,929	1,376	42	87	121
Investment Properties	95,594	61,350	57,868	-	-	-
Investments in Subsidiaries	-	-	-	45,067	34,026	100
Total Non-Current Assets	101,103	69,279	59,244	45,109	34,113	221
Current Assets						
Development Properties	208,261	246,225	36,854	-	-	-
Trade and Other Receivables	27,708	25,170	3,359	35,822	2,372	1,239
Cash and Cash Equivalents	21,072	16,524	4,001	3,395	3,624	119
	257,041	287,919	44,214	39,217	5,996	1,358
Total Assets	358,144	357,198	103,458	84,326	40,109	1,579
EQUITY						
Capital and Reserves						
Share Capital	43,126	131,618	95,459	43,126	131,618	95,459
Capital Reduction Reserve	15,998	15,998	15,998	15,998	15,998	15,998
Equity component of convertible loan	29,886	-	-	29,886	-	-
Capital Reserve	15,894	2,278	2,278	4,057	-	-
Share-based Payment Reserve	632	243	-	632	243	-
Warrant Reserve	-	2,879	2,879	-	2,879	2,879
Foreign Currency Translation Reserve	(8,512)	(568)	(76)	-	-	-
Accumulated Profit/(Loss)	14,150	(98,400)	(111,943)	(11,089)	(119,194)	(115,975)
Equity attributable to equity holders of the Company	111,174	54,048	4,595	82,610	31,544	(1,639)
Non-Controlling Interests	24,532	40,150	9,691	-	-	-
Total Equity	135,706	94,198	14,286	82,610	31,544	(1,639)

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		
	31-Dec-17 S\$'000	31-Dec-16 S\$'000	1-Jan-16* S\$'000	31-Dec-17 S\$'000	31-Dec-16 S\$'000	1-Jan-16* S\$'000
LIABILITIES						
Non-Current Liabilities						
Provisions	30	30	30	30	30	30
Deferred Tax						
Liabilities	31,447	33,141	9,836	-	-	-
Financial Liabilities	23,576	60,981	22,227	-	7,229	-
Land Lease						
Premium	21,340	23,068	-	-	-	-
Total Non-Current Liabilities	76,393	117,220	32,093	30	7,259	30
Current Liabilities						
Financial Liabilities	21,260	26,967	-	-	-	-
Land Lease						
Premium	4,258	4,074	-	-	-	-
Trade and Other						
Payables	36,599	63,088	39,635	1,686	1,306	3,188
Deposits from						
Customers on						
Purchase of	73,943	48,542	17,444	-	-	-
Development						
Properties						
Current Tax Payable	9,985	3,109	-	-	-	-
Total Current Liabilities	146,045	145,780	57,079	1,686	1,306	3,188
Total Liabilities	222,438	263,000	89,172	1,716	8,565	3,218
Total Equity and Liabilities	358,144	357,198	103,458	84,326	40,109	1,579

*: In accordance with FRS 1 paragraph 40A, the Company shall present a 3rd statement of financial position as at the beginning of the preceding period (in this case 1 January 2016) due to the changes in the functional currency of the Company and the presentation currency of the Group from RMB to SGD given that such information is considered material to the users of the financial statements.

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

	Group 31-Dec-2017		Group 31-Dec-2016		Group 1-Jan-2016*	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand						
Financial Liabilities:						
Amount due to						
Directors	-	-	-	-	-	2,090
Bank loans	18,685	-	761	-	-	-
Loans from related parties	-	2,575	-	2,892	-	-
	<u>18,685</u>	<u>2,575</u>	<u>761</u>	<u>2,892</u>	<u>-</u>	<u>2,090</u>
Amount repayable after one year						
Financial Liabilities:						
Bank Loans	23,576	-	18,870	-	-	-
Loans due to a substantial shareholder	-	-	-	42,111	-	-
	<u>23,576</u>	<u>-</u>	<u>18,870</u>	<u>42,111</u>	<u>-</u>	<u>-</u>

*: In accordance with FRS 1 paragraph 40A, the Company shall present a 3rd statement of financial position as at the beginning of the preceding period (in this case 1 January 2016) due to the changes in the functional currency of the Company and the presentation currency of the Group from RMB to SGD given that such information is considered material to the users of the financial statements.

Details of any collateral

The bank loans are secured by bank guarantees with pledge over a commercial building and 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	
	Full Year Ended 31/12/2017	Full Year Ended 31/12/2016
	S\$ '000	S\$ '000
Cash Flows from Operating Activities		
Profit before taxation	6,114	23,803
Adjustments for:		
Share-based compensation	389	243
Depreciation of property, plant and equipment	397	249
Gain on bargain purchase from acquisition of a subsidiary	-	(4,884)
Writeback on other receivables	-	(100)
Write back of amounts due to ex director	-	(470)
Write off of Property, plant and equipment	250	-
Fair value gain on investment properties	(11,963)	(622)
Interest Income	(75)	(30)
Interest expenses	1,504	1,597
Operating (loss)/profit before working capital changes	(3,384)	19,786
Trade and other Receivables	(3,702)	(16,016)
Trade and other Payables	14,610	(116,790)
Investment properties	(22,348)	-
Development properties	22,361	114,241
Cash generated from operations	7,537	1,221
Income tax paid	(2,766)	(1,492)
Net Cash generated/(used in) from operating activities	4,771	(271)
Cash Flows from Investing Activities		
Interest received	75	30
Deferred purchase consideration paid	-	(9,992)
Acquisition of a subsidiary (net of cash acquired)	-	(7,098)
Acquisition of non-controlling interest in subsidiary	(2,106)	-
Purchase of plant and equipment	-	(27)
Net Cash used in investing activities	(2,031)	(17,087)
Cash Flows from Financing Activities		
Issue of ordinary shares	4,061	22,468
Proceeds from shareholder loans	-	7,227
(Repayment of)/Proceeds from interest-free loans from related parties of a minority shareholder of a subsidiary	(24,687)	601
Repayment of bank loans	(589)	-
Proceeds from bank loans	23,191	-

Net Cash generated from financing activities

1,976

30,296

Net increase in Cash and Cash Equivalents

4,716

12,938

Cash and Cash Equivalents at beginning of year

16,524

4,001

Exchange differences on translation of Cash and Cash Equivalents at beginning of year

(168)

(415)

Cash and Cash Equivalents at end of year

21,072

16,524

- 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 years ended 31 December 2017 and 31 December 2016 - Group

The Group	Share capital S\$'000	Capital reduction reserve S\$'000	Capital Reserve S\$'000	Share-based Payment reserve S\$'000	Warrant reserve S\$'000	Equity component of convertible loan S\$'000	Exchange fluctuation reserve S\$'000	Accumulated Profits/(losses) 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 2016	95,459	15,998	2,278	-	2,879	-	(76)	(111,943)	4,595	9,691	14,286
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	(492)	13,543	13,051	20,815	33,866
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Issue of ordinary shares	36,159	-	-	-	-	-	-	-	36,159	-	36,159
Acquisition of non-controlling interest in subsidiary	-	-	-	-	-	-	-	-	-	9,644	9,644
Share-based compensation	-	-	-	243	-	-	-	-	243	-	243
Balance at 31 December 2016	131,618	15,998	2,278	243	2,879	-	(568)	(98,400)	54,048	40,150	94,198
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	(7,944)	36	(7,908)	4,783	(3,125)
Transactions with owners, recognised directly in equity											
Contributions by and distributions to owners											
Issue of ordinary shares	14,193	-	-	-	(2,365)	(8,010)	-	-	3,818	-	3,818
Expiry of warrants	-	-	-	-	(514)	-	-	514	-	-	-
Issue of convertible loan	-	-	4,057	-	-	37,896	-	-	41,953	-	41,953
Acquisition of non-controlling interest in subsidiary	9,035	-	9,260	-	-	-	-	-	18,295	(20,401)	(2,106)
Investment property revaluation	-	-	299	-	-	-	-	-	299	-	299
Capital reduction	(112,000)	-	-	-	-	-	-	112,000	-	-	-
Share-based payments	280	-	-	389	-	-	-	-	669	-	669
Balance at 31 December 2017	43,126	15,998	15,894	632	-	29,886	(8,512)	14,150	111,174	24,532	135,706

ETC SINGAPORE

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 years ended 31 December 2017 and 31 December 2016 – Company

The Company	Share Capital	Capital Reduction Reserve	Capital Reserve	Share-based Payment Reserve	Warrant Reserve	Equity component of convertible loan	Accumulated Profits/(losses)	Total Equity attributable to equity holders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2017	95,459	15,998	-	-	2,879	-	(115,975)	(1,639)
Issue of ordinary shares	36,159	-	-	-	-	-	-	36,159
Share-based payments	-	-	-	243	-	-	-	243
Total Comprehensive loss for the year	-	-	-	-	-	-	(3,219)	(3,219)
Balance at 31 December 2016	131,618	15,998	-	243	2,879	-	(119,194)	31,544
Issue of ordinary shares	23,228	-	-	-	(2,365)	(8,010)	-	12,853
Expiry of warrants	-	-	-	-	(514)	-	514	-
Capital reduction	(112,000)	-	-	-	-	-	112,000	-
Share-based payments	280	-	-	389	-	-	-	669
Issue of convertible loan	-	-	4,057	-	-	37,896	-	41,953
Total Comprehensive loss for the year	-	-	-	-	-	-	(4,409)	(4,409)
Balance at 31 December 2017	43,126	15,998	4,057	632	-	29,886	(11,089)	82,610

- 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.**

	Number of shares
Share Capital	
Ordinary shares issued and fully paid	
Balance as at 31 December 2017	962,166,934

There were no changes to share capital of the Company during the quarter ended 31 December 2017.

As at 31 December 2017, convertibles (including options to subscribe for ordinary shares in our Company) that remained outstanding after share consolidation (Comparatives are restated to show the effects of the share consolidation) are as follows:

	As at 31 Dec 2017 No. of shares	As at 31 Dec 2016 No. of shares
Convertible loan dated 25 January 2017 (maturity date: 25 April 2018)	378,315,397	-
Warrants granted on 12 June 2014 (expired on 9 June 2017)	-	51,111,111
Share Options granted on 17 May 2016 (expire on 17 May 2026)	16,000,000	16,000,000
	394,315,397	67,111,111

The Company did not hold any treasury shares as at 31 December 2017 and 31 December 2016.

There were no subsidiary holdings as at 31 December 2017 and 31 December 2016.

- 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 31 December 2017 is 962,166,934 (31 December 2016: 762,645,245)

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 for the adoption of the Amendments to FRSs applicable for the financial year beginning on or after 1 January 2017, the same accounting policies and methods of computation have been applied. The adoption of Amendments to FRSs did not have any effect on the financial performance or position of the Group.

The Group is of the opinion that the SGD presentation currency best reflects the current and prospective economic substance of the underlying transactions of the Group as our fund raising from the capital market have been in SGD thus far and our future projects will likely be in ASEAN, China and Greater China as well as the sub-continent.

Accordingly, the Group has translated its results and financial position into SGD starting from 1 January 2017. The comparatives of the financial statements of the Company and of the Group for FY2017 were restated and presented in SGD. Specifically, the assets and liabilities of the Company and of the Group as at 31 December 2016 and 31 December 2015 were translated from RMB to SGD at the closing exchange rates as at 31 December 2016 and 31 December 2015 respectively, while the income expense items of the Company and of the Group for FY2016 were translated at the average rate during the said period.

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.

Please refer to note 4.

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	
	Full Year Ended 31/12/2017	Full Year Ended 31/12/2016
<i>Profit per ordinary share</i>		
(Comparatives are restated to show the effects of the share consolidation):		
(i) Based on weighted average no. of ordinary shares in issue (cents)	- *	2.98
(ii) On a fully diluted basis (cents)	- *	2.98

*: 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 million)	898	454
(ii) On a fully diluted basis (in million)	1,277	454

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.

Diluted earnings per ordinary share is calculated based on the same basis as earnings per share by adjusting the weighted average number of ordinary shares to include the outstanding warrants and options deemed converted up to the respective reporting periods.

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		
	31-Dec-17	31-Dec-16	1-Jan-16*	31-Dec-17	31-Dec-16	1-Jan-16*
Net Asset Value (S\$'000)	135,706	94,198	14,286	82,610	31,544	(1,639)
Based on existing issued share capital (cents per share) (Comparatives are restated to show the effects of the share consolidation)	14.10	12.35	4.48	8.59	4.14	(0.51)
Net Asset Value has been computed based on the share capital of (in million of shares) (Comparatives are restated to show the effects of the share consolidation)	962	762	319	962	762	319

*: In accordance with FRS 1 paragraph 40A, the Company shall present a 3rd statement of financial position as at the beginning of the preceding period (in this case 1 January 2016) due to the changes in the functional currency of the Company and the presentation currency of the Group from RMB to SGD given that such information is considered material to the users of the financial statements.

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 (FY2017 vs FY2016)

Note: Significant changes in revenues, cost of sales, other income and expenses during the financial period under review were mainly attributed to maiden consolidation of DAS or Golden City project's financial performance in 4Q2016.

	Group		Remarks
	FY2017	FY2016	
	S\$ '000	S\$ '000	
Revenue	59,310	149,522	Decrease in Revenue FY2017 contributed by Golden City project S\$33.9m (57.2%) and Daya Bay project S\$25.3m (42.7%) whilst FY2016 contributed by Golden City project S\$118.7m (79.3%) and Daya Bay project S\$30.8m (20.6%)
Cost of Sales	(42,275)	(124,397)	
Gross Profit	17,035	25,125	Decrease in Gross Profit The gross profit margins for Golden City and Daya Bay projects were approximately 21% and 32% respectively.
Other Income	12,237	5,537	Increase in Other Income 1. FY2017 – Mainly fair value gain in investment properties from the Golden City project 2. FY2016 – negative goodwill of approximately S\$4.9 million (Golden City project)
Distribution Costs	(8,244)	(1,656)	
Administration Expenses	(10,528)	(3,447)	Increase in Other Non-Operating Expenses Increase in other non-operating expenses mainly contributed by the Daya Bay project
Other non-operating expenses	(2,444)	(159)	
Finance Costs	(1,942)	(1,597)	
Profit before taxation	6,114	23,803	Increase in Taxation Increase in taxation mainly due to lower unwinding of deferred tax liabilities
Taxation	(1,295)	10,555	
Profit for the year	4,819	34,358	

Revenue

	Group		
	FY2017	FY2016	Increase/(Decrease)
	S\$ '000	S\$ '000	%
Sale of Properties			
- Golden City	32,950	118,691	(72.2%)
- Daya Bay	23,388	28,773	(18.7%)
Total Sales of Properties	56,338	147,464	(61.8%)
Rental Income			
- Golden City	948	-	n.m.*

- Daya Bay	1,953	1,987	(0.2%)
- ETC	71	71	-
Total Rental Income	2,972	2,058	44.4%
Total Revenue	59,310	149,522	(60.3%)

Note well: 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, yearly results may not be a good indication of profitability trend.

Revenue for FY2017 was mainly contributed by the sale of property units in the Golden City project of S\$33.0 million (55.6% of total revenue), the Daya Bay project of S\$23.4 million (39.4% of total revenue) and the rental of Daya Bay holiday apartments and Golden City residential units of S\$2.0 million and S\$0.9 million respectively. Revenue for FY2016 was contributed by the sale of property units in the Golden City project of S\$118.7 million, the Daya Bay project of S\$28.8 million and rental of holiday apartments of S\$2.0 million.

The Group booked 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. 50 and 135 units (net) were recognized or booked as revenue in FY2017 for the Golden City project and the Daya Bay project respectively. The 399 units of holiday apartments held as investment properties in the Daya Bay project have given us a fixed monthly rental income of RMB2,000 (approximately S\$410) per room since December 2015, amounting to S\$2.0 million for FY2017 while the investment properties in the Golden City project contributed rental income of S\$0.9 million for FY2017.

Gross Profit

	Group		
	FY2017	FY2016	Increase/(Decrease)
	S\$ '000	S\$ '000	%
Sale of Properties			
- Golden City	6,945	19,976	(65.2%)
- Daya Bay	7,504	3,441	n.m.*
Total Sales of Properties	14,449	23,417	(38.3%)
Rental Income			
- Golden City	906	-	n.m.*
- Daya Bay	1,609	1,637	(0.2%)
- ETC	71	71	-
Total Rental Income	2,586	1,708	51.4%
Total Gross Profit	17,035	25,125	(32.2%)

Gross profit of approximately S\$17.0 million was recorded for FY2017, after deducting direct costs (consisting mainly of cost of the property units sold) of approximately S\$42.3 million. The gross profit margins for sale of properties for Golden City and Daya Bay projects were approximately 21% and 32% respectively.

Other Income

	Group		Increase/(Decrease)
	FY2017	FY2016	
	S\$ '000	S\$ '000	%
Fair value gain (net)	11,963	622	n.m.*
Negative Goodwill	-	4,884	(100.0%)
Interest income	75	30	n.m.*
Others	199	1	n.m.*
Other Income	12,237	5,537	n.m.*

n.m. : not meaningful

*: in excess of 100%

Other income increased from S\$5.5 million in FY2016 to S\$12.2 million in FY2017 mainly due to the fair value gain for the investment properties in the Golden City project. Other income for FY2016 was mainly contributed by recognition of negative goodwill of S\$4.9 million arising from the acquisition of 75% equity interests in DAS and fair value gain of S\$0.6 million for investment properties in Daya Bay.

Distribution Costs

Distribution costs of S\$8.2 million in FY2017 arose from the sale of property units in the Golden City and the Daya Bay projects, especially the latter with the ramp-up in sales and marketing activities following the new sales launch of the balance units in the project, whilst the distribution costs of S\$1.7 million in FY2016 was mainly contributed by the Daya Bay project. These expenses comprise 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\$3.4 million in FY2016 to S\$10.5 million in FY2017, mainly due to inclusion of one full year of administrative expenses incurred by the Golden City project in FY2017 following the maiden consolidation of Golden City project's financial performance in 4Q2016 and unrealized exchange losses mainly arising from the Golden City project.

Other Non-Operating Expenses

Other non-operating expenses of S\$2.4 million in FY2017 were contributed by the Daya Bay project and Golden City project.

Finance Costs

The finance costs of S\$1.9 million in FY2017 pertained mainly to interest expenses arising from loans due to a substantial shareholder, interest expenses incurred from bank loans and shareholders' loan and imputed interest expenses (which have no cash flow impact) arising from the interest-free loans from certain related parties of Daya Bay.

Taxation

	Group		Increase/(Decrease)
	FY2017	FY2016	
	S\$ '000	S\$ '000	%
Income tax	(1,920)	(2,291)	(16.2%)
Deferred tax	625	12,846	(95.1%)
Taxation	(1,295)	10,555	n.m.

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

Taxation increased from tax credit of S\$10.6 million in FY2016 to tax expense of \$1.3 million in FY2017 mainly due to the lower 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 sales of development properties in the Golden City and Daya Bay projects.

Review of Financial Position (31 December 2017 vs 31 December 2016)

Non-current Assets

Property, plant and equipment ("PPE") decreased mainly due to depreciation incurred on the PPE. Investment properties increased due to transfer of development properties to investment properties from the Golden City project following the commencement of an operating lease to a 3rd party and fair value gain for these investment properties.

Current Assets

Development properties decreased mainly due to the transfer of development properties to investment properties from Golden City project following the commencement of an operating lease to a 3rd party as well as the property units sold were progressively recognized as income upon handover for both the Golden City project and Day Bay project. The development properties are being recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer. Trade and other receivables increased as property units sold were progressively recognized as income upon handover.

Non-current Liabilities

Deferred tax liabilities decreased as the development property units were progressively sold, thereby reducing the deferred tax liabilities recognized for the development properties, partially offset by the recognition of deferred tax liabilities from the fair value gain of the investment properties. 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.

Financial liabilities decreased mainly due to the classification of the convertible loan ("CL") under equity as well as the re-classification from non-current liabilities to current liabilities as the financial liabilities approached maturity and are repayable within one year as at 31 December 2017. As the lender of the CL does not have the right to demand repayment in cash and the Company, in its absolute and sole discretion, can convert the total outstanding amount (Principal+Interest) at the maturity date into new shares of the Company, into a fixed number of shares at a pre-determined exchange rate and accordingly, the entire CL is considered to be equity.

Current Liabilities

The decrease in financial liabilities is mainly due to diminishment of the interest-free loans from certain related parties of Daya Bay in FY2017 offset by the re-classification from non-current liabilities to current liabilities as the financial liabilities approached maturity and are repayable within one year from financial year ended 31 December 2017. A bank loan of approximately US\$14.0 million (approximately S\$18.7 million) will mature and due for repayment on 28 March 2018. Trade and other payables decreased mainly due to lower trade payables for both projects following payments made to contractors and suppliers. Deposits from customers on purchase of development properties increased due to the sales of development properties from both projects

which revenue have yet to be recognized as the units sold have yet to meet the revenue recognition criteria.

Equity

The accumulated loss of the Group has been written off following completion of the capital reduction of S\$112.0 million on 3 January 2017. This resulted in a corresponding reduction in the share capital, partially offset by the issue of new shares arising from exercise of warrants, conversion of convertible loan and acquisition of the remaining shares in DAS. The increase in capital reserve and equity component of convertible loan arose from the classification of the CL under equity. As the lender of the CL does not have the right to demand repayment in cash and the Company, in its absolute and sole discretion, can convert the total outstanding amount (Principal+Interest) at the maturity date into new shares of the Company, into a fixed number of shares at a pre-determined exchange rate and accordingly, the entire CL is considered to be equity.

Cash Flow

Net cash generated from operating activities was approximately S\$4.8 million for FY2017 due mainly to decrease in development properties as property units sold were progressively recognized as income upon handover.

Net cash used in investing activities was approximately S\$2.0 million for FY2017 mainly due to acquisition of the remaining shares in DAS.

Net cash generated from financing activities was S\$2.0 million for FY2017 mainly due the proceeds from bank loans of approximately S\$23.2 million and issue of shares arising from warrant conversion of S\$4.1 million partially offset by reduction in loans and repayment of bank loan amounting to approximately S\$24.7 million and S\$0.6 million respectively.

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 3Q2017 Results Announcement dated 14 November 2017.

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 first project was based in Daya Bay District, Huizhou, Guangdong Province, People's Republic of China ("China"). The Group's second project is based in the Yankin township of Yangon, Myanmar.

Daya Bay Project

With reference to the Settlement Deed in relation to the unauthorised withdrawals, the Group entered into a sales and purchase agreement with the controlling shareholder to sell its wholly-owned subsidiary, Cedar Properties Pte Ltd ("CPPL"), effectively divesting its stake in the Daya Bay project for a total consideration of RMB81.0 million. The consideration is to be satisfied by ETC Singapore setting off an equivalent sum from the amount (both principal and interest)

outstanding under the CL from Mr Luo on completion. The proposed disposal is subject to shareholders' approval in the upcoming EGM.

Golden City Project

As at 31 December 2017, approximately US\$182.5 million (approximately S\$243.9 million) of gross development value comprising 517 units (693,400 square feet) of the Golden City project have been sold. Correspondingly, a total of 250 units have been recognised as revenue as at 31 December 2017. Revenue for the remaining 267 units sold is expected to be progressively recognised in FY2018 upon handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier. Golden City project comprises of 4 phases. While Phase 1's construction has already been completed, Phase 2 is expected to be completed in 2H2018, following which work for Phase 3 and 4 will start in FY2018 and FY2019 respectively.

Pending enactment for approximately three years, the condominium law had on the 22 January 2018 been passed by the Myanmar government. With the new law in place, foreigners would now be allowed the right to purchase up to 40.0% of condominium apartments in any given block available. Market observers expect that these new measures could provide the Myanmar property market a much needed boost as demand remains sluggish following its peak back in 2015.

(Source: "Parliament passes condominium law", Myanmar Times, 22 February 2018)

The new law arrives at a crucial time as the government expects an inflow of foreign direct investments coupled by a hike in the number of foreigners and expatriates in the years ahead. As a result, more tenants will be willing to upgrade their office space or even relocate to better offices. Mixed development projects such as Golden City are therefore likely to gain traction.

(Source: "Real estate sector to pick up on back of foreign demand", Myanmar Times, 18 January 2018)

On the other hand, the European Union is currently in talks to prepare sanctions against Myanmar generals through restrictive measures such as new travel bans and asset freezes, in response to the Myanmar military's killings of Rohingya Muslims.

(Source: "European Union set to prepare sanctions on Myanmar and Cambodia", The Straits Times, 23 February 2018)

Given the mixed sentiments in Myanmar, the Group continues to intensify its effort to push for sale of its Golden City project. An example is the Group's partnership with Yoma Bank to roll-out 15-year home loan plans, financing up to 70% of the residential unit's cost. This initiative is likely to make home ownership more affordable for locals in Myanmar, potentially bringing about greater demand for Golden City's residential units.

Having promptly fulfilled the terms as set out in the Settlement Deed relating to the unauthorised withdrawals, the Group intends to commit its fullest efforts to put in place all necessary measures to ensure the resumption of trading of Company shares.

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 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.

- 13. 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 year ended 31 December 2017.

- 14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

For management purposes, the Group is organised into business segments as the Group's risks and rates of return are affected predominantly by differences in the products produced. The operating businesses are organised and managed separately according to the nature of the products produced, with each segment representing a strategic business unit that offers different products and serves different markets.

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

- (i) Property development - relates to the development of properties for sale
- (ii) Property investment - relates to the business of investing in properties to earn rentals and for capital appreciation
- (iii) Corporate – comprises Corporate Office which incurs general corporate expenses and 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.

Segment revenue and expenses:

Segment revenue and expenses are the operating revenue and expenses reported in the consolidated statement of 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.

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. Capital expenditure includes the total cost incurred to acquire plant and equipment directly attributable to a segment.

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 operates 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.

Geographically, the non-current assets and operations of the Group are primarily located in the PRC and Myanmar.

ETC SINGAPORE

Company Registration No. 198003839Z

	Property development		Property investment		Corporate		Eliminations		Total	
	Group 2017 S\$'000	Group 2016 S\$'000	Group 2017 S\$'000	Group 2016 S\$'000	Group 2017 S\$'000	Group 2016 S\$'000	Group 2017 S\$'000	Group 2016 S\$'000	Group 2017 S\$'000	Group 2016 S\$'000
Segment revenue	56,338	147,464	2,901	1,987	71	71	-	-	59,310	149,522
Results										
Segment profit/(loss)	(4,189)	19,516	2,515	1,637	(4,449)	(2,887)	-	-	(6,123)	18,266
Other income	257	18	11,963	622	17	4,897	-	-	12,237	5,537
Profit/(loss) before taxation	(3,932)	19,534	14,478	2,259	(4,432)	2,010	-	-	6,114	23,803
Taxation	1,696	10,711	(2,991)	(156)	-	-	-	-	(1,295)	10,555
Profit/(loss) for the year	(2,236)	30,245	11,487	2,103	(4,432)	2,010	-	-	4,819	34,358
Attributable to:										
Owners of the Company	551	10,271	3,917	1,262	(4,432)	2,010	-	-	36	13,543
Non-controlling interests	(2,787)	19,974	7,570	841	-	-	-	-	4,783	20,815
Assets and liabilities										
Segment assets	203,432	289,833	95,594	61,350	59,118	6,015	-	-	358,144	357,198
Segment liabilities	189,247	246,415	31,447	7,055	1,744	8,530	-	-	222,438	263,000

Geographical Segments	China S\$'000	Myanmar S\$'000	Singapore S\$'000	Total S\$'000
Year ended 31 December 2017				
Revenue	25,341	33,898	71	59,310
Non-current assets	51,463	49,598	42	101,103
Year ended 31 December 2016				
Revenue	30,760	118,691	71	149,522
Non-current assets	56,961	12,231	87	69,279

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Revenue and earnings for the property development segment was mainly contributed by the sale of property units in the Golden City project, which was acquired on 20 December 2016 and the Daya Bay project, which was acquired on 4 November 2015. Revenue and earnings for the property investment segment came from the renting out of holiday apartments at Daya Bay and renting out of residential units in the Golden City project.

Other income for property investment segment in FY2017 included the net fair value gain of S\$12.0 million which mainly arose from the revaluation of investment properties in the Golden City project. For FY2016, the income for corporate segment included a negative goodwill of S\$4.9 million which arose from the acquisition of DAS.

The decrease in segment revenue and profit for development properties in FY2017 was mainly due to lesser property units sold being progressively recognized as income upon handover while the increase in segment revenue and profit for investment properties was mainly due to income from renting out of residential units from Golden City.

16. A breakdown of sales as follows :

	Latest Financial Year S\$'000	Group Previous Financial Year S\$'000	% Increase/ (Decrease)
a. Sales reported for the first half year (January to June)	20,204	14,086	43.4%
b. Operating profit after tax before deducting minority interest reported for the first half year (January to June)	(333)	287	n.m.
c. Sales reported for the second half year (July to December)	39,106	135,436	(71.1%)
d. Operating profit after tax before deducting minority interest reported for the second half year (July to December)	369	34,071	(98.9%)

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

- 17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows :-**

Not applicable as the Company did not declare any dividends in the latest full year and its previous full year.

- 18. 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.

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable as there are no such persons occupying a managerial position in the issuer or any of its principal subsidiaries as at the date of this announcement.

ON BEHALF OF THE DIRECTORS

Christopher Chong Meng Tak
Non-Executive Group Chairman

BY ORDER OF THE BOARD
28 February 2018

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

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

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