QUARTERLY FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 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		
	1st Qtr Ended 31/3/2019	**1st Qtr Ended 31/3/2018** (Restated)#	**Increase/ (Decrease)**
	S$'000	S$'000	%
Revenue	**16,403**	**13,964**	**17.5%**
Cost of sales	(12,350)	(10,805)	14.3%
Gross profit	**4,053**	**3,159**	**28.3%**
Other income	3,123	239	n.m.*
Distribution costs	(472)	(1,009)	(53.2%)
Administrative expenses	(2,052)	(965)	n.m.*
Other operating expenses	(309)	(195)	58.5%
Finance costs	(2,676)	(1,438)	86.1%
Profit/(loss) before taxation	**1,667**	**(209)**	**n.m.**
Taxation	(204)	994	n.m.
Profit for the period	**1,463**	**785**	**86.4%**
Profit/(loss) attributable to:			
Owners of the Company	487	(136)	n.m.
Non-controlling interests	976	921	6.0%
	1,463	**785**	**86.4%**

n.m.: not meaningful
*: in excess of 100%
#: 1Q2018 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		
	1st Qtr Ended 31/3/2019	**1st Qtr Ended 31/3/2018** (Restated)	**Increase/ (Decrease)**
	S$'000	S$'000	%
Depreciation of property, plant and equipment	(386)	(92)	n.m.*
Fair value gain on investment properties	2,513	-	n.m.
Exchange (loss)/gain, net	(43)	1,084	n.m.
Interest income	3	9	(66.7%)
Financing income arising from receivables owing from customers	527	230	n.m.
Financing expense arising from payments from customers	(493)	-	n.m.
Interest expense on accrued land lease premium	(951)	(926)	2.7%
Interest expense on borrowings	(1,093)	(512)	n.m.*
Rental income	601	991	(39.4%)

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

	Group		
	1st Qtr Ended 31/3/2019	**1st Qtr Ended 31/3/2018** (Restated)	**Increase/ (Decrease)**
	S$'000	S$'000	%
Profit for the period	**1,463**	**785**	**86.4%**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequently to profit or loss			
Items may be reclassified to profit or loss in subsequent periods (net of tax)			
Currency translation differences arising from consolidation of foreign operations	445	(1,889)	n.m.
Reclassification of foreign currency translation differences on disposal of subsidiary	-	271	(100.0%)
Total comprehensive profit/(loss) for the period	**1,908**	**(833)**	**n.m.**
Total comprehensive income attributable to:			
Owners of the Company	**915**	**(913)**	**n.m.**
Non-controlling interests	**993**	**80**	**n.m.***
	1,908	**(833)**	**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-Mar-19	**31-Dec-18**	**31-Mar-19**	**31-Dec-18**
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-Current				
Property, plant and equipment	3,796	4,942	111	144
Right-of-use assets	243	-	243	-
Subsidiaries	-	-	35,393	35,393
Investment properties	75,031	65,228	-	-
Trade receivables	8,559	9,390	-	-
	87,629	**79,560**	**35,747**	**35,537**
Current				
Development properties	201,588	219,616	-	-
Prepayments	1,428	1,415	44	23
Trade and other receivables	15,011	14,450	35,823	35,629
Cash and cash equivalents	890	3,026	139	850
	218,917	**238,507**	**36,006**	**36,502**
Total assets	**306,546**	**318,067**	**71,753**	**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	13,191	13,150	13,191	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	(886)	(1,314)	-	-
Accumulated profits/(losses)	15,489	15,001	(13,645)	(13,274)
Equity attributable to equity holders of the Company	**112,870**	**111,685**	**70,615**	**70,717**
Non-controlling interests	5,730	4,737	-	-
Total equity	**118,600**	**116,422**	**70,615**	**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	
	31-Mar-19	**31-Dec-18**	**31-Mar-19**	**31-Dec-18**
	S$'000	S$'000	S$'000	S$'000
LIABILITIES				
Non-Current				
Lease liabilities	122	-	122	-
Provisions for site restoration	23	23	23	23
Deferred tax liabilities	26,477	26,283	-	-
Advance consideration received from customers	3,530	3,549	-	-
Borrowings	34,835	35,005	-	-
Accrued land lease premium	24,779	24,920	-	-
	89,766	**89,780**	**145**	**23**
Current				
Lease liabilities	102	-	102	-
Borrowings	12,525	13,188	46	80
Accrued land lease premium	4,775	3,842	-	-
Trade and other payables	59,946	68,395	845	1,219
Advance consideration received from customers	20,832	26,440	-	-
	98,180	**111,865**	**993**	**1,299**
Total liabilities	**187,946**	**201,645**	**1,138**	**1,322**
Total equity and liabilities	**306,546**	**318,067**	**71,753**	**72,039**

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

	Group 31-Mar-2019		Group 31-Dec-2018	
	Secured S$'000	**Unsecured** S$'000	**Secured** S$'000	**Unsecured** S$'000
Amounts repayable in one year or less, or on demand				
Financial Liabilities:				
Bank loan	5,761	-	5,794	-
Loan from third party	4,112	-	4,090	-
Loans from related parties	-	2,652	-	3,304
	9,873	2,652	9,884	3,304
Amounts repayable after one year				
Financial Liabilities:				
Bank loan	18,895	-	19,004	-
Loan from third party	15,940	-	16,001	-
	34,835	-	35,005	-

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	
	1st Qtr Ended 31/3/2019	1st Qtr Ended 31/3/2018 (Restated)
	S$'000	S$'000
Cash Flows from Operating Activities		
Profit/(loss) before taxation	1,667	(209)
Adjustments for:		
Depreciation of property, plant and equipment	386	92
Share-based compensation	-	54
Fair value gain on investment properties	(2,513)	-
Interest income	(3)	(9)
Financing income on payments from customers	(527)	(230)
Finance costs	2,676	1,438
Operating profit before working capital changes	1,686	1,136
Trade and other receivables	913	2,915
Trade and other payables	(16,412)	(240)
Development properties	14,076	3,520
Cash generated from operations	263	7,331
Income tax paid	-	-
Net cash generated from operating activities	**263**	**7,331**
Cash Flows from Investing Activities		
Interest received	3	9
Purchase of investment property	(968)	-
Disposal of subsidiary, net of cash disposed of (Note A)	-	(10,709)
Net cash used in investing activities	**(965)**	**(10,700)**
Cash Flows from Financing Activities		
Interest paid	(1,514)	-
Lease payments	(26)	-
Proceeds from shareholders' loans	-	5,374
Repayment of bank loan	-	(19,138)
Net cash used in financing activities	**(1,540)**	**(13,764)**
Net decrease in cash and cash equivalents	**(2,242)**	**(17,133)**
Cash and cash equivalents at beginning of period	3,026	21,072
Effect of exchange rate fluctuations on cash held	106	115
Cash and cash equivalents at end of period	890	4,054

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

	Group
	1st Qtr Ended 31/3/2018
	S$'000
Property, plant and equipment	913
Investment properties	51,051
Development properties	1,721
Trade and other receivables	5,275
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
Less: Non-controlling interests	(10,888)
Net gain on disposal of subsidiary	446
Total consideration	**16,937**
Amount set off against convertible loan	(16,937)
Cash and cash equivalents in subsidiary disposed	(10,709)
Net cash outflow arising from disposal	**(10,709)**

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 31 March 2019 and 31 March 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$'000	Accumulated profits/(losses) S$'000	Total attributable to equity holders of the company S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 January 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 income for the period	-	-	-	-	-	-	428	487	915	993	1,908
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	-	-	-	-	-	41	-	-	41	-	41
Balance at 31 March 2019	**43,354**	**15,998**	**24,695**	**730**	**299**	**13,191**	**(886)**	**15,489**	**112,870**	**5,730**	**118,600**

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 31 March 2019 and 31 March 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$'000	Accumulated profits/(losses) S$'000	Total attributable to equity holders of the company S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 January 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	-	-	-	-	-	-	(777)	(136)	(913)	80	(833)
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	-	-	-	-	-	68	-	-	68	-	68
Share-based compensation	-	-	-	54	-	-	-	-	54	-	54
Balance at 31 March 2018	**43,126**	**15,998**	**24,695**	**686**	**299**	**13,017**	**(4,458)**	**11,436**	**104,799**	**(2,085)**	**102,714**

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 31 March 2019 and 31 March 2018 - Company

The Company	Share capital	Capital reduction reserve	Capital reserve	Equity component of convertible loan	Share option reserve	Accumulated losses	Total equity attributable to equity holders of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 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	-	-	-	41	-	-	41
Total comprehensive loss for the period	-	-	-	-	-	(372)	(372)
Balance at 31 March 2019	43,354	15,998	10,987	13,191	730	(13,645)	70,615

The Company	Share capital	Capital reduction reserve	Capital reserve	Equity component of convertible loan	Share option reserve	Accumulated losses	Total equity attributable to equity holders of the Company
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2018	43,126	15,998	4,057	29,886	632	(10,887)	82,812
Share-based compensation	-	-	-	-	54	-	54
Disposal of subsidiary	-	-	6,930	(16,937)	-	-	(10,007)
Interest incurred on convertible loan	-	-	-	68	-	-	68
Total comprehensive loss for the period	-	-	-	-	-	(840)	(840)
Balance at 31 March 2018	43,126	15,998	10,987	13,017	686	(11,727)	72,087

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 2018	962,166,934
Issue of ordinary shares	8,765,000
Balance as at 31 March 2019	**970,931,934**

On 27 February 2019, the Company allotted 8,765,000 new ordinary shares in the capital of the Company to eligible employees, in accordance with the terms of the Performance Share Plan 2016.

As at 31 March 2019, convertibles (including options to subscribe for ordinary shares in our Company) are as follows:

	As at 31 Mar 2019 No. of shares	**As at 31 Mar 2018 No. of shares**
Convertible loan dated 25 January 2018 (expire on 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
	208,621,726	206,770,399

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 has been approved by the shareholders on 23 April 2019.

The Company did not hold any treasury shares as at 31 March 2019 and 31 March 2018.

There were no subsidiary holdings as at 31 March 2019 and 31 March 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 31 March 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:

<u>Adoption of SFRS(I) 16</u>

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 $'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	
	1st Qtr Ended 31/3/2019	**1st Qtr Ended 31/3/2018** (Restated)
Profit/(Loss) per ordinary share:		
(i) Based on weighted average no. of ordinary shares in issue (cents)	0.049	(0.01)
(ii) On a fully diluted basis (cents)	0.041	(0.01)
***Number of shares in issue*:**		
(i) Based on weighted average no. of ordinary shares in issue (in million)	965	962
(ii) On a fully diluted basis (in million)	1,159	1,155

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 years.

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-Mar-19	**31-Dec-18**	**31-Mar-19**	**31-Dec-18**
Net asset value (S$'000)	118,600	116,422	70,615	70,717
Based on existing issued share capital (cents per share)	12.22	12.10	7.27	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.

<u>Review of Financial Performance (1Q2019 vs 1Q2018)</u>

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 until the disposal of Cedar Properties Pte Ltd ("CPPL"), effectively divesting the stake in the Daya Bay project, on 15 March 2018.

<u>Revenue</u>

	Group		
	1Q2019	**1Q2018** (Restated)	**Increase/(Decrease)**
	S$'000	S$'000	%
Sale of Properties			
- Golden City	15,802	10,364	52.5%
- Daya Bay	-	2,609	(100.0%)
Total Sales of Properties	15,802	12,973	21.8%
Rental Income			
- Golden City	601	557	7.9%
- Daya Bay	-	416	(100.0%)
- ETC	-	18	(100.0%)
Total Rental Income	601	991	(39.4%)
Total Revenue	16,403	13,964	17.5%

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

Revenue for 1Q2019 was mainly contributed by the sale of property units in the Golden City project of S$15.8 million (96.3% of total revenue) and the rental of Golden City residential and commercial units of S$0.6 million. Revenue for 1Q2018 was mainly contributed by sale of property units in the Golden City project of S$10.3 million, the Daya Bay project of S$2.6 million, rental of Golden City residential and commercial units of $0.6m and rental of Daya Bay holiday apartments of S$0.4 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. 51 units were recognized or booked as revenue in 1Q2019 for the Golden City project.

<u>Gross Profit</u>

	Group		
	1Q2019	**1Q2018**	**Increase/(Decrease)**
	S$'000	(Restated) S$'000	%
Sale of Properties			
- Golden City	3,481	1,888	84.4%
- Daya Bay	-	379	(100.0%)
Total Sales of Properties	3,481	2,267	53.6%

Rental Income			
- Golden City	572	531	7.7%
- Daya Bay	-	343	(100.0%)
- ETC	-	18	(100.0%)
Total Rental Income	572	892	(35.9%)
Total Gross Profit	4,053	3,159	28.3%

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

Gross profit of approximately S$4.1 million was recorded for 1Q2019, after deducting direct costs (consisting mainly of cost of the property units sold) of approximately S$12.4 million. The gross profit margins for sale of properties for the Golden City project was approximately 22.0%.

Other Income

	Group		
	1Q2019	**1Q2018** (Restated)	**Increase/(Decrease)**
	S$'000	S$'000	%
Fair value gain	2,513	-	n.m.
Imputed interest income	527	230	n.m.*
Interest income	3	9	(66.7%)
Others	80	-	n.m.
Other Income	3,123	239	n.m.*

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

Other income increased from S$0.2 million in 1Q2018 to S$3.1 million in 1Q2019 mainly due to the fair value gain of S$2.5 million for the transfer of 9 units of residential and commercial units 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.

Distribution Costs
Distribution costs, which arose from the sale of property units in the Golden City project, decreased from S$1.0 million in 1Q2018 to S$0.5 million in 1Q2019 mainly due to the disposal of the Daya Bay project and lower 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 1Q2018 to S$2.1 million in 1Q2019, mainly due to unrealized exchange losses arising from the Golden City project in 1Q2019 compared to unrealized exchange gains arising from the Golden City project in 1Q2018 and higher management performance incentives in the Golden City project.

Finance Costs
The finance costs of S$2.7 million in 1Q2019 mainly comprised 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		
	1Q2019	**1Q2018**	**Increase/(Decrease)**
	S$'000	S$'000	%
Income tax	-	(98)	(100.0%)
Deferred tax	(204)	1,092	n.m.
Taxation	(204)	994	n.m.

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

Taxation increased from tax credit of S$1.0 million in 1Q2018 to tax expense of S$0.2 million in 1Q2019 mainly due to the recognition of deferred tax liabilities from the fair value gain of investment properties in the Golden City project partially offset by 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 sales of development properties in the Golden City project.

Review of Financial Position (31 March 2019 vs 31 December 2018)

Non-current Assets
Investment properties, which are accounted for at fair value, increased mainly due to the transfer of 9 units of residential and commercial units from development properties to investment properties following the commencement of 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 31 March 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 increased as property units sold were progressively recognized as income upon handover. Included in the trade receivables were S$3.9 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 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.

Current Liabilities

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$0.3 million for 1Q2019 mainly from the operating profit, partially offset by changes in working capital.

Net cash used in investing activities was approximately S$1.0 million for 1Q2019 mainly due to the purchase of furniture and fittings for decoration of residential units that are classified as investment properties.

Net cash used in financing activities was S$1.5 million for 1Q2019 mainly due to the payment of interest expenses arising from borrowings.

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 Full Year 2018 Results Announcement dated 27 February 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 31 March 2019, approximately US$211.5 million (approximately S$286.7 million) of gross development value comprising 595 units (799,100 square feet) of the Golden City project have been sold. Correspondingly, a total of 471 units have been recognised as revenue as at 31 March 2019. Revenue for the remaining 124 units sold is expected to be progressively recognized 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 work for Phase 3 and 4 is slated to commence in FY2020 and FY2021 respectively.

The Ministry of Construction in Myanmar recently initiated the formation of a management committee to oversee the implementation of regulations under the Condominium Law which was previously passed in early 2018. Announced on 5 January 2019, the ministry noted that the committee will register new and existing property developments that meet the criteria and adhere to the by-laws in conjunction with the Condominium Law. So far, some 40 developers have registered their projects, with 13 of them already approved by the committee. Industry observers believe that once the by-laws and registration systems are properly put in place to protect buyers, sellers and developers, the sector is expected to gain momentum and grow as it will give buyers and investors the confidence to enter the market.

("After three years, regulations under Condominium Law firm up", Myanmar Times, 17 January 2019)
("Prospects better in 2019 with improved laws, loan options", Myanmar Times, 1 January 2019)

The 2016 Condominium Law addresses land ownership as well as foreign participation in the local property market. According to the law, foreigners now have the right to own up to 40 percent of the units in a condominium project, while each individual can buy up to 25pc of the units. As the Condominium Law lays out clearer regulations for foreign participation in the real estate sector, sales and investments are expected to improve as well as benefit the construction and other sectors in the years to come, real estate agents said. Before this law, foreigners coming to Myanmar on long term business or for education were forced to rent apartments which were subject to high and volatile rental rates. Now they have more options to invest in a unit or rent at more stable rates.
("Property investments now more clear-cut for foreigners", Myanmar Times, 02 April 2019)

In 2019, a surge in real estate investments is likely as venture capitalists take advantage of opportunities that will arise from further enforcement and legislation of government policies such as the regulations under Condominium Law 2016 and Condominium Rules 2017; the relaxation of foreign ownership restrictions on retail and construction; increased leniency in visa requirements for several of Myanmar's major trading partners; bylaws setting out rules and regulations for global and domestic tour operators, hotels, guest houses, and regional tour guides; and amendments to the existing procurement law and business registration systems which should entice more developers to take part in the government's ambitious infrastructure development programmes. Overall, Myanmar's real estate industry remains at a nascent stage. While there is a handful of risks and challenges in the market at this rate of development, we still believe that the opportunities awaiting developers and investors remain promising.

("Navigating the Myanmar property market: Opportunities, risks and outlook", Colliers International Myanmar, 01 March 2019)

In recent years, the Myanmar economy has been underperforming and confidence in the government is low. The economy has also been facing sluggish growth and slowing growth with respect to foreign domestic investment (FDI) numbers, resulting in office rental declines and low take-up rates for newly constructed condominiums in cities such as Yangon. On the flip side, the emerging nation remains one of the fastest growing economies in the world, harnessing a sizeable and young population with a raft of natural resources. With 40 per cent of the world's population as its immediate neighbours, Myanmar has the potential to become the next low-cost manufacturing hub for the region.

("Investing in Myanmar – not when but how", The Business Times, 2 January 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 to fund expansions and acquisitions.

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 1st quarter ended 31 March 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 Person 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 31 March 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
10 May 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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