



# EMERGING TOWNS & CITIES SINGAPORE LTD.

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FY16 Corporate Presentation

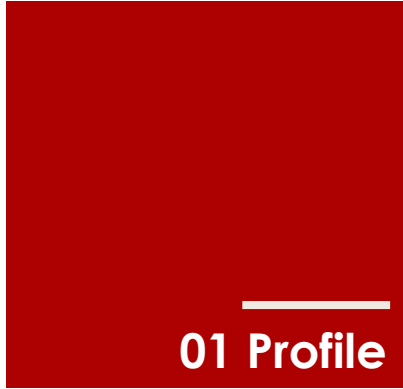
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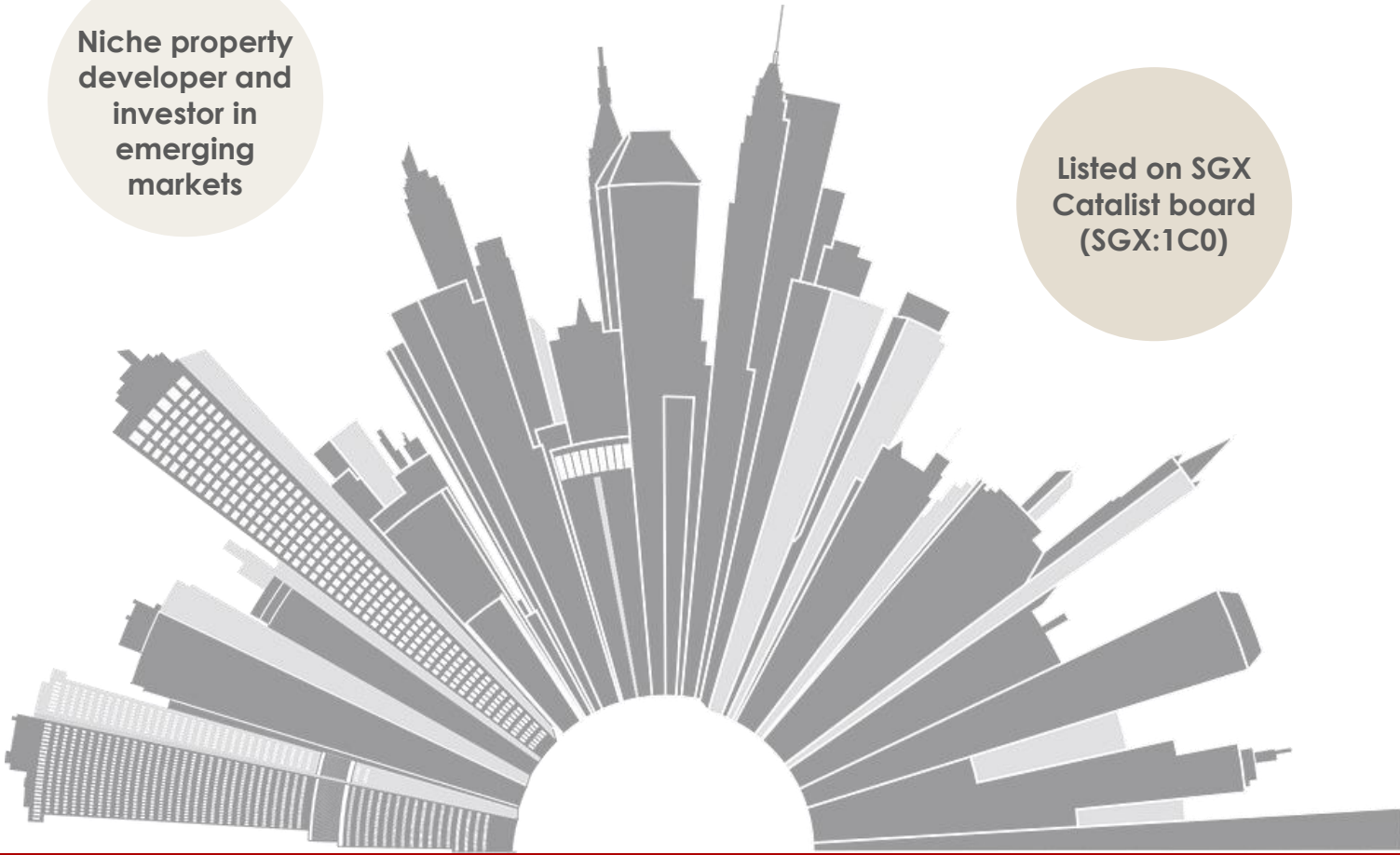


# DISCLAIMER



Niche property  
developer and  
investor in  
emerging  
markets

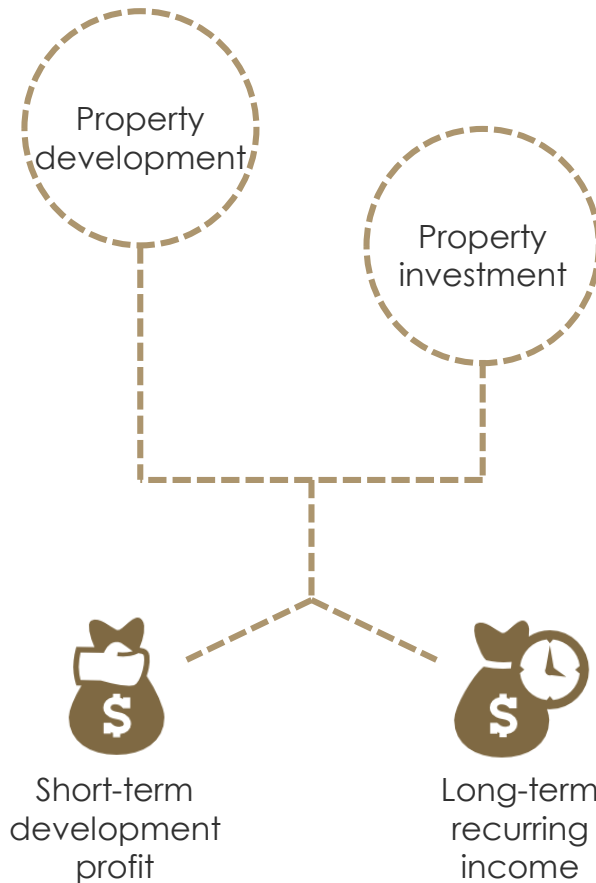
Listed on SGX  
Catalist board  
(SGX:1C0)



# OVERVIEW

## Focus on emerging towns and cities

# MODEL



Currently exploring strategic investments in property-related ventures in Indonesia, Thailand, and PRC

# MILESTONES

Nov 2015



Acquired 60%  
Daya Bay Project

Mar 2016



Resumed trading

Sep 2016



Completed rights  
issue

Dec 2016



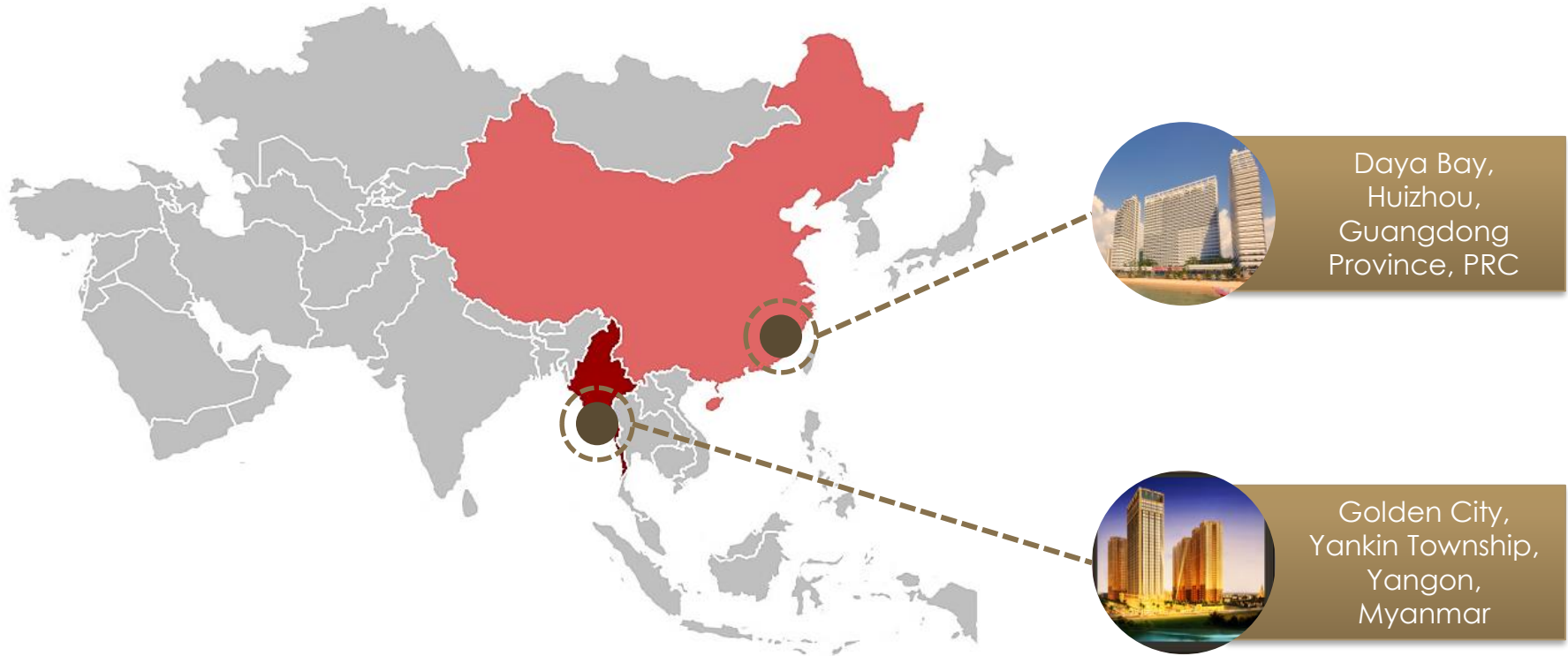
Completed  
Phase I  
acquisition of  
Golden City  
Project

Feb 2017



Changed name to "Emerging  
Towns & Cities Singapore Ltd";  
completed Phase II acquisition of  
Golden City Project

# PRESENCE



Total GFA as at 31 December 2016 = 1,804,789 sq ft

## Board of Directors / Non-Executive Directors



**Christopher Chong Meng Tak**

Non-Executive and Independent Group Chairman, Chairman of the Nominating & Corporate Governance Committee and the Remuneration Committee



**Peter Tan**

Independent Director, Chairman of the Audit Committee



**Teo Cheng Kwee**

Non-Executive Director



**Yu Jinzhi**

Independent Director and a member of the Audit Committee and the Remuneration Committee



## Board of Directors / Executive Directors



**Tan Thiam Hee**

Executive Director and Group  
Chief Executive Officer



**Zhu Xiaolin**

Executive Director and Group  
President



**Patrick Wong Pak Him**

Executive Director

## Management Team



Joseph Lim  
Group Chief Financial  
Officer



Yang Cha  
Group Chief  
Development Officer



Lai Xuejun  
Senior Vice President &  
Regional General  
Manager – Myanmar



William Lau  
Vice President  
(Investment) & Regional  
Chief Financial Officer –  
Myanmar



Li Bo  
Vice President (Sales &  
Marketing) & Regional  
Sales & Marketing  
Director – Myanmar



Irwin Ang Chee Liong  
Vice President (Quality  
Assurance)



Tin It San  
Vice President (HR &  
Admin.)

# GROUP STRUCTURE

As at 28 February 2017



The diagram illustrates the corporate structure of Emerging Towns & Cities Singapore Ltd. at the end of February 2017. The parent company is shown in a red box at the top. It branches into four main subsidiaries: Trechance Holdings Ltd., Cedar Properties Pte. Ltd., DAS Pte. Ltd., and Futura Asset Holdings Pte. Ltd. Cedar Properties Pte. Ltd. further branches into two subsidiaries: Chengdu Xin Cheng Cedar Properties Consulting Co., Ltd. and Huizhou Daya Bay Mei Tai Cheng Property Development Co., Ltd. DAS Pte. Ltd. branches into two subsidiaries: Uni Global Power Pte. Ltd. and Golden Land Real Estate Development Co. Ltd. Each subsidiary is represented by a box with its name and a percentage bar indicating the ownership stake.

**Emerging Towns & Cities  
Singapore Ltd.**

Trechance  
Holdings Ltd.

100%

Cedar Properties  
Pte. Ltd.

100%

DAS Pte. Ltd.

100%

Futura Asset  
Holdings Pte. Ltd.

100%

Chengdu Xin Cheng  
Cedar Properties  
Consulting Co., Ltd.

100%

Huizhou Daya Bay Mei  
Tai Cheng Property  
Development Co., Ltd.

60%

Uni Global Power  
Pte. Ltd.

70%

Golden Land Real  
Estate Development  
Co. Ltd.

70%

# KEY CORPORATE DEVELOPMENTS

2015

**APRIL:**

Suspension of trading

**JUNE:**

Removal of previous Board  
Appointment of new Board

**JULY:**

Appointment of special auditors  
Placement and investment agreements  
Signing of MOU to acquire Daya Bay  
Mei Tai Cheng Property Development  
Co., Ltd.

**OCTOBER:**

Signing of Sales and Purchase  
agreement to acquire Daya Bay  
project

**NOVEMBER:**

Completion of Daya Bay acquisition  
Release of Special Audit Report  
Release of Annual Report 2014

**DECEMBER:**

AGM 2014/EGM to approve the  
placement and investment agreements

2016

**FEBRUARY:**

Signing of share subscription agreement

**MARCH:**

Resumption of trading

**APRIL:**

Completion of placement  
Release of Annual Report 2015  
AGM 2015

**SEPTEMBER:**

Completion of rights issue  
Loan from controlling shareholder, Luo  
Shandong ("LSD") of US\$5,000,000 at 6%  
per annum

**NOVEMBER:**

Closure of Special Audit

**DECEMBER:**

Completion of Phase I acquisition of  
Golden City project  
Completion of 25:1 share consolidation

2017

**JANUARY:**

Completion of capital reduction  
Conversion of loan from LSD to  
Convertible Loan of US\$29,302,144  
(comprising US\$5,000,000 incurred by  
Company, US\$24,125,000 incurred by  
DAS before SPA, and accrued  
interest) at 1% per annum

**FEBRUARY:**

Completion of Phase II acquisition of  
Golden City project  
Change of company name



## REQUIREMENTS TO RESUME TRADING

**The New Board fulfilled the following requirements which contributed to the resumption of trading in March 2016:**

- ✓ Sourced for funding for working capital
- ✓ Completed the Special Audit
- ✓ Implemented internal controls to address financial, operational, and compliance risks
- ✓ Be in the process of settling issues relating to (amongst others) Trechance, Futura, and West Themes
- ✓ Completed and announced FY2014, 1Q2015, 2Q2015, 3Q2015, and FY2015 results
- ✓ Completed audit for FY2014
- ✓ Held AGM for FY2014
- ✓ Acquired a sustainable business



## SPECIAL AUDIT – SCOPE & OUTCOME

- 1. Divestment of titanium dioxide business
- 2. Acquisition and proposed divestment of Trechance Group
- 3. Acquisition and divestment of Yess Le Green and West Themes
- 4. Acquisition of Futura Asset Holdings
- 5. Severance payments and disbursements

- 1. Not worthwhile to pursue; concluded with no further follow-up required
- 2. No basis to pursue; concluded with no further follow-up required
- 3. Recovered S\$1.1 million from Dr. In on 3 Nov 2016; no basis to pursue on recovery of consultancy fees; concluded with no further follow-up required
- 4. No basis to pursue; concluded with no further follow-up required
- 5. Dr. In agreed to waive and forgo claims on the Group as per the terms of the Settlement Deed dated 2 Sep 2016; received S\$3,800 for duplicate claims filed





GFA: ~3.6m sf  
GDV: ~US\$694m

Brownfield

Average selling  
price:  
US\$260 psf

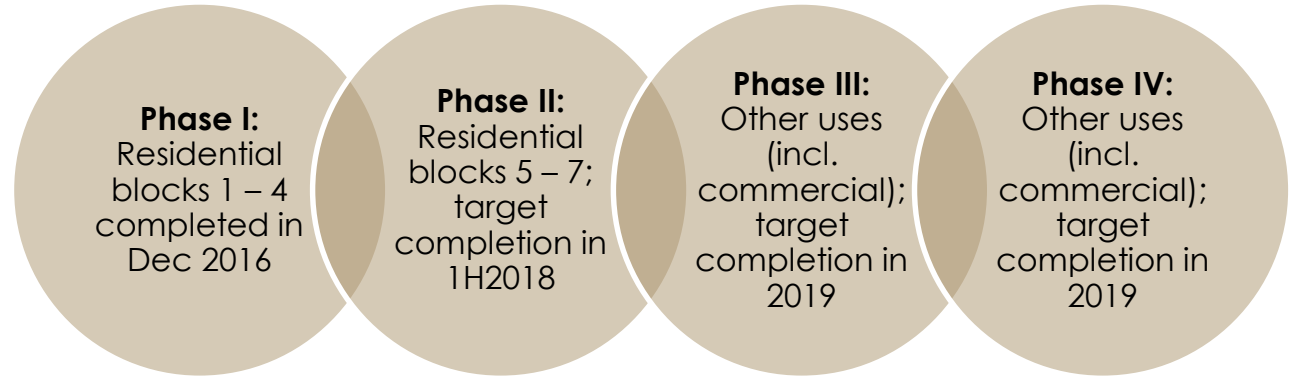
- Acquisition cost: US\$24.9m for 49.0% stake; completed in Feb 2017
- Luxury mixed-use development including residential and commercial
- Iconic: Tallest building in Myanmar; clear views of key landmarks including Shwedagon Pagoda and Inya Lake
- Vicinity area contains prestigious real estate and lifestyle amenities, including five-star hotels, fine dining, international schools, hospitals, embassies, and office headquarters (e.g. Telenor, Unilever, MIC, LG, Petronas, Bangkok Bank, Keppel)
- Top-selling high-end residential project; buyers are mainly affluent locals; apartment units have been transacted at between US\$250 to US\$320 psf
- Engages local community through Golden City Charity Foundation, donations, volunteer work, and other CSR activities
- <http://www.glredcl.com/>

# GOLDEN CITY

Yankin, Yangon, Myanmar

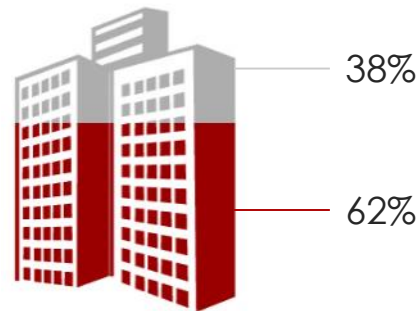


## DEVELOPMENT UPDATE

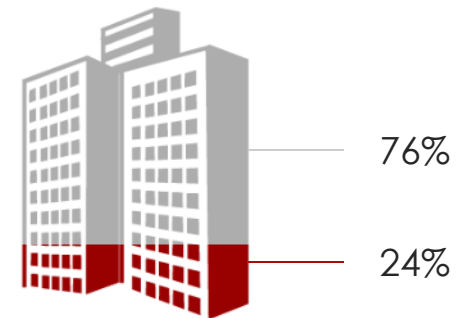


## SALES UPDATE

**Phase I**  
(launched in Mar 2014)



**Phase II**  
(launched in 1H2015)



 Sold  Unsold

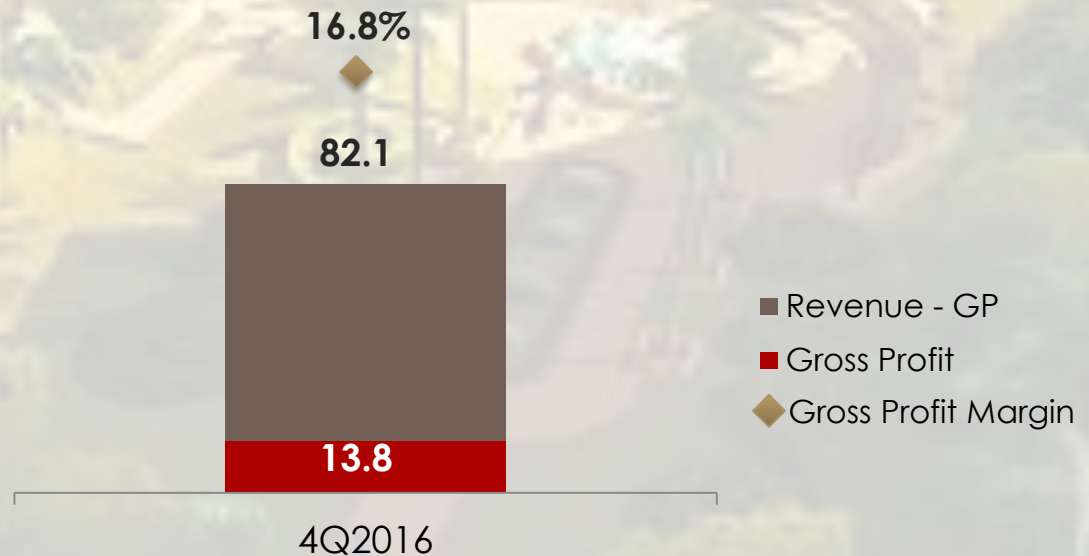
	Sales value (USD million)	No. of units	Total floor area ('000 sq ft)
Sold (SPA signed & stated at gross)	156.4	435	601.7
Unsold (incl. deposit received but contract not signed)	239.5	630	867.0
<b>Total</b>	<b>395.9</b>	<b>1,065</b>	<b>1,468.7</b>
Notified and Handed over	22.1	57	89.2
Notified, but not handed over	60.0	148	242.2
<b>Total Sold and Recognized in P&amp;L, net of discount</b>	<b>82.1</b>	<b>205</b>	<b>331.4</b>

## SALE OF DEVELOPMENT PROPERTIES as at 31 Dec 2016

# SALE OF DEVELOPMENT PROPERTIES as at 31 Dec 2016

	4Q2016			
	Sales value (USD million)	No. of units	Total floor area ('000 sq ft)	Price/Sq Ft (USD)
Sold (SPA signed & stated at gross)	156.4	435	601.7	260
Total Sold & Recognized in P&L, net of discount	82.1	205	331.4	248

## GP Analysis (USD' million)



# DAYA BAY

Huizhou, Guangdong, PRC



- Acquisition cost: RMB48.0m for 60.0% stake; completed in Oct 2015
- Consists of residential apartments (717 units, 336,052 sq ft) and holiday rental apartments (399 units, 215,872 sq ft)
- Domestic tourism hotspot (particularly in summer); biggest seafood market in Shenzhen
- Close proximity to large cities – Shenzhen, Zhuhai, Guangzhou, Hong Kong, and Macau
- Government support: creation of a second Sanya supported by tourism resources, etc.

**GFA: ~551,924  
sf; GDV:  
~RMB687m**

**Brownfield  
(distressed)**

**Average  
selling price:  
RMB1,394 psf**

	Sales value (RMB million)	No. of units	Total floor area ('000 sq ft)
Sold (SPA signed & stated at gross)	390.8	660	313.8
Unsold (incl. deposit received but contract not signed)	27.8	57	22.3
<b>Total</b>	<b>418.6</b>	<b>717</b>	<b>336.1</b>
Notified and Handed over	283.7	472	225.9
Notified, but not handed over	42.6	77	36.0
<b>Total Sold and Recognized in P&amp;L</b>	<b>326.3</b>	<b>549</b>	<b>261.9</b>

## SALE OF DEVELOPMENT PROPERTIES as at 31 Dec 2016

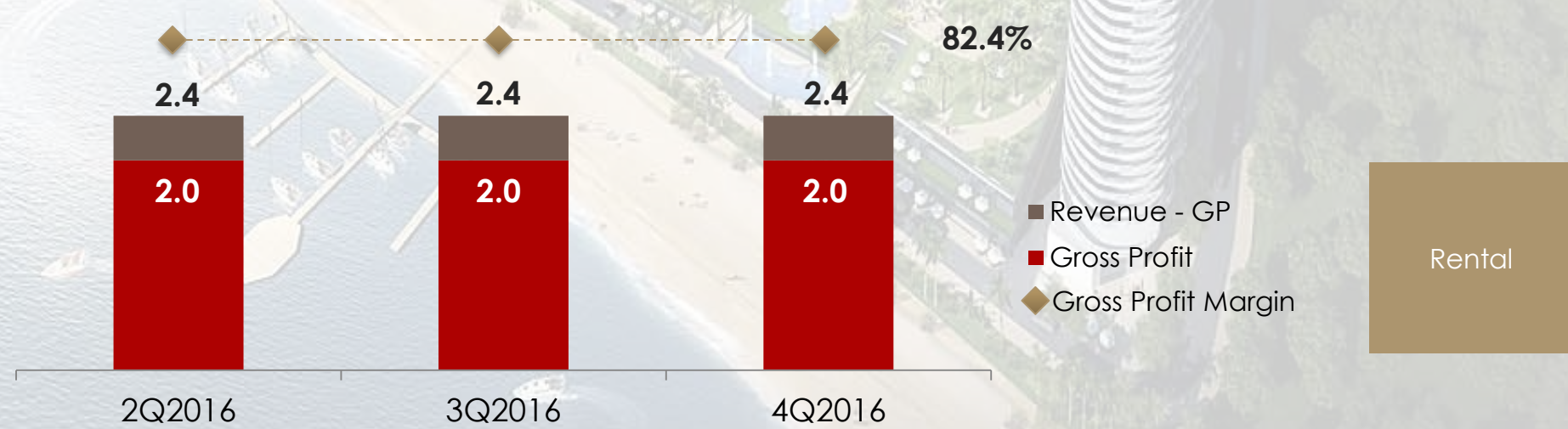
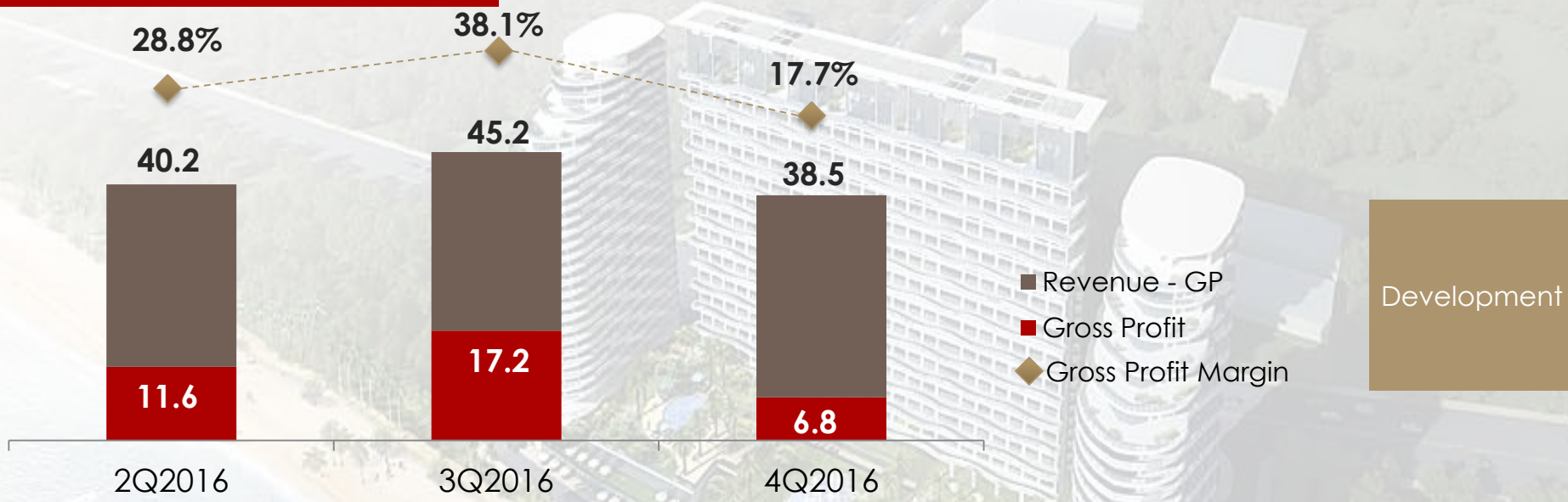
# SALE OF DEVELOPMENT PROPERTIES as at 31 Dec 2016

	4Q2016				3Q2016				2Q2016			
	Sales value (RMB million)	No. of units	Total floor area ('000 sq ft)	Price/sq ft (RMB'000)	Sales value (RMB million)	No. of units	Total floor area ('000 sq ft)	Price/sq ft (RMB'000)	Sales value (RMB million)	No. of units	Total floor area ('000 sq ft)	Price/sq ft (RMB'000)
Sold (SPA signed & stated at gross)	-	-	-	-	23.8	29	15.5	1.5	44.0	60	30.1	1.5
Total Sold & Recognized in P&L	35.7	64	29.4	1.2	45.2	61	31.0	1.5	40.2	61	30.6	1.3

## RENTAL PROPERTIES as at 31 Dec 2016

- Recurring revenue from **399 units** rented out to e-Stay for five years at **RMB2,000/unit per month** from December 2015
- e-Stay: Third party hotel operator with over 1,000 properties under management in China
- Under the rental contract, price per unit is negotiable and eligible for increase every six months; but capped at a price floor of **RMB2,000/unit per month**
- Cost of Services includes **Property Tax** of **12%** and **Business Tax** of **5.6%**

# GP Analysis (RMB 'million)

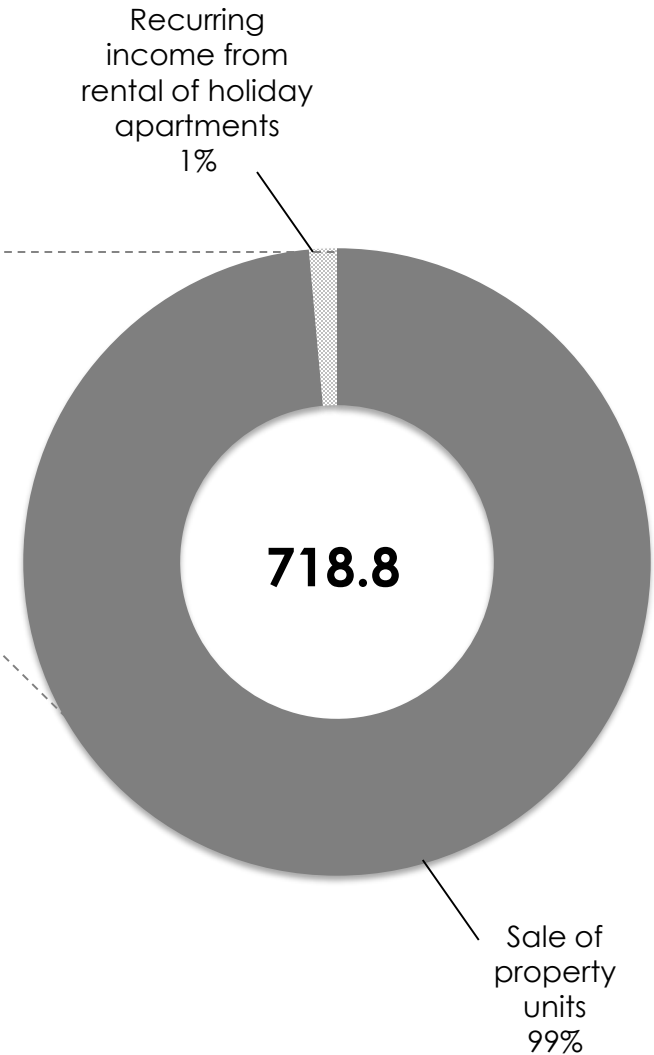
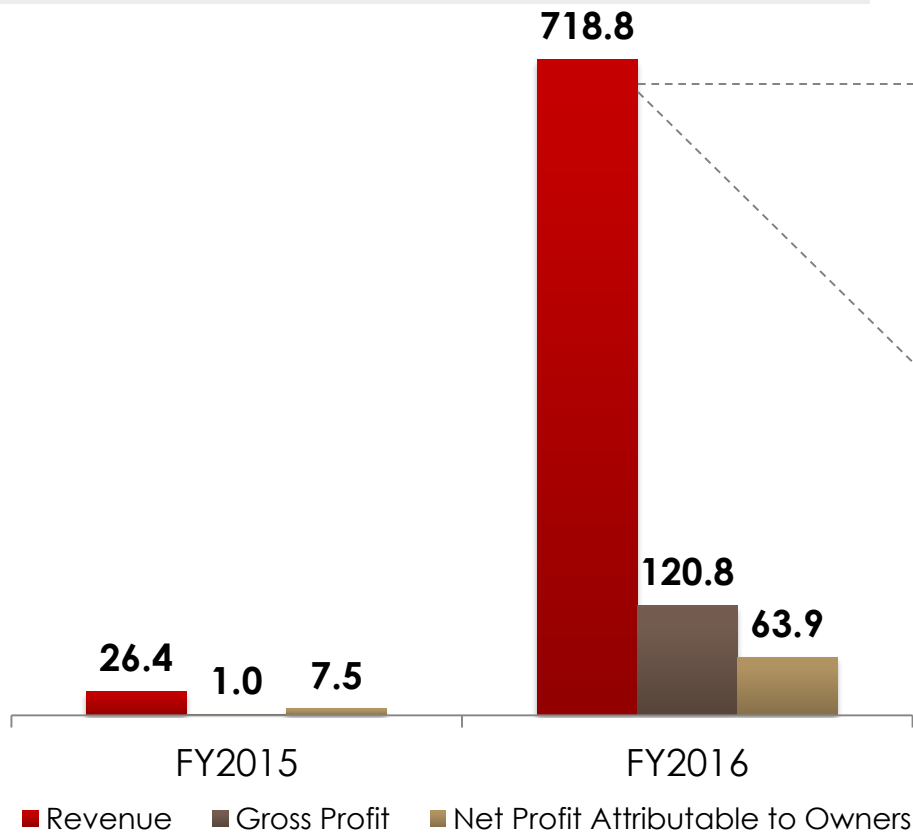






# FY2016 FINANCIAL HIGHLIGHTS

REVENUE, GROSS PROFIT, AND NET PROFIT ATTRIBUTABLE TO OWNERS (IN RMB MILLION)



# FY2016 FINANCIAL HIGHLIGHTS

	As at 31 December 2016 (RMB 'million)	As at 31 December 2015 (RMB 'million)
Development properties	1,182.5	169.1
Cash and cash equivalents (Group)	79.3	18.4
• Cash and cash equivalents (Company)	17.4	0.5
Bank borrowings	94.2	-
Financial liabilities <sup>1</sup>	328.0	102.0
Non-controlling interests	190.8	44.5
Shareholders' equity	452.1	65.6
Gearing ratio (excluding non- controlling interest) (%) <sup>5</sup>	20.3	-
Gearing ratio (including non- controlling interest) (%) <sup>5</sup>	14.4	-
Net asset value per share (fen) <sup>2</sup>	59.3 <sup>3</sup>	20.6 <sup>4</sup>

<sup>1</sup> Related to loans granted by certain related parties of Daya Bay and a substantial shareholder

<sup>2</sup> Comparatives are restated to show the effects of the share consolidation

<sup>3</sup> Based on share capital of 762,645,245 shares as at 31 December 2016

<sup>4</sup> Based on share capital of 318,671,312 shares as at 31 December 2015 as comparatives are restated to show the effects of the share consolidation

<sup>5</sup> Gearing ratio is calculated based on the presumption that the convertible substantial shareholder loan is being converted into equity.



# CHINA OUTLOOK

- Oct 2016: Stricter property-buying controls
- Jan 2017: Average new home prices grew 0.2%.
- Shenzhen's home prices are forecasted to drop.
- China's home prices are still expected to rise in 2017
- Strict restrictions on home purchases and mortgages in Tier-1 cities
- Small cities are likely to lead price gains in the housing sector
- May 2016: "Eastward Shift Strategic Action Plan"

- Delay in issuing the by-laws of the “Condominium Law”

- Myanmar may potentially quadruple its GDP by 2030
- Lack of quality supply
- Middle and affluent classes expected to double in population by 2020
- Jan 2016: the “Condominium Law” approved

# **PROPOSED RESOLUTIONS**

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Ordinary Business

# RESOLUTION 1

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To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2016 and the Auditors' Report thereon.

# RESOLUTION 2

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To re-elect Mr Peter Tan as Director, who shall retire pursuant to Regulation 87 of the Company's Constitution.



## **RESOLUTION 3**

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To re-elect Mr Teo Cheng Kwee as Director, who shall retire pursuant to Regulation 87 of the Company's Constitution.

## **RESOLUTION 4**

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To re-elect Mr Zhu Xiaolin as Director, who shall retire pursuant to Regulation 94 of the Company's Constitution.

# RESOLUTION 5

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To re-elect Mr Yu Jinzhi as Director, who shall retire pursuant to Regulation 94 of the Company's Constitution.

# RESOLUTION 6

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To approve the payment of the proposed additional directors' fees of up to S\$30,000 to be paid quarterly in arrears for the financial year ending 31 December 2017.

# RESOLUTION 7

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To approve the payment of the proposed directors' fees of up to S\$285,000 to be paid quarterly in arrears for the financial year ending 31 December 2018.

# RESOLUTION 8

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To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix its remuneration.

# **PROPOSED RESOLUTIONS**

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Special Business

# RESOLUTION 9

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Authority to issue shares in the capital of the Company pursuant to Rule 806 of the Listing Manual – Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited

# RESOLUTION 10

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Mandate to Directors to issue Shares under the ETC Employee Share Option Scheme

# RESOLUTION 11

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Mandate to Directors to issue Shares under the ETC Performance Share Plan

# RESOLUTION 12

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Proposed renewal of the Share Purchase Mandate

# THANK YOU

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For enquiries, please contact:

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