



## EMERGING TOWNS & CITIES SINGAPORE LTD.

(formerly known as Cedar Strategic Holdings Ltd)

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### FOR IMMEDIATE RELEASE

## ETC Singapore's revenue rises 92.3% to S\$10.1 million for 1Q2017 driven by contributions from Golden City

- Gross profit margin climbed 8.4 percentage points to 27.7% for 1Q2017 supported by Golden City project and long-term recurring rental income
- Pre-sale deposits for development properties amounting to S\$49.3 million underscores unflinching demand for Golden City's luxury units
- Expanded corporate team is poised to prospect for strategic investments in property-related ventures in Indonesia, Thailand, Malaysia and PRC

**SINGAPORE, 11 May 2017** – Catalyst-listed Emerging Towns & Cities Singapore Ltd. ("ETC Singapore" or the "Company", and together with its subsidiaries, the "Group"), today reported its financial results for the first quarter ended 31 March 2017 ("1Q2017").

Propelled by the sales of the residential units of its mixed-use luxury development, Golden City, in Yangon, Myanmar, the Group delivered revenue amounting to S\$10.1 million for 1Q2017, up from S\$5.2 million for 1Q2016. On top of the 16 Golden City units worth S\$9.3 million that were sold and recognised as revenue for 1Q2017, 239 units were sold but not recognised yet as revenue as at 31 March 2017. The deposits received for these units, along with those of the Group's maiden project, Daya Bay in Huizhou, Guangdong Province, PRC, contributed to the S\$49.3 million worth of deposits, which will be progressively recognised in the subsequent periods. In line with the expanded portfolio, the Group incurred a hike in administrative expenses, from S\$0.7 million for 1Q2016 to S\$4.5 million for 1Q2017. Nonetheless, the Group recorded a net profit attributable to shareholders of S\$1.0 million for 1Q2017.

While the Golden City project and the Daya Bay project boast gross profit margins of 24.9% and 18.9% respectively, the Group's blended gross margin was lifted to 27.7% due to the higher-margin rental income from the Daya Bay project. Going forward, the Group expects to execute a similar two-pronged strategy of reaping short-term development profit and long-term recurring rental income from its portfolio projects.

**Mr. Tan Thiam Hee, Executive Director and Group Chief Executive Officer of ETC Singapore,** remarked, *"We are aware of the dampened outlook of Yangon's real estate market due to the high property tax rate<sup>1</sup> and further delay in the establishing of the rules pertaining to the Condominium Law<sup>2</sup>. Nevertheless, on our end, we are relentlessly seeking ways to ramp up our sales efforts, particularly among the affluent locals, to ameliorate the effects of the anaemic demand and negative market sentiments. In order to oversee the increased and targeted marketing efforts as well as the operations of the large-scale Golden City project, the Group has expanded its regional management team. Regarded as an investment to drive future growth and sustainability of the Group, the strengthened team will also be responsible for targeting strategic investments in quality assets in emerging cities. Essentially, we intend to replicate and scale our accomplishments in Golden City for our future projects."*

With the Group's astute optimisation of its capital structure, its balance sheet remains healthy with cash and cash equivalents amounting to S\$12.4 million as at 31 March 2017.

<sup>1</sup> "All's quiet for property market", Myanmar Times, 25 April 2017

<sup>2</sup> "Property market needs effective sales approach: agents", Myanmar Times, 2 March 2017

**Mr. Tan** further commented, “With a sound capital structure and a management team with an established track record, we are poised to diversify our portfolio and prospect for more strategic investments in property-related ventures in the emerging markets. As we invest in the right people to be included in our corporate team, our sights are set on Indonesia, Thailand, Malaysia and PRC in the near to mid-term. Our sanguine outlook on the economies in the Asean+3 region (i.e. Asean, China, Japan, and South Korea) is corroborated by a recent EY report which projected a high level of investment interest from US, Australian, European and Japanese companies in the regional bloc in the next five years.<sup>3</sup> Similarly, a report from Asean+3 Macroeconomic Research Office (Amro) anticipates that the combined economic growth of the Asean+3 region will be 5.2% for 2017 despite concerns over the rising US trade protectionist policy and other global economic headwinds<sup>4</sup>. In spite of these favourable prospects, we maintain a cautiously optimistic approach while exploring the opportunities available to ensure that any future additions to our portfolio will likewise generate maximum return for our valued shareholders.”

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### **About Emerging Towns & Cities Singapore Ltd.**

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited, Emerging Towns & Cities Singapore Ltd. was incorporated in Singapore on 17 October 1980. Formerly known as China Titanium Ltd. and later Cedar Strategic Holdings Ltd., the Company adopted the name Emerging Towns & Cities Singapore Ltd. on 27 February 2017 to mark the resolution of its legacy issues and cement its positioning as an emerging markets player. Going forward, the Group intends to continue to focus on property investment and development and related businesses in emerging towns and cities.

*Issued on behalf of Emerging Towns & Cities Singapore Ltd by: Financial PR*

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This press release 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 press release.

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

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<sup>3</sup> “Investment, infrastructure, digital economy to drive Asean prospects: EY”, The Business Times, 5 May 2017

<sup>4</sup> “Combined Asean+3 economies set to grow 5.2% this year: Report”, The Straits Times, 5 May 2017