

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 year of the immediately preceding financial year.

	Group		
	Full Year Ended 31/12/2020	Full Year Ended 31/12/2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
<b>Revenue</b>	<b>27,827</b>	<b>41,386</b>	<b>(32.8%)</b>
Cost of sales	(17,690)	(27,781)	(36.3%)
<b>Gross profit</b>	<b>10,137</b>	<b>13,605</b>	<b>(25.5%)</b>
Other income	3,683	22,134	(83.4%)
Distribution costs	(1,002)	(1,402)	(28.5%)
Administrative expenses	(5,736)	(5,272)	8.8%
Other expenses	(2,809)	(1,022)	n.m.*
Finance costs	(9,789)	(10,146)	(3.5%)
<b>(Loss)/Profit before taxation</b>	<b>(5,516)</b>	<b>17,897</b>	<b>n.m.</b>
Taxation	1,434	(3,134)	n.m.
<b>(Loss)/Profit for the year</b>	<b>(4,082)</b>	<b>14,763</b>	<b>n.m.</b>
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company	(2,584)	6,709	n.m.
Non-controlling interests	(1,498)	8,054	n.m.
	<b>(4,082)</b>	<b>14,763</b>	<b>n.m.</b>

n.m.: not meaningful

\*: in excess of 100%

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

	Group		
	Full Year Ended 31/12/2020	Full Year Ended 31/12/2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(385)	(475)	(18.9%)
Depreciation of right-of-use assets	(98)	(104)	(5.8%)
Gain on disposal of property, plant and equipment	-	6	(100.0%)
Foreign exchange gain, net	233	40	n.m.*
Fair value (loss)/gain on investment properties	(2,284)	17,851	n.m.
Interest income	12	5	n.m.*
Financing income on payments from customers	3,580	2,513	42.5%
Financing expense on payments from customers	(1,555)	(1,525)	2.0%
Interest expense on accrued land lease premium	(4,320)	(4,405)	(1.9%)
Interest expense on borrowings	(3,914)	(4,216)	(7.2%)
Rental income	5,682	4,791	18.6%

n.m.: not meaningful

\*: in excess of 100%

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 31/12/2020	Full Year Ended 31/12/2019	Increase/ (Decrease)
	S\$'000	S\$'000	%
<b>(Loss)/Profit for the year</b>	<b>(4,082)</b>	<b>14,763</b>	<b>n.m</b>
<b>Other comprehensive loss</b>			
<b>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</b>			
Currency translation differences arising from consolidation of foreign operations	(2,332)	(2,147)	8.6%
<b>Currency translation difference (nil tax)</b>	<b>(2,332)</b>	<b>(2,147)</b>	<b>8.6%</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(6,414)</b>	<b>12,616</b>	<b>n.m.</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company	(4,902)	4,702	n.m.
Non-controlling interests	(1,512)	7,914	n.m.
	<b>(6,414)</b>	<b>12,616</b>	<b>n.m.</b>

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-20 S\$'000	31-Dec-19 S\$'000	31-Dec-20 S\$'000	31-Dec-19 S\$'000
<b>ASSETS</b>				
<b>Non-Current</b>				
Property, plant and equipment	4,360	4,235	28	73
Right-of-use assets	68	174	68	174
Subsidiaries	-	-	35,393	35,393
Investment properties	113,780	113,087	-	-
Trade receivables	4,671	8,787	-	-
	<b>122,879</b>	<b>126,283</b>	<b>35,489</b>	<b>35,640</b>
<b>Current</b>				
Development properties	151,450	162,354	-	-
Trade and other receivables	11,142	12,935	34,647	35,109
Prepayments	181	584	25	27
Cash and cash equivalents	2,137	3,222	115	166
	<b>164,910</b>	<b>179,095</b>	<b>34,787</b>	<b>35,302</b>
<b>Total assets</b>	<b>287,789</b>	<b>305,378</b>	<b>70,276</b>	<b>70,942</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Share capital	43,580	43,354	43,580	43,354
Capital reduction reserve	15,998	15,998	15,998	15,998
Equity component of convertible loan reserve	13,483	13,317	13,483	13,317
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	(5,639)	(3,321)	-	-
Accumulated profits/(losses)	19,127	21,711	(15,874)	(14,862)
<b>Equity attributable to equity holders of the Company</b>	<b>112,273</b>	<b>116,783</b>	<b>68,904</b>	<b>69,524</b>
Non-controlling interests	11,139	12,651	-	-
<b>Total equity</b>	<b>123,412</b>	<b>129,434</b>	<b>68,904</b>	<b>69,524</b>

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-20	31-Dec-19	31-Dec-20	31-Dec-19
	S\$'000	S\$'000	S\$'000	S\$'000
<b>LIABILITIES</b>				
<b>Non-Current</b>				
Lease liability	5	57	5	57
Provision for site restoration	23	23	23	23
Deferred tax liabilities	27,145	29,039	-	-
Borrowings	-	11,825	-	-
Accrued land lease premium	24,826	21,486	-	-
Advance consideration received from customers	-	1,877	-	-
	<b>51,999</b>	<b>64,307</b>	<b>28</b>	<b>80</b>
<b>Current</b>				
Lease liability	58	104	58	104
Borrowings	59,785	31,567	-	-
Accrued land lease premium	8,245	10,699	-	-
Trade and other payables	33,158	51,511	1,286	1,234
Advance consideration received from customers	11,132	17,756	-	-
	<b>112,378</b>	<b>111,637</b>	<b>1,344</b>	<b>1,338</b>
<b>Total liabilities</b>	<b>164,377</b>	<b>175,944</b>	<b>1,372</b>	<b>1,418</b>
<b>Total equity and liabilities</b>	<b>287,789</b>	<b>305,378</b>	<b>70,276</b>	<b>70,942</b>

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

	Group		Group	
	31-Dec-2020		31-Dec-2019	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Amount repayable in one year or less, or on demand</b>				
Financial liabilities:				
Bank loans	54,138 <sup>(1)</sup>	-	21,527 <sup>(2)</sup>	-
Loan from third party <sup>(3)</sup>	4,113	-	7,267	-
Loans from related parties	-	1,534	-	2,773
	<u>58,251</u>	<u>1,534</u>	<u>28,794</u>	<u>2,773</u>
<b>Amount repayable after one year</b>				
Financial liabilities:				
Loan from third party <sup>(3)</sup>	-	-	11,825	-
	<u>-</u>	<u>-</u>	<u>11,825</u>	<u>-</u>

Details of any collateral

1. The syndicated bank loan is secured by certain assets relating to Golden City and certain shares in Golden City project held by a subsidiary.
2. The bank loans are secured by bank guarantees with pledge over certain units of residential apartments.
3. 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	
	Full Year Ended 31/12/2020	Full Year Ended 31/12/2019
	S\$'000	S\$'000
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit before taxation	(5,516)	17,897
Adjustments for:		
Depreciation of property, plant and equipment	385	475
Depreciation of right-of-use assets	98	104
Fair value loss/(gain) on investment properties	2,284	(17,851)
Financing expense on payments from customers	1,555	1,525
Financing income on payments from customers	(3,580)	(2,513)
Gain on disposal of property, plant and equipment	-	(6)
Interest expense	8,234	8,621
Interest income	(12)	(5)
Share-based compensation	226	228
Operating profit before working capital changes	3,674	8,475
Development properties	4,124	25,771
Trade and other receivables	9,353	4,620
Trade and other payables	(30,745)	(28,424)
Cash (used in)/generated from operations	(13,594)	10,442
Income tax paid	-	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(13,594)</b>	<b>10,442</b>
<b>Cash Flows from Investing Activities</b>		
Additions to investment properties	(252)	(1,766)
Interest received	12	5
Proceed from disposal of property, plant and equipment	-	13
Purchase of property, plant and equipment	(194)	(206)
<b>Net cash used in investing activities</b>	<b>(434)</b>	<b>(1,954)</b>
<b>Cash Flows from Financing Activities</b>		
Interest paid	(3,275)	(3,899)
Proceeds from bank loan	62,119	-
Repayment of bank loans	(29,790)	(2,989)
Repayment of shareholder loans	(1,191)	(429)
Repayment of third party loan	(14,757)	(750)
Repayment from other loans	-	(80)
Lease payments	(98)	(105)
<b>Net cash generated from/(used in) financing activities</b>	<b>13,008</b>	<b>(8,252)</b>

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

	Group	
	Full Year Ended 31/12/2020	Full Year Ended 31/12/2019
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,020)</b>	<b>236</b>
Cash and cash equivalents at beginning of year	3,222	3,026
Effect of exchange rate fluctuations on cash and cash equivalents	(65)	(40)
<b>Cash and cash equivalents at end of year</b>	<b>2,137</b>	<b>3,222</b>

**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.**

***Consolidated Statement of Changes in Equity for the years ended 31 December 2020 and 31 December 2019***

<b>The Group</b>	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Equity component of convertible loan S\$'000	Exchange fluctuation reserve S\$'000	Accumulated profits S\$'000	Total attributable to equity holders of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 January 2020</b>	<b>43,354</b>	<b>15,998</b>	<b>24,695</b>	<b>730</b>	<b>299</b>	<b>13,317</b>	<b>(3,321)</b>	<b>21,711</b>	<b>116,783</b>	<b>12,651</b>	<b>129,434</b>
Total comprehensive loss for the year	-	-	-	-	-	-	(2,318)	(2,584)	(4,902)	(1,512)	(6,414)
<b>Transactions with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Issue of ordinary shares arising from performance share plan	226	-	-	-	-	-	-	-	226	-	226
Interest incurred on convertible loan	-	-	-	-	-	166	-	-	166	-	166
<b>Balance at 31 December 2020</b>	<b>43,580</b>	<b>15,998</b>	<b>24,695</b>	<b>730</b>	<b>299</b>	<b>13,483</b>	<b>(5,639)</b>	<b>19,127</b>	<b>112,273</b>	<b>11,139</b>	<b>123,412</b>



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 2020 and 31 December 2019 (cont'd)*

<b>The Group</b>	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Revaluation reserve S\$'000	Equity component of convertible loan S\$'000	Exchange fluctuation reserve S\$'000	Accumulated profits S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>Balance as at 1 January 2019</b>	<b>43,126</b>	<b>15,998</b>	<b>24,695</b>	<b>730</b>	<b>299</b>	<b>13,150</b>	<b>(1,314)</b>	<b>15,002</b>	<b>111,686</b>	<b>4,737</b>	<b>116,423</b>
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	(2,007)	6,709	4,702	7,914	12,616
<b>Transactions with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Issue of ordinary shares arising from performance share plan	228	-	-	-	-	-	-	-	228	-	228
Interest incurred on convertible loan	-	-	-	-	-	167	-	-	167	-	167
<b>Balance at 31 December 2019</b>	<b>43,354</b>	<b>15,998</b>	<b>24,695</b>	<b>730</b>	<b>299</b>	<b>13,317</b>	<b>(3,321)</b>	<b>21,711</b>	<b>116,783</b>	<b>12,651</b>	<b>129,434</b>

## 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...)

*Statement of Changes in Equity for the years ended 31 December 2020 and 31 December 2019*

The Company	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Equity component of convertible loan S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity attributable to equity holders of the Company S\$'000
Balance at 1 January 2020	43,354	15,998	10,987	13,317	730	(14,862)	69,524
Interest incurred on convertible loan	-	-	-	166	-	-	166
Issue of ordinary shares arising from performance share plan	226	-	-	-	-	-	226
Total comprehensive loss for the year	-	-	-	-	-	(1,012)	(1,012)
<b>Balance at 31 December 2020</b>	<b>43,580</b>	<b>15,998</b>	<b>10,987</b>	<b>13,483</b>	<b>730</b>	<b>(15,874)</b>	<b>68,904</b>

The Company	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Equity component of convertible loan S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity attributable to equity holders of the Company S\$'000
Balance at 1 January 2019	43,126	15,998	10,987	13,150	730	(13,273)	70,718
Interest incurred on convertible loan	-	-	-	167	-	-	167
Issue of ordinary shares arising from performance share plan	228	-	-	-	-	-	228
Total comprehensive loss for the year	-	-	-	-	-	(1,588)	(1,588)
<b>Balance at 31 December 2019</b>	<b>43,354</b>	<b>15,998</b>	<b>10,987</b>	<b>13,317</b>	<b>730</b>	<b>(14,862)</b>	<b>69,524</b>

- 1 (d)(ii) Details of any changes in the issuer's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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
<b>Share Capital</b>	
<b>Ordinary shares issued and fully paid</b>	
Balance as at 31 December 2019	970,931,934
Issue of ordinary shares	11,141,000
<b>Balance as at 31 December 2020</b>	<b>982,072,934</b>

On 27 February 2020 and 25 November 2020, the Company allotted 7,122,000 and 4,019,000 new ordinary shares respectively in the capital of the Company to eligible employees, in accordance with the terms of the Performance Share Plan 2016.

As at 31 December 2020, convertibles (including options to subscribe for ordinary shares in our Company) are as follows:

	As at 31 December 2020 No. of shares	As at 31 December 2019 No. of shares
Convertible loan dated 25 January 2018 (maturity date: 25 April 2023)	199,175,708	193,621,726
Share Options granted on 17 May 2016 (expire on 17 May 2026)	15,000,000	15,000,000
	<u>214,175,708</u>	<u>208,621,726</u>

Pursuant to a third addendum deed entered on 15 June 2020 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 from 39 months from the date of the convertible loan agreement to 75 months from the date of the convertible loan agreement and (ii) the extension of the expiry date of the conversion right due to the change of maturity date, which was approved by the shareholders on 17 September 2020.

The Company did not hold any treasury shares as at 31 December 2020 and 31 December 2019.

There were no subsidiary holdings as at 31 December 2020 and 31 December 2019.

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

The Company's total number of issued shares (excluding treasury shares) as at 31 December 2020 is 982,072,934 (31 December 2019: 970,931,934).

- 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 modifications or emphasis of a matter).**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.  
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2019.

- 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 2020. 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:

- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*;
- Amendments to SFRS(I) 3 *Definition of a Business*; and
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 *Interest Rate Benchmark Reform*.

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

Adoption of amendments to SFRS(I) 1-1 and SFR(I) 1-8

The amendments clarify the definition of material and how it should be applied by including in the definition guidance. The new definition of material states that “Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

**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 31/12/2020	Full Year Ended 31/12/2019
<b><i>(Loss)/Profit per ordinary share:</i></b>		
(i) Based on weighted average no. of ordinary shares in issue (cents)	(0.26)	0.69
(ii) On a fully diluted basis (cents)	(0.26)	0.58
<b><i>Number of shares in issue:</i></b>		
(i) Based on weighted average no. of ordinary shares in issue (in millions)	977	970
(ii) On a fully diluted basis (in millions)	977	1,163

As at 31 December 2020, the outstanding convertible loan was excluded from the calculation of the diluted weighted average number of ordinary shares in issue as its effect would have been anti-dilutive.

Earnings per ordinary share is calculated based on the Group's profit for the financial year attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the year under review.

As at 31 December 2020 and 31 December 2019, the 15 million share options outstanding did not have a dilutive effect because the average market price of the Company's ordinary shares for the respective financial periods ended 31 December 2020 and 31 December 2019 does not exceed the exercise price.

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

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

	Group		Company	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Net Asset Value (S\$'000)	123,412	129,434	68,904	69,524
Based on existing issued share capital (cents per share)	12.57	13.33	7.02	7.16
Net Asset Value has been computed based on the share capital of (in millions of shares)	982	971	982	971

**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 (FY2020 vs FY2019)**

*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, the full year results may not be a good indication of profitability trend.*

**Review of Financial Performance (FY2020 vs FY2019) (cont'd...)**

	Group		Remarks
	FY2020	FY2019	
	S\$'000	S\$'000	
Revenue	27,827	41,386	<p><b>Decrease in Revenue</b> Decrease in revenue mainly due to fewer Golden City property units recognized as revenue in FY2020. 50 units were recognized as revenue in FY2020 as compared to 107 units in FY2019.</p>
Cost of Sales	(17,690)	(27,781)	<p><b>Decrease in Gross Profit</b> The FY2020 gross profit margin for sales of development properties in the Golden City project was approximately 21.3% (2019: 24.8%).</p>
<b>Gross Profit</b>	<b>10,137</b>	<b>13,605</b>	
Other Income	3,683	22,134	<p><b>Decrease in Other Income</b> Decrease in other income in FY2020 mainly due to fair value loss from the revaluation of investment properties in the Golden City project.</p>
Distribution Costs	(1,002)	(1,402)	<p><b>Decrease in Distribution Costs</b> Decrease in distribution costs in FY2020 mainly due to lower sales and advertising costs.</p>
Administration Expenses	(5,736)	(5,272)	<p><b>Increase in Administration Expenses</b> Increase in administration expenses in FY2020 mainly due to higher professional fees.</p>
Other Expenses	(2,809)	(1,022)	<p><b>Increase in Other Expenses</b> Increase in other expenses in FY2020 mainly due to fair value loss from the revaluation of investment properties in the Golden City project.</p>
Finance Costs	(9,789)	(10,146)	<p><b>Decrease in Finance Costs</b> Decrease in finance costs mainly due to lower interest expenses from borrowings.</p>
<b>(Loss)/ Profit before taxation</b>	<b>(5,516)</b>	<b>17,897</b>	
Taxation	1,434	(3,134)	<p><b>Decrease in Taxation</b> Decrease in taxation mainly due to the fair value loss recorded.</p>
<b>(Loss)/Profit for the year</b>	<b>(4,082)</b>	<b>14,763</b>	

**Review of Financial Performance (FY2020 vs FY2019) (cont'd...)**

Revenue

	<b>Group</b>		
	<b>FY2020</b>	<b>FY2019</b>	<b>Increase/(Decrease)</b>
	S\$'000	S\$'000	%
<b>Golden City</b>			
Sale of Properties	22,145	36,595	(39.5%)
Rental Income	5,682	4,791	18.6%
<b>Total Revenue</b>	<b>27,827</b>	<b>41,386</b>	<b>(32.8%)</b>

n.m.: not meaningful

\*: in excess of 100%

Revenue for FY2020 was mainly contributed by the sale of Golden City property units of S\$22.1 million (79.6% of total revenue) and the rental of Golden City property units of S\$5.7 million (20.4% of total revenue). Revenue for FY2019 was mainly contributed by the sale of Golden City property units of S\$36.6 million (88.4% of total revenue) and the rental of Golden City property units of S\$4.8 million (11.6% of total revenue).

The Group reported 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 107 units were recognized as revenue in FY2020 and FY2019 respectively for Golden City project.

Gross Profit

	<b>Group</b>		
	<b>FY2020</b>	<b>FY2019</b>	<b>Increase/(Decrease)</b>
	S\$'000	S\$'000	%
<b>Golden City</b>			
Sale of Properties	4,711	9,070	(48.1%)
Rental Income	5,426	4,535	19.6%
<b>Total Gross Profit</b>	<b>10,137</b>	<b>13,605</b>	<b>(25.5%)</b>

n.m.: not meaningful

\*: in excess of 100%

Gross profit of approximately S\$10.1 million was recorded for FY2020, after deducting direct costs (consisting mainly of cost of the property units sold) of approximately S\$17.7 million. The gross profit margin for sale of properties for Golden City was approximately 21.3%.



**Review of Financial Performance (FY2020 vs FY2019) (cont'd...)**

Other Income

	<b>Group</b>		
	<b>FY2020</b>	<b>FY2019</b>	<b>Increase/(Decrease)</b>
	S\$'000	S\$'000	%
Fair value gain	-	17,851	(100.0%)
Interest income	12	5	n.m.*
Imputed interest income	3,580	2,513	42.5%
Others	91	1,765	(94.8%)
<b>Other Income</b>	<b>3,683</b>	<b>22,134</b>	<b>(83.4%)</b>

n.m.: not meaningful

\*: in excess of 100%

Other income decreased from S\$22.1 million in FY2019 to S\$3.7 million in FY2020 mainly due to the fair value loss of S\$2.3 million (presented under "other expenses") compared to fair value gain of S\$17.9m in FY2019 from the revaluation of investment properties in the Golden City project, partially offset by higher imputed finance income arising from customer financing as some residential units from the Golden City project were sold on an instalment plan to customers. Others included penalties received from customers who were past due on instalments.

Distribution Costs

Distribution costs, which arose from the sale of property units, decreased from S\$1.4 million in FY2019 to S\$1.0 million in FY2020 mainly due to 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\$5.3 million in FY2019 to S\$5.7 million in FY2020, mainly due to higher professional fees, partially offset by lower salaries and related costs.

Other Expenses

	<b>Group</b>		
	<b>FY2020</b>	<b>FY2019</b>	<b>Increase/(Decrease)</b>
	S\$'000	S\$'000	%
Fair value loss	2,284	-	n.m.
Other operating expense	525	1,022	(48.6%)
<b>Other expenses</b>	<b>2,809</b>	<b>1,022</b>	<b>n.m.*</b>

n.m.: not meaningful

\*: in excess of 100%

Other expenses increased from S\$1.0 million in FY2019 to S\$2.8 million in FY2020 mainly due to fair value loss of S\$2.3 million from the revaluation of investment properties in the Golden City project.

**Review of Financial Performance (FY2020 vs FY2019) (cont'd...)**

**Finance Costs**

The finance costs decreased from S\$10.1 million in FY2019 to S\$9.8 million in FY2020 mainly due to lower interest expenses from borrowings. Finance costs mainly comprised of interest expenses incurred from borrowings, imputed financing expenses arising from advance consideration received from customers and imputed interest expenses (which have no cash flow impact) arising from the land lease premium from the Golden City project.

**Taxation**

	<b>Group</b>		<b>Increase/(Decrease)</b>
	<b>FY2020</b>	<b>FY2019</b>	
	S\$'000	S\$'000	%
Income tax	-	-	-
Deferred tax	1,434	(3,134)	n.m.
<b>Taxation</b>	<b>1,434</b>	<b>(3,134)</b>	<b>n.m.</b>

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

Taxation decreased from a tax expense of S\$3.1 million in FY2019 to tax credit of S\$1.4 million in FY2020 mainly due to the fair value loss of investment properties and unwinding of deferred tax liabilities from the sale of development properties in the Golden City project. 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.

**Review of Financial Position (31 December 2020 vs 31 December 2019)**

**Non-Current Assets**

Property, plant and equipment ("PPE") increased mainly due to the net transfer of an investment property unit to property, plant and equipment, partially offset by depreciation incurred on the PPE. Investment properties, which are accounted for at fair value, increased mainly due to the net transfer of 9 units of residential and commercial units from development properties to investment properties following the commencement of the operating lease to 3<sup>rd</sup> party, partially offset by the fair value loss from the revaluation of investment properties. 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 December 2020, partially offset as property units sold were progressively recognized as income upon handover.

**Current Assets**

Development properties decreased mainly due to the progressive recognition of income from property units sold upon handover, as well as the transfer to investment properties. The development properties acquired at acquisition date are being recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer. Trade receivables decreased mainly due to lower trade receivables upon payment of the outstanding amounts by customers, partially offset as property units sold were progressively recognized as income upon handover. Included in the trade receivables were S\$4.6 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.

**Review of Financial Position (31 December 2020 vs 31 December 2019) (cont'd...)**

**Non-Current Liabilities**

Deferred tax liabilities decreased mainly due to the fair value loss for the investment properties as well as development property units that were progressively sold, thereby reducing the deferred tax liabilities recognized for the development properties. Deferred tax liabilities relating to development properties were recognized when the development properties were recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer and when development properties are transferred to investment properties following the commencement of operating leases. Borrowings have decreased mainly due to repayment of bank loans during the year and reclassification of a syndicated bank loan from non-current liabilities to current liabilities as there is a technical breach of a financial covenant on the syndicated bank loan amounting to approximately US\$41 million. The Group is currently engaging the bank to obtain a waiver of compliance of the loan covenant for the syndicated bank loan. Accrued land lease premium increased mainly due to the imputed interest expense (which has no cashflow impact) arising from the land lease premium from the Golden City project. Advanced consideration received from customers has decreased mainly due to handover of property units in the Golden City project to buyers.

**Current Liabilities**

Borrowings have increased mainly due to a syndicated bank loan taken up during the year and reclassification of the syndicated bank loan from non-current liabilities to current liabilities as there is a technical breach of a financial covenant on the syndicated bank loan amounting to approximately US\$41 million, partially offset by repayment of bank loans. The Group is currently engaging the bank to obtain a waiver of compliance of the loan covenant for the syndicated bank loan. Accrued land lease premium decreased mainly due to repayment, partially offset by the imputed interest expense (which has 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 used in operating activities was approximately S\$13.6 million for FY2020 mainly due to changes in working capital.

Net cash used in investing activities was approximately S\$0.4 million for FY2020 mainly due to addition of investment properties and purchase of property, plant and equipment.

Net cash generated from financing activities was S\$13.0 million for FY2020 mainly due to proceeds from new bank loan, partially offset by interest paid and repayment of loans.

**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 1H2020 Results Announcement dated 12 August 2020.

**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 December 2020, approximately US\$221.0 million (approximately S\$292.1 million) of gross development value comprising 631 units (826,800 square feet) of the Golden City project have been sold. Correspondingly, a total of 571 residential units have been recognised as revenue as at 31 December 2020. Barring any unforeseen circumstances, revenue for the remaining units sold is expected to be progressively recognised upon the 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 and Phase 2 construction has been completed and commencement of Phase 3 is subject to feasibility studies and project financing.

While sales are presently impacted from prolonged lockdown measures, buyers' preference towards lower tier condominiums appears to be continually emerging. This has also been recently reinforced with the lowering of interest rates by the Central Bank. Meanwhile, given the relatively static unsold inventories, developers are continually encouraged to ramp and speed up sales efforts. This, in anticipation of competition arising from the deferred projects that are likely to resume sales launches starting 2021.

*("Yangon Condominium Market Report Q2 & Q3 2020", Colliers Myanmar, 12 December 2020)*

Foreign investments in the Myanmar real estate sector are expected to decline in 2021 as a result of COVID-19, but some developers reckon that there are opportunities to tap into the demand from local buyers.

*("Lack of foreign investors could dampen Myanmar property market but local demand intact", Myanmar Times, 14 December 2020)*

The Group continues to monitor the outbreak of COVID-19 and the political situation in Myanmar, following the one-year state of emergency declared by the Myanmar military. COVID-19 has caused major disruptions across global supply chains and dampened economic growth prospects across the globe while the political situation in Myanmar continues to evolve and remains unclear at this stage. In the near term, the impact from the above is expected to weigh on the demand for properties and short-term volatilities are likely given the fluidity of the situation, barring any further unforeseen material deterioration of the COVID-19 impact and political situation in Myanmar. Should weaker economic prospects materialise, this may further adversely impact the Group's financial performance, due to but not limited to lower sales, delay in collections from customers, lower operating income and lower property valuations. The Group is actively monitoring the situation and will announce material developments, if any.

**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 as the Board would like to conserve cash to fund expansions and acquisitions.

**(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 as the Board would like to conserve cash to fund expansions and acquisitions.

**(c) Date payable**

Not applicable.

**(d) Record 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 half year ended 31 December 2020.

**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.

**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. (cont'd...)**

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.

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.

**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. (cont'd...)**

	Property development		Property investment		Corporate		Eliminations		Total	
	Group 2020 S\$'000	Group 2019 S\$'000	Group 2020 S\$'000	Group 2019 S\$'000	Group 2020 S\$'000	Group 2019 S\$'000	Group 2020 S\$'000	Group 2019 S\$'000	Group 2020 S\$'000	Group 2019 S\$'000
<b>Segment revenue</b>	<b>22,145</b>	36,595	<b>5,682</b>	4,791	-	-	-	-	<b>27,827</b>	41,386
<b>Results</b>										
Segment (loss)/profit	<b>(9,388)</b>	(4,029)	<b>1,337</b>	1,775	<b>(1,658)</b>	(2,037)	<b>510</b>	54	<b>(9,199)</b>	(4,237)
Other income	<b>3,675</b>	4,071	-	17,851	<b>634</b>	575	<b>(626)</b>	(363)	<b>3,683</b>	22,134
(Loss)/Profit before taxation	<b>(5,713)</b>	42	<b>1,337</b>	19,626	<b>(1,024)</b>	(1,462)	<b>(116)</b>	(309)	<b>(5,516)</b>	17,897
Taxation	<b>863</b>	4,620	<b>571</b>	(7,754)	-	-	-	-	<b>1,434</b>	(3,134)
(Loss)/Profit for the year	<b>(4,850)</b>	4,662	<b>1,908</b>	11,872	<b>(1,024)</b>	(1,462)	<b>(116)</b>	(309)	<b>(4,082)</b>	14,763
Attributable to:										
Owners of the Company	<b>(2,380)</b>	2,391	<b>936</b>	6,089	<b>(1,024)</b>	(1,462)	<b>(116)</b>	(309)	<b>(2,584)</b>	6,709
Non-controlling interests	<b>(2,470)</b>	2,271	<b>972</b>	5,783	-	-	-	-	<b>(1,498)</b>	8,054
	<b>(4,850)</b>	4,662	<b>1,908</b>	11,872	<b>(1,024)</b>	(1,462)	<b>(116)</b>	(309)	<b>(4,082)</b>	14,763
<b>Assets and liabilities</b>										
Segment assets	<b>173,726</b>	192,331	<b>113,780</b>	113,087	<b>366</b>	608	<b>(83)</b>	(648)	<b>287,789</b>	305,378
Segment liabilities	<b>131,695</b>	125,786	<b>31,258</b>	48,131	<b>1,341</b>	1,379	<b>83</b>	648	<b>164,377</b>	175,944

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. (cont'd...)

Geographical Segments	Myanmar S\$'000	Singapore S\$'000	Total S\$'000
<b>Year ended 31 December 2020</b>			
Revenue	27,827	-	27,827
Non-current assets	122,783	96	122,879
<b>Year ended 31 December 2019</b>			
Revenue	41,386	-	41,386
Non-current assets	126,035	247	126,282

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

*Note: Due to the nature of the industry that the Group 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 and earnings from 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. Revenue and earnings for the property investment segment came from the renting out of residential and commercial units in the Golden City project.

Segment profit for property investment segment in FY2020 included the fair value loss of S\$2.3 million which mainly rose from the revaluation of investment properties in the Golden City project as compared to fair value gain of S\$17.9 million, which was presented under "other income", in FY2019.

The decrease in segment revenue for the property development segment in FY2020 was mainly due to fewer property units sold being progressively recognised as income upon handover, which led to the segment loss in FY2020.

The increase in segment revenue and earnings for the property investment segment in FY2020 was mainly due to higher rental income from the Golden City project.

The lower loss recorded for the corporate segment was mainly due to lower administrative expenses arising from lower salaries and related costs in FY2020.



**16. A breakdown of sales as follows:**

	<b>Latest Financial Year S\$'000</b>	<b>Group Previous Financial Year S\$'000</b>	<b>% Increase/ (Decrease)</b>
a. Sales reported for the first half year (January to June)	16,525	23,724	(30.3%)
b. Operating profit/(losses) after tax before deducting non-controlling interest reported for the first half year (January to June)	1,778	8,246	(78.4%)
c. Sales reported for the second half year (July to December)	11,302	17,662	(36.0%)
d. Operating profit after tax before deducting non-controlling interest reported for the second half year (July to December)	(5,860)	6,517	n.m.

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 Listing 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

Ang Mong Seng  
 Non-Executive Group Chairman

**BY ORDER OF THE BOARD**  
**25 February 2021**

*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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