

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED  
30 JUNE 2017

Part 1

INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2, Q3 AND Q4), HALF-YEAR AND FULL YEAR RESULTS

1 (a) (i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	2 <sup>nd</sup> Qtr Ended 30/6/2017	2 <sup>nd</sup> Qtr Ended 30/6/2016	Increase/ (Decrease)	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2017	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2016	Increase/ (Decrease)
	S\$ '000	S\$ '000	%	S\$ '000	S\$ '000	%
<b>Revenue</b>	<b>10,151</b>	<b>8,858</b>	<b>14.6%</b>	<b>20,204</b>	<b>14,086</b>	<b>43.4%</b>
Cost of Sales	(7,983)	(6,015)	32.7%	(15,252)	(10,234)	49.0%
<b>Gross Profit</b>	<b>2,168</b>	<b>2,843</b>	<b>(23.7%)</b>	<b>4,952</b>	<b>3,852</b>	<b>28.6%</b>
Other Income	788	8	n.m.*	9,120	11	n.m.*
Distribution Costs	(1,676)	(276)	n.m.*	(2,632)	(512)	n.m.*
Administration Expenses	(3,692)	(807)	n.m.*	(8,230)	(1,478)	n.m.*
Other non-operating expenses	(77)	-	n.m.*	(156)	-	n.m.*
Finance Costs	(1,324)	(390)	n.m.*	(2,862)	(793)	n.m.*
<b>(Loss)/Profit before taxation</b>	<b>(3,813)</b>	<b>1,378</b>	<b>n.m.</b>	<b>192</b>	<b>1,080</b>	<b>(82.2%)</b>
Taxation	778	(550)	n.m.	(525)	(793)	(33.8%)
<b>(Loss)/Profit for the period</b>	<b>(3,035)</b>	<b>828</b>	<b>n.m.</b>	<b>(333)</b>	<b>287</b>	<b>n.m.</b>
<b>Attributable to:</b>						
Owners of the Company	(2,721)	85	n.m.	(1,711)	(612)	n.m.*
Non-Controlling Interests	(314)	743	n.m.	1,378	899	53.3%
	<b>(3,035)</b>	<b>828</b>	<b>n.m.</b>	<b>(333)</b>	<b>287</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					
	2 <sup>nd</sup> Qtr Ended 30/6/2017	2 <sup>nd</sup> Qtr Ended 30/6/2016	Increase/ (Decrease)	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2017	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2016	Increase/ (Decrease)
	S\$ '000	S\$ '000	%	S\$ '000	S\$ '000	%
Depreciation of property, plant & equipment	(92)	(46)	100.0%	(206)	(94)	n.m.*
Fair value gain on investment properties	762	-	n.m.*	9,057	-	n.m.*
Exchange (loss)/gain, net	(1,229)	20	n.m.	(2,051)	(42)	n.m.*
Interest Income	16	8	100.0%	25	11	n.m.*
Interest expense	(1,317)	(390)	n.m.*	(2,855)	(793)	n.m.*
Rental Income	503	511	(1.6%)	1,010	1,040	(2.9%)

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

	Group					
	2 <sup>nd</sup> Qtr Ended 30/6/2017	2 <sup>nd</sup> Qtr Ended 30/6/2016	Increase/ (Decrease)	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2017	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2016	Increase/ (Decrease)
	S\$ '000	S\$ '000	%	S\$ '000	S\$ '000	%
<b>(Loss)/Profit for the period</b>	<b>(3,035)</b>	<b>828</b>	<b>n.m.</b>	<b>(333)</b>	<b>287</b>	<b>n.m.</b>
<b>Other Comprehensive income</b>						
Currency translation differences arising from consolidation	(1,086)	1	n.m.	(3,959)	4	n.m.
- (Losses)/Profit						
<b>Total Comprehensive (Loss)/Profit for the period</b>	<b>(4,121)</b>	<b>829</b>	<b>n.m.</b>	<b>(4,292)</b>	<b>291</b>	<b>n.m.</b>
<b>Attributable to:</b>						
Owners of the Company	(3,844)	86	n.m.	(5,670)	(608)	n.m.*
Non-controlling interests	(277)	743	n.m.	1,378	899	53.3%
	<b>(4,121)</b>	<b>829</b>	<b>n.m.</b>	<b>(4,292)</b>	<b>291</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		
	30-Jun-17 S\$'000	31-Dec-16 S\$'000	1-Jan-16* S\$'000	30-Jun-17 S\$'000	31-Dec-16 S\$'000	1-Jan-16* S\$'000
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	8,719	7,928	1,376	67	87	121
Investment Properties	80,014	61,324	57,868	-	-	-
Investments in Subsidiaries	-	-	-	42,679	34,026	100
<b>Total Non-Current Assets</b>	<b>88,733</b>	<b>69,252</b>	<b>59,244</b>	<b>42,746</b>	<b>34,113</b>	<b>221</b>
<b>Current Assets</b>						
Development Properties	211,447	246,228	36,854	-	-	-
Trade and Other Receivables	27,316	25,167	3,359	33,921	2,372	1,239
Cash and Cash Equivalents	24,550	16,521	4,001	5,238	3,624	119
	<b>263,313</b>	<b>287,916</b>	<b>44,214</b>	<b>39,159</b>	<b>5,996</b>	<b>1,358</b>
<b>Total Assets</b>	<b>352,046</b>	<b>357,168</b>	<b>103,458</b>	<b>81,905</b>	<b>40,109</b>	<b>1,579</b>
<b>EQUITY</b>						
<b>Capital and Reserves</b>						
Share Capital	40,601	131,618	95,459	40,601	131,618	95,459
Capital Reduction Reserve	15,998	15,998	15,998	15,998	15,998	15,998
Equity component of convertible loan	29,717	-	-	29,717	-	-
Capital Reserve	7,327	2,278	2,278	4,057	-	-
Share-based Payment Reserve	437	243	-	437	243	-
Warrant Reserve	-	2,879	2,879	-	2,879	2,879
Foreign Currency Translation Reserve	(4,540)	(581)	(76)	-	-	-
Accumulated Profit/(Loss)	12,404	(98,398)	(111,943)	(9,944)	(119,194)	(115,975)
<b>Equity attributable to equity holders of the Company</b>	<b>101,944</b>	<b>54,037</b>	<b>4,595</b>	<b>80,866</b>	<b>31,544</b>	<b>(1,639)</b>
Non-Controlling Interests	31,884	40,150	9,691	-	-	-
<b>Total Equity</b>	<b>133,828</b>	<b>94,187</b>	<b>14,286</b>	<b>80,866</b>	<b>31,544</b>	<b>(1,639)</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		
	30-Jun-17 S\$'000	31-Dec-16 S\$'000	1-Jan-16* S\$'000	30-Jun-17 S\$'000	31-Dec-16 S\$'000	1-Jan-16* S\$'000
<b>LIABILITIES</b>						
<b>Non-Current Liabilities</b>						
Provisions	30	30	30	30	30	30
Deferred Tax Liabilities	32,222	33,138	9,836	-	-	-
Financial Liabilities	5,701	60,983	22,227	-	7,229	-
Accrued Land Lease Premium	21,990	23,072	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>59,943</b>	<b>117,223</b>	<b>32,093</b>	<b>30</b>	<b>7,259</b>	<b>30</b>
<b>Current Liabilities</b>						
Financial Liabilities	43,297	26,872	-	-	-	-
Accrued Land Lease Premium	3,881	4,072	-	-	-	-
Trade and Other Payables	41,530	63,165	39,635	1,009	1,306	3,188
Deposits from Customers on Purchase of Development Properties	66,506	48,541	17,444	-	-	-
Current Tax Payable	3,061	3,108	-	-	-	-
<b>Total Current Liabilities</b>	<b>158,275</b>	<b>145,758</b>	<b>57,079</b>	<b>1,009</b>	<b>1,306</b>	<b>3,188</b>
<b>Total Liabilities</b>	<b>218,218</b>	<b>262,981</b>	<b>89,172</b>	<b>1,039</b>	<b>8,565</b>	<b>3,218</b>
<b>Total Equity and Liabilities</b>	<b>352,046</b>	<b>357,168</b>	<b>103,458</b>	<b>81,905</b>	<b>40,109</b>	<b>1,579</b>

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

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

	Group 30-Jun-2017		Group 31-Dec-2016		Group 1-Jan-2016*	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>Amount repayable in one year or less, or on demand</b>						
Financial Liabilities:						
Amount due to						
Directors	-	-	-	-	-	2,090
Bank loans	18,562	-	708	-	-	-
Loans from related parties	-	2,341	-	2,890	-	-
	<u>18,562</u>	<u>2,341</u>	<u>708</u>	<u>2,890</u>	<u>-</u>	<u>2,090</u>
<b>Amount repayable after one year</b>						
Financial Liabilities:						
Bank Loans	5,701	-	18,898	-	-	-
Loans due to a substantial shareholder	-	-	-	42,085	-	-
	<u>5,701</u>	<u>-</u>	<u>18,898</u>	<u>42,085</u>	<u>-</u>	<u>-</u>

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

**Details of any collateral**

The bank loans are secured by bank guarantees with pledge over a commercial building and certain units of residential apartments.

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

	Group			
	2 <sup>nd</sup> Qtr Ended 30/6/2017	2 <sup>nd</sup> Qtr Ended 30/6/2016	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2017	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2016
	S\$ '000	S\$ '000	S\$ '000	S\$ '000
<b>Cash Flows from Operating Activities</b>				
(Loss)/Profit before taxation	(3,813)	1,378	192	1,080
Adjustments for:				
Depreciation of property, plant and equipment	92	46	206	94
Equity settled share-based compensation expense	97	-	194	-
Fair value gain on investment properties	(762)	-	(9,057)	-
Interest Income	(16)	(8)	(25)	(11)
Interest expenses	1,317	390	2,855	793
Operating (loss)/profit before working capital changes	(3,085)	1,806	(5,635)	1,956
Trade and other Receivables	(8,760)	(731)	(3,453)	(63)
Trade and other Payables	7,021	(3,265)	(6,584)	(6,119)
Investment properties	(4,375)	-	(11,229)	-
Development properties	7,072	5,731	22,453	9,899
Cash (used in)/generated from operations	(2,127)	3,541	(4,448)	5,673
Income tax paid	(1,379)	(1,384)	(2,550)	(1,384)
<b>Net Cash (used in)/generated from operating activities</b>	<b>(3,506)</b>	<b>2,157</b>	<b>(6,998)</b>	<b>4,289</b>
<b>Cash Flows from Investing Activities</b>				
Interest received	16	8	25	11
Acquisition of non-controlling interest in subsidiary	-	-	(2,106)	-
Purchase of plant and equipment	-	(18)	(33)	(18)
<b>Net Cash generated from/(used in) investing activities</b>	<b>16</b>	<b>(10)</b>	<b>(2,114)</b>	<b>(7)</b>
<b>Cash Flows from Financing Activities</b>				
Issue of ordinary shares	-	1,428	-	3,775
Issue of ordinary shares arising from exercise of warrants	3,107	-	4,061	-
Issue of ordinary shares arising from conversion of convertible loan	8,010	-	8,010	-
Proceed from bank loan	5,701	-	5,701	-
Repayment of bank loan	(124)	-	(124)	-
Repayment of shareholder loans	(413)	-	(413)	-
<b>Net Cash generated from financing activities</b>	<b>16,281</b>	<b>1,428</b>	<b>17,235</b>	<b>3,775</b>

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<b>Net increase in Cash and Cash Equivalents</b>	<b>12,791</b>	<b>3,575</b>	<b>8,123</b>	<b>8,057</b>
Cash and Cash Equivalents at beginning of period	12,378	8,364	16,521	4,001
Exchange differences on translation of Cash and Cash Equivalents at beginning of period	(619)	(418)	(94)	(537)
Cash and Cash Equivalents at end of period	<u>24,550</u>	<u>11,521</u>	<u>24,550</u>	<u>11,521</u>

- 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 30 June 2017 and 30 June 2016 - Group*

The Group	Share capital S\$'000	Capital reduction reserve S\$'000	Capital Reserve S\$'000	Share-based Payment reserve S\$'000	Warrant reserve S\$'000	Equity component of convertible loan S\$'000	Exchange fluctuation reserve S\$'000	Accumulated Profits/(losses) S\$'000	Total attributable to equity holders of the company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2017	131,618	15,998	2,278	243	2,879	-	(581)	(98,398)	54,037	40,150	94,187
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(2,838)	1,010	(1,828)	1,655	(173)
<b>Transactions with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Issue of ordinary shares arising from exercise of warrants	1,551	-	-	-	(597)	-	-	-	954	-	954
Acquisition of non-controlling interest in subsidiary	6,547	-	992	-	-	-	-	-	7,539	(9,644)	(2,105)
Share-based payments	-	-	-	97	-	-	-	-	97	-	97
Capital reduction	(112,000)	-	-	-	-	-	-	112,000	-	-	-
<b>Balance at 31 March 2017</b>	<b>27,716</b>	<b>15,998</b>	<b>3,270</b>	<b>340</b>	<b>2,282</b>	<b>-</b>	<b>(3,419)</b>	<b>14,612</b>	<b>60,799</b>	<b>32,161</b>	<b>92,960</b>
Total comprehensive loss for the period	-	-	-	-	-	-	(1,121)	(2,722)	(3,843)	(277)	(4,120)
<b>Transactions with owners, recognised directly in equity</b>											
<b>Contributions by and distributions to owners</b>											
Issue of ordinary shares arising from exercise of warrants	4,595	-	-	-	(1,768)	-	-	-	2,827	-	2,827
Share-based payments	280	-	-	97	-	-	-	-	377	-	377
Expiry of warrants	-	-	-	-	(514)	-	-	514	-	-	-
Issue of convertible loan	-	-	4,057	-	-	37,727	-	-	41,784	-	41,784
Issue of ordinary shares arising from conversion of convertible loan	8,010	-	-	-	-	(8,010)	-	-	-	-	-
<b>Balance at 30 June 2017</b>	<b>40,601</b>	<b>15,998</b>	<b>7,327</b>	<b>437</b>	<b>-</b>	<b>29,717</b>	<b>(4,540)</b>	<b>12,404</b>	<b>101,944</b>	<b>31,884</b>	<b>133,828</b>



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- 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 30 June 2017 and 30 June 2016 – Group (cont'd...)*

The Group	Share capital S\$'000	Capital reduction reserve S\$'000	Capital reserve S\$'000	Share-based Payment reserve S\$'000	Warrant reserve S\$'000	Exchange fluctuation reserve S\$'000	Accumulated losses S\$'000	Total attributable to equity holders of the company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance at 1 January 2016	95,459	15,998	2,278	-	2,879	(76)	(111,943)	4,595	9,691	14,286
Total comprehensive income/(loss) for the period	-	-	-	-	-	3	(697)	(694)	156	(538)
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Issue of ordinary shares	4,437	-	-	-	-	-	-	4,437	-	4,437
<b>Balance at 31 March 2016</b>	<b>99,896</b>	<b>15,998</b>	<b>2,278</b>	<b>-</b>	<b>2,879</b>	<b>(73)</b>	<b>(112,640)</b>	<b>8,338</b>	<b>9,847</b>	<b>18,185</b>
Total comprehensive income for the period	-	-	-	-	-	1	85	86	743	829
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distributions to owners</b>										
Issue of ordinary shares	1,339	-	-	-	-	-	-	1,339	-	1,339
Share-based payments	-	-	-	47	-	-	-	47	-	47
<b>Balance at 30 June 2016</b>	<b>101,235</b>	<b>15,998</b>	<b>2,278</b>	<b>47</b>	<b>2,879</b>	<b>(72)</b>	<b>(112,555)</b>	<b>9,810</b>	<b>10,590</b>	<b>20,400</b>

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**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 30 June 2017 and 30 June 2016 – Company***

The Company	Share Capital	Capital Reduction Reserve	Capital Reserve	Share-based Payment Reserve	Warrant Reserve	Equity component of convertible loan	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	S\$'000
Balance at 1 January 2017	131,618	15,998	-	243	2,879	-	(119,194)	31,544
Issue of ordinary shares arising from exercise of warrants	1,551	-	-	-	(597)	-	-	954
Share-based payments	-	-	-	97	-	-	-	97
Acquisition of non-controlling interest in subsidiary	6,547	-	-	-	-	-	-	6,547
Capital reduction	(112,000)	-	-	-	-	-	112,000	-
Total Comprehensive loss for the period	-	-	-	-	-	-	(1,190)	(1,190)
Balance at 31 March 2017	27,716	15,998	-	340	2,282	-	(8,384)	37,952
Issue of ordinary shares arising from exercise of warrants	4,595	-	-	-	(1,768)	-	-	2,827
Share-based payments	280	-	-	97	-	-	-	377
Expiry of warrants	-	-	-	-	(514)	-	514	-
Issue of convertible loan	-	-	4,057	-	-	37,727	-	41,784
Issue of ordinary shares arising from conversion of convertible loan	8,010	-	-	-	-	(8,010)	-	-
Total Comprehensive loss for the period	-	-	-	-	-	-	(2,074)	(2,074)
Balance at 30 June 2017	40,601	15,998	4,057	437	-	29,717	(9,944)	80,866

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**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 30 June 2017 and 30 June 2016 – Company (cont'd...)***

The Company	Share Capital	Capital Reduction Reserve	Share-based Payment Reserve	Warrant Reserve	Accumulated Losses	Total Equity attributable to equity holders of the Company
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	95,459	15,998	-	2,879	(115,975)	(1,639)
Issue of ordinary shares	4,437	-	-	-	-	4,437
Total Comprehensive loss for the period	-	-	-	-	(528)	(528)
Balance at 31 March 2016	99,896	15,998	-	2,879	(116,503)	2,270
Issue of ordinary shares	1,339	-	-	-	-	1,339
Share-based payments	-	-	47	-	-	47
Total Comprehensive loss for the period	-	-	-	-	(632)	(632)
Balance at 30 June 2016	101,235	15,998	47	2,879	(117,135)	3,024

- 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
<b>Share Capital</b>	
<b>Ordinary shares issued and fully paid</b>	
Balance as at 1 April 2017	839,494,845
Issue of 31,411,089 new shares arising from exercising of warrants at an exercise price of S\$0.09 per share during the period 1 April 2017 to 9 June 2017	31,411,089
2,261,000 new shares granted under the Performance Share Plan 2016 to eligible Employees under the Plan at market price of S\$0.096 per share on 5 June 2017	2,261,000
Issue of 89,000,000 new conversion shares arising from conversion of convertible loan owing to Mr Luo Shandong at the conversion price of S\$0.09 per Conversion Share on 14 June 2017	89,000,000
Balance as at 30 June 2017	962,166,934

As at 30 June 2017, convertibles (including options to subscribe for ordinary shares in our Company) that remained outstanding after share consolidation (Comparatives are restated to show the effects of the share consolidation) are as follows:

	As at 30 Jun 2017 No. of shares	As at 30 Jun 2016 No. of shares
Convertible loan dated 25 January 2017 (maturity date: 25 April 2018)	378,315,397	-
Warrants granted on 12 June 2014 (expired on 9 June 2017)	-	51,111,111
Share Options granted on 17 May 2016 (expire on 17 May 2026)	16,000,000	16,000,000
	394,315,397	67,111,111

The Company did not hold any treasury shares as at 30 June 2017 and 30 June 2016.

There were no subsidiary holdings as at 30 June 2017 and 30 June 2016.

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

The Company's total number of issued shares (excluding treasury shares) as at 30 June 2017 is 962,166,934 (31 December 2016: 762,645,245)

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares at the end of the current financial period reported on.**

Not Applicable. The Company does not hold any treasury shares.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the financial period reported on.**

Not Applicable. There were no subsidiary holdings.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not Applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except for the adoption of the Amendments to FRSs applicable for the financial year beginning on or after 1 January 2016, the same accounting policies and methods of computation have been applied. The adoption of Amendments to FRSs did not have any effect on the financial performance or position of the Group.

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

Accordingly, the Group has translated its results and financial position into SGD starting from 1 January 2017. The comparatives of the financial statements of the Company and of the Group for 2Q2017 were restated and presented in SGD. Specifically, the assets and liabilities of the Company and of the Group as at 31 December 2016 and 31 December 2015 were translated from RMB to SGD at the closing exchange rates as at 31 December 2016 and 31 December 2015 respectively, while the income expense items of the Company and of the Group for 2Q2016 were translated at the average rate during the said period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

Please refer to note 4.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

- (a) Based on the weighted average number of ordinary shares on issue; and  
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2 <sup>nd</sup> Qtr Ended 30/6/2017	2 <sup>nd</sup> Qtr Ended 30/6/2016	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2017	YTD 2 <sup>nd</sup> Qtr Ended 30/6/2016
<b><i>(Loss)/Profit per ordinary share</i></b> (Comparatives are restated to show the effects of the share consolidation):				
(i) Based on weighted average no. of ordinary shares in issue (cents)	(0.31)	0.02	(0.21)	(0.17)
(ii) On a fully diluted basis (cents)	(0.22)	0.02	(0.14)	(0.17)
<b><i>Number of shares in issue</i></b> (Comparatives are restated to show the effects of the share consolidation):				
(i) Based on weighted average no. of ordinary shares in issue (in million)	874	413	832	366
(ii) On a fully diluted basis (in million)	1,255	413	1,214	366

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

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

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital (excluding treasury shares) of the issuer at the end of the :
- (a) current financial period reported on; and
- (b) immediately preceding financial year.

	Group			Company		
	30-Jun-17	31-Dec-16	1-Jan-16*	30-Jun-17	31-Dec-16	1-Jan-16*
Net Asset Value (S\$'000)	133,828	94,187	14,286	80,866	31,544	(1,639)
Based on existing issued share capital (cents per share) (Comparatives are restated to show the effects of the share consolidation)	13.91	12.35	4.48	8.40	4.14	(0.51)
Net Asset Value has been computed based on the share capital of (in million of shares) (Comparatives are restated to show the effects of the share consolidation)	962	762	319	962	762	319

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

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Review of Financial Performance (2Q2017 vs 2Q2016)**

*Note: Significant changes in revenues, cost of sales, other income and expenses during the financial period under review were mainly attributed to maiden consolidation of DAS or Golden City project's financial performance in 2Q2017. Consequently, the 2Q2017 quarterly results may not be comparable with the 2Q2016 quarterly results.*

Revenue

	<b>Group</b>		<b>Increase/(Decrease)</b>
	<b>2Q2017</b>	<b>2Q2016</b>	
	S\$ '000	S\$ '000	%
Sale of Properties	9,648	8,363	15.4%
Rental Income	503	495	1.6%
Revenue	10,151	8,858	14.6%

*Note well: Due to the nature of the industry that the Company operates in, recognition of revenue from the sale of properties is driven by project hand-over. Consequently, quarterly results may not be a good indication of profitability trend.*

Revenue for 2Q2017 was mainly contributed by the sale of property units in the Golden City project of S\$9.4 million (92.6% of total revenue), the Daya Bay project of S\$0.2 million (1.9% of total revenue) and the rental of Daya Bay holiday apartments of S\$0.5 million. Revenue for 2Q2016 was contributed by the Daya Bay project from the sale of property units of S\$8.3 million and rental of holiday apartments of S\$0.5 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. 15 and 2 units were recognized or booked as revenue in 2Q2017 for the Golden City project and the Daya Bay project respectively. The 399 units of holiday apartments held as investment properties in the Daya Bay project have given us a fixed monthly rental income of RMB2,000 (approximately S\$408) per room since December 2015, amounting to S\$0.5 million for 2Q2017.

Gross Profit

	<b>Group</b>		<b>Increase/(Decrease)</b>
	<b>2Q2017</b>	<b>2Q2016</b>	
	S\$ '000	S\$ '000	%
Sale of Properties	1,753	2,435	(28.0%)
Rental Income	415	408	1.7%
Gross Profit	2,168	2,843	(23.7%)



Gross profit of approximately S\$2.2 million was recorded for 2Q2017, after deducting direct costs (consisting mainly of cost of the property units sold) of approximately S\$8.0 million. The gross profit margins for sale of properties for Golden City and Daya Bay projects were approximately 18% and 19% respectively.

Other Income

	<b>Group</b>		<b>Increase/(Decrease)</b>
	<b>2Q2017</b>	<b>2Q2016</b>	
	S\$ '000	S\$ '000	%
Fair value gain	762	-	n.m.*
Interest income	16	8	100.0%
Others	10	-	n.m.*
<b>Other Income</b>	<b>788</b>	<b>8</b>	<b>n.m.*</b>

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

Other income increased from S\$8,000 in 2Q2016 to S\$0.8 million in 2Q2017 mainly due to the fair value gain of S\$0.8 million for the transfer of 4 units of residential apartments from development properties to investment properties following the commencement of an operating lease to a 3<sup>rd</sup> party in the Golden City project.

Distribution Costs

Distribution costs of S\$1.7 million in 2Q2017 arose from the sale of property units in the Golden City and the Daya Bay projects, especially the latter with the ramp-up in sales and marketing activities following the new sales launch of the balance units in the project, whilst the distribution costs of S\$0.3 million in 2Q2016 was contributed by the Daya Bay project. These expenses comprise primarily of salaries and related costs for the sales and marketing staff, travelling and transportation costs, commissions and marketing expenses.

Administration Expenses

Administration expenses increased from S\$0.8 million in 2Q2016 to S\$3.7 million in 2Q2017, mainly due to inclusion of administrative expenses incurred by the Golden City project in 2Q2017 and unrealized exchange losses mainly arising from the Golden City project and revaluation of a loan denominated in USD.

Finance Costs

The finance costs of S\$1.3 million in 2Q2017 pertained mainly to interest expenses arising from loans due to a substantial shareholder, interest expenses incurred from bank loans and shareholders' loan and imputed interest expenses (which have no cash flow impact) arising from the interest-free loans from certain related parties of Daya Bay.

Taxation

	<b>Group</b>		<b>Increase/(Decrease)</b>
	<b>2Q2017</b>	<b>2Q2016</b>	
	S\$ '000	S\$ '000	%
Income tax	76	(550)	n.m.
Deferred tax	702	-	n.m.*
<b>Taxation</b>	<b>778</b>	<b>(550)</b>	<b>n.m.</b>

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

Taxation decreased from tax expense of S\$0.6 million in 2Q2016 to tax credit of \$0.8 million in 2Q2017 mainly due to unwinding of deferred tax liabilities (deferred tax liabilities were recognized when the development properties were recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer) from the sales of development properties in the Golden City and Daya Bay projects and decrease in income tax expenses from the Daya Bay project due to lower profits partially offset by the recognition of deferred tax liabilities from the fair value gain of the investment properties in Golden City project.

#### Net Profit/(Loss) Attributable to Owners of the Company (2Q2017 vs 1Q2017)

Net loss attributable to owners of the Company of S\$2.7 million was posted for the quarter, compared to a net profit attributable to owners of the Company of S\$1.0 million for the previous quarter. The decrease was mainly due to (1) decline in fair value gain for the transfer of residential apartments from development properties to investment properties following the commencement of an operating lease to a 3<sup>rd</sup> party in the Golden City project and increase in fair value of investment properties pertaining to the CMA building in the Golden City project in 1Q2017 ;and (2) the ramp-up in sales and marketing activities following the new sales launch of the balance units in the project with revenue expected to be progressively recognized in FY2017 upon handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier.

#### Review of Financial Position (30 June 2017 vs 31 December 2016)

##### Non-current Assets

Property, plant and equipment ('PPE') increased mainly due to the transfer of development properties to PPE for owner-occupied office premises. Investment properties increased due to transfer of development properties to investment properties from the Golden City project following the commencement of an operating lease to a 3<sup>rd</sup> party and fair value gain for these investment properties.

##### Current Assets

Development properties decreased mainly due to the transfer of development properties to investment properties from Golden City project following the commencement of an operating lease to a 3<sup>rd</sup> party as well as the property units sold were progressively recognized as income upon handover. The development properties are being recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer. Trade and other receivables increased mainly due to higher trade receivables as the property units sold were progressively recognized as income (and corresponding trade receivables) upon handover with gradual progressive payment of the outstanding amounts by customers.

##### Non-current Liabilities

Deferred tax liabilities decreased as the development property units were progressively sold, thereby reducing the deferred tax liabilities recognized for the development properties, partially offset by the recognition of deferred tax liabilities from the fair value gain of the investment properties. Deferred tax liabilities were recognized when the development properties were recorded at fair value after the Purchase Price Allocation exercise conducted by an independent professional valuer. Financial liabilities decreased mainly due to the re-classification from non-current liabilities to current liabilities as the financial liabilities approached maturity and are repayable within one year as at 30 June 2017 as well as the classification of the convertible loan ("CL") under equity. As the lender of the CL does not have the right to demand repayment in cash and the Company, in its absolute and sole discretion, can convert the total outstanding amount (P+I) at the maturity date into new shares of the Company, into a fixed number of shares at a pre-

determined exchange rate and accordingly, the entire CL is considered to be equity.

#### **Current Liabilities**

The increase in financial liabilities is mainly due to the re-classification from non-current liabilities to current liabilities as the financial liabilities approached maturity and are repayable within one year as at 30 June 2017. Trade and other payables decreased mainly due to lower trade payables for both projects following repayments made to contractors and suppliers. Deposits from customers on purchase of development properties increased due to the sales of development properties from both projects which revenue have yet to be recognized as the units sold have yet to meet the revenue recognition criteria.

#### **Equity**

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

#### **Cash Flow**

Net cash used in operating activities was approximately S\$3.5 million for 2Q2017 due mainly to the operating loss in 2Q2017.

Net cash generated from investing activities was approximately S\$16,000 for 2Q2017 mainly from interest income earned.

Net cash generated from financing activities was S\$16.3 million for 2Q2017 from the proceeds from the issuance of 31,411,089 new shares arising from exercising of warrants and 89,000,000 new shares arising from conversion of convertible loan both at an exercise price of S\$0.09 per new share during 2Q2017 as well as the funds received from draw down on bank facility of approximately S\$5.7 million.

**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 1Q2017 Results Announcement dated 11 May 2017.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the company operates and any known factors or events that may affect the company in the next reporting period and the next 12 months.**

The Group's core business lies in identifying and investing in niche markets, with particular focus on development properties, investment properties and other related businesses in which it may value-add.

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

#### Daya Bay Project

As at 30 June 2017, approximately RMB465.7 million (approximately S\$94.6 million) of gross development value comprising 752 units (361,100 square feet) of the Daya Bay project have been sold. In accordance to the Group's revenue recognition policy, 2 units worth approximately RMB1.0 million (approximately S\$0.2 million) have been recognized in 2Q2017, which brings the total recognized as sale to 552 units or approximately RMB327.9 million (approximately S\$66.5 million). Revenue for the remaining 200 sold units is expected to be progressively recognized in FY2017 upon handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier.

Effects of cooling measures implemented in October 2016 were most visible in the biggest Chinese cities where price growth in Shenzhen, Shanghai and Beijing slowed to 2.7%, 8.6% and 10.7% respectively from a year earlier. The declining trend is also poised to continue through to FY2018.

*(Source: "China's property market slows, Beijing prices down for first time since 2015", Reuters, 18 July 2017)*

While measures to tighten the economy may be a top-down effort, property prices remain supported by underlying demand. This may be evidenced by the relatively stable and low inventory levels across first and second-tier cities. The lack of significant oversupply in housing should limit the extent of the slowdown, allaying concerns towards the Chinese real estate market

*(Source: "China: Coming back down on Earth", Financial Times, 26 July 2017)*

#### Golden City Project

As at 30 June 2017, approximately US\$169.9 million (approximately S\$234.0 million) of gross development value comprising 479 units (648,500 square feet) of the Golden City project have been sold. In accordance to the Group's revenue recognition policy, sale of 15 units or approximately US\$6.6 million (approximately S\$9.4 million) have been recognized in 2Q2017, which brings the total to 236 units recognized as at 30 June 2017. Revenue for the remaining 243 sold units is expected to be progressively recognized in FY2017 and FY2018 upon handover of the units or one month after notification to buyers to take over the units, whichever occurs earlier. Golden City project comprises of 4 phases. While Phase 1's construction was already completed, Phase 2 is expected to be completed in 1H2018 and work for Phase 3 and 4 will start in FY2018.

The current underlying fundamentals for Myanmar remains strong. The World Bank projects that Myanmar's economy is set to rebound. For the next three years, the forecast is for an average growth of 7.1% per year. As the economy improves and grows, it is inherent that core sectors such as real estate will be poised as beneficiaries.

*(Source: "Managing great expectations of the new Myanmar", Myanmar Times, 2 June 2017)*

Despite a weaker second quarter as per guidance in 1Q2017, it was due to seasonality with the Burmese New Year in April. The Group however expects business conditions to recover and improve in the second half of 2017.

Looking ahead, the Group continues to prospect selectively for quality investments in niche markets. With an aim to maximise shareholder returns in the long term, the Group assesses each investment case rigorously to ensure that the right asset is included in its existing portfolio.

Barring any unforeseen circumstances which include and are not limited to foreign exchange volatility or a significant deterioration of Myanmar's and China's macroeconomic environments, the Board of Directors expects the Group to post a profitable FY2017.

**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. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual**

Christopher Chong Meng Tak and Tan Thiam Hee, 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 2<sup>nd</sup> quarter ended 30 June 2017 to be false or misleading in any material aspect.

**13. 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.

**14. 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.**

The details of the net proceeds utilized as at 30 June 2017 are as follows:

<b>Intended Use</b>	<b>Amount Allocated</b>	<b>Amount Utilised</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Funding of the Daya Bay Acquisition	10,000	10,000
To fund the development of other real estate projects and/or investment in real estate and/or related assets aside from the Daya Bay Acquisition	6,000	6,000
General working capital, including to fund the salaries of the Group's employees, legal and professional fees, following up on the findings from the special audit conducted on the disbursements of the Group and strengthening corporate governance of the Group as well as ancillary expenses for the Group	2,460	2,460
Total net proceeds	18,460	18,460

Pursuant to the rights issue, the Company had raised net proceeds of approximately S\$18.5 million (after deducting estimated expenses of approximately S\$0.2 million) by issuing 5,183,391,404 rights shares at an issue price of S\$0.0036 per share. The rights shares have been allotted and issued on 19 September 2016. As at 30 June 2017, the net proceeds have been fully utilised as above and are in accordance with the intended use as stated in the offer information statement dated 24 August 2016.

**15. 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

Christopher Chong Meng Tak  
 Non-Executive Group Chairman

**BY ORDER OF THE BOARD**  
**11 August 2017**

*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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