



## EMERGING TOWNS & CITIES SINGAPORE LTD.

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### FOR IMMEDIATE RELEASE

## ETC Singapore reports revenue of S\$59.3 million for FY2017 led by gradual recognition of the Group's development properties

- Accentuated by sustained demand for both Golden City and Daya Bay projects, the Group's pre-sales deposits records S\$73.9 million for FY2017 (FY2016: S\$48.5 million)
- Favourable outlook for the Group's flagship Golden City project as the Myanmar government passes the condominium law allowing foreign ownership of condominium apartments
- Positive progress with the settlement deed between the Group and its former controlling shareholder; works closely with the relevant authorities towards resumption of trading

**SINGAPORE, 28 February 2018** – Catalyst-listed Emerging Towns & Cities Singapore Ltd. ("ETC Singapore" or the "Company", and together with its subsidiaries, the "Group"), today reported its financial results for the financial year ended 31 December 2017 ("FY2017"). Additionally, the Group wishes to highlight recent progresses made with regard to the settlement deed.

The Group posted revenue of S\$59.3 million for FY2017, mainly contributed from the sale of properties in both the Golden City and Daya Bay projects. This represented a 60.3% yoy decline in revenue for FY2017, due primarily to the nature of the industry the Company operates in, as revenue from the sale of properties is only recognised when the project is handed over. During the year, 50 units (net) from Golden City worth S\$33.0 million have been recognised as revenue while the sale of 135 units (net) of Daya Bay worth S\$23.4 million was recognised. Revenue for the remaining 267 units for Golden City is expected to be progressively recognised over FY2018.

On the investment properties front, the Group continues to diversify its earnings by keeping to its two-pronged strategy of maintaining long-term earnings visibility, evidenced by maiden contribution of rental income of S\$0.9 million from the Golden City project.

Distribution costs and administration expenses for FY2017 increased to S\$8.2 million (FY2016: S\$1.7 million) and S\$10.5 million (FY2016: S\$3.4 million) respectively. Higher distribution costs resulted mainly from the ramp-up in sales and marketing activities for the new launch of balance units at both Golden City and Daya Bay, while administration costs incurred from the full year consolidation of Golden City contributed to higher administration expenses. Stemming from a steady demand for both Golden City and Daya Bay projects, pre-sales deposits increased 52.3% yoy to S\$73.9 million for FY2017.

In spite of the increased expenses, the Group recorded a net gain attributable to shareholders of S\$36,000 for FY2017 (FY2016: S\$13.5 million).

**Mr. Tan Thiam Hee, Executive Director and Group Chief Executive Officer of ETC Singapore,** remarked, *"Following the slew of events that occurred over the second half of 2017, we would like to highlight that prompt and effective actions taken over this period have forged promising results. Having successfully fulfilled the terms as set out in the settlement deed arrived between Cedar Properties Pte. Ltd. and our then controlling shareholder, we are pleased to note that this episode is now behind us. Going forward, we are working to put in place all necessary measures to ensure the resumption of trading of our Company's shares."*

Progress made in relation to the settlement deed is summarised below with the following key takeaways:-

- i. The Company has taken all necessary steps to withdraw and/or discontinue the Singapore Lawsuit as well as PRC Proceedings against all the defendants;
- ii. Former controlling shareholder, Mr Luo withdrew demands pertaining to the Section 216A Notice. The Section 216A Notice called for a special audit of the Company as well as prosecuting an action against Mr Christopher Chong Meng Tak, Non-Executive and Independent Group Chairman, for alleged breach of directors' duties with respect to the unauthorised withdrawals;
- iii. Both Requisition Notices were withdrawn, dismissing the need for an Extraordinary General Meeting ("EGM");
- iv. Mr Luo has transferred full legal and beneficial title to 149,410,864 of his shares in the Company to Group President and Executive Director, Mr Zhu Xiaolin who now becomes the Group's single largest shareholder with an effective stake of 20.8%;
- v. the Company has managed to retrieve all bank tokens of Huizhou Daya Bay;
- vi. Mr Luo has entered into a sale and purchase agreement with the Company to purchase Cedar Properties Pte. Ltd., the Company's Daya Bay project, for a total consideration of RMB81.0 million;
- vii. Circular for the EGM to be held on 15 March 2018 issued.

Looking ahead, **Mr Tan** added, *"Moving forward, we refocus our sales and marketing efforts toward our flagship Golden City project. Having only been passed on 22 January 2018, the newly enacted condominium law in Myanmar now gives foreigners the right to own up to 40.0% of condominium apartments<sup>1</sup>. Alongside Myanmar's sanguine property outlook, this crucial policy opens up doors to overseas buyers eager to buy-in to this up-and-coming property market. Correspondingly, financing plans available to Myanmar citizens through the Company's partnership with Yoma Bank further increases the affordability of home ownership for locals, thereby enhancing demand from the local market.*

*Apart from growing organically, we remain attentive to market opportunities in pursuit of value and earnings accretive acquisitions in niche property markets, so as to establish a sustainable growth trajectory. Furthermore, we continue to work toward diversifying and rejuvenating our shareholder structure through attracting investment interests of strategic shareholders."*

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

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

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

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange

<sup>1</sup> "Parliament passes condominium law", Myanmar Times, 22 February 2018

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Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this press release.

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

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