

QUARTERLY FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD  
ENDED 30 SEPTEMBER 2018

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                         |                               |                         |                                   |                                   |                         |
|--------------------------------|-------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------------|-------------------------|
|                                | 3rd Qtr<br>Ended<br>30/9/2018 | 3rd Qtr<br>Ended<br>30/9/2017 | Increase/<br>(Decrease) | YTD 3rd<br>Qtr Ended<br>30/9/2018 | YTD 3rd Qtr<br>Ended<br>30/9/2017 | Increase/<br>(Decrease) |
|                                | S\$ '000                      | S\$ '000                      | %                       | S\$ '000                          | S\$ '000                          | %                       |
| <b>Revenue</b>                 | <b>793</b>                    | <b>19,638</b>                 | <b>(96.0%)</b>          | <b>22,713</b>                     | <b>39,842</b>                     | <b>(43.0%)</b>          |
| Cost of sales                  | (38)                          | (14,796)                      | (99.7%)                 | (15,446)                          | (30,048)                          | (48.6%)                 |
| <b>Gross profit</b>            | <b>755</b>                    | <b>4,842</b>                  | <b>(84.4)</b>           | <b>7,267</b>                      | <b>9,794</b>                      | <b>(25.8%)</b>          |
| Other income                   | 1,868                         | 741                           | n.m.*                   | 3,146                             | 9,861                             | (68.1%)                 |
| Distribution costs             | (334)                         | (2,838)                       | (88.2%)                 | (1,865)                           | (5,470)                           | (65.9%)                 |
| Administrative expenses        | (955)                         | (982)                         | (2.7%)                  | (4,484)                           | (9,212)                           | (51.3%)                 |
| Other operating expenses       | (10)                          | (818)                         | (98.8%)                 | (372)                             | (974)                             | (61.8%)                 |
| Finance costs                  | (144)                         | 1,203                         | n.m.                    | (858)                             | (1,659)                           | (48.3%)                 |
| <b>Profit before taxation</b>  | <b>1,180</b>                  | <b>2,148</b>                  | <b>(45.1%)</b>          | <b>2,834</b>                      | <b>2,340</b>                      | <b>21.1%</b>            |
| Taxation                       | (656)                         | 1,262                         | n.m.                    | 285                               | 737                               | (61.3%)                 |
| <b>Profit for the period</b>   | <b>524</b>                    | <b>3,410</b>                  | <b>(84.6%)</b>          | <b>3,119</b>                      | <b>3,077</b>                      | <b>1.4%</b>             |
| <b>Profit attributable to:</b> |                               |                               |                         |                                   |                                   |                         |
| Owners of the Company          | 232                           | 1,369                         | (83.1%)                 | 1,196                             | (342)                             | n.m.                    |
| Non-controlling interests      | 292                           | 2,041                         | (85.7%)                 | 1,923                             | 3,419                             | (43.8%)                 |
|                                | <b>524</b>                    | <b>3,410</b>                  | <b>(84.6%)</b>          | <b>3,119</b>                      | <b>3,077</b>                      | <b>1.4%</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                         |                               |                         |                                   |                                   |                         |
|---|-------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------------|-------------------------|
|   | 3rd Qtr<br>Ended<br>30/9/2018 | 3rd Qtr<br>Ended<br>30/9/2017 | Increase/<br>(Decrease) | YTD 3rd Qtr<br>Ended<br>30/9/2018 | YTD 3rd Qtr<br>Ended<br>30/9/2017 | Increase/<br>(Decrease) |
|   | S\$ '000                      | S\$ '000                      | %                       | S\$ '000                          | S\$ '000                          | %                       |
| Depreciation of property, plant & equipment | (31)                          | (88)                          | (64.8%)                 | (111)                             | (295)                             | (64.8%)                 |
| Gain on disposal of subsidiaries, net       | -                             | -                             | -                       | 446                               | -                                 | n.m.                    |
| Fair value gain on investment properties    | 1,826                         | 720                           | n.m.*                   | 2,648                             | 9,777                             | (72.9%)                 |
| Exchange gain/(loss), net                   | 2                             | 1,210                         | (99.8%)                 | 11                                | (842)                             | n.m.                    |
| Interest income                             | 3                             | 25                            | (88.0%)                 | 12                                | 50                                | (76.0%)                 |
| Write back of Interest/(expense)            | (144)                         | 1,203                         | n.m.                    | (858)                             | (1,659)                           | (48.3%)                 |
| Rental income                               | 793                           | 975                           | (18.7%)                 | 2,438                             | 1,985                             | 22.8%                   |

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

|   | Group                         |                               |                         |                                   |                                   |                         |
|---|-------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------------|-------------------------|
|   | 3rd Qtr<br>Ended<br>30/9/2018 | 3rd Qtr<br>Ended<br>30/9/2017 | Increase/<br>(Decrease) | YTD 3rd Qtr<br>Ended<br>30/9/2018 | YTD 3rd Qtr<br>Ended<br>30/9/2017 | Increase/<br>(Decrease) |
|   | S\$ '000                      | S\$ '000                      | %                       | S\$ '000                          | S\$ '000                          | %                       |
| <b>Profit for the period</b>                            | <b>524</b>                    | <b>3,410</b>                  | <b>(84.6%)</b>          | <b>3,119</b>                      | <b>3,077</b>                      | <b>1.4%</b>             |
| <b>Other comprehensive income</b>                       |                               |                               |                         |                                   |                                   |                         |
| Currency translation differences                        | 380                           | (2,488)                       | n.m.                    | 3,423                             | (6,447)                           | n.m.                    |
| - Gain/(loss)   |                               |                               |                         |                                   |                                   |                         |
| <b>Total comprehensive profit/(loss) for the period</b> | <b>904</b>                    | <b>922</b>                    | <b>(1.9%)</b>           | <b>5,963</b>                      | <b>(3,370)</b>                    | <b>n.m.</b>             |
| <b>Total comprehensive income attributable to:</b>      |                               |                               |                         |                                   |                                   |                         |
| Owners of the Company                                   | 779                           | (1,156)                       | n.m.                    | 4,789                             | (6,789)                           | n.m.                    |
| Non-controlling interests                               | 125                           | 2,078                         | (94.0%)                 | 1,174                             | 3,419                             | (65.7%)                 |
|   | <b>904</b>                    | <b>922</b>                    | <b>n.m.*</b>            | <b>5,963</b>                      | <b>(3,370)</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-Sep-18<br>S\$'000 | 31-Dec-17<br>S\$'000 | 30-Sep-18<br>S\$'000 | 31-Dec-17<br>S\$'000 |
| <b>ASSETS</b>   |                      |                      |                      |                      |
| <b>Non-Current</b>  |                      |                      |                      |                      |
| Property, plant and equipment                               | 4,770                | 5,509                | 154                  | 42                   |
| Trade and other receivables                                 | 6,280                | -                    | -                    | -                    |
| Subsidiaries  | -                    | -                    | 35,393               | 45,269               |
| Investment properties                                       | 56,790               | 95,594               | -                    | -                    |
|   | <b>67,840</b>        | <b>101,103</b>       | <b>35,547</b>        | <b>45,311</b>        |
| <b>Current</b>  |                      |                      |                      |                      |
| Development properties                                      | 201,576              | 208,521              | -                    | -                    |
| Trade and other receivables                                 | 12,698               | 26,340               | 37,041               | 35,822               |
| Cash and cash equivalents                                   | 1,421                | 21,072               | 24                   | 3,395                |
|   | <b>215,695</b>       | <b>255,933</b>       | <b>37,065</b>        | <b>39,217</b>        |
| <b>Total assets</b>   | <b>283,535</b>       | <b>357,036</b>       | <b>72,612</b>        | <b>84,528</b>        |
| <b>EQUITY AND LIABILITIES</b>                               |                      |                      |                      |                      |
| <b>Capital and Reserves</b>                                 |                      |                      |                      |                      |
| Share capital   | 43,126               | 43,126               | 43,126               | 43,126               |
| Capital reduction reserve                                   | 15,998               | 15,998               | 15,998               | 15,998               |
| Equity component of convertible loan reserve                | 13,108               | 29,886               | 13,108               | 29,886               |
| Capital reserve   | 24,249               | 24,249               | 4,057                | 4,057                |
| Revaluation reserve   | 299                  | 299                  | -                    | -                    |
| Share option reserve  | 730                  | 632                  | 730                  | 632                  |
| Foreign currency translation reserve                        | (134)                | (3,998)              | -                    | -                    |
| Accumulated profit/(loss)                                   | 15,346               | 14,150               | (6,007)              | (10,887)             |
| <b>Equity attributable to equity holders of the Company</b> | <b>112,722</b>       | <b>124,342</b>       | <b>71,012</b>        | <b>82,812</b>        |
| Non-controlling interests                                   | 1,650                | 11,364               | -                    | -                    |
| <b>Total equity</b>   | <b>114,372</b>       | <b>135,706</b>       | <b>71,012</b>        | <b>82,812</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-Sep-18<br>S\$'000 | 31-Dec-17<br>S\$'000 | 30-Sep-18<br>S\$'000 | 31-Dec-17<br>S\$'000 |
| <b>LIABILITIES</b>   |                      |                      |                      |                      |
| <b>Non-Current</b>   |                      |                      |                      |                      |
| Provisions for site restoration                            | 23                   | 30                   | 23                   | 30                   |
| Deferred tax liabilities                                   | 25,253               | 31,447               | -                    | -                    |
| Deposits from customers for sale of development properties | 3,802                | -                    | -                    | -                    |
| Financial liabilities                                      | 21,101               | 20,700               | 115                  | -                    |
| Accrued land lease premium                                 | 17,970               | 17,573               | -                    | -                    |
|  | <b>68,149</b>        | <b>69,750</b>        | <b>138</b>           | <b>30</b>            |
| <b>Current</b>   |                      |                      |                      |                      |
| Financial liabilities                                      | 13,840               | 24,397               | -                    | -                    |
| Accrued land lease premium                                 | 8,205                | 8,024                | -                    | -                    |
| Trade and other payables                                   | 28,449               | 43,584               | 1,462                | 1,686                |
| Deposits from customers for sale of development properties | 50,520               | 71,388               | -                    | -                    |
| Current tax payable  | -                    | 4,187                | -                    | -                    |
|  | <b>101,014</b>       | <b>151,580</b>       | <b>1,462</b>         | <b>1,686</b>         |
| <b>Total liabilities</b>                                   | <b>169,163</b>       | <b>221,330</b>       | <b>1,600</b>         | <b>1,716</b>         |
| <b>Total equity and liabilities</b>                        | <b>283,535</b>       | <b>357,036</b>       | <b>72,612</b>        | <b>84,528</b>        |

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

|   | Group              |                      | Group              |                      |
|---|--------------------|----------------------|--------------------|----------------------|
|   | 30-Sep-18          |                      | 31-Dec-2017        |                      |
|   | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| <b>Amount repayable in one year or less, or on demand</b> |                    |                      |                    |                      |
| Financial Liabilities:                                    |                    |                      |                    |                      |
| Bank loans  | 6,218              | -                    | 21,822             | -                    |
| Loans from related parties and others                     | -                  | 7,622                | -                  | 2,575                |
|   | <u>6,218</u>       | <u>7,622</u>         | <u>21,822</u>      | <u>2,575</u>         |
| <b>Amount repayable after one year</b>                    |                    |                      |                    |                      |
| Financial Liabilities:                                    |                    |                      |                    |                      |
| Bank Loans  | 21,101             | -                    | 20,700             | -                    |
|   | <u>21,101</u>      | <u>-</u>             | <u>20,700</u>      | <u>-</u>             |

**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                         |                               |                                   |                                   |
|--|-------------------------------|-------------------------------|-----------------------------------|-----------------------------------|
|  | 3rd Qtr<br>Ended<br>30/9/2018 | 3rd Qtr<br>Ended<br>30/9/2017 | YTD 3rd<br>Qtr Ended<br>30/9/2018 | YTD 3rd Qtr<br>Ended<br>30/9/2017 |
|  | S\$ '000                      | S\$ '000                      | S\$ '000                          | S\$ '000                          |
| <b>Cash Flows from Operating Activities</b>                          |                               |                               |                                   |                                   |
| Profit before taxation   | 1180                          | 2,148                         | 2,834                             | 2,340                             |
| Adjustments for:   |                               |                               |                                   |                                   |
| Depreciation of property, plant and equipment                        | 31                            | 88                            | 111                               | 295                               |
| Share-based compensation   | -                             | 98                            | 98                                | 292                               |
| Fair value gain on investment properties                             | (1,826)                       | (720)                         | (2,648)                           | (9,777)                           |
| Interest Income  | (3)                           | (25)                          | (12)                              | (50)                              |
| Interest expense   | 144                           | (1,203)                       | 858                               | 1,659                             |
| Operating profit/(loss) before working capital changes               | (474)                         | 386                           | 1,241                             | (5,241)                           |
| Trade and other receivables  | 659                           | (51)                          | 2,134                             | (3,504)                           |
| Trade and other payables   | 906                           | 11,225                        | (7,558)                           | 12,643                            |
| Investment properties  | (6,165)                       | (2,942)                       | (10,853)                          | (14,171)                          |
| Development properties   | 5,960                         | (12,006)                      | 16,765                            | 10,447                            |
| Cash generated from/(used in) operations                             | 886                           | (3,388)                       | 1,729                             | 174                               |
| Income tax paid  | -                             | (216)                         | -                                 | (2,766)                           |
| <b>Net cash generated from/(used in) operating activities</b>        | <b>886</b>                    | <b>(3,604)</b>                | <b>1,729</b>                      | <b>(2,592)</b>                    |
| <b>Cash Flows from Investing Activities</b>                          |                               |                               |                                   |                                   |
| Interest received  | 3                             | 25                            | 12                                | 49                                |
| Acquisition of non-controlling interest in a subsidiary              | -                             | -                             | -                                 | (2,105)                           |
| Purchase of property, plant and equipment                            | (170)                         | -                             | (170)                             | (33)                              |
| Disposal of subsidiary, net of cash disposed of (Note A)             | -                             | -                             | (10,709)                          | -                                 |
| <b>Net cash (used in)/generated from investing activities</b>        | <b>(167)</b>                  | <b>25</b>                     | <b>(10,867)</b>                   | <b>(2,089)</b>                    |
| <b>Cash Flows from Financing Activities</b>                          |                               |                               |                                   |                                   |
| Issue of ordinary shares arising from exercise of warrants           | -                             | -                             | -                                 | 4,061                             |
| Issue of ordinary shares arising from conversion of convertible loan | -                             | -                             | -                                 | -                                 |
| Proceeds from shareholders' loans                                    | -                             | -                             | 5,374                             | -                                 |
| Repayment of shareholders' loans                                     | (615)                         | (20,973)                      | (615)                             | (21,386)                          |
| Proceeds from bank loans   | -                             | 13,671                        | 4,240                             | 19,372                            |
| Repayment of bank loans  | (402)                         | (533)                         | (19,540)                          | (657)                             |
| <b>Net cash (used in)/generated from financing activities</b>        | <b>(1,017)</b>                | <b>(7,835)</b>                | <b>(10,541)</b>                   | <b>1,390</b>                      |

|   | Group                         |                               |                                   |                                   |
|---|-------------------------------|-------------------------------|-----------------------------------|-----------------------------------|
|   | 3rd Qtr<br>Ended<br>30/9/2018 | 3rd Qtr<br>Ended<br>30/9/2017 | YTD 3rd<br>Qtr Ended<br>30/9/2018 | YTD 3rd Qtr<br>Ended<br>30/9/2017 |
| <b>Net decrease in cash and cash equivalents</b>                  | <b>(298)</b>                  | <b>(11,414)</b>               | <b>(19,679)</b>                   | <b>(3,291)</b>                    |
| Cash and cash equivalents at beginning of period                  | 1,751                         | 24,550                        | 21,072                            | 16,521                            |
| Effect of exchange rate fluctuations on cash and cash equivalents | (32)                          | (36)                          | 28                                | (130)                             |
| <b>Cash and cash equivalents at end of period</b>                 | <b>1,421</b>                  | <b>13,100</b>                 | <b>1,421</b>                      | <b>13,100</b>                     |

Note A: The net assets and liabilities arising from the disposal of subsidiary and the cash flow effects of the disposal were as follows:

|  | Group                          |
|--|--------------------------------|
|  | YTD 3rd Qtr Ended<br>30/9/2018 |
|  | S\$ '000                       |
| Property, plant and equipment                          | 913                            |
| Investment properties                                  | 51,051                         |
| Development properties                                 | 1,721                          |
| Trade and other receivables                            | 5,275                          |
| Bank balances  | 10,709                         |
| Trade and other payables                               | (20,600)                       |
| Current tax payable                                    | (4,152)                        |
| Advances from customers                                | (21,489)                       |
| Deferred tax liabilities                               | (6,330)                        |
| <b>Net assets disposed</b>                             | <b>17,098</b>                  |
| Foreign currency translation reserve loss realised     | 271                            |
| Less: Non-controlling interests                        | (10,888)                       |
| Novation of amount due to the Company to the Purchaser | 10,010                         |
| Net gain on disposal of subsidiary                     | 446                            |
| <b>Total consideration</b>                             | <b>16,937</b>                  |
| Amount set off against convertible loan                | (16,937)                       |
| Cash and cash equivalents in subsidiary disposed of    | (10,709)                       |
| <b>Net cash outflow arising from disposal</b>          | <b>(10,709)</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 periods ended 30 September 2018 and 30 September 2017 - Group*

| The Group  | Share capital<br>S\$'000 | Capital<br>reduction<br>reserve<br>S\$'000 | Capital<br>reserve<br>S\$'000 | Share option<br>reserve<br>S\$'000 | Revaluation<br>reserve<br>S\$'000 | Warrant<br>reserve<br>S\$'000 | Equity<br>component of<br>convertible loan<br>S\$'000 | Exchange<br>fluctuation<br>reserve<br>S\$'000 | Accumulated<br>profits<br>S\$'000 | Total<br>attributable to<br>equity holders<br>of the<br>company<br>S\$'000 | Non-<br>controlling<br>interests<br>S\$'000 | Total<br>equity<br>S\$'000 |
|--|--------------------------|--|-------------------------------|------------------------------------|-----------------------------------|-------------------------------|---|---|-----------------------------------|--|---|----------------------------|
| Balance at 1 January 2018  | 43,126                   | 15,998                                     | 24,249                        | 632                                | 299                               | -                             | 29,886  | (3,998)                                       | 14,150                            | 124,342  | 11,364                                      | 135,706                    |
| Total comprehensive income<br>for the period                       | -                        | -  | -                             | -                                  | -                                 | -                             | -   | 3,046   | 964                               | 4,010  | 1,049                                       | 5,059                      |
| <b>Transactions with owners, recognised<br/>directly in equity</b> |                          |  |                               |                                    |                                   |                               |   |   |                                   |  |   |                            |
| <b>Contributions by and distributions<br/>to owners</b>            |                          |  |                               |                                    |                                   |                               |   |   |                                   |  |   |                            |
| Disposal of subsidiary   | -                        | -  | -                             | -                                  | -                                 | -                             | (16,937)  | 271   | -                                 | (16,666)   | (10,888)                                    | (27,554)                   |
| Interest incurred on convertible loan                              | -                        | -  | -                             | -                                  | -                                 | -                             | 117   | -   | -                                 | 117  | -   | 117                        |
| Share-based compensation   | -                        | -  | -                             | 98                                 | -                                 | -                             | -   | -   | -                                 | 98   | -   | 98                         |
| <b>Balance at 30 June 2018</b>                                     | <b>43,126</b>            | <b>15,998</b>                              | <b>24,249</b>                 | <b>730</b>                         | <b>299</b>                        | <b>-</b>                      | <b>13,066</b>   | <b>(681)</b>                                  | <b>15,114</b>                     | <b>111,901</b>   | <b>1,525</b>                                | <b>113,426</b>             |
| Total comprehensive income<br>for the period                       | -                        | -  | -                             | -                                  | -                                 | -                             | -   | 547   | 232                               | 779  | 125   | 904                        |
| <b>Transactions with owners, recognised<br/>directly in equity</b> |                          |  |                               |                                    |                                   |                               |   |   |                                   |  |   |                            |
| <b>Contributions by and distributions<br/>to owners</b>            |                          |  |                               |                                    |                                   |                               |   |   |                                   |  |   |                            |
| Interest incurred on convertible loan                              | -                        | -  | -                             | -                                  | -                                 | -                             | 42  | -   | -                                 | 42   | -   | 42                         |
| Share-based compensation   | -                        | -  | -                             | -                                  | -                                 | -                             | -   | -   | -                                 | -  | -   | -                          |
| <b>Balance at 30 September 2018</b>                                | <b>43,126</b>            | <b>15,998</b>                              | <b>24,249</b>                 | <b>730</b>                         | <b>299</b>                        | <b>-</b>                      | <b>13,108</b>   | <b>(134)</b>                                  | <b>15,346</b>                     | <b>112,722</b>   | <b>1,650</b>                                | <b>114,372</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 periods ended 30 September 2018 and 30 September 2017 – Group (Continued)*

| The Group  | Share capital<br>S\$'000 | Capital reduction reserve<br>S\$'000 | Capital reserve<br>S\$'000 | Share option reserve<br>S\$'000 | Revaluation reserve<br>S\$'000 | Warrant Reserve<br>S\$'000 | Equity component of convertible loan<br>S\$'000 | Exchange fluctuation reserve<br>S\$'000 | Accumulated losses<br>S\$'000 | Total attributable to equity holders of the company<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total equity<br>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                     | -                        | -                                    | -                          | -                               | -                              | -                          | -   | (3,959)                                 | (1,712)                       | (5,671)  | 1,378                                | (4,293)                 |
| <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           | 6,146                    | -                                    | -                          | -                               | -                              | (2,365)                    | -   | -                                       | -                             | 3,781  | -                                    | 3,781                   |
| Expiry of warrants   | -                        | -                                    | -                          | -                               | -                              | (514)                      | -   | -                                       | 514                           | -  | -                                    | -                       |
| Acquisition of remaining interest in a Subsidiary                    | 6,547                    | -                                    | 992                        | -                               | -                              | -                          | -   | -                                       | -                             | 7,539  | (9,644)                              | (2,105)                 |
| Share-based compensation   | 280                      | -                                    | -                          | 194                             | -                              | -                          | -   | -                                       | -                             | 474  | -                                    | 474                     |
| 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)   | -                                       | -                             | -  | -                                    | -                       |
| Capital reduction  | (112,000)                | -                                    | -                          | -                               | -                              | -                          | -   | -                                       | 112,000                       | -  | -                                    | -                       |
| <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>-</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>          |
| Total comprehensive income/(loss) for the period                     | -                        | -                                    | -                          | -                               | -                              | -                          | -   | (2,488)                                 | 1,369                         | (1,119)  | 2,041                                | 922                     |
| <b>Transactions with owners, recognised directly in equity</b>       |                          |                                      |                            |                                 |                                |                            |   |   |                               |  |                                      |                         |
| <b>Contributions by and distributions to owners</b>                  |                          |                                      |                            |                                 |                                |                            |   |   |                               |  |                                      |                         |
| Reversal of over-accrued sponsor fee                                 | 37                       | -                                    | -                          | -                               | -                              | -                          | -   | -                                       | -                             | 37   | -                                    | 37                      |
| Imputed interest incurred on convertible loan                        | -                        | -                                    | -                          | -                               | -                              | -                          | 85  | -                                       | -                             | 85   | -                                    | 85                      |
| Share-based compensation   | -                        | -                                    | -                          | 98                              | -                              | -                          | -   | -                                       | -                             | 98   | -                                    | 98                      |
| <b>Balance at 30 September 2017</b>                                  | <b>40,638</b>            | <b>15,998</b>                        | <b>7,327</b>               | <b>535</b>                      | <b>-</b>                       | <b>-</b>                   | <b>29,802</b>                                   | <b>(7,028)</b>                          | <b>13,773</b>                 | <b>101,045</b>   | <b>33,925</b>                        | <b>134,970</b>          |

- 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 September 2018 and 30 September 2017 - Company**

| <b>The Company</b>                           | Share capital<br>S\$'000 | Capital reduction<br>reserve<br>S\$'000 | Capital<br>reserve<br>S\$'000 | Equity<br>component of<br>convertible<br>loan<br>S\$'000 | Share option<br>reserve<br>S\$'000 | Warrant reserve<br>S\$'000 | Accumulated losses<br>S\$'000 | Total Equity<br>attributable to<br>equity holders of<br>the Company<br>S\$'000 |
|--|--------------------------|---|-------------------------------|--|------------------------------------|----------------------------|-------------------------------|--|
| Balance at 1 January 2018                    | 43,126                   | 15,998                                  | 4,057                         | 29,886   | 632                                | -                          | (10,887)                      | 82,812   |
| Disposal of subsidiary                       | -                        | -                                       | -                             | (16,937)   | -                                  | -                          | -                             | (16,937)   |
| Interest incurred on convertible loan        | -                        | -                                       | -                             | 117  | -                                  | -                          | -                             | 117  |
| Share-based compensation                     | -                        | -                                       | -                             | -  | 98                                 | -                          | -                             | 98   |
| Total comprehensive income for the<br>period | -                        | -                                       | -                             | -  | -                                  | -                          | 5,399                         | 5,399  |
| <b>Balance at 30 June 2018</b>               | <b>43,126</b>            | <b>15,998</b>                           | <b>4,057</b>                  | <b>13,066</b>  | <b>730</b>                         | -                          | <b>(5,488)</b>                | <b>71,489</b>  |
| Interest incurred on convertible loan        | -                        | -                                       | -                             | 42   | -                                  | -                          | -                             | 42   |
| Share-based compensation                     | -                        | -                                       | -                             | -  | -                                  | -                          | -                             | -  |
| Total comprehensive loss for the<br>period   | -                        | -                                       | -                             | -  | -                                  | -                          | (519)                         | (519)  |
| <b>Balance at 30 September 2018</b>          | <b>43,126</b>            | <b>15,998</b>                           | <b>4,057</b>                  | <b>13,108</b>  | <b>730</b>                         | -                          | <b>(6,007)</b>                | <b>71,012</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 periods ended 30 September 2018 and 30 September 2017 – Company (Continued)***

| <b>The Company</b>  | Share capital<br>S\$'000 | Capital reduction<br>reserve<br>S\$'000 | Capital reserve<br>S\$'000 | Equity<br>component of<br>convertible loan<br>S\$'000 | Share option<br>reserve<br>S\$'000 | Warrant reserve<br>S\$'000 | Accumulated losses<br>S\$'000 | Total Equity<br>attributable to<br>equity holders of<br>the Company<br>S\$'000 |
|---|--------------------------|---|----------------------------|---|------------------------------------|----------------------------|-------------------------------|--|
| Balance at 1 January 2017   | 131,618                  | 15,998                                  | -                          | -   | 243                                | 2,879                      | (118,993)                     | 31,745   |
| Issue of ordinary shares arising from<br>exercise of warrants           | 6,146                    | -                                       | -                          | -   | -                                  | (2,365)                    | -                             | 3,781  |
| Share-based compensation  | 280                      | -                                       | -                          | -   | 194                                | -                          | -                             | 474  |
| Expiry of warrants  | -                        | -                                       | -                          | -   | -                                  | (514)                      | 514                           | -  |
| Issue of convertible loan   | -                        | -                                       | 4,057                      | 37,727  | -                                  | -                          | -                             | 41,784   |
| Issue of ordinary shares arising from<br>conversion of convertible loan | 8,010                    | -                                       | -                          | (8,010)   | -                                  | -                          | -                             | -  |
| Acquisition of remaining interest in a<br>Subsidiary                    | 6,547                    | -                                       | -                          | -   | -                                  | -                          | -                             | 6,547  |
| Capital reduction   | (112,000)                | -                                       | -                          | -   | -                                  | -                          | 112,000                       | -  |
| Total comprehensive loss for the period                                 | -                        | -                                       | -                          | -   | -                                  | -                          | (3,465)                       | (3,465)  |
| <b>Balance at 30 June 2017</b>  | <b>40,601</b>            | <b>15,998</b>                           | <b>4,057</b>               | <b>29,717</b>   | <b>437</b>                         | <b>-</b>                   | <b>(9,944)</b>                | <b>80,866</b>  |
| Reversal of over-accrued sponsor fee                                    | 37                       | -                                       | -                          | -   | -                                  | -                          | -                             | 37   |
| Share-based compensation  | -                        | -                                       | -                          | -   | 98                                 | -                          | -                             | 98   |
| Imputed interest incurred on convertible<br>loan                        | -                        | -                                       | -                          | 85  | -                                  | -                          | -                             | 85   |
| Total comprehensive loss for the period                                 | -                        | -                                       | -                          | -   | -                                  | -                          | (10)                          | (10)   |
| <b>Balance at 30 September 2017</b>                                     | <b>40,638</b>            | <b>15,998</b>                           | <b>4,057</b>               | <b>29,802</b>   | <b>535</b>                         | <b>-</b>                   | <b>(9,954)</b>                | <b>81,076</b>  |

- 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 30 September 2018              | 962,166,934      |

There were no changes to share capital of the Company during the period ended 30 September 2018.

As at 30 September 2018, 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<br>September 2018<br>No. of shares | As at 30<br>September 2017<br>No. of shares |
|--|---|---|
| Convertible loan dated 25 January 2017<br>(maturity date: 25 April 2019) | 191,770,399                                 | 378,315,397                                 |
| Share Options granted on 17 May 2016<br>(expire on 17 May 2026)          | 15,000,000                                  | 16,000,000                                  |
|  | 206,770,399                                 | 394,315,397                                 |

The Company did not hold any treasury shares as at 30 September 2018 and 30 September 2017.

There were no subsidiary holdings as at 30 September 2018 and 30 September 2017.

- 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 September 2018 is 962,166,934 (31 December 2017: 962,166,934).

- 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 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 as disclosed in paragraph 5 below regarding the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) effective on 1 January 2018, 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 2017.

**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 financial reporting framework, SFRS(I), mandatory for Singapore-incorporated companies with equity instruments traded in a public market in Singapore for annual periods beginning on or after 1 January 2018. In adopting SFRS(I), the Group has applied the specific transition requirements in SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards*.

In addition to the adoption of the new framework, the Group also concurrently applied the following new SFRS(I)s, amendments to and interpretations of SFRS(I) effective from the same date:

- SFRS(I) 15 *Revenue from Contracts with Customers* (Amendments to SFRS(I) 15 and Clarifications to SFRS(I) 15);
- SFRS(I) 9 *Financial Instruments*;
- *Classification and Measurement of Share-based Payment Transactions* (Amendments to SFRS(I) 2);
- *Transfers of Investment Property* (Amendments to SFRS(I) 1-40);
- *Deletion of short-term exemptions for first-time adopters* (Amendments to SFRS(I) 1);
- *Measuring an Associate or Joint Venture at Fair Value* (Amendments to SFRS(I) 1-28);
- *Applying SFRS(I) 9 Financial Instruments with SFRS(I) 4 Insurance Contracts* (Amendments to SFRS(I) 4); and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of these SFRS(I)s, amendments to and interpretations of SFRS(I) did not have a material impact on the financial statements of the Group.

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                         |                               |                                   |                                   |
|---|-------------------------------|-------------------------------|-----------------------------------|-----------------------------------|
|   | 3rd Qtr<br>Ended<br>30/9/2018 | 3rd Qtr<br>Ended<br>30/9/2017 | YTD 3rd Qtr<br>Ended<br>30/9/2018 | YTD 3rd Qtr<br>Ended<br>30/9/2017 |
| <b><i>Profit/(loss) per ordinary share</i></b><br>(Comparatives are restated to show the effects of the share consolidation): |                               |                               |                                   |                                   |
| (i) Based on weighted average no. of ordinary shares in issue (cents)   | 0.02                          | 0.14                          | 0.12                              | (0.04)                            |
| (ii) On a fully diluted basis (cents)   | 0.02                          | 0.10                          | 0.11                              | (0.03)                            |
| <b><i>Number of shares in issue</i></b><br>(Comparatives are restated to show the effects of the share consolidation):        |                               |                               |                                   |                                   |
| (i) Based on weighted average no. of ordinary shares in issue (in million)  | 962                           | 962                           | 962                               | 876                               |
| (ii) On a fully diluted basis (in million)  | 1,154                         | 1,342                         | 1,154                             | 1,256                             |

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. The diluted earnings per share is the same as basic earnings per share as the Group does not have any dilutive capital instruments. The warrants and share options have a dilutive effect only when the average market price of ordinary shares during the period exceeds the exercise price of the warrants or share options.

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-Sep-18 | 31-Dec-17 | 30-Sept-18 | 31-Dec-17 |
| Net Asset Value (S\$'000)   | 114,372   | 135,706   | 71,012     | 82,812    |
| Based on existing issued share capital (cents per share)                                | 11.89     | 14.10     | 7.38       | 8.61      |
| Net Asset Value has been computed based on the share capital of (in millions of shares) | 962       | 962       | 962        | 962       |

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 (3Q2018 vs 3Q2017)**

*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, quarterly results may not be a good indication of profitability trend. Contributions from Daya Bay were included in the revenue, cost of sales, other income and expenses until the disposal of Cedar Properties Pte Ltd ("CPPL"), effectively divesting the stake in the Daya Bay project, on 15 March 2018.*

Revenue

|                          | Group              |                    |                          |
|--------------------------|--------------------|--------------------|--------------------------|
|                          | 3Q2018<br>S\$ '000 | 3Q2017<br>S\$ '000 | Increase/(Decrease)<br>% |
| Sale of Properties       |                    |                    |                          |
| - Golden City            | -                  | 12,719             | (100.0%)                 |
| - Daya Bay               | -                  | 5,945              | (100.0%)                 |
| Total Sale of Properties | -                  | 18,664             | (100.0%)                 |
| Rental Income            |                    |                    |                          |
| - Golden City            | 786                | 469                | 67.6%                    |
| - Daya Bay               | -                  | 487                | (100.0%)                 |
| - ETC                    | 7                  | 18                 | (61.1%)                  |
| Total Rental Income      | 793                | 974                | (18.6%)                  |
| Total Revenue            | 793                | 19,638             | (96.0%)                  |

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

Revenue for 3Q2018 was mainly contributed by the rental of Golden City residential and commercial units of S\$0.8 million (99% of total revenue), following the disposal of CPPL, effectively divesting the Group's stake in the Daya Bay project, on 15 March 2018. Revenue for 3Q2017 was mainly contributed by the sale of property units in the Golden City project of S\$12.7 million (65% of total revenue), the Daya Bay project of S\$5.9 million, and the rental of Golden City

residential and commercial units of S\$0.5 million and Daya Bay holiday apartments of S\$0.5 million.

The Group reported revenue 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. There were no units handed over in 3Q2018.

Until the disposal of CPPL on 15 March 2018, 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\$417) per room since December 2015.

Gross Profit

|                                 | <b>Group</b>  |               |                            |
|---------------------------------|---------------|---------------|----------------------------|
|                                 | <b>3Q2018</b> | <b>3Q2017</b> | <b>Increase/(Decrease)</b> |
|                                 | S\$ '000      | S\$ '000      | %                          |
| Sale of Properties              |               |               |                            |
| - Golden City                   | -             | 2,462         | (100.0%)                   |
| - Daya Bay                      | -             | 1,491         | (100.0%)                   |
| <b>Total Sale of Properties</b> | <b>-</b>      | <b>3,953</b>  | <b>(100.0%)</b>            |
| Rental Income                   |               |               |                            |
| - Golden City                   | 748           | 469           | 59.5%                      |
| - Daya Bay                      | -             | 402           | (100.0%)                   |
| - ETC                           | 7             | 18            | (61.1%)                    |
| <b>Total Rental Income</b>      | <b>755</b>    | <b>889</b>    | <b>(15.1%)</b>             |
| <b>Total Gross Profit</b>       | <b>755</b>    | <b>4,842</b>  | <b>(84.4%)</b>             |

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

Gross profit of approximately S\$0.8 million was recorded for 3Q2018, after deducting direct costs (consisting mainly of commercial tax incurred on rental receipts) of approximately S\$38,000.

Other Income

|                     | <b>Group</b>  |               |                            |
|---------------------|---------------|---------------|----------------------------|
|                     | <b>3Q2018</b> | <b>3Q2017</b> | <b>Increase/(Decrease)</b> |
|                     | S\$ '000      | S\$ '000      | %                          |
| Fair value gain     | 1,826         | 720           | n.m.*                      |
| Interest income     | 3             | 25            | (88.0%)                    |
| Others              | 39            | (4)           | n.m.                       |
| <b>Other Income</b> | <b>1,868</b>  | <b>741</b>    | <b>n.m.*</b>               |

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

Other income increased from S\$0.7 million in 3Q2017 to S\$1.9 million in 3Q2018 mainly due to the fair value gain of S\$1.8 million for the transfer of 12 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 in 3Q2018, whilst in 3Q2017 there was a transfer of 4 units of residential apartments from development properties to investment properties following the commencement of operating leases in the Golden City project.



Distribution Costs

Distribution costs of S\$0.3 million in 3Q2018 arose mainly from the sale of property units in the Golden City project. It has decreased from S\$2.8 million in 3Q2017 to S\$0.3 million in 3Q2018, mainly due to the disposal of the Daya Bay project and lower advertising and sales commission expenses in the Golden City 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 of S\$1.0 million in 3Q2018 remained flat compared to 3Q2017. This was mainly due to lower professional fees and lower salaries and related costs in 3Q2018 whilst in 3Q2017, there were unrealized exchange gains arising from the Golden City project.

Finance Costs

The finance costs of S\$0.1 million in 3Q2018 comprised mainly of interest expenses arising from bank loans and shareholders' loans.

Taxation

|                 | <b>Group</b>  |               |                            |
|-----------------|---------------|---------------|----------------------------|
|                 | <b>3Q2018</b> | <b>3Q2017</b> | <b>Increase/(Decrease)</b> |
|                 | S\$ '000      | S\$ '000      | %                          |
| Income tax      | -             | (235)         | (100.0%)                   |
| Deferred tax    | (656)         | 1,497         | n.m.                       |
| <b>Taxation</b> | <b>(656)</b>  | <b>1,262</b>  | <b>n.m.</b>                |

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

Taxation increased from a tax credit of S\$1.3 million in 3Q2017 to a tax expense of S\$0.7 million in 3Q2018 mainly due to the recognition of deferred tax liabilities when development properties were reclassified to investment properties.

**Review of Financial Position (30 September 2018 vs 31 December 2017)**

*Note: Significant changes in balance sheet items during the financial period under review were mainly attributed to the disposal of Cedar Properties Pte Ltd ("CPPL") on 15 March 2018, effectively divesting the Group's stake in the Daya Bay project.*

**Non-current Assets**

Property, plant and equipment and investment properties decreased mainly due to the disposal of CPPL on 15 March 2018, effectively divesting the Group's stake in the Daya Bay project. Property, plant and equipment also decreased due to depreciation incurred. Trade receivables comprised of amounts due from buyers that are one year or more.

**Current Assets**

Development properties decreased mainly due to the progressive recognition of income from property units sold upon handover, as well as the disposal of CPPL. 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 and other receivables decreased mainly due to lower trade receivables upon payment of the outstanding amounts by customers and the disposal of CPPL and reclassification to non-current for amounts due from buyers that are one year or more. Included in the trade receivables

were S\$4.1 million<sup>1</sup> 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.

#### **Non-current Liabilities**

Deferred tax liabilities decreased mainly due to the development property units that were progressively sold, thereby reducing the deferred tax liabilities recognized for the development properties and disposal of CPPL. 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 and when development properties are transferred to investment properties following the commencement of operating leases. Deposits from customers for sale of development properties pertained to those units not expected to be handed over within one year.

#### **Current Liabilities**

Financial liabilities decreased mainly due to net repayment of bank loan in the Golden City project, partially offset by an increase in shareholders' loans in the Golden City project. Trade and other payables, deposits from customers for sale of development properties and current tax payable decreased mainly due to the disposal of CPPL. Deposits from customers for sale of development properties also decreased due to reclassification to non-current for those units not expected to be handed over within one year.

#### **Equity**

The decrease in the equity component of the convertible loan reserve was mainly due to the setting off from the consideration of RMB 81 million (approximately S\$16.9 million) from the disposal of CPPL, the equivalent sum under the outstanding Convertible Loan ("CL") which has been classified 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 (Principal+Interest) 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 generated from operating activities was approximately S\$0.9 million for 3Q2018 mainly due to changes in working capital.

Net cash used in investing activities was S\$0.2 million for 3Q2018 mainly arising from purchase of property, plant and equipment.

Net cash used in financing activities was S\$1.0 million for 3Q2018 mainly due to the repayment of bank loans and shareholders' 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 2Q2018 Results Announcement dated 8 August 2018.

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<sup>1</sup> With reference to paragraphs 113 (a) and (b) under SFRS (I) 15 – Revenue from Contracts with Customers.

**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.

As part of the settlement deed in relation to the unauthorised withdrawals, disposal of Cedar Properties Pte Ltd ("CPPL") was completed on 15 March 2018, effectively divesting the Group's stake in its Daya Bay project.

Golden City Project

As at 30 September 2018, approximately US\$198.5 million (approximately S\$270.3 million) of gross development value comprising 557 units (752,900 square feet) of the Golden City project have been sold. Correspondingly, a total of 275 units have been recognised as revenue as at 30 September 2018. Revenue for the remaining 282 units sold is expected to be progressively recognised upon 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. While Phase 1's construction has already been completed, Phase 2 is expected to be completed in 4Q2018, following which work for Phase 3 and 4 will start in FY2019 and FY2020 respectively.

According to a Colliers International ("Colliers") quarterly review of the market for serviced apartments in Yangon, entry of foreign investments and growth of local businesses have led to a rise in expatriates over the past five years. While this has created a rental market with strong activity, some developers face constraints given the limited choice of decent quality apartments. Colliers highlighted that due to the rising demand from mid-level as well as single expatriates moving into the country, this group of tenants are underserved.

With a wide variety of one to three-bedroom apartments available for rent, the Group's Golden City project remains poised to ride on the growth of Myanmar's economy and capitalise on this influx of expatriates. The Colliers report also noted that many tenants are veering away from older serviced apartments and moving into newer projects equipped with basic facilities. Another source noted that the property market has developed considerably on the back of changing demand trends in recent years, where buyers look beyond location and price, but also take size, nearby amenities and resale value into consideration when making a purchase. Marketed as a mixed-use development, Golden City's various lifestyle amenities and strategic location in the affluent Yankin Township of Yangon, Myanmar is well-positioned to take advantage of the untapped demand in this market segment.

Colliers expects strong future demand for limited-service apartments that provide fewer facilities but are still considered good-quality accommodation. Supply-wise, stock of serviced apartments should remain limited until 4Q2018, while a doubling of total supply is expected in the next three years.

("Quarterly Review – Yangon | Service Apartment", Colliers International Quarterly Review, 24 August 2018)

("Buyers have the upper hand in beleaguered condo market", Myanmar Times, 10 September 2018)

Amid current real estate headwinds in the Myanmar property market, many developers remain pressured to stay afloat as property values have seen a 10 to 30 percent downtrend from 2014. In Mandalay for example, property prices have plunged by as much as 30 percent over the past five years. In response, local and joint venture companies are now diversifying across segments amid this weakening sentiment. For Golden City, this has meant expanding to include a four-storey office tower, the Golden City Business Centre, to attract large multinational corporations to its development and differentiate itself from the rest of the market.

Industry observers also believe that a key ingredient of a market turnaround is the civilian government's loosening of foreign investment regulations, which could prop up the decelerating property sector. It was noted at the recently held PropertyGuru Myanmar Property Awards – of which Golden City clinched four titles – that the updated Myanmar Investment Law and the new Companies Act should significantly improve the environment for business and investment in the country. The positive spillover effects of these regulations are also likely to benefit the Golden City project.

("Are Myanmar's real estate fortunes about to change?", PropertyGuru Property Report, 30 August 2018)

Despite positive economic developments in Myanmar and the recently enacted Condominium Law, foreigners remain largely absent from the local residential market. No condominium units have officially been sold to foreigners, as a condominium management committee has yet to be formed.

("Rising demand for home loans could stabilise property market", Myanmar Times, 23 October 2018)

On 22<sup>nd</sup> October 2018, ETC Singapore announced the signing of an agreement with globally renowned telecommunications equipment manufacturer, Huawei Technologies (Yangon) Co Ltd, to lease out 147 units from the Group's Golden City project. Pursuant to the agreement, the apartments will be leased out for an initial term of two years with an option to renew on the third for a total term of three years. Total rent over the three-year period will amount to USD7.7 million. The lease will commence on 1 June 2019 and expire on 31 May 2022, should the option for renewal in the third year be exercised.

**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**

Ang Mong Seng 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 3rd quarter ended 30 September 2018 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.**

No new proceeds have been raised in the quarter ended 30 September 2018.

**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

Ang Mong Seng  
Non-Executive Group Chairman

**BY ORDER OF THE BOARD**  
**8 Nov 2018**

**ETC SINGAPORE**  
**Company Registration No. 198003839Z**

*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.*

*The details of the contact person for the Sponsor is:*

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