



EMERGING TOWNS & CITIES SINGAPORE LTD.

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FOR IMMEDIATE RELEASE

ETC Singapore posts two-fold increase in net profit attributable to shareholders to S\$6.7million for FY2019, driven by rising rental income and fair value gains from flagship Golden City project

- Group continues to execute its two-pronged growth strategy of pursuing short-term development profits and long-term recurring income
- Management continues to prospect for suitable strategic investors that can value-add to the Group's operations and support its expansion into high-growth emerging markets

SINGAPORE, 27 February 2020 – Catalist-listed Emerging Towns & Cities Singapore Ltd (“ETC Singapore” or the “Company”, and together with its subsidiaries, the “Group”) has announced its financial results for the financial year ended 31 December 2019 (“FY2019”).

The Group posted revenue of S\$41.4 million for FY2019, attributable to the sale and recognition of 107 Golden City units worth S\$36.6 million, alongside recurring rental income from its investment properties. This represented a 33.6% year-on-year (“yoy”) decline in revenue due primarily to the nature of the industry that the Company operates in, as revenue for the sale of properties is only recognised when the project is handed over. Revenue for the remaining 88 Golden City units sold is expected to be progressively recognised upon handover.

The Group's two-pronged strategy of supplementing short-term development profits with long-term recurring income continues to gain traction, as evidenced by a 55.6% yoy rise in rental income for FY2019. This growth is mainly attributable to the Group's agreement with Huawei Technologies (Yangon) Co Ltd to lease out 147 residential apartments from the Golden City project.

Mr. Tan Thiam Hee, Executive Director and Group Chief Executive Officer of ETC Singapore, remarked, *“In spite of escalating trade tensions, weakening business sentiment and a slowing global economy in 2019, our flagship Golden City project performed fairly during the year. In particular, our two-pronged growth strategy of supplementing short-term development profits with long-term recurring income served us well during this period. As Myanmar's Condominium Management Committee continues to fine-tune the implementation of rules and proper registration systems for foreign ownership of property under the 2018 Condominium Law, more opportunities have been surfacing within the country's rental market instead. With approximately only 6,000 to 8,000 condominium units available for rent every year and about 100,000 foreigners living in Yangon¹, the rental market is likely to provide support for Golden City's rental properties before the Condominium by-laws come into play.”*

As a result of management's effective oversight of cost controls coupled with the divestment of the Daya Bay project, the Group registered a 29.2% yoy decrease in distribution expenses to S\$1.4 million for FY2019. Similarly, administrative expenses contracted 36.5% yoy to S\$5.2 million for FY2019.

¹ “Myanmar property developers look forward to 2020 after a difficult year”, Myanmar Times, 13 January 2020

Bolstered by fair value gain from the net transfer of 155 Golden City apartment units from development properties to investment properties, the Group recorded a two-fold increase in net profit attributable to shareholders of S\$6.7 million for FY2019.

Looking ahead, **Mr. Tan** added, “As a single asset company focused on Myanmar, we acknowledge the need to expand our footprint to other geographies so as to diversify our revenue streams. However, we are also mindful of the need to remain cautious and prudent in our assessment of prospective targets in view of an economic landscape of increasing uncertainty. Aligned with our efforts to maximise shareholder value, we will continue to prospect for suitable strategic investors that can value-add to the Group’s operations and support our expansion into other high-growth emerging markets.”

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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.

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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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