

THE PLACE HOLDINGS LIMITED

Quarterly Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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		(Unfav)
	6 months ended		
	30/6/2018	30/6/2017 Restated	
	\$'000	\$'000	%
Revenue	590	1,141	(48)
Cost of sales	(248)	(610)	59
Gross Profit	342	531	(36)
Gross profit margin	57.9%	46.6%	NM
Other income	-	11,056	(100)
Administrative expenses	(453)	(345)	(31)
Net finance income/(costs)	1,897	(632)	NM
Profit before tax	1,786	10,610	(83)
Tax expense	(73)	(181)	60
Profit/(Loss) after tax	1,713	10,429	(84)
Attributable to:			
Owners of the Company	1,713	10,429	(84)
Non-controlling interests	-*	-*	NM
	1,713	10,429	
Statement of comprehensive income			
Profit/(Loss) for the period	1,713	10,429	(84)
Other comprehensive income/(loss):			
<i>Item that may be reclassified to profit or loss:</i>			
Foreign currency translation differences of foreign operations	219	(675)	NM
Other comprehensive income/(loss) for the period, net of tax	219	(675)	
Total comprehensive income for the period	1,932	9,754	(80)
Total comprehensive income attributable to:			
Owners of the Company	1,932	9,754	(80)
Non-controlling interests	-*	-*	NM
Total comprehensive income for the period	1,932	9,754	(80)

* Less than \$1,000

NM: Not meaningful

Profit/(Loss) before income tax is arrived at after charging/(crediting) the following:

Gain on disposal of discontinued operations	-	(11,056)
Interest income	(679)	(89)
Net foreign exchange (gain)/loss	(1,219)	721

Group		Fav/ (Unfav)
3 months ended		
30/6/2018	30/6/2017 Restated	
\$'000	\$'000	
		%
295	384	(23)
(134)	(125)	(7)
161	259	(38)
54.7%	67.4%	NM
-	-	-
(222)	(146)	(52)
2,632	(80)	NM
2,571	33	NM
-	(89)	100
2,571	(56)	NM
2,571	(56)	NM
2,571	(56)	NM
2,571	(56)	NM
2,571	(56)	NM
(309)	168	NM
(309)	168	NM
2,262	112	NM
2,262	112	NM
2,262	112	NM

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.

Statements of Financial Position

	Group		Company	
	As at 30/06/2018	As at 31/12/2017 Restated	As at 30/06/2018	As at 31/12/2017 Restated
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	10	12	9	11
Investment in subsidiaries	-	-	58,065	58,065
	10	12	58,074	58,076
Current assets				
Trade and other receivables	4,351	3,952	3,745	3,762
Cash and cash equivalents	90,066	88,484	29,823	32,959
	94,417	92,436	33,568	36,721
Total assets	94,427	92,448	91,642	94,797
Equity				
Share capital	149,845	149,845	149,845	149,845
Reserves	(60)	(318)	-	-
Accumulated losses	(55,989)	(57,701)	(58,425)	(58,980)
Equity attributable to owners of the Company	93,796	91,826	91,420	90,865
Non-controlling interests	- *	- *	-	-
Total equity	93,796	91,826	91,420	90,865
Current liabilities				
Trade and other payables	614	455	222	3,932
Current tax liabilities	17	167	-	-
	631	622	222	3,932
Total liabilities	631	622	222	3,932
Total equity and liabilities	94,427	92,448	91,642	94,797

* Less than \$1,000

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

Amount repayable in one year or less, or on demand

As at 30/06/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

The amount repayable after one year

As at 30/06/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

Details of any collaterals

None.

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

Cash Flow Statement for six months financial period ended 30 June

	Group		Group	
	6 months ended		3 months ended	
	30/6/2018	30/6/2017 Restated	30/6/2018	30/6/2017 Restated
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:				
Profit/(Loss) before tax	1,786	10,610	2,464	(71)
Adjustments for:				
Depreciation of plant and equipment	2	-	1	-
Interest income	(679)	(89)	(416)	(85)
Gain on disposal of discontinued operations	-	(11,056)	-	(1)
Unrealised net foreign exchange (loss)/gain	(1,219)	721	(2,217)	166
	(110)	186	(168)	9
Changes in:				
- Trade and other receivables	(399)	(22)	79	(42)
- Inventories	-	40	-	40
- Trade and other payables	159	(21)	397	(35)
Cash (used in)/generated from operations	(350)	183	308	(28)
Interest received	679	3	516	-
Interest expense paid	-	-	-	-
Tax paid	(223)	(148)	(69)	(148)
Net cash generated from/(used in) operating activities	106	38	755	(176)
Cash flows from investing activities:				
Payments on disposal of discontinued operations, net of cash disposed	-	(11,040)	-	-
Acquisition of a subsidiary, net of cash acquired	-	(6)	-	-
Loan to a third party	-	(2,035)	-	(2,035)
Net cash used in investing activities	-	(13,081)	-	(2,035)
Net increase/(decrease) in cash and cash equivalents	106	(13,043)	755	(2,211)
Cash and cash equivalents at beginning of the period	88,484	57,087	87,404	44,751
Effect of exchange rate fluctuations on cash held	1,476	(1,397)	1,907	107
Cash and cash equivalents at end of the period	90,066	42,647	90,066	42,647

1(d)(i) A statement for the issuer and the group together with a comparative statement for the corresponding year of the immediately preceding financial year.

Statement of Changes in Equity for the six months financial period ended 30 June

	Share capital \$'000	Foreign currency translation reserve \$'000	Statutory reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Group							
At 1 April 2017, as previously stated	101,127	(843)	-	(55,938)	44,346	-*	44,346
Apportionment of cost of sales to 1Q17 [#]	-	-	-	(104)	(104)	-	(104)
At 1 April 2017, as restated	101,127	(843)	-	(56,042)	44,242	-*	44,242
Total comprehensive income for the period							
Profit for the period, as previously stated	-	-	-	47	47	-*	47
Apportionment of cost of sales to 2Q17 [#]	-	-	-	(103)	(103)	-	(103)
Loss for the period, as restated	-	-	-	(56)	(56)	-*	(56)
Other comprehensive income							
Foreign currency translation difference of foreign operations	-	168	-	-	168	-	168
Total other comprehensive income for the period	-	168	-	-	168	-	168
Total comprehensive income for the period, as restated	-	168	-	47	215	-*	215
At 30 June 2017, as restated	101,127	(675)	-	(55,995)	44,457	-*	44,457
At 1 April 2018, as previously stated	149,845	88	161	(58,451)	91,643	-*	91,643
Apportionment of cost of sales to 1Q18 [#]	-	-	-	(109)	(109)	-	(109)
At 1 April 2018, as restated	149,845	88	161	(58,560)	91,534	-*	91,534
Total comprehensive income for the period							
Loss for the period	-	-	-	2,571	2,571	-*	2,571
Other comprehensive income							
Foreign currency translation difference of foreign operations	-	(309)	-	-	(309)	-	(309)
Total other comprehensive income for the period	-	(309)	-	-	(309)	-	(309)
Total comprehensive income for the period	-	(309)	-	2,571	2,262	-*	2,262
At 30 June 2018	149,845	(221)	161	(55,989)	93,796	-*	93,796

* Less than \$1,000

[#] Apportionment of cost of sales pertains to cost of sales arising from management agreement with Beijing Aozhong Xingye Real Estate Development Co., Ltd ("BJ Aozhong Real Estate") which the revenue is recognised on quarterly basis. The restating of cost of sales is to better match against its revenue as the cost of sales were only recognised at year end previously.

1(d)(i) A statement for the issuer and the group together with a comparative statement for the corresponding year of the immediately preceding financial year.

Statement of Changes in Equity for the six months financial period ended 30 June

	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
<u>Company</u>			
At 1 April 2017	101,127	(56,747)	44,380
Loss and total comprehensive income for the period	-	(248)	(248)
At 30 June 2017	101,127	(56,995)	44,132
At 1 April 2018	149,845	(59,554)	90,291
Profit and total comprehensive income for the period	-	1,129	1,129
At 30 June 2018	149,845	(58,425)	91,420

- 1(d)(ii) Details of any changes in the company's share capital arising from rights 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

During the 6 months financial period ended 30 June 2018 ("2Q18"), The Place Holdings Limited (the "Company") did not issued any shares.

- 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 the end of the immediately preceding year.

	As at 30/06/2018	As at 31/12/2017
The total number of issued shares excluding treasury shares	5,880,654,539	5,880,654,539

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

Not applicable.

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.

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

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) (SFRS(I)). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018. The financial information of the Company and its subsidiaries (the "Group") for 2Q18 is prepared in accordance with SFRS(I). As a result, the audited financial statements for the year ended 31 December 2017 ("FY17") was the last set of financial statements prepared under the previous Financial Reporting Standards in Singapore ("SFRS").

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 effect, of the change.

In adopting the new framework, the Group has applied the specific transition requirements in SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards* ("SFRS(I) 1"). In addition to the adoption of the new framework, the Group has adopted all the new SFRS(I)s, amendments to and interpretations of SFRS(I) that are relevant to its operations and effective for annual periods beginning on 1 January 2018.

The Group has applied SFRS(I) 1 with 1 January 2017 as the date of transition for the Group. The adoption of the new framework, SFRS(I)s, amendments to and interpretations of SFRS(I) does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for current period or prior years except for SFRS(I) 1.

On 1 January 2018, The Group elected the optional exemption in SFRS(I) 1 to reset its cumulative foreign currency translation reserve ("FCTR") for all foreign operations to nil at the date of transition, and reclassified the cumulative FCTR of \$6,320,000 as at 1 January 2017 determined in accordance with SFRS at that date to accumulated losses. Accordingly, the cumulative FCTR decreased by \$6,320,000 and accumulated losses increased by the same amount as at 1 January 2017. For the 6 months financial period ended 30 June 2017 ("2Q17"), the gain on disposal of discontinued operations recognised as "other income" increased by \$8,716,000 and other comprehensive income decreased by the same amount.

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

	Group		Group	
	6 months ended		3 months ended	
	30/6/2018	30/6/2017	30/6/2018	30/6/2017
Earnings/(Loss) per ordinary share for the period based on net profit/(loss) for the period:		Restated		Restated
(i) Based on the weighted average number of ordinary shares in issue (cts); and	0.03	0.33	0.04	(#)
Weighted average number of shares	5,880,655	3,120,000	5,880,654,539	3,120,000,000
(ii) On a fully diluted basis (cts)	0.03	0.33	0.04	(#)
Weighted average number of shares	5,880,655	3,120,000	5,880,654,539	3,120,000,000

Less than 0.01 cents

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

	Group		Company	
	As at 30/06/2018	As at 31/12/2017	As at 30/06/2018	As at 31/12/2017
Net foreign exchange (gain)/loss				
Net asset value per ordinary share (cts)	1.59	1.56	1.55	1.55
Number of shares	5,880,654,539	5,880,654,539	5,880,654,539	5,880,654,539

8. Review of the Group's performance

INCOME STATEMENT

Revenue and Profitability

The Group's revenue for 2Q18 comprises revenue from provision of management services to BJ Aozhong Real Estate of \$0.3 million (2Q17: \$0.4 million). Management of cultural events and activities is non-recurring and the Group did not secure any non-recurring contract in 2Q18.

The Group's gross profit margin ("GPM") in 2Q18 decreased to 54.7% from 67.4% in 2Q17, largely due to the absence of revenue from management of cultural events and activities which had a higher GPM.

Other Income

The Group did not recognised any other income in 2Q18 and 2Q17.

Expenses

Administrative Expenses

Administrative expenses remained relatively stable in 2Q18 as compared to 2Q17. They mainly comprise professional fees, staff salary, accrual of directors' fees, and other administrative expenses.

Net Finance Income/(Costs)

The Group's net finance income for 2Q18 comprise net foreign exchange gain of \$2.2 million (2Q17: loss of \$0.1 million) and interest income of \$0.4 million (2Q17: \$82,000). The strengthening of United States Dollars ("USD") against Singapore Dollars ("SGD") on the USD denominated cash and cash equivalents held during 2Q18 has resulted in an unrealised exchange gain of \$2.2 million.

The Group's interest income of \$0.4 million for 2Q18 arises from placing of unutilised cash into fixed deposits and loan to a third party.

STATEMENTS OF FINANCIAL POSITION

The Group's trade and other receivables mainly comprise prepayment, interest receivables and loan to a third party. Loan to a third party amounting to \$3.6 million is secured by corporate guarantee from a company controlled by certain directors of the Company, bears interest at 8% per annum and is fully repayable in December 2018. The increase in trade and other receivables by \$0.4 million as at 30 June 2018 is mainly due to the accrued interest receivables arising from the fixed deposit placements and loan to a third party as well as prepaid management fee to a fund management company of a subsidiary, Xinghuironghui (Tianjin) Equity Investment Partnership (Limited) ("Xinghuironghui") during 1Q18.

The Group's trade and other payables mainly comprise accrual of directors' fees, professional fees and other administrative expenses. Trade and other payables increased by \$0.1 million as at 30 June 2018 (31 December 2017: \$0.5 million) mainly due to the accrual of cost arising from provision of management services to BJ Aozhong Real Estate for the half year ended 30 June 2018.

The Group's current tax liabilities as at 30 June 2018 decreased to \$17,000 as compared to \$0.2 million as at 31 December 2017 mainly due to payment of income tax in 1H18.

CASH FLOW STATEMENT

For 2Q18, cash flow generated from operating activities of \$755,000 were mainly due to delay in settlement of payables, coupled with interest receipt of \$516,000.

For 2Q18, there are no movement in cash flow used in investing and financing activities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was disclosed to shareholders previously.

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

Subsequent to the Announcement on the Proposed Subscription into Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd made on 8 November 2017, the Group is currently seeking Singapore Exchange Securities Trading Limited ("SGX-ST")'s clearance on the Circular. Upon SGX-ST clearance, the Group will convene an Extraordinary General Meeting to seek shareholders' approval.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

None

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

None

11(c) Date payable

Not applicable

11(d) Books closure date

Not applicable

12. If no dividend has been declared/ recommended, a statement to that effect.

No dividend has been declared for 2Q18.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.

Not applicable

15. A breakdown of sales as follows:

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable

17. Interested party transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the SGX-ST.

During 2Q18, there were related parties transactions based on terms agreed between the parties as follows:-

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
BJ Aozhong Real Estate	\$589,000	-

The Company acquired Beijing Vast Universe Culture Communication Co., Ltd ("BJ Vast Universe") on 3 January 2017. Prior to the Company's acquisition of BJ Vast Universe, BJ Vast Universe had already entered into a management agreement with BJ Aozhong Real Estate, a company which is controlled by certain directors of the Company.

Under the said management agreement, BJ Vast Universe will manage certain assets of BJ Aozhong Real Estate, including the landmark LED screen located at The Place, Beijing, and earn a fixed management fee of RMB6 million (equivalent to approximately \$1.2 million) annually, coupled with profit sharing arrangement, with BJ Aozhong Real Estate in respect of the assets being managed.

No announcement had been made in respect of the management agreement as it was in place prior to the Company's acquisition of BJ Vast Universe.

Except for the above, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or the Company during 2Q18.

18. Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to its attention which may render the unaudited financial information for 2Q18 to be false or misleading in any material aspect.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

We confirmed that the Company has procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman
8 August 2018