

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		Fav/ (Unfav)
	3 months ended		
	31/03/2018	31/03/2017 Restated	
	\$'000	\$'000	
			%
Revenue	295	757	(61)
Cost of sales	(6)	(381)	98
Gross profit	289	376	(23)
Gross profit margin	98.0%	49.7%	NM
Other income	-	11,056	(100)
Administrative expenses	(232)	(200)	(16)
Results from operating activities	57	11,232	(99)
Net finance costs	(735)	(552)	(33)
(Loss)/Profit before tax	(678)	10,680	NM
Tax expense	(72)	(92)	22
(Loss)/Profit after tax	(750)	10,588	NM
Attributable to:			
Owners of the Company	(750)	10,588	NM
Non-controlling interests	-*	-*	NM
	(750)	10,588	NM
Statement of comprehensive income			
(Loss)/Profit for the period	(750)	10,588	NM
Other comprehensive income/(loss):			
Item that may be reclassified to profit or loss:			
Foreign currency translation differences of foreign operations	567	(843)	NM
Other comprehensive income/(loss) for the period, net of tax	567	(843)	NM
Total comprehensive (loss)/income for the period	(183)	9,745	NM
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(183)	9,745	NM
Non-controlling interests	-*	-*	NM
	(183)	9,745	NM
Total comprehensive (loss)/income for the period	(183)	9,745	NM

* Less than \$1,000

NM: Not meaningful

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

Gain on disposal of discontinued operations	-	(11,056)
Interest income	(263)	(4)
Net foreign exchange loss	998	556

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 31/03/2018	As at 31/12/2017 Restated	As at 31/03/2018	As at 31/12/2017 Restated
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Plant and equipment	11	12	10	11
Investment in subsidiaries	-	-	58,065	58,065
	11	12	58,075	58,076
Current assets				
Trade and other receivables	4,530	3,952	3,872	3,762
Cash and cash equivalents	87,404	88,484	28,513	32,959
	91,934	92,436	32,385	36,721
Total assets	91,945	92,448	90,460	94,797
Equity				
Share capital	149,845	149,845	149,845	149,845
Reserves	249	(318)	-	-
Accumulated losses	(58,451)	(57,701)	(59,554)	(58,980)
Equity attributable to owners of the Company	91,643	91,826	90,291	90,865
Non-controlling interests	- *	- *	-	-
Total equity	91,643	91,826	90,291	90,865
Current liabilities				
Trade and other payables	217	455	169	3,932
Current tax liabilities	85	167	-	-
	302	622	169	3,932
Total liabilities	302	622	169	3,932
Total equity and liabilities	91,945	92,448	90,460	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 31/03/2018		As at 31/12/2017	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
	-	-	-	-

The amount repayable after one year	As at 31/03/2018		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 three months financial period ended 31 March

Cash flows from operating activities:

(Loss)/Profit before tax

Adjustments for:

Depreciation of plant and equipment

Interest income

Gain on disposal of discontinued operations

Unrealised foreign exchange loss (net)

Changes in:

- Trade and other receivables

- Trade and other payables

Cash (used in) generated from operations

Interest received

Tax paid

Net cash (used in) from operating activities

Cash flows from investing activities:

Payments on disposal of discontinued operations, net of cash disposed

Acquisition of a subsidiary, net of cash acquired

Net cash used in investing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the period

Effect of exchange rate fluctuations on cash held

Cash and cash equivalents at end of the period

Group	
3 months ended	
31/03/2018	31/03/2017
	Restated
\$'000	\$'000
(678)	10,680
1	-
(263)	(4)
-	(11,056)
998	556
58	176
(478)	20
(238)	14
(658)	210
163	3
(154)	-
(649)	213
-	(11,040)
-	(6)
-	(11,046)
(649)	(10,833)
88,484	57,087
(431)	(1,503)
87,404	44,751

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 three months financial period ended 31 March

	Share capital \$'000	foreign currency translation reserve \$'000	Legal reserve \$'000	Statutory reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Group									
At 1 January 2017, as previously stated	101,127	(6,320)	2,834	5,078	(16,472)	(51,646)	34,601	-	34,601
Impact of adoption of Singapore Financial Reporting Standards (International) 1 <i>First-time Adoption of Singapore Financial Reporting Standards (International)</i> (SFRS(I) 1)	-	6,320	-	-	-	(6,320)	-	-	-
At 1 January 2017, as restated	101,127	-	2,834	5,078	(16,472)	(57,966)	34,601	-	34,601
Total comprehensive income for the period									
Profit for the period, as previously stated	-	-	-	-	-	1,872	1,872	-*	1,872
Impact of adoption of SFRS(I) 1	-	-	-	-	-	8,716	8,716	-	8,716
Profit for the period, as restated	-	-	-	-	-	10,588	10,588	-*	10,588
Other comprehensive income									
Foreign currency translation difference of foreign operations	-	(843)	-	-	-	-	(843)	-	(843)
Transfer of reserves to retained earnings upon disposal of foreign operations	-	-	(2,834)	(5,078)	16,472	(8,560)	-	-	-
Total other comprehensive income for the period	-	(843)	(2,834)	(5,078)	16,472	(8,560)	(843)	-	(843)
Total comprehensive income for the period, as restated	-	(843)	(2,834)	(5,078)	16,472	2,028	9,745	-*	9,745
At 31 March 2017	101,127	(843)	-	-	-	(55,938)	44,346	-*	44,346
At 1 January 2018, as previously stated	149,845	1,917	-	161	-	(60,097)	91,826	-*	91,826
Impact of adoption of SFRS(I) 1**	-	(2,396)	-	-	-	2,396	-	-	-
At 1 January 2018, as restated	149,845	(479)	-	161	-	(57,701)	91,826	-*	91,826
Total comprehensive loss for the period:									
Loss for the period	-	-	-	-	-	(750)	(750)	-*	(750)
Other comprehensive income									
Foreign currency translation difference of foreign operations	-	567	-	-	-	-	567	-	567
Total other comprehensive income for the period	-	567	-	-	-	-	567	-	567
Total comprehensive loss for the period	-	567	-	-	-	(750)	(183)	-*	(183)
At 31 March 2018	149,845	88	-	161	-	(58,451)	91,643	-*	91,643

* Less than \$1,000

** Relates to cumulative foreign currency translation reserve ("FCTR") as at 1 January 2017 of \$6,320,000 and after deducting FCTR relating to discontinued operations of \$8,716,000

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 three months financial period ended 31 March

<u>Company</u>	Share capital \$'000	foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2017, as previously stated	101,127	1,869	(57,881)	45,115
Impact of adoption of SFRS(I) 1	-	(1,869)	1,869	-
At 1 January 2017, as restated	101,127	-	(56,012)	45,115
Loss and total comprehensive loss for the period	-	-	(735)	(735)
At 31 March 2017	101,127	-	(56,747)	44,380
At 1 January 2018, as previously stated	149,845	1,869	(60,849)	90,865
Impact of adoption of SFRS(I) 1	-	(1,869)	1,869	-
At 1 January 2018, as restated	149,845	-	(58,980)	90,865
Loss and total comprehensive loss for the period	-	-	(574)	(574)
At 31 March 2018	149,845	-	(59,554)	90,291

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 3 months financial period ended 31 March 2018 ("1Q18"), 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 31/03/2018	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 1Q18 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 3 months financial period ended 31 March 2017 ("1Q17"), 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.

(Loss)/Earnings per ordinary share for the period based on net (loss)/profit for the period:

(i) Based on the weighted average number of ordinary shares in issue (cts); and
Weighted average number of shares

(ii) On a fully diluted basis (cts)
Weighted average number of shares

Group	
3 months ended	
31/03/2018	31/03/2017
	Restated
(0.01)	0.34
5,880,654,539	3,120,000,000
(0.01)	0.34
5,880,654,539	3,120,000,000

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 31/03/2018	As at 31/12/2017	As at 31/03/2018	As at 31/12/2017
Net asset value per ordinary share (cts)	1.56	1.56	1.54	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 1Q18 comprises revenue from provision of management services to Beijing Aozhong Xingye Real Estate Development Co., Ltd ("BJ Aozhong Real Estate") of \$0.3 million (1Q17: \$0.3 million). Management of cultural events and activities is non-recurring and the Group did not secure any non-recurring contract in 1Q18.

The Group's gross profit margin ("GPM") in 1Q18 increased to 98.0% from 49.7% in 1Q17, largely due to the absence of revenue from management of cultural events and activities which had a lower GPM.

Other Income

The Group's other income for 1Q17 is \$11.1 million which pertained to gain on disposal of discontinued operations on 3 January 2017 of \$11.1 million. The Group did not recognised any other income in 1Q18.

Expenses

Administrative Expenses

Administrative expenses remained stable in 1Q18 as compared to 1Q17. They mainly comprise professional fees, staff salary, accrual of directors' fees, and other administrative expenses.

Net Finance Costs

The Group's net finance costs for 1Q18 comprise net foreign exchange loss of \$1.0 million (1Q17: \$0.6 million), partially offsetted by interest income of \$0.3 million (1Q17: \$4,000). The weakening of United States Dollars ("USD") against Singapore Dollars ("SGD") on the USD denominated cash and cash equivalents held during 1Q18 has resulted in an unrealised exchange loss of \$1.0 million. Management will continue to manage its foreign currency risk exposure within acceptance parameters.

The Group's interest income of \$0.3 million for 1Q18 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 \$0.5 million as at 31 March 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").

The Group's trade and other payables mainly comprise accrual of directors' fees, professional fees and other administrative expenses. Trade and other payables decreased to \$0.2 million as at 31 March 2018 (31 December 2017: \$0.5 million) mainly due to the payment of directors' fee and other professional fees.

The Group's current tax liabilities as at 31 March 2018 decreased to \$0.1 million as compared to \$0.2 million as at 31 December 2017 mainly due to payment of income tax in 1Q18.

CASH FLOW STATEMENT

For 1Q18, cash flow used in operating activities of \$650,000 were mainly due to lower revenue in 1Q18, coupled with the prepaid management fee to a fund management company of Xinghuironghui and more prompt settlement of payables.

For 1Q18, 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 call for an Extraordinary General Meeting asking for shareholders' approval.

The Company refers to the previous Announcement, in which it was disclosed that the SGX-ST has granted the Company till 4 April 2018 to meet the requirements of the Financial Exit Criteria so as to exit the Watch-List. A follow-up application to exit the Watch-List has been made to the SGX-ST recently, pursuant to which the Group's audited consolidated financial statements for FY17 have been provided to SGX-ST. SGX-ST has acknowledged receipt of the application and is currently assessing the case.

Shareholders are advised to exercise caution in trading their shares. The Company will make the necessary announcements when there are further developments.

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 1Q18.

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 1Q18, 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)
Beijing Aozhongxingye Real Estate Development Co., Ltd ("BJ Aozhong Real Estate")	\$295,000	-

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 1Q18.

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 1Q18 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
14 May 2018