

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)		
	9 months ended		(Unfav) %			
	9/30/2017 \$'000	9/30/2016 \$'000				
<b>Continuing Operations</b>						
Revenue	1,840	-	NM	699	-	NM
Cost of services and sales	(642)	-	-	(239)	-	-
Gross profit	1,198	-	NM	460	-	NM
Gross margin	65%	0%	NM	66%	0%	NM
Other income (including interest income)	2,617	-	NM	192	-	NM
Administrative expenses	(705)	-	-	(360)	-	-
Other expenses	(1,744)	-	-	(1,027)	-	-
Profit from operations	1,366	-	NM	(735)	-	-
Finance costs	-	-	-	-	-	-
Profit before income tax	1,366	-	NM	(735)	-	-
Income tax expense	(302)	-	-	(121)	-	-
Net profit for the period from continuing operations	1,064	-	NM	(856)	-	-
<b>Discontinued Operations</b>						
Loss for the period from discontinued operations	-	(12,575)	NM	-	(5,895)	NM
Profit / (Loss) for the period	1,064	(12,575)		(856)	(5,895)	
Attributable to:						
Equity holders of the company	1,064	(11,130)	NM	(856)	(5,068)	83.11
Non-controlling interests	-	(1,445)	NM	-	(827)	100.00
	1,064	(12,575)		(856)	(5,895)	85.48
<b>Statement of comprehensive income</b>						
Net profit (loss) for the period	1,064	(12,575)	NM	(856)	(5,895)	85.48
<b>Other comprehensive income:</b>						
Items that are or may be reclassified subsequently to profit or loss:						
Foreign currency translation differences on disposal of foreign operations reclassified to profit & loss	8,716	-		-	-	
Foreign currency translation differences	(585)	138	NM	90	186	(51.61)
Other comprehensive income / (loss) for the period	8,131	138		90	186	(51.61)
Total comprehensive income / (loss) for the period	9,195	(12,437)	NM	(766)	(5,709)	86.58
Total comprehensive income / (loss) attributable to:						
Equity holders of the company	9,195	(10,377)	NM	(766)	(4,957)	84.54
Non-controlling interests	-	(2,060)	100	-	(752)	100.00
	9,195	(12,437)	NM	(766)	(5,709)	86.58

NM: Not meaningful

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

Depreciation of property, plant and equipment	-	3,585	-	428
Amortisation of land use rights	-	66	-	22
Reversal of provision for inventory obsolescence	-	777	-	777
Gain on disposal of discontinued operations	(2,339)	(27)	-	-
Interest income	(277)	(16)	(191)	(4)
Interest expense	-	838	-	275
Net foreign exchange (gain) / loss				
- Realised	(106)	16	(102)	8
- Unrealised	1,850	1,292	1,129	555

- 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**

**Non-current assets**

Investment in subsidiaries  
Property, plant and equipment  
Goodwill  
Total non-current assets

**Current assets**

Loan and other receivables  
Cash and cash equivalents  
Assets classified as held for sale  
Total current assets

**Total assets**

**Current liabilities**

Trade and other payables  
Income tax payable  
Liabilities classified as held for sale  
Total current liabilities

**Capital, reserves and non-controlling interests**

Share capital  
Reserves  
Equity attributable to equity holders of the Company  
Non-controlling interests  
Total equity

**Total liabilities and equity**

Group		Company	
As at 30/9/2017	As at 31/12/2016	As at 30/9/2017	As at 31/12/2016
\$'000	\$'000	\$'000	\$'000
-	-	30,000	30,000
13	-	12	-
87	-	-	-
100	-	30,012	30,000
12	-	100	-
88,008	46,047	56,759	15,504
-	62,684	-	-
88,020	108,731	56,859	15,504
88,120	108,731	86,871	45,504
472	324	308	389
170	67	-	-
-	73,739	-	-
642	74,130	308	389
144,809	100,287	144,809	100,287
(57,331)	(65,686)	(58,246)	(55,172)
87,478	34,601	86,563	45,115
-	-	-	-
87,478	34,601	86,563	45,115
88,120	108,731	86,871	45,504

- 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 30/9/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

The amount repayable after one year

As at 30/9/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

**Details of any collaterals**

None.

1 (c) **Cash Flow Statement for period ended 30 September**

**Operating Activities:**

Profit / (Loss) before income tax:

Adjustments for:-

Amortisation of land use rights

Depreciation of property, plant and equipment

Interest income

Interest expense

Gain on disposal of discontinued operations

Reversal of provision for inventory obsolescence

Unrealised foreign exchange loss

Operating gain / (loss) before working capital changes

Changes in working capital:-

Trade receivables

Other receivables and prepayments

Inventories

Trade and other payables

Cash generated from / (used in) operations

Interest income received

Interest expense paid

Income tax paid

**Cash flows generated from / (used in) operating activities**

**Investing Activities:**

Acquisition of subsidiary, net of cash acquired

Decrease in investment in structured deposits

Payments on disposal of discontinued operations, net of cash and cash equivalents disposed of

Proceeds on disposal of property, plant and equipment

Purchase of property, plant and equipment

**Cash flows generated from investing activities**

**Financing Activities:**

Decrease in restricted cash

Issue of share capital

Loans from shareholders

Proceeds from bank borrowings

Repayment of bank loans

Repayment to shareholders

**Cash flows generated from / (used in) financing activities**

**Net increase / (decrease) in cash and cash equivalents**

Cash and cash equivalents at beginning of period

Cash and cash equivalents of subsidiaries reclassified as held for sale

Effect of exchange rate changes on the balances of cash held in foreign currencies

**Cash and cash equivalents at end of period**

Group	
9 months ended	
9/30/2017	9/30/2016
\$'000	\$'000
1,366	(12,575)
-	66
-	3,585
(277)	(16)
-	838
(2,339)	(27)
-	777
1,850	1,308
600	(6,044)
21	(5,267)
(12)	(191)
-	(44)
63	1,111
672	(10,435)
277	16
-	(838)
(198)	-
<b>751</b>	<b>(11,257)</b>
(25)	-
-	8,033
(16,451)	-
-	174
(12)	(53)
<b>(16,488)</b>	<b>8,154</b>
-	1,715
43,682	-
-	1,612
-	11,337
-	(13,054)
-	(466)
<b>43,682</b>	<b>1,144</b>
<b>27,945</b>	<b>(1,959)</b>
46,047	6,355
16,451	-
(2,435)	(58)
<b>88,008</b>	<b>4,338</b>

Group	
3 months ended	
9/30/2017	9/30/2016
\$'000	\$'000
(735)	(5,895)
-	22
-	428
(191)	(4)
-	275
-	-
-	777
1,129	563
203	(3,834)
44	(4,656)
(52)	1,966
-	24
84	3,165
279	(3,335)
277	4
-	(275)
(50)	-
<b>506</b>	<b>(3,606)</b>
-	-
-	3,993
-	-
-	(1)
(12)	964
<b>(12)</b>	<b>4,956</b>
-	(1)
43,682	-
-	1,006
-	4,553
-	(6,075)
-	(3)
<b>43,682</b>	<b>(521)</b>
<b>44,176</b>	<b>829</b>
44,870	3,492
-	-
(1,038)	16
<b>88,008</b>	<b>4,338</b>

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

Statement of Changes in Equity for the financial period ended 30 September

	Share capital \$'000	Currency translation reserves \$'000	Statutory reserves \$'000	Other reserves \$'000	Accumulated losses \$'000	Total attributable to equity holders of the company \$'000	Non-controlling interests \$'000	Total \$'000
<b>Group</b>								
<b>At 1 July 2016</b>	56,127	(7,487)	7,912	(2,993)	(56,480)	(2,921)	3,346	425
<u>Total comprehensive income for the period:</u>								
Loss for the period	-	-	-	-	(5,068)	(5,068)	(827)	(5,895)
Other comprehensive income for the period	-	111	-	-	-	111	75	186
Total	-	111	-	-	(5,068)	(4,957)	(752)	(5,709)
<b>At 30 September 2016</b>	<b>56,127</b>	<b>(7,376)</b>	<b>7,912</b>	<b>(2,993)</b>	<b>(61,548)</b>	<b>(7,878)</b>	<b>2,594</b>	<b>(5,284)</b>
<b>At 1 July 2017</b>	101,127	1,721	-	-	(58,286)	44,562	-	44,562
Issue of share capital, net of transaction costs	43,682	-	-	-	-	43,682	-	43,682
<u>Total comprehensive income for the period:</u>								
Loss for the period	-	-	-	-	(856)	(856)	-	(856)
Other comprehensive income for the period	-	90	-	-	-	90	-	90
Total	-	90	-	-	(856)	(766)	-	(766)
<b>At 30 September 2017</b>	<b>144,809</b>	<b>1,811</b>	<b>-</b>	<b>-</b>	<b>(59,142)</b>	<b>87,478</b>	<b>-</b>	<b>87,478</b>
<b>Company</b>								
<b>At 1 July 2016</b>	56,127	1,891	-	-	(60,131)	(2,113)	-	(2,113)
<u>Total comprehensive income for the period:</u>								
Loss for the period	-	-	-	-	(604)	(604)	-	(604)
Other comprehensive loss for the period	-	(25)	-	-	-	(25)	-	(25)
Total	-	(25)	-	-	(604)	(629)	-	(629)
<b>At 30 September 2016</b>	<b>56,127</b>	<b>1,866</b>	<b>-</b>	<b>-</b>	<b>(60,735)</b>	<b>(2,742)</b>	<b>-</b>	<b>(2,742)</b>
<b>At 1 July 2017</b>	101,127	1,868	-	-	(58,863)	44,132	-	44,132
Issue of share capital, net of transaction costs	43,682	-	-	-	-	43,682	-	43,682
<u>Total comprehensive income for the period:</u>								
Loss for the period	-	-	-	-	(1,251)	(1,251)	-	(1,251)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total	-	-	-	-	(1,251)	(1,251)	-	(1,251)
<b>At 30 September 2017</b>	<b>144,809</b>	<b>1,868</b>	<b>-</b>	<b>-</b>	<b>(60,114)</b>	<b>86,563</b>	<b>-</b>	<b>86,563</b>

- 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.**

On 4 July 2017, pursuant to Subscription Agreement dated on 11 December 2015, the Company issued and allotted (i) 2,426,759,333 Shares, being the Tranche 2 New Shares, to the Subscriber; and (ii) 48,535,186 Shares, being the Tranche 2 Introducer Shares, to the Introducer. After issuance of shares on 4 July 2017, the total number of issued shares is 5,595,294,519.

- 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 30/9/2017	As at 31/12/2016
The total number of issued shares excluding treasury shares	5,595,294,519	3,120,000,000

- 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.**

Except as disclosed in paragraph 5, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the audit financial statements for the financial year ended 31 December 2016.

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.**

The Group has adopted the same accounting policies and methods of computation for the current year consistent with those of the audited financial statements for the year ended 31 December 2016. In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2016.

The adoption of these new and revised FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

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 9 months ended		Group 3 months ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
<b>From Continuing operations</b>				
Earnings (Loss) per ordinary share for the year based on net profit/(loss) for the year:				
(i) Based on the weighted average number of ordinary shares in issue (cts); and	0.03	-	(0.02)	-
Weighted average number of shares	3,945,098,173	570,000,000	3,945,098,173	570,000,000
(ii) On a fully diluted basis (cts)	0.03	-	(0.02)	-
Weighted average number of shares	3,945,098,173	570,000,000	3,945,098,173	570,000,000
<b>From Discontinued operations</b>				
Earnings per ordinary share for the year based on net profit/(loss) for the year:				
(i) Based on the weighted average number of ordinary shares in issue (cts); and	-*	(1.95)	-*	(0.89)
Weighted average number of shares	3,945,098,173	570,000,000	3,945,098,173	570,000,000
(ii) On a fully diluted basis (cts)	-*	(1.95)	-*	(0.89)
Weighted average number of shares	3,945,098,173	570,000,000	3,945,098,173	570,000,000

\* Discontinued operation was disposed on 3 January 2017

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 30/9/2017	As at 31/12/2016	As at 30/9/2017	As at 31/12/2016
Net asset value per ordinary share (cts)	1.56	1.11	1.55	1.45
Number of shares	5,595,294,519	3,120,000,000	5,595,294,519	3,120,000,000

## 8. Review of the Group's performance

### INCOME STATEMENT

*Due to a total change market industry from 1 January 2017 onwards, the Group's performance review will not make reference to corresponding period of prior year.*

#### Revenue and Profitability

Revenue for the nine months ended 30 September 2017 ("YTD17") comprised revenue from management of cultural events and activities of \$923,000 and provision of management services to BJ Aozhong Real Estate for \$917,000.

Revenue for the three months ended 30 September 2017 ("3Q17") comprised revenue from management of cultural events and activities of \$392,000 and provision of management services to BJ Aozhong Real Estate for \$307,000. The increase in revenue from management of cultural events and activities for 3Q17 is due to increase in non-recurring event management contracts secured during the period.

The gross profit margin approximates 65% for YTD17 and 3Q17.

#### Other Income

For YTD17, other income comprised gain on disposal of discontinued operations of \$2.3 million and interest income of \$0.3 million. Interest income arises from placing of unutilised cash into fixed deposits and loan to a 3rd party company.

For 3Q17, other income comprised of interest income amounting to \$191,000.

### Expenses

#### Administrative Expenses

Administrative expenses mainly consisted professional fees, staff salary, provision of directors' fees and audit fees, and other administrative expenses.

#### Other Expenses

Other expenses relate to unrealised exchange loss amounting to \$1.85 million arising from translation of United States Dollars denominated cash and cash equivalent. During the quarter, United States Dollars depreciated by 2%. Management is currently exploring options to mitigate its exposure to foreign currency risk.

### STATEMENTS OF FINANCIAL POSITION

Goodwill arises from the acquisition of BJ Vast Universe on 3 January 2017.

Property, plant and equipments mainly consists of office equipments acquired in September 2017.

Loan and other receivables mainly pertains to interest receivables from fixed deposits.

Pursuant to the Subscription Agreement dated 11 December 2015, Tranche 2 of the subscription shares amounting to \$43.7 millions were issued in July 2017.

Increase in the Group's cash and cash equivalents by \$42 million during the quarter is mainly attributable to issuance of Tranche 2 subscription shares. The increase is partially offset against unrealised exchange loss of \$1.85 million arising from foreign currency fluctuation between Singapore Dollars and United States Dollars.

Assets classified as held for sale pertains to total assets under Eucon Investment Holding Pte Ltd ("Eucon Investment"). Eucon Investment was disposed on 3 January 2017.

The increase in trade and other payables is mainly due to the tax payable of \$303,000 payable by BJ Vast Universe, partially offsetted by payments made to other payables during the period.

Liabilities classified as held for sale pertains to total liabilities under Eucon Investment. Eucon Investment were disposed on 3 January 2017.

The Group's net working capital position was \$87.4 million as at 30 September 2017 as compared to \$34.6 million as at 31 December 2016.

As at 30 September 2017, the Group's current ratio (current assets/current liabilities) is 137.1 while equity attributable to owners of the company stands at \$87.5 million.

### CASH FLOW STATEMENT

For 3Q17, cash flow generated from operating activities of \$0.5 million were mainly due to increase in revenue and interest income, coupled with slower repayment of trade and other payables.

For 3Q17, cash flow generated from investing activities mainly relate to repayment of short term secured loan of \$2.04 million (RMB 10 million equivalent) extended to a third party company by BJ Vast Universe.

For 3Q17, cash flow generated from financing activities solely relate to issue of share capital of \$43.7 million.

**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.**

Pursuant to the Subscription Agreement dated 11 December 2015, the Company issued and allotted (i) 2,426,759,333 Shares, being the Tranche 2 New Shares, to Oriental Straits Fund III; and (ii) 48,535,186 Shares, being the Tranche 2 Introducer Shares, to the Introducer on 4 July 2017. Subsequently, on 11 October 2017, Oriental Straits Fund III exercised its rights under the Subscription Agreement to acquire 279,764,726 option shares of the Company.

Currently, the Group's focus will be on the removal from SGX watch-list via assets acquisition. Subsequent to the acquisition of Beijing Vast Universe, the Group is still continuing to look out for potential and profitable target assets. The utmost priority for the Group is to be profitable in 2017 and exit the Watchlist.

The Group is exposed to foreign currency risk from cash and cash equivalents denominated in United States Dollars, contributed by the issuance of \$43.7 million Tranche 2 subscription shares during the period. Management is working to manage its foreign currency risk exposure within acceptable parameters.

**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 the third quarter ended 30 September 2017

**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 Singapore Exchange Securities Trading Limited ("SGX-ST").

During the financial period, 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")  - Provision of management services to BJ Aozhong Real Estate	\$917,190	-

The Company had 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 Mr. Ji Zenghe, the Company's Executive Chairman.

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, subject to performance. All management costs will be borne by BJ Vast Universe and will not exceed the fixed management fee of RMB6 million (equivalent to \$1.2 million). Accordingly, the amount at risk to the Company is zero.

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 the financial period ended 30 September 2017.

**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 results for the third quarter ended 30 September 2017 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 & CEO  
2 November 2017