

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		
	3 months ended		Variance
	31/03/2019	31/03/2018	
\$'000	\$'000	%	
Revenue	404	295	37
	(101)	(6)	NM
Gross profit	303	289	5
<i>Gross profit margin</i>	75%	98%	NM
Administrative expenses	(475)	(232)	(105)
Results from operating activities	(172)	57	NM
Net finance costs	(54)	(735)	93
Loss before tax	(226)	(678)	67
Tax expense	(108)	(72)	(50)
Loss for the period	(334)	(750)	55
Attributable to:			
Owners of the company	(334)	(750)	55
Non-controlling interests	-*	-*	NM
	(334)	(750)	
Statement of comprehensive income			
Net loss for the period	(334)	(750)	55
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Foreign currency translation differences of foreign operations	315	567	(44)
Other comprehensive income for the period, net of tax	315	567	(44)
Total comprehensive loss for the period	(19)	(183)	90
Total comprehensive loss attributable to:			
Owners of the company	(19)	(183)	90
Non-controlling interests	-*	-*	NM
Total comprehensive loss for the period	(19)	(183)	90

* Less than \$1,000

NM: Not meaningful

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

Depreciation of property, plant and equipment	45	1
Interest income	(403)	(263)
Interest expense	4	-
Net foreign exchange loss	453	998

- 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 31/03/2019 \$'000	As at 31/12/2018 \$'000	As at 31/03/2019 \$'000	As at 31/12/2018 \$'000
Non-current assets				
Plant and equipment	524	51	524	50
Investment in subsidiaries	-	-	56,769	56,769
	524	51	57,293	56,819
Current assets				
Trade and other receivables	3,808	3,740	3,758	3,722
Cash and cash equivalents	89,406	89,883	28,703	29,508
	93,214	93,623	32,461	33,230
Total assets	93,738	93,674	89,754	90,049
Equity				
Share capital	149,845	149,845	149,845	149,845
Reserves	(705)	(1,020)	-	-
Accumulated losses	(56,263)	(55,929)	(60,662)	(60,115)
Equity attributable to owners of the Company	92,877	92,896	89,183	89,730
Non-controlling interests	- *	- *	-	-
Total equity	92,877	92,896	89,183	89,730
Non-current liability				
Lease liabilities	93	-	93	-
Current liabilities				
Trade and other payables	464	489	300	319
Current tax liabilities	126	289	-	-
Lease liabilities	178	-	178	-
	768	778	478	319
Total liabilities	861	-	571	-
Total equity and liabilities	93,738	93,674	89,754	90,049

* 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 31/03/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

The amount repayable after one year

As at 31/03/2019		As at 31/12/2018	
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

	Group	
	3 months ended	
	31/03/2019	31/03/2018
	\$'000	\$'000
Cash flows from operating activities:		
Loss before tax	(226)	(678)
Adjustments for:		
Depreciation of plant and equipment	45	1
Interest expense	4	-
Interest income	(403)	(263)
Unrealised foreign exchange loss (net)	453	998
	(127)	58
Changes in:		
- Trade and other receivables	4	(478)
- Trade and other payables	(25)	(238)
Cash used in operations	(148)	(658)
Interest received	331	163
Tax paid	(271)	(154)
Net cash used in operating activities	(88)	(649)
Cash flows from investing activity:		
Purchase of plant and equipment	(204)	-
Net cash used in investing activity	(204)	-
Cash flows from financing activity:		
Repayment of lease liabilities	(47)	-
Net cash used in financing activity	(47)	-
Net decrease in cash and cash equivalents	(339)	(649)
Cash and cash equivalents at beginning of the period	89,883	88,484
Effect of exchange rate fluctuations on cash held	(138)	(431)
Cash and cash equivalents at end of the period	89,406	87,404

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	Foreign currency translation reserves	Statutory reserves	Accumulated losses	Total equity attributable to owners of the company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group							
At 1 January 2018	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
At 1 January 2019	149,845	(1,325)	305	(55,929)	92,896	-*	92,896
Total comprehensive loss for the period:							
Loss for the period	-	-	-	(334)	(334)	-*	(334)
Other comprehensive income							
Foreign currency translation difference of foreign operations	-	315	-	-	315	-	315
Total other comprehensive income for the period	-	315	-	-	315	-	315
Total comprehensive loss for the period	-	315	-	(334)	(19)	-*	(19)
At 31 March 2019	149,845	(1,010)	305	(56,263)	92,877	-*	92,877

* Less than \$1,000

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 financial period ended 31 March

<u>Company</u>	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2018	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
At 1 January 2019	149,845	(60,115)	89,730
Loss and total comprehensive loss for the period	-	(547)	(547)
At 31 March 2019	149,845	(60,662)	89,183

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

During the financial period ended 31 March 2019 ("1Q19"), The Place Holdings Limited (the "Company") did not issue 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 31/03/2019	As at 31/12/2018
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.

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 2018.

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 SFRS (I) 16 Leases for the financial period beginning 1 January 2019 using the modified retrospective approach of which the right-of-use ("ROU") assets recognised at date of initial application are equal to their lease liabilities with no restatement to the comparative information. The Group applied the practical expedient to grandfather the definition of a lease on transition of which the Group applied SFRS(I) 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4. On 1 January 2019, the effect on adoption of SFRS (I) 16 an increase in ROU assets of \$314,000 and an increase in lease liabilities of \$314,000.

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.

Earnings/(Loss) per ordinary share for the period based on net profit/(loss) 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	
31/03/2019	31/03/2018
(0.01)	(0.01)
5,880,654,539	5,880,654,539
(0.01)	(0.01)
5,880,654,539	5,880,654,539

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 31/03/2019	As at 31/12/2018	As at 31/03/2019	As at 31/12/2018
Net asset value per ordinary share (cts)	1.58	1.58	1.52	1.53
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

Revenue for 1Q19 comprises revenue from management of cultural events and activities for third parties of \$101,500 and provision of management services to BJ Aozhong Real Estate for \$302,500. In 1Q18, revenue only consists of provision of management services to BJ Aozhong Real Estate. Revenue from management of cultural events and activities are mainly derived from non-recurring event management contracts secured.

The Group's gross profit margin ("GPM") decreased from 98% in 1Q18 to 75% in 1Q19, largely due to the presence of revenue from management of cultural events and activities which has a lower GPM.

Expenses

Administrative Expenses

Administrative expenses mainly consist of professional fees, staff salaries, directors' remuneration, provision of directors' fees, audit fees, and other administrative expenses. In 1Q19, increase in staff salaries and other related costs by \$114,000 is mainly contributed by increase in headcount and addition of an independent director. In addition, office rental expense and remuneration drawn by directors which started in second half of 2018 approximates \$105,000.

Net finance costs

Net finance income comprises of interest income and net foreign exchange differences.

	1Q19	1Q18
	\$'000	\$'000
Interest income	403	263
Interest expense	(4)	-
Net foreign exchange loss	(453)	(998)
	<u>(54)</u>	<u>(735)</u>

Increase in interest income is due to placing of all unutilised cash and cash equivalents into fixed deposits. Net foreign exchange loss relates to unrealised exchange loss of \$451,000 arising from translation of United States Dollars denominated cash and cash equivalent. During 1Q19, United States Dollars depreciated by 1% against Singapore Dollars.

Tax expense

Tax expense was incurred by a subsidiary, Beijing Vast Universe Culture Communication Co., Ltd ("Beijing Vast Universe"). The increase in tax expense is in line with the increase in net profit before tax.

STATEMENTS OF FINANCIAL POSITION

The increase in plant and equipment mainly pertains to the acquisition of a motor vehicle for corporate use and recognition of ROU assets in relation to lease of office in January 2019.

	31/03/2019	31/03/2018
	\$'000	\$'000
ROU assets	269	-
Motor Vehicle	205	-
Others	50	51
	<u>524</u>	<u>51</u>

The increase in trade and other receivables mainly pertains to interest receivables from fixed deposits, a \$3.6m loan to a third party. The loan to a third party is secured by corporate guarantee from a company controlled by two directors of the Company, bears interest at 8% per annum and fully repayable in December 2019.

Decrease in the Group's cash and cash equivalents was mainly attributable to unrealised exchange loss of \$0.5 million arising from foreign currency fluctuation between Singapore Dollars and United States Dollars.

Trade and other payables are mainly due to other payables at corporate level which comprise accrued independent director's fees, audit fees and other expenses. Trade and other payables remain consistent between 4Q18 and 1Q19.

Lease liabilities relates to recognition of liabilities for lease of office arising from the adoption of SFRS (I) 16 on 1 January 2019.

Income tax payable of \$126,000 mainly pertains to tax payable by BJ Vast Universe.

The Group's net working capital position is \$92.9 million as at 31 December 2018 as compared to \$91.8 million as at 31 December 2017.

As at 31 December 2018, the Group's current ratio (current assets/current liabilities) is 120x while equity attributable to owners of the Company stands at \$92.9 million.

CASH FLOW STATEMENT

For 1Q19, cash flow used in operating activities of \$0.1 million was mainly due to income tax paid of \$0.3 million, partially offsetted by cash flow from operations of \$0.1 million.

For 1Q19, cash flow used in investing activity is mainly due to purchase of company vehicle of \$204,000.

For 1Q19, cash flow used in financing activity pertains to repayment of lease liabilities of \$47,000.

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.

On 22 April 2019, The Group announced that its joint venture has been successfully awarded the tender for the acquisition by way of collective sale for Realty Centre at the aggregate purchase price of S\$148,000,000. This Proposed Acquisition serves to meet the following business objectives for the Company:

(a) Embark on tourism-related business activities in Singapore. Given that all of the Group's businesses are located overseas, having a physical presence locally would bring more relevance to Shareholders and augurs well as a springboard for its enlarged tourism-related endeavours in Singapore and globally. A new mixed-use development is an excellent avenue to showcase the commitment and unique value propositions of the Group;

(b) Generate recurrent rental income and development profit from the asset classes to be developed by New Vision Investment Pte. Ltd. on the Property. The Group has always been on a lookout for potential target assets. Riding on the advantages of the Proposed Acquisition as mentioned at the beginning of this section, the Group's current strategy for the redevelopment of the Property is to generate development profit from sale of residential units and recurrent rental income from the commercial component held for investment; and

(c) House the headquarters of the Group. The Group is still in its expansion phase since its subscription exercise in 2016 (i.e. the share subscription by Oriental Straits Fund III, which was approved by the Shareholders on 12 October 2016) and business diversifications in 2017 and 2018. Tapping on the expertise from executive directors who have years of experience in tourism and real estate development, a centrally located and presentable Singapore headquarters would definitely play a significant role in positioning itself for future business partnerships and investments as the Group reaches out globally.

This Proposed Acquisition constitutes a "major transaction" for the purposes of Chapter 10 of the Listing Manual. As such, it is subject to the prior approval of the shareholders of the Company. A circular will be issued to the Shareholders in due course for the purpose of seeking Shareholders' approval for the Proposed Acquisition at a general meeting to be convened.

On the progress of the acquisition of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd ("Tianjie Yuntai Wanrun"), Management is pending approvals from the relevant regulatory authorities of the People's Republic of China ("PRC") for the proposed subscription. Announcement will be made upon receipt of approvals from the relevant PRC regulatory authorities.

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/recommendeded, a statement to that effect and the reason(s) for the decision.

No dividend has been declared for the first quarter and financial period ended 31 March 2019. The Group will be retaining its cash for expansion purpose.

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	\$302,500	-

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, 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 the financial period ended 31 March 2019.

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 first quarter ended 31 March 2019 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
24 April 2019