

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			Group		
	9 months ended		Variance	3 months ended		Variance
	30/9/2019	30/9/2018 Restated		30/9/2019	30/9/2018 Restated	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	962	872	10	276	282	(2)
Cost of sales	(209)	(198)	(6)	(54)	(53)	(2)
Gross profit	753	674	12	222	229	(3)
<i>Gross profit margin</i>	<i>78%</i>	<i>77%</i>	NM	<i>80%</i>	<i>81%</i>	NM
Administrative expenses	(1,783)	(730)	(144)	(739)	(277)	(167)
Results from operating activities	(1,030)	(56)	(1,739)	(517)	(48)	(981)
Net finance income	1,582	2,322	(32)	1,335	425	214
Profit before tax	552	2,266	(76)	818	377	117
Tax expense	(286)	(203)	(41)	(106)	(130)	18
Profit for the period	266	2,063	(87)	712	247	188
Attributable to:						
Owners of the company	266	2,063	(87)	712	247	188
Non-controlling interests	-*	-*	NM	-*	-*	NM
	266	2,063		712	247	188
Statement of comprehensive income						
Net profit for the period	266	2,063	(87)	712	247	188
Other comprehensive income:						
<i>Items that may be reclassified to profit or loss:</i>						
Foreign currency translation differences of foreign operations	(873)	(1,026)	15	(485)	(1,245)	61
Other comprehensive income for the period, net of tax	(873)	(1,026)	15	(485)	(1,245)	61
Total comprehensive (loss)/income for the period	(607)	1,037	NM	227	(998)	NM
Total comprehensive (loss)/income attributable to:						
Owners of the company	(607)	1,037	NM	227	(998)	NM
Non-controlling interests	-*	-*	NM	-*	-*	NM
Total comprehensive (loss)/income for the period	(607)	1,037	NM	227	(998)	NM

* Less than \$1,000

NM: Not meaningful

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

Depreciation of plant and equipment	158	3	69	1
Plant and equipment written off	21	-	21	-
Interest income	(1,179)	(1,232)	(466)	(554)
Interest expense	15	-	7	-
Net foreign exchange (gain)/loss	(418)	(1,090)	(876)	129

- 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 30/09/2019 \$'000	As at 31/12/2018 \$'000	As at 30/09/2019 \$'000	As at 31/12/2018 \$'000
Non-current assets				
Plant and equipment	1,925	51	1,924	50
Investment in subsidiaries	-	-	56,769	56,769
	1,925	51	58,693	56,819
Current assets				
Trade and other receivables	10,109	3,740	4,025	3,722
Cash and cash equivalents	82,192	89,883	27,693	29,508
	92,301	93,623	31,718	33,230
Total assets	94,226	93,674	90,411	90,049
Equity				
Share capital	149,845	149,845	149,845	149,845
Reserves	(1,893)	(1,020)	-	-
Accumulated losses	(55,663)	(55,929)	(61,048)	(60,115)
Equity attributable to owners of the Company	92,289	92,896	88,797	89,730
Non-controlling interests	- *	- *	-	-
Total equity	92,289	92,896	88,797	89,730
Non-current liability				
Lease liabilities	910	-	910	-
Current liabilities				
Trade and other payables	471	489	265	319
Current tax liabilities	117	289	-	-
Lease liabilities	439	-	439	-
	1,027	778	704	319
Total liabilities	1,937	778	1,614	319
Total equity and liabilities	94,226	93,674	90,411	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 30/09/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	-	-	-

The amount repayable after one year

As at 30/09/2019		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 the financial period ended 30 September

	Group			Group	
	9 months ended			3 months ended	
	30/9/2019	30/9/2018 Restated		30/9/2019	30/9/2018 Restated
	\$'000	\$'000		\$'000	\$'000
Cash flows from operating activities:					
Profit before tax	552	2,266		818	377
Adjustments for:					
Plant and equipment written off	21	-		21	-
Depreciation of plant and equipment	158	3		69	1
Interest expense	15	-		7	-
Interest income	(1,179)	(1,232)		(466)	(554)
	(433)	1,037		449	(176)
Changes in:					
- Trade and other receivables	(117)	(450)		6,131	(50)
- Trade and other payables	(18)	(54)		117	(110)
Cash used in operations	(568)	533		6,697	(336)
Interest received	963	1,177		394	498
Tax paid	(458)	(228)		(74)	(5)
Net cash (used in)/generated from operating activities	(63)	1,482		7,017	157
Cash flows from investing activities:					
Deposit paid for acquisition of a property asset #	(6,036)	-		-	-
Purchase of plant and equipment	(567)	-		(359)	-
Net cash used in investing activities	(6,603)	-		(359)	-
Cash flows from financing activity:					
Repayment of lease liabilities	(152)	-		(65)	-
Net cash used in financing activity	(152)	-		(65)	-
Net (decrease)/increase in cash and cash equivalents	(6,818)	1,482		6,593	157
Cash and cash equivalents at beginning of the period	89,883	88,484		76,084	90,066
Effect of exchange rate fluctuations on cash held	(873)	(988)		(485)	(1,245)
Cash and cash equivalents at end of the period	82,192	88,978		82,192	88,978

[#] Relates to deposits and stamp duty paid for the acquisition of Realty Centre. Refer to section 10 in this Announcement for details.

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 30 September

	Share capital \$'000	Foreign currency translation reserves \$'000	Statutory reserves \$'000	Accumulated losses \$'000	Total equity attributable to owners of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group							
At 1 July 2018, as previously stated	149,845	(221)	161	(55,989)	93,796	- *	93,796
Apportionment of cost of sales to previous quarters #	-	-	-	103	103	- *	103
At 1 July 2018, as restated	149,845	(221)	161	(55,886)	93,899	- *	93,899
Total comprehensive loss for the period:							
Profit for the period, as previously stated	-	-	-	41	41	- *	41
Apportionment of cost of sales #	-	-	-	206	206	- *	206
Profit for the period, as restated	-	-	-	247	247	- *	247
Other comprehensive income							
Foreign currency translation difference of foreign operations	-	(1,245)	-	-	(1,245)	-	(1,245)
Total other comprehensive loss for the period	-	(1,245)	-	-	(1,245)	-	(1,245)
Total comprehensive loss for the period, as restated	-	(1,245)	-	247	(998)	- *	(998)
At 30 September 2018, as restated	149,845	(1,466)	161	(55,639)	92,901	- *	92,901
At 1 July 2019	149,845	(1,713)	305	(56,375)	92,062	- *	92,062
Total comprehensive income for the period:							
Profit for the period	-	-	-	712	712	- *	712
Other comprehensive income							
Foreign currency translation difference of foreign operations	-	(485)	-	-	(485)	-	(485)
Total other comprehensive income for the period	-	(485)	-	-	(485)	-	(485)
Total comprehensive income for the period	-	(485)	-	712	227	- *	227
At 30 September 2019	149,845	(2,198)	305	(55,663)	92,289	- *	92,289

* Less than \$1,000

Apportionment of cost of sales pertains to cost of sales arising from management agreement with Beijing Aozhongxingye 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.

- 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 30 September

<u>Company</u>	Share capital \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 July 2018	149,845	(58,425)	91,420
Loss and total comprehensive loss for the period	-	(142)	(142)
At 30 September 2018	149,845	(58,567)	91,278
At 1 July 2019	149,845	(61,068)	88,777
Profit and total comprehensive income for the period	-	20	20
At 30 September 2019	149,845	(61,048)	88,797

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 financial period ended 30 September 2019 ("3Q19"), 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 30/09/2019	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.

	Group		Group	
	9 months ended		3 months ended	
	30/9/2019	30/9/2018 Restated	30/9/2019	30/9/2018 Restated
Earnings per ordinary share for the period based on net profit for the period:				
(i) Based on the weighted average number of ordinary shares in issue (cts); and	#	0.04	0.01	#
Weighted average number of shares	5,880,654,539	5,880,654,539	5,880,654,539	5,880,654,539
(ii) On a fully diluted basis (cts)	#	0.04	0.01	#
Weighted average number of shares	5,880,654,539	5,880,654,539	5,880,654,539	5,880,654,539

Less than 0.01 cts

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 30/09/2019	As at 31/12/2018	As at 30/09/2019	As at 31/12/2018
Net asset value per ordinary share (cts)	1.57	1.58	1.51	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

The Group's revenue for 3Q19 comprised revenue from provision of management services to BJ Aozhong Real Estate for \$0.3 million (3Q18: \$0.3 million). Management of cultural events and activities is non-recurring and the Group did not secure any non-recurring contract in 3Q19.

The Group's gross profit margin remained constant at 78% range for YTD3Q19 and YTD3Q18, as well as at 80% range for 3Q19 and 3Q18.

Expenses

Administrative Expenses

Administrative expenses mainly consist of professional fees, directors' remuneration, provision of directors' fees, staff salaries, staff welfare, audit fees, and other administrative expenses. For YTD3Q19, increase in administrative expenses of \$1.1 million is mainly due to increase in headcount, addition of one director and relocation of office.

Net finance income

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

	YTD3Q19	YTD3Q18	3Q19	3Q18
	\$'000	\$'000	\$'000	\$'000
Interest income	1,179	1,232	466	554
Interest expense	(15)	-	(7)	-
Net foreign exchange gain/(loss)	418	1,090	876	(129)
	<u>1,582</u>	<u>2,322</u>	<u>1,335</u>	<u>425</u>

The decrease in interest income from \$0.6 million in 3Q18 to \$0.5 million in 3Q19 is due to withdrawal of fixed deposits for the proposed acquisition of Realty Centre. Net foreign exchange gain of \$0.4 million for YTD3Q19 and \$0.9 million in 3Q19 relate to unrealised exchange gain arising from translation of United States Dollars denominated cash and cash equivalents. United States Dollars had been strengthening against Singapore Dollars for the quarter ended 30 September 2019.

Tax expense

Tax expense was incurred by a subsidiary, Beijing Vast Universe Culture Communication Co., Ltd ("BJ Vast Universe").

STATEMENTS OF FINANCIAL POSITION

The increase in plant and equipment mainly pertains to the acquisition of 2 motor vehicles for corporate use and recognition of ROU assets in relation to lease of office.

	30/09/2019	31/12/2018
	\$'000	\$'000
ROU assets	1,346	-
Motor Vehicle	414	-
Others	165	51
	<u>1,925</u>	<u>51</u>

The increase in trade and other receivables mainly pertains to its wholly-owned subsidiary, The Place Yuntai Investment Pte Ltd's ("TPYI") 51% shareholding of deposit paid for the acquisition of Realty Centre and its respective portion of stamp duty which approximate \$6 million in aggregate. The acquisition was entered into between TPYI and Suncard Limited, an external party. The remaining increase in trade and other receivables are due to interest receivables from fixed deposits and a \$3.6 million 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 is fully repayable in December 2019.

The decrease in the Group's cash and cash equivalents was mainly attributable to \$6 million paid in respect of the acquisition of Realty Centre and payment made for daily operations such as directors' fees and staff salary etc.

Trade and other payables are mainly due to accrued expenses at corporate level which comprise accrued independent director's fees, audit fees and other expenses. It remained constant at \$0.5 million as at 30 September 2019 as compared to 31 December 2018.

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 \$0.1 million mainly pertains to tax payable by BJ Vast Universe.

The Group's net working capital position is \$91.3 million as at 30 September 2019 as compared to \$92.8 million as at 31 December 2018.

As at 30 September 2019, the Group's current ratio (current assets/current liabilities) is 90x while equity attributable to owners of the Company stands at \$92.3 million.

CASH FLOW STATEMENT

For 3Q19, cash flow generated from operating activities was mainly due to receipt of deposit of \$5.8 million for Realty Centre from Suncard Limited in July 2019 for its 49% shareholding.

For 3Q19, cash flow used in investing activities is due to purchase of a motor vehicle and office equipments.

For 3Q19, cash flow generated from financing activity pertains to repayment of lease liabilities from office lease.

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. Subsequent to shareholders' approval obtained on 6 August 2019, the remaining condition precedent for completion of acquisition is pending for 100% approval from the owners of Realty Centre, or otherwise the issuance of Sale Order.

Concurrently, the Group continues to seek suitable opportunities in expanding its business in Singapore based on its execution know how and competitiveness. It will also take a prudential approach towards capital management and risk reward balance in tandem with changing market conditions.

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 acquisition. 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 third quarter and financial period ended 30 September 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	\$873,000	-

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 30 September 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 third quarter ended 30 September 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
5 November 2019