THE PLACE
天 阶 控 股



SHAPING OUR FUTURE

ANNUAL REPORT 2019

CORPORATE PROFILE
公司简介

Vision
To create a better future by embodying the spirit of enduring innovation.

Mission
To foster the holistic development of tourism, new retail, real estate and media and emerge as a dark horse of the Singapore capital market.

About Us
Listed on the Mainboard of the Singapore Exchange, The Place Holdings Limited (f.k.a. "Eucon Holding Limited") ("The Place" or "the Group") is an investment holding company whose portfolio coverage will include the investment, development and management of Media, Integrated Tourism and tourism-related "new retail" businesses.

The Group is backed by the key management team of The Place Investment Group, a multi-billion People's Republic of China ("PRC") conglomerate renowned for its extensive businesses in tourism, media, property management, biomedical technology investments and international trade.

The Group's current business activities include:

- Provision of comprehensive branding strategy, planning and organising of corporate events, and exhibitions, and other large scale events, and
- Development and operating of integrated tourism business including but not limited to the development of tourist townships near renowned tourist destinations, the development of commercial malls, hotels, entertainment and recreation facilities, resorts, corporate clubhouses and wellness resorts for the elderly; and
- Establishing, acquiring and/or otherwise investing in companies in the "new retail" businesses (i.e. those which manage and/or provide retail services by incorporating new advances in technology including but not limited to big data, payment, logistics, virtual reality) within the tourism industry which has synergies with the Company's integrated tourism business.

The Group is expanding through acquisition of profitable businesses with high growth potential.

愿景
以不断创新的精神、引领潮流

使命
在旅游、新零售、地产、媒体等各 面，多方位发 展，成为各领域的黑马

关于我们
天阶控股有限公司（"天阶控股"或"集团"）是一家在新加坡交易所主板上市的投资控股公司。集团作业范围涵盖综合旅游项目开发、地产建设、新零售、媒体等相关业务。

集团由世贸天阶投资集团（"世贸天阶"）鼎立支持。世贸天阶是一家上百亿资产、高知名度的综合性大企业。世贸天阶涉及的行业包括旅项目开发、媒体、地产管理、生物学科技及国际贸易等。

本集团目前的业务活动包括：

- 提供全面的品牌战略，规划和组织公司活动，展览 和其他大型活动，以及
- 开发和经营综合旅游业务，包括但不限于在著名旅 游景点附近开发旅游小镇，开发商业购物中心，酒店，娱乐和娱乐设施，度假村，企业会所和老年人 健康度假村；和
- 在"新零售"业务中建立，收购和/或以其他方式 投资与公司综合旅游业有协同效应的公司(例如，通过整合技术的新进展来管理和/或提供零售服务 的公司，包括但不限于大数据，支付，物流，虚拟实境)。

本集团正通过收购具有高增长潜力的盈利业务而扩张。

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CHAIRMAN'S STATEMENT
主席致辞

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report of The Place Holdings Limited ("The Place" or "The Company", and together with its subsidiaries, "the Group") for the financial year ended 31 December 2019 ("FY2019").

For the year under review, the Group took steady steps forward in its pursuit to diversify into the integrated tourism business through new landmarks for existing projects and a proposed new acquisition in Singapore.

GOING FURTHER

Domestic tourism in China continues to grow rapidly. The China Tourism Academy, a Beijing-based research institution which studies the tourism industry, reported that the number of domestic visitor arrivals reached 60.06 billion in 2019, an increase of 8.4% compared to the previous year. The domestic tourism revenue amounted RMB 5.73 trillion, an increase of 11.7% year-on-year[1]. We believe this attest to our strategy of focusing on the tourism industry in China.

Our first foray into the tourism industry is via involvement in the Mount Yuntai Integrated Tourist Township project. It features theme parks, hotels, entertainment facilities and clubhouses. For the year under review, construction has commenced for all areas except the corporate clubhouses. Work on those will begin upon completion of the Group's subscription in the company that owns the commercial land where the corporate clubhouses will be built. We have also placed a RMB100 million refundable deposit to convey our commitment to undertake the project. In addition, an application has been submitted to change the zoning from commercial to residential which commands a higher value. We are currently awaiting the necessary approvals from the regulatory authorities.

Upon approval for the above, the Group will fully embark on its plans to diversify into the domestic tourism industry in China. It also allows us to progress with the development of integrated tourism and operation of tourism related "new retail" businesses, which promotes a blending of online and offline retail for a more engaging and seamless experience for customers. We seek to build our capabilities in this upcoming space and better participate in the long-term growth prospects of the Chinese tourism market.

In addition to our progress in China, we have also made strides in Singapore with the successful awarding of tender for acquisition for the Realty Centre, a commercial freehold building with a land area of approximately 1,021.9 square meters. The proposed acquisition would allow the Group to have a physical presence locally and kickstart its tourism-related endeavours in Singapore. It would also generate recurrent income and development profit while also housing our headquarters.

We are planning to redevelop the property into a mixed-use commercial and residential tower to cater for the strong latent demands in Singapore's central business district ("CBD"). This is in line with Singapore's Urban Redevelopment Authority's incentive scheme to rejuvenate the CBD into an all-day and all-week mixed-use hub for work, live and play. The Sale Order for Realty Centre was granted by the High Court on 14 May 2020.

OUTLOOK

For the coming financial year ending 31 December 2020 ("FY2020"), the Group is cautiously optimistic of its prospects. While macroeconomic challenges such as the US-China trade war and novel coronavirus ("COVID-19") outbreak continue to have an impact in China and globally, we will monitor these events carefully and steer the Group accordingly.

The COVID-19 outbreak has had widespread effect in China and numerous countries around the world. While we anticipate limited impact on our results as Beijing Vast Universe Culture Communication Co., Ltd has a fixed management fee component with Beijing Aozhong Xingye Real Estate Development Co., Ltd. We project that affected sales during the outbreak will be replaced by a surge in the number of conferences and events after the outbreak when businesses are back in operation.

Moving forward, the Group remains upbeat of its prospects and continues to seek suitable opportunities in expanding its business 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.

[1] http://www.ctaweb.org/html/2020-3/2020-3-10-16-48-64712.html

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my utmost gratitude to the Management team and staff for another year of commitment and effort. I would also like to thank the shareholders, business associates, partners and customers for their ongoing support and faith in us as we pursue our goals of diversification and unlock of sustainable value.

I would like to welcome aboard Mr Chng Hee Kok who joins us as an Independent Director. We look forward to working with you to drive the Group to new heights of growth and sustainability.

JI ZENGHE
Executive Chairman

CHAIRMAN'S STATEMENT
主席致辞

尊敬的股东们,

我很高兴代表董事会提交天阶控股有限公司以及其子公司截止2019年12月31日的年度报告("2019财政年")。

在2019年,集团稳步向前迈进,通过已有项目的新里程碑,以及在新加坡的新收购项目,发展国际化、多元化的综合旅游业务。

进一步发展

中国国内旅游业持续快速增长。据中国旅游研究院(总部位于北京)报道,2019年国内游客数量达60.06亿人次,比上年同期增长8.4%。而国内旅游收入5.73万亿元,比上年同期增长11.7%。我们相信这证明了我们聚焦中国旅游业战略的正确性。

参与云台山综合旅游小镇项目是我们第一次涉足旅游业。它以主题公园、酒店、娱乐设施和会所为特色。年内,除会所外,所有地块均已动工兴建。会所的建设将在集团完成对拥有商业土地的公司的认购后开始。我们已支付了1亿元人民币的可退还押金,以表达我们对该项目的承诺。因为周边地块的启动及部分进入市场,已经兑现的销售情况进一步印证了我们将要认购的地块的商业价值,并且价值会随周边的发展而增加。此外,也已提交了要求把该区域土地由商业用途变更为住宅用途的申请,以此进一步提高土地用途的价值。我们目前正在等待监管当局的相关批复。

在获得上述批准后,本集团将全面启动向中国国内旅游业多元化发展的计划。在世界经济和中国经济遇到诸多挑战的当下,通过发展综合旅游和经营旅游相关的"新零售"业务,并且通过战略布局,实现国际化的操作、资源和市场的更广泛联动,为客户提供更有吸引力和无缝对接的新体验,更可以让集团拥有真正国际化的业务发展平台、利润增加机会以及规避单一市场风险的体系。

我们希望在这个即将到来的时段中展现我们的能力,更好地参与中国以及国际旅游市场的长期增长前景,并为集团的国际化发展奠定坚实而重要的基础。

除了在中国取得的进展,我们在新加坡也取得了长足的进步,我们成功地标中了海德大厦 (Realty Centre),这是一座占地面积约1021.9平方米的商业不动产建筑。这项收购将使本集团得以在新加坡本地拥有实体业务,并启动在本地的旅游相关业务,也将会产生持续性收入和发展利润,同时也为我们的总部提供办公空间。

我们计划将该项目重新开发为一个多功能的商业和住宅综合大厦,以满足新加坡中央商务区(CBD)强大的潜在需求。这与新加坡城市发展局(Urban Redevelopment Authority)的激励计划相一致,该计划旨在将CBD改造成一个全天候的多功能工作、生活和娱乐中心。高等法院已在今年的5月14日批下集体出售令。

本次收购,对于集团全球化发展意义重大,将以新加坡为中心,协调全球资源和国际业务。同时,新加坡独特的国际地位,将有利于我们开展更多更广泛的国际合作,尤其是以新零售、国际旅游、新科技为代表的多个领域,都具备了获得重大发展的可能。

综上所述,本年度的多项业务的发展,发挥了集团一贯以来的管理优势、经营优势,在集团业务发展上获得了重要的进步,为我们发挥改造人居环境、创造美好环境的能力创造了平台,为实现我们为人们打造未来美好生活的初心和愿望,增加了重要助力。

CHAIRMAN'S STATEMENT
主席致辞

前景

在截至2020年12月31日的下一个财年("2020财年"), 本集团对其前景持谨慎乐观态度。尽管中美贸易战和新型冠状病毒(COVID-19)爆发等宏观经济挑战继续对中国和全球产生影响, 但我们将仔细监测这些事件, 并据此指导工作组。

当前的疫情在中国和世界许多国家都产生了广泛影响。由于北京中盛浩宇文化传播有限公司与北京奥中兴业房地产开发有限公司有固定的管理费收入, 我们预计对我们的业绩影响有限。并且, 在疫情爆发期间所受到的影响, 将在疫情结束企业恢复运营后, 通过会议和活动数量的激增来弥补。

云台山项目的收购完成, 将为集团和所有股东带来丰厚收益, 并且将为我们进军旅游市场迈出坚实的步伐, 这将有利于集团应对复杂世界形势给企业带来的挑战。同时, "海德大厦"项目的启动, 将会给集团业务在新加坡展带来全新的篇章, 我们将真正开始融入新加坡经济及社会, 并开始做出我们的贡献。

展望未来, 集团继续保持乐观的前景, 并继续寻求合适的机会, 以扩大集团在业务上的执行力和竞争力。还将对资本管理和风险回报平衡采取审慎的态度, 以配合不断变化的市场趋势。

致谢

我谨代表董事会, 对管理团队和工作人员在这一年的承诺和努力表示最衷心的感谢。我还要感谢股东、商业伙伴、合作伙伴和客户在我们追求多元化目标和释放可持续价值的过程中对我们的支持和信任。

我欢迎庄熙国先生加入我们, 成为我们的独立董事。我们期待与您的合作, 推动集团达到新的增长和可持续发展的高度。

吉增和
主席



OPERATIONS REVIEW
营运回顾



OVERVIEW

For the year ended 31 December 2019 ("FY2019"), The Place posted a total revenue of S$2.3 million, which was 28% higher than the S$1.8 million posted in the previous financial year.

Revenue for FY2019 mainly comprises returns from management of cultural events and activities of S$1.0 million and provision of management services to Beijing Aozhong Xingye Real Estate Development Co., Ltd for S$1.3 million. Revenue from management of cultural events and activities are mainly non-recurring event management contracts secured.

Interest income also improved, rising by S$0.5 million to S$2.3 million as compared to S$1.8 million from FY2018. The interest income is contributed by S$1.1 million from China operations and S$1.2 million from Singapore operations.

In contrast, profit before tax fell by 64% to S$0.9 million for the year under review as compared to S$2.5 million recorded the year before.

MOVING FORWARD IN 2020

The Group continuously seeks business expansion opportunities and avenues to improve its operating processes.

The construction of clubhouses at the Mount Yuntai Integrated Tourist Township is pending approvals from the relevant PRC regulatory authorities. Once approved, the Group will move into the next phase, cementing its position in the integrated tourism business industry.

Concurrently, on the acquisition of Realty Centre, High Court had granted the Sale Order on 14 May 2020. We are looking into redevelopment plans and how to best capitalise on the strategic positioning of the property and best align with the Singapore's Urban Redevelopment Authority's plans to redevelop the central business district into a mixed-use hub for work, live and play.



OPERATIONS REVIEW
营运回顾



业务回顾

在截至2019年12月31日的财年("2019财年"), 集团的总收入为230万新元, 比2018财年的180万新元高出28%。总收入的增加原因是于2019年期间, 争取到的非经常性管理合同增加。

2019财年的收入主要来自于北京中盛浩宇文化传播有限公司的文化活动和其他活动进行管理。文化活动管理的收益为100万新元、北京奥中兴业房地产开发有限公司提供的管理服务则贡献了130万新元。文化活动管理部分的收入主要来自于非经常性活动管理合同。

利息收入部分和上一财年对比有所增加, 从2018财年的180万新元增至230万新元, 增长了50万新元。其中有110万新元的利息收入来自中国业务, 120万新元来自于新加坡业务。

相比之下, 本财年的税前利润下降了64%到90万新元, 上一财年为250万新元。

迈进2020年

集团不断寻求业务拓展的机会和途径, 并且改善运作流程。

云台山综合旅游小镇会所的建设正在等待中国相关管理部门的批准。一旦获得批准, 本集团将进入下一阶段, 巩固在综合旅游业中的地位。

同时, 海德大厦收购一事, 高等法院已在今年的5月14日批下集体出售令。我们已启动重新开发计划, 以及探索如何利用该物业的战略定位, 并更好地配合新加坡城市发展局的再开发计划, 将中央商务区重新开发为一个多功能的工作、生活和娱乐中心。

BOARD OF DIRECTORS
董事会

Ji Zenghe
Executive Chairman

Mr Ji was appointed as Executive Chairman of the Board on 12 October 2016. Mr Ji was last re-elected as Director on 24 April 2019. Mr Ji is responsible for setting strategic directions, formulating corporate strategies and overall management of the Group's media businesses. Mr Ji has more than 20 years' experience in property and media industry.

Mr Ji's other current appointments include:

- Chairman, The Place Investment Group Co., Ltd
- Chairman, Beijng Aozhong Xingye Real Estate Development Co., Ltd
- Director, The Place Chuangshi (Beijing) Trading Co., Ltd

Mr Ji holds a Bachelor of Political Economics from Capital Normal School and an EMBA from Cheung Kong Graduate School of Business.

Sun Quan
Non-Executive Director

Mr Sun was appointed as Non-Executive Director of the Group on 12 October 2016 and was last re-elected as Director on 20 April 2017. Mr Sun has more than 20 years of investment and management experience in the Greater China region, Singapore, Malaysia, Thailand and Indonesia, covering a variety of business areas including high technology, pharmaceuticals, electronics, real estate, natural resources and chemical industry.

Mr Sun's other current appointments include:

- Executive Director, SGX Mainboard Listed, AEI Corporation Ltd.
- Executive Director and Chief Executive Officer, China Capital Impetus Asset Management Pte. Ltd.
- Executive Director, Capital Impetus Group Limited
- Executive Director, China Capital Impetus Investment Limited
- Director, MTBL Global Fund (f.k.a. New Impetus Strategy Fund)
- Director, RHB GC-Millennium Capital Pte. Ltd.

Mr Sun is the Deputy Secretary-General of Beijing Overseas Chinese Chamber of Commerce.

Mr Sun graduated from Beijing University of Technology with a Bachelor's degree, and first batch EMBA from Tsinghua University.

Fan Xianyong
Executive Director and Chief Executive Officer

Mr Fan was appointed as Executive Director of the Group on 12 October 2016 and was appointed as the Chief Executive Officer of the Group on 25 April 2018. Mr Fan was last re-elected as Director on 24 April 2019. Mr Fan is responsible for the overall management of the operations of the Group's companies. Mr Fan has more than 20 years' experience in property and media industry.

Mr Fan's other current appointments include:

- Director, The Place Investment Group Co., Ltd
- Director, Beijng Aozhong Xingye Real Estate Development Co., Ltd
- Director, The Place Chuangshi (Beijing) Trading Co., Ltd

Mr Fan holds a Bachelor of Engineering in Architecture from Zhengzhou University and an EMBA from Cheung Kong Graduate School of Business.



Er Kwong Wah
Lead Independent, Non-Executive Director

Mr Er was appointed as Independent Director of the Group on 8 September 2006. He was last re-elected as Director on 20 April 2017. Mr Er spent 27 years in the service of the Singapore Government. Whilst in the civil service, he served in various ministries such as the Ministry of Defense, the Public Service Commission, Ministry of Finance, Ministry of Education and the Ministry of Community Development. He held Permanent Secretary Position first with the Ministry of Education from 1987-1994 and then with the Ministry of Community Development until his retirement in 1998.

Mr Er's other current appointments include:

- Independent Director, SGX-Catalist Listed, Chaswood Resources Holding Ltd.
- Independent Director, SGX-Catalist Listed, CFM Holdings Limited
- Independent Director, SGX Mainboard Listed, COSCO SHIPPING International (Singapore) Co., Ltd.
- Independent Director, SGX-Catalist Listed, ecoWise Holdings Limited
- Independent Director, SGX Mainboard Listed, Luxking Group Holdings Limited

Mr Er's past appointments include:

- Independent Director, HKEX Listed, Success Dragon International Holdings Ltd
- Independent Director, SGX Listed, China Environment Ltd.
- Independent Director, SGX Listed, China Essence Group Ltd.
- Independent Director, SGX Listed, China Sky Chemical Fiber Co., Ltd.
- Independent Director, SGX Listed, GKE Corporation Limited
- Independent Director, SGX Listed, USP Group Limited

A Colombo Plan and Bank of Tokyo Scholar, he obtained a First-Class Honours in Electrical Engineering at the University of Toronto, Canada, in 1970 and an MBA from the Manchester Business School, University of Manchester in 1978.

For his outstanding service in the Government and in the community, Mr Er was awarded the PPA (E) or Public Administration Medal (Gold), the BBM (Public Service Star) and the PBM (Public Service Medal). In 1991, the Government of France conferred him a National Honour with the award of Commandeur dans l'Ordre des Palmes Academiques.

Chng Hee Kok
Independent, Non-Executive Director

Mr Chng was appointed as Independent Director of the Group on 1 February 2019. He was last re-elected as Director on 24 April 2019. His business experience and leadership positions spanned across Manufacturing, Property Development, Hotel Management, Trading, Entertainment and Food & Beverage Industries. He was a Member of Parliament Singapore from 1984 to 2001.

Mr Chng's other current appointments include:

- Independent Director, SGX-Catalist Listed, Chaswood Resources Holdings Ltd
- Independent Director, SGX-Catalist Listed, Metech International Ltd
- Independent Director, SGX-Catalist Listed, Blackgold Natural Resources Limited
- Independent Director, SGX Mainboard Listed, Ellipsiz Ltd
- Independent Director, SGX Mainboard Listed, Full Apex (Holdings) Limited
- Independent Director, SGX Mainboard Listed, Luxking Group Holdings Limited
- Independent Director, SGX Mainboard Listed, Samudera Shipping Line Ltd
- Independent Director, SGX Mainboard Listed, United Food Holdings Limited

Mr Chng's past appointments include:

- Chief Executive Officer, SGX Listed, Yeo Hiap Seng Ltd
- Chief Executive Officer, SGX Listed, HG Metals Manufacturing Limited
- Executive Director and Managing Director, SGX Listed, LH Group Limited
- Chief Executive Officer, SGX Listed, Scotts Holdings Limited
- Chief Executive Officer, SGX Listed, Hartawan Holdings Limited
- Director, Public Utilities Board
- Director, Sentosa Development Corporation
- Director, Singapore Institute of Directors

Mr Chng graduated from the University of Singapore with a First-Class Honours degree in Mechanical Engineering and was awarded Institute of Engineers Singapore Gold Medal and Mobil Silver Medal. He also holds a Master of Business Administration degree from the National University of Singapore, and completed the Program for Executive Development at IMD Lausanne Switzerland.



BOARD OF DIRECTORS
董事会

Ng Fook Ai Victor
Independent, Non-Executive Director

Mr Ng was appointed as Independent Director of the Group on 31 January 2018, and was last re-elected on 25 April 2018. Victor has over 35 years of senior investment management experience including private equity fund management. He has also seed funded and established several ventures and start-ups with exits including initial public offerings (IPO), trade sales, M&A.

Mr Ng's other current appointments include:

- Chairman, SGX-Catalist Listed, Healthbank Holdings Ltd
- Independent Director, SGX Mainboard Listed, Soilbuild Business Space Reit
- Independent Director, HKSE Mainboard Listed, Sunshine 100 China Holdings Ltd
- Chairman, 1Rockstead GIP Fund Ltd, Singapore

Mr Ng's past appointments include:

- Independent Director, MYX Listed, My E.G. Services Berhad
- Independent Director, SGX Listed, SHC Capital Asia Limited
- Independent Director, SGX Listed, Cityneon Holdings Limited

Mr Ng holds a Bachelor of Science (Honours) in Economics and Master of Science in Economics from Birkbeck College, University of London. He was awarded the University of London Convocation Book Prize (First) and the Lord Hailsham Scholarship in 1974. Mr Ng was awarded PBM (Community Services) by the President, Republic of Singapore in 1992.

Foo Chiah-Shiung
Independent, Non-Executive Director

Mr Foo was appointed as Independent Director of the Group on 1 August 2018. He was last re-elected as Director on 24 April 2019. Mr Foo had previously served as Head of Investment and Operational Risks at a Singapore based fund management company, and Head Analysis & Due Diligence (Alternative Investments) at Standard Chartered Bank. Mr Foo has more than a decade of experience in investment and risk management.

Mr Foo holds a Phd in Finance and a Master of Science in Asset and Risk Management from Edhec, and an MBA in International Business and Finance from Imperial College. He was awarded Monetary Authority of Singapore Doctorate Scholarship and Edhec Scholarship.

BOARD OF DIRECTORS
董事会

吉增和
主席

吉增和先生于2016年10月12日获委任为集团董事会主席并于2019年4月24日获选连任。吉增和先生主要负责制定集团多媒体业务的发展方向，制定公司战略及公司决策。吉增和先生在地产开发、物业管理和多媒体行业有超过20年的经验。

吉增和先生目前的其他公司任命包括：

- 主席，北京世贸天阶投资集团有限公司
- 主席，北京奥中兴业房地产开发有限公司
- 董事，世贸天阶创世（北京）贸易有限公司

吉增和先生拥有首都师范学院政治经济学学士学位和长江商学院EMBA学位。

孙泉
非执行董事

孙泉先生于2016年10月12日获委任为集团非执行董事并于2017年4月20日获选连任。孙泉先生在大中华区，新加坡，马来西亚，泰国和印度尼西亚拥有超过20年的投资和管理经验，涵盖高科技，制药，电子，房地产，自然资源和化工等多个业务领域。

孙泉先生目前的其他公司任命包括：

- 执行董事，新加坡主板上市，AEI Corporation Ltd.
- 执行董事兼首席执行官，中国资本动力资产管有限公司
- 执行董事，Capital Impetus Group Limited
- 执行董事，China Capital Impetus Investment Limited
- 董事，MTBL Global Fund (f.k.a. New Impetus Strategy Fund)
- 董事，RHB GC-Millennium Capital Pte. Ltd.

孙泉先生是北京市侨商会常务理事，副秘书长。孙泉先生毕业于北京工业大学，获得学士学位，后获得清华大学首届EMBA。

樊献勇
执行董事兼首席执行官

樊献勇先生于2016年10月12日获委任为集团执行董事并在2018年4月25日担任首席执行官一职。樊献勇先生于2019年4月24日获选连任。樊献勇先生负责集团业务的整体运作. 樊献勇先生在地产开发、物业管理和多媒体行业有超过20年的经验。

樊献勇先生目前的其他公司任命包括：

- 董事，北京世贸天阶投资集团有限公司
- 董事，北京奥中兴业房地产开发有限公司
- 董事，世贸天阶创世（北京）贸易有限公司

樊献勇先生拥有郑州大学建筑工程学士学位和长江商学院EMBA学位。



BOARD OF DIRECTORS
董事会

余光华
首席独立董事

余光华先生于2006年9月8日获委任为集团独立董事并于2017年4月20日获选连任。

余光华先生在新加坡政府服务了27年。期间，他曾在国防部、公务员委员会、财政部、教育部和社区发展部等多个部门工作。1987年至1994年，余光华先生在教育部担任常任秘书长。1994年至1998年，余光华先生担任社区发展部的常任秘书长。余光华先生在1998年退休。

余光华先生目前的其他公司任命包括：

- 独立董事，新加坡凯利板上市，Chaswood Resources Holding Ltd.
- 独立董事，新加坡凯利板上市，CFM Holdings Limited
- 独立董事，新加坡主板上市，中远投资(新坡）有限公司
- 独立董事，新加坡凯利板上市，绿科集团
- 独立董事，新加坡主板上市，力王集团控股限公司

余光华先生之前的其他公司任命包括：

- 独立董事，香港上市，胜龙国际控股有限公司
- 独立董事，新加坡上市，中国环保有限公司
- 独立董事，新加坡上市，嵩天集团有限公司
- 独立董事，新加坡上市，China Sky Chemical Fiber Co., Ltd.
- 独立董事，新加坡上市，锦佳集团
- 独立董事，新加坡上市，USP Group Limited

余光华先生是科伦坡计划和东京银行银行奖学金得主，并于1970年获得加拿大多伦多大学电气工程一等荣誉学位，1978年在曼彻斯特大学曼彻斯特商学院获得工商管理硕士学位。

由于他对社会的卓越贡献，他被新加坡政府授予公共服务奖章(2004年)和公共服务之星(2009年)。在担任公职期间，他获颁公共行政奖章(金奖)(1990年)。1991年，法国政府授予他“荣誉勋章”(Commandeur dans l'ordre des Palmes academique)。

庄熙国
独立董事

庄熙国先生于2019年2月1日获委任为本集团独立董事并于2019年4月24日获选连任。庄先生拥有深厚的投资和管理经验，涵盖制造业，房地产开发，酒店管理，贸易，娱乐和食品饮料等工业。1984年至2001年期间，他是新加坡国会议员。

庄熙国先生目前的其他公司任命包括：

- 独立董事，新加坡凯利板上市，Chaswood Resources Holding
- 独立董事，新加坡凯利板上市，Metech International Ltd
- 独立董事，新加坡凯利板上市，Blackgold Natural Resources Limited
- 独立董事，新加坡主板上市，Ellipsiz Ltd
- 独立董事，新加坡主板上市，翔峰控股集团
- 独立董事，新加坡主板上市，力王集团控股限公司
- 独立董事，新加坡主板上市，萨姆达拉航务司
- 独立董事，新加坡主板上市，联合食品控股限公司

庄熙国先生之前的其他公司任命包括：

- 首席执行官，新加坡上市，杨协成集团
- 首席执行官，新加坡上市，福源金属制造有限公司
- 执行董事，新加坡上市，叙福楼集团有限公司
- 首席执行官，新加坡上市，Scotts Holdings Limited
- 首席执行官，新加坡上市，Hartawan Holdings Limited
- 董事，新加坡环境及水源部
- 董事，圣淘沙发展机构
- 董事，新加坡董事协会

庄熙国先生毕业于新加坡大学，获机械工程一级荣誉学位，并曾获新加坡工程师学会金奖及美孚银奖。他还拥有新加坡国立大学工商管理硕士学位，并在瑞士洛桑国际管理发展学院完成了高管发展课程。

BOARD OF DIRECTORS
董事会

黄博爱
独立董事

黄博爱先生于2018年1月31日获委任为本集团独立董事并于2018年4月25日获选连任。黄博爱先生拥有超过35年的高级投资管理经，包括私募股权基金管理。他还投资并建立了几家企业和初创企业，包括首次公开发行(IPO)、贸易销售和并购。

黄博爱先生目前的其他公司任命包括：

- 主席，新加坡凯利板上市，Healthbank Holdings Ltd
- 独立董事，新加坡主板上市，Soilbuild Business Space Reit
- 独立董事，香港主板上市，Sunshine 100
- China Holdings Ltd
- 主席，1Rockstead GIP Fund Ltd，新加坡

黄博爱先生之前的其他公司任命包括：

- 独立董事，马来西亚上市，My E.G. Services Berhad
- 独立董事，新加坡上市，四海栈亚洲有限公司
- 独立董事，新加坡上市，城贸控股有限公司

黄博爱先生拥有伦敦大学伯克贝克学院经济学理学士（荣誉）学士学位和经济学理学硕士学位。他曾获得伦敦大学评议会书奖(一等)并于1974年荣获海尔珊勋爵奖学金(Lord Hailsham Scholarship)。黄先生于1992年被新加坡总统授予PBM(社区服务)。

胡家雄
独立董事

胡先生于2018年8月1日获委任为本集团独立董事并于2019年4月24日获选连任。胡先生曾任职于一家新加坡基金管理公司的风控总监并曾担任渣打银行的分析及尽调总监。胡先生拥有超过10年的投资和风控管理经验。

胡先生拥有艾代克高等商学院金融学博士和资产及风险管理学硕士学位。胡先生也拥有帝国理工学院的国际商务及金融学硕士学位。他荣获新加坡金融管理局颁发的新加坡博士奖学金(Singapore Doctorate Scholarship)和艾代克高等商学院的奖学金。

MANAGEMENT TEAM
管理层

Meng Kuang-Yi
Marketing Director

Mr Meng was appointed as the Marketing Director of the Group on 3 May 2019. He is responsible for the development and implementation of the branding strategy of the Group.

Mr Meng holds the position of Senior Manager of The Place Investment Group Co., Ltd. Mr. Meng is multi-lingual and is in charge of liaison for cross-borders projects. He spearheaded several projects in South-East Asia, including Singapore, to conduct feasibility studies on its local development, tourism and retail sector and engages in talks with local market players, seeking investment opportunities. He was also the Manager of Beijing Aozhong Xingye Real Estate Development Co., Ltd. Mr Meng has vast experience in Engineering and Aeronautical Management. Mr. Meng graduated with a Master of Arts in Law from The National Taiwan University and also has a Bachelor's degree in Mechanical Engineering from Tamkang University.

Tay Ai Li
Financial Controller

Ms Tay was appointed as Financial Controller of the Group on 17 October 2016. She is in charge of the Company's financial and accounting functions in Singapore and responsible for overseeing the financial reporting, accounting functions, risk management and compliance requirements relating to the Group.

Ms Tay joined the Group in July 2009 as Group Accountant. In 2014, she was promoted to Finance Manager. Prior to joining the Group, Ms Tay had over 4 years of auditing experiences in one of the Big 4 accounting firms. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants and holds a Bachelor Degree in Accountancy from Nanyang Technological University, Singapore. She was formerly a member of Punggol North Citizens Consultative Committee and the Young Professional Advisory Committee under Institute of Singapore Chartered Accountants.

孟广益
市场总监

孟广益先生于2019年5月3日获委任为集团市场总监一职。孟广益先生主要负责集团品牌战略的制定和实施。

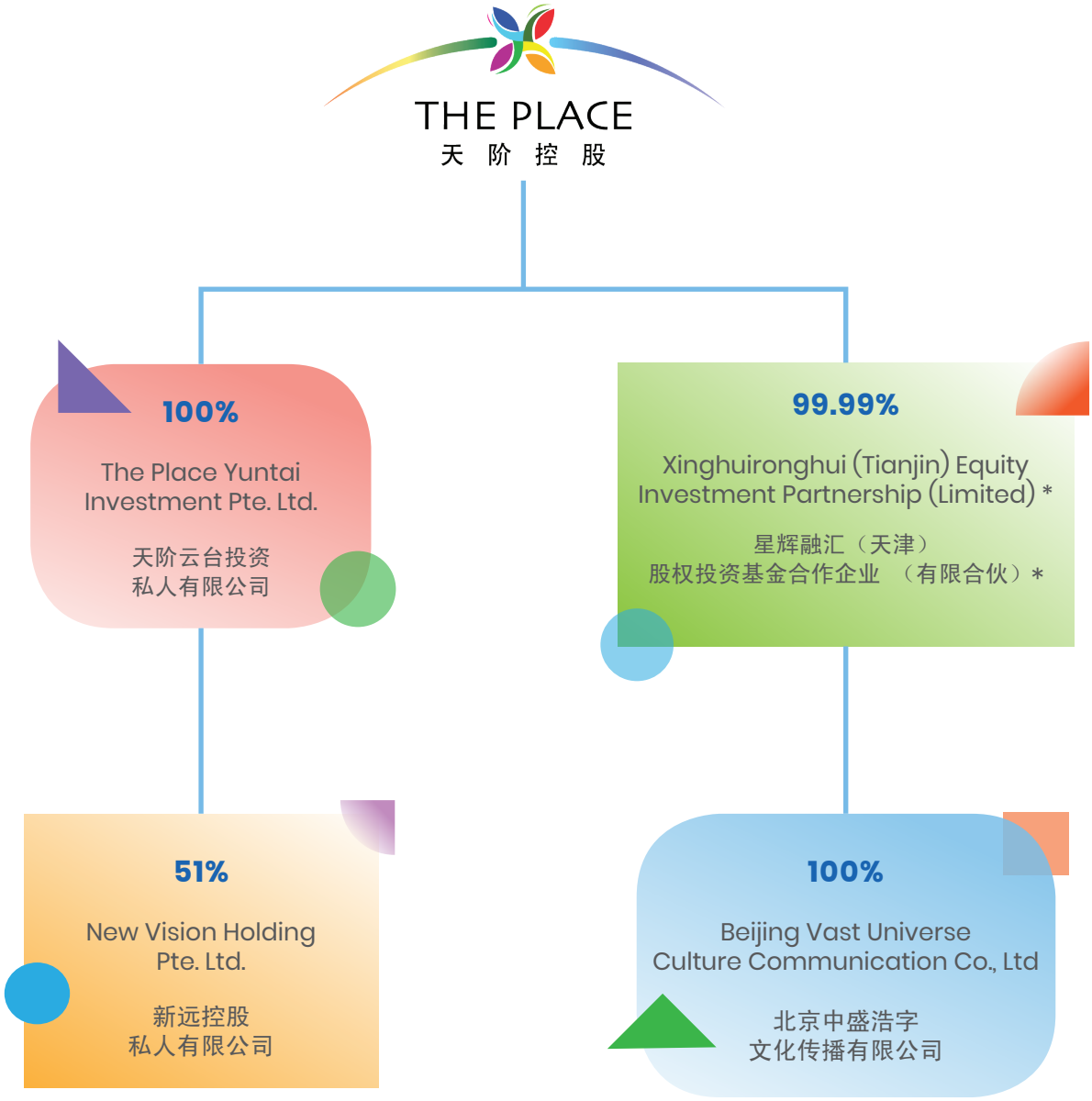
孟广益先生担任世贸天阶集团资深经理，北京奥中兴业房地产开发有限公司经理，並在工程与航空管理方面，有多年工作经验。孟广益先生拥有淡江大学机械工程学士学位，以及国立台湾大学法学硕士学位。

郑爱丽
财务总监

郑爱丽女士于2016年10月17日获委任为集团财务总监一职。郑爱丽女士主要负责集团的财务核算体系、资金与预算管理体系、财务监督与分析体系、内部风险控制体系等，并对有效性进行监控。

郑爱丽女士于2009年7月加入集团为集团会计师。2014年升职为财务经理。加入集团前，郑女士在德勤事务所累计了4年的审计经验。她是一名新加坡特许会计师协会注册的特许会计师，毕业于新加坡南洋理工大学的会计系。她曾担任榜鹅北公民咨询委员会一员及新加坡特许会计师协会旗下的青年专业人士咨询委员会一员。

GROUP STRUCTURE
公司架构



* The remaining 0.01% of Xinghuironghui is owned by Precious Water Forest Capital Co., Ltd (the Fund Manager).

*其余0.01%的星辉融汇由森淼丰润投资管理（北京）有限公司（基金经理）持有。

CORPORATE INFORMATION
公司信息

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS
Ji Zenghe
Fan Xianyong

NON-EXECUTIVE DIRECTOR
Sun Quan

INDEPENDENT DIRECTORS
Er Kwong Wah (Lead Independent Director)
Chng Hee Kok
Foo Chiah-Shiung
Ng Fook Ai

AUDIT COMMITTEE
Er Kwong Wah (Chairman)
Chng Hee Kok
Foo Chiah-Shiung
Ng Fook Ai

NOMINATING COMMITTEE
Foo Chiah-Shiung (Chairman)
Chng Hee Kok
Er Kwong Wah
Ng Fook Ai

REMUNERATION COMMITTEE
Ng Fook Ai (Chairman)
Chng Hee Kok
Er Kwong Wah
Foo Chiah-Shiung

COMPANY SECRETARY
Benny Lim Heng Chong
Dai Lingna

REGISTERED OFFICE
6 Battery Road,
#16-06,
Singapore 049909
Tel: (65) 6781 8156
Fax: (65) 6781 8159
Website: www.theplaceholdings.com

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place, #32-01
Singapore Land Tower, Singapore 048623

AUDITORS
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
Partner-in-charge: Loo Kwok Chiang, Adrian
Appointed since financial year ended
31 December 2019

董事委员会

执行董事
吉增和
樊献勇

非执行董事
孙泉

独立董事
余光华（首席独立董事）
庄熙国
胡家雄
黄博爱

审计委员会
余光华（主席）
庄熙国
胡家雄
黄博爱

提名委员会
胡家雄（主席）
庄熙国
余光华
黄博爱

薪酬委员会
黄博爱（主席）
庄熙国
余光华
胡家雄

公司秘书
林亨聪
戴灵娜

注册办公室
6百得利路，
#16-06,
新加坡邮区 049909
电话：(65) 6781 8156
传真：(65) 6781 8159
网址：www.theplaceholdings.com

股票登记及转让处
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place, #32-01
Singapore Land Tower, Singapore 048623

外部审计师
毕马威
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581
负责合伙人：卢国强
委任日：财政年度2019年12月31日

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5 YEAR FINANCIAL HIGHLIGHTS
5年财务亮点

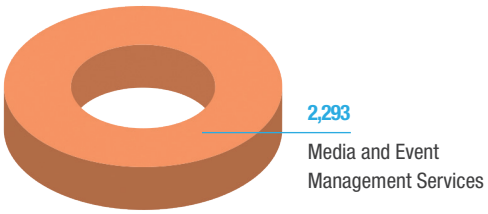
Year ended 31 December 2019

	2019	2018	2017	2016	2015
CONSOLIDATED PROFIT & LOSS (S$'M)* (for the year ended 31 December)					
Revenue	2.3	1.8	2.4	46.7	52.5
Gross profit	1.9	1.5	1.9	3.9	2.8
Profit/(Loss) before tax	0.9	2.5	9.4	(7.8)	(22.8)
Profit/(Loss) attributable to shareholders	0.08	1.9	9.0	(6.5)	(20.2)
CONSOLIDATED FINANCIAL POSITION (S$'M) (As at 31 December)					
Property, plant and equipment	2.1	-	-	-	19.9
Cash and cash equivalents	63.1	89.9	88.5	46.0	6.4
Other assets	35.5	3.8	3.9	62.7	40.6
TOTAL ASSETS	**100.7**	**93.7**	**92.4**	**108.7**	**66.9**
Equity attributable to owners of the company	92.0	92.9	91.8	34.6	(8.4)
Total borrowings	-	-	-	-	17.8
Other liabilities	8.7	0.8	0.6	74.1	52.9
Non-controlling interests	-	-	-	-	4.6
TOTAL LIABILITIES AND EQUITY	**100.7**	**93.7**	**92.4**	**108.7**	**66.9**
FINANCIAL RATIOS					
Return on shareholders' equity (%)	0.09	2.0	9.8	(18.79)	240.5
Return on assets (%)	0.9	2.7	10.2	(7.2)	(34.1)
Net gearing ratio	9.5	1.0	1.0	1.3	(0.7)
Working capital ratio	12.6	120.3	148.6	1.5	0.8
PER SHARE DATA (CENTS)					
Earnings/(Loss) after tax*	- ^	0.03	0.20	(0.54)	(3.55)
Net assets	1.6	1.6	2.1	1.1	(1.5)

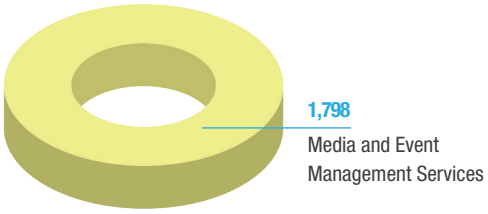
* Includes continuing and discontinued operations
^ Less than 0.01 cents

FINANCIAL HIGHLIGHTS
财务亮点

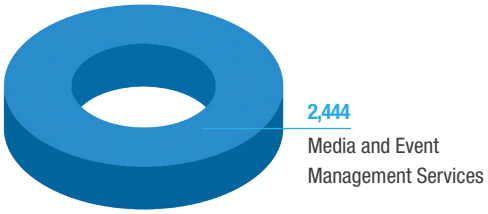
REVENUE MIX BY SEGMENTS (S$'000)



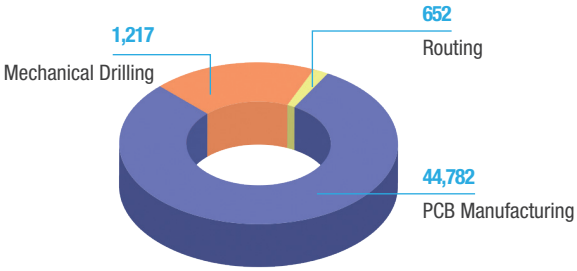
2019



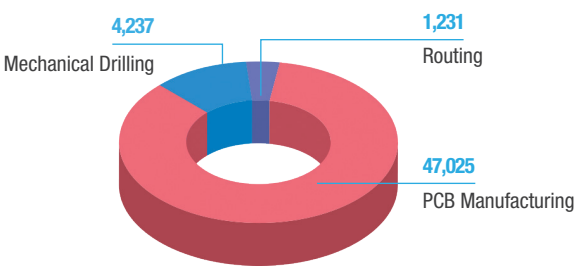
2018



2017

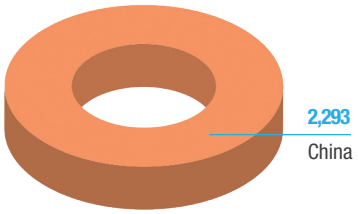


2016

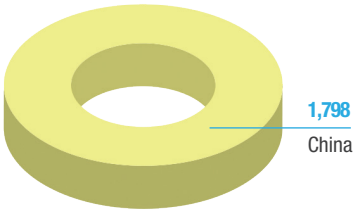


2015

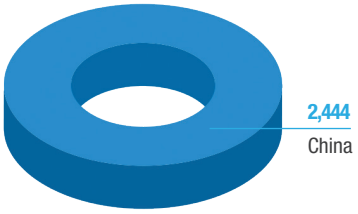
REVENUE MIX BY GEOGRAPHICAL LOCATIONS (S$'000)



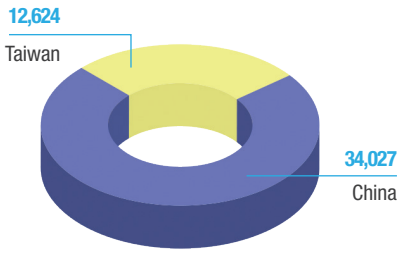
2019



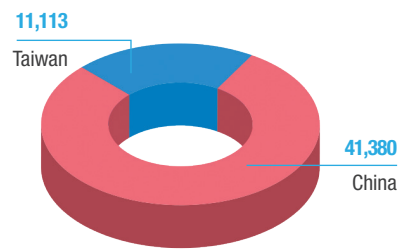
2018



2017



2016



2015

CORPORATE GOVERNANCE REPORT

The Place Holdings Limited (the "**Company**") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (collectively, the "**Group**") to ensure greater transparency and protection of shareholders' interests. The board of directors of the Company (the "**Board**") is pleased to confirm that the Company has complied with the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and the accompanying Practice Guidance to the Code, where they are applicable and practical to the Group. Where there is any deviation, appropriate explanation has been provided within this report.

This report sets out the Company's corporate governance processes, practices and structures that were in place throughout the financial year ended 31 December 2019 ("**FY2019**"), with specific reference to the principles and provisions of the Code.

The Board and the management of the Company (the "**Management**") will continue to uphold the highest standards of corporate governance within the Company in accordance with the Code.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Role of the Board

The Board assumes responsibility for stewardship of the Group, and puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company.

The Board's primary role is to protect and enhance long-term value and returns for shareholders. It provides entrepreneurial leadership, oversees the business and affairs of the Group, and approves the Group's financial and strategic plans, key business initiatives, major investments and divestments proposals, and funding decisions.

Additionally, the Board has direct responsibility for decision-making in respect of the following corporate events and actions:

(a) establish, together with Management, the strategies and financial objectives to be implemented by Management;

(b) oversee the processes of risk management, financial reporting and compliance, and evaluate the adequacy of internal controls;

(c) review and endorse the framework of remuneration for the Board and key management personnel as may be recommended by the Remuneration Committee;

(d) review the performance of Management, approve the nominations of the Board of Directors and appointment of key management personnel, as may be recommended by the Nominating Committee;

(e) ensure that necessary financial and human resources are in place for the Group to meet its objectives;

(f) assume responsibility for corporate governance; and

(g) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

The Company has adopted internal guidelines setting forth matters which require Board approval. Matters which are specifically reserved to the full Board for decision include those involving interested person transactions (such as conflict of interest issues in relation to substantial shareholders and directors of the Company), material acquisitions and disposal of assets, corporate or financial restructuring, share issuance and dividends, and financial results and corporate strategies.

Each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. Where a director faces a conflict of interest issue, he will disclose and declare his conflict of interest, and recuse himself from discussions and decisions involving the issues of conflict. Each Board member makes decisions objectively in the interests of the Group.

Board and Board Committees

To assist the Board in the execution of the Board's responsibilities, certain functions of the Board have been delegated to 3 Board committees, comprising an Audit Committee ("**AC**"), a Nominating Committee ("**NC**") and a Remuneration Committee ("**RC**"). Each of these committees functions within clearly defined terms of reference setting out their compositions, authorities and duties, and operating procedures (including reporting back to the Board) which are reviewed on a regular basis to ensure continued relevance and consistency with the Code. The effectiveness of each committee is also constantly being monitored.

The Board meets on a quarterly basis and as warranted by particular circumstances. The Company's Constitution allows for telephonic attendance and video-conference at Board and Board committee meetings. The number of Board and Board committee meetings held for the period from 1 January 2019 to 31 December 2019, as well as the attendance of each member at these meetings, are set out below:-

DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS				
	Board	**AC**	**NC**	**RC**
	No. of Meetings held: 5	**No. of Meetings held: 5**	**No. of Meetings held: 1**	**No. of Meetings held: 1**
Name of Directors	**No. of Meetings attended**	**No. of Meetings attended**	**No. of Meetings attended**	**No. of Meetings attended**
Ji Zenghe	5 out of 5	–	–	–
Fan Xianyong	5 out of 5	–	–	–
Sun Quan	4 out of 5	–	–	–
Er Kwong Wah	5 out of 5	5 out of 5	1 out of 1	1 out of 1
Ng Fook Ai Victor	5 out of 5	5 out of 5	1 out of 1	1 out of 1
Foo Chiah-Shiung (Hu Jiaxiong)	4 out of 5	4 out of 5	1 out of 1	1 out of 1
Chng Hee Kok[1]	4 out of 4	4 out of 4	–	–

Note:

(1) Mr Chng Hee Kok was appointed as member of the AC, NC and RC on 1 February 2019. From 1 February 2019 to 31 December 2019, there were 4 Board meetings and 4 AC meetings held.

CORPORATE GOVERNANCE REPORT

Directors' Orientation and Development

The Company has an orientation program for all newly appointed Directors, and briefings provided by Management to better understand the Group's business operations, including the opportunity to visit the key operations of the Group and to meet with key management personnel. Directors who are first-time directors, or who have no prior experience as directors of a listed company will undergo the Listed Entity Director Programme conducted by the Singapore Institute of Directors ("**SID**").

All newly appointed Directors receive a formal letter setting out their duties and responsibilities, along with an information pack containing the Company's annual report, Constitution, respective Board committees' terms of reference (where applicable), as well as a template director's disclosure form pertaining to his/her obligations in relation to disclosure of interests in securities and conflict of interests.

The Directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, as well as changes in the relevant provisions of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and listing rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), so as to update and refresh themselves on matters that affect or may enhance their performance as Board or Board committee members. They are also informed of and are encouraged to attend relevant seminars such as those organised by the SGX-ST, SID and other external professional organisations to keep abreast of developments relevant to their roles.

Access to Information

The Management provides all members of the Board with appropriately detailed management accounts which present a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis.

To assist the Board in fulfilling its responsibilities, Management provides the Board with complete and adequate information in a timely manner on an ongoing basis and prior to Board meetings so that the members may better understand the matters prior to the meetings and discussions may be focused on questions that the Board may have on issues relating to those matters. Key management personnel who can provide additional insight into the matters at hand may be invited to be present at the relevant time during the Board meeting.

Access to Management and Company Secretary

The Directors have separate and independent access to the Management and the Joint Company Secretaries at all times.

At least one Joint Company Secretary attends all Board meetings. The Joint Company Secretaries are responsible for preparing minutes of Board proceedings, and are responsible to the Board for advising on corporate and administrative matters, as well as facilitating orientation and assisting with professional development as required.

The appointment and removal of the Joint Company Secretaries are subject to the approval of the Board as a whole.

The Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in the discharge of their duties, at the expense of the Company.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independent and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Composition

The Board, through the NC, examines and reviews its structure, size and composition annually, taking into account the scope and nature of the Company's operations. The Board presently comprises 7 directors, 4 of whom are independent directors, 2 of whom are executive directors, and the remaining director being a non-executive director.

The present composition of the Board complies with Provision 2.2 of the Code that the independent directors should make up a majority of the Board where the Executive Chairman is part of the management team and not an independent director, and with Provision 2.3 of the Code that the majority of the Board comprises non-executive directors. Given that the Independent Directors make up a majority of the Board, the Board is thus able to exercise objective judgement on corporate affairs independently.

The nature of the current directors' appointments and membership on the Board committees are as follows:-

Name of Director	Nature of appointment	Board Committee Membership		
		AC	NC	RC
Ji Zenghe	Executive Chairman	–	–	–
Fan Xianyong	Executive Director and Chief Executive Officer	–	–	–
Sun Quan	Non-Executive Director	–	–	–
Er Kwong Wah	Lead Independent Director	Chairman	Member	Member
Ng Fook Ai Victor	Independent Director	Member	Member	Chairman
Foo Chiah-Shiung (Hu Jiaxiong)	Independent Director	Member	Chairman	Member
Chng Hee Kok[1]	Independent Director	Member	Member	Member

Note:

(1) Mr Chng Hee Kok was appointed as Independent Director, member of the AC, member of the RC and member of the NC on 1 February 2019.

Board Diversity

The Board has adopted a Board Diversity Policy which set out its policy and framework for promoting diversity on the Board. The Board believes that board diversity enhances its decision-making capability, and a diverse board is more effective in dealing with organizational changes and less likely to suffer from group thinking. The Board also recognizes that board diversity is an essential element contributing to the sustainable development of the Group. These board diversity objectives are achieved by harnessing the different aspects of diversity, such as professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational background, ethnicity and length of service.

When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of its members, the NC will consider the various aspects of board diversity, and set practical timelines to implement the policy. The NC will also report to the Board on the progress made in promoting and achieving its board diversity objectives.

The NC is satisfied that the Board comprises directors who as a group provide core competencies, such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer based experience or knowledge, which are required for the Board to function effectively. The Board also consists of directors with ages ranging from 40 to more than 70 years old, and who have served on the Board for different tenures.

The NC noted that no individual or small group of individuals dominate the Board's decision-making process. Accordingly, the Board is of the view that its current structure, size and composition is appropriate for effective decision-making, and provides balance and mix of expertise, knowledge, experience and other aspects of diversity.

Board Independence

The NC conducts a review annually to determine whether or not a director is independent, adopting the Code's definition of an "independent director" and guidance as to relationships, including those provided in the Code, the Listing Manual and the Practice Guidance to the Code, that are relevant in its determination. Each Independent Director is required to complete an annual declaration to confirm his independence, and in particular, that he does not have any relationship with the Company and its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interest of the Group. The independent directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

In assessing the independence of each Independent Director for FY2019, the NC noted that Mr Er Kwong Wah has served on the Board for an aggregate period of more than 9 years from the date of his first appointment. As such, the Board has subjected his independence to a particularly rigorous review.

After due consideration and with the concurrence of the NC (with Mr Er Kwong Wah abstaining from the discussion and decision-making process with respect to the assessment of his independence), the Board has determined that Mr Er has continued to demonstrate strong independence in character and judgment in the manner in which he has discharged his responsibilities as the Lead Independent Director of the Company. Mr Er has continued to express his viewpoints, debated issues, sought clarifications, and objectively scrutinised and challenged Management, where necessary.

In addition, there were new independent directors appointed to the Board and changes to the Management team since the second half of FY2016. Accordingly, the NC is of the view that the independence of Mr Er would not be undermined or impaired as a result of familiarity with Management or business of the Group.

Save for Mr Er Kwong Wah, none of the Independent Directors has served on the Board beyond an aggregate period of more than 9 years from the respective dates of their first appointment.

Each Independent Director had also abstained from deliberations in respect of the assessment on his own independence. Taking into account the views of the NC and the annual confirmation from each of the Independent Directors of his independence, the Board considers each of the Independent Directors to be independent and will be able to exercise independent judgment in the best interest of the Company in discharging their duties as independent directors.

The Non-Executive Directors challenge Management's assumptions, assess performance of Management, and also extend guidance to Management, in the best interest of the Group. To facilitate a more effective check on Management, the Non-Executive Directors met regularly during FY2019 without the presence of Management.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

Division of the Roles of Executive Chairman and CEO

To ensure an appropriate balance of power, increased accountability and a clear division of the roles and responsibilities between the Chairman and the Chief Executive Officer ("**CEO**"), the position of the Chairman and CEO are held by separate individuals.

Currently, the Executive Chairman of the Company is Mr Ji Zenghe. As Executive Chairman of the Board, Mr Ji Zenghe plays a key role in developing the business of the Group and provides the Group with strong leadership and vision. He is responsible for the overall strategic planning and growth of the Group. He also exercises control over the quality, quantity and timeliness of information flow between the Board and Management.

Mr Ji also bears responsibility for the effective working of the Board. His responsibilities include, amongst others, ensuring that Board meetings are held when necessary, setting the Board meeting agendas to enable the Board to carry out its duties effectively and responsibly, taking a leading role to ensure and maintain a high standard of corporate governance, acting as a facilitator at Board meetings and maintaining regular dialogue with Management on all operational matters.

Mr Fan Xianyong is the CEO and Executive Director of the Company. He is not an immediately family member of the Executive Chairman, Mr Ji Zenghe. As CEO, Mr Fan is responsible for execution of the Company's corporate and business strategies and policies, as well as for the conduct of the Group's business. Mr Fan is also responsible for the overall management and day-to-day operations of the Group.

Role of Lead Independent Director

During the year, Mr Er Kwong Wah, the Lead Independent Director of the Company, led and coordinated the activities of the independent directors and addressed the concerns, if any, of the Company's shareholders. Led by Mr Er, the independent directors met regularly in FY2019 without the presence of Management to discuss matters such as the changes that they would like to see in the Board processes, corporate governance initiatives, and matters which they wish to discuss during the Board meetings. After such meetings, the Lead Independent Director will provide feedback to the Executive Chairman and the Board.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Composition and Role of the NC

The Company has established a NC to, *inter alia*, make recommendations to the Board on all Board appointments. The NC currently comprises the following independent directors, with the Lead Independent Director being a member of the NC:

Foo Chiah-Shiung (Hu Jiaxiong)	-	Chairman
Er Kwong Wah	-	Member
Ng Fook Ai Victor	-	Member
Chng Hee Kok	-	Member (Appointed on 1 February 2019)

The role of the NC is to establish a formal and transparent process for the appointment of new directors and the re-election of directors retiring by rotation, as well as to assess the effectiveness of the Board and the overall contribution of each director towards the effectiveness of the Board.

The principal functions of the NC include the following:

(a) to review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) to make recommendations to the Board on all Board appointments and re-appointments of directors or alternate directors (if any), having regard to that director's contribution and performance (such as attendance, preparedness, participation and candour) where applicable;

(c) to review the independence of the directors annually;

(d) to decide whether the director is able to and has been adequately carrying out his duties as director, in particular, where a director has multiple board representations;

(e) to review training and professional development programmes for the Board and its directors;

(f) to review and make recommendations to the Board on all candidates nominated (whether by the Board, shareholders or otherwise) for appointment to the Board, taking into account the candidate's track record, age, experience, capabilities and other relevant factors;

(g) to identify and nominate candidates for the approval of the Board to fill vacancies in the Board as and when they arise;

(h) to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval; and

(i) to assess the effectiveness of the Board as a whole, and the contribution by each director to the effectiveness of the Board.

The NC has conducted an annual review of Directors' independence based on the Code's criteria for independence, and is of the view that Mr Er Kwong Wah, Mr Ng Fook Ai Victor, Mr Foo Chiah-Shiung (Hu Jiaxiong) and Mr Chng Hee Kok are independent. More details of the Board and NC's determination of the independence of the Independent Directors are set out under Principle 2 of this report in the section headed "*Board Independence*".

Other Principal Commitments and Board Representations

The NC determines annually whether a director with multiple board representations is able to and has been adequately carrying out his duties as a director of the Company. The NC has taken into account the respective director's actual conduct and effectiveness on the Board, and the time and attention given by each of them to the affairs of the Company, in making this determination, and is satisfied that all the directors having multiple board representations have been able to and have adequately carried out their duties as director.

As a person's available time and attention may be affected by factors such as whether he is in full-time employment and the nature of his other responsibilities, the NC decided not to fix a maximum limit on the number of directorships a director can hold. The NC considers that the multiple board representations held presently by its directors do not impede their respective performance in carrying out their duties to the Company.

The following key information regarding all directors is set out in the following pages of this Annual Report:

(a) pages 8 to 13 - Key information (including each of the Director's board representations on other listed companies and other principal commitments (if any), as well as academic and professional qualifications; and

(b) pages 40 to 41 - Shareholding in the Company and its related corporations.

The Company currently has no alternate directors on its Board. The Board is of the view that the appointment of alternate directors should only be appointed for limited periods in exceptional cases such as when a director has a medical emergency. An alternate director, when appointed, should be subject to the same criteria and process for selection of directors, and be appropriately qualified.

The NC has in place a formal process for the selection and appointment of new directors, and re-appointment of directors to increase transparency of the nominating process in identifying and evaluating nominees or candidates for appointment or re-appointment, as well as to advance the Company's objective of promoting board diversity.

Process for selection of new directors

The NC has recommended, and the Board has approved, a formal process for the selection of new directors as follows:

(a) The NC evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(b) Directors and Management may suggest suitable potential candidates. If necessary, the NC may enlist external help (for example, from the Singapore Institute of Directors, search consultants, advertisements) to source for potential candidates;

(c) The NC assesses suitability of short-listed candidates, meets and discusses with them, if necessary, the expectations and the level of commitment required; and

(d) The NC makes recommendations to the Board for approval.

Criteria for appointment of new directors

All new appointments are subject to the recommendation of the NC based on, *inter alia*, the following objective criteria:

(a) Integrity;

(b) Independent mindedness;

(c) Possess core competencies which meet the current needs of the Company and complement the skills and competencies of the existing directors on the Board;

(d) Able to commit time and effort to carry out duties and responsibilities effectively;

(e) Experience in the relevant field of business of the Company or industries in which it operates; and

(f) Financially literate.

Re-appointment of directors

All directors are to submit themselves for re-nomination and reelection at regular intervals of at least once every 3 years. Under the Company's Constitution, at least one-third of the directors for the time being (or, if their number is not a multiple of 3, the number nearest to but not lesser than onethird) shall retire from office by rotation at each AGM of the Company. In addition, a newly appointed director shall hold office only until the AGM immediately following his appointment, and shall be eligible for re-election.

At the forthcoming AGM, Mr Er Kwong Wah and Mr Sun Quan (collectively, the "**Retiring Directors**") are due for retirement by rotation under Article 94 of the Constitution of the Company. The Retiring Directors had submitted themselves for re-election, and the NC (with Mr Er Kwong Wah abstaining from the deliberation process in respect of his own re-election) reviewed and recommended their re-election.

Mr Er Kwong Wah has no relationship (whether familial, business, financial, employment or otherwise) with the Company, its related corporations, its substantial shareholders or its officers.

The Board (save for the respective Retiring Directors who had abstained from the deliberation process in respect of their own re-election) has accepted the NC's recommendation and proposes that the Retiring Directors be re-elected at the forthcoming AGM.

Please refer to the explanatory notes to the Notice of AGM dated 14 June 2020 and pages 95 to 104 of this Annual Report for the disclosure information required pursuant to Rule 720(6) read with Appendix 7.4.1 of the Listing Manual of the SGX-ST ("**Listing Manual**") not otherwise disclosed in this Annual Report in respect of the Retiring Directors seeking re-election at the forthcoming AGM.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has implemented a formal process for assessing the effectiveness of the Board as a whole and the Board committees, as well as the contribution by each director to the effectiveness of the Board.

The assessment of the Board and the Board committees provided an opportunity to obtain constructive feedback from each director on whether the Board's procedures and processes allowed him to discharge his duties effectively and the changes that should be made to enhance the effectiveness of the Board as a whole.

The individual director's assessment exercise allowed each director to reflect upon his own performance on the Board so that the overall quality of the board members may be improved upon and enhanced. It also assisted the NC in determining whether to re-nominate directors who are due for retirement by rotation at the next AGM, and in determining whether directors with multiple board representations are nevertheless able to and have adequately discharged their duties as directors of the Company. More details of the Board and NC's assessment and determination exercise are set out under Principle 4 of this report in the sections headed *"Other Principal Commitments and Board Representations"* and *"Re-appointment of Directors"*.

The NC determines how the Board's performance may be evaluated and proposes objective performance criteria. Such performance criteria is approved by the Board and addresses how the Board has enhanced long-term shareholders' value.

Evaluation processes

(a) Board and Board committees

Each Board member is required to complete a Board and Board Committees Assessment Checklist. Based on the returns from each of the directors, a consolidated report was prepared and presented to the Board for discussion on the changes which should be made to help the Board and Board committees discharge their respective duties more effectively.

(b) Individual directors

In the case of the assessment of individual directors, each director is required to complete a director's assessment form by way of a self-assessment of his contribution to the effectiveness of the Board. Based on the returns from each of the directors, a consolidated report was prepared and presented to the Board for discussion. The Chairman of the Board then provides the necessary feedback on the respective Board performance of each director, with a view to improving their respective performance on the Board.

Performance criteria

The performance criteria for the Board evaluation are in respect of the Board size, composition and independence, conduct of meetings, corporate strategy and planning, risk management and internal control, Board performance in relation to discharging its principal functions, Board committee performance in relation to discharging their responsibilities set out in their respective terms of reference, achievement of financial targets which includes return on equity, improvement of performance of the Company's share price vis-à-vis the Singapore Straits Times Index, recruitment policy, process for determining remuneration and compensation of directors and key management personnel, financial reporting, and communication with shareholders.

The individual director's performance criteria are categorised into (1) attendance at board and related activities; (2) adequacy of preparation for board meeting; (3) contribution in strategic/business decision, finance/accounting, risk management, legal/regulatory, human resource management, or any other specialist area of each director; (4) area of experience; (5) generation of constructive debate; (6) maintenance of independence; (7) disclosure of interested party transactions; and (8) overall assessment.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Composition and Role of the RC

The RC currently comprises entirely independent directors as follows:

Ng Fook Ai Victor	-	Chairman
Er Kwong Wah	-	Member
Foo Chiah-Shiung (Hu Jiaxiong)	-	Member
Chng Hee Kok	-	Member (Appointed on 1 February 2019)

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of each individual director, the CEO and key management personnel (who are not directors or the CEO).

The principal functions of the RC include the following:

(a) to review and recommend to the Board for endorsement a framework of remuneration for the Board and key management personnel, and the specific remuneration packages for each director as well as for the key management personnel of the Company. The framework will cover all aspects of remuneration, including without limitation, directors' fees, salaries, allowances, bonuses, options, share-based incentives, benefits-in-kind, and termination terms to ensure they are fair;

(b) to review the remuneration packages of all managerial staff who are related to any of the executive directors;

(c) to review and approve the annual increments and/or variable bonus to be granted to the Executive Directors and key management personnel of the Company;

(d) in the case of directors' service agreements, to consider what compensation or commitments the directors' service agreement, if any, would entail in the event of early termination, and to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous; and

(e) to recommend to the Board, in consultation with senior management and the Executive Chairman, any long-term incentive scheme (including share schemes) and to consider the eligibility of directors for benefits under such long-term incentive schemes.

The recommendations of the RC would be submitted to the Board for endorsement. Each member of the RC will refrain from voting on any resolution in respect of the assessment of his remuneration. No director will be involved in determining his own remuneration.

The RC has access to expert advice in the field of executive remuneration outside the Company with regards to remuneration matters wherever necessary. The RC should ensure that existing relationships, if any, between any of its directors or the Company and its appointed remuneration consultants, will not affect the independence and objectivity of the remuneration consultants. In FY2019, the Company did not seek any expert advice outside the Company on remuneration of its directors.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The RC assists the Board by ensuring that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise shareholders' value. The RC reviews and approves the remuneration package, determines the overall annual increment and bonus for each of the Executive Directors and key management personnel, and ensures that they are appropriate and proportionate to the sustained performance and value creation of the Group.

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies. As part of its review, the RC ensures that the performance-related elements of remuneration form a significant and appropriate part of the total remuneration package of executive directors and key management personnel.

The remuneration packages of each of the Executive Directors and key management personnel comprises a fixed component (in the form of basic salary and allowance) and a variable component (in the form of annual bonus) that is linked to the performance of the Group as a whole as well as the individual's performance, taking into account industry benchmarks. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to be fair and avoid rewarding poor performance. This will also serve to promote the long-term sustainability of the Group. None of the Executive Directors received annual bonus for FY2019.

Each of the Executive Directors have entered into a service agreement with the Company. The terms of their respective service agreements were recommended by the RC, and approved by the Board. Each of the key management personnel were issued a letter of appointment, the terms of which were reviewed by the RC, and approved by the Board. The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors' service agreements and the key management personnel's letters of appointment, and is satisfied that the termination clauses set out therein are fair and reasonable to the parties, and are not overly generous.

The Company has not adopted the use of contractual provisions in the terms of the contracts of service of the Executive Directors and key management personnel to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company will review the feasibility of having such contractual provisions in future renewals of service agreements and/or letter of appointments of its Executive Directors and key management personnel respectively as recommended by the Practice Guidance.

The RC also reviews all matters concerning the remuneration of non-executive directors by ensuring that the remuneration is commensurate with the level of contribution, taking into account factors such as effort and time, and responsibilities of these directors. The Company will submit the quantum of directors' fees of each year to the shareholders for approval at each AGM. The executive directors do not receive directors' fees.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Policy in respect of non-executive directors' remuneration

The Non-Executive Directors do not enter into service agreements with the Company. They are paid directors' fees, the amount of which is dependent on their level of responsibilities and whether they perform additional services through Board committees. The amount of directors' fees payable to non-executive directors is subject to shareholders' approval at the Company's AGM. The Company is of the view that the Non-Executive Directors are not overcompensated to the extent that their independence may be compromised. The Company has obtained shareholders' approval for a Performance Share Scheme at its extraordinary general meeting held on 12 October 2018 ("**Performance Share Scheme**"). The Performance Share Scheme, if implemented, will allow Non-Executive Directors, who are eligible to participate in the Performance Share Scheme, to hold shares in the Company so as to better align their interest with the interest of shareholders.

Remuneration policy in respect of executive directors and other key management personnel

The Company advocates a performance-based remuneration system that is flexible and responsive to the market and the performance of the Company and the individual employee. This allows the Company to better align executive compensation with shareholders' value creation. The total remuneration mix comprises annual fixed cash and annual performance incentive. The annual fixed cash component comprises the annual basic salary plus any other fixed allowances. The annual performance incentive is tied to the performance of the Company and the individual employee.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

The level and mix of each of the directors' remuneration, and that of each of the key management personnel (who are not directors or the CEO) for FY2019, are set out as follows:

Remuneration Band and Name of Director	Directors' Fees (%)	Salary (%)	Variable Bonus# (%)	Share-Based^ (%)	Benefits (%)	Total (%)
Above S$250,000 but below S$500,000						
Ji Zenghe	–	70	–	–	30	100
Below S$250,000						
Fan Xianyong	–	70	–	–	30	100
Sun Quan	–	–	–	–	–	–
Er Kwong Wah	100	–	–	–	–	100
Ng Fook Ai Victor	100	–	–	–	–	100
Foo Chiah-Shiung (Hu Jiaxiong)	100	–	–	–	–	100
Chng Hee Kok(1)	100	–	–	–	–	100

Remuneration Band and Name of Key Management Personnel	Salary (%)	Variable Bonus# (%)	Share-Based^ (%)	Benefits (%)	Total (%)
Above S$250,000 but below S$500,000					
Kam Tin Seah(2)	100	–	–	–	100
Leow Soon Guan(3)	100	–	–	–	100
Below S$250,000					
Tay Ai Li	91	9	–	–	100
Meng Kuang-Yi(4)	64	21	–	15	100

Notes:

Includes variable or performance-related income/bonuses.

^ Includes stock options granted, share-based incentives and awards, and other long-term incentives.

(1) Mr Chng Hee Kok was appointed as Independent Director on 1 February 2019.

(2) Mr Kam Tin Seah was appointed as Chief Operating Officer on 3 May 2019 and ceased his appointment on 21 January 2020.

(3) Mr Leow Soon Guan was appointed as Chief Strategy Officer on 21 May 2019 and ceased his appointment on 21 January 2020.

(4) Mr Meng Kuang-Yi, who is the brother-in-law of the Executive Chairman, Mr Ji Zenghe, was re-designated as Marketing Director on 3 May 2019.

The Company has not disclosed the exact amount of the remuneration of each Director and its key management personnel as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. However, the Company has disclosed above the remuneration of each Director and each key management personnel, in bands of S$250,000 and the breakdown in percentages. Accordingly, the Company has deviated from complying with Provision 8.1(a) which requires the Company to disclose the exact amount and breakdown of the remuneration of each individual Director and the CEO.

The Company considers the heads of corporate functions to be its key management personnel and for FY2019, there were 4 such persons. Save as disclosed, there were no other key management personnel for FY2019. The aggregate remuneration paid to the aforesaid key management personnel (who are not directors or the CEO) in FY2019 is S$695,097.

Save for Mr Meng Kuang-Yi, the Marketing Director of the Company, who is the brother-in-law of the Executive Chairman, Mr Ji Zenghe, there was no employee of the Group who was a substantial shareholder or an immediate family member of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2019.

The Company's Performance Share Scheme contemplates the award of fully paid shares, when or after pre-determined performance or service conditions are accomplished and/or when due recognition should be given to any good work performance and/or any significant contribution to the Company. The Performance Share Scheme is intended to be broad-based and will service to enhance the Group's overall compensation packages in order to attract talent. It will also serve as an additional and flexible incentive tool. With the Performance Share Scheme, the Company would be able to tailor share-based incentives according to the objectives to be achieved. The features and details of the Performance Share Scheme, including its eligibility criteria, potential size of grants, methodology of valuation, and other relevant terms and conditions thereof, are set out in the circular to shareholders dated 21 September 2018. No awards or shares under the aforesaid share plan were issued for FY2019.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk Governance Structure

The Board is overall responsible for the governance of risk. The Board oversees the Group's risk management framework and policies, reviews the Group's business, financial and operational risks, and formulates strategies and measures to manage and mitigate these risks with the assistance of internal and external auditors. The Board oversees Management in the design, implementation and monitoring of the risk management and internal control systems of the Group, to safeguard the interest of the Company and its shareholders.

Enterprise Risk Management

In order to ensure and maintain a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, the Company has developed an Enterprise Risk Management ("**ERM**") programme with the assistance of the Company's internal auditor, Messrs Ernst & Young Advisory Services Sdn. Bhd.. The ERM programme has been implemented to identify, prioritise, assess, manage and monitor key risks faced by the Group, and covers, *inter alia*, financial, operational, compliance and information technology controls of the Group. The key risks identified are deliberated by Management, and reported to the Board. The Board will follow up on the actions required to be taken by Management to mitigate such identified risks. The AC also reviews the adequacy and effectiveness of the ERM programme periodically, and reports its findings to the Board at least once a year or as and when new significant risks are identified.

Internal Control and Risk Management Systems

The Company's internal auditor also assist the Company to conduct an annual review of the adequacy and effectiveness of the Company's internal controls. Accordingly, the internal auditor will take such identified risks into consideration in drawing up the annual internal audit plan. The external auditor, during the conduct of their normal audit procedures, may also report on matters relating to internal controls. Any material non-compliance or failures in internal controls, and recommendations for improvements, are reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the internal and external auditors in this respect, and holds regular discussions with Management to ensure the timely and proper implementation of such recommendations. Based on the reports submitted by the internal and external auditors received by the AC and the Board, nothing material has come to the attention of the AC and the Board to cause the AC and the Board to believe that the internal control and risk management processes of the Group are inadequate or ineffective, or there are non-compliance of the Company's system of internal control and processes.

The Board, with the concurrence of AC, is of the opinion that the system of internal control and risk management procedures maintained by Management are adequate and effective as at 31 December 2019 to meet the objectives of the Company in addressing the financial, operational, compliance and information technology risks to the Company and the Group as at 31 December 2019.

The Board has also received the assurance from:

(a) the CEO and the Financial Controller, *inter alia*, that the financial records of the Company for FY2019 have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances for FY2019; and

(b) the CEO and the Financial Controller, *inter alia*, that the Company's risk management and internal control systems for FY2019 are adequate and effective.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Composition and Role of AC

The AC currently comprises the following directors, all of whom are independent non-executive directors:

Er Kwong Wah	-	Chairman
Ng Fook Ai Victor	-	Member
Foo Chiah-Shiung (Hu Jiaxiong)	-	Member
Chng Hee Kok	-	Member (Appointed on 1 February 2019)

All the members bring with them invaluable industry knowledge and professional expertise in the financial and business spheres, and have adequate financial management knowledge and experience to discharge their responsibilities as members of the AC.

The primary functions of the AC include the following:

(a) to discuss and review at least annually any significant financial reporting issues and judgements in relation to the financial statements;

(b) to discuss and review at least annually the adequacy and effectiveness of the internal controls and risk management systems;

(c) to assess and review at least annually the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

(d) to review any announcements relating to the Group's financial performance before making recommendations to the Board for approval;

(e) to review the assurance from the CEO and the CFO who are responsible for the financial records and financial statements;

(f) to discuss and review with the auditors regarding, *inter alia*, the assistance given by Management to the auditors;

(g) to assess the independence and objectivity of the external auditors, and recommend to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, as well as the terms of engagement and remuneration payable to the external auditors;

(h) to review interested person transactions to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of shareholders, and are in compliance with the then prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual);

(i) to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(j) to commission and review any significant matters raised through the whistle-blowing channel or any major findings of internal investigations into matters, where there is any suspected fraud or irregularity or failure of internal controls or infringement of any relevant law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position; and

(k) to undertake such other functions and duties as may be required by the statute, the Listing Manual, Code or Practice Guidance, and by such amendments made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In addition, the AC has independent access to the internal and external auditors, who report independently their findings and recommendations to the AC. The AC met with the internal and external auditors, without the presence of Management, at least once during the year.

During the year, the AC performed independent reviews of the financial statements of the Group before the announcement of the Group's quarterly, half yearly and full-year results. The AC also reviewed and approved both the Company's internal and external auditors' plans. All audit findings and recommendations put up by the internal and the external auditors were forwarded to the AC. Significant issues were discussed at these meetings.

External Auditor

In evaluating the quality of the work carried out by the external auditors, Messrs KPMG LLP ("**KPMG**"), the AC's assessment of the performance of KPMG was based on the Audit Quality Indicators Disclosure Framework ("**AQI Framework**") recommended by the Accounting and Corporate Regulatory Authority ("**ACRA**"), which was recently revised in January 2020 to ensure that the indicators can better meet the needs of the ACs.

The Company's external auditor, KPMG has been the external auditor of the Company since 25 May 2017. KPMG was last re-appointed as external auditor of the Company at the Company's AGM held on 24 April 2019, and will hold office until the conclusion of the Company's forthcoming AGM to be held on 29 June 2020. KPMG will not be seeking re-appointment as external auditor of the Company. Shareholders' approval for the appointment of incoming external auditors of the Company will be sought at a forthcoming Extraordinary General Meeting of the Company, the details of which will be made known to shareholders in due course.

The aggregate amount of audit fees and non-audit fees paid to the external auditor for FY2019 are S$134,500 and S$2,500 respectively. The AC was of the opinion that the non-audit fees of S$2,500 paid to the external auditor for FY2019 did not impair their independence. The Company has complied with the requirements of Rules 712 and 715 of the Listing Manual in relation to the appointment of auditing firms.

None of the members of the AC were partners of KPMG within the last 2 years or has any financial interest in KPMG.

Internal Auditor

The Company's internal audit functions are out-sourced to Messrs Ernst & Young Advisory Services Sdn. Bhd. (the "**Internal Auditor**"), which is staffed with professionals with relevant qualifications and experience. The Internal Auditor has unfettered access to the AC, as well as to the Company's documents, records, properties and personnel. The AC approves the hiring, removal, evaluation and compensation of the Internal Auditor, who meets the professional standards set out in the Code.

The Internal Auditor's primary line of reporting is to the AC, although the Internal Auditor also liaise with the CEO and the Financial Controller on administrative matters.

During the year, the Internal Auditor adopted a risk-based auditing approach that focuses on material internal controls, including financial, operational, compliance and information technology controls. All findings and recommendations of the Internal Auditor are submitted to the AC for deliberation with copies of these reports extended to the CEO and relevant senior management officers.

The AC reviews annually the adequacy, effectiveness and independence of the internal audit function, and is satisfied that it is adequately resourced and has appropriate standing within the Company.

Whistle-Blower Policy

The AC also reviewed the Company's "Whistle-Blower Policy" ("**Policy**") which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company is committed to maintaining and improving its level of corporate transparency, providing timely, fair and adequate disclosure of relevant information to shareholders so that they will be apprised of the developments that may have a material impact on the Company's securities. Such information is published through the SGXNET. The Company does not practice selective disclosure. The Company is open to meetings with investors and analysts, and in conducting such meetings, the Company is mindful of the need to ensure fair disclosure.

Conduct of General Meetings

The Company ensures that true and fair information is delivered adequately to all shareholders, and that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders.

To encourage more shareholder participation, the Company's general meetings are held in the city centre of Singapore, which is easily accessible to most shareholders. Notices of general meetings are published through the SGXNET, and in the newspapers, as well as despatched to shareholders, together with the annual report or circulars within the prescribed time period. Any shareholder who is not a relevant intermediary (as defined in the Companies Act) and who is unable to attend any general meeting is allowed to appoint up to 2 proxies to vote on his behalf at the meeting through proxy forms sent in advance. Pursuant to the Companies Act, the Central Provident Fund Board and relevant intermediaries may appoint more than two proxies. At shareholders' meetings, each distinct issue is proposed as a separate resolution. Shareholders are invited to put forth any questions they may have on the motions tabled and to be decided upon.

All directors, in particular the chairman of each Board committee, are usually present at general meetings of shareholders to address shareholders' questions. The External Auditors will also be present to address shareholders' queries (if any) about the conduct of audit and the preparation and content of the auditors' report. All the Directors had attended the AGM and the extraordinary general meeting of the Company held on 24 April 2019 and 6 August 2019, respectively.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

At the forthcoming AGM, the Company will put all resolutions to vote by poll so as to better reflect shareholders' interest and ensure greater transparency. A scrutineer will also be appointed to count and validate the votes cast at the forthcoming AGM. Votes cast, for or against and the respective percentages, on each resolution are tallied and informed to shareholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNET after the general meetings.

At general meetings, the appointed independent scrutineer will explain the rules to the shareholders, including the poll voting procedures, that govern such general meetings.

The minutes of general meetings that are prepared by the Company include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and such minutes are available to shareholders upon their request.

The Company does not publish minutes of general meetings of shareholders on its corporate website as recommended in Provision 11.5 of the Code. There are potential adverse implications for the Company if the minutes of general meetings are made available to the public at large (outside the confines of a shareholders' meeting). The Company is of the view that its position is consistent with the intent of Principle 11 of the Code as shareholders have a right to attend general meetings either in person or by proxy, where they may exercise their right to speak and vote and have the opportunity to communicate their views on various matters affecting the Company. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11 of the Code, shareholders are treated fairly and equitably by the Company.

Dividend Policy

The Group has no specific dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Company is not declaring any dividend for FY2019 as the Group will be retaining its cash for expansion purpose.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Board is mindful of its obligations to provide timely and fair disclosure of material information to the SGX-ST in accordance with the Corporate Disclosure Policy as set out in the Listing Manual. The Board's policy is that all shareholders should be informed of all major developments that impact the Group on an equal and timely manner.

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company.

Material information is communicated to shareholders in a timely manner through:

(a) announcements of full year and quarterly financial results which are published via the SGXNET;

(b) annual reports or circulars of the Company that are prepared and sent to all shareholders;

(c) notices of AGMs and extraordinary general meetings published in the newspapers;

(d) press releases on major developments of the Group; and

(e) the Company's website at www.theplaceholdings.com at which shareholders can access information on the Group.

The Board establishes and maintains regular dialogue with its shareholders, to gather views or inputs and to address shareholders' concerns. The AGM of the Company is the principal forum for dialogue and interaction with all shareholders.

The Company has an investor relations policy which provides for a mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Company maintains a dedicated investor relations section on its corporate website, www.theplaceholdings.com, which serves as a repository for shareholders and the investment community, ensuring that they can easily access relevant and up-to-date information about the Company, and may at any time send their enquiries for the Company to respond to such questions in a timely manner.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company adopts both formal and informal channels of communication to understand the needs of material stakeholders, and incorporates these into the Group corporate strategies to achieve mutually beneficial relationships. The details on methods of engagement and frequency of engagement as well as the key concerns raised can be found in the Company's 2019 sustainability report.

The Company maintains and updates its corporate website regularly with various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

(F) OTHER CORPORATE GOVERNANCE MATTERS

Dealings In Securities

The Group has adopted and implemented policies in line with Rule 1207(19) of the Listing Manual in relation to the dealing of shares of the Company. The policies have been made known to directors, executive officers and any other persons as determined by Management who may possess unpublished material price-sensitive information of the Group.

The Group and its officers and employees are prohibited from trading in the Company's securities, during the period beginning 1 month and 2 weeks before the date of the announcement of the full year or quarterly results respectively and ending on the date of the announcement of the relevant results ("**Prohibited Periods**"). Directors and employees are also advised against dealing in the securities when they are in possession of any unpublished material price-sensitive information of the Group.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the Prohibited Periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.

Interested Person Transactions

The Company has adopted an internal policy governing procedures for the identification, approval and monitoring of interested person transactions ("**IPTs**"). All IPTs are subject to review by the AC to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders. On a quarterly basis, Management reports findings of IPTs, if any, during AC meetings.

In the event that a member of the AC has an interest in a transaction, he will abstain from reviewing that particular transaction.

The Board will ensure that all disclosure, approval and other requirements on IPTs, including those required by prevailing legislation, the Listing Manual and accounting standards are complied with.

The aggregate value of all interested person transactions entered into during FY2019 are tabulated hereunder pursuant to Rule 907 of the SGX-ST Listing Manual:

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Beijing Aozhong Xingye Real Estate Development Co., Ltd	Beijing Aozhong Xingye Real Estate Development Co., Ltd is controlled by Mr Ji Zenghe, the Company's Executive Chairman.	S$1,564,000(1)	–

Note:

(1) The IPT of S$1,564,000 is the management fee, coupled with profit sharing arrangement, received by the Company's subsidiary, Beijing Vast Universe Culture Communication Co., Ltd pursuant to a management agreement with Beijing Aozhong Xingye Real Estate Development Co, Ltd. during the period under review.

The Group does not have a general mandate for recurrent IPTs.

Material Contracts

Pursuant to Rule 1207(8) of the Listing Manual, save for the service agreements entered into with the Executive Directors, IPT disclosed above, as well as the Supplemental Subscription Agreement dated 24 December 2019 entered into between the Company's wholly-owned subsidiary, The Place Yuntai Investment Pte. Ltd. and Jingneng Tianjie Yuntaishan Investment Co., Ltd. in relation to the Proposed Subscription (as disclosed in the Company's announcement on 8 January 2020), there were no other material contracts, not being material contracts entered into in the ordinary course of business, entered into by the Company and its subsidiaries involving the interest of the CEO, each director or controlling shareholder, which are either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

DIRECTORS' STATEMENT

We are pleased to submit this report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2019.

In our opinion:

(a) the financial statements set out on pages 47 to 92 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Ji Zenghe
Fan Xianyong
Sun Quan
Er Kwong Wah
Ng Fook Ai Victor
Foo Chiah-Shiung (Hu Jiaxiong)
Chng Hee Kok (Appointed on 1 February 2019)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company are as follows:

Name of Directors and corporation in which interests are held	Shareholdings at the beginning of the year/date of appointment, if later	Shareholdings at the end of the year	At 21 January 2020
Sun Quan			
The Place Holdings Limited			
- ordinary shares			
- deemed interests	5,039,857,393	5,027,167,016	5,007,113,016
Foo Chiah-Shiung (Hu Jiaxiong)			
The Place Holdings Limited			
- ordinary shares			
- interests held	8,000	1,810,000	1,810,000

Sun Quan is a founder and director of China Capital Impetus Investment Limited which manages Oriental Straits Fund III ("OSF III"). Mr Sun Quan is deemed to be interested in 4,914,068,956 ordinary shares of The Place Holdings Limited owned by OSF III, and 113,098,060 ordinary shares of The Place Holdings Limited owned by Capital Impetus Group Limited. He is deemed to have interests in the Company and other subsidiaries of the Company by virtue of Section 7 of the Act, at the beginning and at the end of the financial year. There was a change in deemed interest of Mr Sun Quan in the Company between 31 December 2019 and 21 January 2020 as there were disposals of shares by Oriental Straits Fund III on 9 January 2020 and 13 January 2020.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Audit Committee

The members of the Audit Committee ("AC") during the year and at the date of this statement are:

Er Kwong Wah
Ng Fook Ai Victor
Foo Chiah-Shiung (Hu Jiaxiong)
Chng Hee Kok (appointed on 1 February 2019)

The AC performs the functions specified by Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The AC has held four meetings since the last directors' statement. In performing its functions, the AC met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The AC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The AC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

Auditors

The Company's external auditors, KPMG LLP will not be seeking re-appointment as external auditors of the Company. Shareholders' approval for the appointment of incoming external auditors of the Company will be sought at a forthcoming Extraordinary General Meeting of the Company, the details of which will be made known to shareholders in due course.

On behalf of the Board of Directors

Ji Zeng He
Director

Er Kwong Wah
Director

14 June 2020

INDEPENDENT AUDITORS' REPORT

To the Members of The Place Holdings Limited

Report on the audit of the financial statements

Qualified Opinion

We have audited the financial statements of The Place Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 92.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Qualified Opinion

As stated in Note 6 and Note 19(b) – *Subscription of capital in Tianjie Yuntai*, the Group disbursed $19,320,000 (RMB 100,000,000) to Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. ("Tianjie Yuntai") in connection with the supplemental subscription agreement dated 24 December 2019. As at 31 December 2019, the amount disbursed is classified as deposit and accounted for as financial asset measured at amortised cost under SFRS(I) 9 *Financial Instruments.*

This disbursed amount may be converted into and treated as part of the subscription amount for the 80% enlarged registered capital of Tianjie Yuntai by 31 December 2020 (the "proposed subscription"). In the event the proposed subscription is not completed by 31 December 2020, the amount disbursed will be fully refunded to the Group. As at 31 December 2019, the amount disbursed is unsecured.

We were not provided with relevant financial or other information of Tianjie Yuntai and its shareholders. We were also unable to obtain relevant and reliable sources of information on the business activities and the financial position of Tianjie Yuntai through alternative means.

As a result, we were unable to obtain sufficient and appropriate audit evidence over the recoverability of disbursed amount and the appropriateness of the recognition and measurement of the disbursed amount as at 31 December 2019.

Consequently, we were unable to determine whether any adjustments might have been found necessary in respect of the deposit balance as at 31 December 2019 or the financial performance of the Group for the year then ended.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENT AUDITORS' REPORT

To the Members of The Place Holdings Limited

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of non-trade receivables
(Refer to Note 6 to the financial statements)

Risk:

As at 31 December 2019, the Group holds certain non-trade receivables of $15,435,000 relating to:

- $3,600,000 comprising a loan to a third party.
- $11,835,000 deposit disbursed to an escrow account held by an independent legal firm in Singapore related to the Group's acquisition of a commercial property at 15 Enggor Street, Realty Centre, Singapore.

SFRS(I) 9 *Financial Instruments* requires the Group to evaluate the credit risk of its financial assets and to determine the appropriate level of expected credit loss to be recognised. The non-trade receivables as at 31 December 2019 were extended to third parties for different purposes and carried varying levels of credit risks. Significant judgements were made by management in their evaluation of the expected credit losses required for these non-trade receivables.

On this basis, we identified valuation of these non-trade receivables as a key audit matter.

Response:

To address the key audit matter, we performed, amongst others, the following procedures:

- obtained an understanding of purpose and contractual arrangements of the non-trade receivables by reviewing agreements and supporting documents;
- obtained Group's assessment of the credit risks over these balances to understand the bases and assumptions used by the Group to determine the expected credit loss allowance required at 31 December 2019;
- challenged management's judgement and assumptions used to estimate the expected credit loss allowances for these non-trade receivables, taking into account financial information of counterparties, available credit data, historical payment patterns, security collaterals received; and
- followed-up on post year end developments to determine if there are events that may affect the Group's expected credit loss assessment for the non-trade receivables at 31 December 2019.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient and appropriate audit evidence over the recoverability of the amount disbursed to Tianjie Yuntai and the appropriateness of its accounting as at 31 December 2019. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

To the Members of The Place Holdings Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of this report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Loo Kwok Chiang, Adrian.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
14 June 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Note	Group		Company	
		2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	4	2,093	51	1,958	50
Investment in subsidiaries	5	–	–	56,769	56,769
		2,093	51	58,727	56,819
Current assets					
Trade and other receivables	6	35,477	3,740	3,827	3,722
Cash and cash equivalents	7	63,102	89,883	26,920	29,508
		98,579	93,623	30,747	33,230
Total assets		100,672	93,674	89,474	90,049
Equity					
Share capital	8	149,845	149,845	149,845	149,845
Reserves	9	(1,829)	(1,020)	–	–
Accumulated losses		(56,068)	(55,929)	(62,261)	(60,115)
Equity attributable to owners of the Company		91,948	92,896	87,584	89,730
Non-controlling interests		5	*	–	–
Total equity		91,953	92,896	87,584	89,730
Non-current liability					
Lease liabilities	10	890	–	802	–
Current liabilities					
Trade and other payables	11	6,648	459	439	319
Current tax liabilities		511	319	28	–
Lease liabilities	10	670	–	621	–
		7,829	778	1,088	319
Total liabilities		8,719	778	1,890	319
Total equity and liabilities		100,672	93,674	89,474	90,049

* Less than $1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2019

	Note	2019	2018
		$'000	$'000
Revenue	12	2,293	1,798
Cost of sales		(423)	(329)
Gross profit		1,870	1,469
Administrative expenses		(2,591)	(1,929)
Results from operating activities		(721)	(460)
Finance income		2,284	2,911
Finance costs		(663)	–
Net finance income	13	1,621	2,911
Profit before tax	14	900	2,451
Tax expense	15	(820)	(535)
Profit for the year		80	1,916
Profit attributable to:			
Owners of the Company		80	1,916
Non-controlling interests		*	*
Profit for the year		80	1,916
Earnings per share			
Basic and diluted earnings per share (cents)	16	#	0.03

* Less than $1,000

\# Less than 0.01 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2019

	2019	2018
	$'000	$'000
Profit for the year	80	1,916
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Foreign currency translation differences of foreign operations	(1,028)	(846)
Other comprehensive income for the year, net of tax[1]	(1,028)	(846)
Total comprehensive income for the year	(948)	1,070
Total comprehensive income attributable to:		
Owners of the Company	(948)	1,070
Non-controlling interests	*	*
Total comprehensive income for the year	(948)	1,070

* Less than $1,000

1 There are no income tax effects relating to components of other comprehensive income.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2019

	Attributable to owners of the Company						
	Share capital	Foreign currency translation reserve	Statutory reserve	Accumulated losses	Total	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 income for the year							
Profit for the year	–	–	–	1,916	1,916	*	1,916
Other comprehensive income							
Foreign currency translation differences of foreign operations	–	(846)	–	–	(846)	–	(846)
Total other comprehensive income	–	(846)	–	–	(846)	–	(846)
Total comprehensive income for the year	–	(846)	–	1,916	1,070	*	1,070
Transfer to statutory reserves	–	–	144	(144)	–	–	–
At 31 December 2018	149,845	(1,325)	305	(55,929)	92,896	*	92,896

* Less than $1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2019

	Attributable to owners of the Company						
	Share capital	Foreign currency translation reserve	Statutory reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
At 1 January 2019	149,845	(1,325)	305	(55,929)	92,896	*	92,896
Total comprehensive income for the year							
Profit for the year	–	–	–	80	80	*	80
Other comprehensive income							
Foreign currency translation differences of foreign operations	–	(1,028)	–	–	(1,028)	–	(1,028)
Total other comprehensive income	–	(1,028)	–	–	(1,028)	–	(1,028)
Total comprehensive income for the year	–	(1,028)	–	80	(948)	*	(948)
Changes in ownership interest in subsidiaries							
Incorporation of subsidiary with non-controlling interests	–	–	–	–	–	5	5
Total changes in ownership interests in subsidiaries	–	–	–	–	–	5	5
Total transactions with owners	–	–	–	–	–	5	5
Transfer to statutory reserves	–	–	219	(219)	–	–	–
At 31 December 2019	149,845	(2,353)	524	(56,068)	91,948	5	91,953

* Less than $1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2019

	Note	2019	2018
		$'000	$'000
Cash flows from operating activities			
Profit for the year		80	1,916
Adjustments for:			
Property, plant and equipment written off		21	–
Depreciation of property, plant and equipment		568	9
Lease liabilities – interest expense		45	–
Interest income		(2,284)	(1,766)
Unrealised foreign exchange loss/(gain) (net)		618	(1,145)
Tax expense		820	535
		(132)	(451)
Changes in:			
- Trade and other receivables		(304)	84
- Trade and other payables		390	4
Cash used in operations		(46)	(363)
Interest received		2,011	1,894
Tax paid		(628)	(383)
Net cash from operating activities		1,337	1,148
Cash flows from investing activities			
Deposits disbursed for acquisition transactions[#]		(25,356)	–
Purchase of property, plant and equipment		(592)	(48)
Net cash used in investing activities		(25,948)	(48)
Cash flows from financing activities			
Payment of lease liabilities		(479)	–
Lease liabilities – interest paid		(45)	–
Net cash used in financing activities		(524)	–
Net (decrease)/increase in cash and cash equivalents		(25,135)	1,100
Cash and cash equivalents at beginning of the year		89,883	88,484
Effect of exchange rate fluctuations on cash held		(1,646)	299
Cash and cash equivalents at end of the year	7	63,102	89,883

[#] Deposits disbursed relate to advances paid for the acquisition by way of collective sale of all the strata units together with the common property comprised in the development known as 15 Enggor Street, Realty Centre, Singapore 079716 ("Realty Centre") and for the planned subscription of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd ("Tianjie Yuntai"). In relation to the deposit for the Realty Centre, the Group disbursed 51% of the deposit with the remaining 49% advanced by the non-controlling shareholder on behalf of the Group (Note 11). The deposit for Tianjie Yuntai was fully funded from the Group's internal funds.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 June 2020.

1 Domicile and activities

The Place Holdings Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 6 Battery Road, #16-06, Singapore 049909. The immediate and ultimate holding entity is Oriental Straits Fund III, incorporated in Cayman Islands.

The principal activities of the Company is that of investment holding.

The principal activities of each of the subsidiaries are set out in Note 5 to the financial statements.

The consolidated financial statements for the year ended 31 December 2019 relate to the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

This is the first set of the Group's annual financial statements in which SFRS(I) 16 *Leases* has been applied. The related changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis unless as otherwise described in the accounting policies.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollar, which is the Company's functional currency. The functional currencies of the Group's subsidiaries located in People's Republic of China ("PRC") are in Chinese Renminbi ("RMB"). All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed as follows:

Valuation of trade and other receivables

The Group exercises judgement in determining if its trade and other receivables are credit-impaired taking into account of the credit history of the customers, payment records, forms of collaterals received and relevant financial information related to the counterparties. The Group reviews if the level of allowance for expected credit losses is reasonable. Majority of trade and other receivables are sums paid by the Group to external parties which are non-trade in nature. As at 31 December 2019, significant non-trade receivables include:

(i) loan to a third party;

(ii) deposit disbursed for the purpose of the Group's acquisition of the Realty Centre, Singapore; and

(iii) deposit disbursed to Tianjie Yuntai (Note 19(b)).

Due to the non-routine nature of these transactions and the varying credit profiles of the respective debtors, significant judgement is required in the Group's expected credit loss assessment. Actual results could differ from the judgement made.

2.5 Changes in significant accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2019:

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

Other than SFRS(I) 16, the application of these SFRS(I)s and amendments to standards and interpretations does not have a material effect on the financial statements.

SFRS(I) 16 *Leases*

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated losses at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

2 Basis of preparation (cont'd)

2.5 Changes in significant accounting policies (cont'd)

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in SFRS(I) 16.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease under SFRS(I) 16. The definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Group leases assets including office premises and staff accommodations. The Group previously classified leases as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for these leases – i.e. these leases are accounted on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of office premises and staff accommodations the Group has elected to apply the expedient not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under SFRS(I) 1-17

On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at appropriate incremental borrowing rates applicable to the leases as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability: the Group applied this approach to all other leases.

The Group had elected to present right-of-use assets as part of property, plant and equipment. The Group has tested its right-of-use assets (in combination with the relevant cash-generating units) for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Impact on financial statements*

The Group leases office premises and condominiums for staff accommodation. The leases typically run for a period of 1 to 3 years, with an option to renew the lease after that date. Lease payments are renegotiated to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements. Previously, these leases were classified as operating leases under SFRS(I) 1-17.

2 Basis of preparation (cont'd)

2.5 Changes in significant accounting policies (cont'd)

Impact on financial statements* (cont'd)

The Group leases office equipment which pertain to leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The effect of adopting SFRS(I) 16 as at 1 January 2019 is summarised below:

	1 January 2019
	$'000
Right-of-use assets – property, plant and equipment	568
Lease liabilities	(568)

* For the details of accounting policies under SFRS(I) 16 and SFRS(I) 1-17, see note 3.8.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 4.99%.

	$'000
Operating lease commitments at 31 December 2018 (as disclosed under SFRS(I) 1-17)	408
Discounting effect using the incremental borrowing rates at 1 January 2019	(31)
Extension options which are reasonably certain to be exercised	191
Lease liabilities recognised at 1 January 2019	568

Right-of-use assets

	2019
	$'000
Group	
Balance at 1 January	568
Depreciation charge for the year	(498)
Additions to right-of-use assets	1,665
De-recognition of right-of-use asset^	(194)
Balance at 31 December	1,541
Company	
Balance at 1 January	382
Depreciation charge for the year	(447)
Additions to right-of-use assets	1,665
De-recognition of right-of-use asset^	(194)
Balance at 31 December	1,406

^ De-recognition of right-of-use asset during the year relates to the early termination of an office premise lease.

2 Basis of preparation (cont'd)

2.5 Changes in significant accounting policies (cont'd)

Impact on financial statements* (cont'd)

Amounts recognised in profit or loss

	$'000
2019 – Leases under SFRS(I) 16	
Interest on lease liabilities	45
Expenses relating to leases of low-value assets	2
Expenses relating to early termination of an office premise lease	47
2018 – Operating leases under SFRS(I) 1-17	
Lease expense	46

Amounts recognised in statement of cash flows

	2019
	$'000
Total cash outflow for leases	524

Extension options

The Group's leases of office premises and staff accommodations contain extension options exercisable by the Group within one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has assessed and it is reasonably certain that it will exercise the options for its staff accommodations for one year.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

The accounting policies have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions (if any), and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(v) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statements of financial position at cost less accumulated impairments losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income ("OCI"), and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3 Significant accounting policies (cont'd)

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment (cont'd)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(v) Cash and cash equivalents

Cash and cash equivalents include cash balances and bank deposits. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash balances and fixed deposits with maturity of up to three months that are subject to insignificant risks of changes in their fair value, and are used by the Group in the management of its short term commitments.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Office premises and staff accommodation*	-	2 to 3 years
Fixtures and equipment	-	3 to 5 years
Motor vehicles	-	10 years

* Relate to right-of-use assets recognised on qualifying leases

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

3 Significant accounting policies (cont'd)

3.5 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

General approach (cont'd)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3 Significant accounting policies (cont'd)

3.5 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods (if any) are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3 Significant accounting policies (cont'd)

3.7 Revenue

Revenue from sale of services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. The Group's revenue PO are generally services in nature, revenue is recognised as service is performed and rendered to the customer.

3.8 Leases

The Group has applied SFRS(I) 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under SFRS(I) 1-17 and SFRS(I) INT 4. The details of accounting policies under SFRS(I) 1-17 and SFRS(I) INT 4 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of office premises and staff accommodations the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3 Significant accounting policies (cont'd)

3.8 Leases (cont'd)

As a lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise one or more of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets, that do not meet the definition of investment property, in 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

Leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

3 Significant accounting policies (cont'd)

3.8 Leases (cont'd)

Leases - Policy applicable before 1 January 2019 (cont'd)

- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:

  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;

  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease.

3.9 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;

- interest expense; and

- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

3 Significant accounting policies (cont'd)

3.9 Finance income and finance costs (cont'd)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 Significant accounting policies (cont'd)

3.10 Tax (cont'd)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.11 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.12 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by Board of Directors and Group Chief Executive Officer (the chief operations decision-maker, "CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses.

Segment capital expenditure is the total capital cost incurred to acquire property, plant and equipment.

3.13 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)

4 Property, plant and equipment

Group	Office premises and staff accommodation $'000	Fixtures and equipment $'000	Motor vehicles $'000	Total $'000
Cost				
At 1 January 2018	–	13	–	13
Additions	–	48	–	48
At 31 December 2018	–	61	–	61
At 1 January 2019	–	61	–	61
Recognition of right-of-use assets on initial application of SFRS(I) 16	568	–	–	568
Adjusted balance at 1 January 2019	568	61	–	629
Right-of-use assets recognised during the year	1,665	–	–	1,665
Additions	–	178	414	592
De-recognition of right-of-use asset	(314)	–	–	(314)
Write-off	–	(38)	–	(38)
At 31 December 2019	1,919	201	414	2,534
Accumulated depreciation				
At 1 January 2018	–	1	–	1
Depreciation charge for the year	–	9	–	9
At 31 December 2018	–	10	–	10
Depreciation charge for the year	498	42	28	568
De-recognition of right-of-use asset	(120)	–	–	(120)
Write-off	–	(17)	–	(17)
At 31 December 2019	378	35	28	441
Carrying amounts				
At 1 January 2018	–	12	–	12
At 31 December 2018	–	51	–	51
At 31 December 2019	1,541	166	386	2,093

4 Property, plant and equipment (cont'd)

Company	Office premises and staff accommodation $'000	Fixtures and equipment $'000	Motor vehicles $'000	Total $'000
Cost				
At 1 January 2018	–	12	–	12
Additions	–	48	–	48
At 31 December 2018	–	60	–	60
At 1 January 2019	–	60	–	60
Recognition of right-of-use assets on initial application of SFRS(I) 16	382	–	–	382
Adjusted balance at 1 January 2019	382	60	–	442
Right-of-use assets recognised during the year	1,665	–	–	1,665
Additions	–	178	414	592
De-recognition of right-of-use asset	(314)	–	–	(314)
Write-off	–	(38)	–	(38)
At 31 December 2019	1,733	200	414	2,347
Accumulated depreciation				
At 1 January 2018	–	1	–	1
Depreciation charge for the year	–	9	–	9
At 31 December 2018	–	10	–	10
Depreciation charge for the year	447	41	28	516
De-recognition of right-of-use asset	(120)	–	–	(120)
Write-off	–	(17)	–	(17)
At 31 December 2019	327	34	28	389
Carrying amounts				
At 1 January 2018	–	11	–	11
At 31 December 2018	–	50	–	50
At 31 December 2019	1,406	166	386	1,958

Office premises and staff accommodation relates to right-of-use assets arising from qualifying leases. During the year, an office premise lease was terminated ahead of its lease term. The Group de-recognised the right-of-use asset with carrying amount of $194,000.

5 Investment in subsidiaries

	Company	
	2019	2018
	$'000	$'000
Equity investments at cost	58,065	58,065
Less: Allowance of impairment	(1,296)	(1,296)
	56,769	56,769

On 18 April 2019, The Place Yuntai Investment Pte. Ltd. and Sun Card Limited, non-controlling shareholder, incorporated New Vision Holding Pte Ltd, holding 51% and 49% shareholdings, respectively. Sun Card Limited is a company in which certain directors of the Company have controlling interests.

Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity held by the Group 2019 %	Effective equity held by the Group 2018 %
The Place Yuntai Investment Pte. Ltd. ("Yuntai Investment")[1]	Singapore	Investment holding	100	100
Xinghuironghui (Tianjin) Equity Investment Partnership (Limited) ("Xinghuironghui")[2]	PRC	Investment holding	99.99	99.99
Subsidiary of Xinghuironghui				
Beijing Vast Universe Culture Communication Co., Ltd[3]	PRC	Provision of media, advertising and event management services	99.99	99.99
Subsidiary of Yuntai Investment				
New Vision Holding Pte Ltd	Singapore	Investment holding	51	–

(1) Audited by KPMG LLP Singapore

(2) Audited by KPMG LLP Singapore for consolidation purpose

(3) Audited by other member firm of KPMG International

In determining the significance of a subsidiary to the Group, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

6 Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Trade receivables	6	7	–	–
Loan to a third party	3,600	3,600	3,600	3,600
Interest receivables	307	34	28	23
Other receivables	5	–	–	–
Deposits	31,503	73	143	73
	35,421	3,714	3,771	3,696
Prepayments	56	26	56	26
	35,477	3,740	3,827	3,722

Trade receivables as at year end is neither past due nor impaired.

Loan to a third party is secured by corporate guarantee from a company, which certain directors of the Company has substantial equity interests, bears interest at 8% (2018: 8%) per annum and is repayable within the next 12 months. During the year, the Group extended the repayment term of the loan to third party till 20 December 2020.

As at 31 December 2019, deposits include:

- $11,835,000 deposit was disbursed to an escrow account for the purpose of the Group's acquisition of the Realty Centre; and

- $19,320,000 deposit disbursed in advance into a bank account of Tianjie Yuntai for the purpose of the Group's planned subscription of Tianjie Yuntai's registered capital (refer to Note 19(b) *Subscription of capital in Tianjie Yuntai*).

These deposits are unsecured and interest-free. Please see Note 19 for further information on the Group's committed transactions related to these deposits.

The Group and the Company's exposure to credit and market risks are disclosed in Note 18.

7 Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Cash and bank balances	14,256	4,814	449	1,572
Fixed deposits with financial institutions	48,846	85,069	26,471	27,936
Cash and cash equivalents in the statements of financial position and statement of cash flows	63,102	89,883	26,920	29,508

Fixed deposit with financial institutions of the Group and the Company bore interest at average rates ranging from 1.20% to 2.25% (2018: 1.20% to 1.73%) per annum and 1.58% to 2.25% (2018: 1.25% to 1.50%) per annum, respectively.

8 Share capital

	2019 Number of shares	2018 Number of shares	2019 Amount	2018 Amount
	'000	'000	$'000	$'000
Company				
Fully paid ordinary shares, with no par value:				
At 1 January and 31 December	5,880,654	5,880,654	149,845	149,845

The holder of ordinary share is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

9 Reserves

The reserves of the Group comprise the following balances:

	Group	
	2019	2018
	$'000	$'000
Foreign currency translation reserve	(2,353)	(1,325)
Statutory reserve	524	305
	(1,829)	(1,020)

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiaries incorporated in the PRC, the subsidiaries are required to make appropriation to a statutory reserve. In the PRC, at least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the statutory reserve until the cumulative total of the statutory reserves reach 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The statutory reserves in PRC are not available for dividend distribution to shareholders.

10 Lease liabilities

	Group 2019	Company 2019
	$'000	$'000
Non-current	890	802
Current	670	621
	1,560	1,423

The Group and the Company's exposure to liquidity risk related to lease liabilities are disclosed in Note 18.

Terms and repayment schedule

Terms and conditions of outstanding lease liabilities are as follows:

		2019	
	Year of expiry	Face value	Carrying amount
		$'000	$'000
Group			
Lease liabilities	2020 - 2022	1,662	1,560
Company			
Lease liabilities	2020 - 2022	1,517	1,423

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities
	$'000
Balance at 1 January 2019	–
Recognition of lease liabilities on initial application of SFRS(I) 16	568
Adjusted balance at 1 January 2019	568
Changes from financing cash flows	
Payment of lease liabilities	(479)
Lease liabilities – interest paid	(45)
Total changes from financing cash flows	(524)
Other changes	
Liability-related changes	
New operating leases	1,665
Derecognition of lease liabilities*	(194)
Interest expense	45
Total liability-related other changes	1,516
Balance at 31 December 2019	1,560

* Derecognition of the lease liabilities during the year relates to the early termination of an office premise lease.

11 Trade and other payables

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Accrued operating expenses	441	292	439	271
Amounts due to non-controlling interests (non-trade)	5,799	–	–	–
Other payables	408	167	–	48
	6,648	459	439	319

Amounts due to non-controlling interests (non-trade) relates to 49% share of the deposits and stamp duty paid for the acquisition of Realty Centre. Amounts due to non-controlling interests are unsecured, interest-free and are repayable on demand. The non-controlling interest shareholder is a company in which certain directors of the Company have controlling interests.

The Group and the Company's exposure to liquidity and market risks related to trade and other payables are disclosed in Note 18.

12 Revenue

	Group	
	2019	2018
	$'000	$'000
Media facilities and event management fees	2,293	1,798

Revenue is only generated in China by the wholly-owned subsidiary, Beijing Vast Universe Culture Communication Co., Ltd. Revenue is recognised as services are rendered to customers. The Group's services relate mainly to:

- maintenance and upkeep of a customer's media facilities on fixed retainer fee basis. Revenue is recognised as service is rendered to the customer over the contractual period. The customer is a company in which certain directors of the Company holds controlling interests.

- event management services are ad-hoc and are delivered over short durations (less than 3 months). Revenue is recognised at the completion of service.

The Group's revenue arrangements contain single performance obligation and do not contain variable considerations. As at 31 December 2019, there are no outstanding performance obligations to be delivered to customers.

13 Net finance income

	Group	
	2019	2018
	$'000	$'000
Finance income		
Interest income	1,515	1,766
Finance income from a related party	769	–
Net foreign exchange gain	–	1,145
	2,284	2,911
Finance costs		
Lease liabilities – interest expense	(45)	–
Net foreign exchange loss	(618)	–
	(663)	–
Net finance income	1,621	2,911

14 Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2019	2018
	$'000	$'000
Audit fees paid/payable to:		
- Auditors of the Company	115	114
- Other auditors	20	19
Non-audit fees paid/payable to:		
- Auditors of the Company	3	3
Depreciation of property, plant and equipment	568	9
Property, plant and equipment written off	21	–
Director fees	170	130
Professional and legal fee	92	245
Operating lease expenses	–	107
Expenses relating to leases of low-value assets	2	–
Termination of an office premise lease	47	–
Employee benefits expense		
Salaries, bonuses and other costs	1,151	580
Contributions to defined contribution plans	110	38
	1,261	618

15 Tax expense

	Group	
	2019	2018
	$'000	$'000
Tax recognised in profit or loss		
Current tax expense		
Current year	771	535
Under provision in respect of prior years	49	–
	820	535
Reconciliation of effective tax rate		
Profit before tax	900	2,451
Tax using the Singapore tax rate of 17% (2018: 17%)	153	417
Effect of tax rates in foreign jurisdictions	232	110
Non-deductible expenses	402	78
Current year losses for which no deferred tax asset is recognised	5	161
Under provision in respect of prior years	49	–
Tax exempt income	–	(193)
Tax rebates	(21)	(38)
	820	535

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which companies comprising the Group domicile or operate.

The provision for PRC current income tax is based on a statutory income tax rate of 25% of the assessable income of the individual legal entity as determined in accordance with the relevant income tax rules and regulations of the PRC.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

	Group	
	2019	2018
	$'000	$'000
Tax losses	976	947

The tax losses expire in 5 years and are subject to agreement by the tax authorities and compliance with income tax rules and regulations of the PRC in which a subsidiary operates.

Unrecognised deferred tax liabilities

As at reporting date, deferred tax liabilities have not been recognised in respect of taxes that would be payable on the distributed earnings of certain overseas subsidiaries of $4,217,000 (2018: $2,260,000) as the Group controls the dividend policy of its subsidiaries and does not have plans to distribute these earnings in the foreseeable future.

16 Earnings per share

The calculation of basic and dilutive earnings per share at 31 December 2019 was based on the profit attributable to owners of the Company, and the weighted average number of ordinary shares outstanding for the year:

	Group
	$'000
2019	
Profit attributable to owners of the Company	80
2018	
Profit attributable to owners of the Company	1,916

Weighted average number of ordinary shares (basic and diluted):

	Group	
	Number of shares	
	2019	2018
	'000	'000
At 1 January and 31 December	5,880,654	5,880,654

17 Related parties

Other than disclosed elsewhere in the financial statements, there were the following significant related party transactions which were carried out on terms agreed between the parties as follows:

	Group	
	2019	2018
	$'000	$'000
A company which certain directors of the Company have controlling interests		
Media facilities and events management fees	1,289	1,576
Finance income	769	–
Service fee	(114)	(147)
Operating lease expense	–	(61)

As stated in Note 6, certain directors of the Company, through a company in which they have substantial equity interests, provided corporate guarantee to repay the loan due from a third party to the Group in the event of default by the third party. To-date, there were no events of default and the Group had not called on the corporate guarantee. The Group did not reimburse or compensate the directors or the external company for the corporate guarantee provided.

17 Related parties (cont'd)

Transactions with key management personnel

Key management personnel of the Group and Company are those persons having the authority and responsibility for the planning, directing and controlling the activities of the Group and Company. The directors are considered as key management personnel of the Group and Company.

Key management personnel compensation comprised:

	Group	
	2019	2018
	$'000	$'000
Salaries, bonuses and other costs	(1,101)	(379)
Director fees	(170)	(130)
Contribution to defined contribution plans	(30)	(26)
	(1,301)	(535)

18 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually reviews that the Group's risk management process reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures.

Credit risk

Credit risk is the risk of financial loss to the Group resulting from the failure of a customer or counterparty to meets its contractual obligations, and arises principally from the Group's receivables from customers and cash placed with financial institutions.

As stated in Note 6 of this financial statements, the Group has significant credit risk exposure to a loan to a third party and deposits disbursed during the year. These amounts are unsecured and are expected to be settled within the next 12 months.

18 Financial risk management (cont'd)

Credit risk (cont'd)

The Group applies the general approach to provide for ECLs on these receivables. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs. The impairment methodology applied depends on whether there has been a significant change in credit risk.

Receivables

The Group assessed that the credit risks to be low for the non-trade receivables. The Group's considerations include:

- the third party has been repaying its loan obligations consistently and there were no events of defaults. The Group also received a corporate guarantee on the loan to a third party of $3,600,000 (2018: $3,600,000) provided by an entity which certain directors of the Company has substantial equity interests.

- deposit disbursed into escrow for the acquisition of the Realty Centre is safeguarded by an independent legal firm in Singapore.

- deposit disbursed in advance for the subscription of Tianjie Yuntai's registered capital. Tianjie Yuntai is wholly-owned by an entity which certain directors of the Company has substantial equity interests. The Group considered the quality of the target investee's assets and controls imposed on its bank account in its evaluation of the credit risk of the deposit.

The amount of allowance from outstanding balances are insignificant.

Cash and cash equivalents

At the reporting date, the Group and Company held cash and cash equivalents of $63,101,628 (2018: $89,883,000), and $26,920,077 (2018: $29,508,000), respectively, which represents its maximum exposure on these assets. Cash and cash equivalents are held with financial institutions which are regulated and with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of allowance on cash and cash equivalents was negligible.

The Group manages the credit risks on its financial assets through various approaches which include close monitoring of its debtors, obtaining credit enhancements such as collaterals or physical controls over bank accounts, and reliance on the financial strength of certain directors (including their affiliated companies) of the Company. Due to the non-routine nature of certain transactions, existing approaches adopted by the Group to manage credit risks may not be adequate if actual circumstance results in significantly negative outcomes.

Subsequent to the year end, the Group's operating environment namely in Singapore and PRC were affected by the outbreak of the COVID-19 pandemic. For the Group's 31 December 2019 financial statements, the COVID-19 outbreak and the related impacts are considered non-adjusting events. Consequently, no adjustments were made to the carrying amounts to trade and other receivables related to the COVID-19 pandemic. The Group continues to monitor the developments of the pandemic as further worsening of the outbreak may result in significant increase in its credit risk exposures from its financial assets.

18 Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period.

The following are the expected contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Cash flows		
	Carrying amount	Contractual cash flows	Within 1 year	Within 1 to 5 years
	$'000	$'000	$'000	$'000
Group				
2019				
Non-derivative financial liabilities				
Trade and other payables	6,648	(6,648)	(6,648)	–
Lease liabilities	1,560	(1,662)	(734)	(928)
	8,208	(8,310)	(7,382)	(928)
2018				
Non-derivative financial liabilities				
Trade and other payables	459	(459)	(459)	–
Company				
2019				
Non-derivative financial liabilities				
Trade and other payables	439	(439)	(439)	–
Lease liabilities	1,423	(1,517)	(679)	(838)
	1,862	(1,956)	(1,118)	(838)
2018				
Non-derivative financial liabilities				
Trade and other payables	319	(319)	(319)	–

18 Financial risk management (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group incurs foreign currency risk on transactions that are denominated in currencies other than Singapore dollars. The currencies giving rise to this risk are primarily the US Dollar ("USD") and RMB. Exposures to currency risk are monitored on an ongoing basis.

Exposure to currency risk

The exposure of the Group and the Company to foreign currencies (financial assets and liabilities not denominated in the respective entities' functional currencies) as at reporting date in Singapore dollars equivalent amounts are as follows:

	USD	RMB
	$'000	$'000
Group		
2019		
Trade and other receivables	35	19,320
Cash and cash equivalents	42,928	9
Net exposure	42,963	19,329
2018		
Trade and other receivables	34	–
Cash and cash equivalents	54,279	4
Net exposure	54,313	4
Company		
2019		
Trade and other receivables	28	–
Cash and cash equivalents	26,575	5
Net exposure	26,603	5
2018		
Trade and other receivables	23	–
Cash and cash equivalents	29,412	4
Net exposure	29,435	4

18 Financial risk management (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

A 10% strengthening of Singapore dollars against the following currencies at the reporting date would increase/(decrease) profit or (loss) before any tax effects by the amounts shown below. There is no impact on equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group Profit or (Loss)	Company Profit or (Loss)
	$'000	$'000
31 December 2019		
USD	(4,296)	(2,660)
RMB	(1,933)	(1)
31 December 2018		
USD	(5,431)	(2,944)
RMB	*	*

* Less than $1,000

A 10% weakening of Singapore dollars against the above currencies would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's deposits with banks and loan to a third party. The Group does not hedge against this risk exposure.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-generating financial instruments are as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Trade and other receivables	3,600	3,600	3,600	3,600
Cash and cash equivalents	48,846	85,069	26,471	27,936
	52,446	88,669	30,071	31,536
Variable rate instruments				
Cash and cash equivalents	14,256	4,814	449	1,572

18 Financial risk management (cont'd)

Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed for the same basis for 2018.

	Group		Company	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	$'000	$'000	$'000	$'000
2019				
Cash and cash equivalents	143	(143)	4	(4)
2018				
Cash and cash equivalents	48	(48)	16	(16)

Capital management policy

In managing the capital of the Group, the Board aims to maintain a capital structure which balances the need to maximise the rate of return on capital and at the same time safeguard the Group's ability to continue as a going concern in the long term, maintain investors, creditors and market confidence, and sustain future development of the business.

The Group defines capital as share capital and reserves.

The Group manages the level of capital in proportion to risk and future business development requirements while balancing the need to maximise the return on capital. The Group does not stipulate the desired level of capital. It monitors and manages its capital structure on an ongoing basis and makes adjustments to it in light of changes in economic conditions, risk characteristics of the underlying assets and performance of the Group.

As part of the capital management process, the Group may adjust its level of dividends, issue new shares and/or return capital to shareholders, where appropriate. The Board takes into consideration the cash position and capital requirements of the Group when determining its investment plans, capital transactions and the level of dividends to pay shareholders.

There was no change to the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirement except for the statutory reserve of the subsidiaries of the Group as disclosed in Note 9. This externally imposed capital requirement had been complied with by the subsidiary for the financial year ended 31 December 2019.

18 Financial risk management (cont'd)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount		
		Amortised cost	Other financial liabilities	Total
		$'000	$'000	$'000
Group				
2019				
Financial assets not measured at fair value				
Trade and other receivables*	6	35,421	–	35,421
Cash and cash equivalents	7	63,102	–	63,102
		98,523	–	98,523
Financial liabilities not measured at fair value				
Trade and other payables	11	–	(6,648)	(6,648)
2018				
Financial assets not measured at fair value				
Trade and other receivables*	6	3,714	–	3,714
Cash and cash equivalents	7	89,883	–	89,883
		93,597	–	93,597
Financial liabilities not measured at fair value				
Trade and other payables	11	–	(459)	(459)
Company				
2019				
Financial assets not measured at fair value				
Trade and other receivables*	6	3,771	–	3,771
Cash and cash equivalents	7	26,920	–	26,920
		30,691	–	30,691
Financial liabilities not measured at fair value				
Trade and other payables	11	–	(439)	(439)
2018				
Financial assets not measured at fair value				
Trade and other receivables*	6	3,696	–	3,696
Cash and cash equivalents	7	29,508	–	29,508
		33,204	–	33,204
Financial liabilities not measured at fair value				
Trade and other payables	11	–	(319)	(319)

* Excluding prepayments

18 Financial risk management (cont'd)

Determination of fair values

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables excluding prepayments, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values due to the short-period to maturity.

19 Commitment

(a) Lease rental payable

The commitments of the Group for future minimum lease payments under non-cancellable leases are as follows:

	2019	2018
	$'000	$'000
Within 1 year	2	259
After 1 year but within 5 years	–	149
	2	408

In the year, the Group had exercised the practical expedient not to recognise the leases as right-of-use assets as they are leases of low value assets.

(b) Commitments

Acquisition of Realty Centre

On 22 April 2019, the Group was awarded the tender for the acquisition of a property located in Singapore, Realty Centre, at the purchase price of $148,000,000 by the Collective Sale Committee of the property, of which the Group has incurred 5% deposit and stamp duty of approximately $11,835,000. As full acceptance was not received from all vendors of Realty Centre, the Group submitted an application to the High Court for the award of the sales order in July 2019.

On 14 May 2020, the High Court granted the award of the collective sale order to the Group, and the acquisition of Realty Centre is expected to be completed within 6 months from the date of the sale order, i.e. November 2020.

Subscription of capital in Tianjie Yuntai

With reference to the Circular dated 21 September 2018, the Group had entered into a subscription agreement with Jingneng Tianjie Yuntaishan Investment Co., Ltd. ("JTYI"), an entity which certain directors of the Company holds substantial equity interests, to subscribe for 80% of the enlarged registered capital of Tianjie Yuntai at the subscription amount of $27,716,000 (equivalent to RMB135,292,700) (the "Tianjie Yuntai Acquisition"). The proposed subscription transaction between JTYI and the Group is an interested party transaction under SGX Rules.

On 24 December 2019, the Group entered into a supplemental subscription agreement to extend the completion date for the Tianjie Yuntai Acquisition till 31 December 2020 and a refundable deposit of $19,320,000 was directly disbursed to Tianjie Yuntai, a condition imposed by JTYI for the extension of the completion date.

19 Commitment (cont'd)

(b) Commitments (cont'd)

Subscription of capital in Tianjie Yuntai (cont'd)

In the event the proposed subscription is not completed by 31 December 2020, the amount disbursed will be fully refunded to the Group. As at 31 December 2019, the amount disbursed is unsecured and interest-free.

At the date of authorisation of these financial statements, the subscription of Tianjie Yuntai has not been completed as regulatory approvals in China for the subscription of Tianjie Yuntai's registered capital and the change to the land usage zone of the Tianjie Yuntai's land use rights have not been obtained.

20 Segment information

For purpose of management reporting, the group is organised into one reportable segment – media and event management services. The segment is the basis on which the Group reports to its CODM for the purposes of resource allocation and assessment of segment performance.

Analysis by Reportable Segment

Segment revenue and expense are revenue and expense reported in the group's profit or loss that are directly attributable to a segment or can be allocated on a reasonable basis to a segment. There are no revenue arising from transactions between reportable segments.

Segment assets and liabilities comprises items that are directly attributable to a reportable segment in its operating activities or can be allocated to the reportable segment on a reasonable basis. Segment assets and liabilities are presented net of inter-segment balances.

Information regarding the group's reportable segment prepared based on measurement principles of SFRS(I) is presented below.

20 Segment information (cont'd)

Analysis by Reportable Segment (cont'd)

	Media and event management services		Unallocated amounts		Total	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue and expenses (by business segments)						
Segment revenue						
Segment revenue to a related party	1,289	1,576	–	–	1,289	1,576
Segment revenue to third parties	1,004	222	–	–	1,004	222
	2,293	1,798	–	–	2,293	1,798
Segment results	1,798	1,386	–	–	1,798	1,386
Unallocated corporate expenses	–	–	(2,519)	(1,846)	(2,519)	(1,846)
Net finance income	1,127	634	494	2,277	1,621	2,911
Profit/(loss) before tax	2,925	2,020	(2,025)	431	900	2,451
Tax expense	(731)	(505)	(89)	(30)	(820)	(535)
Net profit attributable to the group	2,194	1,515	(2,114)	401	80	1,916
Assets and liabilities						
Segment assets	33,250	31,754	–	–	33,250	31,754
Unallocated corporate assets	–	–	67,422	61,920	67,422	61,920
Consolidated total assets	33,250	31,754	67,422	61,920	100,672	93,674
Segment liabilities	713	388	–	–	713	388
Unallocated corporate liabilities	–	–	8,006	390	8,006	390
Consolidated total liabilities	713	388	8,006	390	8,719	778
Additions to property, plant and equipment	–	–	592	48	592	48
Additions to right-of-use assets	–	–	1,665	–	1,665	–
Depreciation of property, plant and equipment	(52)	–	(516)	(9)	(568)	(9)
Interest income	1,135	634	1,149	1,132	2,284	1,766
Net foreign exchange (loss)/gain	–	–	(618)	1,145	(618)	1,145

Segment profit represents the profit earned by the reportable segment without allocation of central administration costs and directors' remuneration. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

20 Segment information (cont'd)

Analysis by Geographical Information

Segment revenue is analysed based on the location of customers.

Total revenue and non-current assets are analysed based on the location of those assets.

	PRC		Singapore		Total	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue	2,293	1,798	–	–	2,293	1,798
Segment non-current assets	135	1	1,958	50	2,093	51

Information about major customers

Included in revenues from media and event management services are revenues of approximately $1,857,000 (2018: $1,713,000) which arose from services rendered to the Group's two (2018: two) key customers. One of the key customers is a company in which certain directors of the Company holds controlling interests.

STATISTICS OF SHAREHOLDINGS

As at 29 May 2020

SHARE CAPITAL

Number of Issued Shares	:	5,880,654,539
Number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings[1])	:	5,880,654,539
Number and Percentage of Treasury Shares	:	0 or 0%[2]
Number and Percentage of Subsidiary Holdings[1]	:	0 or 0%[2]
Class of Shares	:	Ordinary Shares
Voting Rights (excluding Treasury Shares and Subsidiary Holdings[1])	:	One vote per share

Notes:

(1) "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

(2) Percentage calculated against the number of Issued Shares (excluding Treasury Shares and Subsidiary Holdings).

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	1	0.04	88	0.00
100 - 1,000	257	10.28	141,779	0.00
1,001 - 10,000	971	38.82	4,683,260	0.08
10,001 - 1,000,000	1,205	48.18	136,583,355	2.32
1,000,001 AND ABOVE	67	2.68	5,739,246,057	97.60
TOTAL	**2,501**	**100.00**	**5,880,654,539**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,910,147,656	83.50
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	184,632,971	3.14
3	CAPITAL IMPETUS GROUP LIMITED	113,098,060	1.92
4	EUCON INVESTMENT HOLDING PTE. LTD.	108,362,000	1.84
5	CHIEN WAN HSIN	59,920,000	1.02
6	UOB KAY HIAN PRIVATE LIMITED	48,092,900	0.82
7	WEN YAO LONG	41,147,747	0.70
8	YEO KAN YEN	38,465,062	0.65
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	25,765,500	0.44
10	DBS NOMINEES (PRIVATE) LIMITED	19,698,000	0.33
11	PHILLIP SECURITIES PTE LTD	11,042,000	0.19
12	CHEN WEN-CHIN	9,762,000	0.17
13	KGI SECURITIES (SINGAPORE) PTE. LTD.	9,590,200	0.16
14	PEH SIEW WEE	9,500,000	0.16
15	RAFFLES NOMINEES (PTE.) LIMITED	9,264,500	0.16
16	CHEN CHENG HSIUNG	8,136,800	0.14
17	HSBC (SINGAPORE) NOMINEES PTE LTD	7,476,700	0.13
18	KWA CHING TZE	7,300,000	0.12
19	JENG HUANG FONG MAAN	6,188,800	0.11
20	WONG CHEE YEOW ALASTAIR (WANG QIYAO ALASTAIR)	5,984,900	0.10
	TOTAL	**5,633,575,796**	**95.80**

STATISTICS OF SHAREHOLDINGS

As at 29 May 2020

Substantial shareholders

(As shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Oriental Straits Fund III[1]	4,885,314,956	83.07	–	–
Sun Quan[2]	–	–	4,998,413,016	85.00

Notes:

(1) Shares held through DBS Vickers Securities (Singapore) Pte Ltd as nominee.

(2) Mr Sun Quan is a controlling shareholder and director of both China Capital Impetus Investment Limited (which manages Oriental Straits Fund III), as well as Capital Impetus Group Limited. By virtue of Section 7 of the Companies Act, Chapter 50 of Singapore, Mr Sun Quan is deemed to be interested in the 4,885,314,956 ordinary shares of the Company owned by Oriental Straits Fund III, and the 113,098,060 ordinary shares of the Company owned by Capital Impetus Group Limited.

Shareholdings Held in the Hands of Public

Based on the information available to the Company as at 29 May 2020, approximately 14.97% of the issued ordinary shares of the Company (excluding treasury shares and Subsidiary Holdings) are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

Dated 14 June 2020

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of The Place Holdings Limited (the "**Company**") will be convened and held by way of electronic means on Monday, 29 June 2020 at 3.00 p.m. ("**AGM**") to transact the following businesses:-

Ordinary Business

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2019 and the Independent Auditor's Report thereon. **Resolution 1**

2. To re-elect Mr Er Kwong Wah, who is retiring by rotation under Article 94 of the Constitution of the Company, and who, being eligible, offers himself for re-election. **Resolution 2**
   [See Explanatory Note 1]

3. To re-elect Mr Sun Quan, who is retiring by rotation under Article 94 of the Constitution of the Company, and who, being eligible, offers himself for re-election. **Resolution 3**
   [See Explanatory Note 1]

4 To approve payment of Directors' fees by the Company of S$170,000 for the financial year ended 31 December 2019 (2018: S$130,000). **Resolution 4**

5. To transact any other ordinary business that may be properly transacted at an annual general meeting.

Special Business

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution:

6. **SHARE ISSUE MANDATE** **Resolution 5**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors to:

(a) (i) issue shares of the Company ("**shares**") whether by way of rights issue, bonus issue or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which were issued and outstanding or subsisting at the time this Resolution is passed, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares,

and, in paragraph (1) above and this paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note 2]

7. **THE PERFORMANCE SHARE SCHEME** **Resolution 6**

That authority be and is hereby given to the Directors to:-

(a) grant award shares in accordance with the provisions of the Performance Share Scheme of the Company; and

(b) allot and/or issue from time to time such number of fully paid-up award shares as may be required to be allotted and/or issued pursuant to the vesting of awards under the Performance Share Scheme,

provided that the aggregate number of award shares to be allotted and/or issued pursuant to the Performance Share Scheme and any other share based schemes of the Company shall not exceed 15% of the total issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 3]

8. **PARTICIPATION BY MR SUN QUAN, A NON-EXECUTIVE DIRECTOR AND DEEMED CONTROLLING SHAREHOLDER OF THE COMPANY, IN THE PERFORMANCE SHARE SCHEME** **Resolution 7**

That subject to and contingent upon Resolution 6 being passed, approval be and is hereby given for the participation by Mr Sun Quan in the Performance Share Scheme.

[See Explanatory Note 4]

BY ORDER OF THE BOARD

BENNY LIM HENG CHONG
DAI LINGNA
Joint Company Secretaries

Singapore, 14 June 2020

EXPLANATORY NOTES:

1. **Resolutions 2 and 3** – Mr Er Kwong Wah and Mr Sun Quan, who are due to retire by rotation pursuant to Article 94 of the Company's Constitution, are seeking re-election at the forthcoming 18th Annual General Meeting.

   Detailed information of Mr Er and Mr Sun as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found under sections "Board of Directors" and "Disclosure of Information on Directors seeking re-election", and from pages 8 to 13 and 99 to 104 of the Company's 2019 Annual Report.

2. **Resolution 5** – Resolution 5, if passed, will empower the Directors to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The number of shares which the Directors may issue under this Resolution will not exceed 50% of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, with a sub-limit of 20% for issues other than on a pro rata basis. For the purpose of determining the aggregate number of shares which may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that Resolution 5 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, which were issued and outstanding at the time this Resolution is passed, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and (b) any subsequent bonus issue, consolidation or subdivision of shares. For the avoidance of doubt, shareholders' approval will be required for any consolidation or subdivision of shares.

3. **Resolution 6** – Resolution 6, if passed, will empower the Directors to grant award shares pursuant to the Performance Share Scheme and allot and/or issue fully paid-up award shares pursuant to the vesting of awards under the Performance Share Scheme.

   Approval for the Performance Share Scheme was given by shareholders at the Extraordinary General Meeting of the Company held on 12 October 2018 ("**2018 EGM**"). The grant of award shares under the Performance Share Scheme will be made in accordance with the rules of the Performance Share Scheme as set out in the circular to shareholders dated 21 September 2018 issued by the Company ("**2018 Circular**").

4. **Resolution 7** – Resolution 7, if passed, will enable the participation in the Performance Share Scheme by Mr Sun Quan, the Non-Executive Director and a deemed controlling shareholder of the Company.

   Approval for the Performance Share Scheme was given by shareholders at the 2018 EGM. The grant of award shares under the Performance Share Scheme will be made in accordance with the rules of the Performance Share Scheme as set out in the 2018 Circular.

NOTICE OF ANNUAL GENERAL MEETING

Dated 14 June 2020

NOTES:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be made available on the Company's website at the URL http://www.theplaceholdings.com/html/news.php, and on SGX's website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual conference), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 14 June 2020. This announcement may be accessed at the Company's website at the URL http://www.theplaceholdings.com/html/news.php, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements.

3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form for the AGM may be accessed at the Company's website at the URL http://www.theplaceholdings.com/html/news.php, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 June 2020.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company at 6 Battery Road, #16-06, Singapore 049909; or

   (b) if submitted electronically, be submitted via email to the Company at proxy@theplaceholdings.com,

   in either case, not less than 48 hours before the time appointed for the AGM.

   A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The 2019 Annual Report may be accessed at the Company's website at the URL http://www.theplaceholdings.com/html/ir_report.php, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of this Annual Report will not be sent to members.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Additional Information on Directors seeking Re-election

Mr Er Kwong Wah and Mr Sun Quan are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on Monday, 29 June 2020 at 3.00 p.m. ("**AGM**") under Ordinary Resolutions 2 and 3 as set out in the Notice of AGM dated 14 June 2020 (collectively, the "**Retiring Directors**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the additional information relating to the Retiring Directors as set out in Appendix 7.4.1 is set out below, to be read in conjunction with the information set out under "Board of Directors" and the "Corporate Governance Report" on pages 8 to 13 and pages 20 to 39, respectively of this Annual Report:

DETAILS	ER KWONG WAH	SUN QUAN
Date of appointment	8 September 2006	12 October 2016
Date of last re-appointment (if applicable)	20 April 2017	20 April 2017
Age	73	54
Country of principal residence	Singapore	China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has accepted the NC's recommendation that Mr Er is able to exercise independent judgement and provide valuable contributions to the board	The Board has accepted the NC's recommendation that Mr Sun Quan has the requisite experience and capability to assume the responsibilities of a Non-Independent Non-Executive Director.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Lead Independent Director • Audit Committee (Chairman) • Nominating Committee (Member) • Remuneration Committee (Member)	Non-Executive Director
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Yes. Mr Sun Quan is the director of China Capital Impetus Investment Limited, which is the fund manager of the substantial shareholder (Oriental Straits Fund III) of the Company.
Conflict of interests (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	2001-2016, Executive Director, East Asia Institute of Management	• 2009-present, CEO, China Capital Impetus Investment Limited • 2011-present, CEO, China Capital Impetus Asset Management Pte. Ltd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Additional Information on Directors seeking Re-election

DETAILS	ER KWONG WAH	SUN QUAN
Shareholding interest in the listed issuer and its subsidiaries	No	Yes Please refer to the information set out under "Directors' Statement" on pages 40 to 41 of this Annual Report
Undertaking (in the format set out in Appendix 7.7) under Rule 702(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	• Success Dragon International Holdings Ltd • China Environment Ltd. • China Sky Chemical Fiber Co., Ltd. • China Essence Group Ltd. (Delisted) • GKE Corporation Limited • USP Group Limited	• Overseas Chinese Headquarter Development Fund, Director • Global Impetus Bullion Fund, Director • Oriental Straits Fund II • Starbright (Beijing) Culture Development Co., Ltd • Beijing Dejoera Investment Co. Ltd • Vanguard Resources Pte Ltd
Present	Directorship • CFM Holdings Limited • Chaswood Resources Holdings Ltd. • COSCO SHIPPING International (Singapore) Co., Ltd. • ecoWise Holdings Limited • The Thai Prime Fund Limited (Unlisted) • Luxking Group Holdings Limited Other Principal Commitments Nil	Directorship • Acumedical, Inc • AcuClinics, Inc • Asia Aviation Fund • China Capital Asset Management Sdn. Bhd. • Capital Impetus Advisory Pte. Ltd. • China Capital Impetus Fund • Dejoera Holdings Ltd • Dejoera Investment Limited • Dejoera Pte. Ltd. • Prosperous Chinese Food Pte Ltd • Eaters Pte Ltd • Galaxy-Impetus Fund I • Meridian Group Limited • Meridian Impetus Holdings Pte. Ltd. • RHB GC-Millennium Capital Pte. Ltd. • Capital Impetus Asset Management LLC • MTBL Global Fund (f.k.a. New Impetus Strategy Fund)

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Additional Information on Directors seeking Re-election

DETAILS	ER KWONG WAH	SUN QUAN
		• Acumedical Development Fund LLC • CEL Impetus Corporate Finance Pte. Ltd. • AEI Corporation Ltd. • Ascent Bridge (Singapore) Pte. Ltd. <u>Other Principal Commitments</u> • Executive Director, Capital Impetus Group Limited • Executive Director & CEO, China Capital Impetus Asset Management Pte. Ltd. • Executive Director, China Capital Impetus Investment Limited
Information Required Pursuant to Listing Rule 704(7)		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes Mr Er is an independent non-executive director of China Sky Chemical Fiber Co., Ltd that has been placed under the judicial management of a judicial manager pursuant to an order to be made by the Court under Section 227B and the provisions of Part VIIIA of the Companies Act.	No
(c) Whether there is any unsatisfied judgment against him?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Additional Information on Directors seeking Re-election

DETAILS	ER KWONG WAH	SUN QUAN
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Additional Information on Directors seeking Re-election

DETAILS	ER KWONG WAH	SUN QUAN
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes In 2011, China Sky Chemical Fibre Co., Ltd, where he was an Independent Non-Executive Director, was director by SGX to engage a Special Auditor to investigate the company on issues related to interested party transaction, high cost of equipment maintenance, and the purchase of a piece of land.	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, **in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?**	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Additional Information on Directors seeking Re-election

DETAILS	ER KWONG WAH	SUN QUAN
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes The whole Board of Directors, including Mr Er Kwong Wah was reprimanded by SGX on 16 December 2011 and was subsequently placed in the Director Watchlist due to certain non-compliance of SGX's directives by China Sky Chemical Fiber Co., Ltd. Mr Er was an independent non-executive director. The non-compliance concerned the appointment of a Special Auditor. However, following a successful appeal by Mr Er Kwong Wah, SGX has removed his name from the Directors Watchlist on 24 July 2018.	No

THE PLACE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Proxy Form
Annual General Meeting

IMPORTANT:

Alternative Arrangements for Annual General Meeting (the "**AGM**")

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of the AGM will not be sent to members. Instead, the Notice of the AGM will be made available on the Company's website at the URL http://www.theplaceholdings.com/html/index.php, and on SGX's website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual conference), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 14 June 2020. This announcement may be accessed at the Company's website at the URL http://www.theplaceholdings.com/html/index.php, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
4. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend and vote on his/her/its behalf at the AGM.**

*Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") Investors*

5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 June 2020.

Personal Data

6. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 14 June 2020.

I/We, _____ (Name)

_____ (NRIC No. /Passport No./ Company Registration No.)

_____ (Address)

being a member/members of THE PLACE HOLDINGS LIMITED (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf, at the Eighteenth Annual General Meeting ("**AGM**") of the Company, to be convened and held by way of electronic means on Monday, 29 June 2020 at 3.00 p.m. and at any adjournment thereof. I/We direct the Chairman of the Meeting as my/our proxy to vote for or against, or abstain from voting on, the Resolutions to be proposed at the AGM as indicated hereunder:

No.	Resolutions relating to:	*For	*Against	*Abstain
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2019, together with the Independent Auditor's Report thereon			
2	Re-election of Mr Er Kwong Wah as a Director			
3	Re-election of Mr Sun Quan as a Director			
4	Approval of the payment of Directors' fees of S$170,000 for the financial year ended 31 December 2019			
5	Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the SGX-ST			
6	Authority to grant and allot and/or issue award shares pursuant to the Performance Share Scheme			
7	Approval for the participation by Mr Sun Quan in the Performance Share Scheme			

* Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "**For**" or "**Against**" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "**For**" and "**Against**" the relevant resolution, please insert the relevant number of shares in the boxes provided. If you wish the Chairman of the Meeting as your proxy to abstain from voting on the relevant resolution, please tick (✓) in the "**Abstain**" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "**Abstain**" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____day of _____ 2020

TOTAL NUMBER OF SHARES HELD IN:	
(a) CDP Register	
(b) Register of Members	

_____

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289)), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.

2. This proxy form may be accessed at the Company's website at the URL http://www.theplaceholdings.com/html/index.php, and will also be made available on SGX's website at the URL https://www.sgx.com/securities/company-announcements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 June 2020.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company at 6 Battery Road, #16-06, Singapore 049909; or

   (b) if submitted electronically, be submitted via email to the Company at proxy@theplaceholdings.com,

   in either case, not less than 48 hours before the time appointed for the AGM.

   A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or by his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed under its seal or the hand of its attorney or duly authorised officer. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.



(Co. Reg. No. 200107762R)
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