THE PLACE HOLDINGS LIMITED

Half Year and Full Year Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	6 months ended		
	30/6/2021	30/6/2020	Variance
	$'000	$'000	%
Revenue	**584**	**562**	4
Cost of sales	(46)	(95)	52
Gross profit	**538**	**467**	15
Gross profit margin	*92%*	*83%*	NM
Other income	4,289	2,970	44
Administrative expenses	(1,897)	(1,224)	(55)
Other expenses	(328)	-	-
Finance costs	(33)	(25)	(32)
Profit before tax	**2,569**	**2,188**	17
Tax expense	(141)	(193)	27
Profit for the period	**2,428**	**1,995**	22
Attributable to:			
Owners of the company	2,442	1,996	22
Non-controlling interests	(14)	(1)	NM
	2,428	**1,995**	
Statement of comprehensive income			
Net income for the period	2,428	1,995	22
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences of foreign operations	697	604	15
Other comprehensive income for the period, net of tax	**697**	**604**	15
Total comprehensive income for the period	**3,125**	**2,599**	20
Total comprehensive income attributable to:			
Owners of the company	3,139	2,600	21
Non-controlling interests	(14)	(1)	NM
Total comprehensive income for the period	**3,125**	**2,599**	20

* Less than $1,000
NM: Not meaningful

Profit before income tax is arrived at after charging/ (crediting) the following:		
Depreciation of property, plant and equipment	499	308
Interest income	(204)	(959)
Interest expense	32	3
Net foreign exchange loss (gain)	303	(1,965)

1(b)(i) A balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	As at 30/06/2021	As at 31/12/2020	As at 30/06/2021	As at 31/12/2020
	$'000	$'000	$'000	$'000
Current assets				
Development properties	187,755	13,364	-	-
Other assets	-	34,261	-	-
Trade and other receivables	8,084	4,352	50,731	8,954
Cash and cash equivalents	23,953	73,030	7,509	20,519
	219,792	125,007	58,240	29,473
Non-current assets				
Plant and equipment	982	1,477	893	1,388
Investment in subsidiaries	-	-	31,510	58,085
Investment in associate	18,000	800	-	-
	18,982	2,277	32,403	59,473
TOTAL ASSETS	**238,774**	**127,284**	**90,643**	**88,946**
Current liabilities				
Trade and other payables	34,562	23,409	475	365
Current tax liabilities	229	229	82	140
Lease liabilities	614	701	520	643
	35,405	24,339	1,077	1,148
Non-current liabilities				
Bank loan	96,200	-	-	-
Lease liabilities	-	366	-	327
	96,200	366	-	327
TOTAL LIABILITIES	**131,605**	**24,705**	**1,077**	**1,475**
Equity				
Share capital	149,845	149,845	149,845	149,845
Reserves	372	(325)	-	-
Accumulated losses	(53,032)	(55,474)	(60,279)	(62,374)
Equity attributable to owners of the Company	97,185	94,046	89,566	87,471
Non-controlling interests	9,984	8,533	-	-
TOTAL EQUITY	**107,169**	**102,579**	**89,566**	**87,471**
TOTAL EQUITY AND LIABILITIES	**238,774**	**127,284**	**90,643**	**88,946**

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/06/2021		As at 31/12/2020	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
-	-	-	-

The amount repayable after one year

As at 30/06/2021		As at 31/12/2020	
Secured	Unsecured	Secured	Unsecured
$'000	$'000	$'000	$'000
96,200	-	-	-

Details of any collaterals

The bank loan facility is jointly issued by Malayan Banking Berhad, Singapore Branch and China Citic Bank International Limited, Singapore Branch for the acquisition and redevelopment of Realty Centre. The total loan facility is S$171.6 million. As at 30 June 2021, S$96.2 million had been drawn down. As security for the loan facilities, the following had been granted:

1) First rank mortgage over the land and development of the Property;
2) Corporate guarantee from the shareholders;
3) Deed of undertakings from shareholders on payment obligations and additional capital injections;
4) Deed of subordination of existing and future advances from the shareholders;
5) Assignment of all rights and benefits under the sales and purchase agreement, insurance policies, any management and construction contract(s), and performance bonds in relation to the Property and its development; and
6) Fixed and floating charge over present and future assets of the borrower.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Cash Flow Statement for six months financial period ended 30 June

	Group	
	6 months ended	
	30/6/2021	30/6/2020
	$'000	$'000
Cash flows from operating activities:		
Profit before tax	2,569	2,188
Adjustments for:		
Depreciation of plant and equipment	499	308
Interest expense	32	3
Interest income	(204)	(959)
Net unrealised foreign exchange losses (gains)	303	(1,965)
	3,199	(425)
Changes in:		
- Development properties	(140,130)	-
- Trade and other receivables	(4,004)	(3,757)
- Trade and other payables	11,953	3,525
Cash used in operations	(128,982)	(657)
Interest received	58	632
Tax paid	(141)	(520)
Net cash used in operating activities	**(129,065)**	**(545)**
Cash flows from investing activity:		
Acquisition of investment in associate	(18,000)	-
Increase of subsidiary's share capital	1,465	-
Deposit paid for potential acquisition of other investment	-	(5,017)
Deposit paid for acquisition of investment property	-	(3,774)
Purchase of plant and equipment	(4)	-
Net cash used in investing activity	**(16,539)**	**(8,791)**
Cash flows from financing activity:		
Repayment of lease liabilities	(485)	(244)
Loan from bank	96,200	-
Net cash generated from (used in) financing activity	**95,715**	**(244)**
Net decrease in cash and cash equivalents	(49,888)	(9,580)
Cash and cash equivalents at beginning of the period	73,030	63,102
Effect of exchange rate fluctuations on cash held	812	1,772
Cash and cash equivalents at end of the period	**23,954**	**55,294**

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

Statement of Changes in Equity for the six months financial period ended 30 June

	Share capital	Foreign currency translation reserves	Statutory reserves	Accumulated profit	Total equity attributable to owners of the company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	
Group							
At 1 January 2020	**149,845**	**(2,353)**	**524**	**(56,068)**	**91,948**	**5**	**91,953**
Total comprehensive income for the period:							
Profit for the period	-	-	-	1,996	**1,996**	(1)	1,995
Other comprehensive income							
Foreign currency translation difference of foreign operations	-	604	-	-	**604**	-	604
Total other comprehensive income for the period	**-**	**604**	**-**	**-**	**604**	**-**	**604**
Total comprehensive income for the period	**-**	**604**	**-**	**1,996**	**2,600**	**(1)**	**2,599**
At 30 June 2020	**149,845**	**(1,749)**	**524**	**(54,072)**	**94,548**	**4**	**94,552**
At 1 January 2021	**149,845**	**(941)**	**616**	**(55,474)**	**94,046**	**8,533**	**102,579**
Total comprehensive income for the period:							
Profit for the period	-	-	-	**2,442**	**2,442**	**(14)**	**2,428**
Other comprehensive income							
Foreign currency translation difference of foreign operations	-	697	-	**-**	**697**	**-**	**697**
Total comprehensive income for the period	**-**	**697**	**-**	**2,442**	**3,139**	**(14)**	**3,125**
Changes in ownership interest in subsidiaries							
Issue of ordinary shares in subsidiary [(1)]	**-**	**-**	**-**	**-**	**-**	**1,465**	**1,465**
Total changes in ownership interest in subsidiaries	**-**	**-**	**-**	**-**	**-**	**1,465**	**1,465**
Total transactions with owners, recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**1,465**	**1,465**
At 30 June 2021	**149,845**	**(244)**	**616**	**(53,032)**	**97,185**	**9,984**	**107,169**

* Less than $1,000

[(1)] On 17 April 2021, the share capital of New Vision Holding Pte. Ltd. was increased by $2.99 million to $3 million. For further details, please refer to announcement dated 11 March 2021 and 17 April 2021.

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

Statement of Changes in Equity for the six months financial period ended 30 June

	Share capital $'000	Accumulated losses $'000	Total equity $'000
Company			
At 1 January 2020	149,845	(60,964)	88,881
Profit and total comprehensive income for the period	-	337	337
At 30 June 2020	**149,845**	**(61,924)**	**87,921**
At 1 January 2021	**149,845**	**(62,374)**	**87,471**
Profit and total comprehensive income for the period	-	2,095	2,095
At 30 June 2021	**149,845**	**(60,279)**	**89,566**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs,exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the financial period ended 30 June 2021 ("1H21"), The Place Holdings Limited (the "Company") did not issue any shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30/06/2021	As at 31/12/2020
The total number of issued shares excluding treasury shares	5,880,654,539	5,880,654,539

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:
(a) updates on the efforts taken to resolve each outstanding audit issue; and
(b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

An except-for qualified opinion was issued in the latest financial statements for the financial year ended 31 December 2020. The except-for qualified opinion was issued on the relevant opening balances as at 1 January 2020 in light of the previous year's audit qualifications, and since these opening balances entered into the determination of financial performance, changes of equity and cash flows of the Group for the current financial year ended 31 December 2020, auditor is unable to determine whether any adjustments might have been necessary in respect of the Group's financial statements for the financial year ended 31 December 2020.

In September 2020, the Refundable Deposit was fully refunded to the Group and the acquisition of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd was completed in October 2020. Thus, the Board is of the view that the recognition, measurement and recoverability of the Refundable Deposit had been resolved.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation as those used for the most recent financial statements for the financial year ended 31 December 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect, of the change.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as with the most recently audited financial statements for the financial year ended 31 December 2020.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.

	Group	
	6 months ended	
	30/6/2021	30/6/2020
Earnings/(Loss) per ordinary share for the period based on net profit/(loss) for the period:		
(i) Based on the weighted average number of ordinary shares in issue (cts); and	0.04	0.03
Weighted average number of shares	5,880,654,539	5,880,654,539
(ii) On a fully diluted basis (cts)	0.04	0.03
Weighted average number of shares	5,880,654,539	5,880,654,539

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at 30/06/2021	As at 31/12/2020	As at 30/06/2021	As at 31/12/2020
Net asset value per ordinary share (cts)	1.65	1.60	1.52	1.49
Number of shares	5,880,654,539	5,880,654,539	5,880,654,539	5,880,654,539

8. Review of the Group's performance

INCOME STATEMENT

Revenue and Profitability

The Group's revenue for first half of year 2021 ("1H21") only comprised of revenue from provision of management services to BJ Aozhong Real Estate of $0.6 million. No other contracts were secured in 1H21.

The Group's gross profit margin ("GPM") for 1H21 is higher at 92% as compared to 1H20 of 83%. This is due to an over-accrual of cost of sales in FY2020 which was subsequently adjusted in 4Q20.

Other income

Other income comprises of interest income, other income and foreign exchange gain.

	1H21	1H20
	$'000	$'000
Other income	4,085	46
Interest income	204	959
Foreign exchange gain	-	1,965
	4,289	2,970

Other income of S$4.1 million is mainly due to a sales agreement with New Lanwa International Trading Limited for a consideration of HKD25 million (approximately $4.3 million) to indirectly grant the buyer access to 1.2% of the development of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd..

Interest income decreased from $1.0 million in 1H20 to $0.2 million in 1H21 due to a decrease in fixed deposits. From 1 July 2021 till now, a total of $43 million had been utilised for our 3 developments - Project Wanrun, Project Realty Centre and Project Tanah Merah Kechil.

There is no foreign exchange gain in 1H21.

Expenses

Administrative Expenses

The increase in administrative expenses of approximately $0.6 million in 1H21 is mainly due to increase in consultancy fees, investor relations expenditure, and staff salaries and respective costs. These expenses are incurred on the 3 development projects - Project Wanrun, Project Realty Centre and Project Tanah Merah Kechil.

Other expense

Foreign exchange loss is mainly due to realised exchange loss arising from conversion of United States Dollars to Singapore Dollars. The average exchange rate of United States Dollars to Singapore Dollars for 1H21 is lower at 1.33 as compared to 1.38 for FY20.

Tax expense

Tax expense was incurred by The Place Holdings Limited and its subsidiary, Beijing Vast Universe Culture Communication Co., Ltd ("Beijing Vast Universe").

STATEMENTS OF FINANCIAL POSITION

Development properties

Development properties consists of Project Wanrun and Project Realty Centre. The acquisition of Realty Centre was completed on 30 April 2021. To-date, Project Realty Centre's development costs is approximately $164.4 millions while Project Wanrun's development costs is approximately $23.4 million. Both projects are currently in the planning stage. Construction for Project Wanrun is expected to commence at the end of 2021 while redevelopment for Realty Centre is expected to commence in 2022.

Other assets

There is nil other assets as at 1H21. As at 31 December 2020, other assets pertains to deposits paid for acquisition of Realty Centre. Upon the completion of acquisition of Realty Centre, it was reclassified under development properties.

Trade and other receivables

At the Group level, the increase in trade and other receivables is mainly due to $2.4 million receivables from New Lanwa Trading International Trading Limited. Out of which, $2 million was received on 6 July 2021 and the remaining received on 5 August 2021. In addition, $1.1 million of prepaid land tax was paid for Project Wanrun in 1H21.

At Company level, the Company had injected a total of $41.8 million into the 3 developments in 1H21. These capital injections were channelled via its subsidiaries as receivables before injecting into the respective developments.

Cash and cash equivalents

The decrease in cash and cash equivalents is due to the following capital expenditures made. For Project Wanrun, a total of $10 millions was invested in 1H21. For Project Realty Centre, a total of $21 millions was invested in 1H21, and for Project Tanah Merah Kechil, a total of $18 millions was invested in 1H21.

At Company level, the decrease in cash and cash equivalents is due to channeling of a total of $44.2 million into the 3 development which was partially offsetted from the receipt of $27 million from the capital reduction of its subsidiary, Beijing Vast Universe Culture Communication Co., Ltd ("BJ Vast Universe").

Plant and equipment
The decrease in plant and equipment mainly pertains to the depreciation in 1H21 with majority of the ROU assets maturing within 12 months.

	30/06/2021	31/12/2020
	$'000	$'000
ROU assets	580	1,030
Motor Vehicle	324	336
Others	78	111
	982	1,477

Investment in subsidiaries
The decrease in investment in subsidiaries is due to the capital reduction of Beijing Vast Universe Culture Communication Co., Ltd ("BJ Vast Universe") where the registered capital of BJ Vast Universe was reduced from RMB142,001,000 to RMB12,001,000. Please refer to its announcement made on 8 December 2020. The Group intends to use the Proceeds of this capital reduction exercise for business expansion purposes in its 80% owned subsidiary, Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. ("Tianjie Yuntai Wanrun") in connection with the Group's tourism development project in Mount Yuntai ("Mount Yuntai Integrated Tourist Township Project").

Investment in associate
On 30 December 2020, the Group had entered into a joint venture with MCC Land (Singapore) Pte Ltd and Ekovest Development (S) Pte. Ltd. for the development of a 99-year lease site at Tanah Merah Kechil Link. In 1H21, $18 million was invested in this project.

Trade and other payables
The increase the other payables is mainly due to increase in shareholders' loan of $11 millions on the development of Realty Centre. In accordance to the shareholders' agreement, other than share capital, the remaining shareholders' investment will be taken up as shareholders' loan. As the project develops, shareholders' loan is expected to increase.

The remaining trade and other payables consists of other payables at corporate level which comprise accrued independent director's fees, audit fees and other expenses.

Income tax payable
Income tax payable of $0.2 millions mainly pertains to tax payable by BJ Vast Universe.

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

Bank loan
The bank loan facility is jointly issued by Malayan Banking Berhad, Singapore Branch and China Citic Bank International Limited, Singapore Branch for the acquisition and redevelopment of Realty Centre. The total loan facility is S$171.6 million. As at 30 June 2021, S$96.2 million had been drawn down.

Financial Ratios
The Group's net working capital position is $184.4 millions as at 30 June 2021 as compared to $100.7 millions as at 31 December 2020.

As at 30 June 2021, the Group's current ratio (current assets/current liabilities) is 6.2x while equity attributable to owners of the Company stands at $107.2 millions.

CASH FLOW STATEMENT

For 1H21, cash flow used in operating activities of $129.1 millions is mainly due to capital expenditure into the 2 development projects, namely Project Wanrun and Project Realty Centre.

For 1H21, cash flow used in investing activity is mainly due to capital expenditure paid for Project Tanah Merah Kechil of $18 millions, partially offsetted by cash received from non-controlling shareholders on increase of share capital of New Vision Holding Pte. Ltd.

For 1H21, cash flow generated from financing activity is due to $96.2 million bank loan secured for acquisition of Realty Centre and partially offsetted against repayment of lease liabilities.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was disclosed to shareholders previously.

10. A commentary at the date of announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Covid 19 continues to cast an unpredictable shadow on economic recovery globally. However with the continuing roll out of vaccination, there is a growing acceptance of this new normal in treating covid 19 as endemic and holds prospect of a gradual improvement in economic growth in Singapore.

The Group will continually and actively pursue potential investment, collaboration and expansion projects and opportunities to boost growth and enhance shareholder value. The Group is currently engaging in various discussions on opportunities and projects, and will make the relevant announcement at the appropriate time and in compliance with the applicable rules.

To-date, the Group has invested into 3 projects, namely Project Wanrun, Project Realty Centre and Project Tanah Merah Kechil. With reference to the earlier announcements made on 28 March 2021, 5 May 2021 and 1 July 2021, Project Wanrun has the best potential in terms of profitability. Its land value had rose 12.7 times to RMB 481 million since its acquisition in October 2020. Project Realty Centre and Project Tanah Merah Kechil are located in Singapore where property prices are stable but faces higher construction costs under Covid-19 pandemic. Barring any unforeseen circumstances, the sales of these 3 projects are expected to commence in 2022.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

None

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

None

11(c) Date payable

Not applicable

11(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared for the half yearly financial period ended 30 June 2021. The Group will be retaining its cash for expansion purpose.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by business or geographical segments.

Not applicable

15. A breakdown of sales as follows:

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable

17. Interested party transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

During the financial period, there were related parties transactions based on terms agreed between the parties as follows:-

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Beijing Aozhongxingye Real Estate Development Co., Ltd	$583,396	-

The Company had acquired Beijing Vast Universe Culture Communication Co., Ltd ("BJ Vast Universe") on 3 January 2017. Prior to the Company's acquisition of BJ Vast Universe, BJ Vast Universe had already entered into management agreement with BJ Aozhong Real Estate, a company which is controlled by Mr. Ji Zenghe, the Company's Executive Chairman.

Under the said management agreement, BJ Vast Universe will manage certain assets of BJ Aozhong Real Estate, including the landmark LED screen located at The Place, Beijing, and earn a fixed management fee of RMB6 million (equivalent to approximately $1.2 million) annually, coupled with profit sharing arrangement, with BJ Aozhong Real Estate in respect of the assets being managed.

No announcement had been made in respect of the management agreement as it was in place prior to the Company's acquisition of BJ Vast Universe.

Except for the above, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or the Company during the financial period ended 30 June 2021.

18. Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to its attention which may render the unaudited financial results for the half year ended 30 June 2021 to be false or misleading in any material aspect.

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

We confirmed that the Company has procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman
13 August 2021