



THE PLACE HOLDINGS LIMITED

(Company Registration Number: 200107762R)

(Incorporated in the Republic of Singapore)

**PROPOSED ISSUANCE BY NEW VISION HOLDING PTE. LTD. OF 12,000,000
NEW ORDINARY SHARES REPRESENTING 80% OF THE ENLARGED ISSUED
AND PAID-UP SHARE CAPITAL OF NEW VISION HOLDING PTE. LTD.**

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of The Place Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company, The Place Singapore Investment Pte. Ltd. ("**TPSI**"), MCC Land (Singapore) Pte. Ltd. ("**MCC**") and Sun Card Limited ("**SCL**", and TPSI, MCC and SCL collectively, the "**Investee Shareholders**"), New Vision Holding Pte. Ltd. as the investee company ("**Investee Company**"), Hsteel Pte. Ltd. as the investor (the "**Investor**") and You Zhenhua (the "**Investor Shareholder**"), and the Company, the Investee Shareholders, the Investee Company, the Investor and the Investor Shareholder collectively, the "**Parties**" and each a "**Party**") have on 26 August 2023 entered into a share subscription agreement (the "**SSA**"), pursuant to which, subject to the terms and conditions of the SSA:

- (a) the Investor agreed to subscribe for, and the Investee Company agreed to issue, 12,000,000 new ordinary shares in the capital of the Investee Company (the "**Investment Shares**") representing 80% of the issued share capital of the Investee Company on a fully diluted basis, for the aggregate sum (the "**Consideration**") of S\$12,000,000; and
- (b) concurrent with the subscription for the Investment Shares, the Investor agreed to extend an interest-free shareholder's loan of S\$128,000,000 to the Investee Company (the "**Investor Shareholder's Interest-Free Loan**"), subject to the terms of the shareholder's loan agreement (the "**Investor Shareholder's Interest-Free Loan Agreement**") to be executed by the Investor and the Investee Company on completion of the Proposed Transaction ("**Completion**"),

(collectively, the "**Proposed Transaction**").

2. INFORMATION RELATING TO THE INVESTEE COMPANY, THE INVESTOR AND THE INVESTOR SHAREHOLDER

2.1 Information on the Investee Company

The Investee Company is a private limited company incorporated in Singapore on 18 April 2019. The Investee Company was incorporated to acquire and hold the legal and beneficial title to the whole of Lot No. 384T of Town subdivision 3 comprised in Certificate of Title Volume 85 Folio 124 and the whole of Lot No. 949N of Town subdivision 3 comprised in Certificate of Title Volume 751 Folio 169 (the "**Property**"). Following completion of the demolition of the building (formerly known as Realty Centre) previously situated at the Property, the Property is currently bare land, zoned for commercial use.

As at the date of this Announcement, the Investee Company's total issued and paid-up share capital of S\$3,000,000 is held by each of the Investee Shareholders in the following proportions:

- (a) TPSI, a wholly-owned subsidiary of the Company, holds 1,530,000 shares in the share capital of the Investee Company, representing 51.0% of the total issued and paid-up share capital of the Investee Company;
- (b) MCC holds 900,000 shares in the share capital of the Investee Company, representing 30.0% of the total issued and paid-up share capital of the Investee Company; and
- (c) SCL holds 570,000 shares in the share capital of the Investee Company, representing 19.0% of the total issued and paid-up share capital of the Investee Company.

To facilitate the Investee Company's initial acquisition of the Property, the Investee Company had also obtained bank borrowings from Malayan Banking Berhad, Singapore Branch and China CITIC Bank International Limited, Singapore Branch (the "**Creditors**") pursuant to a facility agreement dated 29 April 2021 between the Investee Company and the Creditors (the "**Existing Bank Loan**"). The Existing Bank Loan is secured by, *inter alia*, a legal mortgage over the Property in favour of the Creditors. As at the date of this Announcement, the total principal amount due and outstanding under the Existing Bank Loan (excluding accrued interest) stands at S\$109,735,096. Part of the Investor Shareholder's Interest-Free Loan will be used to repay in full all amounts owing by the Investee Company to the Creditors under the Existing Bank Loan.

2.2 Information on the Investor

The following description of the Investor is based on information provided by the Investor.

The Investor is an exempt private company limited by shares incorporated in Singapore on 19 June 2020 with an issued and paid-up share capital of S\$100,000 comprising 100,000 shares.

The Investor is wholly-owned by the Investor Shareholder, who is a Singapore businessman with substantial investments locally.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION

The Company had in its previous disclosures announced that it had an intention to divest the Property, and cited as one of the key reasons for this decision the increase in construction and bank borrowing costs associated with the project, including but not limited to the Existing Bank Loan. To this end, the Company has been engaging in discussions with third parties which may have an interest in acquiring the Property and/or the Investee Company. As part of one of these discussions, it was proposed that, instead of a divestment, the Investor inject new funds into the Investee Company, which shall be used to fully repay all amounts owing by the Investee Company to the Creditors under the Existing Bank Loan. This would relieve the Investee Company of its high bank borrowing costs. As the Investor Shareholder has indicated an intention to explore the potential redevelopment of the Property, the Proposed Transaction will also give the Company an opportunity to participate in the potential upside in the said redevelopment through its existing investments in the Investee Company, in collaboration with a well-regarded and experienced businessman.

Please refer to the Company's announcement made on even date titled "Updates in relation to the Facility Agreement entered into by New Vision Holding Pte. Ltd." for further details on the status of the Existing Bank Loan and the Company's discussions with the Creditors.

The Proposed Transaction is also in line with the Group's strategy to focus on its digital technology businesses, such as the Company's joint venture with Stellar Lifestyle Pte. Ltd., a business arm of SMRT Corporation Ltd., which provides logistics, immersive, futuristic and e-commerce services in Singapore and other territories through a digital omni-channel ecosystem.

4. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

4.1 Consideration

The Consideration of S\$12,000,000 for the Investment Shares shall be payable by the Investor to the Investee Company on Completion. The Consideration has been computed based on a valuation of the Investee Company on a cash-free and debt-free basis as at Completion, and shall be satisfied in cash.

4.2 Conditions

- (a) Completion shall be subject to the fulfilment of conditions ("**Conditions**") customary for transactions of such nature, including but not limited to the following:
- (i) the terms of repayment of all amounts owing by the Investee Company to the Creditors under the Existing Bank Loan (including discharge of all security by the Creditors) on Completion being agreed between the Investee Company, the Investor and the Creditors;
 - (ii) the results of a due diligence exercise on the Investee Company being reasonably satisfactory to the Investor;
 - (iii) no reply to a legal requisition sent in respect of the Property disclosing information

different from that set out in the SSA being received by the Investor;

- (iv) the obtaining of all necessary approvals, consents and waivers necessary for or required in connection with the subscription for the Investment Shares, or for the execution or performance of the SSA, and such approvals, consents and waivers remaining valid and effective up till and including Completion;
- (v) the obtaining of all necessary corporate approvals by (A) the shareholders of each Investee Shareholder, (B) the Investor and (C) the Company (including approval from the Company's shareholders ("**Shareholders**") pursuant to its obligations under the Listing Manual, if required);
- (vi) the obtaining of all necessary approvals, consents and waivers from the regulatory authorities in respect of the transactions contemplated under the SSA (including from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (if required¹)), and such approvals, consents and waivers being in full force and effect and not having been withdrawn, and if such approval, consent and waiver is subject to any condition(s) or restriction(s), such condition(s) or restriction(s) being reasonably acceptable to the Parties;
- (vii) the disclosure letter from the Investee Company to the Investor, disclosing information constituting exceptions to the representations and warranties made by the Investee Shareholders contained in the SSA, being in such form and substance reasonably satisfactory to the Investor;
- (viii) the deed of indemnity under which SCL and TPSI shall indemnify the Investor in respect of certain specific matters being in agreed form between TPSI, SCL and the Investor;
- (ix) the (A) new shareholders' agreement to be executed by the Investor, the Investee Shareholders and the Investee Company, (B) the Investor Shareholder's Interest-Free Loan Agreement, and (C) the mortgage in respect of the Property to be executed by the Investee Company as security for the Investor Shareholder's Interest-Free Loan, being in agreed form between the Investee Company, the Investee Shareholders and the Investor;
- (x) the Investee Company obtaining the necessary approvals, consents, waivers and confirmations from the regulatory authorities in Singapore (including the Controller of Residential Property (Land Dealings (Approval) Unit), the Urban Redevelopment Authority, the Singapore Land Authority, the State and the Commissioner of Lands) in connection with such new development on the Property as may be agreed in writing amongst the Investor and the Investee Shareholders; and
- (xi) the obtaining of written confirmations from the Urban Redevelopment Authority,

¹ The Company is in consultation with the SGX-ST to seek confirmation that Rule 805(2) of the SGX-ST Listing Manual ("**Listing Manual**") (which requires an issuer to obtain prior shareholders' approval for any share issuance by its principal subsidiary that results in said principal subsidiary ceasing to be its subsidiary) is not applicable to the Proposed Transaction.

the Singapore Land Authority that only land betterment charge will be payable (and no land premium or other charges will be levied) for the change of use / change of zoning in connection with such new development on the Property as may be agreed in writing amongst the Investor and the Investee Shareholders.

- (b) The Parties shall cooperate and use their reasonable endeavours to procure the fulfilment of the Conditions as soon as possible:
- (i) in the event the Company is required to seek approval from its Shareholders pursuant to its obligations under the Listing Manual:
- (A) if the SGX-ST provides its approval within four (4) weeks from the date of submission of the relevant application by the Company to the SGX-ST, 12 calendar weeks from the date of the SSA (or such other date as the Parties may agree in writing); or
- (B) in any other event, 16 calendar weeks from the date of the SSA (or such other date as the Parties may agree in writing); or
- (ii) in any other event, four (4) calendar weeks from the date of the SSA (or such other date as the Parties may agree in writing),

(the "**Long-Stop Date**").

4.3 Completion

Completion shall take place on the date falling two (2) business days after the date of fulfilment or waiver of the last of the Conditions (or such other date as the Parties may mutually agree in writing) (the "**Completion Date**").

Following Completion, the shareholding structure of the Investee Company will be as follows:

	Immediately before Completion⁽¹⁾	Immediately following Completion⁽²⁾
TPSI	1,530,000 shares (51.0%)	1,530,000 shares (10.2%)
MCC	900,000 shares (30.0%)	900,000 shares (6.0%)
SCL	570,000 shares (19.0%)	570,000 shares (3.8%)
Investor	N.A.	12,000,000 shares (80.0%)

Notes:

- (1) Percentages computed based on total issued and paid-up share capital of the Investee Company on a pre-Completion basis.
- (2) Percentages computed based on enlarged total issued and paid-up share capital of the Investee Company on a post-Completion basis.

On Completion, the Investor shall extend the Investor Shareholder's Interest-Free Loan to the Company. Part of the Investor Shareholder's Interest-Free Loan will be used to repay in full all amounts owing by the Investee Company to the Creditors under the Existing Bank Loan.

4.4 Termination

Any Party may terminate the SSA by giving written notice to the other Parties upon the occurrence of any of the following:

- (a) any of the Conditions is not fulfilled, or waived, on or before the Long-Stop Date;
- (b) any Party having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SSA or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened; or
- (c) any applicable laws having been enacted or proposed which will prohibit, materially restrict or materially delay the implementation of the transactions contemplated in the SSA or the operations of the Investee Company.

The Investor agrees to pay to the Investee Company a fee of S\$1,400,000 if subsequent to fulfilment (or waiver, as the case may be) of the Conditions, the Investor fails to perform its obligations on Completion, and any Party exercises its right to terminate the SSA, and correspondingly, the Investee Company agrees to pay to the Investor a fee of S\$1,400,000 forthwith if subsequent to fulfilment (or waiver, as the case may be) of the Conditions, the Investee Company fails to perform its obligations on Completion, and any Party exercises its right to terminate the SSA.

4.5 Warranties

- (a) Each of the Investee Shareholders shall severally (and not jointly) provide such warranties in favour of the Investor relating to, *inter alia*, title, authority and capacity that are customary of transactions of this nature. TPSI and SCL shall also provide such operational warranties in favour of the Investor that are customary of transactions of this nature.
- (b) The Investee Shareholders shall be severally (and not jointly) liable for the warranties in respect of the Investee Company to the extent of their respective shareholding proportions in the Investee Company immediately prior to Completion.

4.6 Guarantee

The Investor Shareholder unconditionally and irrevocably guarantees the due and punctual performance of each obligation of the Investor contained in the SSA, and the Company unconditionally and irrevocably guarantees the due and punctual performance of each obligation of TPSI contained in the SSA.

4.7 Governing Law

The SSA is governed by, and construed in accordance with, the laws of Singapore.

5. ILLUSTRATIVE FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The following *pro forma* financial effects of the Proposed Transaction are for illustrative purposes only and do not reflect the future financial position of the Company or the Group following Completion.

The following *pro forma* financial effects have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 and the following key assumptions:

- (a) the number of shares is based on 5,880,654,539 issued and paid-up ordinary shares in the capital of the Company ("**Shares**") as at 31 December 2022;
- (b) for the purposes of illustrating the financial effects of the Proposed Transaction on the Group's net tangible assets ("**NTA**") per Share, it is assumed that the Proposed Transaction had been completed on 31 December 2022;
- (c) for the purposes of illustrating the financial effects of the Proposed Transaction on the Group's earnings (loss) per Share ("**EPS**"), it is assumed that the Proposed Transaction had been completed on 1 January 2022;
- (d) for the purposes of illustrating the impact of the Proposed Transaction on the Group's total borrowings and net gearing ratio, it is assumed that the Proposed Transaction had been completed on 31 December 2022, taking into account only the value of the net asset investment, and disregarding the Existing Bank Loan and shareholders' loan from non-controlling interests ("**NCI**") of the Investee Company; and the Investee Company is de-consolidated from the Group as there is a change of control from the Group to the Investor and the Investee Company is no longer a subsidiary of the Company.
- (e) all transaction-related costs in relation to the Proposed Transaction have been disregarded.

5.1 Effects on NTA per Share

	Before the Proposed Transaction	After the Proposed Transaction
NTA attributable to the equity holders of the Company (S\$ million)	78.148	78.148
NTA per Share (cents)	1.33	1.33

5.2 Effects on EPS

	Before the Proposed Transaction	After the Proposed Transaction
Earnings (Loss) attributable to the equity holders of the Company (S\$ million)	(12.460)	(6.680)
EPS (Loss) per Share (cents)	(0.21)	(0.11)

Notes:

- (1) The loss attributable to the equity holders of the Company for after the Proposed Transaction is after disregarding the impairment loss of S\$5.780 million on assets of Disposal Group classified as held-for-sale.

5.3 Gearing

	As at 31 December 2022	Immediately after the Proposed Transaction	% (Decrease) / Increase
Total borrowings (S\$ million)	141.23	0.44	(99.69%)
Net gearing ratio (times)	1.49	0.005	(99.69%)

Notes:

- (2) Total borrowings comprise bank borrowings, shareholders' loan from NCI and lease liabilities.
(3) Net gearing ratio has been computed based on total borrowings divided by total equity. Total equity is inclusive of NCI.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

No Director nor Controlling Shareholder (as defined in the Listing Manual), nor their respective associates, has any interest in the Investor or the Investor Shareholder. For the avoidance of doubt, the Investor and the Investor Shareholder are not interested persons for the purposes of Chapter 9 of the Listing Manual.

SCL is a Hong Kong corporation. Mr. Ji Zenghe ("**Mr. Ji**"), the Executive Chairman of the Company and Mr. Fan Xianyong ("**Mr. Fan**"), an Executive Director and Chief Executive Officer of the Company, respectively hold 65% and 35% of the shares in a holding company which in turn has 95% direct shareholding interest in SCL. The remaining 5% in SCL is held by an independent third party incorporated in Hong Kong. Mr. Ji and Mr. Fan are also directors of SCL, and are Controlling Shareholders of the Company. Save as described above, no other Director or Controlling Shareholder of the Company has any interest in SCL.

For the avoidance of doubt, Mr. Ji and Mr. Fan have abstained from all decisions relating to the Proposed Transaction.

Save as described above, none of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction (other than through their respective shareholdings in the Company, if any).

7. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Transaction.

8. FURTHER INFORMATION

The Company will make further announcements to update Shareholders on the Proposed Transaction as and when necessary.

9. DOCUMENTS FOR INSPECTION

A copy of the SSA will be available for inspection during normal business hours at the registered office of the Company at 6 Battery Road #21-01 Singapore 049909, for three (3) months from the date of this Announcement. Shareholders who wish to inspect the SSA at the Company's registered office are required to send an email request to shirley.yan@theplaceholdings.com to make an appointment in advance.

10. CAUTION IN TRADING

Shareholders and potential investors of the Company are advised to exercise caution in trading the Company's Shares as there is no certainty or assurance as at the date of this Announcement that the Proposed Transaction will be completed, at all or in the manner described in this Announcement. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman
29 August 2023