



Shaping the Future of Technology

ANNUAL REPORT 2022





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CORPORATE PROFILE

VISION

To create a better future for our communities and higher returns for our stakeholders by embodying the spirit of enduring innovation and entrepreneurship in our core business pillars.

愿景

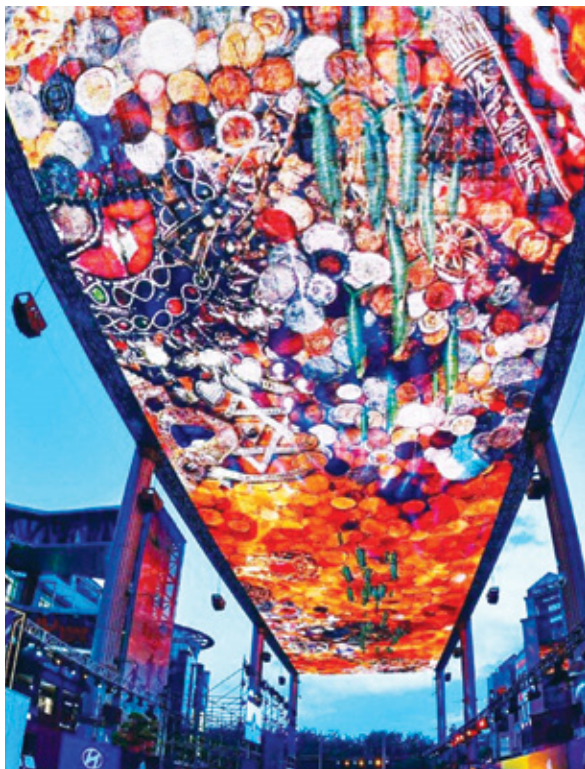
以不断创新的精神、引领潮流。以最用心的态度创造优秀产品，为社会创造价值。

MISSION

Dedicated in fostering the holistic development of our core business pillars by creating a dynamic, positive, results-driven work environment focused on the investment and development of long-term collaborative partnerships based on professional ethics and mutual trust.

使命

致力于通过创建一个充满活力、积极、目标明确的全方位工作环境。以诚信为基础，与长期合作者进行投资和发展，促进核心业务的整体。



ABOUT US

Recognising the need to create business resiliency and the importance of scale to create new value propositions, the Group's business model is to integrate traditional businesses with omni-channel strategies and digital solutions (such as "new-retail" solutions, last mile logistics, immersive virtual reality technology, enterprise intelligent connectivity) to harness new growth opportunities in the digital economy.

The Group has established a strong business platform to create new value propositions within its 3 core business pillars:

1. Integrated media-related businesses with management operation rights;
2. Property development and property management activities; and
3. Cultural tourism with "new retail" business concept.

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

Embolden with a new business approach and forwardlooking corporate culture, The Place Holdings is continually and actively pursuing potential investment, collaboration and expansion projects as well as business opportunities to boost growth and enhance shareholder value.

For additional information, please visit www.theplaceholdings.com

集团简介

企业韧性、创造商业价值都是一个成功企业的重要因素。天阶集团的商业模式始终围绕着新思想和新作为。在科技创新不断推进的时代里，于现有的传统商业模式赋予新业务概念（如：新零售、线上线下结合等）。

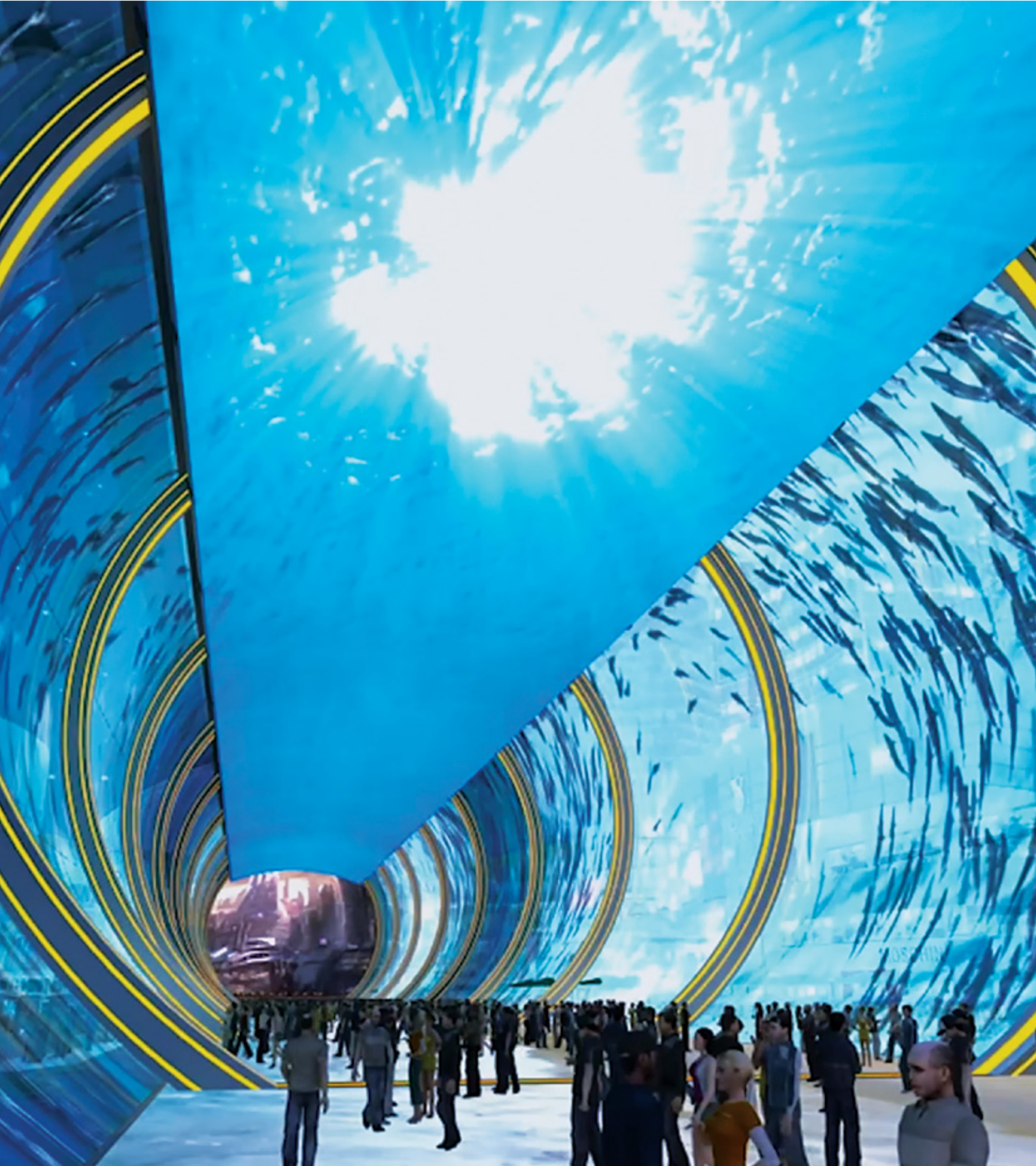
本集团的三个核心业务支柱如下：

1. 综合性的文化传媒，如包含管理性质；
2. 房地产开发和物业管理；和
3. 具有“新零售”经营理念的文化旅游等。

本集团和北京世贸天阶集团（“北京世贸天阶”）是关联方并获得北京世贸天阶的鼎力支持。北京世贸天阶是一家数十亿新元的企业集团，在旅游，媒体，物业经营，生物制药和国际贸易方面具有广泛的业务组合，拥有骄人的成绩。

凭借新业务概念和具有前瞻性的企业文化，本集团正在积极探讨投资，合作和扩展项目，以及促进集团增长和提高股东价值。

更多资讯，请游览www.theplaceholdings.com



JOINT MESSAGE BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR & CEO



DEAR SHAREHOLDERS,

On behalf of the Board of Directors, we would like 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 2022 (“FY2022”).

Over the past twelve months, the world continue to be fraught with rising geopolitical tensions leading to economic uncertainties and fragmentation, and for some countries, there were continuing COVID-19 related disruptions.

For the Group, it has been a year of continuing our ambition to be future ready, unlocking the value of our property projects in Singapore and sharpening our growth plans around the digital economy and new consumer trends.

UNLOCKING THE VALUE OF OUR PROPERTY PROJECTS IN SINGAPORE

One of the Group’s property development projects in Singapore, Sceneca Residence, a new mixed development project linked to Tanah Merah MRT interchange, started its two-week preview on 1 January 2023. The balloting of units of Sceneca Residence officially started on 14 January 2023 and 160 units (about 60%) were sold at an average price of \$2,072 psf on a single day. The Group has a 20% equity stake in Sceneca Residence.

In Singapore, the Group has another freehold mixed development property located at 15 Enggor Street in the CBD area. With a land size of approximately 11,000 square feet and a plot ratio of approximately 5.6, the property can be built to a maximum height of 35 storeys. As this property is located within the Anson precinct, it is entitled to bonus plot ratios of between 25% and 30% if there is a change of use under the

Central Business District (CBD) Incentive Scheme initiated by the Urban Redevelopment Authority of Singapore in 2019. Several interested parties have expressed their interest to purchase and take over this project and the Group has started negotiations and is evaluating on the available options.

NEW GROWTH INITIATIVES WITHIN THE DIGITAL ECONOMY

Recognising the growing trends in the consumer and digital economy, we are undertaking initiatives to integrate traditional businesses with omni-channel strategies and digital solutions (such as immersive virtual reality technology, “new-retail” solutions, last mile logistics, enterprise intelligent connectivity) to create new value propositions and exploring new growth opportunities.

In June 2022, the Group and Stellar Lifestyle Pte. Ltd. (“Stellar Lifestyle”), a business arm of SMRT Corporation Ltd, signed a binding agreement to collaborate on the development of the “L.I.F.E” Omni-Channel Ecosystem.

A key component of “L.I.F.E” omni-channel ecosystem, Singapore’s first Sky Screen attraction will also serve as a catalyst for SMEs to boost new business vibrancy via new possibilities in digital media solutions and technology innovations.

In addition, The Place Holdings and Stellar Lifestyle are planning Singapore’s first Sky Screen, a suspended 200 meters long video screen that will be an enhanced version of Beijing’s iconic spectacle, 世贸天阶梦幻天幕 (“The Place Sky Screen”).

For Singapore’s first Sky Screen, it is positioned as a high-tech, immersive visual extravaganza and attraction that aims to be a catalyst for new tourism and retail experiences in

JOINT MESSAGE BY EXECUTIVE CHAIRMAN AND EXECUTIVE DIRECTOR & CEO

Singapore with unique and engaging experiences. The Group is in the process of determining the location of Singapore Skyscreen, architectural design for its ecosystem platform and necessary paperwork.

In addition, both companies will focus on the development of the digital platform with technology infrastructure comprising Artificial Intelligence, Big Data, Internet of Things applications, among others, that is integrated within this ecosystem.

COMMITMENT TO STAKEHOLDERS

In planning for the future of our Group, we are cognisant of the need for our people to realise their full potential and add new value propositions to our stakeholders and the society at large.

On this note, we want to thank our fellow Board members for their counsel and guidance through various milestone events. And on behalf of the Board of Directors, we want to take this opportunity to acknowledge and extend our appreciation to our staff for their commitment, efforts and dedication to the Company and our refresh approach.

We also want to extend our sincere thanks to our business partners for their continued support and confidence. Last but not least, we would also like to thank you, our shareholders, for your ongoing support.

Committed to delivering sustainability through innovation and partnerships, we aim to capitalise on new opportunities in the consumer and digital economy as we set the stage for an exciting future.

Thank You!

MR JI ZENGHE
Executive Chairman

&

MR FAN XIANYONG
Executive Director & CEO



FINANCIAL REVIEW



Under the leadership of the Company's Executive Chairman, Mr Ji Zenghe (吉增和) and Executive Director and Chief Executive Officer, Mr Fan Xianyong (樊献勇), the management team has strategically shaped the Group's business model with a new focus on integrating traditional businesses with omni-channel strategies and digital solutions (such as immersive virtual reality technology, "new-retail" solutions, last mile logistics, enterprise intelligent connectivity) to harness new growth opportunities in the digital economy.

Currently, the Group has 3 core business pillars as follows:

1. Property development and property management activities
2. Cultural tourism with "new retail" business concept
3. Integrated media-related businesses with management & operation rights

FINANCIAL REVIEW FOR FY2022

Revenue

While the Group has a business model of 3 core business pillars, the Group's revenue was solely contributed by our integrated media-related business unit which was affected by the COVID-19 measures in China during FY2022 as there were fewer marketing activities and branding events by customers.

For FY2022 the Group recognised revenue of approximately S\$0.77 million (FY2021: S\$1.18 million), which was largely contributed through the provision of management services.

Gross profit margin

As management services revenue accounted for majority of the Group's revenue in FY2022, the Group posted gross profit margin of 94.9% in FY2022. Management services revenue typically commands a higher gross profit margin than events management revenue.

Other income

The Group recorded a net other income of approximately S\$1.03 million in FY2022, which is mainly attributable to interest income of approximately S\$1.01 million. This was higher than FY2021's other income of approximately S\$0.96 million.

Administrative expenses

As compared to administrative expenses of approximately S\$3.78 millions incurred in FY2021, the Group incurred higher administrative expenses of approximately S\$4.43 millions in FY2022 as there were more potential projects under consideration and evaluation, which resulted in the increase in professional fees, staff salaries and other related expenses.

Other expenses

In May 2022, the board of directors resolved to divest one of the Group's local development projects and negotiations with several interested parties have subsequently taken place. Due to global uncertainties and increasing interest rates, the proceeds of the divestment are expected to be lower than the carrying amount of the related net assets of the subsidiary and accordingly impairment loss of approximately S\$5.78 millions has been recognized on the classification of this Disposal Group as held for sale.

Impairment on financial asset

The Group recognised an impairment of approximately S\$1.89 million for a loan to third party.

Finance expenses

As one of the Group's local development projects has been earmarked for divestment, its related construction progress was halted and accordingly, the related bank interest expense is no longer allowed to be capitalised under development properties. As such, the Group's finance costs increased to approximately S\$3.65 millions in FY2022.

Net loss

Overall, the Group recognised a loss of S\$14.60 millions in FY2022.

REVIEW OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

Total Assets

As at 31 December 2022, the Group's total assets stood at approximately S\$247.26 millions (31 December 2021: S\$259.80 million), where approximately S\$181.88 millions represents as assets of Disposal Group classified as held-for-sale.

Non-Current Assets

The Group's non-current assets increase to approximately S\$22.11 millions as at 31 December 2022 as compared to approximately S\$19.38 millions as at 31 December 2021. The increment was mainly due to increased shareholders' loans to an associate, which is related to the investment in joint venture with MCC Land (Singapore) Pte. Ltd. and Ekovest Development (S) Pte. Ltd. for the development of Sceneca Residences.

Current Assets

The Group's current assets stood at approximately S\$225.15 millions as at 31 December 2022 (31 December 2021: S\$240.41 million). In relating to the divestment of the local development project, development properties of approximately S\$178.02 million had been reclassified to

assets of Disposal Group classified as held-for-sale and an additional S\$5.78 million of impairment loss relating to assets of Disposal Group classified as held-for-sale to fair value had been expensed off in 2022. Likewise, bank loans and shareholders' loan from NCI had also been reclassified to liabilities directly associated with assets of Disposal Group classified as held-for-sale.

Total Liabilities

As at 31 December 2022, the Group's total liabilities increased to approximately S\$152.48 millions from approximately S\$147.55 millions as at 31 December 2021.

Non-Current Liabilities

The Group's non-current liabilities mainly comprise of lease liabilities and deferred tax liabilities of approximately S\$0.15 million and S\$0.25 million respectively as at 31 December 2022, as the bank loan and shareholders' loans from NCI has been reclassified as current liabilities with the proposed divestment.

Current Liabilities

As at 31 December 2022, the Group's current liabilities of approximately S\$152.08 millions comprise two key components, trade and other payables of S\$10.78 millions and liabilities directly associated with assets of disposal group classified as held-for-sale amounting to S\$140.79 millions.

Total Equity

As at 31 December 2022, the Group's total equity stood at S\$94.78 millions as compared to approximately S\$112.24 millions as at 31 December 2021.

REVIEW OF CASH FLOW STATEMENT FOR FY2022

During FY2022, the Group used net cashflow of approximately S\$2.85 millions for operating activities, which was mainly due to the additional development cost on development property prior to classification as held for sale.

In FY2022, there are used net cashflow of approximately S\$6.07 millions for the Group's investing activities, which is mainly due to the loan to associate of approximately S\$2.19 millions and loan to a third party of approximately S\$3.87 millions.

In FY2022, there are used net cashflow of S\$2.32 millions for the Group's financing activities, which is mainly due to the repayment of bank loan interests and lease liabilities.

Overall, the Group registered a net decrease in cash and cash equivalents of approximately S\$22.19 millions to approximately S\$10.26 millions as at 31 December 2022.

BOARD OF DIRECTORS

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 27 April 2021. 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, Beijing 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 26 April 2022. Mr Sun has more than 25 years of investment and management experience in the Greater China region, Singapore, USA, Malaysia, Thailand and Indonesia, covering a variety of business areas including high technology, pharmaceuticals, electronics, real estate, natural resources, chemical industry.

Mr Sun's other current appointments include:

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

Mr Sun graduated from Beijing University of Technology with a Bachelor's degree, and obtained 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 26 April 2022. 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, Beijing 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.



Chng Hee Kok

Lead 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 27 April 2021. 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 of Singapore from 1984 to 2001.

Mr Chng's other current appointments include:

- Independent Director, SGX Mainboard Listed, Luxking Group Holdings Limited
- Independent Director, SGX Mainboard Listed, United Food Holdings Limited
- Independent Director, SGX Mainboard Listed, Full Apex (Holdings) Limited
- Independent Director, SGX Mainboard Listed, Debao Property Development Limited

Mr Chng's past appointments include:

- Chief Executive Officer, Chemical Industries (Far East) Ltd
- Independent Director, SGX Mainboard Listed, Ellipsiz Ltd
- Independent Director, SGX Mainboard Listed, Samudera Shipping Line Ltd
- 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
- Independent Director, SGX Mainboard Listed, KTL Global Limited
- Independent Director, SGX-Catalist Listed, Metech International Ltd
- Independent Director, SGX-Catalist Listed, Blackgold Natural Resources 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.

Dr Yeo Guat Kwang

Independent Director, Non-Executive Director

Dr Yeo was first appointed as the Independent Director of the Group on 20 June 2022. He is an Advisor of the National Trade Unions Congress (NTUC) of Singapore. He had been a member of the Parliament of Singapore from January 1997 to August 2015. He was also the President of the Consumers Association of Singapore from June 2003 to June 2012.

Dr Yeo's other current appointments include:

- Independent Director, SGX Mainboard Listed, SIIC Environment Holdings Ltd.
- Independent Director, SGX-Catalist Listed, Koyo International Limited
- Independent Director, SGX Mainboard Listed, G.H.Y. Culture & Media Holding Co., Limited

Dr Yeo obtained an Honours degree in Arts and Social Sciences from the National University of Singapore in 1986 and a master's degree in Public Administration and Management in Lee Kuan Yew School of Public Policy of the National University of Singapore in 2013. He was conferred Doctorate in Business Administration by United Business Institutes, Belgium in October 2016.

BOARD OF DIRECTORS

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 27 April 2021. Victor has over 36 years of senior investment management experience including private equity fund management. He has also seed funded and established several ventures and startups with exits including initial public offerings (IPO), trade sales, and merger and acquisition (M&A).

Mr Ng's other current appointments include:

- Chairman, SGX-Catalist Listed, Healthbank Holdings Ltd
- Chairman, SGX-Catalist listed, Quantum Healthcare Limited.
- Independent Director, SGX Mainboard Listed, Soilbuild Construction Group Ltd.
- Independent Director, HKEX Mainboard Listed, Sunshine 100 China Holdings Ltd.

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
- Independent Director, SGX Mainboard Listed, Soilbuild Business Space REIT

Mr Ng holds a 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 26 April 2022. Mr Foo is currently Chief Risk Officer of a Singapore based family office. He 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.

Zhang Wei

Chief Strategy Officer

Mr Zhang was appointed as the Group's Chief Strategy Officer on 20 January 2021 and he is responsible for assisting the Group's Executive Chairman with strategic planning, growth strategy and capital planning of the Group. He will also assist the board of directors and management team to market and promote the Group's business development activities in Singapore and globally.

With a background in global market research and a strong understanding of multiple market segments, Mr Zhang has more than 10 years of experience in investment management and investor relations. In addition, he has extensive experience in business development and expansion, especially in the area of "new-retail" business. Previously from September 2016 to April 2018, Mr Zhang served as the Company's Executive Director and Director of investor relations, where he was responsible for the planning and implementation of group strategy and public business strategy.

Mr. Zhang studied in the Department of Engineering Physics, Tsinghua University from 1998 to 2002, and holds a master's degree in Business Administration from the China University of Political Science and Law

Tay Ai Li

Chief Financial Officer

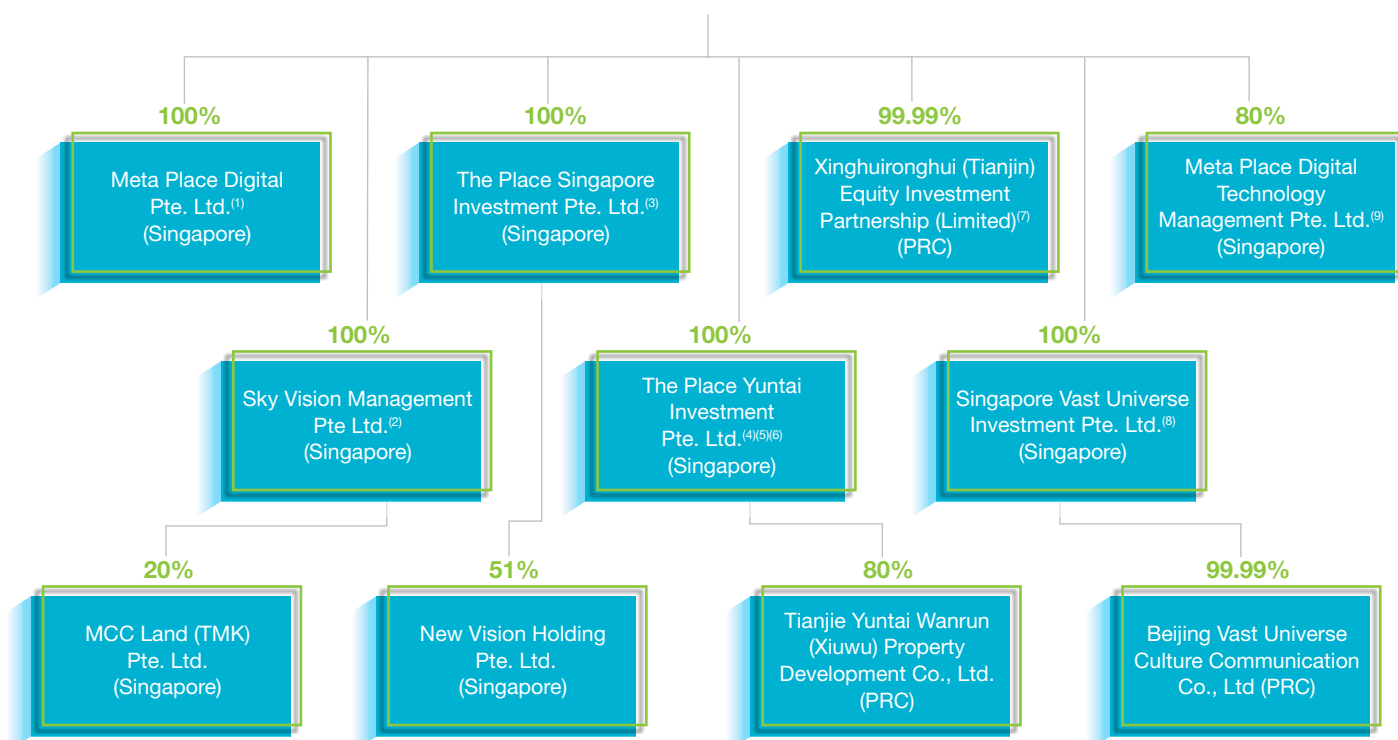
Ms Tay was redesignated as Chief Financial Officer of the Group on 1 April 2022. She is in charge of the Company's financial and accounting functions in Singapore and responsible for overseeing the financial reporting, accounting functions, risk management and compliance requirements relating to the Group.

Ms Tay joined the Group in July 2009 as Group Accountant. She was promoted to Finance Manager in 2014 and Financial Controller in 2016. 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.

GROUP STRUCTURE



The Place Holdings Limited
(Listed on SGX Mainboard)



Notes:

- (1) Meta Place Digital Pte. Ltd. was formerly known as "Capital Sky Holding Pte. Ltd." For more information, please refer to the following announcement released by TPHL via SGXNet:
 - A. Incorporation of a new subsidiary and change of name and principal business activities of a wholly-owned subsidiary dated 19 April 2022.
- (2) TPHL had on 21 December 2020, announced the subscription of 20% of the issued share capital of MCC Land (TMK) Pte. Ltd. For further information, please refer to the following announcements released by TPHL via SGXNet:
 - A. Subscription of 20% equity interest in MCC Land (TMK) Pte. Ltd. dated 21 December 2020; and
 - B. Entry into Shareholders' Agreement – Tanah Merah Development dated 3 January 2021.
- (3) Pursuant to an internal restructuring of the Group, The Place Yantai Investment Pte. Ltd. had on 4 December 2020, transferred its entire 51% interest in New Vision Holding Pte. Ltd. to The Place Singapore Investment Pte. Ltd. For further information, please refer to the following announcement released by TPHL via SGXNet:
 - A. Incorporation of two new subsidiaries and Internal Restructuring of the Group dated 4 December 2020.
- (4) TPHL had on 27 October 2020, completed the subscription of 80% interest in Tianjie Yantai Wanrun (Xiuwu) Property Development Co., Ltd. For further information, please refer to the following announcements and/or circular released by TPHL:
 - A. Proposed Subscription of equity interest dated 8 November 2017;
 - B. Circular in relation to the Proposed Subscription dated 21 September 2018;
 - C. Update on Proposed Subscription dated 8 January 2020;
 - D. Completion of the Proposed Subscription dated 1 November 2020; and
 - E. Response to SGX query on the announcement on the update of the Proposed Subscription dated 9 November 2020 and 16 November 2020.
- (5) TPHL had on 1 July 2021, transferred its 1.5% equity interest in The Place Yantai Investment Pte. Ltd. to New Lanwa International Trading Limited. For further information, please refer to the following announcements released by TPHL via SGXNet:
 - A. Proposed Disposal of the 1.5% Equity Interest in The Place Yantai Investment Pte. Ltd. dated 29 June 2021; and
 - B. Completion of the Share Transfer of 1.5% Equity Interest in The Place Yantai Investment Pte. Ltd. dated 1 July 2021.
- (6) TPHL had on 28 December 2021 completed the acquisition of 1.5% equity interest in The Place Yantai Investment Pte. Ltd. from New Lanwa International Trading Limited. No announcement of this transaction was made as the acquisition was a non-discloseable transaction under Rule 1006 read together with Rule 1008 of the Listing Manual (i.e., the aggregate value of the consideration given compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares amount to less than 5%).
- (7) The remaining 0.01% of Xinghuironghui (Tianjin) Equity Investment Partnership (Limited) is owned by Precious Water Forest Capital Co., Ltd (the Fund Manager).
- (8) In order to implement the proposed internal restructuring of the Group, TPHL had on 7 July 2021 incorporated a wholly-owned subsidiary, Singapore Vast Universe Investment Pte. Ltd. For further information, please refer to the following announcements released by TPHL via SGXNet:
 - A. Proposed Intra-Group Restructuring Exercise dated 7 July 2021; and
 - B. Incorporation of a wholly-owned subsidiary dated 7 July 2021.
- (9) TPHL had on 14 April 2022 incorporated a 80% owned subsidiary, Meta Place Digital Technology Management Pte. Ltd. For further information, please refer to the following announcement released by TPHL via SGXNet:
 - A. Incorporation of a new subsidiary and change of name and principal business activities of a wholly-owned subsidiary dated 19 April 2022.
 - B. Gazetted to be struck off.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Ji Zenghe
Fan Xianyong

NON-EXECUTIVE DIRECTOR

Sun Quan

INDEPENDENT DIRECTORS

Chng Hee Kok (Lead Independent Director)
- *re-designated as Lead Independent Director with effect from 20 June 2022, in place of Mr Er Kwong Wah who had resigned on 22 March 2022*
Foo Chiah-Shiung
Ng Fook Ai Victor
Dr. Yeo Guat Kwang
- *appointed as Independent Director with effect from 20 June 2022*

AUDIT COMMITTEE

Chng Hee Kok (Chairman)
- *re-designated as Chairman of the Audit Committee with effect from 20 June 2022, in place of Mr Er Kwong Wah who had resigned on 22 March 2022*
Foo Chiah-Shiung
Ng Fook Ai Victor
Dr. Yeo Guat Kwang
- *appointed as member of the Audit Committee with effect from 20 June 2022*

NOMINATING COMMITTEE

Foo Chiah-Shiung (Chairman)
Chng Hee Kok
Ng Fook Ai Victor
Dr. Yeo Guat Kwang
- *appointed as member of the Nominating Committee with effect from 20 June 2022*

REMUNERATION COMMITTEE

Ng Fook Ai Victor (Chairman)
Chng Hee Kok
Foo Chiah-Shiung
Dr. Yeo Guat Kwang
- *appointed as member of the Remuneration Committee with effect from 20 June 2022*

COMPANY SECRETARY

Dr. Qiu Yang (Chartered Secretary, ACS, ACG)
(Date of Appointment: 31 December 2020)

REGISTERED OFFICE

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SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue, #14-07
Keppel Bay Tower, Singapore 098632

AUDITORS

Crowe Horwath First Trust LLP
9 Raffles Place
#19-20 Republic Plaza, Tower 2
Singapore 048619
Partner-in-charge: Lee Yan Huei

Appointed since financial year ended
31 December 2022

SUSTAINABILITY REPORT

By Roma Risk Advisory Limited

The Place remains committed to entrenching high standards of sustainable operations into its business activities. Our Board continues to oversee, supervise and monitor the environmental, social and governance (“ESG”) material issues and strategy going forward. We believe that sustainability is making its way into the mainstream rapidly within our industry sector and in the markets that we operate in. As a responsible corporate citizen, we strive to contribute more by improving our disclosures, including the disclosure related to climate change following the Task Force on Climate-related Disclosures’ recommendations, and effectively elevating our performance in ESG issues as the core parts of our business strategy, so as to reach sustainable growth and continued success.

We have identified and summarized the following material topics for the FY2022 Sustainability Report in the table below:

| | |
|-------------------------------------|--|
| Business Sustainability | √ Economic Performance |
| Responsible Operations | √ Procurement Practices |
| | √ Anti-corruption |
| Capacity Building | √ Training and Education |
| Social and Environmental Compliance | √ Social and Environmental Compliance |
| | √ Climate Change Mitigation and Adaptation |
| | √ Energy Consumption and Carbon Emissions |
| | √ Diversity and Equal Opportunities |
| | √ Employment |
| | √ Occupational Health and Safety |
| | √ Prevention of Child Labor |
| √ Product Safety and Quality | |
| | √ Customer Privacy Protection |

Our FY2022 Sustainability Report offers a greater depth of qualitative and quantitative disclosures of the above identified material topics with reference to the Global Reporting Initiative Standards. The report will be published separately on 30th April 2023.



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5 YEARS FINANCIAL HIGHLIGHTS

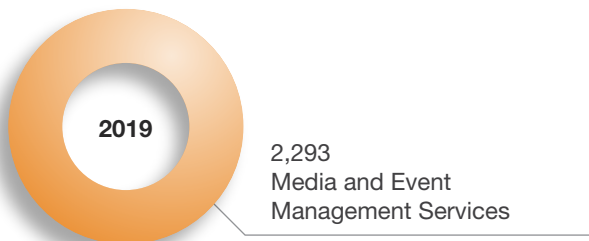
5年财务亮点

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|--------------|--------------|--------------|----------------|-------------|
| CONSOLIDATED PROFIT & LOSS (S\$'M) (for the year ended 31 December) | | | | | |
| Revenue | 0.8 | 1.1 | 1.1 | 2.3 | 1.8 |
| Gross Profit | 0.7 | 1.1 | 1.1 | 1.9 | 1.5 |
| (Loss)/Profit before tax | (14.0) | (2.5) | 0.7 | 0.9 | 2.5 |
| (Loss)/Profit attributable to shareholders | (12.5) | (2.9) | 0.7 | 0.08 | 1.9 |
| CONSOLIDATED FINANCIAL POSITION (S\$'M) (As at 31 December) | | | | | |
| Plant and equipment | 0.3 | 0.4 | 0.4 | 0.6 | - |
| Right-of-use assets | 0.4 | 0.5 | 1.0 | 1.5 | - |
| Cash and cash equivalents | 6.4 | 22.2 | 73.0 | 63.1 | 89.9 |
| Other assets* | 240.2 | 236.7 | 52.9 | 35.5 | 3.8 |
| TOTAL ASSETS | 247.3 | 259.8 | 127.3 | 100.7 | 93.7 |
| Equity attributable to owners of the company | 78.1 | 93.1 | 94.0 | 92.0 | 92.9 |
| Other liabilities | 152.6 | 147.6 | 24.7 | 8.7 | 0.8 |
| Non-controlling interests | 16.6 | 19.1 | 8.6 | - | - |
| TOTAL LIABILITIES AND EQUITY | 247.3 | 259.8 | 127.3 | 100.7 | 93.7 |
| FINANCIAL RATIOS | | | | | |
| Return on shareholders' equity (%) | (16.0) | (3.1) | 0.7 | 0.09 | 2.0 |
| Return on assets (%) | (5.1) | (1.1) | 0.5 | 0.9 | 2.7 |
| Gearing ratio (%) | 195.1 | 158.7 | 26.3 | 9.5 | 1.0 |
| Working capital ratio | 1.5 | 26.0 | 5.1 | 12.6 | 120.3 |
| PER SHARE DATA (CENTS) | | | | | |
| (Loss)/Earnings after tax | (0.21) | (0.05) | 0.01 | - [^] | 0.03 |
| Net assets | 1.6 | 1.9 | 1.5 | 1.6 | 1.6 |

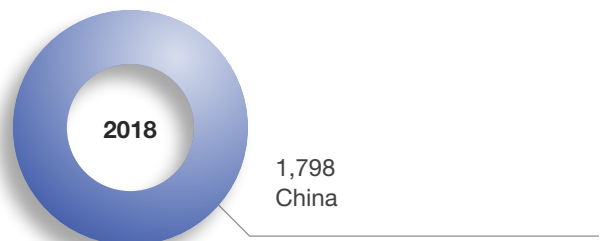
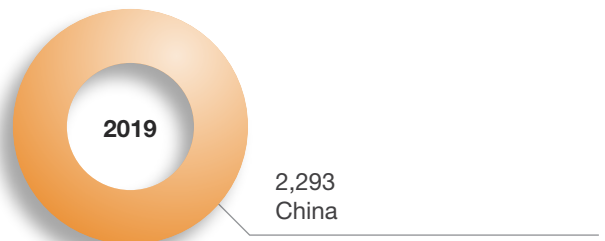
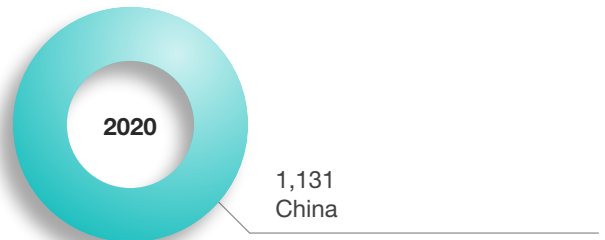
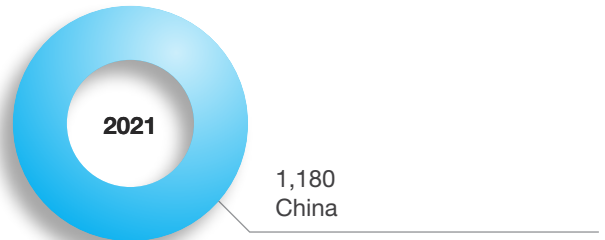
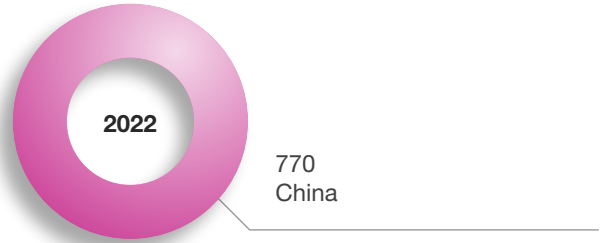
[^] Less than 0.01 cents

* Includes assets of Disposal Group classified as held-for-sale.

REVENUE MIX BY SEGMENTS (S\$'000)



REVENUE MIX BY GEOGRAPHICAL LOCATIONS (S\$'000)



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 (last amended on 11 January 2023) (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 2022 (“**FY2022**”), 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.

CORPORATE GOVERNANCE REPORT

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"). Information on each of the committees is set out further in this report. Each of these committees functions within clearly defined written 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 half-yearly basis and as warranted by particular circumstances. The Company's Constitution allows for telephonic attendance and video-conference at Board and Board committee meetings. In view of the Covid-19 pandemic, the majority of the Board and Board committee meetings for FY2022 were conducted through video-conferences, in line with the Government advisories. The number of Board and Board committee meetings held for the period from 1 January 2022 to 31 December 2022, as well as the attendance of each member at these meetings, are set out below:-

| DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Name of Directors | Board | AC | NC | RC |
| | No. of Meetings held: 4 | No. of Meetings held: 2 | No. of Meetings held: 1 | No. of Meetings held: 1 |
| | No. of Meetings attended | No. of Meetings attended | No. of Meetings attended | No. of Meetings attended |
| Ji Zenghe | 4 out of 4 | – | – | – |
| Fan Xianyong | 4 out of 4 | – | – | – |
| Sun Quan | 4 out of 4 | – | – | – |
| Er Kwong Wah ⁽¹⁾ | 1 out of 4 | 1 out of 2 | 1 out of 1 | 1 out of 1 |
| Dr Yeo Guat Kwang ⁽²⁾ | 3 out of 4 | 1 out of 2 | 0 out of 1 | 0 out of 1 |
| Chng Hee Kok ⁽³⁾ | 4 out of 4 | 2 out of 2 | 1 out of 1 | 1 out of 1 |
| Ng Fook Ai Victor | 4 out of 4 | 2 out of 2 | 1 out of 1 | 1 out of 1 |
| Foo Chiah-Shiung (Hu Jiaxiong) | 4 out of 4 | 2 out of 2 | 1 out of 1 | 1 out of 1 |

Notes:

- (1) Mr Er Kwong Wah resigned as Lead Independent Director, Chairman of the Audit Committee, and a member of the Remuneration and Nominating Committees with effect from 22 March 2022.
- (2) Dr Yeo Guat Kwang was appointed as Independent Director and a member of the Audit, Remuneration and Nominating Committees with effect from 20 June 2022.
- (3) Mr Chng Hee Kok was re-designated as Lead Independent Director and Chairman of the Audit Committee with effect from 20 June 2022.

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 1967 ("**Companies Act**") and Listing Manual 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 and/or webinars 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 regular 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

During FY2022, the Directors have separate and independent access to the Management and the Company Secretary at all times.

The Company Secretary administers and attends all Board and Board committee meetings. The Company Secretary is responsible for preparing minutes of Board and Board committee proceedings, and is 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 Company Secretary is 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 independence 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. As at the date of this report, the Board comprises 7 directors, 4 of whom are independent directors, 2 of whom are executive directors, and the remaining director being a non-executive non-independent director.

CORPORATE GOVERNANCE REPORT

Board Composition (Continued)

In FY2022, the nature of the 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 Non-Independent Director | - | - | - |
| Er Kwong Wah ⁽¹⁾ | Lead Independent Director | Chairman | Member | Member |
| Dr Yeo Guat Kwang ⁽²⁾ | Independent Director | Member | Member | Member |
| Chng Hee Kok ⁽³⁾ | 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 |

Notes:

- (1) Mr Er Kwong Wah resigned as Lead Independent Director, Chairman of the Audit Committee, and a member of the Remuneration and Nominating Committees with effect from 22 March 2022.
- (2) Dr Yeo Guat Kwang was appointed as an Independent Director and a member of the Audit, Remuneration and Nominating Committees with effect from 20 June 2022.
- (3) Mr Chng Hee Kok was re-designated as Lead Independent Director and Chairman of the Audit Committee with effect from 20 June 2022.

The composition of the Board in FY2022 complies with Provision 2.2 of the Code that 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 able to exercise objective judgement on corporate affairs independently.

As announced by the Company on SGXNet on 24 March 2022, Mr Er Kwong Wah ("**Mr Er**") had resigned as Lead Independent Director of the Company with effect from 22 March 2022. Following Mr Er Kwong Wah's resignation as an Independent Director, (i) Dr Yeo Guat Kwang was appointed as an Independent Director of the Company and a member of the Audit, Remuneration and Nominating Committees on 20 June 2022; and (ii) Mr Chng Hee Kok ("**Mr Chng**") was re-designated as the Lead Independent Director of the Company and Chairman of the Audit Committee with effect from 20 June 2022.

Board Diversity

The Board has adopted a Board Diversity Policy which sets 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 organisational changes and less likely to suffer from group thinking. The Board also recognises 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.

CORPORATE GOVERNANCE REPORT

Board Diversity (Continued)

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 are appropriate for effective decision-making, and provide a 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 FY2022, the NC noted that Mr Er Kwong Wah ("Mr Er") has served on the Board for an aggregate period of more than 9 years from the date of his first appointment. Having stayed on the Board beyond an aggregate period of 9 years, Mr Er resigned as Lead Independent Director of the Company with effect from 22 March 2022 to facilitate board renewal. The Board extends its appreciation and gratitude to Mr Er for his dedicated contributions, advice and guidance to the Board.

As at the date of this report, none of the Independent Directors has served on the Board for more than 9 years from the date of his 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 FY2022 without the presence of Management and provided feedback to the Board as appropriate.

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 ("**Mr Ji**"). As Executive Chairman of the Board, Mr Ji 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.

CORPORATE GOVERNANCE REPORT

Division of the Roles of Executive Chairman and CEO (Continued)

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 (“**Mr Fan**”) is the CEO and Executive Director of the Company. He is not an immediate family member of the Executive Chairman, Mr Ji. As CEO, Mr Fan is responsible for the 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

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. The Lead Independent Director is available to the Company’s shareholders who have concerns when contact through the normal channels of our Executive Chairman, CEO or Management has failed to resolve such concerns or when circumstances are such that it would be more appropriate to contact him directly. Led by the Lead Independent Director, the independent directors met regularly in FY2022 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 Board meetings. After such meetings, the Lead Independent Director will provide feedback to the Executive Chairman and the Board.

Mr Er Kwong Wah (“**Mr Er**”) had been the Lead Independent Director till his cessation as an Independent Director on 22 March 2022. Mr Chng was re-designated as the Lead Independent Director in place of Mr Er on 20 June 2022.

Based on the above reasons, the Board is of the view that the practices adopted by the Company are consistent with the intent of Provision 3.3 of the Code.

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. As at the date of this report, the NC comprises the following four (4) independent directors, with the Lead Independent Director being a member of the NC:

| | |
|----------------------------------|--|
| Foo Chiah-Shiung (Hu Jiaxiong) | - Chairman |
| Ng Fook Ai Victor | - Member |
| Chng Hee Kok | - Member |
| Dr Yeo Guat Kwang ⁽¹⁾ | - Member (appointed with effect from 20 June 2022) |

Note:

- (1) Dr Yeo Guat Kwang was appointed on 20 June 2022 as a member of the NC in place of Mr Er Kwong Wah who had resigned as Lead Independent Director with effect from 22 March 2022.

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.

CORPORATE GOVERNANCE REPORT

Composition and Role of the NC (Continued)

The principal functions of the NC include the following:

- (a) to review and recommend 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 and recommend the process and criteria for 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 Dr Yeo Guat Kwang, 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

All Directors are required to declare their board representations. When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his duties as a director of the Company, after taking into consideration the Director's number of listed company board representations and other principal commitments. Though some of the Directors have multiple board representations, the NC is satisfied that the numbers are currently manageable, and the Directors are still able to devote sufficient time and attention to the matters of the Company. Based on the Directors' annual confirmations, contributions and participation at Board and Board committee meetings, and their level of attendance at such meetings, the NC and the Board are satisfied that all the Directors were able to and have adequately carried out their duties as Directors of the Company.

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

- pages 8 to 10 - 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
- page 47 - Shareholding in the Company and its related corporations.

The Company currently has no alternate directors on its Board.

Other Principal Commitments and Board Representations (Continued)

The NC has in place procedures stipulating the formal process and criteria for the selection and appointment of new directors, and re-appointment of directors. These procedures will 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 SID, 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 re-election 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 one third) 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.

The NC (with Mr Chng Hee Kok and Mr Ng Fook Ai Victor abstaining from the deliberation process in respect of their own re-election) has reviewed and recommended the re-election of Mr Ji Zenghe, Mr Chng Hee Kok and Mr Ng Fook Ai Victor who will be retiring by rotation in accordance with Article 94 of the Constitution of the Company.

Dr Yeo Guat Kwang, who was appointed on 20 June 2022, will cease to hold office at the forthcoming AGM in accordance with Article 100 of the Constitution of the Company, and has offered himself for re-election.

Dr Yeo has no relationship including immediate family relationships with the other directors, the Company or its 10% shareholders.

CORPORATE GOVERNANCE REPORT

Re-appointment of Directors (Continued)

The Board (save for the respective Retiring Directors (as defined below) who had abstained from the deliberation process in respect of their own re-election) has accepted the NC's recommendation and proposes that Mr Ji Zenghe, Mr Chng Hee Kok, Mr Ng Fook Ai Victor and Dr Yeo Guat Kwang (collectively, the "**Retiring Directors**") be re-elected at the forthcoming AGM.

Please refer to the explanatory notes to the Notice of AGM dated 10 April 2023 and pages 109 to 125 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 not otherwise disclosed in this Annual Report in respect of the Retiring Directors seeking re-election.

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 performance of the Board, each Board committee and each individual director 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.

Performance Criteria (Continued)

The individual director's performance criteria are categorised into (1) attendance at board meetings and related activities; (2) adequacy of preparation for board meetings; (3) contribution in strategic/business decisions, 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/discussion; (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

As at the date of this report, the RC comprises entirely independent non-executive directors as follows:

| | | |
|----------------------------------|---|--|
| Ng Fook Ai Victor | - | Chairman |
| Foo Chiah-Shiung (Hu Jiaxiong) | - | Member |
| Chng Hee Kok | - | Member |
| Dr Yeo Guat Kwang ⁽¹⁾ | - | Member (appointed with effect from 20 June 2022) |

Note:

- (1) Dr Yeo Guat Kwang was appointed on 20 June 2022 as a member of the RC in place of Mr Er Kwong Wah who had resigned as a Lead Independent Director with effect from 22 March 2022.

The RC is responsible for ensuring a formal and transparent procedure for developing policies 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 will 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.

CORPORATE GOVERNANCE REPORT

Composition and Role of the RC (Continued)

The RC has access to expert advice in the field of executive remuneration outside the Company with regard 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 FY2022, 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 the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term 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 package 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 other stakeholders 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 FY2022.

Each of the Executive Directors had 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.

CORPORATE GOVERNANCE REPORT

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.

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 FY2022, 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 | – | 67 | – | – | 33 | 100 |
| S\$250,000 and below | | | | | | |
| Fan Xianyong | – | 65 | – | – | 35 | 100 |
| Sun Quan | – | – | – | – | – | – |
| Er Kwong Wah ⁽¹⁾ | 100 | – | – | – | – | 100 |
| Ng Fook Ai Victor | 100 | – | – | – | – | 100 |
| Foo Chiah-Shiung (Hu Jiaxiong) | 100 | – | – | – | – | 100 |
| Chng Hee Kok | 100 | – | – | – | – | 100 |
| Dr Yeo Guat Kwang ⁽²⁾ | 100 | – | – | – | – | 100 |

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration (Continued)

| Remuneration Band and Name of Key Management Personnel | Salary (%) | Variable Bonus# (%) | Share-Based^ (%) | Benefits (%) | Total (%) |
|--|------------|---------------------|------------------|--------------|-----------|
| Above S\$250,000 but below S\$500,000 | | | | | |
| S\$250,000 and below | | | | | |
| Tay Ai Li ⁽³⁾ | 100 | – | – | – | 100 |
| Zhang Wei | 100 | – | – | – | 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 Er Kwong Wah had resigned as Lead Independent Director on 22 March 2022. The directors' fee in the table reflects fees in respect of the period from 1 January 2022 to 22 March 2022.
- (2) Dr Yeo Guat Kwang was appointed as an Independent Director on 20 June 2022. The directors' fee in the table reflects fees in respect of the period from 20 June 2022 to 31 December 2022.
- (3) Ms Tay Ai Li was re-designated as Chief Financial Officer on 1 April 2022.

Provision 8.1(a) requires the Company to disclose in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

However, 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 (a) sensitive nature of such information and (b) the competitive business environment in which the Group operates. Accordingly, although 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 has disclosed the remuneration of each Director and each key management personnel, in bands of S\$250,000 and the breakdown in percentages. Taking the above into account, the Company is therefore of the view that it has acted in a way consistent with the intent of Provision 8.1.

The Company considers the heads of corporate functions to be its key management personnel and for FY2022, there were 2 such persons. Save as disclosed, there were no other key management personnel for FY2022. The aggregate remuneration paid to the aforesaid key management personnel (who are not directors or the CEO) in FY2022 is S\$324,783.

The Group does not have any employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO, the Executive Chairman or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during FY2022. Accordingly, the Company has complied with Provision 8.2 of the Code.

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 serve 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 FY2022.

(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 responsible for the overall 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 assists 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 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. The AC and the Board also review the reports submitted by the internal and external auditors.

Based on the Board's review (with the assistance of the AC) of the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems maintained by the Management, the Board (with the concurrence of AC), is of the opinion that the Company's system of internal controls and risk management systems are adequate and effective as at 31 December 2022 and addresses financial, operational, compliance and information technology risks, which the Company and the Group consider relevant and material to their operations. For the year under review, no material weaknesses in the internal controls and risk management systems were identified by the Board or the AC.

The Board has also received the assurance from:

- (a) the CEO and the Chief Financial Officer, *inter alia*, that the financial records of the Company for FY2022 have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances for FY2022; and
- (b) the CEO, other key management personnel who are responsible in this area, and the Chief Financial Officer, *inter alia*, that the Company's risk management and internal control systems for FY2022 are adequate and effective.

CORPORATE GOVERNANCE REPORT

Audit Committee

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

Composition and Role of AC

As at the date of this report, the AC comprises the following directors, all of whom are independent non-executive directors:

| | |
|----------------------------------|--|
| Mr Chng Hee Kok ⁽¹⁾ | - Chairman (re-designated with effect from 20 June 2022) |
| Ng Fook Ai Victor | - Member |
| Foo Chiah-Shiung (Hu Jiaxiong) | - Member |
| Dr Yeo Guat Kwang ⁽²⁾ | - Member (appointed with effect from 20 June 2022) |

Notes:

- (1) Mr Chng Hee Kok was re-designated as Chairman of the AC on 20 June 2022 in place of Mr Er Kwong Wah who had resigned as Lead Independent Director on 22 March 2022.
- (2) Dr Yeo Guat Kwang was appointed as a member of the AC on 20 June 2022.

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, so as to ensure the integrity of 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 Chief Financial Officer 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

Composition and Role of AC (Continued)

- (k) to undertake such other functions and duties as may be required by statute, the Listing Manual of the SGX-ST, the 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 in each case, at least once during the year.

During the year, the AC performed independent reviews of the financial statements of the Group before the relevant announcements were released. 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

The Company's external auditor, Messrs Crowe Horwath First Trust LLP ("**Crowe Horwath**") has been the external auditor of the Company since 11 November 2020. Crowe Horwath was last re-appointed as external auditor of the Company at the Company's AGM held on 26 April 2022 and will hold office until the conclusion of the Company's forthcoming AGM to be held on 25 April 2023.

The aggregate amount of audit fees and non-audit fees paid to the external auditor for FY2022 are S\$158,200 and S\$22,500 respectively. The AC was of the opinion that the non-audit fees of S\$22,500 paid to the external auditor for FY2022 did not impair their independence. The Company has complied with the requirements of Rules 712 and 715 of the Listing Manual of the SGX-ST in relation to the appointment of auditing firms.

None of the members of the AC were partners or directors of Crowe Horwath within the last 12 months or has any financial interest in Crowe Horwath.

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 liaises with the CEO and the Chief Financial Officer 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 performance of the internal audit function, and is satisfied that it is adequately resourced and has appropriate standing within the Company. Accordingly, the AC is of the view that the internal audit function is independent, effective and adequately resourced pursuant to Listing Rule 1207(10C).

Whistle-Blower Policy

The Company has in place a whistleblowing policy ("**Policy**") which has been communicated to all employees. The Policy provides clear details of the scope of the policy, the channels for reporting concerns, the procedures for managing them and the protection offered to whistle-blowers who report in good faith.

CORPORATE GOVERNANCE REPORT

Internal Auditor (Continued)

The Company's employees and other external parties (whistle-blowers) may, in confidence, raise concerns about possible improprieties in financial reporting or other matters by submitting a whistle blowing report to feedback@theplaceholdings.com for the attention of the AC Chairman and all the Independent Directors. The identity of the whistle-blower will be kept confidential. All concerns raised will be independently reviewed by the AC and all information provided will be kept strictly confidential, except as necessary and appropriate to conduct any relevant investigation.

This Policy aims to provide an avenue for employees to raise concerns and provide reassurance that they will be protected from reprisals or victimisation for raising any concerns about fraud and for whistle blowing in good faith. The Company is committed to ensuring protection of the genuine whistle-blowers against detrimental or unfair treatment as a result of their report.

Whistle-blowers who believe that they are discriminated or retaliated against or who are harassed for making a report may immediately report those facts to the Independent Directors, AC Chairman or Chairman of the Company. Reporting should be done promptly to facilitate investigation and the taking of appropriate action. The Company will take all necessary steps to ensure that the whistle-blower will be protected from harassment or victimisation within the Group, or any other form of retaliatory action even if the report proves to be unfounded, provided the report was made in good faith.

The AC is responsible for oversight and monitoring of the investigation of whistleblowing reports made in good faith and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

There was no whistleblowing incident reported in FY2022.

(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.

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 ("**COVID-19 Temporary Measures Order**"), all general meetings of the Company for the year 2022 were conducted via electronic means through video-conference. All the Directors appointed at that point in time had attended the AGM of the Company held via video conference on 26 April 2022 ("**FY2021 AGM**"). The Company's external auditor was also present.

The forthcoming AGM in respect of FY2022 will also be held via electronic means on 25 April 2023. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-video or live audio only stream), submission of questions to the Chairman of the Meeting in advance of, or at, the AGM, and voting at the AGM by shareholders or their duly appointed proxy(ies), will be put in place for the AGM to be held on 25 April 2023.

CORPORATE GOVERNANCE REPORT

More information on the forthcoming AGM of the Company can be found in the AGM Notice on pages 109 to 114 of this Annual Report. This Annual Report and the accompanying AGM Notice will be made available on the Company's website at the URL <https://www.theplaceholdings.com/newsroom>, and on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

The description below sets out the Company's usual practice for general meetings when there are no pandemic risks and the COVID-19 Temporary Measures Order is not in operation.

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 2 proxies. At shareholders' meetings, each distinct issue is proposed as a separate resolution. Where resolutions are "bundled", the Company explains the reasons and material implications for doing so in the notice calling for the general meeting. 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.

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.

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. 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 FY2022 as the Group will be retaining its cash for expansion purpose.

CORPORATE GOVERNANCE REPORT

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 financial results which are published via the SGXNet;
- (b) annual reports or circulars of the Company that are prepared and published via the SGXNet;
- (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. This allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

(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 2022 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 commencing (a) two weeks prior to the announcement of the interim business updates of the first and third quarters of the financial year, and (b) one month before the announcement of the half-year and full-year results, and ending on the date of such announcements ("**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 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 half yearly 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 IPTs entered into during FY2022 are tabulated hereunder pursuant to Rule 907 of the Listing Manual of the SGX-ST:

CORPORATE GOVERNANCE REPORT

Interested Person Transactions (Continued)

| 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) |
|---|--|--|--|
| | | S\$'000 | S\$'000 |
| Beijing Aozhong Xingye Real Estate Development Co., Ltd | Beijing Aozhong Xingye Real Estate Development Co., Ltd is a subsidiary of Sun Card Limited. Sun Card Limited is the sole participating investor of Oriental Straits Fund III who is a substantial shareholder of the Company. | | |
| - Management fee ⁽¹⁾ | | 770 | - |
| - Interest income ⁽²⁾ | | 83 | - |
| Shimao Tianjie Investment Group Co., Ltd | Shimao Tianjie Investment Group Co., Ltd is wholly owned by Mr Ji Zenghe and Mr Fan Xianyong. Mr Ji Zenghe is the Company's Executive Chairman and Mr Fan Xianyong is the Company's Executive Director and CEO. | | |
| - Interest income | | 16 | - |
| Sun Xin Investment Pte. Ltd ⁽⁴⁾ | Sun Xin is wholly owned by Diamond Era Investments Limited and World Globe International Limited, whose shareholders are Mr Ji Zenghe and Mr Fan Xianyong respectively. | | |
| - Interest expense | | (8) | - |

Note:

- (1) The IPT of S\$770,000 is the management fee, coupled with profit sharing arrangement, received by the Company's subsidiary, Beijing Vast Universe Culture Communicaton Co., Ltd ("BJ Vast Universe") pursuant to a management agreement with Beijing Aozhong Xingye Real Estate Development Co., Ltd ("BJ Aozhong Real Estate") during the period under review.

The Company had acquired BJ Vast Universe on 3 January 2017. Prior to the Company's acquisition of BJ Vast Universe, BJ Vast Universe had already entered into a management agreement with BJ Aozhong Real Estate. 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.

- (2) The IPT of S\$83,000 is the interest income from S\$3,000,000 short term loan provided by the Company's subsidiary, BJ Vast Universe to BJ Aozhong Real Estate. This short-term loan with interest had been fully repaid by 31 December 2022.
- (3) The IPT of S\$16,000 is the interest income from S\$1,000,000 short term loan provided by the Company's subsidiary, BJ Vast Universe to Shimao Tianjie Investment Group Co., Ltd. This short-term loan with interest had been fully repaid by 31 December 2022.
- (4) The IPT of S\$8,000 is the interest expense for S\$2,008,000 short term loan from Sun Xin Investment Pte Ltd to the Company. The loan is due in 6 months and has an annual interest rate of 3%.

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

CORPORATE GOVERNANCE REPORT

Material Contracts

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, save for the service agreements entered into with the Executive Directors, the 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.

(G) SUMMARY OF COMPLIANCE WITH DISCLOSURE REQUIREMENTS IN PRINCIPLES AND PROVISIONS OF THE CODE

Rule 710 of the Listing Manual of the SGX-ST requires Singapore listed companies to describe their corporate governance practices with specific reference to the Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of Code.

| Principles and provisions of the Code | Page reference of annual report |
|--|---------------------------------|
| Principle 1 BOARD'S CONDUCT OF AFFAIRS | |
| <p>Provision 1.1</p> <p>Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board 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. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</p> | 18, 19 |
| <p>Provision 1.2</p> <p>Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.</p> | 18, 20 |
| <p>Provision 1.3</p> <p>The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.</p> | 18 |
| <p>Provision 1.4</p> <p>Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.</p> | 19 |
| <p>Provision 1.5</p> <p>Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.</p> | 19 |

CORPORATE GOVERNANCE REPORT

| Principles and provisions of the Code | Page reference of annual report |
|---|---------------------------------|
| <p>Provision 1.6</p> <p>Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</p> | 20 |
| <p>Provision 1.7</p> <p>Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.</p> | 20 |
| Principle 2 BOARD COMPOSITION AND GUIDANCE | |
| <p>Provision 2.1</p> <p>An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, 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 interests of the company.</p> | 21, 22 |
| <p>Provision 2.2</p> <p>Independent directors make up a majority of the Board where the Chairman is not independent.</p> | 20 |
| <p>Provision 2.3</p> <p>Non-executive directors make up a majority of the Board.</p> | 20, 21 |
| <p>Provision 2.4</p> <p>The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.</p> | 21, 22 |
| <p>Provision 2.5</p> <p>Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.</p> | 22 |
| Principle 3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER | |
| <p>Provision 3.1</p> <p>The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.</p> | 22, 23 |
| <p>Provision 3.2</p> <p>The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.</p> | 22, 23 |

CORPORATE GOVERNANCE REPORT

| Principles and provisions of the Code | Page reference of annual report |
|--|---------------------------------|
| <p>Provision 3.3</p> <p>The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.</p> | 23 |
| Principle 4 BOARD MEMBERSHIP | |
| <p>Provision 4.1</p> <p>The Board establishes a NC to make recommendations to the Board on relevant matters relating to: the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; the process and criteria for evaluation of the performance of the Board, its board committees and directors; the review of training and professional development programmes for the Board and its directors; and the appointment and re-appointment of directors (including alternate directors, if any).</p> | 23, 24 |
| <p>Provision 4.2</p> <p>The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.</p> | 23 |
| <p>Provision 4.3</p> <p>The company discloses the process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.</p> | 25 |
| <p>Provision 4.4</p> <p>The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.</p> | 24 |
| <p>Provision 4.5</p> <p>The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.</p> | 24 |
| Principle 5 BOARD PERFORMANCE | |
| <p>Provision 5.1</p> <p>The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.</p> | 26, 27 |

CORPORATE GOVERNANCE REPORT

| Principles and provisions of the Code | Page reference of annual report |
|--|---------------------------------|
| <p>Provision 5.2</p> <p>The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.</p> | 26 |
| Principle 6 REMUNERATION MATTERS | |
| <p>Provision 6.1</p> <p>The Board establishes a RC to review and make recommendations to the Board on: 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.</p> | 27 |
| <p>Provision 6.2</p> <p>The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.</p> | 27 |
| <p>Provision 6.3</p> <p>The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.</p> | 27 |
| <p>Provision 6.4</p> <p>The Company discloses the engagement of any remuneration consultants and their independence in the company's annual report.</p> | 28 |
| Principle 7 LEVEL AND MIX OF REMUNERATION | |
| <p>Provision 7.1</p> <p>A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.</p> | 28 |
| <p>Provision 7.2</p> <p>The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.</p> | 28 |
| <p>Provision 7.3</p> <p>Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.</p> | 28 |
| Principle 8 DISCLOSURE ON REMUNERATION | |
| <p>Provision 8.1</p> <p>The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: each individual director and the CEO; and at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.</p> | 29, 30 |

CORPORATE GOVERNANCE REPORT

| Principles and provisions of the Code | Page reference of annual report |
|---|---------------------------------|
| <p>Provision 8.2</p> <p>The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or substantial shareholder of the company, and whose remuneration exceeds S\$100,000, during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p> | 30 |
| <p>Provision 8.3</p> <p>The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.</p> | 29, 30 |
| Principle 9 RISK MANAGEMENT AND INTERNAL CONTROLS | |
| <p>Provision 9.1</p> <p>The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.</p> | 31 |
| <p>Provision 9.2</p> <p>The Board requires and discloses in the company's annual report that it has received assurance from: the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.</p> | 31 |
| Principle 10 AUDIT COMMITTEE | |
| <p>Provision 10.1</p> <p>The duties of the AC include: reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance; reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems; reviewing the assurance from the CEO and the CFO on the financial records and financial statements; making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors; reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and reviewing 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. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.</p> | 32, 33, 34 |
| <p>Provision 10.2</p> <p>The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.</p> | 32 |

CORPORATE GOVERNANCE REPORT

| Principles and provisions of the Code | Page reference of annual report |
|---|---------------------------------|
| <p>Provision 10.3</p> <p>The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.</p> | 33 |
| <p>Provision 10.4</p> <p>The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.</p> | 33 |
| <p>Provision 10.5</p> <p>The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.</p> | 33 |
| Principle 11 SHAREHOLDER RIGHTS AND ENGAGEMENT | |
| <p>Provisions 11.1</p> <p>The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.</p> | 34, 35 |
| <p>Provision 11.2</p> <p>The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.</p> | 35 |
| <p>Provision 11.3</p> <p>All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.</p> | 34 |
| <p>Provision 11.4</p> <p>The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.</p> | 35 |
| <p>Provision 11.5</p> <p>The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.</p> | 35 |
| <p>Provision 11.6</p> <p>The company has a dividend policy and communicates it to shareholders.</p> | 35 |

CORPORATE GOVERNANCE REPORT

| Principles and provisions of the Code | Page reference of annual report |
|---|---------------------------------|
| Principle 12 ENGAGEMENT WITH SHAREHOLDERS | |
| Provision 12.1 The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders. | 36 |
| Provision 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. | 36 |
| Provision 12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions. | 36 |
| Principle 13 ENGAGEMENT WITH STAKEHOLDERS | |
| Provision 13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. | 36 |
| Provision 13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period. | 36 |
| Provision 13.3 The company maintains a current corporate website to communicate and engage with stakeholders. | 36 |

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of The Place Holdings Limited (the “Company”) and subsidiaries (the “Group”) for the financial year ended 31 December 2022 and statement of financial position of the Company as at 31 December 2022.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 53 to 106 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; 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 of the Company in office at the date of this statement are as follows:

Ji Zenghe (Chairman)
Fan Xianyong (Chief Executive Officer)
Sun Quan
Chng Hee Kok
Ng Fook Ai Victor
Foo Chiah-Shiung
Dr Yeo Guat Kwang (Appointed on 20 June 2022)

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT (CONT'D)

Directors' interests in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967, none of the directors and chief executive officer holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

| | Direct interests | | | Deemed interests | | |
|-------------------------------|----------------------|------------------------|-----------------------|----------------------|------------------------|-----------------------|
| | At 1 January 2022 | At 31 December 2022 | At 21 January 2023 | At 1 January 2022 | At 31 December 2022 | At 21 January 2023 |
| Company | | | | | | |
| <i>Ordinary shares</i> | | | | | | |
| - Ji Zenghe ⁽¹⁾ | - | - | - | - | 967,073,639 | 967,073,639 |
| - Fan Xianyong ⁽²⁾ | - | - | - | - | 791,242,068 | 791,242,068 |
| - Sun Quan ⁽³⁾ | - | - | - | 4,872,568,256 | 1,738,434,549 | 1,738,434,549 |
| - Foo Chiah- Shiung | 1,445,000 | 1,445,000 | 1,445,000 | - | - | - |

⁽¹⁾ Mr Ji Zenghe is deemed to be interested in the 967,073,639 shares held by Diamond Era Investment Limited, a company incorporated in British Virgins Islands, in which he has a controlling interest.

⁽²⁾ Mr Fan Xianyong is deemed to be interested in the 791,242,068 shares held by World Globe International Holdings Limited, a company incorporated in British Virgins Islands in which he has a controlling interest.

⁽³⁾ Mr 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 1,738,434,549 (2021: 4,872,568,256) ordinary shares of the Company owned by OSF III. Mr Ji Zenghe and Mr Fan Xianyong have interests in the Company's shares owned by OSF III in view that their aggregate 95% shareholding in Sun Card Limited, which is the sole participating investor of OSF III.

By virtue of Section 7 of the Companies Act 1967, Mr Sun Quan, Mr Ji Zenghe and Mr Fan Xianyong are deemed to have interests in whole of the share capital of the Company's wholly-owned subsidiaries and in the shares held by the Company in the following subsidiaries that are not wholly owned by the Group:

| | Deemed interests | |
|---|----------------------|------------------------|
| | At 1 January 2022 | At 31 December 2022 |
| <u>Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd.</u> <i>Registered capital in US\$</i> | 17,600,000 | 17,600,000 |
| <u>New Vision Holding Pte. Ltd.</u> <i>Ordinary shares</i> | 1,530,000 | 1,530,000 |
| <u>Xinghuironghui (Tianjin) Equity Investment Partnership (Limited)</u> <i>Registered capital in RMB</i> | 16,700,000 | 16,700,000 |
| <u>Beijing Vast Universe Culture Communication Co., Ltd</u> <i>Ordinary shares in RMB</i> | 1,200,000 | 1,200,000 |
| <u>Meta Place Digital Technology Management Pte. Ltd.</u> <i>Ordinary shares</i> | - | 800,000 |

Share options

During the financial year, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

DIRECTORS' STATEMENT (CONT'D)

Audit Committee

The members of the Audit Committee at the end of the financial year are as follows:

| | |
|-------------------|------------------------|
| Chng Hee Kok | (Independent Director) |
| Ng Fook Ai Victor | (Independent Director) |
| Foo Chiah-Shiung | (Independent Director) |
| Dr Yeo Guat Kwang | (Independent Director) |

The Audit Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent external auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 prior to their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

The Audit Committee has recommended to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

In appointing the external auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

On behalf of the Board of Directors

JI ZENGHE
Director

CHNG HEE KOK
Director

4 April 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of the Place Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Place Holdings Limited (the Company) and its subsidiaries (the Group), set out on pages 53 to 106, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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 Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's 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 (ACRA) 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 opinion.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Members of the Place Holdings Limited

Key audit matters

Key audit matters are the matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. 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.

| Classification and measurement of Disposal Group held-for-sale | |
|---|--|
| <p>Refer to the following notes to the financial statements Note 11 "Assets/(Liabilities) classified as held-for-sale" Note 2 "Critical accounting estimates and assumptions"</p> | |
| Key audit matter | How the matter was addressed in the audit |
| <p>As at 31 December 2022, included in the Group's current assets are assets of a partially owned subsidiary classified as held-for-sale ("Disposal Group") amounted to \$181,876,000 which mainly comprise a development property in Singapore. The liabilities directly associated with the Disposal Group of \$140,787,000 comprises bank borrowings and shareholders' loan drawdown to acquire the development property. The above assets and liabilities represent 73% and 92% of the Group's total assets and total liabilities respectively.</p> <p>The above amounts are stated after a write-down of \$5,780,000 to reduce the carrying amounts of the assets and associated liabilities of Disposal Group to their "fair value less costs to sell". This is a non-recurring fair value measurement, in accordance with SFRS(I) 5. Such impairment loss represents 40% of the Group's loss for the year.</p> <p>The classification involves management judgement in assessing whether the criteria for held-for-sale has been met as at reporting date. The estimation of fair value involves significant management judgement in estimating consideration to be received for the disposal of the subsidiary.</p> <p>From the assessment performed, management concluded that the criteria were met and the carrying amounts of the Disposal Group as at 31 December 2022 represent their "fair value less costs to sell".</p> <p>This is identified as a key audit matter because of the inherent risks involved in exercising management judgement in assessing the likelihood and timing of completion of disposal and in estimating the expected consideration which is mainly influenced by property market sentiment and current economic environment in Singapore, including rising interest rates.</p> | <p>In obtaining sufficient appropriate audit evidence, our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessed the board of directors' commitment to sell the subsidiary and the rationale thereof Obtained an understanding of the concurrent commitment to sell by the non-controlling shareholders of the subsidiary Obtained an understanding of the management's manner of sourcing for buyer and its status as at reporting date and as at date of this report Reviewed the terms set out in the facility agreement of the related bank borrowings and the shareholders' agreement to assess the impact on the classification criteria Reviewed the reasonableness of the calculation of the "fair value less costs to sell" and the corresponding impairment loss Considered the adequacy of the disclosure in the financial statements. <p>Based on the results of our audit procedures performed, we note that the judgements applied by management were fair; the key estimates used in determining the "fair value less costs to sell" were reasonable; and the disclosures were sufficient and appropriate.</p> |

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Members of the Place Holdings Limited

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.

Auditor's 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 auditor's 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 control.
- Obtain an understanding of internal control 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 control.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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 control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Members of the Place Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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, 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 auditor's report is Lee Yan Huei.

Crowe Horwath First Trust LLP

Public Accountants and
Chartered Accountants
Singapore

4 April 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

(Amounts in thousands of Singapore dollars (“\$’000”))

| | Note | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2022 \$’000 | 2021 \$’000 | 2022 \$’000 | 2021 \$’000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Plant and equipment | 3 | 280 | 354 | 280 | 354 |
| Right-of-use assets | 4 | 420 | 462 | 385 | 427 |
| Investment in subsidiaries | 5 | – | – | 36,232 | 35,432 |
| Equity-accounted investment | 6 | 563 | 795 | – | – |
| Loan to an associate | 7 | 20,845 | 17,772 | – | – |
| | | 22,108 | 19,383 | 36,897 | 36,213 |
| Current assets | | | | | |
| Development properties | 8 | 24,940 | 206,983 | – | – |
| Trade and other receivables | 9 | 11,932 | 11,237 | 48,207 | 51,327 |
| Cash and cash equivalents | 10 | 6,405 | 22,193 | 532 | 5,752 |
| | | 43,277 | 240,413 | 48,739 | 57,079 |
| Assets of Disposal Group classified as held-for-sale | 11 | 181,876 | – | – | – |
| | | 225,153 | 240,413 | 48,739 | 57,079 |
| TOTAL ASSETS | | 247,261 | 259,796 | 85,636 | 93,292 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 12 | 10,776 | 8,537 | 8,020 | 4,786 |
| Current tax liabilities | | 224 | 212 | 1 | 51 |
| Lease liabilities | 13 | 291 | 487 | 255 | 448 |
| | | 11,291 | 9,236 | 8,276 | 5,285 |
| Liabilities directly associated with Disposal Group classified as held-for-sale | 11 | 140,787 | – | – | – |
| | | 152,078 | 9,236 | 8,276 | 5,285 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 14 | – | 108,146 | – | – |
| Lease liabilities | 13 | 149 | – | 149 | – |
| Loans from non-controlling interest (“NCI”) | 15 | – | 30,171 | – | – |
| Deferred tax liabilities | 24(a) | 250 | – | – | – |
| | | 399 | 138,317 | 149 | – |
| TOTAL LIABILITIES | | 152,477 | 147,553 | 8,425 | 5,285 |
| NET ASSETS | | 94,784 | 112,243 | 77,211 | 88,007 |
| EQUITY | | | | | |
| Capital and reserves attributable to equity holders of the Company | | | | | |
| Share capital | 16 | 149,845 | 149,845 | 149,845 | 149,845 |
| Translation (deficit) / reserve | | (1,512) | 954 | – | – |
| Statutory reserve | 17 | 756 | 698 | – | – |
| Accumulated losses | 18 | (70,941) | (58,423) | (72,634) | (61,838) |
| | | 78,148 | 93,074 | 77,211 | 88,007 |
| Non-controlling interests (“NCI”) | 5(e) | 16,636 | 19,169 | – | – |
| TOTAL EQUITY | | 94,784 | 112,243 | 77,211 | 88,007 |

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2022

(Amounts in thousands of Singapore dollars (“\$’000”))

| | | 2022 \$’000 | 2021 \$’000 |
|---|-------|----------------|----------------|
| Revenue | 19 | 770 | 1,180 |
| Cost of sales | | (39) | (45) |
| Gross profit | | 731 | 1,135 |
| Other income | 20 | 1,029 | 962 |
| Administrative expenses | | (4,431) | (3,779) |
| Finance costs | 21 | (3,652) | (39) |
| Other expenses | 11 | (5,780) | – |
| Impairment on financial asset | 9 | (1,888) | – |
| Foreign exchange gain / (loss), net | | 250 | (742) |
| Share of results of associate | 6 | (232) | (5) |
| Loss before tax | 22 | (13,973) | (2,468) |
| Income tax expense | 24(b) | (629) | (375) |
| Loss for the financial year | | (14,602) | (2,843) |
| Other comprehensive loss: | | | |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | | |
| - Currency translation differences arising from consolidation, representing other comprehensive income for the financial year, net of tax | | (3,057) | 2,080 |
| Total comprehensive loss for the financial year | | (17,659) | (763) |
| Loss attributable to: | | | |
| Equity holders of the Company | | (12,460) | (2,866) |
| Non-controlling interests | | (2,142) | 23 |
| | | (14,602) | (2,843) |
| Total comprehensive loss attributable to: | | | |
| Equity holders of the Company | | (14,926) | (971) |
| Non-controlling interests | | (2,733) | 208 |
| | | (17,659) | (763) |
| Loss per share (cents) | | | |
| Basic and diluted | 25 | (0.21) | (0.05) |

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2022

(Amounts in thousands of Singapore dollars (“\$’000”))

| 2022 Group | Attributable to equity holders of the Company | | | | Total \$’000 | Non- controlling interests \$’000 | Total equity \$’000 |
|--|---|---|--------------------------------|---------------------------------|-----------------|--|---------------------------|
| | Share capital \$’000 | Translation (deficit) / reserve \$’000 | Statutory reserve \$’000 | Accumulated losses \$’000 | | | |
| Balance at 1 January 2022 | 149,845 | 954 | 698 | (58,423) | 93,074 | 19,169 | 112,243 |
| Loss for the year | - | - | - | (12,460) | (12,460) | (2,142) | (14,602) |
| Other comprehensive loss, net of tax | - | (2,466) | - | - | (2,466) | (591) | (3,057) |
| Total comprehensive loss for the year | - | (2,466) | - | (12,460) | (14,926) | (2,733) | (17,659) |
| <u>Contribution by and distribution to owners</u> | | | | | | | |
| Transfer to statutory reserve, representing total contributions by and distributions to owners | - | - | 58 | (58) | - | - | - |
| Non-controlling interest arising from incorporation of a subsidiary (Note 5(e)) | - | - | - | - | - | 200 | 200 |
| Total contribution by and distribution to owners | - | - | 58 | (58) | - | 200 | 200 |
| Balance at 31 December 2022 | 149,845 | (1,512) | 756 | (70,941) | 78,148 | 16,636 | 94,784 |

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

For the Financial Year Ended 31 December 2022

(Amounts in thousands of Singapore dollars (“\$’000”))

| 2021 Group | Attributable to equity holders of the Company | | | | Total \$’000 | Non- controlling interests \$’000 | Total equity \$’000 |
|--|---|---|--------------------------------|---------------------------------|-----------------|--|---------------------------|
| | Share capital \$’000 | Translation (deficit) / reserve \$’000 | Statutory reserve \$’000 | Accumulated losses \$’000 | | | |
| Balance at 1 January 2021 | 149,845 | (941) | 616 | (55,474) | 94,046 | 8,533 | 102,579 |
| Loss for the year | - | - | - | (2,866) | (2,866) | 23 | (2,843) |
| Other comprehensive income, net of tax | - | 1,895 | - | - | 1,895 | 185 | 2,080 |
| Total comprehensive (loss) / income for the year | - | 1,895 | - | (2,866) | (971) | 208 | (763) |
| <u>Contribution by and distribution to owners</u> | | | | | | | |
| Transfer to statutory reserve, representing total contributions by and distributions to owners | - | - | 82 | (82) | - | - | - |
| Fair value adjustment of loan by non-controlling interests (“NCI”) (Note 15) | - | - | - | - | - | 8,960 | 8,960 |
| Total contribution by and distribution to owners | - | - | 82 | (82) | - | 8,960 | 8,960 |
| <u>Changes in ownership interest in subsidiaries, without a change in control</u> | | | | | | | |
| Disposal of interest in a subsidiary (Note 5(c)) | - | - | - | 3,874 | 3,874 | 459 | 4,333 |
| Repurchase of shares owned by NCI (Note 5(c)) | - | - | - | (3,875) | (3,875) | (458) | (4,333) |
| Increase in share capital by a subsidiary subscribed by NCI (Note 5(d)) | - | - | - | - | - | 1,467 | 1,467 |
| Total changes in ownership interest in subsidiaries | - | - | - | (1) | (1) | 1,468 | 1,467 |
| Balance at 31 December 2021 | 149,845 | 954 | 698 | (58,423) | 93,074 | 19,169 | 112,243 |

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2022

(Amounts in thousands of Singapore dollars (“\$’000”))

| | Note | 2022 \$’000 | 2021 \$’000 |
|---|-------|----------------|----------------|
| Cash flows from operating activities | | | |
| Loss before tax | | (13,973) | (2,468) |
| Adjustments: | | | |
| Depreciation of plant and equipment | 3 | 88 | 108 |
| Depreciation of right-of-use assets | 4 | 720 | 694 |
| Share of result of investment in associate | 6 | 232 | 5 |
| Impairment loss on assets of Disposal Group classified as held-for-sale | 11 | 5,780 | – |
| Impairment loss on financial asset | 9 | 1,888 | – |
| Interest expense | 21 | 3,652 | 39 |
| Interest income | 20 | (1,013) | (935) |
| Foreign exchange differences | | (250) | (8) |
| Operating loss before working capital changes | | (2,876) | (2,565) |
| Development properties | | (1,265) | (156,701) |
| Trade and other receivables | | 1,431 | (6,613) |
| Trade and other payables | | 109 | (2,223) |
| Cash used in operations | | (2,601) | (168,102) |
| Interest received | | 126 | 640 |
| Tax paid | | (376) | (389) |
| Net cash used in operating activities | | (2,851) | (167,851) |
| Cash flows from investing activities | | | |
| Advance of loan to an associate | 7 | (2,186) | (17,200) |
| Loan to a third party | 9(iv) | (3,872) | – |
| Purchase of plant and equipment | 3 | (14) | (15) |
| Net cash used in investing activities | | (6,072) | (17,215) |
| Cash flows from financing activities | | | |
| Loan from a non-controlling interest (“NCI”) | 15 | – | 25,100 |
| Loan from related party | 12(i) | 2,000 | – |
| Repayment of loan to NCI | 15 | – | (3,825) |
| Disposal of interest in subsidiary without losing control | 5(c) | – | 4,333 |
| Issuance of subsidiary’s shares to NCI | | 200 | 1,467 |
| Proceeds from bank loan, net of transaction costs | 14 | – | 108,146 |
| Interest paid for bank loan | 14 | (3,784) | (1,469) |
| Principal payment of lease liabilities | 13 | (725) | (705) |
| Interest paid for lease liabilities | 13 | (17) | (39) |
| Net cash (used in) / from financing activities | | (2,326) | 133,008 |
| Net decrease in cash and cash equivalents | | (11,249) | (52,058) |
| Cash and cash equivalents at beginning of year | | 22,193 | 73,030 |
| Effect of exchange rate changes on cash and cash equivalents | | (681) | 1,221 |
| Cash and cash equivalents at end of year | | 10,263 | 22,193 |

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

| | 2022 \$’000 | 2021 \$’000 |
|---|----------------|----------------|
| Cash and cash equivalents | | |
| - Per consolidated statement of financial position (Note 10) | 6,405 | 22,193 |
| - Disposal Group assets classified as held-for-sale (Note 11) | 3,858 | – |
| Cash and cash equivalents as per consolidated statement of cash flows | 10,263 | 22,193 |

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

The Place Holdings Limited (the “Company”) is a limited liability company domiciled and incorporated in Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited. The address of the Company’s registered office and its principal place of business is 6 Battery Road, #21-01, Singapore 049909.

Oriental Straits Fund III (“OSF III”), incorporated in Cayman Islands, which is managed by a company controlled by a non-executive director of the Company, owns the majority shareholding of the Company. Sun Card Limited, a company controlled by the Chairman and the CEO of the Company, is the sole participating shareholder of OSF III.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are shown in Note 5 to the financial statements.

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 4 April 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”). The financial statements are presented in Singapore dollars (“\$”) and all values are rounded to the nearest thousand (“\$’000”) as indicated.

The preparation of the financial statements in conformity with SFRS(I) requires management to exercise its judgements in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note.

Adoption of new and revised standards

On 1 January 2022, the Group adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“SFRS(I) INT”) that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT. The adoption of these new or amended SFRS(I) and SFRS(I) INT did not result in substantial changes to the Group’s and Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|--|--|
| SFRS(I) 17: <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-1 and SFRS Practice Statement 2: <i>Disclosure of Accounting Policies</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> | 1 January 2023 |
| Amendments to SFRS(I) 17: <i>Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current and Non-current Liabilities; and Non-current Liabilities with Covenants</i> | 1 January 2024 |
| Amendments to SFRS(I) 1-16: <i>Lease Liabilities in a Sale and Leaseback</i> | 1 January 2024 |
| Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | To be determined |

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

Group accounting

(i) Subsidiaries

(a) Basis of consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(i) Subsidiaries (Continued)

(b) *Acquisition of businesses*

The acquisition method of accounting is used to account for business combinations by the Group. The Group determines that it has acquired a business when the acquired set of assets and activities includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement. Acquisition-related costs, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with SFRS(I) 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to recognise them either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, at the date of acquisition.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

(c) *Disposals of subsidiaries or businesses*

The assets and liabilities of the subsidiary, including any goodwill, are derecognised when a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss. Subsequently, the retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

(ii) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Group.

(iii) Associates

Associates are entities over which the Group exercises significant influence, but not control, over the financial and operating policy decision, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associates are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associates' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associates are adjusted against the carrying amount of the investment. When the Group's share of losses in an associates equals or exceeds its interest in the associates, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associates.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in associates are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associates in which significant influence are retained are recognised in profit or loss.

Subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Currency translation

(i) Functional and presentation currency

The individual financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Singapore dollars (“\$”), which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are measured in the respective functional currencies of the Group and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(iii) Translation of the Group’s financial statements

The assets and liabilities of foreign operations are translated into Singapore dollars at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group’s own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs to be incurred in selling the property.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (see the accounting policy for borrowing costs as set out in this Note). The cost of an item of plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of plant and equipment is required to be replaced in intervals, the Group recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

| | Useful lives (Years) |
|------------------------|-------------------------|
| Fixtures and equipment | 3 |
| Motor vehicles | 10 |

The residual value, estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within "Other income / (expenses)".

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required (for goodwill, intangible assets with indefinite useful lives or yet to be available for use), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's "fair value less costs to sell" and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining "fair value less costs to sell", recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecasts calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth years.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets and liabilities

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. Other financial assets and financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

(ii) Classification and subsequent measurement

Financial assets

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments
- Fair value through profit or loss (FVPL)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case such reclassification will be applied prospectively from the reclassification date. As at the reporting date, the Group has financial assets at amortised costs only.

Financial assets at amortised costs

Unless designated at FVPL, financial assets are measured at amortised costs if:

- It is held within a business model with an objective to hold the assets to collect contractual cash flows; and
- Its contractual cash flows comprise of solely principal and interest on the principal amount outstanding

These assets, mainly trade and other receivables including amount due from related parties, cash and cash equivalents, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial liabilities

Financial liabilities are subsequently measured at amortised costs unless it is held for trading (including derivative liabilities), or designated as financial liabilities at FVPL on initial recognition to significantly reduce accounting mismatch or when a group of financial liabilities are managed whose performance is evaluated on a fair value basis.

Financial liabilities at amortised costs are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange differences are recognised in profit or loss. These financial liabilities mainly comprise trade and other payables including amount due to related parties, and loans and borrowings. As at the reporting date, the Group has financial liabilities at amortised costs only.

(iii) Derecognition

Financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the derecognition date and the sum of the consideration received is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The Group also derecognise 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 on the modified terms is recognised at fair value.

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

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group applies impairment model in SFRS(I) 9 to measure the Expected Credit Losses (ECL) of the following categories of assets:

- Financial assets at amortised costs (including trade receivables)
- Contract assets (determined in accordance with SFRS(I) 15)

ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Group in accordance with the contracts and the cash flows that the Group expects to receive), discounted at effective interest rate of the financial asset. The expected cash flows include cash flows from the sale of collaterals held, if any, or other credit enhancements that are integral to the contractual terms.

Simplified approach

The Group applies simplified approach to all trade receivables and contract asset. Impairment loss allowance is measured at Life time ECL, which represents ECLs that result from all possible default events over the expected life of a financial instrument or contract asset ('life-time ECL'). The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to those customers and the economic environment.

General approach

The Group applies general approach on all other financial instruments and financial guarantee contracts, and recognise a 12-month ECL on initial recognition. 12-month ECL are ECLs that result from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter.

Impairment loss allowance or reversals are recognised in profit or loss. Loss allowance on financial assets at amortised cost and contract assets are deducted from the gross carrying amount of those asset.

Significant increase in credit risk (Stage 2)

For credit exposures for which there has been a significant increase in credit risk since initial recognition, impairment loss allowance is measured at life-time ECL. When a financial asset is determined to have a low credit risk at reporting date, the Group assumes that there has been no significant increase in credit risk since initial recognition. For other cases, the Group uses reasonable and supportable forward-looking information available without undue cost or effort to determine, at each reporting date, whether there is significant increase in credit risk since initial recognition. In assessing whether there has been significant increase in credit risks, the Group takes into account factors such as:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- actual or expected significant adverse change in the regulatory, economic, or technological environment that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- an actual or expected significant change in the operating results of the debtors

If credit risk has not increased significantly since initial recognition or if the credit quality improves such that there is no longer significant increase in credit risk since initial recognition, loss allowance is measured at 12-month ECL.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Credit-impaired (Stage 3)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Definition of default

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligation in full, without recourse by the Group.

The Group considers a contract asset to be in default when the customer is unlikely to pay the contractual obligations to the Group in full without recourse by the Group.

Write-off policy

The Group write off the gross carrying amount of a financial assets to the extent that there is no realistic prospect of recovery, for example when the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the Group.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

As lessee

At the lease commencement date, the Group recognises a Right-of-Use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and low-value leases as described below.

ROU asset

ROU assets are initially measured at cost, which comprise initial amount of lease liability, any lease payment made at or before commencement date, plus initial direct costs incurred, less lease incentives received. Initial direct costs are costs that would not have been incurred if the lease had not been obtained.

Whenever the Group incurs obligations for costs to dismantle and remove a leased asset, restore the site or the underlying asset to the condition required by the terms and conditions of the lease contract, a provision is recognised and measured under SFRS(I) 1-37; and included in the carrying amount of the ROU assets to the extent that the costs relate to a ROU asset.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

ROU asset (Continued)

ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from commencement date to the earlier of end of lease terms and useful life of the ROU assets. In addition, the ROU assets are also adjusted for certain remeasurement of lease liability.

ROU assets are presented as a separate line item on the statement of financial position.

The useful life of the ROU asset (over the terms of the lease) is as follows:

| | Useful lives (Years) |
|---|---------------------------------|
| Office premises and staff accommodation | 1 to 3 years |

For contract that contains lease and non-lease component, the Group applies the practical expedient allowed in SFRS(I) 16 not to separate non-lease components, and account for the lease and non-lease components as a single lease component.

Lease liability

Lease liability is initially measured at the present value of lease payments discounted using interest rate implicit in the lease, or if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally the Group uses the incremental borrowing rate as the discount rate, which is estimated by reference to interests rates from various external financing sources for similar terms such as lease terms, type of assets leases and economic environment.

The following lease payments are included in the measurement of lease liability:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liability is measured at amortised cost using effective interest method. Remeasurement of lease liability (and corresponding adjustment to ROU asset, or to profit or loss when the ROU asset has been reduced to zero) is required when there is:

- a change in future lease payments arising from changes in an index or rate, in which case the initial discount rate is used;
- a change in the Group's assessment of whether it will exercise an extension or termination option, in which case a revised discount rate is used; or
- modification in the scope or the consideration of the lease that was not part of the original term and not accounted for as separate lease, in which case a revised discount rate at effective date of modification is used.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Exemption / exclusion

The Group has elected not to recognise ROU asset and lease liabilities for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For such leases, the Group recognises the lease payments in profit or loss as an operating expense on a straight-line basis over the lease term.

Non-current assets held-for-sale and discontinued operation

Non-current assets (or Disposal Groups) are classified as assets held-for-sale and carried at the lower of carrying amount and “fair value less costs to sell” if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in “fair value less costs to sell” (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Provisions

General

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Financial guarantees

The Group has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Group to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised as a liability at their fair values, adjusted for transaction costs directly attributable to the issuance of the guarantees.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the reporting date are included in current liabilities on the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Borrowing costs relating to development properties where revenue is recognised over time are not capitalised and instead, are expensed when incurred.

Share capital

Proceeds from issuance of ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation (“PO”) is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Unless otherwise mentioned, the Group concludes that it is acting as a principal in the provision of goods or services in its contracts with customers.

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.

Management services fee and event management fee

Revenue from management services fee and event management fee are recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs the services to customers.

Employees’ benefits

(i) 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employees' benefits (Continued)

(ii) Defined contribution plans

The Group participates in the national schemes as defined by the laws of the countries in which it has operations. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed, unless the costs qualify to be capitalised.

Singapore

The Group makes contribution to the Central Provident Fund (CPF) Scheme in Singapore, a defined contribution pension scheme.

People's Republic of China ("PRC")

The subsidiaries, incorporated and operating in the PRC, is required to provide certain retirement plan contribution

to their employees under the existing PRC regulations. Contributions are provided at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

(iii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

Income tax

(i) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantially enacted by the reporting date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

(i) Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(ii) Value-added-tax ("VAT")

The Group's sales of goods and service income in the People's Republic of China ("PRC") are subjected to VAT at the applicable rate of 6% for PRC domestic sales. Input tax on purchases can be deducted from output VAT. The net amount of VAT recoverable from, or payable to, the taxable authority is included as part of "Other receivables" or "Other payables" in the statement of financial position.

Jobs credit scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt.

Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contingencies (Continued)

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS 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 EPS 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.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term fixed deposits.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker responsible for allocating resources and assessing performance of the operating segments.

Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Net realisable value of development properties*

Development properties are stated at lower of cost or net realisable value. Net realisable value is assessed with reference to the estimated selling prices, less the estimated costs of completion and the estimated costs necessary to make the sale. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated costs of completion are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred.

In estimating the net realisable value of the Group's development properties in PRC which has yet to commence active construction (Note 8), the Group has considered the market conditions (including the impact of COVID-19) as at the reporting date. Despite signs of economy recovering as COVID-19 situation is brought under control in PRC, it is not possible to estimate the full impact of the pandemic's near-term or longer effects. The scale and duration of these developments remain uncertain as at the date of this report as it remains challenging to predict the continuing financial impact of the COVID-19 pandemic to the business.

The carrying amounts and further details of development properties are disclosed in Note 8.

(b) *Impairment of financial assets*

Impairment allowance for financial assets measured at amortised costs are applied using the ECL model, which requires assumptions of risk of default and expected loss rates. The Group uses judgement in making these assumptions, and measures ECL on receivables on individual basis, using information such as the age of the balances, payment history, status of negotiations with debtors and other external information available to management. The default rates are based on the Group's historical credit loss experience, profiling customers by credit risk characteristics and are adjusted for forward-looking factors specific to the debtors and the economic environment. As the Group and Company does not hold any collateral to the financial assets, the expected loss rates will be the full amount of the financial assets if there are certain risk of default.

The carrying amounts and further details of the key assumptions for the ECL assessment are disclosed in Note 9 and 29(iii) respectively.

(c) *Income taxes*

The Group has unrecognised temporary differences relating to undistributed retained earnings of a PRC subsidiary as disclosed in Note 24.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgements (Continued)

(ii) Critical judgements in applying the entity's accounting policies

The judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below.

Classification and measurement of Disposal Group held-for-sale

The management applied judgement in determining classification and measurement of Disposal Group held-for-sale (Note 11), including whether a sale is highly probable and is expected to complete within one year of classification and in estimating the fair value less cost to sell.

During the financial year, after considering the following factors, the Group decided to divest the mixed development project at 15 Enggor Street, previously, known as Realty Centre ("the Project"):

- i. New business opportunities in digital economy with the development of the "L.I.F.E." Omni-Channel Ecosystem;
- ii. Increase in construction costs and bank borrowing costs; and
- iii. Market conditions and government property cooling measures that would reduce the overall expected return in the Project.

Management started actively looking for buyer in July 2022 after approval was obtained from the Board of Directors. Since then, several interested parties have expressed their interest to purchase and take over the Project from the Group. In December 2022, the Group received and accepted a non-binding expression of interest (EOI) offered by a prospective buyer for the subsidiary, New Vision Holdings Pte. Ltd. ("NVH"), whose sole asset is the Project. The Group expects to enter into a sale & purchase agreement by June 2023.

Based on management's judgement, management is confident to conclude that it is highly probable to complete the disposal in 2023, considering the following factors:

- Shareholding composition of NVH
- Participation of the non-controlling shareholder of NVH in the negotiation with the prospective buyers
- Shareholding composition of the Company
- Terms of the bank loan agreement and stage of discussion with the banks

Management estimates the proceeds based on the offer price in the EOI, which the management finds reasonable, having taken into account the range of valuation provided by an independent valuer.

Accordingly, the assets and liabilities of NVH are presented as Disposal Group classified as held-for-sale pursuant to SFRS(I)5 (Note 11).

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

3. PLANT AND EQUIPMENT

| Group and company | Fixtures and equipment | Motor vehicles | Total |
|----------------------------------|---------------------------|----------------|--------|
| | \$'000 | \$'000 | \$'000 |
| Cost | | | |
| As at 1 January 2021 | 203 | 414 | 617 |
| Additions | 15 | – | 15 |
| As at 31 December 2021 | 218 | 414 | 632 |
| As at 1 January 2022 | 218 | 414 | 632 |
| Additions | 14 | – | 14 |
| As at 31 December 2022 | 232 | 414 | 646 |
| Accumulated depreciation | | | |
| As at 1 January 2021 | 92 | 78 | 170 |
| Depreciation charge for the year | 66 | 42 | 108 |
| As at 31 December 2021 | 158 | 120 | 278 |
| As at 1 January 2022 | 158 | 120 | 278 |
| Depreciation charge for the year | 46 | 42 | 88 |
| As at 31 December 2022 | 204 | 162 | 366 |
| Net carrying amount | | | |
| As at 31 December 2022 | 28 | 252 | 280 |
| As at 31 December 2021 | 60 | 294 | 354 |

4. RIGHT-OF-USE ASSETS

| Office premises and staff accommodation | Group | Company |
|---|--------|---------|
| | \$'000 | \$'000 |
| Cost | | |
| As at 1 January 2021 | 2,087 | 1,894 |
| Additions | 126 | 126 |
| As at 31 December 2021 | 2,213 | 2,020 |
| As at 1 January 2022 | 2,213 | 2,020 |
| Additions | 678 | 624 |
| Expiry of lease | (193) | – |
| As at 31 December 2022 | 2,698 | 2,644 |
| Accumulated depreciation | | |
| As at 1 January 2021 | 1,057 | 953 |
| Depreciation charge for the year | 694 | 640 |
| As at 31 December 2021 | 1,751 | 1,593 |
| As at 1 January 2022 | 1,751 | 1,593 |
| Depreciation charge for the year | 720 | 666 |
| Expiry of lease | (193) | – |
| As at 31 December 2022 | 2,278 | 2,259 |
| Net carrying amount | | |
| As at 31 December 2022 | 420 | 385 |
| As at 31 December 2021 | 462 | 427 |

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

4. RIGHT-OF-USE ASSETS (Continued)

The Group, mainly under the Company, leases several assets such as office premises and staff accommodations. Office premises are located in Singapore and Beijing, PRC and staff accommodations are located in Singapore. The average lease term is 2 years. Except for restriction on sub-leasing for property leases, there are no restrictions or covenants imposed by the lease contracts.

The corresponding lease liabilities is disclosed in Note 13.

5. INVESTMENT IN SUBSIDIARIES

| | Company | |
|---|---------|----------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| <u>Unquoted equity shares, at cost</u> | | |
| As at 1 January | 35,432 | 58,085 |
| Less: Capital reduction during the year | – | (26,585) |
| Addition during the year | 800 | 3,932 |
| As at 31 December | 36,232 | 35,432 |

(a) Details of subsidiaries are as follows:

| Name of subsidiaries | Principal activities | Country of incorporation | Percentage of equity held | |
|--|--|--------------------------|---------------------------|-----------------|
| | | | 2022 | 2021 |
| | | | % | % |
| Held by the Company | | | | |
| The Place Yantai Investment Pte. Ltd. (“TPYI”) ⁽ⁱ⁾ | Investment holding | Singapore | 100 Note (c) | 100 Note (c) |
| Xinghuironghui (Tianjin) Equity Investment Partnership (Limited) ⁽ⁱⁱⁱ⁾ | Investment holding | PRC | 99.99 | 99.99 |
| The Place Singapore Investment Pte. Ltd. ⁽ⁱ⁾ | Investment holding | Singapore | 100 | 100 |
| Sky Vision Management Pte. Ltd. ^{(i), (vi)} | Investment holding | Singapore | 100 | 100 |
| Meta Place Digital Pte. Ltd. (Formerly know as Capital Sky Holding Pte. Ltd.) ⁽ⁱ⁾ | Investment holding | Singapore | 100 | 100 |
| Singapore Vast Universe Investment Pte. Ltd. ⁽ⁱ⁾ | Investment holding | Singapore | 100 | 100 |
| Indirect subsidiaries | | | | |
| Beijing Vast Universe Culture Communication Co., Ltd. ⁽ⁱ⁾ | Provision of media, advertising services and event management services | PRC | 99.99 | 99.99 |
| New Vision Holding Pte. Ltd. ^{(i), (iv)} | Investment holding | Singapore | 51 Note (d) | 51 Note (d) |
| Tianjie Yantai Wanrun (Xiwu) Property Development Co., Ltd. (“Wanrun”) ^{(i), (v)} | Investment in property and property development | PRC | 80 Note (b) | 80 Note (b) |
| Meta Place Digital Technology Management Pte. Ltd. ^(vii) | Investment holding | Singapore | 80 | – |

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

5. INVESTMENT IN SUBSIDIARIES (Continued)

(a) Details of subsidiaries are as follows (Continued):

- (i) Audited by Crowe Horwath First Trust LLP.
- (ii) Audited by Crowe network firm.
- (iii) Not required to be audited by law of the country of incorporation and remains dormant.
- (iv) Developer of Realty Centre Project (Note 8(a)) and classified as Disposal Group as at 31 December 2022. 19% of NVH's shareholding is held by Sun Card Limited, an entity which beneficially owns a majority of the Company's shares as at 31 December 2022 (Note 1).
- (v) Developer of Mount Yuntai Project (Note 5(b)).
- (vi) Investor of developer of TMK Project (Note 6).
- (vii) Newly incorporated and gazetted to be struck off.

(b) Acquisition of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. ("Wanrun")

As disclosed in the Group's Annual Report 2021 and 2020, the Group entered into Subscription Agreement and subsequently Restated Agreements with a related party, Jingneng Tianjie Yuntaishan Investment Co., Ltd. ("JTYI") to subscribe for 80% interest in Wanrun for a deferred cash consideration of US\$20,530,000 (equivalent to approximately \$27,716,000). The acquisition was completed on 27 October 2020 based on registration date of TPYI, the intermediate holding company, as an 80% shareholder of Wanrun and the appointment of board representation.

As at 31 December 2022 and 2021, TPYI's remaining gross contractual amount payable to Wanrun was US\$6,281,000 (equivalent to \$8,474,000 and \$8,500,000 respectively). The subscription sum is payable on or before 30 June 2025 (2021: 30 April 2022) pursuant to the Restated Subscription Agreement.

(c) Disposal and repurchase of 1.5% equity interest in The Place Yuntai Investment Pte. Ltd. ("TPYI")

As announced via SGXNet on 29 June 2021, the Company entered into a sale and purchase agreement with an independent third party incorporated in Hong Kong ("HK Entity") to dispose of 420,980 ordinary shares in the capital of TPYI (representing the Company's 1.5% equity interest in TPYI) for a consideration of HKD 25 million (equivalent to \$4.3 million). The transaction was completed on 30 June 2021.

Subsequently, on 15 December 2021, the Company entered into a separate agreement with the HK Entity to repurchase the 1.5% equity interest in TPYI ("TPYI Share Repurchase") at the same consideration of HKD 25 million. In this connection, a tripartite agreement dated 20 December 2021 was entered into between the Company, the HK Entity and Wanrun (an 80% subsidiary of TPYI). Pursuant thereto, the consideration for the TPYI Share Repurchase was to be satisfied by the transfer and/or conveyance to the HK Entity of a part of an interest in land under the Mount Yuntai Project held by Wanrun, at an estimated or equivalent value of HKD 25 million (the "Land Interest Transfer"). As at 31 December 2022 and 2021, while the Company had completed the TPYI Share Repurchase, the Land Interest Transfer has yet to be completed. Consequently, the amount of \$4.3 million (HKD 25 million) was recorded and presented as "contract liabilities" (see Note 12(ii)) in the consolidated statement of financial position of the Group as at 31 December 2022 and 2021.

(d) Increase in paid-up capital and Changes in composition of NCI of New Vision Holding Pte. Ltd. ("NVH")

As announced via SGXNet on 11 March 2021, a shareholder agreement ("SHA") was entered into between The Place Singapore Investment Pte. Ltd. ("TPSI") (a subsidiary of the Company), MCC Land (Singapore) Pte. Ltd. ("MCC-SG") and Sun Card Limited ("SCL") to increase NVH's paid up capital to \$3 million to be contributed by 3 shareholders in the proportion of 51%, 30%, 19% respectively. The share capital injection was completed on 17 April 2021. Pursuant to the SHA, the Group retains 51% interest in NVH, and management is of the view that the Company still maintains control over NVH, taking into account the terms of the SHA and a supplemental agreement to the SHA dated 1 May 2021 as to its ability to direct the relevant activities of NVH. Further, SCL is controlled by two executive directors of the Company, and owned 19% of NVH as at the reporting date.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

5. INVESTMENT IN SUBSIDIARIES (Continued)

(e) Interest in subsidiaries with non-controlling interests ("NCI")

| | Effective Equity Interest | | Group | |
|---|---------------------------|------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | % | % | \$'000 | \$'000 |
| Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. ("Wanrun") | 20 | 20 | 8,549 | 9,042 |
| New Vision Holding Pte. Ltd. ("NVH") | 49 | 49 | 7,887 | 10,127 |
| Meta Place Digital Technology Management Pte. Ltd. ("MPDTM") | 20 | – | 200 | – |
| | | | <u>16,636</u> | <u>19,169</u> |

The following summarises the financial information prior to intercompany elimination of each of the Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

| | Wanrun | | NVH | |
|--|---------------|---------------|----------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Summarised Statement of Financial Position</u> | | | | |
| Current assets | 50,239 | 54,367 | 189,806 | 188,833 |
| Current liabilities | (7,470) | (9,154) | (1,223) | (10) |
| Non-current liabilities | – | – | (172,846) | (168,514) |
| Net assets | <u>42,769</u> | <u>45,213</u> | <u>15,737</u> | <u>20,309</u> |
| <u>Summarised Statement of Profit or Loss and Other Comprehensive Income</u> | | | | |
| Profit / (loss) for the financial year and total comprehensive income / (loss) | 492 | 170 | (4,572) | (24) |
| Total comprehensive income / (loss) attributable to the NCI | <u>98</u> | <u>34</u> | <u>(2,240)</u> | <u>(11)</u> |
| <u>Summarised Statement of Cash Flows</u> | | | | |
| Net cash from / (used in) operating activities | 14 | (19,366) | (908) | (145,366) |
| Net cash from financing activities | – | 17,361 | (1,444) | 151,477 |

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

6. EQUITY-ACCOUNTED INVESTMENT

| | Group | |
|-------------------------------|--------|--------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Unquoted equity shares | | |
| As at 1 January | 795 | 800 |
| Share of results of associate | (232) | (5) |
| As at 31 December | 563 | 795 |

| Name of company | Principal activities | Country of incorporation and place of business | Proportion (%) of ownership interest | |
|---|--|--|--------------------------------------|------|
| | | | 2022 | 2021 |
| | | | % | % |
| Held through Sky Vision Management Pte. Ltd. | | | | |
| MCC Land (TMK) Pte. Ltd. ⁽ⁱ⁾ | Real estate developers and other holding companies | Singapore | 20 | 20 |

Remark:

(i) Audited by Moore Stephens LLP

- (a) In December 2020, the Group, via a newly incorporated wholly owned subsidiary, Sky Vision Management Pte. Ltd. (“SVM”) and two other third-party companies, entered into a shareholders’ agreement, pursuant to which MCC Land (TMK) Pte. Ltd. (“MCC-TMK”) was incorporated and jointly owned by SVM, MCC Land (Singapore) Pte. Ltd. (“MCC-SG”) and Ekovest Development (S) Pte. Ltd. in the respective proportions of 20%, 51% and 29% (“Agreed Proportions”). The principal activity of MCC-TMK is to develop a 99-year lease site at Tanah Merah Kechil Link into a condominium with commercial spaces (“the TMK Project”), which was successfully tendered by MCC-SG. As at 31 December 2021, MCC-TMK has an issued share capital of \$4,000,000 and the shares issued are allotted in the Agreed Proportions. Management has assessed that the Group has significant influence over (but not joint control) over MCC-TMK based on the exercising of contractual rights in directing relevant activities of the investee.

All three parties will fund the costs and expenses relating to leases of land as well as the development costs of the TMK Project at the Agreed Proportions. During the financial year, the Company injected shareholders’ loan amounting to \$2,186,000 (2021: \$17,200,000) (Note 7). In addition, the Company, together with the other shareholders of MCC-TMK, has provided joint and several guarantees in favour of a bank for the purpose of project financing loans taken up by MCC-TMK (Note 29(ii)).

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

6. EQUITY-ACCOUNTED INVESTMENT (Continued)

(b) The summarised unaudited financial information for material associate to the Group is as follows:

| | 2022 | 2021 |
|--|----------------|--------------|
| | \$'000 | \$'000 |
| <u>As at 31 December</u> | | |
| Current assets | 316,096 | 291,763 |
| Non-current liabilities | (287,878) | (277,206) |
| Current liabilities | (25,406) | (10,584) |
| Net assets | <u>2,812</u> | <u>3,973</u> |
| Group's share of net assets / Equity-accounted carrying amount | <u>563</u> | <u>795</u> |
| <u>12-month period ended 31 December</u> | | |
| Revenue | - | - |
| Loss for the financial year / Total comprehensive loss | <u>(1,162)</u> | <u>(27)</u> |
| Group's share of loss for the financial year: | | |
| Current financial year | <u>(232)</u> | <u>(5)</u> |

7. LOAN TO AN ASSOCIATE

| | Group | |
|---|---------------|---------------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| <u>Non-current asset: Loan to MCC-TMK</u> | | |
| As at 1 January | 17,772 | - |
| Additions during the year - Principal | 2,186 | 17,200 |
| Interest accrued | 887 | 572 |
| As at 31 December | <u>20,845</u> | <u>17,772</u> |

The unsecured loan to the associate pertains to the amount lent by SVM to MCC-TMK (Note 6), and bears interest at 6.00% (2021: 6.00%) per annum.

The amount is expected to be recovered after the repayment of bank loan taken up by MCC-TMK, which is due beyond the next 12 months.

The total loan that SVM is expected to disburse is \$19,913,000 (2021: \$19,913,000), which is at its proportionate shareholding in MCC-TMK of 20% (Note 27). The remaining commitment loan to be disbursed by SVM as at 31 December 2022 is \$527,000 (2021: \$2,713,000).

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

8. DEVELOPMENT PROPERTIES

| | Group | |
|--|-----------|---------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| <u>Development properties in progress</u> | | |
| As at 1 January | 206,983 | 13,364 |
| Reclassified from other assets | – | 34,261 |
| Additions during the year (Note (a),(b)) | 3,892 | 158,618 |
| Reclassified to assets of Disposal Group classified as held-for-sale (Note 11) | (183,798) | – |
| Foreign currency translation differences | (2,137) | 740 |
| As at 31 December | 24,940 | 206,983 |

Details of the development property of the Group at 31 December 2022 are as follows:

| Description of location | Purpose | Tenure | Site area (m ²) | GFA [^] (m ²) | Group's effective interest | Expected completion |
|---|----------------------------|-----------|--------------------------------|------------------------------------|----------------------------------|-----------------------------------|
| <u>Mount Yuntai project</u> | | | | | | |
| Land no 09-07-01, South of Hanzhuang Village, Xiuwu County, Jiaozuo City, Henan Province, PRC | Residential | Leasehold | 270,500 | 297,550 | 80% | Yet to be determined [^] |
| <u>Realty Centre (a)</u> | | | | | | |
| Land at 15 Enggor St, Singapore 079716 | Commercial and residential | Freehold | 1,381 | 10,036 | 51% | Held-for-sale (Note 11) |

[^] The plans for these projects are subject to finalisation.

- (a) In the financial year ended 31 December 2021, a subsidiary, New Vision Holdings Pte. Ltd. (“NVH”) completed the acquisition of Realty Centre (“RC”) and 3 pieces of remnant land located at 15 Enggor St, Singapore 079716 at an aggregate consideration of \$180,001,000, inclusive of Realty Centre. Consequently, the deposit paid as at 31 December 2020 amounting to \$34,261,000 (then classified as other asset) had been reclassified to development properties. Demolition of RC building and application to authorities for the redevelopment is in progress. The development properties have been mortgaged in favour of the Lenders for the bank facilities obtained during the previous financial year (see Note 14).
- (b) During the financial year, borrowing costs of \$2,629,000 (2021: \$2,649,000) arising from financing specifically entered into for the acquisition of the RC and remnant land has been capitalised.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

9. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|--|---------|--------|---------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Amount due from a related party (trade) ⁽ⁱ⁾ | 774 | 637 | – | – |
| Other receivables – NCI | 200 | – | – | – |
| Amount due from subsidiaries (non-trade) ⁽ⁱⁱ⁾ | – | – | 50,665 | 47,287 |
| Loan to third parties | | | | |
| - Party A ⁽ⁱⁱⁱ⁾ | 3,888 | 3,888 | 3,888 | 3,888 |
| - Party B ^(iv) | 3,872 | – | – | – |
| Input tax | 1,250 | 2,851 | – | – |
| Deposits | 371 | 143 | 371 | 143 |
| Prepayments ^(v) | 3,465 | 3,718 | 85 | 9 |
| | 13,820 | 11,237 | 55,009 | 51,327 |
| Less: Impairment loss | | | | |
| - Party A ⁽ⁱⁱⁱ⁾ | (1,888) | – | (1,888) | – |
| - Amount due from a subsidiary (Note 29) | – | – | (4,914) | – |
| | 11,932 | 11,237 | 48,207 | 51,327 |

⁽ⁱ⁾ Amount due from related party (trade) is repayable on a quarterly basis.

⁽ⁱⁱ⁾ Amount due from subsidiaries are unsecured, interest-free and repayable on demand.

⁽ⁱⁱⁱ⁾ The loan is secured by corporate guarantee from a related party, a company in which the Chairman and the CEO of the Company have controlling interests. The loan bears interest at 4.00% (2021: 4.00%) per annum and is repayable by 20 December 2023 (2021: by 20 December 2022). The above amount includes interest receivable of \$288,000 (2021: \$288,000). During the financial year, the Company recognised an impairment loss amounting to \$1,888,000 based on an agreed repayment plan. The Company expects to recover the balance sum of \$2,000,000 by 30 June 2023. Subsequent to the financial year end, the Company has collected an amount of approximately \$852,000.

^(iv) On 18 November 2022, one of the indirect subsidiaries, Beijing Vast Universe Culture Communication Co., Ltd. had entered into a loan agreement with a third party amounting to RMB20,000,000, equivalent to \$3,872,000. The loan bears interest at 4.00% per annum and is repayable by 21 May 2023. Subsequent to the financial year end, the Group has fully collected the loan.

^(v) Prepayments mainly relates to prepaid construction costs for development properties in Mount Yuntai Project amounting to \$3,380,000 (2021: \$3,709,000).

10. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|------------------------|--------|--------|---------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash and bank balances | 6,405 | 22,169 | 532 | 5,752 |
| Fixed deposits | – | 24 | – | – |
| | 6,405 | 22,193 | 532 | 5,752 |

As at 31 December 2021, fixed deposits placed with financial institutions by the Group have an average maturity period of 31 days and yield interest income at effective rates ranging from 0.04% to 0.28% per annum.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

10. CASH AND CASH EQUIVALENTS (Continued)

As at reporting date, the Group has bank balances deposited with banks in the PRC, denominated in Renminbi (“RMB”), amounting to \$5,421,000 (2021: \$9,822,000). The RMB is not freely convertible into foreign currencies. Under the PRC’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

11. DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

On 5 December 2022, the Group had committed to a plan to sell No. 15 Enggor Street Singapore 079716 (“Realty Centre”) including 3 alienated state land via disposal of the ordinary shares of the subsidiary, New Vision Holding Pte. Ltd.(“NVH”) by entering into a non-binding expression of interest (EOI) offered by a prospective buyer.

Impairment losses of \$5,780,000 for write-downs of the Disposal Group to lower of its carrying amount and its “fair value less costs to sell” have been presented as ‘other expenses’ as stated in Note 22. The impairment losses have essentially been applied to reduce the carrying amount of development property within the Disposal Group.

As at 31 December 2022, the Disposal Group was stated at “fair value less costs to sell” and comprised the following assets and liabilities:

| | Group 2022 \$'000 |
|---|----------------------------------|
| Cash and bank balances ⁽ⁱ⁾ ⁽ⁱⁱ⁾ | 3,858 |
| Development property | |
| – Initial classification (Note 8) | 183,798 |
| – Impairment loss | (5,780) |
| | <u>178,018</u> |
| Assets held-for-sale | 181,876 |
| Bank loan (Note 14) ⁽ⁱⁱⁱ⁾ ^(iv) | (108,754) |
| Shareholders’ loan from NCI (Note 15) | (32,033) |
| Liabilities directly associated with the assets of Disposal Group held-for-sale | <u>(140,787)</u> |

⁽ⁱ⁾ Included in bank balance was fixed deposit of \$24,000. Total bank balances that are subject to foreign exchange risk comprise United States dollars and Renminbi amounting to \$54,000 and \$4,000 respectively.

⁽ⁱⁱ⁾ Included also in the bank balances was amounts of \$3,453,000 which are not available for the use by the Disposal Group, representing the interest service reserve account in the related bank loan.

⁽ⁱⁱⁱ⁾ The undiscounted contractual cash flows (including interest) under this loan based on the existing terms are \$6,193,000 and \$121,086,000 which is due within 1 year and due later than 1 year but not later than 5 years respectively.

^(iv) Weighted average effective interest rate for the year was 3.46%. per annum An increase of 50 basis point in interest rate at reporting date would have increase the loss for the year by \$455,000.

There are no cumulative income or expenses include in other comprehensive income relating to the Disposal Group.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

12. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|--------|--------|---------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade payables (third parties) | 1,539 | 1,689 | – | – |
| Other payables (related parties) | 79 | 46 | 54 | 12 |
| Other payables (third parties) | 298 | 55 | – | – |
| Accrued expenses | 869 | 467 | 825 | 441 |
| Loan from a related party ⁽ⁱ⁾ | 2,008 | – | 2,008 | – |
| Amounts due to NCI ⁽ⁱⁱ⁾ | 1,854 | 1,787 | – | – |
| Amount due to subsidiaries (non-trade) ⁽ⁱⁱⁱ⁾ | – | – | 5,133 | 4,333 |
| Contract liabilities ⁽ⁱⁱⁱ⁾ | 4,026 | 4,417 | – | – |
| Other tax payable | 103 | 76 | – | – |
| | 10,776 | 8,537 | 8,020 | 4,786 |

⁽ⁱ⁾ This represents short-term loan with a principal of \$2,000,000 granted by a related party, a company controlled by the Chairman and the CEO of the Company, which bears interest at 2.5% and is repayable by 30 April 2023.

⁽ⁱⁱ⁾ Amounts due to NCI are unsecured, interest-free and repayable on demand, which represents amount owing to a related party, Jingneng Tianjie Yuntaishan Investment Co., Ltd. (“JTYI”), the NCI of Wanrun of \$1,854,000 (2021: \$1,787,000) (Note 5(b)).

⁽ⁱⁱⁱ⁾ As disclosed in Note 5(c), the Company entered into agreement with its subsidiary, Wanrun and a HK entity whereby the Land Interest Transfer has yet to be completed as at reporting date. Consequently, the amount represents contract liabilities (Note 19(a)) on the consolidated statement of financial position. The amount of \$4,333,000 (2021: \$4,333,000) is presented as amount due to a subsidiary on the Company’s statement of financial position, representing advance received on behalf of Wanrun.

13. LEASE LIABILITIES

| | Group | | Company | |
|-------------|--------|--------|---------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | 291 | 487 | 255 | 448 |
| Non-current | 149 | – | 149 | – |
| | 440 | 487 | 404 | 448 |

The total cash outflows for the year for all leases contracts of the Group and the Company amounted to \$744,000 (2021: \$746,000) and \$684,000 (2021: \$684,000) respectively, which includes leases expenses not included in lease liabilities, as disclosed in Note 22.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

13. LEASE LIABILITIES (Continued)

Reconciliation of liabilities arising from financing activities

| | As at 1 Jan | Financing cash flows | Non-cash changes | | | As at 31 Dec |
|-------------------|----------------|-------------------------|------------------|---------------------------------|---------------------------|-----------------|
| | | | New lease | Foreign exchange movement | Accretion of interests | |
| Group | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | | | |
| Lease liabilities | 487 | (742) | 678 | – | 17 | 440 |
| 2021 | | | | | | |
| Lease liabilities | 1,067 | (744) | 126 | (1) | 39 | 487 |

| Company | As at 1 Jan | Financing cash flows | Non-cash changes | | As at 31 Dec |
|-------------------|----------------|-------------------------|------------------|---------------------------|-----------------|
| | | | New lease | Accretion of interests | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | | |
| Lease liabilities | 448 | (684) | 624 | 16 | 404 |
| 2021 | | | | | |
| Lease liabilities | 970 | (684) | 126 | 36 | 448 |

14. BORROWINGS

| | Group | |
|---|-----------|---------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| <u>Non-current liabilities</u> | | |
| Secured term loans | 108,754 | 108,146 |
| Reclassify to liabilities directly associated with Disposal Group classified as held-for-sale (Note 11) | (108,754) | – |
| | – | 108,146 |

- (a) On 29 April 2021, the Company and a subsidiary, NVH, entered into a facility agreement with Malayan Banking Berhad, Singapore Branch and China Citic Bank International Limited, Singapore Branch (collectively, “**Lenders**”). The total facility limit granted by the Lenders is \$171,600,000 in the form of term loans and bank guarantee facility of \$152,800,000 and \$18,800,000 respectively. As at 31 December 2021, the term loan has been partially drawdown at \$109,735,000. There is no additional drawdown in the financial year 31 December 2022.
- (b) The loan is repayable on the earlier of 6 months after the TOP date and October 2025 (being 54 months after the first drawdown). The loan bears interest at SIBOR plus 1.85 % per annum, payable on the last day of each interest period. The loan has not yet transitioned to new benchmark rates.
- (c) As disclosed in Note 11, the Company has classified NVH as a Disposal Group held-for-sale and this term loan is accordingly presented in current liabilities within “liabilities directly associated with Disposal Group classified as held-for-sale” as at 31 December 2022.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

14. BORROWINGS (Continued)

- (d) The term loan is secured by:
- (i) Debenture creating fixed and floating charge over NVH's assets including real property, book debts and bank accounts;
 - (ii) Legal mortgage over Realty Centre and adjacent remnant land located at 15 Enggor Street, Singapore (Note 8(a));
 - (iii) Assignment of sales proceeds and insurance from the project; and
 - (iv) Corporate guarantee provided by the Company and MCC-SG.

Reconciliation of liabilities arising from financing activities

| Group | Financing cash flows | | | | Non-cash changes | | |
|-------------|----------------------|--------------------------------|---------------------------|-------------------------|--------------------------|--|-----------------|
| | As at 1 Jan | Proceeds from borrowings | Transaction costs paid | Payment of interests | Accretion of interest | Amortisation of transaction costs | As at 31 Dec |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | | | | |
| Borrowings | 108,146 | – | – | (3,784) | 3,784 | 608 | 108,754 |
| 2021 | | | | | | | |
| Borrowings | – | 109,735 | (1,589) | (1,469) | 1,469 | – | 108,146 |

15. LOANS FROM NON-CONTROLLING INTEREST (“NCI”)

As disclosed in Note 5(d), NVH is owned by TPSI (a subsidiary of the Company), MCC-SG and a related party, in the equity proportions of 51%: 30%: 19% respectively.

Aside from equity participation, the non-controlling shareholders (i.e. MCC-SG and a related party) alongside with TPSI, also provide interest-free shareholders' loans to NVH in their respective equity proportions. In addition, NVH and MCC-SG have provided corporate guarantee in favour of the Lenders for purpose of NVH's project financing bank facilities (Note 14 and Note 29(ii)). The balance attributable to the related party NCI as at 31 December 2022 is \$32,033,000 (2021: \$30,171,000).

The loans are measured at amortised costs, with fair value adjustments at inception using a market interest rate with comparable terms.

The maturity date of the loan is to be mutually agreed between NVH and its shareholders, and the loan is subordinated to the bank loans due beyond 12 months (Note 14). Therefore, the loan is classified as non-current liabilities as at 31 December 2021.

As disclosed in Note 11, the Company has classified NVH as a Disposal Group held-for-sale and these loans from NCI is accordingly presented in current liabilities within “liabilities directly associated with Disposal Group classified as held-for-sale” as at 31 December 2022.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

15. LOANS FROM NON-CONTROLLING INTEREST (“NCI”) (Continued)

Reconciliation of liabilities arising from financing activities

| Group | As at 1 Jan 2022 | Financing cash flows | Non-cash changes | | As at 31 Dec 2022 |
|----------------|---------------------|----------------------------|--------------------------|--------------------------|----------------------|
| | | Proceed from loans, net | Fair value adjustment | Accretion of interest | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Loans from NCI | 30,171 | – | – | 1,862 | 32,033 |

| Group | As at 1 Jan 2021 | Non-cash changes | Financing cash flows | Non-cash changes | | As at 31 Dec 2021 |
|-------------------|---------------------|--|----------------------------|--------------------------|--------------------------|----------------------|
| | | Reclassified from other payables | Proceed from loans, net | Fair value adjustment | Accretion of interest | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Loans from NCI | – | 16,676 (Note 12(i)) | 21,275 | (8,960) | 1,180 | 30,171 |

16. SHARE CAPITAL

| | Group and Company | | | |
|--------------------------------------|--------------------------------------|---------|--------------------------------------|---------|
| | 2022 | | 2021 | |
| | Number of ordinary shares '000 | \$'000 | Number of ordinary shares '000 | \$'000 |
| Issued and fully paid | | | | |
| At the beginning and end of the year | 5,880,654 | 149,845 | 5,880,654 | 149,845 |

The ordinary shares of the Company rank *pari passu*. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

17. STATUTORY RESERVE

| | Group | |
|---|--------|--------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| As at 1 January | 698 | 616 |
| Allocation of 10% of statutory after-tax profit (PRC) | 58 | 82 |
| As at 31 December | 756 | 698 |

In accordance with the Company Law applicable to the subsidiaries in the PRC, the subsidiaries, are required to make an appropriation to a statutory reserve (“SR”). At least 10% (2021: 10%) of the statutory after-tax profits, as determined in accordance with the applicable PRC accounting standards and regulations is required to be allocated to the SR.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

18. ACCUMULATED LOSSES

| | Company | |
|--|-----------------|-----------------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| As at 1 January | (61,838) | (62,374) |
| (Loss) / income for the year, representing total comprehensive (loss) / income, net of tax | (10,796) | 536 |
| As at 31 December | <u>(72,634)</u> | <u>(61,838)</u> |

19. REVENUE

(a) Details on revenue

| | | Group | |
|--|------------------------------|------------|--------------|
| | | 2022 | 2021 |
| | | \$'000 | \$'000 |
| | <u>Timing of recognition</u> | | |
| <u>Revenue from contracts with customers</u> | | | |
| Management services fee | Over time | <u>770</u> | <u>1,180</u> |

Revenue is generated in PRC by the wholly-owned subsidiary, Beijing Vast Universe Culture Communication Co., Ltd. The Group service relates to management services of providing maintenance and upkeep of a customer's media facilities on fixed retainer fee basis. Revenue is recognised as services are rendered to the customer over the contractual period. The customer is a company in which the Chairman and the CEO of the Company holds controlling interests.

The Group's revenue arrangements contain single performance obligation and do not contain variable considerations.

- (b) Contract liabilities of \$4,026,000 (2021: \$4,417,000) (Note 12(iii)) is amount received in advance for sale of land by Wanrun in the PRC, representing performance obligation fully unsatisfied at 31 December 2022 and expected to be recognised as revenue after year 2023.

20. OTHER INCOME

| | Group | |
|-----------------|--------------|------------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Interest income | 1,013 | 935 |
| Others | 16 | 27 |
| | <u>1,029</u> | <u>962</u> |

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

21. FINANCE COSTS

| | Group | |
|-------------------------------|--------|--------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Interest expense | | |
| - bank loan | 2,682 | - |
| - shareholders loan | 945 | - |
| - lease liabilities (Note 13) | 17 | 39 |
| - loan from a related party | 8 | - |
| | 3,652 | 39 |

22. LOSS BEFORE TAX

This is determined after charging the following:

| | Group | |
|---|--------|--------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Audit fees paid / payable to: | | |
| - Auditors of the Company | 146 | 143 |
| - Other auditors | 12 | 12 |
| Non-audit fees paid / payable to: | | |
| - Auditors of the Company | 23 | 52 |
| Depreciation of plant and equipment (Note 3) | 88 | 108 |
| Depreciation of right-of-use assets (Note 4) | 720 | 694 |
| Professional and legal fee | 966 | 528 |
| Impairment loss on assets of Disposal Group classified as held-for-sale (Note 11) | 5,780 | - |
| Impairment loss on financial asset (Note 9) | 1,888 | - |
| Expenses relating to leases of low-value assets | 2 | 2 |
| Exchange (gain) / loss, net | (250) | 742 |
| Personnel expenses (Note 23) | 1,498 | 1,232 |

23. PERSONNEL EXPENSES

| | Group | |
|--|--------|--------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Wages, salaries and bonuses* | 1,435 | 1,162 |
| Contribution to defined contribution plan* | 63 | 70 |
| | 1,498 | 1,232 |

* This includes the amount shown as directors' remuneration in Note 26 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

24. INCOME TAX

(a) Deferred tax liabilities

| | Provision for withholding tax \$'000 |
|---|--|
| As at 1 January 2022 | – |
| Charge to profit or loss for the year (Note 24 (b)) | 250 |
| As at 31 December 2022 | 250 |

As at 31 December 2022, the Group recorded deferred tax liabilities amounting to \$250,000 (2021: NIL) relating to the withholding tax payable on the undistributed profit amounting to \$5,000,000 (2021: NIL) of a PRC subsidiary as the management view it to be probable for distribution in the foreseeable future.

The remaining undistributed profit of the PRC subsidiary amounting to \$1,669,000 (2021: \$6,090,000) is not provided as the Group controls the dividend policy of its subsidiaries and does not have plans to distribute these earnings in the foreseeable future.

(b) Income tax expense

| | Group | |
|---|--------|--------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Current tax | | |
| - Current year | 363 | 373 |
| - Under provision in respect of prior years | 16 | 2 |
| | 379 | 375 |
| Deferred tax | | |
| - Current year | 250 | – |
| | 629 | 375 |

The reconciliation of the tax expense and the product of accounting loss multiplied by the applicable rate is as follows:

| | Group | |
|---|----------|---------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| Loss before tax | (13,973) | (2,468) |
| Tax using the Singapore tax rate of 17% (2021: 17%) | (2,375) | (420) |
| Effect of tax rates in foreign jurisdictions | 176 | 47 |
| Income not subject to tax | (39) | (69) |
| Non-deductible expenses | 1,813 | 770 |
| Current year losses for which no deferred tax asset is recognised | 777 | 66 |
| Under provision in respect of prior years | 16 | 2 |
| Tax rebates | (17) | (21) |
| Recognition of deferred tax liability on withholding tax | 250 | – |
| Others | 28 | – |
| | 629 | 375 |

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.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

24. INCOME TAX (Continued)

(b) Income tax expenses (Continued)

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

The Group has unused tax losses of approximately \$1,167,000 (2021: \$299,000) for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the tax authority and compliance with certain provisions of the Income Tax Act. The tax losses of \$1,154,000 (2021: \$1,140,000) have expire by end of 5 years from the losses recorded, as follows:

| | Group | | | |
|--|--------------|-------------|--------------|-------------|
| | 2022 | | 2021 | |
| | \$'000 | Expiring in | \$'000 | Expiring in |
| Tax losses arising from financial year of: | | | | |
| 2017 | – | | 222 | 2022 |
| 2018 | 267 | 2023 | 267 | 2023 |
| 2019 | 223 | 2024 | 223 | 2024 |
| 2020 | 218 | 2025 | 218 | 2025 |
| 2021 | 210 | 2026 | 210 | 2026 |
| 2022 | 236 | 2027 | – | |
| | <u>1,154</u> | | <u>1,140</u> | |

25. LOSS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year (Note 16).

| | 2022 | 2021 |
|--|---------------|---------------|
| Net loss attributable to equity holders of the Company (\$'000) | (12,460) | (2,866) |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | 5,880,654 | 5,880,654 |
| Basic loss per share (cents) | <u>(0.21)</u> | <u>(0.05)</u> |

(ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. There are no dilutive potential ordinary shares issued and / or granted during the current financial year.

There have been no transactions involving ordinary shares or potential ordinary shares subsequent to reporting date and before the authorisation of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

26. RELATED PARTY INFORMATION

Some of the arrangement with related parties (as defined in Note 2 above) and the effect of these bases determined between the parties are reflected elsewhere in the report. Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this Note. Details of transactions between the Group and other related parties are disclosed below.

| | Group | |
|---|--------|--------|
| | 2022 | 2021 |
| | \$'000 | \$'000 |
| <u>Associate</u> | | |
| Loan to an associate | 2,186 | 17,200 |
| Interest income from an associate | 887 | 572 |
| <u>Related parties, being companies in which the Chairman and the CEO of the Company have controlling interests</u> | | |
| Revenue generated from a related party | 770 | 1,180 |
| Interest generated from a related party | 99 | – |
| Loan from a related party in the capacity of a non-controlling shareholder | – | 12,852 |
| Service fee charged by a related party | 39 | 45 |
| Expenses paid on behalf by a related party | 245 | 63 |
| Expenses paid on behalf for a related party | – | 1,182 |
| Interest paid to related party | 8 | – |
| <u>Key management personnel compensation</u> | | |
| Directors of the Company | | |
| - Salary and related costs | 464 | 455 |
| - Directors' fees | 210 | 210 |
| | 674 | 665 |
| Key management personnel of the Group | | |
| - Salary and related costs | 323 | 294 |
| - Contribution to defined contribution plans | 16 | 16 |
| | 339 | 310 |
| - Short term employee benefits | 787 | 749 |
| - Contribution to defined contribution plans | 226 | 226 |
| Total key management personnel compensation | 1,013 | 975 |

The remuneration of directors is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

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

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

27. COMMITMENTS

Contractual Commitments

| | 2022 | 2021 |
|---|--------|--------|
| | \$'000 | \$'000 |
| Contracted but not provided for in the financial statements: | | |
| <u>PRC</u> | | |
| - Committed minimum investment amount on the leasehold land, as a condition of grant of land use right by the PRC government agency (Note 5(b)) | 35,440 | 38,882 |
| <u>Singapore</u> | | |
| - Loan committed to be provided to an associate for TMK project (Note 7) | 527 | 2,713 |

28. SEGMENT INFORMATION

For both financial years, revenue was generated solely from the provision of media and event management services (Note 19). However, since the previous financial year, the Group has been making progress and significant investment in its property development projects to be carried out by its subsidiaries with respect to Wanrun's Mount Yuntai project in the PRC and Realty Centre in Singapore (Note 8), and through an associate entity (Note 6) which is presented under property development segment.

The remaining activities of the Group in investment holding and corporate functions are included under 'Unallocated' segment. Cash and cash equivalents used for group treasury activities are also grouped under Unallocated segment under corporate assets with the respective interest income & corresponding exchange differences reported under unallocated corporate income / expenses. The segment information for the reportable segments and reconciliation to the consolidated financial statements are as follows:

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

28 SEGMENT INFORMATION (Continued)

Business segments

The following is an analysis of the Group's revenue and results by reportable segment:

| 2022 | Media and event management \$'000 | Property development \$'000 | Unallocated \$'000 | Total \$'000 |
|--|--|-----------------------------------|-----------------------|-----------------|
| Segment revenue | 770 | – | – | 770 |
| Segment profit/(loss), representing profit / (loss) from operation | 659 | (254) | – | 405 |
| Other expenses | – | (5,780) | – | (5,780) |
| Other income | 17 | 887 | 125 | 1,029 |
| Impairment on financial asset | – | – | (1,888) | (1,888) |
| Finance cost | – | (3,627) | (25) | (3,652) |
| Unallocated corporate expenses and losses | – | – | (3,855) | (3,855) |
| Share of loss of associate | – | (232) | – | (232) |
| Loss before tax | | | | (13,973) |
| Income tax expense | | | | (629) |
| Loss for the year | | | | (14,602) |
| Segment assets | 809 | 51,178 | 5,872 | 57,859 |
| Cash and cash equivalents | 5,322 | 447 | 636 | 6,405 |
| Unallocated corporate assets | – | – | 1,121 | 1,121 |
| Assets of Disposal Group | – | 181,876 | – | 181,876 |
| Consolidated total assets | | | | 247,261 |
| Segment liabilities | 200 | 7,873 | 2,008 | 10,081 |
| Unallocated corporate liabilities | – | – | 1,609 | 1,609 |
| Liabilities directly associated with Disposal Group | – | 140,787 | – | 140,787 |
| Consolidated total liabilities | | | | 152,477 |
| <u>Other segment items</u> | | | | |
| Equity-accounted investment | – | 563 | – | 563 |
| Additions to plant and equipment | – | – | 14 | 14 |
| Additions to right-of-use assets | 54 | – | 624 | 678 |
| Depreciation of plant and equipment | – | – | 88 | 88 |
| Depreciation of right-of-use assets | 54 | – | 666 | 720 |
| Impairment loss on assets of Disposal Group classified as held-for-sale | – | 5,780 | – | 5,780 |
| Impairment loss on financial asset | – | – | 1,888 | 1,888 |
| Interest income | 17 | 887 | 109 | 1,013 |
| Interest expense | 26 | 3,625 | 1 | 3,652 |

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

28. SEGMENT INFORMATION (Continued)

Business segments (Continued)

| 2021 | Media and event management \$'000 | Property development \$'000 | Unallocated \$'000 | Total \$'000 |
|---|--|-----------------------------------|-----------------------|-----------------|
| Segment revenue | 1,180 | – | – | 1,180 |
| Segment profit/(loss), representing profit/(loss) from operation | 1,057 | (340) | – | 717 |
| Other income | 40 | 572 | 350 | 962 |
| Unallocated corporate expenses and losses | – | – | (4,142) | (4,142) |
| Share of loss of associate | – | (5) | – | (5) |
| Loss before tax | | | | (2,468) |
| Income tax expense | | | | (375) |
| Loss for the year | | | | <u>(2,843)</u> |
| Segment assets | 672 | 232,110 | 3,888 | 236,670 |
| Cash and cash equivalents | – | 6,615 | 15,578 | 22,193 |
| Unallocated corporate assets | – | – | 933 | 933 |
| Consolidated total assets | | | | <u>259,796</u> |
| Segment liabilities | 165 | 146,391 | – | 146,556 |
| Unallocated corporate liabilities | – | – | 997 | 997 |
| Consolidated total liabilities | | | | <u>147,553</u> |
| Other segment items | | | | |
| Equity-accounted investment | – | 795 | – | 795 |
| Additions to plant and equipment | – | – | 15 | 15 |
| Additions to right-of-use assets | – | – | 126 | 126 |
| Depreciation of plant and equipment | – | – | 108 | 108 |
| Depreciation of right-of-use assets | 55 | – | 639 | 694 |
| Interest income | 40 | 572 | 323 | 935 |
| Interest expense | 3 | – | 36 | 39 |

Geographical information

Segment revenue is analysed based on the location of customers.

Total revenue and non-current assets (excluding financial instruments) are analysed based on the location of those customers / assets.

| | PRC \$'000 | Singapore \$'000 | Total \$'000 |
|----------------------------|---------------|---------------------|-----------------|
| 2022 | | | |
| Segment revenue | 770 | – | 770 |
| Segment non-current assets | 35 | 665 | 700 |
| 2021 | | | |
| Segment revenue | 1,180 | – | 1,180 |
| Segment non-current assets | 35 | 781 | 816 |

Information about major customers – revenue

Revenue of approximately \$770,000 (2021: \$1,180,000) or 100% (2021: 100%) of the Group's total revenue is derived from a related party in which the Chairman and the CEO of the Company have controlling interest.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risk includes market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

(i) Market risk

(a) Foreign exchange risk

Currently, the PRC government imposes control over foreign currencies. Renminbi, the official currency in the PRC, is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions. The Group has not entered into any derivative instruments for hedging or trading purposes. The Group's currency exposure is as follows:

| Group 2022 | Singapore dollars | United States dollars | Renminbi | Total |
|---|----------------------|--------------------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | |
| Cash and cash equivalents | 755 | 207 | 5,443 | 6,405 |
| Trade and other receivables | 2,570 | – | 4,646 | 7,216 |
| Loan to an associate | 20,845 | – | – | 20,845 |
| | <u>24,170</u> | <u>207</u> | <u>10,089</u> | <u>34,466</u> |
| Financial liabilities | | | | |
| Trade and other payables | 3,112 | – | 3,535 | 6,647 |
| Lease liabilities | 404 | – | 36 | 440 |
| | <u>3,516</u> | <u>–</u> | <u>3,571</u> | <u>7,087</u> |
| Net financial assets | 20,654 | 207 | 6,518 | 27,379 |
| Less: Net financial assets denominated in the respective entities' functional currencies | (20,654) | – | (6,495) | (27,149) |
| Net foreign currency exposure | <u>–</u> | <u>207</u> | <u>23</u> | <u>230</u> |

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

| Group 2021 | Singapore dollars \$'000 | United States dollars \$'000 | Renminbi \$'000 | Total \$'000 |
|---|--------------------------------|------------------------------------|--------------------|-----------------|
| Financial assets | | | | |
| Cash and cash equivalents | 12,051 | 290 | 9,852 | 22,193 |
| Trade and other receivables | 4,031 | – | 637 | 4,668 |
| Loan to an associate | 17,772 | – | – | 17,772 |
| | 33,854 | 290 | 10,489 | 44,633 |
| Financial liabilities | | | | |
| Trade and other payables | 478 | – | 3,566 | 4,044 |
| Lease liabilities | 448 | – | 39 | 487 |
| Borrowings | 108,146 | – | – | 108,146 |
| Loans from non-controlling interest | 30,171 | – | – | 30,171 |
| | 139,243 | – | 3,605 | 142,848 |
| Net financial (liabilities) / assets | (105,389) | 290 | 6,884 | (98,215) |
| Add / (less): Net financial liabilities / (assets) denominated in the respective entities' functional currencies | 105,389 | – | (6,864) | 98,525 |
| Net foreign currency exposure | – | 290 | 20 | 310 |
| | | | | |
| Company 2022 | Singapore dollars \$'000 | United States dollars \$'000 | Renminbi \$'000 | Total \$'000 |
| Financial assets | | | | |
| Cash and cash equivalents | 470 | 57 | 5 | 532 |
| Trade and other receivables | 48,122 | – | – | 48,122 |
| | 48,592 | 57 | 5 | 48,654 |
| Financial liabilities | | | | |
| Other payables and accruals | 8,020 | – | – | 8,020 |
| Lease liabilities | 404 | – | – | 404 |
| | 8,424 | – | – | 8,424 |
| Net financial assets | 40,168 | 57 | 5 | 40,230 |
| Less: Net financial assets denominated in the Company's functional currency | (40,168) | – | – | (40,168) |
| Net foreign currency exposure | – | 57 | 5 | 62 |

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

| Company 2021 | Singapore dollars \$'000 | United States dollars \$'000 | Renminbi \$'000 | Total \$'000 |
|--|--------------------------------|------------------------------------|--------------------|-----------------|
| Financial assets | | | | |
| Cash and cash equivalents | 5,663 | 84 | 5 | 5,752 |
| Trade and other receivables | 51,318 | – | – | 51,318 |
| | 56,981 | 84 | 5 | 57,070 |
| Financial liabilities | | | | |
| Other payables and accruals | 4,786 | – | – | 4,786 |
| Lease liabilities | 448 | – | – | 448 |
| | 5,234 | – | – | 5,234 |
| Net financial assets | 51,747 | 84 | 5 | 51,836 |
| Less: Net financial assets denominated in the Company's functional currency | (51,747) | – | – | (51,747) |
| Net foreign currency exposure | – | 84 | 5 | 89 |

Foreign exchange risk sensitivity

The following table details the sensitivity to a 10% (2021: 10%) increase and decrease in the Singapore dollars against the relevant foreign currencies. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

If the Singapore dollars strengthens by 10% (2021: 10%) against the relevant foreign currency, with all other variables held constant, loss for the year and other equity will increase / (decrease) by:

| | United States dollars \$'000 | Renminbi \$'000 |
|-------------------|------------------------------------|--------------------|
| Group | | |
| 2022 | | |
| Loss for the year | 17 | 2 |
| 2021 | | |
| Loss for the year | 24 | 2 |
| Company | | |
| 2022 | | |
| Loss for the year | 5 | - * |
| 2021 | | |
| Loss for the year | 7 | - * |

* Amounts less than \$1,000

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity (Continued)

A weakening of Singapore dollars against the above foreign currencies at 31 December would have had the equal but opposite effect on the above foreign currencies to the amounts shown above, on the basis that all other variables remain constant.

The Group is also exposed to currency translation risk arising from its net investment in its foreign operation in PRC including intragroup balances. The Group's net investment in PRC is not hedged as currency position in PRC are considered to be long-term in nature.

(b) 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 (gross amount) are as follows:

| | Group | | Company | |
|--|--------|-----------|---------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Fixed rate instruments | | | | |
| Other receivables – loan to third parties | 7,472 | 3,600 | 2,000 | 3,600 |
| Cash and cash equivalents | – | 24 | – | – |
| Loan to an associate | 20,845 | 17,772 | – | – |
| Lease liabilities | (440) | (487) | (404) | (448) |
| Loans from NCI | – | (30,171) | – | – |
| Variable rate instruments | | | | |
| Cash and cash equivalents | 6,405 | 22,169 | 532 | 5,752 |
| Borrowings (Qualifying for capitalisation) | – | (108,146) | – | – |

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

An increase of 100 basis points (“bp”) in interest rates at the reporting date would have increased / (decreased) loss for the year 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 2021.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(b) Interest rate risk (Continued)

Cash flow sensitivity analysis for variable rate instruments (Continued)

| | Group \$'000 | Company \$'000 |
|-----------------------|-----------------|-------------------|
| <u>100bp increase</u> | | |
| 2022 | | |
| Loss for the year | 53 | 4 |
| 2021 | | |
| Loss for the year | 184 | 48 |

A decrease of 100bp in interest rates would have had the equal but opposite effect on the loss for the year.

(ii) Liquidity risk

The Group monitors its liquidity risk 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 including the servicing of financial obligations. Management monitors rolling forecasts of the Group's and the Company's liquidity reserve, cash and bank balances on the basis of expected cash flows.

As at 31 December 2022, the Group has cash and bank balances deposits with banks in the PRC denominated in Renminbi amounting to S\$5,421,000 (equivalent to RMB 28,001,000) (2021: S\$9,822,000 (equivalent to RMB46,245,252)). The RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

The following tables detail the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay and include both interest and principal cash flows.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Liquidity risk (Continued)

| Group | On demand or not later than | Later than 1 year and not later than | Total | Carrying amount |
|-----------------------------------|--------------------------------|--|----------------|--------------------|
| | 1 year | 5 years | | |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | |
| <i>Non-derivative instruments</i> | | | | |
| Trade and other payables | 6,647 | – | 6,647 | 6,647 |
| Lease liabilities | 292 | 153 | 445 | 440 |
| Financial guarantee contract | 194,118 | – | 194,118 | – |
| | <u>201,057</u> | <u>153</u> | <u>201,210</u> | <u>7,087</u> |
| 2021 | | | | |
| <i>Non-derivative instruments</i> | | | | |
| Trade and other payables | 4,044 | – | 4,044 | 4,044 |
| Borrowings | 2,310 | 117,465 | 119,775 | 108,146 |
| Lease liabilities | 506 | – | 506 | 487 |
| Loans from NCI | – | 37,951 | 37,951 | 30,171 |
| Financial guarantee contract | 194,118 | – | 194,118 | – |
| | <u>200,978</u> | <u>155,416</u> | <u>356,394</u> | <u>142,848</u> |

Financial guarantee contract presented represent the maximum amount of the guarantee based on loan drawn down by the associate as at reporting date, and is allocated to the earliest period in which the guarantee could be called.

| Company | On demand or not later than | Later than 1 year and not later than | Total | Carrying amount |
|-----------------------------------|--------------------------------|--|----------------|--------------------|
| | 1 year | 5 years | | |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | |
| <i>Non-derivative instruments</i> | | | | |
| Trade and other payables | 8,020 | – | 8,020 | 8,020 |
| Lease liabilities | 255 | 153 | 408 | 404 |
| Financial guarantee contract | 109,735 | – | 109,735 | – |
| | <u>118,010</u> | <u>153</u> | <u>118,163</u> | <u>8,424</u> |
| 2021 | | | | |
| <i>Non-derivative instruments</i> | | | | |
| Trade and other payables | 4,786 | – | 4,786 | 4,786 |
| Lease liabilities | 466 | – | 466 | 448 |
| Financial guarantee contract | 109,735 | – | 109,735 | – |
| | <u>114,987</u> | <u>–</u> | <u>114,987</u> | <u>5,234</u> |

Financial guarantee contract presented represents the maximum amount of the guarantee based on loan drawn down by a subsidiary as at reporting date, and is allocated to the earliest period in which the guarantee could be called.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk

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

Expected Credit Losses ("ECLs")

(A) Trade and other receivables, and loan to an associate

As at 31 December 2022, the Group has following credit risk exposure and concentration:

Trade receivables

As stated in Note 9, trade receivable refers to a related party controlled by the Chairman and the CEO of the Company. Management has assessed that there is low credit risk in view that other subsidiaries within the Group owed an approximate amount to entities controlled by these two directors (Note 12(i) and (ii)).

Non-trade balances

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, in which case life-time ECL will be recognised.

- A loan to an associate of the Group with a carrying amount of \$20,845,000 (2021: \$17,772,000) (Note 7): The Group assessed that credit risks to be low in view of expected saleability and profits from the underlying real estate project and the maturity profile of the related bank loan.
- Loan to a third party (Party A) of gross amount of \$3,888,000 (2021: \$3,888,000) of the Group and the Company (see Note 9(iii)): A life-time ECL of \$1,888,000 (Stage 2) was provided during the year as management has assessed that there is a significant increase in credit risk for the balance mainly in view of multiple extension of principal amount, overdue interest payments and insufficient liquidity position of the guarantor (a related party). The ECL amount is estimated based on the agreed-upon repayment plan.
- Loan to a third party (Party B) of \$3,872,000 (2021: nil) of the Group has been fully recovered subsequent to the reporting date.
- The Company has recognised ECL of \$4,914,000 (2021: NIL) on amount due from a subsidiary, being the intermediary holding company of the Disposal Group held-for-sale (Note 11), estimated based on the expected recovery of shareholder's loan from the expected proceeds after repayment of bank borrowings.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Expected Credit Losses (“ECLs”) (Continued)

(A) Trade and other receivables, and loan to an associate (Continued)

| | Group | | | Company | | |
|--|---------|---------|---------|---------|---------|---------|
| | Stage 1 | Stage 2 | Total | Stage 1 | Stage 2 | Total |
| Gross amount of financial assets subject to ECL as at 31 December 2022 | | | | | | |
| - Loan to associate (Note 7) | 20,845 | - | 20,845 | - | - | - |
| - Loan to third parties | 3,872 | 3,888 | 7,760 | - | 3,888 | 3,888 |
| - Other receivable – NCI | 200 | - | 200 | - | - | - |
| - Amount due from subsidiaries (non-trade) | - | - | - | 43,715 | 6,950 | 50,665 |
| <u>Movement of life-time ECL</u> | | | | | | |
| Balance at 1 January 2022 | - | - | - | - | - | - |
| Recognised during the financial year: | | | | | | |
| - Loan to a third party | - | (1,888) | (1,888) | - | (1,888) | (1,888) |
| - Amount due from subsidiaries (non-trade) | - | - | - | - | (4,914) | (4,914) |
| Balance at 31 December 2022 | - | (1,888) | (1,888) | - | (6,802) | (6,802) |
| Carrying amounts of financial assets, representing net exposure as at 31 December 2022 | 24,917 | 2,000 | 26,917 | 43,715 | 4,036 | 47,751 |
| Carrying amounts of financial assets, representing net exposure as at 31 December 2021 | 21,660 | - | 21,660 | 51,175 | - | 51,175 |

(B) Cash and cash equivalents

At the reporting date, the Group and Company held cash and cash equivalents of \$6,405,000 (2021: \$22,193,000), and \$532,000 (2021: \$5,752,000), 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.

Cash and cash equivalent (including those held by Disposal Group) are deposited in banks located in Singapore and PRC. As at the reporting date, 14% and 100% (2021: 55% and 100%) of the Group’s and the Company’s cash and cash equivalent are deposited in a major bank in Singapore whereas 77% (2021: 42%) of the Group’s cash and cash equivalents are placed with an established bank in PRC.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

29. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Expected Credit Losses ("ECLs") (Continued)

(C) Financial guarantee contracts

The Group and the Company has issued financial guarantees to banks for borrowings of its associate and a subsidiary respectively with nominal amount as disclosed in part (ii) of this note. These guarantees are subject to impairment requirement of SFRS(I) 9. At the reporting date, the Group and the Company has assessed the loans under its guarantee, the financial covenants and repayment schedule of the loans, the market value of the land/ development, the budgets of development project and the prevailing market sentiment in property sector in Singapore, and hence, do not expect significant credit losses arising from these guarantees.

(iv) Financial instruments by category

| | Group | | Company | |
|---|--------|---------|---------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets at amortised cost: | 34,466 | 44,633 | 48,654 | 57,070 |
| Financial liabilities at amortised cost | 7,087 | 142,848 | 8,424 | 5,234 |

Capital risk management policies and objectives

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 17. This externally imposed capital requirement had been complied with by the subsidiaries for the financial year ended 31 December 2022.

NOTES TO FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2022

30. FAIR VALUES OF FINANCIAL INSTRUMENTS

(i) Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company had no financial assets or liabilities carried at fair value in 2022 and 2021.

(ii) Fair value of other financial instruments

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The Group has determined that the carrying amounts of floating-rate bank borrowings with contractual repayment terms beyond 12 months approximate its fair value given the repricing close to year end and they are subject to interest rates close to the market rate of interests for similar arrangements with financial institutions.

The Group has determined that the carrying amount of non-current loan to associate and loans from NCI approximate their fair value, given that they are subject to/discounted at interest rates close to market interest interests for similar loans.

STATISTICS OF SHAREHOLDINGS

As at 24 March 2023

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 1967 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 | 5 | 0.15 | 280 | 0.00 |
| 100 - 1,000 | 250 | 7.52 | 134,879 | 0.00 |
| 1,001 - 10,000 | 867 | 26.09 | 4,233,800 | 0.07 |
| 10,001 - 1,000,000 | 1,991 | 59.92 | 363,892,215 | 6.19 |
| 1,000,001 AND ABOVE | 210 | 6.32 | 5,512,393,365 | 93.74 |
| TOTAL | 3,323 | 100.00 | 5,880,654,539 | 100.00 |

TWENTY LARGEST SHAREHOLDERS

| NO. | NAME | NO. OF SHARES | % |
|-----|--|----------------------|--------------|
| 1 | DBS NOMINEES (PRIVATE) LIMITED | 1,848,200,177 | 31.43 |
| 2 | DBS VICKERS SECURITIES (SINGAPORE) PTE LTD | 1,174,621,979 | 19.97 |
| 3 | RAFFLES NOMINEES (PTE.) LIMITED | 572,214,600 | 9.73 |
| 4 | PHILLIP SECURITIES PTE LTD | 299,482,700 | 5.09 |
| 5 | CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. | 279,096,671 | 4.75 |
| 6 | HSBC (SINGAPORE) NOMINEES PTE LTD | 230,471,000 | 3.92 |
| 7 | OCBC SECURITIES PRIVATE LIMITED | 122,070,500 | 2.08 |
| 8 | EUCON INVESTMENT HOLDING PTE. LTD. | 61,482,400 | 1.05 |
| 9 | ZENG FUZU | 56,549,030 | 0.96 |
| 10 | MAYBANK SECURITIES PTE. LTD. | 50,798,100 | 0.86 |
| 11 | CHIEN WAN HSIN | 49,614,900 | 0.84 |
| 12 | KGI SECURITIES (SINGAPORE) PTE. LTD. | 45,611,200 | 0.78 |
| 13 | IFAST FINANCIAL PTE. LTD. | 44,680,100 | 0.76 |
| 14 | UOB KAY HIAN PRIVATE LIMITED | 38,608,047 | 0.66 |
| 15 | TIGER BROKERS (SINGAPORE) PTE. LTD. | 28,996,400 | 0.49 |
| 16 | TAN BUCK LIANG | 27,246,600 | 0.46 |
| 17 | LIM & TAN SECURITIES PTE LTD | 17,934,300 | 0.30 |
| 18 | PAUL GO KIAN LEE | 16,969,700 | 0.29 |
| 19 | YONG TECK MING | 15,200,000 | 0.26 |
| 20 | ANG AH LEK @AN AH LEK | 14,000,000 | 0.24 |
| | TOTAL | 4,993,848,404 | 84.92 |

STATISTICS OF SHAREHOLDINGS

As at 24 March 2023

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

| Name of Substantial Shareholders | Direct Interest | | Deemed Interest | |
|---|-----------------|-------|-----------------|-------|
| | No. of Shares | % | No. of Shares | % |
| Oriental Straits Fund III ⁽¹⁾⁽³⁾ | 1,738,434,549 | 29.56 | – | – |
| Sun Quan ⁽²⁾ | – | – | 1,738,434,549 | 29.56 |
| Ji Zenghe ⁽⁴⁾ | – | – | 967,073,639 | 16.45 |
| Fan Xianyong ⁽⁵⁾ | – | – | 791,242,068 | 13.45 |

Notes:

- (1) Shares held through DBS Vickers Securities (Singapore) Pte Ltd and Raffles Nominees (Pte) Limited as nominee.
- (2) Mr Sun Quan is a controlling shareholder and director of China Capital Impetus Investment Limited which manages Oriental Straits Fund III. By virtue of Section 7 of the Companies Act 1967, Mr Sun Quan is deemed to be interested in the 1,738,434,549 ordinary shares of the Company owned by Oriental Straits Fund III.
- (3) Mr Ji Zenghe and Mr Fan Xianyong have interests in the Company's shares owned by OSF III in view that their aggregate 95% shareholding in Sun Card Limited, which is the sole participating investor of OSF III.
- (4) Mr Ji Zenghe is deemed to be interested in the 967,073,639 shares held by Diamond Era Investment Limited, a company incorporated in British Virgins Islands, in which he has a controlling interest.
- (5) Mr Fan Xianyong is deemed to be interested in the 791,242,068 shares held by World Globe International Holdings Limited, a company incorporated in British Virgins Islands in which he has a controlling interest.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 24 March 2023, approximately 40.54% 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 10 April 2023

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting (“**AGM**”) of The Place Holdings Limited (the “**Company**”) will be convened and held by way of electronic means on Tuesday, 25 April 2023 at 3.30 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

To consider and, if deemed fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2022, and the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Mr Ji Zenghe, who is retiring by rotation under Article 94 of the Constitution of the Company, and who, being eligible, offers himself for re-election. **[Explanatory Note (1)] (Resolution 2)**
3. To re-elect Mr Chng Hee Kok, who is retiring by rotation under Article 94 of the Constitution of the Company, and who, being eligible, offers himself for re-election. **[Explanatory Note (1)] (Resolution 3)**
4. To re-elect Mr Ng Fook Ai, Victor, who is retiring by rotation under Article 94 of the Constitution of the Company, and who, being eligible, offers himself for re-election. **[Explanatory Note (1)] (Resolution 4)**
5. To re-elect Dr Yeo Guat Kwang, who is retiring under Article 100 of the Constitution of the Company, and who, being eligible, offers himself for re-election. **[Explanatory Note (2)] (Resolution 5)**
6. To approve the payment of Directors’ Fees of S\$195,000 for the financial year ended 31 December 2022. **(Resolution 6)**
7. To re-appoint Messrs Crowe Horwath First Trust LLP as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
8. To transact any other ordinary business that may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if deemed fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. Share Issue Mandate

THAT pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- I. (a) issue shares in the capital of the Company (“**shares**”) whether by way of rights issue, bonus issue or otherwise; and/or
- (b) make or grant offers, agreements or options (collectively, “**Instruments**”) that may 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

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- II. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:
- (a) 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 fifty percent (50%) of the total number of the issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (b) 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 twenty percent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);
 - (b) (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 (a) above, the percentage of the issued share capital shall be calculated based on the total number of the issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, 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 of the passing of this Resolution, provided such share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (ii) any subsequent bonus issue, consolidated or subdivision of shares,and in paragraph (a) above and this paragraph (b), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;
 - (c) 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
 - (d) unless revoked or varied by the Company in a 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. **[Explanatory Note (3)]** **(Resolution 8)**

10. THE PERFORMANCE SHARE SCHEME

THAT authority be and is hereby given to the Directors to:

- (1) grant award shares in accordance with the provisions of the Performance Share Scheme of the Company; and
- (2) 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 AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier. **[Explanatory Note (4)]** **(Resolution 9)**

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

That subject to and contingent upon Resolution 9 being passed, approval be and is hereby given for the participation by Mr Sun Quan in the Performance Share Scheme. **[Explanatory Note (5)]** **(Resolution 10)**

NOTICE OF ANNUAL GENERAL MEETING

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By Order of the Board

Dr Qiu Yang
Company Secretary
Singapore, 10 April 2023

Explanatory Notes:

- (1) **Resolutions 2, 3 and 4** – Mr Ji Zenghe (“**Mr Ji**”), Mr Chng Hee Kok (“**Mr Chng**”) and Mr Ng Fook Ai, Victor (“**Mr Ng**”), who are due to retire by rotation pursuant to Article 94 of the Company’s Constitution, are seeking re-election at the forthcoming 21st AGM.

Detailed information of Mr Ji, Mr Chng and Mr Ng 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” of the Company’s Annual Report.

- (2) **Resolution 5** – Dr Yeo Guat Kwang (“**Dr Yeo**”), who is due to retire pursuant to Article 100 of the Company’s Constitution, is seeking re-election at the forthcoming 21st AGM.

Detailed information of Dr Yeo 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” of the Company’s Annual Report.

- (3) **Resolution 8** – Resolution 8, 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 total number of 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 purposes 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 of the passing of Resolution 8, 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 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. For the avoidance of doubt, shareholders’ approval will be required for any consolidation or subdivision of shares.

- (4) **Resolution 9** – Resolution 9, 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”).

- (5) **Resolution 10** – Resolution 10, 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.

NOTES: MEASURES TO MINIMIZE THE RISK OF COVID-19

GENERAL

1. The Annual General Meeting (“**AGM**” or “**Meeting**”) is being convened and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternate Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and members of the Company will **not** be able to attend the AGM **in person**. This Notice will be made available on the Company’s website at the URL <https://www.theplaceholdings.com/newsroom> and will also be made available on SGX’s website at the URL <https://www.sgx.com/securities/company-announcements>.

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2. Alternative arrangements are instead put in place to allow the members to participate in the AGM by:
 - (a) observing and/or listening to the AGM proceedings via a Live Webcast (as defined below). Members who wish to participate as such will have to pre-register in the manner outlined in Notes 3 to 6 below;
 - (b) submitting/asking of questions to the Chairman of the Meeting in advance of, or “live” at the AGM. Please refer to Notes 7 to 12 below for further details; and
 - (c) voting at the AGM (i) “live” by themselves via electronic means; (ii) “live” through their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (iii) through appointing the Chairman of the Meeting as proxy to vote on their behalf. Please refer to Notes 12 to 21 below for further details.

PRE-REGISTRATION FOR LIVE WEBCAST

3. A member of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to observe and listen to the AGM proceedings through a “live” webcast via mobile phones, tablets or computers (“**Live Webcast**”). In order to do so, shareholders must pre-register with us via the FY2022 AGM registration button on <https://www.theplaceholdings.com> (“**Pre-registration Website**”) by no later than **3.30 p.m. on 22 April 2023** (“**Registration Deadline**”) for the Company to verify his/her/its status as a shareholder of the Company (“**Shareholder**”) prior to the AGM.
4. Following the verification, authenticated Shareholders will receive an email by **3.30 p.m. on 24 April 2023** containing unique user credentials as well as instructions on how to access the live audio-visual webcast or live audio-only stream of the AGM proceedings (the “**Confirmation Email**”).
5. Shareholders must not forward the Confirmation Email to other persons who are not shareholders of the Company and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast.
6. Shareholders who have registered by the Registration Deadline but do not receive the Confirmation Email by **3.30 p.m. on 24 April 2023** should contact The Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at (65) 6536 5355 (during office hours) or via email at TPH2023@boardroomlimited.com with the following details included: (i) member’s full name; and (ii) his/her/its identification/registration number.

SUBMISSION OF QUESTIONS

7. In view of the guidance note issued by the Singapore Exchange Regulation, a shareholder may ask question relating to the resolution to be tabled for approval at the AGM by:-
 - (a) submitting their questions via email in advance of the AGM (see notes 8 to 10 below); or
 - (b) “live” at the AGM (see note 11 below).
8. Shareholders who wish to submit their questions in relation to the business of the AGM can do so via FY2022 AGM registration website at <https://www.theplaceholdings.com> or email to proxy@theplaceholdings.com by **3.30 p.m. on 18 April 2023**.
9. If the questions are sent via email, the following details must be included with the submitted questions: (i) the member’s full name; (ii) his/her/its identification/registration number; and (iii) the member’s address for verification purposes, failing which the submission will be treated as invalid.
10. All substantial and relevant questions received by the Company from the Shareholders prior to the deadline of **3.30 p.m. on 18 April 2023** will be addressed by the Company at least 48 hours prior to the closing date and time for the lodgement of the Proxy Forms, that is, by **3.30 p.m. on 20 April 2023**. Substantial and relevant questions which are submitted after **3.30 p.m. on 18 April 2023** will be consolidated and addressed either before the AGM via an announcement on SGXNet or at the AGM.
11. Shareholders who registered and have been authenticated as members of the Company will be able to ask questions relating to the resolution to be tabled for approval at the AGM during the AGM by typing in and submitting their questions through the live chat function via the audio-visual webcast platform.

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VOTING BY SHAREHOLDERS:

12. Shareholders who wish to exercise their voting rights at the AGM may:
 - (a) (where the Shareholder is an individual) attend and vote “live” at the AGM;
 - (b) (where the Shareholder is an individual or a corporate) appoint proxy(ies) to attend and vote “live” at the AGM on their behalf; and
 - (c) (where the Shareholder is an individual or a corporate) appoint the Chairman as proxy to vote on their behalf.
13. “Live” voting will be conducted during the AGM. **It is important for Shareholders and proxies to have their own web-browser enabled devices ready for voting during the AGM. Examples of web-browser enabled devices include mobile smartphones, laptops, tablets or desktop computers with internet capabilities.**
14. Shareholders and proxies may cast their votes at the AGM using the unique user credentials provided in the Confirmation Email. Shareholders and proxies should therefore have their Confirmation Email containing their unique user credentials handy for reference. Instructions will be provided at the start of the AGM on how to vote. For the avoidance of doubt, “live” voting is not permissible by the audio-only feed.

VOTING BY PROXY

15. Shareholders who wish to appoint proxies to attend the AGM and vote “live” at the AGM on their behalf must do both of the following:
 - (a) complete and submit the instrument appointing a proxy (“**Proxy Form**”) in accordance with the instructions below; and
 - (b) pre-register the proxy(ies) at the Pre-registration Website by the Registration Deadline 3.30 p.m. on 22 April 2023.
16. As an alternative to “live” voting, Shareholders may also vote at the AGM by appointing the Chairman as proxy to vote on their behalf in respect of all the Shares held by them.
17. The Proxy Form for the AGM will be made available on the Company’s website at the URL <http://www.theplaceholdings.com>, and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
18. The Proxy Form appointing a proxy or proxies (including the Chairman of the Meeting) must be submitted in the following manner:
 - (a) If submitted by post, be lodged with the Company at 6 Battery Road, #21-01, Singapore 049909; or
 - (b) If submitted by electronic means, be submitted by email to the Company at proxy@theplaceholdings.com.

in either case, to be received by 3.30 p.m. on 22 April 2023, being 72 hours before the time appointed for holding of the AGM (or at any adjournment thereof).

A shareholder who wishes to submit the Proxy Form must first download, 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.

19. In the Proxy Form, a shareholder should specifically direct the proxy on how he/she is to vote for or vote against (or abstain from voting on) the resolutions in the form of proxy, failing which the proxy (including the Chairman if he is appointed as proxy) will vote or abstain from voting at his/her discretion.
20. The Proxy Form must be signed by the appointor or his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
21. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument of proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM (or at any adjournment thereof).

NOTICE OF ANNUAL GENERAL MEETING

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PERSONS WHO HOLD SHARES THROUGH RELEVANT INTERMEDIARIES

22. Investors who hold shares in the Company (“Shares”) through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 (“Companies Act”), including Central Provident Fund (“CPF”)/Supplemental Retirement Scheme (“SRS”) investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings via the Live Webcast; or (b) submitting questions in advance of the AGM, should contact their relevant intermediaries to indicate their interest in order for their relevant intermediaries to make the necessary arrangements for them to participate in the Live Webcast of the AGM.
23. The Proxy Form is not valid for use by investors who hold Shares through relevant intermediaries, (as defined in Section 181 of the Companies Act), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days (i.e. by 3.30 p.m. on 14 April 2023) before the date of the AGM to specify voting instructions.

MINUTES

24. Minutes of the AGM will be published on the Company’s website as well as on the SGX’s website within one (1) month after the AGM.

PERSONAL DATA PRIVACY

By (a) submitting details for the registration to observe the proceedings of the AGM via Live Webcast, (b) submitting a Proxy Form appointing a proxy or proxies (including the Chairman of the Meeting if he is appointed as proxy) to attend, speak and vote at the AGM and/or any adjournment thereof, and/or (c) submitting any question prior to the AGM in accordance with this Notice, 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 following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the proxies and representatives appointed for the AGM (including any adjournment thereof);
- (ii) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (iii) processing the pre-registration form for the purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) or their proxy(ies) to view the Live Webcast of the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iv) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member or their proxy(ies) (such as his name, his presence at the AGM and any questions he may raise or motions he proposes/seconds) may be recorded by the Company for such purpose.

FURTHER UPDATES

As the COVID-19 situation continues to evolve, the Company seeks shareholders’ understanding that further measures and/or changes to the AGM arrangements may be made on short notice. In the event such measures are adopted, the Company will make announcements as appropriate. Shareholders shall read the Company’s announcements published via SGXNet to keep track of the future developments of the AGM arrangements, if any.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION/RE-ELECTION AT THE ANNUAL GENERAL MEETING

Mr Ji Zenghe, Mr Chng Hee Kok, Mr Ng Fook Ai Victor and Dr Yeo Guat Kwang are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on Tuesday, 25 April 2023 at 3.30 p.m. (“**AGM**”), under Ordinary Resolutions 2, 3, 4 and 5 as set out in the Notice of AGM dated 10 April 2023 (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 of the Listing Manual of the SGX-ST 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 10 and pages 18 to 45, respectively of this Annual Report.

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|--|---|---|---|---|
| Age | 63 | 74 | 74 | 62 |
| Date Of Appointment | 12 October 2016 | 1 February 2019 | 31 January 2018 | 20 June 2022 |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Executive Chairman | <ul style="list-style-type: none"> Lead Independent Director Audit Committee (Chairman) Nominating Committee (Member) Remuneration Committee (Member) | <ul style="list-style-type: none"> Independent Director Remuneration Committee (Chairman) Audit Committee (Member) Nominating Committee (Member) | <ul style="list-style-type: none"> Independent Director Audit Committee (Member) Nominating Committee (Member) Remuneration Committee (Member) |
| Date of last re-election as Director (if applicable) | 27 April 2021 | 27 April 2021 | 27 April 2021 | N.A. |
| Country of principal residence | People’s Republic of China | Singapore | Singapore | Singapore |
| The Board’s comments on the re-election (including rationale, selection criteria, and the search and nomination process) | <p>The Board has accepted the NC’s recommendation that Mr Ji Zenghe (“Mr Ji”) is able to exercise independent judgement and provide valuable contributions to the Board.</p> <p>Mr Ji plays a key role in developing the business of the Group and provides the Group with strong leadership and vision.</p> | <p>The Board has accepted the NC’s recommendation that Mr Chng Hee Kok (“Mr Chng”) is able to exercise independent judgement and provide valuable contributions to the Board.</p> | <p>The Board has accepted the NC’s recommendation that Mr Ng Fook Ai Victor (“Mr Ng”) is able to exercise independent judgement and provide valuable contributions to the Board.</p> | <p>The Board has accepted the NC’s recommendation that Dr Yeo Guat Kwang (“Dr Yeo”) is able to exercise independent judgement and provide valuable contributions to the Board.</p> |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|--|--|---|--|---|
| Whether appointment is executive, and if so, the area of responsibility | Executive Responsible for the overall strategic planning and growth of the Group. Mr Ji also exercises control over the quality, quantity and timeline information flow between the Board and Management. | Non-Executive | Non-Executive | Non-Executive |
| Professional qualifications | For information on the professional qualification of Mr Ji, please refer to the section on “Board of Directors” of the Annual Report. | For information on the professional qualification of Mr Chng, please refer to the section on “Board of Directors” of the Annual Report. | For information on the professional qualification of Mr Ng, please refer to the section on “Board of Directors” of the Annual Report. | For information on the professional qualification of Dr Yeo, please refer to the section on “Board of Directors” of the Annual Report. |
| Relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company of its principal subsidiaries | Nil | Nil | Nil | Nil |
| Conflict of interests (including any competing business) | Nil | Nil | Nil | Nil |
| Working experience and occupation(s) during the past 10 years | <ul style="list-style-type: none"> • 2003-Present Chairman, Beijing Aozhong Xingye Real Estate Development Co., Ltd • 2001-Present Chairman, The Place Investment Group Co., Ltd • 2001-2013, Chairman, Beijing Aozhongxiehe Trading Co., Ltd | <ul style="list-style-type: none"> • 2012 to 2016 Managing Director, LH Group Ltd • 2019 to 2022 Independent Director, Metech International Ltd • 2020 to 2022, Independent Director, KTL Global Ltd • 2020-2022, Independent Director Blackgold Natural Resources Limited • 2021 to 2022 Chief Executive Officer, Chemical Industries FE Ltd. | <ul style="list-style-type: none"> • 2013 – 2015 Director, New Climate Pte. Ltd. • 2013-2014 Director, Grand Canal Property Pte. Ltd. • 2013-2015 Director, JH Global Resources Pte. Ltd. • 2013-2015 Director, Jiahui New Climate Holdings Pte. Ltd. • 2014-2017 Lead Independent Director, SHC Capital Asia Limited | <ul style="list-style-type: none"> • 1997 – 2015 Member of Parliament of Singapore • Assistant Director-General of the National Trades Union Congress (NTUC) • Chairman of: <ul style="list-style-type: none"> - Migrant Workers’ Centre and Centre for Domestic Employees |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|--|-----------|--------------|---|----------------|
| | | | <ul style="list-style-type: none"> • 2016-2017 Non-Executive Director, Cityneon Holdings Limited • 1989-present Non-Executive Director, SHC Investments Ltd. • 1999-present Director, Mercur Business Control Asia Pte. Ltd. • 2010-present Non-Executive Director, 1Rockstead GIP Fund Ltd. • 2013-present Non-Executive Director, Ngee Soon Social Enterprise Limited • 2013-present Director, 1Rockstead GIP Fund II Pte. Ltd. • 2014-present Independent Non-Executive Director, Sunshine 100 China Holdings Ltd • 2015-present Independent Director, SB REIT Management Pte. Ltd. • 2016-present Futsalarena @ Yishun Limited | |
| Undertaking submitted to the Company (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes | Yes | Yes |
| Shareholding interest in the Company and its subsidiaries | Nil | Nil | Nil | Nil |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|--|---|---|--|--|
| Other Principal Commitments including Directorships | | | | |
| Past (for the last 5 years) | Nil. | <ul style="list-style-type: none"> China Flexible Packaging Holdings Ltd LH Group Ltd Samudera Shipping Line Ltd Chaswood Resources Holdings Ltd Ellipsiz Ltd | <ul style="list-style-type: none"> My E.G. Services Berhad SHC Capital Asia Limited Cityneon Holdings Limited | Nil. |
| Present | <u>Directorships</u> <ul style="list-style-type: none"> The Place Investment Group Co., Limited The Place Chuangshi (Beijing) Trading Co., Ltd Z.D. Australia China Trading & Investment Pty Ltd Beijing Shimao Tianjie Property Service Co., Ltd Beijing Aozhong Shimao Property Management Co., Ltd Fortune Land Overseas Limited World Globe International Holdings Limited Aozhong Jiye Investment Group Co., Ltd Sun Card Limited Beijing Aozhong Jiye Real Estate Development Co., Ltd Beijing Aozhong Xingye Real Estate Development Co., Ltd | <u>Directorships</u> <ul style="list-style-type: none"> Full Apex (Holdings) Ltd (Undergoing de-listing) Luxking Group Holdings Ltd United Food Holdings Limited Debao Property Development Ltd (Undergoing de-listing) Rational Pricing Technologies Pte Ltd Quantrarian VCC | <u>Directorships</u> <ul style="list-style-type: none"> Healthbank Holdings Ltd Soilbuild Business Space Reit Sunshine 100 China Holdings Ltd 1Rockstead GIP Fund Ltd. <u>Other Principal Commitments</u> Nil | <u>Directorships</u> <ul style="list-style-type: none"> SIIC Environment Holdings Ltd. G.H.Y. Culture & Media Holding Co., Limited Koyo International Limited Motorway Automotive Pte Ltd <u>Other Principal Commitments</u> Nil. |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|--|---|--|-------------------|----------------|
| | <ul style="list-style-type: none"> • The Place Daisy (Beijing) Investment Co., Ltd. • New Vision Holding Pte. Ltd. • The Place Yuntai Investment Pte. Ltd. • New Vision Holding Pte. Ltd. • The Place Singapore Investment Pte. Ltd. • Sky Vision Management Pte. Ltd. • Capital Sky Holding Pte. Ltd <p><u>Other Principal Commitments</u> Nil.</p> | <p><u>Other Principal Commitments</u> Nil.</p> | | |
| Date of announcement of first appointment | 12 October 2016 | 1 February 2019 | 31 January 2018 | 20 June 2022 |
| 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 | No | No |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|---|-----------|---|-------------------|----------------|
| <p>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?</p> | No | <p>Yes</p> <p>Mr Chng is an independent director of Full Apex (Holdings) Limited (“FAHL”), a company listed on the Mainboard of the SGX-ST. A winding up petition was filed against FAHL on 8 February 2018 (the “Petition”) by certain creditors. The Petition was subsequently withdrawn on 3 November 2020 and an order dated 5 January 2021 was issued by the Supreme Court of Bermuda Companies (Winding Up) Commercial Court.</p> <p>For more details, please refer to FAHL’s announcement dated 15 January 2021.</p> | No | No |
| <p>c) Whether there is any unsatisfied judgment against him?</p> | No | No | No | No |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|---|-----------|--------------|-------------------|----------------|
| 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 | 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 | No | No |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|---|-----------|--------------|-------------------|----------------|
| 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 | 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 | No | No |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|---|-----------|--------------|-------------------|----------------|
| 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 | No | No |
| 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 | 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 | No | No | No | No |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|---|-----------|--------------|-------------------|----------------|
| (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 | 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 | 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 | No | No |

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION AND CONTINUED APPOINTMENT

| NAME OF RETIRING DIRECTORS | JI ZENGHE | CHNG HEE KOK | NG FOOK AI VICTOR | YEO GUAT KWANG |
|---|-----------|---|-------------------|----------------|
| 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? | No | Yes Mr Chng was fined S\$5000 in 2007 under Section 156 of the Companies Act 1967 and was given warning under Section 28(B)(b) of the Prevention of Corruption Act 1960. | No | No |

THE PLACE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 200107762R)

PROXY FORM – ANNUAL GENERAL MEETING

IMPORTANT:
Alternative Arrangements for Annual General Meeting (the “AGM” or “Meeting”)

- 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. The Notice of AGM and Proxy Form will be made available on the Company's website at the URL <https://www.theplaceholdings.com/newsroom>, and on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.
- 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, or “live” at the AGM, addressing of substantial and relevant questions at the AGM and voting at the AGM (i) “live” by the shareholders via electronic means; (ii) “live” through their duly appointed proxy(ies) (other than the Chairman of the Meeting); or (iii) through appointing the Chairman of the Meeting as proxy to vote on their behalf, are set out in the Notice of AGM.
- Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member who wish to exercise their voting rights at the AGM may: (i) (where the Shareholder is an individual) attend and vote “live” at the AGM; (ii) (where the Shareholder is an individual or a corporate) appoint proxy(ies) to attend and vote “live” at the AGM on their behalf; or (iii) (where the Shareholder is an individual or a corporate) appoint the Chairman as proxy to vote on their behalf.** In appointing a proxy or proxies (including the Chairman of the Meeting), a member (whether individual or corporate) must give specific instructions as to voting, in the form of proxy. If no specific direction as to voting is given, the proxy (including the Chairman if he is appointed as proxy) will vote or abstain from voting at his/her discretion.
- For investors who have used their CPF monies to buy shares in the capital of THE PLACE HOLDINGS LIMITED, this Proxy Form is **not** valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Such investors (including CPF/SRS investors) who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days (i.e. by 3.30 p.m. on 14 April 2023) before the AGM to specify voting instructions.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy(ies) (including the Chairman of the Meeting as a member's proxy) to attend and vote on his/her/its behalf at the AGM.

I/We _____ (Name)

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

of _____ (Address)

being a member/members of **THE PLACE HOLDINGS LIMITED** (the “Company”), hereby appoint:

| Name | Email Address | NRIC/Passport Number | Proportion of Shareholdings | |
|------|---------------|----------------------|-----------------------------|---|
| | | | No. of Shares | % |
| | | | | |

and/or (delete as appropriate)

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

or failing whom, the Chairman of the Meeting as my/our* proxy to attend and vote for me/us* on my/our* behalf, at the Twenty-First Annual General Meeting (“AGM”) of the Company, to be convened and held by way of **electronic means on Tuesday, 25 April 2023 at 3.30 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. If no specific direction as to voting or abstention is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* shall vote or abstain from voting at his/her* own discretion.

| No. | Resolutions relating to: | *For | *Against | *Abstain |
|-----|--|------|----------|----------|
| 1 | To receive and adopt Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022, together with the Independent Auditor's Report thereon | | | |
| 2 | To re-elect Mr Ji Zenghe as a Director, a director who retires pursuant to Article 94 of the Constitution of the Company | | | |
| 3 | To re-elect Mr Chng Hee Kok as a Director, a director who retires pursuant to Article 94 of the Constitution of the Company | | | |
| 4 | To re-elect Mr Ng Fook Ai, Victor as a Director, a director who retires pursuant to Article 94 of the Constitution of the Company | | | |
| 5 | To re-elect Dr Yeo Guat Kwang as a Director, a director who retires pursuant to Article 100 of the Constitution of the Company | | | |
| 6 | Approval of the payment of Directors' fees of S\$195,000 for the financial year ended 31 December 2022 | | | |
| 7 | To re-appoint Messrs Crowe Horwath First Trust LLP as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors of the Company to fix their remuneration | | | |
| 8 | Authority for Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967 and the listing rules of the SGX-ST | | | |
| 9 | Authority to grant and allot and/or issue award shares pursuant to the Performance Share Scheme | | | |
| 10 | Approval for the participation by Mr Sun Quan in the Performance Share Scheme | | | |



*Voting will be conducted by poll. If you wish your proxy/proxies (including the Chairman of Meeting) 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 your proxy/proxies (including the Chairman of Meeting) 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 your proxy/proxies (including the Chairman of Meeting) 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 proxy (including the Chairman if he is appointed as proxy) will vote or abstain from voting at his/her discretion.**

Dated this _____ day of _____ 2023

| Total Number of Shares held in: | |
|---------------------------------|--|
| CDP Register | |
| Register of Members | |

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

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

NOTES:

As the COVID-19 situation continues to evolve, the Company seeks shareholders’ understanding that further measures and/or changes to the AGM arrangements may be made on short notice. In the event such measures are adopted, the Company will make announcements as appropriate. Shareholders should read the Company’s announcements published via SGXNet to keep track of the future developments of the AGM arrangements, if any

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 2001), 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 shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. You will not be able to attend the AGM in person. If you wish to exercise your voting rights at the AGM you may:
 - a) vote “live” via electronic means at the AGM; or
 - b) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote “live” via electronic means at the AGM on your behalf; or
 - c) appoint the Chairman of the Meeting as your proxy to vote on your behalf at the AGM.

This proxy form is available at the Company’s website at <https://www.theplaceholdings.com/newsroom> and the SGX website at www.sgx.com/securities/company-announcements.

3. This Proxy Form is not valid for use by investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF/SRS investors, and shall be ineffective if used or purported to be used by them. Such investors who wish to vote should approach their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks/SRS operators to submit their votes by 3:30 p.m. on 14 April 2023.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. This proxy form may be submitted:
 - a) electronically via email to TPH2023@boardroomlimited.com or
 - b) by post to be lodged at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632,

not less than 72 hours before the time appointed for holding the AGM. All proxy forms must be completed and signed to be valid. Members are strongly encouraged to submit their completed proxy forms electronically to ensure that they are received by the Company by the stipulated deadline.

6. A shareholder who accesses the “live” webcast platform of the AGM proceedings may revoke the appointment of his/her proxy(ies) at any time before voting commences. In such event, the Company reserves the right to terminate the proxy(ies)’ access to the AGM proceedings.
7. The Proxy Form must be signed by the appointer or by his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation. Where the Proxy Form is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if Proxy Form is submitted by post, be lodged with the instrument of proxy or, if the Proxy Form is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the Proxy Form (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 appointer, 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.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 April 2023.



THE PLACE

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