THE PLACE HOLDINGS LIMITED
(Company Registration Number: 200107762R)
(Incorporated in the Republic of Singapore)

RESPONSE TO THE SGX-ST'S QUERIES RAISED ON 21 APRIL 2023 ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The board of directors (the "**Board**" or the "**Directors**") of The Place Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 21 April 2023 in relation to the Company's annual report for the financial year ended 31 December 2022 ("**FY2022 Annual Report**"):

SGX-ST Question 1:

Please provide explanations for the following material variance in:

(i) non-current liabilities from $149,000 to $399,000
(ii) net cash used in operating activities from $5,528,000 to $2,851,000
(iii) net cash used in investing activities from $2,200,000 to $6,072,000
(iv) net cash used in financing activities from $4,526,000 to $2,326,000

Listing Rule 704(6) provides that an issuer must immediately announce if it has previously announced its preliminary full-year results, any material adjustments to its preliminary full-year results made subsequently by auditors.

Please clarify whether and how has Listing Rule 704(6) been complied with.

Response to SGX-ST Question 1:

1. The increase in non-current liabilities from S$149,000 to S$399,000 is due to provision of deferred tax liabilities of S$250,000 on possibility of dividends declaration from its subsidiary, Beijing Vast Universe Culture Communication Co., Ltd.

2. The movement in consolidated statement of cash flows are as follows"

	Unaudited Financial Statements	Audited Financial Statements	Difference	Note
	S$'000	S$'000	S$'000	
Net cash used in operating activities	5,528	2,851	(2,677)	a,b,c
Net cash used in investing activities	2,200	6,072	3,872	a
Net cash used in financing activities	4,526	2,326	(2,200)	b
Effect of exchange rate fluctuations on cash held	324	(681)	1,005	c

** Extract from FY22 Full Year Condensed FS announced on 26 February 2023 and FY2022 Annual Report announced on 10 April 2023.*

a) This is a reclassification of loan to 3rd party of S$3,872,000 from operating to investing activities.
b) This is a reclassification from operating activities to financing activities of $2 million loan from a related party, Sun Xin Investment Pte Ltd and share subscription of S$200,000 of Meta Place Digital Technology Management Pte Ltd ("MPDTM") from non-controlling interest shareholder.
c) This is a reclassification of foreign exchange differences on cash and cash equivalents of S$1,005.000.

3. Considering a S$250,000 adjustment in the statements of financial position and reclassifications within the consolidated statement of cashflows, the Company believes that Listing Rule 704(6) been complied with.

SGX-ST Question 2:

Listing Rule 710A states that an issuer must describe in its annual report its board diversity policy, including the following:

(a) the issuer's targets to achieve diversity on its board;
(b) the issuer's accompanying plans and timelines for achieving the targets;
(c) the issuer's progress towards achieving the targets within the timelines; and
(d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

Please disclose whether and how Listing Rule 710A has been complied with.

Response to SGX-ST Question 2:

1. Pursuant to Listing Rule 710A, a description of the Company's Board Diversity Policy has been set out in the Corporate Governance section headed "Board Diversity" on pages 21 to 22 of the FY2022 Annual Report. This includes, among other things:

(i) the salient principle under the Company's Board Diversity Policy 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;

(ii) board diversity is an essential element contributing to the sustainable development of the Group; and

(iii) the 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.

2. In line with the Board Diversity Policy, and as disclosed on page 22 of the FY2022 Annual Report:

(i) 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;

(ii) 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; and

(iii) no individual or small group of individuals dominate the Board's decision-making process.

The NC, having taken into account the above, is satisfied that the Board comprises Directors who possess the core competencies, experience and knowledge in business, finance and management skills critical to the Group's business and that each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

3. The NC and the Board are therefore 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. Further details of the Board's mix of expertise, background and experience are set out in the profile of each Director on pages 8 to 10 of the FY2022 Annual Report.

4. That said, the NC and the Board recognise that:

(i) The existing Board comprises only male Directors which diverges from the recommended practice. Nonetheless, the Board is committed to pursue gender diversity on the Board. In this connection, the NC will endeavour to ensure that female candidates are included for consideration whenever an opportunity arises. For the avoidance of doubt, the core criteria for candidates would still be the skill-set and core competencies of the candidates, such as professional experience, industry knowledge, insights and relevance of the candidate to the Board; and

(ii) the skill-set and core competencies required of the Board may change over time as the business of the Group develops. As a result, any progress made towards the Board Diversity Policy will be disclosed in future Corporate Governance Reports, as appropriate. In view of the foregoing, the Company believes that Listing Rule 710A has been complied with.

By Order of the Board

JI ZENGHE
Executive Chairman

25 April 2023