



THE PLACE HOLDINGS LIMITED

(Company Registration Number: 200107762R)

(Incorporated in the Republic of Singapore)

RESPONSES TO SGX'S QUERIES ON THE COMPANY'S ANNOUNCEMENT DATED 29 MAY 2023 WITH RESPECT TO, INTER ALIA, THE ENTRY INTO A BINDING INDICATIVE FRAMEWORK AGREEMENT IN RELATION TO THE PROPOSED DISPOSAL OF PART OF THE GROUP'S INVESTMENTS IN ITS SUBSIDIARY, NEW VISION HOLDING PTE. LTD.

The Place Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") has received the following queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 16 June 2023 in relation to the Company's announcement dated 29 May 2023 (the "**Previous Announcement**") entitled "Responses to SGX's Queries on the Company's Announcements dated 11 May 2023 with respect to (a) the Entry into a Binding Indicative Framework Agreement in relation to the Proposed Disposal of part of the Group's investments in its subsidiary, New Vision Holding Pte. Ltd.; and (b) Updates in relation to Facility Agreement Entered into by New Vision Holding Pte. Ltd.".

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as in the Company's announcement dated 11 May 2023 entitled "Entry into a Binding Indicative Framework Agreement in relation to the Proposed Disposal of part of the Group's investments in its subsidiary, New Vision Holding Pte. Ltd." ("**First Announcement**").*

SGX Query 1

1. It is disclosed in the Company's response to query 1 of the Previous Announcement that, "The Company was of the view that there was no need to conduct an external independent valuation given that the valuation was arrived at based on a willing buyer willing seller basis and generally ascertainable from the aggregate Shareholders' Loan amount and paid-up share capital of the Target, and taking into consideration, among others, the prevailing market condition of the industry." Please explain how the Board is satisfied that the aggregate Shareholders' Loan amount and paid-up share capital of the Target is the fair value of the Property. Please also clarify whether and how this is in the best interest of shareholders, given that no external independent valuation has been conducted in respect of the Proposed Disposal.

Company's Response to SGX Query 1

As explained in the Previous Announcement, the Property is presently bare land and is the sole real asset of New Vision Holding Pte. Ltd. ("**New Vision**" or "**Target**"). Further, the Target was established to hold the Property, and apart from equity and debt capital provided by its shareholders and external bank financing, New Vision does not otherwise have any commercial operations of its own at present. As such, the Board was satisfied that the aggregate Shareholders' Loan amount and paid-up share capital of the Target would represent the fair value of the Property.

In addition, due to various factors, including but not limited to the increase in construction costs and bank borrowing costs, and market conditions and government property cooling measures that the Company considered would reduce the overall expected return of the project, the Company has been on the lookout for opportunities to dispose of the Property since mid-2022. A valuation was therefore unlikely to have an impact on the Company's decision to undertake the Proposed Disposal.

To facilitate the sale of the Property, the Company had engaged property agents to seek expressions of interest over a period of not less than 12 months. Out of the various offers received from this exercise, which included offers which were substantially much lower, the offer made by the Purchaser was the highest received to-date. A point to note is that property prices are market driven and a valuation was not likely to have an impact on the decision to dispose the property. Due to prevailing market conditions of the industry and for the reasons set out above, the Company therefore decided against incurring further costs to conduct an external independent valuation in respect of the Proposed Disposal, further noting that there was no requirement under Chapter 10 of the Listing Manual to do so.

SGX Query 2

2. In the Company's response to query 4 of the Previous Announcement, it states "The total amount of the Shareholders' Loan contributed by TPSI as at 31 December 2022 is approximately S\$39,020,000.". Since the Shareholders' Loan was provided by each of the Vendors in proportion to the respective shareholding percentages of the Vendors in the Target, please provide the computation for the S\$25,100,000 amount owed to MCC by the Target under the Shareholders' Loan.

Company's Response to SGX Query 2

MCC had extended S\$25,100,000 to the Target under the Shareholders' Loan. Although the Company's shareholders' loan and share capital is in proportion to shareholding interest in the Target, MCC's and SCL's shareholders' loan and share capital are not in proportion to shareholding interest in the Target as at 31 December 2022. SCL will contribute in proportion to their shareholding interest.

Book Value of Shareholders' Loan and Share Capital at 31 Dec 2022		79,647,423	SH Loan	SH Cap
- TPSI	51%	40,545,101	39,015,101	1,530,000
- SCL	17%	13,422,322	12,852,322	570,000
- MCC	33%	26,000,000	25,100,000	900,000

SGX Query 3

3. It is disclosed in the Company's response to query 4 of the Previous Announcement that, "To be clear, neither MCC nor SCL will have any remaining shareholding interest in the Target following completion of the Proposed Acquisition, and accordingly there will also no longer be any outstanding Shareholders' Loan amount due to either of them." Please disclose the amount of Shareholders' Loan from SCL and explain how this amount will be repaid to SCL.

Company's Response to SGX Query 3

The amount extended by SCL to the Target under the Shareholders' Loan was approximately S\$12,852,000 as at 31 December 2022.

Pursuant to the Term Sheet and as disclosed in the First Announcement, SCL has agreed to novate and transfer to the Purchaser, such portion of SCL's Shareholders' Loan equal to the proportion which the number of Sale Shares being sold by SCL bears to the aggregate number of Shares held by SCL immediately prior to such sale. Accordingly, as SCL is selling to the Purchaser all of the Shares that it holds, SCL will also novate and transfer to the Purchaser its entire portion of its Shareholders' Loan. As such, on completion of the Proposed Acquisition, there will also no longer be any outstanding Shareholders' Loan amount due to SCL.

SCL will be repaid for its Shareholders' Loan contributed in connection with the consideration payable by the Purchaser to SCL for the sale of its Shares, based on the Valuation Price of S\$80,000,000. Save for this, SCL will not receive any other amount from the proceeds of the Proposed Disposal.

SGX Query 4

4. Please clarify if the Company has entered into any agreement to sell their remaining interest in the Target.

Company's Response to SGX Query 4

As at the date hereof, the Company has not entered into any agreement to sell its remaining interest in the Target.

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman
20 June 2023