



THE PLACE HOLDINGS LIMITED

(Company Registration Number: 200107762R)

(Incorporated in the Republic of Singapore)

**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.**

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of The Place Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's annual report ("**FY2022 Annual Report**") for the financial year ended 31 December 2022 ("**FY2022**"), which had indicated that in December 2022, the Group had received and accepted a non-binding expression of interest offered by a prospective buyer for the shares of New Vision Holding Pte. Ltd. ("**Target**"). As stated in the FY2022 Annual Report, the Target is a partially-owned indirect subsidiary of the Company, which holds the legal and beneficial title to the land and building formerly known as Realty Centre and the adjacent remnant land situated at 15 Enggor Street, Singapore 079716 (the "**Property**"); the Property was classified under assets held-for-sale in the audited consolidated financial statements of the Group for the FY2022 ("**FY2022 Financial Statements**") following a decision by the Group to divest the Property, after consideration of various relevant factors, including the increase in construction costs and bank borrowing costs, and market conditions and government property cooling measures that the Group considered would reduce the overall expected return in the project. To update, negotiations with that particular prospective buyer have not progressed significantly. The Group continued to engage in parallel with other third parties in respect of the potential disposal of the Property and/or the Group's investments in the Target. The Group's interests in the Target are held by The Place Singapore Investment Pte. Ltd. ("**TPSI**"), a wholly-owned subsidiary of the Company.

The Company wishes to announce that TPSI, has on 10 May 2023 entered into a binding indicative framework agreement ("**Term Sheet**") with MCC Land (Singapore) Pte. Ltd. ("**MCC**") and Sun Card Limited ("**SCL**") as vendors (TPSI, MCC and SCL, collectively, the "**Vendors**"), Maximus Global Ventures Limited as the purchaser ("**Purchaser**"), and the Target as the target company, pursuant to which:

- (a) each of MCC and SCL has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from each of MCC and SCL, its respective stake, collectively amounting to an aggregate of 1,470,000 shares in the share capital of the Target (representing an aggregate of 49.0% of the total issued and paid-up share capital of the Target) (the "**MCC and SCL Sale Shares**");

(b) subject to the adjustments set out at paragraph 4.1 below, TPSI has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from TPSI, up to 330,000 shares in the share capital of the Target (representing up to 11.0% of the total issued and paid-up share capital of the Target) (the "**TPSI Sale Shares**", and together with the MCC and SCL Sale Shares, the "**Sale Shares**"),

(the sale of the Sale Shares, the "**Proposed Disposal**");

(c) with respect to existing shareholders' loans which were granted by each of the Vendors to the Target in proportion to its equity in the Target in accordance with a shareholders' loan agreement dated 15 April 2021 between the Vendors and the Target ("**Shareholders' Loan**"), each of TPSI and SCL has also agreed to novate and transfer to the Purchaser, such portion of its respective Shareholders' Loan, that is equal to the proportion which the number of Sale Shares being sold by such Vendor, bears to the aggregate number of shares in the share capital of the Target held by the relevant Vendor immediately prior to the Proposed Disposal (the "**Proposed Transfer**"); and

(d) TPSI and the Purchaser shall procure the Target to fully repay S\$25,100,000 to MCC, being the outstanding Loan (as defined below) amount extended by MCC to the Target pursuant to the Shareholders' Loan, prior to completion of the Proposed Disposal,

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

subject to the terms and conditions set out in the Term Sheet and the definitive agreements (the "**Definitive Agreements**") to be entered into relating to the Proposed Transaction, including but not limited to the sale and purchase agreement ("**SPA**").

For the avoidance of doubt, the Purchaser is not an interested person of the Company.

The Term Sheet constitutes a legally binding agreement amongst the Vendors, the Purchaser, and the Target (collectively, the "**Parties**", and each a "**Party**"). The Parties shall negotiate in good faith and enter into the SPA by 30 June 2023 (the "**Long Stop Date**").

In respect of the Shareholders' Loan referred to in sub-paragraphs (c) and (d) above, as at the date of this announcement ("**Announcement**"), the aggregate outstanding Loan (as defined below) amount extended by the Vendors to the Target under the Shareholders' Loan is S\$77,000,000. Further details of the Shareholders' Loan are set out in paragraph 2.2 below.

2. INFORMATION RELATING TO THE TARGET AND THE PROPOSED TRANSACTION

2.1 Information on the Target and the TPSI Sale Shares

The Target is a private limited company incorporated in Singapore on 18 April 2019 with its registered office at 6 Battery Road, #16-06, Singapore 049909. The Target was incorporated to acquire and hold the legal and beneficial title to the Property. Following completion of the demolition of the building (formerly known as Realty Centre) formerly situated at the Property, the Property is currently bare land, zoned for commercial use.

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

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

To facilitate the Target's initial acquisition of the Property, the Target had also obtained bank borrowings from Malayan Banking Berhad, Singapore Branch and China CITIC Bank International Limited, Singapore Branch ("**External Bank Lenders**") pursuant to a facility agreement dated 29 April 2021 between the Target and the External Bank Lenders ("**Target's Bank Financing**"). As at the date of this Announcement, the total principal amount due and outstanding under the Target's Bank Financing (excluding accrued interest) stands at S\$109,735,097.

No external independent valuation was conducted on the Sale Shares or the TPSI Sale Shares for the purposes of the Proposed Transaction.

2.2 Information on the Shareholders' Loan

The Shareholders' Loan was entered into amongst the Target and the Vendors for the purposes of providing capital financing to the Target in proportion to the respective shareholding percentages of the Vendors in the Target. The key terms of the Shareholders' Loan are as follows:

- (a) the Vendors shall loan a total of up to S\$87,000,000 ("**Loan**") to the Target to finance the Target's real estate business relating to *inter alia* the redevelopment of the Property;
- (b) each Vendor's obligation to participate in the Loan will be in proportion to its respective shareholding percentage in the Target, and each Vendor's obligation is several (no Vendor is responsible for the obligations of the other Vendors);
- (c) the Loan shall bear interest at the rate of 0% per annum; and
- (d) the Target shall repay the Loan amount or any part thereof, together with the accrued interest on such Loan amount or part thereof (if any) on a date mutually agreed by the Target and the Vendors.

For the purposes of sub-paragraph (d) above, and save as set out in this Announcement, as at the date of this Announcement, the parties to the Shareholders' Loan have not agreed on any date for the repayment of the outstanding Loan amount (or any accrued interest thereon) from the Target.

No independent external valuation was conducted on the Shareholders' Loan or the TPSI Relevant Loan Amount (as defined below) for the purposes of the Proposed Transaction.

2.3 Information on the Purchaser

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

The Purchaser is a private company limited by shares incorporated in the British Virgin Islands on 10 February 2011 with an issued and paid-up share capital of US\$50,000 comprising 50,000 shares, and having its registered office at Intershore Chambers, Road Town, Tortola, British Virgin Islands. The principal activity of the Purchaser is investment holding.

Born out of a consolidation of a diverse set of businesses owned by its founders, the Purchaser is a private global investment firm that originates, structures and acts as lead equity investor in companies in all stages of development.

The Purchaser's headquarters are in Singapore, and they manage and operate their portfolio companies out of satellite offices in Hong Kong, Taiwan and China. The Purchaser focuses on sectors in which it has demonstrated expertise i.e real estate, infocomm, high-tech manufacturing, intelligence system technologies, semi-conductor manufacturing and aviation.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED TRANSACTION

As stated in the FY2022 Annual Report, the Group had reached a decision to divest the Property, including through a potential sale of its investments in the Target, after consideration of various relevant factors. These included the increase in construction costs and bank borrowing costs, and market conditions and government property cooling measures that the Group considered would reduce the overall expected return in the project. Accordingly, the Property was classified under assets "held-for-sale" in the Company's FY2022 Financial Statements, as discussions with third parties which may have an interest in acquiring the Property and/or the Target progressed.

The Company is of the view that the Proposed Transaction presents an opportunity for the Group to realise the value of the TPSI Sale Shares and the TPSI Relevant Loan Amount (collectively, the "**Transaction Assets**"), to free up cash and other resources for other business opportunities, such as the Company's collaborations with Stellar Lifestyle Pte. Ltd. as disclosed in the Company's FY2022 Annual Report.

The Proposed Transaction is also in line with the Group's strategy to focus on its digital technology businesses, considering the challenging prospects of property development and property sales in Singapore.

4. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

4.1 TPSI Sale Shares and TPSI Relevant Loan Amount

As set out in paragraph 1(b) above, TPSI has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from TPSI, up to 330,000 shares in the share capital of the Target, representing up to 11.0% of the total issued and paid-up share capital of the Target.

The number of TPSI Sale Shares to be sold to the Purchaser is however subject to adjustment: where if a sale and purchase of TPSI Sale Shares representing 11.0% of the issued and paid-up share capital of the Target requires the Company to seek the approval of the shareholders of the Company ("**Shareholders**") pursuant to the Listing Manual of the SGX-ST, the number of TPSI Sale Shares that TPSI shall be required to sell to the Purchaser shall be reduced by the smallest possible extent so as to not require Shareholders' approval pursuant to the Listing Manual of the SGX-ST, but provided that the TPSI Sale Shares shall represent at least 2.0% of the issued and paid-up share capital of the Target.

In line with the above, and based on the FY2022 Financial Statements, the Company has determined that no adjustment is required and the number of TPSI Sale Shares that TPSI may sell to the Purchaser is the full 330,000 shares, representing 11.0% of the issued and paid-up share capital of the Target. Please see paragraph 7 below for the relative figures computed pursuant to Rule 1006 of the Listing Manual in respect of the Proposed Transaction, on the basis that the number of TPSI Sale Shares to be sold by TPSI to the Purchaser is 330,000.

Accordingly, as the number of TPSI Sale Shares to be sold by TPSI to the Purchaser is 330,000 shares, the outstanding Loan amount extended by TPSI to the Target under the Shareholders' Loan that is subject to the Proposed Transfer (the "**TPSI Relevant Loan Amount**") shall consequently be S\$8,640,000.

4.2 Consideration

The consideration for the Proposed Transaction (the "**Consideration**") payable to TPSI shall be computed based on a S\$80,000,000 valuation of the Target ("**Valuation Price**"), where the formula for the purposes of calculating the amount of Consideration for the purchase of the TPSI Sale Shares and the novation of the TPSI Relevant Loan Amount shall be as follows:

$$\begin{array}{l} \textit{Percentage of shareholding interest in the Target sold by TPSI} \\ \times \\ \textit{Valuation Price (S\$)} \end{array}$$

On the basis that the TPSI Sale Shares represent 11.0% of the issued and paid-up share capital of the Target, the amount of Consideration payable by the Purchaser to TPSI in connection with the Proposed Transaction shall be S\$8,800,000 ("**TPSI Consideration**"), being 11.0% of the Valuation Price of S\$80,000,000.

The Consideration shall be payable by the Purchaser to the Vendors on completion of the Proposed Transaction ("**Completion**"). The Consideration was arrived at after arm's length negotiations and based on a willing-buyer willing-seller basis, taking into account the net asset value of the Transaction Assets and the Target's Bank Financing, and shall be satisfied entirely in cash by way of telegraphic transfer (or in such other manner as the Purchaser and the relevant Vendor may agree).

4.3 Restructuring of Target's Bank Financing

The Purchaser and TPSI shall engage in discussions with the External Bank Lenders to restructure the Target's Bank Financing on terms mutually agreeable with the External Bank Lenders, the Purchaser and TPSI. The Purchaser has undertaken to provide an interest-free shareholders' loan to the Target for such amount sufficient to fully repay the principal amount outstanding on the Target's Bank Financing on the signing of the SPA, which shall be used to repay the outstanding Target's Bank Financing.

4.4 Conditions Precedent

Completion shall be subject to conditions precedent ("**Conditions Precedent**") customary for transactions of such nature, including but not limited to the following:

- (a) the completion of legal and financial due diligence on the Target;
- (b) the obtaining of all necessary corporate approvals from the board of directors and, where applicable, shareholders of each Vendor. Each Party shall provide the other Parties with information reasonably required for the purposes of obtaining such corporate approvals;
- (c) the obtaining of all necessary approvals, consents and waivers from the regulatory authorities (including from the SGX-ST (if required)), and such approvals, consents and waivers being in full force and effect and not having been withdrawn, and if such approval, consent and waiver is subject to any condition(s) or restriction(s), such condition(s) or restriction(s) being reasonably acceptable to the Parties;
- (d) the obtaining of all necessary approvals, consents and waivers from the External Bank Lenders in respect of the Target's Bank Financing and the restructuring of the Target's Bank Financing as set out at paragraph 4.3, and such approvals, consents and waivers being in full force and effect and not having been withdrawn, or the Target's Bank Financing being fully repaid with no further amounts outstanding;
- (e) with regard to the Sale Shares held by MCC, the fulfilment of the requirements for the transfer of equity relating to Chinese state-owned enterprises under the laws of the People's Republic of China; and
- (f) the obtaining of all necessary approvals, consents and waivers from the Vendors pursuant to the terms and conditions of the joint venture and shareholders' agreement entered into between the Vendors and the Target dated 11 March 2021, and as supplemented by the supplemental agreement dated 1 May 2021 ("**JVSHA**"), and such approvals, consents and waivers being in full force and effect and not having been withdrawn.

4.5 Definitive Agreements

As set out at paragraph 1 above, the Parties shall negotiate in good faith to agree and enter into the SPA by the Long Stop Date. The Term Sheet shall terminate upon the earlier of:

- (a) execution of the SPA; and
- (b) the Long Stop Date,

and upon such termination, no Party shall have any claim against the other Parties for costs, damages, compensation or otherwise, save for any rights, claims or remedies available or already accrued to the Parties prior to such termination.

The Definitive Agreements shall set out all the relevant terms and conditions usual and standard for a transaction of this nature, and shall be governed by Singapore law.

4.6 Completion

On Completion:

- (a) the existing JVSHA shall be terminated and each party thereto shall have no claims or rights against the other parties in respect of or arising out of the JVSHA; and
- (b) TPSI, the Purchaser and the Target shall enter into a new shareholders' agreement for the purposes of regulating the management and business of the Target. The terms of the new shareholders' agreement shall be mutually agreed by the Purchaser and TPSI, and such terms shall among others, provide that the risks and rewards of each shareholder of the Target are in proportion to their respective shareholding proportion in the Target.

Completion of the Proposed Transaction shall take place by 10 November 2023 or such other date as may be mutually agreed between the Parties.

4.7 Termination

Notwithstanding anything to the contrary in the Term Sheet, any Party shall be entitled to terminate the Term Sheet if:

- (a) any Party has received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the Proposed Transaction or seeking damages or other recourse in respect thereof, or notice that any of the foregoing is pending or threatened;
- (b) any applicable laws having been enacted or proposed which will prohibit, materially restrict or materially delay the implementation of the Proposed Transaction;
- (c) proceedings shall have been initiated against any Vendor, the Company or the Target under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of thirty (30) calendar days; or
- (d) the Purchaser is in breach of its obligations set out in paragraph 4.3 or wilfully restricts

or delays the implementation of the Proposed Transaction,

in which case, no Party shall have any claim against the other Parties for costs, damages, compensation or otherwise, save for any rights, claims or remedies available or already accrued to the Parties prior to such termination.

4.8 Representations and Warranties

Each of the Vendors shall severally (in such proportion equal to the respective Vendor's *pro rata* portion of the Sale Shares) and not jointly provide, and the Purchaser shall provide, such representations and warranties relating to title (to the Sale Shares and the Property, in the case of each Vendor), authority and capacity that are customary of transactions of this nature.

TPSI shall also provide warranties in favour of the Purchaser relating to the operations and/or financial statements of the Target.

4.9 Governing Law

The Term Sheet shall be governed by, and construed in accordance with, the laws of Singapore.

5. ILLUSTRATIVE FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The following pro forma financial effects of the Proposed Transaction are for illustrative purposes only and do not reflect the future financial position of the Company or the Group following Completion. The following pro forma financial effects have been prepared based on the FY2022 Financial Statements, and on the following key bases and assumptions:

- (a) the number of shares is based on 5,880,654,539 issued and paid-up ordinary shares in the capital of the Company ("**Shares**") as at 31 December 2022;
- (b) for the purposes of illustrating the financial effects of the Proposed Transaction on the Group's net tangible assets ("**NTA**") per Share, it is assumed that the Proposed Transaction had been completed on 31 December 2022;
- (c) for the purposes of illustrating the financial effects of the Proposed Transaction on the Group's earnings (loss) per Share ("**EPS**"), it is assumed that the Proposed Transaction had been completed on 1 January 2022;
- (d) 330,000 TPSI Sale Shares shall be sold by TPSI to the Purchaser in connection with the Proposed Transaction, and the TPSI Relevant Loan Amount is S\$8,640,000; and
- (e) all transaction-related costs in relation to the Proposed Transaction have been disregarded.

5.1 Effects on NTA per Share

	Before the Proposed Transaction	After the Proposed Transaction
NTA attributable to the Shareholders (S\$ million)	78.148	78.187
NTA per Share (cents)	1.33	1.33

5.2 Effects on EPS

	Before the Proposed Transaction	After the Proposed Transaction
Earnings (Loss) attributable to the Shareholders (S\$ million)	(12.46)	(12.42)
EPS (Loss) per Share (cents)	(0.21)	(0.21)

6. OTHER FINANCIAL INFORMATION AND INTENDED USE OF PROCEEDS

Based on the FY2022 Financial Statements:

- (a) the book value and NTA value attributable to the Transaction Assets are S\$79,647,423 and S\$15,737,214, respectively. No open market value has been determined as no external independent valuation has been conducted specifically for the Transaction Assets;
- (b) the excess of the proceeds from the Proposed Transaction over the book value of the Transaction Assets is S\$352,577;
- (c) the net profit attributable to the Transaction Assets is S\$352,577; and
- (d) the gain on disposal from the Proposed Transaction, assuming that 330,000 TPSI Sale Shares shall be sold by TPSI to the Purchaser in connection with the Proposed Transaction and the TPSI Relevant Loan Amount is S\$8,640,000, is expected to be S\$38,783.

The net proceeds from the Proposed Transaction are currently intended to be used by the Group for its other business opportunities, such as the Company's collaborations with Stellar Lifestyle Pte. Ltd . as disclosed in the Company's FY2022 Annual Report.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures computed pursuant to Rule 1006 of the Listing Manual in respect of the Proposed Transaction are set out below:

Bases in Rule 1006 of the Listing Manual ^{(1) (2)}	Relative Figure
(a) Net asset value of the assets to be disposed of, compared with the Group's net asset value	1.83% ⁽³⁾
(b) Net loss attributable to the assets acquired or disposed of, compared with the Group's net loss	-2.85% ⁽⁴⁾
(c) Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	16.63% ⁽⁵⁾

Notes:

- (1) Rules 1006(d) and 1006(e) are not applicable as no equity securities will be issued by the Company in connection with the Proposed Transaction, and the Company is not a mineral, oil and gas company.
- (2) For the purposes of computing the relative figures under Rules 1006(a), 1006(b) and 1006(c), it is assumed that 330,000 TPSI Sale Shares shall be sold by TPSI to the Purchaser in connection with the Proposed Transaction and the TPSI Relevant Loan Amount is S\$8,640,000.
- (3) Based on the FY2022 Financial Statements, the net asset value of the Transaction Assets is S\$1,731,094, and the net asset value of the Group is S\$94,784,000.
- (4) Based on the FY2022 Financial Statements, the net loss attributable to the Transaction Assets is S\$502,946, and the Group's net loss is S\$17,659,000.
- (5) The aggregate value of the TPSI Consideration receivable by TPSI pursuant to the Proposed Transaction amounts to S\$8,800,000. The Company's market capitalisation is approximately S\$52,930,000, calculated based on the total number of Shares (excluding treasury Shares) in issue multiplied by the weighted average price of S\$0.009 per Share as at 9 May 2023, being the last market day preceding the date of the Term Sheet.

Under Rule 1007(1) of the Listing Manual, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Listing Manual may still be applicable to the transaction in accordance with the applicable circumstances. In this regard, notwithstanding that the relative figure computed pursuant to Rule 1006(b) involves negative figures, as each of the relative figures computed under Rules 1006(a) and 1006(c) does not exceed 20%, and the Proposed Transaction results in a gain on disposal, the Proposed Transaction constitutes a "discloseable transaction" under Chapter 10 of the Listing Manual.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

SCL is a Hong Kong corporation. Mr. Ji Zenghe, the Executive Chairman of the Company and Mr. Fan Xianyong, an Executive Director and Chief Executive Officer of the Company, respectively hold 65% and 35% of the shares in a holding company which in turn has 95% direct shareholding interest in SCL. The remaining 5% in SCL is held by an independent third

party incorporated in Hong Kong. Mr Ji. and Mr. Fan are also directors of SCL, and are Controlling Shareholders (as defined in the Listing Manual) of the Company. Save as described above, no other Director or Controlling Shareholder of the Company has any interest in SCL. To avoid doubt, neither Mr. Ji Zenghe nor Mr. Fan Xianyong, nor their respective associates, has any interest in the Purchaser, and the Purchaser is not an interested person for the purposes of Chapter 9 of the Listing Manual.

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

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

9. SERVICE CONTRACTS

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

10. FURTHER INFORMATION

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

11. DOCUMENTS FOR INSPECTION

A copy of the Term Sheet will be available for inspection during normal business hours at the registered office of the Company at 6 Battery Road #16-06 Singapore 049909, for three (3) months from the date of this Announcement. Shareholders who wish to inspect the Term Sheet at the Company's registered office are required to send an email request to ailli.tay@theplaceholdings.com to make an appointment in advance.

12. CAUTION IN TRADING

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

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman
11 May 2023