



THE PLACE HOLDINGS LIMITED

(Company Registration Number: 200107762R)
(Incorporated in the Republic of Singapore)

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.

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 23 May 2023 in relation to the following announcements of the Company:

- (a) the announcement 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." dated 11 May 2023 (the "**First Announcement**"); and
- (b) the announcement entitled "Updates in relation to Facility Agreement entered into by New Vision Holding Pte. Ltd." dated 11 May 2023 (the "**Second Announcement**").

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as in the First Announcement and Second Announcement (as the case may be).

SGX Query 1

- 1. Please explain why no external independent valuation has been obtained for the Transaction Assets.

Company's Response to SGX Query 1

The Property is presently bare land, and represents the sole real asset of New Vision Holding Pte. Ltd. ("**New Vision**" or "**Target**"), which was established to hold the Property. Apart from equity and debt capital provided by its shareholders and external bank financing, New Vision otherwise does not have any commercial operations of its own at present.

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.

Further, as the Proposed Transaction constitutes a "discloseable transaction" under Chapter 10 of the Listing Manual, there was no requirement under Chapter 10 of the Listing Manual for the Company to appoint an external independent valuer to value the Transaction Assets.

SGX Query 2

2. It is disclosed in the First Announcement that, TPSI and the Purchaser shall procure the Target to fully repay \$25.1 million to MCC, being the Outstanding Loan amount extended by MCC to the Target. Please explain how this payment will be made, taking into consideration that the Company's disclosure in its FY2022 Annual Report that, the Disposal Group (as defined in the Annual Report) only has \$3,858,000.

Company's Response to SGX Query 2

It is intended that on Completion, the Target and the Purchaser shall enter into a loan agreement, where such loan shall, among others, be used to repay the Outstanding Loan amount extended by MCC to the Target. Discussions are currently ongoing between the Target and the Purchaser in respect of such loan.

SGX Query 3

3. It is disclosed in the First Announcement that, based on the FY2022 Financial Statements, (i) the book value and NTA value attributable to the Transaction Assets are S\$79,647,423 and S\$15,737,214, respectively; and (ii) the net asset value of the Transaction Assets is S\$1,731,094.
 - (a) Please reconcile the difference in the book value, NTA and net assets amount. Please also disclose the nature of such variances.
 - (b) Please explain if the net assets of the Transaction Assets took into consideration the amount to be repaid by the Target to MCC. If not, please disclose the relative figures under Listing Rule 1006 taking into consideration such repayment.

Company's Response to SGX Query 3

- (a) The book value attributable to the Transaction Assets referred to in paragraph 6(a) of the First Announcement was meant to refer to the book value to which the Valuation Price for the Consideration is derived from, being the sum of the Shareholders' Loan of S\$76,647,423 and the entire paid-up share capital of the Target of S\$3,000,000, which is S\$79,647,423 as at 31 December 2022.

The NTA value attributable to the Transaction Assets referred to in paragraph 6(a) of the First Announcement was meant to refer to the NTA value of the Target, being S\$15,737,214 as at 31 December 2022.

Accordingly, the net asset value of the Transaction Assets, being the net asset value of the TPSI Sale Shares, which comprises 11.0% of the total issued and paid-up share capital of the Target, and the net asset value of the TPSI Relevant Loan Amount, is S\$1,731,094.

For clarity, Transaction Assets comprises the TPSI Sale Shares and the TPSI Relevant Loan Amount, and the book value and NTA attributable to the Target and the Transaction Assets, and the net asset value of the Target and the Transaction Assets, are as set out below:

	Target Co	Transaction Assets
<u>As at 31 Dec 2022</u>	S\$	S\$
Book Value attributable to Target Co/ Transaction Assets	79,647,423	8,761,217
NTA Value attributable to Target Co/ Transaction Assets	15,737,214	1,731,094
Net Asset Value of the Target Co/ Transaction Assets	15,737,214	1,731,094

- (b) The net asset value of the Transaction Assets did not take into consideration the amount to be repaid by the Target to MCC given that the intention was for the Purchaser to extend a new shareholders' loan to the Company to among others, repay such amount. Taking into consideration the amount to be repaid by the Target to MCC, as well as the shareholders' loan to be entered into between the Purchaser as lender and the Target as borrower (which would have been used for the said repayment to MCC), the relative figures re-computed pursuant to Rule 1006(a) and (b) of the Listing Manual remain unchanged:

Bases in Rule 1006(a) and (b) 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	1.58% ⁽³⁾
(b) Net loss attributable to the assets acquired or disposed of, compared with the Group's net loss	2.73% ⁽⁴⁾

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) and 1006(b), 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\$1,500,266, and the net asset value of the Group is S\$94,784,000. Assuming (a) S\$25,100,000 was repaid to MCC pursuant to the outstanding Shareholders' Loan extended by MCC to the Target, and (b) an interest-free shareholders' loan of S\$25,100,000 was extended by the Purchaser as lender to the Target as borrower (which would have been used for the said repayment to MCC), and further assuming both transactions completed on 31 December 2022, the net asset value of the Transaction Assets would remain S\$1,500,266, and of the Group would remain S\$94,784,000, which were the figures used in the computation of the Rule 1006(a) relative figure in the table above.
- (4) Based on the FY2022 Financial Statements, the net loss attributable to the Transaction Assets is S\$398,978, and the Group's net loss is S\$14,602,000. Assuming (a) S\$25,100,000 was repaid to MCC pursuant to the outstanding Shareholders' Loan extended by MCC to the Target, and (b) an interest-free shareholders' loan of S\$25,100,000 was extended by the Purchaser as lender to the Target as borrower (which would have been used for the said repayment to MCC), and further assuming both transactions completed on 31 December 2022, the net loss of the Transaction Assets would remain S\$398,978, and of the Group would remain S\$14,602,000, which were the figures used in the computation of the Rule 1006(b) relative figure in the table above.

For the avoidance of doubt, the Rule 1006(c) relative figure as set out in the First Announcement would not have been impacted by the above adjustments.

SGX Query 4

4. It is disclosed in the First Announcement that, 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").

Please disclose the total amount of Shareholders' Loan contributed by TPSI and explain if the remaining Shareholders' Loan amount (excluding the TPSI Relevant Loan Amount) will be repaid.

Company's Response to SGX Query 4

The total amount of the Shareholders' Loan contributed by TPSI as at 31 December 2022 is approximately S\$39,020,000.

Following the Proposed Transfer, the remaining Shareholders' Loan amount of S\$30,603,386 (being the amount of the Shareholders' Loan contributed by TPSI less the TPSI Relevant Loan Amount that will be novated and transferred to the Purchaser) will be left outstanding.

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.

As disclosed at paragraph 2.2 of the First Announcement, such Shareholders' Loan bears interest at the rate of 0% per annum, and 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.

SGX Query 5

5. It is disclosed in the First Announcement that, 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.

Please disclose the computation of the TPSI Relevant Loan Amount.

Company's Response to SGX Query 5

As disclosed in the First Announcement, TPSI has 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 sold by TPSI, bears to the aggregate number of shares in the share capital of the Target held by TPSI.

TPSI holds 1,530,000 shares in the share capital of the Target as at the date of this announcement. The number of TPSI Sale Shares to be sold by TPSI to the Purchaser is 330,000, representing approximately 21.57% of the number of shares in the share capital of the Target that is held by TPSI as at the date of this announcement. The Company had made an inadvertent editorial mistake in its First Announcement, and to clarify, as the total amount of Shareholders' Loan contributed by TPSI is S\$39,020,000 as at 31 December 2022, the TPSI Relevant Loan Amount is S\$8,416,614 (being 21.57% of the said S\$39,020,000).

SGX Query 6

6. It is disclosed under Section 6 of the First Announcement that, the net profit attributable to the Transaction Assets is S\$352,577, and under Section 7 of the First Announcement that, the net loss attributable to the Transaction Assets is S\$502,946.

Please reconcile the above statements.

Company's Response to SGX Query 6

The Company wishes to clarify that the reference to "net profit attributable to the Transaction Assets" of S\$352,577 at Section 6, refers to the amount by which the total proceeds from the Proposed Transaction (i.e. the Valuation Price of S\$80,000,000, being the agreed amount used in calculating the Consideration and TPSI Consideration) exceeded the book value of the Transaction Assets (being the total amount of the Shareholders' Loan and the total paid-up share capital of the Target of S\$79,647,423). The Valuation Price was determined based on a willing buyer willing seller basis, and taking into consideration, among others, the aggregate Shareholders' Loan amount and paid-up share capital of the Target and the prevailing market condition of the industry.

For the purposes of computing the relative figure under Listing Rule 1006(b) in paragraph 7 of the First Announcement, the "net loss attributable to the Transaction Assets" of S\$502,946, refers to the net loss attributable in connection with the disposal by TPSI of the TPSI Sale Shares which represent 11.0% of the issued share capital of the Target, and was derived by taking 11.0% of the Target's total net loss for FY2022 of S\$4,572,236. No profit or loss is considered attributable to the TPSI Relevant Loan Amount as it is not an interest-bearing loan.

SGX Query 7

7. Please disclose the remaining percentage of Target held by the Company after the Proposed Transaction and how it will be accounted for in the Company's books.

Company's Response to SGX Query 7

As disclosed in the First Announcement, TPSI holds 51.0% of the total issued and paid-up share capital of the Target, and has agreed to sell to the Purchaser up to 11.0% of the total issued and paid-up share capital of the Target, subject to adjustments.

It was also further disclosed in the First Announcement that as the Company had determined that no adjustment was required and that TPSI may sell to the Purchaser the full 11.0% of the issued and paid-up share capital of the Target. Accordingly, following Completion, the Company will hold 40.0% of the total issued and paid-up share capital of the Target, and from an accounting perspective, the Target will no longer be considered a subsidiary of the Company and will instead be considered an associate of the Company.

SGX Query 8

8. It is disclosed in the Company's FY2022 Annual Report that, 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. Please provide the relative figures under Listing Rule 1006, before taking into account the recognition of impairment losses made in FY2022.

Company's Response to SGX Query 8

Impairment losses of S\$5,780,000 were recognised at Group level following the classification of the Target as held-for-sale. The updated relative figures pursuant to Rule 1006(a) and (b) of the Listing Manual in respect of the Proposed Transaction (as defined in the First Announcement), assuming that the impairment loss of S\$5,780,000 was not to be taken into account, are as follows:

Bases in Rule 1006(a) and (b) 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	1.49% ⁽³⁾ 4.52% ⁽⁴⁾
(b)	Net loss attributable to the assets acquired or disposed of, compared with the Group's net loss	

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) and 1006(b), 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\$8,416,614.
- (3) Based on the FY2022 Financial Statements, the net asset value of the Transaction Assets is S\$1,500,266, and the net asset value of the Group is S\$94,784,000. Assuming that the impairment loss of S\$5,780,000 was not to be taken into account in the computation, the theoretical adjusted net asset value of the Transaction Assets would remain at S\$1,500,266, and of the Group would be S\$100,564,000, which were the figures used in the computation of the Rule 1006(a) relative figure in the table above.
- (4) Based on the FY2022 Financial Statements, the net loss attributable to the Transaction Assets is S\$398,978, and the Group's net loss is S\$14,602,000. Assuming that the impairment loss of S\$5,780,000 was not to be

taken into account in the computation, the theoretical adjusted net loss attributable to the Transaction Assets would remain at S\$398,978, and to the Group would be S\$8,822,000, which were the figures used in the computation of the Rule 1006(a) relative figure in the table above.

For the avoidance of doubt, the Rule 1006(c) relative figure as set out in the First Announcement would not have been impacted by the above adjustments.

SGX Query 9

9. It is disclosed in the Second Announcement that, New Vision had been informed by the Financiers in a letter dated 24 April 2023 that it is in technical breach of certain covenants relating to the commencement and progress of the Project under the Facility Agreement and sets out certain revised milestones including amongst others, the additional of a provision for New Vision to provide updates on any prospective buyers and indicative offers received in relation to Realty Centre.

Please explain the delay in the Company's announcement of its technical breach of certain covenants.

Company's Response to SGX Query 9

Capitalised terms used in this response shall have the definitions ascribed to them in the Company's announcements dated 11 May 2023 (the "Announcements").

Following receipt of the letter from the Financiers on 24 April 2023 (the "Financiers' Letter"), the Company had called for a Board meeting. The Board discussed the need for an announcement and in particular, the following considerations:

- a) while the Financiers' Letter indicated that New Vision was in technical breach of certain covenants under the Facility Agreement, the Financiers' Letter nonetheless provided certain revised milestones to New Vision (the "Revised Milestones") in relation to the Project and the Facility Agreement, which included, inter alia, updates to be provided to the Financiers in relation to prospective buyers and indicative offers (if any) received in relation to the Property, and such Revised Milestones to-date have been met;
- b) in relation to the Revised Milestones, the Board noted that at the time of receipt of the Financiers' Letter, the Company was still in the midst of the final stages of discussions with the Purchaser concerning key details of the Proposed Disposal, and no concrete or definitive proposal had been signed or agreed to at that point in time; and
- c) as illustrated above, given that the Proposed Disposal and the Revised Milestones were interlinked, the Board was therefore of the view that an announcement in relation to the receipt of the Financiers' Letter may not be required at such time as such breach was only a technical one, the Revised Milestones provided by the Financiers have been met by the Company and New Vision, and the Proposed Disposal was still in the process of being finalised, which constituted an incomplete proposal at the relevant time. In view of the foregoing, an announcement in relation to the technical breach of the Facility Agreement was not made on 24 April 2023.

The Company and the Purchaser had agreed on the key terms relating to the Proposed Disposal and had entered into the Term Sheet on 10 May 2023 between the Purchaser and the Company's subsidiary, TPSI. As such, the Company called for a trading halt and released the Announcements on 11 May 2023.

The Company and New Vision had been and are presently working with the Purchaser towards the completion of the Proposed Disposal.

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman
29 May 2023