



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

**RESPONSE TO THE SGX-ST'S QUERIES RAISED ON 27 MARCH 2023 ON THE UNAUDITED
FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER
2022**

The board of directors (the “**Board**”) of The Place Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its responses (“**Response**”) to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 17 March 2023 and the subsequent queries raised by the SGX-ST on 27 March 2023 in relation to the Company’s unaudited full year financial statements for the financial year ended 31 December 2022.

The Company sets out its responses to the queries raised by the SGX-ST below:

Query 1:

In the Company’s Response to Query 1, it is disclosed that, *“On 20 December 2017, a loan agreement of S\$3,600,000 was entered between Billion Sight Holdings Limited (“**Billion Sight**”) and the Company (the “**Loan Agreement**”). Billion Sight is a working partner of Beijing Aozhong Shimao Wuye Management Co., Ltd. (“**BJ Shimao Wuye**”)”*

Please disclose the beneficial owners of Billion Sight and reasons for the provision of loan to Billion Sight.

The Company’s response to Query 1:

The beneficial owner of Billion Sight is Lam Wai Shan of Hong Kong nationality. Lam Wai Shan is not an interested party and not related to the directors and executive officers of the Company. Billion Sight was a tenant at The Place (Beijing), a shopping mall featuring global chain stores and a massive LED screen canopy with digital animation. The loan was provided for their business expansion purpose.

Query 2:

In the Company’s Response to Query 4, it is disclosed that *“To-date, the Company’s total commitment to the JVCo stands at S\$42.17 million, comprising of S\$1.53 million of capital commitment and S\$40.64 million of shareholders’ loans.”*

On page 8 of the Company’s circular dated 22 July 2019, it is disclosed that *“It is intended that any future capital injection or loans to JVCo, if required, shall fall within the description in Rules 916(2) and (3) of the Listing Manual. The Company will make timely disclosures via the SGXNET of its capital contributions to JVCo and/or shareholders’ loans provided to the JVCo.”*

- (a) Please provide a breakdown of the Company’s capital contributions and/or shareholders’ loans provided to the JVCo, including the nature of such disbursements. Please also confirm (i) whether the Company has made the corresponding disclosures on SGXNET for the capital contributions and/or shareholders’ loans provided to the JVCo; as well as (ii) whether and how the requirements of Listing Rules 916(2) and 916(3) have been met.

- (b) Please also reconcile the S\$40.64 million of shareholders' loans in the Response to the amount of \$178M under assets classified as held for sale under Development properties disclosure on page 16, Note 13 of the unaudited financial statements.

The Company's response to Query 2:

- (a) The breakdown of the Company's capital contributions and/or shareholders' loans to JVCo as at 17 March 2023 are as follows:

	31 Dec 2022 S\$m	17 Mar 2023 S\$m
Capital Contribution^	1.53	1.53
Shareholder's loan^	39.02	40.64
Total	40.55	42.17

[^] It refers to the value of the capital contribution and shareholder's loan contributed by the Company to the JVCo, measured at amortised costs and without fair value adjustment.

Reference is also made to the following two key announcements:

- 1) the Company's announcement dated 22 April 2019 ("**Initial Announcement**") in relation to *inter alia* the establishment of the joint venture (i.e. JVCo) to undertake the acquisition of the property (formerly known as "Realty Centre") as well as the commitment by each shareholder of the JVCo to contribute to the funding of the joint venture (i.e. JVCo) for both the initial purchase price and subsequent re-development of the property through a mix of capital and external bank borrowings, in direct proportion to their respective equity shareholding in JVCo. As stated in the Initial Announcement: (a) the Audit Committee had reviewed the terms of the joint venture and is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and is satisfied that the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders; and (b) any equity investment in or loans to the JVCo are and shall be on the same terms for both joint venture partners in proportion to their shareholding equity. The Initial Announcement further stated that, pursuant to Rule 916(2) and (3) of the Listing Manual, the Group's equity investment in and loans to the joint venture shall not be subject to Rule 906 of the Listing Manual, and that it was intended that any future capital injection or loans to JVCo, if required, shall fall within the description in Rules 916(2) and (3) of the Listing Manual; and
- 2) the Company's subsequent announcement dated 11 March 2021 ("**Update Announcement**") in relation to an increase in capital of JVCo in view of the strategic collaboration between the Company and MCC Land (Singapore) Pte. Ltd., pursuant to which MCC Land (Singapore) Pte. Ltd. joined as a new joint venture partner through its shareholding in JVCo. As stated in the Update Announcement, the Audit Committee had reviewed the terms of the joint venture and is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and is satisfied that the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders. The Update Announcement further clarified that any equity investment in the joint venture (i.e. JVCo) is and shall be on the same terms for each joint venture partner in proportion to their shareholding equity.

The following table broadly summarises (i) corresponding key disclosures for the capital contributions and/or shareholders' loans provided to JVCo, and (ii) how the requirements of Listing Rules 916(2) and 916(3) (where applicable) have been met.

Date	Announcement / Circular	Corresponding disclosures on SGXNet for the capital contributions and/or shareholders' loans provided to the JVCo made?	Requirements of Listing Rules 916(2) and 916(3) met?
22 April 2019 (Initial Announcement)	<u>Proposed Acquisition of Property</u> – Successful Tender by the Joint Venture and Establishment of Joint Venture Company – New Vision Holding Pte Ltd	<u>Section 3.2</u> Commitment from TPYI and SCL: Capital Injection TPYI – S\$5.1m SCL – S\$4.9m Shareholders' Loan TPYI – Up to S\$70.38m SCL – Up to S\$67.62m	<u>Section 3.2</u> It is expressly agreed in the terms of the joint venture that all risks and rewards of the joint venture shall always be in direct proportion to the equity shareholding of each party, and parties have further agreed that the constitution of JVCo and any other agreements relating to the joint venture shall reflect this principle at all times. <u>Section 3.3</u> The Audit Committee has reviewed the terms of the joint venture and is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and is satisfied that the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders. Any equity investment in or loans to the JVCo are and shall be on the same terms for both TPYI and SCL and in proportion to their 51%:49% shareholding equity. Accordingly, pursuant to Rule 916(2) and (3) of the Listing Manual, the Group's equity investment in and loans to the joint venture shall not be subject to Rule 906 of the Listing Manual, which rule would otherwise have required the approval of the shareholders of the Company ("Shareholders") to be obtained for the joint venture. It is intended that any future capital injection or loans to JVCo, if required, shall fall within the description in Rules 916(2) and (3) of the Listing Manual.
22 July 2019	Circular to Shareholders (Note: Given that Rule 916 applied, shareholders' approval	<u>Section 2.1.2</u> Commitment from TPYI and SCL: Capital Injection	<u>Section 2.1.2</u> It is expressly agreed in the terms of the joint venture that all risks and rewards of the joint venture shall

Date	Announcement / Circular	Corresponding disclosures on SGXNet for the capital contributions and/or shareholders' loans provided to the JVCo made?	Requirements of Listing Rules 916(2) and 916(3) met?
	was only sought under Chapter 10 of the Listing Manual.)	TPYI – S\$5.1m SCL – S\$4.9m Shareholders' Loan TPYI – Up to S\$70.38m SCL – Up to S\$67.62m	always be in direct proportion to the equity shareholding of each party, and parties have further agreed that the constitution of JVCo and any other agreements relating to the joint venture shall reflect this principle at all times. <u>Section 2.1.3</u> As stated in the Company's announcement on 22 April 2019, the Audit Committee has reviewed the terms of the joint venture and is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and is satisfied that the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders. Any equity investment in or loans to the JVCo are and shall be on the same terms for both TPYI and SCL and in proportion to their 51%:49% shareholding equity.
15 May 2020	<u>Proposed Acquisition of Property</u> – Grant of Sale Order	Not applicable. This announcement primarily updates on the successful grant of a sale order by the High Court of Singapore which was necessary for the acquisition to proceed.	Not applicable.
11 March 2021 (Update Announcement)	Updates on Realty Centre Project - The Proposed Increase in Issued and Paid-Up Capital of New Vision	<u>Section 3.2</u> <u>Revision in Capital Injection upon MCC taking up 30% shareholdings from SCL</u> Revised Capital Injection TPYI – S\$1.53m MCC – S\$0.90m SCL – S\$0.57m	<u>Section 6.2</u> Pursuant to Rule 916(2) of the Listing Manual, shareholders' approval is not required for an investment in a joint venture with an interested person if: (i) The risks and rewards are in proportion to the equity of each joint venture partner; (ii) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not

Date	Announcement / Circular	Corresponding disclosures on SGXNet for the capital contributions and/or shareholders' loans provided to the JVCo made?	Requirements of Listing Rules 916(2) and 916(3) met?
			prejudicial to the interests of the issuer and its minority shareholders; and (iii) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture. The Audit Committee has reviewed the terms of the joint venture with SCL and MCC Land (Singapore) in New Vision and is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and is satisfied that the terms of the joint venture are not prejudicial to the interests of the Company and its minority shareholders. Any equity investment in the joint venture (i.e. New Vision) is and shall be on the same terms for TPSI, SCL and MCC Land (Singapore) in proportion to their shareholding equity.
17 April 2021	Update on Increase in Issued and Paid-Up Capital of New Vision Holding Pte Ltd	Revised Capital Injection Completed TPYI – S\$1.53m MCC – S\$0.90m SCL – S\$0.57m	Not applicable.
3 May 2021	Update Announcement on Realty Centre Project	Not applicable. This announcement only updates on completion of the acquisition.	Not applicable.

- (b) Management would like to clarify that certain expenses had been expensed off since incorporation and with fair value adjustments in accordance with SFRS(I) 1-9 and SFRS(I) 1-23. For better clarity, the figures below refers to figures measured at amortised cost and may not tally to the unaudited financial statements which comprises of fair value adjustments.

Reconciliation of Total Contribution to Development Cost

	As at 31 Dec 2022	
	S\$' m	S\$' m
<u>Capital contribution</u>		
- The company	1.53	
- Other investors	1.47	3.00
<u>Shareholders Loan</u>		
- The company	39.02	
- Other investors	37.95	76.97
<u>Bank borrowing</u>		
Bank loan	109.74	
Remaining direct transaction cost capitalised up to 31 Dec 2022	(0.99)	108.75
Total funds (Debt & equity)		188.72
Less: Bank balance @ 31.12.2022		(3.86)
Cash used		184.86
<u>Total development costs:</u>		
- Land	(176.82)	
- Development costs	(1.7)	
- Bank loan interest and related costs capitalised	(3.18)	(181.7)
Bank loan interest paid (not capitalised in development properties)		(3.16)
Total cash used on development		184.86
Total cash portion of development properties		181.7
Add: Non-cash items capitalised (Interest to NCI based on Fair value adjustment)		2.1
Less: Impairment loss		(5.78)
Development properties in disposal group held for sale		178.02

By Order of the Board

JI ZENGHE
Executive Chairman

29 March 2023