



THE PLACE HOLDINGS LIMITED
(Company Registration No. 200107762R)
(Incorporated in the Republic of Singapore)

**UNAUTHORISED TRANSFERS OF SHARES IN RELATION TO LOAN AGREEMENTS ENTERED
INTO BY MR. JI ZENGHE AND MR. FAN XIANYONG**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of The Place Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had recently been made aware by Mr. Ji Zenghe (“**Mr. Ji**”), Mr. Fan Xianyong (“**Mr. Fan**”) and Mr. Sun Quan (“**Mr. Sun**”) of certain discoveries that they have made in relation to unauthorised transfers (“**Unauthorised Transfers**”) of shares in the capital of the Company (“**Shares**”) which are beneficially owned by Oriental Straits Fund III (“**OSF III**”).
- 1.2 Based on the filed court papers and the Complaint Letters, the crux of OSF III’s, Mr. Ji’s and Mr. Fan’s complaint arises from the unauthorised and wrongful dissipation, by way of, among others, breaches of trust, of an aggregate of 1,375,818,000 Shares beneficially owned by OSF III (representing approximately 23.4% of the total issued Shares) from July 2022 to 6 February 2023, and the subsequent misappropriation of the proceeds thereunder.
- 1.3 As at 6 February 2023:
- (i) the aggregate number of Shares that are owned by Diamond Era Investment Limited (“**Diamond Era**”) and World Globe International Holdings Limited (“**World Globe**”) is 1,748,315,707 (representing approximately 29.90% of the total issued Shares);
 - (ii) the aggregate number of Shares beneficially owned by OSF III (less the Pledged Shares (as defined below)) is 1,154,252,549 (representing approximately 19.63% of the total issued Shares);
 - (iii) the Remaining Raffles Nominees Shares (as defined below) is 584,182,000 (representing approximately 9.93% of the total issued Shares); and
 - (iv) the aggregate of (a) the Shares beneficially owned by OSF III (less the Pledged Shares), (b) Shares owned by Diamond Era and World Globe and (c) the Remaining Raffles Nominees Shares represents approximately 59.46% of the total issued Shares.
- 1.4 In relation to such Unauthorised Transfers, OSF III, Mr. Ji and Mr. Fan have commenced an action against the relevant parties (which is elaborated below) in the High Court of the Republic of Singapore and have reported the same to the Financial Conduct Authority of the United Kingdom and the Serious Fraud Office of the United Kingdom by way of letters of complaint (the “**Complaint Letters**”).
- 1.5 The Board is of the view that there is no impact on the financial performance of the Group, and expects that the Group’s operations will continue as per normal.
- 1.6 The background facts in relation to the Unauthorised Transfers as set out in this announcement are based on information provided by Mr. Ji, Mr. Fan and Mr. Sun, the court papers filed and the Complaint Letters and have not been otherwise verified by the Board.

2. BACKGROUND FACTS

- 2.1 Mr. Ji is the Executive Chairman of the Board, Mr. Fan is the Executive Director and the Chief Executive Officer of the Company and Mr. Sun is a Non-Executive Director of the Company.
- 2.2 OSF III, incorporated in Cayman Islands, owns an interest in the majority shareholding of the Company.
- 2.3 Diamond Era and World Globe are companies incorporated in British Virgin Islands.
- 2.4 Mr. Ji has a controlling interest in Diamond Era. As such, Mr. Ji is deemed interested in the Shares owned by Diamond Era.
- 2.5 Mr. Fan has a controlling interest in World Globe. As such, Mr. Fan is deemed interested in the Shares owned by World Globe.
- 2.6 Mr. Ji and Mr. Fan have interests in the Company's shares owned by OSF III in view that their aggregate 95% shareholding in Sun Card Limited, which is the sole participating investor of OSF III. Mr. Sun is a controlling shareholder and director of both China Capital Impetus Investment Limited (which manages OSF III) as well as Capital Impetus Group Limited, and by virtue of Section 7 of the Companies Act 1967 of Singapore, Mr. Sun is deemed to be interested in the Shares owned by Capital Impetus Group Limited.

(A) Loan Agreement

- 2.7 By way of background, Mr. Ji and Mr. Fan, as borrowers (each, a "**Borrower**", and, collectively, the "**Borrowers**"), and/or OSF III, as guarantor, had entered into certain documentation with Euro Credit Holdings 1 Limited ("**ECHL 1**" or the "**Lender**"), facilitated by Euro Credit Holdings Limited ("**ECHL**"), as follows:
 - (a) the securities debt agreements dated 31 May 2022 between ECHL 1 and each of the Borrowers (the "**SDAs**");
 - (b) the addendums to the SDAs dated 22 June 2022 between the ECHL 1 and OSF III as guarantor; and
 - (c) a custodian management agreement among ECHL 1, OSF III and Armira Capital Limited ("**Armira**") as custodian entered into in July 2022 (the "**CMA**"),(collectively, the "**Loan Agreements**").
- 2.8 Pursuant to the terms of the Loan Agreements, ECHL 1 was to extend two (2) loans of amount up to US\$25,000,000 to each Borrower (i.e. up to US\$50,000,000 in total) and OSF III, as the guarantor, had provided the Lender, on or about 13 July 2022, pledged collateral of 1,960,000,000 ordinary shares in the capital of the Company (representing approximately 33.3% of the total issued Shares) (the "**Pledged Shares**") to a depository broker designated by the Lender, namely Armira. Closing was to occur no later than three (3) business days after the Pledged Shares were deposited with Armira.

(B) Transfer of Pledged Shares

- 2.9 On or about 13 July 2022, the Pledged Shares were transferred from OSF III's account under DBS Vickers Securities (Singapore) Pte Ltd pursuant to the Loan Agreements. Based on the instructions given to the Borrowers and OSF III, the Pledged Shares were supposed to be transferred to be held for the benefit of a sub-account in the name of OSF III through an account held by Caceis BK ES Armira Capital Limited (with Standard Chartered Bank (Singapore) Limited acting as custodian and the Bank of New York Mellon acting as the agent bank) and Armira was supposed to be the custodian of the Pledged Shares pursuant to the CMA.

- 2.10 The Borrowers and OSF III were, at no point during the process of the transfer, given to understand that there would be any change in beneficial ownership of the Pledged Shares.
- 2.11 As discerned from the Company's shareholder lists, the registered nominee shareholder of the Pledged Shares is Raffles Nominees (Pte.) Limited ("**Raffles Nominees**"). Raffles Nominees is a wholly-owned subsidiary of Standard Chartered Holdings (International) B.V. and holds, among others, the Pledged Shares as a nominee shareholder.

(C) Loan disbursements and breaches of the SDAs

- 2.12 On or about 25 July 2022, ECHL 1 sent a first tranche of loans amounting to net sum of US\$500,000 for each Borrower (i.e. US\$1,000,000 in aggregate) to Armira and this was subsequently credited to the Borrowers' designated accounts.
- 2.13 Apart from a second loan disbursement for an aggregate sum of US\$938,000 was advanced to the Borrowers on or about 29 September 2022, no further loan disbursement had been advanced to the Borrowers to date.
- 2.14 A shareholder analysis report (the "**Shareholder Analysis Report**") was subsequently issued by a third-party service provider on 16 January 2023 in relation to the shareholding information of the Company. It was then the Borrowers discovered that, based on the Shareholder Analysis Report, as at 20 December 2022, 520,000,000 Pledged Shares had been transferred out of Raffles Nominees' account. This prompted the Borrowers and OSF III to commence legal proceedings against ECHL, ECHL 1 and Armira (collectively, the "**Defendants**") in the High Court of the Republic of Singapore.

(D) Legal proceedings commenced by the Borrowers and OSF III

- 2.15 In connection with these legal proceedings, the Borrowers and OSF III have applied for and successfully obtained an *ex parte* interim injunction order on 27 January 2023 to restrain the Defendants and Raffles Nominees (as non-party), whether by themselves or by their affiliates, servants, agents, officers, employees, nominees or otherwise, from in any way, transferring, selling, disposing of, or in any way dealing with (or procuring the same), the Pledged Shares until the conclusion of the trial for the action, including any appeals therefrom (the "**Injunction Order**").
- 2.16 Following the Injunction Order, the Borrowers and OSF III discovered from disclosures made under the said order and post-order updates/documents that unauthorised transfers of about 1,375,818,000 Shares in aggregate (representing approximately 23.4% of the total issued Shares) from 20 July 2022 to 6 February 2023 had been transferred out of Raffles Nominees' account. This means that as at 6 February 2023, only 584,182,000 Shares (representing approximately 9.93% of the total issued Shares) are still held in Raffles Nominees' account (the "**Remaining Raffles Nominees Shares**"). As at the date of this announcement, it cannot be conclusively determined whether all the Remaining Raffles Nominees Shares are held by Raffles Nominees on behalf of OSF III, or any are held by Raffles Nominees on behalf of other parties.
- 2.17 However, it was continuously, and as late as 4 January 2023, represented to the Borrowers and OSF III, through a series of position statements issued by Armira, that all 1,960,000,000 Pledged Shares remained in the Custodian Account.
- 2.18 The Shareholder Analysis Report and the disclosures under the Injunction Order provided third-party confirmations that there was dissipation of the Pledged Shares without the Borrowers' and OSF III's knowledge or authorisation and that a significant portion of the Pledged Shares were no longer held by Raffles Nominees.
- 2.19 Notwithstanding the Injunction Order, it appears that the Pledged Shares continue being dissipated by the Defendants in breach of the said order. Since the date of the Injunction Order (i.e. 27 January 2023), a further 285,042,000 Shares appear to have been dissipated as at 3 February 2023. To prevent further breaches of the Injunction Order and dissipation of the Pledged Shares, the Borrowers and OSF III filed a further application on 15 February 2023.

- 2.20 Prior to the entry into the Loan Agreements, the aggregate number of Shares beneficially owned by OSF III was 3,114,252,549 Shares (representing approximately 52.96% of the total issued Shares). Excluding the Pledged Shares, the aggregate number of Shares beneficially owned by OSF III is 1,154,252,549 Shares (representing approximately 19.63% of the total issued Shares).
- 2.21 As mentioned at paragraph 1.3 above, as at 6 February 2023, (i) the aggregate number of Shares that are owned by Diamond Era and World Globe is 1,748,315,707 (representing approximately 29.90% of the total issued Shares) and (ii) the aggregate of (a) the Shares beneficially owned by OSF III (less the Pledged Shares), (b) Shares owned by Diamond Era and World Globe and (c) the Remaining Raffles Nominees Shares represents 59.46% of the total issued Shares.

3. FURTHER ANNOUNCEMENTS

- 3.1 As the legal proceedings mentioned above are still underway, the Company will make further announcements to keep shareholders informed, as and when there are further material updates and development from the Borrowers and/or OSF III in respect of the above.
- 3.2 The Board also wishes to highlight that the Company has not entered into any loan agreements or issued any debt securities that contain a specified condition as defined under rule 704(31) of the Listing Manual of Singapore Exchange Securities Trading Limited. The Company has been informed that the Shares owned by Diamond Era and World Globe have not been pledged as collateral for any and all purposes.
- 3.3 **Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board

Chng Hee Kok
Lead Independent Director
23 February 2023