THE PLACE HOLDINGS LIMITED
(Formerly known as Eucon Holding Limited)
(Company Registration No.: 200107762R)
(Incorporated in the Republic of Singapore)

PROPOSED SUBSCRIPTION OF EQUITY INTEREST AMOUNTING TO 80% OF THE ENLARGED SHARE CAPITAL IN TIANJIE YUNTAI WANRUN (XIUWU) PROPERTY DEVELOPMENT CO., LTD.

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1. INTRODUCTION

The board of directors ("**Board**") of The Place Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, The Place Yuntai Investment Pte. Ltd. ("**TPYI**"), has on 8 November 2017 entered into a subscription agreement ("**Subscription Agreement**") with Jingneng Tianjie Yuntaishan Investment Co., Ltd. ("**JTYI**") to subscribe for equity interest amounting to 80% of the enlarged registered capital of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. ("**Target Company**") for a subscription amount of US$20,530,000 (the "**Proposed Subscription**").

2. INFORMATION ON THE TARGET COMPANY

Shareholders should note that information relating to the Target Company, JTYI, any JTYI Group Company and Mount Yuntai in this paragraph and elsewhere in this Announcement was provided by the Target Company and/or JTYI. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.

2.1 Background

The Target Company is a private limited company incorporated in the People's Republic of China ("**PRC**") which is presently wholly-owned by **JTYI**, an 80% / 20% joint venture between (i) Jingneng Tianjie (Beijing) Investment Co., Ltd.; and (ii) Xiuwu County Qixian Tourism Development Co., Ltd. respectively, which are both PRC-incorporated companies.

The Target Company owns approximately 270,500 square meters of commercial land in the South East of Mount Yuntai, whereas two other wholly-owned subsidiaries of JTYI Yuntai Tianjie Shimao (Xiuwu) Property Development Co., Ltd. and Tianjie Yuntai (Xiuwu) Zhiye Co., Ltd. (together with the Target Company, "**JTYI Group Company**") together own approximately 2.4 million square meters, of commercial land in the South East of Mount Yuntai. It is envisaged that each JTYI Group Company will develop the land owned by it with the aim of collectively developing an integrated tourism township comprising commercial malls, hotels, entertainment and recreational facilities, resorts (including resorts for the elderly) and corporate clubhouses. It is envisaged that the Target Company will be developing corporate clubhouses on its land.

Mount Yuntai is approximately 70km from Zhengzhou City, the Provincial capital of Henan Province in the PRC. It is a tourist site with an "AAAAA" rating under the Tourism Attraction Rating Categories of China. Mount Yuntai is listed as one of the National Parks of China and listed as a geological park in the Global Geoparks by the United Nations Educational, Scientific and Cultural Organization.

2.2 **Net Book Value of the Target Company**

Based on the Target Company's audited financial statements ended 31 December 2016, the net book value of the Target Company is approximately RMB29,750,000.

2.3 **Net Loss of the Target Company**

Based on the Target Company's audited financial statements ended 31 December 2016, the net loss attributable to the Target Company is approximately RMB18,229.

3. PROPOSED SUBSCRIPTION

3.1 Overview

TPYI shall subscribe for equity interest in the registered capital of the Target Company resulting in TPYI holding 80% of the enlarged registered capital of the Target Company in consideration for a subscription amount of US$20,530,000 (the "**Subscription Amount**"). The enlarged registered and paid-up capital of the Target Company shall be US$22 million following completion of the Proposed Subscription.

The Subscription Amount was arrived at following negotiations between TPYI and JTYI, being the sole immediate shareholder of the Target Company, on willing-buyer and willing-seller basis, taking into account the amount of capital required by the Target Company to develop corporate clubhouses on its land.

3.2 Conditions Precedent

Completion of the Proposed Subscription ("**Completion**") is conditional upon the satisfaction or waiver (as the case may be) of, among other things, the following conditions precedent:

(a) satisfactory due diligence on, among other things, the legal and financial affairs of the Target Company;

(b) TPYI having obtained approvals from the relevant PRC regulatory authorities for the Proposed Subscription;

(c) if required, approvals from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on the Proposed Subscription; and

(d) if required by the SGX-ST and/or the Listing Rules of the SGX-ST, approvals from the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting ("**EGM**") having being obtained for the Proposed Subscription.

3.3 Completion

On Completion, (i) TPYI shall pay the Subscription Amount to the Target Company, failing which a penalty of 0.01% of any Subscription Amount shall be payable by TPYI for each day such Subscription Amount is due; and (ii) the Target Company shall register the increase in registered capital of the Target Company with the Bureau of Commerce within ten (10) days following payment of the Subscription Amount, failing which, TPYI shall have the right to terminate the Subscription Agreement and the Target Company shall be required to return the Subscription Amount to TPYI.

3.4 Other Key Terms

(a) Decision Making

The highest authority of the Target Company shall be its board of directors, which shall comprise three (3) members, two (2) of whom shall be nominated by TPYI. Ordinary resolutions require at least 2/3 of the votes (inclusive) while major resolutions require full votes for approval. Resolution that shall require full votes for approval include:

(i) Amendments to Articles of Association of the Target Company;
(ii) Dissolving the Target Company;
(iii) Adjustments to the Target Company's registered capital;
(iv) Any transfer of shares of the Target Company by its shareholders; and
(v) Merger or division of the Target Company.

(b) Right of First Refusal

In connection with the Proposed Subscription, JTYI has provided TPYI the right of first refusal to either (i) subscribe for new registered capital; or (ii) acquire from JTYI all or any of its shares in Yuntai Tianjie Shimao (Xiuwu) Property Development Co., Ltd. and Tianjie Yuntai (Xiuwu) Zhiye Co., Ltd. within eighteen (18) months from Completion ("**Right of First Refusal**").

4. RATIONALE

The Proposed Subscription, together with the Right of First Refusal, allows the Group to participate in the development of the Mount Yuntai Tourist Township, which is expected to enhance the value and growth of the Group over the long term.

The Company will be seeking Shareholders' approval to diversify into the tourism business, further details of which will be set out in a circular to Shareholders.

5. RELATIVE FIGURES

The relative figures of the Proposed Subscription computed on the bases set out in Rule 1006(a) to (d) of the Listing Manual are as follows:

Rule 1006(a):	
Net asset value of assets to be disposed of, compared with the Group's net asset value	Not Applicable
Rule 1006(b):	
Net loss attributable to the assets acquired, compared with the Group's net profit	0.14%[(1)]
Rule 1006(c):	
Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	13.07%[(2)]

Rule 1006(d):

Number of equity securities issued by the Company as consideration for the Transaction, compared with the number of equity securities previously in issue	Not Applicable

Rule 1006(e):

The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Company's proved and probable reserves	Not Applicable

Notes:

(1) The unaudited net profit of the Group for the financial period ending 30 September 2017 was approximately S$1,063,000. The unaudited net loss of the Target Company for the financial period ending 30 September 2017 was approximately S$1,531 (based on the exchange rate of S$ 1 : RMB 4.88).

(2) Based on the consideration of S$27,678,546 (based on the exchange rate of S$ 1 : US$ 1.3482) and the Company's market capitalisation as at 7 November 2017 (being the full trading day immediately preceding the date of the Subscription Agreement) of S$211,703,563.

The Proposed Subscription is a "Disclosable Transaction" as none of the relative figures under Rule 1006 exceed 20%. Notwithstanding the foregoing, the Proposed Subscription is subject to the approval of Shareholders given that it is an interested person transaction pursuant to Chapter 9 of the SGX-ST Listing Manual. Please refer to Section 7 below for further information.

6. FINANCIAL EFFECTS

The pro forma financial effects of the Proposed Subscription set out below are purely for illustration purposes only and do not reflect the actual future financial situation of the Company or the Group after completion of the Proposed Subscription.

The pro forma financial effects of the Proposed Subscription presented below:

(a) have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 and on the audited financial statements of the Target Company;

(b) assumes that the Proposed Subscription had been completed on 1 January 2016 for illustrating the financial effects on the earnings per share ("**EPS**") of the Group; and on 31 December 2016 for illustrating the financial effects on the net tangible asset ("**NTA**") per share of the Group; and

(c) excludes all professional fees incurred in connection with the Proposed Subscription.

NTA per share

	Before the Proposed Subscription	After the Proposed Subscription
NTA of the Group as at 31 December 2016 (S$'000)	34,601	40,792
Number of issued shares excluding treasury shares ('000)	3,120,000	3,120,000
NTA per share (S$ cents)	1.11	1.31

EPS

	Before the Proposed Subscription	After the Proposed Subscription
Net profit of the Group for the period ending 31 December 2016 (S$'000)	(9,740)	(9,744)
Weighted average number of ordinary shares outstanding for basic earnings per share computation ('000)	3,120,000	3,120,000
Basic EPS per share (S$ cents)	(3.12)	(3.12)

7. INTERESTED PERSON TRANSACTION

7.1 Interested Persons under Chapter 9 of the SGX-ST Listing Manual

Pursuant to the to the conditions of the approval-in-principle granted by the SGX-ST dated 9 September 2016 in respect of the transactions set out in the Company's circular dated 27 September 2016, any transactions or agreements to be entered into the by the Company or any entity at risk with Messrs Ji Zenghe and Fan Xianyong (who are directors of the Company and substantial investors of Oriental Straits Fund III) and/or their associates will have to comply with the requirements of Chapter 9 of the SGX-ST Listing Manual.

As at the date of the Subscription Agreement, Shimao Tianjie Investment Group Co., Ltd. owns 30% of Jingneng Tianjie (Beijing) Investment Co., Ltd., which in turn is the 80% shareholder of JTYI. Messrs Ji Zenghe and Fan Xianyong are controlling shareholders of Shimao Tianjie Investment Group Co., Ltd. Messrs Ji Zenghe and Fan Xianyong are also directors of the Company and substantial investors in Oriental Straits Fund III, a controlling shareholder of the Company that owns 5,206,524,059 Shares or 88.54% of the outstanding share capital of the Company.

Accordingly, Oriental Straits Fund III, Messrs Ji Zenghe and Fan Xianyong are “interested persons” and the Proposed Subscription constitutes an “interested person transaction” within the ambit of Chapter 9 of the SGX-ST Listing Manual.

7.2 **Materiality Thresholds under Chapter 9 of the SGX-ST Listing Manual**

Under Chapter 9 of the SGX-ST Listing Rules, Shareholders' approval is required for an interested person transaction of a value equal to, or exceeding, 5% of the Group's latest audited NTA.

Based on the latest audited financial information of the Group for FY2016, the Group had net tangible assets of approximately S$34,601,000. As such, for the purposes of Chapter 9 of the SGX-ST Listing Rules, Shareholders' approval will be sought for the Proposed Subscription.

7.3 **Statement of the Audit Committee**

The audit committee of the Company (comprising Messrs Er Kwong Wah, Seow Han Chiang, Winston, Zhao Xichen) will obtain an opinion from the independent financial adviser before forming its view, which will be announced subsequently.

7.4 **Value of Interested Person Transactions**

The total value of the Group's interested person transactions with Oriental Straits Fund III, Messrs Ji Zenghe, Fan Xianyong and their respective associates (as defined in the SGX-ST Listing Rules) for the current financial year as at the date of this Announcement, is nil.

For completeness, the Company had acquired Beijing Vast Universe Culture Communication Co., Ltd ("**BJ Vast Universe**") on 3 January 2017. Prior to the Company’s acquisition of BJ Vast Universe, BJ Vast Universe had already entered into a management agreement with BJ Aozhong Real Estate Co., Ltd (“**BJ Aozhong**”), a company which is controlled by Mr. Ji Zenghe, the Company’s Executive Chairman.

Under the said management agreement, BJ Vast Universe will manage certain assets of BJ Aozhong Real Estate, including the landmark LED screen located at The Place, Beijing, and earn a fixed management fee of RMB6 million (equivalent to approximately $1.2 million) annually, coupled with profit sharing arrangement, subject to performance. All management costs will be borne by BJ Vast Universe and will not exceed the fixed management fee of RMB6 million (equivalent to $1.2 million). Accordingly, the amount at risk to the Company is nil. No announcement had been made in respect of the management agreement as it was in place prior to the Company’s acquisition of BJ Vast Universe.

Save for the aforementioned interested person transactions with Oriental Straits Fund III, Messrs Ji Zenghe, Fan Xianyong and their respective associates (as defined in the SGX-ST Listing Rules), the Group has no other interested person transactions for the current financial year.

7.5 **Abstention from Voting**

Oriental Straits Fund III, Messrs Ji Zenghe, Fan Xianyong will abstain, and have undertaken to ensure that their associates will abstain, from voting on the resolution approving the Proposed Subscription at the Shareholders’ extraordinary general meeting.

8. INDEPENDENT FINANCIAL ADVISOR

The Company will, in due course, appoint an independent financial adviser ("**IFA**") to the Directors (save for Messrs Ji Zenghe, Fan Xianyong) of the Company who are independent for the purposes of the Proposed Subscription. The IFA will opine whether the Proposed Subscription, which is an interested person transaction, is on normal commercial terms and whether it is prejudicial to the interests of the Company and its minority shareholders. The opinion of the IFA will be set out in the Circular (as defined below) to be despatched to Shareholders in due course.

9. CIRCULAR TO SHAREHOLDERS

A circular to the Shareholders (the "**Circular**") containing, *inter alia*, the notice of the EGM and the terms and conditions of the Proposed Subscription will be despatched to the Shareholders in due course.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Messrs Ji Zenghe, Fan Xianyong and Oriental Straits Fund III, none of the directors or substantial Shareholders have any direct or indirect interests in the Proposed Subscription.

11. RESPONSIBILITY STATEMENT

The directors of the Company (including those who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement insofar as it relates to the Company and to the Proposed Subscription are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

12. INSPECTION OF DOCUMENTS

A copy of the Subscription Agreement is available for inspection by Shareholders during normal business hours at the registered office of the Company for a period of three (3) months commencing from the date of this Announcement.

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman and Chief Executive Officer

8 November 2017