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

UPDATE ON PROPOSED SUBSCRIPTION OF EQUITY INTEREST IN TIANJIE YUNTAI WANRUN (XIUWU) PROPERTY DEVELOPMENT CO., LTD – COMPLETION

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*Unless otherwise defined, capitalised terms used herein shall bear the same meanings ascribed to them in the Company's circular to shareholders dated 21 September 2018 (the "**Circular**").*

1. INTRODUCTION

1.1 The Company refers to the Circular, its announcement dated 8 January 2020 titled "Update on Proposed Subscription of Equity Interest in Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd." and its announcement dated 14 June 2020 titled "Qualified Opinion by Independent Auditor on the Consolidated Financial Statements for the Financial Year ended 31 December 2019 (the "**14 June 2020 Announcement**").

1.2 The Board of Directors (the "**Board**") of the Company is pleased to inform shareholders that the deposit of RMB100,000,000 (approximately USD14,667,000) has been fully refunded to the Company and the Company has completed the Proposed Subscription with effect from 27 October 2020, in accordance with the terms and conditions as disclosed in this announcement.

2. THIRD SUPPLEMENTAL AGREEMENT AND RESTATED SUBSCRIPTION AGREEMENT

2.1 The Board wishes to inform shareholders that as part of the process leading to the completion of the Proposed Subscription, TPYI and JTYI entered into a third supplemental agreement (the "**Third Supplemental Agreement**") on 29 September 2020, to further amend the terms of the Subscription Agreement (the Subscription Agreement, as amended, shall be known as the "**Restated Subscription Agreement**"). As stated in the Third Supplemental Agreement, there have been amendments to the Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures (2016 Amendment) (中华人民共和国中外合资经营企业法（2016修正）) and Regulations for the Implementation of the Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment (中华人民共和国中外合资经营企业法实施条例). It was replaced by the Foreign Investment Law of the People's Republic of China (中华人民共和国外商投资法) and Regulation for Implementing the Foreign Investment Law of the People's Republic of China (中华人民共和国外商投资法实施条例) that took effect from 1 January 2020, resulting in significant changes to the foreign investment system and approval procedures, and it was necessary to amend the terms of the Subscription Agreement for compliance with such laws and regulations.

2.2 Further to the signing of the Third Supplemental Agreement, TPYI and JTYI entered into the Restated Subscription Agreement on 29 September 2020, for the purposes of submitting the Restated Subscription Agreement to the relevant Administration for Industry and Commerce in the PRC (工商行政管理局) ("**AIC**") to register (i) the increase in registered capital of the Target Company from RMB30,000,000 (approximately USD4,400,000) to USD22,000,000 and (ii) TPYI as the holder of 80% of the enlarged registered capital of the Target Company. The following key amendments to the Subscription Agreement were made and reflected in the Restated Subscription Agreement:

(a) **Deadline for the payment of the Subscription Amount**

TPYI's obligation to fully pay the Subscription Amount to the Target Company has been extended from 31 December 2020 to 30 April 2022. It was further provided that TPYI's rights and obligations as a registered shareholder of the Target Company will be recognised from the date of registration (the "**Registration Date**") of the increase in registered capital of the Target Company with the relevant AIC (instead of the date of receipt of the Subscription Amount by the Target Company).

In connection with the foregoing, TPYI agreed to pay the Target Company US$1,460,000 of the Subscription Amount, and the remaining US$19,070,000 will be paid by TPYI to the Target Company on or before 30 April 2022, being the deadline for such payment. TPYI will be registered as the holder of 80% of the enlarged registered capital of the Target Company in the records of the relevant AIC from the Registration Date.

(b) **Decision Making**

Previously, the Subscription Agreement provided that the highest authority of the Target Company was its board of directors, and this was consistent with the previous version of the Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures (中华人民共和国中外合资经营企业法). Following updates to the Foreign Investment Law of the People's Republic of China and other relevant regulations, the Articles of Association of the Target Company had been correspondingly updated to provide that the highest authority of the Target Company is its shareholders. Likewise, the Subscription Agreement has also been updated to provide that the highest authority of the Target Company is its shareholders for consistency with the Articles of Association of the Target Company and such relevant regulations. This is to the benefit of TPYI as following Completion, TPYI holds 80% of the enlarged registered capital of the Target Company.

The board of directors of the Target Company will remain responsible for the management and conduct of the Target Company's business.

Following the update to the Articles of Association of the Target Company, board resolutions now require approval from a majority of the board of directors of the Target Company, as opposed to unanimous approval as disclosed in Section 2.8(a) of the Circular. Again, this is to the benefit of TPYI as two of out the three directors of the board of directors of the Target Company are nominated by TPYI upon Completion.

(c) **Right of First Refusal over Tianjie Yuntai (Xiuwu) Zhiye Co., Ltd.**

In the Subscription Agreement, JTYI had previously provided TPYI with a right of first refusal to either (i) subscribe for new registered capital in Tianjie Yuntai (Xiuwu) Zhiye Co., Ltd. ("**TYXZ**") and Yuntai Tianjie Shimao (Xiuwu) Property Development Co., Ltd. ("**YTSXPD**") or (ii) acquire from JTYI all or any of its shares in TYXZ and YTSXPD for a period of 18 months from Completion. As Completion had not taken place under the terms of the Subscription Agreement, JTYI had sold its shares in TYXZ to a third party and as such, JTYI is no longer able to grant such right of first refusal over TYXZ to TPYI. Accordingly, references to such right of first refusal have been deleted in the Restated Subscription Agreement.

The right of first refusal in respect of YTSXPD as described in section 2.8(c) of the Circular remains in effect, for a period of 18 months from the Registration Date.

(d) **Waiver of Pre-Emption Right over JTYI's shares in the Target Company**

Pursuant to the current Articles of Association of the Target Company which was updated on 26 October 2020, a shareholder of the Target Company shall have a pre-emption right over the shares of the Target Company held by the other shareholders. When the Subscription Agreement was signed on 8 November 2017, neither TPYI nor JTYI had any intention for any right of pre-emption to be granted over JTYI's shares in the Target Company. Accordingly, to record the original intention of the parties, the Restated Subscription Agreement expressly provides that following Completion, TPYI shall waive its right of pre-emption over the JTYI Shares, to facilitate JTYI transferring its JTYI Shares to Xiuwu Development or its nominee. Xiuwu Development is a shareholder of JTYI in the tourism development business, and it is an indirect wholly-owned subsidiary of the Xiuwu County State-owned Asset Supervisory and Administration Office (修武县国有资产监督管理办公室).

The Board is of the view that the waiver of such pre-emption right will benefit TPYI. Following Completion, TPYI would already hold a majority interest of 80% in the Target Company. Having Xiuwu Development, an entity associated with the local tourism authorities in Xiuwu county where the Target Company operates a tourism related business, as a shareholder of the Target Company is likely to assist the Target Company in its existing and future plans relating to the Mount Yuntai Integrated Tourist Township Project.

2.3 The Audit Committee of the Company, after having considered the terms of the Third Supplemental Agreement and the Restated Subscription Agreement, is of the view that the Company's entry into the Third Supplemental Agreement and Restated Subscription Agreement is beneficial to the Company and TPYI, on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

3. COMPLETION OF THE PROPOSED SUBSCRIPTION

Further to TPYI's entry into the Third Supplemental Agreement and the Restated Subscription Agreement, the Target Company had registered the increase in registered capital of the Target Company with the relevant AIC. The Company was informed on 29 October 2020 that such registration took effect from 27 October 2020 and accordingly, the Completion of the Proposed Subscription had taken effect on 27 October 2020 in accordance with the terms of the Restated Subscription Agreement. TPYI is now the owner of equity interest amounting to 80% of the registered capital of the Target Company, having all rights and benefits as the holder of such equity interests.

4. FURTHER UPDATES

As stated in the Circular, the Target Company owns approximately 270,500 km^2 of commercial land in the South East of Mount Yuntai (the "**Target Company's Land**"). Based on the valuation report dated 24 August 2018 from Savills Valuation and Professional Services Limited, the Target Company's Land is valued at RMB111,000,000 (equivalent to approximately S$[22,311,000]), based on the direct land comparison valuation methodology. As disclosed in the 14 June 2020 Announcement, since the valuation, the area surrounding the Target Company's Land have undergone significant developments, demonstrating to the Company the significant development potential of the Target Company's Land.

In addition, further to the disclosure in the 14 June 2020 Announcement, the Company is currently in the midst of completing the process on the change the land zoning of the Target Company's Land from commercial to residential (the "**Change in Zoning**"). The Change in Zoning will result in an increase in gross floor area, and allow the Clubhouse Development Project to be marketed to a wider group of potential buyers.

The Company will be seeking an updated independent valuation of the Target Company's Land and keep shareholders informed of the updated valuation of the Target Company's Land and the Change in Zoning.

BY ORDER OF THE BOARD

Ji Zenghe
Executive Chairman

1 November 2020

Unless otherwise stated, all amounts converted from:

(a) *US$ to S$ in this announcement shall be based on an indicative exchange rate of US$1.00: S$1.37;*

(b) *US$ to RMB in this announcement shall be based on an indicative exchange rate of US$1.00: RMB6.8181; and*

(c) *RMB into S$ in this announcement shall be based on an indicative exchange rate of RMB1.00: S$0.201.*