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

THE PROPOSED DISPOSAL OF THE 1.5% EQUITY INTEREST IN THE PLACE YUNTAI INVESTMENT PTE. LTD.

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1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of The Place Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that on 25 June 2021, the Company (i.e. the seller), had entered into a sale and purchase agreement (the "**SPA**") with New Lanwa International Trading Limited (the "**Purchaser**", and together with the Company, the "**Parties**"), an independent third party, for the disposal of 420,980 ordinary shares in the share capital of The Place Yuntai Investment Pte. Ltd. ("**TPYI**") (the "**Sale Shares**"), representing 1.5% of the total issued and paid share capital of TPYI, for an aggregate consideration of HKD 25,000,000 (equivalent of S$4,332,500)[1] (the "**Sale Consideration**") (the "**Proposed Disposal**").

2. INFORMATION RELATING TO TPYI AND THE PURCHASER

2.1. Information on TPYI

TPYI is a company incorporated in Singapore with an issued and paid up share capital of S$28,065,135, comprising 28,065,135 ordinary shares. The principal business of TPYI is other holding companies. TPYI directly holds 80% of the registered capital in Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. (天阶云台万润（修武）房地产开发有限公司) ("**Wanrun Co.**"), a company incorporated in the People's Republic of China ("**PRC**").

As at the date of this announcement, the Company is the immediate sole shareholder of TPYI.

2.2. Information on the Purchaser

The Purchaser, New Lanwa International Trading Limited, an independent third party, is a company incorporated in Hong Kong. The principal business of the Purchaser is general trading and investment holding.

3. VALUATION OF TPYI

No independent valuation was conducted for the Proposed Disposal.

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Company is of the view that the Proposed Disposal presents an opportunity for the Group to realise the value of the Sale Shares at a premium to its investment cost. Further, as at the date of this announcement, TPYI holds 80% of the registered capital in Wanrun Co**.** In light of the increased valuation of the land site held by Wanrun Co. (as disclosed in the Company's

[1] In this announcement, unless expressly stated otherwise, all exchange rate conversion shall be based on the exchange rate of HKD1.00 : S$0.1733.

announcement dated 5 May 2021), by inviting the Purchaser to acquire equity in TPYI, the Company is of the view that the Purchaser will be encouraged to enhance the competitiveness and sustained performance of both TPYI and Wanrun Co.

The Proposed Disposal is also in line with the Group's efforts to maintain a strong balance sheet with sufficient resources for future investment needs for long term and sustainable growth.

The Board is therefore of the opinion that the Proposed Disposal is in the interests of the Group and the shareholders of the Company ("**Shareholders**"). The Proposed Disposal is undertaken pursuant to a strategic review of the financial position, operational needs, long-term strategy and direction of the Group.

5. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

5.1. Overview of the Proposed Disposal

Pursuant to the SPA, the Company shall sell the Sale Shares to the Purchaser. Upon the completion of the Proposed Disposal, the Company's equity interest in TPYI will be reduced from 100% to 98.5% and the Purchaser will hold 1.5% of the equity interest in TPYI. For the avoidance of doubt, TPYI will remain as a subsidiary of the Company.

5.2. Sale Consideration

Pursuant to the terms of the SPA, the Sale Consideration shall be payable by the Purchaser on the Completion Date (as defined in section 5.4 of this announcement).

The Sale Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account, among other things, the following factors:

(a) the prospects of Wanrun Co., as well as the development projects contemplated by it; and

(b) the rationale and benefits to the Group for the Proposed Disposal as set out in Section 4 of this announcement.

5.3. Conditions Precedent

Completion of the Proposed Disposal is conditional upon, among other things, the fulfilment and satisfaction of the following conditions precedent ("**Conditions Precedent**"):

(a) The approval of the Board in relation to the Proposed Disposal being granted;

(b) All material approvals, authorisations, consents, exemptions, licences and permissions required to be obtained from any third parties or governmental agencies in any jurisdiction in connection with the Proposed Disposal being granted or obtained, and not having been withdrawn or revoked;

(c) There are no actual or threatened actions or proceedings instituted by any relevant authorities that restrict, prohibit or otherwise frustrate the Proposed Disposal;

(d) All other consents and approvals required under applicable laws for the Proposed Disposal being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Purchaser.

If any of the Conditions Precedent are not fulfilled on or before 31 July 2021 ("**Long-Stop Date**") or such other date as the Parties may agree to in writing (save that the Purchaser may waive the requirement for fulfilment of the Conditions Precedent), the SPA shall automatically be terminated, and neither Party shall have any claim against the other for losses or damages by reason of such termination, save for claims by any Party arising from an antecedent breach by the other Party of the SPA.

5.4. **Other key terms of the Proposed Disposal**

Subject to satisfaction of the Conditions Precedent, the completion of the sale and purchase of the Sale Shares ("**Completion**") shall take place immediately subsequent to the fulfilment of the Condition Precedent set out in section 5.3(b) above, or such other date as the Parties may agree in writing but in any event, no later than the Long-Stop Date (the "**Completion Date**").

On the Completion Date, the Purchaser shall make payment of the Sale Consideration to the Company by way of telegraphic transfer, a cashier's order or banker's draft.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1. **Assumptions**

The *pro forma* financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not reflect the future financial position of the Company or the Group after completion.

The *pro forma* financial effects in this section are based on the consolidated audited financial statements of the Group for the financial year ended 31 December 2020 ("**FY2020**"). The pro forma financial effects of the Proposed Disposal have been prepared based on the following assumptions:

(i) The number of shares is based on the 5,880,654,539 issued and paid-up ordinary shares in the capital of the Company ("**Shares**") as at 31 December 2020;

(ii) The Proposed Disposal had been completed on 31 December 2020 for the purposes of computing the *pro forma* financial effects on the net tangible assets ("**NTA**") of the Group; and

(iii) The Proposed Disposal had been completed on 1 January 2020 for the purposes of computing the pro forma financial effects on the earnings per Share ("**EPS**") of the Group.

6.2. **Effects on NTA per Share**

		Immediately before the completion of the Proposed Disposal	Immediately after the completion of the Proposed Disposal
NTA (S$'000)	:	102,579	106,912
Number of Shares	:	5,880,654,539	5,880,654,539
NTA per Share (cents)	:	1.74	1.82

6.3. **Effects on EPS**

	Immediately before the completion of the Proposed Disposal	Immediately after the completion of the Proposed Disposal
Earning attributable to Shareholders (S$'000)	311	4,539
Number of Shares	5,880,654,539	5,880,654,539
EPS (cents)	0.01	0.08

7. RELATIVE FIGURES UNDER RULE 1006

The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited and the consolidated audited financial statements of the Group for the financial year ended 31 December 2020 ("**FY2020**"), which is also the most recent available consolidated financial statements of the Group that is released via SGXNet as of the date of this announcement are as follows:

(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	0.44%(1)
(b)	Net profits/losses attributable to the assets disposed of, compared with the Group's net profits/losses.	8.81% (2)
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares.	0.57%(3)
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable to the Proposed Disposal

(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable to the Proposed Disposal

Notes:

(1) Based on the audited consolidated financial statements of the Group for FY2020.

(2) "Net profits" means net profits/losses attributable to the Sale Shares. Based on the latest audited consolidated financial statements of the Group for FY2020, the net profits/losses attributable to the Sale Shares is S$27,406 and the net profits/losses of the Group is S$311,000.

(3) Under Rule 1002(5), "market capitalisation" is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on the market day preceding the date of the SPA. Accordingly, the market capitalisation of the Company is based on 5,880,654,539 Shares in issue and the weighted average price of S$0.1286 of the Shares transacted on 28 June 2021, being the last market date preceding the date of the SPA that the Shares were traded, and as such the market capitalisation for the purposes of the Proposed Disposal is S$756,252,174.

Based on the above figures, the Proposed Disposal is a discloseable transaction under Rule 1010 of the Listing Manual and is not subject to shareholders' approval under Rule 1014(2) of the Listing Manual.

8. OTHER FINANCIAL INFORMATION AND USE OF PROCEEDS

Based on the audited consolidated financial statements of the Group for FY2020, which is also the most recent available consolidated financial statements of the Group that is released via SGXNet as of the date of this announcement:

(a) The book value attributable to the Sale Shares is S$454,875;

(b) The net profits attributable to the Sale Shares is S$27,406;

(c) The excess of the proceeds over book value is S$3,911,523; and

(d) The gain of the Proposed Disposal is S$3,911,523.

The net proceeds from the Proposed Disposal will be used by the Group for its general working capital requirements.

9. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS OR THEIR ASSOCIATES IN THE PROPOSED DISPOSAL

None of the Directors (other than in his capacity as a Director), substantial Shareholders of the Company or their associates has any interest, direct or indirect, in the Proposed Disposal.

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DOCUMENTS FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 6 Battery Road, #16-06, Singapore 049909 for a period of three (3) months from the date of this announcement.

Shareholders who wish to inspect the SPA at the Company's registered office are required to send an email request to aili.tay@theplaceholdings.com to make an appointment in advance. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one time and such arrangements are subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

12. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. There is no certainty or assurance that the Proposed Disposal will be completed. The Company will make the necessary announcements, as and when there are material developments in respect of the Proposed Disposal, the SPA and other matters contemplated in this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Ji Zenghe
Executive Chairman

29 June 2021