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

RESPONSE TO SGX QUERIES ON THE PROPOSED DISPOSAL OF 1.5% EQUITY INTEREST IN THE PLACE YUNTAI INVESTMENT PTE. LTD.

The board of directors (the "**Board**" or the "**Directors**") of The Place Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the queries from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") raised on 1 July 2021 on its announcement dated 29 June 2021 (the "**Proposed Disposal Announcement**") in relation to the proposed disposal by the Company of such shares representing 1.5% of the total issued and paid-up share capital of The Place Yuntai Investment Pte. Ltd. ("**TPYI**").

The Company's responses to the queries raised by the SGX-ST are set out below.

Unless otherwise defined or the context requires otherwise, capitalised terms used herein shall have the same meaning ascribed to them in the Proposed Disposal Announcement.

1. Question 1:

Please provide the following in relation to the New Lanwa International Trading Limited ("Purchaser"):

(a) the chinese name of New Lanwa International Trading Limited as filed with the Hong Kong registry;

(b) the date of incorporation;

(c) the company registration number in Hong Kong.

Company's Response to Question 1:

(a) The chinese name of New Lanwa International Trading Limited as filed with the Hong Kong registry is 新联华国际贸易有限公司.

(b) Its date of incorporation is 8 July 2014.

(c) Its company registration number is 2117696.

2. Question 2:

It is stated that the Purchaser, an independent third party, "will hold 1.5% of the equity interest in TPYI as a result of the Proposed Disposal." It is also stated that "the Purchaser will be encouraged to enhance the competitiveness and sustained performance of both TPYI and Wanrun Co."

In view of the Purchaser's 1.5% stake in TPYI through the Company's Proposed Disposal, please elaborate how and what will the Purchaser be contributing to TPYI and Wanrun Co.

Company's Response to Question 2:

The Proposed Disposal will have an indirect benefit for the Group.

The Group currently has 3 ongoing development projects on hand, namely Mount Yuntai's property project, Project Realty Centre and Project Tanah Merah. In terms of market and profitability exposure, Mount Yuntai's property project greatly surpasses the 2 Singapore projects. For better clarity, below are the milestones on project valuation (respective announcements were made on 1 November 2020, 5 May 2021 and 29 June 2021) since its acquisition in October 2020.

(a) In October 2020, the Group completed the acquisition of 80% of the enlarged share capital of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd for S$27,715,500. Based on a valuation report from Asia Valuation & Advisory Services Pte Ltd, the Target Company's Land is valued at **S$22.5 million** as at 30 September 2020.

(b) In May 2021, one of China's leading valuation companies, WorldUnion Property Assessment Co., Ltd ("世联评估"), revalued the land site to **S$97.5 million**, primarily based on the change in zoning from commercial to residential.

(c) In June 2021, the 1.5% equity stake of TPYI was transacted at HK$25 million (approximately S$4.32 million), values Project Wanrun at approximately **S$289 million**.

In the press release that was released together with the Proposed Disposal Announcement on 29 June 2021, Mr Fan Xianyong, the Executive Director and Chief Executive Officer of the Company mentioned that "In order to minimise the dilution of our equity stake in TPYI, we ***limited the stake sale with a purpose to showcase the deep underlying value of this project***. The equity stake sale at a valuation of S$289 million ***reflects the strong potential and confidence of our Mount Yuntai's property project***."

3. Question 3:

Listing Rule 1002(3)(b) defines "net profits" as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

However, the Company has used the net profit after tax figure of S$311,000 to compute the relative figure for Listing Rule 1006(b). Please make the necessary amendments and disclose the correct figure.

Company's Response to Question 3:

Please refer to below for the amended figure for Listing Rule 1006(b).

Base of calculation		Size of relative figure (%)
1006(b)	Net profits/losses attributable to the assets disposed of, compared with the Group's net profits/losses.	3.36% (1)

(1) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. 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$748,000.

4. Question 4:

In relation to the relative figure computed under Listing Rule 1006(a), it is stated under Note 1 that the the computation is, "Based on the audited consolidated financial statements of the Group for FY2020."

In Note 2 of Paragraph 7, it is stated that, "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."

(a) Please state the figures used to obtain the relative figures obtained under Listing Rule 1006(a) and (b), and also state clearly whether the figures used are positive or negative.

(b) As a result of the relative figures computed under (a), does the Proposed Disposal still fall within the definition of 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?

Company's Response to Question 4:

(a) Please refer to below for the required amendments to the relative figures computed under Listing Rule 1006 (a) and (b).

Bases of calculation		Size of relative figure (%)
1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	0.44%(1)
1006(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits.	3.36% (2)

(1) As at 25 June 2021, the net asset value of the Sale Shares is S$454,875. Based on the audited consolidated financial statements of the Group for FY2020, the Group's net asset value is S$102,579,000.

(2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. 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$748,000.

(b) As a result of the relative figures computed under the Company's response to question 4(a), the Proposed Disposal does not fall within the definition of 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. However, as the Proposed Disposal is likely to materially affect the price or value of the Company's securities, under Listing Manual Rule 703, an issuer must announce any information concerning the Proposed Disposal which is known to it via SGXNET.

5. Question 5:

The sum of the book value attributable to the Sale Shares is S$454,875 and the excess of the proceeds over book value is S$3,911,523 is S$4,366,398 ("Derived Amount"). However, it is stated in Paragraph 1 of the Announcement that the consideration of HKD 25,000,000 is equivalent to S$4,332,500 ("Consideration").

Please explain the difference between the Derived Amount and the Consideration.

Company's Response to Question 5:

The Consideration of the Proposed Disposal is S$4,332,500. Based on TPYI's audited financials as at 31 December 2020, the net book value of 1.5% of the Sale Shares is S$454,875.

For computation of gain from the Proposed Disposal, it is derived from the difference between the Consideration and cost of investment in TPYI in TPHL's books. The cost of investment of TPYI in TPHL's books is S$420,977. For better clarity, the difference is due to accounting treatment where cost of investment of TPYI is recognised at historical cost while net book value of TPYI is at its fair value.

6. Question 6:

Please provide a footnote on how each of the figures disclosed in Paragraph 8 (a) to (d) of the Announcement is arrived at.

Company's Response to Question 6:

Please refer to the table below for details on how each of the figures disclosed in Paragraph 8 (a) to (d) of the Proposed Disposal Announcement is arrived at.

8 (a)	Net Book Value of TPYI as at 31 December 2020 is S$30.3 million. Therefore, net book value of 1.5% of TPYI as at 31 December 2020 is S$454,875.
8 (b)	Net Profit before tax of TPYI for the year ended 31 December 2020 is S$1.8 million. Therefore, net profit before tax of 1.5% shares of TPYI for the year ended 31 December 2020 is S$27,406.
8 (c)	The Consideration received from Sale Share is S$4,332,500. Therefore, the excess of proceeds over book value is S$3,877,625.
8 (d)	The Consideration received from Sale Share is S$4,332,500. Therefore, the gain from the Proposed Disposal is S$3,911,523.

By Order of the Board

Ji Zenghe
Executive Chairman

2 July 2021