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Issuer: The Place Holdings Limited

Stock code: E27

Meeting details:

Date: 27 April 2021

Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. As disclosed in the corporate profile, the group has 3 core business pillars, namely property development and property management activities; cultural tourism with “new retail” business concept; and integrated media-related businesses with management operation rights.

The group’s revenue was solely contributed by the integrated media-related business unit in the past two years. In FY2019 and FY2020, revenue was \$2.293 million and \$1.131 million respectively with \$1.0 million of the \$2.293 million being derived from third party. The revenue of \$1.131 million in FY2020 was solely from related parties.

Gross segment profit was 78.5% and 89.7% in FY2019 and FY2020 respectively.

- (i) **Can management help shareholders understand the activities carried out in the integrated media-related business segment?** In Note 24 (page 104 – Segment information), this was referred to as “Media and event management”.
- (ii) **How sustainable is the segment profit margin? In FY2019, what was the segment profit margin from third party/third parties?** It is observed that the group reported a higher segment profit margin of nearly 90% in FY2020 for the \$1.13 million in revenue from related parties.
- (iii) **How does the group acquire new customers? What are the factors that affect the demand for the group’s services in the integrated media-related segment?**

Q2. As noted in the joint message by the executive chairman and the executive director & CEO, the group made significant progress in the property development projects in FY2020.

Project	Remarks	Effective stake
15 Enggor Street	Freehold property has a land size of approximately 11,000 square feet with a plot ratio of approximately 5.6 and a maximum height of 35 storeys; entitled to bonus plot ratios of between 25% and 30% if there is a change of use under the Central Business District (CBD) Incentive Scheme	51%; MCC Land 30%; Sun Card Limited 19%
New mixed development project next to Tanah Merah MRT interchange	99-year lease condominium (with commercial spaces) site at Tanah Merah Kechil Link	20%; MCC Land 51%; Ekovest 29%
Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd.	270,500 square metres of commercial land in the Southeast of Mount Yuntai; Rezoned to residential in March 2021; land use rights increased to 70 years	80%

On 22 April 2019, the group was awarded the tender for Realty Centre/15 Enggor Street and on 14 May 2020, the High Court of Singapore sanctioned and ordered the collective sale of the Property to the group. The completion of the collective sale was delayed to November 2020 and the sale remains uncompleted after several other delays (page 95).

- (i) **What caused the delay in the completion of the collective sale of Realty Centre/15 Enggor Street?**
- (ii) **Can management clarify the total amount already paid to the conveyancing account held by the owners' solicitors?** As at 31 December 2020, the group had cumulatively paid \$29.6 million representing 20% of the purchase price and had an unpaid balance of \$118.4 million. **What is the amount outstanding?**
- (iii) **Does the group have the necessary financial resources to fund the purchase of 15 Enggor? What is causing the delay in the full payment for the property and in the completion of the acquisition?**
- (iv) **What is the group's contribution (other than capital) to the development project at Tanah Merah Kechil Link?**
- (v) **Can the board help shareholders understand if it has the financial resources to fund the development projects? Is the company evaluating options to strengthen the financial position of the group?**

Q3. On 12 April 2021, the company announced that there are material variances between the unaudited results (first announced by the company on 28 February 2021) and the audited financial statements for FY2020 after the finalisation of audit.

The differences were as large as \$34.3 million, relating to the reclassification from development properties to other asset. Other adjustments were for the elimination of intragroup interest income and finance cost, cashflow effects arising from translation differences etc.

- (i) **How can shareholders get assurance from management that the financial statements are prepared in accordance with the relevant Act and financial reporting standards?**
- (ii) **Has the audit committee ("AC") evaluated if the internal financial reporting/finance team is sufficiently resourced with experienced and qualified staff to ensure the integrity of the financial statements?**

- (iii) **What guidance has the AC provided to management to ensure the integrity of the financial statements? Is the AC, especially the AC chairman, familiar with the Singapore Financial Reporting Standards (International), including SFRS(I) 3 Definition of a Business, SFRS(I) 16 Leases which the group has adopted?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation
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