



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

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**RESPONSE TO THE SGX-ST'S QUERIES RAISED ON 7 MARCH 2024 ON THE COMPANY'S  
UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31  
DECEMBER 2023**

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The board of directors (the “**Board**”) of The Place Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 7 March 2024 in relation to the Company’s unaudited interim financial statements for the financial year ended 31 December 2023.

The Company sets out its responses to the queries raised by the SGX-ST below:

**Query 1**

It is disclosed on page 24 of the Company’s announcement that, “Mount Yuntai Project continues to be constrained by the various restrictions within PRC and there are no material developments for the financial year 31 December 2023.”. On 29 August 2023, the Company has also disclosed that “Due to the current weak property sentiment in PRC and the prolonged impact of Covid-19 on the tourism sector in PRC, the Company is still exploring various options such as possible divestment and/or collaboration with other business partners on Mount Yuntai.”.

Please disclose:

- i. a status update on the Mount Yuntai Project, including the condition of the development properties in the Mount Yuntai Project;
- ii. details of the restrictions within PRC faced by the Company;
- iii. efforts made by the Company to complete the project;
- iv. indicative milestones timeline with regard to the completion of the Mount Yuntai Project;
- v. future plans on the project, including estimated investment cost if applicable;
- vi. whether any valuation was conducted, the value placed on the assets, the basis and the date of such valuation; and
- vii. whether and how the Company has assessed the value of its development properties for the financial year ended 31 December 2023, and its basis of assessment.

Please also explain how the Board has addressed its mind to the carrying value of its development properties and decided if any material change is required, in view of the Company’s representation that there is a weak property sentiment in PRC and the prolonged impact of Covid-19 on the tourism sector in PRC.

### **The Company's Response to Query 1**

The Company has carried out mainly earthworks, architectural design activities, drainage and landscaping works in 2021 and there are no buildings related developments. As the above activities are mostly related to land development, there are no material difference to the condition of the development properties in the Mount Yuntai Project.

Since August 2020, PRC has introduced financial regulatory guidelines in the form of caps for debt-to-cash, debt-to-assets and debt-to-equity ratios. While the Company has not entered into any debt arrangements but such guidelines has presented a significantly more challenging situation for raising debt which is customary of property development.

As disclosed in the Company's Circular dated 21 September 2018, the original plan for the Mount Yuntai Project would have required additional financing in the form of bank loans, new strategic investor(s) and/or intra-Group loan(s). As previously disclosed, the Management and Board are extremely mindful of the major changes and overall weaken property sentiment in PRC. The Management and Board have been actively conducting reviews for the strategic direction, economic factors and project execution for Mount Yuntai Project. As various proposals are currently being considered, the Company does not have material updates with respect to the indicative milestones timeline for the completion and future plans of the Mount Yuntai Project.

For the financial year ended 2022, the Company has received an external valuation report (dated February 2023) for the Mount Yuntai Project and the value provided was RMB 204m which is approximately S\$37.4m. For the financial year ended 31 December 2023, the carrying value of its development properties was S\$24.0m (2022: S\$24.9m). The Company has also commenced a similar valuation of Mount Yuntai Project for the financial year ended 31 December 2023 and the draft report indicated a value which is not materially different. The Management expects the final report to be issued prior to completion of the annual audit for the financial year ended 31 December 2023. The basis for the valuation reports was carried out on fair value basis with the definition of fair value as "the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date."

Based on the explanation and representation by Management, the Board is of the view that the carrying value of Mount Yuntai Project remains reasonable.

### **Query 2**

Please explain the increase in lease liabilities from \$440,000 as at 31 December 2022 to \$1,831,000 as at 31 December 2023.

### **The Company's Response to Query 2**

The increase in total lease liabilities to S\$1.83m is consistent with the increase in right-of-use assets to \$1.77m. This is mainly due to the Company entering into a new lease agreement for its corporate office in Singapore in March 2023 after expiry of the previous office lease. The Company announced on 15 March 2023 for the change of registered address to 6 Battery Road, #21-01, Singapore 049909.

### **Query 3**

It is noted on page 16 of the unaudited financial statements that the Company has recognized an amount due from a related party (non-trade) amounting to \$1,942,000 in 2023 and that, "The amount due from a related party refers to Beijing Aozhong Xingye Real Estate Development Co., Ltd in which certain directors of the Company have controlling interest. The amount due is interest bearing (4% per annum) and guaranteed by Mr Ji Zenghe and Mr Fan Xianyong." Please disclose the nature of such advances and the reasons for the advances, taking into consideration that the Company's revenue relates to management services of providing maintenance and upkeep of a customer's media facilities on fixed retainer fee basis.

### **The Company's Response to Query 3**

BJVU extended an interest-bearing loan to Beijing Aozhong Xingye Real Estate Development Co., Ltd ("Aozhong Xingye") which is non trade in nature. The loan was extended to Aozhong Xingye as a business loan and factors such as the long-standing business relationship between BJVU and Aozhong Xingye, interest bearing nature of the loan and guarantees by Mr Ji and Fan were considered. From a commercial and historical standpoint, BJVU and Aozhong Xingye have always conducted joint business development efforts to increase BJVU's business activities in marketing and events management.

The Company expects to recover the amount within the financial year ending 31 December 2024.

### **Query 4**

It is noted on page 16 of the unaudited financial statements that, the Company has recognized an amount due from a related party (trade) amounting to \$2,965,000, when its revenue for the financial year ended 31 December 2023 only amounted to \$2,211,000. Please disclose:

- i. the credit terms extended by the Company to the related party;
- ii. the Company's policy in trade receivables collection;
- iii. the Company's plans to recover the trade receivables;
- iv. whether any actions has been taken by the Company to reduce reliance on its only customer, Beijing Aozhong Xingye Real Estate Development Co., Ltd. If no, please explain why;
- v. how long are the debts outstanding and when were the sales reported;
- vi. what were the actions taken to recover the trade and other receivables;
- vii. the Board's assessment of the recoverability of the trade receivables.

### **The Company's Response to Query 4**

The main revenue source for the Company is via its wholly owned subsidiary, Beijing Vast Universe Culture Communication Co., Ltd ("BJVU"). Since 2017, BJVU has focused on integrated media-related services and management services of providing maintenance and upkeep of media facilities, as well as marketing and branding events. Since 2020, Aozhong Xingye, a related party which certain directors of the Company have controlling interest has been the sole revenue contributor. BJVU is working actively to increase its business development efforts for a wider customer base.

The amount due from a related party (trade) is repayable on a quarterly basis. The Company is currently negotiating with Aozhong Xingye to reduce the outstanding balances for more than 12 months to be settled within the first half of 2024. For the remaining \$2.2m, the Company is also negotiating for full settlement within the financial year ending 31 December 2024.

Based on the explanation and representation by Management, the Board is of the view that the trade receivables will be fully collectible.

### **Query 5**

It is disclosed on page 16 of the unaudited financial statements that, prepayments mainly consists of prepaid construction costs for development properties in Mount Yuntai project amounting to S\$3.2m (2022: S\$3.2m). Please disclose:

- i. the terms of the prepayments;
- ii. the identity of the counterparties;
- iii. whether the counterparties are related parties; and
- iv. the Board's assessment of the recoverability of such prepayments.

### **The Company's Response to Query 5**

There has been no material change to the prepayments since the financial year ended 2021 except for foreign currency fluctuations as the original currency was in Chinese Renminbi.

There are three counterparties, namely Nanjing Jin Yong Forestry Construction Co., Ltd ("Nanjing Jin Yong"), Zhengzhou University Design Institute Co., Ltd ("Zhengzhou University") and Henan XingYing Construction Engineering Co., Ltd ("Henan Xingying"). Nanjing Jin Yong is a third party who is responsible for roads, drainage and landscaping works for Mount Yuntai Project. The amount of related prepayments is S\$0.73m. Zhengzhou University is a third party who is responsible for architectural works and drawings for land planning, geological feasibility studies and detailed construction related activities. The amount of prepayment is S\$0.35m.

Based on the explanation and representation by Management, the Board has considered the works performed and that the above third parties will be able to perform the remaining obligations as most of the remaining works are still relevant regardless of the new plans for Mount Yuntai Project. At the relevant stage, if there are parts of the remaining obligations which are no longer relevant, the Company will commence the recovery of the prepayments.

Henan Xingying is a subsidiary of Jingneng Tianjie Yuntaishan Investment Co., Ltd ("JTYI") who is responsible for transport related infrastructure and anti-flooding facilities. The amount of prepayment is S\$2.12m. JTYI owned 20% of Tianjie Yuntai Wanrun (Xiuwu) Property development Co., Ltd ("Wanrun" or "Mount Yuntai Project") and is deemed as a Non Controlling Interest ("NCI"). JTYI is a related party which certain directors of the Company have controlling interest. The remaining interests in JTYI is by Xiuwu Development, an independent third party and a tourist development company wholly owned by Jiaozuo Yuntaishan Tourism Co., Ltd.

As disclosed in page 20 of the unaudited financial statements for FY2023, there is an amount due to NCI of S\$1.78m and this refers to JTYI. JTYI has provided a confirmation that in event Henan Xingying not completing its obligations for the prepaid construction costs, the corresponding amount will be offset by the amount due to JTYI.

Based on the explanation and representation by Management, Board considered the potential shortfall of S\$0.34m after the offsetting arrangement and assessed that the Henan Xingying will be able to perform the corresponding value of the required obligations. At the relevant stage, if there are parts of the remaining obligations which are no longer relevant, the Company will commence the recovery of the prepayment.

### **Query 6**

It is disclosed on page 20 of the unaudited financial statements that, “On 20 December 2021, the Company entered into agreement with its subsidiary, Wanrun and a Hong Kong entity (New Lanwa International Trading Limited) for a part of interest in land under the Mount Yuntai Project. The Land Interest Transfer has yet to be completed as at 31 December 2022. Consequently, the amount represents contract liabilities as at 31 December 2022 on the consolidated statement of financial position and is presented as amount due to a subsidiary on the Company’s statement of financial position, representing advance received on behalf of Wanrun. As at 31 December 2023, the amount has been fully settled.”

Please disclose:

- i. whether and when (if applicable) the Land Interest Transfer has been completed;
- ii. the basis on which the amount was fully settled; and
- iii. how the amount of \$4,026,000 has been fully settled.

If the Land Interest Transfer has not be completed, please explain why and disclose the status of the Land Interest Transfer.

### **The Company's Response to Query 6**

The Land Interest Transfer was not completed. The Land Interest Transfer comprised the right of use of the land and the ownership rights of the future property development on the land. Wanrun and New Lanwa were not able to complete the contractual obligations and the legal process. In addition, the future plans for Mount Yuntai is also pending finalisation. Wanrun and New Lanwa negotiated a settlement in October 2023 to terminate the original agreement and the original consideration was refunded. This transaction has no impact on the financial performance of the Company as the amount was recognised as contract liabilities for the financial year ended 31 December 2022 and fully deemed as settled for the financial year ended 2023.

### **BY ORDER OF THE BOARD**

Ji Zenghe  
Executive Chairman  
13 March 2024