THE PLACE HOLDINGS LIMITED

(Company Registration Number: 200107762R)
(Incorporated in the Republic of Singapore)

"EXCEPT FOR" QUALIFIED OPINION IN RELATION TO CONSEQUENTIAL EFFECT OF QUALIFICATION ON REFUNDABLE DEPOSIT BY PREDECESSOR AUDITORS ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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, pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Group's independent auditor, Crowe Horwath First Trust LLP (the "**Independent Auditor**") has issued an opinion that the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date, except for the possible effects of the matter described in the *Basis for "except for" qualified opinion* below.

Basis for "except for" qualified opinion

The predecessor auditors had expressed a qualified opinion on the financial statements for the year ended 31 December 2019 (FY2019) on the recoverability and the appropriateness of recognition and measurement of the refundable deposit amounting to approximately $19,320,000 (RMB100,000,000) to Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. (Refundable Deposit) as at 31 December 2019.

In September 2020, the Refundable Deposit was fully refunded to the Group as disclosed in Note 8 to the financial statements. Nonetheless, to the extent of any possible effect that might have on the relevant opening balances as at 1 January 2020 in light of the previous year's audit qualifications, and since these opening balances entered into the determination of the financial performance, changes in equity and cash flows of the Group for the current financial year ended 31 December 2020, the Independent Auditor is unable to determine whether any adjustments might have been necessary in respect of the Group's financial statements for the current financial year.

Key Audit Matters

As the matter described in the Basis for Qualified Opinion section has been determined by the Independent Auditor as part of the key audit matters to be communicated in their report. Below is an extract of the work performed by the Independent Auditor and their findings:

Acquisition of Wanrun	
Refer to the following notes to the financial statements *Note 5 "Investment in Subsidiaries"*	
Key audit matter	***How the matter was addressed in the audit***
During the current financial year, the Group (through a subsidiary) acquired 80% of the equity share capital of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. (**Wanrun**) at a subscription amount of US$20,530,000 (equivalent to approximately $27,716,000) pursuant to the Proposed Subscription as described in Note 5(b) to the financial statements. In the connection, the Group engaged an external valuer to perform the purchase price allocation. The Group also elected to apply the optional concentration test introduced in the Amendments to SFRS(I) 3: *Definition of a Business*, and based on the test, management concluded that substantially all of the fair values of the gross assets are concentrated in a land use right held by Wanrun. As such, the transaction was accounted for as an asset acquisition, as opposed to a business combination, in the context of the Group's financial statements. The application of the concentration test and purchase price allocation involves significant management judgement and estimation in determining the appropriate valuation methodology and data to be used for determining the fair value of the consideration, the fair values of the identifiable assets and liabilities acquired as well as in estimating the assumptions to be applied in such valuations. We identified this as a key audit matter because this was a significant non-routine transaction and requires considerable management judgement.	In obtaining sufficient appropriate audit evidence, the following audit procedures, amongst others, were carried out: 1) We considered management's assessment of the concentration test and its accounting for the acquisition. 2) We examined the salient terms and conditions of the Proposed Subscription (see Note 5(b)), and the evidence substantiating the acquisition date and control over the subsidiary. 3) We evaluated the qualifications, competence and objectivity of the external valuer. We reviewed the purchase price allocation report; considered the appropriateness of the valuation methodology and tested data used by management and the external valuer; and assessed the reasonableness of the key assumptions used by them comparing against available market data. 4) We conducted site visits of the Land (see Note 5(b)) and discussed with management regarding its plan and status of developing the Land. Based on the results of our audit procedures performed, we found that the judgement applied by management in determining the basis for accounting the acquisition of Wanrun as an asset acquisition for the purpose of the Group's financial statements was corroborated by available information as of the date of this report, and that the acquisition was properly accounted for. The valuation was also supported by independent valuation report and the underlying valuation assumptions were within range of market data.

In conclusion, the Board wishes to further reiterate that the “except for” qualified opinion is a consequential effect of qualification in the previous financial year and this matter had been fully resolved by end of FY2020 upon the full refund of Refundable Deposit and completion of the subscription of 80% shareholdings of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. Furthermore, the zoning of the land of Tianjie Yuntai Wanrun has been changed from commercial to residential with effect from 23 March 2021, as per announcement on 28 March 2021. The land-use rights assigned has been increased from its existing 40 years to 70 years.

By Order of the Board

Ji Zenghe
Executive Chairman

14 April 2021