INDEPENDENT AUDITOR'S REPORT

To the Members of the Place Holdings Limited

Crowe Horwath First Trust LLP

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Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of The Place Holdings Limited (the Company) and its subsidiaries (the Group), set out on pages 63 to 115, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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.

Basis for Qualified Opinion

The predecessor auditors expressed a qualified opinion on the financial statements for the year ended 31 December 2019 (FY 2019) as they were unable to obtain sufficient and appropriate audit evidence regarding 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, we are unable to determine whether any adjustments might have been necessary in respect of the Group's financial statements for the current financial year.

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Crowe Horwath First Trust LLP (UEN: T08LL1312H) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A).

Key audit matters

Key audit matters are the matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matter described as below as the key audit matter to be communicated in our report.

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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, the Group's financial statements for FY2019 contained a qualified opinion which has an impact on the opening balances of the Group for the financial year ended 31 December 2020. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

Other Matter

The financial statements for the year ended 31 December 2019 were audited by another auditor whose report dated 14 June 2020 expressed a qualified opinion on those financial statements due to the matter described in the *Basis for Qualified Opinion* section of our report.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

***Auditor's Responsibilities for the Audit of the Financial Statements* (Continued)**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Alfred Cheong Keng Chuan.

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

31 March 2021