



UNIVERSAL RESOURCE AND SERVICES LIMITED
(the “Company”)
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200312303R)

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECMEBER 2016

Pursuant to Rule 704(5) of the Mainboard Rules (the “**Mainboard Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors (the “**Board**”) of the Company wishes to announce that the Company’s independent auditor, Moore Stephens LLP (the “**Independent Auditor**”), has included a disclaimer of opinion (“**Disclaimer of Opinion**”) in its Independent Auditor’s Report dated 20 April 2023 (the “**Independent Auditor’s Report**”) in relation to the consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2016 (“**FY2016**”) (the “**FY2016 Financial Statements**”).

A copy of the Independent Auditor’s Report and the FY2016 Financial Statements are attached to this announcement for information.

In relation to the Disclaimer of Opinion provided, the Board notes the following:

Limitation of scope

- (a) As announced on 11 January 2023, the Company’s financial statements for the prior financial year ended 31 December 2015 had been revised in accordance with the Companies (Revision of Defective Financial Statements, or Consolidated Financial Statements or Balance-Sheet) Regulations 2018 (the “**Revised Financial Statements**”). The Revised Financial Statements were prepared by management who made certain adjustments based on the results of the special audit of the Group’s subsidiaries in the People’s Republic of China (“**PRC**”) (the “**PRC Subsidiaries**”).
- (b) The absence of the underlying books and accounting records of the PRC Subsidiaries and the lack of access to the relevant key finance personnel based in the PRC (matters which have been highlighted in the findings of the special audit announced on 18 May 2020) resulted in the Independent Auditor not being provided with the necessary information and explanations that the Independent Auditor considered necessary nor was the Independent Auditor able to carry out alternative audit procedures to audit the financial statements and those adjustments relating to the PRC Subsidiaries as at and for FY2016, as well as the comparatives for the FY2016 Financial Statements which are based on the Revised Financial Statements.

Appropriateness of going concern assumption

- (c) The financial conditions and performance of the Group and the Company indicate the existence of material uncertainties that may cast doubt on the abilities of the Group and Company to continue as going concerns and realise their assets and discharge their liabilities in the normal course of business. Notwithstanding this, the Board is of the opinion that the use of going concern assumption for the Group and Company is appropriate as (i) the Group has no bank loans and the Group and the Company have undertaken effective cost controlling measures which reduced cash outflow to a minimum, and (ii) the review of the Group’s accruals reflect that the Group and the Company will have adequate working capital and financial resources.

As detailed in the Company's announcement dated 11 January 2023, the Company is in the process of preparing the financial statements for the subsequent financial years, and the Revised Financial Statements and the FY2016 Financial Statements will be laid, together with the financial statements in respect of the subsequent financial years, at the Company's next annual general meeting.

BY ORDER OF THE BOARD

**David Chin Yew Choong & Chow Wai San
INDEPENDENT DIRECTORS**

29 May 2023