

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN AND EMPHASIS OF MATTER
FOR THE AUDITED FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (“FY2024”)**

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board of Directors (the “**Board**”) of Sevens Atelier Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditor, PKF-CAP LLP (the “**Independent Auditor**”), has in its Independent Auditor’s Report dated 9 April 2025 (the “**Independent Auditor’s Report**”), included an unmodified opinion with Material Uncertainty Related to Going Concern and Emphasis Of Matter for the Group’s audited financial statements for the financial year ended 31 December 2024.

The Independent Auditor’s Report together with an extract of the relevant notes to the financial statements of FY2024, are attached to this announcement as Appendix 1 and Appendix 2 respectively, for Shareholders’ reference. Please refer to Note 2 in Appendix 2 for the Board’s basis on the going concern assumption. The following section, set out in italics below, has been extracted from the Independent Auditor’s Report:

Opinion

We have audited the financial statements of Sevens Atelier Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, 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, and the statement of changes of equity of the Company for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes of equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) 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 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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 opinion.

Material uncertainty related to going concern

We draw attention to Note 2 of the financial statements. The Group incurred net operating cash outflows of \$1,091,000 for the financial year ended 31 December 2024 and as at that date, the Group's and the Company's net current liabilities are \$2,761,000 and \$1,359,000 respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

Emphasis of Matter

Assistance in investigating by the Commercial Affairs Department ("CAD") and the Money Authority of Singapore ("MAS")

We draw your attention to Note 33 to the financial statements which describes the Company providing assistance in investigation by the CAD and the MAS.

Our opinion is not modified in respect of this matter.

CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement in conjunction with the Independent Auditor's Report and the audited financial statements which are included in the Company's Annual Report for FY2024, of which Company will be releasing via SGXNet by 11 April 2025, in their entirety.

In the meantime, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Lawrence Chen Tse Chau
Independent Director and Non-Executive Chairman
9 April 2025

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Ms Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

INDEPENDENT AUDITOR'S REPORT

Appendix 1

To the Members of Sevens Atelier Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sevens Atelier Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, 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, and the statement of changes of equity of the Company for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes of equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements. The Group incurred net operating cash outflows of \$1,091,000 for the financial year ended 31 December 2024 and as at that date, the Group's and the Company's net current liabilities are \$2,761,000 and \$1,359,000 respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Our opinion is not modified in respect of this matter.

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Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current 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 Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for construction and renovation contracts

Refer to Note 3(c) for the relevant accounting policy, Note 4(c) on significant accounting judgements and estimates and Note 5 on revenue.

For the financial year ended 31 December 2024, construction and renovation contracts recognised on a percentage of completion ("POC") method amounted to \$9,099,000 as disclosed in Note 5 to the financial statements and represented 100% of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Sevens Atelier Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore.

The Company's principal activities are those of an investment holding company and provision of management services to its subsidiaries.

The Company is listed on Catalist which is a shares market on the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are described in Note 16 below.

The registered office is 31 Joo Chiat Place Singapore 427755.

2. Material uncertainty related to going concern

The Group incurred net operating cash outflows of \$1,091,000 for the financial year ended 31 December 2024 and as at that date, the Group's and the Company's net current liabilities are \$2,761,000 and \$1,359,000 respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns.

The Board and the Management are of the opinion that the use of going concern in the preparation of these financial statements is appropriate, taking into account the following:

- The Group expects contracts secured to-date and potential new contracts to be secured will generate sufficient cashflows to support its operating expenses in the next 12 months from the date of approval of these financial statements, taking into account the improvement of the construction industry in Singapore.
- The Group is in the process of preparing and studying potential fundraising initiatives through corporate exercises. This may involve equity financing options such as private placements, rights issues, or other capital-raising mechanisms. The management is assessing market conditions, regulatory requirements, and investor appetite to determine the most suitable approach to strengthening the Group's financial position.
- The Group is actively exploring and evaluating various options for securing debt financing from financial institutions. This includes engaging with potential lenders, assessing the terms and feasibility of available credit facilities, and preparing the necessary financial documentation to support loan applications.
- The cash flow forecasts of the Group for the next 12 months and concluded that there will be sufficient cash flows and resources to allow the Group to continue its operations and meet its obligations for the foreseeable future. The Board has assessed the ability of the Group to meet its short-term obligations as and when it falls due and is also of the opinion that the Group will be able to raise the necessary funds for its working capital purposes when required.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group or the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are now recorded in the statements of financial position. In addition, the reporting entities may have to provide for further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.