

# INDEPENDENT AUDITOR'S REPORT

*To the members of Attilan Group Limited*

## Report on the Audit of the Financial Statements

We were engaged to audit the financial statements of Attilan Group 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 2017, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### **Disclaimer of Opinion**

We do not express an opinion on the consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for Disclaimer of Opinion**

#### 1. Financial Effects of Put Option Agreements

As disclosed in Note 27 to the financial statements, the Group and the Company have recognised a liability of S\$24,500,000 as at 31 December 2016 and 2017, relating to the valuation of the put option agreements ("Options") entered into with certain third parties ("Investors"), that provide the Investors with the right to require the Company to acquire their investments in preference shares issued by TAP Venture Fund I Pte. Ltd. ("TAPVF").

We have not been provided with sufficient appropriate audit evidence, nor were we able to perform alternative audit procedures, to ascertain that the financial effects, including the fair value of the Options have been appropriately assessed and adjusted in the consolidated financial statements of the Group, and the balance sheet of the Company, as at 31 December 2016 and 2017. Consequently, we were unable to determine whether any adjustments to the consolidated financial statements of the Group, and the balance sheet of the Company, were necessary.

#### 2. Appropriateness of Going Concern Assumption

As disclosed in Note 2(a) to the financial statements, the Group incurred a net loss and total comprehensive loss of S\$5,176,256 and S\$6,383,285 (2016: net loss and total comprehensive loss of S\$36,546,311 and S\$37,819,115) respectively for the financial year ended 31 December 2017. As at 31 December 2017, the Group's and the Company's current liabilities exceeded their current assets by S\$38,436,895 (2016: S\$40,173,540) and S\$32,879,319 (2016: S\$32,036,981) respectively, and the Group and the Company have a net deficit in shareholders' funds of S\$40,290,956 (2016: S\$35,441,671) and S\$32,787,327 (2016: S\$30,030,046) respectively.

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## ***Basis for Disclaimer of Opinion*** (cont'd)

### 2. Appropriateness of Going Concern Assumption (cont'd)

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as a going concern and to realise their assets and discharge their liabilities in the ordinary course of business.

Management has prepared the financial statements on a going concern basis on the assumption that the Group and the Company will continue as a going concern. The ability of the Group and the Company to continue as going concern is dependent on certain assumptions and the successful outcome of the various efforts by the Group as disclosed in Note 2(a) to the financial statements, the outcome of which is inherently uncertain.

In the light of the material uncertainties discussed above, we do not have sufficient audit evidence regarding the use of the going concern assumption in the preparation of the financial statements. Consequently, we are unable to form a view as to the use of the going concern assumption in the preparation of these financial statements.

In the event the Group and the Company are unable to continue in existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to provide for further liabilities that might 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.

## ***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 Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (the "FRSs"), 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.

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our responsibility is to conduct an audit of the consolidated financial statements of the Group and the statement of financial position of the Company in accordance with Singapore Standards on Auditing ("SSAs") and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

## ***Report on Other Legal and Regulatory Requirements***

In our opinion, except for the effects of the matters described in the Basis for Disclaimer of Opinion section of our report, 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 Mr. Christopher Bruce Johnson.

**Moore Stephens LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
5 July 2018