



KOON HOLDINGS LIMITED  
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)  
(COMPANY REGISTRATION NO. 200303284M)  
(ARBN 105 734 709)

## The Business Times Article titled “Koon Holdings auditor flags going concern issue” - Clarification

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The board of directors (the “**Board**” or “**Directors**”) of Koon Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (a) the Company’s announcement dated 2 September 2019 in relation to the disclaimer of conclusion on the interim financial information for the six months ended 30 June 2019 (the “**Previous Announcement**”); and
- (b) the article published in the 2 September 2019 edition of The Business Times titled “Koon Holdings auditor flags going concern issue” (the “**BT Article**”).

Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the same meanings and construction as ascribed to them in the Previous Announcement.

Paragraph 4 of the BT Article states that “*The disclaimer of conclusion was issued as the auditing firm was not able to obtain assurance it would become aware of all significant matters required. The auditor reviewed the interim financial information – which was “substantially less in scope” compared with an audit, which would be able to identify all significant matters.*” The Board is of the view that the statements in this paragraph may lead readers to form an incorrect impression of the disclaimer of conclusion as well as the Auditor’s scope of review of the interim financial information for 1H2019 (the “**IFI**”).

In this regard, the Board wishes to clarify that the scope of the Auditor’s review of the IFI was conducted in accordance with the Singapore Standard on Review Engagements 2410 (Review of Interim Financial Information Performed by the Independent Auditor of the Entity). Pursuant to such review, the Auditor does not express an audit opinion on the IFI. A review, in contrast to an audit, is not designed to obtain reasonable assurance that the interim financial information is free from material misstatement. As explained in the Independent Auditor’s Report, the review is substantially less in scope than an audit conducted in accordance with the Singapore Standards on Auditing, and consequently does not enable the Auditor to obtain assurance that it would become aware of all significant matters that might be identified in an audit.

The Disclaimer of Conclusion was given on the basis that the Auditor was not able to obtain sufficient information to complete its assessment on the appropriateness of the use of going

concern assumption in the preparation of the interim financial information. Consequently, the Auditor was unable to determine whether any adjustment was required in respect of the IFI.

The Auditor did not express a conclusion on the IFI. It should also be noted that the Auditor does not, and is not required to, as explained above, express an audit opinion from its review of the IFI.

**By Order of the Board**

Oh Koon Sun  
Acting Managing Director  
4 September 2019



