

# INDEPENDENT AUDITOR'S REPORT

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 2023, 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)") 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 2023 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 a net loss of \$4,053,000 and net operating cash outflows of \$197,000 for the financial year ended 31 December 2023 and as at that date, the Group's and the Company's net current liabilities are S\$3,255,000 and S\$918,000 respectively. As stated in Note 2, 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 39 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.

### 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 period. 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(d) on critical judgements, assumptions and estimation uncertainties and Note 5 on revenue.

For the financial year ended 31 December 2023, construction and renovation contracts recognised on a percentage of completion ("POC") method amounted to \$14,330,000 as disclosed in Note 5 to the financial statements and represented 100% of the Group's total revenue.