

SHS HOLDINGS LTD.
(Company Registration Number 197502208Z)
(Incorporated in the Republic of Singapore)

**DIFFERENCE BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Board of Directors of SHS Holdings Ltd. (the “Company” and together with its subsidiaries, the “Group”) refer to the unaudited full year financial results announcements for the financial year ended 31 December 2018 (“FY2018”) released via the SGX-NET on 27 February 2019 (the “**Unaudited Financial Statements**”). Further reference is made to the Audited Financial Statements of the Company for FY2018 (the “**Audited Financial Statements**”) which will be provided to shareholders and the SGX-ST in its FY2018 Annual Report on 12 April 2019.

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there are certain adjustments made by the Company to the Consolidated Statement of Comprehensive Income, Statement of Financial Position (Group) and Consolidated Statement of Cash Flows in the Audited Financial Statements compared to what was disclosed in the Unaudited Financial Statements. **The adjustments, however, have no material impact on the overall results.**

Below is a comparison between the earlier announced unaudited financial statement and the audited financial statements.

Consolidated Statement of Comprehensive Income

	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Change S\$'000	Note
Revenue	46,606	46,606	-	
Cost of sales and services	(42,779)	(42,779)	-	
Gross profit	3,827	3,827	-	
Other income	3,837	3,837	-	
Selling and distribution expenses	(972)	(972)	-	
Administrative expenses	(9,159)	(9,159)	-	
Other operating expenses	(11,811)	(11,923)	112	a
Loss from operations	(14,278)	(14,390)	112	
Finance costs	(576)	(576)	-	
Share of (loss)/profit of associated companies	(197)	(197)	-	
Share of profit of joint ventures	58	58	-	
Loss before income tax	(14,993)	(15,105)	112	
Income tax	58	84	-26	b
Loss from continuing operations after tax	(14,935)	(15,021)	86	
Profit from discontinued operation after tax	101	101	-	
Loss after income tax	(14,834)	(14,920)	86	
Attributable to				
Equity holder of the Company	(11,918)	(11,169)	-749	c
Non-controlling interests, net of income tax	(2,916)	(3,751)	835	c
	(14,834)	(14,920)	86	

Notes:-

- a) Adjustment pertaining to exchange difference amounted \$37,000 and amortisation of prepaid landlease of \$75,000
- b) Deferred tax income pertaining to revaluation surplus amounted \$26,000.
- c) Error in share of non-controlling interest adjusted.

Statement of Financial Position (Group)

	Unaudited Financial Statements	Audited Financial Statements	Change	Note
	S\$'000	S\$'000	S\$'000	
Non-current assets				
Property, plant and equipment	91,506	91,530	(24)	d
Investments in associated companies	1,302	1,302	-	
Financial assets, available-for-sale	30,510	23,840	6,670	e
Goodwill	16,850	16,850	-	
Prepaid land lease	3,645	6,303	(2,658)	f
Other receivable and prepayments		7,990	(7,990)	e
	143,813	147,815		
Current Assets				
Prepaid land lease	132	187	(55)	d
Inventories	7,849	7,849	-	
Land held for development	5,591	5,591		
contract assets	18,774	19,362	(588)	g
Trade receivables	10,676	9,286	1,390	g,h
Other receivables and prepayments	10,097	10,098	(1)	
Cash and bank balances	29,890	29,890	-	
	83,009	82,263		
Assets held for sales	6,299	6,299		
	89,308	88,562		
Current Liabilities				
Trade payables and accruals	8,883	10,893	(2,010)	f,h
Contract liabilities	5,037	5,037		
Other payables	7,646	7,713	(67)	i
Term loans	4945	4,878	67	i
Amount due to associated companies	801	801	-	
Other amounts due to bankers	3147	3,147	-	
Finance leases	59	59	-	
Provision for taxation	608	608	-	
	31,126	33,136		
Liability directly associated with the assets	29	29		
	31,155	33,165		
Non-current Liabilities				
Term loans	13,062	13,062	-	
Finance leases	49	49	-	
Deferred taxation	3,533	3,507	26	b
	16,644	16,618		
Net Asset	185,322	186,594		
EQUITY				
Share capital	160,637	160,637	-	
Treasury shares	(5,003)	(5,003)	-	
Asset revaluation reserve	7,456	7,456	-	
Foreign currency translation reserve	(618)	(553)	(65)	
Fair value reserve	(2,465)	(1,145)	(1,320)	e
Revenue reserve	26,144	26,910	(766)	c
	186,151	188,302		
Non-controlling interests	(829)	(1,708)	879	c
Total Equity	185,322	186,594		

Statement of Financial Position (Group) (cont'd)

Notes:-

- d) additional amortisation of prepaid landlease
- e) adjustment of loan extended to an investee company treated as equity investment in the Unaudited Financial Statements was reclassified back to other receivable in the Audited Financial Statements as it does not meet equity investment criteria. With the changes, it also affected the fair value reserve.
- f) accrual for prepaid landlease \$2,658,000 which is due to pay in FY2019
- g) reclassification of \$588,000 between contract assets and trade receivables
- h) reclassification of \$802,000 from trade payable to trade receivable for offsetting
- i) reclassification \$67k to other payables

Consolidated Statement of Cash Flows

	Unaudited Financial Statements	Audited Financial Statements	Change	Note
	S\$'000	S\$'000	S\$'000	
Net cash used in operating activities	(11,081)	(16,739)	5,658	j
Net cash used in investing activities	(6,345)	(4,697)	(1,648)	k
Net cash used in financing activities	(1,844)	2,184	(4,028)	l
Effect of exchange difference	53	35	18	
	(19,217)	(19,217)	-	

Notes:-

- j) Purchase of land held for development classified under operating activities instead of investing activities and amount owing to non-controlling interest under financing activities
- k) Mainly due to the above explanation in j
- l) Mainly due to the above explanation in j

BY ORDER OF THE BOARD

Ng Han Kok, Henry
Group Chief Executive Officer
8 April 2019