

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

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**DIFFERENCE BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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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 2019 (“FY2019”) released via the SGX-NET on 27 February 2020 (the “Unaudited Financial Statements”). Further reference is made to the Audited Financial Statements of the Company for FY2019 (the “Audited Financial Statements”) which will be provided to shareholders and the SGX-ST in due course.

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.

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

**Consolidated Statement of Comprehensive Income**

	<b>Unaudited Financial Statements S\$'000</b>	<b>Audited Financial Statements S\$'000</b>	<b>Change S\$'000</b>	<b>Note</b>
Revenue	26,390	26,390	-	
Cost of sales and services	(20,577)	(20,577)	-	
Gross profit	5,813	5,813	-	
Other income	2,117	2,117	0	
Selling and distribution expenses	(350)	(350)	0	
Administrative expenses	(5,448)	(5,443)	5	a
Other operating expenses	(6,196)	(8,666)	(2,470)	b
Loss from operations	(4,064)	(6,529)	2,465	
Finance costs	(1,223)	(1,223)	-	
Share of (loss)/profit of associated companies	257	825	568	c
Loss before income tax	(5,030)	(6,927)	(1,897)	
Income tax	42	41	(1)	
Loss from continuing operations after tax	(4,988)	(6,886)	(1,898)	
Loss from discontinued operation after tax	(8,826)	(18,505)	(9,679)	d
Loss after income tax	(13,814)	(25,391)	(11,577)	
Attributable to				
Equity holder of the Company	(10,912)	(22,484)	(11,572)	e
Non-controlling interests, net of income tax	(2,902)	(2,907)	(5)	
	(13,814)	(25,391)	(11,577)	

## **Consolidated Statement of Comprehensive Income (cont'd)**

Notes:-

(a) classification difference

(b) mainly due to increase in provision for impairment loss of other receivables of S\$2.45 million (S\$1.13 million in other receivables (current asset), S\$1.32 million in other receivables (non-current asset) ) and underprovision of S\$20,000 for audit fees.

(C) adjustment of share of associated company's results upon finalisation after its audit

(d) impairment of property, plant and equipment and inventories written off for discontinued operations-TLC group.

(e) mainly due to reasons stated in b and d.

## Statement of Financial Position (Group)

	Unaudited Financial Statements	Audited Financial Statements	Change	Note
	S\$'000	S\$'000	S\$'000	
<b>Non-Current assets</b>				
Property, plant and equipment	48,373	48,373	-	
Right of Use asset	4,819	4,847	28	
Investments in associated companies	1,289	1,857	568	f
Financial assets, available-for-sale	23,563	23,563	-	
Goodwill	16,850	16,850	-	
Other receivable and prepayments	7,912	6,593	(1,319)	g
	102,806	102,083		
<b>Current Assets</b>				
Inventories	3,009	3,009	(0)	
Land held for development	4,760	4,760	-	
Contract assets	7,647	7,523	(124)	h
Trade receivables	10,186	10,305	119	h
Other receivables and prepayments	5,831	4,713	(1,118)	i
Amount due from associate	-	7	7	j
Cash and bank balances	31,091	31,092	1	
	62,524	61,409		
Assets held for sales	66,761	68,003	(1,242)	k
	129,285	129,412		
<b>Current Liabilities</b>				
Trade payables and accruals	5,460	5,466	6	j
Contract liabilities	792	1,028	236	l
Other payables	1,735	1,517	(218)	l
Term loans	5861	5,862	1	
Other amounts due to bankers	1775	1,775	-	
Provision for taxation	567	565	(2)	
	16,190	16,213	23	
Liability directly associated with the assets	23,810	34,729	(10,919)	k
	40,000	50,942		
<b>Non-Current Liabilities</b>				
Term loans	11,751	11,751	-	
Lease liabilities	4,945	4,974	29	
Deferred taxation	2,989	2,992	3	
	19,685	19,717		
<b>Net Asset</b>	172,406	160,836		
<b>EQUITY</b>				
Share capital	160,640	160,640	-	
Treasury shares	(5,003)	(5,003)	-	
Asset revaluation reserve	7,456	7,456	-	
Foreign currency translation reserve	(742)	(740)	2	
Fair value reserve	(1,290)	(1,290)	-	
Revenue reserve	15,998	4,468	(11,530)	m
	177,059	165,531		
Non-controlling interests	(4,653)	(4,695)	(42)	n
<b>Total Equity</b>	172,406	160,836		

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

Notes:-

- (f) the increase is mainly due to increase in share of result of associated company as stated in C
- (g) Loan extended to an investee company was impaired by about S\$1.32 million as stated in b
- (h) reclassification of contract assets to trade receivables
- (i) Other receivable was impaired by about S\$1.13 million as stated in b
- (j) Classification difference
- (k) mainly due to assets written down as stated in d
- (l) reclassification of advance from customer from other payables to contract liabilities
- (m) decrease in retained earnings mainly due to reasons stated in b and d
- (n) adjustment of share of non-controlling interests for step acquisition

## **Consolidated Statement of Cash Flows**

	<b>Unaudited Financial Statements S\$'000</b>	<b>Audited Financial Statements S\$'000</b>	<b>Change S\$'000</b>	<b>Note</b>
Net cash used in operating activities	3,632	(9,136)	12,768	o
Net cash generated from investing activities	(1,274)	9,545	(10,819)	p
Net cash generated from financing activities	(1,124)	928	(2,052)	q
Effect of exchange difference	(28)	(135)	107	
	<b>1,206</b>	<b>1,202</b>	<b>4</b>	

Notes:-

- (o) Refund of project development cost now treated as inflow in investment activities instead of operating activities
- (p)) mainly due to reason stated in o
- (q) increase in amount due to NCI amounted to S\$2 million now treated as financing activities which was previously included in operating activities

BY ORDER OF THE BOARD

Ng Han Kok, Henry  
Group Chief Executive Officer  
5 April 2020