

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 2017

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 2017 (“**FY2017**”) released via the SGX-NET on 28 February 2018 (the “**Unaudited Financial Statements**”). Further reference is made to the Audited Financial Statements of the Company for FY2017 (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. **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	Audited Financial Statements	Change	Note
	S\$'000	S\$'000	S\$'000	
Revenue	37,725	37,725	-	
Cost of sales and services	(33,493)	(33,493)	-	
Gross profit	4,232	4,232	-	
Other income	2,096	2,096	-	
Selling and distribution expenses	(770)	(770)	-	
Administrative expenses	(8,688)	(8,688)	-	
Other operating expenses	(16,345)	(16,367)	22	a
Loss from operations	(19,475)	(19,497)	22	
Finance costs	(246)	(246)	-	
Share of (loss)/profit of associated companies	(571)	(571)	-	
Share of profit of joint ventures	79	101	(22)	a
			-	
Loss before income tax	(20,213)	(20,213)	-	

Notes:-

a) Loss on disposal of joint venture is being reclassified to other operating expenses.

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	75,445	75,408	37	b
Investments in associated companies	9,330	9,330	-	
Financial assets, available-for-sale	19,711	19,711	-	
Investment in joint ventures	102	102	-	
Goodwill	20,501	20,501	-	
Prepaid land lease	3,752	3,752	-	
Other receivable and prepayment	-	16,541	(16,541)	c
	128,841	145,345		
Current Assets				
Prepaid land lease	189	189	-	
Inventories and work-in-progress	20,483	20,483	-	
Trade receivables	13,704	14,716	(1,012)	d
Other receivables and prepayments	38,014	21,473	16,541	c
Loan receivables from joint ventures	2,276	2,276	-	
Cash and bank balances	49,107	49,107	-	
	123,773	108,244		
Current Liabilities				
Trade payables and accruals	10,916	11,928	(1,012)	d
Other payables	5,893	10,005	(4,112)	e
Term loans	12,846	13,050	(204)	f
Amount due to associated companies	1,029	1,029	-	
Other amounts due to bankers	2,927	2,927	-	
Amount due to non-controlling interest	4,112	0	4,112	e
Finance leases	79	79	-	
Provision for taxation	848	811	37	b
	38,650	39,829		
Non-current Liabilities				
Term loans	3,980	3,776	204	f
Finance leases	128	128	-	
Deferred taxation	3,598	3,598	-	
	7,706	7,502		
Net Asset	206,258	206,258		
EQUITY				
Share capital	160,637	160,637	-	
Treasury shares	(5,003)	(5,003)	-	
Asset revaluation reserve	7,456	7,456	-	
Foreign currency translation reserve	671	671	-	
Revenue reserve	39,559	39,559	-	
	203,320	203,320		
Non-controlling interests	2,938	2,938	-	
Total Equity	206,258	206,258		

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

Notes:-

- b) Reclassification between tax payable and property, plant & equipment
- c) Reclassification between current and non-current receivables
- d) Reclassification of advance receivable from customers to trade payable account
- e) Reclassification of amount due to non-controlling interest to other payables
- f) Reclassification between current and non-current loan 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	(17,849)	(9,064)	(8,785)	g
Net cash used in investing activities	(17,832)	(24,386)	6,554	g,h
Net cash used in financing activities	14,002	11,824	2,178	i
Effect of exchange difference	(6)	(59)	53	
	(21,685)	(21,685)	0	

Notes:-

- g) Reclassification of amount received from escrow, deposit paid for acquisition of land and outstanding payment for acquisition of a subsidiary to from changes in working capital to investing activities
- h) Mainly due to the above explanation in g and reclassification of loan from associates to financing activities
- i) Reclassification loan from associates, net impact of amount due from non-controlling interest to financing activities.

BY ORDER OF THE BOARD

Ng Han Kok, Henry
Group Chief Executive Officer
9 April 2018