SINCAP GROUP LIMITED

(Incorporated in the Republic of Singapore) (Company Registration No.: 201005161G)

MATERIAL DIFFERENCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The board of directors (the "Board") of Sincap Group Limited (the "Company", and together with its subsidiaries, the "Group") refers to the unaudited full year results announcement for the financial year ended 31 December 2017 ("FY2017") made on 1 March 2018 (the "Unaudited Results").

All capitalised terms in this announcement shall have the same meanings as ascribed to them in the aforementioned announcements unless otherwise defined.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce the material variances between the audited financial statements of the Group for FY2017 (the "Audited Results") and the Unaudited Results.

Details and clarifications of the differences are set out below in this announcement.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

BY ORDER OF THE BOARD SINCAP GROUP LIMITED

CHU MING KIN

Executive Chairman and Chief Executive Officer

5 April 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			
	Audited FY 2017 RMB'000	Unaudited FY 2017 RMB'000	Variance RMB'000	Notes
Continuing operation		2		
Revenue	306,737	306,737	-	
Cost of Sales	(266,578)	(266,578)	-	
Gross Profit	40,159	40,159	-	
Other Income	2,325	35,975	(33,650)	1
Distribution Costs	-	-	-	
Administrative Expenses	(9,551)	(15,347)	5,796	1(a)
Finance Costs	(40)	(40)	-	
Other expenses	(9,892)	(213)	(9,679)	2
Profit before income tax	23,001	60,534		
Income Tax Expense	(5,575)	(5,575)	-	
Profit from continuining operations, net of tax	17,426	54,959		
Discontinued operations (1)				
Loss from discontinued operations, net of tax	10,198	_	10,198	1(b)
Profit for the year	27,624	54,959		
Other comprehensive (loss)/income: Items that are or may be reclassified subsequently to profit and loss: Reclassification of currency translation reserve upon disposal of subsidiaries Currency translation differences arising on consolidation	229 (7,872)	(7,643)	229 (229)	3 3
Total comprehensive income for the year	19,981	47,316		
Profit/(loss) attributable to:				
Equity holders of the Company	13,747	41,085	(27,338)	
Non-controlling interests	13,877	13,874	3	
	27,624	54,959		
Profit/(loss) attributable to equity holders of the Company relates to:				
Profit from continuing operations	3,549	41,085	(37,536)	
Profit from discontinued operations	10,198		10,198	
,	13,747	41,085		
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	9,001	36,339	(27,338)	
Non-controlling interests	10,980	10,977	3	
	19,981	47,316		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group			
	Audited	Unaudited		
ASSETS	31.12.2017	31.12.2017	Variance	
Non-Current Assets	RMB'000	RMB'000	RMB'000	Notes
Property, Plant and Equipment	761	761	-	
Intangile assets	-	-	-	
Deferred tax assets	-	-	-	
Land use rights	-	-	-	
Goodwill	13,434	13,434	-	
Investments in subsidiaries			-	
Total Non-Current Assets	14,195	14,195		
Current Assets				
Inventories	-	-	-	
Trade and other receivables	193,933	203,612	(9,679)	2
Bank and cash balances	22,855	22,855	-	
Total Current Assets	216,788	226,467		
Total Assets	230,983	240,662		
EQUITY AND LIABILITIES				
Equity				
Share capital	151,560	151,560	_	
Accumulated profits/(losses)	6,661	16,340	(9,679)	2
Statutory reserve		-	(5,075)	-
Currency translation reserve	(9,867)	(9,867)	_	
Equity, attributable to equity holders of the Company	148,354	158,033		
Non-controlling interests	59,927	59,927	_	
Total Equity	208,281	217,960		
Total Equity	200,201	217,000		
Non-Current Liabilities				
Deferred tax liabilities	-	-	-	
Borrowings	669	669	-	
Total Non-Current Liabilities	669	669		
Current Liabilities				
Trade and other payables	16,198	16,198	_	
Provision for safety expenses	10,100	10,100	_	
Borrowings	501	501	_	
Income tax payable	5,334	5,334	_	
Total Current Liabilities	22,033	22,033	_	
Total Liabilities	22,702	22,702		
Total Equity and Liabilities	230,983	240,662		
Total Equity and Elabilities	250,865	240,002		

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities Audited FY 2017 kp (FY 2017 kp) Variance RMB '000 kp) Notes Cash flows from operating activities 23,001 60,534 (37,533) 1(b) Loss before tax from continuing operations 10,359 10,359 10,359 10,539 1(b) Adjustments for: Interest income (2,411) (2,320) (37,53) 1(b) Interest income (2,411) (2,320) (30) 1(b) Casin or disposal of plant and equipment 4,752 190 4,562 1(b) Gain on disposal of subsidiaries (17,358) (33,651) 16,203 1(c) Gain on disposal of subsidiaries (17,358) (33,651) 16,203 1(d) Impairment loss on development property - 5,796 (5,796) 1(a) Other receivables written off - 5,796 (5,796) 1(b) Amortisation of intangible assets and land use rights 140 - 140 1(b) Impairment loss on intangible assets and land use rights 19 2 193 1(b) <th></th> <th colspan="2">Group</th> <th></th> <th colspan="2"></th>		Group				
Cash flows from operating activities 23,001 60,534 (37,533) Profit before tax from continuing operations 23,001 60,534 (37,533) 10,000 Loss before tax from continuing operations 10,359 10,359 10,359 10,000 Adjustments for: Interest income (2,411) (2,320) (30,000) 10,000 Linerest expense 4 40 40 40 10 10 Depreciation of property, plant and equipment 4,752 190 4,562 10 Gain on disposal of plant and equipment 2 19 4,562 10 Gain on disposal of plant and equipment 2 5,798 16,00 10 Gain on disposal of plant and equipment 2 5,799 10 20 Child receivables willen off 2 5,799 2 10		Audited	Unaudited			
Cash flows from operating activities 23,001 60,534 (37,533) 1(b) Loss before tax from discontinued operations 10,369 - 10,359 1(b) Adjushments for: 10,369 - 10,369 1(b) Interest income (2,411) (2,320) (91) 1(b) Interest expense 40 40 - 1 1(b) Gain on disposal of plant and equipment - 2 - 3 1(c) Gain on disposal of subsidiaries (17,358) 33,651 18,23 Impairment loss on development property - 7 5,798 1(a) Other receivables written off 9,679 5,798 1(a) 1(b) Allowance for doubtful receivables 9,679 6,799 2 2 601 1(b) 1(b) 1(b) 1(b) 1(b) 1(a) 1(b) 1(b) 1(a) 1(b) <th></th> <th>FY 2017</th> <th>FY 2017</th> <th>Variance</th> <th></th>		FY 2017	FY 2017	Variance		
Profit before tax from continuing operations		RMB'000	RMB'000	RMB'000	Notes	
Profit before tax from continuing operations	Cook flows from appreting activities					
Adjustments for Incircument Incircumen		23 001	60 534	(27 522)		
Adjustments for Interest income (2,411) (2,320) (91) (10)		•	00,554		1/b)	
Interest income (2,411) (2,320) (91) (1(b) Interest expense 40	•	10,559	-	10,339	1(0)	
Interest expense	•	(2.411)	(2.220)	(01)	1/b)	
Depreciation of property, plant and equipment 4,752 190 4,562 1(b)			. , ,	(91)	1(0)	
Gain on disposal of plant and equipment (17,358) (33,651) 16,293 Gain on disposal of subsidiaries (17,358) (33,651) 16,293 Impairment loss on development property - - - Other receivables written off - 5,796 (5,796) 1(a) Allowance for doubtful receivables 9,679 - 9,679 2 Provision for safety expenses (61) - 140 1(b) Amortisation of intangible assets and land use rights 140 - 140 1(b) Impairment loss on intangible assets and land use rights 140 - - 140 1(b) Amortisation of intangible assets and land use rights 140 -	•			4 560	1/b)	
Cash non disposal of subsidiaries 17,358 33,651 16,293 Impairment loss on development property 1- 16,000		4,732		4,302	T(D)	
The pairment loss on development property 1		- (47.050)		40.000		
Dither receivables written off	·	(17,358)	(33,651)	16,293		
Allowance for doubtful receivables		-	- - 700	(F. 700)	4/->	
Provision for safety expenses			5,796			
Amortisation of intangible assets and land use rights 140 - 140 1(b) Impairment loss on intangible assets - 2 19 1(b) Plant and equipment witten off 195 2 193 1(b) Unrealised foreign exchange gains - 3 - 3 - 5 - 7 - 1 <			-			
Plant and equipment written off 195 2 193 1(b) Unrealised foreign exchange gains - - - Operating cash flows before working capital changes 28,336 30,591 Development property - - Inventories 603 3.591 Receivables (133,055) (138,629) 5,574 1(a), 1(b) Payables 22,052 19,893 2,159 1(b) Payables 22,052 19,893 2,159 1(b) Payables 22,052 19,893 2,159 1(b) Currency translation adjustments 253 253 253 Cash (used in)/from operations (81,811) (87,892) Income tax paid (3,739) (3,800) 61 1(b) Net cash (used in)/from operating activities (85,550) (91,692) Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of intangible asseets - - Proceeds from disposal of property, plant and equipment (1,861) 93 1 92 1(b) Net cash flows from/(used in) investing activities 37,695 41,839 (4,144) Interest received 93 1 92 1(b) Net cash flows from/(used in) investing activities 35,927 41,840 Proceeds from financing activities (101) (101) - Cash flows from financing activities (101) (101) - Finance lease repayment (101) (101) - Finance lease repayment (101) (101) - Repayment to shareholder - - Repayment to term loan - - Repayment to related party loan - - Repayment of term loan - - Repayment of term loan 18,308 18,308 - Proceeds from issuance of new shares, net of issuance expenses 18,308 18,308 - Capital contribution by non-controlling interest 37,609	, ·					
Plant and equipment written off	_	140	-	140	1(b)	
Direalised foreign exchange gains		-	-	-		
Operating cash flows before working capital changes 28,336 30,591 Development property - - Inventories 603 1 Receivables (133,055) (138,629) 5,574 1(a), 1(b) Payables 22,052 19,893 2,159 1(b) Currency translation adjustments 253 253 253 Cash (used in)/from operations (81,811) (87,892) 61 1(b) Income tax paid (3,739) (3,800) 61 1(b) Net cash (used in)/from operating activities (85,550) (91,692) (91,692) Cash flows from investing activities Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of intangible asseets - - - - Purchase of intangible asseets - - - - Proceeds from disposal of property, plant and equipment - - - - Disposal of a subsidiary, net of cash disposed of 37,695	• •	195	2	193	1(b)	
Development property 1				-		
Necessary 10 10 10 10 10 10 10 1		28,336	30,591			
Receivables (133,055) (138,629) 5,574 1(a), 1(b) Payables 22,052 19,893 2,159 1(b) Currency translation adjustments 253 253 - Cash (used in)/from operations (81,811) (87,892) - Income tax paid (3,739) (3,800) 61 1(b) Net cash (used in)/from operating activities (85,550) (91,692) 61 1(b) Cash flows from investing activities Purchase of property, plant and equipment - - - - Purchase of intangible asseets - - - - Purchase of intangible asseets - - - - Purchase of property, plant and equipment - - - - - Purchase of property, plant and equipment - 1(b) <td></td> <td>-</td> <td>-</td> <td></td> <td></td>		-	-			
Payables 22,052 19,893 2,159 1(b) Currency translation adjustments 253 253 - Cash (used in)/from operations (81,811) (87,892) - Income tax paid (3,739) (3,800) 61 1(b) Net cash (used in)/from operating activities (85,550) (91,692) - - Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of intangible asseets - - - - Proceeds from disposal of property, plant and equipment - - - - Disposal of a subsidiary, net of cash disposed of 37,695 41,839 (4,144) 1(b) Net cash flows from/(used in) investing activities 35,927 41,840 - - Interest paid (40) (40) - - Interest paid (40) (40) - - Finance lease repayment (101) (101) - - Repayment to shareholder - <td< td=""><td>Inventories</td><td></td><td>-</td><td></td><td></td></td<>	Inventories		-			
Currency translation adjustments 253 253 - Cash (used in)/from operations (81,811) (87,892) 61 1(b) Income tax paid (3,739) (3,800) 61 1(b) Net cash (used in)/from operating activities (85,550) (91,692) 81 Cash flows from investing activities Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of intangible asseets - - - - - Proceeds from disposal of property, plant and equipment -	Receivables	(133,055)	(138,629)	5,574		
Cash (used in)/from operations (81,811) (87,892) Income tax paid (3,739) (3,800) 61 1(b) Net cash (used in)/from operating activities (85,550) (91,692) 8 Cash flows from investing activities Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of intangible asseets - - - - - Proceeds from disposal of property, plant and equipment - <t< td=""><td>Payables</td><td></td><td>19,893</td><td>2,159</td><td>1(b)</td></t<>	Payables		19,893	2,159	1(b)	
Net cash (used in)/from operating activities	Currency translation adjustments	253	253	-		
Cash flows from investing activities (85,550) (91,692) Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of property, plant and equipment - Proceeds from disposal of property, plant and equipment - Disposal of a subsidiary, net of cash disposed of 37,695 41,839 (4,144) Interest received 93 1 92 1(b) Net cash flows from/(used in) investing activities 35,927 41,840 41,840 Cash flows from financing activities (40) (40) - Interest paid (40) (40) - Finance lease repayment (101) (101) - Repayment to shareholder - - Repayment to related party loan - - Repayment to related party loan - - Proceeds from issuance of new shares, net of issuance expenses 18,308 18,308 - Capital contribution by non-controlling interest 37,609 37,609	Cash (used in)/from operations	(81,811)	(87,892)			
Cash flows from investing activities Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of intangible asseets Proceeds from disposal of property, plant and equipment Disposal of a subsidiary, net of cash disposed of 37,695 41,839 (4,144) Interest received 93 1 92 1(b) Net cash flows from/(used in) investing activities 35,927 41,840 Cash flows from financing activities Interest paid (40) (40) Finance lease repayment (101) (101) Repayment to shareholder Repayment to related party loan Proceeds from issuance of new shares, net of issuance expenses 18,308 18,308 Capital contribution by non-controlling interest 37,609 37,609 Net cash flows from/(used in) financing activities 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	Income tax paid	(3,739)	(3,800)	61	1(b)	
Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of intangible asseets - - - - Proceeds from disposal of property, plant and equipment - - - - Disposal of a subsidiary, net of cash disposed of Interest received 93 1 92 1(b) Net cash flows from/(used in) investing activities 35,927 41,840 -	Net cash (used in)/from operating activities	(85,550)	(91,692)			
Purchase of property, plant and equipment (1,861) - (1,861) 1(b) Purchase of intangible asseets - - - - Proceeds from disposal of property, plant and equipment - - - - Disposal of a subsidiary, net of cash disposed of Interest received 93 1 92 1(b) Net cash flows from/(used in) investing activities 35,927 41,840 -	Cash flows from investing activities					
Purchase of intangible asseets - - - Proceeds from disposal of property, plant and equipment - - - Disposal of a subsidiary, net of cash disposed of Interest received 93 1 92 1(b) Net cash flows from/(used in) investing activities 35,927 41,840 <td></td> <td>(1,861)</td> <td>_</td> <td>(1,861)</td> <td>1(b)</td>		(1,861)	_	(1,861)	1(b)	
Proceeds from disposal of property, plant and equipment - - - Disposal of a subsidiary, net of cash disposed of Interest received 37,695 41,839 (4,144) Interest received 93 1 92 1(b) Net cash flows from/(used in) investing activities 35,927 41,840 41,840 Cash flows from financing activities (40) (40) - Interest paid (40) (40) - Finance lease repayment (101) (101) - Repayment to shareholder - - - Repayment of term loan - - - Repayment to related party loan - - - Proceeds from issuance of new shares, net of issuance expenses 18,308 18,308 - Capital contribution by non-controlling interest 37,609 37,609 - Net cash flows from/(used in) financing activities 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balan		-	_	-		
Disposal of a subsidiary, net of cash disposed of Interest received 37,695 41,839 (4,144) Net cash flows from/(used in) investing activities 35,927 41,840 92 1(b) Cash flows from financing activities Interest paid (40) (40) - - Finance lease repayment (101) (101) - - Repayment to shareholder - - - - Repayment of term loan - - - - Repayment to related party loan - - - - Proceeds from issuance of new shares, net of issuance expenses 18,308 18,308 - Capital contribution by non-controlling interest 37,609 37,609 - Net cash flows from/(used in) financing activities 55,776 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277)		_	_	_		
Net cash flows from/(used in) investing activities 93 1 35,927 41,840		37,695	41,839	(4,144)		
Net cash flows from/(used in) investing activities 35,927 41,840 Cash flows from financing activities Interest paid (40) (40) - Finance lease repayment (101) (101) - Repayment to shareholder Repayment of term loan Repayment to related party loan Proceeds from issuance of new shares, net of issuance expenses 18,308 18,308 - Capital contribution by non-controlling interest 37,609 37,609 - Net cash flows from/(used in) financing activities 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3		•	•		1(b)	
Cash flows from financing activities Interest paid (40) (40) - Finance lease repayment (101) (101) - Repayment to shareholder Repayment of term loan Repayment to related party loan Proceeds from issuance of new shares, net of issuance expenses 18,308 18,308 - Capital contribution by non-controlling interest 37,609 37,609 - Net cash flows from/(used in) financing activities 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3					()	
Interest paid (40) (40) - Finance lease repayment (101) (101) - Repayment to shareholder Repayment of term loan Repayment to related party loan Proceeds from issuance of new shares, net of issuance expenses 18,308 18,308 - Capital contribution by non-controlling interest 37,609 37,609 - Net cash flows from/(used in) financing activities 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	, , ,	,	,			
Finance lease repayment Repayment to shareholder Repayment to shareholder Repayment of term loan Repayment to related party loan Proceeds from issuance of new shares, net of issuance expenses Capital contribution by non-controlling interest Net cash flows from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents 6,153 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) 2	Cash flows from financing activities					
Repayment to shareholder Repayment of term loan Repayment to related party loan Proceeds from issuance of new shares, net of issuance expenses Capital contribution by non-controlling interest Net cash flows from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents, beginning balance Effects of exchange rate changes on cash and cash equivalents 1	Interest paid	(40)	(40)	-		
Repayment of term loan Repayment to related party loan Proceeds from issuance of new shares, net of issuance expenses Capital contribution by non-controlling interest Net cash flows from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents, beginning balance Effects of exchange rate changes on cash and cash equivalents 1	Finance lease repayment	(101)	(101)	-		
Repayment to related party loan Proceeds from issuance of new shares, net of issuance expenses Capital contribution by non-controlling interest Net cash flows from/(used in) financing activities Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents, beginning balance Effects of exchange rate changes on cash and cash equivalents 18,308 18,308 - 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	Repayment to shareholder	-	-	-		
Proceeds from issuance of new shares, net of issuance expenses Capital contribution by non-controlling interest Net cash flows from/(used in) financing activities 18,308 37,609 37,609 55,776 55,776 Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	Repayment of term loan	-	-	-		
Capital contribution by non-controlling interest 37,609 37,609 Net cash flows from/(used in) financing activities 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	Repayment to related party loan	-	-	-		
Net cash flows from/(used in) financing activities 55,776 55,776 Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	Proceeds from issuance of new shares, net of issuance expenses	18,308	18,308	-		
Net increase/(decrease) in cash and cash equivalents 6,153 5,924 229 3 Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	Capital contribution by non-controlling interest	37,609	37,609	-		
Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	Net cash flows from/(used in) financing activities	55,776	55,776			
Cash and cash equivalents, beginning balance 17,979 17,979 - Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229) 3	Net increase/(decrease) in cash and cash equivalents	6 153	5 924	229	3	
Effects of exchange rate changes on cash and cash equivalents (1,277) (1,048) (229)	·	•		-	J	
		-		(229)	3	
	Cash and cash equivalents, ending balance	22,855	22,855	(220)	_	

Notes of explanation on material variances:

- Due to adjustment made to gain on disposal of subsidiaries to exclude the statutory reserve which reduce the Profit for the year of the Company by the amount of RMB17,659,000. Subsequently, the gain on disposal of subsidiaries previously recognised in Other income in Continuing Operations of RMB 15,991,000 was reclassified to Profit from discontinued operations, net of tax, with no impact to the Profit for the year of the Company.
- 1(a) Being reclassification of other receivables written off previously recognised in Administrative expenses under Continuing Operations to net off gain on disposal of subsidiaries under Profit from discontinued operations, net of tax. Please refer to the breakdown in 1(b).
- 1(b) The breakdown for the audited results of discontinued operations is as follows:

	Audited RMB'000	Notes
Loss from discontinued operations, net of tax Gain on disposal of subsidiaries Amount due from subsidiaries written off	(1,367) 17,358 (5,796)	1(c) 1, 1(c) 1(a)
Total profit from discontinued operations	10,198	

- 1(c) Loss from discontinued operations, net of tax which is contributed by disposed group, namely Beijing Raffles Investment Advisory Co. Ltd ("Beijing Raffles" and collectively, with its subsidiaries, the "Beijing Raffles Group") for the financial period from 1 January 2017 to date of disposal. During the announcement of the Unaudited Results, the Company did not have access on the accounting records of Beijing Raffles Group. The loss has also resulted in the increase in gain on disposal of subsidiaries by the same amount.
- Due to recognition of an allowance for doubtful receivables, arising from the default on loan payment of the Company's subsidiary in Australia SCL Murray Pty. Ltd. This adjustment has reduced the Profit for the year of the Company by RMB9,679,000.
- Due to reclassification of currency translation differences arising on consolidation to currency translation reserve upon disposal of subsidiaries, with no impact to the Profit for the vear of the Company.