

**SINCAP GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 201005161G)

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

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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 Catalyst 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

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*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.*

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Variance RMB'000	Notes
	Audited	Unaudited		
	FY 2017 RMB'000	FY 2017 RMB'000		
<b><u>Cash flows from operating activities</u></b>				
Profit before tax from continuing operations	23,001	60,534	(37,533)	
Loss before tax from discontinued operations	10,359	-	10,359	1(b)
Adjustments for:				
Interest income	(2,411)	(2,320)	(91)	1(b)
Interest expense	40	40	-	
Depreciation of property, plant and equipment	4,752	190	4,562	1(b)
Gain on disposal of plant and equipment	-	-	-	
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)	-	(61)	1(b)
Amortisation of intangible assets and land use rights	140	-	140	1(b)
Impairment loss on intangible assets	-	-	-	
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	-	603	1(b)
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)		
<b><u>Cash flows from investing activities</u></b>				
Purchase of property, plant and equipment	(1,861)	-	(1,861)	1(b)
Purchase of intangible assets	-	-	-	
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		
<b><u>Cash flows from financing activities</u></b>				
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		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,153</b>	<b>5,924</b>	<b>229</b>	<b>3</b>
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
<b>Cash and cash equivalents, ending balance</b>	<b>22,855</b>	<b>22,855</b>		

Notes of explanation on material variances:

- 1 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:

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

- 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.
- 2 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.
- 3 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 year of the Company.