

**AA GROUP HOLDINGS LTD.**  
(Company Registration Number: 200412064D)  
(Incorporated in the Republic of Singapore)

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**MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE  
UNAUDITED RESULTS ANNOUNCEMENT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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The Board of Directors (the “**Board**”) of AA Group Holdings Ltd. (the “**Company**”), and together with its subsidiaries, (the “**Group**”) refers to the unaudited full year results announcement for the financial year ended 31 December 2018 (“**FY2018**”) released on 1 March 2019 (“**Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company would like to announce and clarify the material variances between the Unaudited Results and the audited financial statements of the Group for FY2018 (“**Audited Financial Statements**”), which is set out in the Company’s annual report for FY2018 released via the SGXNET and despatched to the Company’s shareholders on 12 April 2019.

The material variances between the Audited Financial Statements and the Unaudited Results, and the explanation thereon, are set out below in this announcement:

BY ORDER OF THE BOARD  
**AA GROUP HOLDINGS LIMITED**

**Lai Choong Hon**  
Executive Director

12 April 2019

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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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**A. Consolidated Statement of Financial Position for FY2018**

	Audited Financial Statements (S\$'000)	Unaudited Results (S\$'000)	Variance		Explanatory Notes
			(S\$'000)	(%)	
<u>Non-current assets</u>					
Goodwill	5,388	6,526	-1,138	-17.4%	Due to the recognition of goodwill impairment for its subsidiary, W&P Precast Pte Ltd.
<u>Current assets</u>					
Trade and other receivables	16,446	17,072	-626	-3.7%	Being recognition of impairment loss on financial assets in accordance with SFRS(I) 9 and reclassification of Deposits to Other current assets
Other current assets	494	136	358	263.2%	Being reclassification of Deposits to Other current assets
<b>Total Assets</b>	<b>86,787</b>	<b>88,194</b>	<b>-1,407</b>	<b>-1.6%</b>	
<u>Non-current liabilities</u>					
Hire purchase creditors	53	59	-6	-10.2%	Mainly due to reclassification of non-current liabilities and the recognition of interest in suspense
Deferred tax liabilities	9,549	10,102	-553	-5.5%	Mainly due to the reversal of the deferred tax liabilities in the year
<u>Current liabilities</u>					
Trade and other payables	9,613	9,673	-60	-0.6%	Immaterial
Hire purchase creditors	51	48	3	6.3%	Mainly due to reclassification of non-current liabilities and the recognition of interest in suspense
Provision for income tax	1,698	1,722	-24	-1.4%	Immaterial
<b>Total Liabilities</b>	<b>26,222</b>	<b>26,861</b>	<b>-639</b>	<b>-2.4%</b>	
Reserves	25,320	26,087	-767	-2.9%	Being adjustment of approximately \$386,000 in retained earnings brought forward as a result of adoption of SFRS(I) 9. Please refer to the explanatory notes for Consolidated Statement of Comprehensive Income for the remaining variances.
Non-controlling interests	19	21	-2	-9.5%	Same as above
<b>Total Equity</b>	<b>60,565</b>	<b>61,333</b>	<b>-768</b>	<b>-1.3%</b>	

**B. Consolidated Statement of Comprehensive Income as at 31 December 2018**

	Audited Financial Statements (S\$'000)	Unaudited Results (S\$'000)	Variance		Explanatory Notes
			(S\$'000)	(%)	
Revenue	19,594	19,474	120	0.6%	Mainly due to the correction made to the elimination of the intercompany transactions
Cost of sales and services	-14,081	-13,933	-148	1.1%	Mainly due to the correction made to the elimination of the intercompany transactions
Administrative expenses	-4,967	-4,897	-70	1.4%	Immaterial
Other expenses	-1,613	-501	-1,112	222.0%	Mainly due to the recognition of goodwill impairment for its subsidiary, W&P Precast Pte. Ltd.
Net impairment loss on financial assets	96	-	96	n.m.	Being recognition of allowance for doubtful debts in accordance with SFRS(I) 9
Income tax credit/ (expense)	40	-536	576	-107.5%	Mainly due to the recognition of deferred tax asset and liabilities in the year
<b>Total loss</b>	<b>-5,704</b>	<b>-5,168</b>	<b>-536</b>	<b>10.4%</b>	
Currency translation differences arising from consolidation	286	277	9	3.2%	Immaterial
<b>Total comprehensive loss</b>	<b>-1,223</b>	<b>-696</b>	<b>-527</b>	<b>75.7%</b>	

**C. Consolidated Statement of Cash Flows for FY2018**

	Audited Financial Statements (S\$'000)	Unaudited Results (S\$'000)	Variance		Explanatory Notes
			(S\$'000)	(%)	
Loss before tax:					
- Continuing operations	-1,732	-619	-1,113	179.8%	Mainly due to the recognition of goodwill impairment for its subsidiary, W&P Precast Pte. Ltd.
- Discontinued operations	-4,012	-4,013	1	0.0%	Immaterial
Depreciation of Property, Plant and Equipment	3,024	3,179	-155	-4.9%	Being reclassification to disposal group
Impairment loss on goodwill	1,108	-	1,108	n.m.	Mainly due to the recognition of goodwill impairment for its subsidiary, W&P Precast Pte. Ltd.
Net foreign exchange loss (gain) - unrealised	12	20	-8	-40.0%	Being recognition of translation differences arising from its subsidiary, W&P Precast Sdn. Bhd., operating in Malaysia
Net impairment loss on financial assets	-96	60	-156	-260.0%	Being recognition of allowance for doubtful debts in accordance with SFRS(I) 9
Trade and other receivables and other current assets	7,580	7,462	118	1.6%	Being recognition of allowance for doubtful debts in accordance with SFRS(I) 9
Trade and other payables	-6,795	-7,761	966	-12.4%	Being reclassification to disposal group
Income tax paid	-949	-983	34	-3.5%	Immaterial
<b>Net cash from operating activities</b>	<b>1,746</b>	<b>952</b>	<b>794</b>	<b>83.4%</b>	
(Repayment of) / Proceeds from money market loan	-1,520	1,980	-3,500	-176.8%	Being reclassification of term loan to money market loan
Repayment of hire purchase creditors	-130	-192	62	-32.3%	Being reclassification to disposal group
Repayment of term loans	-702	-4,284	3,582	-83.6%	Being reclassification of term loan to money market loan
<b>Net cash from / (used in) financing activities</b>	<b>-8,257</b>	<b>-8,402</b>	<b>145</b>	<b>-1.7%</b>	