

SINJIA LAND LIMITED
(Incorporated in the Singapore on 26 February 2004)
(Company Registration No. 200402180C)

**MATERIAL VARIANCES BETWEEN THE UNAUDITED AND AUDITED FULL YEAR
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

The board of directors (the “**Board**”) of Sinjia Land Limited (the “**Company**”) refers to the Company’s unaudited full year financial results announcement for the financial year ended 31 December 2017 (“**FY2017**”) released via the SGXNET on 1 March 2018 (the “**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Company for FY2017 (the “**Audited Financial Statements**”) and the report thereon by the Company’s independent auditor included in the Company’s annual report for FY2017 which will be issued to shareholders of the Company (“**Shareholders**”) and released on the SGXNET in due course.

Pursuant to Rule 704(6) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to highlight that subsequent to the release of the Unaudited Financial Statements, the Company’s independent auditor has proposed certain adjustments which the management of the Company has adopted accordingly in respect of the balance sheets in the Audited Financial Statements. Details and explanation of the material variances between the Unaudited Financial Statements and the Audited Financial Statements are set out in the appendices appended to this announcement.

Shareholders are advised to read the Audited Financial Statements in the Company’s 2017 annual report, which will be despatched to Shareholders in due course.

By Order of the Board

Cheong Weixiong
Executive Director and Group 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, ZICO Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

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

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte Ltd at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

Appendix 1

(In S\$'000)

	Group			Company			Note
	As per Audited Financial Statements	As per Unaudited Financial Statements	Variance	As per Audited Financial Statements	As per Unaudited Financial Statements	Variance	
ASSETS							
Current assets							
Trade and other receivables	682	3,038	(2,356)	686	3,147	(2,461)	(1) & (2)
Other current assets	152	152	-	65	65	-	
Financial assets, at fair value through profit or loss	1,782	1,782	-	1,782	1,782	-	
Cash and cash equivalents	5,939	5,939	-	5,793	5,793	-	
	8,555	10,911	(2,356)	8,326	10,787	(2,461)	
Assets of disposal group classified as held-for-sale	792	792	-	853	3,268	(2,415)	
	9,347	11,703	(2,356)	9,179	14,055	(4,876)	
Non-current assets							
Available-for-sale financial assets	11,507	11,506	1	11,507	11,506	1	
Other receivables	2,356	-	2,356	2,356	-	2,356	(1)
Investments in subsidiary corporations	-	-	-	4,091	4,896	(805)	(2)
Plant and equipment	39	39	-	32	32	-	
Investment property	2,540	2,540	-	2,540	2,540	-	
	16,442	14,085	2,357	20,526	18,974	1,552	
Total assets	25,789	25,788	1	29,705	33,029	(3,324)	
LIABILITIES							
Current liabilities							
Trade and other payables	12,281	12,280	1	10,973	10,973	-	
Borrowings	99	99	-	4,132	4,132	-	
	12,380	12,379	1	15,105	15,105	-	
Non-current liabilities							
Borrowings	179	179	-	179	179	-	
	179	179	-	179	179	-	
Total liabilities	12,559	12,558	1	15,284	15,284	-	
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	25,247	25,247	-	25,247	25,247	-	
Treasury shares	(2,602)	(2,602)	-	(2,602)	(2,602)	-	
Accumulated losses	(8,192)	(8,192)	-	(9,126)	(5,802)	(3,324)	(2)
Other reserves	902	902	-	902	902	-	
	15,355	15,355	-	14,421	17,745	(3,324)	
Non-controlling interests	(2,125)	(2,125)	-	-	-	-	
	13,230	13,230	-	14,421	17,745	(3,324)	
Total equity and liabilities	25,789	25,788	1	29,705	33,029	(3,324)	

Notes:

- (1) Other receivables of S\$2.36 million which relate to proceeds receivable by the Company pursuant to the disposal of the entire issued and paid-up share capital of HLN Rubber Products Pte. Ltd. was reclassified from "current assets" to "non-current assets" as these proceeds will only be due in 2019.
- (2) The variance was due to (i) impairment of receivables from subsidiary corporations amounting to S\$2.37 million; and (ii) impairment of investment in subsidiary corporations amounting to S\$1.0 million, as the management of the Company was unable to ascertain the recoverability of such amounts.

As a result of the above reclassification and adjustment, the Group reported a higher negative working capital of S\$3.03 million as at 31 December 2017 as reported in the Audited Financial Statements, as compared to S\$0.68 million as reported in the Unaudited Financial Statements.

Appendix 2

(In S\$'000)

	Group		Variance	Note
	As per Audited Financial Statements	As per Unaudited Financial Statements		
Cash flows from operating activities				
- Loss from continuing operations	(5,247)	(5,247)	-	
- Loss from discontinued operations	(3,618)	(3,618)	-	
Total loss	(8,865)	(8,865)	-	
Adjustments for :				
- Income tax expense	1,132	1,131	1	
- Depreciation of plant and equipment	544	544	-	
- Loss on disposal of plant and equipment	-	16	(16)	
- Plant and equipment written-off	-	2	(2)	
- Impairment loss on plant and equipment	2,469	2,469	-	
- Interest income	(43)	(43)	-	
- Finance expense	98	98	-	
- Impairment on goodwill	758	758	-	
- Gain on realisation of convertible loan note	(996)	(996)	-	
- Loss on disposal of a subsidiary corporation	6,388	6,343	45	(1)
- Fair value adjustment on long term receivable	-	91	(91)	(1)
- Unrealised currency translation losses	(163)	(62)	(101)	
Operating cash flows before working capital changes	1,322	1,486	(164)	
Change in working capital net of effects from acquisition and disposal of subsidiary corporations:				
- Inventories	(55)	(55)	-	
- Trade and other receivables	(2,449)	(5,488)	3,039	(1)
- Other current assets	417	417	-	
- Financial assets, at fair value through profit or loss	269	269	-	
- Trade and other payables and provisions	5,759	5,797	(38)	
Cash generated from operations	5,263	2,426	2,837	
Income tax paid	(857)	(857)	-	
Net cash provided by operating activities	4,406	1,569	2,837	
Cash flows from investing activities				
Additions to plant and equipment	(467)	(159)	(308)	(1)
Disposal of plant and equipment	-	2	(2)	
Proceeds from available-for-sale financial assets	30	142	(112)	
Proceeds from disposal of subsidiary	476	-	476	(1)
Disposal of a subsidiary corporation, net of cash disposed of	(6,786)	(3,863)	(2,923)	(1)
Interest received	43	43	-	
Net cash used in investing activities	(6,704)	(3,835)	(2,869)	
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	2,100	2,100	-	
Release of cash restricted in use	-	702	(702)	(1)
Interest paid	(98)	(98)	-	
Repayment of lease liabilities	(38)	(38)	-	
Proceeds from borrowings	-	1,499	(1,499)	(1)
Repayment of borrowings	(277)	(1,765)	1,488	(1)
Net cash provided by financing activities	1,687	2,400	(713)	
Net (decrease)/increase in cash and cash equivalents	(611)	134	(745)	
Cash and cash equivalents				
Beginning of financial year	6,550	6,550	-	
Less: bank deposits pledged	-	(702)	702	
Effects of currency translation on cash and cash equivalents	-	(43)	43	
End of financial year	5,939	5,939	-	

Note:

- (1) The variances relate to adjustments made as a result of the disposal of the entire issued and paid-up share capital of HLN Rubber Products Pte. Ltd.