



HOE LEONG CORPORATION LTD.

(Registration No. 199408433W)
(Incorporated in the Republic of Singapore)

MATERIAL DIFFERENCES BETWEEN AUDITED AND UNAUDITED FINANCIAL STATEMENTS

The Board of Directors of Hoe Leong Corporation Ltd. (the “Company”) refers to the announcement released by the Company on 25 February 2016 with regards to the unaudited financial statements for the financial year ended 31 December 2015 (“FY2015”).

Further reference is made to the audited financial statements of the Company for FY2015 which was issued today.

The Board wishes to announce that, pursuant to the Rule 704 (6) of SGX-ST Listing Manual, the following adjustments have been made following the finalization of the audit. The differences relate mainly to the reclassification of long term and short term loan.

In addition, the following adjustment have been made in the Company’s Statement of financial position relate mainly to i) reclassification of investment in subsidiaries and trade and other receivables, ii) reclassification of trade receivables and trade creditors and, iii) impairment on the receivables from subsidiary.

A. GROUP'S STATEMENT OF FINANCIAL POSITION

	Group		
	Audited	Unaudited	Difference
	\$'000	\$'000	\$'000
Assets			
Property, plant and equipment	79,396	79,396	
Investments in subsidiaries	-	-	
Investments in associates and joint ventures	-	-	
Deferred tax assets	458	458	
Non-current assets	79,854	79,854	
Inventories	27,834	27,834	
Trade and other receivables	61,469	61,469	
Cash and cash equivalents	3,128	3,128	
Current Assets	92,431	92,431	
Total assets	172,285	172,285	
Equity			
Share capital	69,490	69,490	
Treasury shares	(55)	(55)	
Currency translation reserve	(1,821)	(1,821)	
Share-based compensation reserve	345	345	
Accumulated (losses) / profits	(1,234)	(1,234)	
Equity attributable to owners of the Company	66,725	66,725	
Non-controlling interests	(1,187)	(1,187)	
Total equity	65,538	65,538	
Liabilities			
Financial liabilities	33,865	23,914	9,951
Loans from non-controlling shareholders of subsidiaries	2,901	2,901	
Deferred income	-	-	
Deferred tax liabilities	655	655	
Non-current liabilities	37,421	27,470	
Trade and other payables	16,822	16,822	
Financial liabilities	50,039	59,990	(9,951)
Current tax payable	125	125	
Deferred income	2,340	2,340	
Current liabilities	69,326	79,277	
Total liabilities	106,747	106,747	
Total equity and liabilities	172,285	172,285	

B. COMPANY'S STATEMENT OF FINANCIAL POSITION

	Company		
	Audited	Unaudited	Difference
	\$'000	\$'000	\$'000
Assets			
Property, plant and equipment	3,346	3,346	
Investments in subsidiaries	23,797	35,414	(11,617) (i)
Investments in associates and joint ventures	-	-	
Deferred tax assets	-	-	
Non-current assets	27,143	38,760	(11,617)
Inventories	9,297	9,297	
Trade and other receivables	104,729	95,462	9,267 (i), (ii), (iii)
Cash and cash equivalents	508	508	
Current Assets	114,534	105,267	
Total assets	141,677	144,027	(2,350)
Equity			
Share capital	69,490	69,490	
Treasury shares	(55)	(55)	
Currency translation reserve	-	-	
Share-based compensation reserve	345	345	
Accumulated (losses) / profits	(2,503)	4,121	(6,624) (iii)
Equity attributable to owners of the Company	67,277	73,901	(6,624)
Non-controlling interests	-	-	
Total equity	67,277	73,901	(6,624)
Liabilities			
Financial liabilities	10,813	10,813	
Loans from non-controlling shareholders of subsidiaries	-	-	
Deferred income	-	-	
Deferred tax liabilities	19	20	(1)
Non-current liabilities	10,832	10,833	
Trade and other payables	20,988	16,713	4,275 (ii)
Financial liabilities	40,240	40,240	
Current tax payable	-	-	
Deferred income	2,340	2,340	
Current liabilities	63,568	59,293	4,275
Total liabilities	74,400	70,126	4,274
Total equity and liabilities	141,677	144,027	(2,350)

ON BEHALF OF THE BOARD

Kuah Geok Lin
Chairman and CEO

8 April 2016