



HOE LEONG CORPORATION LTD.
(Registration No. 199408433W)

DIFFERENCES BETWEEN THE UNAUDITED FULL-YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Board of Directors of Hoe Leong Corporation Limited (the “Company” and together with its subsidiaries, the “Group”) refers to the Company’s unaudited full-year financial results announcement for the financial year ended 31 December 2014 (“FY2014”) released on 27 February 2015.

The Board wishes to announce that the audit of the financial statements of the Group for FY2014 has now been completed and there are certain differences between the audited and unaudited financial statements. The differences relate to the Group’s share of results of associates and joint ventures, and are due solely to the adjustments made to the unaudited financial results of the Group’s associates, Semua International Sdn Bhd and its subsidiaries, for the Group’s equity accounting purposes.

A comparison between the audited and unaudited financial statements of the Group for FY2014 is set out as follows:

**STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Audited S\$'000	Unaudited S\$'000	Difference S\$'000
Revenue	66,426	66,426	
Cost of Sales	(56,762)	(56,762)	
Group profit	9,664	9,664	
Other income	637	637	
Distribution expenses	(5,592)	(5,592)	
Administrative expenses	(7,194)	(9,094)	1,900
Other expenses	(6,621)	(6,621)	
Results from operating activities	(9,106)	(11,006)	
Finance income	26	26	
Finance costs	(1,597)	(1,597)	
Net finance costs	(1,571)	(1,571)	
Share of results of associates, net of tax	(12,382)	(10,227)	(2,155)
Loss before income tax	(23,059)	(22,804)	(255)
Income tax (expense)/credit	(275)	(275)	-
Loss for the year	(23,334)	(23,079)	(255)

	Audited S\$'000	Unaudited S\$'000	Difference S\$'000
Loss attributable to:			
Owners of the Company	(22,807)	(22,552)	(255)
Non-controlling interests	<u>(527)</u>	<u>(527)</u>	-
Loss for the year	<u>(23,334)</u>	<u>(23,079)</u>	(255)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences arising from foreign operations	<u>735</u>	<u>735</u>	
Other comprehensive income, net of income tax	<u>735</u>	<u>735</u>	
Total comprehensive income for the year	<u>(22,599)</u>	<u>(22,344)</u>	(255)
Total comprehensive income attributable to:			
Owners of the Company	(22,096)	(21,841)	(255)
Non-controlling interests	<u>(503)</u>	<u>(503)</u>	-
Total comprehensive income for the year	<u>(22,599)</u>	<u>(22,344)</u>	(255)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Audited S\$'000	Unaudited S\$'000	Difference S\$'000
Assets			
Property, plant and equipment	82,303	82,303	
Investments in subsidiaries	-	-	
Investments in associates	-	2,155	(2,155)
Deferreed tax assets	578	578	
Non-current assets	<u>82,881</u>	<u>85,036</u>	(2,155)
			-
Inventories	32,113	32,113	-
Trade and other receivables	48,202	46,246	1,956
Cash and cash equivalents	6,043	6,043	-
Non-current assets held for disposal	-	-	-
Current assets	<u>86,358</u>	<u>84,402</u>	1,956
Total assets	<u>169,239</u>	<u>169,438</u>	(199)
			-
Equity			-
Share capital	63,870	63,870	-
Treasury shares	(50)	(50)	-
Current translation reserve	(3,391)	(3,391)	-
Share-based compensation reserve	342	342	-
Accumulated (losses)/profits	(4,952)	(4,697)	(255)
Equity attributable to owners of the Company	<u>55,819</u>	<u>56,074</u>	(255)
Non-controlling interests	<u>(1,609)</u>	<u>(1,609)</u>	-
Total equity	<u>54,210</u>	<u>54,465</u>	(255)
			-
Liabilities			-
Financial liabilities	9,679	9,679	-
Loan from non-controlling shareholder of a subsidiary	3,334	3,334	-
Deferred income	2,340	2,340	-
Deferred tax liabilities	711	711	-
Non-current liabilities	<u>16,064</u>	<u>16,064</u>	-
			-
Trade and other payables	22,941	22,941	-
Financial liabilities	70,828	70,828	-
Current tax payable		(56)	56
Deferred income	5,196	5,196	-
Current liabilities	<u>98,965</u>	<u>98,909</u>	56
Total liabilities	<u>115,029</u>	<u>114,973</u>	56
Total equity and liabilities	<u>169,239</u>	<u>169,438</u>	(199)

The full set of the Company's FY2014 audited financial statements is included in the Company's FY2014 annual report, which will be distributed to the shareholders in due course.

ON BEHALF OF THE BOARD

Kuah Geok Lin
Chairman and CEO
09 April 2015