

## **HOE LEONG CORPORATION LTD.**

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

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### **MATERIAL DIFFERENCES BETWEEN AUDITED AND UNAUDITED FINANCIAL STATEMENTS**

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The Board of Directors of Hoe Leong Corporation Ltd. (the “Company”) refers to the announcement released by the Company on 01 March 2017 with regards to the unaudited financial statements for the financial year ended 31 December 2016 (“FY2016”).

Further reference is made to the audited financial statements of the Company for FY2016 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 to the reclassification of long term and short term loan and intercompany transaction.

In addition, the following adjustment have been made in the Group & Company’s Statement of financial position relate to i) reclassification of financial liabilities from non-current liabilities to current liabilities, and ii) intercompany transaction.

## A. GROUP'S STATEMENT OF FINANCIAL POSITION

	Group		
	Audited	Unaudited	Difference
	\$'000	\$'000	\$'000
<b>Assets</b>			
Property, plant and equipment	67,563	67,563	
Investments in subsidiaries	-	-	
Investments in associates and joint ventures	-	-	
Deferred tax assets	578	560	
<b>Non-current assets</b>	<b>68,141</b>	<b>68,123</b>	
Inventories	25,106	25,106	
Trade and other receivables	26,652	26,652	
Cash and cash equivalents	3,287	3,287	
<b>Current Assets</b>	<b>55,045</b>	<b>55,045</b>	
<b>Total assets</b>	<b>123,186</b>	<b>123,168</b>	
<b>Equity</b>			
Share capital	69,490	69,490	
Treasury shares	(55)	(55)	
Currency translation reserve	(1,629)	(1,629)	
Share-based compensation reserve	171	171	
Accumulated (losses) / profits	(48,142)	(48,142)	
<b>Equity attributable to owners of the Company</b>	<b>19,835</b>	<b>19,835</b>	
<b>Non-controlling interests</b>	<b>(1,127)</b>	<b>(1,127)</b>	
<b>Total equity</b>	<b>18,708</b>	<b>18,708</b>	
<b>Liabilities</b>			
Financial liabilities	1,488	5,605	(4,117) (i)
Loans from non-controlling shareholders of subsidiaries	-	-	
Deferred income	-	-	
Deferred tax liabilities	38	20	
<b>Non-current liabilities</b>	<b>1,526</b>	<b>5,625</b>	
Trade and other payables	20,104	20,104	
Financial liabilities	79,187	75,070	4,117 (i)
Loans from non-controlling shareholders of subsidiaries	3,489	3,489	
Current tax payable	172	172	
Deferred income	-	-	
<b>Current liabilities</b>	<b>102,952</b>	<b>98,835</b>	
<b>Total liabilities</b>	<b>104,478</b>	<b>104,460</b>	
<b>Total equity and liabilities</b>	<b>123,186</b>	<b>123,168</b>	

## B. COMPANY'S STATEMENT OF FINANCIAL POSITION

	Company		
	Audited	Unaudited	Difference
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Assets</b>			
Property, plant and equipment	2,163	2,163	
Investments in subsidiaries	14,451	14,451	
Investments in associates and joint ventures	-	-	
Deferred tax assets	-	-	
<b>Non-current assets</b>	<u>16,614</u>	<u>16,614</u>	
Inventories	-	-	
Trade and other receivables	57,918	54,316	3,602 (ii)
Cash and cash equivalents	757	857	(100) (ii)
<b>Current Assets</b>	<u>58,675</u>	<u>55,173</u>	
<b>Total assets</b>	<u><b>75,289</b></u>	<u><b>71,787</b></u>	
<b>Equity</b>			
Share capital	69,490	69,490	
Treasury shares	(55)	(55)	
Currency translation reserve	-	-	
Share-based compensation reserve	171	171	
Accumulated (losses) / profits	(50,176)	(53,678)	3,502 (ii)
<b>Equity attributable to owners of the Company</b>	<u>19,430</u>	<u>15,928</u>	
<b>Non-controlling interests</b>	<u>-</u>	<u>-</u>	
<b>Total equity</b>	<u><b>19,430</b></u>	<u><b>15,928</b></u>	
<b>Liabilities</b>			
Financial liabilities	22	22	
Loans from non-controlling shareholders of subsidiaries	-	-	
Deferred income	-	-	
Deferred tax liabilities	19	20	
<b>Non-current liabilities</b>	<u>41</u>	<u>42</u>	
Trade and other payables	31,683	31,682	
Financial liabilities	24,135	24,135	
Current tax payable	-	-	
Deferred income	-	-	
<b>Current liabilities</b>	<u>55,818</u>	<u>55,817</u>	
<b>Total liabilities</b>	<u><b>55,859</b></u>	<u><b>55,859</b></u>	
<b>Total equity and liabilities</b>	<u><b>75,289</b></u>	<u><b>71,787</b></u>	

ON BEHALF OF THE BOARD

Kuah Geok Lin  
Chairman and CEO

10 April 2017