



## HONG LAI HUAT GROUP LIMITED

(Incorporated in the Republic of Singapore)  
Reg. No. 199905292D

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### ANNOUNCEMENT PURSUANT TO RULE 704(6) OF THE LISTING MANUAL OF THE SGX-ST – ADJUSTMENTS BETWEEN THE AUDITED AND UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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The board of directors (the “**Board**”) of Hong Lai Huat Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s unaudited full yearly results announcement for the financial year ended 31 December 2019 (“**FY2019**”) published on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) website on 28 February 2020.

In compliance with Rule 704(6) of the Listing Manual of the SGX-ST, the Company would like to announce that there were adjustments between the Audited Financial Statements and the Unaudited Financial Statements for FY2019 following the finalisation of the audit. Details and clarification of the material adjustments are annexed to this Announcement.

#### By Order of the Board

Dato Dr. Ong Bee Huat  
Executive Director & CEO  
14 April 2020

HONG LAI HUAT GROUP LIMITED  
Consolidated Statement of Comprehensive Income  
For the financial year ended 31 December 2019

Reconciliation Schedule between FY 2019 Audited Results vs Unaudited Results

	Group FY 2019		Change S\$'000	Note
	S\$'000 Audited	S\$'000 Unaudited		
<b>Revenue</b>	29,343	29,343	-	
Cost of sales	<u>(14,426)</u>	<u>(13,407)</u>	(1,019)	a
<b>Gross profit</b>	14,917	15,936		
Other income	1,376	423	953	b
Distribution and selling expenses	(849)	(897)	48	
Administrative expenses	(9,006)	(9,233)	227	c
Other expenses	(3,109)	(3,040)	(69)	
Share of loss of joint venture	(762)	(994)	232	d
Finance costs	<u>(107)</u>	<u>(107)</u>	-	
<b>Profit before income tax</b>	2,460	2,088		
Income tax expense	<u>(651)</u>	<u>(981)</u>	330	e
<b>Profit for the year</b>	<u>1,809</u>	<u>1,107</u>		
<b>Other comprehensive loss:</b>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Exchange differences on translation of foreign operations	<u>(1,525)</u>	<u>(1,514)</u>	(11)	
<b>Other comprehensive loss for the year, net of tax</b>	(1,525)	(1,514)		
<b>Total comprehensive income (loss) for the year</b>	<u>284</u>	<u>(407)</u>		

**Note:**

- a. Cost of sales  
Understatement of cost of sales and reclassified from administrative expenses and biological assets.
- b. Other income  
Gain recognised on change in fair value of biological assets.
- c. Administrative expenses  
Reclassified to cost of sales.
- d. Share of loss of joint venture  
Overstatement of share of loss of joint venture.
- e. Income tax expense  
Overstatement of deferred tax liabilities recognised on property, plant and equipment.

HONG LAI HUAT GROUP LIMITED  
 Statements of Financial Position  
 As at 31 December 2019

Reconciliation Schedule between FY 2019 Audited Results vs Unaudited Results

	Group 31-12-19		Change S\$'000	Note
	S\$'000 Audited	S\$'000 Unaudited		
<b>Current assets</b>				
Cash and bank balances	11,305	11,305	-	
Trade receivables	15,223	15,223	-	
Other receivables and deposits	1,894	1,849	45	
Prepayments	1,330	1,380	(50)	
Investment securities	161	161	-	
Inventories	159	159	-	
Biological assets	5,436	5,234	202	f
Development property	23,265	23,265	-	
Asset classified as held for sale	684	-	684	g
<b>Total current assets</b>	<b>59,457</b>	<b>58,576</b>		
<b>Non-current assets</b>				
Other receivables and deposits	40	40	-	
Property, plant and equipment	11,864	79,419	(67,555)	h
Right-of-use assets	67,681	126	67,555	i
Investment property	9,000	9,753	(753)	j
Investment in joint venture	3,315	3,085	230	k
<b>Total non-current assets</b>	<b>91,900</b>	<b>92,423</b>		
<b>Total assets</b>	<b>151,357</b>	<b>150,999</b>		
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Trade payables	5,534	5,583	(49)	
Other payables and accruals	3,666	3,630	36	
Income tax payable	132	80	52	
Bank loan	1,238	1,238	-	
Lease liabilities	248	-	248	l
Finance lease liabilities	-	180	(180)	m
<b>Total current liabilities</b>	<b>10,818</b>	<b>10,711</b>		
<b>Non-current liabilities</b>				
Lease liabilities	886	-	886	l
Finance lease liabilities	-	949	(949)	m
Deferred tax liabilities	11,565	11,942	(377)	n
<b>Total non-current liabilities</b>	<b>12,451</b>	<b>12,891</b>		
<b>Capital, reserves and non-controlling interests</b>				
Share capital	94,602	94,602	-	
Retained earnings	35,727	35,025	702	
Capital reserve	414	414	-	
Asset revaluation reserve	2,775	2,775	-	
Foreign currency translation reserve	(5,430)	(5,419)	(11)	
<b>Total equity</b>	<b>128,088</b>	<b>127,397</b>		
<b>Total liabilities and equity</b>	<b>151,357</b>	<b>150,999</b>		

HONG LAI HUAT GROUP LIMITED  
Statements of Financial Position  
As at 31 December 2019

Reconciliation Schedule between FY 2019 Audited Results vs Unaudited Results

**Note:**

- f. Biological assets  
Gain recognised on change in fair value of biological assets and reclassified to cost of sales.
- g. Asset classified as held for sale  
Reclassified from investment property to reflect sale of land on January 6, 2020.
- h. Property, plant and equipment  
Reclassified to right-of-use assets on adoption of SFRS(I) 16.
- i. Right-of-use assets  
Reclassified from property, plant and equipment on adoption of SFRS(I) 16.
- j. Investment property  
Reclassified to asset classified as held for sale to reflect sale of land on January 6, 2020.
- k. Investment in joint venture  
Overstatement of share of loss of joint venture.
- l. Lease liabilities (current and non-current liabilities)  
Reclassified from finance lease liabilities on adoption of SFRS(I) 16.
- m. Finance lease liabilities (current and non-current liabilities)  
Reclassified to lease liabilities on adoption of SFRS(I) 16.
- n. Deferred tax liabilities  
Overstatement of deferred tax liabilities recognised on property, plant and equipment.