



Huatong Global Limited

Company Registration Number: 201422395Z
(Incorporated in the Republic of Singapore on
1 August 2014) Address: 9 Benoi Crescent,
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MATERIAL VARIANCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Board of Directors (the “**Board**”) of Huatong Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited financial statements of the Group for the financial year ended 31 December 2022 released via SGXNET on 1 March 2023 (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce and clarify the material variances between the Unaudited Financial Statements and the audited financial statements of the Group for the financial year ended 31 December 2022 (“**Audited Financial Statements**”) following the finalisation of the audit by the Group’s Independent Auditors.

A summary of the material variances between the Unaudited Financial Statements and Audited Financial Statements, and the explanations thereon, are annexed to this announcement.

By Order of the Board
Huatong Global Limited

Ng Kian Ann Patrick
Executive Director and Chief Executive Officer

11 April 2023

This announcement has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “Exchange”) and the Exchange 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 document.

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group				
	FY2022		Variance S\$'000	% Change	Note
	Unaudited S\$'000	Audited S\$'000			
Revenue	156,905	151,703	(5,202)	(3.3)	a
Cost of sales and services	(120,931)	(115,785)	(5,146)	(4.3)	a
Gross profit	35,974	35,918	(56)	(0.2)	#
Other expenses	(817)	(705)	(112)	(13.7)	b
Impairment of financial assets at FVOCI	11	-	(11)	100.0	c
Profit before income tax	12,021	12,030	9	0.1	#
Profit for the financial year	10,142	10,151	9	0.1	#

Notes:

- a Elimination of inter-company transactions of S\$5.2 million from Revenue and Cost of sales and services. Reclassification of Other expenses of S\$56,000 to Cost of sales and services.
- b Reclassification of Other expenses of S\$56,000 to Cost of sales and services (Please refer to Note (a)); reclassification from Other income of S\$45,000 and Impairment of financial assets at FVOCI of S\$11,000 from Note (c).
- c Reclassification of Impairment of financial assets at FVOCI of S\$11,000 to Other expenses (Please refer to Note (b) above).
- # Not material

STATEMENTS OF FINANCIAL POSITION

	Group				
	31.12.22		Variance S\$'000	% Change	Note
	Unaudited S\$'000	Audited S\$'000			
Current liabilities					
Contract liabilities	1,153	2,699	1,546	134.1	A
Trade and other payables	43,633	42,087	(1,546)	(3.5)	A
Liabilities directly associated with non-current assets classified as held for sale	3,692	4,720	1,028	27.8	B
Non-current liabilities					
Deferred tax liabilities	2,886	1,858	(1,028)	(35.6)	B
Equity					
Other reserves	(15,468)	(26,119)	(10,651)	68.9	C
Reserve of disposal group classified as held-for-sale	-	10,651	10,651	100.0	C

Notes:

- A The variance is mainly due to reclassification of Contract liabilities from Trade and other payables of the same amount.
- B A reclassification of Deferred tax liabilities from non-current liabilities to Liabilities directly associated with non-current assets classified as held-for-sale under the current liabilities.
- C A reclassification of Reserve of disposal group classified as held-for-sale from the Other reserves of the same amount.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group				
	FY2022		Variance S\$'000	Variance %	Note
	Unaudited S\$'000	Audited S\$'000			
Cash flows from operating activities					
Property, plant and equipment written off	-	58	58	100.0	1
Gain on disposal of property, plant and equipment and right-of-use assets	(17)	(74)	(57)	335.3	1
Interest income	(70)	(83)	(13)	18.6	2
Working capital changes:					
Trade and other receivables	(1,139)	(993)	146	(12.8)	3
Contract assets, net	1,541	2,942	1,401	90.9	3
Trade and other payables	3,927	3,768	(159)	(4.0)	3 & 4
Interest received	16	29	13	81.3	2
Cash flows from investing activities					
Purchase of property, plant and equipment	(2,100)	(3,255)	(1,155)	55.0	4

Notes:

- 1 The variance was mainly due to reclassification of Property, plant and equipment written-off of S\$58,000 from the Gain on disposal of property, plant and equipment and rights-of-use assets.
- 2 The variance was mainly due to interest income derived from trade receivables of approximately S\$13,000.
- 3 The variance was mainly due to a reclassification of approximately S\$1,546,000 of Contract liabilities from Trade and other payables (Please refer to Note (A) under the Statements of Financial Position) offset by a reclassification from Trade and other receivables of S\$146,000.
- 4 The variance was mainly due to the adjustment of unpaid consideration for Purchase of property, plant and equipment included in Trade and other payables.