



**FOR IMMEDIATE RELEASE**

## **Huatong Global's HY2015 earnings rose by 7.3% to S\$3.2 million**

- *HY2015 gross profit increased by 9.8% to S\$11.3 million with an improvement in gross profit margin to 17.5%*
- *Declares an interim dividend of S\$0.003 per ordinary share for HY2015*

### **Summary of Financial Results For Six Months Ended 30 June:**

<b>S\$'000</b>	<b>HY2015</b>	<b>HY2014</b>	<b>+/(-)%</b>
<b>Revenue</b>	64,861	67,609	(4.1)
<b>Gross profit</b>	11,345	10,333	9.8
<b>Gross profit margin (%)</b>	17.5	15.3	2.2
<b>Profit before tax</b>	3,901	3,579	9.0
<b>Profit attributable to owners of the parent</b>	3,217	2,999	7.3

**SINGAPORE, 5 August 2015** – Huatong Global Limited (“Huatong Global” or the “Company”, and together with its subsidiaries, the “Group”), a full-service integrated civil engineering solutions provider, today announced a 7.3% year-on-year (“y-o-y”) increase in profit attributable to owners of the parent to S\$3.2 million for the six months ended 30 June 2015 (“HY2015”) compared to S\$3.0 million for the six months ended 30 June 2014 (“HY2014”).

Revenue from the Group’s inland logistics services and sale of construction materials increased by 6.6% y-o-y and 22.2% y-o-y respectively for HY2015, offset by a y-o-y decrease of 6.8% in revenue from civil engineering services. The decrease in civil engineering services revenue was due to lower revenue recognised from some newly awarded civil engineering services projects in HY2015.

For HY2015, gross profit of Huatong Global increased by 9.8% y-o-y to S\$11.3 million and accordingly, gross profit margin of the Group increased to 17.5% from 15.3% in HY2014. Cost savings, mainly from lower fuel prices, contributed to the improvement in gross profit margin.

The Group has declared an interim cash dividend of S\$0.003 per ordinary share for HY2015, with book closure date being 8 September 2015 at 5.00pm.

Commenting on the results, Mr Patrick Ng (黄健安), Chief Executive Officer and Executive Director of the Group, said, “We are pleased to deliver an improvement to our bottom-line results, which attests to our expertise and ability in managing and delivering our various projects both effectively and efficiently. We are offering an interim dividend to thank our shareholders for their continued confidence in us. The success of our business over the years has been built on a combination of talent, innovation and a strong track record and these factors will help us move on to the next stage of our development, where we plan to take on larger scale projects and position ourselves as a bigger player in the market.”

Based on this set of results, earnings per share of the Group was 2.12 cents in HY2015 as compared to 2.46 cents in HY2014, while its net asset value per share as at 30 June 2015, stood at 33.01cents compared to 30.48 cents as at 31 December 2014.

Despite the continued headwinds in the construction industry, the Group has firmly secured a pipeline of civil engineering projects namely in the infrastructure development of Defu Industrial Estate, earthworks projects for certain Thomson Line Mass Rapid Transit (“MRT”) stations, road widening and construction of road related facilities along Tampines Avenue 9. Another notable project secured involves the civil engineering works for the land preparation works for the Changi Airport development.

The Building and Construction Authority (“BCA”) of Singapore has, in its press release dated 8 January 2015<sup>1</sup>, projected that construction contracts for the built environment sector are expected to reach between S\$29 billion to S\$36 billion in 2015. This is driven by a sustained pipeline of public sector projects which are expected to account for an estimated 60% or \$18 billion to \$21 billion of the total construction demand. Based on the BCA press release, public construction demand is expected to remain stable due to an increase in industrial projects and the sustained pipeline of institutional and civil engineering works which is expected to offset the moderation of public housing projects.

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<sup>1</sup>Press release dated 8 January 2015 issued by the Building and Construction Authority of Singapore: “Public Sector Projects to Sustain Construction Demand in 2015”

In view of the above, the Group has adopted a two-pronged business strategy to focus on securing more public infrastructure projects including MRT projects and shoring up its competitive strengths. The Group has been actively participating in various tenders for public sector projects and will update the shareholders of any material development. As part of this business strategy, the Group has also entered into a strategic alliance with Golden Empire Civil Engineering Pte. Ltd. for the purpose of tendering for larger value civil engineering projects. The Group also plans to work towards attaining an A1 grading from BCA which will enable it to tender for larger sized projects.

### **About Huationg Global**

*Established in 1983 and listed on the SGX Catalist in 2014 (December), Huationg Global Limited provides a full range of civil engineering services and inland logistics support, and is also involved in the sale of construction materials, including the manufacture and supply of Liquefied Soil Stabiliser (LSS) and the sale of Recycled Concrete Aggregate (RCA). A key player with an established a strong track record in the civil engineering industry, the Group has been involved in such works for numerous large infrastructural construction projects in Singapore over the last 30 years including certain stations of the Downtown Line MRT and Circle Line MRT, the Kallang-Paya Lebar Expressway and the Marina Coastal Expressway. Its key customers in this segment include the Housing and Development Board, Land Transport Authority of Singapore and Daelim Industrial Co. Ltd. among others. The Group is registered with the Building and Construction Authority with a BCA grading of A2 under the category of CW02 for civil engineering and C2 under the category CW01 for General Building.*

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### **Issued for and on behalf of Huationg Global Limited by**

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*Huationg Global Limited (the “**Company**”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 9 December 2014. The initial public offering of the Company (the “**IPO**”) was sponsored by PrimePartners Corporate Finance Pte. Ltd. (“**PPCF**” or the “**Sponsor**”).*

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

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