



FOR IMMEDIATE RELEASE

Huatong Global records net attributable profit of S\$2.8 million in HY2016; improves gross profit margin

- Net attributable profit for HY2016 decreased 13.3% year-on-year to S\$2.8 million
 - Gross profit margin improved from 17.5% in HY2015 to 17.9% in HY2016

Summary of Financial Results for the Half Year Ended 30 June:

S\$'000	HY2016	HY2015	+/(-)%
Revenue	61,228	64,861	(5.6)
Gross profit	10,945	11,345	(3.5)
Gross profit margin (%)	17.9	17.5	0.4 % pts
Profit before tax	3,224	3,901	(17.4)
Profit attributable to owners of the parent	2,790	3,217	(13.3)

SINGAPORE, 12 August 2016 – 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 profit attributable to owners of the parent of S\$2.8 million on the back of revenue totalling S\$61.2 million for the half year ended 30 June 2016 (“HY2016”).

Compared to the corresponding period last year (“HY2015”), the Group recorded a 5.6% dip in revenue in HY2016 mainly due to lower contribution from its inland logistics and civil engineering services segments. Revenue from the inland logistics segment declined from S\$13.0 million in HY2015 to S\$7.8 million in HY2016 as a result of reduced demand from the construction industry for aggregates, which in turn lowered the need for the Group’s inland logistics support services. In contrast, revenue from the sale of construction materials almost tripled to S\$3.1 million in HY2016 from S\$1.1 million in HY2015, driven by demand from its customers’ projects. Revenue from the Group’s largest segment, civil engineering services, experienced a slight decline to S\$50.3 million compared to S\$50.8 million in HY2015.

Notwithstanding the decrease in revenue, the Group's gross profit margin improved from 17.5% in HY2015 to 17.9% in HY2016. In particular, the absence of sub-contract costs from the concurrent delivery of several civil engineering projects which required substantial third-party transportation and labour resource in order to meet the contractual obligations in year 2015, had decreased 38.6% year-on year ("y-o-y") to S\$10.6 million. Lower rental cost of machinery and vehicles arising from additions of in-house machinery and vehicles also contributed to overall margin improvement for the Group in HY2016.

In HY2016, the Group increased its net asset value per share to 36.70 Singapore cents as at 30 June 2016 compared to 35.10 Singapore cents as at 31 December 2015, while earnings per share of the Group was 1.84 Singapore cents in HY2016 compared to 2.12 Singapore cents in HY2015.

Commenting on the Group's financial results, Mr Patrick Ng (黄健安), Executive Director and Chief Executive Officer of the Group, said, "We shall continue to focus on improving our work productivity and enhancing the training of our staff, as this will help us to improve our overall operational efficiency and allow us to move on to the next stage of our development. We expect public sector construction demand to pick up, particularly for civil engineering, as projected by the local authorities. With our strong track record and experience in the industry, we are confident of maintaining a healthy order book of projects with a view to enhance shareholder values."

Amidst the challenging and competitive environment, the Group will focus on and continue to participate in public infrastructure projects like North-South Expressway, infrastructure works for House Development Board, works at Changi Airport Development and Tuas Terminal Development.

Nevertheless, the Building and Construction Authority ("BCA") announced that construction demand or the value of construction contracts to be awarded in 2016 would be between S\$27 billion and S\$34 billion¹. Of that, about 65 per cent, or between S\$18.5 billion to S\$21.5 billion, is expected to be driven by public sector demand, largely due to an increase in civil engineering demand.

¹ https://www.bca.gov.sg/Newsroom/others/BCA_Media_Release_Prospects_150116.pdf

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-PayaLebar 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.

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 press release 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 press release.

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