



**MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS
AND THE PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The Board of Directors (the “**Board**”) of Huatong Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to (a) the Group’s unaudited financial statements for the financial year ended 31 December 2016 released via SGXNET on 1 March 2017 (the “**Unaudited Financial Statements**”) and (b) the audited financial statements of the Group for the financial year ended 31 December 2016 (the “**Audited Financial Statements**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited, the Board wishes to announce that the external auditor has proposed certain adjustments and reclassifications following the finalisation of the audit which the management of the Company has adopted accordingly.

A summary of the adjustments and explanation between the Unaudited Financial Statements and Audited financial statements is set out below.

STATEMENT OF FINANCIAL POSITION

Item	Group			
	As Per Unaudited Financial Statements	As Per Audited Financial Statement	Variance	% Change
	\$'000	\$'000	\$'000	
Current Liabilities				
Finance lease payables	14,143	17,079	2,936 ⁽¹⁾	20.7
Current income tax payable	459	614	155 ⁽²⁾	33.8
Non-current Liabilities				
Finance lease payables	32,360	29,424	(2,936) ⁽¹⁾	(9.1)
Deferred tax liabilities	5,664	5,509	(155) ⁽²⁾	(2.7)

Notes:

- (1) There was a reclassification of S\$2,936,000 in the finance lease payables from non-current finance lease payables to current finance lease payables for FY2016 in the Audited Financial Statements due to overstatement in non-current finance lease payables in the Unaudited Financial Statements.

- (2) There was a reclassification of S\$155,000 in the tax payable from deferred tax liabilities to current income tax payable for FY2016 in the Audited Financial Statements mainly due to over provision in tax capital allowance claims in the Unaudited Financial Statements.

As a result of the aforementioned reclassification of liabilities, the Group recorded a negative working capital of approximately \$2.5 million as at 31 December 2016 in its Audited Financial Statements as compared to a positive working capital of approximately S\$0.6 million as announced in the Unaudited Financial Statements. The negative working capital was mainly due to the addition of non-current Property Plant and Equipment via finance lease, part of which was reclassified as current finance lease payable in the Audited Financial Statements, given that the Group is operating in a capital intensive environment.

Notwithstanding the negative working capital position, the Board is of the opinion that, after having made due and careful enquiry, and after taking into account the Group's positive cash flows generated from its operating activities, together with the credit facilities available to the Group and existing cash and cash equivalents, the working capital available as at 31 December 2016 is sufficient for the Group's present requirements and for the following 12 months.

There is no impact on the earnings per share for the financial year ended 31 December 2016 and net asset value per ordinary share as at 31 December 2016 as a result of the aforementioned adjustments.

By Order of the Board
Huatong Global Limited

Ng Kian Ann Patrick
Executive Director and Chief Executive Officer

31 March 2017

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 Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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