



HUATONG GLOBAL LIMITED
(Company Registration Number: 201422395Z)

**Unaudited Financial Statement and Dividend Announcement
For the Half Year Ended 30 June 2017 (“HY2017”)**

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (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.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	HY2017 Unaudited S\$'000	HY2016 Unaudited S\$'000	(+/-) %
Revenue	67,801	61,228	10.7
Cost of sales and services	(52,533)	(50,283)	4.5
Gross profit	15,268	10,945	39.5
Other income	931	1,970	(52.7)
Administrative expenses	(9,185)	(8,576)	7.1
Other expenses	(190)	(195)	(2.6)
Finance costs	(1,003)	(1,077)	(6.9)
Share of result of joint venture	(81)	157	nm
Profit before income tax	5,740	3,224	78.0
Income tax expense	(679)	(560)	21.3
Net profit for the year	5,061	2,664	90.0
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Fair value changes on available-for-sale financial assets	(113)	25	nm
Other comprehensive income for the financial year	(113)	25	nm
Total comprehensive income for the financial year	4,948	2,689	84.0
Profit attributable to:			
Owners of the parent	5,149	2,790	84.6
Non-controlling interests	(88)	(126)	(30.2)
	5,061	2,664	90.0
Total comprehensive income attributable to:			
Owners of the parent	5,036	2,815	78.9
Non-controlling interests	(88)	(126)	(30.2)
	4,948	2,689	84.0

nm denotes not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

The Group's profit before income tax has been arrived at after charging / (crediting) the following:

	Group		
	HY2017	HY2016	(+/-)
	Unaudited S\$'000	Unaudited S\$'000	%
Depreciation of property, plant and equipment	7,603	7,536	0.9
Amortisation of intangible assets	3	-	nm
Allowance for doubtful debts and bad debts written off	-	12	nm
Interest expenses	927	1,021	(9.2)
Employee benefits expense	15,022	14,899	0.8
Operating lease expense	3,338	3,381	(1.3)
Interest income	(98)	(103)	(4.9)
Gain on disposal of plant and equipment	(136)	(376)	(63.8)
Foreign exchange (gain)/loss, net	61	(45)	nm

nm denotes not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.06.2017 Unaudited S\$'000	31.12.2016 Audited S\$'000	30.06.2017 Unaudited S\$'000	31.12.2016 Audited S\$'000
Assets				
Non-current assets				
Property, plant and equipment	103,554	104,966	-	-
Available-for-sale financial assets	5,013	5,185	-	-
Investments in subsidiaries	-	-	41,735	41,735
Investment in a joint venture	-	81	-	-
Prepayments	324	440	-	-
Intangible asset	74	76	24	23
	108,965	110,748	41,759	41,758
Current assets				
Amount due from contract customers	33,606	21,961	-	-
Available-for-sale financial assets	2,410	2,599	-	-
Inventories	1,045	2,076	-	-
Trade and other receivables	39,044	32,317	3,029	3,029
Prepayments	1,312	1,049	11	8
Cash and bank balances	5,954	14,313	440	1,196
	83,371	74,315	3,480	4,233
Total assets	192,336	185,063	45,239	45,991
Liabilities				
Current liabilities				
Amounts due to contract customers	8,078	7,999	-	-
Trade and other payables	31,169	29,666	143	103
Finance lease payables	15,544	17,079	-	-
Bank borrowings	27,495	21,343	-	-
Deferred income	99	99	-	-
Current income tax payable	805	614	-	-
	83,190	76,800	143	103
Non-current liabilities				
Other payables	1,852	1,852	-	-
Finance lease payables	23,086	29,424	-	-
Bank borrowings	16,301	13,646	-	-
Deferred income	91	141	-	-
Deferred tax liabilities	5,783	5,509	-	-
	47,113	50,572	-	-
Total liabilities	130,303	127,372	143	103
Net assets	62,033	57,691	45,096	45,888
Equity				
Share capital	38,676	38,676	38,676	38,676
Other reserves	(16,104)	(15,991)	-	-
Accumulated profits/(losses)	39,697	35,154	6,420	7,212
Equity attributable to owners of the parent	62,269	57,839	45,096	45,888
Non-controlling interests	(236)	(148)	-	-
Total equity	62,033	57,691	45,096	45,888

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30 June 2017 (Unaudited)			As at 31 December 2016 (Audited)		
	Secured S\$'000	Unsecured S\$'000	Total S\$'000	Secured S\$'000	Unsecured S\$'000	Total S\$'000
Repayable within one year	27,745	15,294	43,039	27,045	11,377	38,422
Repayable after one year	37,433	1,954	39,387	41,070	2,000	43,070
Total	65,178	17,248	82,426	68,115	13,377	81,492

Secured BorrowingsBank borrowings

As at 30 June 2017, the Group's bank borrowings amounted to S\$43,796,000 (FY2016: S\$34,989,000), of which S\$26,548,000 (FY2016: S\$21,612,000) was secured by mortgages over a leasehold property and beneficial interest arising from certain insurance policies undertaken by the Group.

Obligations under finance lease

As at 30 June 2017, the Group's obligations under finance leases amounted to S\$38,630,000 (FY2016: S\$46,503,000). Finance leases were secured by the Group's leased plant and equipment with net carrying amount of S\$63,369,000 as at 30 June 2017 (FY2016: S\$68,813,000).

All the bank borrowings and finance leases were supported by corporate guarantees given by the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	HY2017 Unaudited S\$'000	HY2016 Unaudited S\$'000
Cash flows from operating activities		
Profit before income tax	5,739	3,224
Adjustments for:	-	
Depreciation of property, plant and equipment	7,603	7,536
Amortisation of intangible assets	3	-
Allowance for impairment of trade receivables	-	12
Gain on disposal of plant and equipment	(136)	(376)
Interest expense	927	1,021
Interest income	(98)	(103)
Share of results of joint venture	81	(157)
Unrealised exchange difference	(44)	(41)
Operating cash flows before working capital changes	14,075	11,116
Working capital changes:		
Trade and other receivables	(6,724)	2,232
Prepayments	(147)	(730)
Amounts due from contract customers, net	(11,566)	(175)
Inventories	1,031	36
Trade and other payables	(394)	(1,699)
Cash (used in)/generated from operations	(3,725)	10,780
Interest received	98	103
Income tax paid	(214)	(549)
Net cash (used in)/from operating activities	(3,841)	10,334
Cash flows from investing activities		
Investment in a joint venture	-	(170)
Purchase of property, plant and equipment	(3,498)	(979)
Additions to intangible assets	(2)	-
Proceeds from disposal of property, plant and equipment	412	669
Net cash used in investing activities	(3,088)	(480)

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)

Cash flows from financing activities		
Proceeds from trust receipts	35,758	23,654
Repayment of trust receipts	(26,369)	(25,291)
Proceeds from term loans	1,800	-
Repayment of term loans	(2,091)	(2,003)
Interest paid	(927)	(1,021)
Dividends paid	(606)	(454)
Repayment of finance lease payables	(8,995)	(8,944)
Net cash used in financing activities	(1,430)	(14,059)
Net change in cash and bank balances	(8,359)	(4,205)
Cash and bank balances at beginning of the period	14,313	18,809
Cash and bank balances at end of the period	5,954	14,604

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Company	Accumulated		Total equity
	Share capital	losses	
	\$'000	\$'000	\$'000
(Unaudited)			
Balance at 1 January 2017	38,676	7,212	45,888
Loss for the financial period, representing total comprehensive income for the financial period	-	(186)	(186)
Dividends	-	(606)	(606)
Balance at 30 June 2017	38,676	6,420	45,096
(Unaudited)			
Balance at 1 January 2016	38,676	(467)	38,209
Loss for the financial period, representing total comprehensive income for the financial period	-	(215)	(215)
Dividends	-	(454)	(454)
Balance at 30 June 2016	38,676	(1,136)	37,540

Huatong Global Limited

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Consolidated Statement of Changes in equity

Group	Attributable to owners of the company					Non-controlling Interests	Total equity
	Share capital	Accumulated profits	Other reserves	Equity attributable to owners of the parent			
(Unaudited)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2017	38,676	35,154	(15,991)	57,839	(148)		57,691
Profit for the financial period	-	5,149	-	5,149	(88)		5,061
Other comprehensive income:							
Fair value changes on available-for-sale financial assets	-	-	(113)	(113)	-		(113)
	-	-	(113)	(113)	-		(113)
Total comprehensive income for the financial period	-	5,149	(113)	5,036	(88)		4,948
Transactions with owners of the parent:							
Dividends	-	(606)	-	(606)	-		(606)
Total transactions with owners of the parent:	-	(606)	-	(606)	-		(606)
Balance at 30 June 2017	38,676	39,697	(16,104)	62,269	(236)		62,033
(Unaudited)							
Balance at 1 January 2016	38,676	31,535	(17,046)	53,165	149		53,314
Profit for the financial year	-	2,790	-	2,790	(126)		2,664
Other comprehensive income:							
Fair value changes on available-for-sale financial assets	-	-	25	25	-		25
	-	-	25	25	-		25
Total comprehensive income for the financial year	-	2,790	25	2,815	(126)		2,689
Transactions with owners of the parent:							
Dividends	-	(454)	-	(454)	-		(454)
Total transactions with owners of the parent:	-	(454)	-	(454)	-		(454)
Balance at 30 June 2016	38,676	33,871	(17,021)	55,526	23		55,549

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares of the issuer and subsidiary holdings, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company’s share capital from 31 December 2016 to 30 June 2017.

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 30 June 2017 and 30 June 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	30.06.2017	31.12.2016
Total number of issued shares excluding treasury shares	151,384,600	151,384,600

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by the Company’s auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Except for the adoption of the new Singapore Financial Reporting Standards (“**FRS**”) and Amendments to FRS applicable for the financial period beginning on or after 1 January 2017, the same accounting policies and methods of computations have been applied in the financial statements for the current reporting period as those of the audited consolidated financial statements for the financial year ended 31 December 2016.

The adoption of new FRS and Amendments to FRS did not result in any significant change to the Group’s accounting policies, and has no material impact on the financial statements of the Group for the current financial reporting period.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share:	Group	
	HY2017 Unaudited	HY2016 Unaudited
Profit attributable to owners of the Company (S\$'000)	5,149	2,790
Weighted average number of ordinary shares	151,384,600	151,384,600
Basic and diluted EPS (Singapore cents)	3.40	1.84

(a) Basic earnings per share (“**EPS**”) is calculated by dividing the net profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period.

(b) The basic and diluted EPS are the same as there were no potential dilutive ordinary shares in issue as at 30 June 2017 and 30 June 2016.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30.06.2017 Unaudited	31.12.2016 Audited	30.06.2017 Unaudited	31.12.2016 Audited
Net asset value per ordinary share (Singapore cents)	41.1	38.2	29.8	30.3
Number of ordinary shares in issue	151,384,600	151,384,600	151,384,600	151,384,600

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of comprehensive income of the Group for half year ended 30 June 2017 ("HY2017") vs. for half year ended 30 June 2016 ("HY2016")

Revenue

Revenue increased by S\$6.6 million or 10.7% from S\$61.2 million in HY2016 to S\$67.8 million in HY2017 mainly due to higher revenue from the Group's sale of construction materials and civil engineering services segments, partially offset by lower revenue derived from the inland logistics segment.

Revenue from the sale of construction materials segment increased by approximately S\$8.9 million from S\$3.1 million in HY2016 to S\$12.0 million in HY2017. The increase was mainly due to higher demand of construction materials from our customers.

Revenue from the civil engineering services in HY2017 was S\$50.5 million, an increase of S\$0.2 million when compared to S\$50.3 million in HY2016.

Revenue from the inland logistics segment reduced by approximately S\$2.5 million or 32.3% from S\$7.8 million in HY2016 to S\$5.3 million in HY2017. The decrease was mainly a result of lower rental income from tipper trucks which were used internally to support the increased activities of the Group's other business segments and lower income from concrete pump business due to lower demand in HY2017.

Cost of sales and services

Cost of sales increased by approximately S\$2.2 million or 4.5%, from S\$50.3 million in HY2016 to S\$52.5 million in HY2017 mainly due to an increase in direct material costs, higher costs incurred for sub-contracting works and higher depreciation expenses in HY2017.

Direct material costs increased by approximately S\$1.6 million or 10.8% from S\$15.2 million in HY2016 to S\$16.8 million in HY2017. The increase was mainly a result of increased revenue from the Group's sale of construction materials segment and increased fuel costs resulted from the introduction of a volume-based duty structure to replace the lump-sum special tax on diesel by the Singapore government in HY2017 in addition to the higher fuel prices in HY2017.

Sub-contract costs increased by approximately S\$0.5 million or 10.3% from S\$10.6 million in HY2016 to S\$11.1 million in HY2017 mainly due to engagement of more third party transportation companies to support the increased transactions in the Group's sale of construction material segment in HY2017.

Depreciation expenses on our income-generating assets increased by approximately S\$0.8 million or 12.9% from S\$6.5 million in HY2016 to S\$7.3 million in HY2017 due to the additions of new plant and equipment in the second half of 2016.

The above was partially offset by a decrease in direct labour costs of approximately S\$1.5 million or 17.4% from S\$8.6 million in HY2016 to S\$7.1 million in HY2017. The decrease was mainly

due to the Group engaged more subcontractors in HY2017 as well as the Group invested in technology which increased productivity.

Gross profit

As a result of the foregoing, the Group's gross profit increased by approximately S\$4.4 million or 39.5% from S\$10.9 million in HY2016 to S\$15.3 million in HY2017. Gross profit margin increased from 17.9% in HY2016 to 22.5% in HY2017.

Other income

Other income decreased by approximately S\$1.0 million or 52.7% from S\$2.0 million in HY2016 to S\$1.0 million in HY2017. The decrease was mainly due to lower income from leasing of property and operating facilities, lower gain on disposal of machinery and equipment and lower income from fabrication works during HY2017.

Administrative expenses

Administrative expenses increased by approximately S\$0.6 million or 7.1% from S\$8.6 million in HY2016 to S\$9.2 million in HY2017 mainly due to increase in staff cost and related expenses arising from increased headcount to manage new contracts the Group secured in the second half 2016.

Other expenses

Other expenses in HY2017 amounted to S\$0.2 million which was comparable to the amount incurred in HY2016.

Finance costs

Finance costs decreased by approximately S\$0.1 million or 6.9% from S\$1.1 million in HY2016 to S\$1.0 million in HY2017 primarily due to full settlement of the finance lease payables for some of the finance leases during 1H2017.

Share of profit of joint venture

The Group recorded a loss of S\$81,000 from the share of loss of a joint venture company in HY2017.

Profit before income tax

As a result of the above, the Group's profit before income tax increased by approximately S\$2.5 million or 78.0% from S\$3.2 million in HY2016 to S\$5.7 million in HY2017.

Income tax expenses

Income tax expense increased by approximately S\$0.1 million or 21.3% from S\$0.6 million in HY2016 to S\$0.7 million in HY2017 which was in line with the higher profit before income tax in HY2017.

Net profit

As a result of the above, the net profit attributable to owners of the parent increased by approximately S\$2.3 million or 84.6% from S\$2.8 million in HY2016 to S\$5.1 million in HY2017.

Statement of financial position of the Group as at 30 June 2017**Non-current Assets**

As at 30 June 2017, the Group had a total of S\$103.6 million Property Plant and Equipment (“PPE”) as compared to S\$105.0 million as at 31 December 2016. The decrease was mainly due to the depreciation charge of S\$7.6 million and a disposal of PPE with a carrying amount of S\$0.3 million, partially offset by the additions of PPE of approximately S\$6.5 million during the financial period.

As at 30 June 2017, the Group’s available-for-sales financial assets (“AFS”) amounted to S\$5.0 million as compared to S\$5.2 million as 31 December 2016. The decrease was mainly due to the unrealised exchange loss of S\$0.2 million partially offset by an increase in the fair value of these AFS of S\$77,000 during the financial period.

As at 30 June 2017, the Group’s investment in a joint venture of S\$170,000 was fully offset by the share of the loss of the joint venture.

Current assets

Amount due from contract customers increased by approximately S\$11.6 million to S\$33.6 million as at 30 June 2017 from S\$22.0 million as at 31 December 2016, mainly due to a higher amount of unbilled revenue as at 30 June 2017.

Trade and other receivables increased by approximately S\$6.7 million to S\$39.0 million as at 30 June 2017 from S\$32.3 million as at 31 December 2016 in tandem with the increased revenue in HY2017.

Inventory decreased by approximately S\$1.1 million to S\$1.0 million as at 30 June 2017 from S\$2.1 million as at 31 December 2016, mainly due to draw down of the hardware parts and consumables for repair and maintenance of Group’s machineries, equipment and vehicles in HY2017.

Current AFS decreased by approximately S\$0.2 million to S\$2.4 million as at 30 June 2017 from S\$2.6 million as 31 December 2016 due to a net decrease in the fair value of the AFS during the financial period.

Prepayment increased by approximately S\$0.3 million to S\$1.3 million when compared to S\$1.0 million as at 31 December 2016, mainly due to prepayment made to suppliers for materials and PPE purchased in HY2017 and prepaid insurances in relation to the PPE purchased since second half 2016.

Cash and bank balances decreased by approximately S\$8.4 million to S\$6.0 million as at 30 June 2017 when compared to S\$14.3 million as at 31 December 2016. Cash and bank balances were mainly used for meeting working capital requirements, purchasing of PPEs and repayment of bank loan and finance lease liabilities during the financial period. Please refer to the cash flows analysis for more information.

Current liabilities

Amount due to contract customers as at 30 June 2017 was S\$8.1 million which was comparable to S\$8.0 million as at 31 December 2016.

Trade and other payable increased by approximately \$1.5 million to S\$31.2 million as at 30 June 2017 from S\$29.7 million as at 31 December 2016, mainly due to additional cost incurred for new projects secured in the second half 2016 and additional PPE purchased during HY2017 to support these new projects.

Finance lease payables decreased by approximately S\$1.6 million to S\$15.5 million as at 30 June 2017 when compared to S\$17.1 million as at 31 December 2016, mainly due to repayment of the finance leases during the financial period.

Current portion of bank borrowings increased by approximately S\$6.2 million to S\$27.5 million as at 30 June 2017 from S\$21.3 million as at 31 December 2016, mainly due to additional drawdown of banking facilities in HY2017.

Non-current liabilities

Total non-current liabilities decreased by S\$3.5 million to S\$47.1 million as at 30 June 2017 from S\$50.6 million as at 31 December 2016, mainly due to i) a decrease of finance lease payables of approximately S\$6.3 million resulted from repayment of the finance lease in HY2017, ii) additional deferred tax liabilities of approximately S\$0.3 million recorded in HY2017 and partially offset by the a increase in bank borrowings of approximately S\$2.7 million in HY2017.

Working Capital

The Group posted a positive working capital of approximately S\$0.2 million as at 30 June 2017 as compared to a negative working capital of approximately S\$2.5 million as at 31 December 2016.

Statement of Cash flows of the Group for HY2017

As at 30 June 2017, the Group recorded cash and cash equivalents of S\$6.0 million as compared to S\$14.3 million as at 31 December 2016.

Cash flows generated from operating activities for HY2017 amounted S\$14.1 million had been utilised to meet the Group's working capital requirements. The net operating cash outflows were mainly due to increased sales towards the end of the financial period and unbilled revenue as at 30 June 2017.

Net cash used in investing activities for the HY2017, amounted to S\$3.1 million, mainly due to the purchase of additional PPE of S\$3.5 million, offset by proceeds received from disposal of PPE of S\$0.4 million during HY2017.

Net cash used in financing activities for the HY2017 amounted to S\$1.4 million, was mainly due to the net effect of net drawdown of trust receipts of S\$9.4 million, net repayment of bank loans of S\$0.3 million, repayment of finance lease payables of S\$9.0 million, interest payment of S\$0.9 million and dividend paid of S\$0.6 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Building and Construction Authority (“BCA”) has projected the total construction demand or the value of construction contracts to be awarded in 2017 to reach between \$28.0 billion and \$35.0 billion, higher than the preliminary estimate of \$26.1 billion for 2016, mainly due to an anticipated increase in public sector construction demand. The public sector is expected to contribute about 70% of the total construction demand, driven by mega infrastructure projects and an increase in demand for most building types and civil engineering works¹.

The Group will continue to leverage on its reputation as a key industry player with its track record to seek opportunities in public infrastructure projects. The Group was recently awarded a civil engineering contract from the Changi Airport Group (Singapore) Pte Ltd for the temporary infrastructure works and services for Changi East Development, a vast development site on which the future Changi Airport Terminal 5 will be situated.

Over the longer term, the Group aims to enhance its position as one of the leading civil engineering service and solutions providers in the infrastructure sector, through investing in technology and innovation to move up the value chain and maximise shareholder value.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for HY2017.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable as no dividend has been declared or recommended for HY2017.

(d) The date the dividend is payable.

Not applicable as no dividend has been declared or recommended for HY2017.

¹ BCA media release “Public sector construction demand is expected to increase this year”, 6 January 2017 (https://www.bca.gov.sg/newsroom/others/PR_Prospect2017.pdf)

(e) Book closure date

Not applicable as no dividend has been declared or recommended for HY2017.

12. If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared or recommended for HY2017.

13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Other than the Restructuring Exercise and interested person transactions as disclosed on pages 66 and 151 to 166 of the offer document dated 1 December 2014 respectively, there were no additional interested person transactions of S\$100,000 and above during the financial year under review. Details of the additional interested person transactions of S\$100,000 and above are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
NHL Holding Pte Ltd (“NHL”)	S\$000	S\$000
– Lease of construction equipment and vehicles from NHL	1,618	Not applicable
– Lease of dormitories to Huatong Contractor Pte Ltd from NHL	144	Not applicable

The Group does not have a general mandate from shareholders for recurrent interested person transactions.

14. Use of IPO proceeds

The Company refers to the net proceeds amounting to S\$4.1 million (excluding listing expenses of approximately S\$1.4 million) raised from the IPO on the Catalist Board of the SGX-ST on 9 December 2014. As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

Use of Proceeds	Amount Allocated (\$’000)	Amount Utilised (\$’000)	Amount Unutilised (\$’000)
To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances	1,500	(170)	1,330
To increase LSS production	1,000	(1,000)	-
General working capital purposes	1,611	(1,191) ⁽¹⁾	420
Listing expenses	1,389	(1,389)	-
Total	5,500	(3,750)	1,750

Note:

(1) Amount for general working capital purpose has been utilised for the payment of general and administrative expenses.

The above utilisations are in accordance with the intended use of the IPO net proceeds and percentage allocated, as stated in the offer document dated 1 December 2014.

15. Confirmation pursuant to Rule 705 (5) of the Catalist Listing Manual

The Board of Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the financial period ended 30 June 2017 to be false or misleading in any material aspects.

16. Confirmation that the issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Ng Kian Ann Patrick
Executive Director and CEO
8 August 2017