



**HUATONG GLOBAL LIMITED
AND ITS SUBSIDIARIES
(UEN 201422395Z)
(Incorporated in Singapore)**

**Unaudited Condensed Interim Financial Statements
For the Second Half and Full Year ended
31 December 2022 (“FY2022”)**

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HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 31 December 2022

	Note	Group				(+/-) %
		Second Half Ended 31 December		Financial Year Ended 31 December		
		2022 Unaudited S\$'000	2021 Unaudited S\$'000	2022 Unaudited S\$'000	2021 Audited S\$'000	
Revenue	3	88,198	77,227	156,905	170,441	(7.9)
Cost of sales and services		(60,111)	(58,448)	(120,931)	(148,129)	(18.4)
Gross profit		28,087	18,779	35,974	22,312	61.2
Other income		2,892	3,554	7,234	8,159	(11.3)
Administrative expenses		(15,065)	(13,915)	(21,604)	(19,868)	8.7
Other expenses		(534)	(971)	(817)	(1,119)	(27.0)
Loss allowance on trade receivables and contract assets		(5,759)	(2,340)	(5,759)	(2,340)	146.1
Impairment of financial assets at FVOCI		11	-	11	-	100.0
Finance costs		(1,540)	(1,253)	(2,856)	(2,778)	2.8
Share of results of a joint venture		106	365	(162)	1,016	(115.9)
Profit before income tax	4	8,198	4,219	12,021	5,382	123.4
Income tax expense	5	(1,322)	(104)	(1,879)	(196)	n.m.
Profit for the financial period/year		6,876	4,115	10,142	5,186	95.6
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Fair value gain/(loss) on financial assets at FVOCI		4	(38)	(14)	54	(125.5)
Items that will not be classified subsequently to profit or loss:						
Gain on revaluation of property, plant and equipment		775	378	775	544	42.5
Other comprehensive income, net of tax		779	340	761	598	27.0
Total comprehensive income for the financial period/year		7,655	4,455	10,903	5,784	88.5
Profit/(loss) attributable to:						
Owners of the parent		6,874	4,314	10,210	5,326	91.7
Non-controlling interests		2	(199)	(68)	(140)	(51.4)
		6,876	4,115	10,142	5,186	95.6
Total comprehensive income/(loss) attributable to:						
Owners of the parent		7,653	4,654	10,971	5,924	85.2
Non-controlling interests		2	(199)	(68)	(140)	(51.4)
		7,655	4,455	10,903	5,784	88.5
Earnings per share attributable to owners of the parent:						
- Basic and diluted (in cents)		3.88	2.73	5.78	3.44	

Note:

FVOCI: fair value through other comprehensive income

n.m. denotes not meaningful

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Group		Company	
	31.12.2022 Unaudited S\$'000	31.12.2021 Audited S\$'000	31.12.2022 Unaudited S\$'000	31.12.2021 Audited S\$'000
Assets				
Non-current assets				
Property, plant and equipment	6 21,404	42,328	-	-
Right-of-use assets	7 42,955	54,191	-	-
Financial assets at FVTPL	10 2,825	2,949	-	-
Amounts owing from subsidiaries	-	-	12,710	10,798
Investments in subsidiaries	-	-	41,735	41,735
Investment in a joint venture	260	1,722	-	-
Intangible assets	9 63	79	9	11
	67,507	101,269	54,454	52,544
Current assets				
Contract assets	65,461	76,044	-	-
Financial assets at FVOCI	11 806	829	-	-
Financial assets at FVTPL	3,037	2,744	-	-
Inventories	1,573	1,400	-	-
Trade and other receivables	32,570	31,393	1,000	1,000
Prepayments	2,179	2,680	1	12
Cash and cash equivalents	23,065	10,346	217	319
	128,691	125,436	1,218	1,331
Asset held-for-sale	12 21,369	-	-	-
Total current assets	150,060	125,436	1,218	1,331
Total assets	217,567	226,705	55,672	53,875
Liabilities				
Current liabilities				
Contract liabilities	1,153	4,399	-	-
Trade and other payables	43,633	38,255	799	254
Lease liabilities	8 11,215	15,161	-	-
Bank borrowings	8 35,088	43,389	-	-
Deferred income	-	272	-	-
Current income tax payable	2,848	669	-	-
	93,937	102,145	799	254
Liabilities directly associated with asset classified as held-for-sale	12 3,692	-	-	-
Total current liabilities	97,629	102,145	799	254
Non-current liabilities				
Other payables	8,509	8,784	-	-
Amounts owing to subsidiaries	-	-	10,432	8,370
Lease liabilities	8 13,401	25,834	-	-
Bank borrowings	8 12,570	14,260	-	-
Deferred tax liabilities	2,886	3,557	-	-
	37,366	52,435	10,432	8,370
Total liabilities	134,995	154,580	11,231	8,624
Net assets	82,572	72,125	44,441	45,251
Equity				
Share capital	13 41,157	41,081	41,157	41,081
Other reserves	(15,468)	(16,229)	-	-
Accumulated profits	57,897	48,219	3,284	4,170
Equity attributable to owners of the parent	83,586	73,071	44,441	45,251
Non-controlling interests	(1,014)	(946)	-	-
Total equity	82,572	72,125	44,441	45,251

Note:

(1) FVTPL: fair value through profit or loss

The accompanying notes form an integral part of these financial statements.

HUATIONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

Group (Unaudited)	Note	Share capital \$'000	Accumulated profits \$'000	Other reserves \$'000	Total equity attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance as at 1.1.2022		41,081	48,219	(16,229)	73,071	(946)	72,125
Profit/(loss) for the financial year		–	10,210	–	10,210	(68)	10,142
Other comprehensive income/(loss):							
- Gain on revaluation of property, plant and equipment		–	–	775	775	–	775
- Fair value loss on financial assets at FVOCI	11	–	–	(14)	(14)	–	(14)
		–	–	761	761	–	761
Total comprehensive income/(loss) for the financial year		–	10,210	761	10,971	(68)	10,903
Issuance of ordinary shares		76	–	–	76	–	76
Interim dividend paid		–	(532)	–	(532)	–	(532)
Balance as at 31.12.2022		41,157	57,897	(15,468)	83,586	(1,014)	82,572

The accompanying notes form an integral part of these financial statements.

HUATIONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 December 2022

Group (Audited)	Share capital	Accumulated profits	Other reserves	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1.1.2021	38,676	42,893	(16,827)	64,742	(806)	63,936
Profit/(loss) for the financial year	–	5,326	–	5,326	(140)	5,186
Other comprehensive income:						
- Gain on revaluation of property, plant and equipment	–	–	544	544	–	544
- Fair value gain on financial assets at FVOCI	–	–	54	54	–	54
	–	–	598	598	–	598
Total comprehensive income/(loss) for the financial year	–	5,326	598	5,924	(140)	5,784
Issuance of ordinary shares	2,405	–	–	2,405	–	2,405
Balance as at 31.12.2021	41,081	48,219	(16,229)	73,071	(946)	72,125

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Share capital \$'000	Accumulated profits \$'000	Total equity \$'000
Company (Unaudited)			
Balance as at 1.1.2022	41,081	4,170	45,251
Loss and total comprehensive loss for the financial year	–	(354)	(354)
Issuance of ordinary shares	76	–	76
Interim dividend paid	–	(532)	(532)
Balance as at 31.12.2022	41,157	3,284	44,441
Company (Audited)			
Balance as at 1.1.2021	38,676	4,596	43,272
Loss and total comprehensive loss for the financial year	–	(426)	(426)
Issuance of ordinary shares	2,405	–	2,405
Balance as at 31.12.2021	41,081	4,170	45,251

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS For the financial year ended 31 December 2022

	Group	
	Financial Year Ended 31 December	
	2022 S\$'000	2021 S\$'000
Cash flows from operating activities		
Profit before income tax	12,021	5,382
Adjustments for:		
Depreciation of property, plant and equipment	9,279	8,293
Depreciation of right-of-use assets	7,717	10,307
Amortisation of intangible assets	16	16
Loss allowance on trade receivables and contract assets	5,759	2,340
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	(11)	(11)
Gain on disposal of property, plant and equipment and right-of-use assets	(17)	(125)
(Gain)/loss on lease modification	(601)	272
Amortisation of gain on sale and leaseback transactions	(272)	(685)
Interest expenses	2,681	2,573
Interest income	(70)	(60)
Share of results of a joint venture	162	(1,016)
Fair value gain of financial assets at FVTPL	(205)	(185)
Share issuance expenses	75	-
Unrealised exchange differences, net	8	(4)
Operating cash flows before working capital changes	36,542	27,097
Working capital changes:		
Trade and other receivables	(1,139)	13,950
Prepayments	501	1,888
Contract assets, net	1,541	(12,865)
Inventories	(173)	(129)
Trade and other payables	3,927	(11,551)
Cash generated from operations	41,199	18,390
Interest received	16	5
Income tax (paid)/refund	(530)	376
Net cash from operating activities	40,685	18,771
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,100)	(1,763)
Interest received	54	54
Dividend received from a joint venture	1,300	-
Proceeds from disposal of property, plant and equipment and right-of-use assets	218	228
Proceeds from redemption of financial assets at FVOCI	20	20
Proceeds from settlement of derivative financial instruments	-	(28)
Net cash used in investing activities	(508)	(1,489)
Cash flows from financing activities		
Issuance of new ordinary shares	-	2,405
Proceeds from trust receipts	66,670	80,392
Repayments of trust receipts	(72,859)	(88,368)
Proceeds from bank loans	2,500	7,871
Repayments of bank loans	(6,274)	(21,617)
Interest paid	(2,562)	(2,344)
Repayments of lease liabilities	(14,401)	(18,171)
Dividend paid	(532)	-
Net cash used in financing activities	(27,458)	(39,832)
Net changes in cash and cash equivalents	12,719	(22,550)
Cash and cash equivalents at beginning of the financial year	10,346	32,896
Cash and cash equivalents at end of the financial year	23,065	10,346

The accompanying notes form an integral part of these financial statements.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS For the financial year ended 31 December 2022

1. General corporate information

Huatong Global Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Company’s registered office address and principal place of business is at 9 Benoi Crescent, Singapore 629972. The Company’s registration number is 201422395Z.

The Company’s immediate and ultimate holding company is Dandelion Capital Pte. Ltd., a company incorporated in Singapore, which is controlled by Ng Hai Liong, Ng Kian Ann Patrick and Ng Kian Yeow, Vincent.

The principal activity of the Company is that of investment holding company.

2. Significant accounting policies

(a) Basis of preparation

The condensed interim financial statements for the full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Singapore Dollar (SGD or S\$), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and Interpretations of SFRS(I)s (“INT SFRS(I)”) that are relevant to its operations and effective for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I).

The adoption of these new and revised SFRS(I)s and INT SFRS(I) did not have any material effect on the financial results or position of the Group and the Company.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ending 31 December 2022 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

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2. Significant accounting policies (cont'd)

(b) Use of estimates and judgements

The preparation of condensed interim financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the financial year are disclosed in Note 3 in our financial year ended 31 December 2021 Annual Report.

The carrying amounts of cash and cash equivalents, trade and other receivables and payables and current bank borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

3. Revenue

The Group is organised into business units based on its services, and has four reportable operating segments as follows:

(a) Disaggregation of revenue

	Group	
	For the full year ended 31.12.2022 (Unaudited) \$'000	31.12.2021 (Audited) \$'000
By nature:		
Revenue from civil engineering contract works	112,138	153,069
Inland logistics support service income	26,837	12,070
Sales of construction materials	3,764	4,173
Dormitory operation	14,166	1,129
	156,905	170,441

(b) Segmentation information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting for making decisions about allocating resources and assessing performance of the operating segments.

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3 Revenue (cont'd)

(b) Segment information (cont'd)

Operating segments	Civil engineering contract works \$'000	Inland logistics support \$'000	Sale of construction materials \$'000	Dormitory operation \$'000	Unallocated \$'000	Elimination \$'000	Consolidated \$'000
For the full year ended 31.12.2022 (Unaudited)							
<i>Revenue</i>							
External revenue	112,138	26,837	3,764	14,166	–	–	156,905
Inter-segment revenue	18,002	1,556	373	–	–	(19,931)	–
	<u>130,140</u>	<u>28,393</u>	<u>4,137</u>	<u>14,166</u>	<u>–</u>	<u>(19,931)</u>	<u>156,905</u>
<i>Results</i>							
Segment results	14,744	4,059	1,064	11,159	(6,331)	(9,901)	14,794
Share of results of a joint venture	(162)	–	–	–	–	–	(162)
Interest income							70
Interest expense							<u>(2,681)</u>
Profit before income tax							<u>12,021</u>
Income tax expense							<u>(1,879)</u>
Profit for the financial year							<u>10,142</u>
<i>Non-cash items</i>							
Amortisation of gain on sale and leaseback transactions	272	–	–	–	–	–	272
Gain on disposal of property, plant and equipment and right-of-use assets	–	–	–	–	17	–	17
Depreciation of property, plant and equipment	(7,559)	(1,053)	(265)	–	(476)	74	(9,279)
Depreciation of right-of-use assets	(7,273)	(183)	(64)	–	(197)	–	(7,717)
Amortisation of intangible assets	–	–	–	–	(16)	–	(16)
Loss allowance on trade receivables and contract assets	(5,583)	(130)	(15)	(31)	–	–	(5,759)
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	–	–	–	–	11	–	11
Fair value gain of financial assets at FVTPL	–	–	–	–	94	–	94

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3 Revenue (cont'd)

(b) Segment information (cont'd)

Operating segments	Civil engineering contract works \$'000	Inland logistics support \$'000	Sale of construction materials \$'000	Dormitory operation \$'000	Unallocated \$'000	Elimination \$'000	Consolidated \$'000
For the full year ended 31.12.2021 (Audited)							
<i>Revenue</i>							
External revenue	153,069	12,070	4,173	1,129	–	–	170,441
Inter-segment revenue	7,184	2,286	684	–	–	(10,154)	–
	<u>160,253</u>	<u>14,356</u>	<u>4,857</u>	<u>1,129</u>	<u>–</u>	<u>(10,154)</u>	<u>170,441</u>
<i>Results</i>							
Segment results	21,552	(2,786)	1,023	965	(13,092)	(783)	6,879
Share of results of a joint venture	1,016	–	–	–	–	–	1,016
Interest income							60
Interest expenses							<u>(2,573)</u>
Loss before income tax							5,382
Income tax expense							<u>(196)</u>
Profit for the financial year							<u>5,186</u>
<i>Non-cash items</i>							
Amortisation of gain on sale and leaseback transactions	685	–	–	–	–	–	685
Gain on disposal of property, plant and equipment and right-of-use assets	–	–	–	–	125	–	125
Depreciation of property, plant and equipment	(6,666)	(1,065)	(203)	–	(476)	117	(8,293)
Depreciation of right-of-use assets	(9,956)	(29)	(84)	–	(238)	–	(10,307)
Amortisation of intangible assets	–	–	–	–	(16)	–	(16)
Fair value gain of financial assets at FVTPL	–	–	–	–	185	–	185
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	–	–	–	–	11	–	11
Loss allowance on trade receivables and contract assets	(2,405)	20	45	–	–	–	(2,340)

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4. Profit before income tax

In addition to those disclosed elsewhere in the condensed interim financial statements, profit before income tax is arrived at after charging/(crediting) the following:

	Group	
	For the full year ended	
	31.12.2022	31.12.2021
	(Unaudited)	(Audited)
	\$'000	\$'000
<i>Cost of sales and services</i>		
Employee benefits expense		
- salaries, wages and other benefits	20,034	19,533
- contribution to Central Provident Fund	241	257
Depreciation of property, plant and equipment	8,877	7,933
Depreciation of right-of-use assets	7,520	10,070
Diesel/fuel costs	22,616	13,725
Material costs	13,316	22,143
Short-term lease expense		
- trucks and equipment	7,914	3,021
- rental of premises	3,868	484
Repair and maintenance	9,898	9,071
Subcontract costs	18,688	55,440
<i>Administrative expenses</i>		
Employee benefits expense		
- salaries, wages and other benefits	15,297	14,363
- contribution to Central Provident Fund	769	784
Directors' fees	125	125
Directors' remuneration		
- salaries, wages and other benefits	2,507	1,478
- contribution to Central Provident Fund	51	51
Depreciation of property, plant and equipment	402	360
Depreciation of right-of-use assets	197	237
Short-term lease expense		
- construction site and other operating facilities	467	424
<i>Other income</i>		
Amortisation of gain on sale and leaseback transactions	(272)	(685)
Government grants income	(1,704)	(3,800)
Sundry income	(3,058)	(1,788)

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5. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group	
	For the full year ended 31.12.2022 (Unaudited) S\$'000	31.12.2021 (Audited) S\$'000
<i>Income tax:</i>		
– current financial year	2,803	648
– (over)/under provision in respect of prior financial years	(94)	74
	<u>2,709</u>	<u>722</u>
 <i>Deferred tax:</i>		
– current financial year	(716)	(54)
– under/(over) provision in prior financial years	45	(424)
– reversal of deferred tax liabilities on revaluation upon depreciation	(159)	(48)
	<u>(830)</u>	<u>(526)</u>
	<u>1,879</u>	<u>196</u>

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6. Property, plant and equipment

	As at 31.12.2022 (Unaudited) \$'000
Group	
Cost or valuation	
Balance as at 1.1.2022	126,929
Additions	6,579
Reclassified to right-of-use assets upon obtaining financing through leases (Note 7)	(3,536)
Reclassified from right-of-use assets upon full payment (Note 7)	8,479
Disposals	(1,209)
Reclassified to asset held-for-sale	(17,832)
Balance as at 31.12.2022	<u>119,410</u>
Accumulated depreciation	
Balance as at 1.1.2022	84,452
Depreciation	9,279
Reclassified to right-of-use assets upon obtaining financing through leases (Note 7)	(22)
Reclassified from right-of-use assets upon full payment (Note 7)	6,062
Reclassified to asset held-for-sale	(1)
Disposals	(980)
Elimination of depreciation on revaluation	(935)
Balance as at 31.12.2022	<u>97,855</u>
Accumulated impairment losses	
Balance as at 1.1.2022	148
Reclassified from right-of-use assets upon full payment (Note 7)	31
Disposal	(28)
Balance as at 31.12.2022	<u>151</u>
Net carrying amount	
Balance as at 31.12.2022	<u>21,404</u>

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7. Right-of-use assets

The Group has lease contracts for land-use-rights for leasehold properties and construction sites, machineries, trucks and vehicles and worksite equipment. The Group's obligation under these leases are secured by the lessor's title to the leased assets. There are no externally imposed restrictions on these lease arrangements for right-of-use assets. Except for the land-use-rights for leasehold properties and construction sites, the Group is not restricted from assigning and subleasing the leased assets.

	As at 31.12.2022 (Unaudited) \$'000
Group	
Cost	
Balance as at 1.1.2022	75,055
Additions	2,465
Disposals	(197)
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 6)	3,536
Modification to lease terms	(3,835)
Reclassified to property, plant and equipment upon full payment (Note 6)	(8,479)
Reclassified to asset held-for-sale	(4,046)
Balance as at 31.12.2022	<u>64,499</u>
Accumulated depreciation	
Balance as at 1.1.2022	20,834
Depreciation	7,717
Disposals	(197)
Reclassified from property, plant and equipment upon obtaining financing through leases (Note 6)	22
Modification to lease terms	(262)
Reclassified to property, plant and equipment upon full payment (Note 6)	(6,062)
Reclassified to asset held-for-sale	(508)
Balance as at 31.12.2022	<u>21,544</u>
Accumulated impairment losses	
Balance as at 1.1.2022	30
Reclassified to property, plant and equipment upon full payment (Note 6)	(30)
Balance as at 31.12.2022	<u>-</u>
Net carrying amount	
Balance as at 31.12.2022	<u>42,955</u>

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

8. Loans and borrowings

Group	As at	
	31.12.2022 (Unaudited) S\$'000	31.12.2021 (Audited) S\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	31,528	43,865
Unsecured	14,775	14,685
	46,303	58,550
<u>Amount repayable after one year</u>		
Secured	24,846	37,648
Unsecured	1,125	2,446
	25,971	40,094
Total loans and borrowings	72,274	98,644

Loans and Borrowings

Bank borrowings

As at 31 December 2022, the Group's bank borrowings amounted to S\$47.7 million (31 December 2021: S\$57.6 million), of which S\$31.8 million (31 December 2021: S\$40.5 million) was secured by mortgages over a leasehold property and beneficial interest arising from certain insurance policies undertaken by the Group.

Lease liabilities

As at 31 December 2022, the Group's lease liabilities amounted to S\$24.6 million (31 December 2021: S\$41.0 million), of which S\$24.6 million (31 December 2021: S\$33.0 million) was secured by the Group's leased plant and equipment with net carrying amount of S\$42.4 million as at 31 December 2022 (31 December 2021: S\$46.9 million).

All the bank borrowings and the secured lease liabilities were supported by corporate guarantees given by the Company.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

9. Intangible assets

	As at 31.12.2022 (Unaudited) \$'000
Group	
Cost	
Balance as at 1.1.2022	<u>195</u>
Accumulated amortisation	
Balance as at 1.1.2022	(73)
Amortisation for the financial year	<u>(16)</u>
Balance as at 31.12.2022	<u>(89)</u>
Accumulated impairment losses	
Balance as at 1.1.2022 and 31.12.2022	<u>(43)</u>
Net carrying amount	
Balance as at 31.12.2022	<u><u>63</u></u>
	As at 31.12.2022 (Unaudited) \$'000
Company	
Cost	
Balance as at 1.1.2022	<u>26</u>
Accumulated amortisation	
Balance as at 1.1.2022	(15)
Amortisation for the financial year	<u>(2)</u>
Balance as at 31.12.2022	<u>(17)</u>
Net carrying amount	
Balance as at 31.12.2022	<u><u>9</u></u>

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

10. Financial assets at FVTPL

	As at	
	31.12.2022 (Unaudited) \$'000	31.12.2021 (Audited) \$'000
Investments in life insurances, at fair value		
Current		
- Life Insurance Policy I	-	2,744
- Life Insurance Policy II	3,037	-
Non-current		
- Life Insurance Policy I	2,825	-
- Life Insurance Policy II	-	2,949
	<u>5,862</u>	<u>5,693</u>

Movements of investments in life insurances are as follows:

	As at	
	31.12.2022 (Unaudited) \$'000	31.12.2021 (Audited) \$'000
Balance as at the beginning of the financial year	5,693	5,387
Unrealised foreign exchange (loss)/gain	(36)	121
Fair value gain of financial assets at FVTPL	205	185
Balance as at the end of the financial year	<u>5,862</u>	<u>5,693</u>

The investments in life insurances are denominated in United States dollar.

11. Financial assets at FVOCI

	Group As at	
	31.12.2022 (Unaudited) \$'000	31.12.2021 (Audited) \$'000
<i>Financial assets measured at FVOCI</i>		
Quoted debt securities, at fair value		
- Instrument I	806	829

Movements of investments in quoted debt securities are as follows:

	Group As at	
	31.12.2022 (Unaudited) \$'000	31.12.2021 (Audited) \$'000
Balance as at the beginning of the financial year	829	783
Redemption during the financial year	(8)	(9)
Interest earned	53	55
Interest received	(54)	(54)
Fair value (loss)/gain recognised in other comprehensive income, net	(14)	54
Balance as at the end of the financial year	<u>806</u>	<u>829</u>

The investments in quoted debt securities are denominated in Singapore dollar.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

12. Asset held-for-sale

	Group	
	As at	
	31.12.2022	31.12.2021
	(Unaudited)	(Audited)
	\$'000	\$'000
Leasehold property	17,750	-
Renovation on leasehold property	81	-
Right-of-use asset	3,538	-
	<u>21,369</u>	<u>-</u>
Liabilities directly associated with asset classified as held-for-sale	<u>3,692</u>	<u>-</u>

13. Share capital

	Group and Company			
	As at		As at	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Number of ordinary shares		\$'000	\$'000
<u>Issued and fully-paid</u>				
Balance as at the beginning of the financial year	176,384,600	151,384,600	41,081	38,676
Issuance of new ordinary shares	855,000	25,000,000	76	2,405
Balance as at end of financial year	<u>177,239,600</u>	<u>176,384,600</u>	<u>41,157</u>	<u>41,081</u>

There was an issuance of 855,000 new ordinary shares via a Performance Share Plan granted and vested during the financial year.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

14. Significant related party transactions

During the financial year, in addition to the information disclosed elsewhere in this condensed interim financial statements, the Group entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	For the full year ended	
	31.12.2022	31.12.2021
	(Unaudited)	(Audited)
	\$'000	\$'000
<i>With related parties*</i>		
Rental of equipment and trucks from related parties	<u>1,419</u>	<u>1,938</u>
<i>With a joint venture</i>		
Provision of subcontract services to a joint venture	<u>284</u>	<u>1,272</u>

* The related parties refer to entities controlled by or associated with the Executive Directors of the Company which are not within the Group.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

15. Financial instruments

Financial instruments at their carrying amounts at the end of the reporting year are as follows:

	Group		Company	
	As at		As at	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Financial assets at amortised cost	53,814	41,350	13,927	12,117
Financial assets at FVTPL	5,862	5,693	–	–
Financial assets at FVOCI	806	829	–	–
<hr/>				
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	121,026	145,067	11,231	8,624
<hr/>				

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

F. Other information required by Appendix 7C of the Catalyst Rules

- 1. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 year 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 year reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was a change in the Company's share capital from 31 December 2021 to 31 December 2022. During the financial year, the Company has granted and vested 855,000 new ordinary shares through Performance Share Plan exercise.

There were no outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 December 2022 and 31 December 2021.

- 1(a) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year**

	31.12.2022	31.12.2021
Total number of issued shares excluding treasury shares	177,239,600	176,384,600

- 1(b) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year 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(c) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year 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 modifications or emphasis of a matter)**

Not applicable.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) Updates on the efforts taken to resolve each outstanding audit issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

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 2021.

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**

The Group adopted the new/revised Singapore Financial Standards (International) ("SFRS(I)s") that are effective for annual periods beginning on or after 1 January 2022. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The adoption of the new SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant 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**

Group

<u>Earnings per ordinary share</u>	Second Half Ended 31 December		Financial Year Ended 31 December	
	2022 Unaudited	2021 Unaudited	2022 Unaudited	2021 Audited
Profit attributable to owners of the Company (S\$'000)	6,874	4,314	10,210	5,326
Weighted average number of ordinary shares	177,025,850	158,042,209	176,707,860	154,740,764
Basic and diluted EPS (Singapore cents)	3.88	2.73	5.78	3.44

- (a) Basic earnings per share ("EPS") is calculated by dividing the Profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial years.
- (b) The basic and diluted EPS are the same as there were no potential dilutive ordinary shares in issue as at 31 December 2022 and 31 December 2021.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

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	
	31.12.2022 Unaudited	31.12.2021 Audited	31.12.2022 Unaudited	31.12.2021 Audited
Net asset value per ordinary share (Singapore cents)	46.6	40.9	25.1	25.7
Number of ordinary shares in issue	177,239,600	176,384,600	177,239,600	176,384,600

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.

Consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2022 ("FY2022") vs the financial year ended 31 December 2021 ("FY2021")

The Group's revenue decreased by approximately S\$13.5 million or 7.9% from S\$170.4 million in FY2021 to S\$156.9 million in FY2022 mainly due to a lower level of business activities in our business segment in Civil Engineering contract works. Cost of sales and services decreased by approximately S\$27.2 million or 18.4% from S\$148.1 million in FY2021 to S\$120.9 million in FY2022 which is in line with the decrease in revenue from Civil Engineering contract works. The Group recorded a gross profit of S\$36.0 million in FY2022 as compared to a gross profit of S\$22.3 million in FY2021. The increase in the gross profit of S\$13.7 million or 61.2% was mainly due to the contribution from our Dormitory operation segment in FY2022.

Depreciation expenses decreased by approximately S\$1.6 million or 8.6% from S\$18.6 million in FY2021 to S\$17.0 million in FY2022. The decrease was mainly due to a net effect from disposal and full depreciation on some of the Group's existing plant and equipment in FY2022.

Other income decreased by approximately S\$1.0 million or 11.3% from S\$8.2 million in FY2021 to S\$7.2 million in FY2022. The decrease was mainly due to an easing of the government grants received relating to Covid-19 relief package.

Administrative expenses increased by approximately S\$1.7 million or 8.7% from S\$19.9 million in FY2021 to S\$21.6 million in FY2022. The increase was mainly due to higher recruitment costs and staff retentions, upkeep of our foreign workers and performance bonus paid to the three executive directors based on the Group's profit before income tax pursuant to their respective service agreements.

Other expenses decreased by approximately S\$0.3 million or 27.0% from S\$1.1 million in FY2021 to S\$0.8 million in FY2022. The decrease was mainly due to a lower rubbish disposal expense in FY2022.

Loss on allowance on trade receivables and contract assets increased by approximately S\$3.5 million or 146.1% from S\$2.3 million in FY2021 to S\$5.8 million in FY2022. The increase was mainly due to a higher provision in expected credit loss during the financial year.

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Finance costs increased by approximately S\$0.1 million or 2.8% from S\$2.8 million in FY2021 to S\$2.9 million in FY2022 primarily due to higher interest rate from the bank borrowing.

The Group recorded a loss of approximately S\$0.2 million from the share of loss of a joint venture company in FY2022 as compared to a profit of approximately S\$1.0 million in FY2021 due to a lower amount of business activities executed from the joint venture company in FY2022.

Overall, the Group recorded a profit before income tax and net profit attributable to owners of the parent in FY2022 of approximately S\$12.0 million and S\$10.2 million respectively.

Consolidated statement of financial position of the Group as at 31 December 2022

Non-current Assets

As at 31 December 2022, the Group recorded a total of S\$21.4 million in Property, plant and equipment (“PPE”) as compared to S\$42.3 million as at 31 December 2021. The decrease in PPE of approximately S\$20.9 million or 49.4% was mainly due to the net effect of additions of PPE of S\$6.6 million, a net reclassification of S\$2.4 million from Right-of-use assets (“ROU”) to PPE due to full settlement of hire purchase and an elimination of depreciation on revaluation of S\$1.0 million, partially offset by the depreciation charge of S\$9.3 million and a net reclassification of S\$3.5 million from PPE to ROU assets upon obtaining financing through leases and net effect on disposal and elimination of depreciation on revaluation of S\$0.3 million and a reclassification of a leasehold property of S\$17.8 million, being the main operating office of the Group, from non-current asset to current asset held-for-sale in FY2022.

As at 31 December 2022, the Group recorded a total S\$43.0 million ROU assets as compared to S\$54.2 million as at 31 December 2021. The decrease in ROU of approximately S\$11.2 million or 20.7% was mainly due to the depreciation charge of approximately S\$7.7 million, a net reclassification of S\$2.4 million from ROU to PPE due to full settlement of hire purchase and a reclassification of ROU from a leasehold property of S\$3.5 million which was reclassified as current asset held-for-sale in FY2022, partially offset by a net effect of a reclassification from PPE upon obtaining financing through leases of S\$3.5 million, an addition of ROU amounting to S\$2.5 million and , a modification to lease term which lead to a deduction of carrying amount of ROU assets of approximately S\$3.6 million resulted from lease modifications.

As at 31 December 2022, the Group’s financial assets at FVTPL amounted to S\$2.8 million as compared to S\$5.7 million as at 31 December 2021. The decrease of approximately S\$2.9 million or 50.9% was mainly due to a reclassification of a financial asset at FVTPL of S\$3.0 million been reclassified to current assets due to its maturity during the year.

As at 31 December 2022, the Group’s investment in a joint venture decreased to S\$0.3 million as compared to S\$1.7 million as at 31 December 2021. The decrease of approximately S\$1.4 million or 82.4% was mainly due to dividend declared and paid out from retained earnings to the shareholders during the financial year.

Current assets

Contract assets decreased by approximately S\$10.5 million or 13.8% from S\$76.0 million as at 31 December 2021 to S\$65.5 million as at 31 December 2022 mainly due to prompt billing made in FY2022.

Financial assets at FVOCI decreased by S\$23,000 or 2.8% from S\$829,000 as at 31 December 2021 to S\$806,000 as at 31 December 2021 mainly due to a partial redemption of S\$20,000 during the financial year.

Inventory increased by approximately S\$0.2 million or 14.3% from S\$1.4 million as at 31 December 2021 to S\$1.6 million as at 31 December 2022. The marginal increase was mainly due to purchase of construction materials, hardware parts and consumables for our projects’ usage.

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Trade and other receivables increased by approximately S\$1.2 million or 3.8% from S\$31.4 million as at 31 December 2021 to S\$32.6 million as at 31 December 2022. The increase was in line with the decrease in contract assets in FY2022.

Prepayments decreased by approximately S\$0.5 million or 18.5% from S\$2.7 million as at 31 December 2021 to S\$2.2 million as at 31 December 2022 due to the amortisation of prepaid expenses and lower advance payments to overseas suppliers during the financial year.

The Group's financial assets at FVTPL under the current assets portion amounted to S\$3.0 million as at 31 December 2022. The increase was mainly due to a reclassification of a financial asset at FVTPL of S\$3.0 million from non-current assets portion been reclassified to current assets due to its maturity in FY2023.

During the financial year, there was a reclassification of a non-current asset, a leasehold property amounting to S\$21.4 million, been re-classified as asset held for sale under the current asset portion in FY2022.

Cash and cash equivalents increased by approximately S\$12.8 million or 124.3% from S\$10.3 million as at 31 December 2021 to S\$23.1 million as at 31 December 2022. The increase was mainly due to the cash generated from operating activities of S\$40.7 million, and partially offset by a net cash from investing activities of S\$0.5 million and the net cash used in financing activities, which included repayments of bank borrowings of approximately S\$27.4 million.

Current liabilities

Contract liabilities decreased by approximately S\$3.2 million or 72.7% from S\$4.4 million as at 31 December 2021 to S\$1.2 million as at 31 December 2022, mainly due to lower advance billing in FY2022.

Trade and other payables increased by approximately S\$5.3 million or 13.8% from S\$38.3 million as at 31 December 2021 to S\$43.6 million as at 31 December 2022. This was mainly due to the significant refundable deposits collected for dormitory rental in FY2022.

Lease liabilities payable within one year decreased by S\$4.0 million or 26.3% from S\$15.2 million as at 31 December 2021 to S\$11.2 million as at 31 December 2022. This was mainly due to full settlement on certain leased vehicles with financial institutions in FY2022.

Short-term bank borrowings decreased by approximately S\$8.3 million or 19.1% from S\$43.4 million as at 31 December 2021 to S\$35.1 million as at 31 December 2022. The decrease was mainly due to a net effect of loan repayment and scale down of bank facilities due to the maturity of short-term loans.

Liabilities directly associated with asset classified as held-for-sale amounted to S\$3.7 million as at 31 December 2022. This relates to the lease adjustments from rights-of-use asset as previously recorded as a non-current asset.

Non-current liabilities

Total non-current liabilities decreased by S\$15.0 million or 28.6% from S\$52.4 million as at 31 December 2021 to S\$37.4 million as at 31 December 2022. The decrease was mainly due to a net effect of loan repayment and scale down of bank facilities due to the maturity of certain term loans during the financial year.

Net current assets

The Group posted a positive net current assets of approximately S\$52.4 million as at 31 December 2022 as compared to a positive net current assets of S\$23.3 million as at 31 December 2021.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

Statement of Cash flows of the Group for FY2022

As at 31 December 2022, the Group recorded cash and cash equivalents of S\$23.1 million as compared to S\$10.3 million as at 31 December 2021.

Net cash flows generated from operating activities in FY2022, after meeting working capital requirements and net of tax paid, were approximately S\$40.7 million. In which, the net working capital inflow of S\$4.7 million was the net effect of increase in trade and other payables of S\$3.9 million, a decrease in prepayment of S\$0.5 million and a decrease in contract assets of S\$1.6 million, which was partially offset by an increase in inventory of S\$0.2 million, an increase in trade and other receivables of S\$1.1 million.

Net cash used in investing activities in FY2022, amounted to S\$0.5 million mainly due a dividend received from a joint venture amounting to S\$1.3 million, the proceeds from disposal of plant and equipment, interest received and redemption of financial assets at FVOCI of S\$0.3 million and partially offset by addition of plant and equipment of S\$2.1 million in FY2022.

Net cash used in financing activities in FY2022 amounted to S\$27.5 million, which was mainly due to the net effect of net repayment of trust receipts of S\$6.2 million, repayment of lease liabilities of S\$14.4 million, interest payment of S\$2.6 million and a net repayment of bank loans of S\$3.8 million and an interim dividend of S\$0.5 million declared and paid during the financial year.

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) projects the total construction demand to remain consistent with that of 2022 in 2023¹ (i.e. the value of construction contracts to be awarded) to range between S\$27 billion and S\$32 billion, which is similar to last year's projection².

The public sector is expected to contribute about 60 per cent of the total construction demand, between S\$16 billion and S\$19 billion. This is supported by a continued strong pipeline of public housing projects amid Housing Development Board's (HDB) ramping up of Build-To-Order (BTO) flats supply. Industrial and institutional building construction is expected to contribute strongly to public sector demand, with more projects for the construction of water treatment plants, educational buildings and community clubs. Civil engineering construction demand is anticipated to stay firm with continued support from MRT line construction and other infrastructure works.

Private sector construction demand is projected to be between S\$11 billion and S\$13 billion in 2023, comparable with 2022 figures. Both residential and industrial building construction demand are expected to be similar to last year's level, underpinned by the development of new condominiums and high-specification industrial buildings. Due to the rescheduling of some major projects from 2022 to 2023 as well as the redevelopment of old commercial premises to enhance asset values, commercial building demand is anticipated to increase.

Based on the above, the Group will continue to actively explore business projects in Singapore.

¹ BCA media release "Singapore's Construction Demand to Remain Strong In 2023", 12 January 2023, 9.30am ([singapore-construction-demand-to-remain-strong-in-2023-media-release.pdf \(bca.gov.sg\)](https://www.bca.gov.sg/media-releases/singapore-construction-demand-to-remain-strong-in-2023-media-release.pdf))

² BCA media release "Sustained Construction Demand In 2022 Supported By Public Sector Projects", 26 January 2022 [MEDIA RELEASE \(bca.gov.sg\)](https://www.bca.gov.sg/media-releases/sustained-construction-demand-in-2022-supported-by-public-sector-projects.pdf)

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Currently the Group's order book for ongoing project is approximately \$492.8 million which is expected to be completed in the next 4 years.

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

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

The Board of Directors proposes a one-tier tax exempt final dividend of S\$0.005 per ordinary share, subject to shareholders' approval in the forthcoming annual general meeting. Together with the interim dividend of S\$0.003 per ordinary share paid in September 2022, this brings the Group's total dividend for the year to S\$0.008 per ordinary share.

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

0.5 cents.

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

No dividend has been declared or recommended for FY2021.

(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).

Tax exempt one-tier interim dividend.

(d) The date the dividend is payable.

22 May 2023.

(e) Book closure date

10 May 2023.

12. If no dividend has been declared/recommended, a statement to that effect and reason(s) for the decision

Not applicable.

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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.**

No changes to IPTs as disclosed in page 45 of the Company’s annual report for the financial year ended 31 December 2021. The Group does not have a general mandate from shareholders for recurrent interested person transactions.

Other than the IPTs disclosed in paragraph (c)(i) of page 156 of the offer document dated 1 December 2014, the update announcement in relation to the IPTs released on 8 November 2019 and IPTs as set out in the below table, there were no additional IPTs of S\$100,000 and above during the financial year under review.

Name of Interested Person (“IP”)	Nature of relationship	Aggregate value of all interested person transactions during the financial year 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 year under review under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
NHL Holding Pte Ltd (“NHL”) – Lease of construction equipment and vehicles from NHL	#	S\$000 1,291	S\$000 Not applicable
NB Auto Pte Ltd (“NB Auto”) – Lease of commercial vehicles from NB Auto	#	128	Not applicable

These IPs are regarded as associates of the Company’s controlling shareholder, Dandelion Capital Pte. Ltd., under Chapter 9 of the Catalist Rules on interested person transactions.

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

14. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to Note 3 under Segmentation information on Page 8 - 10.

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to Paragraph 8 above for details.

HUATONG GLOBAL LIMITED AND ITS SUBSIDIARIES

16. Breakdown of Group's revenue and profit/ (loss) after tax for first half year and second half year

	FY2022 (Unaudited)	FY2021 Audited	Increase/ (Decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	68,707	93,214	(26.3)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,266	1,071	204.9
(c) Sales reported for second half year	88,198	77,227	14.2
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	6,876	4,115	67.1

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2022 S\$	FY2021 S\$
Ordinary share (Tax exempt one-tier interim dividend)		
- Interim dividend paid	531,719	-
- Final dividend proposed (1)	886,198	-
Total for the year	1,417,917	-

Note:- (1) The proposed final tax exempt dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10)

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ng Kian Haw Douglas	32	Son of Mr Ng Hai Liong	Business Manager/ 2019	No Change
Ng Swee Seng	51	Nephew of Mr Ng Hai Liong	Site Manager/ 2017	No Change
Ng Say Beng Charlie	56	Nephew of Mr Ng Hai Liong	Site Manager/ 2011	No Change

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19. Use of Placement proceeds

The Company refers to the net proceeds amounting to S\$2.4 million raised from the Placement of 25.0 million of ordinary shares on the Catalist Board of the SGX-ST in FY2021.

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 (S\$'000)	Amount Utilised (S\$'000)	Amount Unutilised (S\$'000)
To explore opportunities in mergers and acquisitions, joint ventures and strategic alliances	1,000	(1,000)	-
General working capital purposes ⁽¹⁾	1,280	(1,000)	280
Total	2,280	(2,000)	280

Note:-

(1) For the repayment of amounts owing to external parties. The above utilisations are in accordance with the intended use of the Placement net proceeds and percentage allocated, as stated in the Placement Exercise document dated 2 November 2021.

20. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

During FY2022, the Company did not acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

To the best interest of the Company, the Company has voluntarily ceased the place of business in Hong Kong on 19 August 2022.

21. 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
1 March 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.

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