



**Huatong Global Limited**

Company Registration Number: 201422395Z  
(Incorporated in the Republic of Singapore on 1 August 2014)  
Address: 9 Benoi Crescent, Singapore 629972  
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**MATERIAL VARIANCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND  
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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The Board of Directors (the “**Board**”) of Huatong Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the unaudited financial statements of the Group for the financial year ended 31 December 2020 released via SGXNET on 1 March 2021 (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce and clarify the material variances between the Unaudited Financial Statements and the audited financial statements of the Group for the financial year ended 31 December 2020 (“**Audited Financial Statements**”) following finalisation of the audit.

A summary of the material variances between the Unaudited Financial Statements and the Audited Financial Statements, and the explanations thereon, are annexed to this announcement.

By Order of the Board  
Huatong Global Limited

Ng Kian Ann Patrick  
Executive Director and Chief Executive Officer

13 April 2021

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*This announcement has 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 announcement.*

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group				
	FY2020 Unaudited S\$'000	FY2020 Audited S\$'000	Variance S\$'000	% Change	Note
<b>Revenue</b>	<b>115,958</b>	<b>115,958</b>	-	-	
Cost of sales and services	(112,145)	(112,145)	-	-	
<b>Gross profit</b>	<b>3,813</b>	<b>3,813</b>	-	-	
Other income	10,067	10,424	357	3.5	a
Administrative expenses	(15,480)	(15,837)	(357)	(2.3)	a
Other expenses	(854)	(590)	264	30.9	b
Loss allowance on trade receivables and contract assets	(5,663)	(5,663)	-	-	
Impairment of financial assets at FVOCI	-	(264)	(264)	nm	b
Finance costs	(3,563)	(3,563)	-	-	
Share of results of a joint venture	915	915	-	-	
<b>Loss before income tax</b>	<b>(10,765)</b>	<b>(10,765)</b>	-	-	
Income tax credit/(expense)	(931)	3,367	4,298	nm	c
<b>Loss for the financial year</b>	<b>(11,696)</b>	<b>(7,398)</b>	<b>4,298</b>	<b>36.7</b>	
<b>Other comprehensive income:</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Fair value loss on financial assets at FVOCI	(9)	(159)	(150)	nm	d
Reclassification of fair value loss in fair value reserve to profit or loss	114	264	150	131.6	d
<b>Item that will not be reclassified subsequently to profit or loss:</b>					
Loss on revaluation of property, plant and equipment	(70)	(70)	-	-	
<b>Other comprehensive income, net of tax</b>	<b>35</b>	<b>35</b>	-	-	
<b>Total comprehensive loss for the financial year</b>	<b>(11,661)</b>	<b>(7,363)</b>	<b>4,298</b>	<b>36.9</b>	
<b>Loss attributable to:</b>					
Owners of the parent	(11,769)	(7,471)	4,298	36.5	
Non-controlling interests	73	73	-	-	
	<b>(11,696)</b>	<b>(7,398)</b>	<b>4,298</b>	<b>36.7</b>	
<b>Total comprehensive loss attributable to:</b>					
Owners of the parent	(11,734)	(7,436)	4,298	36.6	
Non-controlling interests	73	73	-	-	
	<b>(11,661)</b>	<b>(7,363)</b>	<b>4,298</b>	<b>36.9</b>	

FVOCI: fair value through other comprehensive income

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**

**Notes:**

- a Reclassification of other income from administrative expenses
- b Reclassification of a line item from other expenses. In accordance with SFRS(I) 1-1: Presentation of Financial Statements, impairment losses determined in accordance with SFRS(I) 9 are presented in the statement of profit or loss as a line item.
- c Income tax credit was recorded due to the following:
- |   | S\$'000 |
|---|---------|
| (i) Over provision of deferred tax            | 4,000   |
| (ii) Over provision of income tax             | 299     |
| (iii) Minor difference due to rounding effect | (1)     |
|   | 4,298   |
- d Reclassification of fair value loss in fair value reserve to profit or loss

**STATEMENT OF FINANCIAL POSITION**

	Group				
	31.12.2020	31.12.2020	Variance	% Change	Note
	Unaudited S\$'000	Audited S\$'000			
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	38,028	38,028	-	-	
Right-of-use assets	69,760	69,760	-	-	
Financial assets at FVTPL	5,387	5,387	-	-	
Investment in a joint venture	706	706	-	-	
Intangible assets	95	95	-	-	
	113,976	113,976	-	-	
<b>Current assets</b>					
Contract assets	72,479	72,479	-	-	
Financial assets at FVOCI	783	783	-	-	
Inventories	1,271	1,271	-	-	
Trade and other receivables	45,666	45,666	-	-	
Prepayments	4,568	4,568	-	-	
Current income tax recoverable	130	429	299	230.0	A
Cash and cash equivalents	32,896	32,896	-	-	
	157,793	158,092	299	0.2	
<b>Total assets</b>	271,769	272,068	299	0.1	
<b>Liabilities</b>					
<b>Current liabilities</b>					
Contract liabilities	11,334	11,334	-	-	
Trade and other payables	58,755	58,755	-	-	
Lease liabilities	14,080	15,679	1,599	11.4	B
Derivative financial liabilities	28	28	-	-	
Bank borrowings	63,637	63,637	-	-	
Deferred income	1,033	1,033	-	-	
	148,867	150,466	1,599	1.1	

STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Group				
	31.12.2020 Unaudited S\$'000	31.12.2020 Audited S\$'000	Variance S\$'000	% Change	Note
<b>Non-current liabilities</b>					
Lease liabilities	39,404	37,805	(1,599)	(4.1)	B
Bank borrowings	15,617	15,617	-	-	
Deferred income	272	272	-	-	
Deferred tax liabilities	7,972	3,972	(4,000)	(50.2)	C
	63,265	57,666	(5,599)	(8.9)	
<b>Total liabilities</b>	212,132	208,132	(4,000)	(1.9)	
<b>Net assets</b>	59,637	63,936	4,299	7.2	
<b>Equity</b>					
Share capital	38,676	38,676	-	-	
Other reserves	(16,827)	(16,827)	-	-	
Accumulated profits	38,594	42,893	4,299	11.1	D
	60,443	64,742	4,299	7.1	
<b>Equity attributable to owners of the parent</b>					
Non-controlling interests	(806)	(806)	-	-	
<b>Total equity</b>	59,637	63,936	4,299	7.2	

FVOCI: fair value through other comprehensive income

FVTPL: fair value through profit or loss

**Notes:**

- A Over provision of income tax as explained in Note c (2).
- B Reclassification of current lease liabilities from non-current lease liabilities.
- C Over provision of deferred tax as explained in Note c (1)
- D Net effects of adjustments to net loss for the year.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Group				
	FY2020 Announced S\$'000	FY2020 Audited S\$'000	Variance S\$'000	Variance %	Note
<b>Cash flows from operating activities</b>					
Loss before income tax	(10,765)	(10,765)	-	-	
Adjustments for:	-				
Depreciation of property, plant and equipment	8,089	8,090	1	0.0	#
Depreciation of right-of-use assets	12,053	12,053	-	-	
Amortisation of intangible assets	16	15	(1)	(6.3)	#
Loss allowance on trade receivables and contract assets	5,663	5,663	-	-	
Impairment of financial assets at FVOCI	264	264	-	-	
Reversal of allowance for impairment of financial assets at FVOCI upon redemption	(10)	(10)	-	-	
Gain on disposal of property, plant and equipment and right-of-use assets	(156)	(156)	-	-	
Loss on lease modification	78	78	-	-	
Amortisation of gain on sale and leaseback transactions	(793)	(793)	-	-	
Interest expenses	3,368	3,368	-	-	
Interest income	(58)	(58)	-	-	
Share of results of a joint venture	(915)	(915)	-	-	
Fair value gain on financial assets at FVTPL	(179)	(179)	-	-	
Loss on derivative financial instruments	29	28	(1)	(3.4)	#
Unrealised exchange differences, net	12	13	-	-	
<b>Operating cash flows before working capital changes</b>	16,696	16,696	-	-	
Working capital changes:					
Trade and other receivables	(2,202)	(12,491)	(10,289)	nm	1
Prepayments	(3,447)	(3,447)	-	-	
Contract assets, net	11,524	20,851	9,327	80.9	1
Inventories	7	8	1	14.3	#
Trade and other payables	9,747	10,747	1,000	10.3	1
<b>Cash generated from operations</b>	32,325	32,364	39	0.1	
Interest received	3	3	-	-	
Income tax paid	(251)	(252)	(1)	(0.4)	
<b>Net cash from operating activities</b>	32,077	32,115	38	0.1	
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(763)	(763)	-	-	
Addition of right-of-use assets	(766)	-	766	(100.0)	2
Deposit for purchase of property, plant and equipment	-	(38)	(38)	nm	3
Interest received	55	55	-	-	
Dividends received from joint venture	3,000	3,000	-	-	
Proceeds from disposal of property, plant and equipment and right-of-use assets	577	577	-	-	
Proceeds from redemption of financial assets at FVOCI	20	20	-	-	
<b>Net cash generated from/(used in) investing activities</b>	2,123	2,851	728	34.3	

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

	Group				
	FY2020 Announced S\$'000	FY2020 Audited S\$'000	Variance S\$'000	Variance %	
<b>Cash flows from financing activities</b>					
Proceeds from trust receipts/letters of credits	58,058	58,060	2	0.0	#
Repayment of trust receipts/letters of credits	(51,856)	(51,856)	-	-	
Proceeds from term loans	9,203	9,201	(2)	(0.0)	#
Repayment of term loans	(3,406)	(3,406)	-	-	
Interest paid	(3,100)	(3,100)	-	-	
Repayment of lease liabilities	(14,687)	(15,453)	(766)	(5.2)	2
<b>Net cash used in financing activities</b>	<b>(5,788)</b>	<b>(6,554)</b>	<b>(766)</b>	<b>(13.2)</b>	
Net change in cash and cash equivalents	28,412	28,412	-	-	
Cash and cash equivalents at beginning of the financial year	4,484	4,484	-	-	
<b>Cash and bank balances at end of the financial year</b>	<b>32,896</b>	<b>32,896</b>	<b>-</b>	<b>-</b>	

# Immaterial difference or minor difference due rounding effect.

nm Not meaningful.

FVOCI: fair value through other comprehensive income

FVTPL: fair value through profit or loss

**Notes:**

1. Net effects of the following:

	S\$'000
(i) Impact to the statement of cashflows arising from the reclassification of unbilled revenue from trade and other receivables and advance from customers from trade and other payables to contract assets and contract liabilities respectively for the comparative figures	10,327
(ii) Reclassification of deposit for purchase of property, plant and equipment from operating activities to investment activities	(38)
	10,289
  
2. Reclassification of initial upfront payment for assets financed through leases from investing activities to financing activities.
  
3. Reclassification of deposit for purchase of property, plant and equipment from operating activities to investment activities as explained in Note 1 (ii).