



FOR IMMEDIATE RELEASE

Huatiang Global's net attributable profit rises 25.5% to S\$6.4 million in FY2015

- Gross profit for FY2015 increased 24.9% year-on-year to S\$27.1 million on the back of a 4.5 point improvement in gross profit margin to 20.8%
- Proposes a final tax-exempt cash dividend of S\$0.003 per share for FY2015

Summary of Financial Results for the Full Year Ended 31 December:

S\$'000	FY2015	FY2014	+/(-)%
Revenue	130,188	133,332	(2.4)
Gross profit	27,141	21,728	24.9
Gross profit margin (%)	20.8	16.3	4.5
Profit before tax	7,298	6,276	16.3
Profit attributable to owners of the parent	6,410	5,106	25.5

SINGAPORE, 26 February 2016 – Huatiang Global Limited (“Huatiang Global” or the “Company”, and together with its subsidiaries, the “Group”), a full-service integrated civil engineering solutions provider, today announced a 25.5% year-on-year (“y-o-y”) increase in profit attributable to owners of the parent to S\$6.4 million for the financial year ended 31 December 2015 (“FY2015”) compared to S\$5.1 million for the financial year ended 31 December 2014 (“FY2014”). Notably, the Group’s improved bottom line was achieved despite a 2.4% y-o-y dip in revenue to S\$130.2 million.

In view of its FY2015 results, the Group has proposed a final tax-exempt cash dividend of S\$0.003 per share. Together with an interim tax-exempt cash dividend of S\$0.003 per share declared for the financial period ended 30 June 2015, the total dividends from Huatiang Global declared for FY2015 add up to S\$0.006 per share, which is equivalent to a payout ratio of 14.2%.

In FY2015, contribution from the Group’s inland logistics services segment increased by 2.6% to S\$28.1 million as a result of higher demand for aggregates in the construction industry, which increased the demand for transportation services and a 13.6% increase in contribution from the sale of construction

materials segment to S\$2.5 million. This was offset by a 4.0% decrease in contribution from the Group's civil engineering services segment to S\$99.6 million, due largely to lower revenue recognised from external work contracts in the first half of FY2015 as well as the timing of certain new projects, which only commenced near the end of the financial year.

Cost of sales and services fell by 7.6% to S\$103.1 million in FY2015 due to lower costs relating to direct labour, direct material, transportation charges, sub-contract and fuel, resulting in a 24.9% increase in gross profit of the Group to S\$27.1 million. Consequently, gross profit margin improved from 16.3% in FY2014 to 20.8% in FY2015 mainly from lower fuel costs and sub-contracting costs.

Commenting on the Group's financial results, Mr Patrick Ng (黄健安), Executive Director and Chief Executive Officer of the Group, said, "Despite a rather muted economic environment, Huatong Global delivered a bottom-line growth of 25.5% in FY2015 and continued to grow most of our business segments. This is the result of improvements made in our operations, especially in the planning of our labour and transport resources, which had a positive impact on our costs. Looking ahead, we are confident that our rich experience and competence in this industry will continue to help us manage and execute new projects, especially larger scale projects that we had secured in FY2015."

Based on this set of results, the earnings per share of the Group was 4.23 Singapore cents in FY2015 as compared to 4.11 Singapore cents in FY2014, while its net asset value per share as at 31 December 2015 stood at 35.12 Singapore cents compared to 30.48 Singapore cents as at 31 December 2014.

Outlook for FY2016

The Building and Construction Authority ("BCA") announced¹ on 15 January 2016 that construction demand in 2016 is projected to be between S\$27 billion and S\$34 billion, of which about S\$18.5 billion to S\$21.5 billion are expected to come from the public sector. If these estimates are met, 2016 will see the highest proportion of construction demand from the public sector since 2002. Underpinning the growth in public sector-led construction demand is an expected increase in civil engineering demand.

¹Press release dated 15 January 2016 issued by the Building and Construction Authority of Singapore: "BCA estimates \$27 billion to \$34 billion worth of construction contracts to be awarded this year"

Over the course of FY2015, the Group secured a strong pipeline of civil engineering projects worth approximately S\$129.3 million, comprising mainly public sector projects that it expects to deliver over the next five years. Notable projects include land preparation works at Changi Airport, the proposed development of an integrated regional hospital at Sengkang; road widening and construction of road related facilities along Tampines Avenue 9 and earthworks projects for certain Thomson Line Mass Rapid Transit (“MRT”) stations.

The Group is well positioned in the niche area of civil engineering industry and intends to capitalise on its competitive strengths to bring about enhanced values for its shareholders. The Group has been actively participating in tenders for public sector projects and continues to be optimistic about securing public infrastructural projects mainly in the upcoming Thomson-East Coast Line (TEL) and additional works at Changi Airport works.

In addition, the Group is exploring various avenues to forge strategic alliances with business partners and will update the shareholders of any material developments.

About Huationg Global

Established in 1983 and listed on the SGX Catalist in 2014 (December), Huationg Global Limited provides a full range of civil engineering services and inland logistics support, and is also involved in the sale of construction materials, including the manufacture and supply of Liquefied Soil Stabiliser (LSS) and the sale of Recycled Concrete Aggregate (RCA). A key player with an established a strong track record in the civil engineering industry, the Group has been involved in such works for numerous large infrastructural construction projects in Singapore over the last 30 years including certain stations of the Downtown Line MRT and Circle Line MRT, the Kallang-Paya Lebar Expressway and the Marina Coastal Expressway. Its key customers in this segment include the Housing and Development Board, Land Transport Authority of Singapore and Daelim Industrial Co. Ltd. among others. The Group is registered with the Building and Construction Authority with a BCA grading of A2 under the category of CW02 for civil engineering and C2 under the category CW01 for General Building.

Issued for and on behalf of Huationg Global Limited by

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Huationg Global Limited (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 9 December 2014. The initial public offering of the Company (the “IPO”) was sponsored by PrimePartners Corporate Finance Pte. Ltd. (“PPCF” or the “Sponsor”).

This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this press release.

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

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