



Huatong Global Limited

Company Registration Number: 201422395Z
(Incorporated in the Republic of Singapore on 1 August 2014)
Address: 9 Benoi Crescent, Singapore 629972
Website: <http://www.huatong-global.com>

**RESPONSES TO QUESTIONS RECEIVED FOR ANNUAL GENERAL MEETING
TO BE HELD ON 19 JUNE 2020**

The Board of Directors (the “**Board**”) of Huatong Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement dated 28 May 2020 in relation to the Company’s annual report for the financial year ended 31 December 2019 (“**Annual Report**”) and its annual general meeting to be held on 19 June 2020 (“**AGM**”).

The Company would like to thank all shareholders for their active participation in the upcoming AGM by submitting their questions in advance.

The Company have consolidated the questions submitted by shareholders and have set out responses to the questions at **Annex A** of this announcement.

By Order of the Board
Huatong Global Limited

Ng Kian Ann Patrick
Executive Director and Chief Executive Officer

15 June 2020

*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**”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.*

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

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

**ANNEX A
RESPONSES TO QUESTIONS FROM SHAREHOLDERS**

No.	Question	Response
1	<p>When is company paying a dividend?</p> <p>The group paid dividends for 3 years before stopping. Please comment on dividend policy going forward.</p>	<p>The Company does not have a fixed dividend policy at present.</p> <p>The declaration of dividends by the Group is subject to many factors, including but not limited to, Group's earnings, financial position, capital requirements to secure key infrastructure projects and general business condition that the Directors may, in their absolute discretion, deem appropriate. Therefore, we are unable to provide assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future as this depends on the foregoing factors.</p> <p>The Company will continue to review the abovementioned factors and look into the issue of dividends to incentivize shareholders whenever the opportunity arise.</p>
2	<p>How can the insurance policies under note 6 (Financial assets at FVTPL) be beneficial to the company?</p>	<p>The Key-Person-Insurance serves to protect the interest of the Company against business risk in the event of death of key person.</p> <p>The insurance payout can assist to cover operating costs and financial position of the company while the board searches for replacement of key position holder.</p>
	<p>Insurance policy (note 6) - How can the Director shall become the beneficiary of the Policies?</p>	<p>The Company may nominate beneficiaries or put the policy under trust for the specific benefit of the Director after the loan for the premium is fully paid.</p> <p>The beneficiary of the Policies currently lies with the Company and there is no actual transfer of beneficiary to the Director and this option to transfer the beneficiary of the Policies to Director has been extended to 2022 and 2023 for Policy I and Policy II respectively as disclosed on page 90 of the Annual Report (note 6).</p> <p>In the event that there is such transfer of beneficiary of the Policies to the Director, the Director shall be entitled to (a) all payments and other benefits arising therefrom after deducting for the amounts paid under the respective loans, as well as (b) the surrender value of the insurance policies.</p>
3	<p>There has been no update of the group orderbook value and visibility. Please comment and give a breakdown of contract value.</p>	<p>Our Group is supported by strong order book from major public infrastructure projects. However, the Company has no practice to disclose the value of order book information.</p> <p>The Group has on page 6 of the Annual Report under the Operating and Financial Review section disclosed new</p>

No.	Question	Response
		<p>projects that were secured in FY2019 and are targeted for delivery within the next one to four years. These projects relate mainly to public infrastructure projects such as:</p> <ul style="list-style-type: none"> • Construction of infrastructure works at Cleantech Loop (Phase 1) • Construction of roads, drains and sewers including ancillary works at Tuas Western Coast • Contract 1900 - Advance works for Integrated Train Testing Centre • Earthwork, demolition and associated works for • Pasir Ris Wafer Fabrication Park at Pasir Ris Industrial Drive 1 & Loyang Crescent • Earthworks at Lim Chu Kang Area • Excavation, transport and fill in good earth and clay at additional area of polder construction at Pulau Tekong • Major infrastructural works at Tampines North (Phase 3C) - (A) Construction of Tampines St 64, Tampines North Dr 1 & Tampines North Dr 2; (B) Trunk Sewers in Tampines North (North-part 2); and (C) Construction of Road - related facilities in Tampines North N6 • Proposed soil improvement and heavy haul road at Ayer Chawan, Jurong Island <p>The Group has a healthy order book so far and we will continue to be well positioned in the public infrastructure sector given our competence and experience in this sector.</p>
4	Any update on timeline of prospective Hong Kong Dual Listing? How much was invested so far in the process?	<p>At the moment, no application has been made (i) to the Stock Exchange of Hong Kong (“SEHK”) for the listing of, and permission to deal in, the shares of the Company, on the Main Board of the SEHK, or (ii) to the “SGX-ST” in connection with the Proposed Dual Listing.</p> <p>In view of the current situation in Hong Kong and the global economic uncertainty, the Company has placed its plans for the Proposed Dual Listing on hold.</p> <p>The expenses related to the Proposed Dual Listing incurred in years 2018 and 2019 of approximately \$724,000 in total was disclosed in note 27, page 108 of the annual report for the financial year ended 31 December 2019.</p>
5	The share price is at a very large discount to net assets value (“NAV”) per share of \$0.49. Please comment how the Company intending to unlock value in this \$0.49.	<p>We recognize that this may be due to a gap between our share price and the NAV due to prevailing market conditions and the lack of trading liquidity which may not reflect the true value of our share price.</p> <p>We will engage shareholders on a regular basis and provide updates on the Group’s performance and business directions from time to time. We are also</p>

No.	Question	Response
		<p>exploring complementary business segments to further enhance our shareholders' values. We will also focus on our core competence and continuously tender for government contracts.</p>
6	<p>This is the 2nd time in consecutive years of variance in Audited Financial Statements. What measures will be put in place to address this?</p>	<p>In addition to the Company's announcement made on 28 May 2020 on the material variances between the Unaudited Financial Statements and Audited Financial Statements for the financial year ended 31 December 2019, the Company would like to clarify on the reclassification of the assets under finance lease to right-of-use assets on initial adoption of Singapore Financial Reporting Standard (International) ("SFRS(I)") 16 of S\$63.1 million (the "Reclassification").</p> <p>The Reclassification related to the alternative ways of presentation of SFRS(I) 16.</p> <p>Para 47 a) of the SFRS(I) 16 on the presentation states: "A lessee shall either present in the statement of financial position, or disclose in the notes:</p> <ul style="list-style-type: none"> (a) right-of-use assets separately from other assets. If a lessee does not present right-of-use assets separately in the statement of financial position, the lessee shall: <ul style="list-style-type: none"> (i) include right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned; and (ii) disclose which line items in the statement of financial position include those right-of use assets. <p>The Company did not present right-of-use assets separately in the statement of financial position in the Unaudited Financial Statements released on 28 February 2020, this was in line with the SFRS(I) 16.</p> <p>However, to have better clarity, the Company decided to present the right-of-use assets separately in the audited statement of financial position with the concurrence of the Company's Independent Auditor.</p> <p>Other than the above Reclassification, the variances for the rest are immaterial to the Group.</p> <p>Nevertheless, the Audit Committee ("AC") has taken steps to work closely with the Chief Financial Officer and Management to improve the financial reporting close process and ensure the financial statements give a true and fair view in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International).</p>