



Huatong Global Limited

Company Registration Number: 201422395Z
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RESPONSES TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S ANNOUNCEMENT DATED 8 NOVEMBER 2019 IN RELATION TO THE UPDATE ANNOUNCEMENT IN RELATION TO THE INTERESTED PERSON TRANSACTION WITH NHL HOLDING PTE LTD

The Board of Directors (the “**Board**”) of Huatong Global Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 8 November 2019 in relation to the update announcement in relation to the interested person transactions with NHL Holding Pte Ltd (“**NHL IPT Announcement**”).

Unless otherwise defined or the context otherwise requires, all capitalized terms shall bear the same meaning as ascribed to them in the NHL IPT Announcement.

SGX-ST’s Query 1. What did the AC do to satisfy itself that “the NHL IPTs are transacted at an arm’s length basis and on normal commercial terms that are not prejudicial to the interests of the Company and its minority shareholders”?

Company’s Response:

The AC has reviewed the NHL IPTs and ensured they are transacted at an arm’s length basis and on normal commercial terms that are not prejudicial to the interests of the Company and its minority shareholders in accordance to the Guidelines and Review Procedures for Ongoing and Future Interested Person Transaction set out on page 164 of the Offer Document as set out below:

- (a) Prior to the revision of rental rates, the management of the Company (“**Management**”) would obtain two independent quotations from third-party suppliers in the same industry for comparison to ensure that the interests of the Group and minority shareholders were not disadvantaged.
- (b) For the construction equipment and vehicles which the Group also rented from the existing independent third-party suppliers during the 12 months following last revision of rental rates, the Management would collate and reference these rental rates charged by the existing independent third-party suppliers for the comparable construction equipment and vehicles rented.
- (c) The two independent third-party quotations or the rental rates charged by the existing independent third party suppliers were reviewed by the Management to ensure that the rental rates for the NHL IPT was the most competitive as compared to the two independent third-party quotations or the rental rates charged by the existing independent third party suppliers. In determining the competitiveness of the rental price or fee, all pertinent factors including, but not limited to, quality, requirements, specifications, reliability, delivery time and track record were taken into consideration.
- (d) the AC would approve the NHL IPTs after having reviewed and considered the rental rates evaluation submitted by the Management and ensured that the rental rates for the NHL IPT are

transacted at an arm's length basis and on normal commercial terms that are not prejudicial to the interests of the Company and its minority shareholders.

- (e) in addition, the AC has monitored all the NHL IPTs entered into by the Group and categorised each NHL IPT as follows:
- (i) a Category 1 interested person transaction is one where the value thereof is equal or in excess of 3.0% of the latest audited net tangible assets of the Group; and
 - (ii) a Category 2 interested person transaction is one where the value thereof is below 3.0% of the latest audited net tangible assets of the Group.

All Category 1 interested person transactions were approved by the AC prior to entry whereas Category 2 interested person transactions need not be approved by the AC prior to entry but were reviewed on a half-year basis by our AC during the AC meeting.

(Collectively the “**NHL IPT Review Procedure**”)

During the AC meeting, the Management presented to the AC a summary of all NHL IPTs transacted during the relevant period for the purpose of monitoring the aggregate value of NHL IPTs against the thresholds set out in the Catalist Rules.

SGX-ST's Query 2. What will the AC be doing on an annual basis to re-assess the NHL IPTs prior to its annual renewal?

Company's Response:

The AC will continue to review the NHL IPTs on an annual basis for the purpose of renewing the NHL IPTs in accordance with the NHL IPT Review Procedure.

The AC will request the Management to compile a summary of all NHL IPTs on an annual basis to ensure review was conducted in accordance with the NHL IPT Review Procedure prior to its annual renewal.

By Order of the Board
Huatiang Global Limited

Ng Kian Ann Patrick
Executive Director and Chief Executive Officer

12 November 2019

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 Catalist.

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).