

QUALIFIED OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (“FY2023”)

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading limited, the Board of Directors (the “**Board**” or “**Directors**”) of Heatec Jietong Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditor, Foo Kon Tan LLP (the “**Independent Auditor**”), has in its Independent Auditor’s Report dated 12 June 2024 (the “**FY2023 Independent Auditor’s Report**”) included a qualified opinion in relation to the Group’s audited financial statements for FY2023.

The audited financial statements of the Group and of the Company for FY2023 and the FY2023 Independent Auditor’s Report will be included in the Company’s annual report for FY2023, which will be released via SGXNET and uploaded onto the Company’s corporate website at www.heatecholdings.com in due course.

An extract of the relevant paragraph of the qualified opinion from the FY2023 Independent Auditor’s Report is attached to this announcement for information as **Appendix I**.

Shareholders of the Company are advised to read the FY2023 Independent Auditor’s Report and the audited financial statements in its annual report for FY2023 in its entirety. Shareholders should consult their stockbrokers, solicitor, or other professional advisors if they have any doubts as to the actions they should take.

BY ORDER OF THE BOARD

Soon Jeffrey
Executive Director and Chief Executive Officer

12 June 2024

*This announcement has been prepared by the Company and reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”), in compliance with Rule 226(2)(b) 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 and 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. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

APPENDIX I

As extracted from the Independent Auditor's Report from the FY2023 Audited Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEATEC JIETONG HOLDINGS LTD.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Heatec Jietong Holdings Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Qualified Opinion

Consultancy service arrangements

During the financial year ended 31 December 2023, the Company has made payments for consultancy services totalling \$220,000 (2022 - \$490,000) to a company ("Service Provider") for purported corporate mergers and acquisitions ("M&A") related advisory services ("Purported Corporate M&A Services") pursuant to three (2022 - three) service agreements (collectively, "Consultancy Agreements"). The agreements were terminated in April and October 2023. These payments were substantial relative to the net loss of \$868,421 (2022 - \$756,340) recorded by the Group for the financial year ended 31 December 2023.

The terms and conditions of the Consultancy Agreements, including the scope of work and deliverables, appeared to be described in generic terms, lacking specifications over the monitoring of project milestones and the service deliverables to be submitted, which is inconsistent with standard market practice, especially given the substantial and fixed nature of the fees charged by the Service Provider. Furthermore, we were unable to observe any realistic and measurable milestones and deliverables to track the progress and work performed by the Service Provider. We were also unable to verify the Service Provider's requisite qualification and competency to ensure their capability to deliver the Purported Corporate M&A Services.

Due to the lack of documentary evidence available to us, we were unable to ascertain the true nature of the consultancy service arrangements, and therefore, whether the payments amounting to \$220,000 (2022 - \$490,000) during the financial year ended 31 December 2023 were indeed for the purpose or services as represented by management and/or purportedly outlined in the Consultancy Agreements. Consequently, we were unable to determine whether any adjustments in the accompanying financial statements that may be necessary.

Independent Auditor's Report from the FY2023 Audited Financial Statements (Cont'd)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HEATEC JIETONG HOLDINGS LTD.**

Basis for Qualified Opinion (Cont'd)

Consultancy service arrangements (Cont'd)

The auditor's report dated 4 May 2023 for the financial year ended 31 December 2022 included a similar qualification on this matter. Our opinion on the current year's financial statements is also modified because of the possible effects of this matter on the comparability of the current year's and corresponding figures and disclosures.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.