

APPENDIX DATED 11 APRIL 2022

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Appendix is issued by Heatec Jietong Holdings Ltd. (the “Company”, and together with its subsidiaries, the “Group”). If you are in any doubt about the contents of this Appendix or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or any other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company (the “**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by the CDP for a separate Appendix and the accompanying Proxy Form (as defined herein) to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with the CDP, you should immediately forward this Appendix, together with the annual report of the Company for the financial year ended 31 December 2021 (“**Annual Report**”), the Notice of AGM and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

This Appendix is circulated to the Shareholders together with the Company’s Annual Report. The purpose of this Appendix is to provide Shareholders with information relating to, and seek Shareholders’ approval for, the Proposed Change of Auditors at the 2021 AGM (as defined herein).

This Appendix 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 (the “**Catalist Rules**”).

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

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.



HEATEC JIETONG HOLDINGS LTD.

(Company Registration No.200717808Z)
(Incorporated in the Republic of Singapore)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED CHANGE OF AUDITORS FROM BAKER TILLY TFW LLP TO
CROWE HORWATH FIRST TRUST LLP**

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:–

“2021 AGM”	:	The annual general meeting of the Company to be held on 29 April 2022 at 10.00 a.m. by way of electronic means, notice of which is set out in the Notice of AGM
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Annual Report”	:	The annual report of the Company for the financial year ended 31 December 2021
“Appendix”	:	This appendix dated 11 April 2022 in respect of the Proposed Change of Auditors
“ARMC”	:	The audit and risks management committee of the Company as at the date of this Appendix comprising Mr. Chua Siong Kiat, Ms. Lie Ly @ Liely Lee, Mr. Anthony Ang Meng Huat and Mr. Chong Eng Wee (Zhang Yingwei)
“Auditors”	:	The external auditors appointed by the Group
“Baker Tilly”	:	Baker Tilly TFW LLP
“Board”	:	The board of directors of the Company as at the date of this Appendix
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Heatec Jietong Holdings Ltd.
“Companies Act”	:	The Companies Act 1967
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Crowe Horwath”	:	Crowe Horwath First Trust LLP
“Directors”	:	The directors of the Company as at the date of this Appendix
“Group”	:	The Company and its subsidiaries, collectively
“Latest Practicable Date”	:	31 March 2022, being the latest practicable date prior to the date of this Appendix

“Notice of AGM”	:	The notice of the 2021 AGM dated 11 April 2022
“PMP”	:	Practice monitoring programme
“Proposed Change of Auditors”	:	The proposed change of auditors of the Company from Baker Tilly to Crowe Horwath
“Proxy Form”	:	The proxy form in respect of the 2021 AGM as set out in the Annual Report
“Securities Account”	:	A securities account maintained by a Depositor with the CDP, but does not include a securities sub-account
“SFA”	:	The Securities and Futures Act 2001, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the register of members of the Company, except that where the registered holder is the CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	Novus Corporate Finance Pte. Ltd.
“Substantial Shareholder”	:	A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“%”	:	Percentage or per centum
“S\$”	:	Singapore dollars

The terms **“Depositor”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined in the Companies Act, SFA and the Catalist Rules or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, SFA and the Catalist Rules or any statutory modification thereof (as the case may be) unless otherwise provided.

Any reference to a time of a day and date in this Appendix shall be a reference to Singapore time and date, respectively, unless otherwise stated.

The total of figures listed in certain tables included in this Appendix may not be the same as the arithmetic sum of the figures. Any such discrepancies are due to rounding.

HEATEC JIETONG HOLDINGS LTD.

(Company Registration No. 200717808Z)
(Incorporated in the Republic of Singapore)

Directors:

Mr. Soon Yeow Kwee Johnny (Executive Chairman and Director)
Mr. Soon Jeffrey (Executive Director and Chief Executive Officer)
Mr. Lim Soon Hock (Non-Executive and Non-Independent Director)
Mr. Loke Weng Seng (Alternate Director to Mr. Lim Soon Hock)
Mr. Chong Eng Wee (Zhang Yingwei) (Non-Executive and Lead Independent Director)
Mr. Anthony Ang Meng Huat (Non-Executive and Independent Director)
Ms. Lie Ly @ Liely Lee (Non-Executive and Independent Director)
Mr. Chua Siong Kiat (Non-Executive and Independent Director)

Registered Office:

10 Tuas South Street 15
Singapore 637076

11 April 2022

To: **The Shareholders of Heatec Jietong Holdings Ltd.**

Dear Sir/Madam,

THE PROPOSED CHANGE OF AUDITORS FROM BAKER TILLY TFW LLP TO CROWE HORWATH FIRST TRUST LLP

1. INTRODUCTION

- 1.1. The Board is seeking Shareholders' approval at the 2021 AGM for the proposed change of auditors from Baker Tilly TFW LLP ("**Baker Tilly**") to Crowe Horwath First Trust LLP ("**Crowe Horwath**") ("**Proposed Change of Auditors**").
- 1.2. The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to explain the rationale for, the Proposed Change of Auditors, and to seek Shareholders' approval in respect of the same at the 2021 AGM. The Notice of AGM is enclosed in the Annual Report.
- 1.3. **Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.**

2. THE PROPOSED CHANGE OF AUDITORS

2.1. Rationale

- 2.1.1. Baker Tilly has served as the Company's Auditors since the financial year ended 31 December 2019, and their re-appointment was approved by Shareholders at the Company's last annual general meeting held on 26 April 2021, to hold office until the conclusion of the next annual general meeting of the Company.
- 2.1.2. As part of the ongoing efforts of the Company to enhance its corporate governance and manage its overall business costs and expenses, the Company is of the view that it would be appropriate and timely to effect a change of Auditors of the Company.

2.1.3. Following a review and evaluation of various audit firms which have experience in auditing publicly listed companies in Singapore, the ARMC had recommended to the Board that Crowe Horwath be selected for the proposed appointment as Auditors of the Company. Crowe Horwath was selected amongst other audit firms, after taking into account, *inter alia*, the suitability and independence of Crowe Horwath in meeting the audit requirements of the Group, the adequacy of the resources and experience of Crowe Horwath and the years of experience of its core audit service team members assigned to the audit. Other factors which were considered include the diversified audit clientele of Crowe Horwath including the number of SGX-listed companies and Crowe Horwath's global presence with its strong network support in the Asia Pacific region.

The Board and the ARMC have also considered the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of Crowe Horwath, and are of the opinion that Crowe Horwath will be able to fulfil the audit requirements of the Company and the Group without compromising the standard and effectiveness of the audit of the Company and the Group. The Board also noted that the audit fees proposed by Crowe Horwath are acceptable. There will be no change in the scope of the audit to be undertaken with the Proposed Change of Auditors.

2.1.4. In this regard, Baker Tilly will retire as the Auditors upon the conclusion of the Company's 2021 AGM.

2.1.5. Crowe Horwath has, on 6 April 2022, given their written consent to act as the Auditors of the Group, subject to the Shareholders' approval at the 2021 AGM.

2.1.6. The appointment of Crowe Horwath would be effective upon obtaining Shareholders' approval at the 2021 AGM. If approval is obtained, Crowe Horwath will hold office as the Auditors until the conclusion of the next annual general meeting.

2.1.7. The Board wishes to express its appreciation for the past services rendered by Baker Tilly.

2.2. Information on Crowe Horwath

2.2.1. Crowe Horwath is a public accounting and consulting firm in Singapore with 24 partners and directors, and close to 200 experienced professional staff, providing audit, advisory, tax, outsourcing and fund administration solutions to a diverse and international clientele including public-listed entities, multinational corporations and financial institutions. The firm was awarded the 2018 Growth Award (Open Category) and the 2016 Best Practice Award (Large Practice Category) by the Institute of Singapore Chartered Accountants. Crowe Horwath provides external and internal audit, tax and accounting services to many public listed corporations in Singapore, and has acted as the reporting accountant in various initial public offerings in Singapore.

Crowe Horwath is a member of Crowe Global, an international professional services network. Crowe Global has over 200 independent accounting and advisory services firms, supported by approximately 35,000 professionals and staff in 145 countries around the world.

2.2.2. Ms. Teo Yen Lin (“**Ms. Teo**”) will be the audit partner in-charge of the Group’s audit. Ms. Teo has over 20 years of experience in providing audit assurance and advisory services to a variety of clients, including companies listed on the SGX-ST. She is a member of the Institute of Singapore Chartered Accountants, and a public accountant registered with ACRA. Ms. Teo holds a diverse portfolio of audit clientele, ranging from companies operating in public infrastructure constructions sector, upstream oil & gas explorations, consumer financing and leasing businesses, asset management, minerals mining operations, commodity trading, leisure and hospitality sector, pharmaceutical products manufacturing to medical specialist service providers.

Ms. Teo has passed recent review inspections conducted by both Crowe Global Quality Assurance Review and Crowe Horwath’s internal audit quality assurance review. She has not been subject to any PMP review conducted by ACRA.

2.3. **Compliance with Rules 712 and 715 of the Catalist Rules**

2.3.1. The ARMC has reviewed and deliberated, and after taking into consideration the suitability of Crowe Horwath and compliance with the Catalist Rules, has recommended the Proposed Change of Auditors.

2.3.2. Pursuant to Rule 712(1) of the Catalist Rules, the Board, with the concurrence of the ARMC, having considered the adequacy of the resources and experience of Crowe Horwath and its other audit engagements, the audit partner-in-charge assigned to the audit, the size and complexity of the Group’s operations, and the number and experience of supervisory and professional staff assigned to the audit, is of the opinion that the appointment of Crowe Horwath as the Auditors will be able to meet the audit requirements of the Group. Crowe Horwath is registered with ACRA and the proposed audit partner in-charge, Ms. Teo, is registered as a public accountant under Section 12(1) of the Accountants Act 2004 and is authorised to practise as a public accountant in Singapore. Accordingly, Rules 712(1) and 712(2) of the Catalist Rules have been complied with.

2.3.3. Confirmations

In compliance with Rule 712(3) of the Catalist Rules:

- (a) Baker Tilly has confirmed in its letter to Crowe Horwath dated 1 April 2022 that they are not aware of any professional reasons why Crowe Horwath should not accept appointment as the Auditors; and
- (b) The Company confirms that:
 - (i) there were no disagreements with Baker Tilly on accounting treatments within the last 12 months;
 - (ii) it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders;
 - (iii) the specific reasons for the Proposed Change of Auditors are as set out in paragraph 2.1 above; and
 - (iv) it is in compliance with Rules 712 and 715 of the Catalist Rules in connection with the appointment of Crowe Horwath as the Auditors.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and the Substantial Shareholders in the issued share capital of the Company as recorded in the register of Directors' shareholdings and the register of Substantial Shareholders of the Company respectively, are set out below:

Name	Direct Interests		Deemed Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Mr. Soon Yeow Kwee Johnny ⁽²⁾	22,273,599	18.11	4,816,078	3.92
Mr. Soon Jeffrey	1,400,000	1.14	–	–
Mr. Lim Soon Hock	–	–	–	–
Mr. Loke Weng Seng ⁽³⁾	–	–	32,030,678	26.05
Mr. Chong Eng Wee (Zhang Yingwei)	–	–	–	–
Mr. Anthony Ang Meng Huat	–	–	–	–
Ms. Lie Ly @ Liely Lee	–	–	–	–
Mr. Chua Siong Kiat	1,600	0.0013	–	–
Substantial Shareholders (who are not also Directors)				
Tru-Marine Pte. Ltd.	32,030,678	26.05	–	–
Mr. Loke Yuen Kong ⁽⁴⁾	–	–	32,030,678	26.05
Mr. Chan Hon Sing ⁽⁵⁾	–	–	32,030,678	26.05
Mr. Yong Yeow Sin ⁽⁶⁾	27,214,599	22.13	4,816,078	3.92

Notes:

- (1) The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising 122,959,345 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr. Soon Yeow Kwee Johnny is deemed to have an interest in the 4,816,078 shares in the capital of the Company which are held by his spouse, Madam Jasmine Ow Ah Foong.
- (3) Mr. Loke Weng Seng is a 33.33% shareholder of Tru-Marine Pte. Ltd., and is thus deemed to have an interest in the 32,030,678 shares in the capital of the Company which are held by Tru-Marine Pte. Ltd. by virtue of Section 7 of the Companies Act.
- (4) Mr. Loke Yuen Kong is a 33.33% shareholder of Tru-Marine Pte. Ltd., and is thus deemed to have an interest in the 32,030,678 shares in the capital of the Company which are held by Tru-Marine Pte. Ltd. by virtue of Section 7 of the Companies Act.
- (5) Mr. Chan Hon Sing is a 33.33% shareholder of Tru-Marine Pte. Ltd., and is thus deemed to have an interest in the 32,030,678 shares in the capital of the Company which are held by Tru-Marine Pte. Ltd. by virtue of Section 7 of the Companies Act.
- (6) Mr. Yong Yeow Sin is deemed to have an interest in the 4,816,078 shares in the capital of the Company which are held by his spouse, Madam Ng Guick Kim.

Save as disclosed in this Appendix, none of the Directors and Substantial Shareholders have any interest, direct or indirect, in the Proposed Change of Auditors, other than through their respective shareholdings in the Company.

4. AUDIT AND RISKS MANAGEMENT COMMITTEE'S RECOMMENDATION

The ARMC has reviewed the Proposed Change of Auditors and recommended the appointment of Crowe Horwath as the Auditors in place of Baker Tilly, after taking into account the suitability and independence of Crowe Horwath to meet the audit requirements of the Group, the various factors set out in Section 2 of this Appendix and compliance with the requirements of the Catalist Rules.

5. DIRECTORS' RECOMMENDATION

The Directors, having considered the rationale for the Proposed Change of Auditors and the recommendations of the ARMC, are of the view that the Proposed Change of Auditors is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Change of Auditors, as set out in the Notice of AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

- 6.1. In view of the ongoing COVID-19 situation, the 2021 AGM is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- 6.2. Shareholders should refer to the Notice of AGM, this Appendix and the accompanying Proxy Form which have been uploaded on SGXNET and the Company's website at <https://www.heatechholdings.com>, for further information, including the steps to be taken by Shareholders to participate at the 2021 AGM.
- 6.3. A Depositor shall not be regarded as a member of the Company entitled to attend and vote at the 2021 AGM unless his/her name appears on the Depository Register as at 72 hours before the time appointed for holding the 2021 AGM, as certified by the CDP to the Company.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. DOCUMENTS FOR INSPECTION

- 8.1. Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Appendix up to and including the date of the AGM:
 - (i) the Constitution;
 - (ii) the Annual Report;

(iii) the professional clearance letter from Baker Tilly; and

(iv) the letter of consent to act as Auditors from Crowe Horwath.

8.2. Shareholders who wish to inspect the above documents at the registered office of the Company are required to contact the Company to make an appointment in advance. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

BY ORDER OF THE BOARD OF
Heatec Jietong Holdings Ltd.

Soon Jeffrey
Executive Director and Chief Executive Officer