

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**  
**(Company Registration No. 200717808Z)**

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

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.

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## **Unaudited Financial Statements for the Financial Year Ended 31 December 2016**

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
**(Company Registration No. 200717808Z)**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

<b>Group</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Increase/</b>
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>(Decrease)</b>
	<b>(unaudited)</b>	<b>(audited)</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>30,161</b>	<b>33,308</b>	(9)
Cost of sales	(19,803)	(23,471)	(16)
<b>Gross profit</b>	<b>10,358</b>	<b>9,837</b>	<b>5</b>
Other income	488	947	(48)
<b>Expenses</b>			
Administrative expenses	(9,057)	(9,363)	(3)
Other expenses	(458)	(612)	(25)
Share of profit/(loss) of associates	20	(103)	<b>n.m.</b>
Finance costs	(233)	(265)	(12)
<b>Profit before income tax</b>	<b>1,118</b>	<b>441</b>	<b>154</b>
Income tax expense	(307)	(70)	339
<b>Profit for the year</b>	<b>811</b>	<b>371</b>	<b>119</b>
<b>Profit/(loss) attributable to :</b>			
Owners of the Company	810	412	<b>97</b>
Non-controlling interests	1	(41)	<b>n.m.</b>
	<b>811</b>	<b>371</b>	<b>119</b>

**Earnings per share attributable to owners of the Company**

<b>Group</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Increase/</b>
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>(Decrease)</b>
	<b>(unaudited)</b>	<b>(audited)</b>	
	<b>Singapore</b>	<b>Singapore</b>	<b>%</b>
	<b>Cents</b>	<b>Cents</b>	
Basic and diluted	<b>0.66</b>	<b>0.34</b>	<b>94</b>

n.m. denotes not meaningful

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- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

**Statement of Comprehensive Income for Full Year Ended 31 December 2016**

<b>Group</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Increase/</b>
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>(Decrease)</b>
	<b>(unaudited)</b>	<b>(audited)</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Profit for the year</b>	<b>811</b>	<b>371</b>	<b>119</b>
<b>Other comprehensive loss</b>			
<i>Items that will may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	(151)	(21)	619
Available-for-sale investments	-	(1)	n.m.
<b>Total comprehensive income for the year, net of tax</b>	<b>660</b>	<b>349</b>	<b>89</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company	659	390	69
Non-controlling interests	1	(41)	n.m.
<b>Total comprehensive income for the year</b>	<b>660</b>	<b>349</b>	<b>89</b>

n.m. denotes not meaningful

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
**(Company Registration No. 200717808Z)**
**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)**

The profit before income tax is arrived at after charging (crediting) the following items:

<b>Group</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Increase/</b>
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>(Decrease)</b>
	<b>(unaudited)</b>	<b>(audited)</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Depreciation of property, plant and equipment <sup>(1)</sup>	987	965	2
Directors' remuneration	556	848	(34)
Employee benefits expense (including directors' remuneration) <sup>(2)</sup>	17,180	17,701	(3)
Cost of defined contribution plans (included in staff costs)	492	485	1
Cost of inventories recognised as expense	2,514	7,689	(67)
Loss/(Gain) on disposal of plant and equipment	16	(65)	n.m.
Plant and equipment written off	-	30	n.m.
Allowance for doubtful debts	373	472	(21)
Allowance for sales discount	58	126	(54)
Bad debts written off	-	16	n.m.
Interest income	(62)	(12)	417
Impairment loss on available-for-sale investment	-	10	n.m.
Net foreign exchange loss/(gain)	40	(75)	n.m.
Impairment loss on investment in an associate	-	68	n.m.
Loss on disposal of available-for-sale investment	2	-	n.m.
Share-based payment	83	-	n.m.

**Notes:**

<sup>(1)</sup> Included in cost of sales and administrative expenses.

<sup>(2)</sup> Employee benefits expense amounting to S\$5.51 million (FY2015: S\$5.87 million) is included in administrative expenses.

n.m. denotes not meaningful

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
**(Company Registration No. 200717808Z)**

**1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<u>Group</u>		<u>Company</u>	
	As at	As at	As at	As at
	31.12.2016 (unaudited) S\$'000	31.12.2015 (audited) S\$'000	31.12.2016 (unaudited) S\$'000	31.12.2015 (audited) S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12,107	12,602	5,642	6,093
Subsidiaries	-	-	6,624	6,624
Associates	260	266	-	-
Trade receivables	-	428	-	-
Available-for-sale investments	-	266	-	-
Goodwill	288	288	-	-
Deferred tax assets	234	472	-	-
<b>Total non-current assets</b>	<b>12,889</b>	<b>14,322</b>	<b>12,266</b>	<b>12,717</b>
<b>Current assets</b>				
Inventories	671	725	-	-
Trade and other receivables	18,151	19,812	4,287	3,364
Cash and bank balances	3,872	2,973	42	44
<b>Total current assets</b>	<b>22,694</b>	<b>23,510</b>	<b>4,329</b>	<b>3,408</b>
<b>Total assets</b>	<b>35,583</b>	<b>37,832</b>	<b>16,595</b>	<b>16,125</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital, reserves and non-controlling interests</b>				
Share capital	11,555	11,555	11,555	11,555
Reserves	(3,648)	(3,580)	83	-
Retained earnings	16,407	15,597	637	598
Equity attributable to				
owners of the Company	24,314	23,572	12,275	12,153
Non-controlling interests	1,328	1,248	-	-
<b>Total equity</b>	<b>25,642</b>	<b>24,820</b>	<b>12,275</b>	<b>12,153</b>

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**1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (Cont'd)**

	<u>Group</u>		<u>Company</u>	
	As at	As at	As at	As at
	31.12.2016 (unaudited) S\$'000	31.12.2015 (audited) S\$'000	31.12.2016 (unaudited) S\$'000	31.12.2015 (audited) S\$'000
<b>Non-current liabilities</b>				
Bank loans	1,959	1,911	-	-
Finance leases	294	414	-	-
Deferred tax liabilities	398	387	-	-
Total non-current liabilities	2,651	2,712	-	-
<b>Current liabilities</b>				
Bank overdrafts and loans	3,574	4,896	-	-
Trade and other payables	3,390	5,133	4,320	3,972
Current portion of finance leases	283	244	-	-
Income tax payable	43	27	-	-
Total current liabilities	7,290	10,300	4,320	3,972
<b>Total equity and liabilities</b>	<b>35,583</b>	<b>37,832</b>	<b>16,595</b>	<b>16,125</b>

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**1(c) Aggregate amount of group's borrowings and debt securities**
**Amount repayable in one year or less, or on demand**

Group			
As at 31.12.2016 (unaudited)		As at 31.12.2015 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,857	-	5,140	-

**Amount repayable after one year**

Group			
As at 31.12.2016 (unaudited)		As at 31.12.2015 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,253	-	2,325	-

**Details of any collateral**

- (a) Bank overdrafts are repayable on demand and secured by a charge over the following:
- (i) legal mortgage over the Group's leasehold property; and
  - (ii) pledge of certain fixed deposits.
- (b) The loans are secured by:
- (i) a first legal mortgage over the Group's leased property;
  - (ii) pledge of certain fixed deposits; and
  - (iii) a corporate guarantee by the Company.
- (c) The factoring facilities are secured by:
- (i) a corporate guarantee by the Company; and
  - (ii) joint charge on the receivable of subsidiaries.

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**1(c) Aggregate amount of group's borrowings and debt securities (Cont'd)**

**Details of any collateral (Cont'd)**

- (d) The revolving credit facility is repayable on demand and is secured by:
  - (i) a first legal mortgage over the Group's leased property; and
  - (ii) a corporate guarantee by the Company.
  
- (e) The Group's obligations under finance leases are secured by the lessor's title to the leased assets and corporate guarantees by a subsidiary and the Company.



**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
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**1(d) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Group</b>	<b>Full Year Ended 31.12.2016 (unaudited) S\$'000</b>	<b>Full Year Ended 31.12.2015 (audited) S\$'000</b>
<b>Operating activities</b>		
<b>Profit before income tax</b>	<b>1,118</b>	<b>441</b>
<b>Adjustments for:</b>		
Interest income	(62)	(12)
Interest expenses	233	265
Dividend income from available-for-sale investment	(1)	(1)
Allowance for doubtful debts	373	472
Allowance for sales discount	58	126
Depreciation of property, plant and equipment	987	965
Plant and equipment written off	-	30
Loss/(Gain) on disposal of plant and equipment	16	(65)
Impairment loss on investment in an associate	-	68
Share of (profit)/loss of associates	(20)	103
Loss on disposal of available-for-sale investment	2	-
Impairment loss on available-for-sale investment	-	10
Bad debts written off	-	16
Share-based payment	83	-
Unrealised exchange differences	(100)	(41)
<b>Operating cash flows before movements in working capital</b>	<b>2,687</b>	<b>2,377</b>
<b>Change in operating assets and liabilities</b>		
Trade and other receivables	1,787	(1,674)
Inventories	54	203
Trade and other payables	(1,741)	(551)
<b>Cash generated from operations</b>	<b>2,787</b>	<b>355</b>
Interest received	12	12
Interest paid	(233)	(265)
Income tax paid	(42)	(82)
<b>Net cash from operating activities</b>	<b>2,524</b>	<b>20</b>

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
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**1(d) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)**

<b>Group</b>	<b>Full Year Ended 31.12.2016 (unaudited) S\$'000</b>	<b>Full Year Ended 31.12.2015 (audited) S\$'000</b>
<b>Investing activities</b>		
Purchase of plant and equipment [Note A]	(347)	(391)
Proceeds from disposal of:		
- plant and equipment	6	70
- available-for-sale investment	264	-
Dividend received from:		
- an associate	13	37
- available-for-sale investment	1	1
<b>Net cash used in investing activities</b>	<b>(63)</b>	<b>(283)</b>
<b>Financing activities</b>		
Increase in pledged fixed deposit	(10)	(25)
Dividend paid to non-controlling shareholders	(20)	(25)
Capital injection from non-controlling shareholders [Note B]	20	6
Proceeds from:		
- bank loan	2,300	-
- revolving credit line	2,828	-
Repayment of:		
- bank loan	(2,355)	(1,803)
- finance lease	(261)	(250)
(Repayment of)/ proceeds from trade financing loan	(1,590)	1,740
Net (repayment of)/proceeds from factoring loan	(1,045)	86
<b>Net cash used in financing activities</b>	<b>(133)</b>	<b>(271)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>2,328</b>	<b>(534)</b>
Cash and cash equivalents at beginning of financial year	1,125	1,655
Effects of exchange rate changes on cash and cash equivalents	(11)	4
<b>Cash and cash equivalents at end of financial year</b>	<b>3,442</b>	<b>1,125</b>

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**1(d) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)**

<b>Group</b>	<b>Full Year Ended 31.12.2016 (unaudited) S\$'000</b>	<b>Full Year Ended 31.12.2015 (audited) S\$'000</b>
<b>Comprising:</b>		
Cash at bank	3,442	2,553
Fixed deposits	430	420
<b>Sub-total</b>	<b>3,872</b>	<b>2,973</b>
Fixed deposit pledged as a collateral for overdraft loan	(430)	(420)
Bank overdraft	-	(1,428)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>3,442</b>	<b>1,125</b>

Note A : In FY2016, the Group acquired plant and equipment with an aggregate cost of S\$0.53 million (FY2015: S\$0.47 million) of which S\$0.35 million (FY2015: S\$0.39 million) was paid in cash, S\$0.18 million (FY2015: S\$Nil) was acquired by means of finance lease and S\$Nil (FY2015: S\$76,000) was contributed by non-controlling shareholders of a subsidiary.

Note B : In FY2015, the non-controlling shareholders of Heatec Veslink Marine Services Corp. contributed cash, and plant and equipment amounting to S\$6,000 and S\$76,000 respectively for the incorporation of Heatec Veslink Marine Services Corp. As at 31 December 2016, S\$8,000 (FY2015: S\$28,000) remained outstanding from these non-controlling shareholders.

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
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1(e) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Revaluation reserve	Other reserve	Translation reserve	Merger reserve	Share option reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2016</b>	<b>11,555</b>	<b>87</b>	<b>221</b>	<b>26</b>	<b>(3,914)</b>	<b>-</b>	<b>15,597</b>	<b>23,572</b>	<b>1,248</b>	<b>24,820</b>
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	810	810	1	811
Other comprehensive loss for the year	-	-	-	(151)	-	-	-	(151)	-	(151)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(151)</b>	<b>-</b>	<b>-</b>	<b>810</b>	<b>659</b>	<b>1</b>	<b>660</b>
Transactions with owners, recognised directly in equity										
Employee Share Option Scheme	-	-	-	-	-	83	-	83	-	83
Capital injection	-	-	-	-	-	-	-	-	99	99
Dividends	-	-	-	-	-	-	-	-	(20)	(20)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>83</b>	<b>79</b>	<b>162</b>
<b>Balance at 31 December 2016</b>	<b>11,555</b>	<b>87</b>	<b>221</b>	<b>(125)</b>	<b>(3,914)</b>	<b>83</b>	<b>16,407</b>	<b>24,314</b>	<b>1,328</b>	<b>25,642</b>

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
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- 1(e) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	Share capital	Revaluation reserve	Other reserve	Translation reserve	Merger reserve	Share option reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
Group (audited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2015</b>	<b>11,555</b>	<b>88</b>	<b>221</b>	<b>47</b>	<b>(3,914)</b>	<b>-</b>	<b>15,185</b>	<b>23,182</b>	<b>1,203</b>	<b>24,385</b>
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	412	412	(41)	371
Other comprehensive loss for the year	-	(1)	-	(21)	-	-	-	(22)	-	(22)
<b>Total</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(21)</b>	<b>-</b>	<b>-</b>	<b>412</b>	<b>390</b>	<b>(41)</b>	<b>349</b>
Transactions with owners, recognised directly in equity										
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	-	-	-	-	111	111
Dividends	-	-	-	-	-	-	-	-	(25)	(25)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>86</b>
<b>Balance at 31 December 2015</b>	<b>11,555</b>	<b>87</b>	<b>221</b>	<b>26</b>	<b>(3,914)</b>	<b>-</b>	<b>15,597</b>	<b>23,572</b>	<b>1,248</b>	<b>24,820</b>

- 1(e) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

	Share capital	Share options reserve	Retained Earnings	Total
Company (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2016</b>	<b>11,555</b>	-	<b>598</b>	<b>12,153</b>
Profit for the year, representing total comprehensive income for the year	-	-	39	39
Employee Share Option Scheme, representing total transactions with owners, recognised directly in equity	-	83	-	83
<b>Balance at 31 December 2016</b>	<b>11,555</b>	<b>83</b>	<b>637</b>	<b>12,275</b>

	Share capital	Share options reserve	Retained Earnings	Total
Company (audited)	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2015</b>	<b>11,555</b>	-	<b>440</b>	<b>11,995</b>
Profit for the year, representing total comprehensive income for the year	-	-	158	158
<b>Balance at 31 December 2015</b>	<b>11,555</b>	-	<b>598</b>	<b>12,153</b>

- 1(f) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

	Company	
	No. of shares	Resultant issued and paid up share capital (\$\$)
<b><u>Ordinary shares</u></b>		
<b>Balance as at 30 June 2016 and 31 December 2016</b>	<b>122,959,345</b>	<b>11,554,627</b>

- 1(g) State the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 31 December 2016, there were 5,800,000 outstanding share options under the Heatec Employee Share Scheme that may be exercised into 5,800,000 new ordinary shares in the capital of the Company (31 December 2015: Nil outstanding share options).

Save as disclosed above, there were no convertibles or treasury shares as at 31 December 2016 and 31 December 2015.

- (a) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	31.12.2016	31.12.2015
Total number of issued shares excluding treasury shares	122,959,345	122,959,345

There were no treasury shares as at 31 December 2016 and 31 December 2015.

**(b) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have treasury shares during and as at the end of the financial year ended 31 December 2016 ("FY2016").

**2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures in this announcement have not been audited or reviewed by Company's auditors.

**3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5, the accounting policies and methods of computation applied by the Group for the financial statements for the current financial year reported on are consistent with those used in its most recently audited financial statements for the financial year ended 31 December 2015 ("FY2015").

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

The Group has adopted the new or revised Financial Reporting Standard ("FRS") and the interpretation of FRS ("IFRS") that become effective for the entities with their financial periods commencing 1 January 2016. The adoption of the new and revised FRS and IFRS has no material impact on the unaudited financial statements for the 12 months ended 31 December 2016.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share of the Group for the financial year based on net profit attributable to owners of the Company are as follows:-



**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends. (Cont'd)**

	Group	
	Full Year Ended	Full Year Ended
	31.12.2016 (unaudited)	31.12.2015 (audited)
Basic and diluted earnings per ordinary share (Singapore cents)	0.66	0.34
Weighted average number of ordinary shares in issue	122,959,345	122,959,345

Earnings per ordinary share for FY2016 and FY2015 are calculated based on net profit attributable to the owners of the Company for the respective financial year divided by the weighted average number of ordinary shares in issue during the respective financial year.

For FY2016, the basic and diluted earnings per ordinary share were the same as the exercise of the outstanding share options were anti-dilutive in nature. There were no potentially dilutive ordinary shares in existence during the previous corresponding financial year.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	As at	As at	As at	As at
	31.12.2016 (unaudited)	31.12.2015 (audited)	31.12.2016 (unaudited)	31.12.2015 (audited)
Net asset value per share based on total number of issued ordinary shares excluding treasury shares (Singapore cents)	19.77	19.17	9.98	9.88

The net asset value per ordinary share of the Group and the Company as at 31 December 2016 and 31 December 2015 are calculated based on the total number of issued ordinary shares (excluding treasury shares) of 122,959,345.

- 8** A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**8(a) Income Statement**

The Group is pleased to report a net profit attributable to owners of the Company of S\$0.81 million for FY2016 amid challenging market conditions.

**(i) Revenue**

Revenue decreased 9% from S\$33.31 million in FY2015 to S\$30.16 million in FY2016. The decrease was mainly due to lower contributions from the Heat Exchanger segment which reported a 20% decline in revenue from S\$18.49 million in FY2015 to S\$14.72 million in FY2016 on the back of the challenging conditions in the Marine and Offshore Engineering industry, as well as the Oil and Gas industry. The significant slowdown in these industries resulted in the sluggish flow of new orders in FY2016. The Chemical Cleaning segment was also affected by the slowdown in the Marine and Offshore Engineering industry in Singapore, and reported a decline in revenue by 9% from S\$3.44 million in FY2015 to S\$3.14 million in FY2016.

The decline in revenue from the Heat Exchanger segment and Chemical Cleaning segment were cushioned by an 8% increase in revenue from S\$11.39 million in FY2015 to S\$12.30 million in FY2016 from the Piping segment. The increase in revenue was due to better settlement rate compared to previous years.

**(ii) Operating Results**

**Overall profitability**

Despite the decrease in revenue, the Group reported better gross profit margin of 34% for FY2016 as compared to 30% for FY2015, a result of better cost control initiatives adopted by the Group. Overall, the Piping, Heat Exchanger and Chemical Cleaning segments generated 78% increase in profits from S\$0.77 million in FY2015 to S\$1.37 million in FY2016.

Other significant factors that affected the Group's profitability were:

1. The Group continued its efforts to monitor operating costs closely. The Group's administrative expenses decreased by S\$0.30 million or 3% from S\$9.36 million in FY2015 to S\$9.06 million in FY2016.
2. The Group recorded lower other operating income of S\$0.49 million in FY2016 as compared to S\$0.95 million in FY2015 mainly due to a decrease in other non-business income.
3. The Group recorded lower other operating expenses of S\$0.46 million in FY2016 as compared to S\$0.61 million in FY2015 mainly due to lower provision for doubtful debts recorded in FY2016.
4. The Group recorded fair value of share options granted on 18 April 2016 amounted to S\$83,000.
5. Interest income is recognised at effective interest rate for non-current receivables. Correspondingly, the Group recognised S\$50,000 as an interest income earned from a trade receivable payable on 31 March 2017. The trade receivable was recognised as non-current assets in FY2015.

**Finance costs**

The Group's finance costs decreased by 12% or S\$32,000 in FY2016 as compared to FY2015. The decrease in finance costs was in tandem with the decrease in bank loans.

**Income tax expense**

The income tax expense amounted to S\$0.31 million in FY2016, as compared to S\$0.07 million in FY2015. This was due to a reversal of deferred tax asset of S\$0.28 million in FY2016, as the Group will be utilising the deferred capital allowances ahead of the unutilised business tax losses.

**8(b) Statement of financial position**

The Group's working capital and net assets increased in tandem with the profits achieved in FY2016. As at 31 December 2016, the Group recorded positive working capital of S\$15.40 million and the net asset value stood firm at 19.77 cents per share.

**(i) Non-current assets**

- (a) The Group's investment in bond recorded as "Available-for-Sale Investments" had matured in FY2016. The full amount of the outstanding principal was repaid upon maturity.
- (b) The Group's settlement agreement with one of its major customers for a trade receivable amounted to S\$0.43 million payable on 31 March 2017 was reclassified from non-current assets to current assets.
- (c) As mentioned in 8(a)(ii), the Group reviewed its tax position and reversed deferred tax assets amounted to S\$0.28 million in FY2016.

**(ii) Current assets**

- (a) Inventories as at 31 December 2016 decreased by S\$54,000 or 7% mainly due to raw materials that were put into production resulting in a decrease in stock level.
- (b) Trade and other receivables decreased from S\$19.81 million as at 31 December 2015 to S\$18.15 million as at 31 December 2016. The decrease in trade and other receivables corresponded to the decrease in revenue in FY2016 which was partially offset by the reclassification of S\$0.43 million trade receivable from non-current assets to current assets in 8(b)(i)(b).

**(iii) Current liabilities**

- (a) The Group's bank overdraft and factoring loans decreased by S\$1.32 million from last financial year end to S\$3.57 million as at 31 December 2016. The decrease was mainly due to (i) repayment of bank overdraft totaled S\$1.43 million; (ii) repayment of trade financing loan totaled S\$1.59 million; (iii) repayment of factoring loans amounted to S\$1.05 million and (iv) repayment of term loans totaled S\$2.36 million. These repayments were partially offset by utilisation of revolving credit facilities amounted to S\$2.83 million.
- (b) The Group's creditor's turnover days decreased from 70 days as at 31 December 2015 to 48 days as at 31 December 2016. Correspondingly, trade and other payables decreased by S\$1.74 million or 34% from S\$5.13 million as at 31 December 2015 to S\$3.39 million as at 31 December 2016.
- (c) Increase in tax payable by S\$16,000 was mainly due to provision for tax expense for profit reported for FY2016.

**(iv) Non-current liabilities**

The non-current portion of finance leases decreased from S\$0.41 million as at 31 December 2015 to S\$0.29 million as at 31 December 2016 due mainly to reclassification of non-current portion of finance leases from non-current liabilities to current liabilities.

**8(c) Statement of cash flows**

The Group's cash and cash equivalents as per consolidated statement of cash flows was higher at S\$3.44 million in FY2016 as compared to S\$1.13 million in FY2015. The net increase in cash and cash equivalents of S\$2.33 million for FY2016 was mainly due to higher cash inflow from operating activities of S\$2.52 million as a result of better working capital management. The increase in cash inflow from operating activities was offset by:

- (i) net cash outflow of S\$63,000 used in investing activities. The cash outflow spent on capital expenditure of S\$0.35 million was partially offset by proceeds from disposal of available-for-sale investment of S\$0.26 million; and
- (ii) net cash outflow of S\$0.13 million used in financing activities mainly due to repayment of term loans and trade financing facilities.

**9 Where a forecast, or a prospect statement, has been previously disclosed to share-holders, any variance between it and the actual results.**

Not applicable. No forecast or prospect statement had been previously disclosed.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Oil price have recovered to the current level of above US\$50 per barrel. The Group, however, expects the macro business conditions to remain challenging, particularly in the Marine and Offshore Engineering industry in Singapore where the major players are undergoing restructuring and streamlining of the operations.

The Group also anticipates that the tightening of the foreign labour markets in the Marine industry will have an impact on its operations. The foreign-local ratio of 1:4.5 will be lowered to 1:3.5 by January 2018.

The Group will remain focused on strengthening its presences of its core businesses in Singapore, while exploring new markets and opportunities in other target markets in the Asia

Pacific region. The Group will continue to adopt a cautious and prudent approach in the execution of its business plans to overcome the challenges brought by the slowdown in the industries in which it operates.

**11 Dividend****(a) Current Financial Period Reported On**

Any dividend recommended/declared for the current financial period reported on?

Yes, subject to approval by shareholders at the forthcoming annual general meeting to be convened, the Directors propose to declare a first and final dividend for the current financial year reported on as follows:

	<b>FY2016</b>
Name of dividend	First and final
Dividend type	Cash
Dividend rate	0.2 Singapore cents per ordinary share
Tax rate	One-tier tax exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?

None

**(c) Date payable**

To be announced at a later date.

**(d) Books closure date**

To be announced at a later date.

**12 If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

- 13** If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There were no interested person transactions of S\$100,000 or more for FY2016.

The Group does not have a general mandate from shareholders for recurrent interested person transactions.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**
**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

For management purpose, the Group is currently organized into the following four operating segments – piping, heat exchangers, chemical cleaning and others. These segments are the basis on which the Group reports its primary segment information.

An analysis of the Group's revenue and contribution to operating results and segment assets and liabilities by business segment is as follows:

**Segment revenues and results**

The following is an analysis of the Group's revenue and results by reportable segment:

	Revenue		Net Profit	
	Full Year Ended	Full Year Ended	Full Year Ended	Full Year Ended
	31.12.2016 (unaudited)	31.12.2015 (audited)	31.12.2016 (unaudited)	31.12.2015 (audited)
<b>Group</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Piping	12,299	11,385	228	(275)
Heat Exchanger	14,718	18,487	877	849
Chemical Cleaning	3,144	3,436	266	126
Others	-	-	-	67
	<b>30,161</b>	<b>33,308</b>	<b>1,371</b>	<b>767</b>
Other income			124	247
Other expenses			(164)	(205)
Share of profit/(loss) of associates			20	(103)
Finance costs			(233)	(265)
Profit before income tax			1,118	441
Income tax expense			(307)	(70)
Profit for the year			811	371



14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)**

	As at 31.12.2016 (unaudited) S\$'000	As at 31.12.2015 (audited) S\$'000
<b><u>Segment Assets</u></b>		
Piping	11,018	8,936
Heat Exchanger	10,018	14,040
Chemical Cleaning	6,035	5,852
Others	57	57
Total segment assets	27,128	28,885
Unallocated assets	8,455	8,947
Consolidated total assets	35,583	37,832
<b><u>Segment Liabilities</u></b>		
Piping	944	1,394
Heat Exchanger	7,202	9,820
Chemical Cleaning	953	1,014
Others	56	56
Total segment liabilities	9,155	12,284
Unallocated liabilities	786	728
Consolidated total liabilities	9,941	13,012

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
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**14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)**
**Other segment information**

<b>Group</b>	<b>Piping</b>		<b>Heat Exchanger</b>		<b>Chemical Cleaning</b>		<b>Others</b>		<b>Unallocated</b>	
	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>	<b>Full Year Ended</b>
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(unaudited)</b>	<b>(audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Allowance / (Reversal) for sales discount	32	127	(38)	(8)	64	7	-	-	-	-
Bad debts written off	-	-	-	15	-	-	-	1	-	-
Allowance for doubtful debts	-	158	324	314	49	-	-	-	-	-
Impairment loss on investment in an associate	-	-	-	68	-	-	-	-	-	-
Capital additions	89	12	293	274	143	57	-	-	-	48
(Gain)/loss on disposal of plant and equipment	-	-	16	(37)	-	(28)	-	-	-	-
Loss on disposal of available-for-sale investment	-	-	-	-	2	-	-	-	-	-
Impairment loss on available-for-sale investment	-	-	-	-	-	10	-	-	-	-
Plant and equipment written off	-	-	-	17	-	-	-	-	-	-
Depreciation of property, plant and equipment	16	11	327	335	198	215	-	-	446	404

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
**(Company Registration No. 200717808Z)**

- 14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (Cont'd)**

**Geographical information**

The Group's operations are primarily carried out in Singapore. Accordingly, no geographical segment assets and revenue from external customers' information are presented.

- 15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraph 8 above.

- 16. A breakdown of sales**

	Group		Increase/ (Decrease)
	Full Year Ended 31.12.2016 (unaudited)	Full Year Ended 31.12.2015 (audited)	
	S\$'000	S\$'000	%
(a) Sales reported for first half of year	16,747	13,374	25
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	545	(664)	n.m.
(c) Sales reported for second half of year	13,414	19,934	(33)
(d) Operating profit after tax before deducting minority interests reported for second half year	266	1,035	(74)

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- 17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

**Total Annual Dividend**

	<b>Latest Full Year</b>	<b>Previous Full Year</b>
	<b>(31.12.2016)</b>	<b>(31.12.2015)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary	246	-
Preference	-	-
Total:	246	-

- 18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director of chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) of the Listing Manual – Rules of Catalist.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, chief executive officer and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Soon Jeffrey	36	Son of Mr Soon Yeow Kwee Johnny, a substantial shareholder of the Company	Chief Executive Officer and Executive Director since 1 January 2016.  Responsible for all day-to-day operations and determines the Group's strategic direction for business growth, including the overall Group sales activities, as well as business development in new market and industries.	No change
Soon Jenson	37	Brother of Mr Soon Jeffrey, the Chief Executive Officer of the Company and Son of Mr Soon Yeow Kwee Johnny, a substantial shareholder of the Company	Group General Manager (Operation) since 1 January 2016.  Responsible for the overall supervision and management of the Group's Engineering & operations include oversight of quality control and the adherence to Health and Safety Policy.	No change

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
**(Company Registration No. 200717808Z)**
**18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) of the Listing Manual – Rules of Catalist. (Cont'd)**

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Yong Chin Seng	37	Son of Mr Yong Yeow Sin, a substantial shareholder of the Company	Promoted to Regional Sales Manager of Heatec Jietong Pte. Ltd. since 1 June 2016.  Responsible for sourcing of new clients, sales administrative and sales management for the Heat Exchanger (Repair & Services) segment of the Company regionally.	Previously held Sales Manager of Heatec Jietong Pte. Ltd.
Sim Mong Choon	61	Uncle of Mr Soon Jeffrey, the Chief Executive Officer of the Company and brother-in-law of Mr Soon Yeow Kwee Johnny, a substantial shareholder of the Company	Administrative & Logistics Manager of Heatec Jietong Pte. Ltd. since 1998.  Responsible for admin, IT and transportation.	No Change
Soon Jeremy	25	Brother of Mr Soon Jeffrey, the Chief Executive Officer of the Company and Son of Mr Soon Yeow Kwee Johnny, a substantial shareholder of the Company	Appointed as Project Engineer of Chem-Grow Pte. Ltd. since 1 June 2016.  Responsible for preparation, scheduling, coordination, and monitoring for the assigned projects and ensure compliance with applicable codes, practices, QA/QC policies, performance standard and specifications.	No Change

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**  
**(Company Registration No. 200717808Z)**

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**19 Confirmation by the Board pursuant to Rule 720(1) of the Catalist Rules**

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings under Rule 720(1) of the Catalist Rules from all the Directors and Executive Officers of the Company in the format set out in Appendix 7H of the Catalist Rules.

**BY ORDER OF THE BOARD**  
**HEATEC JIETONG HOLDINGS LTD.**

Soon Jeffrey  
CEO & Executive Director

Singapore, 24 February 2017