
SETTLEMENT AGREEMENT INVOLVING JJY ENGINEERING & CONSTRUCTION PTE LTD

Reference is made to the announcement by the Board of Directors (the “**Board**”) of Heatec Jietong Holdings Ltd (the “**Company**”) on 16 June 2020 in relation to a letter of demand (“**Letter of Demand**”) received by the Company’s wholly-owned subsidiary, JJY Engineering & Construction Pte Ltd (“**JJY**”), from the solicitors representing the owners (“**Vessel Owners**”) of a certain vessel (“**Vessel**”) which was located at a shipyard where JJY was performing relevant works (“**Shipyard**”). JJY was engaged by the owner of the Shipyard (“**Shipyard Owner**”) to carry out certain works on the Vessel (“**Works**”), while the Vessel was docked at the Shipyard.

Pursuant to the Letter of Demand, the solicitors for the Vessel Owners claimed that (i) JJY had while carrying out the Works, caused a fire to break out in the Vessel’s engine room on 3 May 2019 (the “**Incident**”), allegedly due to the negligence on the part of JJY, its servants and/or its agents; and (ii) as a result of the Incident, the Vessel was severely damaged and the Vessel Owners have suffered losses.

The Board wishes to announce that by way of a settlement agreement dated 15 August 2022 entered into between JJY, the Vessel Owners and the Shipyard Owner (“**Settlement Agreement**”), that without any admission of liability, parties involved in the Incident have come to a full and final settlement of all disputes and/or claims in respect of the Incident and related matters.

The Board is of the view that entering into the Settlement Agreement is in the best interests of JJY and the Company, and the Board is pleased that parties have reached a full and final settlement. The final settlement sum will be covered by insurance and accordingly, the settlement is not expected to have any material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 December 2022.

None of the Company’s directors and controlling shareholders have any interest, direct or indirect, in the Settlement Agreement, other than through their respective shareholding interest in the Company.

By Order of the Board

Soon Jeffrey
Executive Director and Chief Executive Officer

16 August 2022

*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 Catalyst.*

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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