HEATEC JIETONG HOLDINGS LTD.
(Company Registration No. 200717808Z)
Incorporated in the Republic of Singapore

ENTRY INTO JOINT VENTURE AGREEMENT

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1. INTRODUCTION

1.1. 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 its wholly-owned subsidiary, Heatec Jietong Pte. Ltd. ("**HJPL**"), has on 20 March 2025 (the "**Execution Date**"), entered into a joint venture agreement (the "**JVA**") with TEMA India Private Limited ("**TEMA India**", and collectively with HJPL, the "**JV Parties**" and each a "**JV Party**"), for the establishment of a joint venture company in Singapore named (or to be named) "*Tema Heatec Pte Ltd"* (the "**JV Entity**")[1].

1.2. Further details on the business to be undertaken by the JV Entity pursuant to the terms of the JVA are set out in paragraph 2.2 below.

1.3. Pursuant to the JVA, the JV Entity shall have an initial issued and paid-up share capital of S$10,000 comprising 10,000 ordinary shares which are to be held by the JV Parties in the following manner:

Name of JV Party	Number of JV Entity Shares Held	Percentage of Shareholding in JV Entity (%)
TEMA India	5,100	51
HJPL	4,900	49
Total	**10,000**	**100**

2. INFORMATION RELATING TO THE JOINT VENTURE

2.1. Information on TEMA India

TEMA India is a manufacturer of process equipment and is *inter alia* engaged in the business of manufacturing, fabrication, selling and designing of all types of heat and mass heat transfer equipment including heat exchangers, boilers, reactors, column pressure vessels, waste heat recovery systems and solar power generation systems.

To the best of the Company's knowledge, prior to entry into the JVA, TEMA India, its directors and its shareholders are independent of the Group, the Company, its directors, substantial shareholders and their respective associates.

2.2. Business of the JV Entity

[1] As at time of release of this announcement, the JV Entity has yet to be incorporated. The incorporation of the JV Entity with the said name is subject to the name application being successful.

The principal business of the JV Entity is to promote and supply process equipment, skids, modules and other fabricated items for projects in Singapore and Malaysia (the "**Region**") (the "**Business**"). Such Business will be undertaken jointly by the JV Parties through the JV Entity on an exclusive basis in the Region.

2.3. Responsibilities of the JV Parties

The JVA sets out a detailed description of the roles and responsibilities of the JV Parties in relation to the JV Entity. Such roles and responsibilities of the JV Parties include, among others, the following:

(a) As one of the leading manufacturers of process equipment, TEMA India has larger resources and capacity in India (both in terms of manufacturing space/facilities and manpower). Pursuant to the JVA, TEMA India will be primarily responsible for, among others, providing support at preliminary stages of projects (i.e. pre-sales and request for quotation stage) and project execution.

(b) Meanwhile, HJPL, with its existing branding and client base in the Region, will be primarily responsible for, among others, sales and marketing activities and managing client relationships.

2.4. Initial Funding

The JV Parties have agreed that an estimated initial funding of SGD 20,000 will be required for the JV Entity (the "**Initial Funding**"). Each JV Party shall provide their portion of the Initial Funding in proportion to their respective shareholding in the JV Entity. In proportion to their respective shareholding percentages, HJPL will contribute SGD 9,800, while TEMA India will contribute SGD 10,200 as part of the Initial Funding. The Initial Funding shall be utilized for the Business unless otherwise mutually decided by the board of directors of the JV Entity (the "**JV Board**"). The Initial Funding is to be disbursed in one or more tranches, as and when decided by the JV Board.

If additional funding is required by the JV Entity, such funding shall be approved by the JV Board.

2.5. JV Board and Key Employees

The JV Board shall comprise 3 directors. HJPL is entitled to nominate and appoint one director to the JV Board while TEMA India is entitled to nominate and appoint two directors to the JV Board.

In addition to the foregoing, each JV Party shall nominate one representative to participate in the management and operations of the JV Entity.

2.6. Reserved Matters

The JVA sets out certain matters which require the approval of at least one representative from (or director of the JV Board appointed by) TEMA India and one representative from (or director of the JV Board appointed by) HJPL.

2.7. Transfer of Shares

No JV Party is allowed to transfer its shares in the JV Entity for a period of 3 years from the Execution Date (the "**Lock-in Period**") unless such transfer is made to its affiliate in accordance with the terms of the JVA or upon the occurrence of an event of default (as such term is defined in the JVA).

Following the expiry of the Lock-in Period, any transfer of shares in the JV Entity will be subject to certain right of first offer and tag-along rights. No shares in the JV Entity may be transferred to a competitor (other than upon the occurrence of an event of default).

2.8. Term and Termination

The JVA shall be valid for a period of three years commencing from the Execution Date (the "**Term**"), and shall continue to operate and be automatically renewed and extended for successive two-year period unless:

(a) terminated earlier by a JV Party in accordance with the terms of the JVA;

(b) the JV Entity is wound up or ceases to exist;

(c) if a JV Party ceases to hold any shares in the JV Entity; or

(d) upon the occurrence of an event of default, terminated by a non-defaulting JV Party in accordance with the terms of the JVA.

2.9. Non-Competition and Non-Solicitation

Pursuant to the JVA, each JV Party has agreed to non-compete and non-solicit undertakings. Such undertakings shall be effective during the subsistence of the JVA and for a period of one year after a JV Party exits from the JV Entity (whether by way of sale of its shares or otherwise). Pursuant to these undertakings, both JV Parties shall not, directly or indirectly, among others:

(a) enter into any arrangement or agreement for the sale of the Products in the Region. "**Products**" means all types of pressure vessels, heat and mass heat transfer equipment including heat exchangers, boilers, reactors, columns, waste heat recovery systems and solar power generation systems; and

(b) solicit the customer who is or has been at any time a customer/client of the JV Entity for the purpose of offering to such customer/client, products, goods or services similar to or competing with the whole or part of the Business of the JV Entity. Such restrictions shall, however, not apply to any of the existing clients serviced by the JV Party prior to the execution of the JVA.

2.10. Exclusivity

Pursuant to the JVA, the JV Parties have agreed to an exclusive arrangement with each other pertaining to the business of the JV Entity. Neither of the JV Parties shall enter into any arrangement in the Region that is conflicting or competing with the Business of the JV Entity during the subsistence of the JVA. The JV Parties shall conduct any and all activities, operations, or any business similar to or related to the Business only through the JV Entity within the Region during the subsistence of the JVA and shall not carry out or conduct any such business through any partnership, joint venture, contractor, affiliates, nominees or related parties, directly or indirectly, without the prior written consent of the other JV Party and the JV Entity.

2.11. Events of Default

Pursuant to the JVA, upon the occurrence of an event of default which is not rectified within 90 days, a non-defaulting JV Party will have the right to, among others, terminate the JVA upon written notice in addition to exercising such other remedies as available to it under law. Pursuant to the JVA, an "event of default" includes, among others:

(a) the failure to fulfill any material obligation under the JVA and such failure is not remedied within 90 days of receipt of written notice from the other JV Party;

(b) any change in ownership or control without the prior written consent of the other JV Party, if such change materially affects the joint venture.

3. RATIONALE FOR THE JOINT VENTURE

The joint venture between the Group (via HJPL) with TEMA India is part of its strategy to expand its business operations and open up potential new market opportunities within the Region. TEMA India is a competitor of the Group and by entering into this joint venture, the Board believes that the Group will be able to capitalise on TEMA India's strengths and know-how in the industry in order to unlock potential additional revenue streams for the Group.

4. FINANCIAL EFFECTS

The entry into the joint venture pursuant to the JVA (including HJPL's portion of the cost for incorporating the JV Entity and providing its share of the Initial Funding) will be funded through the Group's internal resources and, at present, is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2025.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, to the best of the knowledge of the Board, none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the JVA or the JV Entity, other than by reason of their respective shareholding interests in the Company, where applicable.

6. FURTHER ANNOUNCEMENTS

Further announcements will be released on this matter as and when there are material developments, including but not limited to the establishment of the JV Entity.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JVA will be available for inspection during normal business hours for three (3) months from the date of this announcement at the registered office of the Company at 10 Tuas South, Street 15, Singapore 637076.

BY ORDER OF THE BOARD

Soon Jeffrey
Executive Director and Chief Executive Officer

20 March 2025

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*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.

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