

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**

**(Company Registration No. 200717808Z)**

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## **Unaudited Full Year Financial Statement for the Financial Year Ended 31 December 2015**

**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

|                                        | Full Year Ended<br>31.12.2015<br>(unaudited)<br>S\$'000 | Full Year Ended<br>31.12.2014<br>(audited)<br>S\$'000 | Increase/<br>(Decrease)<br>% |
|----------------------------------------|---------------------------------------------------------|-------------------------------------------------------|------------------------------|
| <b>Group</b>                           |                                                         |                                                       |                              |
| <b>Revenue</b>                         | <b>33,308</b>                                           | <b>29,858</b>                                         | 12                           |
| Cost of sales                          | (23,471)                                                | (21,142)                                              | 11                           |
| <b>Gross profit</b>                    | <b>9,837</b>                                            | <b>8,716</b>                                          | <b>13</b>                    |
| Other income                           | 935                                                     | 479                                                   | 95                           |
| <b>Expenses</b>                        |                                                         |                                                       |                              |
| Administrative expenses                | (9,363)                                                 | (9,856)                                               | (5)                          |
| Other expenses                         | (600)                                                   | (676)                                                 | (11)                         |
| Share of losses of associates          | (103)                                                   | (143)                                                 | (28)                         |
| Finance costs                          | (265)                                                   | (318)                                                 | (17)                         |
| <b>Profit/(Loss) before income tax</b> | <b>441</b>                                              | <b>(1,798)</b>                                        | <b>n.m.</b>                  |
| Income tax expense                     | (70)                                                    | (17)                                                  | 312                          |
| <b>Profit/(Loss) for the year</b>      | <b>371</b>                                              | <b>(1,815)</b>                                        | <b>n.m.</b>                  |
| <b>Profit/(Loss) attributable to :</b> |                                                         |                                                       |                              |
| Owners of the Company                  | 412                                                     | (1,736)                                               | n.m.                         |
| Non-controlling interests              | (41)                                                    | (79)                                                  | (48)                         |
|                                        | <b>371</b>                                              | <b>(1,815)</b>                                        | <b>n.m.</b>                  |

**Profit/(Loss) per share attributable to owners of the Company**

|                   | Full Year Ended<br>31.12.2015<br>(unaudited)<br>Singapore<br>Cents | Full Year Ended<br>31.12.2014<br>(audited)<br>Singapore<br>Cents | Increase/<br>(Decrease)<br>% |
|-------------------|--------------------------------------------------------------------|------------------------------------------------------------------|------------------------------|
| <b>Group</b>      |                                                                    |                                                                  |                              |
| Basic and diluted | <b>0.34</b>                                                        | <b>(1.42)</b>                                                    | <b>n.m.</b>                  |

n.m. denotes not meaningful

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
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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 2015**

|                                                                               | Full Year Ended<br>31.12.2015<br>(unaudited)<br>S\$'000 | Full Year Ended<br>31.12.2014<br>(audited)<br>S\$'000 | Increase/<br>(Decrease)<br>% |
|-------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|------------------------------|
| <b>Group</b>                                                                  |                                                         |                                                       |                              |
| <b>Profit/(Loss) for the year</b>                                             | <b>371</b>                                              | <b>(1,815)</b>                                        | <b>n.m.</b>                  |
| <b>Other comprehensive income/(loss)</b>                                      |                                                         |                                                       |                              |
| <i>Items that will not be reclassified<br/>subsequently to profit or loss</i> |                                                         |                                                       |                              |
| Revaluation surplus of plant and<br>equipment                                 | -                                                       | 104                                                   | <b>n.m.</b>                  |
| Income tax relating to:                                                       |                                                         |                                                       |                              |
| - revaluation surplus of plant and<br>equipment                               | -                                                       | (18)                                                  | <b>n.m.</b>                  |
| - revaluation reserves reclassified<br>to retained earnings                   | -                                                       | 103                                                   | <b>n.m.</b>                  |
| <i>Items that will may be reclassified<br/>subsequently to profit or loss</i> |                                                         |                                                       |                              |
| Exchange differences on translation of<br>foreign operations                  | (21)                                                    | 29                                                    | <b>n.m.</b>                  |
| Available-for-sale investments                                                | (1)                                                     | *                                                     | <b>n.m.</b>                  |
| <b>Total comprehensive income/(loss) for<br/>the year, net of tax</b>         | <b>349</b>                                              | <b>(1,597)</b>                                        | <b>n.m.</b>                  |
| <b>Total comprehensive income/(loss)<br/>attributable to:</b>                 |                                                         |                                                       |                              |
| Owners of the Company                                                         | 390                                                     | (1,518)                                               | <b>n.m.</b>                  |
| Non-controlling interests                                                     | (41)                                                    | (79)                                                  | (48)                         |
| <b>Total comprehensive income/(loss)<br/>for the year</b>                     | <b>349</b>                                              | <b>(1,597)</b>                                        | <b>n.m.</b>                  |

n.m. denotes not meaningful

\* Amount less than S\$1,000

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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)**

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

|                                                                                 | Full Year Ended<br>31.12.2015<br>(unaudited) | Full Year Ended<br>31.12.2014<br>(audited) | Increase/<br>(Decrease) |
|---------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------|-------------------------|
| <u>Group</u>                                                                    | <u>S\$'000</u>                               | <u>S\$'000</u>                             | <u>%</u>                |
| Depreciation of property, plant and equipment <sup>(1)</sup>                    | 965                                          | 1,175                                      | (18)                    |
| Directors' remuneration                                                         | 848                                          | 1,031                                      | (18)                    |
| Employee benefits expense<br>(including directors' remuneration) <sup>(2)</sup> | 17,701                                       | 19,793                                     | (11)                    |
| Cost of defined contribution plans<br>(included in staff costs)                 | 485                                          | 516                                        | (6)                     |
| Cost of inventories recognised as expense                                       | 7,689                                        | 2,922                                      | 163                     |
| (Gain)/Loss on disposal of property, plant and equipment                        | (52)                                         | 6                                          | n.m.                    |
| Plant and equipment written off                                                 | 17                                           | 8                                          | 113                     |
| Allowance for doubtful debts                                                    | 472                                          | 380                                        | 24                      |
| Allowance for sales discount                                                    | 126                                          | 69                                         | 83                      |
| Bad debts written off                                                           | 16                                           | 35                                         | (54)                    |
| Impairment loss on<br>available-for-sale investment                             | 10                                           | -                                          | n.m.                    |
| Net foreign exchange (gain)/loss                                                | (75)                                         | 6                                          | n.m.                    |
| Impairment loss on<br>investment in an associate                                | 68                                           | -                                          | n.m.                    |
| Reversal of impairment loss on<br>investment in an associate                    | -                                            | (72)                                       | n.m.                    |
| Revaluation loss on plant and equipment                                         | -                                            | 155                                        | n.m.                    |

**Notes:**

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

<sup>(2)</sup> Employee benefits expense amounting to S\$5.87 million (31.12.2014: S\$6.35 million) is included in administrative expenses.

n.m. denotes not meaningful

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
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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.**

|                                | <b>Group</b>       |                   | <b>Company</b>     |                   |
|--------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                | <b>As at</b>       | <b>As at</b>      | <b>As at</b>       | <b>As at</b>      |
|                                | <b>31.12.2015</b>  | <b>31.12.2014</b> | <b>31.12.2015</b>  | <b>31.12.2014</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>ASSETS</b>                  |                    |                   |                    |                   |
| <b>Non-current assets</b>      |                    |                   |                    |                   |
| Property, plant and equipment  | 12,602             | 13,130            | 6,093              | 6,449             |
| Subsidiaries                   | -                  | -                 | 6,624              | 6,624             |
| Associates                     | 266                | 472               | -                  | -                 |
| Trade Receivable               | 428                | 428               | -                  | -                 |
| Available-for-sale investments | 266                | 278               | -                  | -                 |
| Goodwill                       | 288                | 288               | -                  | -                 |
| Deferred tax assets            | 472                | 472               | -                  | -                 |
| Total non-current assets       | 14,322             | 15,068            | 12,717             | 13,073            |
| <b>Current assets</b>          |                    |                   |                    |                   |
| Inventories                    | 725                | 928               | -                  | -                 |
| Trade and other receivables    | 19,812             | 18,724            | 3,364              | 2,523             |
| Cash and bank balances         | 2,973              | 2,098             | 44                 | 46                |
| Total current assets           | 23,510             | 21,750            | 3,408              | 2,569             |
| <b>Total assets</b>            | <b>37,832</b>      | <b>36,818</b>     | <b>16,125</b>      | <b>15,642</b>     |
| <b>EQUITY AND LIABILITIES</b>  |                    |                   |                    |                   |
| <b>Capital and reserves</b>    |                    |                   |                    |                   |
| Share capital                  | 11,555             | 11,555            | 11,555             | 11,555            |
| Reserves                       | (3,580)            | (3,558)           | -                  | -                 |
| Retained earnings              | 15,597             | 15,185            | 598                | 440               |
| Equity attributable to         |                    |                   |                    |                   |
| owners of the Company          | 23,572             | 23,182            | 12,153             | 11,995            |
| Non-controlling interests      | 1,248              | 1,203             | -                  | -                 |
| Total equity                   | 24,820             | 24,385            | 12,153             | 11,995            |

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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                              |
|                                     | 31.12.2015<br>(unaudited)<br>S\$'000 | 31.12.2014<br>(audited)<br>S\$'000 | 31.12.2015<br>(unaudited)<br>S\$'000 | 31.12.2014<br>(audited)<br>S\$'000 |
| <b>Non-current liabilities</b>      |                                      |                                    |                                      |                                    |
| Bank loans                          | 1,911                                | 2,659                              | -                                    | -                                  |
| Finance leases                      | 414                                  | 659                                | -                                    | -                                  |
| Deferred tax liabilities            | 387                                  | 406                                | -                                    | -                                  |
| Total non-current liabilities       | 2,712                                | 3,724                              | -                                    | -                                  |
| <b>Current liabilities</b>          |                                      |                                    |                                      |                                    |
| Bank overdrafts and loans           | 4,896                                | 2,755                              | -                                    | -                                  |
| Trade and other payables            | 5,133                                | 5,683                              | 3,972                                | 3,647                              |
| Current portion of finance leases   | 244                                  | 250                                | -                                    | -                                  |
| Income tax payable                  | 27                                   | 21                                 | -                                    | -                                  |
| Total current liabilities           | 10,300                               | 8,709                              | 3,972                                | 3,647                              |
| <b>Total equity and liabilities</b> | <b>37,832</b>                        | <b>36,818</b>                      | <b>16,125</b>                        | <b>15,642</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 31.12.2015 (unaudited) |           | As at 31.12.2014 (audited) |           |
| Secured                      | Unsecured | Secured                    | Unsecured |
| S\$'000                      | S\$'000   | S\$'000                    | S\$'000   |
| 5,140                        | -         | 3,005                      | -         |

**Amount repayable after one year**

| Group                        |           |                            |           |
|------------------------------|-----------|----------------------------|-----------|
| As at 31.12.2015 (unaudited) |           | As at 31.12.2014 (audited) |           |
| Secured                      | Unsecured | Secured                    | Unsecured |
| S\$'000                      | S\$'000   | S\$'000                    | S\$'000   |
| 2,325                        | -         | 3,318                      | -         |

**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 Group has 3 term loans as follows:
- (i) A loan of S\$174,000 (31.12.2014: S\$1,028,000). The loan was raised in 18 October 2011. Repayment commenced on 1 December 2012 and repayable over 48 months. The loan is secured by:
    - (a) a corporate guarantee by the Company; and
    - (b) statutory charge over 70% shares in Chem-Grow Pte Ltd and Chew Grow Engineering Pte. Ltd.

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

(ii) A loan of S\$596,000 (31.12.2014: S\$711,000). The loan was raised in 27 July 2000. Repayment commenced on 1 September 2000 and repayable over 20 years. The loan is secured by:

- (a) a first legal mortgage over the Group's leased property;
- (b) pledged on certain fixed deposits; and
- (c) a corporate guarantee by the subsidiary.

(iii) A loan of S\$1,834,000 (31.12.2014: S\$2,246,000). The loan was raised in 30 September 2013. Repayment commenced on 30 October 2013 and repayable over 84 months. The loan is secured by:

- (a) a first legal mortgage over the Group's leased property; and
- (b) a corporate guarantee by the Company.

Note: The two term loans raised in 23 May 2014 (31.12.2014: S\$421,000), secured by a corporate guarantee by the Company, were fully repaid as at 30 June 2015.

(c) The factoring facilities are secured by:

- (i) a corporate guarantee by the Company pursuant to the deed of guarantee and indemnity dated 5 April 2010; and
- (ii) joint charge on the receivable of subsidiaries.

(d) The Group's obligations under finance leases are secured by the lessor's title to the leased assets and corporate guarantee by a subsidiary and the Company.

**HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES**
**(Company Registration No. 200717808Z)**
**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<br/>31.12.2015<br/>(unaudited)<br/>S\$'000</b> | <b>Full Year Ended<br/>31.12.2014<br/>(audited)<br/>S\$'000</b> |
|-----------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>Operating activities</b>                                     |                                                                   |                                                                 |
| <b>Profit/(Loss) before income tax</b>                          | <b>441</b>                                                        | <b>(1,798)</b>                                                  |
| <b>Adjustments for:</b>                                         |                                                                   |                                                                 |
| Interest income                                                 | (12)                                                              | (14)                                                            |
| Interest expenses                                               | 265                                                               | 318                                                             |
| Dividend income from available-for-sale investment              | (1)                                                               | (1)                                                             |
| Allowance for doubtful debts                                    | 472                                                               | 380                                                             |
| Allowance for sales discount                                    | 126                                                               | 69                                                              |
| Depreciation of property, plant and equipment                   | 965                                                               | 1,175                                                           |
| Plant and equipment written off                                 | 17                                                                | 8                                                               |
| (Gain)/Loss on disposal of plant and equipment                  | (52)                                                              | 6                                                               |
| Impairment loss on investment in an associate                   | 68                                                                | -                                                               |
| Reversal of impairment loss on investment in an associate       | -                                                                 | (72)                                                            |
| Share of loss of associates                                     | 103                                                               | 143                                                             |
| Impairment loss on available-for-sale investment                | 10                                                                | -                                                               |
| Bad debts written off                                           | 16                                                                | 35                                                              |
| Fair value adjustment of non-current receivables                | -                                                                 | 50                                                              |
| Revaluation loss on plant and equipment                         | -                                                                 | 155                                                             |
| Unrealised exchange differences                                 | (41)                                                              | 29                                                              |
| <b>Operating cash flows before movements in working capital</b> | <b>2,377</b>                                                      | <b>483</b>                                                      |
| <b>Change in operating assets and liabilities</b>               |                                                                   |                                                                 |
| Trade and other receivables                                     | (1,674)                                                           | 3,987                                                           |
| Inventories                                                     | 203                                                               | 45                                                              |
| Trade and other payables                                        | (551)                                                             | (436)                                                           |
| <b>Cash generated from operations</b>                           | <b>355</b>                                                        | <b>4,079</b>                                                    |
| Interest received                                               | 12                                                                | 14                                                              |
| Interest paid                                                   | (265)                                                             | (318)                                                           |
| Income tax paid                                                 | (82)                                                              | (82)                                                            |
| <b>Net cash from operating activities</b>                       | <b>20</b>                                                         | <b>3,693</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)**

|                                                                     | Full Year Ended<br>31.12.2015<br>(unaudited)<br>S\$'000 | Full Year Ended<br>31.12.2014<br>(audited)<br>S\$'000 |
|---------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| <b>Group</b>                                                        |                                                         |                                                       |
| <b>Investing activities</b>                                         |                                                         |                                                       |
| Purchase of plant and equipment                                     | (391)                                                   | (429)                                                 |
| Proceeds from disposal of plant and equipment                       | 70                                                      | 2,420                                                 |
| Proceed from liquidation of an associate                            | -                                                       | 985                                                   |
| Investment in equity interest of an associate                       | -                                                       | (200)                                                 |
| Dividend received from available-for-sale investment                | 1                                                       | 1                                                     |
| Dividend received from an associate                                 | 37                                                      | 43                                                    |
| <b>Net cash (used in)/ from investing activities</b>                | <b>(283)</b>                                            | <b>2,820</b>                                          |
| <b>Financing activities</b>                                         |                                                         |                                                       |
| Increase in pledged fixed deposit                                   | (25)                                                    | (15)                                                  |
| Dividend paid to:                                                   |                                                         |                                                       |
| - non-controlling shareholders                                      | (25)                                                    | (52)                                                  |
| - equity holders of the Company                                     | -                                                       | (606)                                                 |
| Capital injection from non-controlling interest                     | 6                                                       | 45                                                    |
| Proceeds from short-term bank loans                                 | -                                                       | 1,000                                                 |
| Repayments of bank loans                                            | (1,803)                                                 | (2,101)                                               |
| Net proceeds from trust receipts                                    | 1,740                                                   | -                                                     |
| Net proceeds/ (repayments) of factoring loans                       | 86                                                      | (1,575)                                               |
| Net repayments of finance leases                                    | (250)                                                   | (715)                                                 |
| <b>Net cash used in financing activities</b>                        | <b>(271)</b>                                            | <b>(4,019)</b>                                        |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>        | <b>(534)</b>                                            | <b>2,494</b>                                          |
| Cash and cash equivalents/ Overdraft at beginning of financial year | 1,655                                                   | (830)                                                 |
| Effects of exchange rate changes on cash and cash equivalents       | 4                                                       | (9)                                                   |
| <b>Cash and cash equivalents at end of financial year</b>           | <b>1,125</b>                                            | <b>1,655</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)**

|                                                                                  | Full Year Ended<br>31.12.2015<br>(unaudited) | Full Year Ended<br>31.12.2014<br>(audited) |
|----------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------|
| <u>Group</u>                                                                     | <u>S\$'000</u>                               | <u>S\$'000</u>                             |
| <b>Comprising:</b>                                                               |                                              |                                            |
| Cash at bank                                                                     | 2,552                                        | 1,702                                      |
| Fixed deposits                                                                   | 421                                          | 396                                        |
| <b>Sub-total</b>                                                                 | <b>2,973</b>                                 | <b>2,098</b>                               |
| Fixed deposit pledged as a collateral for<br>overdraft loan                      | (420)                                        | (396)                                      |
| Bank overdraft                                                                   | (1,428)                                      | (47)                                       |
| <b>Cash and cash equivalents as per consolidated<br/>statement of cash flows</b> | <b>1,125</b>                                 | <b>1,655</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.**

|                                                                     | Share capital | Revaluation reserve | Other reserve | Translation reserve | Merger 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       |
| <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>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>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>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>15,597</b>     | <b>23,572</b>                                 | <b>1,248</b>              | <b>24,820</b> |

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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 | 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        |
| <b>Balance at 1 January 2014</b>                        | <b>11,369</b> | <b>508</b>          | <b>221</b>    | <b>18</b>           | <b>(3,914)</b> | <b>16,918</b>     | <b>25,120</b>                                 | <b>1,289</b>              | <b>26,409</b>  |
| Total comprehensive income for the year:                |               |                     |               |                     |                |                   |                                               |                           |                |
| Loss for the year                                       | -             | -                   | -             | -                   | -              | (1,736)           | (1,736)                                       | (79)                      | (1,815)        |
| Other comprehensive income for the year                 | -             | 189                 | -             | 29                  | -              | -                 | 218                                           | -                         | 218            |
| <b>Total</b>                                            | <b>-</b>      | <b>189</b>          | <b>-</b>      | <b>29</b>           | <b>-</b>       | <b>(1,736)</b>    | <b>(1,518)</b>                                | <b>(79)</b>               | <b>(1,597)</b> |
| Transfer                                                | -             | (609)               | -             | -                   | -              | 609               | -                                             | -                         | -              |
| Transactions with owners, recognised directly in equity |               |                     |               |                     |                |                   |                                               |                           |                |
| Increase in share capital                               | -             | -                   | -             | -                   | -              | -                 | -                                             | 45                        | 45             |
| Performance shares issued to employees                  | 186           | -                   | -             | -                   | -              | -                 | 186                                           | -                         | 186            |
| Dividends                                               | -             | -                   | -             | -                   | -              | (606)             | (606)                                         | (52)                      | (658)          |
| <b>Total</b>                                            | <b>186</b>    | <b>-</b>            | <b>-</b>      | <b>-</b>            | <b>-</b>       | <b>(606)</b>      | <b>(420)</b>                                  | <b>(7)</b>                | <b>(427)</b>   |
| <b>Balance at 31 December 2014</b>                      | <b>11,555</b> | <b>88</b>           | <b>221</b>    | <b>47</b>           | <b>(3,914)</b> | <b>15,185</b>     | <b>23,182</b>                                 | <b>1,203</b>              | <b>24,385</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 | Retained Earnings | Total   |
|---------------------------------------------------------------------------|---------------|-------------------|---------|
| Company (Unaudited)                                                       | S\$'000       | S\$'000           | S\$'000 |
| Balance at 1 January 2015                                                 | 11,555        | 440               | 11,995  |
| Profit for the year, representing total comprehensive income for the year | -             | 158               | 158     |
| Balance at 31 December 2015                                               | 11,555        | 598               | 12,153  |

|                                                                           | Share capital | Retained Earnings | Total   |
|---------------------------------------------------------------------------|---------------|-------------------|---------|
| Company (Audited)                                                         | S\$'000       | S\$'000           | S\$'000 |
| Balance at 1 January 2014                                                 | 11,369        | 1,039             | 12,408  |
| Profit for the year, representing total comprehensive income for the year | -             | 7                 | 7       |
| Transactions with owners, recognised directly in equity                   |               |                   |         |
| Performance shares issued to employees                                    | 186           | -                 | 186     |
| Dividend                                                                  | -             | (606)             | (606)   |
| Balance at 31 December 2014                                               | 11,555        | 440               | 11,995  |

- 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.**

|                                                 | Group and Company |                                                 |
|-------------------------------------------------|-------------------|-------------------------------------------------|
|                                                 | No. of shares     | Resultant issued and paid up share capital (\$) |
| <b><u>Ordinary shares</u></b>                   |                   |                                                 |
| Balance as at 30 June 2015 and 31 December 2015 | 122,959,345       | 11,554,627                                      |

There was no change in the Company's share capital from 30 June 2015 to 31 December 2015.

- 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.**

There were no outstanding options, convertibles or treasury shares as at 31 December 2015 and 31 December 2014.

- (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     |             |
|---------------------------------------------------------|-------------|-------------|
|                                                         | 31.12.2015  | 31.12.2014  |
| Total number of issued shares excluding treasury shares | 122,959,345 | 122,959,345 |

There were no treasury shares as at 31 December 2015 and 31 December 2014.

- (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 2015 ("FY2015").

- 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 2014 ("**FY2014**").

- 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.**

Not applicable.

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

|                                                                        | <b>Group</b>           |                        |
|------------------------------------------------------------------------|------------------------|------------------------|
|                                                                        | <b>Full Year Ended</b> | <b>Full Year Ended</b> |
|                                                                        | <b>31.12.2015</b>      | <b>31.12.2014</b>      |
|                                                                        | <b>(unaudited)</b>     | <b>(audited)</b>       |
| Basic and diluted earnings/(loss) per ordinary share (Singapore cents) | 0.34                   | (1.42)                 |
| Weighted average number of ordinary shares in issue                    | 121,959,345            | 121,925,678            |

**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).**

Earnings/(Loss) per ordinary share for FY2015 and FY2014 are calculated based on net profit/(loss) attributable to the owners of the Company for the respective financial year divided by the weighted average number of shares in issue during the respective financial year.

The basic and diluted earnings/(loss) per ordinary share were the same as there were no potentially dilutive ordinary shares in existence during the current financial year reported on and 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<br>31.12.2015 | As at<br>31.12.2014 | As at<br>31.12.2015 | As at<br>31.12.2014 |
|                                                                                                             | (unaudited)         | (audited)           | (unaudited)         | (audited)           |
| Net asset value per share based on total number of issued share excluding treasury shares (Singapore cents) | 19.17               | 18.85               | 9.88                | 9.76                |

The net asset value per ordinary share of the Group and the Company as at 31 December 2015 and 31 December 2014 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 net profit of S\$0.37 million amid challenging market conditions.

**(i) Revenue**

The Group reported an increase in revenue by 12% or S\$3.45 million to S\$33.31 million in FY2015.

1. As a result of the tightening of manpower policies in Singapore, the workforce for Piping segment reduced by approximately 18%. Correspondingly, the Piping segment reported a decline in revenue from \$14.87 million in FY2014 to S\$11.39 million in FY2015.
2. Further to the announcement dated 27 February 2015, the Group progressed well for the FPSO project. The Group reported a hike in Heat Exchanger revenue by 71.5% or S\$7.71 million from S\$10.78 million in FY2014 to S\$18.49 million in FY2015.
3. The Group saw a decline in revenue for Chemical cleaning segment by 18.3% from S\$4.20 million to S\$3.44 million mainly due to lull periods for certain reporting months for the second half year of FY2015.

**(ii) Operating Results**

**Overall profitability**

The Group reported slight improved gross profit margin of 30% for FY2015 as compared to 29% for FY2014.

Since last financial year end in 2014, the Group had also embarked on various cost cutting measures. Compared to FY2015, the Group further reduced its administrative expenses by S\$0.49 million or 5% in FY2015.

Other significant factors that affected the Group's profitability are discussed below:

**Overall profitability (Cont'd)**

1. The Group recorded higher other operating income compared to FY2014 mainly due to:
  - (a) Recognition for foreign exchange gain of S\$75,000 due to appreciation of US dollar;
  - (b) Receipt of Productivity and Innovation Credit (PIC) cash pay-out for qualifying expenditure amounted to approximately S\$0.15 million;
  - (c) Increase in other non-business income.
2. Heatec Marine Phils Construction Inc ("HMPC"), a non-performing associated company of the Group had ceased operation in June 2015. Hence, the Group recorded lower share of loss of associates of S\$0.10 million in FY2015, as compared to S\$0.14 million in FY2014.
3. Included in other operating expenses was an impairment loss on the cost of investment in Karnot Technology Pte Ltd ("KTPL"), an associated company of the Group, amounted to S\$68,000 and a provision for doubtful debts due from KTPL amounted to approximately S\$0.37 million in aggregate, due to underperformance of KTPL and non-fulfillment of various conditions precedent pertaining to the associate.
4. As part of the Group's accounting policy, the Group performed a revaluation on plant and equipment in November 2014, correspondingly, the Group recognized lower carrying amount of the plant and equipment as compared to FY2014. As a result, the Group recognized lower depreciation expense by S\$0.21 million or 18% in FY2015.

**Finance expense**

The Group's finance expense decreased by 17% or S\$53,000 from S\$0.32 million in FY2014 to S\$0.27 million in FY2015. The decrease in finance expense was in tandem with the decrease in bank loans.

**Income tax expense**

The increase in tax expense from S\$17,000 in FY2014 to S\$70,000 in FY2015 mainly attributed to under provision for tax expense in prior years.

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

The Group's working capital and net assets increased in tandem with the profits reported by the Group in FY2015. As at 31 December 2015, the Group recorded positive working capital of S\$13.21 million and the net asset value stood firm at S\$19.17 cents per share.

**(i) Non-current assets and current assets**

- (a) Property, plant and equipment decreased marginally from S\$13.13 million as at 31 December 2014 to \$12.60 million as at 31 December 2015. The decrease was mainly due to taking into account for depreciation charge of S\$0.97 million, offset by new purchases of plant and equipment amounted to S\$0.39 million.
- (b) The Group's investment in associated companies declined from S\$0.47 million in FY2014 to S\$0.27 million in FY2015 due to recognition for impairment loss in KTPL amounted to S\$68,000 and the share of current year loss of associates.
- (c) Inventories as at 31 December 2015 decrease by S\$0.20 million or 22% mainly due to raw materials were put into production resultant in decrease in stock level.
- (d) Trade and other receivables increased from S\$18.72 million as at 31 December 2014 to \$19.81 million as at 31 December 2015. The increase in trade and other receivables corresponded to the increase in revenue reported by the Group in FY2015.

**(ii) Current liabilities**

- (a) The Group's bank overdraft and factoring loans increased by S\$2.14 million from last financial year end to \$4.90 million. The increase was mainly attributed to utilization of trade facilities to finance the FPSO project and other projects in progress in second half of FY2015.
- (b) Trade and other payables decreased from S\$5.68 million as at 31 December 2014 to S\$5.13 million as at 31 December 2015, due mainly to settlement of trade and other payables of S\$0.55 million.

**8(b) Statement of financial position (Cont'd)****(iii) Non-current liabilities**

The Group recorded a net decrease in total bank loans of S\$0.75 million from S\$2.66 million as at 31 December 2014 to S\$1.91 million as at 31 December 2015, due to repayment of non-current portion of bank loans during FY2015.

The non-current portion of finance leases also decreased from S\$0.66 million as at 31 December 2014 to S\$0.41 million as at 31 December 2015 due mainly to repayment of non-current portion of finance leases

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

The Group's cash and cash equivalents as per consolidated statement of cash flow was S\$1.13 million as at 31 December 2015. The net decrease in cash and cash equivalents of S\$0.53 million for FY2015 were mainly due to:

- i) net cash used in investing activities of S\$0.28 million mainly due to capital expenditure of S\$0.39 million to facilitate the Group's operations; and
- ii) net cash used in financing activities of S\$0.27 million mainly due to repayment of bank loans and finance lease amounting to S\$1.80 million and S\$0.25 million respectively. The repayments were partially offset by drawdown of trade facilities amounted to S\$1.74 million.

- 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.**

The Group's business environment remains challenging given the oil price reached below US\$30 per barrel in January 2016 compared to more than US\$100 per barrel in January 2014. Significant spending cuts across the Oil & Gas and Marine industry coupled with the overall rising cost and tightening of labour supply in Singapore will continue to put pressure to the Group's operating businesses.

The Group shall put further efforts on improving the operational efficiency of its core businesses while exploring other growth opportunities.

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

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

No dividend has been declared or recommended for FY2015.

**(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**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared/recommendeded for the financial year ended 31 December 2015.

**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 FY2015.

The Group does not have a general mandate 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:

| Group                            | Revenue         |                 | Net Profit / (Loss) |                 |
|----------------------------------|-----------------|-----------------|---------------------|-----------------|
|                                  | Full Year Ended | Full Year Ended | Full Year Ended     | Full Year Ended |
|                                  | 31.12.2015      | 31.12.2014      | 31.12.2015          | 31.12.2014      |
|                                  | (unaudited)     | (audited)       | (unaudited)         | (audited)       |
|                                  | S\$'000         | S\$'000         | S\$'000             | S\$'000         |
| Piping                           | 11,385          | 14,869          | (275)               | 201             |
| Heat Exchanger                   | 18,487          | 10,783          | 849                 | (1,669)         |
| Chemical Cleaning                | 3,436           | 4,203           | 126                 | 266             |
| Others                           | -               | 3               | 67                  | (381)           |
|                                  | 33,308          | 29,858          | 767                 | (1,583)         |
| Other income                     |                 |                 | 247                 | 479             |
| Other expenses                   |                 |                 | (205)               | (233)           |
| Share of losses of associates    |                 |                 | (103)               | (143)           |
| Finance costs                    |                 |                 | (265)               | (318)           |
| Profit/ (Loss) before income tax |                 |                 | 441                 | (1,798)         |
| Income tax expense               |                 |                 | (70)                | (17)            |
| Profit/ (Loss) for the year      |                 |                 | 371                 | (1,815)         |

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<br>31.12.2015<br>(unaudited)<br>S\$'000 | As at<br>31.12.2014<br>(audited)<br>S\$'000 |
|-----------------------------------|-----------------------------------------------|---------------------------------------------|
| <b><u>Segment Assets</u></b>      |                                               |                                             |
| Piping                            | 8,936                                         | 10,619                                      |
| Heat Exchanger                    | 14,040                                        | 9,554                                       |
| Chemical Cleaning                 | 5,852                                         | 6,697                                       |
| Others                            | 57                                            | 440                                         |
| Total segment assets              | 28,885                                        | 27,310                                      |
| Unallocated assets                | 8,947                                         | 9,508                                       |
| Consolidated total assets         | 37,832                                        | 36,818                                      |
| <b><u>Segment Liabilities</u></b> |                                               |                                             |
| Piping                            | 1,394                                         | 1,468                                       |
| Heat Exchanger                    | 9,820                                         | 3,743                                       |
| Chemical Cleaning                 | 1,014                                         | 4,014                                       |
| Others                            | 56                                            | 126                                         |
| Total segment liabilities         | 12,284                                        | 9,351                                       |
| Unallocated liabilities           | 728                                           | 3,082                                       |
| Consolidated total liabilities    | 13,012                                        | 12,433                                      |

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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**

|                                                           | <u>Piping</u>             |                         | <u>Heat Exchanger</u>     |                         | <u>Chemical Cleaning</u>  |                         | <u>Others</u>             |                         | <u>Unallocated</u>        |                         |
|-----------------------------------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                                                           | Full Year Ended           | Full Year Ended         | Full Year Ended           | Full Year Ended         | Full Year Ended           | Full Year Ended         | Full Year Ended           | Full Year Ended         | Full Year Ended           | Full Year Ended         |
|                                                           | 31.12.2015<br>(unaudited) | 31.12.2014<br>(audited) | 31.12.2015<br>(unaudited) | 31.12.2014<br>(audited) | 31.12.2015<br>(unaudited) | 31.12.2014<br>(audited) | 31.12.2015<br>(unaudited) | 31.12.2014<br>(audited) | 31.12.2015<br>(unaudited) | 31.12.2014<br>(audited) |
| <b>Group</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                                        | 127                       | (32)                    | (8)                       | 91                      | 7                         | 10                      | -                         | -                       | -                         | -                       |
| Bad debts written off                                     | -                         | -                       | 15                        | 35                      | -                         | -                       | 1                         | -                       | -                         | -                       |
| Allowance for doubtful debts                              | 158                       | -                       | 314                       | 24                      | -                         | -                       | -                         | 356                     | -                         | -                       |
| Impairment loss on investment in an associate             | -                         | -                       | 68                        | -                       | -                         | -                       | -                         | -                       | -                         | -                       |
| Reversal of impairment loss on investment in an associate | -                         | -                       | -                         | -                       | -                         | -                       | -                         | -                       | -                         | (72)                    |
| Revaluation loss on plant and equipment                   | -                         | -                       | -                         | 135                     | -                         | 20                      | -                         | -                       | -                         | -                       |
| Capital additions                                         | 12                        | 27                      | 274                       | 303                     | 57                        | 142                     | -                         | -                       | 48                        | 110                     |
| Plant and equipment written off                           | -                         | -                       | 17                        | 4                       | -                         | -                       | -                         | 4                       | -                         | -                       |
| Depreciation of property, plant and equipment             | 11                        | 6                       | 335                       | 466                     | 215                       | 260                     | -                         | -                       | 404                       | 443                     |

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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)**

**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/<br>(Decrease) |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------|-------------------------|
|                                                                                                           | Full Year Ended<br>31.12.2015<br>(unaudited) | Full Year Ended<br>31.12.2014<br>(audited) |                         |
|                                                                                                           | S\$'000                                      | S\$'000                                    |                         |
| (a) Sales reported for first half of year                                                                 | 13,374                                       | 15,262                                     | (12)                    |
| (b) Operating (loss) / profit after tax before deducting minority interests reported for first half year  | (664)                                        | 105                                        | n.m.                    |
| (c) Sales reported for second half of year                                                                | 19,934                                       | 14,596                                     | 37                      |
| (d) Operating profit / (loss) after tax before deducting minority interests reported for second half year | 1,035                                        | (1,920)                                    | n.m.                    |

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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**

Not Applicable.

- 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.**

| 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                                 |
|--------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Soon Jeffrey | 35  | Son of Mr Soon Yeow Kwee Johnny, a substantial shareholder of the Company                                                                            | Promoted to Chief Executive Officer on 1 <sup>st</sup> January 2016.<br><br>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. | Previously held the position as Group Sales & Business Development Director of Heatec Jietong Pte. Ltd. |
| Soon Jenson  | 36  | 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 | Promoted to Group General Manager (Operation) on 1 <sup>st</sup> January 2016.<br><br>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.                              | Previously held the position as Operation Director of Heatec Jietong Pte. Ltd.                          |

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**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 |
|----------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Sim Mong Choon | 60  | 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.<br><br>Responsible for admin, IT and transportation.                                                                                                         | No Change                                                               |
| Yong Chin Seng | 36  | Son of Mr Yong Yeow Sin, a substantial shareholder of the Company                                                                                                   | Sales Manager of Heatec Jietong Pte. Ltd. since 1 <sup>st</sup> August 2013.<br><br>Responsible for sourcing of new clients, sales administrative and sales management for the Heat Exchanger (Marine) sector business of the Company.  | No Change                                                               |
| Kuah Hong Hock | 35  | Brother-in-law of Mr Soon Jeffrey, the Chief Executive Officer of the Company, and son-in-law of Mr Soon Yeow Kwee Johnny, a substantial shareholder of the Company | Sales & Business Development Manager of Heatec Jietong Pte. Ltd since 2 <sup>nd</sup> March 2015.<br><br>Responsible for sales activities of Heatec Jietong Pte. Ltd., as well as ad-hoc research initiatives and business development. | Appointed on 2 <sup>nd</sup> March 2015                                 |

**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 Rule**

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Catalist Rule from all the Directors and Executive Officers of the Company.

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

Soon Jeffrey  
CEO & Executive Director

Singapore, 26 February 2016