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

UPDATE ON THE IMPACT OF THE COVID-19 PANDEMIC ON THE GROUP'S OPERATIONS AND FINANCIAL PERFORMANCE

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1. Introduction

The board of directors (the "**Board**") of Heatec Jietong Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") wishes to update shareholders of the Company ("**Shareholders**") on the impact of the COVID-19 pandemic on the operations and financial performance of the Group. The Board also refers to the Company's response to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") as announced on SGXNet on 16 April 2020 ("**Announcement**").

2. Impact of COVID-19 on the Group's Operations

2.1 The Board wishes to update Shareholders that since the Announcement, most of the foreign workers employed by the Group have not been able to work, due to the restriction of movement of foreign workers residing in dormitories which had been gazetted as isolation areas on 21 April 2020. As a result, most of the Group's operations and projects with its customers have been temporarily halted, and are expected to resume when the foreign workers gradually return to work in due course.

2.2 The Group has been in close contact with its foreign workers to receive updates on the status of their health and wellbeing, and has been monitoring the situation in the respective foreign workers' dormitories. As far as the Board is aware, the Group has diligently and duly complied with all the applicable requirements, advisories and/or guidelines implemented by the Ministry of Manpower, Ministry of Trade and Industry and other regulatory authorities of Singapore, including making timely payments of salaries to the foreign workers and other employees.

3. Impact on the Group's Financials

3.1 Due to the impact of the COVID-19 pandemic on the Group's operations, the Board anticipates a decrease in the Group's revenue for the current financial year ending 31 December 2020. Notwithstanding the foregoing, as mentioned in the Announcement, to mitigate and minimise the financial impact of the COVID-19 pandemic and to manage costs, the Company is in the process of seeking grants and subsidies from the Unity, Resilience and Solidarity Budgets that have been recently made available. These include levy rebate in respect of foreign worker levy and/or wage support under the Jobs Support Scheme, where applicable.

3.2 The Board wishes to inform Shareholders that although there would be an expected negative short-term impact on the revenue and profitability of the Group, the Board is cautiously confident of the sustainability of the Group's current business model based on, amongst others, the measures implemented by the management of the Group to mitigate the financial impact of the COVID-19 pandemic, and the potential of new business from Floating Production Storage and Offloading ("**FPSO**") vessels.

4. Further Updates

The Board will continue to assess the impact of the COVID-19 pandemic on the Group and update Shareholders as and when there are any material developments. In the meanwhile, the Board wishes all employees, stakeholders and Shareholders good health and to stay safe in this time of pandemic.

By Order of the Board

Soon Jeffrey
Executive Director and CEO

19 May 2020

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance 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.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.