

(I) MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024; AND

(II) QUALIFIED OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the “**Board**” or “**Directors**”) of Heatec Jietong Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 1 March 2025 regarding the unaudited condensed interim financial statements announcement for the 4th quarter and full year ended 31 December 2024 (“**FY2024**”) (the “**Unaudited Financial Statements**”).

Unless otherwise defined, or the context requires otherwise, all capitalised terms used in this announcement shall bear the same meanings as set out in the Unaudited Financial Statements.

(I) Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce certain material adjustments made to the Unaudited Financial Statements following the finalisation of the audit and the issuance of the independent auditor’s report for FY2024 dated 11 April 2025 (the “**Independent Auditor’s Report**” and the related audited financial statements for FY2024 are referred to herein as the “**Audited Financial Statements**”) by the Company’s external auditors, Foo Kon Tan LLP (the “**Independent Auditor**”). The details and explanations of the material adjustments are set out in Appendix A as annexed hereto.

(II) Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading limited, the Board wishes to announce that Independent Auditor has in its Independent Auditor’s Report included a qualified opinion in relation to the Group’s Audited Financial Statements.

An extract of the relevant paragraph of the qualified opinion from the Independent Auditor’s Report is attached to this announcement for information as Appendix B.

Shareholders of the Company (the “**Shareholders**”) are advised to read this announcement in conjunction with the Independent Auditor’s Report and the Audited Financial Statements, which will be included in the Company’s Annual Report for FY2024, and which will be released via SGXNET and made available on the Company’s corporate website at www.heatechholdings.com separately.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

The Board confirms that, to the best of its knowledge, all material disclosure, facts and information have been provided and announced and the Board is not aware of any facts, information or disclosure, the omission of which would make any statement in this announcement misleading.

BY ORDER OF THE BOARD

Soon Jeffrey
Executive Director and Chief Executive Officer

15 April 2025

*This announcement has been reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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 Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

Appendix A
Consolidated Statement of Comprehensive Income of the Group for FY2024

	Audited	Unaudited	Variance	Note
	S\$'000	S\$'000	S\$'000	
Revenue	20,132	19,974	158	1
Gross profit	7,211	7,053	158	1
Allowance for impairment losses of financial assets	(234)	84	(318)	2
Impairment of goodwill	(1,011)	0	(1,011)	3
Profit/(loss) before tax	(1,054)	74	(1,128)	
Profit/(loss) for the financial year	(1,043)	85	(1,128)	
Profit/(loss) attributable to:				
Equity holders of the Company	(934)	82	(1,016)	
Non-controlling interest	(108)	3	(111)	
	(1,043)	85	(1,128)	
Total comprehensive loss attributable to:				
Equity holders of the Company	(933)	83	(1,016)	
Non-controlling interest	(109)	3	(112)	
	(1,042)	86	(1,128)	
Basic and diluted loss per share (cents)	(0.46)	0.04	(0.50)	

Consolidated Statement of Financial Position of the Group as at 31 December 2024

	Audited	Unaudited	Variance	Note
	S\$'000	S\$'000	S\$'000	
Non-current assets				
Intangible assets	0	1,011	(1,011)	3
Total non-current assets	7,407	8,418	(1,011)	3
Current Assets				
Trade and other receivables	7,363	7,501	(138)	4
Total current assets	13,216	13,336	(120)	
Total assets	20,623	21,754	(1,131)	
Net assets	10,817	11,945	(1,128)	
Equity				
Reserves	(2,362)	(1,345)	(1,017)	
Equity attributable to owners of the Company	10,993	12,010	(1,017)	
Non-controlling interests	(176)	(65)	(111)	5
Total Equity	10,817	11,945	(1,128)	

Consolidated Statement of Cash Flows of the Group for FY2024

	Audited	Unaudited	Variance	Note
	S\$'000	S\$'000	S\$'000	
Cash flows from operating activities				
Profit/(loss) before tax	(1,054)	74	(1,128)	
Allowance for impairment losses of financial assets and contract assets	234	(84)	318	2

Impairment on goodwill	1,011	0	1,011	3
Operating cash flows before movements in working capital	1,459	1,257	202	
Changes in trade and other receivables and contract assets	1,946	2,144	(198)	6
Cash generated from operations	1,375	1,374	1	
Net cash generated from operating activities	1,367	1,269	98	
Proceeds from bank loans	1,288	935	353	7
Proceeds from trade financing	4,462	4,803	(341)	7
Repayments of bank loans	(3,639)	(2,531)	(1,108)	7
Repayment of trade financing	(3,581)	(4,676)	1,095	7
Net cash used in financing activities	(2,029)	(1,931)	(98)	

Statement of Financial Position of the Company for 2024

	Audited	Unaudited	Variance	Note
	S\$'000	S\$'000	S\$'000	
Non-current assets				
Investment in subsidiaries	8,122	6,424	1,698	8
Total non-current assets	11,286	9,588	1,698	
Current Assets				
Trade and other receivables	3,964	4,049	(85)	9
Total current assets	3,992	4,077	(85)	
Total assets	15,278	13,665	1,613	
Net assets	13,698	12,086	1,612	
Equity				
Reserves	344	(1,269)	1,613	
Equity attributable to owners of the Company	13,698	12,086	1,612	
Total Equity	13,698	12,086	1,612	

Note 1

The variance of \$158,000 was primarily attributable to reduce the overprovision of credit notes.

Note 2

The variance of \$318,000 was mainly due to impairment losses allocated to trade receivables of a cash-generating unit ("CGU") following management's impairment exercise.

Note 3

An impairment loss of \$1,011,000 was recognised in the Audited Financial Statements following the Group's assessment of the recoverable amount of goodwill attributable to Setya Energy Pte. Ltd. Based on a value-in-use model using updated cash flow projections, discount rates, and growth assumptions, the recoverable amount was determined to be lower than the carrying value, resulting in full impairment of the goodwill.

As a result of the above adjustments, the Group's profit before tax reduced to \$1,054,000; and loss per share attributable to the equity holders of the Company for FY2024 decreased from 0.04 cents to negative 0.46 cents.

Due to the full impairment of goodwill, intangible assets were reduced to zero and total non-current assets reduced by \$1,011,000 to \$7,407,000.

Note 4

The variance of \$138,000 in trade and other receivables was mainly attributable to additional impairment of \$277,000 from allowance for ECL determined during the audit, which was offset by increase of trade receivables.

As a result of the impairment of goodwill and the increase of trade receivables, total assets decreased by \$1,131,000.

Note 5

Impairment of goodwill was partially attributed to the non-controlling interests by \$111,000.

Note 6

The variance of \$198,000 is due to audit adjustments mainly attributable from the impairment of ECL and offset by overprovision of credit note.

Note 7

The variance from proceeds from bank loans and trade financing, repayment of bank loans and trade financing were mainly due to reclassification.

Note 8

The carrying amount of investment in subsidiaries increased by \$1,698,000 was mainly due to the adjustment in net results of impairment and reversal of impairment loss after finalizing the valuation reports from valuer.

Note 9

The variance of \$85,000 in trade and other receivables was mainly due to audit adjustment of ECL in relation to balances due from a subsidiary.

Appendix B

Qualified Opinion

We have audited the financial statements of Heatec Jietong Holdings Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects on the corresponding figures of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Qualified Opinion

Consultancy service arrangements

As highlighted in our auditor's report for the financial year ended 31 December 2023 dated 12 June 2024, a qualification was made on the nature of the consultancy service arrangements which totalled \$220,000 paid to a company ("Service Provider") for purported corporate mergers and acquisitions ("M&A") related advisory services ("Purported Corporate M&A Services") pursuant to three service agreements (collectively, "Consultancy Agreements"). The agreements were terminated in April and October 2023. These payments were substantial relative to the net loss of \$868,421 recorded by the Group in the financial year ended 31 December 2023. The effects or possible effects of the matter on the current period's results may be immaterial but require a modification to the auditor's opinion because of the effects or possible effects of the unresolved matter on the comparability of the current period's figures and the corresponding figures.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.