

HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES

(Company Registration No. 200717808Z)

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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.

Unaudited Financial Statements for the Half Year Ended 30 June 2017

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

Group	Half Year Ended 30.6.2017 (unaudited) S\$'000	Half Year Ended 30.6.2016 (unaudited) S\$'000	Increase/ (Decrease) %
Revenue	11,086	16,747	(34)
Cost of sales	(7,527)	(11,485)	(34)
Gross profit	3,559	5,262	(32)
Other income	199	267	(25)
Expenses			
Administrative expenses	(4,357)	(4,624)	(6)
Other expenses	(1,045)	(136)	n.m.
Share of profit of associates	5	8	(38)
Finance costs	(91)	(133)	(32)
(Loss)/ Profit before tax	(1,730)	644	n.m.
Income tax expense	(8)	(99)	(92)
(Loss)/ Profit for the period	(1,738)	545	n.m.
(Loss)/ Profit attributable to :			
Owners of the Company	(1,764)	569	n.m.
Non-controlling interests	26	(24)	n.m.
	(1,738)	545	n.m.

n.m. denotes not meaningful

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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 Half Year Ended 30 June 2017

Group	Half Year Ended 30.6.2017 (unaudited) S\$'000	Half Year Ended 30.6.2016 (unaudited) S\$'000	Increase/ (Decrease) %
(Loss)/ Profit for the period	(1,738)	545	n.m.
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	(52)	(159)	(67)
Total comprehensive (loss)/ income for the period, net of tax	(1,790)	386	n.m.
Total comprehensive (loss)/ income attributable to:			
Owners of the Company	(1,816)	410	n.m.
Non-controlling interests	26	(24)	n.m.
Total comprehensive (loss)/ income for the period	(1,790)	386	n.m.

n.m. denotes not meaningful

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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 tax is arrived at after charging/ (crediting) the following items:

Group	Half Year Ended 30.6.2017 (unaudited)	Half Year Ended 30.6.2016 (unaudited)	Increase/ (Decrease)
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment ⁽¹⁾	513	498	3
Employee benefits expense (including directors' remuneration) ⁽²⁾	8,222	8,699	(5)
Cost of defined contribution plans (included in staff costs)	253	250	1
Cost of inventories recognised as expense	1,104	1,600	(31)
Plant and equipment written off	1	-	n.m.
Net foreign exchange loss	46	89	(48)
(Reversal of)/ Allowance for sales discount	(45)	27	n.m.
Reversal of allowance for doubtful debts	(111)	(8)	n.m.
(Gain)/Loss on disposal of plant and equipment	(13)	20	n.m.
Interest income	(3)	(7)	(57)
Share-based payments	42	-	n.m.
Loss on liquidation of a subsidiary	997	-	n.m.

Notes:

⁽¹⁾ Included in cost of sales and administrative expenses.

⁽²⁾ Employee benefits expense amounting to S\$2.75 million (30.6.2016: S\$2.83 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.

	Group		Company	
	As at 30.6.2017 (unaudited) S\$'000	As at 31.12.2016 (audited) S\$'000	As at 30.6.2017 (unaudited) S\$'000	As at 31.12.2016 (audited) S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,006	12,107	5,418	5,642
Subsidiaries	-	-	6,624	6,624
Associates	259	260	-	-
Goodwill	288	288	-	-
Deferred tax assets	234	234	-	-
Total non-current assets	12,787	12,889	12,042	12,266
Current assets				
Inventories	633	671	-	-
Trade and other receivables	16,091	18,151	1,313	4,287
Cash and bank balances	3,618	3,872	61	42
Total current assets	20,342	22,694	1,374	4,329
Total assets	33,129	35,583	13,416	16,595
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	11,555	11,555	11,555	11,555
Reserves	(3,658)	(3,648)	125	83
Retained earnings	14,397	16,407	435	637
Equity attributable to owners of the Company	22,294	24,314	12,115	12,275
Non-controlling interests	2,351	1,328	-	-
Total equity	24,645	25,642	12,115	12,275

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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)

	Group		Company	
	As at 30.6.2017 (unaudited) S\$'000	As at 31.12.2016 (audited) S\$'000	As at 30.6.2017 (unaudited) S\$'000	As at 31.12.2016 (audited) S\$'000
Non-current liabilities				
Bank loans	1,653	1,959	-	-
Finance leases	155	294	-	-
Deferred tax liabilities	394	398	-	-
Total non-current liabilities	2,202	2,651	-	-
Current liabilities				
Bank loans	3,477	3,574	-	-
Trade and other payables	2,502	3,390	1,301	4,320
Finance leases	279	283	-	-
Income tax payable	24	43	-	-
Total current liabilities	6,282	7,290	1,301	4,320
Total equity and liabilities	33,129	35,583	13,416	16,595

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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 30.6.2017 (unaudited)		As at 31.12.2016 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,756	-	3,857	-

Amount repayable after one year

Group			
As at 30.6.2017 (unaudited)		As at 31.12.2016 (audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,808	-	2,253	-

Details of any collateral

- (a) Bank overdraft facilities, which have not been utilised as at 30 June 2017, 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 bank loans are secured by:
- (i) a first legal mortgage over the Group's leasehold property;
 - (ii) pledge of certain fixed deposits; and
 - (iii) corporate guarantees by a subsidiary and the Company.
- (c) The revolving credit facility is repayable on demand and is secured by:
- (i) a first legal mortgage over the Group's leasehold property; and
 - (ii) a corporate guarantee by the Company.
- (d) The finance leases are secured by the lessor's title to the leased assets and corporate guarantees by the Company.

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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.

Group	Half Year Ended 30.6.2017 (unaudited) S\$'000	Half Year Ended 30.6.2016 (unaudited) S\$'000
Operating activities		
(Loss)/ Profit before income tax	(1,730)	644
Adjustments for:		
Interest income	(3)	(7)
Interest expenses	91	133
Dividend income from available-for-sale investment	-	(1)
(Reversal of)/ Allowance for sales discount	(45)	27
Depreciation of property, plant and equipment	513	498
Plant and equipment written off	1	-
Share of profit of associates	(5)	(8)
Reversal of allowance for doubtful debts	(111)	(8)
(Gain)/ Loss on disposal of plant and equipment	(13)	20
Share-based payments	42	-
Loss on liquidation of a subsidiary	997	-
Unrealised exchange differences	(37)	(131)
Operating cash flows before movements in working capital	(300)	1,167
Change in operating assets and liabilities		
Trade and other receivables	2,154	2,249
Inventories	38	19
Trade and other payables	(888)	607
Cash generated from operations	1,004	4,042
Interest received	3	7
Interest paid	(91)	(133)
Income tax paid	(31)	(36)
Net cash from operating activities	885	3,880

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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)

Group	Half Year Ended 30.6.2017 (unaudited) S\$'000	Half Year Ended 30.6.2016 (unaudited) S\$'000
Investing activities		
Proceeds from disposal of plant and equipment	14	1
Purchase of plant and equipment [Note A]	(421)	(146)
Proceeds from disposal of available-for-sale investment	-	15
Dividend received from available-for-sale investment	-	1
Dividend received from an associate	-	13
Net cash used in investing activities	(407)	(116)
Financing activities		
Decrease in pledged fixed deposit	15	15
Dividend paid to equity holders of the Company	(246)	-
Capital injection from non-controlling shareholders [Note B]	66	3
Proceeds from bank loans	-	2,300
Repayment of bank loans	(295)	(2,067)
Proceeds from revolving credit loans	-	1,828
Proceeds from trade financing loans	70	-
Repayment of trade financing loans	(178)	(1,706)
Net repayment of factoring loan	-	(1,044)
Repayment of finance leases	(143)	(122)
Net cash used in financing activities	(711)	(793)
Net (decrease)/increase cash and cash equivalents	(233)	2,971
Cash and cash equivalents at beginning of financial period	3,442	1,125
Effects of exchange rate changes on cash and cash equivalents	(6)	(16)
Cash and cash equivalents at end of financial period	3,203	4,080

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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)

<u>Group</u>	Half Year Ended 30.6.2017 (unaudited) S\$'000	Half Year Ended 30.6.2016 (unaudited) S\$'000
Comprising:		
Cash at bank	3,203	4,080
Fixed deposits	415	406
Sub-total	3,618	4,486
Fixed deposit pledged as a collateral for bank overdraft and bank loan	(415)	(405)
Bank overdraft	-	(1)
Cash and cash equivalents at end of financial period	3,203	4,080

Note A The Group acquired plant and equipment with an aggregate cost of S\$0.42 million (30.6.2016: S\$0.21 million) of which S\$0.39 million (30.6.2016: S\$0.15 million) was paid in cash, S\$ Nil (30.6.2016: S\$60,000) was acquired by means of finance lease and S\$36,000 (30.6.2016: S\$ Nil) was contributed by non-controlling shareholders of a subsidiary.

Note B The non-controlling shareholders of subsidiaries contributed cash, and plant and equipment amounting to S\$66,000 (30.6.2016: S\$3,000) and S\$36,000 (30.6.2016: S\$76,000) respectively for the incorporation of subsidiaries. As at 30 June 2017, S\$4,000 (30.6.2016: S\$8,000) remained outstanding from these non-controlling shareholders.

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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	Share option 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	S\$'000
Balance at 1 January 2017	11,555	87	221	(125)	(3,914)	83	16,407	24,314	1,328	25,642
Total comprehensive income for the year:										
(Loss)/Profit for the period	-	-	-	-	-	-	(1,764)	(1,764)	26	(1,738)
Other comprehensive loss for the period	-	-	-	(52)	-	-	-	(52)	-	(52)
Total	-	-	-	(52)	-	-	(1,764)	(1,816)	26	(1,790)
Transactions with owners, recognised directly in equity										
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	997	997
Recognition of share-based payments	-	-	-	-	-	42	-	42	-	42
Dividends	-	-	-	-	-	-	(246)	(246)	-	(246)
Total	-	-	-	-	-	42	(246)	(204)	997	793
Balance at 30 June 2017	11,555	87	221	(177)	(3,914)	125	14,397	22,294	2,351	24,645

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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	Share option 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	S\$'000
Balance at 1 January 2016	11,555	87	221	26	(3,914)	-	15,597	23,572	1,248	24,820
Total comprehensive income for the year:										
Profit/(Loss) for the period	-	-	-	-	-	-	569	569	(24)	545
Other comprehensive loss for the period	-	-	-	(159)	-	-	-	(159)	-	(159)
Total	-	-	-	(159)	-	-	569	410	(24)	386
Balance at 30 June 2016	11,555	87	221	(133)	(3,914)	-	16,166	23,982	1,224	25,206

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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	Share options reserve	Retained Earnings	Total
Company (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2017	11,555	83	637	12,275
Profit for the year, representing total comprehensive income for the period	-	-	44	44
Total	-	-	44	44
Recognition of share-based payments	-	42	-	42
Dividends	-	-	(246)	(246)
Total	-	42	(246)	(204)
Balance at 30 June 2017	11,555	125	435	12,115

	Share capital	Share options reserve	Retained Earnings	Total
Company (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	11,555	-	598	12,153
Loss for the year, representing total comprehensive loss for the period	-	-	(186)	(186)
Total	-	-	(186)	(186)
Balance at 30 June 2016	11,555	-	412	11,967

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- 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.**

<u>Ordinary shares</u>	Company	
	No. of shares	Resultant issued and paid-up share capital (S\$)
Balance as at 31 December 2016 and 30 June 2017	122,959,345	11,554,627

There was no change in the Company's share capital from 1 January 2017 to 30 June 2017.

- 1(g) State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

As at 30 June 2017, there were 5,800,000 outstanding share options under the Heatec Employee Share Scheme that may be exercised into 5,800,000 new ordinary shares in the capital of the Company (30 June 2016: 5,800,000 outstanding share options).

Save as disclosed above, there were no convertibles, treasury shares or subsidiary holdings as at 30 June 2017 and 30 June 2016.

- (i) 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	
	30.6.2017	31.12.2016
Total number of issued shares excluding treasury shares	122,959,345	122,959,345

There were no treasury shares as at 30 June 2017 and 31 December 2016.

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- (ii) A statement showing all sales, transfers, 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 half year ended 30 June 2017 ("1H2017").

- (iii) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have subsidiary holdings during and as at the end of 1H2017.

- 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.**

The accounting policies and methods of computation applied by the Group for the financial statements for the current financial period reported on are consistent with those used in its most recently audited financial statements for the financial year ended 31 December 2016 ("FY2016").

- 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.

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- 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.**

	Group (unaudited)	
	Half Year Ended 30.6.2017	Half Year Ended 30.6.2016
Basic and diluted (loss)/earnings per ordinary share (Singapore cents)	(1.43)	0.46
Weighted average number of ordinary shares in issue	122,959,345	122,959,345

(Loss)/Earnings per ordinary share of the Group for 1H2017 and the half year ended 30 June 2016 (“**1H2016**”) are calculated based on net (loss)/ profit attributable to the owners of the Company for the respective financial periods divided by the weighted average number of ordinary shares in issue during the respective financial periods.

For 1H2017 and 1H2016, the basic and diluted (loss)/earnings per ordinary share were the same as the exercise of the outstanding share options were anti-dilutive in nature and there were no other potential dilutive ordinary shares in existence.

- 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 30.6.2017 (unaudited)	As at 31.12.2016 (audited)	As at 30.6.2017 (unaudited)	As at 31.12.2016 (audited)
Net asset value per share based on total number of issued shares excluding treasury shares (Singapore cents)	18.13	19.77	9.85	9.98

The net asset value per ordinary share of the Group and the Company as at 30 June 2017 and 31 December 2016 respectively are calculated based on the total number of issued ordinary shares (excluding treasury shares) of 122,959,345.

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- 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**(i) Revenue**

The Group reported a 34% decline in revenue, from S\$16.75 million in 1H2016 to S\$11.09 million in 1H2017. The decline was due to a decline in revenue from the Heat Exchanger segment, due to the continued slowdown in the Marine and Offshore Engineering sector affected by the Oil and Gas industry, which resulted in lower work orders and projects from the Heat Exchanger segment.

Revenue from both Piping segment and Chemical Cleaning segment in 1H2017 remained at similar levels as compared to 1H2016.

(ii) Operating Results**Overall profitability**

The Group recorded similar profit margin at 32% for 1H2017, as compared to 31% for 1H2016.

Other significant factors that affected the Group's profitability were:

1. The Group continued its efforts to manage administrative cost prudently. Compared to 1H2016, the Group recorded 6% or S\$0.26 million decline in administrative expenses in 1H2017.
2. The Group reversed doubtful debts provision amounting to S\$0.11 million as a result of better recovery of account receivables. The reversal was offset by lower Productivity and Innovation Credit grant. Correspondingly, the Group recorded a 25% or S\$68,000 decrease in other income.

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8(a) Income Statement (Cont'd)

3. As announced on 22 June 2017 and 13 April 2017, the Group recorded a loss on liquidation of S\$1.00 million upon winding up of Heatec Chariot Envirobotics Pte. Ltd., a 72.5%-owned subsidiary of the Company.

Finance costs

Finance costs decreased by 32% or S\$42,000, from S\$133,000 in 1H2016 to S\$91,000 in 1H2017. The decrease in finance costs was in tandem with the decrease in bank loans.

Income tax expense

The income tax expense decreased from S\$99,000 in 1H2016 to S\$8,000 in 1H2017. The decrease in income tax expense corresponded to the losses reported by the Group.

8(b) Statement of financial position

The Group's working capital and net assets decreased in tandem with the losses reported by the Group in 1H2017. Nonetheless, as at 30 June 2017, the Group recorded positive working capital of S\$14.02 million and the net asset value stood firm at 18.10 cents per share.

The Group's gearing ratio remained at 9% as at 30 June 2017.

(i) Non-current assets

Property, plant and equipment decreased from S\$12.11 million as at 31 December 2016 to S\$12.01 million as at 30 June 2017. The decrease was mainly due to depreciation charge of S\$0.51 million, partially offset by new purchases of plant and equipment amounting to S\$0.42 million.

Save for the above, non-current assets of the Group remained relatively stable as at 30 June 2017, as compared to 31 December 2016.

(ii) Current assets

Trade and other receivables decreased by 11% or S\$2.06 million, from S\$18.15 million as at 31 December 2016 to S\$16.09 million as at 30 June 2017. The decrease in trade and other receivables was due to the decrease in revenue in 1H2017.

Inventories remained relatively stable at S\$0.63 million as at 30 June 2017, as compared to S\$0.67 million as at 31 December 2016.

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8(b) Statement of financial position (Cont'd)

Cash and bank balances decreased by 7% or S\$0.25 million, from S\$3.87 million as at 31 December 2016 to S\$3.62 million as at 30 June 2017. Please refer to the "Statement of cash flows" below for the reasons for the decrease.

(iii) Current liabilities

Trade and other payables decreased by 26% or S\$0.88 million, from S\$3.39 million as at 31 December 2016 to S\$2.50 million as at 30 June 2017. The decrease was due to the decrease in purchases in 1H2017.

Decrease in income tax payable by 44% or S\$19,000 was mainly due to tax payments of S\$31,000, partly offset by overprovision for tax expense in prior years amounting to S\$12,000.

(iv) Non-current liabilities

The non-current portion of bank loans decreased from S\$1.96 million as at 31 December 2016 to S\$1.65 million as at 30 June 2016 due mainly to reclassification of non-current portion of bank loans from non-current liabilities to current liabilities.

The non-current portion of finance leases decreased from S\$0.29 million as at 31 December 2016 to S\$0.16 million as at 30 June 2017 due mainly to reclassification of non-current portion of finance leases from non-current liabilities to current liabilities.

8(c) Statement of cash flows

The Group's cash and cash equivalents as per consolidated statement of cash flows was lower at S\$3.20 million in 1H2017, as compared to S\$4.08 million in 1H2016.

The net decrease in cash and cash equivalents of S\$0.23 million in 1H2017 was mainly due to the following:

- (i) net cash outflow of S\$0.71 million used in financing activities, which comprised dividend paid to equity holders of the Company totaled S\$0.25 million, repayments of bank loans totaled S\$0.30 million, repayments of trade financing loans totaled S\$0.18 million and repayments of finance leases totaled S\$0.14 million;
- (ii) net cash outflow of S\$0.41 million used in investing activities was mainly spent on capital expenditure to facilitate the Group's operations; and

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8(c) Statement of cash flows (Cont'd)

- (iii) net cash inflow of S\$0.89 million generated from operating activities due mainly to the decrease in trade and other receivables.

9 Where a forecast, or a prospect statement, has been previously disclosed to share-holders, any variance between it and the actual results.

The unaudited financial results for 1H2017 set out in this announcement are in line with the profit guidance announcement released by the Company on 31 July 2017.

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 oil prices had been fluctuating from approximately US\$43 to US\$54 per barrel in 1H2017. The general consensus is that the oil market remains uncertain and the Marine and Offshore Engineering sector in Singapore is still undergoing consolidation.

The Group continues to adopt a cautious and prudent approach in the execution of its business plans to overcome the challenges it faces in the industries it operates in.

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

Any dividend recommended for the current financial period reported on?

No dividend has been declared or recommended for 1H2017.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

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11 Dividend (Cont'd)
(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for 1H2017.

13 Interested Person Transactions

The Group does not have a general mandate from shareholders for recurrent interested person transactions. The aggregate value of interested person transactions entered into during 1H2017 is as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
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Each of Mr Soon Yeow Kwee Johnny, Mr Yong Li Vien and Mr Yong Yeow Sin (the "Consultants") is a controlling shareholder of the Company and hence, each of them is considered an interested person to the Company under the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules"). Fees paid by the Group to the Consultants are disclosed as an aggregate sum, rather than on an individual basis, as the Board of Directors is of the view that disclosure of the latter may affect the working relationships amongst the stakeholders and contributions by the Consultants in relation to the operations of the Group.

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14 CONFIRMATION PURSUANT TO RULE 705(5) OF THE CATALIST RULES

The Board of Directors do hereby confirm (the “**Board**”) that, to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited consolidated financial results of the Group for the half year ended 30 June 2017 to be false or misleading in any material aspects.

15. CONFIRMATION BY THE BOARD PURSUANT TO RULE 720(1) OF THE CATALIST RULES

The Company confirms that it has procured the required undertakings from all the Directors and Executives Officers of the Company under Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD
HEATEC JIETONG HOLDINGS LTD.

Soon Jeffrey
CEO

Singapore, 11 August 2017