

HEATEC JIETONG HOLDINGS LTD AND ITS SUBSIDIARIES
Condensed Interim Financial Statements Announcement
For the first quarter ended 31 March 2024

Condensed Interim Unaudited Financial Statements Announcement for the First Quarter ended 31 March 2025

Heatec Jietong Holdings Ltd. (the “**Company**”) wishes to inform the shareholders of the Company that pursuant to Rules 705(2)(d) and 705(2C) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the Company is required to announce its quarterly financial statements in view of the qualified opinion issued by the Company’s independent auditor for the financial year ended 31 December 2024.

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.

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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Group	Note	1st Quarter ended	1st Quarter ended	Increase/
		31 March 2025	31 March 2024	(Decrease)
		(unaudited)	(unaudited)	
		S\$'000	S\$'000	%
Revenue	4	4,637	5,049	(8)
Cost of sales		(3,191)	(3,501)	(9)
Gross profit		1,446	1,548	(7)
Other operating income		86	108	(20)
Expenses				
Administrative expenses		(1,924)	(1,749)	10
Allowance for impairment losses of financial assets and contract assets		16	80	(80)
Finance costs	6	(110)	(120)	(8)
Share of results of associates		17	39	(56)
(Loss)/profit before tax	7	(469)	(94)	NM
Income tax credit	87	1	(10)	-
(Loss)/profit for the financial period		(468)	(104)	NM
Other comprehensive (loss)/income:				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Currency translation differences arising on consolidation		(9)	2	NM
Share of other comprehensive (loss)/income of associates		(3)	1	NM
Other comprehensive (loss)/income for the financial period, net of tax		(12)	3	NM
Total comprehensive (loss)/income for the financial period		(480)	(101)	NM
(Loss)/profit attributable to:				
Equity holders of the Company		(410)	(132)	NM
Non-controlling interests		(58)	28	NM
(Loss)/profit for the financial period		(468)	(104)	NM
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company		(422)	(129)	NM
Non-controlling interests		(58)	28	NM
Total comprehensive (loss)/income for the financial period		(480)	(101)	NM

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

		1st Quarter ended 31 March 2025 (unaudited)	1st Quarter ended 31 March 2024 (unaudited)	Increase/ (Decrease) %
	Note			
<u>Loss per share attributable to equity holders of the Company during the financial period:</u>				
Basic (Singapore cents)	9	(0.20)	(0.06)	NM
Diluted (Singapore cents)	9	(0.20)	(0.06)	NM

NM denotes not meaningful

* Less than a thousand

B. Condensed Interim Statements of Financial Position

	Note	<u>The Group</u>		<u>The Company</u>	
		As at	As at	As at	As at
		31.03.2025	31.12.2024	31.03.2025	31.12.2024
		(unaudited)	(audited)	(unaudited)	(audited)
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	5,679	5,819	2,405	2,463
Rights-of-use assets		1,196	1,229	672	701
Investment in subsidiaries		-	-	8,122	8,122
Investment in associates		372	359	-	-
Total non-current assets		7,247	7,407	11,199	11,286
Current assets					
Inventories		334	348	-	-
Contract assets		4,418	4,225	-	-
Trade and other receivables		5,644	7,363	3,908	3,964
Cash and bank balances		1,362	1,280	75	28
Total current assets		11,758	13,216	3,983	3,992
Total assets		19,005	20,623	15,182	15,278
LIABILITIES					
Non-current liabilities					
Lease liabilities		1,277	1,310	685	716
Deferred tax liabilities		251	253	-	-
Total non-current liabilities		1,528	1,563	685	716
Current liabilities					
Contract liabilities		286	106	-	-
Trade and other payables	14	2,789	3,396	531	748
Provision		45	45	-	-
Borrowings	13	3,868	4,530	-	-
Lease liabilities		125	123	118	116
Tax payable		28	43	-	-
Total current liabilities		7,141	8,243	649	864
Total liabilities		8,669	9,806	1,334	1,580
NET ASSETS		10,336	10,817	13,848	13,698

B. Condensed Interim Statements of Financial Position (cont'd)

	Note	<u>The Group</u>		<u>The Company</u>	
		As at	As at	As at	As at
		31.03.2025	31.12.2024	31.03.2025	31.12.2024
		(unaudited)	(audited)	(unaudited)	(audited)
		S\$'000	S\$'000	S\$'000	S\$'000
EQUITY					
Share capital	15	13,355	13,355	13,355	13,355
Reserves		(2,785)	(2,362)	493	343
Equity attributable to equity holders of the Company, total		10,570	10,993	13,848	13,698
Non-controlling interests		(234)	(176)	-	-
Total equity		10,336	10,817	13,848	13,698

C. Condensed Interim Statements of Changes in Equity

	Attributable to equity holders of the Group								
	Share capital	Translation reserve	Merger reserve	Share options reserve	Net discount received on equity	Retained earnings	Total	Non-controlling interest	Total
Group (unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2025	13,355	(183)	(3,914)	70	596	1,069	10,993	(176)	10,817
Loss for the financial period	-	-	-	-	-	(410)	(410)	(58)	(468)
<i>Other comprehensive loss</i>									
Currency translation differences arising on consolidation	-	(10)	-	-	-	-	(10)	-	(10)
Share of other comprehensive loss of associates	-	(3)	-	-	-	-	(3)	-	(3)
Other comprehensive loss for the financial period, net of tax	-	(13)	-	-	-	-	(13)	-	(13)
Total comprehensive loss for the financial period	-	(13)	-	-	-	(410)	(423)	(58)	(481)
At 31 March 2025	13,355	(196)	(3,914)	70	596	659	10,570	(234)	10,336

C. Condensed Interim Statements of Changes in Equity (cont'd)

	Attributable to equity holders of the Group								
	Share capital	Translation reserve	Merger reserve	Share options reserve	Net discount received on equity	Retained earnings	Total	Non-controlling interests	Total
Group (unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2024	13,355	-183	-3,914	70	596	2,820	12,744	133	12,877
Profit for the financial period	-	-	-	-	-	(133)	(133)	28	(105)
Other comprehensive loss									
Currency translation differences arising on consolidation	-	2	-	-	-	-	2	-	2
Share of other comprehensive income of associates	-	1	-	-	-	-	1	-	1
Other comprehensive loss for the financial period, net of tax	-	3	-	-	-	-	3	-	3
Total comprehensive income/(loss) for the financial period	-	3	-	-	-	(133)	(130)	28	(102)
Contributions by and distributions to owner									
At 31 March 2024	13,355	(180)	(3,914)	70	596	2,687	12,614	161	12,775

D. Condensed Interim Consolidated Statement of Cash Flows

	Note	The Group	
		1st Quarter ended 31 March 2025 (unaudited)	1st Quarter ended 31 March 2024 (unaudited)
		S\$'000	S\$'000
Cash Flows from Operating Activities			
Loss before taxation		(468)	(95)
<i>Adjustments for:</i>			
Interest expense		110	120
Allowance for impairment losses of financial assets and contract assets		(16)	80
Depreciation of property, plant and equipment		180	202
Depreciation of right-of-use assets		33	33
Share of results of associates		(17)	(39)
Exchange differences		(9)	103
Operating profit before working capital changes		(187)	404
Changes in inventories		14	16
Changes in trade and other receivables and contract assets		1,513	291
Changes in trade and other payables and contract liabilities		(313)	687
Cash generated from operations		1,027	1,398
Interest paid		(29)	(36)
Income tax paid		(17)	(12)
Net cash generated from operating activities		981	1,350
Cash Flows from Investing Activities			
Purchases of property, plant and equipment		(40)	(68)
Net cash used in investing activities		(40)	(68)
Cash Flows from Financing Activities			
Interest paid		(41)	(84)
Proceeds from bank loans		(6)	-
Proceeds from trade financing		1,344	892
Proceeds from a related party		(125)	-
Repayment of bank loans		(460)	(741)
Repayment of trade financing		(1,540)	(1,108)
Repayment of lease liabilities		(30)	(29)
Net cash used in financing activities		(858)	(1,070)
Net increase in cash and cash equivalents		83	212
Cash and cash equivalents at beginning of year		1,205	1,881
Cash and cash equivalents at end of financial period		1,288	2,093
The Group			
Cash and bank balances		1,362	2,167
Less: Pledged bank deposit		(74)	(74)
Cash and cash equivalents at end of financial period		1,288	2,093

E. Notes to the condensed interim consolidated financial statements

1 Corporate Information

Heatec Jietong Holdings Ltd. (Co. Reg. No. 200717808Z) is incorporated and domiciled in Singapore and its shares are publicly traded on the Catalist Board of the SGX-ST. These condensed interim consolidated financial statements as at and for the first quarter ended 31 March 2025 comprise the Company and its subsidiaries (collectively, the “**Group**”). The address of its registered office is at 10 Tuas South Street 15, Singapore 637076. The figures have not been audited or reviewed by the auditors.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are:

- (a) Servicing and fabrication of heat exchangers;
- (b) To carry on the businesses of repairing ships, tankers and other ocean-going vessels;
- (c) To provide chemical cleaning services to ships and tankers; and
- (d) To provide trading services.

2 Basis of Preparation

The unaudited condensed consolidated interim financial statements for the first quarter ended 31 March 2025 are presented in Singapore Dollars (“\$”), which is the Company’s functional currency. The unaudited condensed consolidated interim financial statements have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* (“**SFRS(I)**”) issued by the Accounting Standards Council Singapore. The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of unaudited condensed consolidated interim financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The unaudited condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the most recent audited annual financial statements for the financial year ended 31 December 2024.

The accounting policies and methods of computation adopted for the unaudited condensed consolidated interim financial statements are consistent with those adopted by the Group in its most recently audited annual financial statements for the financial year ended 31 December 2024, which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1 below.

2.1 Adoption of new or amended standards

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations (“**SFRS(I) INT**”) that are relevant to its operations and effective for the current financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2024.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that particular period, or in the period of the revision and future periods if the revision affects both current and future periods.

The carrying amounts of cash and bank balances, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

3 Seasonal Operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

4 Segment Information

The Group is organised into business units based on its services for management purposes. The reportable segments are piping, heat exchanger, chemical cleaning and trading. These operating segments are reported in a manner consistent with internal reporting provided to the management who are responsible for allocation of resources and assessment of performances of each segment.

4.1 Reportable segments

	Piping S\$'000	Heat exchanger S\$'000	Chemical cleaning S\$'000	Trading S\$'000	Unallocated S\$'000	Consolidated S\$'000
1 January 2025 to 31 March 2025						
Segment revenue:						
Total segment revenue	1,528	2,444	1,285	32	-	5,289
Inter-segment revenue	(12)	(195)	(422)	(23)	-	(652)
Revenue from external customers	1,516	2,249	863	9	-	4,637
Other income	47	39	-	-	-	86
Total revenue and other income	1,563	2,288	863	9	-	4,723
Depreciation of property, plant and equipment	(1)	(51)	(34)	-	(94)	(180)
Depreciation of right-of-use Assets	-	-	(4)	-	(29)	(33)
Segment results	(228)	(321)	197	(120)	(14)	(486)
Share of results of associates						17
Finance costs	(20)	(36)	(10)	(31)	(13)	(110)
Profit before income tax						(469)
Income tax credit						1
Profit for the financial year						(468)
Segment assets	4,588	5,184	3,313	1,401	4,519	19,005
- Additions to non-current assets (PPE)	2	1	-	-	37	40
Segment liabilities	924	2,293	3,311	1,012	1,129	8,669

4.1 Reportable segments (cont'd)

	Piping S\$'000	Heat exchanger S\$'000	Chemical cleaning S\$'000	Trading S\$'000	Unallocated S\$'000	Consolidated S\$'000
1 January 2024 to 31 March 2024						
Segment revenue:						
Total segment revenue	1,778	2,823	1,094	117	-	5,812
Inter-segment revenue	(63)	(244)	(444)	(12)	-	(763)
Revenue from external customers	1,715	2,579	650	105	-	5,049
Other income	42	12	-	-	-	54
Total revenue and other income	1,757	2,591	650	105	-	5,103
Depreciation of property, plant and equipment	(1)	(54)	(40)	-	(107)	(202)
Depreciation of right-of-use Assets	-	-	(4)	-	(29)	(33)
Segment results	109	(354)	31	95	(14)	(133)
Share of results of associates						39
Finance costs	(16)	(61)	(16)	(5)	(22)	(120)
Profit before income tax						(94)
Income tax credit						(10)
Profit for the financial year						(104)
Segment assets	6,570	7,004	3,574	1,844	6,729	25,721
- Additions to non-current assets (PPE)	-	2	65	-	-	67
Segment liabilities	2,131	4,829	2,950	1,170	1,867	12,947

E. Notes to the condensed interim consolidated financial statements (cont'd)**4.2 Disaggregation of revenue**

The following tables provide a disaggregation of the Group's revenue by timing of revenue recognition.

	The Group				
	3 months ended 31 March 2025 (unaudited)				
	Piping	Heat Exchanger	Chemical Cleaning	Trading	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Timing of revenue recognition:					
At a point in time	-	-	863	9	872
Over time	1,516	2,249	-	-	3,765
	1,516	2,249	863	9	4,637

	The Group				
	3 months ended 31 March 2024 (unaudited)				
	Piping	Heat Exchanger	Chemical Cleaning	Trading	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Timing of revenue recognition:					
At a point in time	-	-	650	105	755
Over time	1,715	2,579	-	-	4,294
	1,715	2,579	650	105	5,049

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the condensed interim consolidated financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments.

Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the condensed interim consolidated financial statements.

Information about major customers

Revenue is derived from 2 (31 March 2024: 3) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

		As at 31.03.2025 (unaudited)	As at 31.03.2024 (unaudited)
		S\$'000	S\$'000
	Attributable segments		
Customer A	Piping, Heat exchanger & Chemical Cleaning segments	969	2,823
Customer B	Piping & Chemical Cleaning segments	563	968
Customer C	Heat exchanger segment	-	600
		2,221	4,391

Geographical information

The Group's operations are primarily carried out in Singapore and the People's Republic of China. Management has evaluated and concluded that the non-current assets and revenue from external customers recorded in a subsidiary in the People's Republic of China are not material to the Group. Nonetheless, geographical segmentation on revenue is presented below.

		As at 31.03.2025 (unaudited)	As at 31.03.2024 (unaudited)
		S\$'000	S\$'000
The Group			
Revenue			
Singapore		4,339	4,807
People's Republic of China		298	242
		4,637	5,049

5 Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 March 2025 and 31 December 2024:

	The Group		The Company	
	As at 31.03.2025 (unaudited)	As at 31.12.2024 (audited)	As at 31.03.2025 (unaudited)	As at 31.12.2024 (audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Trade and other receivables	5,644	7,363	3,908	3,964
Cash and bank balances	1,362	1,280	75	28
At amortised cost	7,006	8,643	3,983	3,992
Financial Liabilities				
Trade and other payables	2,789	3,396	531	748
Borrowings	3,868	4,530	-	-
Lease liabilities	1,402	1,433	803	832
At the end of the financial period	8,059	9,359	1,334	1,580

6 Finance Costs

6.1 Significant items

	The Group	
	3 months ended 31.03.2025 (unaudited)	3 months ended 31.03.2024 (audited)
	S\$'000	S\$'000
Interest on:		
- Term loans	19	39
- Lease liabilities	23	30
- Trade financing	41	35
- Others	28	16
	110	120

7 Loss before tax

7.1 Significant items

	The Group	
	3 months ended 31.03.2025 (unaudited)	3 months ended 31.03.2024 (unaudited)
	S\$'000	S\$'000
Depreciation of property, plant, and equipment:		
-Recognised in cost of sales	59	64
-Recognised in administrative expenses	121	138
Depreciation of right-of-use-assets	33	33
	213	235

7.2 Related party transactions

Sale and purchase of goods and services

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:

	The Group	
	3 months ended 31.03.2025 (unaudited)	3 months ended 31.03.2024 (unaudited)
	S\$'000	S\$'000
With associates		
Purchases	22	185
With entity controlled by a Director of one of the subsidiaries		
Provision of legal and corporate secretarial services	8	6
With shareholders who exert significant influence over the Company		
Rendering of services	-	9
Provision of consultancy services	18	18

8 Taxation

The Group's income tax was calculated on profit before income tax for the financial period reported on, using the effective tax rate for the year. The major components of income tax expenses in the condensed interim consolidated statement of profit or loss are:

The Group	The Group	
	3 months ended 31.03.2025 (unaudited)	3 months ended 31.03.2024 (unaudited)
Current year tax expense	(11)	(19)
Origination and reversal of deferred tax	12	9
Total tax / (credit)	1	(10)

9 Earnings per share attributable to equity holders of the Company

	The Group	
	3 months ended 31.03.2025 (unaudited)	3 months ended 31.03.2024 (unaudited)
Basic and diluted earnings/(loss) per ordinary share (Singapore cents)	(0.20)	(0.06)
Weighted average number of ordinary shares in issue	204,777,526	204,777,526

The earnings per ordinary share for the Group for the first quarter ended 31 March 2025 ("1Q2025") and 31 March 2024 ("1Q2024") are calculated based on the net loss attributable to equity holders of the Company, divided by the weighted average number of ordinary shares in issue for the respective financial periods.

For 1Q2025 and 1Q2024, the diluted loss per share is equivalent to the basic loss per share, as the exercise of outstanding share options will be anti-dilutive in nature. Furthermore, there are no other potential dilutive ordinary shares in existence.

10 Dividends

In view of the Group's loss-making position for 1Q2025, no dividend has been declared or recommended by the Board of Directors for 1Q2025 (1Q2024: nil).

11 Net Asset Value

	Group		Company	
	As at 31.03.2025	As at 31.12.2024	As at 31.03.2025	As at 31.12.2024
	(unaudited)	(audited)	(unaudited)	(audited)
Net asset value per share based on total number of issued ordinary shares excluding treasury shares (Singapore cents)	5.05	5.28	6.76	6.69

The net asset value per ordinary share of the Group and the Company as at 31 March 2025 and 31 December 2024 are calculated based on the total number of issued ordinary shares (excluding treasury shares) of 204,777,526 as at the end of both financial periods.

12 Property, plant and equipment

The Group acquired property, plant and equipment totaling S\$40,000 for the first quarter ended 31 March 2025, representing a 41.18% decrease compared to S\$68,000 in the corresponding period of 2024. This measured level of capital investment reflects the Group's prudent approach to resource allocation while continuing to maintain and enhance its operational infrastructure in support of long-term growth.

13 Aggregate amount of Group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

Group			
As at 31.03.2025 (unaudited)		As at 31.03.2024 (unaudited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,868	-	4,932	-

Amount repayable after one year

Group			
As at 31.03.2025 (unaudited)		As at 31.03.2024 (unaudited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	110	-

Details of any collateral

The bank loans are secured by:

- (i) a first legal mortgage over the Group's leasehold property; and
- (ii) corporate guarantees granted by the Company.

14 Trade and other payables

	Group		Company	
	As at	As at	As at	As at
	31.03.2025	31.12.2024	31.03.2025	31.12.2024
	(unaudited)	(audited)	(unaudited)	(audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables				
Third parties	1,317	1,548	-	-
Other payables				
Subsidiaries	-	-	205	332
Accruals	1,098	1,138	243	303
Other payables	190	453	24	54
GST payables	184	258	59	59
	2,789	3,396	531	748

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

15 Share Capital

The Group and The Company	No. of ordinary shares		Amount	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Issued and fully paid, with no par value				
Balance at beginning of year	204,777	204,777	13,355	13,355
Issue of new shares	-	-	-	-
Balance at end of year*	204,777	204,777	13,355	13,355

*discrepancies due to rounding

There has been no change in the Company's share capital since the end of the previous period reported on, being 204,777,526 as at 31 March 2025 and 31 December 2024.

As at 31 March 2025, there were 3,000,000 outstanding share options under the Heatec Employee Share Option Scheme. These options are exercisable into 3,000,000 new ordinary shares, representing approximately 1.5% of the Company's total issued share capital of 204,777,526 ordinary shares as at that date. The number of outstanding share options remained unchanged from 31 December 2024, where the same 3,000,000 options also represented approximately 1.5% of the Company's issued share capital of 204,777,526 ordinary shares.

Save as disclosed above, the Company had no outstanding convertibles, treasury shares, or subsidiary holdings as at 31 March 2025 and 31 March 2024.

There were no sales, transfers, cancellations, or utilisation of treasury shares or subsidiary holdings as at 31 March 2025.

14. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

No major subsequent event has occurred since the end of the financial period ended 31 March 2025 up to the date of this announcement.

F. Other information required by SGX-ST Catalist Rule Appendix 7C

1. Review

The condensed consolidated statement of financial position of Heatec Jietong Holdings Ltd. and its subsidiaries as at 31 March 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the first quarter ended 31 March 2025 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (i) Updates on the efforts taken to resolve each outstanding audit issue.**
- (ii) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

The Company's auditors had issued a qualified opinion in respect of the Group's FY2024 audited financial statements, which had a similar qualification as the FY2023 audited financial statements. With regard to the audit issue raised by the Company's auditor in relation to consultancy service arrangements, the Company has since implemented a process to ensure that the review process for entry into contracts with external service providers is further tightened and enhanced in respect of the specific delegation of authority for different threshold amounts, and has been segregated for operational and non-operational (mainly financing and investment) activities. Furthermore, Management will ensure that the terms of such said contracts specify, to the extent possible, the deliverables and stipulated payment milestones to match such deliverables.

Management will also ensure that meetings with external third parties are properly documented, and to record key discussion points and action plans so that such documentation may be readily furnished to relevant parties, including the Company's independent auditors, so as to clarify and/or confirm any deliverables and/or work done by third parties, when required.

As part of the follow-up action, the internal auditors have performed reviews on this area and recommendations were raised by them to improve and enhance the above-mentioned process. The Management has updated the business authority schedule and will assess the need to establish an investment policy with relevant procedures. Key performance indicators will also be established to allow the Management to assess consultants' performance, if any, and upon completion of the relevant project(s), an evaluation will be carried out, for accountability.

The Board hereby confirms that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

3. Management's Discussion and Analysis – Financial Review

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.

Review of Group Performance

1Q2025 vs 1Q2024

Revenue decreased by 8.2%, or approximately S\$0.4 million, from S\$5.0 million in 1Q2024 to S\$4.6 million in 1Q2025. The decline was primarily due to lower revenue recognized from the heat exchanger, piping and trading segments, and was offset by higher revenue from chemical cleaning segment during the quarter.

Cost of sales decreased by S\$0.3 million, or 8.9%, from S\$3.5 million in 1Q2024 to S\$3.2 million in 1Q2025. The decrease in cost of sales was broadly in line with the decrease in revenue during the period.

Gross profit declined slightly by 6.6%, from S\$1.5 million in 1Q2024 to S\$1.4 million in 1Q2025. Despite the drop in revenue, the decline in gross profit was moderate, supported by higher profit margin received from chemical cleaning segment.

Other operating income decreased by 20.4%, from S\$0.11 million in 1Q2024 to S\$0.09 million in 1Q2025. This was primarily due to lower government grants and foreign exchange loss, partially offset by stable income from the sub-lease of dormitory facilities.

Administrative expenses rose by 10%, from S\$1.75 million in 1Q2024 to S\$1.92 million in 1Q2025. The increase was mainly due to higher staff-related costs and general overheads incurred due to the restructuring of the heat exchanger design and build business segment.

Allowance for impairment losses declined to S\$0.02 million from S\$0.08 million, due to the adjustment to the estimated credit loss in trade receivables.

Finance costs remained relatively stable, decreasing slightly from S\$0.12 million in 1Q2024 to S\$0.11 million in 1Q2025, due to a marginal reduction in lease liabilities and bank borrowings.

Overall, the Group recorded a net loss of approximately S\$0.5 million for 1Q2025, compared to a net loss of S\$0.1 million in 1Q2024, reflecting the impact of reduced revenue and higher administrative expenses during the period.

Review of Statement of Financial Position

Non-Current Assets

The Group's non-current assets stood at S\$7.2 million as at 31 March 2025, compared to S\$7.4 million as at 31 December 2024. The slight decrease of S\$0.2 million was mainly attributable to the depreciation of property, plant and equipment as well as the right-of use assets.

Current Assets

The Group's current assets decreased by 10.6%, from S\$13.2 million as at 31 December 2024 to S\$11.8 million as at 31 March 2025. The decline was primarily attributable to a reduction in trade and other receivables which was partially offset by higher contract assets as well as cash and bank balances. The decrease in trade receivables was mainly attributable to improved settlement of outstanding amounts, particularly in the Piping segment.

Non-Current Liabilities

The Group's non-current liabilities declined marginally by 2.3%, from S\$1.6 million as at 31 December 2024 to S\$1.5 million as at 31 March 2025. The decrease was mainly due to scheduled repayments of lease liabilities during 1Q2025.

Current Liabilities

The Group's current liabilities decreased by 13.4%, from S\$8.2 million as at 31 December 2024 to S\$7.1 million as at 31 March 2025. The decrease was mainly driven by lower borrowings as well as trade and other payables, which reflect repayment of current loans and lower procurement activity, respectively.

Working Capital Position

The Group maintained a positive working capital position, with net current assets of S\$4.6 million as at 31 March 2025, compared to S\$5.0 million as at 31 December 2024. The slight reduction reflects the net impact of lower current assets and current liabilities.

Review of Statement of Cash Flows

In 1Q2025, the Group generated net cash from operating activities amounting to approximately S\$1.0 million, primarily driven by net working capital inflows of S\$1.2 million, largely due to reductions in trade and other receivables, as well as improvements in inventory and trade and other payables. This was offset by an operating loss before working capital changes of S\$0.2 million recorded by the Group.

Net cash used in investing activities amounted to S\$0.04 million, reflecting the purchases of property, plant, and equipment. There were no significant disposals or dividends received from associates during the period.

Net cash used in financing activities was recorded at S\$0.9 million, primarily driven by the repayment of trade financing and bank loans totaling approximately S\$2.0 million, along with the repayment of lease liabilities of S\$0.03 million. This was partially offset by new trade financing proceeds of S\$1.3 million.

As a result of these activities, the Group's cash and cash equivalents marginally increased by S\$0.08 million, from S\$1.2 million as at 31 December 2024 to S\$1.3 million as at 31 March 2025.

4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

5 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 operating period and the next 12 months.

The Company continues to face challenges with procuring sufficient manpower and this is expected to continue for the next 12 months. Amidst a complex global economy characterized by slowing growth, persistent inflationary pressures, and heightened geopolitical uncertainties, the Group is reviewing our internal operational strategies, through forming collaboration and strengthening our supply chain, to mitigate the Company's cost pressures. We will focus on high value business segments to better utilize our limited manpower and resources.

The Group will continue to seek local or international expansion opportunities through inorganic growth strategies to benefit shareholders long-term.

6 Dividend

(a) Current Financial Period Reported On

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

No dividend has been declared/recommended for 1Q2025.

(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) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

(f) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

In view of the Group's loss-making position for 1Q2025, no dividend has been declared or recommended by the Board of Directors for 1Q2025.

7 Interested Person Transactions (“IPTs”)

The Group has not obtained a general mandate from shareholders for interested person transactions.

8 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company confirms that it has procured and received all the required undertakings from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

9 Disclosure of acquisition (including incorporations) and sale of shares as required under Rule 706A of the Catalist Rules

There were no acquisitions or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during 1Q2025. No new subsidiary or associated company was incorporated by the Group during 1Q2025.

10 Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Rules

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 31 March 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

CHONG ENG WEE

Non-Executive and Independent Chairman

SOON JEFFREY

Executive Director and Chief Executive Officer

Singapore, 15 May 2025