



**HEETON HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197601387M)

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## **RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE ANNUAL REPORT 2015**

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In response to the queries raised by the Singapore Exchange Securities Trading Limited on 25 April 2016, the board of Directors (the “**Board**”) of Heeton Holdings Limited (the “**Company**”) wish to provide the following information:

### **Query no. 1**

Guideline 11.3 of the Code states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company’s Annual Report. The Board’s commentary should include information needed by stakeholders to make an informed assessment of the company’s internal control and risk management systems. The Board should also comment in the company’s Annual Report on whether it has received assurance from the CEO and the CFO:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finances; and
- (b) regarding the effectiveness of the company’s risk management and internal control systems.

As required under Listing Rule 710, please make disclosure as recommended in the Code; in particular, the (i) effectiveness of the internal controls, including financial, operational, compliance and information technology controls; and the (ii) adequacy and effectiveness of the risk management systems, or otherwise explain the reason(s) for the deviation.

### **Our Response:**

Based on the internal controls established and maintained by the Group, work performed by the outsourced internal auditors and external auditors, and reviews performed by management, the AC and the Board are of the opinion that the Group’s internal controls, addressing financial, operational and compliance, information technology controls risks and risk management systems, were adequate and effective as at 31 December 2015.

As disclosed on page 29 of the Annual Report, the Board has received assurance from the CEO and Chief Financial Officer (i) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances and (ii) regarding the effectiveness of the Company’s risk management and internal control systems.

**Query no. 2**

Please make disclosure as required under Listing Rule 1207(20) and where proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied.

**Our Response:**

The gross proceeds raised from the rights issue completed on 23 October 2015 ("Rights Issue") amounted to approximately S\$27.9 million have been utilised as follows:

	S\$'million
Repayment of borrowings	25.1
Balance for general working capital of the Company and the Group	2.8
Total	<u>27.9</u>

The above utilisations are in accordance with the intended use of proceeds of the Rights Issue, and are in accordance with the allocated percentage as stated in the Offer Information Statement dated 1 October 2015.

By order of the Board

Teng Heng Chew  
Executive Director  
26 April 2016