HEETON HOLDINGS LIMITED
(Company Registration No. 197601387M)
(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF PROPERTIES OWNED BY SUBSIDIARIES

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1. INTRODUCTION

The Board of Directors (the "**Board**") of Heeton Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its subsidiaries 186 Wickham Street (Residential) Pty Ltd ("**186 Wickham**") and Fortitude Valley (Hotels) Pty Ltd ("**Fortitude Valley (Hotels)**") (collectively, the "**Vendors**") have entered into a Put and Call Option Deed and Deed of Variation of Put and Call Option Deed (collectively the "**Agreements**") with W & R Property Pty Ltd (the "**Purchaser**") for the disposal ("**Disposal**") of (i) Lot 1 in RP69275, a freehold site located at 186 Wickham Street, Fortitude Valley QLD 4006 in Brisbane, Australia ("**Property 1**") and (ii) Lot 7 in RP 9541, a freehold site located at 29 Ranwell Lane, Fortitude Valley QLD 4006 in Brisbane, Australia ("**Property 2**") (collectively, the "**Properties**") respectively.

186 Wickham is a subsidiary of Wickham 186 Pty Ltd, which is in turn wholly-owned by Wickham Invesco Pte Ltd, a 55%-owned subsidiary of the Group. Fortitude Valley (Hotels) is a wholly-owned subsidiary of Prospere Holdings Pte. Ltd., which is a 70%-owned subsidiary of the Group. Completion of the sale and purchase is expected to take place in the 1st quarter of 2022 ("**Completion**").

2. INFORMATION ON THE PROPERTY

The Properties were acquired by the respective Vendors for a mixed-use development scheme in 2014. Property 1 is effectively held by the Group, Lian Beng Group Ltd (**"LBG"**) and KSH Holdings Limited (**"KSH**") in the proportion of 55%, 30% and 15% respectively, while Property 2 is effectively held by the Group and LBG in the proportion of 70% and 30% respectively.

The aggregate book value of the Properties as at 30 June 2021 is AUD$13.27 million. No independent valuation of the Property was performed in respect of this transaction.

3. INFORMATION ON THE PURCHASER

The Purchaser is an Australian entity, which is not related to any member or associate of the Group nor its controlling shareholders.

4. RATIONALE FOR THE DISPOSAL

The viability of the project in relation to the Property has been undermined by the increasing complexities of real estate development in Australia, and in the ordinary course of trading activities the decision to explore a strategic exit was approved by the stakeholders. The divestment is also in line with the Group's plans, aired at the Company's Annual General Meeting this year, to rationalise its investment policies, streamline its portfolio and recycle capital in order to meet corporate and financial commitments.

5. CONSIDERATION

The total consideration amount of AUD18.20 million (the "**Consideration**") for the Properties was arrived at on a willing-buyer, willing-seller basis after arm's length negotiations between the Vendors and the Purchaser, and after taking into account the book value of the Properties, the Group's cost of investments in the Vendors and current market conditions.

A deposit of AUD300,000 has been received and is held in escrow by the Group's legal counsel. The balance of the Consideration shall be paid on Completion.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

As the relative figures computed on the applicable bases under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") do not exceed 5.0%, the Disposal is a non-discloseable transaction under Rule 1008 of the Listing Manual.

7. FINANCIAL EFFECTS

The Disposal is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year ending 31 December 2021.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal, other than through their respective shareholding interests in the Company.

9. DOCUMENTS FOR INSPECTION

A copy of the Agreements is available for inspection at the registered office of the Company at 60 Sembawang Road, #01-02, Hong Heng Mansions, Singapore 779088 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD of
HEETON HOLDINGS LIMITED

Hoh Chin Yiep

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

7 October 2021