



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

PROPOSED JOINT VENTURE AMONGST HEETON CAPITAL PTE. LTD., ASTRA HORIZON VENTURES PTE. LTD. AND NINECO INVESTMENTS PTE. LTD. IN RELATION TO THE PROPOSED ACQUISITION

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**” or “**Directors**”) of Heeton Holdings Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) wishes to announce that as at the date of this announcement, its wholly owned subsidiary, Heeton Capital Pte. Ltd. (“**Heeton Capital**”), has on the date of this announcement, entered into a shareholders’ agreement with each of Astra Horizon Ventures Pte. Ltd. (“**Astra**”) and NineCo Investments Pte. Ltd. (“**NineCo**”) (each a “**JV Partner**” and collectively, the “**JV Partners**”)(the “**SHA**”) in relation to a proposed joint venture (“**Joint Venture**”).
- 1.2 Pursuant to the terms of the SHA, a new joint venture company known as QS Edinburgh Pte. Ltd. (“**JVCo**”) had been incorporated in Singapore for the purpose of acquiring the entire equity interest of a target company (“**Target Company**”) which owns an aparthotel with 82 keys at 74-77 Queen St, Edinburgh, UK, from a third-party vendor (“**Vendor**”) (“**Proposed Acquisition**”).
- 1.3 The Proposed Acquisition will be partly funded by equity contribution and shareholders loans from its shareholders.
- 1.4 The Board has determined that the Proposed Acquisition is in the ordinary course of the business of the Company and does not constitute a “transaction” as defined under Chapter 10 of the Listing Manual Singapore Exchange Securities Trading Limited (the “**Mainboard Rules**” or each a “**Rule**”). However, the Joint Venture is an interested person transaction under Chapter 9 of the Mainboard Rules, details of which are further set out in paragraph 2 of this announcement.
- 1.5 In connection with the Joint Venture and the Proposed Acquisition, the JV Partners shall provide shareholders’ loans to the JVCo (the “**Shareholders’ Loans**”). The proportion of the Loans to be contributed by each of the JV Partners shall be in proportion to their respective shareholding in the JVCo.

2. INTERESTED PERSON TRANSACTIONS

Details of the JV Partners

- 2.1 Astra is a private company limited by shares incorporated in Singapore on 25 October 2024 and its entire share capital is held in equal shares by Mr Toh Giap Eng, the executive chairman of the Group and a controlling shareholder of the Company (“**Mr Toh**”), and his spouse.
- 2.2 NineCo is a private company limited by shares incorporated in Singapore on 14 February 2023 and its entire share capital is wholly held by unrelated third parties.
- 2.3 As (a) Mr Toh is a Director and controlling shareholder of the Company and (b) Astra is deemed an associate of a Director or controlling shareholder of the Company, Mr Toh and Astra are considered as “interested persons” for the purposes of Chapter 9 of the Mainboard Rules.

- 2.4 Accordingly, the entry into of the Joint Venture by Heeton Capital and the provision of its proportion of the Shareholders' Loans by Heeton Capital to the JVCo are interested person transactions which are subject to Chapter 9 of the Mainboard Rules.
- 2.5 Pursuant to Rule 905(2), if the aggregate value of all interested person transactions entered between the Group and Mr Toh and his associates during the same financial year amounts to 3% or more of the Group's latest audited net tangible assets ("NTA"), the Company must make an immediate announcement of the latest transaction and all future interested person transactions entered into with Mr Toh and his associates during that financial year.
- 2.6 Pursuant to Rule 906(1), the Company must obtain approval from its shareholders for any interested person transaction of a value equal to, or more than (i) 5.0% of the Group's latest audited NTA, or (ii) 5.0% of the Group's latest audited NTA, when aggregated with other interested person transactions entered into with Mr Toh and his associates during that financial year to approval.

3. DETAILS OF THE JOINT VENTURE AND LOAN

Shareholding Proportion & Shareholders' Loans

- 3.1 The JV Partners shall subscribe for an aggregate of 100 new shares in the share capital of JV Company in the following proportion:

JV Partner	Number of Shares of S\$1.00 each	Proportion of Shareholding in the JVCo
Heeton Capital	85	85%
Astra	10	10%
NineCo	5	5%
Total	100	100%

Shareholders' Loans

- 3.2 In addition, the JV Partners shall extend the Shareholders' Loans representing a total of £25.0 million (approximately S\$43.0 million) to the JVCo on the same terms and conditions and in proportion to their respective shareholding in the JVCo.
- 3.3 The subscription amount and the Shareholders' Loan to be advanced by Heeton Capital is expected to be S\$36.5 million which represents approximately 8.7% of the Group's audited tangible assets as at 31 December 2023.
- 3.4 None of Mr Toh or his associates had any existing interests in the JVCo prior to the participation of the JV Partners.

4. RATIONALE OF THE JOINT VENTURE AND LOAN

- 4.1 The Board believes that the Joint Venture is beneficial as:
- (a) it will provide the Company with an opportunity to develop sustainable and recurring revenue streams to achieve potential enhancement of shareholder value;
 - (b) it will allow the Group to expand its investment portfolio; and
 - (c) it will tap on the expertise and network of its JV Partners.
- 4.2 Upon completion of the Proposed Acquisition, the Group intends to provide hotel management services to the JVCo or its subsidiaries.

5. CURRENT AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS

- 5.1 As there were no interested person transactions between the Group and Mr Toh and his associates during the financial period from 1 January 2024 up to 31 October 2024 (“**Current FY**”), the current aggregate value of all interested persons transactions between the Company and Mr Toh and his associates for the Current FY is Nil.
- 5.2 With the Joint Venture, the current aggregate value of all interested person transactions between the Group and Mr Toh and his associates for the Current FY will be approximately S\$36.5 million representing 8.7% of the Group’s audited NTA as at 31 December 2023.

6. EXEMPTION UNDER RULE 916(2) AND RULE 916(3)

Rule 916(2)

- 6.1 As the Joint Venture involves an investment in a joint venture with interested persons (being Mr Toh and his associates), pursuant to Rule 916(2), the Company is exempted from complying with Rule 906, provided the criteria set out at Rule 916(2)(a) to (c) are satisfied.
- 6.2 As the risks and rewards for each JV Partner pursuant to the terms of the SHA are in proportion to their respective shareholding in the JVCo, and none of the interested persons (being Mr Toh and his associates), had any existing interest in the JVCo prior to the participation by the JV Partners in the JVCo, the Joint Venture will fall within the scope of Rule 916(2).

Rule 916(3)

- 6.3 As the Shareholders’ Loans represents a provision of loan to a joint venture with interested persons (being Mr Toh and his associates), pursuant to Rule 916(3), the Company is exempted from complying with Rule 906, provided the criteria set out at Rule 916(3)(a) to (c) are satisfied.
- 6.4 As the Shareholders’ Loans are extended by all the JV Partners in proportion to their respective shareholding in the JVCo, and none of the interested persons (being Mr Toh and his associates), had any existing interest in the JVCo prior to the participation by the JV Partners in the JVCo, the provision by the Company of its proportion of the Shareholders’ Loans will fall within the scope of Rule 916(3).

7. STATEMENT OF AUDIT COMMITTEE

Pursuant to the requirements under Rule 916(2) and Rule 916(3), the Audit Committee of the Company has reviewed the terms of the SHA and is of the view that:

- (a) the risks and rewards of the Joint Venture are in proportion to the equity of each JV Partner and the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders; and
- (b) the provision by the Company of its proportion of the Shareholders’ Loans is not prejudicial to the interests of the Company and its minority shareholders.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors has any interest, direct or indirect, in the Vendor, the Target Company and in the above transactions (other than through their respective shareholdings in the Company, if any). To the best of the knowledge of the Directors, none of the controlling shareholders has any interest, direct or indirect, in the Vendor, the Target Company and in the above transactions (other than through their respective shareholdings in the Company).

By order of the Board

Hoh Chin Yiep
Executive Director & Chief Executive Officer
3 December 2024