



HEETON HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 197601387M)

DISPOSAL OF ENTIRE SHAREHOLDING INTERESTS IN HEETON RESIDENCE. PTE LTD.

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of Heeton Holdings Limited (the “**Company**”) wishes to announce that the Company has on 30 September 2016 disposed of its entire shareholding interest in Heeton Residence Pte. Ltd. (“**Heeton Residence**”) to a group of Singaporean private investors (the “**Purchasers**”) (the “**Disposal**”). The Disposal was made via a sale of all of the 1,000,000 ordinary shares in the capital of Heeton Residence (comprising 100% of the issued and paid-up share capital of Heeton Residence) to these private individuals, who are not related to the Company, its controlling Shareholders and Directors.
- 1.2 Heeton Residence is the sole shareholder of Heeton Realty Pte. Ltd. (“**Heeton Realty**”) which owns the property known as “iLiv@Grange” at 74 Grange Road, Singapore 249578.
- 1.3 Following completion, the purchasers will change the names of Heeton Residence and Heeton Realty.
- 1.4 Upon completion of the Disposal on 30 September 2016, Heeton Residence and Heeton Realty have ceased to be subsidiaries of the Company. As such, this announcement is made pursuant to Rule 704(18)(c) of the Listing Manual.

2. DETAILS OF THE DISPOSAL

2.1 Consideration and Payment Terms

The consideration (“**Consideration**”) for the Disposal comprised a nominal amount of S\$4 for the purchase of the Sale Shares as well as S\$21 million for the transfer of the shareholder’s loan owing from Heeton Residence to the Company.

The Consideration was arrived at on a willing-buyer, willing-seller basis after taking into account the adjusted net asset value of Heeton Residence and Heeton Realty as at date of Completion, and the agreed property value at S\$95 million for the Property.

On Completion, the Purchasers paid S\$4 for the Sale Shares as well as S\$4 million for the subscription of junior notes in Heeton Residence which was used to partially discharge the Consideration with the balance of S\$17 million to be paid on 30 September 2017.

As part of the transaction, the Company subscribed for \$4 million senior notes in Heeton Realty due 2019, which bears interest at 5% per annum.

2.2 Valuation

The unaudited NTA at the consolidated financial statement level of the Company attributable to the Disposal as at 31 August 2016 is approximately S\$32 million.

There is no open market value for the Sale Shares and the shares of Heeton Realty as they are not publicly traded.

3. **RATIONALE**

The residential property market is still in a recovery stage due to various factors, including property cooling measures, supply of new units to the market and the general macro-economic conditions. Given current market conditions, the Consideration offered by the Purchasers for Heeton Residence seemed reasonable and offered a viable exit option for the Company.

As the Disposal is in line with the Group's ordinary course of business, Chapter 10 of the Singapore Exchange Securities Trading Limited's Listing Manual does not apply to the Disposal.

4. **FINANCIAL IMPACT**

The Disposal is expected to have a material negative impact on the earnings and but not expected to have a material impact on net tangible assets per share of the Group for the current financial year.

5. **INTERESTS OF CONTROLLING SHAREHOLDERS AND DIRECTORS**

None of the Directors or as far as the directors are aware, the controlling substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board

Eric Teng Heng Chew
Chief Executive Officer

30 September 2016