HEETON HOLDINGS LIMITED

(Unique Entity Number 197601387M)
Incorporated in the Republic of Singapore

INCORPORATION OF NEW SUBSIDIARY IN BHUTAN

The Board of Directors (the "**Board**") of Heeton Holdings Limited and its subsidiaries (the "**Group**") wish to announce that the Group's wholly-owned subsidiary, Prospere Horizon Pte. Ltd., holds 1,480,000 ordinary shares of Dawa Hospitality Private Limited ("DHPL"), representing 74% of the DHPL's issued and paid up share capital.

DHPL is a company incorporated in Bhutan and the principal activities of DHPL are property development, investment holding and hospitality in Bhutan.

The issued and paid up share capital of Bhutanese Ngultrum 200,878,642.71 (approximately S$3,887,025) comprising 2,000,000 ordinary shares in DHPL held as at the date of this announcement as follows:

Shareholder	**Number of shares held**
Prospere Horizon Pte. Ltd.	1,480,000
KSH Hotels Investments Pte. Ltd.	200,000
H10 Holdings Pte. Ltd.	200,000
Bhutanese investor	120,000

KSH Hotels Investments Pte. Ltd. is a wholly-owned subsidiary of KSH Holdings Limited. H10 Holdings Pte. Ltd. is a 40%-owned associated company of Ho Lee Group Pte. Ltd. The remaining shareholder is a citizen of Bhutan.

The development site held by DHPL is well located in Paro district of Bhutan and is within 15 minutes' drive of the country's only international airport. Construction is scheduled to commence in first quarter of year 2019 and is expected to complete in December 2020.

The above investments in DHPL were funded through internal resources and are not expected to have any material impact on the net tangible assets and earnings per share of the Company and the Group for the current financial year ending 31 December 2018.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the above transaction, save for their shareholdings in the Company.

BY ORDER OF THE BOARD

Teng Heng Chew Eric
Executive Director and Chief Executive Officer
13 December 2018