HEETON HOLDINGS LIMITED

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

APPLICATION FOR WAIVER FROM RULE 1014(2) OF THE LISTING MANUAL IN CONNECTION WITH A PROPOSED DISPOSAL OF PROPERTY

Unless otherwise specified herein or where the context otherwise requires, all capitalised terms in this announcement shall bear the same meaning ascribed to them in the announcement dated 5 December 2017.

1. INTRODUCTION

1.1 The Board of Directors of Heeton Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcement on 5 December 2017 ("**Announcement**") in relation to the disposal of the development known as the whole Lot of U54724W of Mukim 13 at 30 Woodlands Avenue 1, Singapore 739065, known as The Woodgrove, comprised in Subsidiary Strata Certificate of Title Volume 606 Folio 183 (the "**Property**") (the "**Proposed Disposal**").

1.2 As disclosed in the Announcement, the Company would seek clarification from the SGX-ST on whether the Proposed Disposal is in the ordinary course of business of the Company and Chapter 10 of the Listing Manual does not apply. If the SGX-ST determined that the Proposed Disposal constitutes a "transaction" for the purposes of Chapter 10 of the Listing Manual, the Company also intended to seek a waiver from the requirement of obtaining shareholders' approval for the Proposed Disposal in accordance with Rule 1014(2) of the Listing Manual.

2. WAIVER GRANTED BY THE SGX-ST

2.1 The Company has received a letter from the SGX-ST dated 21 December 2017, granting the Company a waiver from compliance with Listing Rule 1014(2) (the "**Waiver**"), subject to the following:-

(i) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Listing Rule 107;

(ii) submission to the Exchange of:-

(a) the irrevocable undertakings by the shareholders who hold in aggregate 69% of the Company's issued share capital, to vote in favour of the Proposed Disposal; and

(b) a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company; and

(iii) confirmation that none of the Company's directors and/or controlling shareholders have any interest in the Proposed Disposal.

3. GROUNDS FOR THE WAIVER APPLICATION

3.1 The application for the Waiver was made on the grounds that no material change in the risk profile of the Company arises from the Proposed Disposal, and the Property is a non-core asset of the Group. This was submitted for the following reasons:

(i) The rental yield of the Property is currently not a significant contributor to the profit of the Group and is not critical to the business of the Group as the Property currently has low rental returns and yield. In addition, the retail market in Singapore is challenging and the leasing of the Property currently faces competition in the area as there are larger retail malls nearby;

(ii) The Property is not the only property owned by the Group, and the Property is only a small part of the Group's investment properties portfolio. The Group currently owns various other investment properties in Singapore, including Tampines Mart at Blocks 5, 7, 9 and 11 Tampines Street 32, 62 Sembawang Road, Sun Plaza at 30 Sembawang Drive and 223@Mountbatten at 223 Mountbatten Road. In addition to the investment properties portfolio, the Group has numerous other property developments and land banks both in Singapore and overseas, as well as other investment properties overseas; and

(iii) The Proposed Disposal is in the interests of the Group and would be an opportunity for the Group to realise the investment in the Property. The sale consideration of approximately S$56 million to be paid by the Purchaser to Heeton Estate Pte Ltd (UEN: 199602671E), a wholly owned subsidiary of the Company, represents a 70% premium over the current book value of the Property of S$33 million. In addition, due to the age of the Property, the Property would have to be upgraded and renovated in order to compete with bigger retail malls in the area. This would incur additional capital expenditure for the Group and also result in a loss of income. The Proposed Disposal would allow the Group to enhance its cash flows and the Group's resources to be deployed for potentially higher yield investments.

4. NO EXTRAORDINARY GENERAL MEETING

As the SGX-ST has granted the Waiver to the Company, the Company will not be convening an extraordinary general meeting to seek shareholders' approval for the Proposed Disposal and accordingly, will not be dispatching a circular to shareholders in relation thereto.

BY ORDER OF THE BOARD

Teng Heng Chew Eric
Executive Director and Chief Executive Officer
21 December 2017