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

RESPONSE TO QUERY FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR YEAR ENDED 31 DECEMBER 2015

In response to the following query raised by the Singapore Exchange Securities Trading Limited on 29 March 2016, the board of Directors (the "**Board**") of Heeton Holdings Limited (the "**Company**") wishes to provide the following information:

Query

It is stated on page 7 of the announcement on financial results, "The Group made a provision of $29.08 million for foreseeable losses in a development property in FY2015."

Please elaborate on the bases for the provision of the foreseeable losses in the development property.

Our Response:

The provision for foreseeable losses was made for one development property on the basis that its carrying book value was in excess of its open market valuation by $29.08 million as at 31 December 2015.

By order of the Board

Eric Teng Heng Chew
Chief Executive Officer and Executive Director
31 March 2016