



HEETON HOLDINGS LIMITED

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RELATION TO THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("2023 ANNUAL REPORT")

The board of directors (the "**Board**") of Heeton Holdings Limited (the "**Company**") wishes to inform that the Company has received the following queries raised by the Singapore Exchange Securities Trading Limited on 22 April 2024 with regards to the Company's annual report for the financial year ended 31 December 2023 ("**2023 Annual Report**") released by the Company on 9 April 2024.

The Board wishes to provide the following responses:

Query no. 1:

We would like to remind the Company of the requirement under Listing Rule 704(6) which provides, amongst others, that if an issuer has previously announced its preliminary full-year results, an issuer must immediately announce any material adjustments to its preliminary full-year results made subsequently by auditors.

With reference to the audited consolidated statement of cash flows on page 53 of the 2023 Annual Report, please provide an explanation for the material differences in the amount of the following item, as compared to the unaudited financial results announcement of the Company for the year ended 31 December 2023: -

(i) The cash generated from operating activities of S\$17,555,000 as compared to S\$20,222,000 (per unaudited results).

Our response:

The difference is mainly due to the changes in other payables and accruals, reclassified to income tax and changes in exchange differences following the statutory audit.

The variances do not have any impact on the consolidated statement of comprehensive income and balance sheets of the Group and Company. Cash and cash equivalents of S\$62,323,000 as at 31 December 2023 in the consolidated statement of cash flows remain unchanged as stated in the unaudited financial results for the year ended 31 December 2023 and in the audited financial statements in the 2023 Annual Report. Therefore, the Company did not consider the changes to be material adjustments to the audited consolidated statement of cash flows and accordingly did not proceed with announcement in accordance with Listing Rule 704(6). The Company has complied with Listing Rule 704(6).

Query no. 2:

It is stated on page 100 of the 2023 Annual Report (i.e., Note 22 to the audited financial statements) that “Amount due from investee company amounting to \$12,572,000 (2022: \$12,113,000) relates to shareholder’s loan to an investee company are unsecured, bear interest at 4% (2022: 4%) per annum, and are not expected to be repaid within the next 12 months, and are to be settled in cash.”

Kindly disclose:

- a) the repayment terms of this shareholder loan;***
- b) whether the shareholder loan was extended to an interested person; and***
- c) the Board’s assessment as well as the basis on the collectability of this shareholder loan.***

Our Response:

- a) This shareholder’s loan shall be repaid from time to time and on such times as the directors of the investee company may determine. This is not expected to be repaid within the next 12 months based on the expected date of completion of its development property;
- b) the shareholder loan was extended to an non-interested person; and
- c) The Board has assessed that this shareholder loan is recoverable. In making this assessment, the Board has considered the financial position, performance and cashflows of this investee company based on the contracted sales and estimated costs to complete for its development properties.

Please also refer to the disclosure on note 3.1(g) on Page 69 of the 2023 Annual Report on the Group’s impairment assessment of other receivables.

Query no. 3:

We refer to Note 22 of the audited financial statements at page 100 of the 2023 Annual Report. Kindly disclose:

- a) The nature and breakdown of the other receivables amounting to \$41m; and***
- b) the Board’s assessment on collectability, as well as its repayment terms.***

In this regard, it is noted from Note 13 of the Company’s unaudited full year financial statements published on 22 February 2024 (the “Unaudited Full Year Financial Statements”) that, “Other receivables amounting to \$17,746,000 (2022: \$16,746,000) are unsecured, non-interest bearing (2022: 5.00% per annum) and repayable on demand.” Please clarify whether as to the aforementioned sum remains repayable on demand. If yes, please provide the reason(s) as to why the Group has not collected the \$17.7m other receivables that are repayable on demand.

Our Response:

The Group's other receivables are mainly due from companies which are unrelated and involved in the business of property development.

Please refer to the nature and breakdown of the other receivables amounting to S\$41m which are repayable within the next 12 months:

	S\$'000
Other receivables – bearing interest at 3.5% per annum	8,300
Other receivables – non-interest bearing	21,081
Accrued interest	11,312
Deposits	853
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	41,546
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The Board has assessed that the above other receivables net of the allowance for expected credit loss of S\$20,765,000, are recoverable. In making this assessment, the Board has considered the financial position, performance and cashflows of the debtors, the valuation, estimated selling price and estimated costs to complete (where applicable) of the underlying assets held by them and the debtors' ability to repay via realisation of these underlying assets held.

Please also refer to the disclosure on note 3.1(g) on Page 69 of the 2023 Annual Report on the Group's impairment assessment of other receivables.

Query no. 4:

Please provide a confirmation as to whether the promissory notes are receivable from related parties and/or interested persons.

Our Response:

The promissory notes are receivables from non-related parties and non-interested persons.

Query no. 5:

We refer to page 103 of the 2023 Annual Report (i.e., Note 30 to the audited financial statements) which provides the breakdown of the bank term loans. In this regard, please clarify as to how the Group intends to fulfil these payment obligations in the next 12 months and disclose if the Group is on track fulfilling these obligations.

Our Response:

The Group has bank term loans of S\$100,338,000 repayable within the next 12 months as at 31 December 2023. Most of these borrowings are mainly for the financing of some of the Group's investment properties and hospitality assets.

The Group actively manages its debt maturity profile, operating cashflows and the availability of funding. It has commenced discussions on the terms of re-financing with the banks to extend the final maturity beyond the next 12 months amounting to S\$78.46 million. Barring unforeseen circumstances, the Company is confident to complete the re-financing of these loans within the next 12 months.

S\$8,443,000 relates to the current portion of bank term loans due after 12 months.

By order of the Board

Hoh Chin Yiep
Executive Director and Chief Executive Officer
24 April 2024