



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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

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 8 May 2023 with regard to the Company’s annual report for the financial year ended 31 December 2022 (the “**Annual Report**”):

The Board wishes to provide the following information:

Query no. 1

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

We note that the Company had not complied with Provision 8.1 of the Code with regards to the disclosure of remuneration, and there were no explanations were provided for in your AR2021 on how it is consistent with the intent of Principle 8 of the Code.

At page 37, it was disclosed that, “For confidential reasons, the Board has not disclosed the remuneration of each individual Director and the Group’s key executives in full. The Board has taken the view that full disclosure of the Directors’ remuneration may have a negative impact on the Company, taking into consideration the competitive business environment in which the Company operates and the sensitivity and confidential nature of such disclosures.”

Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Our Response:

The Company has not set out the full disclosure of individual Board members’ remuneration due to the commercial sensitivity surrounding Directors’ earnings, particularly in the Company’s highly competitive field of business, where salaries and benefits are invariably influenced by the prevailing dictates of the market. The Company has nevertheless disclosed, at page 37 of the Annual Report, the individual Directors’ earnings in salary bands of S\$250,000 that give an indication of the levels of remuneration of each Director. The Company has also given detailed disclosure on its remuneration policies, the procedure for setting remuneration and the relationship between remuneration, performance and value creation in its Report on Corporate Governance at pages 35 to 38 of the Annual Report.

Based on the foregoing, the Company believes that taken as a whole, the disclosures provided are meaningful and sufficiently transparent with regards to remuneration. Accordingly, the Company is of the view that its practices are consistent with the intent of Principle 8 of the Code.

Query no. 2

At page 21, it was disclosed that the Company has adopted a formal board diversity policy in the current year.

In accordance with Listing Rule 710A(2), the Company is required to disclose, inter alia, the following in relation to its board diversity policy:

- a. the Company's targets to achieve diversity on its board;**
- b. the Company's accompany plans and timelines for achieving the targets; and**
- c. the Company's progress towards achieving its targets within the timelines.**

We note that the Company has not disclosed the above in its FY2022 annual report. Please disclose accordingly.

Our Response:

The Company's objective is to be able to demonstrate Board diversity in the three categories of Gender, Age and Experience within a year of inception of its board diversity policy. This has largely been achieved to date. The Board currently has female representation, a broad age range (the Directors being in their 50s to 70s), and a collective experience encompassing real estate development, research, valuation, construction, engineering and marketing, accounting and risk management, disciplines specifically relevant to the Company's business sectors. A description of the background and experience of the Directors is set out at pages 10 to 11 of the Annual Report. Other forms of diversity are being contemplated by the Company for future implementation.

Query no. 3

Listing Rule 1207(19)(a) provides that issuers should devise and adopt its own internal compliance code to provide guidance to its officers with regard to dealing by the listed issuer and its officer in its securities.

At page 43, it was disclosed that, "The Company has adopted and implemented Rule 1207(19) of the Listing Manual issued by SGX-ST on dealings in securities."

Please clarify if there is an internal compliance code in place which would provide guidance to its officers with regard to dealing by the Company and its officer in its securities. If no, please provide an explanation and whether the Company intends to implement such an internal compliance code.

Our Response:

The Company's internal policy based on Listing Rule 1207(19) is manifested through regular notices sent to its officers highlighting the guidelines for dealing in securities. These notices serve as periodic reminders of the prohibition on dealing in the Company's shares during the black-out periods set out in Listing Rule 1207(19)(c), and that it is an offence under the Securities and Futures Act 2001 for the Company's directors and employees to buy or sell company shares, either in their own capacity or on behalf of the Company, when they are in possession of unpublished material information that is likely to impact the Company's share price. It reiterates that the law on insider trading is applicable at all times, and not just to the specific black-out periods.

Query no. 4

At page 43, it was also disclosed that, “Directors and key senior executives of the Group are prohibited from trading in the Company’s shares during the period commencing one month before the announcement of the Company’s half-year and full-year financial statements.”

Please confirm whether the Company (rather than just the directors and key senior executives of the Group) are subject to the prohibition of dealing in the securities during the period commencing one (1) month before the date of the release of its half year and full year results until after the release of the announcement (i.e. buybacks).

Our Response:

The dealing prohibitions apply to the Company as well as its directors and key senior executives presumed to have access to relevant financial and trading information during the one (1) month period before the release of the Company’s financial results.

Query no. 5

It is noted that the Company has yet to publish its sustainability report. Please confirm whether the Company will issue the sustainability report for FY2022 by 30 April 2022 (or 31 May 2023 if the Company has conducted external assurance on the sustainability report) pursuant to Listing Rule 711A.

Our Response:

The Company’s Sustainability Report for FY2022 was issued and uploaded on both SGXNET and its corporate website on 27 April 2023.

By order of the Board

Hoh Chin Yiep
Executive Director & Chief Executive Officer
10 May 2023