



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

---

## **RESPONSE TO QUERIES FROM SHAREHOLDERS**

---

The Directors of Heeton Holdings Limited (the “**Company**”) would like to thank shareholders for submitting their questions in advance of the Annual General Meeting (“**AGM**”) for the financial year ended 31 December 2022, which will be held in a wholly physical format at the Emerald Suite, Orchid Country Club, 1 Orchid Club Road, Singapore 769162 on Wednesday, 26 April 2023 at 10.00 a.m. The Appendix sets out the Company’s response to the questions received from shareholders.

By order of the Board

Hoh Chin Yiep  
Executive Director & Chief Executive Officer

20 April 2023

## Appendix

### **1. What is Heeton's outlook for its businesses in the coming year? Does Heeton have any plans to expand its businesses?**

The Group will continue to focus on its core businesses of property development, real estate investment and hospitality for the coming year.

In Singapore, the real estate market has remained resilient throughout the pandemic as evidenced by the popularity of the Group's joint venture development Tenet, a 618-unit executive condominium launched at the end of last year, which is nearly fully sold. The Group's key Investment properties, Tampines Mart and Sun Plaza, continue to deliver sound returns; and with the continuing recovery of the global travel industry, occupancy levels and room rates of the Group's overseas hotel properties are expected to strengthen further this year.

The Group is open to opportunities to expand its businesses in both new and existing markets. In Singapore it continues to participate in development tenders with joint venture partners. Overseas, it is actively pursuing business leads, leveraging on its presence and experience in the UK, Thailand and Japan, all the while being mindful of the need to act prudently in the current economic climate of rising interest rates. To explore new business sectors, Heeton has appointed a new Group GM experienced in industrial construction and development, and will form partnerships with companies with the relevant expertise in their respective sectors.

Although in terms of performance the Group is still some way from where it was pre-pandemic, its prospects for this year are looking promising across all business segments. However, it will continue to stay financially prudent and select only investments with the best potential, in order to deliver maximum value to its shareholders.

### **2. What are Heeton's plans for divestment of some of its assets? In particular, what is the current status of the freehold site at 2 Sembawang Road?**

The Group regularly reviews its portfolio of real estate holdings to rationalise or streamline its assets. During the pandemic, the Group disposed of one hotel and one development site in the UK, and a mixed development project in Brisbane Australia. The Group will continue to make strategic divestments as and when the time is right.

The property at 2 Sembawang Road is leased out as a Caltex petrol station. The previous tenancy ended at the end of last year, and a new five-year lease with more favourable terms has commenced from January 2023. Until there is greater clarity on the policies and regulations regarding Electric Vehicles, the Group's strategy is not to commit to any long-term arrangements until better positioned to make decisions regarding the future.

### **3. What is Management's approach to gearing and interest rate risk management?**

The Group's long-term internal target for debt-to-Equity Ratio is not more than 1.5x.

Our property assets are naturally hedged with bank financing in local currencies.

The Group has entered into interest rate swaps in Pound Sterling and Singapore Dollars on a portfolio basis, in order to manage exposure to interest rate fluctuation on its floating rate loans and borrowings. As at 31 December 2022, the outstanding notional amounts of the interest rate swaps is approximately S\$81 million.

The Group takes financial risk management seriously and is constantly monitoring the markets so as to be able to act swiftly and decisively should the need arise.