



## HEETON HOLDINGS LIMITED

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

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### PROPOSED BONUS ISSUE OF UP TO 162,578,246 NEW ORDINARY SHARES IN THE CAPITAL OF HEETON HOLDINGS LIMITED ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS

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#### 1. INTRODUCTION

The board of directors (“**Board**” or “**Directors**”) of Heeton Holdings Limited (“**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company is proposing a bonus issue of up to 162,578,246 new ordinary shares in the capital of the Company (“**Bonus Shares**”) on the basis of one (1) Bonus Share for every two (2) existing ordinary shares in the capital of the Company (“**Shares**”) (“**Proposed Bonus Issue**”) held by the shareholders of the Company (“**Shareholders**”) as at the books closure date to be determined by the Board for the purpose of determining the entitlements of the Shareholders (“**Books Closure Date**”), fractional entitlements to be disregarded.

#### 2. PRINCIPAL TERMS OF THE PROPOSED BONUS ISSUE

##### 2.1 Terms of the Bonus Shares

The Bonus Shares will be issued as fully paid, at nil consideration and without capitalisation of the Company’s reserves and, when allotted and issued, will rank *pari passu* in all respects with the then existing issued Shares and with each other, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls before the date completion of the allotment and issue of the Bonus Shares.

##### 2.2 Eligibility

The Bonus Shares will be allotted and issued to Shareholders whose names appear in the register of members of the Company or who have Shares entered against their names in the depository register, as the case may be, as at the Books Closure Date. Notice of the Books Closure Date will be given at a later date in order to determine the entitlements of Shareholders to the Proposed Bonus Issue, after all the necessary approvals have been obtained. Fractional entitlements to the Bonus Shares will be disregarded or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

##### 2.3 Authority and Number of Shares

As at the date of this announcement, the Company has an issued and paid-up share capital comprising 325,156,492 Shares. For illustration purposes, assuming that there is no change in the number of issued Shares from the date of this announcement to the Books Closure Date, up to 162,578,246 Bonus Shares will be issued pursuant to the Proposed Bonus Issue. The actual number of Bonus Shares to be issued by the Company will depend on the total number of issued Shares as at the Books Closure Date.

The Bonus Shares will be issued pursuant to the share issue mandate (“**General Mandate**”) obtained from Shareholders at the annual general meeting of the Company held on 23 April 2019, which authorises the Directors to, *inter alia*, allot and issue new Shares, provided that the new Shares to be issued does not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) at the time of passing of the resolution approving the General Mandate, after adjusting for new Shares arising from the conversion or exercise



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of any convertible securities, share options or share awards and any subsequent bonus issue, consolidation or sub-division of shares.

As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate and the proposed issue of up to 162,578,246 Bonus Shares pursuant to the Proposed Bonus Issue will fall within the maximum number authorised under the General Mandate.

### **3. RATIONALE FOR THE PROPOSED BONUS ISSUE**

The Directors believe that the Proposed Bonus Issue will be beneficial to the Company and its Shareholders for the following reasons:

- (a) to further increase the issued share capital of the Company to reflect the growth and expansion of its business;
- (b) to recognize and reward the Shareholders for their continuing support of and loyalty to the Company;
- (c) to reduce the price of each Share and further improve the trading liquidity of the Shares, allowing for greater participation by investors and varying investment profiles; and
- (d) to broaden the Company's shareholder base.

### **4. APPROVAL FOR THE PROPOSED BONUS ISSUE**

The Proposed Bonus Issue is subject to the receipt of in-principle approval from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the dealing in, listing of and quotation for, the Bonus Shares, on the Official List of the SGX-ST ("**In-Principle Approval**"), and such approval not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing of and quotation for the Bonus Shares on the Main Board of the SGX-ST are required to be fulfilled, they are so fulfilled.

The Company will make an application to the SGX-ST for the dealing in, listing of and quotation for, the Bonus Shares in due course.

### **5. APPLICATION FOR WAIVER FROM COMPLIANCE WITH RULE 838 OF THE LISTING MANUAL**

#### **5.1 Background**

Pursuant to Rule 838 of the Listing Manual, an issuer must satisfy the SGX-ST that its daily weighted average price, adjusted for the capitalization issue or subdivision of shares, will not be less than S\$0.50.

For illustration purposes only and assuming that the Proposed Bonus Issue had been completed on 4 July 2018, being the date of the Company's submission of the Waiver application to SGX-ST, the theoretical price for the Shares traded after the Proposed Bonus Issue would be S\$0.367 (based on the volume weighted average price of each Share for trades done on the SGX-ST on 3 July 2018 of S\$0.55).



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Accordingly, the Company had on 4 July 2018 submitted an application to the SGX-ST to seek waiver on the requirement under Rule 838 of the Listing Manual which requires the Company to satisfy the SGX-ST that its daily weighted average price, adjusted for the capitalization issue or subdivision of shares, will not be less than S\$0.50 (the “**Waiver**”).

### 5.2 Reasons for seeking the Waiver

Based on the ratio of the Proposed Bonus Issue, the theoretical ex-bonus price is likely to be below S\$0.50. However, the Company is inclined to proceed with the Proposed Bonus Issue for the reasons as set out above in paragraph 3. Accordingly, the Company had sought SGX’s clearance to proceed with the Proposed Bonus Issue.

### 5.3 Conditional approval of the Waiver application

5.3.1 The Board wishes to announce that the Company has received a letter from SGX-ST dated 26 September 2019 informing the Company that the SGX-ST has no objection to granting the Waiver. The Waiver took into consideration, amongst others, the following:

- (a) the Company having obtained a clean audit opinion for the past 3 financial years;
- (b) the Company’s track record of profitability based on the audited financial statements for the past 3 financial years;
- (c) the Company recording an audited net asset value per share of more than S\$0.50 for the past 3 financial years;
- (d) the Company’s track record of consistently declaring dividends for the past 3 financial years; and
- (e) the Company’s track record of compliance with the SGX-ST Listing Rules.

5.3.2 The Waiver is subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (b) no material adverse change in the factors listed in the above-mentioned paragraph 5.3.1.

As at the date of this announcement, the conditions of the Waiver have been satisfied.



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### 6. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Bonus Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

### 7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial shareholder(s) of the Company has any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company.

### 8. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Bonus Issue is subject to, *inter alia*, the necessary approvals being obtained by the Company, and are therefore advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By order of the Board

Toh Giap Eng  
Executive Director and Deputy Chairman  
7 November 2019