HEETON HOLDINGS LIMITED

KSH HOLDINGS LIMITED

Joint Press Release
(For Immediate Release)

HEETON AND KSH MAKE MAIDEN FORAY INTO JAPANESE PROPERTY MARKET

Highlights

- ***Heeton and KSH partner with Shikizakura Limited – effective interests of 20%, 10% and 70% respectively – to purchase a property in Sapporo City, Hokkaido, Japan***
- ***The asset comprises two buildings: a 15-storey hotel building with a total of 164 bedrooms and another 14-storey building that has 66 residential and 4 retail units***
- ***The property is well located within the Chuo Ward, which is next to the central business district ("CBD") of Sapporo City and in the entertainment and shopping district. It is also within walking distance to Hosuisusukino Station and Susukino Station. Both stations are two stops away from the main transit hub of Sapporo Station***
- ***Sapporo is the fifth largest city in Japan by population and attracts 13 million visitors per year. In recent years, Sapporo is actively attracting local Japanese enterprises to relocate their headquarter functions to the city and it is also attempting to bid for the 2026 Winter Olympics hosting rights***

Singapore, 26 April 2016 – Heeton Holdings Limited (**"Heeton"**) and KSH Holdings Limited (**"KSH"**) are pleased to jointly announce that both parties, together with Shikizakura Limited, had acquired an investment property in Sapporo City, Hokkaido, Japan.

The freehold investment property consists a 15-storey hotel with 164 bedrooms and another 14-storey building that comprises of 66 residential and 4 retail units. The total gross floor area for both buildings is approximately 92,000 square feet.

The hotel, residential and retail units are leased out to generate recurring income. The hotel is currently operated under Super Hotel.

Good Location Next to Sapporo's CBD

The property is located at 2-8-7 Minami 6 Jo Nishi, Chuo-ku, Sapporo, Hokkaido Prefecture, Japan and it is well-connected to the rest of the city. It is within walking distance to two subway stations: one minute to Hosuisusukino Station (along the Toho Line) and three minutes to Susukino Station (along the Nanboku Line). Both stations are just two stops away from the main transit hub of Sapporo Station, which is also served by the Japan Railway ("JR") that connects to the rest of Hokkaido and Japan.

Additionally, it is located in the Susukino area, which is next to the CBD in Sapporo City. Most notably, Susukino area is the largest entertainment and shopping district north of Tokyo, with numerous restaurants, bars and night-life establishments. This is an ideal location for many business travelers for ease of commuting to work at other parts of the CBD during the day and enjoy relaxation activities within the area in the night.

Sapporo's Potential

The city council has always been proactive in achieving growth for Sapporo and had unveiled a series of strategies and initiatives over the next five years. The main objectives are ensuring stable employment, encouraging population growth and attracting more businesses.

Most interestingly, the city has been trying to capture the trend of Japanese companies looking to diversify their geographical risk of its management capabilities after the Great East Japan Earthquake in 2011. Sapporo is among the top choices of these companies seeking to relocate its headquarter functions as the city is significantly remote from the Tokyo metropolitan area and has a lower risk of natural disasters as well as an excellent transport network.

Additionally, the city is also striving to attract sophisticated and high value added industries such as biotechnology, renewable energy, aerospace and medical companies. The city will provide subsidies to companies of these industries when they make capital investments into Sapporo.

In a bid to increase tourism activities, the city is also actively participating in international sporting events and promoting its attractiveness as a global city. The confirmed sporting events to be held include 2017 Sapporo Asian Winter Games and Rugby World Cup 2019. Furthermore, Sapporo is currently preparing itself to bid as the host city for the 2026 Winter

Olympics. These events are projected to have a positive impact on the number of visitors, tourism spending as well as new jobs creation.

Commenting on this latest joint venture, Mr Eric Teng (“丁行洲”), Heeton’s Chief Executive Officer, remarked: ***“With this latest acquisition, we have further expanded our footprints globally. Other than Singapore, we are now in Australia, Japan, Thailand, United Kingdom and Vietnam as we continue our strategy of internationalising the Heeton’s brand. We see Japan as an attractive market as it is the third largest economy in the world and the government had put in place various favourable economic policies in recent years. Particularly, the property market in Japan is very stable and has minimal policy risks.”***

Mr. Choo Chee Onn (“朱峙安”), Executive Chairman and Managing Director of KSH, said, ***“We are pleased to be working with such strong partners in our maiden entry into the Japanese market that will further diversify our real estate portfolio. The Property, with its strong value propositions and strategic location, is poised to ride on Sapporo’s growth as one of Japan’s key markets. We look forward a close working relationship with our partners to capitalise on more of such attractive opportunities in the near future.”***

#End of Release#

About Heeton Holdings Limited (Bloomberg: HTON:SP ; Reuters: HEET.SI)

Heeton Holdings Limited (“喜敦控股有限公司”) was established in July 1976 and is currently listed on the mainboard of the Singapore Exchange.

Heeton is focussed on property development, property investment and hospitality. The Group has expanded its presence internationally from Singapore to United Kingdom, Thailand, Malaysia, Australia and Vietnam.

Heeton has a niche in developing distinctive and high quality residential properties in Singapore’s prime districts. Among its completed projects are iLiv@Grange, DLV at Dalvey Road, The Element@Stevens, detached and semi-detached houses along Holland Road while Onze@Tangjong Pagar is currently under construction.

Heeton has formed strong partnerships with other established property developers to develop properties locally and overseas. Some of these include The Lumos at Leonie Hill, Lincoln Suites off Newton Road, The Boutiq at Killiney Road, Sky Green at MacPherson Road and KAP and KAP Residences at King Albert Park and more recently, High Park Residences at Fernvale Road in Sengkang and an executive condominium development, Westwood Residences.

Heeton’s stable of investment properties include Sun Plaza, The Woodgrove, Tampines Mart and 223@Mountbatten as well as Adam House, a serviced office building in London, United Kingdom.

Heeton’s hotel portfolio include Hotel ibis Styles London Kensington in Earls Court, ibis Budget Bradford, ibis Hotel Gloucester and Holiday Inn Express Hotel Manchester City Centre in United

Kingdom, as well as Mercure Hotel and Hotel Baraquda Pattaya, MGallery Collection, located in a popular tourist district in Pattaya, Thailand.

For more information on the Company, please visit http://www.heeton.com

About KSH Holdings Limited

KSH Holdings Limited ("KSH Holdings" or the "Group") ("金成兴控股有限公司") is a well-established Construction, Property Development and Property Investment group that was incorporated in 1979 and listed on the Mainboard of SGX-ST since February 2007.

KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector construction projects of unlimited value, and is a main contractor for both the public and private sectors in Singapore. KSH also has an A2 grading under BCA's CW02 category for civil engineering, which allows KSH to tender for Public Sector projects for values of up to $90 million.

KSH has a proven capability of handling construction projects across a broad spectrum of industries and its projects have performed well in CONQUAS, a standard assessment system on the quality of building projects. For the construction of Fullerton Bay Hotel and NUS University Town's Education Resource Centre, KSH had received two BCA Construction Excellence Awards in May 2013.

Since listing, KSH had broadened its business portfolio and grown its geographical presence. Beyond its core construction business, the Group is also actively engaged in property development and investment with projects geographically diversified across the Southeast Asia and Asia Pacific regions.

For more information on the Company, please visit http://www.kimsengheng.com

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