



HEETON HOLDINGS LIMITED

(Company Registration No. 197601387M)
(Incorporated in the Republic of Singapore)

Press Release (For Immediate Release)

HEETON'S HY2014 TURNOVER INCREASED 182.5% TO S\$25.4 MILLION FROM S\$9.0 MILLION A YEAR AGO

- *Turnover in 2Q2014 grew 273.58% to S\$22.8 million from S\$6.1 million in 2Q2013 while profit attributable to owners of the parent decrease 29.8% to S\$4.5 million from S\$6.5 million over the same period*
- *Profit attributable to owners of the parent for HY2014 decreased 24.1% to S\$6.9 million from S\$9.2 million in HY2013*
- *The Group remains cautious on the property industry and will continue to explore further opportunities in Singapore whilst actively exploring the overseas market*
- *Proposed interim dividend of 0.50 Singapore Cents per share*

Financial Highlights

S\$ (million)	3 months 2Q2014	3 months 2Q2013	Change	6 months 1H2014	6 months 1H2013	Change
Turnover	22.8	6.1	↑273.5%	25.4	9.0	↑182.5%
Profit from operations	0.5	1.9	↓74.5%	1.9	3.9	↓51.0%
Profit before tax from operations	4.8	6.9	↓30.7%	7.3	9.9	↓26.7%
Profit attributable to owners of parent	4.5	6.5	↓29.8%	6.9	9.2	↓24.1%

Singapore 6 August 2014 – SGX Mainboard listed Property Development and Investment Group, Heeton Holdings Limited (“Heeton” or the “Group”), is pleased to announced its financial performance for the 6 months ended 30 June 2014 (“HY2014”) today.

For HY2014, the Group’s turnover increased 182.5% to S\$25.44 million as compared to S\$9.01 million for the corresponding period ended 30 June 2013 (“HY2013”). This was mainly attributed to higher revenue recognition from two residential project, Onze@Tanjong Pagar and the Earlington in London in HY2014 comparing to the Britton in London in HY2013.

The Group registered a higher cost of properties sold at S\$17.6 million in HY2014. With sales and marketing expenses relating to Onze@Tanjong Pagar and expenses incurred related to bond issue in the second quarter of 2014, other expenses stood at S\$5.39 million for HY2014.

In addition, finance expenses increased to S\$4.5 million in HY2014 due to the bond interest expense as well as bank loan expense on a development property which received TOP in October 2013. Finance income rose 19.1% to S\$1.75 million as interest-bearing advances made to associated companies increases in HY2014.

Share of profit from associated companies increased 183.9% to S\$5.12 million due to progressive profit recognition from The Boutiq and Sky Green.

As a result of the above, the Group recorded a net profit after tax of S\$6.87 million for HY2014.

Financial Position

As at 30 June 2014, investment properties increased to S\$194.21 million which mainly comprised Tampines Mart, The Woodgrove and the Group’s new hotel property, Enterprise Hotel in London, United Kingdom. The improvement of S\$55.31 million mainly comes from the acquisition of Enterprise Hotel during 1Q2014 and a fair value gain of S\$3.0 million in HY2014.

The Group also saw an increase in associated companies and joint venture companies from S\$186.28 million to S\$223.67 million. Through an investee company, the Group made additional investment in China which resulted in an increase in Other investment to S\$8.81 million. Development properties stood at S\$211.25 million which consist of residential property projects in various stages of development.

Cash and cash equivalent increased by S\$1.42 million during HY2014 due to the following major movement during this period:

- a) decrease in development properties of S\$13.07 million as a result of sales proceeds received from the completion of Earlington in London;
- b) proceeds from bond issue amounting to S\$60.0 million;
- c) increase in trade receivables of S\$2.45 million mainly due to proceeds receivable on sales of development property;
- d) net cash outflow of S\$46.37 million for the acquisition of Woodley;
- e) loans of S\$5.76 million and S\$11.71 million to investee company and associated companies respectively; and
- f) distribution of final dividend for FY2013 of S\$3.49 million.

Multicurrency Debt Issuance Programme

The Group issued a fixed rate 3 year bond of \$60.0 million at coupon rate of 5.9% per annum as part of its \$300 million multicurrency debt issuance programme (“MTN programme”) in June 2014. This was the second tranche of bond issuance. The Group had raised a total of S\$135.0 million from the MTN programme and the proceeds will be used for various corporate purposes, such as refinancing of borrowings, financing investments and for general working capital.

Outlook

The cooling measures introduced by the Government in June 2013 continues to impact the local property market. From the latest URA statistic published on July 2014, prices of private residential properties decreased 1.0% in 2nd Quarter 2014, following the 1.3% decline in the previous quarter. This was the third straight quarter of price decline. However, the Group remains positive on the longer-term outlook.

On a positive note, property transaction volume had seen an improvement where developers sold 2,665 private residential units in 2nd Quarter 2014 as compared to the 1,744 units sold in 1st Quarter 2014. However, the total private residential units sold in the first-half of 2014 of 4,409 units was significantly lower than the 9,950 units transacted a year ago.

The Group remains cautious on the property prices and will continue to explore further opportunities in Singapore and also monitor the market closely for the most appropriate time to launch its development projects.

Apart from its property development, the Group is also focusing on investment properties such as expanding its hospitality segment in the overseas market. The Group had successfully acquired its first maiden hotel in London, United Kingdom and will be enhancing the assets refurbishment and additions of more room keys.

Commenting on the Group's outlook, Mr Danny Low, Heeton's Chief Operating Officer, remarked **"We believe that the local property market will improve in the longer term. In addition to development properties, the Group is also looking at strengthening its investment portfolio via adding more hospitality assets."**

Barring unforeseen circumstances, the Group expects to remain profitable for FY2014.

#End of Release#

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

Heeton Holdings is engaged in property development and property investment. As a boutique property developer, the Group has a niche focus on developing distinctive and high quality residential properties in Singapore's prime districts. Among its completed projects are DLV at Dalvey Road, The Element@Stevens, detached and semi-detached houses along prime Holland Road.

Heeton has also formed strong partnerships with other established property developers to develop properties locally and in the region. 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.

Heeton prides itself on building exceptional and uniquely designed homes that measure up to international standards. As testament to its commitment to innovation and cutting-edge design, the Group has brought in yoo, a world-renowned design company co-founded by designer Philippe Starck and British developer John Hitchcox, to design the interiors and landscaping of iLiv@Grange.

Heeton's stable of investment property includes Sun Plaza, The Woodgrove and Tampines Mart. More recently, the Group has ventured into the hospitality sector, having purchased a significant stake in Mercure Hotel, located in a popular tourist district in Pattaya, Thailand.

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

ISSUED ON BEHALF OF **HEETON HOLDINGS LIMITED**

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