



HEETON HOLDINGS LIMITED

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

Press Release
(For Immediate Release)

**HEETON'S NET PROFIT AND REVENUE INCREASE 36.4%
AND 23.9% TO \$13.07 MILLION AND \$34.44 MILLION IN
1H2017 RESPECTIVELY**

Highlights

- *The increase in revenue was mainly a result of recognition of higher sales proceeds from the Group's resident projects, Onze@Tanjong Pagar.*
- *For its hospitality segment, the Group has launched its pilot LUMA CONCEPT HOTEL during the 2Q2017.*

Singapore, 07 August 2017 – SGX Mainboard-listed Property Development and Investment Group, Heeton Holdings Limited ("Heeton" or the "Group"), has announced its financial performance for the six months ended 30 June 2017 ("1H2017").

Heeton's revenue increased by 23.9% to \$34.44 million in 1H2017 from \$27.79 million a year ago ("1H2016"). This was mainly due to the recognition of higher sales proceeds from residential projects, Onze@Tanjong Pagar of \$21.80 million compared to \$14.76 million in 1H2016.

Cost of properties sold increased from \$11.83 million in 1H2016 to \$19.16 million in 1H2017. This is in line with the recognition of higher sales proceeds from Onze@Tanjong Pagar.

Other operating expenses decreased by 23.0% from \$9.06 million in 1H2016 to \$6.98 million in 1H2017 mainly as a result of the qualifying certificate extension fee of \$2.91 million incurred in 1H2016 for residential project iLiv@Grange. This project was disposed off during 3Q2016.

Share of profits from associated companies/joint venture companies had decreased by 42.1% to \$ 6.20 million in 1H2017 from \$ 10.71 million in 1H2016. This was mainly attributed to decrease in progressive profit recognition of residential projects, NEWest and KAP and KAP Residences after their completion in fourth quarter 2016 ("4Q2016").

Finance expenses decreased to \$ 5.98 million in 1H2017 from \$6.51 million in 1H2016. This was mainly due to lower interest-bearing bank term loans as a result of the disposal of iLiv@Grange in 3Q2016.

Finance income declined 26.1% to \$ 1.56 million in 1H2017 from \$ 2.11 million from a year ago, mainly due to a decrease in interest-bearing loans to associated companies.

Taking into consideration of all the factors mentioned above, the Group recorded a 36.4 % increase in net profit after tax to \$13.07 million in 1H2017, compared to \$9.58 million recorded in 1H2016.

Commenting on its financial performance, Mr Eric Teng (“丁行洲”), Heeton’s Chief Executive Officer remarked, **“We are encouraged by our latest financial performance. We have continued to do well across the different segments. The strong result is a reflection of the team’s hard work and the success of the management’s vision and strategies in these uncertain times.”**

Signs of Improving Sentiments

The Singapore residential property market is showing signs of improvement after a prolonged period of weak sentiments. In recent months, there was a significant uptake in the volume of sales in both primary and secondary market. In the same period, there was an increased interest in Government Land Sales and collective sales with more bidders from both local and foreign developers.

In July 2017, the Group completed its disposal of 50% shareholding interests in Buildhome Pte. Ltd., which owns the property development - “The Lumos”. This will have a positive impact on the Group’s financial results in FY2017. Additionally, Heeton also participated in two local property development projects via joint venture.

For its hospitality segment, Heeton is pleased to share that the Group's first LUMA Concept Hotel had commenced operations in the United Kingdom in April this year.

Currently, the Group has a total of eight operating hotels in United Kingdom, Japan and Thailand. Five of these hotels are managed by Heeton's hospitality division. Additionally, there are two more hotel developments in the pipeline. Going forward, the Group will continue to explore more opportunities to increase its recurring income base.

#End of Release#

Note: This press release is to be read in conjunction with the related mandatory announcement filed by Heeton Holdings Limited on SGX net.

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

Heeton Holdings Limited is a real estate conglomerate focused on property development, investment and management. Established in 1976, the company was listed on the Singapore stock exchange in September 2003, and has since extended its business frontiers beyond Singapore to Thailand, Australia, Japan, Malaysia, Vietnam and the United Kingdom.

As a boutique property developer, Heeton enjoys a reputation for distinctive and high quality developments in the choicest districts of some of the world's major cities including Singapore, London and Bangkok. Heeton has also formed strong partnerships with other established real estate groups to develop properties locally and internationally. Most recently, the company led a consortium in the acquisition of a 2.4 acre mixed-use site in the heart of Leeds, UK. With the plan for six buildings forming an important component of a regional gentrification scheme spearheaded by Leeds City Council, the project will be the Group's largest and most ambitious development undertaking to date.

Heeton's growth in the property industry is underpinned by a stable real estate portfolio that includes commercial properties (shopping malls and serviced offices) and hotels. Heeton entered the hospitality sector in 2011 with the acquisition of the Mercure Hotel Pattaya, Thailand. Following an aggressive expansion programme the company's hotel portfolio has now increased to eight properties world-wide, with two others in the pipeline. The sector is a relatively new area of focus for Heeton but it has become a primary business segment for the group; going forward, developing the hotel division will be a key priority for Heeton, with the objective of becoming a prominent player on the international hospitality stage.

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

ISSUED ON BEHALF OF **HEETON HOLDINGS LIMITED**

BY CAPITAL ACCESS COMMUNICATIONS PTE LTD:

Neo Aik Kee

Email: aikkee@capitalaccess.com.sg

Mobile: +65 9793 0504

Edwin Lee

Email: edwinlee@capitalaccess.com.sg

Mobile: +65 9660 7361