



HEETON HOLDINGS LIMITED

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

Press Release
(For Immediate Release)

**HEETON'S TURNOVER RISES 161.2% TO S\$7.00 MILLION
IN 1Q2015, ADDS ANOTHER HOSPITALITY ASSET IN
LONDON**

Singapore, 14 May 2015 – SGX Mainboard listed Property Development and Investment Group, Heeton Holdings Limited ("Heeton" or the "Group"), is pleased to announce its set of financial results for the three months ended 31 March 2015 ("1Q2015").

Heeton's turnover had experienced a significant growth, a notable 161.2% from S\$2.68 million for the three months ended 31 March 2014 ("1Q2014") to S\$7.00 million in 1Q2015. The increase in turnover was mainly attributed to the recognition of sales proceeds of S\$2.60 million for Onze@Tanjong Pagar, a mixed development project in Singapore, and revenue from its investment property, Adam House and hospitality property, Hotel ibis Styles London Kensington, in London

In the course of growing its turnover, the Group had incurred a number of additional costs. Cost of properties sold of S\$1.99 million relating to development costs for Onze@Tanjong Pagar was recognised in 1Q2015, while personnel expenses increased 58.8% to S\$1.28 million in the same period due to increased headcount for its London operations following the commencement of operations of Adam House and Hotel ibis Styles London Kensington. Other operating expenses grew to S\$2.99 million in 1Q2015, up from S\$1.11 million a year ago, mainly attributable to the loss on disposal of old fixed assets of \$874,000 in Enterprise Hotel, now known as Hotel ibis Styles London Kensington after refurbishment and operating expenses for Adam House and Hotel ibis Styles London Kensington.

Additionally, finance expenses for Heeton had increased 81.4% to S\$3.62 million in 1Q2015 as a result of loan interest arising from Adam House and Hotel ibis Styles London Kensington as well as higher bond interest expense from the additional bond drawdown of

S\$60.00 million in June 2014. Heeton had issued two tranches of fixed rate notes under its Multicurrency Debt Issuance Programme, raising a total of S\$135.00 million in order to further grow its investment properties portfolio.

Taking into consideration the above mentioned, the Group registered a net profit after tax of S\$1.22 million, a 49.7% decline from S\$2.43 million in 1Q2014.

Hospitality Business Expands

For the quarter under review, Heeton had added another fixed asset, 28-36 Glenthorne Road, London, United Kingdom, valued at Pound Sterling 14.85 million (approximately S\$31.32 million) to its existing portfolio. This newly-added property is a joint venture and is majority owned (60%) by Heeton. The property is expected to be redeveloped into a 85 rooms aparthotel, which the Group believes will further enhance its strategy to focus on recurring income from hospitality properties.

Additionally, as at 31 March 2015, investment properties stood at S\$172.52 million, mainly comprised of Tampines Mart, The Woodgrove and Adam House. At the same time, development properties amounted to S\$206.78 million, consisting of various residential property projects in different stages of development.

Remarking on the Group's properties portfolio, Mr Danny Low, Heeton's Chief Operating Officer remarked, **"While the local property market continues to be challenging, the recent overseas hospitality asset addition to our investment portfolio has further reinforced the Group's recurring income base as well as mitigating the overall risk away from the local market. Going forward, we will continue to capitalise on our good track record and extensive experience of the overseas markets to further expand our portfolio of investment properties."**

Outlook

The property market in Singapore will remain challenging in the short term as the cooling measures implemented by the government continues to impact general sentiments.

According to URA's latest statistic published on 24 April 2015, the number of private residential units launched (excluding Executive Condominiums, ECs) in 1Q2015 was 1,189 units, lower than the 1,592 units launched in 4Q2014. Similarly, developers sold 1,311 private residential units (excluding ECs), slightly lower than the 1,376 units sold in 4Q2014.

Prices of private residential properties continued to decline for the sixth consecutive quarter, with prices falling 1.0% in 1Q2015 from the preceding quarter.

As such, the Group will continue to monitor the market closely for the most appropriate time to launch and also re-launch its development projects and also continue to explore further opportunities. Nevertheless, the Group remains cautiously positive on the longer-term outlook for the Singapore property market.

As part of its effort to mitigate the impact of the slowdown in the local property market, the Group had acquired a number of investment/hotel properties during FY2014 and will continue to seek expansion in its properties portfolio overseas. In addition to the acquisitions of investment properties, the Group will continue to review its options and take necessary steps to enhance its existing assets.

#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 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 and the recently acquired serviced office building, Adam House in London. Heeton's hotel portfolio includes Hotel ibis Style London Kensington in Earls Court, London as well as Mercure Hotel and Hotel Baraquda Pattaya, MGallery Collection, located in a popular tourist district in Pattaya, Thailand, as managed by the international French hotel operator, Accor.

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

ISSUED ON BEHALF OF **HEETON HOLDINGS LIMITED**

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