



HEETON HOLDINGS LIMITED

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

Press Release
(For Immediate Release)

**HEETON'S TURNOVER IMPROVED 145.2% TO \$29.5
MILLION IN 9M2014 AND CONTINUES TO ADD NEW
ASSETS TO ITS PROPERTIES PORTFOLIO**

Singapore, 10 November 2014 – SGX Mainboard listed Property Development and Investment Group, Heeton Holdings Limited (“Heeton” or the “Group”), is pleased to announce its financial results for the nine months ended 30 September 2014 (“9M2014”) today.

The Group registered an impressive increase of 145.2% in its turnover from \$12.02 million in the corresponding period ended 30 September 2013 (“9M2013”) to \$29.48 million in 9M2014. The primary drivers behind the revenue growth for 9M2014 period was higher revenue contribution from Onze@Tanjong Pagar, a mixed development project in Singapore; and the Earlington, a residential project in London.

Despite the increase in turnover, the Group’s profitability was affected due to a number of factors. In line with the increase in turnover, the cost of properties sold increased from \$3.09 million in 9M2013 to \$18.44 million in 9M2014. Other operating expenses also increased from \$3.61 million to \$7.47 million, which was mainly due to sales and marketing expenses of \$2.31 million relating to Onze@Tanjong Pagar and Earlington as well as a one-off expense of \$1.0 million relating to the \$60.0 million bond issued during second quarter of 2014.

Additionally, finance expenses increased to \$7.72 million in 9M2014 as compared to \$1.45 million in 9M2013. The increase in finance expenses was largely a result of increased interest from its \$135 million bond. The Group had issued two tranches of fixed rate notes

under its Multicurrency Debt Issuance Programme earlier this year, raising a total of \$135 million, as the Group continues to add more assets to its investment properties portfolio.

As a result of the above, net profit after tax in 9M2014 was lowered to \$7.10 million.

Continues to Add New Assets to Properties Portfolio

As at 9M2014, the Group's fixed assets increased from \$455,000 to \$62.08 million, which was mainly spurred by the Group's new additions, namely Hotel ibis Styles London Kensington in London (previously known as Enterprise Hotel) and as well as a hotel site in Brisbane, Australia.

The Group's investment properties of \$172.10 million mainly comprised Tampines Mart, The Woodgrove, and the Group's newly acquired office building, Adam House in London, United Kingdom. The increase of \$33.20 million was mainly due to (i) the acquisition of Adam House in 3Q2014; and (ii) the recognition of fair value gain of \$3.0 million in 2Q2014.

Meanwhile, development properties stood at S\$212.84 million, which consist of residential property projects in various stages of development.

Commenting on the Group's recent development, Mr Danny Low, Heeton's Chief Operating Officer remarked, **"We have made a couple of long term investments and have grown fairly quickly within the past 12 months. We are excited by the potential of these assets, and we expect these assets to contribute positively to the Group's performance in FY2015 and beyond. Going forward, we will continue to explore more opportunities in key destinations beyond our current market."**

Outlook

The local property market continues to be impacted by the several rounds of cooling measures implemented by the Singapore government. The Total Debt Servicing Ratio framework ("TDSR"), which was introduced by Monetary Authority of Singapore in June 2013, further affects buyers' sentiments as there are now restrictions on the quantum of loans buyers can borrow. As a result, local property prices have continued to remain depressed.

According to Urban Redevelopment Authority's latest statistic published on 24 October 2014, prices of private residential properties decreased by 0.7% in 3rd Quarter 2014,

following the 1.0% decline in the previous quarter. This was the fourth straight quarter of price decline. In addition, developers sold 1,531 private residential units in 3rd Quarter 2014, significantly lower than the 2,665 units sold in 2nd Quarter 2014.

The Group expects that the property market in Singapore will continue to remain soft in the short term and will monitor the market closely for the most appropriate time to launch and re-launch its development projects while continuing to explore further opportunities. The Group remains positive on the longer-term outlook for the Singapore property market.

In addition to property development, the Group has also been expanding its properties portfolio, primarily in the hospitality sector, in an attempt to further enhance its strong recurring income base. For the period under review, the Group had added a few more properties assets into its portfolio such as Hotel ibis Style London Kensington in London and a hotel site in Brisbane, Australia as well as Adam House, an office building in London.

#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 office building, Adam House in London. Heeton's hotel portfolio includes Hotel ibis Style London Kensington in Earls Court, London (previously known as Enterprise Hotel) as well as Mercure Hotel, located in a popular tourist district in Pattaya, Thailand.

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

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