



HEETON HOLDINGS LIMITED

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

Press Release
(For Immediate Release)

**HEETON'S TURNOVER GROWS 141.1% TO S\$36.32
MILLION IN FY2014 AND
POST NET PROFIT AFTER TAX OF S\$8.77 MILLION IN
FY2014**

Singapore 24 February 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 twelve months ended 31 December 2014 (“FY2014”).

For the full year under review, Heeton’s turnover jumped 141.1% from S\$15.07 million in the twelve months ended 31 December 2013 (“FY2013”) to S\$36.32 million in FY2014. This turnover growth was mainly due to revenue contribution of S\$24.11 million from two residential projects, Onze@Tanjong Pagar, a mixed development project in Singapore; and the Earlington, a residential project in London.

In tandem with the revenue growth, cost of properties sold increased 521.3% from S\$3.19 million in FY2013 to S\$19.84 million in FY2014. Personnel expenses increased by 28.1% to S\$4.35 million in FY2014 as a result of increased headcounts following the commencement of operations in London. Other operating expenses increased by 42.8% to S\$9.11 million from S\$6.38 million, which was mainly attributed to the sales and marketing expenses of S\$2.31 million relating to Onze@Tanjong Pagar and the Earlington, as well as a one-off expense of S\$1.00 million relating to the S\$60.00 million bond issued in second quarter of 2014. The Group has also made a provision for foreseeable losses of \$5.00 million on one of its development properties during 4Q2014.

As at 31 December 2014, the Group had issued two tranches of fixed rate notes under its Multicurrency Debt Issuance Programme raising a total of S\$135.00 million as it continues to add assets to its properties portfolio. As a result, finance expenses increased 283.4% to S\$11.24 million in FY2014 from S\$2.93 million in FY2013.

Correspondingly, net profit after tax in FY2014 decline 52.2% to S\$8.77 million, from S\$18.35 million a year ago.

The Board of Directors proposed a final dividend of Singapore 0.6 Cents per share.

Properties Portfolio Continues to Grow

The Group had added a few properties to their portfolio in FY2014. The acquisition of Hotel Ibis Styles Kensington in London (previously known as Enterprise Hotel) as well as a piece of hotel site in Brisbane, Australia had resulted in fixed assets increasing significantly from S\$455,000 in FY2013 to S\$68.29 million in FY2014.

Investment properties amounting to S\$172.33 million mainly comprised Tampines Mart, The Woodgrove and the Group's new investment property, Adam House in London, United Kingdom. The increase of S\$33.43 million was mainly due to (i) the acquisition of Adam House in 3Q2014 for S\$30.03 million; and (ii) the recognition of fair value gain of S\$3.40 million during FY2014.

Meanwhile, development properties stood at S\$210.69 million, which consist of residential property projects in various stages of development.

Outlook

According to URA's latest statistic published on 23 January 2015, developers sold a total of 7,316 private residential units in 2014, which was significantly lower than the 14,948 units sold in 2013. The significantly lower number of sales is a clear indication of the negative impact from the numerous cooling measures imposed by the Singapore Government, with the latest being Total Debt Servicing Ratio (TDSR) in June 2013.

Additionally, prices of private residential properties have decreased by 4.0% in 2014, compared with an increase of 1.1% in 2013. This is the first year of overall price decline since 2008.

The Group expects that the property market in Singapore will continue to remain soft in the short term and 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 positive on the longer-term outlook for the Singapore property market. In addition to local development opportunities, the Group will also be leveraging on its track record and experience in overseas property development to actively seek and assess development opportunities beyond Singapore.

As part of its effort to mitigate the impact of the slowdown in the local property market, the Group is expanding its properties portfolio overseas. The Group had acquired a number of quality assets during FY2014 and believe that these will bring long term benefits to the Group. In addition to acquisition of investment properties, the Group will be reviewing its available options and taking necessary steps to enhance its existing assets.

Commenting on the Group's outlook, Mr Danny Low, Heeton's Chief Operating Officer remarked, **"In FY2014, we have made tremendous progress in growing our properties portfolio and we hope to continue this momentum in the next couple of years. We will continue to explore more opportunities locally and in key overseas destinations as we aim to grow our portfolios even bigger."**

#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 and Hotel Baraquad MGallery Collection, both 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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