



HEETON HOLDINGS LIMITED

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

Press Release
(For Immediate Release)

HEETON'S 1Q2016 NET PROFIT SOARS 377.1% TO \$5.84 MILLION

Highlights

- ***Heeton's revenue increased 96.9% from \$7.00 million in 1Q2015 to \$13.79 million in 1Q2016***
- ***The stronger year-on-year financial performance was mainly due to increased recognition of sales from residential projects and additional recurring income from newly acquired hotels, as well as higher share of results from its joint venture projects***
- ***Going forward, Heeton will strategically continue to explore opportunities for investment properties internationally and explore ways to further increase its recurring income base***

Singapore, 06 May 2016 – SGX Mainboard listed Property Development and Investment Group, Heeton Holdings Limited (“Heeton” or the “Group”), is pleased to announce a strong set of financial results for the three months ended 31 March 2016 (“1Q2016”).

Despite the weak property market sentiments in Singapore, Heeton's revenue in 1Q2016 jumped 96.9% to \$13.79 million, compared to \$7.00 million a year ago (“1Q2015”). This stronger performance was mainly due to higher recognition of sales proceeds from Onze@Tanjong Pagar and the Earlington. Additionally, Heeton's newly acquired hotels, ibis Budget Bradford and ibis Hotel Gloucester in United Kingdom (“UK”) contributed \$1.14 million to the Group's revenue.

Similarly, share of profits from associated companies/joint venture companies increased by 142.5% to S\$6.26 million in 1Q2016 from S\$2.58 million in 1Q2015. This was mainly

attributed to progressive profit recognition of residential projects, namely NeWest and King Albert Park.

Cost of properties sold increased from \$1.99 million in 1Q2015 to \$6.12 million in 1Q2016, in line with the increased recognition of sales proceeds from its residential projects. Personnel expenses further increased by 49.7% to \$1.92 million in 1Q2016 from \$1.28 million in 1Q2015 due to higher staff bonus paid during the period as well as additional headcount in relation to the newly acquired hotels, ibis Budget Bradford and ibis Hotel Gloucester in UK as the Group continues to expand its investment properties portfolio.

In addition, other operating expenses increased by 25.7% to \$3.76 million in 1Q2016, which was mainly due to the

- (i) qualifying certificate extension fee of \$1.46 million relating to iLiv@Grange in 1Q2016;
- (ii) additional operating expenses of approximately \$0.58 million for the two newly acquired hotel properties in 1Q2016; and
- (iii) \$0.87 million loss on disposal of fixed assets in Hotel ibis Styles Kensington in 1Q2015.

On the other hand, finance expenses decreased to \$3.30 million in 1Q2016 from \$3.62 million in 1Q2015. This was mainly due to lower bond interest expense as a result of repayment for the \$75.00 million bond made in November 2015. Finance income also declined 20.2% to \$1.12 million, mainly due to decrease in interest-bearing loans to associated companies.

Correspondingly, the Group's net profit after tax in 1Q2016 surged 377.1% to \$5.84 million, compared to \$1.22 million a year ago.

Commenting on its financial performance, Mr Eric Teng (“丁行洲”), Heeton's Chief Executive Officer remarked, **“We are pleased with this encouraging set of financial results. While the Singapore property market sentiments have not shown signs of improvement within the short term, our strategy of growing the Group's investment properties, especially in the international market, has continued to boost our revenue and profitability.”**

Outlook

The Group remains cautious about the short term outlook of the Singapore property market as it continues to be affected by the various cooling measures as well as the weaker global economy. In the real estate statistics released by URA on 22 April 2016, the prices of private residential properties declined for ten consecutive quarters. The prices decreased by 0.7% in 1Q2016, compared to the 0.5% reduction in 4Q2015.

Nonetheless, Heeton is cautiously optimistic of the longer term prospects of the Singapore property market and will continue to seek suitable property development projects within the country.

Additionally, the Group will strategically continue to explore opportunities for investment properties internationally, especially in the hospitality sector. Currently, the Group has a total of six operating hotels in United Kingdom and Thailand. The redevelopment of the hotel property at Glenthorne Road, London, United Kingdom is expected to be completed end of FY2016. Going forward, the Group will continue to explore ways to increase Heeton's 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 (“喜敦控股有限公司”) was established in July 1976 and is currently listed on the mainboard of the Singapore Exchange.

Heeton is focussed on property development, property investment and hospitality. The Group has expanded its presence internationally from Singapore to United Kingdom, Thailand, Malaysia, Australia and Vietnam.

Heeton has a niche in developing distinctive and high quality residential properties in Singapore's prime districts. Among its completed projects are iLiv@Grange, DLV at Dalvey Road, The Element@Stevens, detached and semi-detached houses along Holland Road while Onze@Tangjong Pagar is currently under construction.

Heeton has formed strong partnerships with other established property developers to develop properties locally and overseas. 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 and more recently, High Park Residences at Fernvale Road in Sengkang and an executive condominium development, Westwood Residences.

Heeton's stable of investment properties include Sun Plaza, The Woodgrove, Tampines Mart and 223@Mountbatten as well as Adam House, a serviced office building in London, United Kingdom.

Heeton's hotel portfolio include Hotel ibis Styles London Kensington in Earls Court, ibis Budget Bradford, ibis Hotel Gloucester and Holiday Inn Express Hotel Manchester City Centre in United Kingdom, as well as Mercure Hotel and Hotel Baraquada Pattaya, MGallery Collection, 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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