



Heeton Holdings Limited



聯明集團有限公司
LIAN BENG GROUP LTD



KSH Holdings Limited

Joint Press Release

(For Immediate Release)

HEETON, LIAN BENG & KSH TEAM UP TO CO-DEVELOP A\$150 MILLION MIXED USE ASSET IN FORTITUDE VALLEY, BRISBANE, AUSTRALIA, A REJUVENATING TOURIST HOTSPOT

Proposed mixed development includes two residential towers of 30-storey and 23-storey with a total of 324 apartment units as well as a 23-storey hotel featuring 198 guest rooms

Highlights

- *The site is located at 186 Wickham Street and 29 Ranwell Lane in Fortitude Valley, which is strategically located beside the “heart” of Fortitude Valley – i.e. the Chinatown and Brunswick Street Malls, both popular tourists destinations*
- *The mixed development consists of two different joint venture structures with the residential component lead by Australian counterpart – Marvel Investments Pty Ltd with an effective interest of 67%, while the rest is held by the Heeton, Lian Beng & KSH consortium with effective interest of 18.15%, 9.90% & 4.95% respectively*
- *The hotel development will be led by Heeton in a 70:30 joint venture with Lian Beng*
- *According to a report, Brisbane will need 450 extra rooms per year to meet the state government growth target of doubling overnight visitor expenditure by 2020, giving strong impetus for more hotel investment*
- *Brisbane’s City Council intends to further rejuvenate Fortitude Valley so as to provide supportive commercial functions in close proximity to the City Centre of Brisbane*
- *Plans in progress to transform Fortitude Valley into a major entertainment, cultural, heritage, retail and business centre*

Singapore, 18 August 2014 – Heeton Holdings Limited (“**Heeton**”), Lian Beng Group Ltd (“**Lian Beng**”) and KSH Holdings Limited (“**KSH**”) are pleased to announce today that the three companies are collaborating via their respective subsidiaries to co-develop a mixed use site in Fortitude Valley, Brisbane, Australia.

These joint venture arrangements comprise:

- (a) a residential development joint venture with Australian counterpart, Marvel Investments Pty Ltd, who will hold an effective interest of 67%, while the rest is held by the Heeton, Lian Beng and KSH consortium with effective interests of 18.15%, 9.90% & 4.95% respectively; and
- (b) a hotel development joint venture with Heeton and Lian Beng holding effective interest of 70% and 30% respectively.

Strategic Location

The development is situated at 186 Wickham Street and 29 Ranwell Lane in Fortitude Valley, which is one kilometre from Brisbane’s Central Business District (“CBD”), approximately 150 metres from the Brunswick Central railway station, and 50 metres from the “heart” of Fortitude Valley – i.e. the Chinatown and Brunswick Street Malls.

According to “Brisbane City Planning 2014”, the City Council is undertaking various projects to revitalize Fortitude Valley while bolstering its daytime economy. For instance, the City Council is currently mid-way through an A\$4 million refurbishment of the adjoining Brunswick Street Mall.

The proposed mixed-use development will form part of the revamped skyline of Fortitude Valley and further enhance the booming Valley precinct. As one of the tallest developments in the vicinity, both residential unit owners and hotel visitors will be able to enjoy panoramic view of the CBD district.

In line with the City Council’s planning, this development will act as a catalyst to stimulate the renewal of the area, increasing residential density and providing a varied range of associated uses on the site.

Commenting on the development in Brisbane, Mr Danny Low, Heeton's Chief Operating Officer, remarked, **"Together with our partners, we are very excited to be part of the rejuvenation program set in motion by the Brisbane City Council. Prospects are very good at this site as Fortitude Valley continues to attract strong interests from both residential buyers and tourists."**

Residential Development

Undertaken by 186 Wickham Street (Residential) Pty Ltd, the joint venture between Marvel Investments Pty Ltd with Heeton, Lian Beng and KSH, the proposed residential development will consist of two towers to be built over two phases. Phase 1 comprises a 30-storey residential tower consisting of 187 apartment units while Phase 2 will see the construction of a 23-storey residential tower consisting of 137 apartment units.

Apart from marketing to the local population, the joint venture will also be targeting Asian investors, from key countries such as Singapore, Malaysia, Indonesia and Hong Kong, in partnership with leading real estate agencies in the region.

In regards to Heeton's first Australian collaboration, Mr Danny Low, Heeton's Chief Operating Officer, commented, **"We chose Brisbane to make our maiden foray into the Australian market as we believe the market is highly attractive due to its socio-political stability and a high level of transparency. Australia's properties will continue to attract strong interest from Asian investors and thus, we are confident of making this project a success."**

On its first venture into Australia, Lian Beng's Executive Chairman, Mr Ong Pang Aik (王邦益), said, **"We are excited to break ground in a new market. Going in together with partners whom we have cooperated with in past successful projects further strengthens our resolve in making this new venture fruitful."**

Added Mr. Choo Chee Onn ("朱峙安"), Executive Chairman and Managing Director of KSH, **"KSH has been continually assessing overseas opportunities and we are enthused to be making our entry into Australia with this residential project together with established Singapore-based joint venture partners. As we combine our proven capabilities in construction and property development projects across a broad spectrum of industries and projects in Singapore, we shall embark on another quality project with the same commitment to excellence."**

Hotel Development

As Fortitude Valley continues its fast-paced evolution into a major entertainment, cultural, heritage, retail and business centre, an influx of both international and domestic travellers into this area is expected.

According to “Brisbane Marketing – A Guide to Hotel Investment in Brisbane, Australia”, there are 4.3 million visitor nights in 2012 while Chinese visitors numbers are growing at an average of 15.1% per annum, signalling strong visitors’ demand in Brisbane. Similarly, Revenue per Available Room (RevPAR) had also increased 10.2% over five years to 2012. Going forward, to meet the state government growth target of doubling overnight visitor expenditure by 2020, Brisbane will need to add 450 rooms per year.

With this encouraging backdrop, Heeton and Lian Beng target to build a 23-storey hotel tower that consist of 198 room keys to be ready in 2016/2017.

Commenting on the Group’s newly added hotel development in Brisbane, Mr Danny Low, Heeton’s Chief Operating Officer, remarked, **“We are very pleased to co-develop a hospitality asset in Brisbane, one of the fastest-growing capital cities in Australia. In line with our 3-year strategic plans for the hospitality portfolio, the new addition from this hotel development project further strengthen our hospitality segment, bringing the total number of hotels’ rooms in our Group to close to 650.”**

Mr Ong added, **“We are delighted of this opportunity to jointly develop a landmark hotel in a foreign city. This new overseas hotel development will add to and enrich our list of property development projects, making our portfolio much more diversified.”**

#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 prime 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. More recently, the Group has ventured into the hospitality sector, having purchased a significant stake in Mercure Hotel, located in a popular tourist district in Pattaya, Thailand and Enterprise Hotel in London, United Kingdom.

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

About Lian Beng Group Ltd

Established in 1973, Lian Beng Group Ltd is one of few Singapore's major home-grown construction groups with integrated civil engineering and construction support service capabilities. The Group is principally involved in the construction of residential, industrial and commercial projects, and civil engineering projects as a main contractor.

As a Building and Construction Authority (BCA) Grade A1 contractor in General Building, Lian Beng can tender for public sector building projects of unlimited contract value, while its A2 grade in Civil Engineering allows it to tender for engineering projects of up to \$85 million in contract value. Based on years of experience and impeccable track record, the Group has established a reputation in managing large-scale and complex construction projects.

Lian Beng also engages in other construction related activities such as the provision of scaffolding and engineering services, supply of ready-mix concrete, leasing of equipment and machinery, reinforcement bar fabrication, sourcing and management of construction materials and training of foreign construction labour.

Apart from construction, Lian Beng also engages in property development, mostly through joint ventures. Some of its property development and investment projects include OLA Residences, Kovan Residences, 111 Emerald Hill, Lincoln Suites, M-Space, Spottiswoode Suites and The Midtown & Midtown Residences. Lian Beng has also developed and presently operates a workers' dormitory, through a joint venture, at Mandai Estate.

The Group, an advocate for sustainable living, was awarded with the Green Mark Platinum award by BCA in 2010 for its project at 29 Harrison Road, the Group's headquarters building.

Lian Beng Group Ltd was listed on the Main Board of the Singapore Exchange in 1999.

For more information, please visit <http://www.lianbeng.com.sg>

About KSH Holdings Limited

KSH Holdings Limited ("KSH Holdings" or the "Group") ("金成兴控股有限公司") is a well-established Construction, Property Development and Property Investment group that was incorporated in 1979

and listed on the Mainboard of SGX-ST on February 2007.

KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector construction projects of unlimited value, and is a main contractor for both public and private sectors in Singapore. KSH also has an A2 grading under BCA's CW02 category for civil engineering, which allows KSH to tender for Public Sector projects for values of up to \$85 million.

KSH has a proven capability of handling construction projects across a broad spectrum of industries and its projects have performed well in CONQUAS, a standard assessment system on the quality of building projects. For the construction of Fullerton Bay Hotel and NUS University Town's Education Resource Centre, KSH had received two BCA Construction Excellence Awards in May 2013.

Since listing, KSH had broadened its business portfolio and grown its geographical presence. Beyond its core construction business, the Group is also actively engaged in property development and investment with projects geographically diversified across Southeast Asia and Asia Pacific regions.

For more information, please visit <http://www.kimsengheng.com>

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