



HEETON HOLDINGS LIMITED

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

Press Release
(For Immediate Release)

**HEETON'S NET PROFIT SURGED TO
\$40.39 MILLION IN 9M2017**

Highlights

- ***Revenue for 9M2017 increased from \$46.58 million in 9M2016 to \$47.48 million in 9M2017.***
- ***Net profit after adjustment for one-off loss / gain on the Group's disposal of its subsidiaries and joint venture company increased 10.7% from \$11.20 million in 9M2016 to \$12.41 million in 9M2017.***
- ***As a result of the Group's strategies, the total number of investment properties / hospitality assets doubled from eight as at 31 December 2012 to 16 as at 30 September 2017. Currently, Heeton has eight operating hotels in United Kingdom, Japan and Thailand with another three property assets undergoing planning and redevelopment into hotels.***
- ***Going forward, the Group will continue to seek opportunities in both property development projects as well as expand its recurring income base.***

Singapore, 07 November 2017 – SGX Mainboard-listed Property Development and Investment Group, Heeton Holdings Limited (“Heeton” or the “Group”), is pleased to announced its financial result for the nine months ended 30 September 2017 (“9M2017”).

Heeton's revenue increased by 1.9% from \$46.58 million a year ago (“9M2016”) to \$47.48 million in 9M2017. Cost of properties sold increased from \$21.78 million in 9M2016 to \$27.98 million in 9M2017.

Other operating expenses decreased by 16.2% from \$13.05 million in 9M2016 to \$10.94 million in 9M2017 mainly due to the absence of the qualifying certificate extension fee of

\$4.37 million for a residential project iLiv@Grange, which was disposed in third quarter 2016 ("3Q2016"). This was offset by increase in:

- (i) bonds issuances expenses of \$1.00 million relating to the 3-year bond of \$75.00 million in May 2017; and
- (ii) operating expenses of \$0.72 million following the commencement of LUMA Concept Hotel in the United Kingdom in April this year.

Share of profits from associated companies/joint venture companies decreased by 27.6% from \$11.02 million in 9M2016 to \$7.98 million in 9M2017. This was mainly due to lower progressive profit recognition of residential projects, NEWest and KAP and KAP Residences after their completion in fourth quarter 2016 ("4Q2016").

Finance expenses decreased from \$9.54 million in 9M2016 to \$8.93 million in 9M2017. This was mainly due to lower interest-bearing bank term loans as a result of the disposal of iLiv@Grange in 3Q2016.

Finance income declined 10.2% from \$2.98 million from a year ago to \$2.68 million in 9M2017, mainly due to decrease in interest-bearing loans to associated companies.

One-off Impacts

In 9M2017, the Group registered a gain on disposal of a joint venture company of \$27.98 million from the disposal of Buildhome Pte. Ltd. ("Buildhome"), which owned the residential project - The Lumos.

In the previous corresponding period, the Group had disposed of its subsidiaries, Heeton Residence Pte. Ltd. and Heeton Realty Pte. Ltd., which owned the residential project, iLiv@Grange, resulting in a one-off loss of \$12.88 million.

Taking into consideration of the above factors, the Group's net profit after tax surged to \$40.39 million in 9M2017, a stark comparison to the net loss after tax of \$1.68 million reported in 9M2016.

Commenting on its financial performance, Mr Eric Teng (“丁行洲”), Heeton's Chief Executive Officer remarked, **“The results have been gratifying for Heeton. The Group's strategy of going international and investing in good quality properties have positioned us well for the future.”**

Outlook

Overall confidence in the local residential property market has increased after a prolonged period of weak sentiments. The Real Estate Sentiment Index (Resi)¹, which gives an overall indicator of the local property market sentiment, had a composite reading of 6.6 in the third quarter, an improvement from 6.1 in the second quarter.

The market continues to see a healthy volume of sales in both primary and secondary market. The unsold units was 17,200 as of 3Q2017, the lowest in the last 5 years. Additionally, the prices of private residential properties had increased for the first time since 4th Quarter 2013. According to the statistics released by Urban Redevelopment Authority on 27 October 2017, the prices of private residential properties increased by 0.7% in 3rd Quarter 2017, compared with the 0.1% decline in the previous quarter. The Group is cautiously optimistic about the outlook for the Singapore residential market.

On the property development front, the Group participated in two new local joint venture projects earlier this year. The Group will continue to seek suitable development projects in Singapore and beyond.

Since FY2012, Heeton has been proactively acquiring investment properties. Currently, the Group has a total of 16 investment properties. This includes eight hotels operating in United Kingdom, Japan and Thailand, five of which are managed by Heeton's hospitality division. Additionally, there are three more hotel developments in the pipeline.

During the quarter under review, Heeton acquired one more property in Manchester City, UK. Going forward, the Group will continue to explore for more opportunities to expand its 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.

¹ The Index is jointly developed by the Real Estate Developers' Association of Singapore (Redas) and the Department of Real Estate at the National University of Singapore

About Heeton Holdings Limited (Bloomberg: HTON:SP; Reuters: HEET.SI)

Heeton Holdings Limited (“Heeton” or the “Group”) (“喜敦控股有限公司”) is a real estate conglomerate focused on property development, investment and management. Established in 1976, the company was listed on the Singapore stock exchange in September 2003, and has since extended its business frontiers beyond Singapore to Thailand, Australia, Japan, Malaysia, Vietnam and the United Kingdom.

As a boutique property developer, Heeton enjoys a reputation for distinctive and high quality developments in the choicest districts of some of the world’s major cities including Singapore, London and Bangkok. Heeton has also formed strong partnerships with other established real estate groups to develop properties locally and internationally. Most recently, the company led a consortium in the acquisition of a 2.4 acre mixed-use site in the heart of Leeds, UK. With the plan for six buildings forming an important component of a regional gentrification scheme spearheaded by Leeds City Council, the project will be the Group’s largest and most ambitious development undertaking to date.

Heeton’s growth in the property industry is underpinned by a stable real estate portfolio that includes commercial properties (shopping malls and serviced offices) and hotels. Heeton entered the hospitality sector in 2011 with the acquisition of the Mercure Hotel Pattaya, Thailand. Following an aggressive expansion programme the company’s hotel portfolio has now increased to eight properties world-wide, with three others in the pipeline. The sector is a relatively new area of focus for Heeton but it has become a primary business segment for the group; going forward, developing the hotel division will be a key priority for Heeton, with the objective of becoming a prominent player on the international hospitality stage.

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

ISSUED ON BEHALF OF **HEETON HOLDINGS LIMITED**

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