CIRCULAR DATED 28 SEPTEMBER 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your shares in the capital of Hatten Land Limited (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Company was listed on the Catalist board ("**Catalist**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 January 2017 via a reverse take-over ("**RTO**"). The financial adviser of the RTO was UOB Kay Hian Private Limited (the "**Sponsor**"). Companies listed on Catalist may carry higher investment risks when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares traded on Catalist.

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

HATTEN LAND LIMITED

(Company Registration Number: 199301388D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED ACQUISITION OF 80% OF THE ISSUED AND PAID UP SHARE CAPITAL OF VELVET VALLEY SDN BHD AS AN INTERESTED PERSON TRANSACTION

Independent Financial Adviser to the Audit and Risk Committee in relation to the IPT Acquisition

SAC CAPITAL PRIVATE LIMITED

(Company Registration Number: 200401542N)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	22 October 2018 at 11 a.m.
Date and time of Extraordinary General Meeting	:	25 October 2018 at 11 a.m.
Place of Extraordinary General Meeting	:	53 Mohamed Sultan Road, Level 2, Singapore 238993

CONTENTS

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout:

"**Associate**"	:	(a) In relation to any director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family (that is, the person's spouse, child, adopted child, step-child, sibling and parent); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company), means any other company which is its subsidiary or holding company or a subsidiary of such holding company or company in which it and/or they, taken together (directly or indirectly) have an interest of 30.0% or more
"**Audit and Risk Committee**"	:	The audit and risk committee of the Board of the Company, comprising Dato' Wong King Kheng, Loh Weng Whye and Foo Jong Han Rey, who do not have any interests in the Proposed Acquisition and are accordingly deemed to be independent for the purposes of the Proposed Acquisition
"**Board**"	:	The board of Directors of the Company as at the Latest Practicable Date
"**Catalist**"	:	The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 28 September 2018
"**Company**"	:	Hatten Land Limited
"**Companies Act**"	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"**Completion Date**"	:	Date of completion of the Proposed Acquisition
"**Constitution**"	:	The constitution of the Company, as amended, modified or supplemented from time to time
"**Controlling Shareholder**"	:	A person who (a) holds directly or indirectly 15.0% or more of all voting shares in a company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over a company
"**CPF**"	:	Central Provident Fund

"**Directors**"	:	The directors of the Company as at the Latest Practicable Date and "**Director**" shall be construed accordingly
"**Dato' Colin**"	:	Dato' Tan June Teng Colin @ Chen JunTing
"**Dato' Edwin**"	:	Dato' Tan Ping Huang Edwin @ Chen Bing Huang
"**EGM**"	:	The extraordinary general meeting of the Company to be convened and held on 25 October 2018 at 11 a.m. at 53 Mohamed Sultan Road, Level 2, Singapore 238993, notice of which is set out on pages N-1 to N-2 of this Circular
"**Enlarged Group**"	:	The enlarged group comprising the Group and the VVSB Group, assuming completion of the Proposed Acquisition
"**EPS**"	:	Earnings per Share
"**FY**"	:	A financial year ended or ending 30 June, as the case may be
"**Group**"	:	The Company and its subsidiaries from time to time
"**IFA**"	:	SAC Capital Private Limited, being the independent financial adviser to the Audit and Risk Committee in connection with the IPT Acquisition
"**IFA Letter**"	:	The letter from the IFA dated 28 September 2018 addressed to the Audit and Risk Committee, as reproduced in Appendix B to this Circular
"**Independent Valuers**"	:	Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Appraisal Malaysia Sdn. Bhd.
"**IPT**"	:	Interested Person Transaction
"**IPT Acquisition**"	:	The Proposed Acquisition of 80% of the VVSB Shares from Dato' Edwin and Dato' Colin
"**Latest Practicable Date**"	:	14 September 2018, being the latest practicable date prior to the printing of this Circular
"**Market Day**"	:	A day on which the SGX-ST is open for trading of securities
"**NAV**"	:	Net asset value
"**Notice of EGM**"	:	The notice of the EGM which is set out on pages N-1 to N-2 of this Circular
"**NTA**"	:	Net tangible assets
"**Proposed Acquisition**"	:	The proposed acquisition of the entire issued and paid up share capital of Velvet Valley Sdn Bhd
"**Proxy Form**"	:	Has the meaning ascribed thereto in Section 12 of this Circular
"**Purchase Price**"	:	Has the meaning ascribed to it in Section 2.4.2 of this Circular
"**Register of Members**"	:	Register of members of the Company
"**Resolution**"	:	The ordinary resolution set out in the Notice of EGM
"**RNAV**"	:	Revalued net asset value

"**Securities Account**"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"**SFA**"	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SGXNET**"	:	The system maintained by the SGX-ST for announcements by listed companies
"**Share**"	:	An ordinary share in the capital of the Company, and "**Shares**" shall be construed accordingly
"**Shareholders**"	:	Registered holders of Shares, except where the registered holder is CDP, in which case the term "**Shareholders**" shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
"**Shop Office**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Sky Win**"	:	Sky Win Management Consultancy Pte Ltd
"**Sponsor**"	:	The continuing sponsor of the Company, UOB Kay Hian Private Limited
"**Substantial Shareholder**"	:	A person (including a corporation) who has an interest in not less than 5.0% of the issued shares of a company
"**Unicity Project**"	:	An integrated mixed-use development known as "Unicity" in Seremban, Malaysia with further details set out in Section 2.1 of this Circular
"**Valuation Report**"	:	The valuation report by Jones Lang LaSalle Corporate Appraisal and Advisory Limited attached to this Circular as "Appendix A"
"**Valuation Certificates**"	:	The valuation certificates by Appraisal Malaysia Sdn. Bhd. attached to this Circular as "Appendix A"
"**VVMSB**"	:	Velvet Valley Management Sdn Bhd
"**VVSB**"	:	Velvet Valley Sdn Bhd
"**VVSB Assets**"	:	The Unicity Project and the Shop Office
"**VVSB Due Diligence Investigations**"	:	Has the meaning ascribed to it in Section 2.4.3(b) of this Circular
"**VVSB Group**"	:	VVSB and its subsidiary, VVMSB
"**VVSB Sale and Purchase Agreement**"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"**VVSB Shares**"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"**VVSB Vendors**"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"**VWAP**"	:	Volume weighted average price of the Shares
"**%**"	:	Per cent or percentage
"**RM**"	:	Ringgit Malaysia, being the lawful currency of Malaysia

"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The terms "**subsidiary**" and "**related corporations**" shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to "**Rule**" or "**Chapter**" is a reference to the relevant rule or chapter in the Catalist Rules.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Code and the Catalist Rules or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA, the Code and the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to Shares being allotted to a person includes allotment to CDP for the account of that Depositor.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

Any discrepancies in tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular, which are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's or the Enlarged Group's expected financial position, business strategy, plans and prospects are forward-looking statements and accordingly involve known and unknown risks, uncertainties and other factors that may cause the Group's or the Enlarged Group's actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties which may cause the Group's or the Enlarged Group's actual future results, performance or achievements to be materially different from those expected, expressed or implied by forward-looking statements in this Circular, undue reliance must not be placed on those statements. The Company does not represent or warrant that the Group's or the Enlarged Group's actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility, and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect any change in the Group's or the Enlarged Group's expectations with respect to such statements after the Latest Practicable Date or to reflect any change in events, conditions or circumstances on which the Company based any such statements subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any regulatory or supervisory body or agency.

HATTEN LAND LIMITED
(Company Registration Number: 199301388D)
(Incorporated in the Republic of Singapore)

Directors:	**Registered Office:**
Dato' Tan June Teng Colin @ Chen JunTing (Executive Chairman and Managing Director) Dato' Tan Ping Huang Edwin @ Chen Bing Huang (Executive Director and Deputy Managing Director) Dato' Wong King Kheng (Lead Independent Director) Loh Weng Whye (Independent Director) Foo Jong Han Rey (Independent Director)	53 Mohamed Sultan Road #04-02 Singapore 238993

28 September 2018

To: The Shareholders of Hatten Land Limited

Dear Sir / Madam,

THE PROPOSED ACQUISITION OF 80% OF THE ISSUED AND PAID UP SHARE CAPITAL OF VELVET VALLEY SDN BHD AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

1.1. Background

On 3 August 2018, the Company announced that its wholly owned subsidiary, Sky Win Management Consultancy Pte. Ltd. ("**Sky Win**") had entered into a sale and purchase agreement (the "**VVSB Sale and Purchase Agreement**") with Dato' Colin, Dato' Edwin and Yap Wei Shen (collectively, the "**VVSB Vendors**") to acquire the entire issued and paid-up share capital of VVSB (the "**VVSB Shares**").

While the Proposed Acquisition constitutes a major acquisition under Rule 1014 of the Catalist Rules, Rule 1014(2) of the Catalist Rules provides that Shareholders' approval is not necessary in the case of an acquisition if the only limit breached is Rule 1006(b). Therefore, the Proposed Acquisition is not subject to Shareholders' approval under Rule 1014 of the Catalist Rules.

As the Proposed Acquisition contemplates the acquisition of 80% of VVSB from Dato' Edwin and Dato' Colin who are directors and controlling shareholders of the Company, the proposed acquisition of VVSB from Dato' Edwin and Dato' Colin (the "**IPT Acquisition**") constitutes an interested person transaction ("**IPT**") as defined under Chapter 9 of the Catalist Rules. As at the date of the VVSB Sale and Purchase Agreement, the aggregate consideration payable to Dato' Edwin and Dato' Colin exceeds 5.0% of the Group's latest audited NTA. As such, the Company is seeking Shareholders' approval for the IPT Acquisition at the EGM.

Shareholders should note that should the Resolution relating to the IPT Acquisition not be approved by Shareholders, the Company will not be proceeding with the Proposed Acquisition.

1.2. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with all necessary information relating to the Proposed Acquisition (which includes the IPT Acquisition), and to seek Shareholders' approval for the IPT Acquisition at the EGM.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

1.3. The Sponsor and the SGX-ST

The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the correctness of any of the statements made or opinions expressed or reports contained in this Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

2. THE PROPOSED ACQUISITION

2.1. Information on the VVSB Group

VVSB is a private company limited by shares incorporated in Malaysia and its principal business is property development. VVSB is wholly owned by Dato' Edwin, Dato' Colin and Yap Wei Shen in the proportion of 40%, 40% and 20% respectively. Dato' Edwin and Dato' Colin are passive investors in VVSB. VVSB has a wholly-owned subsidiary Velvet Valley Management Sdn Bhd.

VVSB is the registered and beneficial proprietor of a piece of freehold land held under title number HS(D) NO. 21890 P.T. NO. 436 in Bandar Seremban 3, Daerah Seremban, Negeri Sembilan, Malaysia measuring approximately 85,422 square feet, on which it is currently developing a 15-storey integrated mixed-use development project known as "Unicity". The Unicity Project is located next to MARA University of Technology in Seremban and has a gross floor area of 353,020 square feet. It comprises 247 units of serviced suites across seven levels, 464 retails lots across four levels, three levels of car parks housing 363 car park bays and 30 handicap parking bays, a cinema and one level of common facilities in Seremban, Malaysia, and is expected to be completed in the fourth quarter of 2018. As at 30 June 2018, approximately 91% of the serviced suites and 13% of the retail lots have been sold.

VVSB also owns an intermediate freehold unit, which is a four-storey shop office with a floor area of approximately 5,972 square feet (the "**Shop Office**") which has been completed as at the date of this Circular. The Shop Office is located at No. C3, Block No. C, Era Square, Seremban within Town and District of Seremban, State of Negeri Sembilan, Malaysia.

The principal business of VVMSB is to provide guaranteed rental return to purchasers of units in the Unicity Project which will come into effect after completion of the Unicity Project. As at the date of this Circular, VVMSB is a dormant company.

In relation to the guaranteed rental return arrangement, retail units developed by the VVSB Group are sold to purchasers with sale and leaseback arrangements to provide a rental yield (which currently stands at six percent (6.0%) of the purchase price, annually) for the initial committed rental period of two (2) years only. This is part of VVSB's marketing strategy to promote its retail properties and control the tenant-mix of the project.

Similarly, the service suites are sold to purchasers with such sale and leaseback arrangements to provide a rental yield (which currently stands at six percent (6.0%) of the purchase price, annually) for the initial committed rental period of six (6) years only.

<u>Historical Financial Information of the VVSB Group</u>

Pursuant to a restructuring exercise, VVSB acquired VVMSB on 14 April 2018, and accordingly, the historical financial information of the VVSB Group on a consolidated basis prior to such restructuring were not available.

The salient financial information of VVSB for last 4 financial years ended 30 June 2015, 2016, 2017 and 2018 ("**FY2015**", "**FY2016**", "**FY2017**" and "**FY2018**" respectively) are set out as follows:

Summary of statements of comprehensive income

	← Audited		→	Unaudited
Figures in (RM'000)	**FY2015**	**FY2016 (Restated)**	**FY2017**	**FY2018**
Revenue	19,265	15,102	15,177	7,610
Cost of sales	(10,469)	(8,885)	(15,714)	640
Gross profit	8,795	6,217	3	8,250
Profit/(loss) before tax	3,170	4,021	(2,487)	3,634
Net Profit/(loss) for the year	2,350	2,904	(2,485)	2,002

Summary of statements of financial position

	← Audited		→	Unaudited
Figures in (RM'000)	**30 June 2015**	**30 June 2016 (Restated)**	**30 June 2017**	**30 June 2018**
Current assets	23,651	46,575	59,338	64,756
Current liabilities	21,760	36,532	42,251	30,981
Working capital	1,891	10,043	17,087	33,775
Non-current assets	1,963	2,245	2,173	1,821
Non-current liabilities	1,061	5,455	14,913	23,846
Equity	2,793	6,832	4,348	11,750

The salient financial information of VVMSB for FY2015, FY2016, FY2017 and FY2018, are set out as follows:

Summary of statements of comprehensive income

	← Audited		→	Unaudited
Figures in (RM)	**FY2015[(1)]**	**FY2016 (Restated)**	**FY2017**	**FY2018**
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Loss before tax	(5,307)	(1,874)	(1,719)	(3,857)
Net loss for the year	(5,307)	(1,874)	(1,719)	(3,857)

Summary of statements of financial position

Figures in (RM)	Audited 30 June 2015	Audited 30 June 2016 (Restated)	Audited 30 June 2017	Unaudited 30 June 2018
Current assets	100	100	100	20,496,469
Current liabilities	5,307	853	853	20,508,286
Working capital	(5,207)	(753)	(753)	(11,817)
Non-current assets	-	-	-	-
Non-current liabilities	-	5,488	7,207	-
Equity	(5,207)	(6,241)	(7,960)	(11,817)

Note:

(1) For the financial period from 20 February 2014 (date of incorporation of VVMSB) to 30 June 2015.

The salient financial information of the pro forma combined financial information of the VVSB Group for FY2018 are set out as follows:

Summary of statements of comprehensive income

Figures in (RM'000)	Unaudited FY2018
Revenue	7,610
Cost of sales	640
Gross profit	8,250
Profit before tax	3,630
Net Profit for the year	1,998

Summary of statements of financial position

Figures in (RM'000)	Unaudited 30 June 2018
Current assets	85,253
Current liabilities	51,489
Working capital	33,763
Non-current assets	1,821
Non-current liabilities	23,846
Equity	11,738

2.2. Information on the VVSB Vendors

Dato' Colin and Dato' Edwin are controlling shareholders of the Company and the Managing Director and Deputy Managing Director of the Company respectively.

Ms Yap Wei Shen has many years of professional experience in the real estate development and real estate services. She is currently the director of Carnaby Production Sdn Bhd, a branding specialist firm for property development sector. Ms Yap is not related to the Company, its Directors and/or substantial shareholders. As at the date of this Circular, Ms Yap does not hold any Shares.

2.3. Rationale and benefits

The acquisition of the Unicity Project will serve as the Company's first venture into the Seremban area and outside of Melaka. The Company believes that the Proposed Acquisition will be value accretive for Shareholders and is in line with the long-term growth strategy of the Company for the following reasons:

a) Geographical diversification by having some of the Company's developments located outside of Melaka;

b) The Company is not exposed substantially to the typical risks associated with entering a new market as two of the VVSB Vendors of Unicity Project are also major shareholders of the Company and the expected completion of Unicity Project in the fourth quarter of 2018 reduces completion risk; and

c) The Company is acquiring VVSB at a 20% discount to the market value of 100% equity interest in the VVSB Group as at 31 March 2018 of RM53.8 million based on an independent valuation conducted and payment flexibility for the Proposed Acquisition, as described in paragraph 2.4.2 below.

2.4. Salient Terms

2.4.1. Status of VVSB

The VVSB Shares will be acquired by Sky Win free from all forms of legal, equitable, or security interests, including but not limited to any mortgage, charge (whether fixed or floating), pledge, lien (including, without limitation any unpaid VVSB Vendors' lien or similar lien), assignment of rights and receivables, debenture, right of first refusal, option, hypothecation, title retention or conditional sale agreement, lease, hire or hire purchase agreement, restriction as to transfer, use or possession, easement, subordination to any right of any other person, and any other encumbrance or security interest and in accordance with the terms of the VVSB Sale and Purchase Agreement.

2.4.2. Consideration

The consideration for the VVSB Shares shall be RM43.0 million (the "**Purchase Price**") and shall be satisfied in full in the following manner:

(a) 20% of the Purchase Price shall be paid in cash on the first anniversary of the Completion Date;

(b) 30% of the Purchase Price shall be paid in cash on the second anniversary of the Completion Date; and

(c) 50% of the Purchase Price shall be paid in cash on the third anniversary of the Completion Date.

The Purchase Price was arrived at on a willing buyer – willing seller basis, upon arm's length negotiations with the VVSB Vendors after taking into consideration, *inter alia*, various commercial factors such as the rationale for and benefits of the Proposed Acquisition as explained in Section 2.3 of this Circular, location of the Unicity Project, the property market in the vicinity, the prevailing market conditions and the independent valuation referred to below.

As part of the due diligence, the Company has commissioned Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Appraisal Malaysia Sdn. Bhd. (the "**Independent Valuers**"), to conduct (a) an independent valuation on the VVSB Group to determine the market values of the RNAV of and 100% equity interest in the VVSB Group as at 31 March 2018 and (b) an inde- pendent valuation on the VVSB Assets to determine the market value of the VVSB Assets as at 31 March 2018, respectively.

Appraisal Malaysia Sdn. Bhd. conducted its independent valuation on the VVSB Assets (consisting Unicity Project and Shop Office) in accordance with the Malaysia Valuation Standards 5th Edition 2015 published by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the International Valuation Standards 2017 published by the International Valuation Standards Council ("**IVSC**"). Based on the Valuation Certificates, the market values of the Unicity Project and Shop Office as at 31 March 2018 were approximately RM97.2 million and RM1.8 million, respectively.

As VVSB Assets are major assets of VVSB Group, Jones Lang LaSalle Corporate Appraisal and Advisory Limited had derived its valuation of VVSB Group based on, inter alia, the valuation of VVSB Assets conducted by Appraisal Malaysia Sdn. Bhd..

Jones Lang LaSalle Corporate Appraisal and Advisory Limited conducted its independent valuation on the VVSB Group in accordance with the International Valuation Standards issued by the IVSC. Based on the Valuation Report, the market value of the RNAV of VVSB Group (including VVSB Assets) as at 31 March 2018 was approxi- mately RM59.7 million. Having obtained the RNAV of VVSB Group, relevant and appropriate marketability discount is applied to arrive at the valuation for the 100% equity interest in the VVSB Group as at 31 March 2018 of approximately RM53.8 million.

The Purchase Price will be funded by the Company's internal resources and/or bank borrowings. In the event the Company shall for any reason fail to pay the Purchase Price or any part thereof as and when it falls due on the first and/or second anniversary of the Completion Date, such outstanding amount is not subject to any interests and will become payable on the next due date. Subject to the Company obtaining the relevant approvals, the Company has the option to partially or fully settle any outstanding amounts owing to the VVSB Vendors at the end of the third anniversary of the Completion Date through the issuance of new Shares of the Company. The new Shares will be issued at an issue price based on the five-day volume weighted average price ("**VWAP**") of the Shares immediately prior to the third anniversary of the Completion Date, subject to a minimum price which is equal to the latest audited consolidated net asset value per share of the Company. Such issuance of new Shares shall be undertaken in accordance with the requirements under the Catalist Rules and the interested persons shall abstain from the deliberations of and voting on such issuance of new Shares

As at the Latest Practicable Date, the Directors are of the opinion that, barring unforeseen circumstances and after taking into account the Purchase Price, the option to extend the payment for the Purchase Price and to pay in Shares, and the additional development costs to complete the Unicity Project (including such repayment of the Further Advances), the working capital available to the Group is sufficient to meet its requirements for the next 12 months.

2.4.3. Conditions Precedent

This completion of the Proposed Acquisition is conditional upon the fulfilment of certain conditions. The material conditions are as follows:

(a) Sky Win causing the Company to obtain the approval from Shareholders and the Sponsor of the Company for the Proposed Acquisition as an IPT;

(b) The completion of the due diligence review by Sky Win on the VVSB Group, including a valuation report, to be carried out by Sky Win and/or its appointed advisers on the Company (the "**VVSB Due Diligence Investigations**") and the results of such due diligence review being satisfactory in the reasonable opinion of Sky Win, provided that Sky Win shall not deem the outcome of the due diligence review unsatisfactory without reasonable cause and without first giving the VVSB Vendors and VVSB a reasonable period to remedy any default in respect thereof;

(c) The rectification, or the procurement of such rectification, to the satisfaction of Sky Win, by the VVSB Vendors at their own costs and expenses, of all issues or irregularities uncovered by Sky Win during the due diligence review on the VVSB Group;

(d) The VVSB Vendors and Sky Win not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the VVSB Sale and Purchase Agreement, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened;

(e) The VVSB Vendors obtaining at their own costs and expenses, all consents, approvals and authorisation of any bank, financial institutions, landlord, government, statutory or regulatory authorities or any relevant third party in Singapore or Malaysia (if any) which are necessary or desirable in connection with the transactions contemplated under the VVSB Sale and Purchase Agreement, and such consents, approvals and authorisation has not been amended or revoked prior to completion, and if subject to conditions, on such conditions acceptable to Sky Win and the VVSB Vendors;

(f) There being no material breach by the VVSB Vendors of the representations, warranties, covenants and indemnities given by the VVSB Vendors as set out in the VVSB Sale and Purchase Agreement and such other agreements to be entered into by the parties in connection with the Proposed Acquisition; and

(g) There being no material adverse change, or events, acts or omissions likely to lead to such a change, in the business, assets, prospects, performance, financial position or results of operations of VVSB from the date of the VVSB Sale and Purchase Agreement.

2.4.4. Long Stop Date

Sky Win and the VVSB Vendors agree that the conditions set out in Section 2.4.3 above shall be obtained or fulfilled by VVSB and/or the VVSB Vendors at their own costs and expenses within five (5) months from the date of the VVSB Sale and Purchase Agreement provided always that Sky Win and the VVSB Vendors may by agreement defer the fulfilment of the abovementioned conditions at their own discretion and proceed to complete the Proposed Acquisition.

If the abovementioned conditions are not fulfilled by the relevant party or waived by the parties within five (5) months from the date of the VVSB Sale and Purchase Agreement, the VVSB Sale and Purchase Agreement shall cease (save as provided otherwise in the VVSB Sale and Purchase Agreement) and none of the parties shall have any claim against any other party for costs, damages, compensation or anything whatsoever.

The Company shall not be obliged to complete the purchase of the VVSB Shares, or any part thereof, unless the purchase of all the shares in VVSB from the VVSB Vendors is completed simultaneously.

2.4.5. Further Advance

The VVSB Vendors shall continue to advance interest-free additional working capital (the "**Further Advance**") to VVSB for the construction of the Unicity Project from the date of the VVSB Sale and Purchase Agreement and up to the completion of the Proposed Acquisition. This Further Advance shall be recorded as shareholders' advances in the books of VVSB and shall be repaid by Sky Win within 12 months after completion of the Proposed Acquisition. For the period from the date of the VVSB Sale and Purchase Agreement and up to the Latest Practicable Date, there was no Further Advance from the VVSB Vendors to VVSB.

3. FINANCIAL EFFECTS

3.1. Assumptions

The pro forma financial effects of the Proposed Acquisition have been prepared based on the unaudited consolidated financial statements of the Group and the VVSB Group for the financial year ended 30 June 2018 and under the following assumptions:

(a) that the Proposed Acquisition had been completed on 1 July 2017 for the purposes of illustrating the financial effects on the Group's earnings per share ("**EPS**");

(b) that the Proposed Acquisition had been completed on 30 June 2018 for the purposes of illustrating the financial effects on the Group's net tangible assets ("**NTA**") per Share and gearing;

(c) that the Purchase Price is fully paid immediately upon completion of the Proposed Acquisition;

(d) that, in computing the NTA per Share, EPS and gearing, there are no further sale proceeds from the Unicity Project over and above the Purchase Price;

(e) that, in computing the gearing, the Purchase Price is satisfied equally in cash and borrowings; and

(d) the expenses in connection with the Proposed Acquisition have been disregarded hereto.

The pro forma financial effects presented below are for illustrative purposes only and are not intended to reflect the actual financial situation of the Group upon completion of the Proposed Acquisition.

3.2. Share Capital

	Before the Proposed Acquisition	After the Proposed Acquisition
Issued and paid up share capital (RM'000)	252,719	252,719
Number of Shares ('000)	1,378,096	1,378,096

3.3. NTA per Share

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (RM'000)	230,173	198,911
Number of Shares ('000)	1,378,096	1,378,096
NTA per Share (sens)	16.70	14.43

3.4. EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit (RM'000)	3,180	5,178
Weighted average number of Shares ('000)	1,377,361	1,377,361
EPS (sens)	0.23	0.38

3.5. Gearing

	Before the Proposed Acquisition	After the Proposed Acquisition
Total borrowings (RM'000) (1)	507,810	553,156
Cash and cash equivalents (RM'000)	59,475	38,482
Equity attributable to Shareholders (RM'000)	230,173	198,911
Net gearing ratio (times) (2)	1.95	2.59

Notes:

(1) "Total borrowings" comprises bank borrowings and finance leases.

(2) "Net gearing ratio" has been computed based on total borrowings net of cash and cash equivalents divided by equity attributable to Shareholders.

4. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

As at the date of VVSB Sale and Purchase Agreement, the Group's latest announced unaudited consolidated financial statements were for the third quarter ended 31 March 2018. The relative figures of the Proposed Acquisition, taken as a whole, computed on the bases set out in Rules 1006(a) to (e) of the Catalist Rules are set out below. The information below is calculated on the basis of an exchange rate of S$1 : RM2.964.

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of compared with the Group's net asset value	N.A.(1)
(b)	The net profit attributable to VVSB Group, compared with the Group's net profits (2)	77.56%(3)
(c)	The aggregate consideration of the Proposed Acquisition compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	7.57%(4)
(d)	The number of Shares to be issued by the Company for the Proposed Acquisition, compared with the number of Shares (excluding treasury shares) previously in issue	N.A.(5)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Company's proved and probable reserves	N.A.(6)

Notes:

(1) Not applicable to an acquisition of assets.

(2) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.

(3) Based on the net profit of VVSB Group for the nine months ended 31 March 2018 of RM2.6 million and the net profit of the Group for the nine months ended 31 March 2018 of RM3.4 million.

(4) Based on the Purchase Price of RM43.0 million and the market capitalisation of the Company of approximately S$191,555,393, which is determined by multiplying the issued share capital of the Company of 1,378,096,353 Shares, with the VWAP of such Shares of S$0.139 on 1 August 2018, being the last traded day immediately preceding the date of the VVSB Sale and Purchase Agreement as there were no trading of Company's Shares on the market day immediately preceding the date of the VVSB Sale and Purchase Agreement. (*Source: Bloomberg L.P*.).

(5) No Shares will be issued in connection with the Proposed Acquisition at this juncture. Any such issuance shall be undertaken in accordance with the requirements of the Catalist Rules.

(6) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figure computed under Rule 1006(b) of the Catalist Rules exceeds 75%, the Proposed Acquisition constitutes a major transaction. However, Rule 1014(2) of the Catalist Rules provides for an exemption to shareholders' approval in the case of an acquisition of profitable assets if the only limit breached is Rule 1006(b). Therefore, the Proposed Acquisition is not subject to Shareholders' approval under Rule 1014 of the Catalist Rules. The Company is only seeking Shareholders' approval for the IPT Acquisition.

5. THE IPT ACQUISITION

5.1. Details of Interested Persons

Dato' Edwin is the Executive Director and Deputy Managing Director of the Company. Dato' Colin is the Executive Chairman and Managing Director of the Company. Both Dato' Edwin and Dato' Colin are controlling shareholders of the Company, holding an aggregate of 1,138,392,308 Shares (representing approximately 82.61% in the total share capital of the Company) via Hatten Holdings Pte. Ltd. as at the Latest Practicable Date.

Accordingly, the proposed acquisition of VVSB from Dato' Edwin and Dato' Colin will constitute an IPT under Chapter 9 of the Catalist Rules.

5.2. Materiality Thresholds Under Chapter 9

Under Rule 906 of the Catalist Rules, Shareholders' approval is required for any IPT of a value equal to, or more than 5.0% of the Group's latest audited NTA or when aggregated with other IPTs entered into during the same financial year, the value is equal to or more than 5.0% of the Group's latest audited NTA. In obtaining such approval, the interested person and its associates are required to abstain from voting on the resolution approving the IPT pursuant to Rule 919 of the Catalist Rules.

The value at risk of the IPT Acquisition is the aggregate consideration payable to Dato' Edwin and Dato' Colin. The Purchase Price for the Proposed Acquisition is RM43.0 million and the consideration payable to each Dato' Edwin and Dato' Colin based on their shareholdings in VVSB is as follows:

	RM
Dato' Colin	17,200,000
Dato' Edwin	17,200,000
Total	34,400,000

As at the date of the VVSB Sale and Purchase Agreement, the Group's latest audited NTA based on the Group's latest audited financial statements for the financial year ended 30 June 2017 is RM227,410,445. The aggregate consideration payable to Dato' Edwin and Dato' Colin is approximately 15.1% of the Group's latest audited NTA, which exceeds 5.0% of the Group's latest NTA. Pursuant to Rule 906 of the Catalist Rules, the IPT Acquisition is an IPT which is subject to the approval of the Shareholders. Accordingly, the Company is convening the EGM to seek Shareholders' approval (other than Dato' Edwin and Dato' Colin and their associates) for the IPT Acquisition.

5.3. Current Total Value of IPTs

Pursuant to Rule 917(5) of the Catalist Rules, the current total of all IPTs which are more than S$100,000 for the period from 1 July 2018 to the Latest Practicable Date are as follows:

Name of interested person	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	RM'000	RM'000
Hatten Properties Sdn Bhd (1)	-	1,548
Montane Construction Sdn Bhd (2)	-	12,553

Notes:

(1) Hatten Properties Sdn Bhd is wholly owned by Dato' Colin, Dato' Edwin and their associates.

(2) Montane Construction Sdn Bhd is a company wholly owned by Tan Ler Choo, the aunt of Dato' Colin and Dato' Edwin. Transactions with Montane Construction Sdn Bhd were included under the IPT general mandate for prudence and good corporate governance although these transactions do not fall within the ambit of IPTs under Chapter 9 of the Catalist Rules.

6. OPINION OF THE INDEPENDENT FINANCIAL ADVISER AND AUDIT AND RISK COMMITTEE'S STATEMENT

Chapter 9 of the Catalist Rules provides that, where Shareholders' approval is required for an IPT, the Circular must include an opinion from an independent financial adviser ("**IFA**") as to whether such transaction is on normal commercial terms and if it is prejudicial to the interests of the Company and its minority Shareholders. Accordingly, SAC Capital Private Limited has been appointed as the IFA in connection to the IPT Acquisition.

The letter from SAC Capital Private Limited to the Audit and Risk Committee is part of this Circular and labelled "Appendix B – Letter from the Independent Financial Adviser in relation to the Proposed Acquisition as an Interested Person Transaction".

Having considered the factors as set out in the IFA Letter and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the opinion that, on balance, the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

The Audit and Risk Committee of the Company, comprising Dato' Wong King Kheng, Loh Weng Whye and Foo Jong Han Rey, do not have any interests in the Proposed Acquisition and are accordingly deemed to be independent for the purposes of the Proposed Acquisition.

After considering the IFA's opinion, the Audit and Risk Committee is of the view that the IPT Acquisition is (i) on normal commercial terms and (ii) not prejudicial to the interests of the Company and its minority Shareholders.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors						
Dato' Tan June Teng Colin@ Chen JunTing	-	-	1,138,392,308	82.61%[1]	1,138,392,308	82.61%[1]
Dato' Tan Ping Huang Edwin @ Chen Bing Huang	-	-	1,138,392,308	82.61%[1]	1,138,392,308	82.61%[1]
Dato' Wong King Kheng	-	-	-	-	-	-
Mr Loh Weng Whye	-	-	-	-	-	-
Mr Foo Jong Han Rey	-	-	-	-	-	-
Substantial Shareholders (other than Directors)						
Hatten Holdings Pte Ltd	1,138,392,308	82.61%	-	-	1,138,392,308	82.61%

Note:

(1) Hatten Holdings Pte Ltd is jointly owned by Tan June Teng Colin @ Chen JunTing and Tan Ping Huang Edwin @ Chen BingHuang, as such Tan June Teng Colin @ Chen JunTing and Tan Ping Huan Edwin @ Chen BingHuang are deemed interested in the shares of the Company held by Hatten Holdings Pte Ltd.

Save for Dato' Colin and Dato' Edwin who are involved directly in the Proposed Acquisition as the VVSB Vendors, none of the Directors or Substantial Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company.

9. RECOMMENDATION BY THE DIRECTORS

Dato' Colin and Dato' Edwin are interested in the IPT Acquisition and has therefore abstained from making any recommendation on the IPT Acquisition.

The Directors, save for Dato' Colin and Dato' Edwin, having considered and reviewed, among other things, opinion of the IFA on the IPT Acquisition, the terms and conditions of, the rationale for and benefits of and the financial effects of the Proposed Acquisition, and all the other relevant information set out in this Circular, are of the opinion that the IPT Acquisition is in the best interests of Company. Accordingly, they unanimously recommend that Shareholders vote in favour of the Resolution relating to the IPT Acquisition as set out in the Notice of EGM.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 25 October 2018 at 11 a.m. at 53 Mohamed Sultan Road, Level 2, Singapore 238993 for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution set out in the Notice of EGM.

11. ABSTENTION FROM VOTING

Pursuant to Rule 919 of the Catalist Rules, an interested person and any Associate of the interested person shall abstain from voting on the resolutions approving the IPTs involving themselves and their Associates. Such interested persons and their Associates shall not act as proxies nor accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the Shareholders.

Accordingly, Dato' Colin and Dato' Edwin will abstain, and will ensure that their respective Associates will abstain, from voting on the Resolution as set out in the Notice of EGM, nor accept any nominations to act as proxy for any Shareholder in approving the IPT Acquisition at the EGM unless specific instructions as to voting are given by such Shareholder in the proxy instrument.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, may complete, sign and return the proxy form attached to the Notice of EGM (the "**Proxy Form**") in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him/her from attending and voting at the EGM, if he/she wishes to do so, in place of his/her proxy.

Depositors who wish to attend and vote at the EGM, and whose names are shown in the Depository Register of CDP as at a time not less than 72 hours before the time appointed for the EGM supplied by CDP to the Company, may attend as CDP's proxies. Depositors who are individuals and who wish to attend the EGM in person need not take any further action and can attend and vote at the EGM without the lodgement of any Proxy Form.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition (which includes the IPT Acquisition), the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

14. CONSENTS

SAC Capital Private Limited, the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter set out in Appendix B to this Circular and references to its name in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Appraisal Malaysia Sdn. Bhd., the Independent Valuers, have given and have not withdrawn their written consent to the issue of this Circular with the inclusion of the Valuation Report and Valuation Certificates set out in Appendix A of this Circular and references to their names in the form and context in which they appear in this Circular, and the availability of their valuation reports as the documents for inspection by Shareholders.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 53 Mohamed Sultan Road #04-02 Singapore 238993 for 3 months from the date of this Circular;

(a) the Constitution of the Company;

(b) the VVSB Sale and Purchase Agreement;

(c) the IFA Letter;

(d) the Valuation Report on VVSB Group;

(e) the Valuation Certificates and Valuation Report on VVSB Assets;

(f) the letter of consent from the IFA; and

(g) the letters of consent from the Independent Valuers.

Yours faithfully

For and on behalf of the Board of Directors of
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director

仲量聯行

VALUATION REPORT
CONSIDERING
THE RNAV OF & 100% EQUITY INTEREST IN
VELVET VALLEY SDN. BHD. AND
ITS SUBSIDIARY

Client	**:**	**Sky Win Management Consultancy Pte. Ltd.**
Ref. No.	**:**	**CON000381300**
Report Date	**:**	**4 September 2018**

仲量聯行企業評估及咨詢有限公司
香港皇后大道東1號太古廣場三期6樓
公司牌照號碼： C-030171

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
Company Licence No : C-030171

T +852 2846 5000 F +852 2169 6001

JLL
仲量聯行

Our reference: CON000381300

4 September 2018

The Board of Directors
Sky Win Management Consultancy Pte. Ltd.
53 Mohamed Sultan Road
#04-02
Singapore 238993

Dear Sirs,

In accordance with instructions from Sky Win Management Consultancy Pte. Ltd. ("Sky Win" or the "Company"), we have undertaken an investigation and analysis to determine an independent opinion of the market values of revalued net asset of and 100% equity interest in Velvet Valley Sdn. Bhd.[1] ("VVSB" or the "Target Company") and VVMSB (collectively, the "Target Group") as at 31 March 2018 (the "Valuation Date"). The report which follows is dated 4 September 2018 (the Report Date").

The purpose of this valuation is for full inclusion in the circular to shareholders of Hatten Land Limited for the proposed acquisition of the Target Group.

Our valuation was carried out on a market value basis. Market value is defined as *"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*.

[1] *Velvet Valley Management Sdn. Bhd. ("VVMSB") is an investment holding company which will have guaranteed rental return ("GRR") commitment with the buyers of Unicity (to be defined below). Pursuant to a restructuring exercise, VVSB acquired VVMSB on 14 April 2018.*

As part of our analysis, we have been furnished with information prepared by the Target Company regarding the subject business. We have relied to a considerable extent on such information in arriving at our opinion of value.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on our use of numerous assumptions and our consideration of various factors that are relevant to the operation of the Target Group. We have also considered various risks and uncertainties that have potential impact on the businesses. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Group and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target Group over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market values of the revalued net asset of and 100% equity interest in the Target Group as at the Valuation Date are reasonably stated as below:

31 March 2018	Market Value (MYR)
Revalued Net Asset	59,710,147
100% Equity Interest	53,835,000

The following pages outline the factors considered, methodology and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M. K. Chan
Regional Director

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INTRODUCTION

This report has been prepared in accordance with instructions from Sky Win Management Consultancy Pte. Ltd. ("Sky Win" or the "Company") to express an independent opinion of the market values of the revalued net asset of and 100% equity interest in Velvet Valley Sdn. Bhd. ("VVSB" or the "Target Company") and VVMSB (collectively, the "Target Group) as at 31 March 2018 (the "Valuation Date"). The report which follows is dated 4 September 2018 (the "Report Date").

PURPOSE OF VALUATION

The purpose of this valuation is to express an independent opinion of the market values of the revalued net asset of and 100% equity interest in the Target Group as at the Valuation Date for full inclusion in the circular to shareholders of Hatten Land Limited for the proposed acquisition of the Target Group.

BASIS OF VALUE

Our valuation was carried out on a market value basis. Market value is defined as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

We have conducted our valuation in accordance with the International Valuation Standards issued by the International Valuation Standards Council ("IVSC"). We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

BACKGROUND

VVSB is a private limited liability company, incorporated and domiciled in Malaysia. The principal activity of VVSB is property development.

VVMSB is an investment holding company which will have guaranteed rental return ("GRR") commitment with the buyers of Unicity (to be defined below). Pursuant to a restructuring exercise, VVSB acquired VVMSB on 14 April 2018.

According to the management of the Company, VVSB has a freehold interest in an ongoing construction of a seven storey service suite with four levels retail space, three levels car parks and one level facilities identified as PT No. 436, Bandar Seremban 3, District of Seremban, State of Negeri Sembilan held under HSD 219890 ("Unicity"). VVSB also owns a freehold interest in a four storey shopoffice identified as Parcel No. C3, Block No. C, Era Square, Seremban within Town and District of Seremban, State of Negeri Sembilan, Malaysia ("Era Square").

Unicity comprises the ongoing construction of a seven storey service suite with four levels retail space, three levels car parks and one level facilities. The land is regular in shape, flat in terrain and lies at the same level with the frontage metalled road. It contains a total land area of about 7,936 square metres (85,422 sq. ft. or 1.961 acres).

Era Square is an intermediate unit four storey shopoffice equipped with passenger lifts and concrete staircases. It contains a total floor area of about 554.8 square metres (5,972 sq. ft.).

Unicity and Era Square are collectively referred to as the "Target Properties".

VALUATION METHODOLOGY

In arriving at our assessed values for the revalued net asset of and equity interest in the Target Group, we have considered three generally accepted approaches, namely, market approach, cost approach, income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach.

Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market.

Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile.

This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

SELECTION OF APPROACH AND METHODOLOGY

Revalued Net Asset

Market value of revalued net asset ("RNAV") is commonly considered as the total book value of assets of a business entity less book value of all liabilities after adjusting for the revaluation surplus on real and personal property. As the Target Properties are major assets of the Target Group, the book values of the property under development and freehold land and building are adjusted to the respective market values in arriving at the RNAV of the Target Group. The Company has engaged a local property valuer, namely Appraisal Malaysia Sdn. Bhd. ("Appraisal Malaysia"), to estimate the market values of the Target Properties as at the Valuation Date.

According to the valuation of Unicity prepared by Appraisal Malaysia, they have adopted the residual method under income approach for valuing the market value of Unicity belonging to the Target Company. The residual method in general involves the deduction of the gross development cost ("GDC") and developer's profit from the gross development value ("GDV") of a proposed development to derive the residual value for the land. The total GDV takes into consideration of the Bumiputera and non-Bumiputera discounts. The net GDV is then derived after deducting the commitment for GRR where the GRR commitment for service suites is 6% p.a. for six years whereas for retail mall it is 6% p.a. for two years.

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Revalued Net Asset

Market value of revalued net asset ("RNAV") is commonly considered as the total book value of assets of a business entity less book value of all liabilities after adjusting for the revaluation surplus on real and personal property. As the Target Properties are major assets of the Target Group, the book values of the property under development and freehold land and building are adjusted to the respective market values in arriving at the RNAV of the Target Group. The Company has engaged a local property valuer, namely Appraisal Malaysia Sdn. Bhd. ("Appraisal Malaysia"), to estimate the market values of the Target Properties as at the Valuation Date.

According to the valuation of Unicity prepared by Appraisal Malaysia, they have adopted the residual method under income approach for valuing the market value of Unicity belonging to the Target Company. The residual method in general involves the deduction of the gross development cost ("GDC") and developer's profit from the gross development value ("GDV") of a proposed development to derive the residual value for the land. The total GDV takes into consideration of the Bumiputera and non-Bumiputera discounts. The net GDV is then derived after deducting the commitment for GRR where the GRR commitment for service suites is 6% p.a. for six years whereas for retail mall it is 6% p.a. for two years.

The net floor area of retails lots excludes the cinema space and the service suites are sold excluding car parks. Hence the GDV for cinema space and car parks have to be separately assessed. The cinema space, although not intended for sale, is assessed at MYR29,530,500.00 or MYR1,500.00 per sq. ft. based on the transacted prices of the retail lots. The car parks are assessed at MYR20,000.00 per bay for 351 covered bays and MYR10,000.00 per bay for 12 open bays. The value of the car parks is based on the transacted prices of similar car parks within the state of Selangor.

The market value of Unicity is estimated at MYR97,200,000 as at the Valuation Date.

As for the valuation of Era Square, Appraisal Malaysia has adopted the comparison method under market approach for valuing its market value. The comparison method is an approach where recent sales of similar types of properties and related market data are considered to establish a market value through the process of comparison. The market value of Era Square is estimated at MYR1,800,000 as at the Valuation Date.

Subsequently, the RNAV of the Target Group is estimated based on the book value of its net asset value adjusted by the revaluation surplus between the market values of the Target Properties and their respective book values.

Equity Interest Valuation Based on RNAV

Having obtained the RNAV of the Target Group, we apply relevant and appropriate marketability discount (this will be further discussed under the equity interest valuation section based on RNAV) to arrive at the valuation for 100% equity interest in the Target Group.

SOURCES OF INFORMATION

This report was compiled after consideration of all relevant information obtained from the Company and other public sources. Documents received include, but were not limited to:

- Background information and business plans of the Target Group;
- Management accounts of the Target Company and VVMSB for period ending 31 March 2018;
- Valuation reports of the Target Properties prepared by Appraisal Malaysia;
- Property related information such as development orders, land titles and etc.; and
- Financial projections of the Target Properties prepared by the Target Group.

We have assumed such information to be reliable and legitimate. We have held discussions with the management of the Company and conducted research from public sources. We have relied to a considerable extent on information provided in arriving at our opinion of value.

MAJOR ASSUMPTIONS

While the assumptions and the information relied upon have been evaluated by us to be fair and reasonable, assumptions considered to have significant sensitivity effects in this valuation have been further analysed in order to provide a more accurate and reasonable basis for arriving at our assessed value.

The following key assumptions in determining the market values of the RNAV and 100% equity interest have been made:

- The projected business performances can be achieved with the effort of the management of the Target Group.

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company.
- The operational and contractual terms stipulated in the relevant contracts and agreements will be honored.
- The facilities and systems proposed are sufficient for future expansion in order to realize the growth potential of the business and maintain a competitive edge.
- As sourced from Bloomberg, the exchange rate between Singapore Dollar ("SGD") and Malaysian Ringgit ("MYR") was 1 SGD to 2.9499 MYR as at the Valuation Date.

We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

RNAV VALUATION

Book Values of Assets and Liabilities of VVSB

The table below summarizes the book values of the property, plant and equipment, property under development and other assets and liabilities of VVSB as at 31 March 2018, as provided by the management of the Company:

Item	Book Value (MYR)
Property (i.e. Era Square)	1,612,461
Plant and Equipment	212,791
Property Development Expenditure (i.e. Unicity)	50,045,063
Other Assets and Liabilities	(39,491,360)
Net Asset Value	**12,378,954**

Book Values of Assets and Liabilities of VVMSB

The table below summarizes the book values of the assets and liabilities of VVMSB as at 31 March 2018, as provided by the management of the Company:

Item	Book Value (MYR)
Deferred Expenditure	20,727,856
Cash & Bank Balances	3,162
Other Payables, Accruals and Provisions	(14,445)
Other Payables - Deferred Revenue	(20,727,856)
Net Asset Value	**(11,284)**

Market Values of the Target Properties

The market values of the Target Properties as at the Valuation Date are shown below:

Item	Market Value (MYR)
Era Square	1,800,000
Unicity	97,200,000

Summary of RNAV Valuation of the Target Group

The table below summarizes the RNAV of the Target Group as at the Valuation Date after adjusting the revaluation surplus of the Target Properties:

Item	Market Value (MYR)
Original Net Book Value	12,367,671
Add: Revaluation Surplus	47,342,476
RNAV	**59,710,147**

EQUITY INTEREST VALUATION BASED ON RNAV

Having obtained the RNAV of the Target Group, the equity interest is derived through application of appropriate discount for lack of marketability ("DLOM").

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies and are typically not as readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

We have assessed the DLOM of this investment using put option method. The concept is that when comparing a public share and a private share, holder of a public share has the ability to sell the shares (i.e. a put option) to the stock market right away. As the time to a liquidity event getting shorter, the degree of the DLOM becomes smaller.

We have adopted Black Scholes option pricing model with the following parameters to estimate the DLOM:

Parameter	31 March 2018	Remark
Option Type	European Put	
Spot Price	1.00	
Exercise Price	1.00	
Risk Free Rate	2.85%	*Yield rate on Malaysia 6-month government bond*
Volatility	37.71%	*With reference to the comparable companies of the Target Group*
Maturity	0.5 year	
Implied DLOM	**9.84%**	

After applying the DLOM of 9.84% to the RNAV, we arrived at the market value of 100% equity interest in the Target Group to be MYR53,835,000 (approximately SGD18,250,000) as at the Valuation Date.

VALUATION COMMENTS

As part of our analysis, we have reviewed financial and business information from public sources together with such financial information, legal documentation and other pertinent data concerning the Target Group has been made available to us. Such information has been provided by the management of the Company. We have assumed the accuracy of, and have relied on such information. We have relied to a considerable extent on such information provided in arriving at our opinion of value.

We confirm that we have made relevant searches, enquire and obtained such further information as is considered necessary for the purposes of this study.

In arriving at our assessed value, we have only considered the core business of the Target Group. We have not made provision for other non-operating cash flow items such as interest income, exchange rate gain/loss, etc. in the valuation model.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Group and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

RISK FACTORS

Economic Considerations

The economy of Malaysia has experienced steady growth in the past decade, but such growth has been uneven geographically and arose among different sectors of the economy. There is no assurance that the expected economic growth will be realized and future social and economic changes in the countries will be favorable to the Target Company. The competition in the industry may have adverse effect on the operating performance of the Target Company and hence affect the value of the business.

Changes in Political, Economic and Regulatory Environment

The Target Company is subject to various laws and regulations governing its operations in Malaysia. Future political and legal changes in the countries might have either favorable or unfavorable impacts on the Target Company.

Realization of Forecast and Projection

This valuation is premised in part on the historical financial information and projections provided by the management of the Company. We have assumed accuracy of the information provided and relied to a considerable extent on such information in arriving at our opinion of value. Although we have performed the appropriate tests and analysis to verify the reasonableness and fairness of the information provided, as projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material.

OPINION OF VALUE

Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market values of the revalued net asset of and 100% equity interest in the Target Group as at the Valuation Date are reasonably stated as below:

31 March 2018	Market Value (MYR)
Revalued Net Asset	59,710,147
100% Equity Interest	53,835,000

This report and opinion of value are subject to our Limiting Conditions as included in Exhibit A of this report.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M. K. Chan
Regional Director

Note: Simon M. K. Chan is a fellow (FCPA) of Hong Kong Institute of Certified Public Accountants (HKICPA) and Certified Public Accountants of Australia (CPA (Aust.)). He is a Chartered Surveyor of the Royal Institution of Chartered Surveyors (RICS) where he now serves on their North Asia Valuation Practice Group. He is also a Certified Valuation Analyst (CVA) and an International Certified Valuation Specialist (ICVS). He has provided a wide range of valuation and advisory services to numerous listed and private companies in different industries, including property-related companies, worldwide for over 20 years.

EXHIBIT A – LIMITING CONDITIONS

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. The responsibility for determining expected values rests solely with the Company/engagement parties and our reports were only used as part of the Company's/engagement parties' analysis in reaching their conclusion of value.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The management and the board of the Company has reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialised expertise or knowledge, beyond what is customarily employed by valuers.

7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation/Reference Date. We cannot provide assurance on the achievability of the results forecasted by the Company/engagement parties because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

10. This report has been prepared solely for the purpose stated in this report. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. We shall not under any circumstances whatsoever be liable to any third party except where we specifically agreed in writing to accept such liability.

11. This report is confidential to the client and the calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the Valuation / Reference Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation if such investigation is beyond the scope of normal scenario analysis work.

13. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental consultants or auditors, and we take no responsibility for any actual or potential environmental liabilities exist, and the effect on the value of

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Company/engagement parties. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in arriving at our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, and those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice or as transaction price purpose in any manner whatsoever. The conclusion of values represents the consideration based on information furnished by the Company/engagement parties and other sources. Actual transactions involving the subject assets / business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

EXHIBIT B – VALUERS' PROFESSIONAL DECLARATION

The following valuers certify, to the best of their knowledge and belief, that:

- Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.
- The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.
- The reported analyses, opinions, and conclusions are independent and objective.
- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
- The valuers' compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards Council published by the International Valuation Standards Committee.
- The under mentioned persons provided professional assistance in the compilation of this report:

Simon M. K. Chan Regional Director	**Kevin C. W. Chan** Local Director	**Terry S. W. Hui** Senior Manager
Denise Y. M. Ong Assistant Manager	**L. B. Chiam** Senior Analyst	

EXHIBIT C – VALUATION RESULTS: RNAV & 100% EQUITY INTEREST

Valuation: RNAV & 100% Equity Interest in VVSB	
Valuation Date	31-Mar-18
Market Discount – DLOM	9.84%
Exchange Rate – SGD MYR	2.9499

VVSB	MYR	SGD
RNAV	**59,710,147**	**20,241,414**
100% Equity Value	**53,835,000**	**18,250,000**

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11943-W, VE (1) 0061
No. 160-4-8 & 9, Kompleks Maluri
Business Centre, Jalan Jejaka
55100 Kuala Lumpur
T 03 9285 3988
F 03 9281 6731
E appr-1@appraisal.com.my

Our Ref : MGT 17-741(2)/JT/FIFA (Valuation Certificate – Era Square)

11 June 2018

Sky Win Management Consultancy Pte Ltd
53 Mohamed Sultan Road
#04-02
Singapore 238993

Dear Sirs,

VALUATION CERTIFICATE

Parcel No. C3, Block No. C, Era Square, Seremban, held under Master Title HS(D) 202118 to 202124, PT 8433 to 8439, Town and District of Seremban, State of Negeri Sembilan

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We were appointed by the client, Sky Win Management Consultancy Pte Ltd (hereinafter referred to as "Client") to express an opinion of the Market Value of and to prepare a valuation report in respect of the freehold interest in a four (4) storey shopoffice identified above (hereinafter referred to as "Subject Property") belonging to Velvet Valley Sdn Bhd.

This Valuation Certificate provides a summary of our full report and is prepared for purpose of inclusion in the circular to shareholders of Hatten Land Limited in connection with the proposed acquisition of Velvet Valley Sdn Bhd. As such it shall be used only for the purpose stated herein and for no other purposes.

The Subject Property was inspected on 21 December 2017. The material date of valuation is on **31 March 2018.**

The basis of valuation is the Market Value which is defined in *Malaysian Valuation Standards Fifth Edition 2015* as follows:-

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

This valuation has been prepared in accordance with the *Malaysian Valuation Standards 5th Edition 2015* published by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the *International Valuation Standards 2017* published by the International Valuation Standards Council (IVSC).

The general description of the Subject Property, method of valuation and our opinion of the market value are as follows.

LOCATION OF THE SUBJECT PROPERTY

The Subject Property is located along Jalan Era Square 6, within Era Square, Seremban, Negeri Sembilan, Malaysia.

Approach to the Subject Property from Seremban city centre is via Jalan Dato Bandar Tunggal, Seremban-Bukit Nenas highway, Jalan Labu, Jalan Labu Lama, Jalan Era Square 1, Jalan Era Square 2 and thereafter onto Jalan Era Square 6.

It is situated about 3.3 kilometres from the Seremban city centre.

DESCRIPTION OF THE SUBJECT PROPERTY

The Subject Property comprises an intermediate unit four (4) storey shopoffice equipped with passenger lifts and concrete staircases. It is constructed of reinforced concrete foundation, columns and beams inlayed with brickwalls and covered with metal deck roofing.

The Subject Property contains a total floor area of about 554.8 square metres (5,972 sq. ft.). It is in a fair state of repair.

PLANNING PROVISION

The Subject Property is designated for commercial use.

LEGAL PARTICULARS

In accordance with a Sale and Purchase Agreement dated July 15, 2014, brief particulars of the Subject Property are as follows:-

Subject Property	Parcel No. C3, Block No. C, Era Square, Seremban, Negeri Sembilan
Provisional Floor Area	554.8 sq.m.
Vendor	Era Baru Sdn Bhd
Purchaser	Velvet Valley Sdn Bhd
Purchase Price	RM1,680,000.00
Parent Lot No. & Title No.	HS(D) 202118 to 202124, PT 8433 to 8439 Town and District of Seremban, State of Negeri Sembilan

METHOD OF VALUATION

In arriving at our opinion of value, we have adopted the Comparison Method.

The Comparison Method is an approach where recent sales of similar types of properties and related market data are considered to establish a market value through the process of comparison. It is the selected method of valuation since there are ample comparables that were transacted recently and within the vicinity of the Subject Property.

In our Comparison Method, we had taken into consideration the following comparables :-

COMPARABLE 1 – LOT 22856, GERAN 138764	
Description	A 3-storey shopoffice
Bandar/District/State	Bandar Seremban/Seremban/Negeri Sembilan
Address	No. 19 Jalan Era Square 3, Era Square, Seremban, Negeri Sembilan
Tenure	Freehold interest
Land Area	1,539.2 sq. ft.
Floor Area	4,434.3 sq. ft.
Consideration	RM1,000,000.00
Date of Transaction	17/07/2017
Vendor	Chua Ah Nye
Purchaser	Nilai Genting Sdn Bhd

COMPARABLE 2 – LOT 22841, GERAN 138749	
Description	A 3-storey shopoffice
Bandar/District/State	Bandar Seremban/Seremban/Negeri Sembilan
Address	No. 4 Jalan Era Square 2, Era Square, Seremban, Negeri Sembilan
Tenure	Freehold interest
Land Area	1,539.2 sq. ft.
Floor Area	4,434.3 sq. ft.
Consideration	RM1,580,000.00
Date of Transaction	02/05/2017
Vendor	Chong Choy Holdings Sdn Bhd
Purchaser	Sports Toto Malaysia Sdn Bhd

COMPARABLE 3 – LOT 22867, GERAN 138775	
Description	A 3-storey shopoffice
Bandar/District/State	Bandar Seremban/Seremban/Negeri Sembilan
Address	No. 30 Jalan Era Square 1, Era Square, Seremban, Negeri Sembilan
Tenure	Freehold interest
Land Area	1,539.2 sq. ft.
Floor Area	4,434.3 sq. ft.
Consideration	RM1,000,000.00
Date of Transaction	14/12/2015
Vendor	Sunrise Brothers Trading Company Sdn Bhd
Purchaser	LKL Timber Industries Sdn Bhd

COMPARABLE 4 – LOT 22887, GERAN 138795	
Description	A corner 4-storey shopoffice
Bandar/District/State	Bandar Seremban/Seremban/Negeri Sembilan
Address	No. 50 Jalan Era Square 4, Era Square, Seremban, Negeri Sembilan
Tenure	Freehold interest
Land Area	2,152.78 sq. ft.
Floor Area	8,199.08 sq. ft.
Consideration	RM1,500,000.00
Date of Transaction	01/12/2015
Vendor	Ultra United Sdn Bhd
Purchaser	Wtech Holdings Sdn Bhd

COMPARABLE 5 – LOT 22849, GERAN 138757	
Description	A 3-storey shopoffice
Bandar/District/State	Bandar Seremban/Seremban/Negeri Sembilan
Address	No. 12 Jalan Era Square 1, Era Square, Seremban, Negeri Sembilan
Tenure	Freehold interest
Land Area	1,539.2 sq. ft.
Floor Area	4,434.3 sq. ft.
Consideration	RM1,405,000.00
Date of Transaction	12/03/2015
Vendor	Chong Choy Holdings Sdn Bhd
Purchaser	Persatuan Penganut Chen Kong Toh Tong

COMPARABLE 6 – LOT 22850, GERAN 138758	
Description	A 3-storey shopoffice
Bandar/District/State	Bandar Seremban/Seremban/Negeri Sembilan
Address	No. 13 Jalan Era Square 1, Era Square, Seremban, Negeri Sembilan
Tenure	Freehold interest
Land Area	1,539.2 sq. ft.
Floor Area	4,434.3 sq. ft.
Consideration	RM1,405,000.00
Date of Transaction	12/03/2015
Vendor	Chong Choy Holdings Sdn Bhd
Purchaser	Persatuan Penganut Chen Kong Toh Tong

CONCLUSION

Taking into consideration all relevant factors, we are of the opinion that the market value of the Subject Property identified as Parcel No. C3, Block No. C, Era Square, Seremban, within Town and District of Seremban, State of Negeri Sembilan, free from all encumbrances and with vacant possession, as at 31 March 2018, is **RM1,800,000.00 (MALAYSIAN RINGGIT ONE MILLION AND EIGHT HUNDRED THOUSAND ONLY).**

APPRAISAL (MALAYSIA) SDN. BHD.

Sr. JAMIE TAN, MRICS, MISM
Chartered Surveyor
Bsc (Hons) Estate Management
Registered Valuer V0612
Executive Director

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APPRAISAL (MALAYSIA) SDN BHD
11943-W, VE (1) 0061
No. 160-4-8 & 9, Kompleks Maluri
Business Centre, Jalan Jejaka
55100 Kuala Lumpur
T 03 9285 3988
F 03 9281 6731
E appr-1@appraisal.com.my

Our Ref : MGT 17-741(1)/JT/FIFA/hsc (Valuation Certificate – Unicity)

11 June 2018

Sky Win Management Consultancy Pte Ltd
53 Mohamed Sultan Road
#04-02
Singapore 238993

Dear Sirs,

VALUATION CERTIFICATE

PT No. 436, Bandar Seremban 3, District of Seremban, State of Negeri Sembilan held under HSD 219890

We were appointed by the client, Sky Win Management Consultancy Pte Ltd (hereinafter referred to as "Client") to express an opinion of the Market Value of and to prepare a valuation report in respect of freehold interest in an ongoing construction of a seven (7) storey service suite with four (4) levels retail space, three (3) levels car parks and one (1) level facilities known as "Unicity" and identified as **PT No. 436, Bandar Seremban 3, District of Seremban, State of Negeri Sembilan** held under **HSD 219890** (hereinafter referred to as "Subject Property") belonging to Velvet Valley Sdn Bhd.

This Valuation Certificate provides a summary of our full report and is prepared for purpose of inclusion in the circular to shareholders of Hatten Land Limited in connection with the proposed acquisition of Velvet Valley Sdn Bhd. As such it shall be used only for the purpose stated herein and for no other purposes.

The Subject Property was inspected on 11 June 2018. The material date of valuation is on **31 March 2018.**

The basis of valuation is the Market Value which is defined in *Malaysian Valuation Standards Fifth Edition 2015* as follows:-

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

This valuation has been prepared in accordance with the *Malaysian Valuation Standards 5th Edition 2015* published by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the *International Valuation Standards 2017* published by the International Valuation Standards Council (IVSC).

The general description of the Subject Property, method of valuation and our opinion of the market value are as follows.

LOCATION OF THE SUBJECT PROPERTY

The Subject Property is located along Persiaran Seremban Tiga 1, within Bandar Seremban 3, Negeri Sembilan, Malaysia.

Approach to the Subject Property from Seremban city centre is via Jalan Tuanku Antah, Jalan Rasah and thereafter onto Persiaran Seremban Tiga 1.

It is situated about 5.6 kilometres from the Seremban city centre.

DESCRIPTION OF THE SUBJECT PROPERTY

The Subject Property comprises the ongoing construction of a seven (7) storey service suite with four (4) levels retail space, three (3) levels car parks and one (1) level facilities known as "Unicity".

The land is regular in shape, flat in terrain and lies at the same level with the frontage metalled road. It contains a total land area of about 7,936 square metres (85,422 sq. ft. or 1.961 acres).

We have not conducted any reconnaissance survey to identify the boundary stones nor establish any encroachment of its boundary lines. However, we have assumed that the physical demarcations on the site correspond with those as shown on the site plan of the title document or the survey sheet.

Our enquiries at the land office did not indicate that the Subject Property was affected by any compulsory land acquisition(s). However, we advise any party/parties relying on this report to conduct thorough investigations with the relevant authorities on any past or intended compulsory land acquisition(s) on the Subject Property. We shall not be held responsible in the event that the value of the Subject Property is affected as a result of any past or intended compulsory land acquisition(s).

THE ON-GOING DEVELOPMENT

The Subject Property comprises the on-going development of a seven (7) storey service suite with four (4) levels retail space, three (3) levels car parks and one (1) level facilities. According to a layout plan was approved by the Majlis Perbandaran Seremban bearing reference number 233/2014 dated 15 February 2017, the proposed development comprises the following:-

Level	Type	Units
Ground	Facility	
Upper Ground	Retail & M&E room Parking lot	
Upper Ground 2	Retail & M&E room	
L1	Retail & M&E room	
L2	Retail & M&E room	
L3	Parking area	
L4	Parking area	
L5	Parking area	
L5M	Parking area	
L6	Hotel suite tower	25
	Swimming pool, Gymnasium, Surau, Lounge	
L7-12	Hotel suite tower	222
Total		**247**

Total number of car parks within the building include 363 car park bays and 30 handicap parking bays.

The total gross floor area of the proposed development is approximately 353,020 sq. ft. At the date of inspection, we were informed by the Client that the development is about 75% completed and that the expected date of completion is fourth quarter, 2018.

The proposed development was approved by *Majlis Perbandaran Seremban* vide a Development Order bearing reference number MPS(P)84/694/14/04/P1 dated 24 February 2014.

PLANNING PROVISION & CATEGORY OF LAND USE

According to the Local Plan published by the *Majlis Perbandaran Seremban, District of Seremban 2015* the Subject Property lies within an area zoned for commercial use with a plot ratio of 1 : 3.5

However, according to the Development Order the Subject Property has been approved for commercial use with a plot ratio of 1 : 3.9

The category of land use stated in the title document of the Subject Property is "Building" with the express condition, "The land shall be used for commercial building only".

PARTICULARS OF TITLE

Brief particulars of the title as extracted from a search at the land office, *Pejabat Tanah dan Galian Negeri Sembilan*, on 8 November 2017 are as follows:-

Lot No.	PT No. 436
Bandar/District/State	Seremban 3/Seremban/Negeri Sembilan
Title No.	HSD 219890
Land Area	7,936 square metres.
Tenure	Freehold interest
Annual Rent	RM5,000.00
Category of Land Use	Building
Registered Proprietor	Velvet Valley Sdn Bhd
Express Conditions	The land shall be used for commercial building only
Restriction in Interest	Not stated
Charge	Charged to United Overseas Bank (Malaysia) vide Presn. No. 18644/2016 dated 08/08/2016

The particulars stated above are ONLY for the purpose of valuation and should not be adopted or used for any other purposes. No responsibility for the correctness or accuracy of the title particulars is assumed by the Valuer.

METHOD OF VALUATION

In arriving at our opinion of value, we have adopted the Residual Method. This method was selected for the valuation of the Subject Property as it is the most suitable method for valuing on-going development projects.

In general, the Residual Method involves the deduction of the Gross Development Cost (GDC) and developer's profit from the Gross Development Value (GDV) of a proposed development to derive the residual value for the land or on-going development.

The assumptions and parameters adopted for the Residual Method, after consultation with the Client, are as explained below.

Gross Development Value	Total Gross Development Value (GDV) for the whole project is RM291,004,922.00 after taking into consideration Bumiputera and non-Bumiputera discounts. The Net GDV for the service suites and retail lots, after deducting the commitment for Guaranteed Rental Returns ("GRR"), is RM211,077,298.16. The GRR commitment for service suites is 6% p.a. for six (6) years whereas for the retail mall it is 6% p.a. for two (2) years. The cinema space, although not intended for sale, is assessed at RM29,530,500.00 or RM1,500.00 per sq. ft. based on the transacted prices of the retail lots. The car parks are assessed at RM20,000.00 per bay for 351 covered bays and RM10,000.00 per bay for 12 open bays. The value of the car parks is based on the transacted prices of similar car parks within the neighbouring state of Selangor. In accordance with the Client's instruction to conduct a valuation of the Subject Property based on its market value if it were to be sold to a third party in its current state at the date of valuation, we have deducted past sales proceeds received up till 31 March 2018

Gross Development Value (cont'd)	amounting to RM57,499,854.81 to derive a remaining Net GDV of RM175,697,697.25.
Cost of Sales	Cost of Sales at 5% of Gross Development Value with a total of RM14,550,246.10 comprising legal fees, marketing and promotions, advertisements and estate agent's fees.
Gross Development Cost	Total outstanding Gross Development Cost (GDC) to complete the project as at 31 March 2018 is RM27,668,395.66 including cost of construction for infrastructure and buildings, contribution to authorities, consultant fees, finance cost and contingencies. The GDC is based on the actual contract sum awarded as well as referring to industry benchmarks. Whilst Gross Development Cost appears to reasonably reflect the likely development cost of the project, we are not experts in the assessment of construction costs and recommend that the services of a suitably qualified and independent Quantity Surveyor be engaged to accurately quantify the likely development costs. In the event that there are major variations to the construction costs adopted herein, we reserve the right to review and amend our valuation accordingly.
Take-Up Period	According to the Client's estimation, the sales take-up for the remaining units would take a remaining period of two (2) years.
Developer's Profit	A developer's profit of 15% over Gross Development Value is assumed after consultation with the Client and referring to industry benchmarks. The profit margin is acceptable in view that the project is about 75% completed. The developer's profit over total GDC, loan interest and residual value is about 29.8%, reflecting a fair and reasonable return on total cost for the developer.
Present Value	The net proceeds from the development are discounted at 6.8% per annum (cost of borrowing) to derive the Residual Value.

CONCLUSION

Taking into consideration all relevant factors, we are of the opinion that the market value of the Subject Property identified as PT No. 436, Bandar Seremban 3, District of Seremban, State of Negeri Sembilan held under HSD 219890, free from all encumbrances, with vacant possession and in its existing state, as at **31 March 2018**, is **RM97,200,000.00 (MALAYSIAN RINGGIT NINETY SEVEN MILLION TWO HUNDRED THOUSAND ONLY)**.

APPRAISAL (MALAYSIA) SDN. BHD.

Sr. JAMIE TAN, MRICS, MISM
Chartered Surveyor
Bsc (Hons) Estate Management
Registered Valuer V0612
Executive Director

SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

1 Robinson Road #21-00 AIA Tower
Singapore 048542

28 September 2018

To: The Audit and Risk Committee of Hatten Land Limited

Dato' Wong King Kheng
Mr. Loh Weng Whye
Mr. Foo Jong Han Rey

Dear Sirs

THE PROPOSED ACQUISITION OF 80% OF THE ISSUED AND PAID UP SHARE CAPITAL OF VELVET VALLEY SDN BHD AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 28 September 2018 (the "**Circular**") shall have the same meanings herein.*

1. INTRODUCTION

On 3 August 2018, Hatten Land Limited (the **"Company"**, and together with its subsidiaries, the **"Group"**) announced that its wholly-owned subsidiary, Sky Win Management Consultancy Pte. Ltd. (**"Sky Win"**) had entered into a sale and purchase agreement (the **"VVSB Sale and Purchase Agreement"**) with Dato' Tan June Teng Colin @ Chen JunTing (**"Dato' Colin"**), Dato' Tan Ping Huang Edwin @ Chen Bing Huang (**"Dato' Edwin"**) and Yap Wei Shen (collectively, the **"VVSB Vendors"**) to acquire the entire issued and paid-up share capital (the **"VVSB Shares"**) of Velvet Valley Sdn Bhd ("**VVSB**") for an aggregate consideration of RM43.0 million (the **"Proposed Acquisition"**). VVSB has a wholly-owned subsidiary Velvet Valley Management Sdn Bhd (**"VVMSB**", and together with VVSB, the **"VVSB Group"**).

Dato' Colin is the Executive Chairman and Managing Director of the Company. Dato' Edwin is the brother of Dato' Colin, and the Executive Director and Deputy Managing Director of the Company. Both Dato' Edwin and Dato' Colin are also controlling shareholders of the Company, holding an aggregate of 1,138,392,308 ordinary shares in the capital of the Company ("**Shares**") (representing approximately 82.61% in the total share capital of the Company) via Hatten Holdings Pte. Ltd. as at 14 September 2018 (the "**Latest Practicable Date**"). As such, Dato' Edwin and Dato' Colin, being each a director and a controlling shareholder of the Company, are "interested persons" under Chapter 9 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), and the proposed acquisition of the VVSB Shares from Dato' Edwin and Dato' Colin will constitute interested person transactions (**"IPT"**) under Chapter 9 of the Catalist Rules (the "**IPT Acquisition**").

Pursuant to Rule 906(1) of the Catalist Rules, the Company is required to obtain approval from the shareholders of the Company (the "**Shareholders**") on any interested person transaction of a value equal to, or more than 5.0% of the latest audited consolidated net tangible assets ("**NTA**") of the Group, or when aggregated with other interested person transactions entered into during the same financial year with the same interested person, the value is equal to or more than 5.0% of the Group's latest audited NTA. As at the date of the VVSB Sale and Purchase Agreement, the Group's latest audited NTA based on the Group's latest audited financial statements for the financial year ended 30 June 2017 is approximately

RM227.4 million. The aggregate consideration payable to Dato' Edwin and Dato' Colin of RM34.4 million represents approximately 15.1% of the Group's latest audited NTA as at 30 June 2017. As such, the Company is seeking Shareholders' approval (other than Dato' Edwin and Dato' Colin and their associates) for the IPT Acquisition at an extraordinary general meeting of the Company to be convened (the "**EGM**").

Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company is required to appoint an independent financial adviser ("**IFA**") to express an opinion on the IPT Acquisition. Accordingly, the Company has appointed us as the IFA to the audit and risk committee of the Company (the "**Audit and Risk Committee**") to express an opinion on whether the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

This letter is addressed to the Audit and Risk Committee and sets out our evaluation and opinion on the IPT Acquisition as an interested person transaction, which forms part of the Circular to Shareholders in relation to the Proposed Acquisition.

2. TERMS OF REFERENCE

We have been appointed as the IFA to provide an opinion, pursuant to Rule 921(4)(a) of the Catalist Rules, on whether the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. This letter, which sets out our opinion, has been prepared for the use of the Audit and Risk Committee in connection with its consideration of the IPT Acquisition and its recommendation to the minority Shareholders arising thereof.

We are not and were not involved in any aspect of the negotiations entered into by the Company in connection with the Proposed Acquisition or in the deliberations leading up to the decision of the board of directors of the Company (the "**Board**" or "**Directors**") to undertake the Proposed Acquisition. Accordingly, we do not, by this letter, warrant the merits of the Proposed Acquisition, other than to express an opinion on whether the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

We have not conducted a comprehensive independent review of the business, operations or financial condition of the Group and/or the VVSB Group. We have not been provided with, nor do we have access to, any business plans or financial projections of the future performance of the Group and/or the VVSB Group. Our evaluation is confined to the financial terms of the IPT Acquisition and we have not evaluated the strategic, legal or commercial merits or risks of the IPT Acquisition or the future growth prospects or earnings potential of the Group and/or the VVSB Group after the completion of the IPT Acquisition. Accordingly, we do not express any view as to the future prices at which the Shares may trade upon completion of the IPT Acquisition or on the future growth prospects, financial position and earnings potential of the Group and/or the VVSB Group after the completion of the IPT Acquisition.

In the course of our evaluation, we have held discussions with the Directors and the management of the Company (the "**Management**") and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information provided in the Circular. The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the IPT Acquisition has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect.

Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on.

We would like to highlight that, save as disclosed, all information relating to the Group and/or the VVSB Group that we have relied upon in arriving at our opinion has been obtained from the Circular, publicly available information, the Directors and/or from the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Group and/or the VVSB Group at any time or as at the Latest Practicable Date. We have also not made any independent evaluation or appraisal of the assets and liabilities of the Group and/or the VVSB Group and have not been furnished with any such evaluation or appraisals, save for the following:

(a) the property valuation report dated 11 June 2018 prepared by Appraisal Malaysia Sdn. Bhd. (the "**Property Valuer**"), being the independent valuer appointed by the Company to perform an independent valuation of the market value of the Unicity Project (as defined in paragraph 3.1 of this letter) as at 31 March 2018 (the "**Unicity Valuation Report**"). A summary version of the Unicity Valuation Report (the "**Unicity Valuation Certificate**") is set out in Appendix A to the Circular;

(b) the property valuation report dated 11 June 2018 prepared by the Property Valuer, being the independent valuer appointed by the Company to perform an independent valuation of the market value of the Shop Office (as defined in paragraph 3.1 of this letter) as at 31 March 2018 (the "**Shop Office Valuation Report**"). A summary version of the Shop Office Valuation Report (the "**Shop Office Valuation Certificate**") is set out in Appendix A to the Circular; and

(c) the business valuation report dated 4 September 2018 prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the "**Business Valuer**"), being the independent valuer appointed by the Company to perform an independent valuation of the market values of the revalued net asset ("**RNAV**") of and 100% equity interest in the VVSB Group as at 31 March 2018 (the "**Business Valuation Report**"). The Business Valuation Report is set out in Appendix A to the Circular.

As we are not experts in the evaluation or appraisal of the assets set out in the abovementioned valuation reports, we have placed sole reliance on the independent valuation in relation to the aforementioned assets and have not made any independent verification of the contents thereof. In addition, we do not assume any responsibility to enquire about the basis of the valuation in the abovementioned valuation reports or if the contents in the abovementioned valuation reports have been prepared in accordance with all applicable regulatory requirements.

Our opinion, as set out in this letter, is based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as at, the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In arriving at our opinion, we have not had regard to the specific investment objectives, financial situation, tax position or particular needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of

Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion in relation to the IPT Acquisition should be considered in the context of the entirety of this letter and the Circular.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

3. THE PROPOSED ACQUISITION OF THE VVSB GROUP

3.1 Information on the VVSB Group

VVSB is a private company limited by shares incorporated in Malaysia and its principal business is property development. VVSB is wholly-owned by Dato' Edwin, Dato' Colin and Yap Wei Shen in the proportion of 40%, 40% and 20% respectively. Dato' Edwin and Dato' Colin are passive investors in VVSB. VVSB has a wholly-owned subsidiary VVMSB.

VVSB is the registered and beneficial proprietor of a piece of freehold land held under title number HS(D) NO. 219890 P.T. NO. 436 in Bandar Seremban 3, Daerah Seremban, Negeri Sembilan, Malaysia, measuring approximately 85,422 square feet, on which it is currently developing a 15-storey integrated mixed-use development project known as "Unicity" (the "**Unicity Project**"). The Unicity Project is located next to MARA University of Technology in Seremban and has a gross floor area of 353,020 square feet. It comprises 247 units of serviced suites across seven levels, 464 retails lots across four levels, three levels of car parks housing 363 car park bays and 30 handicap parking bays, a cinema and one level of common facilities in Seremban, Malaysia, and is expected to be completed in the fourth quarter of 2018. As at 30 June 2018, approximately 91% of the serviced suites and 13% of the retail lots have been sold.

VVSB also owns an intermediate freehold unit, which is a four-storey shop office with a floor area of approximately 5,972 square feet (the "**Shop Office**") which has been completed as at the date of the Circular. The Shop Office is located at No. C3, Block No. C, Era Square, Seremban within Town and District of Seremban, State of Negeri Sembilan, Malaysia.

The principal business of VVMSB is to provide guaranteed rental return ("**GRR**") to purchasers of units in the Unicity Project which will come into effect after completion of the Unicity Project. As at the date of the Circular, VVMSB is a dormant company.

In relation to the GRR arrangement, retail units developed by the VVSB Group are sold to purchasers with sale and leaseback arrangements to provide a rental yield (which currently stands at six percent (6.0%) of the purchase price, annually) for the initial committed rental period of two (2) years only. This is part of VVSB's marketing strategy to promote its retail properties and control the tenant-mix of the project.

Similarly, the serviced suites are sold to purchasers with such sale and leaseback arrangements to provide a rental yield (which currently stands at six percent (6.0%) of the purchase price, annually) for the initial committed rental period of six (6) years only.

The VVSB Group had a net profit of RM2.0 million based on its unaudited pro forma management accounts for the financial year ended 30 June 2018 ("**FY2018**").

Further details on the VVSB Group and the VVSB Vendors are set out in sections 2.1 and 2.2 of the Circular respectively, and Shareholders are advised to read the information carefully.

3.2 Rationale and benefits

The rationale and benefits of the Proposed Acquisition is set out in section 2.3 of the Circular, and Shareholders are advised to read the information carefully.

3.3 Salient Terms of the Proposed Acquisition

3.3.1 Status of VVSB

The VVSB Shares will be acquired by Sky Win free from all forms of legal, equitable, or security interests, including but not limited to any mortgage, charge (whether fixed or floating), pledge, lien (including, without limitation any unpaid VVSB Vendors' lien or similar lien), assignment of rights and receivables, debenture, right of first refusal, option, hypothecation, title retention or conditional sale agreement, lease, hire or hire purchase agreement, restriction as to transfer, use or possession, easement, subordination to any right of any other person, and any other encumbrance or security interest and in accordance with the terms of the VVSB Sale and Purchase Agreement.

3.3.2 Consideration

The consideration for the VVSB Shares shall be RM43.0 million (the "**Purchase Price**") and shall be satisfied in full in the following manner:

(a) 20% of the Purchase Price shall be paid in cash on the first anniversary of the date of completion of the Proposed Acquisition (the "**Completion Date**");

(b) 30% of the Purchase Price shall be paid in cash on the second anniversary of the Completion Date; and

(c) 50% of the Purchase Price shall be paid in cash on the third anniversary of the Completion Date.

The Purchase Price was arrived at on a willing buyer-willing seller basis, upon arm's length negotiations with the VVSB Vendors after taking into consideration, *inter alia*, various commercial factors such as the rationale for and benefits of the Proposed Acquisition as explained in section 2.3 of the Circular, location of the Unicity Project, the property market in the vicinity, the prevailing market conditions and the independent valuation undertaken on the VVSB Group and the VVSB Assets (as defined below).

As part of the due diligence, the Company has commissioned the Business Valuer and the Property Valuer (collectively, the "**Independent Valuers**") to conduct (a) an independent valuation on the VVSB Group to determine the market values of the RNAV of and 100% equity interest in the VVSB Group as at 31 March 2018, and (b) an independent valuation on the Unicity Project and the Shop Office (collectively, the "**VVSB Assets**") to determine the market value of the VVSB Assets as at 31 March 2018, respectively.

Based on the independent valuation reports and valuation certificates, the Property Valuer conducted its independent valuation on the VVSB Assets in accordance with the Malaysia Valuation Standards 5th Edition 2015 published by the Board of Valuers, Appraisers and Estate Agents, Malaysia and the International Valuation Standards 2017 published by the Internation- al Valuation Standards Council ("**IVSC**"). Based on the valuation certificates, the market values of the Unicity Project and the Shop Office as at 31 March 2018 were approximately RM97.2 million and RM1.8 million, respectively.

Based on the Business Valuation Report, the Business Valuer conducted its independent valuation on the VVSB Group in accordance with the International Valuation Standards issued by the IVSC. Based on the Business Valuation Report, the market values of the RNAV of and 100% equity interest in the VVSB Group (including the VVSB Assets) as at 31 March 2018 were approximately RM59.7 million and RM53.8 million, respectively.

The Purchase Price will be funded by the Company's internal resources and/or bank borrowings. In the event the Company shall for any reason fail to pay the Purchase Price or any part thereof as and when it falls due on the first and/or second anniversary of the Completion Date, such outstanding amount is not subject to any interests and will become payable on the next due date. Subject to the Company obtaining the relevant approvals, the Company has the option to partially or fully settle any outstanding amounts owing to the VVSB Vendors at the end of the third anniversary of the Completion Date through the issuance of new Shares of the Company. The new Shares will be issued at an issue price based on the five-day volume weighted average price ("**VWAP**") of the Shares immediately prior to the third anniversary of the Completion Date, subject to a minimum price which is equal to the latest audited consolidated net asset value per share of the Company. Such issuance of new Shares shall be undertaken in accordance with the requirements under the Catalist Rules and the interested persons shall abstain from the deliberations of and voting on such issuance of new Shares.

3.3.3 Conditions Precedent

The completion of the Proposed Acquisition is conditional upon, *inter alia*, Sky Win causing the Company to obtain the approval from Shareholders and the Sponsor (as defined in the Circular) for the Proposed Acquisition as an interested person transaction.

Further details of the conditions precedent are set out in section 2.4.3 of the Circular, and Shareholders are advised to read the information carefully.

3.3.4 Long Stop Date

Information on the long stop date of the Proposed Acquisition is set out in section 2.4.4 of the Circular, and Shareholders are advised to read the information carefully.

3.3.5 Further Advance

The VVSB Vendors shall continue to advance interest-free additional working capital (the "**Further Advance**") to VVSB for the construction of the Unicity Project from the date of the VVSB Sale and Purchase Agreement and up to the completion of the Proposed Acquisition. This Further Advance shall be recorded as shareholders' advances in the books of VVSB and shall be repaid by Sky Win within 12 months after completion of the Proposed Acquisition. For the period from the date of the VVSB Sale and Purchase Agreement and up to the Latest Practicable Date, there was no Further Advance from the VVSB Vendors to VVSB.

4. EVALUATION OF THE IPT ACQUISITION

In our evaluation of the IPT Acquisition, we have reviewed and examined the following factors which have a significant bearing on our assessment:

(a) the rationale and benefits of the Proposed Acquisition;

(b) the reasonableness of the Purchase Price;

(c) the historical financial performance and condition of the VVSB Group;

(d) the financial effects of the Proposed Acquisition on the Group; and

(e) other relevant considerations.

4.1 Rationale and Benefits of the Proposed Acquisition

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Acquisition or the future prospects of the Group and/or the VVSB Group after the Proposed Acquisition. Nonetheless, we have reviewed the rationale and benefits of the Proposed Acquisition as set out in section 2.3 of the Circular, and reproduced in italics below:

"The acquisition of the Unicity Project will serve as the Company's first venture into the Seremban area and outside of Melaka. The Company believes that the Proposed Acquisition will be value accretive for Shareholders and is in line with the long-term growth strategy of the Company for the following reasons:

(a) Geographical diversification by having some of the Company's developments located outside of Melaka;

(b) The Company is not exposed substantially to the typical risks associated with entering a new market as two of the VVSB Vendors of Unicity Project are also major shareholders of the Company and the expected completion of Unicity Project in the fourth quarter of 2018 reduces completion risk; and

(c) The Company is acquiring VVSB at a 20% discount to the market value of 100% equity interest in the VVSB Group as at 31 March 2018 of RM53.8 million based on an independent valuation conducted and payment flexibility for the Proposed Acquisition, as described in paragraph 2.4.2 below."

4.2 Reasonableness of the Purchase Price

4.2.1 <u>Market valuation of the VVSB Assets held by the VVSB Group</u>

As set out in section 2.4.2 of the Circular, we note that the Purchase Price was arrived at on a willing buyer – willing seller basis, upon arm's length negotiations with the VVSB Vendors after taking into consideration, *inter alia*, various commercial factors such as the rationale for and benefits of the Proposed Acquisition, location of the Unicity Project, the property market in the vicinity, the prevailing market conditions and the independent valuation undertaken on the VVSB Group and the VVSB Assets.

In connection with the Proposed Acquisition, the Company had commissioned the Property Valuer to conduct an independent valuation on the VVSB Assets. As set out in the independent valuation reports and valuation certificates by the Property Valuer, the Property Valuer has conducted its valuation on the basis of "Market Value" which is defined as:

"*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

<u>Unicity Project</u>

In arriving at the market value of the Unicity Project as at 31 March 2018, the Property Valuer had adopted the residual method (**"Residual Method"**). Based on the Unicity Valuation Certificate, the Residual Method was selected for the valuation of the Unicity Project by the Property Valuer as *"it is the most suitable method for valuing on-going development projects"*. The Residual Method involves the deduction of the gross development cost (**"GDC"**) and developer's profit from the gross development value of a proposed development to derive the residual value for the land or on-going development. The bases for the independent valuation of the Unicity Project, as set out in the Unicity Valuation Certificate and reproduced in Appendix A to the Circular, involve certain assumptions, limitations and disclaimers. Shareholders are advised to read the above in conjunction with the Unicity Valuation Certificate in its entirety.

Having considered all relevant factors, the Property Valuer is of the opinion that the Market Value of the Unicity Project, free from all encumbrances, with vacant possession and in its existing state, as at 31 March 2018, is RM97.2 million.

Shop Office

In arriving at the Market Value of the Shop Office as at 31 March 2018, the Property Valuer had adopted the comparison method (**"Comparison Method"**). Based on the Shop Office Valuation Certificate, the Comparison Method was selected for the valuation of the Shop Office by the Property Valuer as *"there are ample comparables that were transacted recently and within the vicinity of the Subject Property"*. The Comparison Method is an approach where recent sales of similar types of properties and related market data are considered to establish the market value through the process of comparison. The bases for the independent valuation of the Shop Office, as set out in the Shop Office Valuation Certificate and reproduced in Appendix A to the Circular, involve certain assumptions, limitations and disclaimers. Shareholders are advised to read the above in conjunction with the Shop Office Valuation Certificate in its entirety.

Having considered all relevant factors, the Property Valuer is of the opinion that the Market Value of the Shop Office, free from all encumbrances and with vacant possession, as at 31 March 2018, is RM1.8 million.

4.2.2 Comparison with the market valuation of the RNAV of and 100% equity interest in the VVSB Group

In connection with the Proposed Acquisition, the Company had commissioned the Business Valuer to conduct an independent valuation on the market values of the RNAV of and 100% equity interest in the VVSB Group as at 31 March 2018. As set out in the Business Valuation Report, the Business Valuer has conducted its valuation on the basis of "Market Value" which is defined as:

"*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

Based on the Business Valuation Report, as the VVSB Assets are the major assets of the VVSB Group, the book values of the property under development and freehold land and building have been adjusted to the respective market values in arriving at the RNAV of the VVSB Group.

The Business Valuer had assessed the RNAV of the VVSB Group based on the book value of its net asset value adjusted by the revaluation surplus between the market values of the VVSB Assets and their respective book values. Having obtained the RNAV of the VVSB Group, the Business Valuer applied relevant and appropriate marketability discount to arrive at the valuation for 100% equity interest in the VVSB Group. The bases for the independent valuation of the RNAV of and 100% equity interest in the VVSB Group, as set out in the Business Valuation Report and reproduced in Appendix A to the Circular, involve certain assumptions, limitations and disclaimers. Shareholders are advised to read the above in conjunction with the Business Valuation Report in its entirety.

Based on the above, the Business Valuer is of the opinion that the Market Values of the RNAV of and 100% equity interest in the VVSB Group as at 31 March 2018 are approximately RM59.7 million and approximately RM53.8 million respectively.

We note that the Purchase Price of RM43.0 million for 100% of the VVSB Shares represents a discount of 28.0% and 20.1% to the RNAV of and 100% equity interest in the VVSB Group as at 31 March 2018 respectively.

4.2.3 Comparison with recent acquisition transactions by companies listed on the SGX-ST

Given that information on RNAV of listed property development companies based on independent valuation is normally not publicly available, we have not undertaken an evaluation of the P/RNAV ratio of the VVSB Group as implied by the Purchase Price vis-à-vis the P/RNAV ratios of listed companies broadly comparable to the VVSB Group in our assessment of the reasonableness of the Purchase Price. Instead, we have compared the Price-to-Valuation[1] ratio of the VVSB Group implied by the Purchase Price with selected acquisitions of majority interest (excluding reverse take-over transactions) involving property assets (or through companies holding such property assets) which were subject to shareholders' approval at an EGM, undertaken and completed by companies listed on the SGX-ST that were announced since 1 January 2016 and up to the Latest Practicable Date, for which information is publicly available (the **"Comparable Transactions"**).

We wish to highlight that the Comparable Transactions set out below are by no means exhaustive. In addition, the level of premium or discount an acquirer would normally pay for an acquisition varies in different circumstances depending on, *inter alia*, the rationale for the acquisition, the attractiveness of the underlying assets to the acquirer, the synergies to be gained by the acquirer, the availability of substantial cash reserves, the extent of control the acquirer already has in the target company or assets, the current market expectation as well as the general economic and business sentiments.

In addition, the VVSB Group is not directly comparable to the companies involved in the Comparable Transactions in terms of business activities, scale of operations, market capitalisation, geographical spread, accounting policies, financial performance, operating and financial leverage, asset base, risk profile, track record, future prospects and other relevant criteria.

As such, any comparison made with respect to the Comparable Transactions is intended to serve as an illustrative guide only and each of the Comparable Transactions must be judged on its own commercial and financial merits. Accordingly, any comparison made herein is strictly limited in scope.

[1] Based on the consideration paid by the acquirer over the fair market value or revalued net asset value (where available) of the target companies and/or assets.

The table below summarises the salient statistics of the Comparable Transactions:

Acquirer	Target	Announcement Date	Type	% of Interest in the Target Acquired	Consideration Structure	Total Consideration ('000)	Price-to-Valuation (times)
3Cnergy Limited	Liberty Bridge Sdn Bhd	29 March 2016	IPT	100%	100% shares	S$64,000	0.98[1]
Pharmesis International Ltd.	Two units in a development located at No. 8 Ying Bin Avenue, Jinniu District, Chengdu Province, Sichuan (四川省成都市金牛区迎宾大道8号), PRC (the "**Ying Bin Property**")	6 May 2016	IPT	100%	100% cash	RMB6,973[2]	0.95[3]
Pharmesis International Ltd.	Jiangyou Neautus Traditional Chinese Medicine Technology Co. Ltd.[4]	6 May 2016	IPT	100%	100% cash	RMB8,631	0.94[5]
MYP Ltd.	Straits Trading Building situated at 9 Battery Road, Singapore 049910[6]	1 June 2016	Non-IPT	100%	100% cash	S$560,000	1.00[7]
Travelite Holdings Ltd.	Four-storey single user industrial building located at 53 Ubi Avenue 3, Singapore 408863 (the "**53 Ubi Industrial Property**")	8 August 2016	Non-IPT	100%	100% cash	S$19,275	0.64[8]
Fabchem China Limited	13th, 14th and 15th storeys of Yinguang Fuyuan Plaza, comprising a total built-up area of 3,499.83 square metres, as well as 39 carpark lots (the "**Yinguang Property**")	12 June 2017	IPT	100%	100% cash	RMB32,870	0.96[9]
Pollux Properties Ltd.	Pollux Alpha Investments Ltd	31 July 2017	IPT	100%	72.2% shares and 27.8% cash (via set-off)	S$200,938	1.00[10]
Far East Group Limited	Three-storey industrial building located at 51 Ubi Avenue 3, Singapore 408858 (the "**51 Ubi Industrial Property**")	11 August 2017	Non-IPT	100%	100% cash	S$22,500	0.90[11]
Global Yellow Pages Limited	A plot of freehold land located at Bellfield Road, Papakura, New Zealand (the "**NZ Land**")	14 September 2017	Non-IPT	100%	100% cash	NZ$36,000[12]	0.87[13]

Acquirer	Target	Announcement Date	Type	% of Interest in the Target Acquired	Consideration Structure	Total Consideration ('000)	Price-to-Valuation (times)
ICP Ltd.	A commercial freehold land known as GRN 75829, Lot 20000 Seksyen 31, Bandar and Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, upon which a 10 storey hotel known as Geo Hotel Kuala Lumpur bearing address No. 7, Jalan Hang Kasturi, 50050 Kuala Lumpur is situated (the "**Hotel Property**")	15 September 2017	Non-IPT	73.3%[14]	100% cash	RM85,500	0.95[15]
Soon Lian Holdings Limited	Single storey detached factory located at 6 Tuas Lane, Singapore 638615 (the "**Factory Property**")	28 December 2017	Non-IPT	100%	100% cash	S$7,800	1.00[16]
Infinio Group Limited	Industrial building located at No. 6 Kim Chuan Terrace Singapore 537029 (the "**KCT Industrial Property**")	13 February 2018	Non-IPT	100%	100% cash	S$10,800	0.98[17]
Lafe Corporation Limited	A freehold 15-unit development known as Fairhaven located at 130 Sophia Road, Singapore 228185 (the "**Development Site**")	28 March 2018	Non-IPT	100%	100% cash	S$57,000	1.00[18]
Thakral Corporation Ltd	Thakral Realty (S) Pte Ltd ("**Thakral Realty**")	21 May 2018	IPT	100%	100% cash	S$9,000	0.95[19]
APAC Realty Limited	HC Home Pte. Ltd. ("**HC Home**")	5 June 2018	Non-IPT	100%	100% cash	S$72,800	1.00[20]

All Comparable Transactions	
High	**1.00**
Mean	**0.94**
Median	**0.96**
Low	**0.64**

Comparable IPT Transactions	
High	**1.00**
Mean	**0.96**
Median	**0.95**
Low	**0.94**

Company	**VVSB Group**	**3 August 2018**		**100%**	**100% cash**	**RM43,000**	**0.72**[21] **0.80**[22]

Source: Bloomberg L.P., circulars and/or announcements of the respective companies and SAC Capital's computations

Notes:

(1) Based on the revalued net asset value of Liberty Bridge Sdn Bhd of RM196.80 million (or approximately S$65.54 million based on the exchange rate of S$1.00 to RM3.0026) as extracted from the letter issued by the IFA of 3Cnergy Limited.

(2) Based on the Tentative Purchase Consideration of RM6,973,280 as defined and disclosed in the circular dated 12 December 2016 issued by Pharmesis International Ltd.

(3) Based on the market value of the Ying Bin Property of RM7.34 million as ascribed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the independent valuer engaged by Pharmesis International Ltd., and as extracted from the letter issued by the IFA of Pharmesis International Ltd.

(4) Being the acquisition of an industrial complex under construction that is located in Jiangyou, Mianyang, Sichuan Province, PRC, with the plot number 81-3-31-61 (the "**Industrial Complex**"), through the acquisition of 100% of the issued and paid-up share capital of Jiangyou Neautus Traditional Chinese Medicine Technology Co. Ltd.

(5) Based on the market value of the 100% equity interest in Jiangyou Neautus Traditional Chinese Medicine Technology Co. Ltd of RM9.22 million as ascribed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the independent valuer engaged by Pharmesis International Ltd., and as extracted from the letter issued by the IFA of Pharmesis International Ltd.

(6) The acquisition of the property comprises of (a) the following land lots: (i) the whole of Lot 391K of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 20 April 1826; and (B) the unexpired portion of a leasehold term of 999 years commencing from 5 November 1862; (ii) the whole of Lot 455W of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 19 December 1850; and (B) the unexpired portion of a leasehold term of 999 years commencing from 9 March 1863; (iii) the whole of Lot 700N of Town Subdivision 1 comprising a leasehold estate for the unexpired portion of a leasehold term of 999 years commencing from 5 November 1862; and (iv) the whole of Lot 393X of Town Subdivision 1 comprising a leasehold estate for (A) the unexpired portion of a leasehold term of 999 years commencing from 20 April 1826; and (B) the unexpired portion of a leasehold term of 999 years commencing from 19 December 1850; (b) the building known as the "Straits Trading Building" (the "**Building**") situated at 9 Battery Road, Singapore 049910 (including the car parks situated at the Building, and service, loading and other areas serving the Building); and (c) the fixed plant, mechanical and electrical equipment (including without limitation fixtures and fittings, air-conditioning equipment, lift installations, fire safety equipment, CCTVs, power generators and other plant and equipment necessary for the operation of the Building) located in or on the Building, (collectively, the "**STB Property**").

(7) Based on the market value of the STB Property of S$560,000,000 as ascribed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, the independent valuer engaged by MYP Ltd., as extracted from the circular dated 20 October 2016 issued by MYP Ltd..

(8) Based on the market value of the 53 Ubi Industrial Property of S$30,000,000, with reference to (a) the valuation report received from the vendor issued by an independent third party property valuer dated 19 December 2014, which ascribed a valuation of S$30,000,000 to the 53 Ubi Industrial Property, and (b) indicative open market value of S$30,000,000 to the 53 Ubi Industrial Property ascribed by two property valuers to Travelite Holdings Ltd.'s bank in July 2016, as extracted from the circular dated 6 December 2016 issued by Travelite Holdings Ltd..

(9) Based on the market value of the Yinguang Property of RMB34,270,000 as ascribed by AVA Associates Limited, the independent valuer engaged by Fabchem China Limited, as extracted from the circular dated 14 July 2017 issued by Fabchem China Limited.

(10) Based on the net asset value of Pollux Alpha Investments Ltd and its subsidiaries (the "**PAI Group**") of S$200,955,119 which also reflects the revalued net asset value of the PAI Group, as extracted from the letter issued by the IFA of Pollux Properties Ltd.

(11) Based on the market value of the 51 Ubi Industrial Property of S$25,000,000 as ascribed by Savills Valuation and Professional Services (S) Pte Ltd, the independent valuer engaged by Far East Group Limited, as extracted from the circular dated 14 December 2017 issued by Far East Group Limited.

(12) On 13 October 2017, Global Yellow Pages Limited announced that it had, through an indirect wholly-owned subsidiary, entered into a variation agreement with the vendor to make certain variations to the sales and purchase agreement, including, *inter alia*, a reduction of the consideration from NZ$38,000,000 to NZ$36,000,000.

(13) Based on the market value of the NZ Land of NZ$41,500,000 as ascribed by Bayleys Valuations Limited, the independent valuer engaged by Global Yellow Pages Limited, as extracted from the circular dated 8 May 2018 issued by Global Yellow Pages Limited.

(14) The proposed acquisition was undertaken by a wholly-owned subsidiary of MHI MY 1 Pte. Ltd., a joint venture company owned by ICP Ltd. and Mr Aw Cheok Huat (the non-executive chairman and controlling shareholder of ICP Ltd.) with the shareholding interests of 73.3% and 26.7% respectively. Following the completion of the proposed acquisition, ICP Ltd. indirectly holds 73.3% of the Hotel Property. On 14 March 2018, ICP Ltd. announced, *inter alia,* that Mr Aw Cheok Huat had transferred 17.4% of his shareholding interests in MHI MY 1 Pte. Ltd. to certain investors, resulting in him holding shareholding interest of 9.3% in MHI 1 Pte. Ltd. after the transfer.

(15) Based on the market value of the Hotel Property of RM90,000,000 as ascribed by Messrs Firdaus & Associates, the independent valuer engaged by ICP Ltd., as extracted from the circular dated 6 October 2017 issued by ICP Ltd.

(16) Based on the market value of the Factory Property of S$7,800,000 as ascribed by United Valuers Pte Ltd, the independent valuer engaged by Soon Lian Holdings Limited, as extracted from the circular dated 9 March 2018 issued by Soon Lian Holdings Limited.

(17) Based on the market value of the KCT Industrial Property of S$11,000,000 as ascribed by AVA Associates Limited, the independent valuer engaged by Infinio Group Limited, as extracted from the circular dated 6 March 2018 issued by Infinio Group Limited.

(18) Based on the market value of the Development Site of S$57,000,000 as ascribed by PREMAS Valuers & Property Consultants Pte Ltd, the independent valuer engaged by Lafe Corporation Limited, as extracted from the circular dated 13 August 2018 issued by Lafe Corporation Limited.

(19) Based on the circular dated 28 May 2018 issued by Thakral Corporation Ltd, upon completion of the proposed acquisition of Thakral Realty, Thakral Realty will have no assets or business save for its holding of the property known as 20 Upper Circular Road #03-06 The Riverwalk Singapore 058416 (the "**Riverwalk Property**"), and no liabilities save for the loan taken up by Thakral Realty for the purchase of the Riverwalk Property (the "**Riverwalk Property Loan**"), of which approximately S$21.0 million shall remain outstanding at completion of the proposed acquisition. Accordingly, the Price-to-Valuation ratio is computed based on the total consideration of S$9.0 million over the market value of the Riverwalk Property of S$30.5 million (as ascribed by Jones Lang LaSalle Property Consultants Pte Ltd, the independent valuer engaged by Thakral Corporation Ltd), adjusted for the Riverwalk Property Loan of S$21.0 million.

(20) Based on the circular dated 16 August 2018 issued by APAC Realty Limited, HC Home owns a property at 450 Lorong 6 Toa Payoh Singapore 319394 (the "**HC Property**"). In addition, HC Home is loss-making and relies on funds from the vendor to repay its mortgage loan instalments. The current loan taken out by HC Home shall be repaid prior to the completion of the proposed acquisition. Based on the unaudited financial statements of HC Home for the half year ended 30 June 2018, HC Home is at a net liability and net tangible liability position of approximately S$2.74 million. As HC Home is being acquired on a debt-free cash-free basis, there will be no net liability. Accordingly, the Price-to-Valuation ratio is computed based on the total consideration of S$72.8 million over the market value of the HC Property of S$72.8 million (as ascribed by Savills Valuation and Professional Services (S) Pte Ltd, the independent valuer engaged by APAC Realty Limited).

(21) Based on the RNAV of the VVSB Group of RM59.7 million as at 31 March 2018 as extracted from the Business Valuation Report.

(22) Based on the 100% equity interest in the VVSB Group of RM53.8 million as at 31 March 2018 as extracted from the Business Valuation Report.

We note that the Price-to-Valuation ratios as implied by the Purchase Price and the Market Value of the RNAV of and 100% equity interest in the VVSB Group as at 31 March 2018 of 0.72 times and 0.80 times respectively are:

(a) within the range of the corresponding Price-to-Valuation ratios of the Comparable Transactions of between 0.64 times and 1.00 times; and

(b) below the corresponding mean and median Price-to-Valuation ratios of the Comparable Transactions of 0.94 times and 0.96 times respectively.

In addition, when comparing with Comparable Transactions that constitute IPTs the ("the **Comparable IPT Transactions**"), we note that the Price-to-Valuation ratios as implied by the Purchase Price and the Market Value of the RNAV of and 100% equity interest in the VVSB Group as at 31 March 2018 of 0.72 times and 0.80 times respectively are:

(a) below the range of the corresponding Price-to-Valuation ratios of the Comparable IPT Transactions of between 0.94 times and 1.00 times; and

(b) below the corresponding mean and median Price-to-Valuation ratios of the Comparable IPT Transactions of 0.96 times and 0.95 times respectively.

4.3 Historical Financial Performance and Condition of the VVSB Group

As set out in section 2.1 of the circular, pursuant to a restructuring exercise, VVSB acquired VVMSB on 14 April 2018, and accordingly, the historical financial information of the VVSB Group on a consolidated basis prior to such restructuring were not available.

We also understand from the Company that:

(a) the past historical financial performance of VVSB Group was mainly contributed from the sale of the Unicity Project, which was recorded under VVSB; and

(b) VVMSB has been a dormant company since its incorporation as the principal business of VVMSB is to provide GRR to purchasers of units in the Unicity Project, which will come into effect after completion of the Unicity Project, projected to be completed in the fourth quarter of 2018. For the last 4 financial years ended 30 June 2015, 2016 and 2017 ("**FY2015**", "**FY2016**" and "**FY2017**" respectively) and FY2018, VVMSB recorded net losses of RM5,307, RM1,874 (restated), RM1,719, and RM3,857 respectively. As at the date of the Circular, VVMSB remains as a dormant company. Accordingly, the analysis of VVMSB's historical performance and position on a standalone basis will not be meaningful.

Accordingly, we set out below the salient financial information of VVSB for FY2015, FY2016, FY2017, FY2018 and the pro forma combined financial information of the VVSB Group for FY2018 as follows:

Summary of statements of comprehensive income

	←	VVSB Audited	→	VVSB Unaudited	VVSB Group Unaudited
Figures in (RM'000) (1)	**FY2015**	**FY2016 (Restated)**	**FY2017**	**FY2018**	**FY2018**(2)
Revenue	19,265	15,102	15,177	7,610	7,610
Cost of sales	(10,469)	(8,885)	(15,174)	640	640
Gross profit	8,795	6,217	3	8,250	8,250
Profit/(loss) before tax	3,170	4,021	(2,487)	3,634	3,630
Net Profit/(loss) for the year	2,350	2,904	(2,485)	2,002	1,998

Summary of statements of financial position

Figures in (RM'000) [(1)]	VVSB Audited 30 June 2015	30 June 2016 (Restated)	30 June 2017	VVSB Unaudited 30 June 2018	VVSB Group Unaudited 30 June 2018[(2)]
Current assets	23,651	46,575	59,338	64,756	85,253
Current liabilities	21,760	36,532	42,251	30,981	51,489
Working capital	1,891	10,043	17,087	33,775	33,763
Non-current assets	1,963	2,245	2,173	1,821	1,821
Non-current liabilities	1,061	5,455	14,913	23,846	23,846
Equity	2,793	6,832	4,348	11,750	11,738

Source: VVSB's audited financial statements for FY2015, FY2016 and FY2017, VVSB's unaudited management accounts for FY2018, and VVSB Group's unaudited pro forma management accounts for FY2018

Notes:

(1) The figures included herein and discrepancies between the listed and total amounts thereof are subject to rounding.

(2) Based on the VVSB Group's unaudited pro forma management accounts for FY2018, as provided by the Management.

We note the following from the Management:

(a) Based on the financial information of VVSB for FY2015, FY2016, FY2017 and FY2018:

(i) **Revenue.** Revenue recorded by VVSB amounted to RM19.3 million, RM15.1 million, RM15.2 million and RM7.6 million for FY2015, FY2016, FY2017 and FY2018 respectively. For the last 4 financial years ended 30 June 2018, VVSB derived its revenue from the property development revenue from the sale of serviced suites and retails lots from the Unicity Project. The Unicity Project was launched for sale in April 2014 and construction commenced in November 2014. As at 30 June 2018, approximately 91% of the serviced suites and 13% of the retail lots have been sold.

Revenue is recognised based on the percentage of completion method. Under the percentage of completion method, property development revenue is recognised for the development units sold and determined by reference to the stage of completion of the development activity at the end of the reporting period. Stage of completion is determined based on the proportion of the property development costs incurred for work performed to date to the estimated total property development costs. Property development revenue and expenses recognized are immediately written back as soon as a rescission or revocation of sale occurs.

In FY2016, revenue decreased by 21.6% or RM4.2 million mainly due to slower construction progress of the Unicity Project achieved. Revenue remained relatively unchanged from RM15.1 million in FY2016 to RM15.2 million in FY2017 based on the stage of completion of the Unicity Project. In 2018, revenue decreased by 49.9% or RM7.6 million mainly due to lower sales and slower construction progress achieved.

(ii) **Cost of sales and gross profit**. VVSB recorded cost of sales amounted to RM10.5 million, RM8.9 million, RM15.2 million and RM(0.6) million in FY2015, FY2016, FY2017 and FY2018 respectively.

Cost of sales decreased by 15.1% or RM1.6 million in FY2016 mainly due to slower construction progress of the Unicity Project achieved. Gross profit decreased by 29.3% or RM2.6 million in FY2016.

Cost of sales increased by 70.8% or 6.3 million in FY2017, notwithstanding that revenue remained relatively unchanged in FY2017. This was mainly due to a revision in the budgeted GDC in FY2017 resulting from the budgeted variation order for construction works. VVSB recorded gross profits of RM3,000 in FY2017, mainly attributable to the revised budgeted GDC.

In FY2018, cost of sales declined as a result of the re-allocation of GDC from costs incurred for property for sale to costs incurred for cinema and car parks which are not intended for sale, which reduced the total cost of sales in FY2018 by RM3.9 million and resulted in VVSB recording gross profits of RM8.3 million in FY2018.

(iii) **Net profits**. VVSB's net profit for the year increased by 23.6% or RM0.6 million in FY2016 mainly due to lower selling and distribution expenses including commission and other launching and promotional expenses incurred in FY2016.

In FY2017, VVSB recorded a loss for the year of RM2.5 million, which was mainly due to revision in the budgeted GDC for the Unicity Project explained in (ii) above, resulting in additional GDC being recognised in FY2017.

In FY2018, VVSB recorded a net profit for the year of RM2.0 million mainly due to re-allocation of GDC from costs incurred from property for sale, to costs incurred from cinema and car parks which are not intended for sale, partially offset by higher administrative expenses.

(b) Based on the pro forma combined financial information of the VVSB Group as at 30 June 2018:

(i) **Current assets**. Current assets of VVSB Group amounted to RM85.3 million, representing 97.9% of the total assets of the VVSB Group. Current assets of the VVSB Group as at 30 June 2018 comprised property development expenditure of RM50.5 million, trade receivables and accrued billings of RM13.8 million, deferred expenditure arising from the GRR commitments of RM20.5 million and cash and cash equivalents of RM0.5 million;

(ii) **Non-current assets**. Non-current assets of the VVSB Group, comprised property, plant and equipment, amounted to RM1.8 million, representing 2.1% of the total assets of the VVSB Group;

(iii) **Current liabilities**. Current liabilities of the VVSB Group amounted to RM51.5 million, representing 68.3% of the total liabilities of the VVSB Group. Current liabilities of the VVSB Group comprised trade payables of RM26.8 million, other payables and accruals of RM4.2 million, and deferred revenue arising from the GRR commitments of RM20.5 million;

(iv) **Non-current liabilities**. Non-current liabilities of the VVSB Group, comprised bank borrowings, amounted to RM23.8 million, representing 31.7% of the total liabilities of the VVSB Group.

(v) **Working capital**. Working capital of the VVSB Group amounted to RM33.8 million.

(vi) **Equity**. Equity of the VVSB Group amounted to RM11.7 million.

4.4 Financial Effects of the Proposed Acquisition on the Group

The pro forma financial effects of the Proposed Acquisition on the Group have been prepared based on the unaudited consolidated financial statements of the Group and the VVSB Group for FY2018, and are set out in section 3 of the Circular. Shareholders are advised to read the information carefully, including the bases and assumptions set out therein.

We note the following:

(a) NTA per Share

The NTA per Share of the Group would decrease from 16.70 sens as at 30 June 2018 to 14.43 sens after the Proposed Acquisition.

(b) Earnings per Share ("**EPS**")

The EPS of the Group would increase from 0.23 sens in FY2018 to 0.38 sens after the Proposed Acquisition.

(c) Gearing

The net gearing ratio (as defined in the Circular) of the Company would increase from 1.95 times as at 30 June 2018 to 2.59 times after the Proposed Acquisition.

Shareholders should note that the pro forma financial effects presented above are for illustrative purposes only and are not intended to reflect the actual financial situation of the Group upon completion of the Proposed Acquisition.

4.5 Other Relevant Considerations

In determining whether the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, we have also considered the following:

4.5.1 Payment structure of the Proposed Acquisition

We note that the Purchase Price will be satisfied in full in three tranches as follows:

(a) 20% of the Purchase Price shall be paid in cash on the first anniversary of the Completion Date;

(b) 30% of the Purchase Price shall be paid in cash on the second anniversary of the Completion Date; and

(c) 50% of the Purchase Price shall be paid in cash on the third anniversary of the Completion Date.

Based on a review of the Comparable Transactions, we note that the purchase consideration of the acquisitions carried out by Pharmesis International Ltd., Fabchem China Limited and Global Yellow Pages Limited as set out in paragraph 4.2.3 of our letter were settled in multiple tranches as follows:

Acquirer / Target	**Payment Structure**
Pharmesis International Ltd. / Jiangyou Neautus Traditional Chinese Medicine Technology Co. Ltd.	The purchase consideration is to be satisfied in four instalments in the following manner: (i) the first instalment equivalent to 50% of RMB8,631,000 (the "**Initial Consideration**") within 15 days after the completion date; (ii) the second instalment equivalent to 30% of the Initial Consideration within 45 days after the completion date; (iii) the third instalment equivalent to the amount of the Adjustment (as defined in the circular dated 12 December 2016 issued by Pharmesis International Ltd.) within 15 days after the issuance of the financial due diligence report or audit report by the financial consultants of Pharmesis International Ltd., and (iv) fourth instalment equivalent to 20% of the Initial Consideration within 15 days after the issuance of the construction completion and acceptance certificate (竣工验收备案证明) in respect of the Industrial Complex.
Fabchem China Limited / Yinguang Property	The purchase consideration for the acquisition is to be satisfied fully in cash over the following milestones: (i) 30% of the consideration upon signing of the sale and purchase agreement (less any payment that Fabchem China Limited has made prior to the signing of the sale and purchase agreement, including but not limited to a refundable deposit of RMB6 million); (ii) 30% of the consideration within 36 months after signing of the sale and purchase agreement; and (iii) the remaining 40% of the consideration within 48 months after the signing of the sale and purchase agreement
Global Yellow Pages Limited / NZ Land	The purchase consideration for the acquisition comprises the following components: (i) a deposit of NZ$3,600,000 payable on the date of satisfaction or waiver of certain conditions precedent described in the circular dated 8 May 2018 issued by Global Yellow Pages Limited; (ii) the first instalment of NZ$15,000,000 less the deposit, payable on the date of settlement of the proposed acquisition (which shall be the later of 30 June 2018 and the date which is ten working days following the date the new titles for the NZ Land have been issued); (iii) the second instalment of NZ$5,000,000, payable on 31 December 2018; (iv) the third instalment of NZ$9,000,000, payable on 30 September 2019; and (v) the final instalment of NZ$7,000,000, payable on 30 September 2020.

Accordingly, we note that it is not uncommon for payment structures to be staggered in tranches.

We understand from the Company that arising from the staggered cash payment of the Purchase Price, the Company expects to fund the Purchase Price from sales proceeds received progressively from the Unicity Project, although the Company retains the flexibility to draw on bank borrowings if required. Based on the Unicity Valuation Certificate, we note that the Company estimates that sales take-up for the remaining units would take approximately two years. We note that this staggered cash payment over a period of three years from the Completion Date allows for sales proceeds from the Unicity Project to be received progressively to fund the Purchase Price, and reduces the burden placed on the Group's cash reserves.

As at 30 June 2018, the Group had RM59.5 million in cash and bank balances. Notwithstanding that the Proposed Acquisition will be wholly paid in cash and funded by internal resources and/or bank borrowings, as at the Latest Practicable Date, the Directors are of the opinion that, barring unforeseen circumstances and after taking into account the Purchase Price, the option to extend the payment for the Purchase Price and to pay in Shares, and the additional development costs to complete the Unicity Project, (including such repayment of the Further Advances), the working capital available to the Group is sufficient to meet its requirements for the next 12 months.

In addition, in the event the Company shall for any reason fail to pay the Purchase Price or any part thereof as and when it falls due on the first and/or second anniversary of the Completion Date, such outstanding amount is not subject to any interests and will become payable on the next due date. Subject to the Company obtaining the relevant approvals, the Company has the option to partially or fully settle any outstanding amounts owing to the VVSB Vendors at the end of the third anniversary of the Completion Date through the issuance of new Shares of the Company. The new Shares will be issued at an issue price based on the five-day VWAP of the Shares immediately prior to the third anniversary of the Completion Date, subject to a minimum price which is equal to the latest audited consolidated net asset value per share of the Company. Such issuance of new Shares shall be undertaken in accordance with the requirements under the Catalist Rules and the interested persons shall abstain from the deliberations of and voting on such issuance of new Shares.

We note that the option of issuing new Shares in lieu of cash payment by the Company for settlement of any outstanding amount of the Purchase Price further reduces the burden placed on the Group's cash reserves. In addition, the issue price of such future new Shares will be priced at or around the then prevailing market Share price which are subject to a minimum value based on the then latest audited consolidated net asset value per Share of the Company. This ensures that the issue price is at the higher of the then prevailing market Share price or the last audited consolidated net asset value per Share of the Company. In addition, we note that the decision to issue new Shares in lieu of cash payment will be subject entirely to the decision of the independent directors of the Company and/or independent Shareholders and the interested persons will abstain from the deliberations and voting on such issuance of new Shares. Such issuance of new Shares would also be undertaken in accordance with the requirements under the Catalist Rules, which requires, *inter alia*, the approval from the SGX-ST.

4.5.2 Further Advance arrangement

We note that the VVSB Vendors may provide Further Advance to VVSB for the construction of the Unicity Project from the date of the VVSB Sale and Purchase Agreement and up to the completion of the Proposed Acquisition. This Further Advance shall be recorded as shareholders' advances in the books of VVSB and shall be repaid by Sky Win within 12 months after completion of the Proposed Acquisition. For the period from the date of the VVSB Sale and Purchase Agreement and up to the Latest Practicable Date, there was no Further Advance from the VVSB Vendors to VVSB.

We note that the Further Advance will be interest-free, with its sole purpose for funding the construction of the Unicity Project during the interim period from the signing of the Sale and

Purchase Agreement and up to the completion of the Proposed Acquisition. Such arrangement effectively provided the Group with an interest-free loan for up to 12 months from the completion of the Proposed Acquisition until it is repaid, if and when provided.

4.5.3 IPT Acquisition on the same terms as those with the third party VVSB Vendor

We note that the terms of the IPT Acquisition, including the purchase price for each share in VVSB payable by the Company and the methods of satisfying the Purchase Price to acquire the 80% equity interest in VVSB from Dato' Colin and Dato' Edwin, who are interested persons, were on the same basis as the Company's acquisition of the remaining 20% equity interest in VVSB from Yap Wei Shen, who is an independent third party not related to the Company, the Company's Directors and/or substantial Shareholders.

Accordingly, the interested persons were not granted with more favourable terms as compared to an independent third party.

4.5.4 Further Development Costs

Shareholders should note that as the Unicity Project is still in construction, there will be further development costs arising from the Proposed Acquisition. Based on the Unicity Valuation Certificate, total outstanding GDC to complete the project as at 31 March 2018 was approximately RM27.7 million (including cost of construction for infrastructure and buildings, contribution to authorities, consultant fees, finance cost and contingencies). The estimated outstanding GDC is based on the actual contract sum awarded as well as referring to industry benchmarks.

4.5.5 No assurance of future profitability

We note that as at 30 June 2018, approximately 9% of the serviced suites and 87% of the retail units remained unsold. We note from the Unicity Valuation Certificate that the Company estimates the sales take-up for the remaining units to take approximately two years. We further understand from the Management that generally take-ups for the retail units will pick up when there is higher human traffic flow arising from users of the serviced suites after the completion of the Unicity Project and accordingly, it is intended that greater marketing efforts for the retail units will be undertaken after the completion of the Unicity Project. Shareholders should note that there is no guarantee that the steps proposed to be taken by the Group (including the VVSB Group) after the Proposed Acquisition will be successful in improving the performance of the VVSB Group.

While the VVSB Group has been profitable (on a cumulative basis based on the historical financials for the last 4 financial years ended 30 June 2018), Shareholders should note that there is no assurance that the VVSB Group will be profitable and/or pay dividends after the completion of the Proposed Acquisition. The past performance of the VVSB Group should in no way be taken as a guarantee of its future results.

4.5.6 Outlook of the Group

In the Group's announced unaudited financial statement for FY2018, the following commentary was made:

"According to a Tourism Malaysia report published on 10 January 2018, Melaka ranked as the second most visited state in Malaysia, registering 16.7 million tourists in 2017 and is expected to rise to 17.8 million in 2018. The Group believes that various infrastructure and tourism projects will continue to contribute to Melaka's economic transformation and underpin tourism. To this end, the Group unveiled in August 2018 the 500,000-sq ft Splash World @ Harbour City, Melaka's largest water theme park, in a RM200 Million (USD 49.2 Million) collaboration with Samsung C&T and Polin Waterparks. Splash World is slated to open in the first half of 2020 and can accommodate up to 1.9 million visitors annually.

The Group also announced the following new initiatives which we believe will support the Group's business growth in the next 12 months:-

Property Development Beyond Melaka – Announced in August 2018, the Group is acquiring the developer of the 7,936 square metre Unicity project in Seremban, Malaysia. Unicity is an integrated mixed development project located next to the MARA University of Technology.

Recurring Income – Announced in April 2018, the Group setup its mall management arm, Hatten Commercial Management Sdn. Bhd., to complement its property development business. It will eventually oversee 4,900 commercial retail units within shopping malls developed by the Group and will introduce new retail concepts and technology to enhance the shopping experience at its malls in Melaka. Besides Melaka, the Group also plans to grow the mall management business within and outside Malaysia.

PropTech - In line with the new Melaka government's vision to transform Melaka into a modern Smart City, the Group launched in May 2018 StayCay, Asia's first proptech blockchain integrating hotels and retail malls with a token-based rewards for hotel guests and shoppers. StayCay expects to go-live by December 2018.

The Group will continue to pursue value-accretive growth opportunities outside of Melaka with a view to enhance shareholder value. With unbilled sales of RM875 million as at 30 June 2018, and the expected completion of Hatten City Phase 2 by last quarter of 2018, barring any unforeseen circumstances, the Directors are cautiously optimistic of the Group's financial performance for the financial year ending 30 June 2019."

The Proposed Acquisition appears to be in line with the Group's commentary statement to pursue value-accretive growth opportunities outside Melaka to enhance shareholders' value.

4.5.7 Abstentions from voting

We note that as set out in section 11 of the Circular, Dato' Colin and Dato' Edwin will abstain, and will ensure that their respective associates will abstain, from voting on the resolution in relation to the IPT Acquisition, nor accept any nominations to act as proxy for any Shareholder in approving the IPT Acquisition at the EGM unless specific instructions as to voting are given by such Shareholder in the proxy instrument.

5. OUR OPINION

In arriving at our opinion in respect of the IPT Acquisition, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

(a) the rationale and benefits of the Proposed Acquisition, as detailed in paragraph 4.1 of this letter;

(b) the reasonableness of the Purchase Price, as detailed in paragraph 4.2 of this letter;

(c) the historical financial performance and condition of the VVSB Group, as detailed in paragraph 4.3 of this letter;

(d) the financial effects of the Proposed Acquisition on the Group, as detailed in paragraph 4.4 of this letter; and

(e) other relevant considerations as follows:

(i) the payment structure, as set out in paragraph 4.5.1 of this letter;

(ii) the Further Advance arrangement which is interest-free, with its sole purpose for funding the construction of the Unicity Project, as set out in paragraph 4.5.2 of this letter;

(iii) the IPT Acquisition from Dato' Colin and Dato' Edwin were on the same terms as those in the acquisition of the remaining equity interest in VVSB from the independent third party VVSB Vendor, as set out in paragraph 4.5.3 of this letter;

(iv) the further development costs to be incurred in completing the Unicity Project, as set out in paragraph 4.5.4 of this letter;

(v) there being no assurance of future profitability, as set out in paragraph 4.5.5 of this letter;

(vi) the outlook of the Group, as set out in paragraph 4.5.6 of this letter; and

(vii) the voting abstentions in relation to the IPT Acquisition as set out in paragraph 4.5.7 of this letter.

Having considered the above and subject to the assumptions and qualifications set out in this letter, we are of the opinion that, on balance, the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is prepared to comply with Rule 921(4)(a) of the Catalist Rules as well as addressed to the Audit and Risk Committee for its benefit and for the purposes of its consideration of the IPT Acquisition. The recommendation to be made by the Audit and Risk Committee to the minority Shareholders shall remain the responsibility of the Audit and Risk Committee. Whilst a copy of this letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the forthcoming EGM and for the purposes of the IPT Acquisition.

Our opinion is governed by, and construed in accordance with, the laws of Singapore. Our opinion is strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Bernard Lim Executive Director	Tan Kian Tiong Manager

HATTEN LAND LIMITED
(Company Registration Number 199301388D)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting ("**EGM**") of Hatten Land Limited (the "**Company**") will be held on 25 October 2018 at 11 a.m. at 53 Mohamed Sultan Road, Level 2, Singapore 238993 for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolution:

*All capitalised terms in this notice which are not defined herein shall have the same meaning as ascribed to them in the Company's circular dated 28 September 2018 (the "**Circular**").*

SHAREHOLDERS SHOULD NOTE THAT WHILE THE PROPOSED ACQUISITION OF THE REMAINING 20% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF VVSB IS NOT SUBJECT TO SHAREHOLDERS' APPROVAL, SHOULD THE ORDINARY RESOLUTION NOT BE APPROVED BY SHAREHOLDERS, THE COMPANY WILL NOT BE PROCEEDING WITH THE PROPOSED ACQUISITION.

ORDINARY RESOLUTION

THE PROPOSED ACQUISITION OF 80% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF VVSB FROM DATO' COLIN AND DATO' EDWIN WHICH CONSTITUTES AN INTERESTED PERSON TRANSACTION UNDER THE CATALIST RULES

That:

(a) approval be and is hereby given for the proposed acquisition of 80% of the issued and paid-up share capital of Velvet Valley Sdn Bhd by Sky Win Management Consultancy Pte Ltd from Dato' Colin and Dato' Edwin ("**IPT Acquisition**"), upon the terms and subject to the conditions of the VVSB Sale and Purchase Agreement entered into by the Company and the VVSB Vendors on 3 August 2018; and

(b) any of the directors of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with the IPT Acquisition and to give effect to this Ordinary Resolution (including any amendment to the VVSB Sale and Purchase Agreement, execution of any other agreements or documents and procurement of third party consents) as he shall think fit and in the interests of the Company.

BY ORDER OF THE BOARD
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director

28 September 2018

Notes:

(1) A member of the Company entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his/her stead. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

(2) Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant Intermediary" means:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(3) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100.0% of the shareholding and any second named proxy as an alternate to the first named.

(4) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time set for holding the EGM.

(5) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

(6) A Depositor's name must appear on the Depository Register maintained by CDP not less than 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

Personal Data Privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the personal data of the member by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the proxy(ies) and/or representative(s) of the member to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of the proxy(ies) and/or representatives(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the breach of warranty of the member.

PROXY FORM

HATTEN LAND LIMITED
(Company Registration Number: 199301388D)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "**Act**"), A Relevant Intermediary may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company ("**CPF Investors**"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Extraordinary General Meeting.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting.

*I/We (Name) ______________________ (NRIC / Passport No.) ______________________
of (Address) ____

being *a member/members **HATTEN LAND LIMITED** (the "**Company**"), hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

or failing him/her/them the Chairman of the Extraordinary General Meeting of the Company ("**EGM**") as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the EGM to be held on 25 October 2018 at 11 a.m. at 53 Mohamed Sultan Road, Level 2, Singapore 238993 and at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without amendment, the Ordinary Resolution proposed as indicated hereunder.

ORDINARY RESOLUTION	No. of votes For	No. of votes Against
To approve the IPT Acquisition		

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" in the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please insert the relevant number of shares in the relevant boxes provided below. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/she/they will on any other matter arising at the EGM.)

Dated this ______ day of ______ 2018

Total Number of Shares in:	
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s) or Common Seal of Corporate Shareholder

*Delete where inapplicable

Important: Please read notes overleaf.

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where a member appoints more than one (1) proxy, the proportion of his/her concerned shareholding to be represented by each proxy shall be specified in the proxy form.

2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "Relevant Intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. A proxy need not be a member of the Company.

4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number of Shares. If you have Shares

AFFIX STAMP

The Company Secretary
HATTEN LAND LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

5. The instrument appointing a proxy or proxies must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02, Singapore 068898, not less than 72 hours before the time set for the EGM.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act, (Chapter 50) of Singapore authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

10. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the EGM.

11. CPF Investors who buy shares in the Company may attend and cast their vote at the EGM in person. CPF Investors who are unable to attend the EGM but would like to vote, may inform CPF Approved Nominees to appoint Chairman of the EGM to act as their proxy, in which case, the CPF Investor shall be precluded from attending the EGM.