

HATTEN LAND LIMITED

(formerly known as VGO Corporation Limited)
(Incorporated in the Republic of Singapore)
(Company Registration No. 199301388D)

THE PROPOSED ACQUISITIONS OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF (I) ADMIRAL MERGER SDN. BHD. AND (II) PROLIFIC PROPERTIES SDN. BHD. AS INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Hatten Land Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to: (i) the Company’s circular to shareholders dated 29 December 2016 (the “**Circular**”); (ii) the Company’s previous announcement dated 10 February 2017 in relation to the Company’s entry into a non-binding memorandum of understanding in respect of the proposed acquisition of certain assets (the “**Previous Announcement**”); and (iii) the offer information statement issued by the Company dated 17 February 2017 (the “**Offer Information Statement**”).

Further to the Previous Announcement, the Board is pleased to announce that Sky Win Management Consultancy Pte. Ltd. (“**Sky Win**”), a wholly owned subsidiary of the Company has on 22 February 2017 entered into the following agreements:

- (a) a conditional sale and purchase agreement (the “**AMSB SPA**”) with Tan June Teng Colin @ Chen JunTing and Tan Ping Huang Edwin @ Chen BingHuang (the “**Vendors**”) to acquire the entire issued and paid up share capital (the “**AMSB Sale Shares**”) of Admiral Merger Sdn. Bhd. (Company No. 960941-T) (“**AMSB**”) (the “**Proposed AMSB Acquisition**”); and
- (b) a conditional sale and purchase agreement (the “**PPSB SPA**”) with the Vendors to acquire the entire issued and paid up share capital (the “**PPSB Sale Shares**”) of Prolific Properties Sdn. Bhd. (Company No. 946453-P) (“**PPSB**”) (the “**Proposed PPCSB Acquisition**” and together with the Proposed AMSB Acquisition, the “**Proposed Acquisitions**”).

2. INFORMATION ON AMSB AND PPCSB

AMSB is wholly owned by the Vendors. The principal business of AMSB is property development. AMSB has, pursuant to a joint development agreement (“**JD Agreement**”), been granted the conditional development rights by Harmony Platform Sdn. Bhd. (“**Harmony Platform**”) to develop the 25.55 acres freehold land located at Cyberjaya known as H.S.(D) 36153, PT No. 50494 and H.S.(D) 36152, PT No. 50493 Mukim Dengkil, Daerah Sepang, Negeri Selangor (“**Cyberjaya Land**”). The land is slated to be developed across three (3) phases into an integrated mixed development that will comprise retail, commercial (offices), residential, and hospitality units and a hospital (the “**Cyberjaya Project**”). Harmony Platform is not related to the controlling shareholders, directors and executive officers of the Company.

PPSB is wholly owned by the Vendors. The principal business of PPCSB is property development. PPCSB owns a 2.05 acres leasehold land for a period of 99 years, expiring on 24 February 2094. The land is held under No. PN 14975, No. Lot 850, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Melaka and is slated to be developed into an integrated mixed development that will comprise a hotel block and a serviced apartment block (the “**Thea Wellness Project**”).

3. RATIONALE FOR THE PROPOSED ACQUISITIONS

As disclosed in the Previous Announcement, the Group's current property development portfolio is as follows:

- (a) Hatten City Phase 1;
- (b) Hatten City Phase 2;
- (c) Vedro by the River; and
- (d) Harbour City.

Save for Harbour City, which is scheduled to be completed by the first half of 2020, the other property development projects, namely Hatten City Phase 1, Hatten City Phase 2 and Vedro by the River, have already been completed or are scheduled to be completed by the end of 2017. There is therefore a need for the Group to increase its development portfolio to ensure continual growth. The Proposed Acquisitions will be value accretive and are in the best interest of all shareholders of the Company ("**Shareholders**") in driving the next phase of growth of the Group.

The Company estimates that the Gross Development Values of the Thea Wellness Project and the Cyberjaya Project will amount to approximately RM3.3 billion in aggregate.

4. SALIENT TERMS OF THE PROPOSED AMSB ACQUISITION

4.1 AMSB Sale Shares

The AMSB Sale Shares will be acquired by Sky Win free from all encumbrances, mortgages, charges, lien or other security interests.

4.2 AMSB Consideration

The consideration ("**AMSB Consideration**") for the Proposed AMSB Acquisition of RM76,373.00 was determined based on the net asset value of AMSB taken from its latest unaudited management accounts as at 31 January 2017. The AMSB Consideration may be adjusted after the AMSB Due Diligence Investigations (as defined below) and according to the net asset value of AMSB as at the AMSB Completion (as defined below). The AMSB Consideration will be satisfied by issuance of a cheque or cashier's order for a sum equivalent to the AMSB Consideration to the Vendors or their nominees. The Company intends to utilise part of the net proceeds from the placement undertaken by the Company as detailed in the Offer Information Statement to acquire AMSB.

4.3 Put and Call Option

AMSB has executed an agreement (the "**Option Agreement**") with Hamidon bin Abdullah and Aidan Hamidon ("the **Grantors**") wherein the Grantors have granted AMSB a call option and AMSB has granted the Grantors a put option, to purchase the entire issued and paid-up share capital of Pusat Perubatan Neurosaraf Sdn. Bhd. ("**PPNSB**"), a holder of a licence (the "**Licence**") issued by the Ministry of Health, Malaysia pursuant to the Private Healthcare Facilities and Services Act 1998 to establish and/or maintain a private hospital known as "Cyberjaya Medical Centre", on H.S. (D) 36152, PT No. 50493, Mukim Dengkil, Daerah Sepang, Negeri Selangor (the "**Put and Call Options**").

4.4 AMSB Conditions Precedent

Completion of the Proposed AMSB Acquisition ("**AMSB Completion**") is conditional upon certain conditions customary for transactions of this nature (the "**AMSB Conditions Precedent**") being fulfilled on or before the date of the AMSB Completion (the "**AMSB Completion Date**"), including without limitation the following:

- (a) the completion of the due diligence investigations to be carried out by Sky Win and/or its appointed advisers on AMSB (the “**AMSB Due Diligence Investigations**”) and the results of such due diligence being satisfactory in the reasonable opinion of Sky Win;
- (b) the Vendors obtaining 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 AMSB SPA, and such consents, approvals and authorisation has not been amended or revoked prior to the AMSB Completion Date, and if subject to conditions, on such conditions acceptable to Sky Win and the Vendors;
- (c) the Vendors obtaining or causing AMSB to obtain:
 - (i) the written consent from the Grantors for the change of shareholders of AMSB such that AMSB’s right to exercise the Put and Call Options shall not be, in any way, affected; and
 - (ii) documentary evidence or confirmation to the satisfaction of Sky Win that there is no restriction imposed on the Licence which is directly or indirectly restricting or prohibiting AMSB from (A) exercising the Put and/or Call Options in accordance with the terms and conditions of the Option Agreement; or (B) utilising or operating the Licence, by virtue of or in connection with the status of Sky Win as a foreign and/or non-bumi company;
- (d) Sky Win having received evidence acceptable to it that both Harmony Platform and AMSB have performed and are performing and carrying out their respective duties and obligations under the JD Agreement at the time(s) and in compliance with the terms and conditions stipulated in the JD Agreement;
- (e) the Vendors obtaining or causing AMSB to obtain the written consent from Harmony Platform for the change of shareholders of AMSB such that AMSB’s rights to develop the Cyberjaya Land will not be, in any way, affected; and
- (f) where necessary, the Company obtaining approval from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), its continuing sponsor, and its Shareholders.

4.5 AMSB Long Stop Date

If any of the AMSB Conditions Precedent is not fulfilled or waived by the relevant party within five (5) months from the date of the AMSB SPA, the AMSB SPA shall cease and determine and (save as provided in the AMSB SPA, or for any antecedent breach of the AMSB SPA), none of the parties shall have any claim against the other party for costs, damages, compensation or anything whatsoever.

5. SALIENT TERMS OF THE PROPOSED PPSB ACQUISITION

5.1 PPSB Sale Shares

The PPSB Sale Shares will be acquired by Sky Win free from all encumbrances, mortgages, charges, lien or other security interests.

5.2 PPSB Consideration

The consideration (“**PPSB Consideration**”) for the Proposed PPSB Acquisition of RM773,949.00 was determined based on the net asset value of PPSB taken from its latest unaudited management accounts as at 31 January 2017. The PPSB Consideration may be adjusted after the PPSB Due Diligence Investigations (as defined below) and according to the net asset value of PPSB as at the PPSB Completion (as defined below). The PPSB

Consideration will be satisfied by issuance of a cheque or cashier's order for a sum equivalent to the PPSB Consideration to the Vendors or their nominees. The Company intends to utilise part of the net proceeds from the placement undertaken by the Company as detailed in the Offer Information Statement to acquire PPSB.

5.3 PPSB Conditions Precedent

Completion of the Proposed PPSB Acquisition ("**PPSB Completion**") is conditional upon certain conditions customary for transactions of this nature (the "**PPSB Conditions Precedent**") being fulfilled on or before the date of the PPSB Completion (the "**PPSB Completion Date**"), including without limitation the following:

- (a) the completion of the due diligence investigations to be carried out by Sky Win and/or its appointed advisers on PPSB (the "**PPSB Due Diligence Investigations**") and the results of such due diligence being satisfactory in the reasonable opinion of Sky Win;
- (b) the Vendors obtaining 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 PPSB SPA, and such consents, approvals and authorisation has not been amended or revoked prior to the PPSB Completion Date, and if subject to conditions, on such conditions acceptable to Sky Win and the Vendors; and
- (c) where necessary, the Company obtaining approval from the SGX-ST, its continuing sponsor, and its Shareholders.

5.4 PPSB Long Stop Date

If any of the PPSB Conditions Precedent is not fulfilled or waived by the relevant party within five (5) months from the date of the PPSB SPA, the PPSB SPA shall cease and determine and (save as provided in the PPSB SPA, or for any antecedent breach of the PPSB SPA), none of the parties shall have any claim against the other party for costs, damages, compensation or anything whatsoever.

6. RELATIVE FIGURES OF THE PROPOSED ACQUISITIONS UNDER RULE 1006 OF THE CATALIST RULES

6.1 Relative Figures of the Proposed AMSB Acquisition

Catalist Rule 1006	Bases of Calculation	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Sky Win Group's net asset value	Not applicable as this transaction is an acquisition and not a disposal of assets.
(b)	Net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Sky Win Group's net profits	Not meaningful ⁽²⁾
(c)	Aggregate value of consideration given, compared with the Company's market capitalisation as at 23 January 2017, being the last market day on which the Company's shares were traded on the SGX-ST	0.007% ⁽³⁾
(d)	The number of equity securities issued by the Company, compared with the number of equity	Not applicable as no equity securities are to be issued as

	securities previously in issue	part of the acquisition consideration.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Sky Win Group's proved and probable reserves	Not applicable as the Group is not a mineral, oil and gas group.

Notes:

- (1) Under Rule 1002(3) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**"), "net profits" is defined as profit (or loss) before income tax, minority interests and extraordinary items.
- (2) The relative figure computed is a negative figure of -0.003% based on the net loss of AMSB for the 12-month financial period ended 30 June 2016 of RM3,097 and the net profit of the Sky Win Group for the financial year ended 30 June 2016 of RM96,441,598.
- (3) Under Rule 1002(5) of the Catalyst Rules, "market capitalisation" is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the AMSB SPA. Accordingly, the market capitalisation of the Company is based on 1,280,080,353 shares in issue as at the date of this announcement and the weighted average price of S\$0.27 of the shares transacted on 23 January 2017, being the last market day on which the shares were traded prior to the date of the AMSB SPA. The market capitalisation of the Company for the purposes of the Proposed AMSB Acquisition is approximately S\$345.6 million (*Source: Bloomberg L.P.*)

6.2 Relative Figures of the Proposed PPSB Acquisition

Catalist Rule 1006	Bases of Calculation	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Sky Win Group's net asset value	Not applicable as this transaction is an acquisition and not a disposal of assets.
(b)	Net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Sky Win Group's net profits	Not meaningful ⁽²⁾
(c)	Aggregate value of consideration given, compared with the Company's market capitalisation as at 23 January 2017, being the last market day on which the Company's shares were traded on the SGX-ST	0.07% ⁽³⁾
(d)	The number of equity securities issued by the Company, compared with the number of equity securities previously in issue	Not applicable as no equity securities are to be issued as part of the acquisition consideration.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Sky Win Group's proved and probable reserves	Not applicable as the Group is not a mineral, oil and gas group.

Notes:

- (1) Under Rule 1002(3) of the Catalyst Rules, "net profits" is defined as profit (or loss) before income tax, minority interests and extraordinary items.

- (2) The relative figure computed is a negative figure of -0.009% based on the net loss of PPSB for the 12-month financial period ended 30 June 2016 of RM8,216 and the net profit of the Sky Win Group for the financial year ended 30 June 2016 of RM96,441,598.
- (3) Under Rule 1002(5) of the Catalist Rules, “market capitalisation” is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the PPSB SPA. Accordingly, the market capitalisation of the Company is based on 1,280,080,353 shares in issue and the weighted average price of S\$0.27 of the shares transacted on 23 January 2017, being the last market day on which the shares were traded prior to the date of the PPSB SPA. The market capitalisation of the Company for the purposes of the Proposed PPSB Acquisition is approximately S\$345.6 million (*Source: Bloomberg L.P.*)

As none of the relative figures in paragraphs 6.1 and 6.2 above exceed 5%, neither the Proposed AMSB Acquisition nor the Proposed PPSB Acquisition is a “discloseable transaction” under Chapter 10 of the Catalist Rules.

7. THE PROPOSED ACQUISITIONS AS INTERESTED PERSON TRANSACTIONS

The Vendors are Directors and controlling shareholders of the Company with an aggregate deemed interest of 92.78% prior to the completion of the Placement (as defined in the Offer Information Statement). In view of the above, the Vendors are “interested persons” for the purposes of Chapter 9 of the Catalist Rules, and accordingly each of the Proposed Acquisitions constitutes an “Interested Person Transaction” under Chapter 9 of the Catalist Rules.

The value at risk of the Proposed AMSB Acquisition is the AMSB Consideration, being RM76,373.00. The value at risk of the Proposed PPSB Acquisition is the PPSB Consideration, being RM773,949.00.

In addition,

- (a) under each of the AMSB SPA and PPSB SPA, the Vendors have provided Sky Win with indemnities (the “**Indemnities**”) to, *inter alia*, guarantee the performance of obligations and the accuracy of warranties thereunder in connection with the Proposed AMSB Acquisition and Proposed PPSB Acquisition respectively. However, as the Indemnities are given for the benefit of Sky Win, there is no amount at risk to the Company in relation to the Indemnities. The Audit and Risk Committee of the Company is of the view that the Indemnities were agreed upon on an arm’s length basis and on normal commercial terms, and in addition are beneficial and not prejudicial to the Company and its minority shareholders.
- (b) as at the date of this announcement, there are certain inter-company loans given by the associates of the Vendors to each of AMSB and PPSB (the “**Inter-Co Loans**”). However, as there will be no interest payable on the Inter-Co Loans from the date of the AMSB SPA and the PPSB SPA, and the Inter-Co Loans are beneficial to the Group, there is no amount at risk to the Company following completion of the Proposed Acquisitions in relation to the Inter-Co Loans. As such, the Audit and Risk Committee of the Company is of the view that the Inter-Co Loans are not on an arm’s length basis and not on normal commercial terms, but are beneficial and not prejudicial to the Company and its minority shareholders.
- (c) as at the date of this announcement, the Vendors have provided personal guarantees (“**Personal Guarantees**”) in respect a bank loan owing by PPSB. As no fee, commission, interest or benefit-in-kind was paid to the Vendors for the Personal Guarantees and the Personal Guarantees are beneficial to the Group, there is no amount at risk to the Company following completion of the Proposed Acquisitions in relation to the Personal Guarantees. As such, the Audit and Risk Committee of the Company is of the view that the Personal Guarantees are not on an arm’s length basis and not on normal commercial terms, but are beneficial and not prejudicial to the Company and its minority shareholders.

The latest audited net tangible assets of Sky Win and its subsidiaries (“**Sky Win Group**”) is RM60.6 million based on the latest audited combined financial statements of the Sky Win Group for the financial year ended 30 June 2016. The value of the Proposed Acquisitions, being the aggregate of the AMSB Consideration and PPSB Consideration, therefore represents approximately 1.4% of the Sky Win Group’s latest audited net tangible asset value.

Accordingly, the Company is not required to seek approval from its Shareholders for the Proposed Acquisition under Rule 906 of the Catalist Rules.

Save as disclosed above, and having considered the terms and conditions of, as well as the rationale for the Proposed Acquisitions, the Audit and Risk Committee of the Company is of the view that the Proposed Acquisitions are made on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

8. FURTHER INFORMATION

The Company will make the necessary follow-up announcements as and when required and/or as and when material developments arise in respect of the Proposed Acquisitions.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the AMSB SPA and PPSB SPA will be made available for inspection during normal business hours at the Company’s registered office at 53 Mohamed Sultan Road #04-02 Singapore 238993, for a period of three (3) months from the date of this announcement.

10. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Other than through their respective shareholdings in the Company and save as disclosed above, none of the other Directors and/or substantial Shareholders has any interest, whether direct or indirect, in the Proposed Acquisitions.

11. DIRECTORS’ SERVICE CONTRACTS

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

12. TRADING CAUTION

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company as the Proposed Acquisitions are subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisitions will be completed.

The Company will make the necessary announcements when there are further developments on the Proposed Acquisitions. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
HATTEN LAND LIMITED

Dato’ Tan June Teng, Colin
Executive Chairman and Managing Director
23 February 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's continuing sponsor ("**Sponsor**"), UOB Kay Hian Private Limited, for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this announcement.

The contact persons for the Sponsor are Mr. Alvin Soh, Head of Catalist Operations, Senior Vice President and Mr. Josh Tan, Vice President, who can be contacted at 8 Anthony Road #01-01, Singapore 229957, telephone: (65) 6590 6881.