

HATTEN LAND LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199301388D)

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- **INCORPORATION OF NEW WHOLLY-OWNED SUBSIDIARY AND INDIRECT SUBSIDIARY**
 - **ENTRY INTO EXCLUSIVE OPTION TO PURCHASE AGREEMENT**
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1. INTRODUCTION

The board of directors (the “**Board**”) of Hatten Land Limited (the “**Company**”) wishes to announce that Sky Win Management Consultancy Pte Ltd, a wholly-owned subsidiary of the Company, has on 5 March 2019 incorporated a new wholly-owned subsidiary in Australia known as Hatten Land Pty Ltd (“**HLPL**”) with an issued and paid-up capital of AUD 10. HLPL in turn has incorporated a wholly-owned subsidiary in Australia known as Hatten Haig Street Pty Ltd (“**HHS**”) on 6 March 2019 with an issued and paid-up capital of AUD10.

The incorporation of HLPL and HHS are funded through internal resources and is not expected to have any material impact on the Group’s net tangible assets and earnings per share for the financial year ending 30 June 2019.

2. THE OPTION AGREEMENT

2.1. The Land

Further to the above, the Board is pleased to announce the Company has entered into:

- (i) an exclusive option to purchase agreement (the “**Option Agreement**”) with Sunvale Development Pty Ltd (the “**Vendor**”) to acquire a parcel of land in Melbourne, Australia (the “**Land**”) for an aggregate consideration of not exceeding A\$15.8 million (equivalent to approximately S\$15.25 million) (the “**Land Acquisition**”), negotiated on a willing-buyer willing-seller basis. The Vendor is an independent and unrelated third party; and
- (ii) an option assignment deed (the “**Deed**”) with the Vendor and HHS, whereby the Company shall assign to HHS the rights, title and interest in the Option Agreement, including without limitation the right to purchase the Land, on the terms set out in the Option Agreement. The Vendor has agreed and acknowledges that it consent to the assignment of the Option Agreement by the Company to HHS.

Pursuant to the Option Agreement and the Deed, HHS was granted an option (the “**Option**”), which upon exercise, entitles the Group to acquire the Land. The Land is located in Southbank, Melbourne, Australia and it has been granted a planning permit for the development of a multi-storey building comprising of dwellings, retail premises and offices with an estimated gross floor area of 25,000 square meters. The Company intends to develop a mixed-use development on the Land which may comprise retail and hospitality units.

2.2. Principal Terms of the Option

The Option is exercisable by HHS at any time subject to the following conditions:-

- (i) Submission of a formal application to the Melbourne City Council for an amended planning permit within six months from the date of the Option Agreement (the “**Revised Planning Permit**”); and
- (ii) Payment of a monthly option fee of A\$11,000 (inclusive of goods and services tax of 10% in Australia).

The Option Agreement shall lapse should HHS fail to submit the Revised Planning Permit within six months from the date of the Option Agreement and all monthly option fees paid up to that point in time will not be refunded to the Company. Should HHS exercise the Option within the option period, all option fees paid up to that point in time shall apply toward the purchase price at settlement.

The exercise of the Option by the HHS is dependent on various factors such as the issuance of the Revised Planning Permit and satisfactory due diligence.

2.3. Purchase Consideration

The Purchase Consideration shall be A\$15.8 million based on an estimated gross floor area of 25,000 square meters. In the event that the approved gross floor area is less than 25,000 square meters according to the Revised Planning Permit, the Purchase Consideration will be adjusted down on pro rata basis, subject to a minimum price of A\$14.8 million. For avoidance of doubt, in the event that the approved gross floor area is more than 25,000 square meters according to the Revised Planning Permit, the Purchase Consideration shall remain at A\$15.8 million.

The Purchase Consideration is payable according to the following payment milestones:-

- (i) A\$10 million payable at the transfer of the title of the Land to HHS; and
- (ii) Balance of up to A\$5.8 million payable over the course of construction.

The Land Acquisition will be funded by internal funds and/or bank borrowings and is not expected to have any material impact on the Group's net tangible assets or earnings per share for the financial year ending 30 June 2019.

2.4. Rationale for the Land Acquisition

As highlighted in the results announcement for the second quarter ended 31 December 2019, the Group has now expanded beyond Melaka into the neighbouring states of Negeri Sembilan and Selangor. With our continued efforts to diversify beyond Melaka, the Land Acquisition, if successfully completed, will be the Company's maiden development project overseas.

Australia is an attractive market to the Company. It is an open, well-regulated economy complemented by sound legal and corporate governance frameworks and a highly skilled workforce. Melbourne is regarded as one of the most livable cities in the world.

The Option allows the Company to carry out, *inter alia*, more in-depth study of the project while having an exclusive right to acquire the Land which is strategically located in Melbourne, subject to the issuance of the Revised Planning Permit. The Land is located within walking distance from the Crown Casino Entertainment Complex and Melbourne's Central Business District.

3. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save for their respective shareholding interests in the Company (if any), none of the directors or substantial shareholders of the Company have any interest, directly or indirectly, in the incorporation of HLPL and HHS, and in the Land Acquisition.

4. **TRADING CAUTION**

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

The Company will make the necessary announcements when there are further developments on the Land Acquisition. 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

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
6 March 2019

*Hatten Land Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 January 2017 via a reverse take-over ("**RTO**"). The financial adviser for the RTO was UOB Kay Hian Private Limited (the "**Sponsor**").*

This announcement 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 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.

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