

HATTEN LAND LIMITED

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

PROPOSED ACQUISITIONS OF

(I) 15% INTEREST IN RICO DEVELOPMENT SDN. BHD.; AND

(II) 25% INTEREST IN RICO VENTURES SDN. BHD.

WHICH CONSTITUTE 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 its announcement dated 16 November 2017 (the “**Previous Announcement**”) in relation to the proposed acquisitions of 85% interest in Rico Development Sdn. Bhd. (“**RDSB**”) and 75% interest in Rico Ventures Sdn. Bhd. (“**RVSB**”) (“**Non-IPT Acquisitions**”). As stated in the Previous Announcement, the Company intends to purchase the remaining minority interests held in RDSB and RVSB by Dato’ Tan Ping Huang Edwin @ Chen Binghuang (“**Dato’ Edwin**”).

The Board wishes to announce that its wholly owned subsidiary, Sky Win Management Consultancy Pte Ltd (“**Sky Win**”), has on 15 December 2017 entered into the following sale and purchase agreements:

- (a) with Dato’ Edwin (the “**RDSB DET Sale and Purchase Agreement**”) to acquire 15% of the issued and paid up share capital (the “**RDSB DET Shares**”) of RDSB for an aggregate consideration of RM8,250,000 (the “**RDSB DET Acquisition**”); and
- (b) with Dato’ Edwin (the “**RVSB DET Sale and Purchase Agreement**”) to acquire 25% of the issued and paid up share capital (“**RVSB DET Shares**”) of RVSB for an aggregate consideration of RM20,625,000 (the “**RVSB DET Acquisition**”).

The RDSB DET Acquisition and RVSB DET Acquisition shall collectively be referred to as the “**Proposed Acquisitions**”.

As at the date of this announcement, the Non-IPT Acquisitions are still in progress and the Company has submitted the additional listing application to SGX-ST via the Sponsor in relation to the issuance and listing of the RDSB Consideration Shares and RVSB Consideration Shares to be issued to the unrelated third party vendors. Following the completion of the Non-IPT Acquisitions and the Proposed Acquisitions, RDSB and RVSB shall become wholly owned subsidiaries of the Company.

As at the date of this announcement, Dato’ Edwin is a director and controlling shareholder of the Company. Accordingly, the Proposed Acquisitions constitute interested person transactions as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”).

2. THE PROPOSED ACQUISITION OF THE RDSB DET SHARES

The Company provided information in relation to RDSB, RVSB and the respective pieces of land held by RDSB and RVSB in the Previous Announcement. For convenience, the relevant information is substantially reproduced below.

2.1. Information on RDSB

RDSB is a private company limited by shares incorporated in Malaysia. The Company will own 85% of its issued and paid up share capital upon completion of the Non-IPT Acquisitions. Dato’ Edwin is the Executive Director and Deputy Managing Director of the Company. Dato’ Edwin is a passive investor who owns the remaining 15% equity interest in RDSB and not a director of

RDSB.

RDSB is in the business of property development. As at the date of this announcement, RDSB is an inactive company owning 6.14 acres of freehold land under Lots 254, 256, 257, 258, 261, and 262 Pekan Klebang Sek. III, Daerah Melaka Tengah, Melaka (the “**RDSB Land**”). RDSB had a net loss of RM 1,221 based on its unaudited management accounts for the 3 months ended 30 September 2017.

In line with the Company's strategy, the Company intends to develop the RDSB Land into a mixed development. The relevant submissions and applications will be made in due course.

2.2. Rationale

As highlighted in the Previous Announcement, the RDSB Land is strategically located along the upcoming new towns in Melaka. Barring any unforeseen circumstances, the Company believes that the demand for mixed developments in the area surrounding the RDSB Land remains strong. Therefore, the Company believes that the acquisition of the RDSB DET Shares will be value accretive for the shareholders of the Company (“**Shareholders**”), and is in line with the long-term growth strategy of the Company.

2.3. Salient Terms

2.3.1. *RDSB DET Shares*

The RDSB DET 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 vendor's 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 RDSB DET Sale and Purchase Agreement.

2.3.2. *Consideration*

The consideration for the RDSB DET Shares shall be RM8,250,000 and shall be satisfied in full by the allotment and issuance of 10,645,161 new ordinary shares of the Company (“**Shares**”) (the “**RDSB DET Consideration Shares**”) to Dato' Edwin (or his nominees) at the issue price of S\$0.25 (the “**Issue Price**”) for each RDSB DET Consideration Share, representing a premium of approximately 36.6% to the volume-weighted average price of S\$0.1830 for each Shares for trades done on the Company's shares on the SGX-ST for 14 December 2017, being the full market day preceding the date of the RDSB DET Sale and Purchase Agreement. The exchange rate applicable to the issue of the RDSB DET Consideration Shares shall be S\$1 : RM3.10. Taking into account of the Non-IPT Acquisition of RDSB, the total consideration for 100% interest in RDSB is RM55,000,000.

The consideration for the RDSB DET Shares is determined using the same basis for the Non-IPT Acquisition of RDSB from unrelated third party vendors who own 85% equity interest in RDSB. The consideration was arrived at on a willing buyer – willing seller basis, upon arm's length negotiations with the unrelated third party vendors who own 85% equity interest in RDSB and Dato' Edwin who owns 15% equity interest in RDSB, after taking into consideration, *inter alia*, the valuation of RDSB, as conducted by the Company during the Non-IPT Acquisitions, various commercial factors such as the strategic location of the RDSB Land, the property market in the vicinity and the prevailing market conditions, factors and indicatives, recent prices of similar transactions within the vicinity of the RDSB Land, the future potential in the development of the RDSB Land, and the feasibility studies on the development plans of RDSB Land. The consideration for the RDSB DET Shares may be adjusted based

on the outcome of the due diligence review by Sky Win on RDSB. The due diligence review on RDSB is currently on-going as at the date of this announcement.

As part of the due diligence, the Company has commissioned an independent valuer to conduct an independent valuation on RDSB and the RDSB Land, who has taken into account of, *inter alia*, the market value of the asset, being 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. The valuation was conducted in accordance with the International Valuation Standards issued by the International Standards Council. The value of RDSB is approximately RM24.7 million (after taking into account the value of the RDSB Land of approximately RM24.1 million) based on the above valuation dated 6 November 2017.

The RDSB DET Consideration Shares represent approximately 0.77% of the existing share capital of the Company of 1,378,096,353 shares as at the date of this announcement ("**Existing Share Capital**") and approximately 0.68% of the enlarged share capital of the Company of 1,555,515,706 shares upon completion of the Non-IPT Acquisitions and the Proposed Acquisitions ("**Enlarged Share Capital**").

2.3.3. *Conditions Precedent*

This completion of the sale and purchase of RDSB DET Shares is conditional upon the fulfilment of certain conditions. The material conditions are as follows:-

- (a) the completion of the Non-IPT Acquisitions;
- (b) Sky Win causing the Company to obtain the approval from Shareholders, the Company's continuing sponsor, UOB Kay Hian Private Limited (the "**Sponsor**"), and SGX-ST (if required) for the issuance of the RDSB DET Consideration Shares to Dato' Edwin in accordance with the terms herein;
- (c) Dato' Edwin 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 RDSB DET 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;
- (d) Dato' Edwin obtaining at his 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 this 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 Dato' Edwin;
- (e) There being no material breach by Dato' Edwin of the representations, warranties, covenants and indemnities given by the Dato' Edwin as set out in the RDSB DET Sale and Purchase Agreement and such other agreements to be entered into by the parties in connection with the RDSB DET Acquisition;
- (f) 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 RDSB from the date of the RDSB DET Sale and Purchase Agreement;
- (g) Sky Win obtaining approval from SGX-ST, the Sponsor, and its shareholders' (where necessary) at its own costs and expenses;

- (h) Sky Win causing the Company to submit an Additional Listing Application to the Sponsor in relation to the issuance and listing of the RDSB DET Consideration Shares; and
- (i) the Company receiving a Listing Quotation Notice from SGX-ST in relation to the issuance and listing of the RDSB DET Consideration Shares.

2.3.4. Long Stop Date

Sky Win and Dato' Edwin agree that the conditions set out in paragraph 2.3.3 above shall be obtained or fulfilled by RDSB and/or Dato' Edwin at their own costs and expenses within five (5) months from the date of the RDSB DET Sale and Purchase Agreement provided always that Sky Win and Dato' Edwin may by agreement defer the fulfilment of the abovementioned conditions at their own discretion and proceed to complete the RDSB DET 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 RDSB DET Sale and Purchase Agreement, the RDSB DET Sale and Purchase Agreement shall cease and determine (save as provided otherwise in the RDSB DET 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 RDSB DET Shares, or any part thereof, unless the purchase of all the RDSB DET Shares is completed simultaneously.

3. THE PROPOSED ACQUISITION OF THE RVSB DET SHARES

The Company provided information in relation to RDSB, RVSB and the respective pieces of land held by RDSB and RVSB in the Previous Announcement. For convenience, the relevant information is substantially reproduced below.

3.1. Information on RVSB

RVSB is a private company limited by shares incorporated in Malaysia. The Company will own 75% of its issued and paid up share capital upon completion of the Non-IPT Acquisitions. Dato' Edwin is a passive investor who owns the remaining 25% equity interest in RVSB and is not a director of RVSB.

RVSB is in the business of property development. As at the date of this announcement, RVSB is an inactive company owning 6.70 acres of leasehold land of 99 years (expiring 5 May 2108) under Lots 2063, and 2064 Pekan Klebang Sek. IV, Daerah Melaka Tengah, Melaka (the "**RVSB Land**"). RVSB had a net loss of RM70 based on its unaudited management accounts for the 3 months ended 30 September 2017.

In line with the Company's strategy, the Company intends to develop the RVSB Land into a mixed development. The relevant submissions and applications will be made in due course.

3.2. Rationale

As highlighted in the Previous Announcement, the RVSB Land is strategically located along the upcoming new towns in Melaka. Barring any unforeseen circumstances, the Company believes that the demand for mixed developments in the area surrounding the RVSB Land remains strong. Therefore, the Company believes that the acquisition of the RVSB DET Shares will be value accretive for the Shareholders, and is in line with the long-term growth strategy of the Company.

3.3. Salient Terms

3.3.1. *RVSB DET Shares*

The RVSB DET 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 vendor's 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 RVSB DET Sale and Purchase Agreement.

3.3.2. *Consideration*

The consideration for the RVSB DET Shares shall be RM20,625,000 and shall be satisfied in full by the allotment and issuance of 26,612,903 new Shares (the “**RVSB DET Consideration Shares**”) to Dato' Edwin (or his nominees) at the issue price of S\$0.25 (the “**Issue Price**”) for each RVSB DET Consideration Share, representing a premium of approximately 36.6% to the volume-weighted average price of S\$0.1830 for each Share for trades done on the SGX-ST for 14 December 2017, being the full market day preceding the date of the RVSB Sale and Purchase. The exchange rate applicable to the issue of the RVSB DET Consideration Shares shall be S\$1 : RM3.10. Taking into account of the Non-IPT Acquisition of RVSB, the total consideration for 100% interest in RVSB is RM82,500,000.

The consideration for the RVSB DET Shares is determined using the same basis for the Non-IPT Acquisition of RVSB from unrelated third party vendors who own 75% equity interest in RVSB. The consideration was at on a willing buyer – willing seller basis, upon arm's length negotiations with the unrelated third party vendors who own 75% equity interest in RVSB and Dato' Edwin who owns 25% equity interest in RVSB after taking into consideration, *inter alia*, the valuation of RVSB, as conducted by the Company during the Non-IPT Acquisitions, various commercial factors such as the strategic location of the RVSB Land, the property market in the vicinity and the prevailing market conditions, factors and indicatives, recent prices of similar transactions within the vicinity of the RVSB Land, the future potential in the development of the RVSB Land and the feasibility studies on the development plans of RVSB Land. The consideration for the RVSB DET Shares may be adjusted based on the outcome of the due diligence review by Sky Win on RVSB. The due diligence review on RVSB is currently on-going as at the date of this announcement.

As part of the due diligence, the Company has commissioned an independent valuer to conduct an independent valuation on RVSB and the RVSB Land, who has taken into account of, *inter alia*, the market value of the asset, being 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. The valuation was conducted in accordance with the International Valuation Standards issued by the International Standards Council. The value of RVSB is approximately RM34.3 million (after taking into account the value of the RVSB Land of approximately RM33.8 million) based on the above valuation dated 6 November 2017.

The RVSB DET Consideration Shares represent approximately 1.93% of Existing Share Capital and approximately 1.71% of the Enlarged Share Capital.

3.3.3. *Conditions Precedent*

This completion of the sale and purchase of RVSB DET Shares is conditional upon the fulfilment of certain conditions. The material conditions are as follows:-

- (a) the completion of the Non-IPT Acquisitions;
- (b) Sky Win causing the Company to obtain the approval from Shareholders, the Sponsor, and SGX-ST (if required) for the issuance of the RVSB DET Consideration Shares to Dato' Edwin in accordance with the terms herein;
- (c) Dato' Edwin 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 RVSB DET 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;
- (d) Dato' Edwin obtaining at his 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 this 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 Dato' Edwin;
- (e) There being no material breach by the Dato' Edwin of the representations, warranties, covenants and indemnities given by Dato' Edwin as set out in the RVSB DET Sale and Purchase Agreement and such other agreements to be entered into by the parties in connection with the RVSB DET Acquisition;
- (f) 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 RVSB from the date of the RVSB DET Sale and Purchase Agreement;
- (g) Sky Win obtaining approval from SGX-ST, the Sponsor, and its shareholders' (where necessary) at its own costs and expenses;
- (h) Sky Win causing the Company to submit an Additional Listing Application to the Sponsor in relation to the issuance and listing of the RVSB DET Consideration Shares; and
- (i) the Company receiving a Listing Quotation Notice from SGX-ST in relation to the issuance and listing of the RVSB DET Consideration Shares.

3.3.4. *Long Stop Date*

Sky Win and Dato' Edwin agree that the conditions set out in paragraph 3.3.3 above shall be obtained or fulfilled by RVSB and/or Dato' Edwin at their own costs and expenses within five (5) months from the date of the RVSB DET Sale and Purchase Agreement provided always that Sky Win and the RVSB Vendors may by agreement defer the fulfilment of the abovementioned conditions at their own discretion and proceed to complete the RVSB DET 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 RVSB DET Sale and Purchase Agreement, the RVSB DET Sale and Purchase Agreement shall cease and determine (save as provided otherwise in the RVSB DET 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 RVSB DET Shares, or any part thereof, unless the purchase of all the RVSB DET Shares is completed

simultaneously.

4. THE CONSIDERATION SHARES

As the consideration for the Proposed Acquisitions involves the allotment and issuance of the RDSB DET Consideration Shares and the RVSB DET Consideration Shares, for which listing is being sought, the Company is obliged to announce the Proposed Acquisitions pursuant to Rule 1009 of the Catalyst Rules, stating the information required under Part VI of Chapter 10 of the Catalyst Rules.

The Company will be seeking Shareholders' approval for the allotment and issuance of the RDSB DET Consideration Shares and the RVSB DET Consideration Shares, to Dato' Edwin at an extraordinary general meeting to be convened (the "**EGM**") and will not utilise the general share issue mandate of the Company.

The RDSB DET Consideration Shares and the RVSB DET Consideration Shares, when issued and allotted, shall rank *pari passu* in all respects with the then existing shares in the capital of the Company.

The Company will be making an application to the SGX-ST via the Sponsor for the listing of, and quotation for, the RDSB DET Consideration Shares and the RVSB DET Consideration Shares on the Catalyst of the SGX-ST. The Company will make the relevant announcement upon receipt of the listing and quotation notice from the SGX-ST.

5. FINANCIAL EFFECTS

5.1. Assumptions

The pro forma financial effects of the Proposed Acquisitions (together with the Non-IPT Acquisitions) have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2017 and the unaudited management accounts of RDSB and RVSB for the 12 months ended 30 September 2017 and under the following assumptions:

- (a) that the Proposed Acquisitions (together with the Non-IPT Acquisitions) had been completed on 1 July 2016 for the purposes of illustrating the financial effects on earnings per share ("**EPS**");
- (b) that the Proposed Acquisitions (together with the Non-IPT Acquisitions) had been completed on 30 June 2017 for the purposes of illustrating the financial effects on net tangible assets ("**NTA**") and gearing; and
- (c) the expenses in connection with the Proposed Acquisitions (together with the Non-IPT Acquisitions) 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 Acquisitions (together with the Non-IPT Acquisitions).

5.2. Share Capital

	Before the Proposed Acquisitions	After the Proposed Acquisitions
Issued and paid up share capital (RM'000)	250,874	388,374
Number of Shares ('000)	1,378,096	1,555,516

5.3. NTA

	Before the Proposed Acquisitions	After the Proposed Acquisitions
NTA (RM'000)	227,410	364,910
Number of Shares ('000)	1,378,096	1,555,516
NTA per Share (sens)	16.50	23.46

5.4. EPS

	Before the Proposed Acquisitions	After the Proposed Acquisitions
Net profit (RM'000)	8,722	8,733
Number of Shares ('000)	1,378,096	1,555,516
EPS (sens)	0.63	0.56

5.5. Gearing

	Before the Proposed Acquisitions	After the Proposed Acquisitions
Total borrowings (RM'000) ⁽¹⁾	355,449	355,449
Cash and cash equivalents (RM'000)	83,625	83,718
Equity attributable to Shareholders (RM'000)	227,410	364,910
Net gearing ratio (times) ⁽²⁾	1.20	0.74

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.

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

Based on the Group's latest announced unaudited consolidated financial statements for the first quarter ended 30 September 2017, the relative figures of the Proposed Acquisitions (together with the Non-IPT Acquisitions), 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 : RM3.10

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 100% equity interest of RDSB and RVSB compared with the Group's net profits ⁽²⁾	Not meaningful ⁽³⁾
(c)	The aggregate consideration of the Proposed Acquisitions (together with the Non-IPT Acquisitions) compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁴⁾	17.59%
(d)	The number of Shares to be issued by the	12.87%

Company for the Proposed Acquisitions (together with the Non-IPT Acquisitions), compared with the number of Shares (excluding treasury shares) previously in issue

- | | | |
|-----|--|---------------------|
| (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. ⁽⁵⁾ |
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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 aggregate loss before tax of 100% interest in RDSB and RVSB for the 3 months ended 30 September 2017 of RM1,291 and the profit before tax of the Group for the 3 months ended 30 September 2017 of RM4,434,633.
- (4) Based on aggregate consideration for the Proposed Acquisitions (together with the Non-IPT Acquisitions) of RM137,500,000 and the market capitalisation of the Company of approximately S\$252,142,638, which is determined by multiplying the issued share capital of the Company of 1,378,096,353 Shares, with the volume weighted average price of such Shares of S\$0.1830 on 14 December 2017, being the last market day immediately preceding the date of the Sale and Purchase Agreements. (*Source: Bloomberg L.P.*).
- (5) Not applicable as the Company is not a mineral, oil and gas company.

7. THE PROPOSED ACQUISITIONS AS INTERESTED PERSON TRANSACTIONS

7.1. Details of Interested Persons

Dato' Edwin is the Executive Director and Deputy Managing Director of the Company. Dato' Edwin is also a controlling shareholder of the Company, holding 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 date of this announcement.

7.2. Materiality Thresholds Under Chapter 9

Under Rule 906 of the Catalist Rules, Shareholders' approval is required for any interested person transaction ("IPT") of a value equal to, or more than 5.0% of the Group's latest audited net tangible assets ("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 Group's latest audited NTA as at 30 June 2017 is RM227.4 million. As the aggregate consideration payable to Dato' Edwin (RM28,875,000) against the Group's latest audited NTA is approximately 12.7%, which exceeds 5.0% of the Group's latest NTA, the Company is seeking Shareholders' approval (other than Dato' Edwin and his associates) for the Proposed Acquisitions at the EGM.

7.3. Current Total Value of IPTs

- (a) Excluding the Proposed Acquisitions, there were no IPTs entered into by the Group with Dato' Edwin that exceeded S\$100,000 in the current financial year ending 30 June 2018.

- (b) The current total value of all interested person transactions of the Company, excluding the Proposed Acquisitions and transactions which are less than S\$100,000, with Dato' Edwin and his associates in the current financial year ending 30 June 2018 is as follows:.

IPT TRANSACTIONS WITH DATO' EDWIN AND HIS ASSOCIATES		
Name of Interested Person	Aggregate value of all interested person transactions in the current financial year ending 30 June 2018 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 in the current financial year ending 30 June 2018 (excluding transactions less than S\$100,000)
	Group RM'000	Group RM'000
Hatten Properties Sdn Bhd	-	2,228
Temasek Blooms Sdn Bhd	-	305
Total		2,533

- (c) The current total value of all interested person transactions of the Company, excluding the Proposed Acquisitions and transactions which are less than S\$100,000, in the current financial year ending 30 June 2018 is as follows:

TOTAL IPT TRANSACTIONS (INCLUDING IPT TRANSACTIONS WITH DATO' EDWIN AND HIS ASSOCIATES)		
Name of Interested Person	Aggregate value of all interested person transactions in the current financial year ending 30 June 2018 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 in the current financial year ending 30 June 2018 (excluding transactions less than S\$100,000)
	Group RM'000	Group RM'000
Hatten Properties Sdn Bhd	-	2,288
Montane Construction Sdn Bhd	-	83,228
Temasek Blooms Sdn Bhd	-	305
Total		85,821

8. AUDIT AND RISK COMMITTEE'S STATEMENT AND INDEPENDENT FINANCIAL ADVISER

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

The Audit and Risk Committee will form its view as to whether the Proposed Acquisitions are (i) on normal commercial terms and (ii) not prejudicial to the interests of the Company and its minority Shareholders, after considering the independent financial adviser's opinion to be obtained in due course.

SAC Capital Pte Ltd has been appointed as the independent financial adviser in connection to the Proposed Acquisitions.

9. BOARD STATEMENT

The Board is of the opinion that the Proposed Acquisitions (together with the Non-IPT Acquisitions) are in the best interest of the Company and its shareholders based on the following key reasons:

- a) Strategically located land is usually priced at a premium. The RDSB Land and RVSB Land are strategically located in Melaka within 5km from the Melaka City Centre and 7km from the Melaka International Airport. In addition, within the vicinity of the RDSB Land and RVSB Land, prominent landmarks include the Oriental Hospital, Melaka International School and Melaka Boulevard;
- b) The RDSB Land and RVSB Land are also uniquely strategic to the Company, being located within 5km from our flagship developments in Melaka City and being approximately 3.1km and 0.8km away from our new development in that area, the MICC Project. Collectively with RDSB Land and RVSB Land, barring any unforeseen circumstances, the Company believes that the projects located in areas with great potential for capital appreciation and fit well into the Group's development strategy in Malacca with various concepts of integrated mixed property development projects within close proximity to each other;
- c) Whilst the Company is paying a premium over the valuation of the RDSB and the RVSB which has taken into account the valuation of RDSB Land and RVSB Land respectively, the Board is of the opinion that the Proposed Acquisitions (together with the Non-IPT Acquisitions) are commercially justifiable as the valuation of the RDSB Land and RVSB Land does not reflect the potential development value of the RDSB Land and the RVSB Land. In this regard, based on the collective experience of Board, in consultation with management, the Board believes in the potential value of the RDSB Land and RVSB Land, taking into account the potential development value of the RDSB Land and RVSB Land. Based on the feasibility studies conducted by the management, the potential development value of the RDSB Land and RVSB Land will result in the Proposed Acquisitions being value accretive for the Company and its shareholders by generating internal positive rate of return for the Group; and
- d) The vendors of RDSB and the RVSB (including Dato' Edwin) receive the Company's shares at the issue price of S\$0.25 per share which is at premium to the VWAP price of the last trading day prior to the signing of the sale and purchase agreements as full settlement for the purchase consideration. This is a testament to their confidence in the potential upside from the development of the RDSB Land and RVSB Land.

For the avoidance of doubt, Dato' Edwin had abstained from deliberations and the approvals relating to the Proposed Acquisitions and Non-IPT Acquisitions at the Board level. Dato' Colin, being an associate of Dato' Edwin, had also abstained from the deliberations and approval relating to the Proposed Acquisitions and Non-IPT Acquisitions at the Board level.

10. EGM

An EGM will be convened for the purpose of considering and, if thought fit, passing with or without modification, *inter alia*, ordinary resolutions in respect of the following:

- (a) the Proposed Acquisitions which constitute IPTs, in accordance with Chapter 9 of the Catalist Rules; and
- (b) the allotment and issue of RDSB DET Consideration Shares and RVSB DET Consideration Shares to Dato' Edwin.

Shareholders should note that the above resolutions are inter-conditional. In the event that one of the resolutions is not approved, the other resolution will not be duly passed. The Circular in relation to the foregoing matters, together with a notice of the EGM, will be despatched to the Shareholders in due course.

In accordance with Rule 919 of the Catalist Rules, Dato' Edwin and his associates will abstain from voting on all resolutions relating to the Proposed Acquisitions, and they will also not accept any appointments as proxies unless specific instructions as to voting are given.

11. DOCUMENTS FOR INSPECTION

Copies of the sale and purchase agreements and the valuation reports of RDSB and RVSB 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 3 months from the date of this announcement.

12. 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.

13. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Dato' Edwin who is involved directly in the Proposed Acquisitions as the vendor of RDSB and RVSB and Dato' Colin who is an associate of Dato' Edwin, none of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisitions, other than through their respective shareholdings in the Company.

14. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where information in this announcement 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 announcement in its proper form and context.

15. FURTHER INFORMATION

The Company will make further announcements as necessary if and when there are material developments to the Proposed Acquisitions and Non-IPT Acquisitions. A circular setting out, *inter alia*, the terms of the Proposed Acquisitions, the opinion and recommendation of the independent financial adviser and the Audit and Risk Committee in relation to the Proposed Acquisitions, together with the notice of the EGM will be despatched to Shareholders in due course.

16. TRADING CAUTION

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

The Company will make the necessary announcements when there are further developments on the Proposed Acquisitions and Non-IPT 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

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
15 December 2017

*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.

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