

# Shaping the Future, Melaka and Beyond

Corporate Presentation | 2Q FY2019



## **CONTENTS**

- 1. Overview**
- 2. Projects Portfolio**
- 3. 6M FY2019 Financial Results**
- 4. Projects Sales and Progress**
- 5. Prospects and Outlook**

## 1. OVERVIEW

- Corporate Profile
- Group Structure

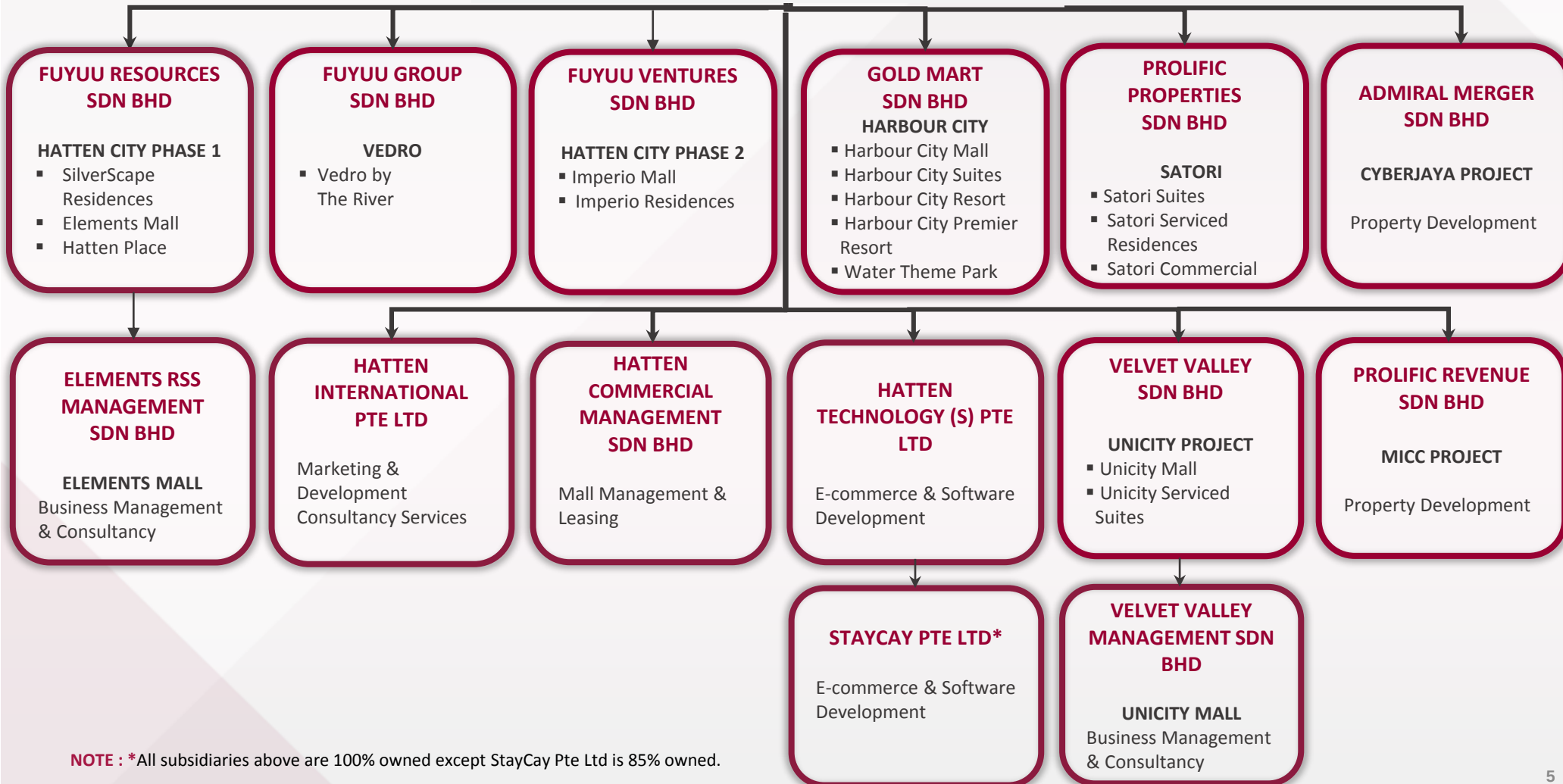
## CORPORATE PROFILE

- Hatten Land Limited (“Hatten Land”), is one of the leading property developers in Malaysia specialising in integrated residential, hotel and commercial developments.
- Headquartered in Melaka, it is the property development arm of the Hatten Group conglomerate, which is a leading brand in Malaysia with core businesses in property development, property investment, hospitality, retail and education.
- It has an established track record as a visionary developer, winning over 50 awards and accolades for its quality developments, innovative designs and avant-garde architectural concepts.
- Hatten Land’s current development portfolio comprises three integrated mixed-use development projects and retail malls in Melaka and Seremban, Malaysia.
- Hatten Land Limited began trading on the Catalist board of SGX-ST on 28 February 2017 after the completion of the reverse takeover of VGO Corporation Limited.

# GROUP STRUCTURE



## SKY WIN MANAGEMENT CONSULTANCY PTE LTD



**NOTE :** \*All subsidiaries above are 100% owned except StayCay Pte Ltd is 85% owned.

## 2. PROJECTS PORTFOLIO

- Completed Projects
- Ongoing Projects

## COMPLETED PROJECTS



The mixed development, **Hatten City Phase 1**, integrates four distinct components: Elements Mall, SilverScape Residences, Hatten Place and a hotel which is managed by Hilton Worldwide as part of its DoubleTree brand.

- Location : **Jalan Syed Abdul Aziz, Bandar Hilir, Melaka**  
(Fronting the Melaka Straits)
- Land Size : **Approximately 6 acres**
- Estimated GDV : **RM2.3b**
- Developer : **Fuyuu Resources Sdn Bhd**



| PROJECT                   | TOTAL DEVELOPMENT |              | SALES              |              | BALANCE UNSOLD    |            | COMPLETION DATE |
|---------------------------|-------------------|--------------|--------------------|--------------|-------------------|------------|-----------------|
|                           | GDV *<br>(RM'mil) | UNITS        | GDV **<br>(RM'mil) | UNITS        | GDV *<br>(RM'mil) | UNITS      |                 |
| Hatten Place              | 273               | 582          | 225                | 575          | 7                 | 7          | Nov-15          |
| Elements Mall             | 1,406             | 1,251        | 446                | 865          | 752               | 386        | Nov-15          |
| SilverScape (Tower A & B) | 633               | 747          | 361                | 695          | 54                | 52         | Mar-16          |
| <b>Total</b>              | <b>2,312</b>      | <b>2,580</b> | <b>1,032</b>       | <b>2,135</b> | <b>813</b>        | <b>445</b> |                 |

### NOTE

\* GDV as per LIST PRICE

\*\* GDV as per SPA (discounted)

## COMPLETED PROJECTS



**Vedro by the River** is a retail mall which features an eclectic mix of tenants ranging from fashion house to retailers of novelty gadgets and chic accessories.

- Location : **Kee Ann Road, along Melaka River**
- Land Size : **Approximately 2 acres**
- Estimated GDV : **RM293m**
- Developer : **Fuyuu Group Sdn Bhd**

| PROJECT            | TOTAL DEVELOPMENT |            | SALES              |            | BALANCE UNSOLD    |            | COMPLETION DATE |
|--------------------|-------------------|------------|--------------------|------------|-------------------|------------|-----------------|
|                    | GDV *<br>(RM'mil) | UNITS      | GDV **<br>(RM'mil) | UNITS      | GDV *<br>(RM'mil) | UNITS      |                 |
| Vedro by The River | 293               | 736        | 151                | 515        | 89                | 198        | Jul-17          |
| <b>Total</b>       | <b>293</b>        | <b>736</b> | <b>151</b>         | <b>515</b> | <b>89</b>         | <b>198</b> |                 |

### NOTE

\* GDV as per LIST PRICE

\*\* GDV as per SPA (discounted)

## COMPLETED PROJECTS



**Hatten City Phase 2** is a mixed development which comprises Imperio Mall and Imperio Residences. It utilizes an iconic “cascading steps” design which functions as an outdoor jogging route with views of the coast and surrounding city. Imperio Residences will also feature 10 Cabana Villa units each of which will measure approximately 3,930 square feet across 3 storey along with two private carparks, its own lift and pool. Imperio Mall and Imperio Residences will be connected to the rest of Hatten City via an air-conditioned link bridge.

- Location : **Jalan Syed Abdul Aziz, Bandar Hilir, Melaka (Fronting the Melaka Straits)**
- Land Size : **Approximately 4 acres**
- Estimated GDV : **RM1.6b**
- Developer : **Fuyuu Ventures Sdn Bhd**

| PROJECT             | TOTAL DEVELOPMENT |              | SALES              |              | BALANCE UNSOLD    |            | COMPLETION DATE |
|---------------------|-------------------|--------------|--------------------|--------------|-------------------|------------|-----------------|
|                     | GDV *<br>(RM'mil) | UNITS        | GDV **<br>(RM'mil) | UNITS        | GDV *<br>(RM'mil) | UNITS      |                 |
| Imperio Mall        | 952               | 784          | 320                | 589          | 252               | 166        | Nov-18          |
| Imperio Residence A | 333               | 494          | 169                | 322          | 79                | 165        | 3QFY19          |
| Imperio Residence B | 328               | 456          | 194                | 377          | 44                | 72         | 3QFY19          |
| <b>Total</b>        | <b>1,613</b>      | <b>1,734</b> | <b>683</b>         | <b>1,288</b> | <b>375</b>        | <b>403</b> |                 |

### NOTE

\* GDV as per LIST PRICE

\*\* GDV as per SPA (discounted)

## ONGOING PROJECTS



@ PULAU MELAKA

**Harbour City** is a mixed development which consists of Harbour City Mall, a water theme park and three hotel blocks. By incorporating the elements of retail, hotels and the theme park, Harbour City aims to change Malacca's tourism and entertainment landscape.

- Location : Pulau Melaka (Fronting the Melaka Straits)
- Land Size : Approximately 6 acres
- Estimated GDV : RM2.2b
- Developer : Gold Mart Sdn Bhd

| PROJECT                     | TOTAL DEVELOPMENT |              | SALES           |              | BALANCE UNSOLD |              | COMPLETION DATE |
|-----------------------------|-------------------|--------------|-----------------|--------------|----------------|--------------|-----------------|
|                             | GDV * (RM'mil)    | UNITS        | GDV ** (RM'mil) | UNITS        | GDV * (RM'mil) | UNITS        |                 |
| Harbour City Mall           | 1,069             | 1,792        | 367             | 874          | 604            | 918          | 2QFY20          |
| Harbour City Suites         | 341               | 717          | 244             | 710          | 7              | 7            | 2QFY20          |
| Harbour City Resort         | 507               | 576          | 331             | 516          | 111            | 60           | 2QFY20          |
| Harbour City Premier Resort | 285               | 291          | 104             | 185          | 159            | 106          | 2QFY20          |
| <b>Total</b>                | <b>2,202</b>      | <b>3,376</b> | <b>1,046</b>    | <b>2,285</b> | <b>881</b>     | <b>1,091</b> |                 |

### NOTE

\* GDV as per LIST PRICE

\*\* GDV as per SPA (discounted)

## ONGOING PROJECTS



### SATORI

SANCTUARY IN THE CITY

**Satori** is Melaka's first wellness-themed integrated development that comprises a hotel, serviced residences and retail mall, which seeks to make a definitive statement on the wellness theme.

- Location : PN14975, No. Lot 850, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Melaka
- Land Size : Approximately 2 acres
- Estimated GDV : RM243m
- Developer : Prolific Properties Sdn Bhd

| PROJECT                    | TOTAL DEVELOPMENT |            | SALES              |            | BALANCE UNSOLD    |            | COMPLETION DATE |
|----------------------------|-------------------|------------|--------------------|------------|-------------------|------------|-----------------|
|                            | GDV *<br>(RM'mil) | UNITS      | GDV **<br>(RM'mil) | UNITS      | GDV *<br>(RM'mil) | UNITS      |                 |
| Satori Suites              | 174               | 336        | 123                | 279        | 30                | 57         | 4QFY20          |
| Satori Serviced Residences | 69                | 192        | 13                 | 42         | 55                | 150        | 4QFY20          |
| <b>Total</b>               | <b>243</b>        | <b>528</b> | <b>136</b>         | <b>321</b> | <b>85</b>         | <b>207</b> |                 |

#### NOTE

\* GDV as per LIST PRICE

\*\* GDV as per SPA (discounted)

## ONGOING PROJECTS




The **Unicity Project** is to be served as the Company's first venture into the Seremban area and outside of Melaka. It is located next to University Teknologi MARA, providing the Company with access to a new customer base comprises mostly property users for education purpose.

- Location : No. 219890 P.T. N.O. 436 in Bandar Seremban 3, Daerah Seremban, Negeri Sembilan, Malaysia
- Land Size : 1.96 acres
- Estimated GDV : RM299m
- Developer : Velvet Valley Sdn Bhd

| PROJECT            | TOTAL DEVELOPMENT |            | SALES              |            | BALANCE UNSOLD    |            | COMPLETION DATE |
|--------------------|-------------------|------------|--------------------|------------|-------------------|------------|-----------------|
|                    | GDV *<br>(RM'mil) | UNITS      | GDV **<br>(RM'mil) | UNITS      | GDV *<br>(RM'mil) | UNITS      |                 |
| Unicity Mall       | 235               | 464        | 27                 | 121        | 201               | 343        | Jan-19          |
| Unicity Residences | 64                | 247        | 48                 | 225        | 6                 | 22         | Jan-19          |
| <b>Total</b>       | <b>299</b>        | <b>711</b> | <b>75</b>          | <b>346</b> | <b>207</b>        | <b>365</b> |                 |

### NOTE

\* GDV as per LIST PRICE

\*\* GDV as per SPA (discounted)

### **3. 6M FY2019 FINANCIAL RESULTS**

- **6M FY2019 Financial Results Highlights**
- **Quarterly Financial Highlights**
- **Financial Position**

## 6M FY2019 FINANCIAL RESULTS HIGHLIGHTS

| RM' mil                        | 2QFY2019 | 2QFY2018 | % CHANGE | 1QFY2019 | % CHANGE | 6M FY2019 | 6M FY2018 | % CHANGE |
|--------------------------------|----------|----------|----------|----------|----------|-----------|-----------|----------|
| Revenue                        | 57.5     | 43.4     | 32.6%    | 51.2     | 12.3%    | 108.7     | 99.9      | 8.8%     |
| Gross Profit ("GP")            | 17.4     | 34.6     | -49.6%   | 10.1     | 72.3%    | 27.5      | 55.5      | -50.4%   |
| Gross Profit Margin            | 30.3%    | 79.6%    | -61.9%   | 19.7%    | 53.8%    | 25.3%     | 55.5%     | -54.4%   |
| Profit Before Tax ("PBT")      | 3.0      | 16.0     | -81.2%   | 1.3      | >100%    | 4.3       | 20.4      | -78.8%   |
| Profit After Tax ("PAT")       | 1.7      | 10.8     | -84.2%   | 0.4      | >100%    | 2.1       | 13.8      | -84.8%   |
| Earnings Per Share (RM 'cents) | 0.12#    | 0.79^    | -84.8%   | 0.03#    | >100%    | 0.15#     | 1.0^      | -85.0%   |
| PBT Margin                     | 5.2%     | 36.9%    |          | 2.5%     |          | 4.0%      | 20.4%     |          |
| PAT Margin                     | 2.9%     | 24.9%    |          | 0.8%     |          | 1.9%      | 13.8%     |          |

### Revenue increased by 8.8% due to

- Higher revenue recorded from Harbour City, Satori and Unicity Projects.

### GP margin decreased by 54.4% due to

- Higher discount and promotional rebates to purchasers for Hatten City Phase 2 and Harbour City.
- One-off adjustment for lower project development cost for Hatten City Phase 2 in 2QFY2018.

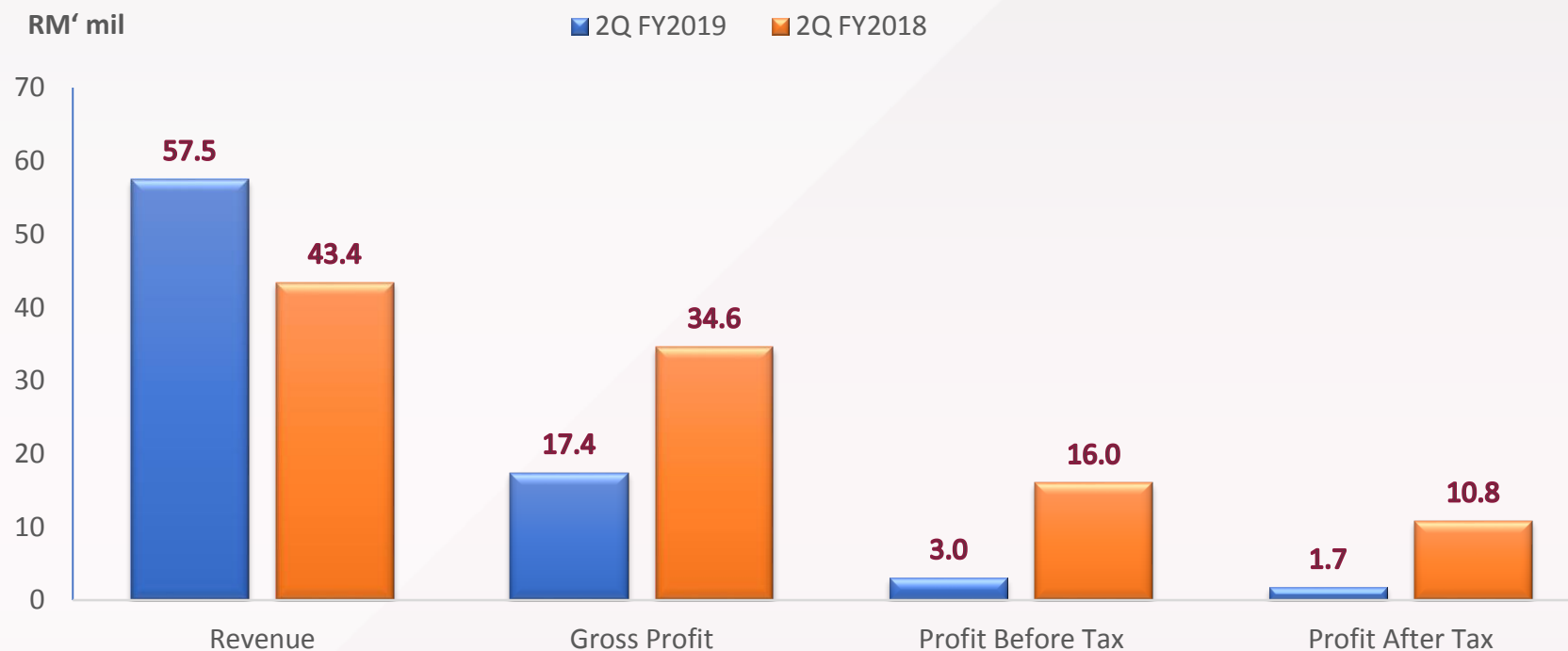
### PAT decreased by 84.8% due to

- Higher sales activities and marketing campaigns for Harbour City and Satori projects.
- Increased in finance costs by RM3.1m attributed by the new financing facilities made available to the Group since October 2017.

**NOTE :** ^ Based on weighted average share base of 1,375m shares for 2QFY2018 and 6MFY2018.

# Based on shares issued of 1,378m shares for 2QFY2019 and 6MFY2019

## QUARTERLY FINANCIAL HIGHLIGHTS



## FINANCIAL POSITION

| RM' mil                                      | 31 Dec 2018 (UNAUDITED) | 30 Jun 2018 (AUDITED) | % CHANGE |
|----------------------------------------------|-------------------------|-----------------------|----------|
| <b>Current Assets</b>                        | 1,703.4                 | 1,234.5               | 38.0%    |
| <b>Non-Current Assets</b>                    | 260.7                   | 232.5                 | 12.1%    |
| <b>Total Assets</b>                          | 1,964.1                 | 1,467.0               | 33.9%    |
| <b>Current Liabilities</b>                   | 1,061.2                 | 798.7                 | 32.9%    |
| <b>Non-Current Liabilities</b>               | 703.0                   | 438.1                 | 60.5%    |
| <b>Total Liabilities</b>                     | 1,764.2                 | 1,236.9               | 42.6%    |
| <b>Net Assets</b>                            | 200.0                   | 230.2                 | -13.1%   |
| <b>Cash and bank balances</b>                | 105.6                   | 59.5                  | 77.5%    |
| <b>Net Gearing Ratio<sup>1</sup> (times)</b> | 2.0                     | 1.9                   |          |
| <b>Total No. of Shares ('000)</b>            | 1,378.0                 | 1,378.0               |          |
| <b>Net Assets/ Share (RM' cents)</b>         | 14.5                    | 16.7                  |          |

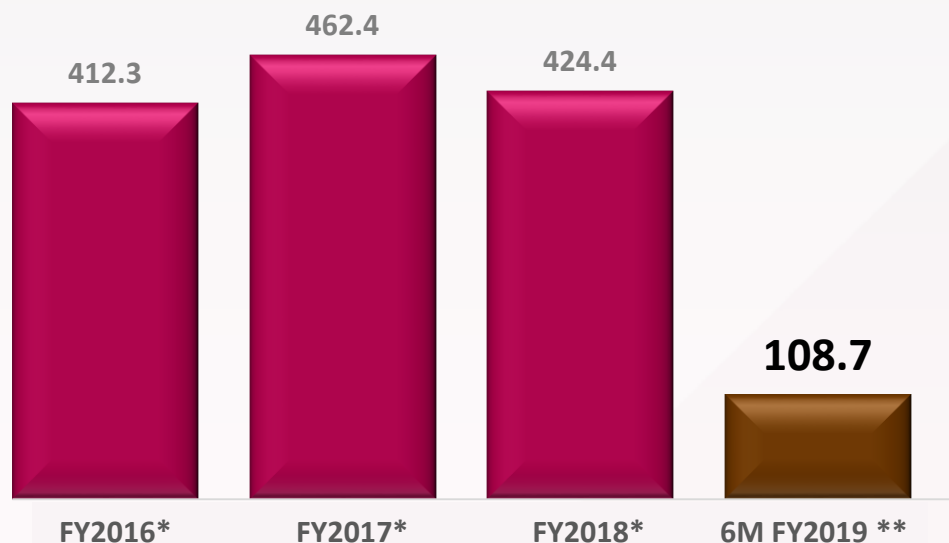
**NOTE :** <sup>1</sup> The net gearing ratio is computed as borrowings net of cash & cash equivalents divided by total equity.

## **4. PROJECTS SALES AND PROGRESS**

- **Sales Achieved**
- **Future Sales**
- **Unbilled Sales**

## SALES ACHIEVED TO DATE

SALES (RM' mil)



### Recognised revenue of RM108.7m in 6M FY2019

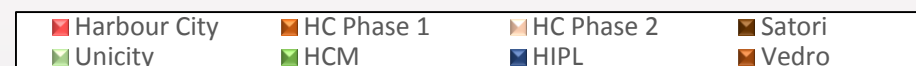
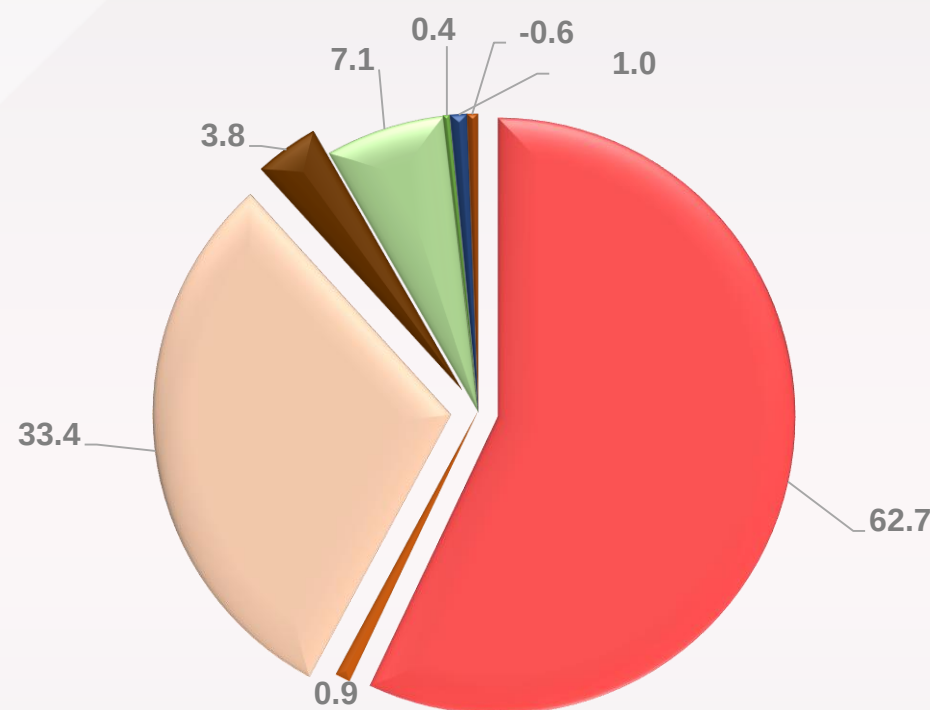
- In terms of value of revenue, 57.7% was from Harbour City, 30.7% from Imperio and 6.5% was from Unicity. The remaining projects constitute 5.1%.

### NOTE

\* Revenue achieved per Audited Accounts.

\*\* Revenue achieved per Unaudited Accounts.

BREAKDOWN of 6M FY2019 SALES (RM' mil)



## FUTURE SALES

| EXISTING PROJECTS  |                             | TOTAL GDV*<br>(RM'mil) | SALES **<br>GDV (RM'mil) | BALANCE UNSOLD*<br>GDV (RM'mil) |
|--------------------|-----------------------------|------------------------|--------------------------|---------------------------------|
| HC PHASE 1         | Elements Mall               | 1,406                  | 446                      | 752                             |
|                    | Hatten Place                | 273                    | 225                      | 7                               |
|                    | SilverScape Residences      | 633                    | 361                      | 54                              |
| VEDRO by The River | Vedro by The River          | 293                    | 151                      | 89                              |
| HC PHASE 2         | Imperio Mall                | 952                    | 320                      | 267                             |
|                    | Imperio Residences          | 661                    | 363                      | 123                             |
| HARBOUR CITY       | Harbour City Mall           | 1,069                  | 367                      | 604                             |
|                    | Harbour City Suites         | 341                    | 244                      | 7                               |
|                    | Harbour City Resort         | 507                    | 331                      | 111                             |
|                    | Harbour City Premier Resort | 285                    | 104                      | 159                             |
| SATORI             | Satori Suites               | 174                    | 123                      | 30                              |
|                    | Satori Serviced Residences  | 69                     | 13                       | 55                              |
| UNICITY            | Unicity Mall                | 235                    | 27                       | 201                             |
|                    | Unicity Serviced Suites     | 64                     | 48                       | 6                               |
| TOTAL              |                             | 6,962                  | 3,123                    | 2,465                           |

### NOTE

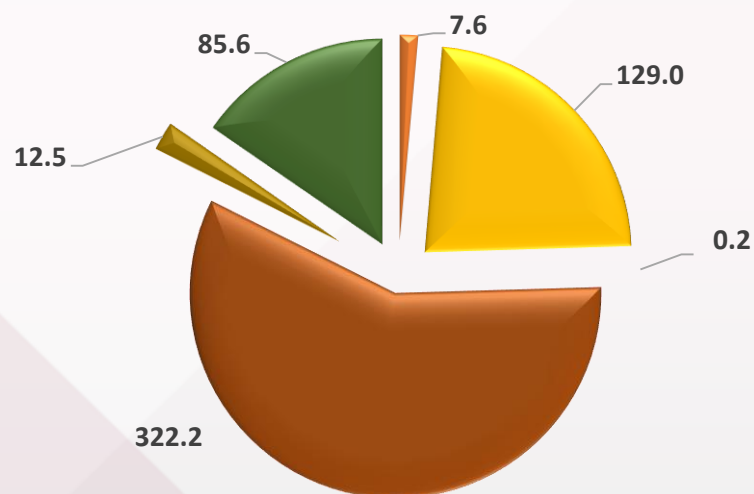
\* GDV as per LIST PRICE

\*\* GDV as per SPA (discounted)

## UNBILLED SALES STOOD AT RM557.1m

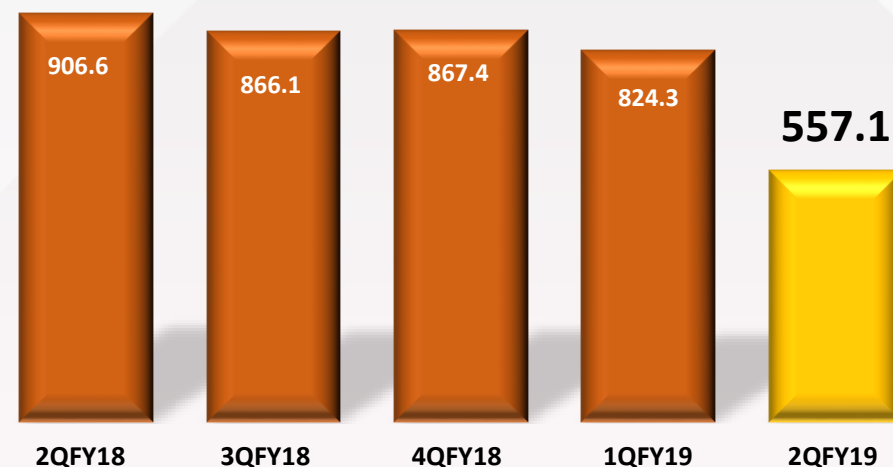
Strong unbilled sales driven by steady sales across ongoing and new projects, especially for Harbour City and Hatten City Phase 2.

**BREAKDOWN of 2Q FY19 UNBILLED SALES (RM' mil)**



■ HC Phase 1 
 ■ HC Phase 2 
 ■ Vedro 
 ■ Harbour City 
 ■ Unicity 
 ■ Satori

**UNBILLED SALES (RM' mil)**



### Unbilled sales to translate into strong cash inflows in 3Q FY19

- Hatten City Phase 2 has completed in 2Q FY19 which allows immediate conversion of sales into billings.

## 5. PROSPECTS AND OUTLOOK

- Outlook

# OUTLOOK

## **Clear Earnings Visibility**

- Unbilled Sales of RM557.1m to be recognized in FY2019 and beyond.

## **New Recurring Income Stream**

- New mall management arm complements core property development business and provides an alternative revenue stream. Revenue contribution from maiden project, Elements Mall, to commence from 2QFY2019.
- Imperio Mall obtained certificate of completion and compliance in 2QFY2019. Revenue contribution from this mall to commence from 4QFY2019.
- Splash World @ Harbour City, Melaka's largest water theme park unveiled in August 2018, will further boost recurring income after completion expected by end 2019.

## **Growth in Melaka**

- Malaysian property market is showing signs of improvement and that the positive sentiment may spill over to 2019, underpinned by steady economic growth of 4.4% in third quarter of 2018, supported by the services and manufacturing sectors. As a whole of 2018, GDP is expected to range from 4.4% to 4.8%<sup>1</sup>.
- Melaka's growth is anchored by continued growth of tourist arrivals, expected to hit 17.8 million in 2018. The launch of Visit Melaka Year (VMY) 2019 promotion will focus on improving services in the Melaka's tourism sector to realise its target of attracting 20 million tourist in 2019<sup>2</sup>.

## **Expansion of business outside Melaka**

- In addition to the growing existing business in Melaka, the Group explored opportunities to expand outside Melaka with the Cyberjaya project and Unicity project in Selangor and Negeri Sembilan respectively.

Note:

1. Source: Knight Frank Research
2. Source: The StarOnline

## APPENDIX

- Upcoming Projects

## UPCOMING PROJECTS



The MICC (Melaka International Convention Centre) Project is slated to be developed into an integrated mixed development that will comprise a shopping mall, cineplex, convention hall, an auditorium, meeting rooms, a hotel block and a serviced apartment block.

- Location : Kawasan Bandar I, Daerah Melaka Tengah, Melaka
- Land Size : Approximately 9.34 acres
- Estimate GDV : RM942m
- Developer : Prolific Revenue Sdn Bhd

## UPCOMING PROJECTS



The **Cyberjaya Project** will be Hatten Land's first venture into medical tourism.

Slated to be developed over three phases, the integrated mixed development will include retail, commercial (offices), residential and hospitality units as well as a hospital.

- Location : **Cyberjaya (known as H.S.(D) 36153, PT No. 50494 and H.S.(D) 36152, PT No. 50493 Mukim Dengkil, Daerah Sepang), Negeri Selangor.**
- Land Size : **25.55 acres**
- Estimate GDV : **RM3.0b**
- Developer : **Admiral Merger Sdn Bhd**

## DISCLAIMER

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**").

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