HATTEN LAND

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

Press Release

For Immediate Release

Hatten Land Limited's Revenue Rose by 122.6% to RM164.9 million in Third Quarter ended at 31 March 2017

- Operating profit before tax improved to RM25.9 million from RM12.6 million
- Strong revenue growth in 3Q2017 underpinned by higher sales from Hatten City Phase 2

SINGAPORE, 11 May 2017 **– CATALIST-LISTED** Hatten Land Limited (惠胜置地有限公司) (**"Hatten Land"** or **"the Group"**) announced today that the Group's revenue increased by 122.6% to RM164.9 million, from approximately RM74.1 million in third quarter ended at 31 March 2016 (**"3Q2016"**) compared to approximately RM164.9 million in current quarter ended at 31 March 2017 (**"3Q2017"**). The operating profit before non-operating expenses and tax is RM 25.9 million in 3Q2017 as compared to RM12.6 million in 3Q2016.

The increase in revenue in 3Q2017 is due to higher progressive sales recognised from the Hatten City Phase 2 and Harbour City projects. The Group's gross margin decreased from approximately 37.6% in 3Q2016 to approximately 29.8% in 3Q2017 mainly due to lower profit margin projects sold in 3Q2017.

Dato' Colin Tan, Executive Chairman and Managing Director, Hatten Land Limited, said: "We are heartened to record 122.6% revenue growth in 3Q2017 which is anchored by a strong sales track record. We are braced for the upcoming completion of Hatten City Phase 2 and the launch of the Imperio Mall within this year. Harbour City is well on track for its completion in 2020 as we intensify our marketing drive for the project.

With the recent acquisitions and the plans for the 5 slated landbanks in the pipeline, we are embarking on our new phase of expansion. In Melaka, Thea Wellness Project and MICC Project have obtained developmental order approval. Our proposed new project in Cyberjaya in Selangor marks our inroads into medical tourism through the new investment of an integrated mixed development that will comprise retail, commercial (offices), residential, and hospitality units and a hospital."

The Group also reported one-off non-operating expenses of approximately RM87.8 million in 3Q2017. The non-operating expenses incurred in 3Q2017 were in relation to professional fees related to the RTO of RM10.0 million and acquisition costs arising from reverse acquisition of approximately RM77.8 million. As a result, the net profit after tax was impacted and the Group recorded a loss after income tax of approximately RM74.2 million in 3Q2017.

Nine Months Results

The Group's revenue increased by RM24.9 million or 8.1% from approximately RM307.5 million for the nine months ended 31 March 2016 (**"9M2016"**) to approximately RM332.4 million for nine months ended 31 March 2017 (**"9M2017"**). The increase was mainly due to higher progressive sales recognised from the Hatten City Phase 2 and Harbour City projects.

The Group's gross margin decreased from approximately 37.5% in 9M2016 to approximately 32.3% in 9M2017 mainly due to lower profit margin projects sold as compared with 9M2016.

As a result of one-off non-operating expenses of approximately RM87.8 million in 9M2017, the Group recorded a loss after income tax of approximately RM51.0 million in 9M2017 as compared to a profit after income tax approximately of RM48.6 million in 9M2016.

Financial Position

The financial position of the Group continues to be healthy. Net assets stood at RM171.9 million as at 31 March 2017, as compared to RM60.6 million as at 30 June 2016. Net asset value per share stands at 12.5 sen as at 31 March 2017.

Cash and bank balances stood at RM98.4 million as at 31 March 2017 compared to RM33.8 million as at 31 March 2016.

Business Outlook

The outlook for Melaka's residential market remains positive with the upcoming Kuala Lumpur-Singapore High Speed Rail, deep-sea port, Melaka Gateway project and Chinese investments in Melaka. In 2014 and 2015, the transactions of dwelling units exceeded 8,000 per year and barring unforeseen circumstances, the transactions in 2016 are expected to stay above 8,000 residential units in 2016[1].

The Group recently acquired the entire issued and paid up share capital of Prolific Properties Sdn Bhd (**"PPSB"**) and Prolific Revenue Sdn Bhd (**"PRSB"**) to replenish its land bank and increase its development portfolio to ensure continual growth of the Group. The Company believes that the acquisitions of PPSB and PRSB will be value accretive and in the best interest of all shareholders in driving the next phase of growth of the Group.

PPSB owns 2.05 acres of leasehold land at Melaka Raya which is slated to be developed into an integrated mixed development that will comprise a hotel block and serviced apartment block (the **"Thea Wellness Project"**). The Gross Development Value (**"GDV"**) of the Thea Wellness Project is currently estimated by the Company to be approximately RM300.0 million.

PRSB owns 9.34 acres of leasehold land at Kota Laksamana, Melaka which is slated to be developed into an integrated mixed development that will comprise a shopping mall, cineplex, convention hall and auditorium, meeting rooms, a hotel block and a serviced apartment block (the **"MICC Project"**). The GDV of the MICC Project is currently estimated by the Company to be approximately RM942.0 million.

Based on the sales and purchase agreements that have been entered into with the purchasers of the sold units for the existing four property development projects as at 31 March 2017, the unbilled revenue to be recognised over time from 1 April 2017 is approximately RM660.0 million.

Note:
1. Source: NAPIC: National Property Information Centre.

About Hatten Land Limited

Hatten Land Limited is one of the leading property developers in Malaysia specialising in integrated residential, hotel and commercial developments and is headquartered in Melaka, Malaysia. It is the property development arm of the conglomerate Hatten Group, which is a leading brand in Malaysia with core businesses in property development, property investment, hospitality, retail and education.

The current development portfolio comprises five (5) integrated mixed use development projects and one retail mall in Melaka, Malaysia. They are:

1. Hatten City Phase 1 (incorporating Elements Mall, SilverScape Residences, Hatten Suites, and a tower block that has been taken up by DoubleTree by Hilton);
2. Hatten City Phase 2 (incorporating Imperio Mall and Imperio Residence);
3. Harbour City (incorporating a mall, a theme park and three (3) hotels);
4. Vedro by the River (a retail mall);
5. Thea Wellness; and
6. The MICC Project.

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.

Issued on behalf of **HATTEN LAND LIMITED** by:

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

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.