

Shaping the Future, Melaka and Beyond

Corporate Presentation | 2Q FY2018

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1. OVERVIEW

- Corporate Profile
- Group Structure
- Management Team



Corporate Profile

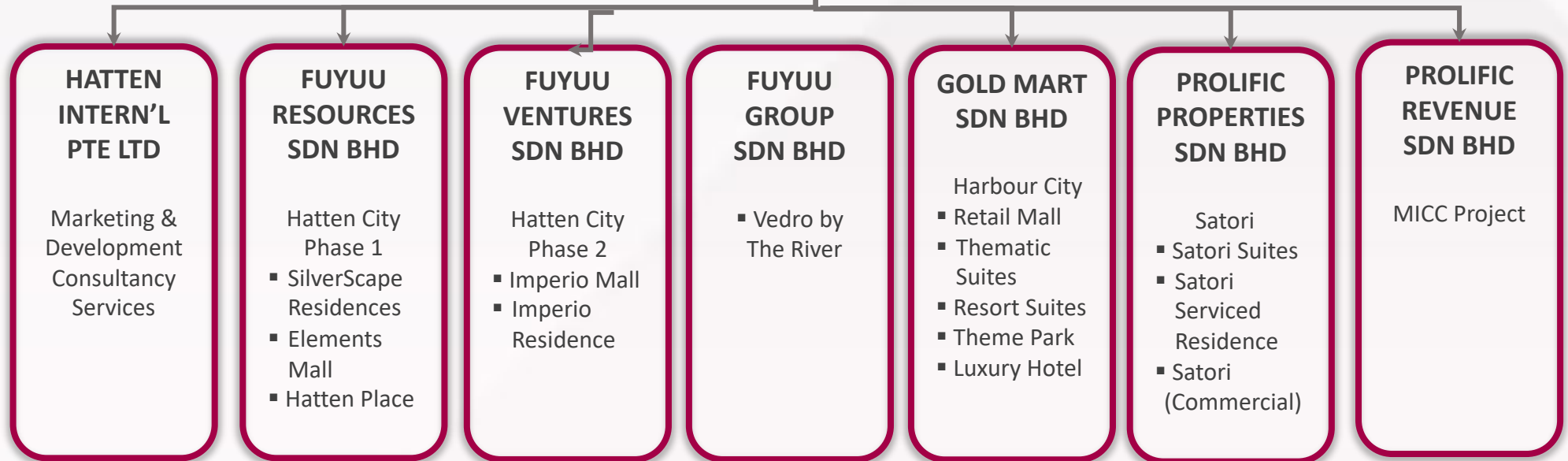
- Hatten Land Limited (“Hatten Land”), is one of the leading property developers in Malaysia specialising in integrated residential, hotel and commercial developments.
- Headquartered in Melaka, it is the property development arm of the Hatten Group conglomerate (82.6%-stake), which is a leading brand 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 five integrated mixed-use development projects and one retail mall in Melaka, 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.

Management Team



Dato' Colin Tan June Teng | Executive Chairman & Managing Director

Dato' Colin Tan was one of the founders of the conglomerate Hatten Group. He is responsible for overall management and strategic direction of the Group. He also oversees sales and marketing, business growth and development as well as asset and land acquisition. Dato' Colin graduated from the University of Dublin with a Bachelor of Science (Finance).



Dato' Edwin Tan Ping Huang | Executive Director and Deputy Managing Director

Dato' Edwin Tan was one of the founders of the conglomerate Hatten Group. He is responsible for the overall management and strategy of the Group. Dato' Edwin Tan oversees operations, human resources and development management of the Group. Dato' Edwin Tan graduated from the University of Dublin with a Bachelor of Science (Finance).



Mr. Mark Tan | Chief Operating Officer

More than 20 years of experience in business and corporate planning. Mr. Tan was the General Manager at UE E&C Ltd. Prior to that, Mr. Mark worked in the telecommunication and property sectors. Mr. Mark graduated from National University of Singapore with a Bachelor Degree of Engineering (Electrical), Hons and Master of Business Administration from Helsinki School of Economics.



Ms. Betty Lau | Chief Financial Officer

More than 30 years experience and held various senior finance positions across Malaysia, Singapore, United Kingdom, United States and China. Prior to joining the Group, Ms. Lau was the Chief Financial Officer of IOI Properties Group Bhd from 2010 to 2017. Ms. Lau is a Fellow of the Association of Chartered Certified Accountants ("FCCA"), a member of the Malaysia Institute of Accountants ("MIA") and a member of the Institute of Chartered Secretaries and Administrators ("ICSA").



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 tower block 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 : **RM2.0b**
- Developer : **Fuyuu Resources Sdn Bhd**



	Total Development		Sales		Balance Unsold		Completion Date
	GDV (RM 'mil)	Units	GDV (RM 'mil)	Units	GDV (RM 'mil)	Units	
Elements Mall	1,174.6	1,530	443.9	864	730.7	666	November 2015
SilverScape Residences	424.5	745	340.9	666	83.6	79	March 2016
Hatten Place	233.2	589	223.9	571	9.3	18	November 2015
DoubleTree by Hilton^	166.3	277	166.3	277	-	-	March 2016
Total	1,998.6	3,141	1,175.0	2,378	823.6	763	

^Although DoubleTree is developed by Fuyuu Resources, it was transferred to Hatten Group as part of the land acquisition arrangement between the parties.

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 : **RM240m**
- Developer : **Fuyuu Group Sdn Bhd**

	Total Development		Sales		Balance Unsold		Completion Date
	GDV (RM 'mil)	Units	GDV (RM 'mil)	Units	GDV (RM 'mil)	Units	
Vedro by the River	239.6	736	171.1	561	68.5	175	July 2017
Total	239.6	736	171.1	561	68.5	175	

Ongoing Projects



Hatten City Phase 2 is a mixed development which comprises Imperio Mall and Imperio Residence. It utilizes an iconic “cascading steps” design which functions as an outdoor jogging route with views of the coast and surrounding city. Imperio Residence 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 Residence 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 : **RM1.2b**
- Developer : **Fuyuu Ventures Sdn Bhd**

	Total Development		Sales		Balance Unsold		Expected Completion Date
	GDV (Rm 'mil)	Units	GDV (Rm 'mil)	Units	GDV (Rm 'mil)	Units	
Imperio Mall	538.6	786	442.1	630	96.5	156	3Q 2018
Imperio Residence	630.8	950	357.7	642	273.1	308	3Q 2018
Total	1,169.4	1,736	799.8	1,272	369.6	464	

Ongoing Projects



Harbour City is a mixed development which will consist 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 : RM1.8b
- Developer : Gold Mart Sdn Bhd

	Total Development		Sales		Balance Unsold		Expected Completion Date
	GDV (RM ‘mil)	Units	GDV (RM ‘mil)	Units	GDV (RM ‘mil)	Units	
<u>Launched</u>							
Harbour City Mall	879.3	1,834	413.6	866	465.7	968	2H 2019
Harbour City Suites	249.3	717	238.9	700	10.4	17	2H 2019
Harbour City Resort	426.2	637	306.1	495	120.1	142	1H 2020
<u>To Be Launched</u>							
Harbour City Luxury Hotel	244.5	325	-	-	-	-	TBA
Total	1,799.3	3,513	958.6	2,061	596.2	1,127	

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 : RM346m
- Developer : Prolific Properties Sdn Bhd

	Total Development		Sales		Balance Unsold		Expected Completion Date
	GDV (RM 'mil)	Units	GDV (RM 'mil)	Units	GDV (RM 'mil)	Units	
<u>Launched</u>							
Satori Suites	150.5	336	83.9	195	66.6	141	1H 2020
<u>To Be Launched</u>							
Satori Serviced Residence	68.6	192	-	-	-	-	TBA
Satori (Commercial)	127.7	14	-	-	-	-	TBA
Total	346.8	542	83.9	195	66.6	141	



3. 6M FY18 FINANCIAL RESULTS

- Financial Results Highlights
- Quarterly Financial Snapshots
- Financial Position



FY18 Financial Results Highlights

RM 'mil	2Q 2018	2Q 2017	% Change	1Q 2018	% Change	6M FY18	6M FY17	% Change
Revenue	43.4	113.8	-61.8%	56.5	-23.2%	99.9	167.5	-40.4%
Gross Profit ("GP")	34.6	39.1	-11.6%	20.9	65.5%	55.5	58.2	-4.5%
Gross Profit Margin	79.7%	34.4%	>100%	37.0%	>100%	55.5%	34.8%	59.5%
Profit Before Tax ("PBT")	16.0	27.0	-40.7%	4.4	>100%	20.4	30.1	-32.2%
Profit After Tax ("PAT")	10.8	21.4	-49.5%	3.0	>100%	13.8	23.2	-40.6%
Earnings Per Share^ (sen)	0.79	1.80	-56.1%	0.22	>100%	1.00	1.96	-49.0%
PBT Margin	36.9%	23.7%		7.8%		20.4%	18.0%	
PAT Margin	24.9%	20.8%		5.3%		13.8%	24.9%	

Revenue decreased by 40.4% arise from

- Lower revenue contribution from Hatten City Phase 2 project due to lower percentage of works completed in 6M FY18.

32.3% Y-o-Y reduction in PBT driven by

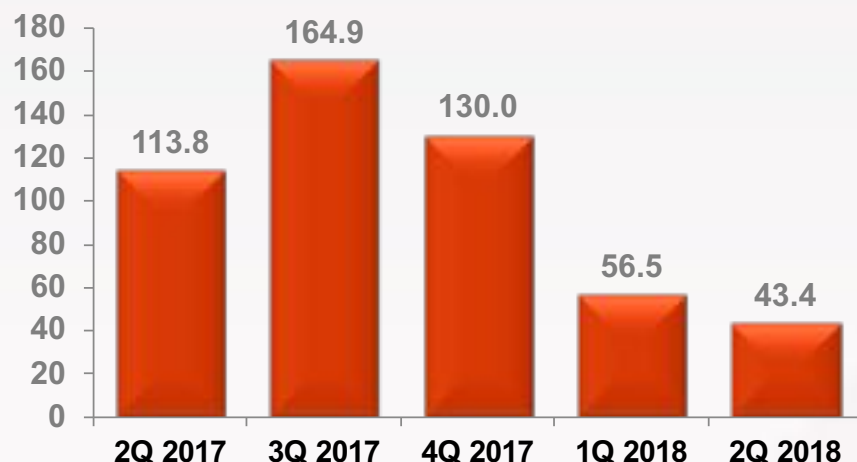
- Topline reduction attributed by the lower revenue contribution from Hatten City Phase 2 project.
- Increase in selling and distribution expenses due to intensify sales and marketing efforts and initiatives for the ongoing and completed projects under the current challenging property market sentiments in Malaysia.
- Increase in general and administrative expenses mainly due to the one-off costs in relation to the issuance of shares to employees, professional fees incurred following the Group's funding exercises subsequent to the RTO which was completed in January 2017.

GP margin increased by 59.5% due to

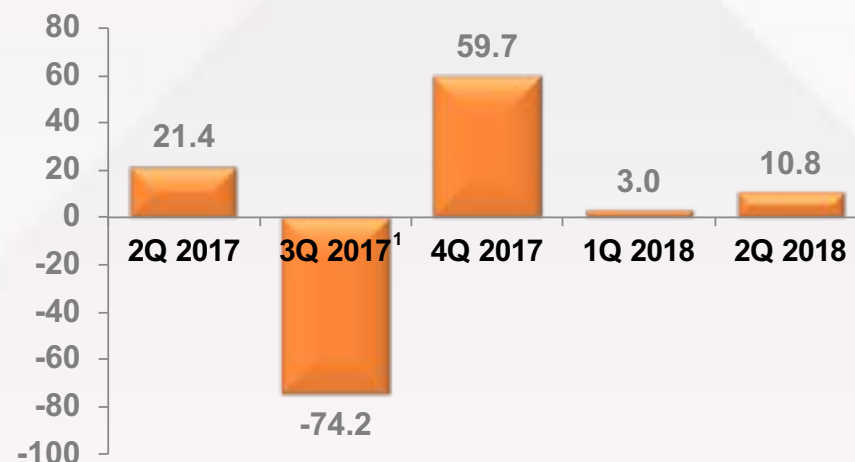
- Year to date impact on lower estimated gross development costs for Hatten City Phase 2 arising from management's review of the project development budget.

Quarterly Financial Snapshots

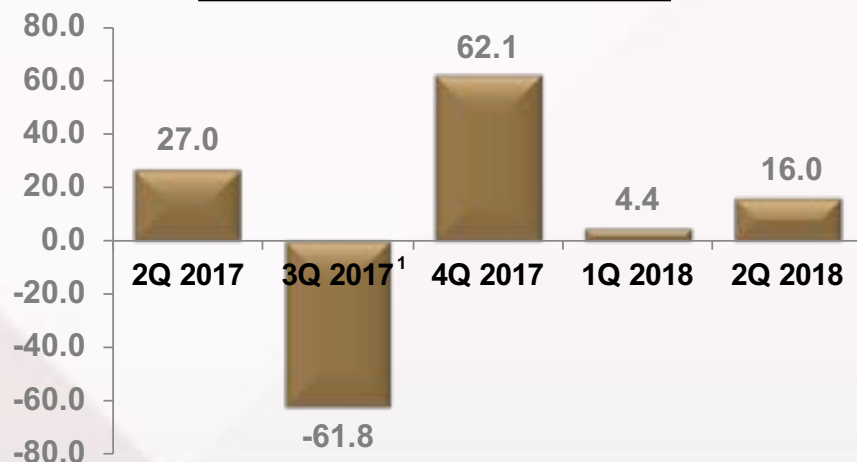
REVENUE (RM 'mil)



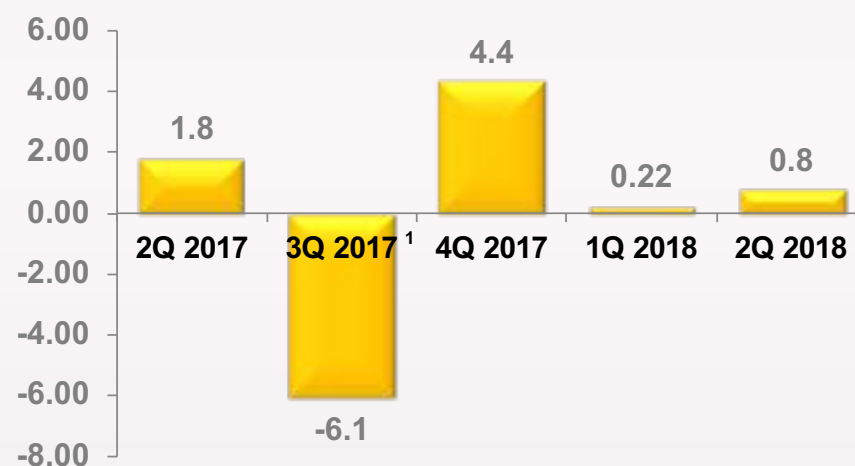
PROFIT AFTER TAX (RM 'mil)



PROFIT BEFORE TAX (RM 'mil)



EARNINGS PER SHARE (sen)



NOTE : ¹ Net loss is impacted by the one-off non-operating RTO expenses of RM82m.

Financial Position

RM 'mil	31 Dec 2017 (Unaudited)	30 Sep 2017 (Unaudited)	% Change
Current Assets	1,171.9	1,147.3	2.1%
Non-Current Assets	178.3	164.3	8.5%
Total Assets	1,350.3	1,311.6	3.0%
Current Liabilities	527.2	601.6	-12.4%
Non-Current Liabilities	582.6	480.0	21.4%
Total Liabilities	1,109.9	1,081.6	2.6%
Net Assets	240.4	230.0	4.5%
Cash and bank balances	77.8	62.2	25.1%
Net Gearing Ratio¹ (times)	1.46	1.25	
Total No. of Shares (mil)	1,378.1	1,378.1	
Net Asset / Share	17.44	16.69	

Current Assets of RM1,171.9m

Out of RM 1171.9m, Trade Receivables of RM371m arise from:

- Accrued billings of RM255mil arising from the Hatten City Phase 2 project.
- State consent's approval for foreign purchasers amounted to RM25m.
- Outstanding billed amount of RM90m due from purchasers for the newly launched Harbour City Mall project in April 2017.

Current liabilities of RM527.2m

- Out of RM527.2m, guaranteed rental return ("GRR") commitment of RM228m is given to purchasers. This is calculated at 6% per annum of the purchaser's property price.

Increase in Net Gearing Ratio to 1.46 times

- Issuance of medium-term loan notes programme to finance the investment activities, working capital, capital expenditures and other general corporate purposes.
- Issuance of convertible loan to finance the completion of Hatten City Project and other approved development projects.

NOTE : ¹ The net gearing ratio is computed as borrowings net off cash & cash equivalents divided by total equity.

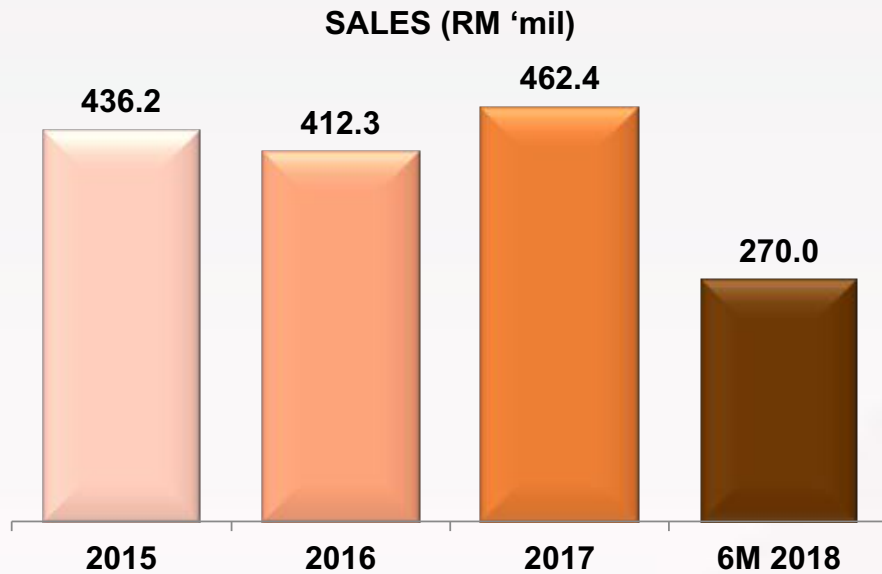


4. PROJECTS SALES AND PROGRESS

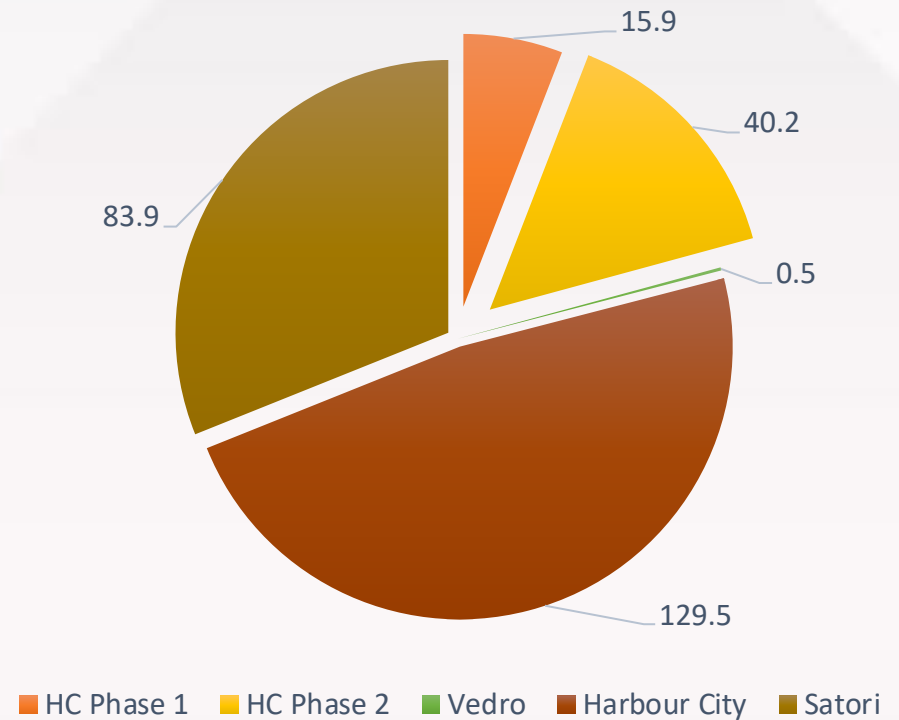
- Sales Achieved to date
- Future Sales from Ongoing Projects
- Unbilled Sales Stood at RM906.6m



Sales Achieved to date



BREAKDOWN of 6M FY18 SALES (RM 'MIL)



Chalked Up RM270m New Sales in 6M FY18

- The value of new sales derived 48% from Harbour City and 31% from Satori. The remaining projects constitute 21% of new sales value.
- New launches of Harbour City Mall and Satori Suites were well received.

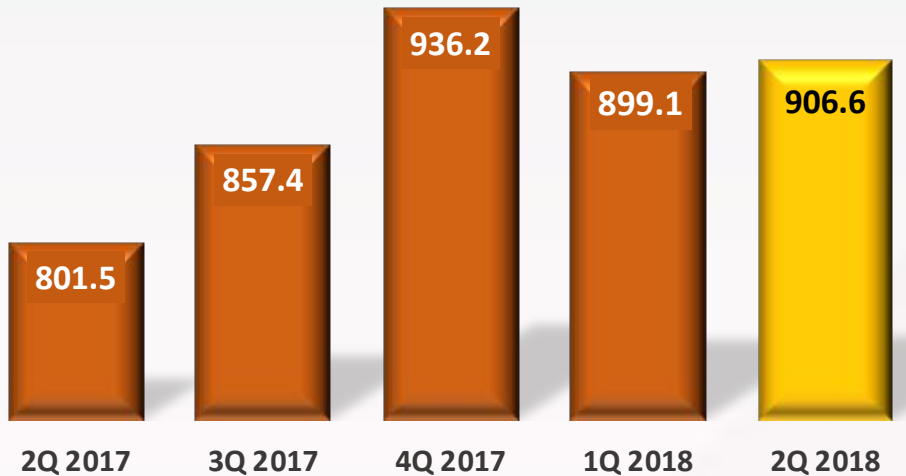
Future Sales from Ongoing Projects

	Ongoing Projects Launched Up to Dec 2017	Total Development (RM 'mil)	Sales (RM 'mil)	Balance Unsold (RM 'mil)
HC Phase 1	Elements Mall	1,174.6	443.9	730.7
	Hatten Place	233.2	223.9	9.3
	Silverscape Residences	424.5	340.9	83.6
HC Phase 2	Imperio Mall	538.6	442.1	96.5
	Imperio Residence	630.8	357.7	273.1
Vedro	Vedro by the River	239.6	171.1	68.5
Harbour City	Harbour City Mall	879.3	413.6	465.7
	Harbour City Suites	249.3	238.9	10.4
	Harbour City Resort	426.2	306.1	120.1
Satori	Satori Suites	150.5	83.9	66.6
	Total	4,946.6	3,022.1	1,924.5

	Projects to be launched in next 12 months	Total development (RM 'mil)	Targeted Launched	Project Type	No.of Units
Harbour City	Harbour City Luxury Hotel	244.5	March 2018	Hotel Suites	325
Satori	Satori Serviced Residence	68.6	March 2018	Hotel Suites	192

Unbilled Sales Stood at RM906.6m

UNBILLED SALES (RM 'mil)

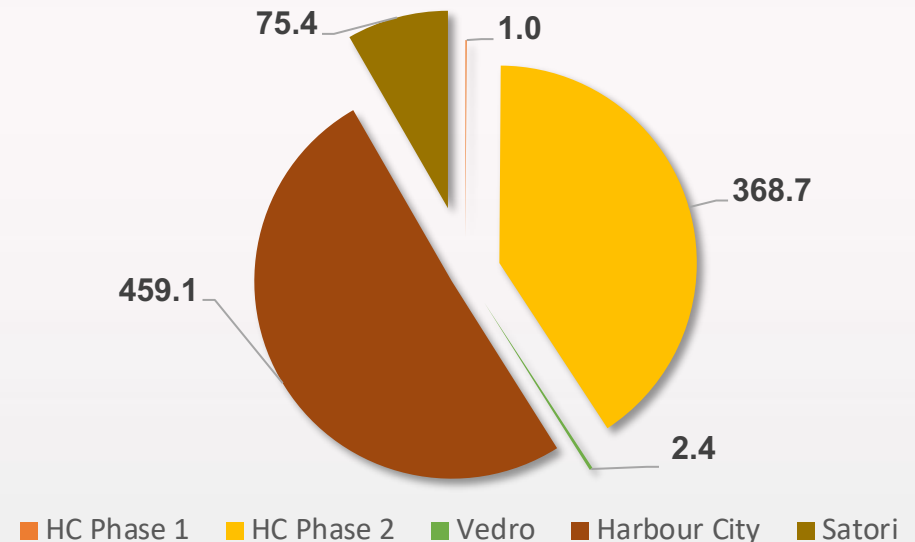


Strong unbilled sales driven by steady sales across ongoing and new projects, especially for Hatten City Phase 2 and Harbour City.

Unbilled sales to translate into strong cash inflows in 2H FY2018

- Hatten City Phase 2 which is expected to complete in 3Q FY2018 allows immediate conversion of sales into billings.

BREAKDOWN of 6M FY18 UNBILLED SALES (RM 'mil)





5. PROSPECTS AND OUTLOOK

- Outlook
- Access to Land Bank for Future Development



Clear Earnings Visibility

- Unbilled Sales of RM906.6m to be recognized over next 2 years
- New project launches comprising Harbour City Luxury Hotel (GDV RM244.5m) and Satori Serviced Residence (GDV RM68.6m).

Growth in Melaka

- Second most visited state in Malaysia with registered 16.7m tourists in 2017.
- Melaka's growth is anchored by numerous mega infrastructure and tourism projects which will bolster the value of the Hatten Land's properties and underpin demand for its projects.

Access to large land bank for future development

- Land bank amounting to 211.88 acres.

Expansion of business outside Melaka

- In addition to the growing existing business in Melaka, the Group will explore opportunities to expand outside Melaka, especially Klang Valley.

Access to Land Banks and Development Rights for Future Development

EXISTING LAND

New Projects	Tenure	Land Size (acres)	Estimated GDV (RM 'mil)
<u>Melaka</u>			
MICC	Leasehold	9.0	942

ACQUISITION PENDING COMPLETION

New Projects	Tenure	Land Size (acres)	Estimated GDV (RM 'mil)
<u>Melaka</u>			
Rico Development	Leasehold	6.1	2,562
Rico Ventures	Freehold	6.7	2,814
Movie-Town	Leasehold	8.86	1,200
<u>Kuala Lumpur</u>			
Cyberjaya	Freehold	25.55	3,000

LAND UNDER ROFR

New Projects	Tenure	Land Size (acres)	Estimated GDV (RM 'mil)
<u>Johor Bahru</u>			
Fuyuu Land	Freehold	0.86	361
<u>Seremban</u>			
UniCity Project	Freehold	1.96	823

LAND UNDER ROFR

New Projects	Tenure	Land Size (acres)	Estimated GDV (RM 'mil)
<u>Melaka</u>			
Mayatrade	Freehold	11.83	4,968
Mayatrade	Freehold	0.97	407
Prolific Assets	Freehold	0.26	109
Prolific Resources	Freehold	0.91	382
Prolific Synergy	Freehold	0.81	340
Fuyuu Success	Leasehold	2.0	840
Fuyuu Assets	Freehold	6.06	2,545
Fuyuu Properties	Freehold	8.63	3,625
Prolific Acres	Leasehold	10.51	4,414
Prolific Holdings	Leasehold	2.95	1,239
Prolific Holdings	Freehold	13.97	5,867
Rico Land	Freehold	3.42	1,436
EGAH Group	Leasehold	66.6	15,000
Prolific Hectares	Leasehold	17.97	7,540
Pavilion Hectares	Leasehold	5.96	2,503
Total		211.88	62,917

Access to Land Bank for Future Development



- 6.2% GDP growth for Q3 2017.
(Source: Department of Statistics Malaysia)
- Upcoming KL-Singapore High Speed Rail, which has a stop at Ayer Keroh, Melaka.
- Weekly scheduled flights to and from Guangdong, China.
- Construction of the Melaka Gateway in the Straits of Melaka.



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 acres**
- Estimate GDV : **RM942m**
- Developer : **Prolific Revenue Sdn Bhd**

Upcoming Projects



Strategically located along upcoming new towns in Melaka, the **Rico Development** land parcel is slated to be developed into an integrated mixed-use development.

- Location : **Pekan Klebang, Sek III, Daerah Melaka Tengah, Melaka**
- Land Size : **Approximately 6.1 acres**
- Estimate GDV : **RM2.5b**
- Developer : **Rico Development Sdn Bhd**

Upcoming Projects



Strategically located along upcoming new towns in Melaka, the **Rico Ventures** land parcel is slated to be developed into an integrated mixed-use development.

- Location : **Pekan Klebang, Sek IV, Daerah Melaka Tengah, Melaka**
- Land Size : **Approximately 6.7 acres**
- Estimate GDV : **RM2.5b**
- Developer : **Rico Venture 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**

Upcoming Projects



The **Movie-Town Project** is slated to be developed into an integrated mixed development comprising a mix of retail, residential and hospitality units.

- Location : **Melaka (known as No. PN 54197, No. Lot 12057 and No. HS(D) 80587, No. PT976), Kawasan Bandar XL, Daerah Melaka Tengah**
- Land Size : **8.86 acres**
- Estimate GDV : **RM1.2b**
- Developer : **Prolific Acres Sdn Bhd**

Upcoming Projects



- The **Plot K to E Project** is 66 acres of leasehold land (Plot E, F, G, H, I, J & K) located at Kawasan Bandar XL, Daerah Melaka Tengah, Melaka.

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THANK YOU

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