

# HATTEN LAND LIMITED

Shaping the Future

3Q 2017 Results

Corporate Presentation | 15 May 2017



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# 1. Overview of Hatten Land





# Corporate Profile

- The Company is one of the leading property developers in Malaysia specialising in integrated residential, hospitality and commercial developments and is headquartered in Melaka.
- It is the property development arm of 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 of the Company comprises five (5) integrated mixed use development 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); and
  4. **Thea Wellness Project** (incorporating a hotel and serviced apartment)
  5. **MICC Project** (incorporating a shopping mall, cineplex, convention centre, a hotel and a serviced apartment block)
  6. **Vedro by the River** (a retail mall).
- The Company was listed through the reverse takeover of VGO Corporation Limited on 24 January 2017.
- The Company commenced trading on 28 February 2017.



# One of the Leading Developers in Malaysia



- Hatten Land has over 10 years of track record in developing award-winning integrated residential, hotel and commercial developments in Melaka.

WINNER OF OVER 50  
PRESTIGIOUS  
PROPERTY AWARDS  
(Since 2011)



# Group Structure

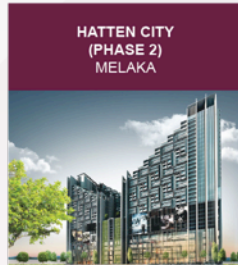
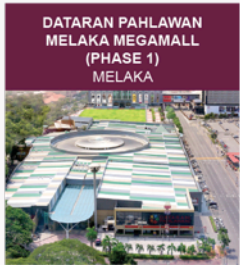


SKY WIN MANAGEMENT CONSULTANCY PTE. LTD.





# Our Track Record



Flagship Project.  
Largest mall in Melaka  
(DPMM)

Completion of  
Hatten Square and Hatten Hotel

Hatten City Phase 2  
Sales Launch

Completion of  
Terminal Pahlawan

Completion of  
Hatten City Phase 1



Completion of the  
expansion of DPMM

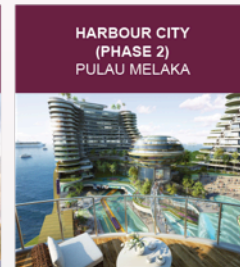
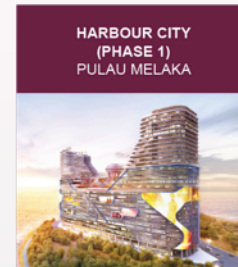
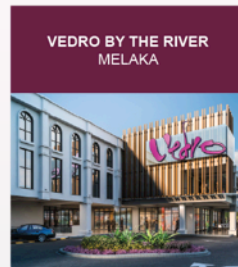
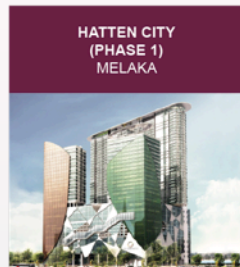
Hatten City Phase 1  
Sales Launch

Vedro by the River  
Sales Launch

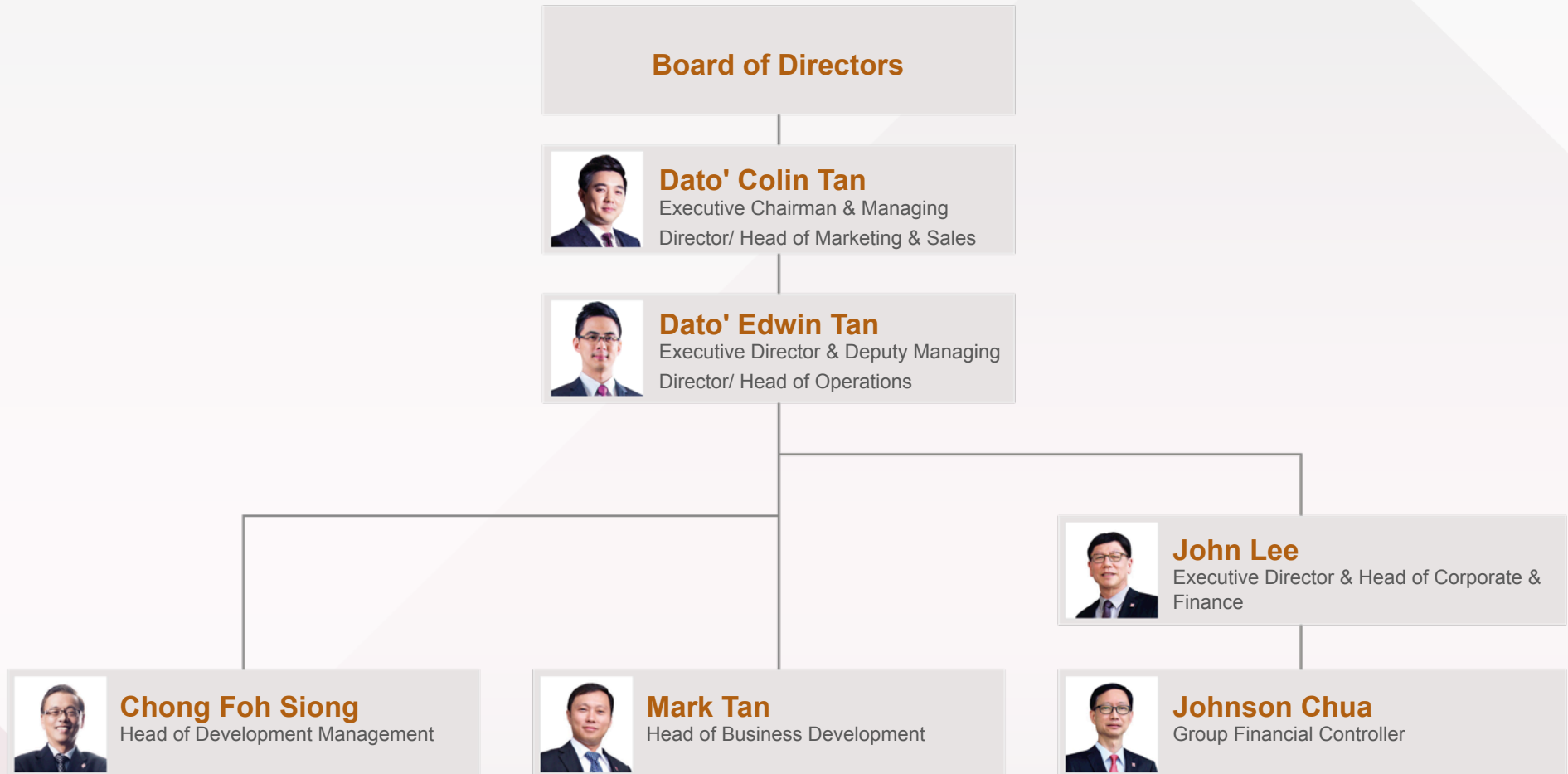
Completion of  
Estadia Hotel

Harbour City  
Phase 1  
Sales Launch

Harbour City  
Phase 2  
Sales Launch



# Management Structure





## 2. Hatten Land Assets Portfolio







# Hatten City Phase 1



The mixed development, Hatten City Phase I, integrates four (4) distinct projects namely Elements Mall, SilverScape Residences, Hatten Suites and a tower block which will be managed by Hilton Worldwide as part of its DoubleTree by Hilton brand.

- Location : Jalan Syed Abdul Aziz, Bandar Hilir, Melaka Malaysia, fronting the Melaka Straits
- Land Size : Approximately six (6) acres
- Market Value : RM628.0 million (as at 30 June 2016)
- Developer : Fuyuu Resources Sdn. Bhd.

	Total Units	GFA (sq ft)	Net Saleable Area (sq ft)	Percentage Sold* (%)	Completion (%)	Completion Date
<b>Elements Mall</b>	1,530	1,530,238	686,682	34	100	November 2015
<b>SilverScape Residences</b>	745	820,188	591,638	85	100	March 2016
<b>Hatten Suites</b>	589	240,616	165,132	93	100	November 2015
<b>DoubleTree by Hilton</b>	277	283,521	N.A.	N.A.	100	March 2016
<b>Total</b>	<b>3,141</b>	<b>2,874,563</b>	<b>1,443,452</b>	<b>62</b>		

\*As at 31 March 2017

COMPLETED



## Hatten City Phase 2



Hatten City Phase 2 is a mixed development which comprises Imperio Mall and Imperio Residence. It utilises 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 three (3) storeys along with two (2) 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, Malaysia, fronting the Melaka Straits
- Land Size : Approximately four (4) acres
- Market Value : RM363.0 million (as at 30 June 2016)
- Developer : Fuyuu Ventures Sdn. Bhd.

	Total Units	GFA (sq ft)	Net Saleable Area (sq ft)	Percentage Sold* (%)	Completion (%)	Completion Date
<b>Imperio Mall</b>	786	622,313	285,885	60	87	2H 2017
<b>Imperio Residence</b>	950	797,478	545,478	51	87	2H 2017
<b>Total</b>	<b>1,736</b>	<b>1,419,791</b>	<b>831,363</b>	<b>54</b>		

\*As at 31 March 2017

UNDER DEVELOPMENT



# Harbour City



Harbour City is a mixed development which will consist of Harbour City Mall, a water theme park and three (3) hotel blocks. Incorporating 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 six (6) acres
- Market Value : RM849.0 million (as at 30 June 2016)
- Developer : Gold Mart Sdn. Bhd.

	Total Units	GFA (sq ft)	Net Saleable Area (sq ft)	Percentage Sold* (%)	Completion (%)	Completion Date
<b>Harbour City Mall</b>	1,831	1,766,847	1,033,914	17	12	2H 2019
<b>Harbour City Suites</b>	648	661,498	297,706	88	12	2H 2019
<b>Harbour City Resort</b>	637	586,771	407,545	37	12	1H 2020
<b>Harbour City Luxury Hotel</b>	325	322,959	233,055	N.A.	12	1H 2020
<b>Total</b>	<b>3,441</b>	<b>3,338,075</b>	<b>1,972,220</b>	<b>34</b>		

\*As at 31 March 2017

UNDER DEVELOPMENT





# Vedro by the River



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

- Location : Kee Ann Road, along Melaka River
- Land Size : Approximately two (2) acres
- Market Value : RM65.0 million (as at 30 June 2016)
- Developer : Fuyuu Group Sdn. Bhd.

	Total Units	GFA (sq ft)	Net Saleable Area (sq ft)	Percentage Sold* (%)	Completion (%)	Completion Date
<b>Vedro by the River</b>	<b>736</b>	<b>213,547</b>	<b>95,504</b>	<b>65</b>	<b>99</b>	<b>2H 2017</b>



### 3. Business Update



# Good Sales Records

- Good sales track record for the 4 property developments under Hatten Land Limited

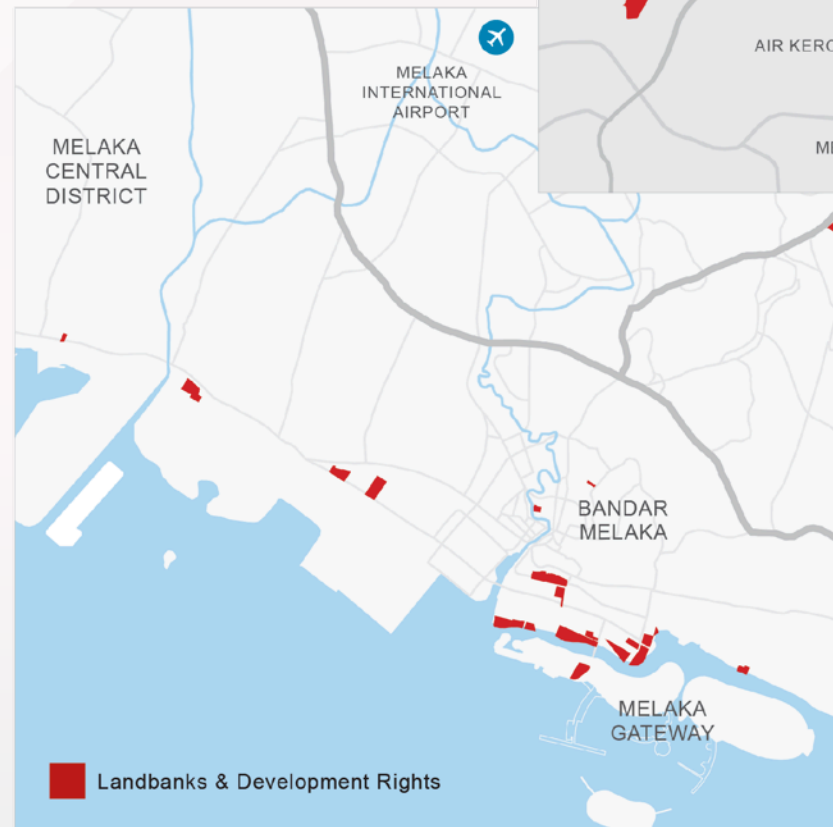
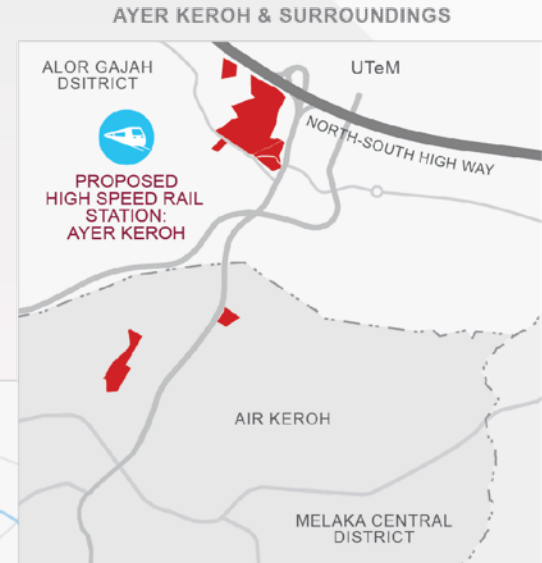
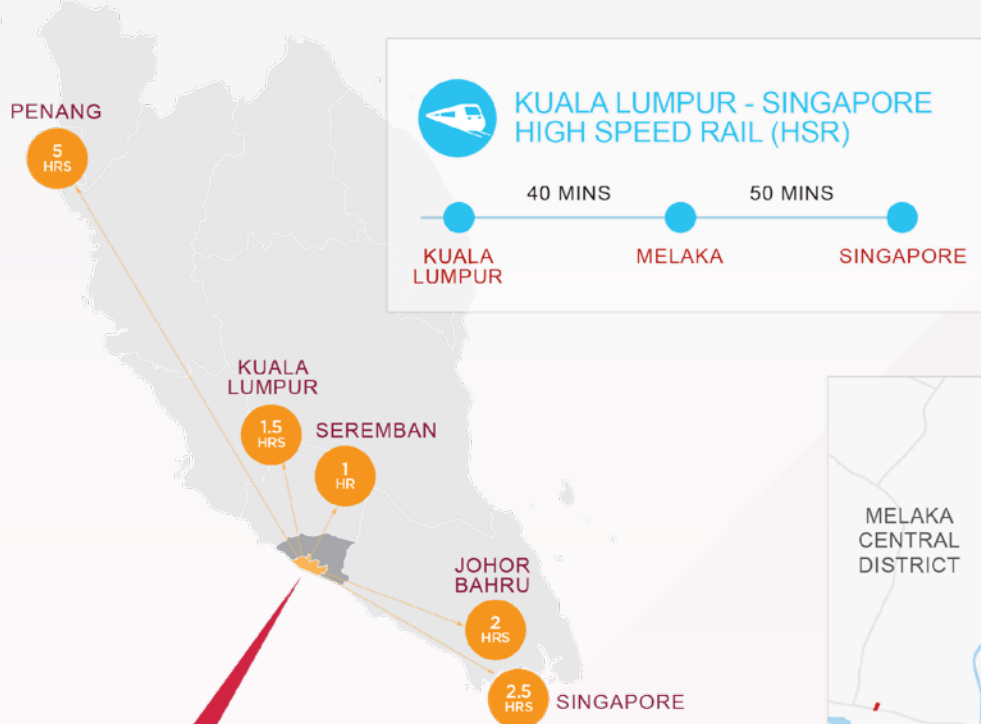
		Total Units	GFA (sq ft)	Net Saleable Area (sq ft)	NSA Sold (%) <sup>(1)</sup>	Percentage Completion (%)
<b>Hatten City Phase 1</b>	Elements Mall	1,530	1,530,238	686,682	34	100
	SilverScape Residences	745	820,188	591,638	85	100
	Hatten Suites	589	240,616	165,132	93	100
	DoubleTree by Hilton	277	283,521	N.A. <sup>(2)</sup>	N.A. <sup>(2)</sup>	
<b>Hatten City Phase 2</b>	Imperio Mall	786	622,313	285,885	60	87
	Imperio Residence	950	797,478	545,478	51	87
<b>Vedro by the River</b>	Vedro by the River	736	213,547	95,504	65	99
<b>Harbour City</b>	Harbour City Mall <sup>(3)</sup>	1831	1,766,847	1,033,914	17	12
	Harbour City Suites	648	661,498	297,706	88	12
	Harbour City Resort	637	586,771	407,545	37	12
	Harbour City Luxury Hotel	325	322,959	233,055	N.A. <sup>(4)</sup>	12
	<b>Total</b>	<b>9,054</b>	<b>7,845,976</b>	<b>4,342,539</b>		

## Notes:

- (1) As at 31 March 2017
- (2) DoubleTree by Hilton has been transferred to the Hatten Group as part of a land acquisition arrangement between the parties.
- (3) Harbour City Mall will incorporate a water theme park.
- (4) As at 31 March 2017, Harbour City Luxury Hotel has not been launched.



# 20 Land Bank & Development Rights in High Growth Cities

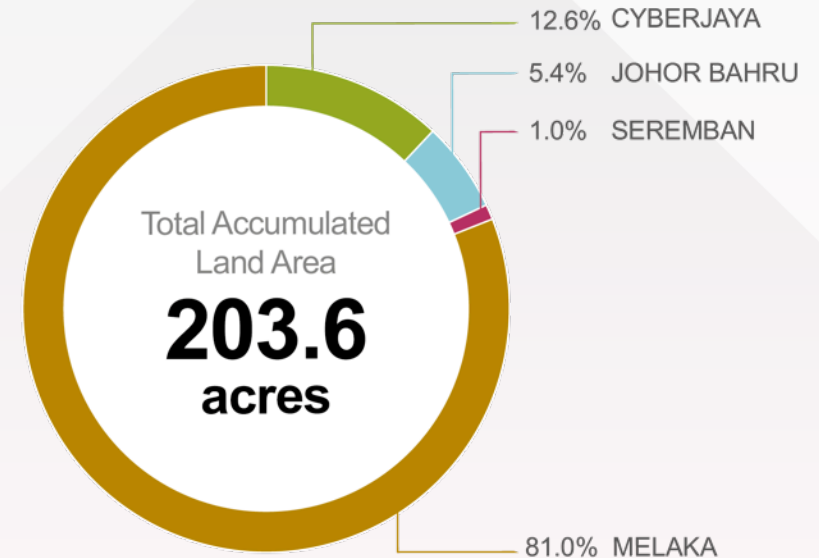


## MELAKA - HIGH GROWTH CITY

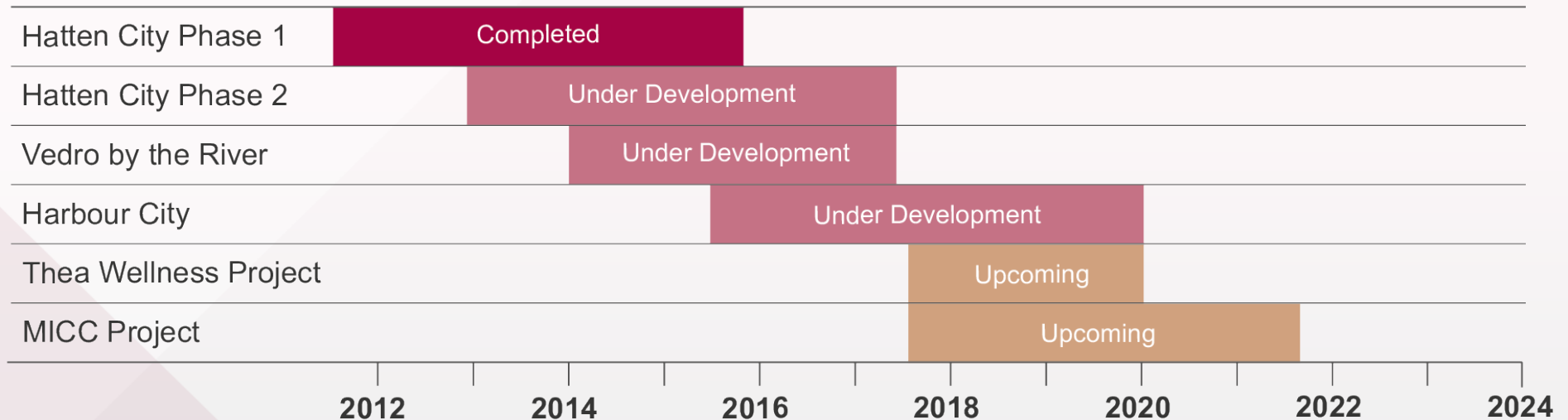
- 5.5% GDP growth for 2015 (Source: Department of Statistics Malaysia)
- Tourism receipts grew 39.5% from 2014 to 2015
- Upcoming KL-Singapore High Speed Rail, which has a stop at Ayer Keroh, Melaka
- Weekly scheduled flights to and from Guangdong, China
- Construction of the Melaka Gateway in the Straits of Melaka

# 20 Land Bank & Development Rights in High Growth Cities

- Hatten Land has access to 20 land bank and development rights in high growth cities held by the Hatten Group for future development.
- Through the right of first refusal and call options granted to the Company, Hatten Land is able to periodically review whether such land bank held by the Hatten Group would be suitable for property development.



## PROJECTS PIPELINE



# Upcoming Projects

- Hatten Land has entered into a non-binding memorandum of understanding in relation to the proposed acquisition of the following assets:

Project	Plot Ratio	Land Area	Status Of The Project
<b>Thea Wellness Project</b>	5.8	2.05 acres	Acquired on 24 March 2017
<b>MICC Project</b>	4.0	9.34 acres	Acquired on 4 May 2017
<b>Cyberjaya Project</b>	5.2 <sup>1</sup>	25.55 acres	Conditional SPA signed on 22 February 2017
<b>Movie-Town Project</b>	6.0 <sup>1</sup>	8.86 acres	Concept Planning
<b>Plot K to E Project</b>	6.0 <sup>1</sup>	66.0 acres	Concept Planning

**Note:**

(1) Hatten Groups' estimation taking into account similar developments in surrounding area, subject to development order approval.



# Thea Wellness Project



- This will be the Company's first venture into wellness.
- The **Thea Wellness Project** comprises a hotel block and serviced apartment block
- A 2.05 acre plot of land located at Taman Melaka Raya. The land is held under No. PN 14975, No. Lot 850, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Melaka, located in the heart of Melaka
- Gross development value is currently estimated to be RM300.0 million

# MICC Project



- The **MICC 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
- A 9.34 acre plot of land held under No. PN 54338, No. Lot 11006 Kawasan Bandar I, Daerah Melaka Tengah, Melaka (f.k.a. No. HS(D) 69653, No. PT 29, Kawasan Bandar I, Daerah Melaka Tengah, near the heart of Melaka.
- Gross development value is currently estimated to be RM942.0 million



# Cyberjaya Project



- This will be the Company's first venture into medical tourism
- The **Cyberjaya Project** slated to be developed across three (3) phases into an integrated mixed development that will comprise retail, commercial (offices), residential, and hospitality units and a hospital.
- A 25.55 acre plot of freehold land located at Cyberjaya ( known as H.S.(D) 36153, PT No. 50494 and H.S.(D) 36152, PT No. 50493 Mukim Dengkil, Daerah Sepang), Negeri Selangor
- Gross development value is currently estimated to be RM3.0 billion





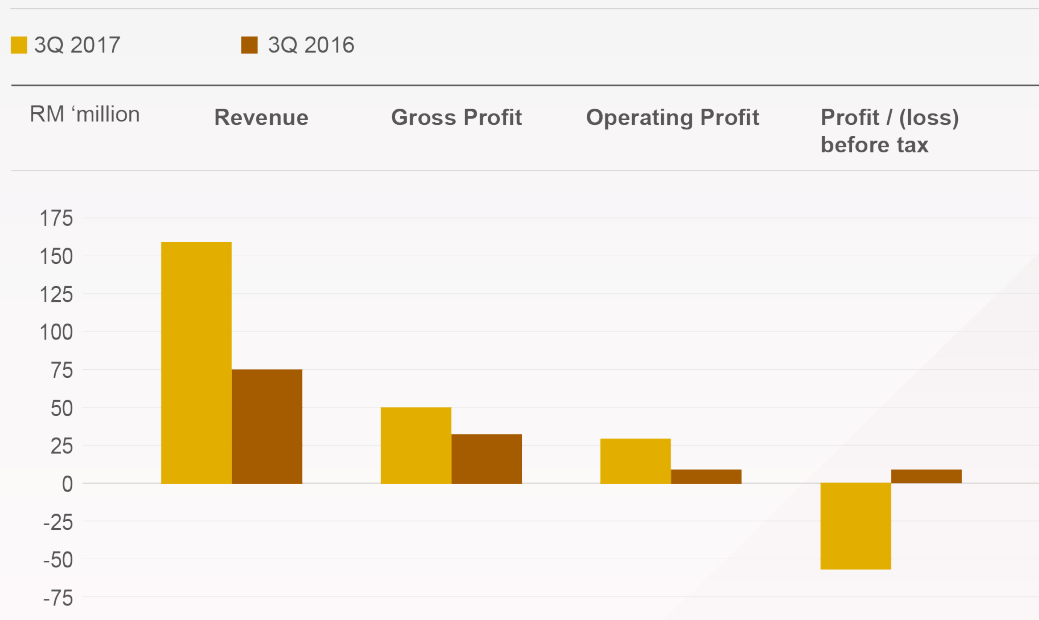
## 4. Financial Performance



# Key Financials

RM 'million	3Q 2017	3Q 2016	Change	9M 2017	9M 2016	Change
<b>Revenue</b>	164.9	74.1	122.5%	332.4	307.5	8.1%
<b>Gross Profit</b>	49.1	27.8	76.7%	107.3	115.4	-7.0%
<b>Operating Profit</b>	25.9	12.6	105.6%	56.1	69.5	-19.3%
<b>Non-Operating Expenses</b>	(87.8)	-	n/m	(87.8)	-	n/m
<b>Profit / (loss) before tax</b>	(61.8)	12.6	-590.5%	(31.7)	69.5	-145.6%
<b>Gross Profit Margin</b>	29.8%	37.5%	-20.6%	32.3%	37.5%	-14.0%
<b>Profit / (loss) Margin</b>	-37.5%	17.0%	-320.4%	-9.5%	22.6%	-142.2%

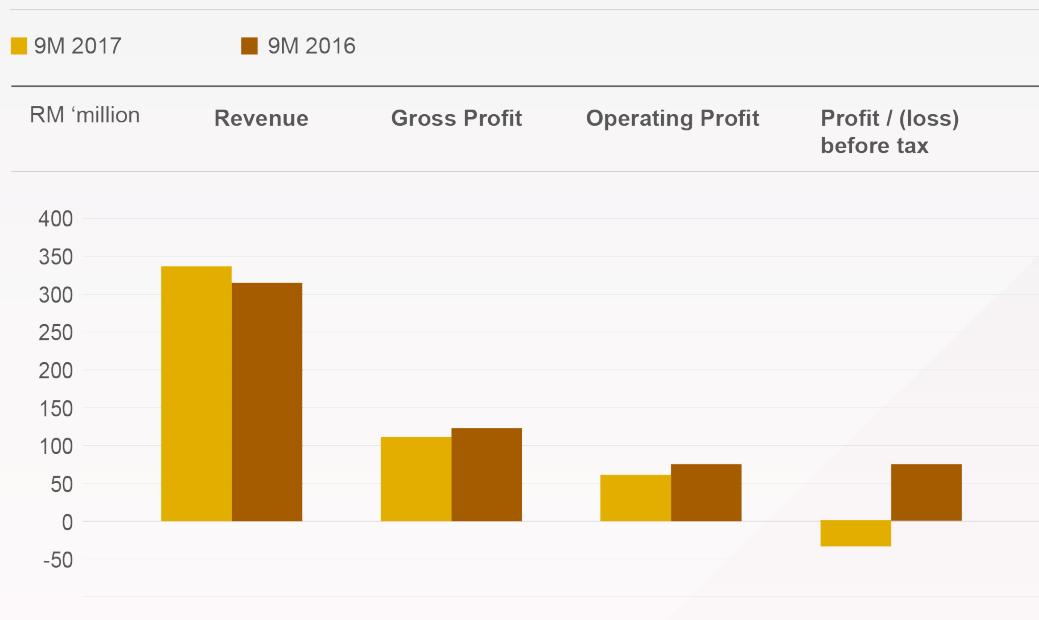
# Financial Highlights – 3Q 2017 (Jan 2017 - Mar 2017)



- The Group’s revenue increased by 122.5% to RM164.9 million in 3Q 2017, from approximately RM74.1 million in 3Q 2016.
- Operating profit increased by 105.6% to RM25.9 million in 3Q 2017, from approximately RM12.6 million in 3Q 2016.
- Non-operating expenses of approximately RM87.8 million in 3Q 2017 incurred in relation to the professional fees and acquisition costs arising from the Reverse Takeover exercise (“RTO Expenses”).
- Accordingly, net loss is impacted by the one-off non-operating RTO Expenses.



# Financial Highlights – 9M 2017 (Jul 2016 - Mar 2017)



- The Group’s revenue increased by 8.1% to RM332.4 million in 9M 2017, from approximately RM307.5 million in 9M 2016.
- Operating profit decreased by 19.3% to RM56.1 million in 9M 2017, from approximately RM69.5 million in 9M 2016.
- Non-operating expenses of approximately RM 87.8 million in 9M 2017 incurred in relation to the professional fees and acquisition costs arising from the Reverse Takeover exercise (“RTO Expenses”).
- Accordingly, net loss is impacted by the one-off non-operating RTO Expenses.

# Financial Highlights - Revenue Analysis by Projects

	FY 2016			9M 2017		
	RM 'million	(%)	Percentage of Completion (%)	RM 'million	(%)	Percentage of Completion (%)
<b>Hatten City Phase 1</b>	240.2	(58.3%)	100.0%	36.9	(11%)	100.0%
<b>Hatten City Phase 2</b>	116.1	(28.1%)	58.1%	231.4	(69.6%)	87.0%
<b>Vedro by the River</b>	42.0	(10.2%)	72.7%	30.4	(9.1%)	99.0%
<b>Harbour City</b>	14.0	(3.4%)	5.0%	33.7	(10.1%)	12.0%
<b>Overall</b>	<b>412.3</b>	<b>(100.0%)</b>		<b>332.4</b>	<b>(100.0%)</b>	

- Three development projects, namely Hatten City Phase 1, Hatten City Phase 2, and Vedro by the River contributed most to the Group's revenue for the Period under Review.
- Harbour City started contributing to the Group's revenue from FY 2015 upon launch of the project.

# Financial Highlights - Gross Profit / Gross Profit Margin by Projects

Gross Profit (RM 'million)	FY 2016	9M 2017
Hatten City Phase 1	116.5	20.5
Hatten City Phase 2	25.6	64.3
Vedro by the River	8.4	10.4
Harbour City	4.2	12.1
<b>Total</b>	<b>154.7</b>	<b>107.3</b>

- Gross profit for Hatten City Phase 1 reached RM116.5 million in FY 2016 upon the completion of the project.

Gross Profit Margin (%)	FY 2016	9M 2017
Hatten City Phase 1	48.5%	55.5%
Hatten City Phase 2	22.1%	27.8%
Vedro by the River	20.0%	34.1%
Harbour City	30.0%	36.2%
<b>Overall</b>	<b>37.5%</b>	<b>32.3%</b>

- Overall gross profit margins were approximately 37.5% and 32.3% in FY 2016 and 9M 2017 respectively.



# Financial Highlights – Analysis by Projects

■ Hatten City Phase 1 
 ■ Hatten City Phase 2 
 ■ Vedro by the River 
 ■ Harbour City

**FY 2016**

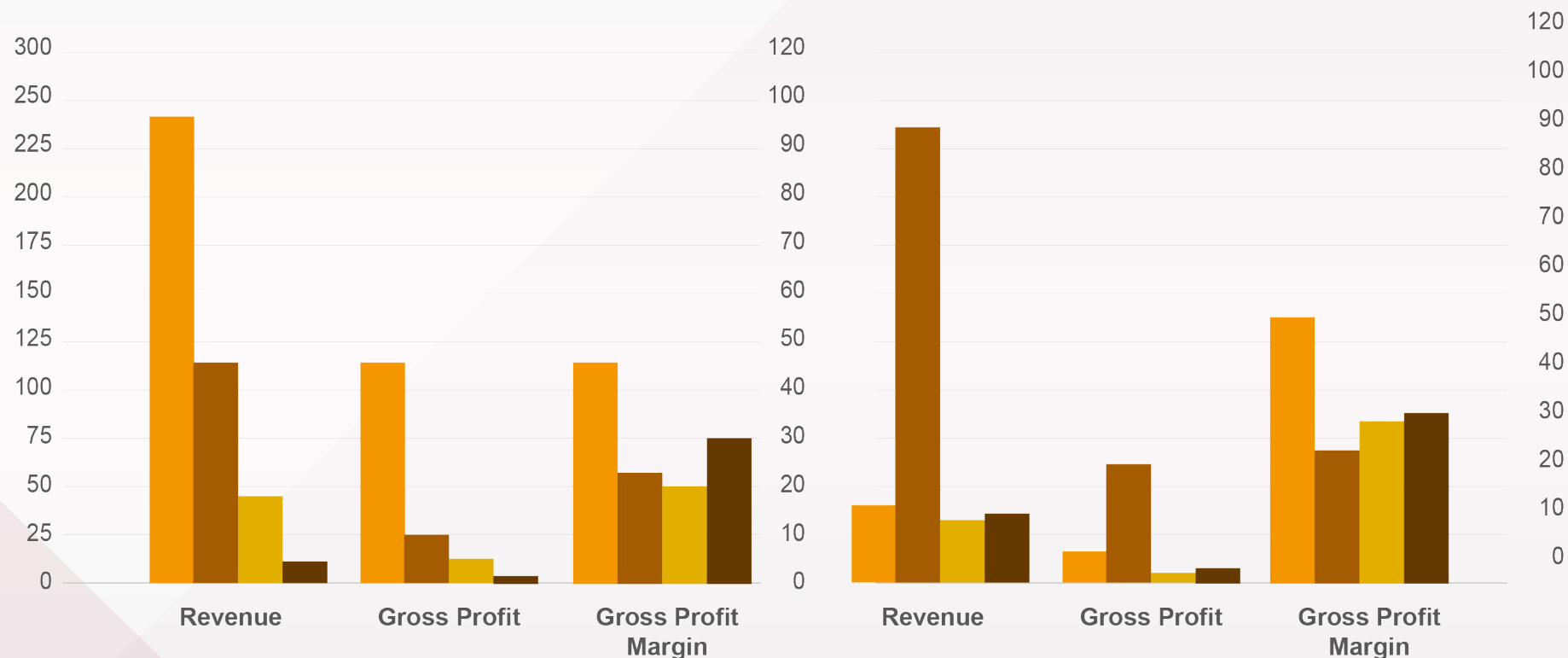
**9M 2017**

RM 'million

%

RM 'million

%



# Financial Highlights - Financial Position

RM 'million	31 Mar 2017	30 Jun 2016	Change
<b>Cash &amp; Cash Equivalents</b>	98.4	81.9	20%
<b>Current Assets</b>	1,156.0	817.9	41%
<b>Non-Current Assets</b>	150.4	115.4	30%
<b>Current Liabilities</b>	652.8	500.8	30%
<b>Non-Current Liabilities</b>	481.7	371.9	30%
<b>Net Assets</b>	171.9	60.6	184%
<b>Net Gearing Ratio<sup>1</sup> (times)</b>	1.3	2.8	-54%

**Note:**

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



## 5. Competitive Strengths





# Competitive Strengths

## ▪ Established track record and reputation

- Hatten Land has an established track record for the development of well-designed properties in Melaka and ability to develop projects which meet customers' needs.
- Hatten Land has won numerous accreditations and awards.

## ▪ Established business relationships

- The senior management of the Company has developed strong and lasting professional relationships with an extensive network of professionals such as contractors, suppliers, financiers and consultants, whose professional advice and participation are pivotal to the success of a property development project.
- With these established business relationships, our experienced project teams are able to manage the development projects effectively and produce quality developments in timely and efficient manner.
- The Company maintains close business relationships with various property agents who provide us with first-hand information on potential development sites which are available for sale, private tenders or auction and this allows Hatten Land Limited to capitalise quickly on suitable market opportunities for future growth.



# Competitive Strengths

- **Ability to develop innovative properties that meet the changing needs and desires of customers**

- The Company is one of the first few developers who is able to tailor our property developments to meet the changing needs and desires of our customers in Melaka, Malaysia, by specialising in innovative integrated developments with prominent lifestyle features, accessible locations and developed amenities.
- Staying constantly at the forefront of innovation and focusing on producing avant-garde designs, Hatten Land has established itself as a developer of world-class facilities and luxury amenities within the context of urban convenience and comfort.
- The Company's business model is flexible and adaptable so as to deliver new and innovative concepts and remain competitive and viable in the market.



**DATO' COLIN TAN**  
EXECUTIVE CHAIRMAN &  
MANAGING DIRECTOR

- **Experienced and dedicated management team**

- Our Managing Director Dato' Colin and Deputy Managing Director Dato' Edwin have considerable and extensive experience in the property development industry.
- We are also supported by a dedicated management team each of which on average has more than 10 years of experience in the industry.
- With their experience, our management team is able to source for suitable sites with potential for development, and to assess whether such sites offer good investment returns or profitable development opportunities.



**DATO' EDWIN TAN**  
EXECUTIVE DIRECTOR &  
DEPUTY MANAGING DIRECTOR

# Competitive Strengths

- **Hatten Group expertise and established business relationships**

- The Company can tap into the strengths of the Hatten Group and its comprehensive and vertically integrated business.
- This allow us to incorporate various elements of the development process, ranging from design to management to hospitality services, into our planning process resulting in a consistent product that highlights the Hatten Group's high standards of excellence.
- Access to extensive land bank and development rights held by the Hatten Group for future development.

## Property Development

Hatten Land



## Property Investment

Investment properties including Dataran Pahlawan Melaka Megamall, Terminal Pahlawan, Hatten Square Suites & Shoppes and land banks



## Hospitality

Hotel management services for hotels owned by Hatten Group



## Retail

Fashion and food & beverages outlets such as Teddie Bear Café, Pastry Emporium and sub-franchise of Johnny Rockets



## Education

Eton House International, an international pre-school education campus







## 6. Business Strategies & Future Plans



# Business Strategies & Future Plans

- **Expansion into the region**
  - Leverage on our established business base in Melaka to explore opportunities to expand into overseas markets such as in various South East Asian markets.
  - Beneficial for the long-term growth of Hatten Land Limited to collaborate with land owners and other developers for prominent developments.
- **Continued focus on developing integrated mixed development projects**
  - Continue our focus on developing integrated mixed use development projects with prominent lifestyle features at accessible locations and developed amenities.



# Business Strategies & Future Plans

- **Explore opportunities to expand through mergers and acquisitions, joint ventures and/or strategic alliances**
  - Expand our business through mergers and acquisitions, joint ventures and/or strategic alliances with parties that create synergistic values with our current business.
  - We have successfully completed the acquisition of the Thea Wellness Project and the MICC Project from the Hatten Group. We have access to extensive land bank and development rights held by the Hatten Group for future development.
  
- **Attract, retain, motivate and develop a talented and result-oriented cadre of professionals**
  - We recognize the importance of attracting, retaining, motivating and developing a talented and result-oriented cadre of professionals to manage the growth and expansion of our Group.
  - Invest in our employees through a long-term human resources development plan which offers long-term talent development and performance-linked incentive schemes.
  - We believe that our human resource policies will attract, retain, motivate and develop our employees and provide us with an appropriate depth of talents to address and manage challenges arising from the growth and expansion of our Group.





## 7. Growth Prospects





# Growth Prospects

## Consistent economic growth

- Malaysian economy grew by 5% in 2015 and from 2011 to 2015 (with the exception of 2013), the Malaysian GDP consistently recorded at least 5% growth rate.
- The Melaka GDP growth for 2015 was reported to be 5.5%.

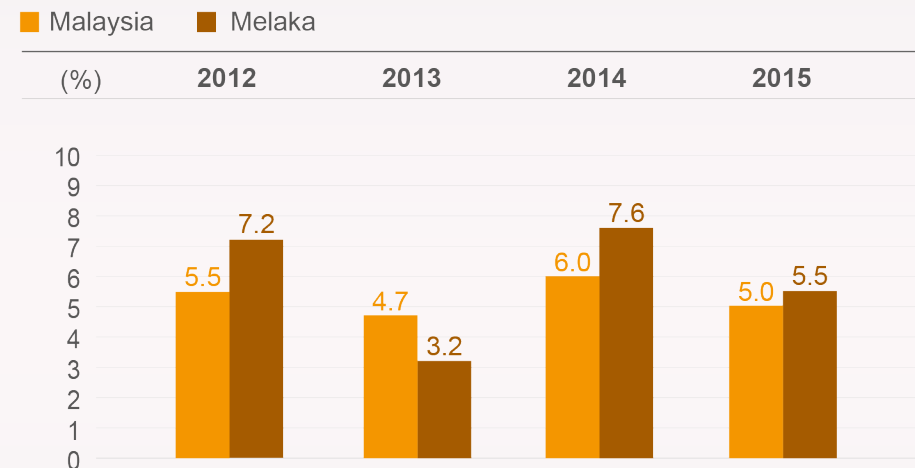
## Growing interest in the Melaka residential property market

- Positive outlook for the Melaka residential market.
- With the recognition of Melaka as a UNESCO World Heritage Site in 2008, there is growing interest from foreign and local investors in the residential property market.
- The serviced apartment section in Melaka is also becoming active. With increasing median household income levels, Melaka home buyers are looking to purchase better quality homes. Coupled with the upcoming KL-Singapore High Speed Rail (which has a stop at Ayer Keroh, Melaka), the serviced apartment sector is unlikely to face an oversupply situation in the short-to-medium term, resulting in an upward price trend.

## Unbilled Revenue to be Recognised

- 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.

## GDP Growth



Source : Department Of Statistics Malaysia

**Thank You**

