

HATTEN LAND LIMITED

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

THE ACQUISITION OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF PROLIFIC REVENUE SDN. BHD. AS 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: (i) the Company’s circular to shareholders dated 29 December 2016 (the “**Circular**”); (ii) the Company’s previous announcement dated 10 February 2017 in relation to the Company’s entry into a non-binding memorandum of understanding in respect of the proposed acquisition of certain assets (the “**Previous Announcement**”); and (iii) the offer information statement issued by the Company dated 17 February 2017 (the “**Offer Information Statement**”).

Further to the Previous Announcement, the Board is pleased to announce that Sky Win Management Consultancy Pte. Ltd, (“**Sky Win**”) a wholly owned subsidiary of the Company has on 2 May 2017 entered into a conditional sale and purchase agreement (the “**PRSB SPA**”) with Tan June Teng Colin @ Chen JunTing and Tan Ping Huang Edwin @ Chen BingHuang (the “**Vendors**”) for the entire issued and paid up share capital (the “**PRSB Sale Shares**”) of Prolific Revenue Sdn. Bhd. (Company No. 1041309-K) (“**PRSB**”) (the “**PRSB Acquisition**”);

The consideration for the PRSB Acquisition is RM 438,509.90 (the “**PRSB Consideration**”) and is equivalent to the net asset value of PRSB based on its latest unaudited management accounts as at 31 March 2017.

2. INFORMATION ON PRSB

The Vendors are entitled to the entire issued and paid up share-capital of PRSB. The principal business of PRSB is property development. PRSB owns a 9.34 acres leasehold land for a period of 99 years, expiring on 15 February 2110. The land is 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, Melaka and 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 (“**MICC Project**”)

3. RATIONALE FOR THE PRSB ACQUISITION

The Group’s current property development portfolio is as follows:

- a) Hatten City Phase 1;
- b) Hatten City Phase 2;
- c) Vedro by the River;
- d) Thea Wellness; and
- e) Harbour City.

Save for Harbour City, which is scheduled to be completed by the first half of 2020, and save for Thea Wellness, the other property development projects, namely Hatten City Phase 1, Hatten City Phase 2 and Vedro by the River have already been completed or are scheduled to be completed by the end of 2017. There is therefore a need to increase the development portfolio to ensure continual growth of the Group. The Company believes that the PRSB Acquisition will have a positive impact to the Group and will be in line with its long-term growth strategy. The PRSB Acquisition will be value accretive and is in the best interest of all Shareholders in driving the next phase of growth of the Group.

The Company estimates that the Gross Development Value of the MICC Project will be approximately RM 942 million.

4. SALIENT TERMS OF THE PROPOSED PRSB ACQUISITION

4.1 PRSB Sale Shares

The PRSB Sale Shares will be acquired by Sky Win free from all encumbrances, mortgages, charges, lien or other security interests.

4.2 PRSB Consideration

The PRSB Consideration for the PRSB Acquisition of RM 438,509.90 was determined based on the net asset value of PRSB taken from its latest unaudited management accounts as at 31 March 2017. The PRSB Consideration may be adjusted after the PRSB Due Diligence Investigations (as defined below) and according to the net asset value of PRSB as at the PRSB Completion (as defined below). The PRSB Consideration will be satisfied by issuance of a cheque or cashier's order for a sum equivalent to the PRSB Consideration to the Vendors or their nominees. The Company intends to utilise part of the net proceeds from the placement undertaken by the Company as detailed in the Offer Information Statement to acquire PRSB.

4.3 PRSB Conditions Precedent

Completion of the PRSB Acquisition ("**PRSB Completion**") is conditional upon certain conditions customary for transactions of this nature (the "**PRSB Conditions Precedent**") being fulfilled on or before the date of the PRSB Completion (the "**PRSB Completion Date**"), including without limitation the following:

- (a) the completion of the due diligence investigations to be carried out by Sky Win and/or its appointed advisers on PRSB (the "**PRSB Due Diligence Investigations**") and the results of such due diligence being satisfactory in the reasonable opinion of Sky Win;
- (b) the Vendors obtaining 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 the PRSB SPA, and such consents, approvals and authorisation has not been amended or revoked prior to the PRSB Completion Date, and if subject to conditions, on such conditions acceptable to Sky Win and the Vendors; and
- (c) where necessary, the Company obtaining approval from the SGX-ST, its continuing sponsor, and its Shareholders.

4.4 PRSB Long Stop Date

If any of the PRSB Conditions Precedent is not fulfilled or waived by the relevant party within five (5) months from the date of the PRSB SPA, the PRSB SPA shall cease and determine and (save as provided in the PRSB SPA, or for any antecedent breach of the PRSB SPA), none of the parties shall have any claim against the other party for costs, damages, compensation or anything whatsoever.

5. RELATIVE FIGURES OF THE PRSB ACQUISITION UNDER RULE 1006 OF THE CATALIST RULES

5.1 Relative Figures of the PRSB Acquisition

Catalist Rule 1006	Bases of Calculation	Relative Figures (%)

(a)	Net asset value of the assets to be disposed of, compared with the Sky Win Group's net asset value	Not Applicable
(b)	Net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Sky Win Group's net profits	Not Meaningful ⁽²⁾
(c)	Aggregate value of consideration given, compared with the Company's market capitalization ⁽³⁾ as at 28 April 2017, being the last market day on which the Company's shares were traded on the SGX-ST	0.04%
(d)	The number of equity securities issued by the Company, compared with the number of equity securities previously in issue	Not Applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Sky Win Group's proved and probable reserves	Not Applicable

Notes:

- (1) Under Rule 1002(3) of the Catalist Rules, "net profits" is defined as profit (or loss) before income tax, minority interests and extraordinary items.
- (2) The relative figure computed is a negative figure of -0.378% based on the net loss of PRSB for the financial period ended 30 June 2016 of RM364,473 and the net profit of the Sky Win Group for the financial year ended 30 June 2016 of RM96,441,598.
- (3) Under Rule 1002(5) of the Catalist Rules, "market capitalisation" is determined by multiplying the number of shares in issue by the weighted average price of such shares transacted on the market day preceding the date of the PRSB SPA. Accordingly, the market capitalisation of the Company is based on 1,375,080,353 shares in issue and the weighted average price of S\$0.25 of the shares transacted on 28 April 2017, being the last market day on which the shares were traded prior to the date of the PRSB SPA. The market capitalisation of the Company for the purposes of the PRSB Acquisition is approximately S\$343.7 million (*Source: Bloomberg L.P.*)

As none of the relative figures in paragraph 5.1 above exceed 5%, the PRSB Acquisition is not a "discloseable transaction" under Rule 1010 of the Catalist Rules.

6. THE PRSB ACQUISITION AS AN INTERESTED PERSON TRANSACTION

The Vendors are Directors and controlling shareholders of the Company with an aggregate deemed interest of 82.79%. In view of the above, the Vendors are "interested persons" for the purposes of Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), and accordingly the PRSB Acquisition constitutes an "Interested Person Transaction" under Chapter 9 of the Catalist Rules.

The value at risk of the PRSB Acquisition is the PRSB Consideration, being RM 438,509.90. In addition, the Vendors have provided Sky Win with indemnities (the "**Indemnities**") to, *inter alia*, guarantee the performance of obligations and the accuracy of warranties under the PRSB SPA in connection with the PRSB Acquisition. However, as the Indemnities are given for the benefit of Sky Win, there is no amount at risk to Sky Win in relation to the Indemnities.

The latest audited net tangible assets of Sky Win and its subsidiaries (“**Sky Win Group**”) is RM 60.6 million based on the latest audited combined financial statements of the Group for the financial year ended 30 June 2016. The value of the Proposed Acquisition represents 0.72% of the Group’s latest audited net tangible assets.

As at the date of this announcement, there are two (2) other transactions with the Vendors ending 30 June 2017 (excluding the PRSB Acquisition and any other interested person transactions previously approved by the Shareholders). The two (2) other transactions are as follows:

- a) The sale and purchase agreement between the Vendors and Sky Win dated 22 February 2017 for the acquisition of the entire issued and paid up share capital of Prolific Properties Sdn Bhd (“**The PPSB Acquisition**”). The PPSB Acquisition was completed on 24 March 2017 with the consideration for the PPSB Acquisition being RM 773,949.00, being the net asset value of Prolific Properties Sdn Bhd as at 24 March 2017; and
- b) The sale and purchase agreement between the Vendors and Sky Win dated 22 February 2017 for the acquisition of the entire issued and paid up share capital of Admiral Merger Sdn Bhd (“**The AMSB Acquisition**”). The AMSB Acquisition has yet to be completed. The consideration for the AMSB Acquisition is RM 76,373.00 and may be adjusted according to the net asset value of Admiral Merger Sdn Bhd as at the date of the completion of the AMSB Acquisition.

The value of the PRSB Acquisition, when aggregated with the other transactions entered into with the same interested persons during the same financial year, represents 2.13% of the Group’s latest audited revalued net asset value. Accordingly, the Company is not required to seek approval from its shareholders (“**Shareholders**”) for the PRSB Acquisition under Rule 906 of the Catalist Rules.

As at the date of this announcement, there are certain inter-company loans given by the associates of the Vendors to PRSB (the “**Inter-Co Loans**”). However, as there is no interest payable on the Inter-Co Loans, there is no amount at risk to the Company

7. FURTHER INFORMATION

The Company will make the necessary follow-up announcements as and when required and/or as and when material developments arise in respect of the PRSB Acquisition.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the PRSB SPA 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 a period of three (3) months from the date of this announcement.

9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The Vendors have abstained from making any recommendations to the Board in relation to the PRSB Acquisition.

Other than through their respective shareholdings in the Company and save as disclosed above, none of the other Directors and/or substantial Shareholders has any interest, whether direct or indirect, in the PRSB Acquisition.

10. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the PRSB Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. TRADING CAUTION

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

The Company will make the necessary announcements when there are further developments on the PRSB Acquisition. 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
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
02 May 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's continuing sponsor ("**Sponsor**"), UOB Kay Hian Private Limited, for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently 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.

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