

SGX-listed Hatten Land acquires two land parcels in Melaka for RM108.6 million

Surin Murugiah / theedgemarkets.com

November 17, 2017 07:44 am +08



KUALA LUMPUR (Nov 17): Singapore Stock Exchange –listed Hatten Land Limited (Hatten) is acquiring two parcels of land in Melaka for a combined RM108.6 million to be developed into separate integrated projects, enlarging its property portfolio to seven mixed-use developments and one retail mall.

In a statement yesterday, Hatten said the 6.1-acre freehold land and 6.7-acre leasehold land of 99 years (expiring May 5, 2108) are located in Klebang, a coastal town in Melaka, along the Melaka Straits on the west coast of peninsular Malaysia.

It said that demand for mixed developments in the area will be robust, underpinned by new township developments and riding on the momentum of China's Belt and Road Initiative.

Hatten said it will acquire an 85%-stake in Rico Development Sdn. Bhd. – which owns the 6.1-acre land parcel – for RM46.75 million, and a 75%-stake in Rico Ventures Sdn. Bhd. – which owns the 6.7-acre land parcel – for RM61.88 million.

It said the remaining stakes in both companies are owned by Datuk Edwin Tan, Hatten Land's Deputy Managing Director, who is a passive investor in both entities.

Hatten said the RM108.6 million combined consideration will be satisfied in full by the issue of 140.16 million new shares of the company at the issue price of S\$0.25, representing a 28.1% premium above Hatten's volume weighted average price of S\$0.1952 on Nov 15.

On a pro forma basis and based on the audited accounts as at 30 June 2017, Hatten Land would record an increase in its net tangible assets per share to 22.13 sens from 16.50 sens, upon completion of the acquisitions.

Hatten executive chairman and managing director Datuk Colin Tan said in a span of nine months since its public listing, the company has expanded its development portfolio through value-accretive acquisitions of projects with attractive value propositions to customers.

"We will continue to explore other opportunities including options to generate recurring revenue.

"Leveraging on our exclusive access to extensive land bank through the Hatten Group conglomerate, we are able to organise our project development plans taking into account market conditions and growth potential, among other factors," he said.

In July 2017, Hatten marked its entry into the multi-billion dollar global wellness-tourism market through Satori – Melaka's first wellness hub comprising 192 serviced suites, a hotel block and a retail mall with an estimated gross development value of RM300 million.

The group has sold 67.5%, or 104 out of 154 launched units, for the first phase of Satori, lifting its unrecognised revenue to RM760 million as at Sept 30, 2017.