

## CIRCULAR DATED 29 OCTOBER 2020

### **THIS CIRCULAR TO SHAREHOLDERS (“CIRCULAR”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Hatten Land Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”). If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or any other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company (the “**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with CDP, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying proxy form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Lance Tan, Senior Vice President (Tel (65) 6590 6881), at 8 Anthony Road, #01-01, Singapore 229957.

The legal advisers appointed by the Company for the purpose of the corporate action set out in this Circular is Dentons Rodyk & Davidson LLP.



## **CIRCULAR TO SHAREHOLDERS**

in relation to

- (1) THE PROPOSED DIVESTMENT OF, AND MATERIAL DILUTION OF EFFECTIVE EQUITY INTERESTS IN, GOLD MART SDN BHD (“GOLD MART”), RESULTING IN GOLD MART CEASING TO BE A SUBSIDIARY OR ASSOCIATED COMPANY OF THE COMPANY; AND**
- (2) THE PROPOSED SALE AND ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS IN RELATION TO THE PROJECT “HARBOUR CITY” HELD BY HATTEN MS PTE LTD (“HATTEN MS”)**

### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 10 November 2020 at 10.00 a.m.

Date and time of Extraordinary General Meeting : 13 November 2020 at 10.00 a.m.

Place of Extraordinary General Meeting : The EGM will be held by way of electronic means

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

<b>“Agreement”</b>	:	Has the meaning ascribed to it in Section 1.1 of this Circular
<b>“Announcement”</b>	:	The Company’s SGXNET announcement on 11 August 2020 in relation to the Proposed Transaction
<b>“Board of Directors” or “Board”</b>	:	The board of directors of the Company, from time to time
<b>“Business Day”</b>	:	A day (excluding Saturdays, Sundays and public holidays in Singapore and Malaysia) on which banks generally are open in Singapore and Malaysia for the transaction of normal banking business
<b>“Catalist”</b>	:	The sponsor-supervised listing platform of the SGX-ST
<b>“Catalist Rules”</b>	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 29 October 2020
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	Hatten Land Limited
<b>“Completion Date”</b>	:	Has the meaning ascribed to it in Section 3.2 of this Circular
<b>“Conditions Precedent”</b>	:	Has the meaning ascribed to it in Section 3.3 of this Circular
<b>“Consideration”</b>	:	The total consideration of the Proposed Transaction, comprising the consideration for the Proposed Assignment and the Proposed Investment
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“CPF”</b>	:	Central Provident Fund
<b>“Deed of Assignment”</b>	:	The deed of assignment to be entered into between Hatten MS and Tayrona Capital on the Completion Date in the agreed form, pursuant to the terms of the Agreement
<b>“Director” or “Directors”</b>	:	A director or directors of the Company
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 13 November 2020, at 10.00 a.m, notice of which is set out on pages N-1 to N-3 of this Circular
<b>“FY”</b>	:	The financial year commenced or, as the case may be, commencing, on 1 July and ended, or as the case may be, ending 30 June

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## DEFINITIONS

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<b>“Gold Mart”</b>	:	Gold Mart Sdn Bhd
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Hatten MS”</b>	:	Hatten MS Pte. Ltd. (formerly known as Sky Win Management Consultancy Pte. Ltd.)
<b>“Independent Valuer”</b>	:	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
<b>“Intellectual Property”</b>	:	Has the meaning ascribed to it in Section 2.2 of this Circular
<b>“Intellectual Property Rights”</b>	:	Has the meaning ascribed to it in Section 1.2(a) of this Circular
<b>“Investment Amount”</b>	:	Has the meaning ascribed to it in Section 1.2(b) of this Circular
<b>“Land Bank”</b>	:	Has the meaning ascribed to it in Section 3.5(c) of this Circular
<b>“Latest Practicable Date”</b>	:	27 October 2020, being the latest practicable date prior to the issuance of this Circular
<b>“LPS”</b>	:	Loss per Share
<b>“Market Valuation”</b>	:	Has the meaning ascribed to it in Section 4 of this Circular
<b>“NAV”</b>	:	Net asset value
<b>“Net Proceeds”</b>	:	Has the meaning ascribed to it in Section 6 of this Circular
<b>“New Shares”</b>	:	Has the meaning ascribed to it in Section 1.2(b) of this Circular
<b>“Notice of EGM”</b>	:	The notice of the EGM as set out on pages N-1 to N-3 of this Circular
<b>“NTA”</b>	:	Net tangible assets
<b>“Ordinary Resolution”</b>	:	The ordinary resolution to be passed by Shareholders at the EGM as set out in the Notice of EGM
<b>“Project”</b>	:	Has the meaning ascribed to it in Section 1.2(a) of this Circular
<b>“Property Valuation Report”</b>	:	The valuation report issued by the Property Valuer dated 26 October 2020
<b>“Property Valuer”</b>	:	Laurelcap Sdn. Bhd.
<b>“Proposed Assignment”</b>	:	Has the meaning ascribed to it in Section 1.2(a) of this Circular
<b>“Proposed Investment”</b>	:	Has the meaning ascribed to it in Section 1.2(b) of this Circular
<b>“Proposed Transaction”</b>	:	The Proposed Assignment and the Proposed Investment
<b>“Proxy Form”</b>	:	The proxy form in respect of the EGM as attached to this Circular
<b>“Register of Members”</b>	:	The register of members of the Company
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP

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## DEFINITIONS

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“ <b>Securities and Futures Act</b> ”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“ <b>SGX-ST</b> ”	:	Singapore Exchange Securities Trading Limited
“ <b>SGXNET</b> ”	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of information and announcements by listed companies
“ <b>Shareholders</b> ”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “ <b>Shareholders</b> ” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“ <b>Shares</b> ”	:	Ordinary shares in the capital of the Company
“ <b>S\$</b> ” and “ <b>Cents</b> ”	:	Singapore dollars and cents, respectively
“ <b>Tayrona-WEH Transaction</b> ”	:	Has the meaning ascribed to it in Section 1.4 of this Circular
“ <b>Tayrona Capital</b> ”	:	Tayrona Capital Pte. Ltd.
“ <b>Tayrona Group</b> ”	:	Has the meaning ascribed to it in Section 2.3 of this Circular
“ <b>Valuation Certificate</b> ”	:	The valuation certificate issued by the Property Valuer dated 26 October 2020
“ <b>Valuation Report</b> ”	:	The valuation report issued by the Independent Valuer dated 26 October 2020
“ <b>WEH</b> ”	:	Wealth Express Holdings Group Limited
“ <b>%</b> ” or “ <b>per cent</b> ”	:	Percentage or per centum

In this Circular:

- (a) The terms “**Depositor**”, “**Depository Register**”, and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act. The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.
- (b) Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- (c) References to persons shall include corporations.
- (d) Unless otherwise provided, references to Sections and Appendices are to sections and appendices of this Circular.
- (e) The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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## DEFINITIONS

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- (f) Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Securities and Futures Act, Catalist Rules, or any statutory modification thereof and used in this Circular shall, unless otherwise defined in this Circular, have the same meaning assigned to it under the Companies Act, Securities and Futures Act, Catalist Rules, or any statutory modification thereof, as the case may be, unless otherwise provided.
- (g) Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.
- (h) Any reference to a time of a day or date in this Circular shall be a reference to Singapore time and dates unless otherwise stated.
- (i) Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### HATTEN LAND LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 199301388D)

#### Board of Directors:

Dato' Tan June Teng Colin @ Chen JunTing (*Executive Chairman and Managing Director*)  
Dato' Tan Ping Huang Edwin @ Chen BingHuang (*Executive Director and Deputy Managing Director*)  
Dato' Wong King Kheng (*Lead Independent Director*)  
Mr. Loh Weng Whye (*Independent Director*)  
Mr. Foo Jong Han Rey (*Independent Director*)

#### Registered Office:

53 Mohamed Sultan Road  
#04-02  
Singapore 238993

29 October 2020

To: **The Shareholders of Hatten Land Limited**

Dear Sir / Madam

- (1) **THE PROPOSED DIVESTMENT OF, AND MATERIAL DILUTION OF EFFECTIVE EQUITY INTERESTS IN, GOLD MART, RESULTING IN GOLD MART CEASING TO BE A SUBSIDIARY OR ASSOCIATED COMPANY OF THE COMPANY; AND**
- (2) **THE PROPOSED SALE AND ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS IN RELATION TO THE PROJECT "HARBOUR CITY" HELD BY HATTEN MS**

#### 1. INTRODUCTION

- 1.1. As announced by the Company on 11 August 2020 in the Announcement, the Company's wholly-owned subsidiary, Hatten MS, and Gold Mart (Hatten MS's wholly-owned subsidiary) have entered into an agreement dated 11 August 2020 (the "**Agreement**") with Tayrona Capital and WEH.
- 1.2. The Proposed Transaction comprises:
  - (a) the sale of all of Hatten MS's rights and interest in the project "**Harbour City**" on the land located at Kawasan Bandar XLIII, District of Melaka Tengah, State of Melaka, Malaysia (the "**Project**") via assignment and transfer of all of Hatten MS's rights, control and interest in and to the intellectual property and intellectual property rights in relation to the Project (the "**Intellectual Property Rights**") by Hatten MS to Tayrona Capital for a consideration of US\$60 million (for illustration purposes, equivalent to approximately RM249.9 million based on an exchange rate of RM4.1658:US\$1.00 as at the Latest Practicable Date) (the "**Proposed Assignment**"); and
  - (b) the subscription by Tayrona Capital for 99,000,000 new ordinary shares of Gold Mart (the "**New Shares**") to be issued at RM1.00 per share for a consideration of RM99,000,000 (the "**Investment Amount**") (equivalent to US\$23.0 million according to the Agreement (the "**Proposed Investment**").
- 1.3. The total consideration of the Proposed Transaction shall comprise the consideration for the Proposed Assignment and the Proposed Investment, in aggregate amounting to approximately US\$83.0 million (approximately RM345.8 million based on an exchange rate of RM4.1658:US\$1) (the "**Consideration**").

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## LETTER TO SHAREHOLDERS

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- 1.4. The Agreement also provides that Tayrona Capital will pay US\$240 million to WEH for works and services to be provided by WEH to Tayrona Capital (the “**Tayrona-WEH Transaction**”) including, among other things, the completion of the development of the Project and marketing and management of the Project. Hatten MS has agreed to provide certain support services to WEH in relation thereto, including, amongst other things, assisting with the application to change the name of the Project to “**Tayrona City**” and with applications of purchasers of units in the Project under the “Malaysia-My-Second-Home” program.
- 1.5. Following the Proposed Investment, the equity interest of Hatten MS in Gold Mart will be diluted from 100% to 1%, and Tayrona Capital will hold a 99% equity interest in Gold Mart. Accordingly, upon completion of the Proposed Investment, Gold Mart will cease to be a subsidiary or associated company of the Group. The Proposed Investment is considered a disposal of Hatten MS’s interest in Gold Mart pursuant to Chapter 10 of the Catalist Rules.
- 1.6. As the relative figures in respect of the Proposed Transaction computed on the bases set out in Rule 1006 of the Catalist Rules exceed 50%, the Proposed Transaction constitutes a “major transaction” under Chapter 10 of the Catalist Rules. Accordingly, the Proposed Transaction is conditional upon, *inter alia*, approval of the Shareholders being obtained. Please refer to Section 7 of this Circular for further details.
- 1.7. The purpose of this Circular is to provide the Shareholders with relevant information pertaining to the Proposed Transaction, which will be tabled at the EGM to be held on 13 November 2020 at 10.00 a.m.. The Notice of EGM is set out on pages N-1 to N-3 of this Circular.
- 1.8. The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

## 2. INFORMATION RELATING TO THE PROPOSED TRANSACTION

### 2.1. Information on Gold Mart

Gold Mart, a Malaysia-incorporated private company limited by shares, is a wholly-owned subsidiary of Hatten MS, which is in turn a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, Gold Mart has a registered and paid-up capital of RM1,000,000 comprising 1,000,000 ordinary shares.

Gold Mart is engaged in the business of property development in Malaysia. The only property development project for Gold Mart currently is the Project. The Project, located in Melaka Malaysia, is an integrated development which comprises a retail mall, luxury hotel and an outdoor-indoor theme park. The stage of completion of the Project is estimated at approximately 76%.

As at the Latest Practicable Date, the construction of the Project is halted due to a legal dispute with the main-contractor of the Project as announced by the Company on 14 May 2020 and Gold Mart is currently awaiting instructions from the Asian International Arbitration Centre on the appointment of an adjudicator.

Based on Gold Mart’s audited financial statement for the financial year ended 30 June 2020, it reported a net asset value of RM176.5 million and profit after tax of RM6.6 million.

On completion of the Proposed Investment, Gold Mart will cease to be a subsidiary or associated company of the Group.

### 2.2. Information on the Intellectual Property held by Hatten MS

In connection with the Project, Hatten MS has developed and owns various intellectual property including project designs and concepts, domain name, internet site and marketing materials (the “**Intellectual Property**”). The Intellectual Property and the Intellectual Property Rights will be assigned to Tayrona Capital pursuant to the Proposed Assignment. As the Intellectual Property is utilised within the Group, it is not accounted for in the financial statements of the Company, Hatten MS or Gold Mart.



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## LETTER TO SHAREHOLDERS

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### 2.3. Information on Tayrona Capital

*The information presented herein relating to information on Tayrona Capital is based on information provided by Tayrona Capital. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.*

Tayrona Capital is a private company limited by shares incorporated under the laws of the Republic of Singapore on 16 September 2016 with an issued and paid up capital of S\$2 million as at the Latest Practicable Date. Its principal business activity is investment holding. Tayrona Capital's shareholders are (i) Jaime Alfonso Ordonez Arturo with a stake of 85%, and (ii) Adhara Pte. Ltd. with a stake of 15%. Tayrona Capital's directors are Jaime Alfonso Ordonez Arturo and De Vera Arjane.

Tayrona Capital is part of the Tayrona group of companies ("**Tayrona Group**"). Tayrona Group is in the business of hospitality and investment. Tayrona Capital is interested to acquire and complete the Project as an addition to its Sagana Hotels & Resorts network of 32 hotels and/or resorts worldwide and Ultra Luxury Integrated Destinations Collection which currently has operations and developments in 22 countries.

Tayrona Capital and its directors, substantial shareholders and their associates are not related to any of the Directors and the controlling Shareholders or any of their respective associates. As at the Latest Practicable Date, Tayrona Capital does not own any Shares.

### 2.4. Information on WEH

*The information presented herein relating to information on WEH is based on information provided by WEH. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.*

WEH is a private company limited by shares incorporated under the laws of the British Virgin Islands on 24 September 2018. Its principal business activity is investment holding. WEH's sole shareholder and sole director is William Chan.

WEH and its director, shareholder and their associates are not related to any of the Directors and the controlling Shareholders or any of the respective associates of the Directors and the controlling Shareholders. As at the Latest Practicable Date, WEH does not own any Shares.

## 3. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

As the Proposed Transaction constitutes a "major transaction" as defined under Chapter 10 of the Catalist Rules, the Proposed Transaction is conditional upon the approval of Shareholders. Accordingly, the Company will be seeking the approval of the Shareholders for the Proposed Transaction at an EGM to be convened.

### 3.1. Consideration

Pursuant to the Agreement, the total consideration for the Proposed Transaction is approximately US\$83.0 million (equivalent to approximately RM345.8 million or S\$112.5 million based on the exchange rate of RM4.1658:US\$1.00 or US\$1.00:S\$1.3560 (as the case may be) as at the Latest Practicable Date), to be satisfied fully in cash. The Consideration was arrived at on a willing buyer and willing seller basis, and upon arm's length negotiations after taking into consideration the following factors:-

- (a) the Investment Amount of RM99 million (approximately US\$23.0 million) for the New Shares was based on Gold Mart's existing registered and paid-up capital of RM1 million comprising 1,000,000 shares at RM1.00 per share and the subscription of 99,000,000 new shares to allow Tayrona Capital to hold a 99% stake in Gold Mart;

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## LETTER TO SHAREHOLDERS

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- (b) US\$60 million (approximately RM249.9 million) was arrived at taking into account factors such as:-
- Net assets of the Gold Mart of RM184.9 million as at 31 March 2020;
  - Intellectual Property Rights for the Project which is not accounted for in the financial statements of the Company, Hatten MS or Gold Mart;
  - Potential profit derived from the sale of unsold property units in the Project and the estimated costs to complete the Project; and
  - Rationale of the transactions contemplated by the Agreement as set out in Section 5 below.

The consideration for the Proposed Investment and Proposed Assignment will be payable by Tayrona Capital to Gold Mart and Hatten MS respectively on the Completion Date.

Tayrona Capital has confirmed that it has adequate funds ready, willing and available to fulfil its obligations to pay for the Proposed Transaction and the Tayrona-WEH Transaction. In addition, Tayrona Capital has delivered to Hatten MS a confirmation of financial resources to satisfy Tayrona Capital's payment obligations under the Agreement.

### 3.2. Completion

Subject to the terms and conditions of the Agreement, completion of the Proposed Transaction shall take place three (3) Business Days following the fulfilment of the conditions set out in Section 3.3 below, or such other date as may be agreed in writing between the parties to the Agreement (the "**Completion Date**"). The indicative Completion Date shall be no later than the cut-off date of 15 November 2020, or such other date as may be agreed in writing between the parties to the Agreement.

### 3.3. Conditions Precedent

Completion of the Proposed Transaction is conditional upon, *inter alia*, the following conditions having been satisfied or waived ("**Conditions Precedent**"):

- (a) delivery by Gold Mart to Tayrona Capital of a certificate signed by a director of Gold Mart confirming that all of the warranties given by Gold Mart under the Agreement are true, accurate and correct in all material respects as at the Completion Date;
- (b) delivery by Gold Mart to Tayrona Capital of a certificate signed by a director of Gold Mart confirming that there has been no material adverse change in the operations, assets, business or financial condition of Gold Mart occurring on or prior to the Completion Date (where "**material adverse change**" means any material adverse change that has caused the net asset value of Gold Mart to decrease by 20% or more based on its audited accounts);
- (c) the results of Tayrona Capital's due diligence investigations into Gold Mart and its assets being satisfactory;
- (d) all authorisations, clearances, licences, orders, confirmations, consents, exemptions, grants, permissions, registrations, recognitions, clearances and other approvals from any governmental authority and shareholders necessary or appropriate for or in connection with the Proposed Transaction, having been obtained if necessary; and
- (e) the Company obtaining Shareholders' approval at an EGM for the Proposed Transaction.

As at the Latest Practicable Date, Tayrona Capital has confirmed that the results of its due diligence investigations into Gold Mart and its assets were satisfactory. Therefore, the Condition Precedent 3.3(c) above has been satisfied.

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## LETTER TO SHAREHOLDERS

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### 3.4. Completion Obligations

On the Completion Date, each party to the Agreement shall comply with their respective obligations comprising, *inter alia*, the following:-

- (a) Gold Mart shall deliver or make available to Tayrona Capital:
  - (i) a certified true copy of the shareholders' resolutions of Gold Mart approving, *inter alia*, (1) the issue and allotment of the New Shares and the entitlement of Tayrona Capital to subscribe for the New Shares at the Investment Amount; and (2) the registration of the issuance of the New Shares and the issuance of the share certificate in respect of the New Shares in the name of Tayrona Capital;
  - (ii) the new share certificate in respect of the New Shares issued and allotted in favour of Tayrona Capital;
  - (iii) the written resignations of each of the existing directors of Gold Mart, from his office as a director to take effect on the Completion Date; and
  - (iv) the written resignation of the secretary of Gold Mart to take effect on the Completion Date;
- (b) Hatten MS shall deliver or cause to be delivered to Tayrona Capital a certified true copy of the resolutions of the directors of Hatten MS approving *inter alia* the entry into the Deed of Assignment and the assignment and transfer of the Intellectual Property Rights;
- (c) the Deed of Assignment shall be duly executed by Hatten MS and Tayrona Capital;
- (d) Tayrona Capital shall deliver copies of the resolutions of the board of directors of Tayrona Capital approving the entry into and execution of the Agreement, and performance of its obligations under the Agreement; and
- (e) Tayrona Capital shall pay in total US\$323 million in full in cash, on the Completion Date by way of telegraphic transfer or by such other method or in such mode as the relevant parties may agree in writing.

### 3.5. Post-Completion Obligations

After the Completion Date, Hatten MS shall comply with its obligations to Gold Mart and Tayrona Capital comprising, *inter alia*, the following:-

- (a) Hatten MS shall work with Gold Mart on the administrative governmental requirements in Malaysia with respect to the "Malaysia-My-Second-Home" program for foreign investors such as rendering assistance to Gold Mart to process applications under the program and assisting Gold Mart to liaise with the relevant Malaysian governmental authorities in connection thereof. Approval of such applications is dependent on various factors including the profile of purchasers acceptable to the government of Malaysia;
- (b) Hatten MS shall work with Gold Mart on the administrative requirements to be satisfied for applications to the relevant Malaysian governmental authority for the name of the Project to be changed to "Tayrona City" or such other name determined by Tayrona Capital, assisting Gold Mart in its application for the change in name, and liaising with the relevant Malaysian governmental authorities in connection thereof; and
- (c) subject to the applicable laws and other requirements (including financial and track-record requirements), in the event that Hatten MS is given the right to develop the 66 acres sea-fronting lands owned by the Hatten MS's ultimate shareholder (the "**Land Bank**"), Hatten MS will offer to Tayrona Capital a right of first refusal to co-develop the Land Bank on terms and conditions to be mutually agreed. Nothing in the Agreement shall be construed to give Tayrona Capital any right or interest in, or option to, the Land Bank.

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## LETTER TO SHAREHOLDERS

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### 4. VALUATION RELATING TO THE PROPOSED TRANSACTION

Pursuant to Rule 1014(5) of the Catalist Rules, where a disposal of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 75%, the issuer must appoint a competent and independent valuer to value the assets to be disposed. Accordingly, the Company has commissioned the Independent Valuer to conduct a valuation on Gold Mart held by Hatten MS in relation to the Project. According to the Valuation Report, the market valuation on Gold Mart which the Intellectual Property Rights has been considered as at 30 June 2020 is estimated at RM322.8 million (“**Market Valuation**”). The Valuation Report from the Independent Valuer is set out in **Appendix A** to this Circular.

In arriving at the valuation of Gold Mart, the Independent Valuer relied on the summation method under the cost approach. The cost approach “considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes”. Under the summation method, also known as the revalued net asset method is commonly considered as the total book value of assets of a business entity less book value of all liabilities after adjusting for the revaluation surplus on real and personal property.

In determining the Market Valuation, the Independent Valuer had also relied on the Property Valuer to estimate the market value of the Project. The Valuation Certificate from the Property Valuer is set out in **Appendix B** to this Circular.

### 5. RATIONALE FOR THE PROPOSED TRANSACTION

The rationale for the Proposed Transaction is as follows:

- (a) the gross proceeds of US\$60 million pursuant to the Proposed Assignment will bolster the Company’s balance sheet and provide it with greater financial flexibility. In view of the challenging business sentiments due to the COVID-19 pandemic, the Company believes that the Proposed Transaction is an opportunity to raise funds and is in line with the Company’s plans to monetise its assets;
- (b) with Tayrona Capital’s international track record and expertise in hotel development and hospitality management, the Company believes that there are strong potential and synergies for both companies to collaborate together in other projects in Melaka moving ahead;
- (c) as at the Latest Practicable Date, the construction of the Project is halted due to a legal dispute with the main-contractor of the Project as announced by the Company on 14 May 2020. Tayrona Capital and WEH have agreed to work with the Company to work out a settlement solution with the main-contractor. A settlement with the main-contractor would allow the Project to resume construction towards completion. The Company believes that this will help retain market confidence in the track record of the Company;
- (d) the stage of completion of the Project is estimated at approximately 76%. Substantial amount of capital is still required to complete the Project and this will impose significant cash flow pressure on the Company in view of the challenging business environment due to COVID-19. This will adversely affect how fast the Company can secure sales of the unsold property in Harbour City project amounting to approximately RM700 million and convert such sales into timely collections.

The Company noted that based on the Valuation Report, the Market Valuation was estimated at approximately RM322.8 million. The Consideration of RM345.8 million over the Market Valuation represents a premium of 7.1%.

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## LETTER TO SHAREHOLDERS

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As compared to the gross proceeds of US\$60 million (approximately RM249.9 million) to be received by the Company, the gross proceeds over the Market Valuation represents a discount of 22.6%. The Company is of view that the discount is justified based on the following reasons:-

- (a) based on the Valuation Report, the valuation of Gold Mart under forced sale was estimated at RM250.4 million;
- (b) in current business environment adversely affected by COVID-19, the Company has observed that property investors in large property assets would generally request for a discount of 20% to 30% from market valuation. The discount of 22.6% falls within this range;
- (c) the NAV of Gold Mart as at 30 June 2020 amounted to approximately RM176.5 million. As compared to the gross proceeds of US\$60 million (approximately RM249.9 million), the gross proceeds over the NAV represents a premium of 41.6%; and
- (d) the rationale for the Proposed Transaction as explained above.

### 6. INTENDED USE OF PROCEEDS FROM THE PROPOSED TRANSACTION

On completion of the Proposed Transaction, the Group estimates that there will be net proceeds of approximately US\$59.7 million (the “**Net Proceeds**”) payable to the Group, being the cash consideration from the Proposed Assignment less estimated expenses of approximately S\$380,000 (approximately US\$280,000 based on the exchange rate of US\$1.00:S\$1.3560).

The Net Proceeds are intended to be used by the Group as follows:

- (a) US\$25 million will be used to settle the amount owing by entities within the Group to Gold Mart; and
- (b) US\$34.7 million will be used for the repayment of outstanding borrowings owed by the Group and working capital purposes.

Pending the deployment of the Net Proceeds for the uses mentioned above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments, or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Group from time to time. The deployment of the Net Proceeds will be undertaken in accordance with the requirements of the Catalyst Rules, including any approvals to be obtained by Shareholders in general meeting, to the extent required.

### 7. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures computed on the relevant bases set out in Rule 1006 of the Catalyst Rules in respect of the Proposed Transaction based on the unaudited consolidated financial statements of the Group for the financial period ended 31 March 2020 are as follows:

Rule 1006	Bases of Calculation	Relative Figures (%) in relation to the Proposed Transaction
(a)	The NAV of the assets to be disposed of, compared with the Group’s NAV;	50.0% <sup>(1)</sup>
(b)	The net profits attributable to the assets to be disposed of, compared with the Group’s net profits;	(47.4)% <sup>(2)</sup>

## LETTER TO SHAREHOLDERS

Rule 1006	Bases of Calculation	Relative Figures (%) in relation to the Proposed Transaction
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares;	141.7% <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities of the Company 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 group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not applicable.

**Notes:**

- (1) Based on (i) the net asset value of the assets of Gold Mart amounted to approximately RM184.9 million; and (ii) the net asset value of the Group which amounted to approximately RM369.6 million, as at 31 March 2020.
- (2) Based on (i) the net profits attributable to Gold Mart of approximately RM16.5 million for the nine-month ended 31 March 2020; and (ii) the Group's net loss of approximately RM34.8 million for the nine-month ended 31 March 2020.
- (3) Based on (i) the market capitalisation of the Company of S\$80.9 million; and (ii) the aggregate consideration of approximately US\$83 million (equivalent to approximately S\$113.9 million). The market capitalisation is based on 1,434,596,353 shares in issue and the volume weighted average price of S\$0.0564 on 6 August 2020, being the last market day preceding the date of the Agreement where trades were recorded.
- (4) The US\$240 million payable by Tayrona Capital to WEH under the Tayrona-WEH Transaction is not part of the consideration that (i) will be paid to Hatten MS or the Company after completion of the Proposed Transaction, and (ii) is in connection with Hatten MS's post-completion obligations pursuant to Section 3.5 above.

As the relative figure computed pursuant to Rule 1006(c) in respect of the Proposed Transaction is more than 75% (which exceeds the 50% threshold in the Catalist Rules), and pursuant the guidance provided in Practice Note 10A paragraph 4.6 on negative numbers in the computation of the relative figures, the Proposed Transaction constitutes a "major transaction" as defined under Chapter 10 of the Catalist Rules. Accordingly, the Company intends to seek the approval of its Shareholders for the Proposed Transaction at an EGM to be convened.

## 8. FINANCIAL INFORMATION

### 8.1. Value Attributable to the New Shares of Gold Mart

(a) NAV and NTA

Based on the audited financial statements of Gold Mart for the financial year ended 30 June 2020, the NAV and NTA attributable to the New Shares are the same as there is no intangible asset and is approximately RM176.5 million.

(b) Latest available open market value

There is no open market value for the New Shares as they are not publicly traded. Please refer to Section 4 of this Circular for the Market Valuation.



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## LETTER TO SHAREHOLDERS

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(c) Net profit

Based on the audited financial statements of Gold Mart for the financial year ending 30 June 2020, the profit after tax attributable to the New Shares is RM6.6 million.

### 8.2. Value Attributable to the Intellectual Property

As the Intellectual Property is being utilised within the Group, it is not accounted for in the financial statements of the Company, Hatten MS and Gold Mart. Please refer to Section 4 of this Circular for the Market Valuation.

### 8.3. Excess of Net Proceeds and Gain on Disposal

Based on Gold Mart's audited financial statements for the financial year ended 30 June 2020, the excess of net proceeds of US\$59.7 million (approximately RM248.7 million) over the net asset value of Gold Mart of RM176.5 million as at 30 June 2020 is RM72.2 million, which is also the estimated gain from the Proposed Transaction.

## 9. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The financial effects of the Proposed Transaction set out below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group after the completion of the Proposed Transaction.

The pro forma financial effects of the Proposed Transaction have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2020 and under the following assumptions:

- (a) that the Proposed Transaction had been completed on 1 July 2019 for the purposes of illustrating the financial effects on the Group's LPS; and
- (b) that the Proposed Transaction had been completed on 30 June 2020 for the purposes of illustrating the financial effects on the Group's NTA per share.

### 9.1. NTA per Share

	<b>Before the Proposed Transaction</b>	<b>After the Proposed Transaction</b>
NTA (RM'000)	159,965	109,788
Number of Shares	1,434,596,353	1,434,596,353
NTA per Share (RM cents)	11.15	7.65

### 9.2. LPS

	<b>Before the Proposed Transaction</b>	<b>After the Proposed Transaction</b>
Net loss attributable to Shareholders (RM'000)	(229,704)	(155,912)
Weighted average number of Shares	1,434,596,353	1,434,596,353
Loss per Share (RM cents)	(16.01)	(10.87)

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## LETTER TO SHAREHOLDERS

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### 10. SERVICE AGREEMENTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction or the Tayrona-WEH Transaction. Accordingly, no service agreements will be entered into with the Directors or controlling Shareholders or their respective associates in connection with the Proposed Transaction or the Tayrona-WEH Transaction.

### 11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

#### 11.1. Interests of the Directors and Substantial Shareholders in the Shares

Based on the Company's register of interests of Directors and register of substantial shareholders respectively, as at the Latest Practicable Date, the interests of the Directors and substantial shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest		Total	
	No. of Shares	(%) <sup>(1)</sup>	No. of Shares	(%) <sup>(1)</sup>	No. of Shares	(%) <sup>(1)</sup>
<b>Directors</b>						
Dato' Tan June Teng Colin @ Chen JunTing <sup>(2)</sup>	–	–	987,091,508	64.31	987,091,508	64.31
Dato' Tan Ping Huang Edwin @ Chen BingHuang <sup>(2)</sup>	–	–	987,091,508	64.31	987,091,508	64.31
Dato' Wong King Kheng	–	–	–	–	–	–
Mr. Loh Weng Whye	–	–	–	–	–	–
Mr. Foo Jong Han Rey	–	–	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>						
Hatten Holdings Pte Ltd	937,091,508	61.06	–	–	937,091,508	61.06

**Notes:**

- (1) Based on the existing issued share capital of the Company comprising 1,534,796,353 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Hatten Holdings Pte Ltd is jointly owned by Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang. As such, Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang are deemed interested in the shares of the Company held by Hatten Holdings Pte. Ltd.

#### 11.2. Interests of the Directors and Substantial Shareholders in the Proposed Transaction

Save as disclosed in this Circular and save for their shareholdings in the Company, none of the Directors or any substantial shareholders or their respective associates has any interest, whether direct or indirect, in the Proposed Transaction or the Tayrona-WEH Transaction.

### 12. DIRECTORS' RECOMMENDATIONS

Having considered, *inter alia*, the terms, the rationale, the benefits, and the financial effects of the Proposed Transaction, the Directors are of the view that the Proposed Transaction is in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution in relation to the Proposed Transaction to be proposed at the EGM.

In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisers.



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## LETTER TO SHAREHOLDERS

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### 13. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream) on 13 November 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolution set out in the Notice of EGM.

### 14. ACTIONS TO BE TAKEN BY SHAREHOLDERS

#### 14.1 No attendance at EGM

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM.

#### 14.2 Alternative Arrangement

Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the proceedings of the EGM via “live” webcast or listening to the proceedings of the EGM via “live” audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Shareholders should refer to the Notice of EGM dated 29 October 2020 which has been uploaded together with this Circular on SGXNET for further information, including the steps to be taken by Shareholders to participate at the EGM. Such announcement may also be accessed at the Company’s website at <http://www.hattenland.com.sg> and SGXNET.

### 15. CONSENT

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the Valuation Report and all references thereto, in the form and context in which they are included in this Circular.

The Property Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the Valuation Certificate and all references thereto, in the form and context in which they are included in this Circular.

### 16. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company’s registered office at 53 Mohamed Sultan Road, #04-02, Singapore 238993 on any weekday (public holidays excepted) for a period of three (3) months from the date of this Circular:

- (a) the Agreement;
- (b) the Valuation Report;
- (c) the Property Valuation Report;
- (d) the Valuation Certificate; and
- (e) the Constitution of the Company.

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## LETTER TO SHAREHOLDERS

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### 17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction and the Tayrona-WEH Transaction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

For and on behalf of the Board of Directors of  
**Hatten Land Limited**

**Dato' Tan June Teng Colin @ Chen JunTing**  
**Executive Chairman and Managing Director**

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
7/F One Taikoo Place 979 King's Road Hong Kong  
Tel +852 2846 5000 Fax +852 2169 6001  
Company Licence No.: C-030171

26 October 2020

The Board of Directors  
**Hatten MS Pte. Ltd.**  
53 Mohamed Sultan Road  
#04-02  
Singapore 238993

Dear Sirs,

In accordance with the instructions from Hatten MS Pte. Ltd. (the “**Company**”), Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**”) has undertaken a valuation exercise which requires us to express an independent opinion on the market value of 100% equity interest in Gold Mart Sdn. Bhd. (the “**Target Company**”) as at 30 June 2020 (the “**Valuation Date**”). The report which follows is dated 26 October 2020 (the “**Report Date**”). The purpose of this valuation is to express an independent opinion for the Company’s internal reference and public disclosure.

Our valuation was carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

### **BACKGROUND**

The Target Company, a Malaysia-incorporated private company limited by shares is a wholly-owned subsidiary of the Company. The Target Company is engaged in the business of property development in Malaysia. The only property development project for the Target Company currently is the project “Harbour City” on the land located at Kawasan Bandar XLIII, District of Melaka Tengah, State of Melaka, Malaysia (the “Subject Property”).

The Subject Property, located in Melaka Malaysia, is an integrated development which comprises a retail mall, luxury hotel and an outdoor-indoor theme park. The Subject Property is an ongoing commercial development comprising retail units, serviced suites, serviced residences and an indoor & outdoor theme park. The stage of completion of the Subject Property is estimated at approximately 76%. As at the valuation date, the construction of the Subject Property is halted due to a legal dispute with the main-contractor of the Project as announced by the Company on 14 May 2020.

The Subject of this valuation is being 100% equity interest in Gold Mart Sdn. Bhd. (the “**Subject**”).

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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### SOURCES OF INFORMATION

In conducting our valuation of the Subject, we have reviewed information including, but not limited to:

- Background of the Target Company;
- Historical financial information of the Target Company from year 2019 to year 2020; and
- Other operation and market information in relation to the business of the Target Company.

We have held discussions with management of the Company and conducted market research from public sources to assess the reasonableness and fairness of information provided. We assumed such information to be reliable and legitimate, and we have relied to a considerable extent on the information provided in arriving at our conclusion of value.

### BASIS OF OPINION

We have conducted our valuation in accordance with International Valuation Standards issued by International Valuation Standards Council (“IVSC”). The valuation procedures employed include a review of legal status and economic condition of the Target Company and an assessment of key assumptions, estimates and representations made by the proprietor or the operator of the Target Company. All matters we consider essential to the proper understanding of the valuation are disclosed in this valuation report.

The following factors form an integral part of our basis of opinion:

- The economic outlook in general;
- The nature of business and history of the operation concerned;
- The financial condition of the Subject;
- Market-driven investment returns of companies engaged in similar lines of business;
- Financial and business risk of the business including continuity of income and the projected future results;
- Consideration and analysis on the micro and macro economy affecting the business of the Subject;
- Analysis on tactical planning, management standard and synergy of the Subject; and
- Assessment of the leverage of the Subject.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the valuation of the Subject.

### VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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**Market Approach** considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

**Cost Approach** considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

**Income Approach** is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

To select the most appropriate approach, we have considered the purpose of the valuation and the resulting basis of value as well as the availability and reliability of information provided to us to form perform an analysis. Given the business nature of the Target Company, we considered that the summation method under the cost approach is the most appropriate in this valuation exercise.

The summation method, also known as the Revalued Net Asset Method, is typically adopted for valuation subject when its value is primarily a factor of the value of the valuation subject's holding assets and liabilities. Under this method, the **Revalued Net Asset** is commonly considered as the total book value of assets of a business entity less book value of all liabilities after adjusting for the revaluation surplus on real and personal property. The Company has engaged a local property valuer, namely Laurelcap Sdn Bhd ("Laurelcap"), to estimate the market values of the Subject Property as at the Valuation Date. According to the valuation report of "Harbour City" prepared by Laurelcap provided to us by the Company, Laurelcap has adopted the residual method under income approach for valuing the market value of the Subject Property. The market value and forced sale value of the Subject Property is estimated at MYR340,000,000 and MYR260,000,000 as at the Valuation Date respectively. We have relied on Laurelcap's valuation report in deriving the RNAV of the Target Company. It is not within our scope of work to conduct review or verification on its accuracy and reasonableness of material information that would likely impact the valuation of the Subject Property. We have adjusted the book values of the trade and other receivables, trade and other payables as well as contract liabilities to align with the valuation assumptions of the Subject Property. We would like to highlight that the project designs and concepts of the Subject Property is not separable, i.e. these are not capable of being separated or divided from the Subject Property and sold, transferred, licensed, rented or exchanged,

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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either individually or together with a related contract, identifiable asset or liability, regardless of whether the Target Company intends to do so. The value of the project designs and concepts of the Subject Property has been embedded in the value of the Subject Property.

Subsequently, the RNAV of the Target Company is estimated based on the book value of its net asset value adjusted by the revaluation surplus between the market value of the Subject Property and its respective adjusted book values.

Having obtained the RNAV of the Target Company, we apply relevant and appropriate marketability discount (this will be further discussed under the equity interest valuation section based on RNAV) to arrive at the valuation for 100% equity interest in the Target Company.

### MAJOR ASSUMPTIONS

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value. The following key assumptions in determining the market value of the Subject have been made:

- We assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued;
- We have assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Subject;
- We have assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- We have been provided with copies of the operating licenses and company incorporation documents. We have assumed such information to be reliable and legitimate. We have relied to a considerable extent on such information provided in arriving at our opinion of value; and
- We have assumed the accuracy of the financial and operational information such as management accounts, contractual agreements, provided to us by the Company relied to a considerable extent on such information in arriving at our opinion of value;
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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### RNAV VALUATION

#### *Book Values of Assets and Liabilities of the Target Company*

The table below is the book values of the assets and liabilities of the Target Company as at 30 June 2020, based on the financial statements and other information provided by the management of the Company:

<b>Item</b>	<b>Book Value (MYR)</b>
<u>Non-current Assets</u>	
Property, Plant and Equipment	142,416,339
Motor Vehicles	5,708,383
Trade Receivables	61,922,477
<u>Current Assets</u>	
Inventories	115,029,619
Trade & Other Receivables	341,613,777
Prepayments	1,617,292
Contract Costs	21,981,558
Cash and Bank Balances	5,338,627
<u>Current Liabilities</u>	
Loans and Borrowings	48,426,352
Lease Liabilities	765,260
Trade and Other Payables	152,818,250
Contract Liabilities	252,271,136
Current Tax Liabilities	14,418,469
<u>Non-current Liabilities</u>	
Loans and Borrowings	45,842,403
Lease Liabilities	4,607,802
<b>Net Asset Value</b>	<b>176,478,400</b>

We have reclassified and adjusted the above for the purpose of our valuation. The table below summarizes the adjusted book values the assets and liabilities of the Target Company as at 30 June 2020, based on the financial statements and other information provided by the management of the Company:

<b>Item</b>	<b>Book Value (MYR)</b>
Property, Plant and Equipment, Inventories and Contract Costs	279,427,516
Trade and Other Receivables	212,970,412
Trade and Other Payables	(30,629,108)
Contract Liabilities	(63,903,334)
Other Assets and Liabilities	(101,395,984)
<b>Adjusted Net Asset Value</b>	<b>296,469,502</b>

#### Property, Plant and Equipment, Inventories and Contract Costs

According to the valuation report of “Harbour City” prepared by Laurelcap, the Market Value and Forced Sale Value of the Subject Property is estimated at MYR340,000,000 and MYR260,000,000 as at the Valuation Date respectively. Based on our discussions with the management of the Company, the corresponding items on the balance sheet of the Target Company are Property, Plant and Equipment (book value at MYR142,416,339), Inventories (MYR115,029,619) and Contract Costs (MYR21,981,558). The revaluation surplus is calculated as the Market Value/ Forced Sale Value of the Subject Property less the Book Value of Property, Plant and Equipment, Inventories and Contract Costs.

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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### Trade and Other Receivables

We have excluded the receivables from and advances to purchasers which have been included in Laurelcap's Gross Development Value calculation, i.e. MYR107,165,387 and MYR83,400,455 as at the Valuation Date respectively.

### Trade and Other Receivables

We have excluded the payables to contracts and others which have been included in Laurelcap's Gross Development Cost calculation, i.e. MYR122,189,142 as at the Valuation Date.

### Contract Liabilities

We have excluded receipt above the percentage of completion which has already been considered in the valuation of the properties, i.e. progress billing of MYR188,367,802 as at the Valuation Date.

### Other Assets and Liabilities

This item consists of motor vehicles, prepayments, cash and bank balances, loans and borrowings, lease liabilities and current tax liabilities.

In arriving at the RNAV of the Target Company, we have adjusted Net Asset Value by adding the revaluation surplus of the Subject Property as at the Valuation Date. The table below summarizes the RNAV of the Target Company as at the Valuation Date after adjusting the revaluation surplus of the Subject Property:

### **RNAV under Market Value of Subject Property**

<b>Item</b>	<b>Book Value (MYR)</b>
Market Value of Subject Property	340,000,000
Less: Book Value of Property, Plant and Equipment	142,416,339
Less: Inventories	115,029,619
Less: Contract Costs	21,981,558
<b>Revaluation Surplus</b>	<b>60,572,484</b>

<b>Item</b>	<b>Book Value (MYR)</b>
Adjusted Net Asset Value	296,469,502
Add: Revaluation Surplus	60,572,484
<b>RNAV</b>	<b>357,041,986</b>

### **RNAV under Forced Sale Value of Subject Property**

<b>Item</b>	<b>Book Value (MYR)</b>
Forced Sale Value of Subject Property	260,000,000
Less: Book Value of Property, Plant and Equipment	142,416,339
Less: Inventories	115,029,619
Less: Contract Costs	21,981,558
<b>Revaluation Surplus</b>	<b>(19,427,516)</b>

<b>Item</b>	<b>Book Value (MYR)</b>
Adjusted Net Asset Value	296,469,502
Add: Revaluation Surplus	(19,427,516)
<b>RNAV</b>	<b>277,041,986</b>



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## APPENDIX A – SUMMARY OF VALUATION REPORT

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### EQUITY INTEREST VALUATION BASED ON RNAV

Having obtained the RNAV of the Target Company, the equity interest is derived through application of appropriate discount for lack of marketability.

#### *Discount for Lack of Marketability (the “DLOM”)*

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

We have assessed the DLOM of this interest referencing empirical studies. A DLOM of 9.6% has been used (Stout Risus Ross). This study covers an observation period of 1980-2017.

### CALCULATION OF VALUATION RESULT

The calculation of the market value of 100% equity interest of the Target Company as at the Valuation Date is as follows:

#### Equity Value of Target Company under Market Value of Subject Property

Parameter	Input
Net Asset Value of the Target Company (MYR)	296,469,502
Revaluation Surplus (MYR)	60,572,484
<hr/>	
Equity Value of the Target Company before DLOM as at the Valuation Date	357,041,986
Adjusted for DLOM (%)	9.60
<hr/>	
<b>Equity Value of the Target Company after DLOM (Rounded)</b>	<b>322,800,000</b>

#### Equity Value of Target Company under Forced Sale Value of Subject Property

Parameter	Input
Net Asset Value of the Target Company (MYR)	296,469,502
Revaluation Surplus (MYR)	(19,427,516)
<hr/>	
Equity Value of the Target Company before DLOM as at the Valuation Date	277,041,986
Adjusted for DLOM (%)	9.60
<hr/>	
<b>Equity Value of the Target Company after DLOM (Rounded)</b>	<b>250,400,000</b>

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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### VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Company, the Company and JLL.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This report is issued subject to our Limiting Conditions as attached.

### INDEPENDENCE DECLARATION

We confirm that to the best of our knowledge and belief, we are independent of the Company and the Target Company, and have not contravened any independence requirements stipulated as per our professional memberships. Our fee is not contingent upon our conclusion of value.

### OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value and forced sale value of 100% equity interest in Gold Mart Sdn. Bhd. as at the Valuation Date are reasonably stated at the amount of **MYR322,800,000** and **MYR250,400,000** respectively.

### COMMENTARY ON THE IMPACT OF COVID-19 ON VALUATION

We are instructed to provide our opinion of value as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, it has come to our attention that the outbreak of Novel Coronavirus disease (COVID-19) has caused significant disruption to economic activities around the world. This disruption has increased the risk of the financial projections/assumptions not being achieved. It may also have a negative impact towards investment sentiment, and hence any form of required rate of return as well as liquidity of any asset. As of the Report Date, it is uncertain how long the disruption will last and to what extent it will affect the economy. As a result, it has caused volatility and uncertainty that values may change significantly and unexpectedly even over short periods. The period required to negotiate a transaction may also extend considerably beyond the normally expected period, which would also reflect the nature and size of the asset. Readers are reminded that we do not intend to provide an opinion of value as of any date after the Valuation Date in this Report.

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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Yours faithfully,



For and on behalf of  
**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**  
**Simon M.K. Chan**  
*Executive Director*

*Note: Mr. Simon M.K. Chan is a fellow (FCPA) of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS) where he now serves on their North Asia Valuation Practice Group. He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.*

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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### LIMITING CONDITIONS

1. In the preparation of this Report, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Client / Target Company and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our Report was used as part of the analysis of the Client / Target Company in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the Subject rests solely with the Client.
2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.
3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.
4. The board of directors and the management of Client / Target Company have reviewed this Report and agreed and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.
5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.
6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.
7. The use of and/or the validity of the Report is subject to the terms of the Agreement and the full settlement of the fees and all the expenses.
8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the Subject.
9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation Date. We cannot provide assurance on the achievability of the results forecasted by the Client / Target Company because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.
10. This Report has been prepared solely for internal use purpose. The Report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without our prior written consent. Even with our prior written consent for such, we are not be liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.
11. This Report is confidential to the Client and the calculation of values expressed herein is valid only for the purpose stated in the Agreement as at the Valuation Date. In accordance with our

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## APPENDIX A – SUMMARY OF VALUATION REPORT

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standard practice, we must state that this Report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by parties interested in the Subject, we are entitled to rely on that representation without further investigation into the veracity of the representation.
13. The Client / Target Company agrees to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.
14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.
15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Client / Target Company and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.
16. This Report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the Report and conclusion of values are not intended by the author, and should not be construed by any reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Client / Target Company and other sources. Actual transactions involving the Subject might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the knowledge and motivation of the buyers and sellers at that time.
17. The board of directors, management, staff, and representatives of the Client / Target Company have confirmed to us that they are independent to JLL in this Valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Client / Target Company and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.



## APPENDIX B – VALUATION CERTIFICATE



Laurelcap Sdn Bhd

200801005326 (806610-U)  
Suite E-6-2 & E-7-2,  
East Wing, Subang Square,  
Jalan SS 15/4G, 47500 Subang Jaya,  
Selangor Darul Ehsan, MALAYSIA.

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+603-5638 0233

[www.laurelcap.com.my](http://www.laurelcap.com.my)

[laurelcap@laurelcap.com.my](mailto:laurelcap@laurelcap.com.my)

### VALUATION CERTIFICATE

Date : October 26<sup>th</sup>, 2020  
Our Ref : LC/VAL/20/003791/NG

### PRIVATE & CONFIDENTIAL

Board of Directors  
Gold Mart Sdn Bhd  
10-01, Hatten Square,  
Jalan Merdeka Bandar Hilir,  
75000 Melaka.

Dear Sirs,

**VALUATION CERTIFICATE OF AN ONGOING COMMERCIAL DEVELOPMENT COMPRISING ONE THOUSAND SEVEN HUNDRED NINETY TWO (1,792) RETAIL UNITS IDENTIFIED AS “HARBOUR CITY MALL”, SEVEN HUNDRED SEVENTEEN (717) SERVICED SUITES IDENTIFIED AS “HARBOUR CITY SUITES”, FIVE HUNDRED SEVENTY SIX (576) SERVICED RESIDENCES IDENTIFIED AS “HARBOUR CITY RESORT”, TWO HUNDRED NINETY ONE (291) SERVICED RESIDENCES IDENTIFIED AS “HARBOUR CITY PREMIER RESORT”, AND AN INDOOR & OUTDOOR THEME PARK COLLECTIVELY KNOWN AS “HARBOUR CITY” LOCATED AT LOT NO. PT 882, JALAN BAIDURI 1, TAMAN PULAU MELAKA, 75000 MELAKA, MELAKA HELD UNDER MASTER TITLE NO. HS(D) 84876, LOT NO. PT 882 (FORMERLY KNOWN AS MASTER TITLE NOS. PN 54208, LOT NO. 10372 & PN 54209, LOT NO. 10373), MUKIM OF KAWASAN BANDAR XLIII, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA TOGETHER WITH TWO THOUSAND ONE HUNDRED AND FIVE (2,105) CAR PARKING BAYS HEREIN REFERRED TO AS (“SUBJECT PROPERTY”)**

We refer to the instructions by **Gold Mart Sdn Bhd (“Gold Mart”)** to advise on the current **Market Value (“MV”)** and **Forced Sale Value (“FSV”)** of the abovementioned property (“**Subject Property**”) for the purpose of submission to Singapore Stock Exchange (“**SGX**”) in respect of the Proposed Acquisition by Tayrona Capital Pte Ltd (“**Tayrona Capital**”) of 99,000,000 new ordinary shares in Gold Mart, representing 99% equity interest in Gold Mart.

The Subject Property was inspected on June 30<sup>th</sup>, 2020. The relevant date of valuation for this valuation exercise coincides with the date of inspection, i.e. June 30<sup>th</sup>, 2020.

The Valuation had been carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards (MVS) issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia, International Valuation Standards (IVS) and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined by the MVS and IVS to be “*the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion*”.

The term **Force Sale Value** is defined by the MVS as “*the amount which may reasonably be received from the sale of an asset under forced sale conditions which do not meet all the criteria of a normal market transaction*”. Forced Sale Value involves a price which arises from disposition under extraordinary or atypical circumstances, usually reflecting an inadequate marketing period without reasonable publicity, an inappropriate mode of sale and sometimes reflecting an unwilling seller situation, and/or disposal under duress.



- Registered Valuers
- Property Managers
- Estate Agents
- Development Consultants
- Project Managers
- Researchers



## APPENDIX B – VALUATION CERTIFICATE



<b>IDENTIFICATION OF THE PROPERTY</b>	
<b>Name and Address:</b>	Harbour City, Lot No. PT 882, Jalan Baiduri 1, Taman Pulau Melaka, 75000 Melaka, Melaka.
<b>Type of Property:</b>	An ongoing commercial development comprising One Thousand Seven Hundred Ninety Two (1,792) Retail Units Identified As "Harbour City Mall", Seven Hundred Seventeen (717) Serviced Suites Identified As "Harbour City Suites", Five Hundred Seventy Six (576) Serviced Residences Identified As "Harbour City Resort", Two Hundred Ninety One (291) Serviced Residences Identified As "Harbour City Premier Resort" and an Indoor & Outdoor Theme Park together with Two Thousand One Hundred And Five (2,105) Car Parking Bays.
<b>Date of Inspection:</b>	June 30 <sup>th</sup> , 2020.
<b>Date of Valuation:</b>	For the purpose of this valuation exercise, the material date of valuation is the date of inspection, i.e. June 30 <sup>th</sup> , 2020.
<b>Registered Owner:</b>	The registered owner of the Subject Property is Gold Mart who had developed the parcel of land.
<b>Title Particulars:</b>	<p>Master Title No. : HS(D) 84876 (Formerly known as Master Title Nos. PN 54208 &amp; PN 54209).</p> <p>Lot No. : PT 882 (Formerly known as Lot No. 10372 &amp; Lot No. 10373).</p> <p>Bandar/Pekan/Mukim : Kawasan Bandar XLIII.</p> <p>District : Melaka Tengah.</p> <p>State : Melaka.</p> <p>Tenure : Leasehold for 99 years. Term expiring on September 28<sup>th</sup>, 2110. Leaving an unexpired term of approximately 90 years as at the date of valuation.</p> <p>Provisional Land Area : Approximately 24,290.00 square metres (6.00 acres).</p> <p>Quit Rent : RM 34,992.00 per annum.</p> <p>Category of Land Use : Building.</p> <p>Registered Owner : Gold Mart Sdn Bhd (1/1 share).</p> <p>Express Conditions : For commercial building only.</p> <p>Restriction In Interests : This land is not allowed to be transferred or leased except with the permission of the State Authority.</p> <p>Charge/Encumbrances : One charge to United Overseas Bank (Malaysia) Berhad vide Presentation No. 0400SC2015020410 dated on December 22<sup>nd</sup> 2015.</p> <p>Endorsements : Lease of the entire land to Tenaga Nasional Berhad from August 30<sup>th</sup>, 2019 to August 29<sup>th</sup>, 2049 vide Presentation No. 0400SC2020001469 dated on February 7<sup>th</sup>, 2020.</p>



## APPENDIX B – VALUATION CERTIFICATE



<b>Location:</b>	The Subject Property is situated along Jalan Baiduri 1 within Taman Pulau Melaka, Melaka. It is approximately 149.00 kilometres south-east of Kuala Lumpur city centre and about 3.60 kilometres south-east of Jonker Street respectively. The Christ Church is located approximately 2.60 kilometres north-west of the Subject Property, whilst the Melaka Straits Mosque is sited some 1.70 kilometres south-west of the Subject Property respectively. Notable developments that potentially enhance the accessibility and development potential of the locality includes the Melaka Gateway and the Kuala Lumpur–Singapore High Speed Rail (HSR) project.																																		
<b>Description of the Property:</b>	The site resembles an irregular shaped parcel of land encompassing a provisional master title land area of approximately 24,290.00 square metres (6.00 acres). The physical terrain of the site is generally flat and levelled with the frontage roads of Jalan Baiduri 1, Jalan Baiduri 3 and Jalan Baiduri 8.																																		
<b>The Building:</b>	The building is an ongoing commercial development known as Harbour City. Once completed, the building will be constructed of reinforced concrete framework infilled with plastered brickwalls, reinforced concrete floors and roofed with reinforced concrete flat roof or metal deck roofings.																																		
<b>Approximate Floor Area:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Component</th> <th style="text-align: center;">Net Floor Area (NLA)</th> <th style="text-align: center;">Gross Floor Area (GFA)</th> </tr> </thead> <tbody> <tr> <td>Harbour City Mall</td> <td style="text-align: right;">407,267.00 sq.ft.</td> <td style="text-align: right;">1,017,565.00 sq.ft.</td> </tr> <tr> <td>Harbour City Suites</td> <td style="text-align: right;">297,706.00 sq.ft.</td> <td style="text-align: right;">939,248.00 sq.ft.</td> </tr> <tr> <td>Harbour City Resort</td> <td style="text-align: right;">371,105.00 sq.ft.</td> <td style="text-align: right;">522,791.00 sq.ft.</td> </tr> <tr> <td>Harbour City Premier Resort</td> <td style="text-align: right;">210,860.00 sq.ft.</td> <td style="text-align: right;">281,312.00 sq.ft.</td> </tr> <tr> <td>Indoor/Outdoor Theme Park</td> <td style="text-align: right;">248,271.00 sq.ft.</td> <td style="text-align: right;">486,133.00 sq.ft.</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>1,535,209.00 sq.ft.</b></td> <td style="text-align: right;"><b>3,247,049.00 sq.ft.</b></td> </tr> </tbody> </table> <p><i>Note: The above NLA and GFA were extracted from the Architect's Drawing No. 1058.DD.1.1 to 1058.DD.4.4 dated on March 2019 and a Master List provided to us by Messrs Gold Mart Sdn Bhd.</i></p>					Component	Net Floor Area (NLA)	Gross Floor Area (GFA)	Harbour City Mall	407,267.00 sq.ft.	1,017,565.00 sq.ft.	Harbour City Suites	297,706.00 sq.ft.	939,248.00 sq.ft.	Harbour City Resort	371,105.00 sq.ft.	522,791.00 sq.ft.	Harbour City Premier Resort	210,860.00 sq.ft.	281,312.00 sq.ft.	Indoor/Outdoor Theme Park	248,271.00 sq.ft.	486,133.00 sq.ft.	<b>Total</b>	<b>1,535,209.00 sq.ft.</b>	<b>3,247,049.00 sq.ft.</b>									
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<b>Total Car Parking Bays:</b>	2,105 bays.																																		
<b>Planning Details:</b>	The Subject Property is situated within an area designated for commercial use.																																		
<b>Sale Rate:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Sale</th> <th style="text-align: center;">Harbour City Mall</th> <th style="text-align: center;">Harbour City Suites</th> <th style="text-align: center;">Harbour City Resort</th> <th style="text-align: center;">Harbour City Premier Resort</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Sold</td> <td style="text-align: center;">885</td> <td style="text-align: center;">710</td> <td style="text-align: center;">517</td> <td style="text-align: center;">203</td> <td style="text-align: center;">2,315</td> </tr> <tr> <td>Unsold</td> <td style="text-align: center;">907</td> <td style="text-align: center;">7</td> <td style="text-align: center;">59</td> <td style="text-align: center;">88</td> <td style="text-align: center;">1,061</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>1,792</b></td> <td style="text-align: center;"><b>717</b></td> <td style="text-align: center;"><b>576</b></td> <td style="text-align: center;"><b>291</b></td> <td style="text-align: center;"><b>3,376</b></td> </tr> <tr> <td><b>Sale Rate</b></td> <td style="text-align: center;"><b>49.39%</b></td> <td style="text-align: center;"><b>99.02%</b></td> <td style="text-align: center;"><b>89.76%</b></td> <td style="text-align: center;"><b>69.76%</b></td> <td style="text-align: center;"><b>68.57%</b></td> </tr> </tbody> </table> <p><i>Note: The above information were provided to us by Messrs Gold Mart Sdn Bhd.</i></p>					Sale	Harbour City Mall	Harbour City Suites	Harbour City Resort	Harbour City Premier Resort	Total	Sold	885	710	517	203	2,315	Unsold	907	7	59	88	1,061	<b>Total</b>	<b>1,792</b>	<b>717</b>	<b>576</b>	<b>291</b>	<b>3,376</b>	<b>Sale Rate</b>	<b>49.39%</b>	<b>99.02%</b>	<b>89.76%</b>	<b>69.76%</b>	<b>68.57%</b>
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<b>Sale Rate</b>	<b>49.39%</b>	<b>99.02%</b>	<b>89.76%</b>	<b>69.76%</b>	<b>68.57%</b>																														
<b>Construction Progress:</b>	Based on the Contractor's Progress Report No. 81 prepared by Messrs. China Construction Yangtze River Sdn Bhd dated on January 15 <sup>th</sup> , 2020, the overall progress of works as of January 15 <sup>th</sup> , 2020 is approximately 76.35%. Further enquiries with the client revealed that there wasn't any progress since January due to the implementation of Movement Control Over (MCO).																																		



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## APPENDIX B – VALUATION CERTIFICATE

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### **METHOD OF VALUATION**

In arriving at the Market Value of the Subject Property, we have adopted the **Income Approach by way of "Residual Method"**. We have only adopted one method of valuation, i.e Residual Method in this instance, due to the property being an on-going development with registered sales and development cost incurred as at the date of valuation. These information is specific to this current development project and differs from other developments. Hence, the Comparison Approach is not ideal at this juncture as it will prove to be difficult to ascertain the other transactions of projects with similar development approvals, contents, sales rate and costs which are similar to the Subject Property. Any adjustments made will be skewed and not a representation of an accurate and fair Market Value.

### **INCOME APPROACH (BY WAY OF "RESIDUAL METHOD")**

This method entails the determining of the total Gross Development Value (GDV) and deducting from this the costs of construction and site works, professional fees, interest on capital borrowed, contingencies and developer's risk and profit. The residual is the value of the site and this is deferred for the period of development to arrive at the current market value of the site today.

### **GROSS DEVELOPMENT VALUE (GDV)**

The GDV represents the Market Value of the proposed development, assessed on the special assumption that the development is complete on the date of valuation in the market conditions prevailing on that date. The GDV calculation is based on our market compilation of the latest transactions of similar properties within the surrounding area as comparables. From our compilation and analysis, we have taken into consideration time, location, accessibility, size, tenure and building facilities to arrive at the proposed selling price for each of the development component i.e. retail units, serviced residences/suites, theme park and car park.

We noted that the Harbour City Mall, Harbour City Suites, Harbour City Resort and Harbour City Premier Resort have been applied to the land authority as strata titles for the developer to assigned to the new owner. Hence, in arriving at the proposed selling price of the units we have based on the recent transactions of similar properties situated within the neighbourhood which are pertinent to substantiate a value indication for the subject are reviewed and these sales are listed as overleaf:

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## APPENDIX B – VALUATION CERTIFICATE



### Retail Units

Comparables	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Source	Valuation and Property Services, Malaysia (JPPH)	Valuation and Property Services, Malaysia (JPPH)	Valuation and Property Services, Malaysia (JPPH)	Sale & Purchase Agreement
Address	Suite 423, Jalan Merdeka, Mahkota Medical Centre, Melaka Tengah	BS-010, Jalan Dataran Pahlawan, Melaka Megamall Dataran Pahlawan, Melaka	G55, Jalan Mahkota Parade, Mahkota Parade, Melaka Tengah	Unit F1-073T, Harbour City Mall, Jalan Baiduri 1, Taman Pulau Melaka, 75000 Melaka
Transaction Date	10/4/2018	19/9/2018	10/7/2019	29/5/2019
Tenure	Leasehold for 99 years. Term expiring on July 18 <sup>th</sup> , 2101. Leaving an unexpired term of approximately 83 years as at the date of transaction.	Leasehold for 99 years. Term expiring on June 14 <sup>th</sup> , 2100. Leaving an unexpired term of approximately 82 years as at the date of transaction.	Leasehold for 99 years. Term expiring on July 18 <sup>th</sup> , 2101. Leaving an unexpired term of approximately 82 years as at the date of transaction.	Leasehold for 99 years. Term expiring on September 28 <sup>th</sup> , 2110. Leaving an unexpired term of approximately 91 years as at the date of transaction.
Net Floor Area	462.85 sq.ft	426.36 sq.ft	516.98 sq.ft	124.00 sq.ft
Consideration	RM 700,014.00	RM 1,250,000.00	RM 800,000.00	RM 353,090.00
Price PSF	<b>RM 1,512.40 psf</b>	<b>RM 2,931.79 psf</b>	<b>RM 1,547.45 psf</b>	<b>RM 2,847.50 psf</b>
Adjustments	General adjustments are made for time, location, accessibility, size, tenure, floor level, improvement and material valuation uncertainty			
Adjusted Price PSF	<b>RM 1,437.69 psf</b>	<b>RM 2,644.77 psf</b>	<b>RM 1,440.67 psf</b>	<b>RM 3,110.89 psf</b>

### Serviced Residences/Suites

Comparables	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Source	Valuation and Property Services, Malaysia (JPPH)	Valuation and Property Services, Malaysia (JPPH)	Valuation and Property Services, Malaysia (JPPH)	Sale & Purchase Agreement
Address	C-16-25, Hatten Suites Serviced Residence, Jalan Melaka Raya, 75000 Melaka	B-39-08, Silver Scape Serviced Residence, Jalan Melaka Raya, 75000 Melaka	C-21-04, Hatten Suites Serviced Residence, Melaka, Jalan Melaka Raya, 75000 Melaka	H-10-82, Harbour City Suites, Jalan Baiduri 1, Taman Pulau Melaka, 75000 Melaka
Transaction Date	19/10/2018	14/2/2019	17/7/2019	3/6/2019
Tenure	Leasehold for 99 years. Term expiring on June 19 <sup>th</sup> , 2110. leaving an unexpired term of approximately 92 years as at the date of transaction.	Leasehold for 99 years. Term expiring on June 19 <sup>th</sup> , 2110. leaving an unexpired term of approximately 91 years as at the date of transaction.	Leasehold for 99 years. Term expiring on June 19 <sup>th</sup> , 2110. leaving an unexpired term of approximately 91 years as at the date of transaction.	Leasehold for 99 years. Term expiring on September 28 <sup>th</sup> , 2110. Leaving an unexpired term of approximately 91 years as at the date of transaction.
Net Floor Area	208.99 sq.ft	515.19 sq.ft	322.99 sq.ft	429.00 sq.ft
Consideration	RM 279,950.00	RM 612,000.00	RM 380,000.00	RM 432,071.64
Price PSF	<b>RM 1,339.54 psf</b>	<b>RM 1,187.91 psf</b>	<b>RM 1,176.51 psf</b>	<b>RM 1,007.16 psf</b>
Adjustments	General adjustments are made for time, location, accessibility, size, tenure, floor level, improvement and material valuation uncertainty			
Adjusted Price PSF	<b>RM 1,153.12 psf</b>	<b>RM 1,196.67 psf</b>	<b>RM 1,134.45 psf</b>	<b>RM 834.81 psf</b>

## APPENDIX B – VALUATION CERTIFICATE



### Theme Park

We have adopted an income approach by way of discounted cash flow (DCF) in determining the value of the theme park.

DCF incorporates the estimation of future annual cash flows over a twelve (12) year investment horizon from the date of valuation by reference to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the property as at the valuation date.

We have assumed that the property is sold at the commencement of the thirteenth year of the cash flow at the expected rate of return of similar asset classes.

In undertaking this analysis, we have used a wide range of assumptions for the property including the growth of revenues during the holding period and other related property expenses. These projections are based on assumptions and events expected to occur in the future and is based on both the client's projection records as well as market derived analysis of the sector. Therefore, no guarantee can be given that these results will be achieved.

Parameters	Remarks/Assumptions
Revenue	<p><u>Ticket Sales</u> Estimated total visitor of 430,525 on the first year totalling to an annual ticketing revenue of RM 26,349,250.</p> <p><u>Other Sales</u> Estimated 80% of visitors will spend RM 10 on food and beverage and 50% of visitors will spend RM 20 on souvenirs &amp; merchandise items totalling to RM 7,749,450.</p> <p>Total estimated revenue for the first operating year is RM 34,098,700.</p> <p>Revenue is expected to have an annual growth of 8%.</p> <p>The theme park is expected to be operational 2 years from the date of valuation hence there will be no income for the first 2 years.</p>
Operating Expenses	<p><u>Cost of sales (F&amp;B, Souvenirs and merchandise items)</u> Estimated 20% of revenue from other sales.</p> <p><u>Staff salary</u> Based on client estimations.</p> <p>Staff salary is expected to have an annual increment of 4%.</p> <p><u>Major Operating Expenses &amp; Capital Expenditure</u> 30% of ticket revenue.</p> <p>Total estimated operating expenses for the first operating year is RM 19,364,665.</p>
Sinking Fund	<p>2.75%</p> <p>The sinking fund is usually part of the service charge that is payable by each leaseholder and is based on a fixed percentage. We have obtained the sinking fund rate based on the average fixed deposit rates of different banks.</p>



## APPENDIX B – VALUATION CERTIFICATE



Parameters	Remarks/Assumptions																			
Discount Rate	<p>8.00%</p> <p>The discount rate is based on the perceived risk versus the return required, looking at the rate of return of similar asset classes. A general way of determining the discount rate is to adopt the risk free interest (Average Fixed Deposit Rate : 2.75%) plus an additional 5.00% to 6.00%. In this instance we have adopted the Weighted Average Cost Of Capital (WACCs) as a fair reflection of the discount rate, because of the distribution of the risk/return relation between the expected return from an investor's standpoint as well as the cost of funds.</p> <p>As such, the discounted rate adopted of 8.00% is approximately 5.25% higher than the average fixed deposit rate in Malaysia, and is about 1.00% higher than the capitalization rate. Thus, we have adopted 8.00% as a fair reflection of the additional risk premium of the asset class.</p>																			
Capitalization Rate / All Risk Yield	<p>7.00%</p> <p>Identifying the yield for a theme park in this region is a daunting task, as there is only a dearth of companies which specializes in this business field. Most of the companies such as Sunway Berhad (Sunway Lagoon) and Santoria Berhad (Gambang Water Park) are large conglomerates whereby the water themed parks are just part of their overall groups' business. The yield extracted from the annual report would be skewed and thus not a true reflection of the rate of return from the park's businesses.</p> <p>As such, we have widen our scope to pure themed park players globally, and have listed the following companies and their respective yields which we rely as a guide in determining the Capitalization Rate.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Companies</th> <th colspan="3" style="text-align: center;">Average Dividend Yield</th> </tr> <tr> <th style="text-align: center;">2018</th> <th style="text-align: center;">2019</th> <th style="text-align: center;">1<sup>st</sup> Half 2020</th> </tr> </thead> <tbody> <tr> <td>Six Flags Entertainment Corporation</td> <td style="text-align: center;">5.00%</td> <td style="text-align: center;">5.66%</td> <td style="text-align: center;">10.20%</td> </tr> <tr> <td>EPR Properties</td> <td style="text-align: center;">5.81%</td> <td style="text-align: center;">6.02%</td> <td style="text-align: center;">9.95%</td> </tr> <tr> <td>Cedar Fair Entertainment Company</td> <td style="text-align: center;">5.97%</td> <td style="text-align: center;">8.68%</td> <td style="text-align: center;">7.00%</td> </tr> </tbody> </table> <p><b>Source : <a href="http://marketbeat.com">marketbeat.com</a></b></p> <p>We have noted that dividend yield does not equal to property yield. Nevertheless, with the absence of comparable data in this instance, coupled with the fact that the companies as chosen above are traditional themed park players, we have adopted the above yields just as a general guide in determining the Capitalization Rate in our DCF computation.</p> <p>After making adjustments to reflect actual property yield, we have landed on a Capitalization Rate / all risk yield of 7.00% and having considered it is the most expected rate of return achievable at the current market condition.</p>	Companies	Average Dividend Yield			2018	2019	1 <sup>st</sup> Half 2020	Six Flags Entertainment Corporation	5.00%	5.66%	10.20%	EPR Properties	5.81%	6.02%	9.95%	Cedar Fair Entertainment Company	5.97%	8.68%	7.00%
Companies	Average Dividend Yield																			
	2018	2019	1 <sup>st</sup> Half 2020																	
Six Flags Entertainment Corporation	5.00%	5.66%	10.20%																	
EPR Properties	5.81%	6.02%	9.95%																	
Cedar Fair Entertainment Company	5.97%	8.68%	7.00%																	
Projected Period	<p>We have adopted a projection period of 12 years (2 year under construction + 10 years operation). We envisage any period longer than that would be difficult to project due to uncertainties in the leisure and entertainment market.</p>																			

## APPENDIX B – VALUATION CERTIFICATE



### Carpark Bays

Comparables	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3
Source	Bursa Malaysia Securities Berhad / Circular Dated September 17 <sup>th</sup> ,2015 and March 18 <sup>th</sup> ,2016	News Article dated 19 <sup>th</sup> January 2017/ PHB Website/ Laurelcap Research	Bursa Malaysia Securities Berhad / Circular Dated November 24 <sup>th</sup> , 2017
Address	Da Men Mall	Empire Subang Gallery	Vista Tower
	No. 1, Persiaran Kewajipan, USJ 1, 47600 Subang Jaya, Selangor Darul Ehsan	Jalan SS 16/1, SS 16, 47500 Subang Jaya, District of Petaling, Selangor Darul Ehsan	Vista Tower, The Intermark, 348, Jalan Tun Razak, 50400 Kuala Lumpur
Transaction Date / Date Of Circular	15/8/2016	19/1/2017	24/11/2017
Tenure	Freehold	Freehold	Freehold
No of Car Park Bay	1,638	1,414	917
Consideration	RM 55,692,000.00	RM 49,490,000.00	RM 45,850,000.00
<b>Price Per Bay</b>	<b>RM 34,000.00 / Bay</b>	<b>RM 35,000.00 / Bay</b>	<b>RM 50,000.00 / Bay</b>
Adjustments	General adjustments are made for time, location, accessibility, size, tenure, floor level, improvement and material valuation uncertainty		
<b>Adjusted Price PSF</b>	<b>RM 24,735.00 / Bay</b>	<b>RM 25,462.50 / Bay</b>	<b>RM 33,950.00 / Bay</b>

### Residual Method

Gross Development Value (GDV)	<p>Total GDV for the whole project is <b>RM 1,836,169,700.00</b> after taking into consideration of Bumiputera and non-Bumiputera discounts.</p> <p>Total progressive receivable from sale of property development as of June 30<sup>th</sup>, 2020 amounts to some <b>RM 641,973,961.88</b>.</p> <p>Therefore, the remaining balance GDV left in the project is approximately <b>RM 1,194,95,738.12</b>.</p>
Gross Development Cost (GDC)	<p>Total estimated GDC for the whole project is <b>RM 1,042,017,083.70</b>.</p> <p>Cost paid as of June 30<sup>th</sup>, 2020 amounts to some <b>RM 478,705,988.50</b>.</p> <p>Total outstanding GDC as of June 30<sup>th</sup>, 2020 is approximately <b>RM 563,311,095.20</b> including cost of construction, professional fees, authorities contribution, financing cost and contingencies.</p> <p>The GDC is based on actual contract sum, estimations by client as well as referring to industry benchmarks.</p>
Developer's Profit	<p>18% of GDV</p> <p>We have adopted a developer's profit of 18% of GDV, which is a fair rate of return and risk taken by the developer to embark on a commercial project in Melaka.</p>
Present Value	<p>8.5% per annum for 2.5 years</p> <p>The development project is approximately 76.35% completed and about 68.57% sold hence the risk is lower as compared to a new commercial development. We have adopted a period of 2.5 years for the entire development to be completed and fully sold out.</p>



**Material Valuation Uncertainty**

Due to the spread of the COVID-19 pandemic in Malaysia, the first Movement Control Order (MCO) was enforced from 18 March to 31 March 2020. The MCO was replaced by the Conditional MCO (CMCO) on 4 May 2020 and recently the Recovery MCO (RMCO) effective 12 June 2020. We foresee more widespread impact on local businesses and markets. This pandemic outbreak is affecting countries worldwide and the impact is expected to be substantial and long-lasting. Bank Negara Malaysia's (BNM) latest 6-month moratorium deferment package will help to shore up the markets including stabilising the property sector and helping to reduce any sudden surges in property auctions. This is a temporary measure to assist individuals as well as Small and Medium Enterprises but does not solve all current problems. In Malaysia, as in much of the world, the impact on the economy is unpredictable and unprecedented as our turbulent local politics, the crude oil shock and COVID-19 have all snowballed together to create a devastating effect. Adjustments have been made for "Material Valuation Uncertainty" as Malaysia is in a lockdown period under the RMCO as at the date of valuation of 30 June 2020. The official lockdown was started on 18 March 2020 and was further extended to 4 May 2020 and then further relaxed but effective till 31 August 2020.

**CONCLUSION**

Having taken into consideration all the relevant and pertinent factors, we are of the opinion that the **Market Value** and **Forced Sale Value** of the leasehold interest with an unexpired term of approximately 90 years in an ongoing commercial development comprising one thousand seven hundred ninety two (1,792) retail units identified as "Harbour City Mall", seven hundred seventeen (717) serviced suites identified as "Harbour City Suites", five hundred seventy six (576) serviced residences identified as "Harbour City Resort", two hundred ninety one (291) serviced residences identified as "Harbour City Premier Resort", and an indoor & outdoor theme park collectively known as "Harbour City" located at Lot No. PT 882, Jalan Baiduri 1, Taman Pulau Melaka, 75000 Melaka, Melaka held under Master Title No. HS(D) 84876, Lot No. PT 882 (Formerly known as Master Title Nos. PN 54208, Lot No. 10372 & PN 54209, Lot No. 10373), Mukim of Kawasan Bandar XLIII, District Of Melaka Tengah, State Of Melaka Together With two thousand one hundred and five (2,105) car parking bays, based on approved Development Order (Kebenanaran Merancang) issued by the Majlis Bandaraya Melaka Bersejarah via File Reference No. MBMB/JP. 06061 dated December 3<sup>rd</sup>, 2014. Vide Architect's Drawing No. 1058.DD.1.1 to 1058.DD.4.4 dated on March 2019, in its existing physical condition with vacant possession and subject to its title being free from encumbrances, good, marketable and registrable as of **June 30<sup>th</sup>, 2020** is:

- Market Value - RM 340,000,000.00 (Ringgit Malaysia : Three Hundred Forty Million Only)**
- Forced Sale Value - RM 260,000,000.00 (Ringgit Malaysia : Two Hundred Sixty Million Only)**

The above Report and Valuation has been carried out by Sr Stanley Toh Kim Seng,  
**For and on behalf of Laurelcap Sdn. Bhd.**



**Sr STANLEY TOH KIM SENG**  
BSc (Hons) Estate Management,  
MRISM, MRICS, MPEPS, MMIPFM, ICVS, MBVAM  
Registered Valuer (V-927)

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### HATTEN LAND LIMITED

(Company Registration Number 199301388D)  
(Incorporated in the Republic of Singapore)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of the members of Hatten Land Limited (the “**Company**”) will be held on 13 November 2020, by way of electronic means (via audio-visual webcast or live audio-only means), at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution as set out below.

*All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 29 October 2020 (the “**Circular**”).*

### **ORDINARY RESOLUTION**

#### **APPROVAL FOR THE PROPOSED TRANSACTION BEING:**

- (1) THE PROPOSED DIVESTMENT OF, AND MATERIAL DILUTION OF EFFECTIVE EQUITY INTERESTS IN, GOLD MART SDN BHD , RESULTING IN GOLD MART SDN BHD CEASING TO BE A SUBSIDIARY OR ASSOCIATED COMPANY OF THE COMPANY; AND**
- (2) THE PROPOSED SALE AND ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS IN RELATION TO THE PROJECT “HARBOUR CITY” HELD BY HATTEN MS PTE. LTD.**

That:

- (a) approval be and is hereby given for the proposed (i) sale of all the rights and interest of the Company’s subsidiary, Hatten MS Pte. Ltd. (“**Hatten MS**”), in the project “**Harbour City**” on the land located at Kawasan Bandar XLIII, District of Melaka Tengah, State of Melaka, Malaysia (the “**Project**”), via assignment and transfer of all of Hatten MS’s rights, control and interest in and to the intellectual property and intellectual property rights in relation to the Project by Hatten MS, to Tayrona Capital Pte. Ltd. (“**Tayrona Capital**”) for a consideration of US\$60 million (the “**Proposed Assignment**”); and (ii) issue of 99,000,000 new ordinary shares of Gold Mart Sdn Bhd (“**Gold Mart**”) to Tayrona Capital at RM1.00 per share for a consideration of RM99,000,000 (the “**Proposed Share Subscription**”, and collectively with the Proposed Assignment, the “**Proposed Transaction**”), resulting in Gold Mart ceasing to be a subsidiary and associated company of the Company, on the terms and subject to the conditions of the agreement dated 11 August 2020 entered into between Hatten MS, Tayrona Capital Pte. Ltd., Gold Mart and Wealth Express Holdings Group Limited (“**WEH**”) (the “**Agreement**”), such Proposed Transaction being a “major transaction” for the purposes of Chapter 10 of the Listing Manual Section B: Rules of Catalist of the SGX-ST;
- (b) the Directors of the Company and each of them be and are hereby authorised to do all acts and things including without limitation, executing all such documents and approving amendments, alterations, modifications to any such documents as may be required or desirable in connection with this Ordinary Resolution, the Proposed Transaction and/or the Agreement as they or he may consider desirable, expedient or necessary in the interests of the Company to give effect to the Ordinary Resolution, the Proposed Transaction and the Agreement; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by a Director in connection with the Proposed Transaction be and are hereby approved, confirmed and ratified.

### BY ORDER OF THE BOARD

Dato' Tan June Teng Colin @ Chen JunTing  
Executive Chairman and Managing Director  
29 October 2020  
Singapore

#### **Measures to Minimise Risk of Community Spread of COVID-19**

On 3 April 2020, the Singapore Government announced the implementation of circuit breaker measures (enhanced safe distancing measures and closure of non-essential workplace premises) to curb the further spread of COVID-19.

Pursuant to the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020, the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued by the Minister for Law on 13 April 2020 provides legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company's constitution).

A joint statement issued on 13 April 2020 by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing additional guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the elevated safe distancing measures period.

In light of the above developments, the Company is arranging for a live webcast of the EGM proceedings (the "Live EGM Webcast") which will take place on 13 November 2020 at 10.00 a.m. Shareholders will be able to watch the EGM proceedings through the Live EGM Webcast, and the Company will not accept any physical attendance by shareholders. Any shareholder seeking to attend the EGM physically in person will be turned away.

Printed copies of the EGM Notice will not be sent to members. Instead, the EGM Notice will be sent to members by electronic means via publication on the Company's website at <http://www.hattenland.com.sg> and SGXNET. The Circular may be accessed at the same website and SGXNET.

#### **Participation in the EGM via live webcast or live audio feed**

1. As the EGM will be held by way of electronic means, shareholders will **NOT** be able to attend the EGM in person. All shareholders or their corporate representatives (in the case of shareholders which are legal entities) will be able to participate in the EGM proceedings by accessing a live webcast or live audio feed. To do so, shareholders are required to pre-register their participation in the EGM ("**Pre-registration**") at this link: <http://online.meetings.vision/hatten-egm-registration> from 10.00 a.m. on 29 October 2020 to 10.00 a.m. 10 November 2020 ("**Registration Deadline**") for verification of their status as shareholders (or the corporate representatives of such shareholders).
2. Investors who hold shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the Live EGM Webcast must approach their respective depository agents to pre-register by 5.00 p.m. on 3 November 2020 in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.
3. Upon successful verification, each such shareholder or its corporate representative will receive an email by 5.00 p.m. on 11 November 2020. The email will contain instructions to access the live webcast or live audio feed of the EGM proceedings. Shareholders or their corporate representatives must not forward the email to other persons who are not shareholders and who are not entitled to participate in the EGM proceedings. Shareholders or their corporate representatives who have pre-registered by the Registration Deadline in accordance with paragraph 1 above but do not receive an email by 5.00 p.m. on 11 November 2020 may contact the Company's Share Registrar, Tricor Barbinder Share Registration Services at (65) 6236 3550/555 for enquiries.

#### **Voting by proxy**

4. Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. The accompanying proxy form for the EGM may be accessed at the Company's website at <http://www.hattenland.com.sg> and SGXNET.



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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5. Shareholders who wish to vote on any or all of the resolutions at the EGM must appoint the Chairman of the Meeting as their proxy to do so on their behalf and must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
6. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 3 November 2020.
7. The duly executed proxy form must be submitted via one of the following means:
  - (a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898, or
  - (b) submitted by email to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com)

not later than 72 hours before the time set for the EGM.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. A Depositor shall not be regarded as a member of the Company unless his/her name appears on the Depository Register 72 hours before the time appointed for the EGM.

### **Submission of Questions**

9. Shareholders may submit questions relating to the items on the agenda of the EGM. All questions must be submitted by 10.00 a.m. on 10 November 2020:
  - (a) via the pre-registration website at <https://online.meetings.vision/hatten-egm-registration>,
  - (b) by email to [hattenlandagm@hattengrp.com](mailto:hattenlandagm@hattengrp.com)
10. The Company will endeavour to address the substantial and relevant questions received in advance of the EGM either before or during the EGM. The responses to such questions from shareholders, together with the minutes of the EGM, will be posted on the SGXNET and the Company's website within one month after the date of the EGM.
11. Please note that shareholders will not be able to ask questions at the EGM "live" during the webcast and the audio feed, and therefore it is important for shareholders to pre-register their participation in order to be able to submit their questions in advance of the EGM.

### **Important reminder**

12. Due to the constantly evolving COVID-19 situation, the Company may be required to change its EGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the EGM. Further, in light of the current COVID-19 measures, which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

### **Personal Data Policy**

By (a) submitting an instrument appointing the Chairman of the Meeting as a proxy to vote at the EGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with the Notice of EGM, or (c) submitting any question prior to the EGM in accordance with the Notice of EGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) administration and analysis of the Company (or its agents or service providers) for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"),
- (ii) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as a proxy for the EGM (including any adjournment thereof);
- (iii) the processing of the Pre-registration for purposes of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast or live audio feed of the EGM proceedings and providing them with any technical assistance where necessary;
- (iv) addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions;
- (v) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and
- (vi) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

# HATTEN LAND LIMITED

(Company Registration No. 199301388D)  
(Incorporated in the Republic of Singapore)

## PROXY FORM Extraordinary General Meeting

### IMPORTANT

1. The Extraordinary General Meeting ("EGM") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the EGM via electronic means, submission of questions in advance of the EGM, addressing of substantial and relevant questions before or at the EGM and voting by appointing the Chairman of the Meeting as proxy at the EGM, are set out in the Notice of EGM dated 29 October 2020.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/ its voting rights at the EGM.
4. For investors who have used their CPF/SRS monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. CPF/SRS investors are requested to contact their respective Agent Banks for any queries they may have with regard to the appointment of the Chairman of the Meeting as the proxy.

*Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.*

\*I/We (Name) \_\_\_\_\_ NRIC/Passport No, \_\_\_\_\_

of (Address) \_\_\_\_\_

being \*a member/members of Hatten Land Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us at the Extraordinary General Meeting of Hatten Land Limited (the "Company") to be held by electronic means on 13 November 2020 at 10.00 a.m., and at any adjournment thereof.

We have indicated with an "X" in the appropriate box against each item below how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

Ordinary Resolution	For	Against	Abstain
1. To approve the Proposed Transaction			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**IMPORTANT. Please read notes before completing this Proxy Form**



**NOTES:**

1. This instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
2. Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Extraordinary General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting.
3. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, may be:
  - (a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898, or
  - (b) submitted by email to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com)not later than 72 hours before the time set for the Extraordinary General Meeting.