

PROPOSED PLACEMENT OF 56,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF HATTEN LAND LIMITED

1. INTRODUCTION

- 1.1. The Board of Directors (the **"Board"**) of Hatten Land Limited (the **"Company"**), and together with its subsidiaries, the **"Group"**) wishes to announce that the Company had on 24 October 2019 entered into a placement agreement (**"Placement Agreement"**) with Kingpin Investment Pte Ltd (the **"Placee"**).
- 1.2. Pursuant to the Placement Agreement, the Company agrees to allot and issue 56,500,000 new ordinary shares in the capital of the Company (the **"Placement Shares"**) at an issue price of S\$0.09 for each Placement Share (the **"Placement Price"**), and the Placee agrees to subscribe for the Placement Shares for an aggregate of consideration of S\$5,085,000 (the **"Proposed Placement"**).
- 1.3. The Placement Shares will be issued under Section 275(1A) of the Securities and Futures Act, Chapter 289 of Singapore (**"SFA"**) and in compliance with all the conditions of these exemptions in the SFA therein. As such, no prospectus, offer document or other information statement will be issued by the Company and lodged with the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) acting as agent on behalf of the Monetary Authority of Singapore in connection with the Placement.
- 1.4. Upon the allotment and issue of all the Placement Shares, the Company's issued and paid-up share capital will increase from 1,378,096,353 Shares as at the date of this announcement (**"Existing Share Capital"**) to 1,434,596,353 Shares (**"Enlarged Share Capital"**) (assuming that no further Shares are issued on or prior to the completion of the Placement). The aggregate Placement Shares represent approximately 4.10% of the Existing Share Capital and approximately 3.94% of the Enlarged Share Capital.
- 1.5. No placement agent has been appointed in respect of the Placement. Placee was however introduced to the Company by Star Treasure Enterprises Limited, an unrelated third party. As consideration for the introductory services, the Company will issue and allot the Referral Shares (as defined in paragraph 5) to Star Treasure Enterprises Limited. Please refer to paragraph 5 of this announcement for further details.

2. GENERAL MANDATE

- 2.1. The Placement Shares will be allotted and issued pursuant to the authority granted by shareholders of the Company (**"Shareholders"**) by way of an ordinary resolution at the annual general meeting of the Company held on 25 October 2018 (**"2018 AGM"**) for the issue of Shares not exceeding 100.0% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2018 AGM, of which the aggregate number of shares to be issued other than on a pro-rata basis to Shareholders shall not exceed 50.0% of the issued Shares (excluding treasury shares and subsidiary holdings) (the **"Share Issue Mandate"**).
- 2.2. The issued share capital of the Company as at the date of the Share Issue Mandate and the date of this announcement is 1,378,096,353 shares. As no shares had previously been issued pursuant to the Share Issue Mandate, the maximum number of new shares that may be issued other than on a pro-rata basis to Shareholders pursuant to the Share Issue Mandate is 689,048,176 Shares. As such, the allotment and issuance of all the Placement Shares and Referrer Shares fall within the limits of the Share Issue Mandate.

3. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

3.1. Placement Price

The Placement Price of S\$0.09 represents a discount of approximately 7.31% to the volume weighted average price of S\$0.0971, based on trades done on the Shares on SGX-ST on 24 October 2019 (being the last full market day prior to the signing of the Placement Agreement). The Placement Price was arrived at following arm's length negotiations between the Company and the Placee.

3.2. Placement Shares

The Placement Shares will be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the then existing issued ordinary shares in the capital of the Company ("**Shares**") at the time of issue except for any dividends, rights, distributions, allotments or other entitlements the record date of which falls before the date of issue of the Placement Shares. For the purpose of this announcement, "Record Date" means the date fixed by the Company for the purpose of determining the entitlements to dividends or other distributions to or rights of holders of Shares.

3.3. Conditions Precedent

Completion of the Proposed Placement is conditional upon, *inter alia*:

- (a) the listing and quotation notice being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Dates (as defined below), they are so fulfilled;
- (b) all material approvals, consents, licenses, permits, waivers and exemptions (collectively, "**Approvals**") for the Placement, having been granted by all third parties including all governmental bodies, whether in Singapore or elsewhere, to the Company and/or the Placee (as the case may be) and where any such Approval is subject to conditions, such conditions being reasonably acceptable to the Company and/or the Placee, as the case may be, and if such conditions are required to be fulfilled on or before the Completion Date, such conditions having been fulfilled on or before the Completion Date, and such Approvals remaining in full force and effect;
- (c) there having been, as at the Completion Date, no occurrence of any event or the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties set out in the Placement Agreement.

If any of the conditions set out above have not been satisfied on or before the Cut-Off Date (as defined below), the Placement Agreement shall terminate and in such event (except for the liability of the Company for the payment of expenses in connection to the Proposed Placement) the Parties shall be released and discharged from their respective obligations.

"Cut-Off Date" means 23 December 2019 or such other date as the Company and the Placee may mutually agree.

3.4. Completion

The Proposed Placement shall complete within ten (10) Business Days after the approval date of SGX-ST of the Proposed Placement (or, if that day is not a Business Day, on the next Business Day), or such other date as the Parties hereto may agree in writing.

3.5. **Appointment of Director Nominated by the Placee**

The Company shall appoint a nominee of the Placee as a non-independent non-executive director of the Board if the Placee decides to accept a directorship on the Company's Board of director.

3.6. **General**

The Placement Shares will not be placed out to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Listing Manual Section B: Rules of Catalyst of the SGX-ST ("**Catalist Rules**"), save for exceptions under Rule 812(3) of the Catalyst Rules.

4. **INFORMATION ON THE PLACEE**

The Placee is wholly owned by Mr Yang Tse Pin who is also its sole director. Mr Yang has more than 30 years of experience in the building construction and property development industries. Through the years, Mr Yang has established expertise and experience in the business of facility management and properties management agent.

The Placee has confirmed that it is subscribing for the Placement Shares purely for the purposes of investment and solely for its own beneficial account, and is not subscribing for any of the Placement Shares as an agent for or otherwise on behalf of any other person.

The Placee, its directors and shareholders are not related (including business relationships) to any of the Directors, substantial shareholders of the Company, or their respective associates. The Subscriber is not a restricted person under Rule 812 of the Catalyst Rules.

The Placee was introduced to the Company by the Referrer (as defined below).

5. **REFERRAL FEE**

For the introduction of the Placee to the Company, the Company has agreed to pay a referral fee amounting to 5% of the total gross proceeds to be raised from the Proposed Placement ("**Referral Fee**") to Star Treasure Enterprises Limited, a company incorporated in British Virgin Islands and in the business of providing advisory services (the "**Referrer**"). The Referral Fee amounts to S\$254,250 and it is payable through the issuance of 2,825,000 new shares by the Company at the Placement Price ("**Referrer Shares**").

The Referrer Shares represent 0.20% of the Existing Share Capital and 0.20% of the Enlarged Share Capital. The Referrer Shares will be issued pursuant to the Share Issue Mandate.

The Referrer's sole director and shareholder is Mr. Tan Chin Tuan. The Referrer, its director and shareholder are not related to any of the Directors, substantial shareholders of the Company, or their respective associates. The Referrer (including its director and shareholder) is not a restricted person under Rule 812 of the Catalyst Rules, and is not co-operating or acting in concert with any other shareholders of the Company to obtain or consolidate effective control of the Company through the Referrer Shares. There is also no past or present connection (including business relationship) between the Company, its subsidiaries, its Directors or substantial shareholders and the Referrer (including its director and shareholder).

6. **RATIONALE AND USE OF PROCEEDS**

- 6.1. The Company has decided to undertake the Proposed Placement to (i) meet anticipated general working capital requirements taking into account its current working capital position; (ii) strengthen its financial position.

6.2. Based on the gross proceeds of S\$5,085,000 from the Proposed Placement, after deducting estimated expenses of approximately S\$25,000, the Proposed Placement will raise net cash proceeds of approximately S\$5,060,000 million (the “**Net Proceeds**”).

6.3. The Company intends to utilise the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$)	Percentage (%)
Working capital for the Company - Financing for development projects and general expenses	S\$5,060,000	100.0%

6.4. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company’s interim and full-year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6.5. Pending deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments or debt instruments or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit from time to time.

7. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

7.1. The financial effects of the Proposed Placement set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Placement. The table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:

- (a) the unaudited consolidated financial statements of the Group for the financial year ended 30 June 2019;
- (b) the financial effect on the unaudited consolidated net tangible asset (“**NTA**”) per Share is computed based on the assumption that the Proposed Placement was completed on 30 June 2019;
- (c) the financial effect on the audited consolidated earnings per Share (“**EPS**”) is computed based on the assumption that the Proposed Placement was completed on 1 July 2018;
- (d) the issuance of 56,500,000 Placement Shares and 2,825,000 Referral Shares at the Placement Price of S\$0.09 each;
- (e) net proceeds of S\$5,060,000 after deducting the estimated fees and expenses for the Proposed Placement of approximately S\$25,000.
- (f) the expenses for the Proposed Placement have been capitalized; and
- (g) the exchange rate is S\$1 = RM3.10.

	Before issuance of the Placement Shares and Referral Shares	After issuance of the Placement Shares and Referral Shares
Paid-up share capital (RM'000)	252,719	267,617
Number of Shares	1,378,096,353	1,437,421,353
NTA (RM'000)	186,402	201,300
NTA per Share (RM cents)	13.53	14.00
Profit attributable to owners of the parent (RM'000)	12,913	12,913
EPS (RM cents)	0.885	0.848

8. DIRECTORS' CONFIRMATION

The Directors are of the opinion that after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the present bank facilities and net proceeds of the Proposed Placements, the working capital available to the Group is sufficient to meet its present requirements.

9. ADDITIONAL LISTING APPLICATION

The sponsor of the Company, UOB Kay Hian Private Limited, will be making an application on behalf of the Company to the SGX-ST for the listing and quotation of the Placement Shares and Referrer Shares on Catalist of the SGX-ST. The Company will make the necessary announcements to notify Shareholders once the listing and quotation notice for the Placement Shares and Referrer Shares have been obtained from the SGX-ST.

10. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or the substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Placement (other than through their respective shareholdings in the Company).

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

12. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. Completion of the Proposed Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors if they have any doubt about the actions they should take.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Placement Agreement is available for inspection during normal business hours at the registered office of the Company at 53 Mohamed Sultan Road, #04-02, Singapore 238993 for a period of three (3) months commencing from the date of this announcement.

By the Order of the Board
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
24 October 2019

This announcement has been prepared by Hatten Land Limited (the "Company") and its contents have 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 announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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