

# HATTEN LAND LIMITED

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

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## PROPOSED DISPOSAL OF LAND BY PROLIFIC REVENUE SDN BHD

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### 1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Hatten Land Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its indirect wholly owned subsidiary, Prolific Revenue Sdn Bhd (“**PRSB**”), has on 7 July 2021 entered into a sale and purchase agreement (the “**Agreement**”) with Webest Sdn Bhd (the “**Purchaser**”) for the disposal of a leasehold land (the “**Land**”) for an aggregate consideration of RM25,800,000 (“**Consideration**”) (the “**Proposed Disposal**”).

### 2. INFORMATION ON THE LAND AND PURCHASER

- 2.1. The Land is a leasehold vacant land expiring on 15 February 2110. The Land is held under PN 54338, Lot 11006, Kawasan Bandar I, Daerah Melaka Tengah, Melaka measuring 3.781 hectares in area bearing postal address known as PT29 (LT11006), Jln Limbongan-Jln Syed Abd Aziz, 75200 Melaka and is initially slated to be developed into an integrated mixed development that will comprise a shopping mall, cineplex, convention hall and auditorium, meeting rooms, a hotel block and a serviced apartment block (“**MICC Project**”). As of the date of this announcement, the MICC Project has yet to commence. The book value of the Land as at 31 March 2021 is RM28,488,675.60.
- 2.2. The Purchaser is a company incorporated in Malaysia on 28 September 1994. The Purchaser is principally engaged in property development. The Purchaser’s shareholders are Lim Fee Ching and Kan Oi Wah and directors are Lim Peh Toh Kia @ Lim Seng Chong and Lim Fee Ching. Lim Ying is the alternate director of the Purchaser. The Purchaser and its shareholders and directors are not related to the Group and its directors and substantial shareholders. PRSB appointed a third-party real estate agent to sell the Land and the Purchaser was introduced by the third-party real estate agent.

### 3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

#### 3.1 Consideration

The Consideration for the Proposed Disposal is RM25,800,000. The Consideration for the Land was arrived at by the relevant parties on a willing buyer willing seller basis after taking into consideration, amongst other factors the current market condition. In arriving at the Consideration, the Company has also taken into consideration the completed sale of comparable lands located in the vicinity of the Land.

The Consideration will be satisfied in cash payment based on the following payment milestones:-

- (a) 2% of the Consideration, being the earnest deposit which has been paid as at the date of this announcement.
- (b) 8% of the Consideration, being the balance deposit shall be paid in the following manners:
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  - i) 4% upon signing of the Agreement (“**First Balance Deposit**”); and
  - ii) 4% within one month from the date of the First Balance Deposit.

- (c) 90% of the Consideration shall be paid within four months from the Unconditional Date (as defined herein) of the Agreement (the “**Completion Date**”).

### 3.2 Conditions precedent

(a) Application for consent to transfer

- (i) PRSB shall within thirty Business Days from the date of the Agreement, authorizes the Purchaser’s solicitors, to make the necessary application to the State Authority or such other relevant authorities as shall be required in the circumstances for their consent or approval for the sale and/or transfer of the Land to the Purchaser (hereinafter referred to as “**the Consent**”).
- (ii) PRSB shall obtain the Consent within six months from the date of the Agreement (“**the said Period**”) or at such extended period mutually agreed between parties failing which the Agreement will lapse automatically and in such event, PRSB shall refund all monies paid free of interest within fourteen days upon demand.
- (iii) PRSB shall bear all application fee including the legal fees and disbursements payable to the Purchaser’s solicitors in respect of the application for the Consent.
- (b) In the event the Vendor’s application for the Consent is rejected by the State Authority, the Vendor shall within fourteen Business Days from the date of receipt of written notification from the Purchaser’s Solicitors, refund all monies paid by the Purchaser free of interest.
- (c) This Agreement shall be deemed unconditional upon the Purchaser’s Solicitors receipt of the original Consent (hereinafter referred to as “**the Unconditional Date**”)

## 4. **RATIONALE FOR THE PROPOSED DISPOSAL**

The Company believes that the Proposed Disposal provides an attractive avenue to raise funds at this prevailing time that enables the Company to realize the value of the land and thereby generate cash inflow expeditiously to cater to the financial needs of the Company. The Company intends to use the sales proceeds from the Proposed Disposal for general working capital purposes such as operating expenses, repayment of borrowings and financing for existing development projects. Previously, the Company has announced that MICC Project is one of the Company’s upcoming projects. With the Proposed Disposal, the Company will not proceed with MICC Project. As the Company has yet to commence development of the MICC Project, there will be no penalties imposed on the Company as a result of the Proposed Disposal and for not proceeding with the MICC Project. As at 31 March 2021, the book value of the MICC Project (which solely comprise of the Land) is approximately RM28.5 million. As a result of the Proposed Disposal, the Group expects to recognize a loss on disposal of the Land of approximately RM2.7 million.

Due to the current ongoing COVID-19 crisis, the Government of Malaysia has imposed different level of movement control order with the most recent nationwide lockdown implemented from 1 June 2021 which has since been extended until the daily cases fall below 4,000. Despite the vaccination programme and the implementation of the various Movement Control Order, the Malaysian economy and property market continues to be negatively impacted. With the weak consumer sentiments and property market, the Group expects its financial performance to remain challenged and lackluster in 2021. As such, the Board is of the view that the Proposed Disposal is in the best interest of the Company, notwithstanding that the Consideration is lower than the book value of the Land as it provides an opportunity for the Company to raise funds for its operations and repayment of borrowings in light of the current economic environment.

In terms of the valuation of the Land, the Company had relied on similar land sale which has been completed as a reference. Based on such reference, the Consideration is higher than the value of completed land sales in terms of price per square feet. The Board is of the view that such reference price is sufficient in light of the opportunity to raise funds arising from the Proposed Disposal in the current economic environment whereby there may be limited number of buyers in the market.

## 5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

### 5.1. Assumptions

The Group's most recently completed financial year is the financial year ended 30 June 2021 ("FY2021"). However, as at the date of this announcement, the Company has not announced its results for FY2021. As such, the pro forma financial effects in this section have been prepared based on the most recently audited consolidated financial statements of the Group for the financial year ended 30 June 2020 ("FY2020") and under the following assumptions:

- (a) that the Proposed Disposal had been completed on 1 July 2019 for the purposes of illustrating the financial effects on the Group's earnings per share ("EPS");
- (b) that the Proposed Disposal had been completed on 30 June 2020 for the purposes of illustrating the financial effects on the Group's net tangible assets ("NTA") per share.

The pro forma financial effects presented below are for illustrative purposes only and may not reflect the actual financial position and results of the Group upon completion of the Proposed Disposal.

### 5.2. NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA attributable to owners of the Company (RM'000)	159,965	157,276
Number of Shares ('000)	1,434,596	1,434,596
NTA per Share (RM cents)	11.15	10.96

### 5.3. EPS

	Before the Proposed Disposal	After the Proposed Disposal
Net loss attributable to owners of the Company (RM'000)	(229,704)	(232,393)
Weighted average number of Shares ('000)	1,410,669	1,410,669
LPS (RM cents)	(16.28)	(16.47)

## 6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Based on the Group's latest announced unaudited consolidated financial statements for the third quarter ended 31 March 2021, the relative figures of the Proposed Disposal, computed on the bases set out in Rules 1006(a) to (e) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") are set out below.

<b>Rule 1006</b>	<b>Bases of Calculation</b>	<b>Relative Figure (%)</b>
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	24.36 <sup>(1)</sup>
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	Not applicable as the Land is vacant thus does not generate any income or revenue
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	21.12 <sup>(2)</sup>
(d)	The number of Shares to be issued by the Company as consideration for an acquisition, compared with the number of Shares (excluding treasury shares) previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate proved and probable reserves (only applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company)	Not applicable

**Notes:**

- (1) Based on the book value of the Land and the net assets of the Group of RM28,489,000 and RM116,961,000, respectively as at 31 March 2021.
- (2) Based on the market capitalisation of the Company of S\$39.56 million and Consideration of RM25,800,000 (S\$8.36 million based on exchange rate of S\$1:RM3.0873). The market capitalisation is based on 1,595,169,228 shares in issue and the volume weighted average price of S\$0.0248 on 6 July 2021, being the last market day preceding the date of the Agreement where trades were recorded.

As the relative figures computed under Rules 1006(a) and 1006(c) of the Catalist Rules exceed 5% but less than 50%, the Proposed Disposal is a disclosable transaction pursuant to Rule 1010 of the Catalist Rules.

## **7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company.

## **8. SERVICE AGREEMENTS**

No person will be appointed to the Board of Directors of the Company, and no service agreements will be entered into by the Company, in connection with the Proposed Disposal.

## 9. DOCUMENTS FOR INSPECTION

A copy of the Agreement is 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 for three (3) months from the date of this announcement.

## 10. 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 Disposal, the Company and its subsidiaries, 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.

## 11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. As at the date of this announcement, there is no certainty or assurance that the transaction 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 and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Dato' Tan June Teng, Colin  
Executive Chairman and Managing Director  
7 July 2021

*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 Catalyst.*

*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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