

HATTEN LAND LIMITED

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

RESPONSE TO SGX QUERIES

The board of directors (the “Board”) of Hatten Land Limited (the “Company”, and together with its subsidiaries, the “Group”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) in relation to the disposal of Gold Mart Sdn Bhd (“GMSB”) to Tayrona Capital Group Corporation (“Tayrona”) and the Company’s responses to the queries are as follows:

Query 1:

Company stated that Tayrona has updated that they are now awaiting for their bankers to complete the clearance and administrative process. Tayrona has provided assurance that they remain keen and committed to completing the deal and for now there isn’t a long-stop date as the Company is trying to complete the transaction as soon as possible.

Please explain how the Board is satisfied with the proof of availability of funds of Tayrona and its commitment to follow through the deal.

Company’s response:

The Board had a zoom meeting with Tayrona and Tayrona has shared certain bank documents to the Board to prove the availability of funds of Tayrona. As at the date of this announcement, Tayrona has continued to update the Company on the payment status and has provided the Company with their bank comfort letter that they have given instruction to their banker for the payment of consideration of USD83 million.

Query 2:

Company also stated that it will continue to look and explore various options available should the transaction fail to follow through. Are there any potential deals being negotiated at the moment? Please provide an update as to the Company’s consideration of alternative options.

Company’s response:

The Company’s alternative options are to resume construction activities for Project Harbour City and continue to look for potential investors. As at the date of this announcement, the Company is talking to few parties, but nothing is concrete in this point of time.

Query 3:

Notwithstanding the Independent Auditors’ disclaimer of opinion for FY2021 (FYE 30 Jun 2021), the Board is of the view that it is appropriate to prepare these financial statements on a going concern basis after considering, amongst others, the disposal of GMSB to a third party which will generate gross proceeds of US\$60 million.

Please disclose:

- (a) If the disposal of GMSB to Tayrona is not completed, and if there are no other deals available to dispose of GMSB, will the Company be able to continue as a going concern?**
- (b) Given that the disposal to Tayrona is not completed at the moment, please provide the Board of Directors’ assessment of the Group’s ability to continue operating as a going concern and the bases for the said assessment.**

Company's response:

The Board is of the view that the Group is able to continue operating as a going concern even if the disposal of GMSB to Tayrona is not completed based on the following factors:-

- (i) The Group has substantial value of unsold completed properties. The estimated market value of the development properties as at 30 June 2021 is approximately RM1,150,750,000 (including the development properties of GMSB). The Group's priority is to monetise these assets through sales and collection to generate cashflow;
- (ii) On 1 December 2021, the Group has completed a strategic review to respond to changes in the operating environment including emerging trends associated with blockchain technology and digital economy. With these new business initiatives, the Group believes that it will add new revenue streams to the Group and ability to continue operating as a going concern.
- (iii) The re-opening of the economy, interstate and overseas travel will contribute to the recovery of the Group's hospitality and property-related activities in Melaka.
- (iv) The Company has worked closely with its lenders to extend the repayment obligations for its borrowings. This has helped aligned the Group's repayment requirements with the current business climate and channel its cashflow for operation purposes.

In addition, the Company is also currently working to secure a refinancing package for the US\$20 million and US\$25 million. The US\$25 million are secured against an asset owned by related party of the borrowing entity with an estimated collateral valuation of approximately two times of the loan amount and the US\$20 million are secured against, among others, assets owned by one of its subsidiaries and shares of the Company provided by related party of the borrowing entity. For further information on the Board's assessment and its bases on the Group's ability to continue as a going concern, please refer to the announcement dated 15 December 2021 on the SGXNet.

By Order of the Board
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
20 January 2022

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.

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