

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**”) wishes to inform shareholders that it had received queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Queries**”) in relation to Company’s announcement dated 2 July 2020 in respect of the Proposed Restructuring of MDSA Resources Sdn Bhd and MDSA Ventures Sdn Bhd (“**Announcement**”). The Board wishes to respond to the Queries as follows:

Unless otherwise expressly defined herein, all capitalised terms shall bear the same meanings ascribed to them in the Announcement.

Query 1

How material is MDSA Resources and MDSA Ventures, as well as its projects to the Group?

Company’s Response

MDSA Resources Sdn Bhd (“**MDSA Resources**”) and MDSA Ventures Bhd Sdn (“**MDSA Ventures**”) were setup to develop the Hatten City Phase 1 project (“**HCP1**”) and Hatten City Phase 2 project (“**HCP2**”) respectively. HCP1 was completed in 2016 and HCP2 was completed in 2018.

As at 31 March 2020, MDSA Resources have sold approximately 83% of the 2,580 units developed in HCP1 while MDSA Ventures have sold approximately 79.5% of the 1,734 property units developed in HCP2.

Revenue contribution of MDSA Resources and MDSA Ventures to the Group’s revenue for the financial year ended 30 June 2019 (“**FY2019**”) and nine-months ended 31 March 2020 (“**3QFY2020**”) is summarized in the table below:-

(RM’mil)	3QFY2020	FY2019
Revenue of the Group	142.4	340.5
Revenue of MDSA Resources	33.2	10.7
- % of Group’s Revenue	23.3%	3.1%
Revenue of MDSA Ventures	35.8	(3.9) *
- % of Group’s Revenue	25.1%	N.A.

* MDSA Ventures recorded negative revenue in FY2019 mainly due to liquidated ascertained damages payable to purchasers for the delay in completion of the development.

Query 2

Please elaborate on the quantum being restructured and how it compares to the financials of the Group.

Company’s Response

Total debt owing to the scheme creditors under the proposed scheme of MDSA Resources is approximately RM322 million, out of which approximately 79% of the debt is owing to entities within the

Group which will be eliminated at consolidation. Balance amount to RM68 million, representing approximately 17% of the Group's total trade and other payables of RM403 million as at 31 March 2020.

Total debt owing to the scheme creditors under the proposed scheme of MDSA Ventures is RM283 million, out of which approximately 84% of the debt is owing to entities within the Group which will be eliminated at consolidation. Balance amount to RM45 million, representing approximately 11% of the Group's total trade and other payables of RM403 million as at 31 March 2020.

Query 3

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 of Directors is of the view that the Group is able to continue operating as a going concern taking into account the following key factors:-

- (i) As at 31 March 2020, the Group had net assets and net current assets of RM370 million and RM307 million respectively. In addition, the Group had approximately RM1.3 billion of unsold completed properties. These assets can be monetised through collection and sales to generate cashflow;
- (ii) Most of the Group's repayment obligations for borrowings have been extended. This has allowed the Group to channel its cashflow for operation purposes;
- (iii) The Group has implemented various initiatives to manage and/or reduce its operating costs such as salary adjustments and reduction of non-essential expenses. This will allow the Group to manage its expenditure in line with its cashflow.

Query 4

Please provide the Board of Directors' opinion as to whether trading of the Company's shares should be suspended pursuant to Listing Rule 1303(3) (Going Concern) and the basis for such opinion.

Company's Response

The Board of Directors is of the view that the Company's shares shall continue trading based on the following factors:-

- (i) The Group is able to continue operating as a going concern based on the reasons as set out in the reply to Query 3;
- (ii) The Proposed Scheme is part of proactive measures by the Company to manage its financial condition to achieve a more sustainable capital structure in line with the current business climate.

Query 5

Please provide the Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner and the bases for its views.

Company's Response

As at the date of the announcement, the Proposed Scheme is in preliminary stage and the details of the Proposed Scheme have not yet been formulated. The Board will make the relevant update announcement as and when there are material developments on the same.

Therefore based on the above basis, the Board of Directors confirm that sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner.

By Order of the Board
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
2 July 2020

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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