

HATTEN LAND LIMITED

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

RECEIPT OF LETTER OF DEMAND

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 has on 6 February 2023 received a letter of demand (“**Letter**”) from the solicitor representing an individual investor, a fund company registered in Cayman Island, and a fund company registered in Singapore (collectively known as “**Certain Bondholders**”) who are registered holders of an aggregate of 68% in principal amount of the US\$25 million fixed rate guaranteed secured bonds issued by the Company (“**the Bonds**”). The remaining 32% in principal amount is held by a financial institution registered in Singapore. As at 31 January 2023, the outstanding sum owing to Certain Bondholders with interest thereon is approximately US\$23.0 million (“**Outstanding Amount**”).

The Bonds were obtained to finance the completion of Hatten City Phase 2 which comprises of the Imperio Mall and Imperio Residence and the general working capital purposes for the Group. Those Bonds are secured by a land charge for assets owned by a related party of the Company, first fixed charge over hospitality assets owned by a related party (“**Security Assets**”) and a personal guarantee by a director of the Company.

The Letter states that the Outstanding Amount (which shall include the accrued interest up to the date of payment) should be paid to the Certain Bondholders within seven days of the date of the Letter. The Company is reaching out to the Bondholders to resolve this matter amicably, including alternative settlement proposals. As at the date of this announcement, the Group is not aware of any legal action taken against the Group.

The prolonged settlement of the Bonds is mainly due to:

- the unprecedented impact of the COVID-19 pandemic which has affected the hospitality market in Melaka, Malaysia and the monetisation plan of the Security Assets; and
- the ongoing negotiation with international funds (“**Financiers**”) with regards to fundraising facilities (“**Fundraising Facilities**”) which include refinancing and restructuring of the existing loan and the Bonds.

The Company had put in tremendous efforts and always been transparent, proactive and cooperative with the Certain Bondholders, including but not limited to:

- held regular update and communication meetings with all bondholders;
- engaged professional financial advisors to craft proposals for all bondholders and the Company;
- obtained non-binding term sheets signed by the Financiers and the Company with regards to Fundraising Facilities which include refinancing and restructuring of the existing loan and the Bonds;
- acquired consent from all of the Certain Bondholders of the Fundraising Facilities;
- provided alternative schemes and proposals for bondholders to consider; and
- engaged first-tier international professional firm which has recent track records of divesting similar assets in Malaysia to sell certain Security Assets for repayment to bondholders.

Further announcements will be made in relation to the Letter as and when there are material developments on the same.

The Board’s Confirmation

Notwithstanding the receipt of the Letter, the Board remains of the view that the Company can continue as a going concern after considering the following:

- i) The market value of the key hospitality asset within the Security Assets is RM238 million (more than US\$55 million), based on the full valuation carried out in November 2022 by a property valuation

firm.

- ii) None of the Security Assets is from the Group. The Security Assets are provided by a related party of the Company.
- iii) Tapping on the re-opening of the economy and social activities in Melaka as well as the resurgence of tourism activities from Malaysia's full reopening of international borders in 2022, hospitality assets, especially in Melaka, have seen robust recovery and strong performance in the sector, attracting investors and stakeholders.
- iv) As a result of post-pandemic resurgence, in Q1 2023, the Group managed to achieve an improvement in its revenue, an increment of approximately 513% as compared to Q1 2022. The Group also attained positive operating cash flows in Q1 2023, after having consecutively 2 years of negative operating cash flows. Barring unforeseen circumstances, the management expects the Group's performance and cashflow to continue to improve in the financial year ending 30 June 2023.

The Board is of the opinion that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner; and confirmed that all material disclosures have been provided for the trading of the Company's shares to continue.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants and other professional advisers.

By Order of the Board
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
6 February 2023

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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