

HATTEN LAND LIMITED

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

CLARIFICATION OF MEDIA ARTICLES AND BUSINESS UPDATE

The board of directors (the “**Board**”) of Hatten Land Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) has been made aware of certain media articles on the Group’s projects and wishes to issue a clarification on the Group’s projects, both completed and those under development:

1. as a leading property developer in Melaka, the Group wishes to confirm and emphasize that the majority of our properties have been **completed** and delivered to their respective buyers as detailed in COMPLETED PROJECTS section below. The Group has been a pioneer in creating property landmarks in Melaka and has proudly served more than 5,800 property purchasers. Any media reports suggesting the contrary are unfounded.
2. the construction activities of the two projects under development were halted mainly due to the unprecedented impact from the COVID-19 pandemic and related government control measures on tourism and hospitality in Melaka, which are the fundamental cornerstones of the commercial property market in Melaka. Despite these challenges, **the Group has continued to use all reasonable endeavours to assist affected property purchasers**, including the proposed divestment of subsidiary, Gold Mart Sdn Bhd, and its Harbour City project with Tayrona Capital (“Divestment”). However, as Tayrona Capital has not complied with its obligations, including payment of consideration, the Group has issued and announced a notice of termination to Tayrona Capital to terminate the agreement in February 2023.
3. affected property purchasers of our Group have been updated regularly by the Group via public announcements and other communication channels, including a **personal letter to each of them with regards to the termination of the Divestment and resumption of construction of Harbour City in February 2023**. Since the termination was communicated in February 2023, the Group has already commenced evaluation works of the structural integrity and acquired tower cranes which are necessary for the construction work to resume.

The Group’s properties portfolio, which are located in Melaka, Malaysia comprises **five** integrated mixed-use development projects and retail mall, three completed and two development in-progress.

COMPLETED PROJECTS

1. Hatten City 1 (Completed)

ElementX (Completed)

- Certificate of Completion and Compliance (“CCC”) Date: 2/11/2015
- Vacant Possession Letter Issued: 6/11/2015
- Open for Operations: October 2017 (40% to 50% tenancy, at peak)
- Mall closed due to Movement Control Order (“MCO”) : 18/03/2020
- Reopened for business with 7Eleven and MBO Cinemas: 21/09/2020

Current Status:

ElementX has reached completion, and the units have already been delivered to their respective buyers. However, due to the COVID-19 pandemic, the mall had to close down temporarily. Despite this setback, our company proactively sought solutions to revive mall operations and attract new tenants. We also underwent a transformation process in August 2022, starting by changing the mall's name from

Elements Mall to ElementX. Moreover, we have also formed strategic partnerships with a number of established brands, with the aim of reopening the mall with a stronger appeal to both tenants and visitors.

Hatten Suites/Hatten Place (Completed)

- CCC Date: 02/11/2015

Current Status:

We have completed construction. The project is currently pending court scheme of arrangement.

Silverscape (Completed)

- CCC Date: 31/03/2016

Current Status:

We have completed construction and handed over units to purchasers.

2. Hatten City 2 (Completed)

Imperio Mall (Completed)

- CCC Date: 09/11/2018

Current Status:

We have completed construction and handed over units to purchasers. We are in advanced stage of securing an international anchor tenant to lease at least three floors of the mall as a start.

Imperio Residences (Completed)

- CCC Date: 09/11/2018

Current Status:

We have completed construction and handed over units to purchasers.

3. Vedro (Completed)

- CCC Date: 21/07/2017

Current Status:

We have completed construction and handed over units to purchasers.

PROJECTS IN DEVELOPMENT

4. Harbour City

- First Launch: Jan 2015

First SPA Dates:

- Harbour City Mall: 28/3/2015
- Harbour City Suites: 4/5/2015
- Harbour City Resort: 27/4/2016

- Harbour City Premier Resort: 5/6/2018
- Phase 1 (ground floor to level 13), the M&E has been completed up to about 90%
- Phase 1, including the thematic hotel, is ready for fit out works

Current Status:

In August 2020, Hatten Land signed an agreement with Tayrona Capital Pte. Ltd. (“Tayrona Capital”) relating to the Harbour City, which is held under Gold Mart Sdn. Bhd. (“Gold Mart” or “GMSB”), in a US\$323 million transaction. Under the agreement, Tayrona Capital will invest US\$23 million in Gold Mart via the issuance of new shares, allowing Tayrona Capital to obtain a 99% equity stake in Gold Mart. In addition, Tayrona Capital will inject US\$240 million to improve and to complete the development and marketing of Harbour City. In addition to the above, the Group will assign various intellectual properties including project design and concept, domain names, internet site and marketing materials to Tayrona Capital for a consideration of US\$60 million.

However, there has been several delays in the completion of this transaction as disclosed previously. As Tayrona Capital has not complied with its obligations in respect of the completion of the Proposed Transaction, including the obligation to pay the Consideration, the Group has issued and announced a notice of termination to Tayrona Capital to terminate the agreement. With the termination of the agreement, Hatten Land will have a renewed opportunity to revitalise and reposition the Harbour City project as a flagship hospitality icon that aligns with the tourism and hospitality trends in Melaka. The Group has already commenced evaluation works of the structural integrity and acquired tower cranes which are necessary for the construction work to resume. Construction work is expected to resume in April 2023.

5. SATORI

Current Status:

During the pandemic, the appointed contractor for SATORI filed for bankruptcy and shut down. We are currently working on a tender to appoint a new contractor. We expect the resumption of construction for SATORI to commence approximately six months after Harbour City resumes construction due to the dire shortage of manpower in Melaka.

The Board’s Confirmation

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

- (a) The Group has a substantial value of unsold completed properties. The Group will progressively sell its unsold completed properties and those unsold properties have market value amounting to approximately RM1.107 billion as at 30 June 2022.
- (b) In addition, the Company’s liabilities, in particular the US\$25 million (approximately RM110 million) secured bonds are secured by additional hospitality assets provided by a related party of the Company, of which the market value is RM238 million (approximately US\$54 million).
- (c) With termination of the disposal of GMSB to Tayrona, the Group will also be able to restart the collection of over RM230 million of receivables from customers, which was previously halted due to the agreement with Tayrona.
- (d) The Group has embarked on strategic restructuring of its subsidiary, MDSA Resources Sdn Bhd (“MRSB”) to restructure its legacy contractual obligations to achieve a more sustainable capital structure which will reduce pressure on the Group’s cash outflows going forward. As announced on the Q1 FY2023 result announcement, MRSB has successfully obtained the leave from Federal Court. Followed by the case management hearing held by the Federal Court

on 5 January 2023, the Federal Court has set the next hearing date for this matter on 19 April 2023.

- (e) The Group has continually worked closely with its creditors and financiers to extend and/or restructure the repayment plans that included payment structure as well as contra payments with its property units. Based on the above, the Board is of the view that it is appropriate to prepare the financial statements on a going concern basis.

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.

Sponsor Comments

The Sponsor notes the views of the Board on above has been consistent with that previously disclosed and has advised the Board to be vigilant in continually assessing the financial and operational situation of the Group. Regular updates, at least on a monthly basis, should be provided to shareholders on the status of both the projects in development and debt refinancing plans.

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
20 March 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 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.

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.