

- (A) **ENTRY INTO JOINT VENTURE AGREEMENT**
(B) **PROPOSED ISSUANCE OF CONSIDERATION SHARES OF VALUE EQUIVALENT TO US\$400,000 PURSUANT TO THE SERVICES AGREEMENT**
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1. INTRODUCTION

The Board of Directors (the “**Board**”) of Hatten Land Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”), wishes to announce that its wholly-owned subsidiary Hatten Technology (S) Pte Ltd (“**HTPL**”) has entered into a Joint Venture Agreement (“**JVA**”) with HydraX Pte. Ltd. (“**Hydra X**”), pursuant to which the parties to the JVA have agreed to incorporate a joint venture company (“**JVC**”) to carry on the business of the establishment and operation of a digital token exchange in Singapore and Malaysia for the listing and trading of eco-friendly Bitcoin wrapper tokens, newly minted Bitcoins and/or other tokens (“**Business**”).

2. INFORMATION ON JOINT VENTURE PARTNER

- 2.1 Hydra X is a company incorporated in Singapore. Its principal business is in the provision of regulatory-compliant, enterprise-ready financial infrastructure for institutional clients.

Singapore-headquartered Hydra X offers digital technology infrastructure to global financial institutions in the capital markets space. It provides regulatory compliant, end-to-end multi-asset market infrastructure solutions which allow interoperability between digital and traditional assets. Headed by founding CEO Daryl Low, Hydra X’s management team has altogether 60 years of experience in finance, financial regulation, law and technology.

Hydra X’s customers include financial institutions such as DBS, and currently provides custody services for digital securities under the FinTech Regulatory Sandbox of the Monetary Authority of Singapore (“**MAS**”).

- 2.2 As at the date of this announcement, the issued and paid-up share capital of Hydra X is S\$191 divided into 10,000,001 ordinary shares and US\$6,521,000 divided into 3,518,556 ordinary shares. The three largest shareholders of Hydra X are Sigma Value Limited, Mr Low Junrui and Hydra X Digital Technologies Limited.
- 2.3 As at the date of this announcement, Hydra X does not hold, directly or indirectly any shares in the Company. Hydra X has confirmed to the best of its knowledge that none of its directors and/or its shareholders (including any corporate shareholder and its ultimate beneficial owners) holds directly or indirectly any shares in the Company.
- 2.4 Hydra X is not an interested person as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and does not fall under the clause of restricted persons as specified in Rule 812(1) of the Catalist Rules.
- 2.5 To the best of the knowledge of the directors of the Company (“**Directors**”) and save as disclosed above, Hydra X and/or any of its existing directors and/or shareholders (including any corporate shareholder and its ultimate beneficial owners) do not have any other connections (including business relationships) with the Company, the Group, the Directors and substantial shareholders of the Company.

- 2.6 HTPL intends to collaborate with Hydra X to effectively implement the business plans of the joint venture company in order to grow its business in the digital asset space.

3. INFORMATION ON THE JOINT VENTURE COMPANY

- 3.1 Pursuant to the JVA, a new JVC will be incorporated under the laws of Singapore to carry on the Business.
- 3.2 HTPL will hold 60% of the shares in the JVC and Hydra X will hold the remaining 40% of the shares in the JVC.
- 3.3 HTPL shall, upon the commencement of work by Hydra X under the Services Agreement (for which notice will be given by Hydra X to the JVC in accordance with the Services Agreement), provide the sum of US\$500,000 as initial working capital for the JVC in the form of loan to the JVC, which shall be capitalised or repaid on terms to be mutually agreed by the parties. As the fund is maintained within the Group's control, the Board does not expect the loan to have a material impact on the Group.

4. PROPOSED ISSUANCE OF CONSIDERATION SHARES

- 4.1 Pursuant to the salient terms of a Services Agreement to be entered into between the JVC and Hydra X and subject to the requisite approvals from SGX-ST, Hydra X will be issued an aggregate of 8,989,333 Consideration Shares for an aggregate value of US\$400,000 at the price of S\$0.06 per Consideration Share ("**Issue Price**"), as partial consideration for the services to be rendered by Hydra X to the JVC and on the terms set out therein:
- (i) 4,494,666 Consideration Shares of value equivalent to US\$200,000 ("**1st Tranche of Consideration Shares**"). The price per Consideration Share shall be S\$0.06, and subject to approval from SGX-ST, the 1st Tranche of Consideration Shares is to be issued to Hydra X within four (4) weeks of Hydra X commencing work under the Services Agreement (the "Commencement"), with the Commencement to be informed by Hydra X to the JVC in writing; and
 - (ii) 4,494,667 Consideration Shares of value equivalent to US\$200,000 ("**2nd Tranche of Consideration Shares**"), subject to approval from SGX-ST, within four (4) weeks of Hydra X conducting the UAT installation of the technology in connection with the digital assets including frontend solution, trading modules, risk management functionalities and standard security functionalities, with the UAT installation to be informed by Hydra X to the JVC in writing. The price per Consideration Share shall be S\$0.06.

Should the requisite approvals from SGX-ST for the issuance of Consideration Shares not be obtained, the respective tranches of the consideration shall be paid in cash instead.

- 4.2 The Consideration Shares shall be subject to a moratorium period of six (6) months commencing from the date the issuance of the Consideration Shares to Hydra X. During the moratorium period, Hydra X may not sell, transfer or otherwise dispose of any of its interest in the Consideration Shares without the prior approval of the Company.
- 4.3 The Consideration Shares shall be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that the Consideration Shares will not rank for any dividends, rights, allotments, or other

distributions, the record date for which falls on or before the date of the allotment and issue of the Consideration Shares.

4.4 Issue Price

The Issue Price of S\$0.06 per Consideration Share represents a discount of approximately 2.12% to the volume weighted average price of S\$0.0613, based on trades done on the Shares on SGX-ST from 27 October 2021 up to the trading halt on 28 October 2021 (being the market day on which the JVA is signed). The Issue Price is commercially agreed after arm's length negotiations.

4.5 General Mandate for the Issue of the Placement Shares

The Consideration Shares will be issued pursuant to the share issue mandate (the "Share Issue Mandate") that was approved by shareholders of the Company (the "Shareholders") at the annual general meeting of the Company convened on 30 October 2020 (the "AGM"). Pursuant to the Share Issue Mandate, the Directors have the authority to, amongst others, issue Shares and/or make or grant offers, agreements or options (collectively, the "Instruments") that might or would require Shares to be issued, such that the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) and Instruments shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM, of which the aggregate number of Shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM.

As at the date of the AGM, the Company had an issued share capital of 1,534,796,353 Shares. As the Company had previously issued 80,000,000 shares and 80,000,000 warrants pursuant to the Share Issue Mandate, the balance number of new shares that may be issued other than on a pro-rata basis to Shareholders pursuant to the Share Issue Mandate is 607,398,176 shares. In addition, on 28 October 2021, the Company has entered into a placement agreement ("Placement Agreement") with Golden Summit International Ltd. Pursuant to the Placement Agreement, the Company agrees to allot and issue 20,000,000 new ordinary shares in the capital of the Company (the "Placement Shares") at an issue price of S\$0.06 for each Placement Share (the "Placement Price"), and the Placee agrees to subscribe for the Placement Shares for an aggregate of consideration of S\$1,200,000 (the "Placement Consideration") ("Proposed Placement"). Please refer to the announcement dated 1 November 2021 for further information. Both the 20,000,000 Placement Shares and the 8,989,333 Consideration Shares falls within the limits of the Share Issue Mandate.

The Consideration Shares, when allotted and issued in full, will represent approximately 0.54% of the Company's existing and paid-up capital of 1,675,169,228 Shares as at the date of this announcement, and approximately 0.53% of the enlarged issued and paid-up share capital of 1,684,158,561 shares upon completion of the Consideration Shares (excluding the Placement Shares and assuming that no further Shares are issued on or prior to the completion of the issuance of Consideration Shares).

The Company will apply to the SGX-ST through its sponsor, UOB Kay Hian Private Limited, for, inter alia, the dealing in, listing of and quotation for the Consideration Shares on the Catalist board of the SGX-ST (the "Catalist"). The Company will make the necessary announcements upon receipt of the listing and quotation notice for the Consideration Shares from the SGX-ST.

The Consideration Share Issue is not underwritten and there is no placement agent appointed for the purposes of the Consideration Share Issue. The offer, allotment and issue of the Consideration Shares is made pursuant to the exemption under Section 272B of the

Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Consideration Share Issue.

4.6 Compliance with Catalyst Rules

The Consideration Shares (i) will not be placed to any person who is a director or a substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of the Catalyst Rules, and (ii) will not result in any transfer of controlling interest in the Company.

4.7 Completion of the Issuance of Consideration Shares

Under the proposed Services Agreement, the Consideration Shares will be issued in two (2) tranches subject to the receipt of the listing and quotation notice from SGX-ST:

- (a) completion of 1st Tranche of Consideration Shares shall take place within 4 weeks of Hydra X commencing work under the Services Agreement; and
- (b) completion of 2nd Tranche of Consideration Shares shall take place within 4 weeks of Hydra X conducting the UAT installation of the Solution.

The Company will make further announcements in respect of the status of the Services Agreement, and the issuance of the Consideration Shares as and when appropriate.

4.8 Moratorium

The Consideration Shares (collectively, the 1st Tranche of Consideration Shares and the 2nd Tranche of Consideration Shares) shall be subject to a moratorium period of six (6) months commencing from the date the issuance of the Consideration Shares to Hydra X.

During the Moratorium Period, Hydra X shall not sell, transfer or otherwise dispose of any Consideration Shares, any other shareholding they have in the Company or any interest thereof, or attempt or propose to do any of the foregoing without the prior written approval of the Company.

4.9 Rationale

The Company is undertaking a strategic pivot, using digitalisation and based on principles of contributing to a sustainable and green economy in its business. With various other digital initiatives undertaken by the Company, the Company seeks to repurpose its physical assets and create digital assets, to increase the value of the Company's existing physical assets and contribute to and enhance the profitability of the Group.

The entry by HTPL into the JVA and the JVA's intended entry into the Services Agreement with Hydra X is another step by the Company in its strategic pivot. The establishment and operation of the digital tokens exchanges in Singapore and Malaysia is a critical component of the digital initiatives currently undertaken by the Company.

The issuance of the Consideration Shares aligns the interests of Hydra X with that of the Group, and also allows the Company to conserve cash as it continues to take further steps in this strategic pivot.

Taking into account the above considerations, the Board is of the view that the entry into the JVA and the proposed issuance of the Consideration Shares are in the best interest of the Company and its shareholders.

4.10 Directors' Confirmation

The Directors are of the opinion that, as at the date of this announcement:

- (a) after taking into consideration the Group's present internal resources and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements; and
- (b) the Consideration Share Issue will not result in any net proceeds being raised as it is in satisfaction of the partial consideration payable under the Services Agreement.

4.11 Financial Effects

(a) *Bases and assumptions*

The financial effects of the proposed Consideration Share Issue on the net tangible assets ('**NTA**') per Share and the loss per Share ('**LPS**') are prepared for illustrative purposes only and do not purport to reflect the actual future results and financial position of the Group following completion of the Consideration Share Issue.

The financial effects have been computed based on the following bases and assumptions:

- (i) the Group's latest unaudited financial statements for the financial year ended 30 June 2021 ("**FY2021**");
- (ii) the partial consideration for the services rendered by Hydra X shall be satisfied via the issuance of the Consideration Shares;
- (iii) the financial effects of the Consideration Share issue on the NTA per Share of the Group are computed based on the assumption that the Consideration Share Issue was completed on 30 June 2021;
- (iv) the financial effects of the Consideration Share issue on the LPS of the Group are computed based on the assumption that the Consideration Share Issue was completed on 1 July 2020;
- (v) the financial effect relating to Placement Shares are excluded;
- (vi) the expenses incurred in connection with the Consideration Share Issue amount to approximately RM92,000; and
- (vii) exchange rates of US\$1 to S\$1.3484 and S\$1 to RM3.08.

	Before the Consideration Share Issue	After the Consideration Share Issue
Paid-up share capital (RM'000)	303,574	305,144
Number of Shares	1,675,169,228	1,684,158,561
NTA (RM'000)	18,685	18,593
NTA per Share	1.17	1.16
Loss attributable to owners	(171,868)	(173,520)
LPS (RM cents)	(11.11)	(11.15)

(b) *Adjustments to outstanding convertible securities*

There are no outstanding convertible securities for which adjustments will be required in respect of the Consideration Share Issue.

(c) *Change in Directors / Substantial Shareholders' interest before and after the Consideration Share Issue*

The Company's substantial shareholders' shareholdings before and after the Consideration Share Issue based on the Company's register of shareholders are set out below:

	Before Consideration Share Issue		After Consideration Share Issue	
	Total Interest		Total Interest	
	No. of shares	No of Shares (%)	No. of shares	No of Shares (%)
Directors				
Tan June Teng Colin@Chen JunTing	937,091,508	55.94	937,091,508	55.64
Tan Ping Huang Edwin@ Chen Bing Huang	937,091,508	55.94	937,091,508	55.64
Dato' Wong King Kheng	-	-	-	-
Mr Loh Weng Whye	-	-	-	-
Mr Foo Jong Han Rey	-	-	-	-
Substantial Shareholders				
Hatten Holdings Pte Ltd	937,091,508	55.94	937,091,508	55.64
Placee				
HydraX Pte. Ltd.	-	-	20,000,000	0.53

4.12 Interests of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Consideration Share Issue, other than in their capacity as Director or shareholder of the Company.

5. 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 Consideration Share Issue, JVA and the Group, 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.

6. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. Management is currently unable to reasonably ascertain the financial impact of the above transaction as completion of the above transaction, including proposed issuance of Consideration Shares, is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the above transaction, including proposed issuance of Consideration Shares, 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 are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors if they have any doubt about the actions they should take.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the JVA is available for inspection during normal business hours at the registered office of the Company at 53 Mohamed Sultan Road, #04-02, Singapore 238993 for a period of three (3) months commencing from the date of this announcement.

By Order of the Board

HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
1 November 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 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, #0101, Singapore 229957, telephone (65) 6590 6881.