

HATTEN LAND LIMITED

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

APPOINTMENT OF FINANCIAL ADVISOR RECEIPT OF NOTICE OF DEFAULT AND LETTER OF DEMAND

Appointment of Financial Advisor

The board of directors ("**Board**") of Hatten Land Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce that the Company has appointed Messrs Deloitte & Touche Financial Advisory Services Pte. Ltd. (led by Mr Tan Wei Cheong) as financial advisor ("**Financial Advisor**").

The Financial Advisor will assist by supporting the Group in engaging with the Group's lenders and working with the Group in developing a restructuring plan acceptable to the Group's lenders. In addition, the Financial Advisor will assist the Group in pursuing fundraising opportunities and strategies to improve its financial position. The appointment of the Financial Advisor underscores the Group's commitment to engage in a broader and more holistic manner with its lenders.

The Company will keep shareholders updated as and when there are any material developments in relation to the above.

Receipt of Notice of Default and Letter of Demand

*Reference is made to the announcements of the Company on 11 September 2017, 18 September 2017, 23 September 2020, 23 September 2021, 26 September 2022 and 24 March 2023 (the "**Previous Announcements**") in relation to the establishment of the MTN Programme and the issuance of the Notes issued under the MTN Programme. All capitalised terms used in this announcement shall, unless otherwise defined, have the same meanings ascribed to them in the Previous Announcements.*

The Company's indirect wholly-owned subsidiary, MDSA Resources Sdn Bhd ("**MDSA Resources**") has received a notice of default dated 25 March 2024 ("**Notice**") from the trustee representing Kenanga Investment Bank Berhad ("**Kenanga**") in relation to the RM12,350,000 Notes under the medium term note programme ("**MTN Programme**"). The Notice states that the sum of RM12,350,000.00 and RM492,646.58, being the outstanding principal sum and coupon respectively, should be paid to the trustee no later than 5 April 2024. MDSA Resources has also received a letter of demand dated 25 March 2024 ("**Letter**") from the solicitor representing Kenanga in relation to the MTN Programme for the outstanding amount of RM1,272,005.57 as at 20 March 2024 ("**Outstanding Amount**"). The Letter states that the Outstanding Amount, together with late payment interest accrued on the Outstanding Amount at 10% per annum from 21 March 2024 till the date of full settlement, should be paid to Kenanga no later than 7 days from the date of the Letter.

Additional disclosure

(1) Please provide the Company's plan and timelines to resolve this matter.

The Group remains committed in engaging proactively with Kenanga, with the assistance from the appointed Financial Advisor, to negotiate agreeable terms for resolving the matter holistically. The Group is also actively working with reputable financiers to finalise fundraising facilities. Barring any unforeseen circumstances, the Group expects to drawdown the fundraising facilities in FY2024.

(2) Has the Company resolved the issues pertaining to the letters of demand announced previously?

The Company continues to engage the lenders in commercial discussions to reach a mutually agreeable solution and exploring various settlement options.

(3) Please provide the list of letters of demand which the Company and the Group have received so far and are outstanding, and the Company's target time to resolve the matters.

<u>Announcement Date</u>	<u>Entity</u>	<u>Counterparties</u>	<u>Type of facility</u>	<u>Amount</u>	<u>Target time to resolve the matters</u>
22 December 2022 and 1 March 2024	MDSA Resources Sdn Bhd	HSBC Bank Berhad	Term loan	RM5,968,623.16	In the financial year ("FY") 2024
6 February 2023	Hatten Land Limited	Certain bondholders	Secured bonds	USD23,000,000.00	In FY2024
14 November 2023	MDSA Venture Sdn Bhd	Bank Kerjasama Rakyat Malaysia Berhad	Term loan	RM60,000,000.00	In FY2024
1 February 2024	Hatten Land Limited	Haitong International Financial Products (Singapore) Pte. Ltd.	Loan	USD21,522,223.44	In FY2024
28 March 2024	MDSA Resources Sdn Bhd	Kenanga Investment Bank Berhad	Medium term note	RM14,114,652.15	In FY2024

- (4) Please provide Board's assessment as to the impact on the Company's operations and going concern in light of all the letters of demand which the Company and the Group have received so far.

The Board is of the view that the Company is able to continue as a going concern after considering the following:

- (a) The controlling shareholders of the Company have entered into a term sheet, in their personal capacity, with a reputable financial institution in Singapore for fundraising facilities which will be secured with their personal assets in order to provide a shareholders' loan to the Company to repay the Company's secured bonds. It is currently at the legal documentation stage, and the controlling shareholders expect to drawdown the fundraising facilities in FY2024, provided that an agreement can be reached with the bondholders on mutually acceptable terms.
- (b) The Company has engaged Messrs Deloitte & Touche Financial Advisory Services Pte. Ltd. (led by Mr Tan Wei Cheong) as its financial advisor. The Financial Advisor will assist by supporting the Group in engaging with the Group's lenders including Kenanga and working with the Group in developing a restructuring plan acceptable to the Group's lenders. In addition, the Financial Advisor will assist the Group in pursuing fundraising opportunities and strategies to improve its financial position. The appointment of the Financial Advisor underscores the Group's commitment to engage in a broader and more holistic manner with its lenders.
- (c) While the Malaysian property market is showing signs of gradual improvement, it's important to note that Melaka, being a niche market, has not rebounded as quickly as major urban centers such as Kuala Lumpur and Johor Bahru. However, with the resurgence of the Malaysian economy, interstate, and overseas travel, there is optimism for the recovery of the Group's hospitality and property-related activities in Melaka. Nevertheless, the Group maintains a steadfast focus on its core property development business. Despite the challenges faced in Melaka, the Group has demonstrated resilience and sustained positive operating cash flow in the past two consecutive years, as well as the first quarter of the financial year 2024. During the financial period from 1 October 2023 to 31 December 2023, the Group continues to achieve a positive operating cash flow of RM1.6 million, reflecting the Group's commitment to financial stability and adaptability in a changing market landscape.
- (d) Comparing to cost value of RM625.3 million recognised on the statement of financial position, the total market value of the Group's development properties is over RM1.1 billion as of 30 June 2023, of which approximately RM663.0 million comprises unsold completed properties that the Group intends to sell gradually. In addition, the Company's liabilities, in particular the US\$25.0 million (approximately

RM114.8 million) secured bonds are secured by additional hospitality assets provided by a related party of the Company, of which the market value is RM238.0 million (approximately US\$51.9 million) as at November 2022.

- (e) The provision of RM51.9 million and contract liability of RM204.4 million are non-monetary items that arise from accounting treatment in accordance with relevant accounting standards and do not necessitate immediate cash repayment. As for the current portion of the loans and borrowings, approximately RM206.2 million pertains to the outstanding principal amount of facilities under the refinancing process of the fundraising facilities.
 - (f) The Group continues to collaborate with its creditors to extend and/or restructure the repayment plans that included payment structure as well as contra payments with its property units. Besides that, the Group is collaborating with its banks in relation to the roll-over and extension of the repayment obligations. This aligns the Group's requirements with the current business climate and channels its cashflow for operation purposes.
 - (g) The Group has embarked on strategic restructuring of its subsidiary, GMSB to restructure its legacy contractual obligation to achieve more sustainable capital structure which will reduce pressure on the Group's cash outflows going forward. As announced in the Group's announcement on 14 June 2023, 30 June 2023, and 29 August 2023, GMSB has obtained the order from Kuala Lumpur High Court to hold a creditors' meeting which was held on 8 September 2023. This creditors' meeting has waived 60.0% of this scheme creditors' liquidated ascertained damages ("**LAD**") amounting to approximately RM65.0 million of waiver. The balance 40.0% of the LAD, which amounts to approximately RM43.5 million, shall be settled by way of proceeds received from the sale of certain unsold units of the Harbour City project, thereby preserving the Group's cash reserves. The Proposed Scheme was approved by a majority of 80.0% of the total value of the Scheme Creditors present and voting in person or by proxy at the Meeting. The Kuala Lumpur High Court has approved the Proposed Scheme on 21 March 2024 which is binding GMSB and the Scheme Creditors.
 - (h) One of the executive directors, who is also a controlling shareholder of the Company, has undertaken to provide necessary financial support, in the form of debt and/or equity, to the Group should it be required to sustain its operations.
- (5) Please provide the Board of Directors' assessment as to whether trading of the Company's shares should be suspended and the basis for such opinion.

The Board is of the view that various efforts and initiatives taken by the management and the Company's controlling shareholders in addressing the issue of going concern as disclosed in Question 4 above, the information are sufficient to enable the Company's shares to continue being traded. However, the Company's ability to continue as a going concern would be predicated on the continued support of its creditors and the controlling shareholders' ability to successfully secure its fundraising facilities to provide a shareholders' loan to the Company to refinance its debts.

- (6) Please provide the Sponsor's opinion as to whether trading of the Company's shares should be suspended and the basis for such opinion.

The Sponsor is of the view that various efforts and initiatives taken by the Company and its controlling shareholders in addressing the issue of going concern as disclosed in Question 4 above, the information are sufficient to enable the Company's shares to continue being traded. However, the Company's ability to continue as a going concern would be predicated on the continued support of its creditors and the controlling shareholders' ability to successfully secure its fundraising facilities to provide a shareholders' loan to the Company to refinance its debts.

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
28 March 2024

This announcement has been prepared by Hatten Land Limited ("Company") and its contents have been reviewed by the sponsor of the Company, RHT Capital Pte. Ltd. ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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 Josh Tan (Registered Professional), at 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.