

HATTEN LAND LIMITED

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

ANNOUNCEMENT PURSUANT TO RULE 704(4) OF THE CATALIST RULES

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board of Directors ("**Board**") of Hatten Land Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce that the Company's Independent Auditors, Baker Tilly TFW LLP has in their Independent Auditor's Report dated 14 December 2023 ("**Independent Auditors' Report**"), expressed a Disclaimer of Opinion, based on the following matters:

- 1) Limitation of scope in relation to the Malaysia entities;
- 2) Use of the going concern assumption;
- 3) Impairment of intangible assets in relation to development costs;
- 4) Investment in an associated company;
- 5) Inability to obtain confirmations from third-party lender and bondholders; and
- 6) Investment in subsidiaries and amount due from subsidiaries in the Company's financial statements.

Notwithstanding the above, the Independent Auditor's report on the audited financial statements of the Company and the Group for the financial year ended 30 June 2023 ("**FY2023**") have been prepared on a going concern basis due to reasons as disclosed in Note 3(i) to the Audited Financial Statements. The Board is of the opinion that the Group will be able to continue as a going concern, for the following reasons:

- 1) The Group reported a carrying value of development properties of RM616.1 million as at 30 June 2023, the total market value of the Group's development properties is approximately RM1,073 million based on the latest valuation reports as at 30 June 2022, of which approximately RM663 million comprises unsold completed properties that the Group intends to sell gradually. In addition, the Group's liabilities, in particular the US\$25 million (approximately RM117 million) secured bonds are secured by additional hospitality assets provided by a related party of the Company, of which the market value is approximately RM238 million (approximately US\$54 million) based on the latest available valuation report issued by an external valuer in November 2022.
- 2) On 22 March 2023, the Group announced that it has entered into a Strategic Partnership Agreement with Quantum Healthcare Limited ("**Quantum**") to provide premium healthcare service in Melaka at Imperio Mall @ Hatten City. The Group and Quantum jointly announced on 13 June 2023 the signing of a tenancy agreement for a total tenure of 9 years. With identified space of more than 210,000 square feet within Imperio Mall @ Hatten City, Quantum has committed to lease more than 138,000 square feet of space on Lower Ground Floor, Ground Floor and Mezzanine Floor with the option to lease up to an additional 72,000 square feet on Level 1. Quantum Specialist Centre will be the newest healthcare facility in Melaka.
- 3) The Group has embarked on strategic restructuring of its subsidiary, GMSB 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 in the Group's announcements on 14 June 2023 and 30 June 2023, GMSB has successfully obtained the following orders from Kuala Lumpur High Court ("**Court**") held on 12 June 2023, which includes (i) GMSB shall within 90 days from 12 June 2023 to hold a creditors' meeting to approve a proposed scheme agreement with its unsecured creditors; and (ii) a restraining order to prevent legal proceedings against GMSB, including enforcing security and initiating wind up proceedings over GMSB assets for a period of three (3) months from 12 June 2023, except with leave of Court and subject to terms the Court may impose. The date of creditors' meeting is set on 8 September 2023. As of the date of this report, the Court has not final approved the above-mentioned orders as disclosed further in Note 33(c) to the financial statements.

- 4) The Group has embarked on strategic restructuring of its two subsidiaries, MDSA Resources Sdn. Bhd. and MDSA Ventures Sdn. Bhd. 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 (Note 33(b)) to the financial statements.

The Group and the Company remain confident of raising additional funds required and will be able to generate sufficient cash flows from its operations in the next 12 months and therefore the directors consider it appropriate to prepare the financial statements on a going concern basis.

The Board is of the view that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirmed that all material disclosures have been provided for 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
14 December 2023

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), 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.