

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’s subsidiary, MDSA Resources Sdn Bhd (“**MDSA Resources**”) has on 21 December 2022 received a letter of demand (“**Letter**”) from the solicitor representing HSBC Bank Malaysia Berhad (“**Lender**”) in relation to the RM20 million term loan credit facility extended to MDSA Resources (“**Facility**”). The Lender has terminated the Facility and that all outstanding sum under the Facility are immediately due and payable. As at 30 November 2022, the outstanding sum with interest thereon is RM7,655,046.11 (approximately S\$2.3 million) (“**Outstanding Amount**”).

The Facility was obtained to partially finance the furniture and fittings of a completed property of the Group and this Facility is secured by debenture over present and future assets of MDSA Resources, first party charge over certain property assets owned by the MDSA Resources, legal assignment over the designated accounts and monies standing to the credit in favour of the lender, and jointly and severally guarantees by directors of the MDSA Resources.

The Letter states that the Outstanding Amount (which shall include the accrued interest up to the date of payment) should be paid to the Lender by 22 December 2022, failing which the Lender shall commence legal action against MDSA Resources and/or all parties providing security and immediately take such other steps as the Lender’s deem fit, and MDSA Resources and/or any of the security parties shall be liable for all costs incurred. The Company is reaching out to the Lender 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.

Further announcements will be made in relation to the Letter of Demand 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 Facility is secured mainly by 11 commercial mall units, with inventory value of less than 5% of the Group’s total development properties as at Q1 2023.
- ii) 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 Q1 2023, the Group managed to achieve an improvement in its revenue, approximated to 513% increment as compared to Q1 2022.
- iii) The Group 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.
- iv) The Group is actively in discussions with reputable international funds and financial institutions (“**Financiers**”) with regards to fundraising facilities (“**Fundraising Facilities**”) to refinance and restructure the existing loans. The Group has received a few non-binding offers and term sheets from the Financiers, and subject to the negotiated terms and conditions, the Group aims to complete the whole process of the Fundraising Facilities by Q1 2023. Following that, the Group expects to draw down the full sum agreed on the Fundraising Facilities term within a month after the finalising stage.

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
22 December 2022

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.

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.