

- **SUPPLEMENTAL RENTAL AGREEMENT**

1. INTRODUCTION

- 1.1. 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 indirect wholly owned subsidiary Genonfive Pte Ltd (**"Tenant"**) had on 31 August 2020 entered into a rental supplemental agreement (**"Supplemental Agreement"**) with Link (THM) BIZ MS Pte Ltd (the **"Landlord"**).
- 1.2. The lease for the Company's office in Singapore (**"Office"**) expires on 15 June 2025 and the estimated rental from 1 August 2020 till 15 June 2025 amount to S\$3,471,440.32 (**"Upcoming Rental"**).

2. PRINCIPAL TERMS OF THE SUPPLEMENTAL AGREEMENT

- 2.1. Pursuant to the Supplemental Agreement, the Company agrees to allot and issue 60,372,875 new ordinary shares in the capital of the Company (the **"Consideration Shares"**) at an issue price of S\$0.0575 for each Consideration Share (the **"Issue Price"**), and the Landlord agrees to accept the Consideration Shares as payment for the Upcoming Rental (the **"Proposed Transaction"**).
- 2.2. The Consideration Shares will be issued under Section 275(1A) of the Securities and Futures Act, Chapter 289 of Singapore (**"SFA"**) and in compliance with all the conditions of these exemptions in the SFA therein. As such, no prospectus, offer document or other information statement will be issued by the Company and lodged with the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) acting as agent on behalf of the Monetary Authority of Singapore in connection with the Proposed Transaction.
- 2.3. Upon the allotment and issue of the Consideration Shares, the Company's issued and paid-up share capital will increase from 1,534,796,353 Shares as at the date of this announcement (**"Existing Share Capital"**) to 1,595,169,228 Shares (**"Enlarged Share Capital"**) (assuming that no further Shares are issued on or prior to the completion of the Proposed Transaction). The Consideration Shares represent approximately 3.93% of the Existing Share Capital and approximately 3.78% of the Enlarged Share Capital.
- 2.4. The Consideration Shares are subject to a moratorium. The Landlord agrees not to dispose of any part of its shareholding interests in the Company for a period of one (1) year commencing from the date of the Supplemental Agreement of the Consideration Shares on SGX-ST (such shareholdings being adjusted for any bonus issue, subdivision or consolidation) and thereafter, the Landlord shall only be allowed to dispose of up to 50% of the Consideration Shares with the balance 50% subject to another one (1) year period of moratorium.

3. GENERAL MANDATE

The Consideration Shares will be allotted and issued pursuant to the authority granted by shareholders of the Company (**"Shareholders"**) by way of an ordinary resolution at the annual general meeting of the Company held on 23 November 2019 (**"2019 AGM"**) for the issue of Shares not exceeding 100.0% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2019 AGM, of which the aggregate number of shares to be issued other than on a pro-rata basis to Shareholders shall not exceed 50.0% of the issued Shares (excluding treasury shares and subsidiary holdings) (the **"Share Issue Mandate"**).

- 3.1. The issued share capital of the Company as at the date of the Share Issue Mandate was 1,378,096,353 shares. Pursuant to the Share Issue Mandate, the maximum number of new shares that may be issued other than on a pro-rata basis to Shareholders is 689,048,176

Shares. As the Company had previously issued 100,200,000 shares pursuant to the Share Issue Mandate, the number of new shares that may be issued other than on a pro-rata basis to Shareholders pursuant to the Share Issue Mandate is 588,848,176. Shares. As such, the allotment and issuance of all the Consideration Shares fall within the limits of the Share Issue Mandate.

4. PRINCIPAL TERMS OF THE PROPOSED TRANSACTION

4.1. Issue Price

The Issue Price of S\$0.0575 represents a premium of approximately 6.28% to the volume weighted average price of S\$0.0541, based on trades done on the Shares on SGX-ST on 31 August 2020 (being the full market day on which the Supplemental Agreement is signed). The Issue Price was arrived at following arm's length negotiations between the Company and the Landlord based on the volume weighted average price of the Shares for five consecutive trading days prior to the date of the Supplemental Agreement.

4.2. Consideration Shares

The Consideration Shares will be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the then existing issued ordinary shares in the capital of the Company ("**Shares**") at the time of issue except for any dividends, rights, distributions, allotments or other entitlements the record date of which falls before the date of issue of the Consideration Shares. For the purpose of this announcement, "Record Date" means the date fixed by the Company for the purpose of determining the entitlements to dividends or other distributions to or rights of holders of Shares.

4.3. Conditions Precedent

The conditions precedent to the execution of the Supplemental Agreement are as follows:

- (a) The Landlord to receive a copy of the resolutions of the Board of Directors of the Tenant and Company authorizing the execution, delivery and performance of the Supplemental Agreement; and
- (b) the Company obtaining all internal and regulatory and shareholders' approval if required and the issuance by the SGX-ST of a listing and quotation notice of the Consideration Shares on the Catalist.

4.4. General

The Consideration Shares will not be placed out to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), save for exceptions under Rule 812(3) of the Catalist Rules.

5. INFORMATION ON THE LANDLORD

The Landlord is in the business of land development and investment. Its sole shareholder is Link (THM) Holdings Pte. Ltd. Its directors are Tan Heng Kiat, Tan Bee Hoon, Tan Heng Mong Kenny, Marcus Tan Ming Yew and Tan Heng Pheng.

The shareholders of Link (THM) Holdings Pte. Ltd are Chan Teck Huat, Tan Heng Kiat, Tan Heng Mong Kenny and Tan Bee Hoon.

The Landlord, its directors and shareholders are not related to any of the Directors, substantial shareholders of the Company or their respective associates.

6. RATIONALE FOR THE PROPOSED TRANSACTION

- 6.1. The outbreak of Covid-19 pandemic has a profound impact on all of our lives. In addition to the immediate and grave health concerns caused by Covid-19, we are seeing a much wider impact on businesses and the economy. As a tourism state, the business impact in Melaka and Hatten Land group of companies has been particularly distinct.
- 6.2. Due to the current challenging business environment, the Company has implemented various measures to preserve cash and bolster its balance sheet. The Proposed Transaction is aligned with this initiative to preserve cash by capitalizing the Upcoming Rental.
- 6.3. In addition, the Landlord accepting the Company's shares as consideration for the Upcoming Rental with moratorium period of up to two years is a vote of confidence in the Company.
- 6.4. No proceeds will be raised from the Proposed Transaction as the Consideration Shares are issued to settle the Upcoming Rental.

7. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

- 7.1. The financial effects of the Proposed Transaction set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Transaction. The table below sets out the financial effects of the Proposed Transaction based on the following bases and assumptions:
 - (a) the unaudited consolidated financial statements of the Group for the financial year ended 30 June 2020;
 - (b) the financial effect on the unaudited consolidated net tangible asset ("**NTA**") per Share is computed based on the assumption that the Proposed Transaction was completed on 30 June 2020;
 - (c) the financial effect on the unaudited consolidated loss per Share ("**LPS**") is computed based on the assumption that the Proposed Transaction was completed on 1 July 2019;
 - (d) the issuance of 60,372,875 Consideration Shares at the Issue Price of S\$0.0575 each;
 - (e) 100,200,000 new shares have been issued pursuant to the acquisition of 20% equity interest in ECXX Global Pte Ltd; and
 - (f) the exchange rate is S\$1 = RM3.06.

	Before issuance of the Consideration Shares	After issuance of the Consideration Shares
Paid-up share capital (RM'000)	267,425	278,048
Number of Shares	1,534,796,353	1,595,169,228
NTA (RM'000)	159,136	169,759
NTA per Share (RM cents)	10.37	10.64
Loss attributable to owners of the parent (RM'000)	(230,936)	(230,936)
LPS (RM cents)	(15.05)	(14.48)

8. ADDITIONAL LISTING APPLICATION

The sponsor of the Company, UOB Kay Hian Private Limited, will be making an application on behalf of the Company to the SGX-ST for the listing and quotation of the Consideration Shares on Catalist of the SGX-ST. The Company will make the necessary announcements to notify

Shareholders once the listing and quotation notice for the Consideration Shares have been obtained from the SGX-ST.

9. DIRECTORS' CONFIRMATION

- 9.1. The Directors are of the opinion that after taking into consideration the Group's present bank and credit facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the aforementioned, the Company considers the payment of Upcoming Rental in the form of equity to be advantageous to the Group and is aligned with the Group's initiative to preserve cash and bolster its balance sheet.

10. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or the substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Transaction (other than through their respective shareholdings in the Company).

11. 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 Proposed Transaction 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.

12. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. Completion of the Proposed Transaction is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Transaction 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.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Supplemental Agreement 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 the Order of the Board
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
31 August 2020

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.

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