

ENTRY INTO JOINT VENTURE AGREEMENT FOR RENEWABLE ENERGY MARKET OPPORTUNITIES

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Hatten Land Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) refers to the Company’s announcement released on 16 September 2021 pertaining to the Strategic Partnership Agreement entered into between Hatten Commercial Management Sdn. Bhd. and Nestcon Sustainable Solutions Sdn. Bhd. for the joint collaboration in pursuing the business opportunities in relation to the investment and development of solar photovoltaic plants and facilities in Malaysia. The Board wishes to announce that its wholly-owned subsidiary Hatten Renewable Energy Sdn. Bhd. (“**HRE**”) has entered into a Joint Venture Agreement (“**JVA**”) with Nestcon Sustainable Solutions Sdn. Bhd. (“**NSS**”), pursuant to which the parties to the JVA have agreed to incorporate a joint venture company (“**JV Co**”) to co-operate and collaborate with each other and other potential partners to jointly secure, supply, construct, develop and manage solar photovoltaic plants and facilities (“**SPPFs**”) in Malaysia (the “**Joint Venture**”).

(NSS and HRE shall hereinafter be collectively referred to as “Parties” and individually as “Party”).

Lianbang Ventures Sdn. Bhd. (“**LVS**”), the majority owner of Dataran Pahlawan Melaka Megamall and a related party of the Company, has invited the Parties to undertake the development of a 3.19 MWp rooftop solar photovoltaic system project (“**Works**”) which consists of 6,373 solar panels and associated system on the roof of Dataran Pahlawan Melaka Megamall in the state of Melaka (“**Plant**”).

INFORMATION ON JOINT VENTURE PARTNER

- 1.1 NSS is private limited company limited by shares and was set up in Malaysia under the Companies Act 2016. NSS is located in the business hub of Selangor, Malaysia and the business address is 2-10, Jalan Kenari 13B, Bandar Puchong Jaya, 47170 Puchong, Selangor, Malaysia.
- 1.2 As to the date of this Announcement, NSS has a paid up capital of RM100,000.00 divided into 100,000 ordinary shares. NSS has two Directors, Mr. Ong Yong Chuan and Datuk IR. Dr. Lim Jee Gin.
- 1.3 As to the date of this Announcement, NSS is fully owned by Nestcon Berhad a public company listed on Bursa Malaysia.
- 1.4 As at the date of this announcement, NSS does not hold, directly or indirectly any shares in the Company. NSS 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.
- 1.5 NSS 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.

- 1.6 To the best of the knowledge of the directors of the Company ("**Directors**") and save as disclosed above, NSS 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.
- 1.7 HRE intends to collaborate with NSS to effectively implement the business plans of the joint venture company in order to grow its business related to renewable energy sector.

2. INFORMATION OF THE JOINT VENTURE AGREEMENT

- 2.1 NSS and/or its nominees and HRE will be setting up a private limited company as the JV Co and the JVA is to regulate the rights and obligations of the Parties in relation to the administration and management of the JV Co upon the terms and conditions of the JVA.
- 2.2 Subject to commercial negotiations with LVSB, the JV Co will enter into a Power Purchase Agreement ("**PPA**") with LVSB to undertake the Works with the adoption, execution and implementation of the Supply Agreement with Renewable Energy ("**SARE**") and the JV Company shall manage the Plant for LVSB for the term of 21 years.
- 2.3 The purposes and objectives of the JV Company, amongst others, are as follows:-
- (i) to undertake the financing, engineering, procurement, construction, commissioning, operation and maintenance of the Plant; and
 - (ii) to obtain a net pecuniary or financial gain or the maximum achievable profit arising from the performance and completion of the Works.
- 2.4 HRE and NSS agree that the shareholding structure of the JV Co shall be 70% owned by NSS and/or its nominees while 30% owned by HRE.
- 2.5 Pursuant to the JVA, the board of directors of the JV Co shall consist of three directors, whereby two of them shall be nominated by NSS and another one shall be nominated by HRE.
- 2.6 Pursuant to the JVA, NSS and/or its nominees shall, through the JV Co:-
- (a) decide on and implement all aspect of engineering, procurement, construction, commissioning, operation and management of the Plant; and
 - (b) have the sole rights for the appointment and selection of engineering , procurement, construction and commissioning contractors ("EPCC Contractors")
- 2.7 HRE shall ensure that the PPA has a validity of execution of 12 months from the notice to proceed to be issued to the EPCC Contractors which is targeting in January 2022 in accordance with the JVA.
- 2.8 The Parties agree to be jointly and severally responsible to LVSB together with the JV Co in carrying out the Works and further agree to act in the best interest of the JV Co and each other at all material terms.
- 2.9 The Company and Nestcon will also collaborate with other potential partners to jointly secure, supply, construct and manage large-scale solar photovoltaic ("LSSPV") facilities, targeting 100 MWp, in Malaysia.

- 2.10 The JVA shall come into force and remain effective from the date of the JVA until each Party has fulfilled and completed all its obligations and liabilities under the JVA and/or the scope of works of the JV Co in the contract to be entered into between the JV Co and LVSB for the performance of the Works. Nevertheless, the JVA shall be terminated upon the Parties mutually agree in writing to terminate the JVA, for which all provisions contained in the JVA shall be automatically terminated.
- 2.11 The JVA by itself is not expected to have any material effect on the net assets, gearing, earnings and earnings per share of the Group for the financial year ending 30 June 2022, however, upon the successful signing of PPA and implementation and execution of the Works pursuant to the terms as set out in the JVA, it is expected that the Works will contribute positively to the future financial performance of the Group.

2.12 **Rationale**

The Group is undertaking a strategic pivot, the entry by HRE into the JVA with NSS and the JV Co's intended entry into the Power Purchase Agreement with LVSB are part of the Group's efforts to expand its business presence in renewable energy market to jointly secure, supply, construct, develop and manage solar panel facilities in Malaysia. The establishment and operation of the Plant to be undertaken by the JV Co indicates the Company's new innovative means of acquiring new business opportunities.

Adopting a sustainability approach for its technology and digital initiatives, the JV Co will also allow the Group to reduce Hatten's net carbon footprint, increase cryptocurrency mining capacity, lower energy costs and enhance business synergies among its operations.

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

3. 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 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.

4. 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 Joint Venture, other than in their capacity as Director or shareholder of the Company.

5. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. As at the date of this announcement, there is no certainty or assurance that the above 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.

6. 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

10 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.

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