

Hatten Land Limited

(Incorporated in the Republic of Singapore)

(Company Registration No: 19930138D)

PROPOSED ISSUE OF:

(1) A TOTAL OF 80,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.023 PER SHARE; AND

(2) A TOTAL OF 80,000,000 NON-LISTED, TRANSFERABLE WARRANTS CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) SHARE EACH IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.048 PER SHARE

(COLLECTIVELY, THE “PROPOSED PLACEMENT”)

1. INTRODUCTION

1.1 The board of directors (the “**Board**”) of the Company (and together with the Company’s subsidiaries, the “**Group**”) wishes to announce that the Company had on 15 September 2021 entered into a conditional subscription agreement (the “**Placement Agreement**”) with Asdew Acquisitions Pte. Ltd. (“**Asdew Acquisitions**”), Evolve Capital Management Private Limited (“**Evolve Capital**”) and Ong Toon Wah (collectively, the “**Subscribers**”). Pursuant to the Placement Agreements, the Company has agreed to allot and issue an aggregate of **80,000,000** new ordinary shares (the “**Placement Shares**”) in the capital of the Company (the “**Shares**”), of which **40,000,000** Placement Shares are to be allotted and issued to Asdew Acquisitions, **20,000,000** Placement Shares are to be allotted and issued to Evolve Capital and **20,000,000** Placement Shares are to be allotted and issued to Ong Toon Wah.

1.2 The Subscribers have agreed to subscribe for the Placement Shares at the price of **S\$0.023** per Placement Share (the “**Placement Price**”) for an aggregate amount of **S\$1,840,000** (the “**Placement Consideration**”), with **S\$920,000** of such Placement Consideration to be paid by Asdew Acquisitions, and **S\$460,000** of such Placement Consideration to be paid by each of Evolve Capital and Ong Toon Wah respectively. The Placement Price represents a discount of approximately 5.7% over the volume weighted average price of **S\$0.0244** for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full market day on **10 September 2021** (being the last full market day on which the Shares were traded prior to the day on which the Placement Agreement was signed). In addition, the Company has agreed to constitute **80,000,000** non-listed, transferable warrants (the “**Warrants**”) of which **40,000,000** Warrants are to be allotted and issued to Asdew Acquisitions, **20,000,000** Warrants are to be allotted and issued to Evolve Capital and **20,000,000** Warrants are to be allotted and issued to Ong Toon Wah.

1.3 A summary of the Placement Shares and Warrants are as follows:

Placement Shares	
<i>Placement Price</i>	S\$0.023 per Placement Share (“ Placement Price ”) The Placement Price represents a discount of approximately 5.7% over the volume weighted average price of S\$0.0244 for trades done on the Singapore Exchange Securities Trading Limited (the “ SGX-ST ”) for the full market day on 10 September 2021 (being the last full market day on which the Shares were traded prior to the day on which the Placement Agreements were signed)
<i>Aggregate Consideration</i>	S\$1,840,000 (“ Placement Consideration ”)

<i>Placement Consideration paid by each Subscriber</i>	Asdew Acquisitions - S\$920,000 Ong Toon Wah – S\$460,000 Evolve Capital – S\$460,000
Warrants	
<i>Warrant exercise right</i>	Each Warrant carries the right to subscribe for one (1) new Share (the “ Warrant Share ”, and collectively, the “ Warrant Shares ”)
<i>Exercise Price</i>	Each Warrant carries the right to subscribe for one (1) Share at the exercise price of S\$0.048 (the “ Exercise Price ”) The Exercise Price of S\$0.048 for the Warrants represents a premium of approximately 96.7% to the volume weighted average price of S\$0.0244 for trades done on the SGX-ST for the full market day on 10 September 2021 (being the last full market day on which the Shares were traded prior to the day on which the Placement Agreement was signed).

- 1.4 The Placement Shares and Warrant Shares, when allotted and issued, will (i) be duly authorized and validly allotted in accordance with, and without any breach of, all applicable laws; (ii) be fully paid up; (iii) be free from all claims, charges, liens and other encumbrances whatsoever; (iv) rank in all respects pari passu with the existing issued Shares. The Warrants will not be listed.
- 1.5 The offer of the Placement Shares and Warrants is made pursuant to the exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

2. SALIENT TERMS OF THE PLACEMENT AGREEMENT

Conditions Precedent

- 2.1 The completion of the Proposed Placement (“**Completion**”) is conditional upon the following conditions (“**Conditions**”) being fulfilled on or before the Back-Stop Date:
- (a) the listing and quotation notice from the SGX-ST for the listing and quotation of the Placement Shares and the corresponding number of Warrant Shares in relation to the Warrants on the Catalist Board of the SGX-ST (“**LQN**”) having been received from the SGX-ST, and not having been revoked or amended and where there are conditions attached to the LQN which are required to be fulfilled on or before Completion Date, they are so fulfilled to the satisfaction of the SGX-ST unless waived by the SGX-ST;
 - (b) the allotment and issue of the Placement Shares and Warrants and the underlying Warrant Shares will not result in any of the Subscribers holding directly or indirectly 15.0% or more of the total number of issued Shares (excluding treasury shares) of the Company, unless prior approval of shareholders of the Company in general meeting is obtained;
 - (c) the allotment and issue of the Placement Shares, the Warrants and the underlying Warrant Shares, will not result in any of the Subscribers and their respective concert

parties incurring an obligation to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers;

- (d) there being no breach of the conditions attached to the LQN;
- (e) there being no breach of any representations, warranties and undertakings required to be performed or caused to be performed by the Company under the Placement Agreement since the date hereof;
- (f) the execution of a warrant agency agreement in relation to the Warrants, being in form and substance satisfactory to the Company;
- (g) there being no material adverse effect on the assets, properties, business, financial condition, prospects or operations of the Group (“**Material Adverse Effect**”) or development or event involving a prospective change likely to result in a Material Adverse Effect to the condition (financial or otherwise), prospects, results of operations or general affairs of the Company or any of its subsidiaries since the date of the Placement Agreement other than those disclosed publicly;
- (h) the transactions contemplated in the Placement Agreement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to any of the Parties; and
- (i) the receipt of all necessary approvals (including, if required, from the shareholders of the Company), consents or waivers from any governmental body, regulatory authority or other third party for the transactions contemplated in the Placement Agreement (where applicable), and if such approvals, consents or waivers are granted subject to conditions, such conditions being acceptable to the Company, and if any conditions are required to be satisfied by Completion, such conditions being so satisfied.

2.2 **Back-Stop Date.** If any of the Conditions set out above is not satisfied on or before such date falling 30 market days after the date of the Placement Agreement (or such other date as the relevant Parties may mutually agree in writing) (the “**Back-Stop Date**”), the Placement Agreement shall ipso facto cease and determine and in such event neither party shall have any claim against the other for costs, damages, compensation or otherwise, save for any claim (i) by a party against the other arising from an antecedent breach of the terms of the Placement Agreement or (ii) under any clause which is expressly or by implication intended to survive such termination of the Placement Agreement.

2.3 **Completion.** Subject to the provisions of the Placement Agreement (and in particular, but without limitation, the satisfaction of the Conditions specified in paragraph 2.1 above), Completion shall take place on the date falling within five (5) Business Days after the fulfillment of the Conditions (“**Completion Date**”).

At Completion, against compliance by the Subscribers of their obligations at Completion, the Company shall:

- (a) deliver a copy of the executed Deed Poll to the Subscribers;
- (b) allot and issue, and register the share certificates relating to the Placement Shares in the name of CDP for the account of the Subscriber or the depository agent holding the Placement Shares on behalf of the Subscriber (as nominated by the Subscriber), as the case may be, such account number as notified in writing by the Subscriber to the

Company at least two (2) Business Days prior to the Completion Date (the “**Relevant Securities Account**”);

- (c) allot and issue, and register the warrant certificates relating to the Warrants in the name of the Subscriber or the nominee of the Subscriber to the warrant agent to be appointed by the Company;
- (d) deliver or procure to be delivered to CDP the share certificates for the Placement Shares;
- (e) instruct CDP to credit the relevant number of Placement Shares to the Relevant Securities Accounts on the Completion Date; and
- (f) do all such acts or things as may be required by the constitution of the Company and all applicable laws, regulations, rules and directives in Singapore as may otherwise be necessary or desirable in connection with or in relation to the Placement and the allotment and issue of the Placement Shares and Warrants.

Against compliance by the Company with the above, on Completion Date, each of the Subscribers shall pay the Company the Subscription Price for the Placement Shares. Payment shall be made by cheque or cashier’s order drawn on a bank in Singapore or by telegraphic transfer by way of crediting to a designated bank account to be instructed by the Company and made in favour of the Company or as it may direct.

- 2.4 The Company will be submitting an application, through its sponsor, UOB Kay Hian Private Limited to the SGX-ST to obtain the LQN in respect of the Placement Shares and Warrant Shares on the Catalist of the SGX-ST. The Company will make the necessary announcement once the SGX Approval has been obtained from the SGX-ST.

The Warrants Issue

- 2.5 The issue of the Warrants to each of the Subscribers is subject to and in accordance with the terms set out in the deed poll to be executed by the Company for the purposes of constituting the Warrants (“**Deed Poll**”). A summary of the salient terms of the Warrants are as follows:

- (a) **Exercise Period.** The Warrants are exercisable from the date of their issue until 5.00 p.m. in Singapore on the Market Day (as defined in the Listing Manual) immediately preceding the second (2nd) anniversary of the date of the issue of the Warrants unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Warrantholders may be closed) (the “**Expiration Date**”).
- (b) **Adjustments.** The Exercise Price and the number of Warrants are subject to adjustment in the event of, *inter alia*, rights, bonus or other capitalisation issues as provided for in the Deed Poll. Any such adjustments shall (unless otherwise provided under the Listing Manual from time to time) be announced by the Company.
- (c) **Transferability.** The Warrants shall be transferable. The Warrants will be detachable from the Placement Shares on issue.
- (d) **Expiry.** At the expiry of the Exercise Period, any Warrants which have not been exercised in accordance with the terms and/or conditions set out in the Deed Poll shall lapse and cease to be valid for any purpose.
- (e) **Alterations.** No material alteration to the terms and/or conditions of the Warrants after the issue thereof to the advantage of the Subscribers and prejudicial to the Shareholders of the Company shall be made unless first approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms of the Deed Poll. The Company will make an immediate

announcement on SGXNET upon any material alterations made to the terms and conditions of the Warrants.

3. DETAILS OF THE SUBSCRIBERS

3.1 Further details on the background of the Subscribers are set out below:

Subscriber	Background of Subscriber
Asdew Acquisitions	An investment holding company which is majority owned by an individual Alan Wang Yu Huei
Evolve Capital	A fund registered with the Monetary Authority of Singapore with mandate to invest in growth capital investments
Ong Toon Wah	A seasoned investor. He is a founding member and senior executive in several public listed companies including Informatics Holdings Limited, Horizon Limited, The9 Limited. He is also invested in Raffles Venture Partners and Silkbridge Partners. He is also a director and 10% shareholder of the Company's subsidiary, The Medici-Watermark Pte. Ltd.

Note: Information on the Subscribers set out in the table above were provided by the respective Subscribers. In respect of such information, the Company and the Board have not independently verified the accuracy and correctness of the same and the Company and the Board's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in the announcement.

3.2 The Subscribers were introduced to the Company by common business associate and had expressed interest in investing in the Company. No introducer fee will be paid in respect of the Proposed Placement. The Subscribers do not hold any interest in any investment or any directorship in the Company or businesses in competition with the Group. Save as disclosed herein, the Subscribers have no connection with the Company, its Directors and substantial shareholders (including any business relationship), and are not persons to whom the Company is prohibited from issuing shares or warrants to, as provided for by Rule 812 of SGX-ST Listing Manual Section B: Rules of Catalyst.

4. USE OF PROCEEDS

4.1 Based on the Placement Price, the estimated amount of proceeds from the allotment and issue of the Placement Shares, net of the estimated expenses of approximately S\$56,000, is approximately S\$1,784,000 (the "**Placement Proceeds**"). Assuming the Warrants are fully exercised into Warrant Shares, the estimated amount of additional proceeds that may be raised, net of the estimated expenses of approximately S\$20,000, is approximately S\$3,820,000 (the "**Warrant Proceeds**", and together with the Placement Proceeds, the "**Net Proceeds**").

4.2 The Placement Proceeds will be used by the Company in the following estimated proportions:

Use of Proceeds	Percentage Allocation (%)	Amount of Placement Proceeds (S\$)
To fund new business initiatives of the Group	70	1,248,800
Working capital purposes	30	535,200
Total	100	1,784,000

4.3 The Warrant Proceeds will be used by the Company in the following estimated proportions:

Use of Proceeds	Percentage Allocation (%)	Amount of Warrant Proceeds (\$\$)
To fund new business initiatives of the Group	70	2,674,000
Working capital purposes	30	1,146,000
Total	100	3,820,000

4.4 The Company will make periodic announcement(s) as to the use of the proceeds from the Proposed Placement as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the proceeds raised from the Proposed Placement in the Company's interim and full-year financial statements issued under Rule 705 of the Listing Manual and the Company's annual report. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

4.5 Pending the deployment of the proceeds from the Proposed Placement, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the directors of the Board (the "**Directors**") may deem fit, from time to time.

5. GENERAL MANDATE FOR THE ISSUE OF THE PLACEMENT SHARES, WARRANTS AND WARRANT SHARES

5.1 The Placement Shares to be issued to the Subscribers will be issued pursuant to the share issue mandate (the "**Share Issue Mandate**") that was approved by shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company convened on 30 October 2020 (the "**AGM**"). Pursuant to the Share Issue Mandate, the Directors have the authority to, amongst others, issue Shares and/or make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued, such that the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) and Instruments shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM, of which the aggregate number of Shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM.

5.2 The Placement Shares, when allotted and issued in full, will represent approximately 5.02% of the Company's existing and paid-up capital of 1,595,169,228 Shares as at the date of this announcement, and approximately 4.78% of the enlarged issued and paid-up share capital of 1,675,169,228 Shares upon completion of the Proposed Placement (assuming that no further Shares are issued on or prior to the completion of the Proposed Placement).

5.3 The Warrant Shares, when allotted and issued in full, will consist of 80,000,000 Shares representing approximately 5.02% of the Company's existing and paid-up capital of 1,595,169,228 Shares as at the date of this announcement, and approximately 4.56% of

the enlarged issued and paid-up share capital of 1,755,169,228 Shares after completion of the Proposed Placement and the full exercise of the Warrants into Warrant Shares.

5.4 If the Placement Shares and Warrant Shares are allotted and issued in full, Asdew Acquisitions, Evolve Capital and Ong Toon Wah will respectively hold approximately 4.56%, 2.28% and 2.28% of the enlarged issued and paid-up share capital of 1,755,169,228 Shares after completion of the Proposed Placement and the full exercise of the Warrants into Warrant Shares respectively.

5.5 As at the date of the AGM, the Company had an issued share capital of 1,534,796,353 Shares. As at the date of this announcement, no Shares had been issued pursuant to the Share Issue Mandate. Accordingly, 1,534,796,353 Shares may be issued pursuant to the Share Issue Mandate, of which the maximum number of Shares that can be issued other than on a pro rata basis is 767,398,176 Shares. Therefore, the 160,000,000 Placement Shares and Warrant Shares that may be issued to the Subscribers pursuant to the Proposed Placement falls within the limits of the Share Issue Mandate.

6. FINANCIAL EFFECTS

6.1 As at the date of this announcement, the issued and paid up capital of the Company (excluding treasury shares) is S\$97,531,290 (based on the exchange rate of S\$1:RM3.1 as at 15 September 2021) divided into 1,595,169,228 Shares (excluding treasury shares). When allotted and issued in full, the placement of the Placement Shares will increase the existing issued and paid-up share capital of the Company by approximately S\$1,784,000, to S\$99,315,290, divided into 1,675,169,228 Shares (excluding treasury shares). Upon the full exercise of the Warrants into Warrant Shares, the existing issued and paid-up share capital of the Company will increase by approximately S\$3,820,000, to S\$103,135,290, divided into 1,755,169,228 Shares (excluding treasury shares).

6.2 The financial effects of the Proposed Placement on the net tangible assets ('NTA') per Share and the loss per Share ('LPS') are prepared for illustrative purposes only and do not purport to reflect the actual future results and financial position of the Group following completion of the Proposed Placement. The financial effects have been computed based on the following bases and assumptions:

- (a) the Group's latest audited financial statements for the financial year ended 30 June 2020 ("FY2020");
- (b) the effect of the allotment and issuance of Placement Shares and the full exercise of the Warrants into Warrant Shares on the NTA per Share is computed based on the assumption that the allotment and issuance of Placement Shares and the full exercise of the Warrants into Warrant Shares is completed on 30 June 2020; and
- (c) the effect of the allotment and issuance of Placement Shares and the full exercise of the Warrants into Warrant Shares on the LPS per Share is computed based on the assumption that the Proposed Placement is completed by 1 July 2019.

The LPS and the NTA per Share based on the audited financial statements of the Group for FY2020 are computed as follow:

	Before the Subscription Shares	After the Subscription Shares	Subscription Shares and the Maximum Warrant Shares
NTA (RM'000)	159,965	165,495	177,337
NTA per Share (RM cents)	10.42	10.25	10.46
(Loss) attributable to owners of the parent (RM'000)	(229,704)	(229,704)	(229,704)

Loss per share (RM cents)	(16.28)	(15.41)	(14.62)
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7. ADJUSTMENTS TO OUTSTANDING CONVERTIBLE SECURITIES

To date, there are no outstanding convertible securities for which adjustments will be required in respect of the Proposed Placement.

8. CHANGE IN DIRECTORS / SUBSTANTIAL SHAREHOLDERS / SUBSCRIBERS' INTEREST AFTER ISSUE

The Company's substantial shareholders' shareholdings before and after the Proposed Placement based on the Company's register of shareholders as at 31 August 2021 are set out below:

	Before issue of Placement Shares		After issue of Placement Shares		After issue of Warrant Shares	
	Total Interest		Total Interest		Total Interest	
	No. of shares	No of Shares (%)	No. of shares	No of Shares (%)	No. of shares	No of Shares (%)
Directors						
Tan June Teng Colin@Chen JunTing	937,091,508	58.75	937,091,508	55.94	937,091,508	53.39
Tan Ping Huang Edwin@ Chen Bing Huang	937,091,508	58.75	937,091,508	55.94	937,091,508	53.39
Dato' Wong King Kheng	-	-	-	-	-	-
Mr Loh Weng Whye	-	-	-	-	-	-
Mr Foo Jong Han Rey	-	-	-	-	-	-
Substantial Shareholders						
Hatten Holdings Pte Ltd	937,091,508	58.75	937,091,508	55.94	937,091,508	53.39
Subscribers						
Asdew Acquisitions Pte. Ltd.	-	-	40,000,000	2.39	80,000,000	4.56
Evolve Capital Management Private Limited	-	-	20,000,000	1.19	40,000,000	2.28
Ong Toon Wah	-	-	20,000,000	1.19	40,000,000	2.28

9. DIRECTORS' OPINION

The Directors are of the opinion that, after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and the reason for Proposed Placement is to fund the Group's new business initiatives and strengthen its working capital; and
- (b) the present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

10. DIRECTORS' INTERESTS

None of the Directors of the Company have any interest, direct or indirect in the Proposed Placement. Save as disclosed herein, none of the Directors have any connection

(including business relationship) with the Subscribers, its directors and/or substantial shareholders.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement 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 stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the registered office of the Company at 53 Mohamed Sultan Rd #04-02 Singapore 238993 for a period of three (3) months from the date of this announcement.

13. 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 Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the 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 the announcement in its proper form and context.

BY ORDER OF THE BOARD

Dato' Tan June Teng, Colin
Executive Chairman and Chief Executive Officer
16 September 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 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 persons for the Sponsor is Mr Lance Tan, Senior Vice President at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.