HATTEN 惠胜
LAND

ANNUAL REPORT 2022

Annual Project & Financial Results

ENRICHING COMMUNITIES TOGETHER

"A vision into reality."

Hatten Land Annual Report 2022

While we consistently offer value quantifiable through material possessions and financial gains, our main aim is to create a deeper sense of enrichment; a more meaningful measure of success.

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Annual Report 2022

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This Annual Report has been prepared by Hatten Land Limited (the "Company") and its contents have been reviewed by 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 Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

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.

Corporate Profile

The name "Hatten" is derived from the Japanese word (发展) for "growth and development". Hatten Land has an established track record as a visionary developer, winning over 50 awards and accolades for its quality developments, innovative designs and avant-garde architectural concepts.

Partnering industry experts in strategic collaborations and joint ventures, Hatten's Strategic Pivot makes bold strides towards digitisation in a tactical union of technology and tourism in Melaka. Tapping on the annual influx of 16 million tourists into the historical state and a burgeoning eSports industry worth over $905 million, Hatten is poised to rejuvenate and multiply the footfall and consumerism within our Melaka malls and developments, as we build up strategic resilience in our post-pandemic business recovery.

Development Portfolio

Latest Development

Our core focus are our communities. We aim to serve their needs with an omni-channel AIO (All-In-One) platform where our malls are digitised via new digital technology innovations, allowing our consumers an enthralling and immersive phygital experience.

Development Portfolio

Hatten City (Phase 1 & 2)

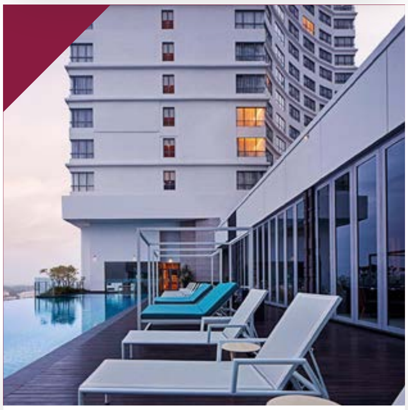
Phase 1 integrates four distinct projects namely; ElementX, SilverScape Residences, ElementX hotel, and a tower block managed by Hilton Worldwide as part of its DoubleTree brand.

Phase 2 is a mixed development which comprises Imperio Mall and Imperio Residences. It utilises an iconic "cascading steps" design which functions as an outdoor jogging route with views of the coast and surrounding city.

ElementX

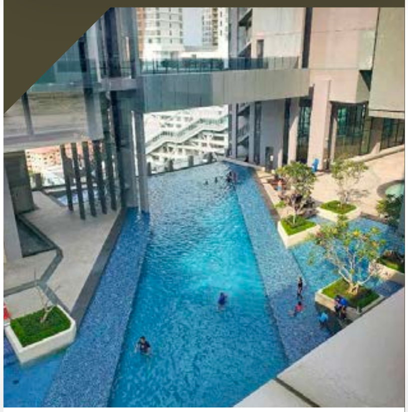
ElementX Hotel

Imperio Mall



Silverscape Residences

DoubleTree by Hilton



Imperio Residences

Phase 1

Phase 2

Sky Deck @ Hatten City

Development Portfolio

Vedro by The River

Vedro brings a stylish, offbeat hipster vibe to the vicinity. Inspired by Melaka's heritage-house façades, Vedro features iconic tall arched windows and carved ornamental pillars. Instead of the usual bright colours, the mall stands out in all-white for a sharp, modern-minimalist look.

Satori

Satori is a mixed-use development designed to satisfy the needs of the mind, body, and soul. As Hatten's first venture into health and wellness, Satori caters to and will further increase the number of medical tourists to Melaka. Meanwhile, local residents will enjoy a more holistic lifestyle, living just footsteps away from a wide range of facilities dedicated to physical fitness as well as mental and spiritual wellbeing.

Harbour City

Hatten's most widely acclaimed, mixed-use development, Harbour City is a unique architectural masterpiece inspired by Melaka's maritime heritage. Shaped like a luxury cruise ship, the project dominates the Island of Pulau Melaka while looking out onto unobstructed views of the Straits.

Strategic Pivot

E-Commerce & Phygital

A bold concept to take online retailers offline and house them in a brick-and-mortar location. This both opens up a new sales channel and builds them a community to boost business and opportunities.

Metaverse

Hatten is developing its own Metaverse - WORLDX, a brand new virtual universe where you can own, explore and interact with more than 150,000 different experiences online and offline.

Blockchain & Cryptomining

Hatten envisions building a global ecosystem that builds trust between parties, delivering even more business benefits with increased speed, efficiency, and automation.

Renewable Energy

At Hatten, we see it as our duty to ensure sustainable growth of Melaka's economy and supporting our communities and stakeholders, facilitating their growth towards a more sustainable economy.

Corporate & Digital Pivot Milestones

16 September 2021

Hatten Technology signed a Memorandum of Understanding with SGX Mainboard-listed **Singapore Myanmar Investco Limited ("SMI")** to jointly explore business opportunities in efficient "green" cryptomining activities with Hatten Land's property portfolio.

27 December 2021

Comprehensive collaboration agreement between Hatten Edge and **Huawei International Pte. Ltd.** to pursue opportunities in cloud computing, virtual world augmentation data centre and renewable energy.

31 March 2022

Agreement with new strategic partner to undertake cryptocurrency mining activities in Malaysia. In addition, with effective from 1 April 2022, the Group can accept major cryptocurrency including Bitcoin, Ethereum, Tether as a mode of payment for the transactions of property, retail and hospitality businesses under the Group.

20 April 2022

Signed joint venture agreement with **Kitamen Holdings Sdn. Bhd.**, one of Malaysia's leading Esports organisations, to jointly utilise collective resources and networks to promote Esports and work together in specific Esports-related activities and pursue Esports-related business opportunities within Southeast Asia.

Signed Memorandum of Understanding with **Melaka E-sports Association (MEA)**, a registered sports body established under the Sport Development Act 1997 (Act 576), where MEA will recognise ElementX as Melaka's official Esports hub. At the same time, MEA will provide various forms of assistance and guidance to facilitate ElementX in achieving the national Esports standards and requirements.

05 May 2022

Inked binding 10-year joint venture with **Focus Media Sports** for an Immersive Esports Hub, which will offer a first-of-its-kind immersive, Esport and phygital sporting experience in Southeast Asia. The Immersive Esports Hub will be one of the anchor tenants at ElementX, occupying more than 90,000 square feet of retail space that will be conceptualised with a family-oriented entertainment environment, bonding family members and friends together, thereby attracting more footfall to ElementX.

Corporate & Digital Pivot Milestones

18 August 2022

Partnership agreement with Vizta Pte. Ltd., subsidiary of Moonton Holdings Limited **("MOONTON Games")**, developer of Southeast Asia's top mobile game, **Mobile Legends: Bang Bang ("MLBB")**, to develop the World's First MLBB-themed Integrated Esports Hub in Melaka at ElementX that aims to attract 20 million visitors from around the region. With MOONTON's creative insights, ElementX mall and hotel will have multiple giant-sized displays of MLBB characters and eye-catching MLBB-themed façade and interior designs to create experiential interactions and an immersive environment for players and fans, creating new innovative experiences and conducive spaces for gaming and Esports activities.

22 August 2022

Partnered with **Melaka ICT Holdings Sdn Bhd** and **Malaysia Smart Cities Alliance Association** to implement and jointly collaborate in the development of sustainable and smart cities initiatives.

16 September 2022

Joint venture agreement with solar giant, **NEFIN Pte. Ltd. ("NEFIN")** which is a part of NEFIN Group **("NEFIN Group")**, one of the largest solar developers in Asia, to raise up to USD 10 million to develop, construct, and operate renewable energy projects in Singapore and Malaysia. NEFIN has committed to invest 90% of the USD10 million, while Hatten Energy will undertake the primary role of developer, operator, and manager of the renewable energy projects, aiming to own and operate 100MWp of solar PV rooftop installations by the end of 2025, generating revenue from the supply of clean energy and the generation of Renewable Energy Certificates.

Entered into a Solar Power Purchase Agreement with **Trend Technologies Singapore Pte. Ltd.** ("Trend Technologies Singapore"), where Trend Technologies Singapore will purchase the electricity for a 21-year period, that is generated from the rooftop solar PV power system installed and developed by Hatten Renewable Assets Pte Ltd.

Chairman's Statement

Dato' Colin Tan

Executive Chairman and Group Managing Director

Dear Shareholders,

On behalf of the Board of Directors of Hatten Land Limited ("Hatten Land" or the "Company" and together with its subsidiaries, the "Group"), I would like to present the Annual Report and Audited Financial Statements for the financial year ended 30 June 2022 ("FY2022").

In FY2022, the Group revenue has increased from RM32.0 million to RM53.3 million compared to FY2021. The increase was mainly due to higher sales generated from completed projects and additional revenue from the Group's new initiative in provision of space, power capacity and technical support for external customers who engaged in crypto mining services. The Group's loss decreased significantly were mainly due to increase in revenue, decline in operating expenses arising from cost cutting measures implemented by the Group and lower non-recurring items such as impairment losses and write downs.

FY2022 has been a year of transformation for the Group even as our operating environment continued to grapple with uncertainties and challenges arising from ongoing geopolitical tensions, inflationary pressures, and mutations of the COVID-19 virus.

Our focus over the course of the past twelve months has been on ensuring the safety, sustainability, and stability of our business operations with a view to positioning Hatten Land towards the long-term trends of the digital economy, which has been accelerated by the pandemic.

As the COVID-19 pandemic becomes endemic in Singapore and Malaysia, there are progressive re-openings of the economy and social activities in Melaka as well as the resurgence of tourism activities from Malaysia's full reopening of international borders from 1 April 2022 for fully-vaccinated travellers.

Since unveiling our strategic review to re-purpose our malls and to pivot our business model towards the digital economy in December 2021, the Group has made considerable progress, establishing various collaborations and partnerships with government agencies and prominent partners in the Metaverse, Esports, mobile gaming and digital-related experiences.

We are cautiously optimistic of the sustained recovery of our business activities ahead and here are some of our key business highlights:

CONTINUAL ADVANCEMENT OF OUR STRATEGIC PIVOT

Re-purposing our Malls for Phygital Experience

The Group's properties are located within the prime and strategic locations in Melaka, UNESCO World Heritage City, and this has helped preserve the value of the Group's property assets. With rising consumer demand as COVID-19 becomes endemic, the Group has been proactively working with partners to gradually reopen our retail malls in Melaka.

In April 2022, we rebranded Element Mall to ElementX, positioning it as Southeast Asia's first large-scale integrated Esports experiential hub, Metaverse gateway and themed award-winning hotel accommodation. MBO Cinemas, the largest cinema in Melaka, has also reopened at ElementX since early 2022.

Since then, the Group has inked several collaborations and agreements with strategic partners such as MOONTON Games, an international gaming developer under ByteDance group and known for producing highly acclaimed Mobile Legends: Bang Bang ("MLBB"), in August 2022. With MOONTON's creative advice, Hatten Land will clad the ElementX mall and hotel with giant displays of Mobile Legends characters to create an experiential and immersive environment for Mobile Legends fans and the public.

MLBB has more than one billion downloads globally with a consistent player base of 100 million monthly active users and is the top multiplayer mobile game in Southeast Asia.

Other leading Esports strategic partners signed with the Group include, Kitamen Holdings Sdn. Bhd. ("KITAMEN") and MELAKA ESPORTS ASSOCIATION ("MEA") as well as Focus Media Sports (Shanghai) Co., Ltd ("Focus Media"), a subsidiary of China's largest commercial media group, to boost the branding and revenue streams of ElementX. Notably, the Group and Focus Media Sports will jointly present the Focus Media Immersive Experience Centre, the first-of-its-kind outside of China, at ElementX.

Positioned as an instagrammable hot-spot for gaming tourism and increasing more footfall to ElementX, the world's first MLBB-themed Integrated Esports Hub in Melaka will be a brand-new attraction in Malaysia poised to be a key driver of gaming and Esports activities, attract new visitors (such as gamers and fans), and boost tourism activities in Melaka.

With ElementX's strategic and convenient location covering Singapore, Kuala Lumpur, Selangor, Johor and other fast-growing areas, as well as over 20 million affluent population within a 250km radius, we believe that more footfall and hotel guests will be drawn to ElementX.

Since we announced the launch of ElementX in April 2022, the Group has seen a surge of rental enquiries from interested and potential tenants for ElementX. In the first phase of ElementX's reopening, more than 67% of the area has been secured with tenants, while the Group is negotiating with interested tenants for the remaining 33%.

In addition, the Group has completed the refurbishment of the co-sharing office space in both Singapore and Melaka under the Group's Prime 53 brand. The Group is in discussion with potential tenants to take up the space in Prime 53, once the initial launch of ElementX has been concluded.

Metaverse: Digital Melaka and Creation of Other Digital Assets

The metaverse is considered the next evolution of the internet, defined as a simulated digital environment that uses augmented reality (AR), virtual reality (VR), and blockchain, where people can work, play, and socialize. According to a J.P. Morgan report, Opportunities in the Metaverse, issued in January 2022, the metaverse represents a US$1 trillion revenue opportunity

Merging our physical reality with the digital universe, Hatten has launched our own Metaverse – WORLDX, a virtual real-estate platform where users can own, explore, and interact with more than 150,000 different experiences online and offline.

WORLDX will allow users to purchase, lease, and rent land and add-ons in the metaverse, curate their spaces, and create various experiences to attract visitors or market upgraded properties and accessories. WORLDX aims to generate fees (including perpetual royalties) related to these activities within our metaverse.

In parallel with WORLDX, ElementX will enable users to earn and spend tokens, creating channels to various online and offline lifestyle experiences accessible only through NFT ownership within WORLDX.

Renewable Energy

Since the announcement of the Group's ambitions and strategies in investing in renewable energy in late 2021, the Group has set up a dedicated team under Hatten Energy Pte Ltd ("Hatten Energy") led by in-house experts to explore market opportunities and partnership networks within the industry in both Singapore and Malaysia.

With electricity demand expected to grow rapidly in the coming decades in Southeast Asia, an increasing share will be met by variable renewable sources.

Enabling enterprises to accelerate their transition towards solar energy adoption with no up-front cost, Hatten Energy will design, finance, and install solar PV systems at the premises of business owners while the latter purchases electricity generated from the solar PV system for their own consumption at a rate generally lower than usual rates of electricity distribution providers for an agreed duration under a Power Purchase Agreement ("PPA").

Hatten Energy will own, operate, and maintain the solar PV systems, supplying and selling clean electricity to businesses for a contract period of typically 15 years to 20 years under the PPA.

In addition, Hatten Energy can generate RECs from the solar PV systems, thereby creating another revenue and cash flow stream for the business. RECs are market-based instruments substantiating that electricity has been generated from renewable energy sources. Hatten Energy has a current project pipeline of 10MWp.

Aligned with our vision, the Group has entered into a joint venture agreement with a renowned green independent power producer, NEFIN Group, one of the largest solar developers in Asia, to develop, construct, and operate renewable energy projects, with capacity of approximately 15MWp, in Singapore and Malaysia. This joint venture intends to raise funds of up to USD 10 million, which NEFIN Group has committed to invest 90% of it.

The green energy generated from 15MWp solar projects is expected to generate approximately 18,000 MWh per year, the equivalent of powering more than 5,000 three-room flats for an entire year, and reduce approximately 340,000 tonnes of carbon dioxide over the project lifespan, equivalent to planting more than 644,000 trees.

Funded by ACEN Corp., NEFIN Group, has collectively installed over 3,400 MWp of utility-scale, commercial and industrial renewable energy systems. ACEN is listed in the Philippines and is part of the Ayala Corporation, one of the largest premium green independent conglomerates in Philippines.

In Singapore, the Group has signed an agreement with Trend Technologies Singapore, a global mechanical solutions provider, to construct, operate and maintain a 440.9 kilowatt-peak (kWp) grid-connected rooftop solar PV power system at Trend Technologies' premises located at Tuas, Singapore for a duration of 21 years.

Crypto Mining Activities

In January 2022, despite multiple challenges from COVID-19 and border control measures that resulted in supply chain and logistics disruptions, the Group has successfully started our trial operation of crypto mining, with various partners. Subsequently in April 2022, full-fledged operations were undertaken and the crypto mining activities have contributed positively to the Group's financial performance in FY2022.

Shifting our focus towards high quality and profitable crypto mining equipment from our earlier rig-quantity-centric strategy, we aim to increase the efficiency and maximise the profit from our crypto mining operations. The Group is currently managing more than 400 top-tiered crypto mining equipment that are mainly mining Bitcoin (BTC) and Dogecoin (DOGE).

Community Developers

At Hatten Land, we see ourselves as community developers and we continue to collaborate closely with the government agencies in new initiatives that support community development.

In August 2022, the Group and Melaka ICT Holdings Sdn Bhd ("MICTH") signed a MOU with an objective to collaborate under SMART MELAKA BLUEPRINT 2035 ("SMB2035") with a focus on sustainable and smart cities developments, where MICTH has been entrusted by the State Government of Melaka to implement the technology development and to drive the State of Melaka towards the digital economy strategy under SMB2035.

In addition, the Group and MICTH will be jointly organising the Smart Melaka International Conference 2022 ("SMIC 2022") for the global technology and innovation community. The SMIC 2022 will be held over a 2-day period with panel discussions, exhibitions, and interactive activities, which aims to bring together leaders, leading industries, practitioners, entrepreneurs, innovators, and investors, catalysing meaningful collaborations across different fields and markets in the area of smart cities, urban solutions, and emerging sustainable technologies.

In the smart city spectrum, Hatten Land has signed a MOU with Malaysia Smart City Alliance Association (MSCA), an association under MIGHT, think tank under the purview of the Malaysia Prime Minister's Department, to collaborate on smart cities initiatives in Malaysia.

With the Group's properties current development portfolio comprising five integrated mixed-use development projects and retail mall, there are significant opportunities to work together with MSCA to test and deploy smart city technologies and innovations within our properties.

NOTE OF APPRECIATION

The COVID-19 pandemic has sharpened our forward thinking approach and by leveraging on our capabilities and track record in Melaka, we have embarked on various initiatives to harness the new opportunities within the digital economy.

Our diversified strategy put us in a unique position to target the emerging digital trends with various established, prominent partners.

And on this note, I would like to express my sincere gratitude to our management team and staff for their hard work and ongoing dedication over the past year in contributing to the progress of Hatten Land's digital transformation.

To our business partners and bankers, I am grateful for their continued support and belief in our vision. I would also like to acknowledge my fellow directors for their counsel and professionalism throughout the year.

Last but not least, I would also like to extend my heartfelt appreciation to our shareholders for their faith and confidence in the Group's long-term vision.

We are confident that Hatten Land is on the right path and we remain committed in pursuing new business opportunities and delivering value for all our stakeholders.

DATO' COLIN TAN
Executive Chairman and Managing Director,
Hatten Land Limited

Board of Directors

DATO' COLIN TAN

Executive Chairman and Group Managing Director

Present Directorships
(Listed Companies)
Hatten Land Limited

Dato' Colin Tan was appointed to the Board on 24 January 2017 as Executive Chairman and Group Managing Director. Dato' Colin Tan is responsible for the overall management and strategic direction of the Group. He also oversees sales and marketing, business growth and development as well as asset and land acquisition.

Dato' Colin Tan was one of the founders of Hatten Group, and began his career with Lianbang Ventures Sdn Bhd. when he joined as its business development manager in 2006. Together with Dato' Edwin Tan, they developed the Dataran Pahlawan Melaka Megamall, Melaka's largest mall to date.

Dato' Colin Tan is also the Non-Executive Chairman and Non-Executive Director of Hatten Group. Over the years, he has also been responsible for a wide range of business functions including sales and marketing, business growth and development, asset and land acquisitions, investment and growth strategies, governmental regulation and compliance, construction management, market research and analysis and brand management.

Dato' Colin Tan graduated from the University of Dublin with a Bachelor of Science (Finance) in 2009.

"AIM TO BREAK THE STATUS QUO, BECAUSE JUST OUTSIDE THE BOX IS SUCCESS AND GROWTH."

DATO' EDWIN TAN

Executive Director and Deputy Group Managing Director

Present Directorships
(Listed Companies)
Hatten Land Limited

Dato' Edwin Tan was appointed to the Board on 24 January 2017 as Executive Director and Deputy Group Managing Director. He is responsible for the overall management and strategy of the Group. Dato' Edwin Tan oversees operations, human resources and development management of the Group.

Dato' Edwin Tan was one of the founders of Hatten Group, and began his career as a business development manager in Lianbang Ventures Sdn. Bhd. in 2004, and became a director in the same year. Together with Dato' Colin Tan, they developed the Dataran Pahlawan Melaka Megamall, Melaka's largest mall to date.

Prior to his re-designation as the Non-Executive Director of Hatten Group, Dato' Edwin Tan served as the Executive Director and Deputy Managing Director of Hatten Group and was in charge of operations, human resources, development management, hospitality strategy, planning and design, occupancy growth strategies, tenancy management and tenant relations, leasing and management strategy as well as facilities management.

Dato' Edwin Tan graduated from the University of Dublin with a Bachelor of Science (Finance) in 2009.

"IF YOU DECIDED TO DO SOMETHING, DO IT WELL."

DATO' JAMES WONG
Lead Independent Director

Present Directorships
(Listed Companies)

Hatten Land Limited
Tiong Woon Corporation Holding Ltd
Ossia International Limited
JCY International Bhd

Dato' James Wong was appointed to the Board on 24 January 2017 as Lead Independent Director. Prior to his appointment, he served as an Independent Director in VGO Corporation Limited, a post he had held since 28 October 1996.

Dato' Wong is presently the Managing Partner of KK Wong & Associates, a public accounting firm in Singapore which he founded in 2000. In addition, he is also the Managing Director of Soh & Wong Management Consultants Pte. Ltd. In 1989, he founded public accounting firm Soh, Wong & Partners, where he served as Managing Partner until 2000.

He currently sits on the boards of Tiong Woon Corporation Holding Ltd., Ossia International Limited and JCY International Bhd (of which he is an Executive Director).

He graduated from the Institute of Chartered Accountants in England and Wales, and is a Member of the Institute of Singapore Chartered Accountants, Malaysian Institute of Accountant and CPA Australia.

MR. LOH WENG WHYE
Independent Director

Present Directorships
(Listed Companies)

Hatten Land Limited
BH Global Corporation Limited

Mr. Loh Weng Whye was appointed to the Board on 24 January 2017 as Independent Director.

Mr. Loh is a veteran in the energy industry and infrastructure development in Singapore and the region. Some of his notable appointments include being the head of Power Generation Projects in Singapore Public Utilities Board, PUB representative in the Suzhou Industrial Park Development Project, founding General Manager of Tuas Power Limited, President and Chief Executive Officer of ST Energy Pte Ltd and SembCorp Energy Pte Ltd, Advisers to a number of corporations including Green Dot Capital under Temasek Holdings and YTL Power International Berhad, as well as board members of China New Town Development Company Limited, United Envirotech Limited, XinRen Aluminium Holdings Limited and Leeden Limited. He currently sits on the boards of BH Global Corporation Limited, Moral Home for the Aged Sick Ltd and Kwong Wai Shiu Hospital Ltd.

Mr Loh graduated from the University of Singapore with a Bachelor of Engineering (Mechanical) in 1970. He obtained a Master degree in Industrial Engineering in 1979. Mr Loh is a Fellow of the Institution of Engineers, Singapore (FIES), the Singapore Institute of Directors (FSID) and the Chartered Management Institute of the United Kingdom (FCMI) respectively.

MR. NICHOLAS KHOO
Independent Director

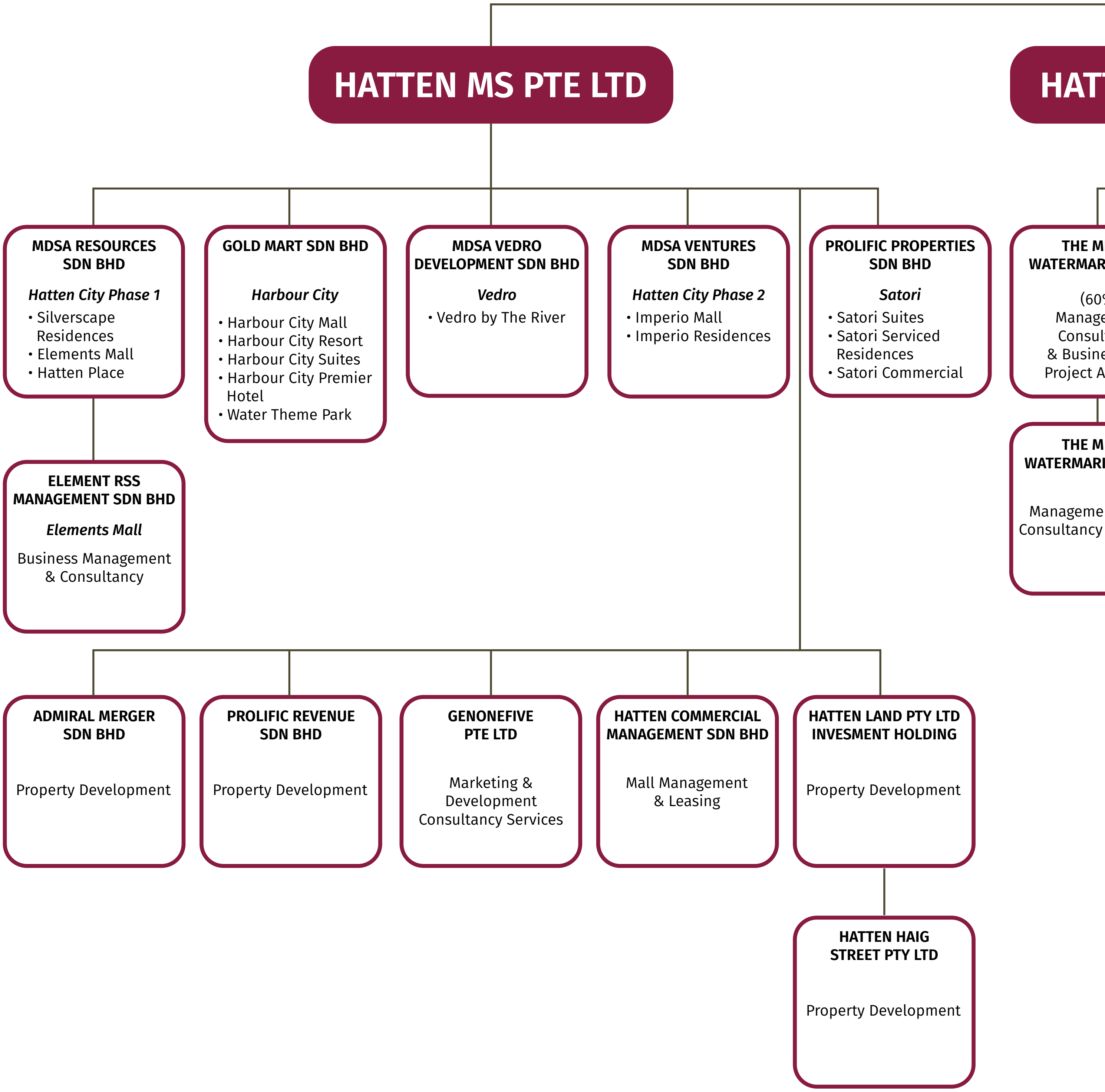
Present Directorships
(Listed Companies)

Global Star Acquisition Inc
(NASDAQ)

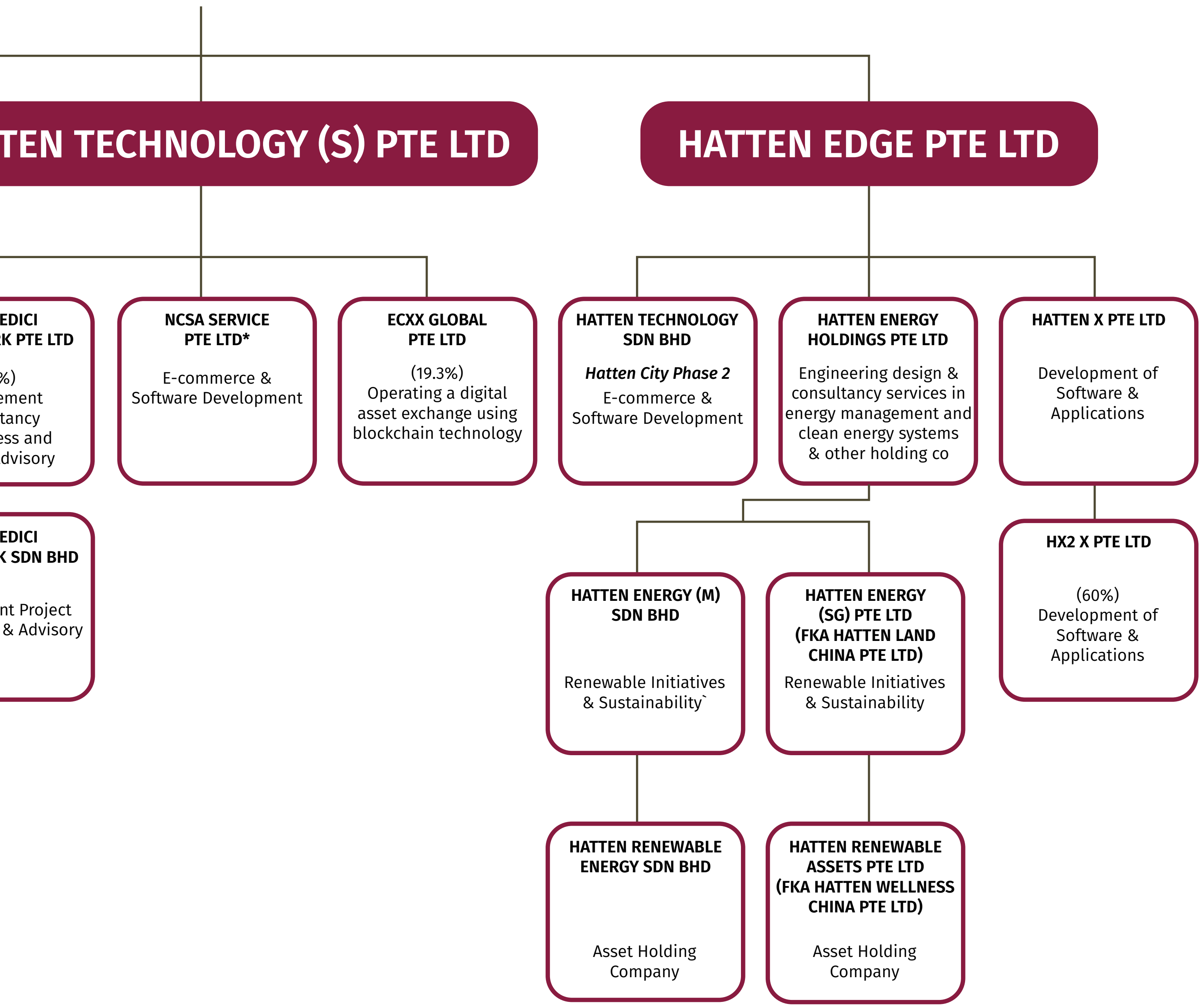
Mr. Nicholas Khoo was appointed to the Board on 3 January 2022 as Independent Director. Mr. Nicholas has worked with both tech startups and MNCs. He has also led a consulting team in Visa for Asia Pacific and Japan, supporting the largest online merchants in the region. Mr. Nicholas was also head of Asia Pacific for a private investor in high growth startups and was a partner in a venture capital firm.

Currently serving on the Board of the Gambling Regulatory Authority and the National Crime Prevention Council, he has also served on the Singapore50 (SG50) Education and Youth Committee, the Vision 2030 Gen Z Committee, as well as the Internet and Media Advisory Committee. He has co-chaired an official ASEAN youth programme and led a national delegation to the Nanjing Youth Olympics on the invitation of China's Vice Premier. Mr. Nicholas Khoo graduated from the Arcadia University with a Master of Business Administration. Mr. Nicholas is currently the Managing Director of Khoo Cap One Pte. Ltd.

Group Structure



*Striking off in process


TEN TECHNOLOGY (S) PTE LTD
HATTEN EDGE PTE LTD
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dvisory
NCSA SERVICE PTE LTD*
E-commerce & Software Development
ECXX GLOBAL PTE LTD
(19.3%)
Operating a digital asset exchange using blockchain technology
HATTEN TECHNOLOGY SDN BHD
Hatten City Phase 2
E-commerce & Software Development
HATTEN ENERGY HOLDINGS PTE LTD
Engineering design & consultancy services in energy management and clean energy systems & other holding co
HATTEN X PTE LTD
Development of Software & Applications
EDICI
K SDN BHD
nt Project
& Advisory
HATTEN ENERGY (M) SDN BHD
Renewable Initiatives & Sustainability`
HATTEN ENERGY (SG) PTE LTD (FKA HATTEN LAND CHINA PTE LTD)
Renewable Initiatives & Sustainability
HX2 X PTE LTD
(60%)
Development of Software & Applications
HATTEN RENEWABLE ENERGY SDN BHD
Asset Holding Company
HATTEN RENEWABLE ASSETS PTE LTD (FKA HATTEN WELLNESS CHINA PTE LTD)
Asset Holding Company

Corporate Information

Board of Directors

Dato' Colin Tan
(Executive Chairman and Group Managing Director)
Dato' Edwin Tan
(Executive Director and Deputy Group Managing Director)
Dato' James Wong
(Lead Independent Director)
Loh Weng Whye
(Independent Director)
Nicholas Khoo
(Independent Director)

Audit and Risk Committee

Dato' James Wong (Chairman)
Loh Weng Whye
Nicholas Khoo

Nominating Committee

Loh Weng Whye (Chairman)
Dato' James Wong
Nicholas Khoo
Dato' Colin Tan

Remuneration Committee

Nicholas Khoo (Chairman)
Dato' James Wong
Loh Weng Whye

Company Secretaries

Lotus Isabella Lim Mei Hua
Lee Bee Fong

Registered Office

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Share Registrar

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

Sponsor

UOB Kay Hian Private Limited
8 Anthony Road #01-01
Singapore 229957

Auditor

Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square, Singapore 188778

Partner-In-Charge
Chan Sek Wai
(A member of the Institute of Singapore Chartered Accountants)
(Appointed since financial year ended 30 June 2020)

Sustainability Report 2022

BOARD STATEMENT

This is our fifth annual sustainability report and through our actions we have taken over the last year, we aim to ensure that our operations develop in a way that considers the needs and concerns of our stakeholders, while seeking to mitigate them in a sustainable way.

In FY2022, the business environment continued to grapple with uncertainties and challenges arising from ongoing geopolitical tensions, inflationary pressures, and mutations of the COVID-19 virus.
As COVID-19 becomes endemic in the Group's key business segments within Singapore and Malaysia, there are some recovery but growth remains uneven and uncertain.

Collectively as the Board, we recognise that operating in a sustainable manner is not just an ethical imperative, it is a fundamental business imperative. Overseeing the management and monitoring of material ESG factors, the Board takes them into consideration in determining the Group's strategic direction and policies.

Following our strategic review in late 2021, a key element of our business strategy is to re-purpose the Group's physical assets, in particular our malls, by identifying new uses, including but not limited to Esports hub, immersive sports experiences, co-sharing office spaces, talent innovation centre, edutainment-related activities, cinema operations, crypto mining and renewable energy activities.

Since then, the Group has continued to advance on our strategic pivot, establishing various collaborations and partnerships with government agencies and prominent partners in the Metaverse, Esports, mobile gaming and digital-related experiences.

The Group continue to prioritise energy efficiency and is proactive in seeking opportunities to reduce consumption and incorporate new renewable energy sources, focusing on solar energy. At the same time, we continue to implement cost saving measures and streamline our business functions to enhance our business resiliency.

The health and well-being of our employees are what we value most, and the COVID-19 pandemic has reinforced the fact that it is a continuous learning journey for us improve our policies and implement better safeguards for our employees.

Sustainability is not confined to the world outside our business, and we are especially committed to ensuring that we develop our relationships with our employees in a sustainable way. This is encapsulated by the opportunities for employee development, mentoring and training that we offer to ensure job retention and further maximise their potential.

In addition to development opportunities, Hatten Land acknowledges the importance of an engaged and motivated workforce. Our Happy Committee continue to regularly organise employee engagement activities to foster a sense of belonging and boost the morale within the organisation despite the uncertain times.

At Hatten Land, we see ourselves as community developers. Aligned with our vision and core values, Hatten Land has continue to use our best endeavours to implement our Corporate Social Responsibility ("CSR") initiatives as a responsible corporate citizenship, providing support and making a positive impact to our stakeholders and the communities that we operate in.

In the year ahead, we aim to continue to innovate and pioneer new approaches around our business, to meet future sustainability challenges and create sustainable benefits for our shareholders and stakeholders in the long term. Once again, we sincerely hope our stakeholders appreciate our sustainability journey, progress and transparency depicted within this report.

Sustainability Report 2022

ABOUT THIS REPORT

Hatten Land Limited ("Hatten Land") is a leading property developer specialising in integrated residential, hotel and commercial developments situated in the historical city of Melaka. Hatten Land is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") and is headquartered in Melaka, Malaysia.

This is the fifth sustainability report published by Hatten Land.

The report discusses our sustainability performance for the financial year ended 30 June 2022 ("FY2022"). It has been prepared with reference to the globally accepted and widely used Global Reporting Initiative ("GRI") Standards: Core option and looks at the portfolio in Malaysia. The GRI standards are a robust sustainability guideline for Hatten Land to follow and implement. Through the inculcation of the GRI into our report, Hatten Land is able to concisely report on its management processes, initiatives and performance metrics pertaining to all material topics. Furthermore, the GRI standards accurately assist in informing our future sustainability strategies through target setting and future planning.

Through this report, Hatten Land seeks to disclose its ambitions and goals to be more sustainable with its varied stakeholders.

We have not obtained any independent assurance on the information being reported this year but will work to continuously improve upon our report and reporting process, and will consider obtaining independent assurance in the future.

A softcopy of this report can be found on our website at www.hattenland.com.sg.

Should you have any questions or feedback, please do not hesitate to reach us at info@hattenland.com.sg.

OUR CORE VALUES, PRINCIPLES, VISION, AND MISSION

Hatten Land strives to be a real estate industry leader, recognised globally for our quality, innovation and business excellence. As a trusted industry pioneer, we are committed to delivering results, building partnerships and creating value for our stakeholders while staying true to our heritage and values. We strongly believe and adhere to a set of core values in our day-to-day operations and these underpin our approach to sustainability.

Innovation
We take initiative to solve problems by thinking outside the box

Hospitable
We put people first in everything we do

United
We work together to deliver impeccable products and services

Integrity
We earn our reputation by adhering to the highest ethical standards and conducts

Excellence
We strive to achieve excellence at all time

Sustainability at Hatten Land

STAKEHOLDER ENGAGEMENT

Engaging with and understanding the needs of our stakeholders is an essential part of our sustainability journey. We identify our material stakeholders based on the impact our business has on them, and their involvement in our business. The table below lays out our engagement processes with these stakeholders:

Stakeholder	Frequency	Method	Topics Raised	Our Response
Employees	Annual Ad hoc	• Appraisals • Training platform • Training development plan • Happy Committee	• Training and development • Occupational health and safety during COVID-19 • Job security during COVID-19 • Wellbeing and engagement	• Open communication • Counselling and information sharing sessions • Monitor learning curve and promote avenues of learning • Engagement activities
Investors	Annual Quarterly	• Annual report • Quarterly release of company results • Circulars, notices, announcements • Annual general meetings	• Financial performance • Corporate governance	• Risk management framework • Corporate Governance Report
Customers	Ad hoc	• Social media promotion • Feedback collection • Handphone hotline • Virtual calls and viewings	• Product quality • Data protection • Wellness features in our developments • Responsible marketing • Resumption of construction activities	• Quick response and resolution of issues • Data protection framework • Disseminate feedback to employees
Regulators/ Government	Ad hoc	• Regulator site visits, inspections • Training on updated policies	• Health and safety compliance • Environmental compliance • Labour standards • SGX listing requirements • Malaysia Anti-Corruption Commission Act Amendment	• Regulator site visits/ inspections • Improvement on safety manual • ABAC training for employees
Contractors	Continuous	• On-site meetings	• Product quality • Occupational health & safety • Dormitory safety	• On-site meetings

Table 1: Sustainability engagement table for Hatten Land

Sustainability at Hatten Land

SUSTAINABILITY GOVERNANCE

Our sustainability committee oversees our initiatives to make sure sustainability is well managed throughout our organisation. The Sustainability Committee amalgamates information from our various departments and stakeholders, including HR, operations, and contractors. This information is presented to our Board and used to improve upon our sustainability agenda.

MATERIALITY ASSESSMENT

As a result of the materiality assessment conducted in FY2018 to decipher our greatest impacts on the environment, economy and society, Hatten Land continues to report on the established material topics that are most relevant to our operations and stakeholders. Our selected material topics are depicted below in Figure 2. Whilst we have not changed our material topics, we have expanded on the boundaries of our topics as we account for the changing global paradigm.

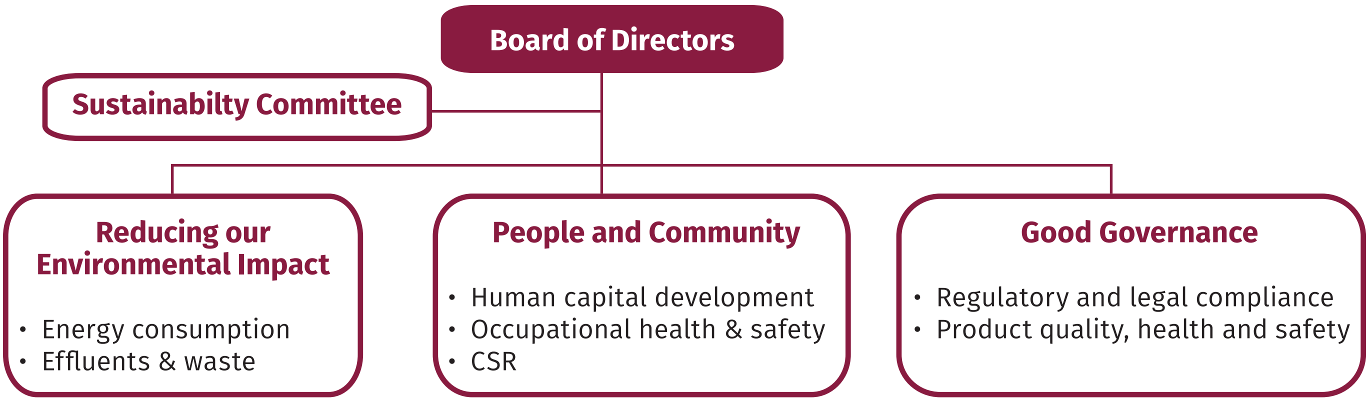


Figure 1: Sustainability committeee governance structure

Material Topics	GRI Standard Reported	Impact Boundary
Reducing our Environmental Footprint		
Energy Consumption	GRI 302: Energy	• Managed properties
Effluents and Waste	GRI 306: Effluents & Waste	
People and Community		
Human Capital Development	GRI 401: Employment GRI 404: Training & Education	• All operations
Occupational Health & Safety	GRI 403: Occupational Health and Safety	• Corporate offices • Developments under construction
CSR		• Communities
Good Governance		
Product Quality, Health and Safety	GRI 416: Customer Health and Safety	• All developments
Regulatory and Legal Compliance	GRI 205: Anti-corruption GRI 419: Socioeconomic Compliance	• All operations

Figure 2: Materiality Assessment

Reducing Our Environmental Impact

ENERGY CONSUMPTION

Why this is material

As keen advocates of sustainability, we are committed to reducing our carbon footprint and the impacts our developments and properties under our management have on the environment and communities they operate in. Therefore, Hatten Land integrates environmentally friendly features into the developmental design of its properties, to create a positive environmental impact. Upon completion, we promote energy efficient practices amongst our employees and stakeholders, and in the daily management of our hospitality and retail properties. As we aim to contribute to the mitigation of climate change and its affiliated risks, we acknowledge the importance of implementing energy-saving initiatives in furthering this cause; this also results in a reduction in our operational costs.

As the COVID-19 pandemic alleviates, we are picking up the pace in our energy-savings initiatives, which will be reflected in sustainability practices through our mall and hotel operations.

How we manage our energy

Hatten Land has ventured into cryptocurrency mining opportunities through blockchain technology. This digitalised technology enables trust and facilitates fast transactions across numerous stakeholders through a direct and decentralised structure, ultimately reducing costs and inefficiencies within the business and its operations. Hatten Land will create designated green cryptocurrency mining centres, aiming to result in an energy efficient and environmentally friendly digital economy. Whilst cryptocurrency mining can be energy intensive, Hatten Land aims to leverage solar energy generated by installing solar panels to ensure the negative impacts of these activities are negated.

Green Cryptocurrency Mining and Solar Panels in FY2022

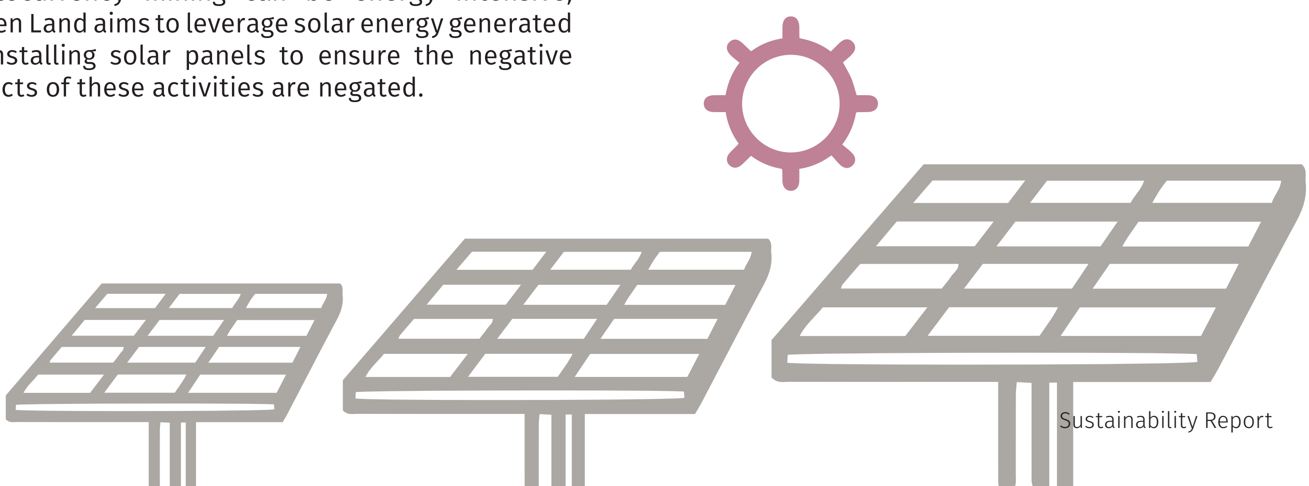
Hatten Edge has entered into a joint venture with NEFIN Group, a regional renowned carbon neutrality solutions provider and investor with a bespoke unified energy management platform committed to achieve carbon neutrality for organisations, to raise funds of up to USD10 million to develop, construct, and operate renewable energy projects, with a focus on solar energy generation, in Singapore and Malaysia.

Hatten Energy will own, operate, and maintain the solar PV systems, supplying and selling clean electricity to businesses for a contract period of at least 20 years under the Power Purchase Agreement. In addition, Hatten Energy can potentially earn carbon credits from the solar PV systems, thereby creating another revenue and cash flow stream for the business.

Hatten Energy has a current project pipeline of more than 5MWp with a target to own and operate 100MWp of solar PV rooftop installations by the end of 2025.

Hatten Renewable Assets Pte Ltd has also signed an agreement with Trend Technologies Singapore to design, finance, and construct a 440.9 kilowatt-peak (kWp) grid-connected rooftop solar PV power system at Trend Technologies' premises located at Tuas, Singapore.

Trend Technologies Singapore will purchase the electricity for 21 years generated from the rooftop solar PV power system installed and developed by Hatten Energy.



Reducing Our Environmental Impact

ENERGY CONSUMPTION

Our performance

In FY2021, the continuation of our established energy saving initiatives and the limited energy use resulting from the implemented MCOs and temporary closures of our premises, have contributed to a reduction in our overall energy consumption. Hatten Land has experienced a sustained reduction in energy consumption over the past four years.

In FY2022, as COVID-19 becomes endemic, and our retails mall and hotel operations resume, Hatten City Phase 1 and 2 saw a rise in Total Energy Consumption and Scope 2 Emissions.

Total Energy Consumption (GJ)

FY 2020	FY 2021	FY 2022
30,031	19,488	59,481

Scope 2 Emissions ($tCO2e$)[1]

FY 2020	FY 2021	FY 2022
5,379	3,491	10,659.68

Table 2: Energy consumption for Hatten City Phase 1 and 2 for FY2022

In addition, in FY2022 we did not meet the previous target to engage an external energy efficiency consultant as we have not achieved the occupancy level of 70% to 80% at our properties due to disruptions caused by the COVID-19 pandemic.

Target

In view of the increased Total Energy Consumption and Scope 2 Emissions, we will actively seek to reduce both Total Energy Consumption and Scope 2 Emissions through enhanced energy-saving and sustainability efforts, in line with the Renewable Energy pillar of our Strategic Pivot In the upcoming year:

- We aim to engage an external energy efficiency consultant once our properties have achieved greater occupancy level of 70%-80%
- We aim to continue our exploration to incorporate more sustainable features in the design phase of our properties, including the use of sustainable materials, smart building systems, energy efficient lighting and renewable energy. This is our long-term target.

[1] The Electricity Grid Emission Factor for Malaysia used was 0.6448 tC02/mWh found at: https://www.mgtc.gov.my/wp-content/uploads/2019/12/2017-CDM-Electricity-Baseline-Final-Report-Publication-Version.pdf

Reducing Our Environmental Impact

EFFLUENTS AND WASTE

Why this is material

Waste is a common by-product generated from the daily activities of our operations, constructions and property development projects. In Malaysia, landfill capacity is a contentious and concerning environmental hazard and Hatten Land acknowledges its environmental responsibility in reducing its waste output.

How we manage our waste

As a property developer, most of our waste is derived from construction materials. However, due to the pandemic and its implications, our construction sites have reduced activities, resulting in no differentiated waste collection processes.
We continuously encourage our employees to reduce waste by:

- promoting digital material rather than printed material;
- encouraging double-side printing;
- reusing scrap paper for single-side printing;
- minimising colour printing;
- using paper clips instead of staplers; and
- placing recycling boxes in each department.

Additionally, we continue to ban the use of our branded plastic water bottles. As an alternative, we serve our guests and clients with glasses, to promote recyclability and reusability. As a result, our staff increasingly carry their own reusable bottles and mugs instead of single-use plastics.

We continue to employ bins to segregate the waste collected in our Silverscape and Double Tree properties. Whilst Hatten Land has ambitions to commence tracking its waste generated in its construction sites, we have yet to embark on this initiative as we recover from the pandemic. We aim to commence this as soon as possible in the post-pandemic landscape.

Our performance

Our waste is collected by a waste contractor and taken to a landfill site. In FY2022, we achieved a substantial decrease in the amount of waste generated and disposed, and have successfully met our previous target set by:

1. Tracking corporate waste documented per waste collection;
2. Tracking waste at the Company's construction sites, including regular checks at the waste storage room and ensuring the roro bin is in place. After collection, the waste collector sorts the waste into recyclable and non-recyclable groups;
3. The company conduct internal briefings to all staff on recycling matters.

	Hazardous	Non-Hazardous
FY 2021	None	1323 tonnes
FY2022	None	896.25 tonnes

Table 3: Waste consumption for Hatten City Phase 1 FY2022

Target

As we begin to transit to a post-pandemic climate:

- We aim to continue maintaining a reduced state of waste consumption
- We aim to continue tracking waste on our construction sites
- We aim to continue frequent briefings and reminders, so all our staff are conscious of our recycling efforts

People & Community

HUMAN CAPITAL DEVELOPMENT

Employee Profile										
	FY 2021					FY 2022				
	Singapore		Melaka		Total	Singapore		Melaka		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
Permanent contract	5	13	21	41	80	10	9	35	59	113
Temporary contract	0	0	3	0	3	0	0	7	6	13
Total	5	13	24	41	83	10	9	42	65	126

Table 4: Our employee profile as of 30th June 2022 compared to 30th June 2021

Why this is material

Hatten Land's greatest assets are its employees, their well-being and capabilities. As we depend on our workforce to deliver the best standards and services to ensure customer satisfaction, their welfare is paramount.

With the lifting of Movement Control Order in October 2021 and the easing of the pandemic in sight, we were able to resume an in-office work environment. While this created the opportunity for Hatten to commence "business as usual", our utmost priority is to maintain safe working conditions. All necessary pre-cautions and SOPs were implemented to ensure all staff could safely perform their duties. Hatten Land aims to continue optimising the productivity and development of its workforce to ensure their meaningful engagement and job retention.

As our business recovers and begins to pick up from the aftermath of the pandemic, we focus on ensuring business resilience through the safeguarding of our employees' jobs. Through careful deliberation, we have implemented cost-restraining measures, such as temporary salary adjustments, manpower realignment and business restructurings.

Our Human Resources department (HR) focuses on supporting our employees through ensuring their welfare and career development whilst assisting in adjustments to the evolving working and business environment. The HR team strives to provide continuous updates to the workforce to disseminate information pertaining to COVID-19, promote awareness and enforce regulatory compliance to standard operating procedures (SOPs).

The Hatten Group implemented a 'MySejahtera' QR code at all office entry points to assist with COVID-19 contact tracing and prevention of spread until mid-year of 2022. We abide by the stringent implementation of safety measures and assert penalties in the event of non-compliance.

People & Community

How we manage our talent

Optimisation, training and development

The training, development and productivity optimisation of our employees are crucial to ensuring business continuity and high standards in service delivery. We continue to strive towards ensuring everyone is taken care of, so there is no interruption in work deliverables, and gaps in manpower can be promptly bridged through efficient reallocation and on-the-job training through coaching or mentoring.

Hatten Land has established structures to ensure regular check-ins with employees and their heads of department, to track their career growth and trajectory. These check-ins further enable the HR department to monitor employee development and satisfaction. We facilitate counselling and information-sharing sessions for employees that require some assistance when adjusting to changes to their roles; ultimately supporting their transition and assisting with acquiring new skills.

Over the course of this financial year, we continued to implement our Performance Management Process (PMP) to create a robust and accurate performance review of our employees. As per planned timeline, we dispersed templates to the respective heads of department (HODs), which entailed key performance indicators (KPIs) and their relevant weightages, to measure different performance dimensions. Additionally, we highlighted a stringent management process for our HODs to conduct an appraisal with relevant team members.

Despite our workforce being split in in-person and remote work teams, we continued carrying out regular training plans in FY2022. Aside from online training platforms for our employees to undertake training courses as a means of developing their knowledge and skills, we also conducted regular Orientation programmes as we continue to add new members to our workface to staff the growing company. Hatten Land monitors, tracks and reports on the training courses undertaken by its employees, their performance, and the number of employees who have received certificates to signify the completion of the course via the platform. We promote the use of this website to further employee development, enhance and diversify the pre-existing skillsets of our workforce.

We resumed full in-person training in March 2022, which provides better engagement for our employees in honing their skills and knowledge when we rolled out our inaugural training via an external provider.

As we acknowledge the importance of learning and development opportunities for our employees, we have developed a Training Development Plan to outline targeted courses for relevant departments over the course of FY2022. These range from courses to enhance web designing skills, leadership, time management and cost management capabilities, amongst others.

People & Community

Our performance

As Hatten Land realises the importance of training and development opportunities, we have successfully exceeded our overall average hours of employee training in FY2022 in comparison with our performance in FY2021, meeting our FY2022 target. We endeavour to continuously improve on this in the coming years, and to maintain the steady progress of our current training programmes as we observed great improvement in team engagement whenever we had the opportunity to gather and learn in groups.

	FY 2021				FY 2022			
	Singapore		Melaka		Singapore		Melaka	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior	3	3	1	1	21	0	2	2
Middle	1	4	1	1	8	2	3	2
Executive	1	3	1	1	1	0.5	2	2
Non-executive	0	3	1	1	0	0	2	2

Table 5: Average hours of employee training in FY 2022 compared to FY 2021

Employee engagement, welfare and wellbeing

At Hatten Land, we ensure the wellbeing of our employees through the provision of medical benefits, hospitalisation, and insurance benefits. Additionally, we extend our healthcare benefits to the immediate family members of some of our employees to further nurture our employees. As we realise the detrimental risks of the pandemic, we ensure the well-being of our employees through the sanitization of our premises and sponsor required swab tests.

In FY 2021/22, our "Happy Committee" continues to keep up great momentum in fostering a happier work environment through engagement activities. This committee comprises of employee volunteers, our "Happy Agents", who assist in organising activities such as internal sports competitions, festive gatherings, diversity celebrations, and health programmes. As the effects of COVID-19 waxed and waned, we continued to organise various in-person festive celebrations and sports activities.

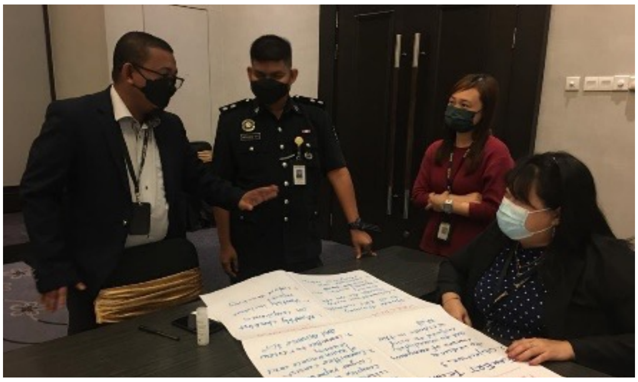
Despite the obvious challenges, the Happy Committee managed to host a few engagement activities. Our Happy Agents organised an orientation program to welcome our new joiners and assist with their seamless transition into the company.

People & Community

The Happy Committee also organised a Christmas celebration, which included the dispersal of goodies to all of our employees. Additionally, the committee coordinated a festive Chinese New Year lunch gathering and virtual celebration for our employees.

In FY2022, through the introduction of the platform for our employees to provide written feedback anonymously and online, given the current economic and endemic status, our employees are given a great opportunity to share and support each other as we strive to rebuild the business. Our employees can now give anonymous feedback on either 'yo.speakup@hattengrp.com' or 'whistleblow@hattengrp.com', which is reviewed thoroughly by the HR department for subsequent responses.

We are delighted to show our commitment in ensuring all our employees continue to be accorded the opportunity to develop and improve with the records of training hours achieved for FY2022.



Target

- We aim to increase our employee training hours by 15% in comparison with FY2023
- We aim to successfully complete all the specified target courses for our employees in our Training Development Plan for FY2023

CHINESE NEW YEAR 2022 (FEBRUARY 2022)

FLOOD DONATION 2022 (JANUARY 2022)

People & Community

Efforts to Tackle COVID-19

STAY SAFE!

SOP FOR COVID-19 *(MAY 2022)*

VACCINATION @ DPMM *(AUGUST 2021)*

Dear Ms. Sin and All HOD,

Refer to the above matter, I have arrange the booster appointment with Dr. Below are the appointment date and details. Kindly inform all the involve staff on the appointment details and please print out the attached form fill up at home and bring it together on Sunday.

Date : 19.12.2021 (This Sunday)
Time : Session 1 - 8.30am
Session 2 – 9.30am
Kindly refer to the attached excel on which session.

Venue : Poliklinik Hidayah, Krubong.
Address : Hidayah Medic Sdn Bhd 91, Jalan Satu, Taman Satu Krubong, 75260 Krubong, Malacca

Thank you.

Best regards,
Connie Lee 李来珍
Senior Manager, Group Leasing
Mall Management

FREE BOOSTER SHOT *(DECEMBER 2021)*

Dear Hatten Team Members,

Of late as seen in the news, with many companies re-opening and approval to commence operations as announced by our Government, this had triggered a spike in Covid-19 positive cases across the country. In view of this and not wishing to contribute to the predicament - "Office Cluster", the Management had decided to re-opening of our office with only **50% work force**. Hence, those that are required to **WFH will also be 50%** as per Departmental Headcount.

The process on how we will manage this allocation will be based on Team A and Team B method. Each team will take turn to turn back to office based on the schedule. We recommend the rotation is based on weekly basis and swapping of team is prohibited. Please refer to your immediate superior to understand the your role in this scheduling.

Please do not hesitate to call Ms. Sin, Vivian or Shiehlyi if you need further clarity.

Thank you.
Best regards,
Rachel Hong 方香英
Director – Group Human Resource

WORK FROM HOME *(OCTOBER 2021)*

People & Community

WORKPLACE HEALTH AND SAFETY

Why this is material

The endurance of COVID-19 has resulted in an increased focus on health and safety, adherence to safety guidelines and compliance to regulatory operating procedures. At Hatten Land, the health and safety of our employees and workers on our construction sites are imperative as we rely on a healthy workforce in order to operate.

How we manage the safety of our workers

We have established a Safety and Health Policy that dictates safety procedures and practices for adherence within the workplace. We continue to abide by our stringent policy to manage all ongoing risks.

Hatten Land complies with all governmental regulations and SOPs including:

- Restricting the number of workers on site
- Implementing entry and exit SOPs to avoid overcrowding and close contact
- Temperature taking for all workers
- Regular checks on main contractor dormitories
- Installing easily accessible hand sanitiser throughout work sites and ensuring all workers carry hand sanitiser

Hatten Land protects its contractors from vector-borne diseases such as dengue. We conduct regular fogging from the ground floor to the highest floors during development projects.

Performance

In FY2022, we have recorded no work-related injuries and no high-consequence work-related injuries.

Target

- We will continue to meet our Zero Accident Vision
- We aim to continuously update ourselves about health regulations to ensure compliance

CSR AND PHILANTHROPY

"A Better Tomorrow Starts With Us"

Hatten Land is committed to playing our part in contributing to the community through Hatten Cares, the executive body for all Hatten Land's Corporate Social Responsibility initiatives and humanitarian efforts. Since 2009, Hatten Cares has been actively promoting social awareness on healthcare, social welfare, environmental issues and cultural preservation with a simple aim of creating a more caring and conscious community.

Why this is material

Hatten Land endeavours to engage with the communities we operate in, and we are fully aware that their well-being is linked closely to our success. As a responsible corporate citizen, we aim to contribute to our communities during these difficult times by coming together and showing support where possible. We strive to empower our surrounding communities and address key social challenges through corporate social responsibility (CSR), which is an integral part of our business model.

We are passionate about creating long-term, sustainable programmes which will benefit everyone as well as promote sustainable travel and tourism practices to better preserve the planet we live in.

In order to achieve our CSR goals, we have positioned ourselves to build shared values through the following CSR areas:

1. Public Welfare & Social Awareness
2. Development of Education & Healthcare
3. Environmental Preservation & Conservation

Giving back to our communities

In FY2022, we were involved in several community outreach programmes. Hatten Land believes in fostering rich cultural diversity and a sustainable community. Being able to integrate our CSR initiatives into our core business is a source of great gratification for Hatten Land and Hatten Cares.

People & Community

HATTENCARES

A Better Tomorrow Starts With Us

Date	CSR Initiative	Outcome
December 2021	Hatten Cares & SW Corp	"GIFT IT BACK TO MOTHER NATURE" campaign was organised by Hatten together with SW Corp to encourage reduced waste in the environment and to promote the 3R's (Reuse, Reduce and Recycle). In this campaign, shoppers were given exclusive shopping vouchers when they dropped two bags of recyclable items to Dataran Pahlawan. This initiative was a replacement to the initial CSR plan as the Venue Sponsor for Tzu Chi for Vegetarian - Earth Ethical Eating Day.
January 2022	Hatten Cares	Hatten Land brought Chinese New Year festive cheers to old folks in Beringin Park Centre. The senior citizens were treated with meals and entertainment as well as a new pair of socks and sandals from SoxWorld and Fipper.
April 2022	Hatten Cares	Under the "We Share As We Care" Programme, Hatten Land aimed to enrich and help the communities in which the company operates. The children from SK Taman Merdeka, Melaka were overjoyed with Ramadan treat and gifts presented as part of their preparation to Hari Raya celebration. This initiative was a replacement to the initial CSR plan as the Venue and Food Sponsor to "Vegetarian Food Festival".
April 2022	Pertubuhan Kebajikan Anak-Anak Yatim Islam Daerah Jasin	A "Buka Puasa Together" event by Dataran Pahlawan for the orphanages from Pertubuhan Kebajikan Anak-Anak Yatim Islam Daerah Jasin. Hatten Land truly believes in giving back to the community with the yearly affair of 'Buka Puasa Bersama Anak-Anak Yatim'. This event was a success with great support from Pok The Catering, Suhaimy Bubur Lambuk and Fu Foo Studio.
June 2022	McDonald's	This special CSR Programme was organized by Dataran Pahlawan for all the school kids from SK Bandar Hilir with the aim to reward the children in school. The kids were treated with free McDonald's meals, free participation in Dataran Pahlawan Kids Club and Sports Club. This initiative was a replacement to the initial CSR plan to giveaway groceries to people who needs it.
April & September 2022	MBMB	Hatten Land participated in the "Recycle Create Love" programme, organised by Dataran Pahlawan Melaka Megamall (DPMM), to raise public awareness on waste management.

Table 6: CSR Initiative table in FY2022

We have accomplished our target for FY2022 through transforming our online platform to attract more followers and users. Generally, the followers increased by 10% annually for Facebook and Instagram followers stand at 4,200 followers. Dataran Pahlawan also successfully created new social media avenues such as TikTok with 419 followers currently.

People & Community

Target

At Hatten Land, we endeavour to continuously improve our CSR initiatives and community outreach. As a result, we have set targets for our CSR strategy in FY2023.

- We aim to conduct the following CSR activities:

No	Month	CSR Program Plan for FY2022/2023
1	January – December 2023	Hatten Club Membership. New Men's Club Membership in November 2022
2	October 2022	Blood Donation Drive
3	December 2022	Christmas CSR Programme 2022
4	January – February 2023	Chinese New Year CSR Programme
5	March 2023	International Women's Day Programme
6	May – June 2023	Kids CSR Programme

Special CSR Programme with McDonald's for Kids

Visiting old folks home in Beringin Park Centre

Buka Puasa Bersama Anak-Anak Yatim in DPMM

Good Governance

REGULATORY AND LEGAL COMPLIANCE

Why this is material

Regulatory and legal requirements are pertinent in governing our license to operate and executing good business practices. Hatten Land is committed to maintaining complete adherence to governmental regulations and business systems to ensure transparency, accountability and compliance.

Anti-corruption compliance

In FY2020, the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) was amended to introduce a corporate liability provision for bribery and corruption under Section 17A, which came into effect on the 1st of June 2020. As aforementioned, we successfully accomplished our target for FY2021 as we rolled out a training session on the updated provision and its purpose to our employees. Hatten Land adopts zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts.

Employee Code of Conduct & Whistleblowing Policy

We continue to implement our employee code of conduct and whistleblowing policy to ensure that we maintain good governance as an organisation.

Service Quality

Hatten Land focuses on the provision of high-quality products and services through an open, honest and fair channel of communication with our customers.

Our sales and customer relationship team maintain strong and long-lasting relationships with our customers. As we ensure robust training of our sales staff, we are able to guarantee exceptional levels of service. Additionally, we organise weekly meetings to review feedback received from our sales staff and customers, to disseminate updated market information and offers to all our employees.

As a result of the pandemic, maintaining effective communication with our customers is essential. Due to construction delays, we have intensified our customer relationship management and communication regularity to keep our customers abreast with developmental progress whilst simultaneously assuaging any concerns. Our mobile hotline and social media platforms have been integral.

Although operations are reopening, we are maintaining largely virtual or hybrid viewings for our development properties which is in line with our move towards digitalisation. We continuously advance our integration of digital prospects into our sales and marketing strategies, which enables us to widen our reach and attract global clients.

We continue to hold our quarterly market survey to understand our customer needs, competitor pricing, general market data and property values. This allows us to consequently target and streamline our operations and offerings effectively.

Our advertising and marketing practices are in strict adherence to the Group Corporate Communications policy that is based on the Housing Development Act (HDA) Malaysia. This dictates the composition of our external materials, which are then reviewed and approved by the Melaka housing development Ministry, the Majlis Bandaraya Melaka Bersejarah (MBMB).

Good Governance

Customer Data

The sanctity of our customer data is critical to Hatten Land. We protect the personal information of our customers through proper training and robust internal systems. Any data collected by our sales staff through advertising and marketing initiatives, are secured on our restricted CRM system.

Hatten Land undertakes quarterly internal housekeeping to review the data and determine what is no longer relevant. This process applies equally to our human capital data, ensuring that all staff matters are up to date, including resignations and retirements.

Performance

In FY2022, we had no significant fines in the economic and social areas, and we had no incidences of whistleblowing cases.

Target

- We aim to maintain our strong rate of compliance and have no significant fines in the economic and social areas in the next year

Good Governance

PRODUCT QUALITY, HEALTH AND SAFETY

Why this is material

Hatten Land keeps abreast of the needs of our customers and is committed to providing them with the highest quality products and services through excellence and integrity in our operations. We believe this delineates us as a company with high standards, thus garnering the respect and trust of our valued customers. We aim to maintain our coveted place as an industry leader.

Building quality and safety

We aspire to create properties based on the concept of wellness. For our ongoing development, Satori, we follow the guidelines for the Melaka Green Seal and have employed a wellness consultant to guide us in our endeavour to create wellness-centric developments. As part of the wellness component of our buildings, we plan to inculcate the following into our developments during the construction phase:

1. A TCM centre for consultation, cupping, acupuncture, qi-gong and tuina room services
2. A PH bar and beauty chef providing antioxidant & alkaline water, healthy smoothies & juice cleanse options
3. An anti-aging and beauty centre with facial & body treatments, hair therapy, salon, spa and other therapy services
4. Health screening services
5. A pharmacy
6. Facilities including a sleep lab, volcanic lava sauna, ozone chamber, float pod, salt room, aerial yoga, spa, sauna room, onsen jacuzzi, hot tube, tea house, medication room and pain clinic

We look forward to continuing our efforts to develop and expand on the wellness aspects in our developments.

Performance

In FY2022, we have no reported incidents of non-compliance with regulations concerning the health and safety impacts of products and services. As a result of the pandemic, we were unable to achieve our target of gaining the Green Buildings Innovation Cluster (GBIC) accreditation for our developments.

Target

Despite the disruptive effects of the pandemic:

- We aim to gain the Green Buildings Innovation Cluster (GBIC) accreditation for 30-50% of our developments
- We aim to maintain our track record of zero incidents of non-compliance with health and safety regulations

List of Memberships, Standards and Charters

- ISO 9001, ISO 14001 & ISO18001 Certification
- Melaka Green Seal
- QLASSIC (Malaysian Construction Industry Standards)
- Persatuan Pengurusan Kompleks Malaysia (PPK) – Malaysia Shopping Malls Association

GRI
Content Index

Disclosure Number	Disclosure Title	Page Reference.
General disclosures		
102-1	Name of the organisation	About this Report
102-2	Activities, brands, products, and services	Refer to annual report
102-3	Location of headquarters	About this Report
102-4	Location of operations	About this Report
102-5	Ownership and legal form	About this Report
102-6	Markets served	Refer to annual report
102-7	Scale of the organisation	Refer to annual report
102-8	Information on employees and other workers	People and Community
102-9	Supply chain	Refer to annual report
102-10	Significant changes to the organisation and its supply chain	No significant changes
102-11	Precautionary Principle or approach	N/A
102-12	External initiatives/charters	List of Memberships, Standards and Charters
102-13	Membership of associations	List of Memberships, Standards and Charters
102-14	Statement from senior decision-maker	Board Statement
102-16	Values, principles, standards, and norms of behaviour	Sustainability at Hatten Land
102-18	Governance structure	Sustainability at Hatten Land
102-40	List of stakeholder groups	Sustainability at Hatten Land
102-41	Collective bargaining agreements	N/A
102-42	Identifying and selecting stakeholders	Sustainability at Hatten Land
102-43	Approach to stakeholder engagement	Sustainability at Hatten Land
102-44	Key topics and concerns raised	Sustainability at Hatten Land
102-45	Entities included in the consolidated financial statements	Refer to annual report
102-46	Defining report content and topic boundaries	Sustainability at Hatten Land
102-47	List of material topics	Sustainability at Hatten Land
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	No changes
102-50	Reporting period	About this Report
102-51	Date of most recent report	18 November 2021
102-52	Reporting cycle	About this Report
102-53	Contact point for questions regarding the report	About this Report
102-54	Claims of reporting in accordance with the GRI Standards	About this Report
102-55	GRI content index	GRI Content Index
102-56	External assurance	About this Report

GRI
Content Index

Specific Disclosures		
GRI Standard: Energy		
103-1/2/3	Management Approach	Reducing our Environmental Footprint
302-4	Reduction of energy consumption	Reducing our Environmental Footprint
GRI Standard: Effluents & Waste		
103-1/2/3	Management Approach	Reducing our Environmental Footprint
306-2	Waste by type and disposal method	Reducing our Environmental Footprint
GRI Standard: Employment		
103-1/2/3	Management Approach	People and Community
401-1	New employee hires	People and Community
GRI Standard: Occupational Health and Safety		
103-1/2/3	Management Approach	People and Community
403-9	Work-related injuries	People and Community
GRI Standard: Training and Education		
103-1/2/3	Management Approach	People and Community
404-1	Average training hours per year per employee	People and Community
GRI Standard: Customer Health and Safety		
103-1/2/3	Management Approach	Good Governance
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Good Governance
GRI Standard: Socioeconomic Compliance		
103-1/2/3	Management Approach	Good Governance
419-1	Non-compliance with laws and regulations in the social and economic area	Good Governance

Corporate Governance

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The board of directors (the “Board”) of Hatten Land Limited (the “Company” and together with its subsidiaries, the “Group”) is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company’s corporate governance structures and practices that were in place during the financial year ended 30 June 2022 (“FY2022”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “Code”).

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3"><u>The Board’s Conduct of Affairs</u>
Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company</td></tr>
<tr><td>1.1</td><td>Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</td><td>All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

As at the date of this Annual Report, the Board has five Directors and comprises the following:

<table>
<tr><th>Name of Director</th><th>Designation</th><th>Date appointed</th></tr>
<tr><td>Dato’ Colin Tan</td><td>Executive Chairman and Group Managing Director</td><td>24 January 2017</td></tr>
<tr><td>Dato’ Edwin Tan</td><td>Executive Director and Deputy Group Managing Director</td><td>24 January 2017</td></tr>
<tr><td>Dato’ James Wong</td><td>Lead Independent Director(1)</td><td>28 October 1996</td></tr>
<tr><td>Mr Loh Weng Whye</td><td>Independent Director</td><td>24 January 2017</td></tr>
<tr><td>Mr Nicholas Khoo</td><td>Independent Director(2)</td><td>3 January 2022</td></tr>
</table></td></tr>
</table>

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		(1) Appointed as an Independent Director of the Company on 28 October 1996. Upon the successful acquisition of Hatten MS Pte Ltd, Dato' James Wong was re-appointed as an Independent Director of the Company on 24 January 2017 and 30 December 2021 respectively. (2) Mr Nicholas Khoo. Nicholas was appointed as an Independent director of the Company on 3 January 2022. The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principle functions include: • To review and advise on the Group's policies and procedures; • To align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders; • To oversee the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls • To review and approve significant acquisitions and disposals, material borrowings and fund-raising exercises; • To review performance and succession planning of the key management personnel; and • To ensure compliance with all laws and regulations as may be relevant to the business.
1.2	Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.	Formal letters of appointment are furnished to the newly-appointed directors, upon their appointments during the financial year, stating among other matters, the roles, obligations, duties and responsibilities as a member of the Board. All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of director of a listed company. To obtain a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational sites and meet with key management personnel. All Directors are updated regularly on any new developments in regulatory, legal and accounting frameworks that are of relevance to the Group through participation in courses, seminars and workshop and funded by the Company. The external auditors, Baker Tilly TFW LLP ("External Auditors") update the Directors on the new revised financial reporting standards on an annual basis.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors are circulated to all Directors by the Company Secretary. The Board, is also updated, from time to time, when new laws or regulations affecting the Group are introduced. The Directors are also encouraged to attend seminars and training courses that will assist them in executing their obligation and responsibilities as directors of the Company.

Dato' Colin Tan- Courses attended during the financial year	
Online Webinar: Malaysian Alliance of Corporate Directors ("MACD") Value Creative Strategy	16 July 2021
Yabuli Forum Round Table Discussion	29 August 2021
Online Course: PD1 - The Hinge of Leadership	6 September 2021
Online Course: PD2 Recover: Fighting Poverty Through Enterprise	6 September 2021
Online Course: RT2 The Lost Art of Fathering in the New Normal	6 September 2021
Online Course: MC4 Reinventing Business Strategies in the New Normal	7 September 2021
Online Course: MC7 Is the Business..... Just Business?	7 September 2021
Online Course: CL10 Storm-stressed Leadership in Crisis.. The Art of Navigating Blind	7 September 2021
Online Course: PD3 Reinvent our Future: Reclaiming our Planet	8 September 2021
Online Course: PD4 Reinvent: Creating Business & Communities for Societal Impact	8 September 2021
Online Course: RT6 Why are young people leaving the Church?	8 September 2021
Online Course: CL14 Recovering From Leadership Failure	9 September 2021
Online Course: MC13 Building Resilience: My S.U.M.O Story	9 September 2021

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation

Dato' Colin Tan- Courses attended during the financial year	
Online Course: MC20 Recovering & Restoring Leadership: My Personal Journey	10 September 2021
True Global Ventures' 61st Conference Digital (Full Event)	16 June 2022
Physical Event - New York NFT Event	21 June 2022 – 23 June 2022

Dato' Edwin Tan- Courses attended during the financial year	
Jay Abraham's Masterclass 6-hr Free Webinar: Multiply Profits "Beyond Exponential"	10 November 2021
Asia Pacific Employment & Compensation Quarterly Update Quarter 4: 2021	3 February 2022
Sean's Wealth Lab - Attend this session to understand how to best generate your Wealth through this channel	29 April 2022
Sean's Wealth Lab - How to Profit from NFT! Important session for beginners	30 April 2022
Metaverse - The new playground by Baker McKenzie	17 May 2022
Indepth Workshop on Wealth Building via NFT	21 May 2022 22 May 2022
METAVI Summit 2022: The emerging future and your investment opportunities by The Star Media	28 May 2022 29 May 2022
Sandy Jadeja's 1-Day Market Update Program Confirmation	7 July 2022
NFT Investing Bootcamp Day 1 by 100x Alpha Club	16 July 2022 17 July 2022
MarketwiseAsia NASDAQ TRADING FESTIVAL	23 July 2022 24 July 2022

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th colspan="2">Nicholas Khoo – Details of Listed Entity Director Courses attended as a condition of appointment</th></tr>
<tr><td>LED 6 -Board Risk Committee Essentials</td><td>20 July 2022</td></tr>
<tr><td>LED 7 – Nominating Committee Essentials</td><td>21 July 2022</td></tr>
<tr><td>LED 8 – Remuneration Committee Essentials</td><td>22 July 2022</td></tr>
</table>
<table>
<tr><td>LED 1 – Listed Entity Director Essentials</td><td>4 October 2022</td></tr>
<tr><td>LED 2 – Board Dynamics</td><td>6 October 2022</td></tr>
<tr><td>LED 3 – Board Performance</td><td>7 October 2022</td></tr>
<tr><td>LED 4 – Stakeholder Engagement</td><td>10 November 2022</td></tr>
<tr><td>LED 5 – Audit Committee Essentials</td><td>12 October 2022</td></tr>
</table>
</td></tr>
<tr><td>1.3</td><td>The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.</td><td>Matters that require the Board's approval include, amongst others, the following:

• Significant acquisition and disposal of assets;
• material borrowings and fund raising exercises;
• share issuance and proposal of dividends;
• budgets, financial results announcements, annual report and audited financial statements; and
• material interested person transactions</td></tr>
<tr><td>1.4</td><td>Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.</td><td>The Board has delegated certain responsibilities to the various Board committees, namely the Audit and Risk Committee (the "ARC"), the Remuneration Committee (the "RC") and the Nominating Committee (the "NC") (collectively, the "Board Committees") with clearly defined terms of reference. The compositions of the Board Committees are as follows:</td></tr>
</table>

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>

	ARC	RC	NC
Chairman	Dato’ James Wong	Nicholas Khoo	Loh Weng Whye
Member	Loh Weng Whye	Dato’ James Wong	Dato’ Colin Tan
Member	Nicholas Khoo	Loh Weng Whye	Dato’ James Wong
Member	-	-	Nicholas Khoo

The key information of the Directors, including their profiles and directorships, are set out on pages 16 to 17 of this Annual Report under section Board of Directors and page 77 to 85 of this Annual Report under section Disclosure of Information on Directors Seeking Re-election.

The shareholdings of the Directors of the Company are set out on page 86 of this Annual Report. None of the Directors hold shares in the subsidiaries of the Company.

Dato’ Colin Tan and Dato’ Edwin Tan will be retiring by rotation and seeking re-appointment at the forthcoming annual general meeting (“**AGM**”) to be held on 14 December 2022 as stated in the Notice of AGM in this Annual Report.

Mr Nicholas Khoo, being a newly appointed director during the year will also be retiring and seeking re-election as a Director of the Company at the forthcoming AGM.
</td></tr>
</table>

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.5</td><td>Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.</td><td>The Board meets on a quarterly basis, and as and when circumstances require. In FY2022, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.
<table>
<tr><th></th><th>Board</th><th>ARC</th><th>NC</th><th>RC</th></tr>
<tr><td>No. of Meetings</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td colspan="5">No. of Meetings Attended by the Respective Directors</td></tr>
<tr><td>Dato' Colin Tan</td><td>4</td><td>4*</td><td>2</td><td>2*</td></tr>
<tr><td>Dato' Edwin Tan</td><td>4</td><td>4*</td><td>2*</td><td>2*</td></tr>
<tr><td>Dato' James Wong</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td>Mr Loh Weng Whye</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td>Mr Foo Jong Han Rey
(Retired on 30 December 2021)</td><td>2</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Mr Nicholas Khoo
(Appointed on 3 January 2022)</td><td>2</td><td>2</td><td>1</td><td>1</td></tr>
</table>
Note:
*Attendance by invitation

The Company's constitution (the "Constitution") allows for meetings to be held through telephone, video-conference, or any other form of audio, audio-visual, electronic or instantaneous communication by which all persons participating in the meeting are able to hear and be heard by all other participants.</td></tr>
<tr><td>1.6</td><td>Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</td><td>
<table>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>(a)</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>(b)</td><td>Quarterly and full year financial results</td><td>Quarterly</td></tr>
<tr><td>(c)</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>As and when, relevant</td></tr>
<tr><td>(d)</td><td>Reports on on-going or planned corporate actions</td><td>As and when, relevant</td></tr>
<tr><td>(e)</td><td>Internal auditors' report(s)</td><td>As and when, available</td></tr>
<tr><td>(f)</td><td>Research report(s)</td><td>As and when, requested</td></tr>
<tr><td>(g)</td><td>Shareholding statistics</td><td>As and when, requested</td></tr>
</table></td></tr>
</table>

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.
1.7	Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.	All Directors have separate and independent access to the Company Secretary. The Company Secretary, or her representatives, attends all Board meetings and is responsible to ensure that the Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with requirements of all applicable rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the Catalist Rules. The Company Secretary is also responsible for the proper maintenance of the records of Board and Board Committees meetings. The appointment and the removal of the Company Secretary are subject to the Board's approval.
Board Composition and Guidance Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.		
2.1 2.2 2.3	An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company, Independent directors make up a majority of the Board where the Chairman is not independent. Non-executive directors make up a majority of the Board.	Provisions 2.2 and 2.3 of the Code are met as the Independent Non-Executive Directors made up the majority of the Board. Dato' James Wong is the Lead Independent Director. The NC had reviewed and the Independent Directors had also confirmed their independence in accordance with the Code during the NC meeting held on 25 August 2022. All Independent Directors have also provided their independence declaration.

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>2.4</td><td>The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.</td><td>
The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. Having considered the scope and nature of the Group's business, and the requirements of the business, the Board, in concurrence with the NC, believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides sufficient diversity without interfering with efficient decision-making.
The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:
<table>
<tr><th></th><th>Number of Directors</th><th>Proportion of the Board (%)</th></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>• Accounting or finance</td><td>2</td><td>40.0</td></tr>
<tr><td>• Business Management</td><td>5</td><td>100.0</td></tr>
<tr><td>• Legal or Corporate Governance</td><td>2</td><td>40.0</td></tr>
<tr><td>• Relevant Industry knowledge or experience</td><td>3</td><td>60.0</td></tr>
<tr><td>• Strategic Planning Experience</td><td>5</td><td>100.0</td></tr>
<tr><td>• Customer based experience or knowledge</td><td>3</td><td>60.0</td></tr>
</table>
The Board has taken the following steps to maintain or enhance its balance and diversity:

Review by the NC at least once a year to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
Evaluation by the Directors at least once a year of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.
</td></tr>
</table>

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
2.5	Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.	The Board, particularly the Independent Directors, must be kept well informed of the Group's business and be knowledgeable about the industry the Group operates in. To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their oversight functions effectively. This enables the Independent Directors to constructively challenge and help develop proposals on strategy and also review the performance of Management in meeting agreed goals and objectives, and extend guidance to Management. The Independent Directors' objective judgement on corporate affairs and collective experience and knowledge are invaluable to the Group and allows for the useful exchange of ideas and views. The Independent Directors discuss and/or meet on a need basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Directors. The Independent Directors have met and/or discussed informally on various occasions without the presence of Management in FY2022.
Chairman and Chief Executive Officer Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.		
3.1	The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	The Board recognises the Code's recommendation that the Chairman of the Board ("**Chairman**") and the Managing Director should be separate persons to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Board is of the opinion that the present Group structure and business scope does not warrant a meaningful split of the roles of the Chairman and the Managing Director. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence.

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>3.2</td><td>The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.</td><td>Dato' Colin Tan is the Executive Chairman and Managing Group Director of the Company. As Executive Chairman, Dato' Colin Tan exercises control over the quality, quantity and timeliness of the flow of information between management and the Board. As the Managing Group Director, Dato' Colin Tan has full executive responsibilities of the overall business directions and operational decisions of the Group.

All major decisions made by the Executive Chairman and Group Managing Director are reviewed by the Board and his remuneration package is reviewed periodically by the RC.</td></tr>
<tr><td>3.3</td><td>The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.</td><td>Dato' James Wong, the Lead Independent Director of the Company, will meet periodically with the other Independent Directors without the presence of the other Directors and Management, and provide feedback to the Executive Chairman and Group Managing Director after such meetings. He will also be an independent channel of communication for shareholders who have concerns and for which contact with the Executive Chairman and Group Managing Director or the Management has failed or is inappropriate.</td></tr>
<tr><td colspan="3"><u>Board Membership</u>
Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.</td></tr>
<tr><td>4.1</td><td>The Board establishes a NC to make recommendations to the Board on relevant matters relating to:

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;
(c) the review of training and professional development programmes for the Board and its directors; and</td><td>The responsibilities of the NC include the nomination of Directors, determining the independence of a Director and deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director. The criterion for independence is based on the definition as set out in the Code.

The NC is responsible for the following:

(a) Reviewing and making recommendations to the Board on all appointments, board re-nominations, re-elections and removal of all Directors of the Company, having regard to the relevant Director's contribution and performance and taking into account their respective commitments outside the Group;

(b) Reviewing and determining a suitable size, structure and composition of the Board which facilitates effective decision-making, after taking into consideration the scope and nature of the operations of the Group;</td></tr>
</table>

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
	(d) the appointment and re-appointment of directors (including alternate directors, if any).	(c) In deciding the composition of the Board, to take into account the future requirements of the Group, the appropriate balance and diversity of skills, experience, gender and core competencies, such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, and knowledge of the Group that the Board requires to function competently and efficiently; (d) Ensuring that all members of the Board submit themselves for re-nomination and re-election at regular intervals and at least once in every three (3) years; (e) Determining on an annual basis whether a Director is independent; (f) Determining and recommending to the Board the maximum number of listed company board representations which any Director may hold; (g) Reviewing the training and professional development programmes for the Board; (h) Developing a process for evaluation of the performance of the Board and assessing the performance of the Board and contribution of each Director to the effectiveness of the Board; and (i) Reviewing and approving, jointly with the RC, any new employment of related persons and the proposed terms of their employment.
4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	The members of the NC are Dato' James Wong, Mr Loh Weng Whye, Mr Nicholas Khoo and Dato Colin Tan, majority of whom, including the NC Chairman are independent. The Chairman of the NC is Mr Loh Weng Whye, an Independent Non-Executive Director. The Lead Independent Director is also a member of the NC.
4.3	The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	The following table sets out the process for selecting and appointing new directors:

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>1.</td><td>Determination of selection criteria</td><td>The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience, knowledge or gender to complement and strengthen the Board and increase its diversity.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants or the Singapore Institute of Directors where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>

The Board is also advised by the Sponsor on the appointment of directors as required under Catalist Rule 226(2)(d).

The following table sets out the process for re-electing incumbent directors:

<table>
<tr><td>1.</td><td>Assessment of director</td><td>• The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and
• The NC would also consider the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of director</td><td>Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td></tr>
</table>
</td></tr>
</table>

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Provision	Code Description	Company's Compliance or Explanation
		Each member of the NC will abstain from voting on any resolution and making any resolutions and/or participating in any deliberations of the NC in respect of the assessment of his performance or nomination for re-election as a Director.
4.4	The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.	The NC does determine annually whether each of the Independent Directors still meet the criteria of an Independent Director. Dato' James Wong has served on the Board for more than nine years. Dato' James Wong was appointed as an Independent Director of the Company on 28 October 1996 , prior to the completion of the acquisition of Hatten MS Pte Ltd ("**RTO**") on 24 January 2017. (a) The Board (save for Dato' James Wong) had subjected the independence of Dato' James Wong to particularly rigorous review and were of the opinion that notwithstanding the appointment of Dato' James Wong as an independent director of the Company since 1996, his independence is not affected taking into consideration the following: (b) the previous board of the Company, including Dato' James Wong (the "**Previous Board**") had stepped down from the Company upon the completion of RTO. The subsequent appointment of Dato' James Wong as an Independent Director was approved by shareholders at the extraordinary general meeting held on 20 January 2017; (c) save for Dato' James Wong , none of the directors of the Previous Board were appointed to the current Board; (d) Prior to the RTO, the Company was in the business of franchising, marketing and retailing of lifestyle sporting goods, footwear, equipment, apparel and accessories, which was disposed off and ceased to be a part of the Group (the "**Disposed Business**"). The current business of the Group, being property development, is completely different and not related to the Disposed Business. There is no business relationship between the Disposed Business and the property development business of the Group;

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Provision	Code Description	Company's Compliance or Explanation
		(e) Dato' James Wong is not in any way related to the controlling shareholders, Directors and key management of the Group; and (f) Dato' James Wong with his financial background and experience continues to value add to the Board. Dato' James Wong was re-elected as an Independent Director under the 2-tier voting scheme as required by the regulations as set out in the Catalist Rules of the Stock Exchange of Singapore Limited at the Annual General Meeting held on 30 December 2021.
4.5	The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitment of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.	All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of director of a listed company. To obtain a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational sites and meet with key management personnel. Although some of the Board members have multiple board representations and other principal commitments, the NC is satisfied that the Directors have devoted sufficient time and attention to the Group. The NC is of the view that setting a maximum number of listed board representations that any Director may hold is not necessary as all the Directors are able to devote to the Company's affairs in light of their other commitments. However, as a general guideline to address time commitments that may be faced, a Director who holds more than five listed company board representations (including the appointment with Company) will consult the Chairman of the NC before accepting any new appointments as a Director. The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectations of the other listed directorships and principle commitments held.

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Provision	Code Description	Company's Compliance or Explanation
		The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2022.
Board Performance Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.		
5.1	The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.	The performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board are as follows: (i) Board Composition and Size (ii) Board Committees (iii) Board Functions and processes (iv) Board Meetings (v) Communications (vi) Standards of Conduct (vii) Board Compensation The Board is of the opinion that it is more meaningful to evaluate the Board and the Board Committees as a whole. However, moving forward, the Board may consider evaluating each Director, where such evaluation is appropriate or necessary. The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, and the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides sufficient diversity without interfering with efficient decision-making.

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>5.2</td><td>The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.</td><td>The evaluation of the Board and Board Committees was conducted by way of questionnaire. Whilst an individual evaluation was not carried out to assess whether each Director continues to contribute effectively and demonstrates commitment to his role and duties, the NC took notice of each Director's record of attendance and participation, his candour, performance and overall contribution to the Board and the Group; as well as his/her ability to adequately carry out the duties expected while performing his/her roles in other companies or in other appointments.

No external facilitator was used in the evaluation process.</td></tr>
<tr><td colspan="3">REMUNERATION MATTERS</td></tr>
<tr><td colspan="3"><u>Procedures for Developing Remuneration Policies</u>
Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.</td></tr>
<tr><td>6.1</td><td>The Board establishes a Remuneration Committee to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and
(b) the specific remuneration packages for each director as well as for the key management personnel.</td><td>The RC is guided by key terms of reference as follows:

(a) review and recommend to the Board, in consultation with management, a framework for all aspects of remuneration for the Directors and key management personnel of the Group, and determine specific remuneration packages for each executive Director and key management personnel;
(b) perform an annual review of the remuneration of the employees who are immediate family members of the Directors or the Chief Executive Officer (or equivalent position), whose remuneration exceeds S$50,000 per annum to ensure transparency on their remuneration packages;
(c) review and approve any bonuses, pay increments and/or promotions for these employees;
(d) review the Company's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and
(e) Reviewing and approving jointly with NC any new employment of related persons and the proposed terms of their employment.

The RC has access to expert professional advice on human resource matters as and when there is a need to consult externally.</td></tr>
</table>

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Provision	Code Description	Company's Compliance or Explanation
6.2	The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	The members of the Remuneration Committee are Dato' James Wong, Mr Loh Weng Whye and Mr Nicholas Khoo, all of whom are Independent Directors. The Chairman of the Remuneration Committee is Mr Nicholas Khoo, an Independent Non-Executive Director.
6.3	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	Please refer to provision 6.1 above
6.4	The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	No remuneration consultants were engaged by the Company in FY2022.
Level and Mix of Remuneration Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.		
7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	In its deliberations of the remuneration packages of the Executive Directors and key management personnel, the RC takes into consideration their responsibilities, skills, expertise and contribution, industry practices and norms in compensation in addition to the Company's relative performance. No Director or key management personnel will be involved in deciding his own remuneration. The Executive Chairman and Group Managing Director, Dato' Colin Tan, as well as the Deputy Managing Director and Executive Director, Dato' Edwin Tan have each entered into a service agreement with the Company on 24 January 2017 for a period of three (3) years, renewable automatically thereafter for periods of two (2) years each, unless otherwise terminated. The service agreement provides for termination by either the Executive Chairman or the Company upon giving no less than three months' notice. Both Dato Colin Tan and Dato' Edwin Tan are also entitled to receive Director's fees, which are subject to approval by shareholders at each AGM.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel in certain circumstances as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking statements) as well as the actual performance of its Executive Directors and key management personnel. The Company had in place the Hatten Land Limited Performance Share Plan ("**PSP**") as well as Hatten Land Limited Employees' Share Option Scheme ("**ESOS**"). The PSP and ESOS provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. Both PSP and ESOS are administered by the RC comprising three directors, Mr Nicholas Khoo, Dato' James Wong and Mr Loh Weng Whye.
7.2	The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	The remuneration of the Non-Executive Directors (including Independent Director) is determined by their contributions to the Company, taking into account factors such as efforts and time spent as well as their responsibilities on the Board and Board Committees, if applicable. The Directors' fees of the Non-Executive Directors are subject to approval by shareholders at each annual general meeting.
7.3	Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link on total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
Disclosure on Remuneration Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.		
8.1	The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) each individual director and the CEO; and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel	The breakdown for the remuneration of the Directors in FY2022 is as follows: (see table below) There are no termination, retirement, post-employment benefits that may be granted to the Directors. Save for the Executive Directors, the Company only has 1 key management personnel in FY2022. (see table below)

	Remuneration earned through (%):				Total (%)
	Base/ Fixed Salary	Variable or performance related income/ bonus	Director Fees*	Benefits	
S$400,000 to S$600,000					
Dato' Colin Tan	83	-	4	13	100
Dato' Edwin Tan	80	-	4	16	100
Below S$200,000					
Dato' James Wong	-	-	100	-	100
Loh Weng Whye	-	-	100	-	100
Foo Jong Han, Rey (Retired on 30 December 2021)	-	-	100	-	100
Nicholas Khoo (Appointed on 3 January 2022)	-	-	100	-	100

	Remuneration earned through (%):			Total (%)
	Base/ Fixed Salary	Variable or performance related income/ bonus	Benefits	
Below S$200,000				
Tammy Tam	100	-	-	100

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Provision	Code Description	Company's Compliance or Explanation
		The Board is of the view that it would not be in the best interest of the Group to disclose the specific remuneration of each individual Director and key management personnel, in light of the highly competitive business environment and nature of the industry and sensitivity reasons. The Board believes that the above disclosure would be adequate for purposes of compliance with the provision of the Code. There are no termination, retirement, post-employment benefits that may be granted to the top key management personnel. Taking into consideration the highly competitive business environment, the nature of the industry and the confidentiality of the Group's remuneration policies, the Board is of the view that providing full disclosure of the remuneration of each individual Director and key management personnel is not in the best interests of the Group and may adversely affect talent attraction and retention.
8.2	The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	Dato' Colin Tan and Dato' Edwin Tan are brothers and their respective remuneration for FY2022 are disclosed in the table above. Datuk Wira Eric Tan, Corporate Advisor of the Company, is the father of Dato' Colin Tan and Dato' Edwin Tan. His remuneration for FY2022 is in the bands of S$350,000 to S$400,000 per annum. Save for the above, there was no other employee who is an immediate family member of a Director or the Managing Director, and whose remuneration exceeds S$100,000 during FY2022.
8.3	The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution toward the overall performance of the Group in FY2022. Their remuneration is made up of fixed and variable compensation. The fixed compensation consists of an annual base salary and allowances. The variable compensation, in the form of bonus, is based on the level of achievement of corporate and individual performance objectives, amongst others.

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Provision	Code Description	Company's Compliance or Explanation
		The Company's Directors, namely, Dato' Colin Tan and Dato' Edwin Tan had entered into service agreements with the Company in which terms of their employment are stipulated. The initial term of employment is for a period of three (3) years from the date of completion of the RTO, and thereafter automatically renewed for subsequent periods of two (2) years each unless otherwise terminated. Under the service agreements, Dato' Colin Tan and Dato' Edwin Tan are entitled to a performance based incentive payable by the Company in certain circumstances. Please refer to the section on "Service Agreements" in the Company's circular dated 29 December 2016 for further details. The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

	Short-term Incentives (such as performance bonus)	**Long-term Incentives** (such as PSP and ESOS)
Performance Conditions	1. Leadership 2. People development 3. Commitment 4. Teamwork	The performance conditions used to determine the entitlement under the proposed PSP and ESOS. Details of the proposed PSP and ESOS can be found in the Company's Appendix dated 11 October 2017 to the Annual Report 2017.

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Provision	Code Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.		
9.1	The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.	The Board understands its accountability to the shareholders on the Group's position, performance and progress. The objectives of the presentation of the annual audited financial statements, full-year and quarterly results to its shareholders are to provide the shareholders with a balanced and understandable analysis and explanation of the Group's financial performance and position and prospects. The Management understands its role to provide all members of the Board with a balanced and understandable assessment of the Group's performance, position and prospects. As such, the Management provides the Board with appropriately detailed information on the Company's performance, position, and prospects on quarterly basis and when deem appropriate. The Management is also accountable to the Board and maintains regular contact and communication with the Board including preparing and circulation to the Board of quarterly and full year financial statements of the Group. These enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. The Board has ultimate responsibility for maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. The Board approves the key management policies and ensures a sound system of risk management and internal controls. In addition to determining the approach to risk governance, the Board sets and instils the right risk-focused culture throughout the Group for effective risk governance. The system of internal controls and risk management systems are intended to provide reasonable but not absolute assurance against material misstatement or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risk.

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Provision	Code Description	Company's Compliance or Explanation
		The Board is also responsible for governance of risk management and determining the Company's levels of risk tolerance and risk policies. The Board consults with the External Auditors and internal auditors of the Company ("**Internal Auditors**") to determine the risk tolerance level and corresponding risk policies. The Company has outsourced its internal audit function to PricewaterhouseCoopers Risk Services Pte. Ltd. ('**PwC**' or "**internal auditors**") to carry out internal control reviews, as instructed by the ARC, as part of the Group's annual internal audit plan approved by the ARC. The ARC evaluates the findings of the External Auditors and Internal Auditors on the Group's internal controls annually. The External Auditors, in the course of conducting their annual audit procedures on the statutory financial statements, also reviewed the Group's significant internal financial controls to the extent of their scope as laid out in their audit plan. Any material non-compliance and internal financial control weaknesses noted by the external auditors are reported to the ARC together with the external auditors' recommendations. The Management would then take appropriate actions to rectify the weaknesses highlighted.
9.2	The Board requires and discloses in the company's annual report that it has received assurance from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (a) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.	The Board has obtained the following assurance from the Managing Director and Financial Controller: 1. the financial records of the Group have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group's operations and finances; 2. risk management systems and internal control systems were properly maintained; 3. material information relating to the Company was disclosed on a timely basis for the purposes of preparing financial statements; and 4. the Company's risk management systems and internal control systems were adequate and effective in FY2022. The Board notes that the system of internal controls provides reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls and risk management systems are effective and adequate to address the financial, operational, compliance and information technology risks of the Group in its current business environment.</td></tr>
<tr><td colspan="3"><u>Audit Committee</u>
Principle 10: The Board has an Audit Committee which discharges its duties objectively.</td></tr>
<tr><td>10.1</td><td>The duties of the AC include:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and</td><td>The ARC is guided by the following key terms of reference:

(a) review the scope of the audit plans of the External Auditors, the results of the External Auditors and Internal Auditors' examination and their evaluation of internal accounting control systems, their letter to Management and the Management's response to ensure that appropriate follow-up measures are taken to satisfactorily address internal control weaknesses, if any;

(b) review the quarterly and annual financial statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules, and any other relevant statutory or regulatory requirements;

(c) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(d) review the risk profile of the Company, its internal control and risk management procedures, including financial, operation, compliance and information technology controls and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the Board;

(e) ensure co-ordination between the external and internal auditors and the Management and review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);</td></tr>
</table>

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Provision	Code Description	Company's Compliance or Explanation
	(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.	(f) commission and review the findings of investigations by Internal Auditors or External Auditors into matters where there is any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response; (g) consider the appointment, remuneration, terms of engagement or re-appointment of the External Auditors and Internal Auditors and matters relating to the resignation or dismissal of the auditors; (h) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the External Auditors, and approve the remuneration and terms of engagement of the External Auditors; (i) review and recommend to the Board any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules; (j) together with the Conflict Resolution Committee (the "**CRC**"), review any potential conflict of interests that may arise in respect of any Director(s) of the Company for the time being; (k) review the scope and results of the external audit, and the independence and objectivity of the External Auditors; (l) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time; and (m) assess the performance of the financial director and/or the financial controller (as the case may be), for the relevant period, on an annual basis to determine his or her suitability for the position. In addition to the above, the ARC is empowered to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which are or is likely to have a material impact on our Group's operating results and/or financial position.

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Provision	Code Description	Company's Compliance or Explanation
		The Independent Directors also constitute the Company's CRC. The CRC's primary role is to review conflicts or potential conflicts of interests that may arise from time to time in the course of the Group's business or operations between the Group and any controlling shareholder, director or key management personnel of the Group and/or their associates. The CRC has the power to appoint an independent adviser to advise on and recommend procedures to resolve or mitigate such conflict or potential conflict of interests, so as to enable the CRC to discharge its duties to the shareholders. The independent adviser may also be called on to provide an opinion as to whether the procedures recommended by the CRC to resolve or mitigate conflicts or potential conflicts are carried out in an appropriate and effective manner. Please refer to the section on "Potential Conflicts of Interest" in the Company's circular dated 29 December 2016 for further details. The ARC has reviewed the non-audit services provided by the External Auditors and is satisfied that the nature and extent of such services would not prejudice the independence of the external auditors, and has recommended to the Board the re-appointment of Baker Tilly TFW LLP as External Auditors of the Company at the forthcoming AGM. The table below sets out the audit and non-audit fees paid for FY2022:

	RM	% of total
Audit fees	390,000	94
Non-audit fees	26,000	6
Total	416,000	100

The Company has put in place a whistle-blowing policy to provide an avenue through which employees and external parties may report or communicate, in good faith and in confidence, any concerns relating to financial and other matters, so that independent investigation of such matters can be conducted and appropriate follow-up action can be taken. The ARC ensures that the whistle-blowing policy is properly implemented.

The whistle-blowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct can

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Provision	Code Description	Company's Compliance or Explanation
		be reported to the Chairman of the ARC via a designated email at whistleblow@hattenland.com.sg. The action to be taken will depend on the nature of the concern. Initial inquiries will be made by the Chairman of the ARC to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation. If investigation is necessary, the ARC will direct an independent investigation to be conducted on complaint received. The Board will receive a report stating the complaint received and findings of investigation, as well as a follow-up report on actions taken by the ARC. The Company will update the complainant of the actions taken in respect of the complaint within two weeks. Subject to any legal constraints, the complainant will be notified about the outcome of any investigations. The Company shall maintain the confidentiality of the whistle-blower(s) to the fullest extent reasonably practicable within the legitimate needs of the law and any ensuing evaluation or investigation. Complainant(s) who make a report in good faith will be protected from reprisals, victimization or harassment. There were no whistle-blowing reports received in FY2022.
10.2	The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	The members of the ARC are Dato' James Wong, Mr Loh Weng Whye and Mr Nicholas Khoo, all of whom are Independent Directors. The Chairman of the ARC is Dato' James Wong, an Independent Non-Executive Director. Dato' James Wong is also the Company's Lead Independent Director, who have the relevant accounting and related financial management expertise and experience to discharge their responsibilities.
10.3	The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	The ARC does not comprise any former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	The ARC's responsibility in overseeing that the Group's risk management system and internal controls is complemented by its Internal Auditor. The Internal Auditor reports directly to the Chairman of the ARC on audit matters. The Internal Auditor plans its audit work in consultation with, but independently of, the management, and its yearly plan is submitted to the ARC for review and approval prior to the beginning of the financial year. The Internal Auditor has full access to all the Company's documents, records, properties and personnel including access to the ARC. The ARC is satisfied that Internal Auditor is adequately qualified (given, inter alia, its adherence to Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.
10.5	The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	The ARC has met the Internal Auditors and External Auditors on various occasions without the presence of Management for FY2022.
STAKEHOLDER RIGHTS AND ENGAGEMENT		
Shareholders' Rights Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.		
11.1	The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	The Company believes in regular and timely communication with shareholders as part of the Group's effort to help shareholders better understand the Group's business. The Company does not practice selective disclosure. In line with its continuous listing obligations, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Company and/or the Group. It is also the Board's policy that all material corporate news, strategies and announcements are promptly and accurately disseminated through SGXNET, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		Shareholders are encouraged to attend shareholders' meetings to stay informed of the Company's strategy and goals. Notice of the meeting is dispatched to shareholders, together with annual report or a circular, at least 14 days, or 21 days (as the case may be), before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either formally or informally before or at the shareholders' meetings. All shareholders are entitled to vote at the shareholders' meetings in accordance with the established voting rules and procedures. The Company shall conduct poll voting for all resolutions tabled at the shareholders' meetings. The rules, including the voting process, shall be explained by the scrutineers at such shareholders' meetings. Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.
11.2	The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.	All resolutions are tabled separately at general meetings.
11.3	All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	All Directors and the External Auditors were present at the company's Annual General Meeting held on 30 December 2021. The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the shareholders' meetings. The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The External Auditors are present to assist the Board in addressing any relevant queries by our shareholders.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.
11.4	The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	The Company's Constitution does not allow for absentia voting at general meetings of shareholders as authentication of shareholder identity information and other related security issues continue to be a concern. Shareholders who are not able to attend general meetings in person are entitled to appoint proxies to attend and vote on their behalf. The Company's Constitution allows an individual shareholder to appoint not more than two proxies to attend and vote on his or her behalf at the general meetings. Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the shareholders' meetings, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
11.5	The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	The Company prepares minutes of general meeting that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. The minutes of general meetings will be announced within one month from the date of the general meeting via SGXNet.
11.6	The company has a dividend policy and communicates it to shareholders.	The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the shares will depend on, among other things, the Group's operating results, financial conditions, cash flows, expected future earnings, capital expenditure programme(s) and investment plans, the terms of the Group's borrowing arrangements (if any) and other factors deemed relevant by the Directors.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
Risk Management and Internal Controls Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.		
12.1	The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	Information will be disseminated through SGXNET and the Company's website (www.hattenland.com.sg) to update shareholders on the development of the Group. The Board also encourages Shareholders' participation at the general meetings as explained in Provision 11.1 above. The Company currently does not have an investor relations policy. However, the Company has engaged an external investor relations adviser, 8PR Asia Pte Ltd, to carry out investor relations activities in tandem with our in-house Group Corporate Communications team.
12.2	The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	
12.3	The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	
MANAGING STAKEHOLDER RELATIONSHIPS		
Engagement with Stakeholders Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.		
13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various communication as follows: (1) Announcements, including quarterly and full-year financial results announcements, via SGXNET; (2) Annual reports and notices of AGM; (3) Company's general meetings; (4) Investor/analyst briefings; and (5) Corporate website of the Company at www.hattenland.com.sg The Company also solicits feedback from and addresses the concerns of shareholders via the Company's corporate website at www.hattenland.com.sg.
13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	
13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		Such communications are handled by in-house Group Corporate Communications Department. Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.hattenland.com.sg. Please also refer to the Sustainability Report for further details on the Company's approach on stakeholders engagement.
COMPLIANCE WITH APPLICABLE CATALIST RULES		
712, 715 or 716	Appointment of auditors	The Company confirms its compliance with Rule 712 and Rule 715 of the Catalist Rules.
1204(8)	Material contracts	There were no material contracts entered into by the Group involving the interest of the Managing Director, any Director, or controlling shareholder.
1204(10)	Confirmation of adequacy of internal controls	The Board and the ARC are of the opinion that the Group's internal controls were adequate and effective to address the financial, operational, compliance and information technology risks in FY2022 based on the following: • assurance had been received from the Managing Director and Financial Controller (refer to provision 9.2 above); • Key management personnel regularly evaluates, monitors and reports to the ARC on material risks; • Discussions were held between the ARC and auditors in the absence of the key management personnel to review and address any potential concerns; and • work performed by the Internal Auditors and External Auditors.
1204(10C)	ARC's comment on Internal Audit Function	The ARC is satisfied that the Company's internal audit function is • sufficiently independent to carry out its role; • conducted effectively as Management has provided full co-operation to enable Internal Auditors to perform its function; • adequately resourced to perform the work for the Group; and • has the appropriate standing within the Company. For financial year ended 2022, the Company has appointed a professional services firm, PricewaterhouseCoopers Risk Services Pte Ltd ("**PwC**" or "**Internal auditors**") to carry out internal control reviews, as instructed by the ARC, as part of the Group's annual internal audit plan approved by the ARC. The internal auditor reports

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>functionally to the ARC and administratively to the Managing Director. The internal auditor has unfettered access to all the Company’s documents, records, properties and personnel. The internal audit team is headed by a Partner with significant experience of leading internal audit services for Singapore listed companies. The team supporting the Partner constitutes dedicated internal controls specialists with requisite knowledge and experience. The ARC will review the adequacy, effectiveness and independence of the internal audit team on an annual basis. The ARC will also assess and ensure that the internal auditor meets or exceeds the standards set by recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.</td></tr>
<tr><td>1204(17)</td><td>Interested persons transaction (“IPT”)</td><td>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the ARC and they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The following are IPTs with aggregate value more than S$100,000 transacted during FY2022.

<table>
<tr><th>Name of interested person</th><th>Nature of relationship</th><th>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)

Group
RM’000</th><th>Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000)

Group
RM’000</th></tr>
<tr><td>Temasek Blooms Sdn. Bhd.</td><td>1</td><td>731</td><td>-</td></tr>
</table>

Notes:
(1) Temasek Blooms Sdn. Bhd. is a company wholly owned by Dato’ Colin Tan and Dato’ Edwin Tan and their associates.</td></tr>
</table>

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(19)</td><td>Dealing in securities</td><td>
The Company has adopted an internal policy which prohibits the Directors and officers of the Group from dealing in the securities of the Company while in possession of price-sensitive information.
All Company, its Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full year financial statements respectively, and ending on the date of the announcement of the relevant results.
The Company, its Directors and officers of the Group are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.
</td></tr>
<tr><td>1204(21)</td><td>Non-sponsor fees</td><td>No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited for FY2022.</td></tr>
<tr><td>1204(22)</td><td>Use of proceeds</td><td>
Warrant proceeds
On 8 November 2021, the Company raised proceeds of approximately S$1.92 million from the exercise of 40,000,000 Warrants at the exercise price of S$0.048 per Warrant. The warrant proceeds of approximately had been fully utilized as follows:
<table>
<tr><th>Use of proceeds</th><th>Amount allocated S$</th><th>Amount Utilised S$</th><th>Amount Unutilised S$</th></tr>
<tr><td>To fund new business initiatives of the Group</td><td>1,344,000</td><td>(1,344,000)</td><td>-</td></tr>
<tr><td>Working capital purposes*</td><td>576,000</td><td>(576,000)</td><td>-</td></tr>
<tr><td>Total</td><td>1,920,000</td><td>(1,920,000)</td><td>-</td></tr>
</table>
* The use of the net proceeds for working capital purposes is for payment of profession and consultancy fees.
</td></tr>
</table>

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		November Placement Proceeds The company raised net proceeds of approximately S$1,183,000 from the placement completed on 22 November 2021. Please refer to the Company's announcement dated 1 November 2021 for further details. November placement proceeds had been fully utilised as follows:

Use of proceeds	Amount allocated S$	Amount Utilised S$	Amount Unutilised S$
To fund new business initiatives of the Group	828,100	(828,100)	-
Working capital purposes*	354,900	(354,900)	-
Total	**1,183,000**	**(1,183,000)**	**-**

* The use of the net proceeds for working capital purposes is for payment of profession and consultancy fees.

April Placement proceeds

The Company raised net proceeds of approximately S$4,982,114 from the placement completed on 22 April 2022. Please refer to the Company's announcement dated 13 April 2022 for further details. The intended use of the net proceeds of approximately S$4,982,114 are as follows:

Use of proceeds	Amount allocated S$	Amount Utilised S$	Amount Unutilised S$
To fund new business initiatives of the Group, including Element X	3,487,480	(3,487,480)	-
Working capital purposes*	1,494,634	(1,494,634)	-
Total	**4,982,114**	**(4,982,114)**	**-**

* The use of the net proceeds for working capital purposes is for payment of profession and consultancy fees.

Disclosure of Information on Directors Seeking Re-election

Dato' Colin Tan and Dato' Edwin Tan are Directors due for retirement under rotation pursuant to Article 117 of the Company's Constitution and seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 14 December 2022 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**"). Mr. Nicholas Khoo being a newly appointed Director during the year will also be seeking re-election as a Director of the Company pursuant to the requirements of the Company's Constitution.

Pursuant to Rule 720(5) of the Listing Manual of the SGX-ST Catalist Rules, the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Listing Manual of the SGX-ST:

	Dato' Colin Tan	**Dato' Edwin Tan**	**Nicholas Khoo**
Date of Appointment	24 January 2017	24 January 2017	3 January 2022
Date of last re-appointment	30 October 2020	23 November 2019	N/A
Age	39	40	43
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Dato' Colin Tan ("**Dato' Colin Tan**"), for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Dato' Colin Tan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Dato'Tan Ping Huang Edwin ("**Dato' Edwin Tan**") for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Dato' Edwin Tan possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Nicholas Khoo for re-appointment as an Independent Director of the Company. The Board has reviewed and concluded that Mr Nicholas Khoo possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Dato Colin Tan is responsible for the overall management and strategy of the Group.	Executive. Dato Edwin Tan is responsible for the overall management and strategy of the Group.	Non-Executive.
Professional qualifications	Bachelor of Science (Finance), University of Dublin	Bachelor of Science (Finance), University of Dublin	Master of Business Administration Diploma in Computer Systems, Merit, Information Technology

Disclosure of Information on Directors Seeking Re-election

	Dato' Colin Tan	Dato' Edwin Tan	Nicholas Khoo
Working experience and occupation(s) during the past 10 years	Managing Director of the Hatten Group of Companies	Deputy Managing Director of the Hatten Group of Companies	2020-Present Khoo Cap One Pte Ltd - Managing Director 2019-2021 WASD Pte Ltd - Chief Financial Officer 2017-2018 Sandbox & Co - Senior Vice President Asia Pacific 2014-2016 Visa Inc - Director and Regional Head, Asia Pacific & Japan, Cybersource Managed Risk Solutions 2012 – 2014 Visa Inc - Manager and Regional Head, Asia Pacific & Japan Cybersource Managed Risk Solutions
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest pursuant to Section 7 of the Companies Act 1967 in 937,091,508 shares in the capital of Hatten Land Limited.	Deemed interest pursuant to Section 7 of the Companies Act 1967 in 937,091,508 shares in the capital of Hatten Land Limited.	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Dato' Colin Tan and Dato' Edwin Tan are both siblings.	Dato' Colin Tan and Dato' Edwin Tan are both siblings.	No.
Conflict of Interest (including any competing business)	Save as disclosed in 25.1.1(e) to (h) of Appendix A of the Circular dated 29 December 2016, Dato' Colin Tan has no other conflict of interest. To mitigate any perceived or potential conflict of interest, Hatten Land Limited has entered into a Non-Competition Agreement with Dato' Colin Tan, details of which can be found in 25.1.2 of Appendix A of the Circular dated 29 December 2016.	NIL	NIL

Disclosure of Information on Directors Seeking Re-election

	Dato' Colin Tan	Dato' Edwin Tan	Nicholas Khoo
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# Past (for the last 5 years):	 Please refer to Appendix A.	 Please refer to Appendix C.	 AB& Meg Pte Ltd Amdon Consulting Pte Ltd Electronic Sports Pte Ltd Casino Regulatory Authority Esports Entertainment Asia Pte Ltd WASD Pte Ltd Yup Pte Ltd
Present:	Please refer to Appendix B.	Please refer to Appendix D.	Big Mind Pte Ltd Comeback Pte Ltd Khoo Cap One Pte Ltd Khoo Cap Two Pte Ltd Khoo Cap Three Pte Ltd Gambling Regulatory Authority Global Star Acquisition Inc
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

Disclosure of Information on Directors Seeking Re-election

	Dato' Colin Tan	Dato' Edwin Tan	Nicholas Khoo
c) Whether there is any unsatisfied judgment against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

Disclosure of Information on Directors Seeking Re-election

	Dato' Colin Tan	Dato' Edwin Tan	Nicholas Khoo
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere	No	No	No

Disclosure of Information on Directors Seeking Re-election

	Dato' Colin Tan	Dato' Edwin Tan	Nicholas Khoo
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A	N.A	N.A

Disclosure of Information on Directors Seeking Re-election

Appendix A – List of Past Directorship for Dato' Colin Tan

1. AIM Facility Management Sdn. Bhd.
2. Fuyuu Advance Sdn. Bhd.
3. MDSA Alliance Sdn. Bhd.
4. MDSA Assets Sdn. Bhd.
5. Tunas Binamas Sdn. Bhd.
6. Hatten Place Sdn. Bhd.
7. Hatten Group Sdn. Bhd.
8. Velvet Valley Management Sdn. Bhd.
9. Pahlawan Terminal Management Sdn. Bhd.
10. Unicity Hotels Sdn. Bhd.
11. HH Worldwide Sdn. Bhd.
12. Pavillion Hectares Sdn. Bhd.
13. Prolific Brillance Sdn. Bhd.
14. United Asia Pacific Group Sdn. Bhd.
15. Vibrant Valley Sdn. Bhd.
16. Dataran Pahlawan Management Sdn. Bhd.
17. Hatten BRI Technology Pte Ltd

Appendix B – List of Present Directorship for Dato' Colin Tan

1. Admiral Merger Sdn. Bhd.
2. Cosha Retail Sdn. Bhd.
3. EGAH Group Sdn. Bhd.
4. Estadia Sdn. Bhd.
5. Ensure Merger Sdn. Bhd.
6. Elements RSS Management Sdn. Bhd.
7. Gold Mart Sdn. Bhd.
8. Gourmet Guru Sdn. Bhd. (fka MDSA Holdings Sdn. Bhd.)
9. MDSA Capital Sdn. Bhd.
10. MDSA Development Sdn. Bhd.
11. MDSA Vedro Development Sdn. Bhd.
12. MDSA Land Sdn. Bhd.
13. MDSA Properties Sdn. Bhd.
14. MDSA Resources Sdn. Bhd.
15. MDSA Success Sdn. Bhd.
16. MDSA Ventures Sdn. Bhd.
17. Hatten Asset Management Sdn. Bhd.
18. Hatten Brand Management Sdn. Bhd.
19. Hatten Commercial Sdn. Bhd.
20. Hatten Edu Cates Sdn. Bhd.
21. Hatten Energy (M) Sdn. Bhd.
22. Hatten Hotel International Sdn. Bhd.
23. Hatten Hotel (Melaka) Sdn. Bhd.
24. Hatten Hotels Worldwide Sdn. Bhd.
25. Hatten Holdings Sdn. Bhd.
26. Hatten Land Sdn. Bhd.
27. Hatten Property Management Sdn. Bhd.
28. Hatten Properties Sdn. Bhd.
29. Hatten Support Services Sdn. Bhd.
30. Hatten Renewable Energy Sdn. Bhd.
31. Hatten Technology Sdn. Bhd.
32. Houfu Group Sdn. Bhd.
33. Lianbang Holdings Sdn. Bhd.
34. Lianbang Ventures Sdn. Bhd.
35. Mayatrade Sdn. Bhd.

Disclosure of Information on Directors Seeking Re-election

36. Oscar Gain Sdn. Bhd.
37. Padang Pahlawan Sdn. Bhd.
38. Pahlawan City Sdn. Bhd.
39. Prolific Arces Sdn. Bhd
40. Prolific Advance Sdn. Bhd.
41. Prolific Assets Sdn. Bhd.
42. Prolific Hectares Sdn. Bhd.
43. Prolific Holdings Sdn. Bhd.
44. Prolific Properties Sdn. Bhd.
45. Prolific Resources Sdn. Bhd.
46. Prolific Revenue Sdn. Bhd.
47. Prolific Synergy Sdn. Bhd.
48. Regal Fiesta Sdn. Bhd.
49. ES Hotel Sdn. Bhd. (fka Teddie Bear Hotel International Sdn. Bhd.)
50. Temasek Blooms Sdn. Bhd.
51. The Medici Watermark Sdn. Bhd.
52. Velvet Valley Sdn. Bhd.
53. Genonefive Pte. Ltd
54. en MS Pte. Ltd.
55. Hatten Technology (S) Pte. Ltd.
56. NCSA Services Pte. Ltd
57. Hatten Energy (SG) Pte. Ltd.(formerly known as Hatten Land China Pte. Ltd.)
58. Hatten Renewable Assets Pte Ltd (formerly known as Hatten Wellness China Pte. Ltd)
59. Hatten Holdings Pte. Ltd.
60. Hatten Properties Pte. Ltd.
61. The Merdici Watermark Pte. Ltd.
62. Hatten Energy Holdings Pte. Ltd.
63. Triotan Investment Pte. Ltd.
64. Dataran Pahlawan Melaka Holdings
65. Pahlawan Holdings Limited
66. Linkson Enterprises Limited

Appendix C – List of Past Directorship for Dato' Edwin Tan

1. Pahlawan Terminal Management Sdn. Bhd
2. Rico Development Sdn. Bhd.
3. Hatten Retail Management Sdn. Bhd
4. Velvet Valley Management Sdn, Bhd.
5. AIM Facility Management Sdn, Bhd. (fka MDSA Premium Sdn. Bhd.)
6. MDSA Assets Sdn. Bhd.
7. Unicity Hotels Sdn. Bhd.
8. HGC Development Sdn. Bhd.
9. Hatten Place Sdn. Bhd.
10. Teddie Bear Group Sdn. Bhd.
11. MAI Worldwide Corporation Pte Ltd
12. MDSA Alliance Sdn. Bhd. (formerly known as Fuyuu Alliance Sdn. Bhd.)
13. Tunas Binamas Sdn. Bhd.
14. Fuyuu Advance Sdn, Bhd.
15. Hatten Group Sdn. Bhd.
16. United Asia Pacific Group Sdn. Bhd.
17. Vibrant Valley Sdn. Bhd.
18. Hatten BRI Technology Pte Ltd
19. MAI Worldwide Corporation Pte Ltd

Disclosure of Information on Directors Seeking Re-election

Appendix D – List of Present Directorship for Dato' Edwin Tan

1. Admiral Merger Sdn. Bhd.
2. Dharmapala Holdings Sdn. Bhd.
3. EGAH Group Sdn. Bhd.
4. Estadia Sdn. Bhd.
5. Ensure Merger Sdn. Bhd.
6. Gourmet Guru Sdn. Bhd. (fka MDSA Holdings Sdn. Bhd.)
7. MDSA Capital Sdn. Bhd.
8. MDSA Development Sdn. Bhd.
9. MDSA Vedro Development Sdn. Bhd.
10. MDSA Land Sdn. Bhd.
11. MDSA Properties Sdn. Bhd.
12. MDSA Resources Sdn. Bhd.
13. MDSA Success Sdn. Bhd.
14. MDSA Ventures Sdn. Bhd.
15. Hatten Asset Management Sdn. Bhd.
16. Hatten Brand Management Sdn. Bhd.
17. Hatten Edu Cates Sdn. Bhd.
18. Hatten Hotel International Sdn. Bhd.
19. Hatten Hotel (Melaka) Sdn. Bhd.
20. Hatten Holdings Sdn. Bhd.
21. Hatten Property Management Sdn. Bhd.
22. Hatten Properties Sdn. Bhd.
23. Hatten Energy (M) Sdn. Bhd.
24. Hatten Renewable Energy Sdn. Bhd.
25. Hatten Technology Sdn. Bhd.
26. Houfu Group Sdn. Bhd.
27. Lianbang Ventures Sdn. Bhd.
28. Lianbang Holdings Sdn. Bhd.
29. Mayatrade Sdn. Bhd.
30. Noblesse Oblige Sdn. Bhd.
31. Oscar Gain Sdn. Bhd.
32. Padang Pahlawan Sdn. Bhd.
33. Pahlawan City Sdn. Bhd.
34. Prolific Hectares Sdn. Bhd.
35. Prolific Holdings Sdn. Bhd.
36. Prolific Properties Sdn. Bhd.
37. Prolific Resources Sdn. Bhd.
38. Prolific Revenue Sdn. Bhd.
39. Prolific Synergy Sdn. Bhd.
40. ES Hotel Sdn. Bhd. (fka Teddie Bear Hotel International Sdn. Bhd.)
41. Hatten Land Sdn. Bhd.
42. Temasek Blooms Sdn. Bhd.
43. TYL Solutions Sdn. Bhd.
44. Velvet Valley Sdn. Bhd.
45. Link Asian Investment Limited
46. Dataran Pahlawan Melaka Holdings
47. Pahlawan Holdings Limited
48. Genonefive Pte. Ltd
49. Hatten Properties Pte. Ltd.
50. Hatten Holdings Pte. Ltd.
51. Hatten MS Pte. Ltd
52. Hatten Technology(S) Pte. Ltd.
53. NCSA Services Pte. Ltd.
54. Triotan Investment Pte Ltd

Directors' Statement

The directors present their statement to the members together with the audited consolidated financial statements of Hatten Land Limited (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022.

Opinion of the directors

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 93 to 173 are properly drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2022, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due on the assumption that, as stated in Note 3(i) to the financial statements, the Group will be able to generate sufficient cash flows from its operations in the next 12 months from the date these financial statements were approved through the monetising of unsold completed properties and cost containment measures, improving the Group's liquidity through the disposal/restructuring of subsidiaries, and the restructuring of existing loans and borrowings.

Directors

The directors in office at the date of this statement are:

Dato' Tan June Teng Colin @ Chen JunTing (Executive Chairman and Managing Director)
Dato' Tan Ping Huang Edwin @ Chen BingHuang
Dato' Wong King Kheng
Loh Weng Whye
Khoo Chin Hang Nicholas Aaron (Appointed on 3 January 2022)

Arrangements to enable directors to acquire benefits

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations (other than wholly-owned subsidiaries) as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as follows:

	Number of ordinary shares			
	Shareholdings registered in their own names		**Shareholdings in which a director is deemed to have an interest**	
Name of directors and companies in which interest are held	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Dato' Tan June Teng Colin @ Chen JunTing	-	-	937,091,508	937,091,508
Dato' Tan Ping Huang Edwin @ Chen BingHuang	-	-	937,091,508	937,091,508
Ordinary shares of Hatten Holdings Pte. Ltd.				
(the immediate and ultimate holding company)				
Dato' Tan June Teng Colin @ Chen JunTing	1	1	-	-
Dato' Tan Ping Huang Edwin @ Chen BingHuang	1	1	-	-

Directors' Statement

Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2022.

By virtue of section 7 of the Act, Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang with interests in the immediate and ultimate holding company are deemed to have an interest in the Company and in its wholly-owned subsidiary corporations.

Share options

The Hatten Land Limited Performance Share Plan ("PSP") as well as the Hatten Land Limited Employees' Share Option Scheme ("ESOS") were approved by the shareholders of the Company at the Annual General Meeting held on 26 October 2017.

Both PSP and ESOS are administered by the Remuneration Committee, comprising three directors, Khoo Chin Hang Nicholas Aaron, Dato' Wong King Kheng and Loh Weng Whye.

Since the commencement of PSP and ESOS, the Company has not granted any awards and options under the PSP and ESOS, respectively.

During the financial year, there were:

- no share options granted to subscribe for unissued shares of the Company; and
- no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit and Risk Committee

The members of the Audit and Risk Committee ("ARC") during the year and at the date of this report are:

- Dato' Wong King Kheng (Chairman and Lead Independent Director)
- Loh Weng Whye (Member and Independent Director)
- Khoo Chin Hang Nicholas Aaron (Member and Independent Director)

The ARC carried out its functions in accordance with section 201B (5) of the Act, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;

- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management;

- Met with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;

- Reviewed the nature and extent of non-audit services provided by the external auditor;

- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

- Reported actions and minutes of the ARC to the board of directors with such recommendations as the ARC considered appropriate; and

Directors' Statement

Audit and Risk Committee (cont'd)

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The ARC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened four meetings during the year with full attendance from all members. The ARC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

The ARC has recommended to the directors the nomination of Baker Tilly TFW LLP for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting of the Company.

Further details regarding the ARC are disclosed in the Report on Corporate Governance.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Dato' Tan June Teng Colin @
Chen JunTing
Director

Dato' Tan Ping Huang Edwin @
Chen BingHuang
Director

28 November 2022

Independent Auditor's Report

To the members of Hatten Land Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Hatten Land Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 93 to 173, which comprise the statements of financial position of the Group and the Company as at 30 June 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1) Use of the going concern assumption

We draw attention to Note 3(i) to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. The Group and the Company incurred a net loss of RM32.3 million and RM0.09 million respectively during the financial year ended 30 June 2022. The Group also incurred net cash flows used in operating activities of RM12.2 million during the financial year ended 30 June 2022.

The Group's working capital primarily comprises development properties and the related receivables. Subsequent to the end of the financial year, the Group had not been able to meet its forecasted sales target for its development properties and continued to experience slow recovery of its receivables. As disclosed in Note 3(i), the Group continues to face uncertainties from the COVID-19 pandemic which has disrupted and distorted the property market outlook in Melaka, Malaysia, despite the gradual recovery from the pandemic. Coupled with the heightened uncertainty of the global economy and volatility of macroeconomic factors such as inflation and rising interest rates, these may continue to impact the demand and realisation of the Group's development properties which will cause a strain on its cash flows.

In addition to the above, as at 30 June 2022, the Group's total loans and borrowings (including loans and borrowings of Gold Mart Sdn. Bhd. as disclosed in Note 18) amounted to RM398.4 million, of which RM325.6 million were classified as current liabilities and exceeded the Group's cash and bank balances of RM11.3 million (Note 17). The Company's total loans and borrowings amounted to RM198.4 million, all of which were classified as current liabilities, and exceeded the Company's cash and bank balances of RM2.1 million. Included in the Group's and Company's loans and borrowings are convertible loan and secured bonds of US$20 million (approximately RM88.2 million) and US$25 million (approximately RM110.2 million) as at 30 June 2022, which originally matured on 10 October 2019 and 8 March 2020, respectively (Note 20). The Company is in the process of negotiation with the lender and the bondholders on the possible extension of repayments. At the date of this report, the definitive outcome of the extension of repayments or potential loan refinancing has yet to be executed.

The Group is also undergoing restructuring of its indirect wholly-owned subsidiaries as disclosed in Note 33(a).

These conditions give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

Notwithstanding the above, the directors have prepared the financial statements on a going concern basis based on the assumptions disclosed in Note 3(i) to the financial statements. However, based on the information available to us, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves whether the use of the going concern assumption in preparing these financial statements are appropriate as (i) the exact timing for the date of completion in relation to the disposal of Gold Mart Sdn. Bhd. ("GMSB") to a third party which will generate gross proceeds of US$60 million for the Company cannot be reasonably ascertained; (ii) the arrangements to secure additional funding and loan refinancing have yet to conclude satisfactorily; and (iii) the restructuring of MDSA Resources Sdn. Bhd. ("MRSB") is subject to the outcome of the appeal to the Court of Appeal of Malaysia against the decision of the High Court of Malaya in Malacca, Malaysia at the date of this report. The Group also continues to face challenges in realising its development properties and recover the related receivables as planned.

Independent Auditor's Report

To the members of Hatten Land Limited

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

1) *Use of the going concern assumption (cont'd)*

The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to the financial statements.

2) *Appropriateness of the classification and measurement of disposal group classified as held-for-sale*

The assets and liabilities related to GMSB have been presented as disposal group classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as disclosed in Note 3(v) and Note 18 to the financial statements. As disclosed in Note 18, there was a delay in the completion of the disposal due to the substantial documentation and time required by the financial institutions involved to approve and process the cross-border payment and this was further exacerbated by the COVID-19 pandemic situation. In view of the continued delay and also the significant uncertainties with respect to the estimated date of completion of the disposal, we are unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of the classification and measurement of the disposal group classified as held-for-sale as at 30 June 2022.

3) *Impairment of the Group's trade and other receivables*

As at 30 June 2022, the carrying amount of the Group's trade and other receivables was RM278.1 million (including trade and other receivables of GMSB) as disclosed in Notes 16 and 18 to the financial statements. Management had performed an expected credit loss assessment as at 30 June 2022 and a loss allowance of RM0.07 million was recognised during the current financial year (Note 29(a)).

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence on the reasonableness of management's expected credit loss assessment on the carrying amount of the Group's trade and other receivables as at 30 June 2022 and whether any adjustments to the Group's trade and other receivables are necessary. Consequently, we are unable to determine the appropriateness of the disclosures of credit risk with respect to the Group's trade and other receivables in Note 29(a) to the financial statements.

4) *Impairment of intangible assets in relation to development costs*

As at 30 June 2022, the carrying amount of the Group's intangible assets in relation to development costs was RM7.0 million as disclosed in Note 12 to the financial statements.

The Group has carried out an impairment assessment on the Group's development costs capitalised for its respective projects pertaining to crypto assets exchange platform, metaverse gateway and integrated Esports and gaming experiential hub as at 30 June 2022. The impairment assessment was performed on the respective projects or cash generating units ("CGU") of the Group and management has determined the recoverable amount of the CGU using the value-in-use approach based on the discounted cash flow method. Given that these projects rely significantly on the estimated market prices of cryptocurrency, estimated prices and sales of digital assets, and estimated number of platform users and tourists, there are material uncertainties with respect to the reliability and reasonableness of the key assumptions and estimates that are used in the respective CGU forecasts prepared by the management.

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence and explanation to satisfy ourselves that the key assumptions and estimates used in the respective CGU forecasts prepared by the management can be relied upon. Consequently, we are unable to determine whether any impairment loss is required on the carrying amount of the Group's intangible assets in relation to development costs as at 30 June 2022.

Independent Auditor's Report

To the members of Hatten Land Limited

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

5) *Development properties*

As at 30 June 2022, the carrying amount of the Group's development properties was RM455.5 million as disclosed in Note 15 to the financial statements. During the financial year ended 30 June 2022, the Group recognised a loss on revocation of sales of RM31.3 million which represents the losses recognised when the Group revoked the sales and purchase agreements on properties purchased by the customers. The properties repossessed by the Group relating to these revocations amounted to approximately RM32.1 million (the "repossessed properties") which are included in development properties in the consolidated statement of financial position as at 30 June 2022.

Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the repossessed properties are appropriately measured and recognised in accordance with SFRS(I) 1-2 *Inventories* at the point of repossession. Accordingly, we are unable to determine whether the carrying amount of the development properties as at 30 June 2022 are fairly stated, and whether any adjustments might have been found necessary in respect of the loss on revocation of sales recognised during the financial year ended 30 June 2022.

6) *Inability to obtain confirmations from third party bondholders*

We are not able to obtain confirmations from two third party bondholders amounting to US$10,000,000 and US$6,000,000 (approximately RM44,080,000 and RM26,448,000) respectively, which are included in "loan and secured bonds" within the Group's loans and borrowings as at 30 June 2022 (Note 20). Consequently, we are unable to ascertain the accuracy and completeness of the Group's loans and borrowings and whether there are any additional information or terms which could have an impact on the financial statements that require disclosure.

7) *Investment in subsidiaries and amount due from subsidiaries in the Company's financial statements*

As at 30 June 2022, the carrying amounts of the Company's investment in subsidiaries and amount due from subsidiaries were RM710.7 million and RM303.5 million as disclosed in Notes 13 and 16 to the financial statements, respectively.

In view of the material uncertainties on the ability of the Group to continue as going concern as described in point 1 above and the ability of the subsidiaries in realising its development properties at expected timings which is inherently uncertain, we are unable to determine whether any impairment loss is required on the carrying amounts of the Company's investment in subsidiaries and amount due from subsidiaries as at 30 June 2022. We are also unable to obtain sufficient appropriate audit evidence on the appropriateness of the classification of amount due from subsidiaries as current assets in the statement of financial position of the Company, and the disclosures of credit risk with respect to the Company's amount due from subsidiaries in Note 29(a) to the financial statements.

Our audit opinion on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2021 was similarly disclaimed for points 1, 2 and 7 above. The extract of the basis for disclaimer of opinion is included in Note 34 to the financial statements.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Independent Auditor's Report

To the members of Hatten Land Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct the audit of the Group and Company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

28 November 2022

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2022

	Note	Group 30.6.2022 RM'000	Group (Restated) 30.6.2021 RM'000
Revenue		**53,375**	32,031
Less: Provision for liquidated ascertained damages – reversal/(charged)		**1,678**	(65,023)
	4	**55,053**	(32,992)
Cost of sales		**(18,705)**	(28,277)
Add: Provision for liquidated ascertained damages		**-**	1,547
	5	**(18,705)**	(26,730)
Gross profit/(loss)		**36,348**	(59,722)
Other items of income			
Other operating income	6(a)	**654**	160
Other income/gains	6(b)	**35,301**	81,557
Interest revenue from non-current trade receivables using the effective interest rate method		**4,538**	6,587
Other items of expense			
Selling and marketing expenses		**–**	(2,454)
Administrative expenses		**(65,864)**	(93,042)
Loss on revocation of sales		**(31,319)**	(17,321)
Loss allowance on trade and other receivables	29(a)	**(73)**	(461)
Impairment loss on property, plant and equipment	11	**-**	(7,565)
Reversal of/(write-down) of development properties	15	**12,840**	(4,494)
Impairment loss on right-of-use assets	19	**-**	(4,175)
Other expenses	6(c)	**-**	(20,703)
Finance costs	7	**(45,885)**	(46,828)
Share of results of an associated company	14	**(552)**	(175)
Loss before tax	8	**(54,012)**	(168,636)
Income tax credit/(expenses)	9	**21,714**	(9,501)
Loss for the year		**(32,298)**	(178,137)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income (cont'd)

For the financial year ended 30 June 2022

	Note	Group 30.6.2022 RM'000	(Restated) 30.6.2021 RM'000
Other comprehensive loss:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation		**(719)**	(31)
Currency translation differences arising from associated company		**275**	(422)
Total comprehensive loss for the year		**(32,742)**	(178,590)
Loss for the year attributable to:			
Owners of the Company		**(32,230)**	(178,137)
Non-controlling interests		**(68)**	-
		(32,298)	(178,137)
Loss for the year			
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(32,680)**	(178,590)
Non-controlling interests		**(62)**	-
Total comprehensive loss for the year		**(32,742)**	(178,590)
Loss per share attributable to owners of the Company (RM cents per share)			
Basic and diluted	10	**(1.88)**	(11.43)

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

As at 30 June 2022

	Note	Group 2022 RM'000	Group (Restated) 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**30,494**	40,074	**–**	–
Right-of-use assets	19	**43,844**	56,529	**–**	–
Intangible assets	12	**7,737**	–	**–**	–
Investment in subsidiaries	13	**–**	–	**710,739**	710,739
Investment in an associated company	14	**22,310**	22,587	**–**	–
Trade and other receivables	16	**12,030**	27,627	**–**	–
		116,415	146,817	**710,739**	710,739
Current assets					
Development properties	15	**455,471**	481,473	**–**	–
Contract assets	4(a)	**5,382**	5,383	**–**	–
Trade and other receivables	16	**131,363**	179,022	**304,596**	267,692
Prepayments		**172**	272	**61**	159
Cash and cash equivalents	17	**11,241**	8,070	**2,136**	175
		603,629	674,220	**306,793**	268,026
Disposal group assets classified as held-for-sale	18	**429,381**	465,767	**–**	–
Total assets		**1,149,425**	1,286,804	**1,017,532**	978,765
LIABILITIES					
Non-current liabilities					
Lease liabilities	19	**36,314**	48,473	**–**	–
Loans and borrowings	20	**72,826**	81,020	**–**	–
Other payables	21	**–**	34,057	**–**	–
Deferred tax liabilities		**–**	1	**–**	–
		109,140	163,551	**–**	–
Current liabilities					
Lease liabilities	19	**14,826**	12,461	**–**	–
Loans and borrowings	20	**225,284**	217,592	**198,365**	186,900
Income tax payable		**16,132**	34,493	**–**	–
Trade and other payables	21	**241,103**	274,339	**2,558**	5,988
Provisions	22	**6,332**	31,517	**–**	–
Contract liabilities	4(a)	**59,849**	55,955	**–**	–
		563,526	626,357	**200,923**	192,888
Liabilities directly associated with disposal group classified as held-for-sale	18	**435,569**	484,902	**–**	–
Total liabilities		**1,108,235**	1,274,810	**200,923**	192,888
Net assets		**41,190**	11,994	**816,609**	785,877

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position (cont'd)

As at 30 June 2022

	Note	Group 2022 RM'000	Group (Restated) 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Equity					
Share capital	23	**328,862**	298,044	**1,361,366**	1,330,548
Accumulated losses		**(231,970)**	(202,691)	**(544,757)**	(544,671)
Translation reserve	24	**(899)**	(449)	**–**	–
Merger reserve	25	**(54,827)**	(79,513)	**–**	–
Other reserve		**(175)**	(3,397)	**–**	–
Equity attributable to equity holders of the Company, total		**40,991**	11,994	**816,609**	785,877
Non-controlling interests		**199**	–	**–**	–
Total equity		**41,190**	11,994	**816,609**	785,877
Total equity and liabilities		**1,149,425**	1,286,804	**1,017,532**	978,765

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2022

		Attributable to owners of the Company							
2022 Group	**Note**	**Share capital RM'000**	**(Restated) Accumulated losses RM'000**	**Translation reserve RM'000**	**Merger reserve RM'000**	**Premium paid on acquisition of non-controlling interests RM'000**	**(Restated) Total RM'000**	**Non-controlling interests RM'000**	**(Restated) Total RM'000**
At 1 July 2021		298,044	(193,220)	(449)	(79,513)	(3,397)	21,465	–	21,465
Prior year adjustments	35	–	(9,471)	–	–	–	(9,471)	–	(9,471)
As restated		298,044	(202,691)	(449)	(79,513)	(3,397)	11,994	–	11,994
Loss for the year		–	(32,230)	–	–	–	(32,230)	(68)	(32,298)
Other comprehensive loss									
Currency translation on consolidation		–	–	(450)	–	–	(450)	6	(444)
Total comprehensive loss for the year		–	(32,230)	(450)	–	–	(32,680)	(62)	(32,742)
Gain on disposal of subsidiary	13(a)	–	30,859	–	–	–	30,859	–	30,859
Issuance of ordinary shares	23	31,023	–	–	–	–	31,023	–	31,023
Shares issuance expenses	23	(205)	–	–	–	–	(205)	–	(205)
Contributions from non-controlling interest		–	–	–	–	–	–	261	261
Total transactions with owners in their capacity as owners		30,818	30,859	–	–	–	61,677	261	61,938
Transfer of reserves upon disposal of subsidiary	13(a)	–	(27,908)	–	24,686	3,222	–	–	–
At 30 June 2022		328,862	(231,970)	(899)	(54,827)	(175)	40,991	199	41,190

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity (cont'd)

For the financial year ended 30 June 2022

2021 Group	**Note**	**Attributable to owners of the Company** Share capital RM'000	(Restated) Accumulated losses RM'000	Translation reserve RM'000	Merger reserve RM'000	Premium paid on acquisition of non-controlling interests RM'000	(Restated) Total RM'000
At 1 July 2020		267,425	(24,554)	4	(79,513)	(3,397)	159,965
Loss for the year, as previously reported		–	(168,666)	–	–	–	(168,666)
Prior year adjustments	35	–	(9,471)	–	–	–	(9,471)
As restated		–	(178,137)	–	–	–	(178,137)
Other comprehensive loss							
Currency translation on consolidation		–	–	(453)	–	–	(453)
Total comprehensive loss for the year, restated	35	–	(178,137)	(453)	–	–	(178,590)
Contributions by and distributions to owners							
Issuance of ordinary shares	23	30,905	–	–	–	–	30,905
Shares issuance expenses	23	(286)	–	–	–	–	(286)
Total transactions with owners in their capacity as owners		30,619	–	–	–	–	30,619
At 30 June 2021, restated	35	298,044	(202,691)	(449)	(79,513)	(3,397)	11,994

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the financial year ended 30 June 2022

		Attributable to owners of the Company		
Company	**Note**	**Share capital RM'000**	**Accumulated losses RM'000**	**Total RM'000**
2022				
At 1 July 2021		1,330,548	(544,671)	785,877
Loss and total comprehensive loss for the year		–	(86)	(86)
<u>Contributions by and distributions to owners</u>				
Issuance of ordinary shares	23	31,023	–	31,023
Shares issuance expenses	23	(205)	–	(205)
		30,818	–	30,818
At 30 June 2022		**1,361,366**	**(544,757)**	**816,609**
2021				
At 1 July 2020		1,299,929	(485,345)	814,584
Loss and total comprehensive loss for the year		–	(59,326)	(59,326)
<u>Contributions by and distributions to owners</u>				
Issuance of ordinary shares	23	30,905	–	30,905
Shares issuance expenses	23	(286)	–	(286)
		30,619	–	30,619
At 30 June 2021		1,330,548	(544,671)	785,877

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2022

	Note	Group 2022 RM'000	(Restated) 2021 RM'000
Cash flows from operating activities			
Loss before tax		**(54,012)**	(168,636)
Adjustments for:			
Depreciation of property, plant and equipment	11	**1,144**	1,372
Depreciation of right-of-use assets	19	**16,436**	27,222
Gain on disposal of right-of-use assets	6(b)	**(1,228)**	(198)
Gain on disposal of subsidiary	13	**(9,525)**	(4,121)
Gain on dilution of interest in an associated company	14	**–**	(1,211)
Loss allowance on trade and other receivables	29(a)	**73**	461
Loss on termination of joint development agreement	8	**–**	3,971
Loss on termination of right-of-use assets	19	**–**	20,234
Loss on modification of lease	19	**–**	132
Loss on derecognition of lease liabilities	19	**–**	1,347
Interest income	6(b)	**(5,302)**	(11,053)
Interest expense	7	**45,885**	46,828
Impairment loss on property, plant and equipment	11	**–**	7,565
Impairment loss on right-of-use assets	19	**–**	4,175
(Reversal of)/write-down of development properties	15	**(12,840)**	4,494
Reversal of provision, net		**(26,906)**	–
Loss on revocation of sales		**31,319**	17,321
Unrealised foreign exchange loss/(gain)		**10,645**	(5,590)
Amortisation of capitalised costs of obtaining contracts	15	**158**	355
Performance bond income	6(b)	**–**	(40,909)
Waiver of debts	6(b)	**(69)**	(13,855)
Interest revenue from non-current trade receivables using the effective interest rate method		**(4,538)**	(6,587)
Share of results of an associated company	14	**552**	175
Operating cash flows before working capital changes		**(8,208)**	(116,508)
Changes in operating assets and liabilities			
- Development properties		**(12,848)**	11,731
- Contract assets		**159**	(143)
- Contract liabilities		**(43,153)**	5,973
- Trade and other receivables		**73,627**	128,512
- Trade and other payables		**14,316**	18,489
Cash flow generated from operations		**23,893**	48,054
Interest paid		**(33,927)**	(32,132)
Interest received		**27**	506
Income tax paid		**(2,210)**	(2,890)
Net cash flows (used in)/generated from operating activities		**(12,217)**	13,538

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (cont'd)

For the financial year ended 30 June 2022

	Note	Group 2022 RM'000	(Restated) 2021 RM'000
Cash flows from investing activities			
Proceeds from disposal of right-of-use assets		**3,434**	427
Additions to intangible assets	12	**(6,856)**	–
Additions to property, plant and equipment	11	**(3,869)**	(983)
Acquisition of an associated company	14	**–**	(558)
Decrease in pledged fixed deposits		**–**	1,264
Net cash inflow from the contribution of non-controlling interests in subsidiaries		**261**	–
Net cash outflow from the disposal of subsidiary	13(a)	(181)	–
Movement in amount due to associated company		(931)	–
Net cash flows (used in)/ generated from investing activities		**(8,142)**	150
Cash flows from financing activities			
Additions to right-of-use assets		**(329)**	(18)
Net proceeds from issuance of ordinary shares	23	**31,023**	–
Share issuance expenses paid	23	**(205)**	(286)
Proceeds from term loans	20	**1,417**	7,629
Repayment of term loans	18, 20	**(1,767)**	(7,075)
Proceeds from medium-term notes	20	**–**	15,650
Repayment of medium-term notes	20	**(2,300)**	(15,568)
Movement in amount due to related parties	21	**–**	(2,524)
Movement in amount due to a director	21	**482**	(1,008)
Repayment of lease liabilities	18, 19	**(4,335)**	(11,808)
Interest paid on lease liabilities	18, 19	**(558)**	(12,288)
Net cash flows generated from/(used in) financing activities		**23,428**	(27,296)
Net increase/(decrease) in cash and cash equivalents		**3,069**	(13,608)
Cash and cash equivalents at the beginning of the year		**8,272**	21,878
Effects of exchange rate changes on cash and cash equivalents		**(2)**	(2)
Cash and cash equivalents at the end of the year	17	**11,339**	8,272

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

The Company (Co. Reg. No. 199301388D) is incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The immediate and ultimate holding company is Hatten Holdings Pte. Ltd., which is incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is located at 53 Mohamed Sultan Road, #04-02, Singapore 238993.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries and associated company are disclosed in Notes 13 and 14.

2. Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are expressed in Ringgit Malaysia ("RM"), which is the Group's and Company's functional currency and all financial information presented in Ringgit Malaysia are rounded to the nearest thousand (RM'000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company's separate statement of comprehensive income is not presented.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables, payables (other than lease liabilities) and borrowings approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new/revised SFRS(I) and INT SFRS(I) did not have any material effect on the financial results or position of the Group and the Company.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the financial period but are not yet effective for the financial year ended 30 June 2022 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the financial period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(c) Basis of consolidation (cont'd)

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

When a change in the Company's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific SFRS(I).

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

(d) Associated companies

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equal or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

In the Company's financial statements, investments in associates are carried at cost less accumulated impairment loss. On disposal of investment in associates, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(e) Revenue recognition

Sale of development properties

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms.

For development properties where the Group is restricted contractually from directing the properties for another use and has enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, usually upon transfer of legal title.

Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

Sale of development property with leaseback arrangement

Certain properties developed by the Group are sold to purchasers with a leaseback arrangement to provide rental yield of 6% to 9% of the purchase price for a committed period of 3 to 9 years. The rental yield is provided through a tenancy agreement that is executed at the time the purchaser entered into a sale and purchase agreement with the Group.

The sale of development property with leaseback arrangement is assessed to be accounted for as two separate transactions where the sale of development property during the construction period is accounted for based on SFRS(I) 15 *Revenue from Contracts with Customers* and the lease transaction shall be accounted for in accordance with SFRS(I) 16 *Leases*.

Rental income

Lease payments from operating leases are recognised on a straight-line basis over the lease term. Finance income from finance leases is recognised based on a constant periodic rate of return over the lease term using the net investment method.

Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(e) Revenue recognition (cont'd)

Forfeiture income

Forfeiture income is recognised when deposits or instalments paid by customers are forfeited to the Group according to the terms of the sales and purchase agreement.

Rendering of data room support services

The Group provides data room support services such as provision of space, power capacity, connectivity, setup and installation, utilities and technical support for crypto mining activities. Revenue from the services rendered is recognised over time based on the monthly report of the crypto mined.

(f) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the cost of other property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Freehold land	Not depreciated
Freehold buildings	50
Carparks	50
Cinema	50
Motor vehicles	5
Computers and office equipment	3 - 5
Renovations	3 - 5
Data room facilities	5
Others	3 - 5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each financial period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Notes to the Financial Statements
For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(f) Property, plant and equipment (cont'd)

Properties in the course of construction are carried at cost, less any recognised impairment loss until construction or development is completed. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(g) Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired is their fair values as at the date of acquisition. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Development costs

Development costs relate to the professional costs and labour costs capitalised for the Group's respective projects pertaining to crypto assets exchange platform, metaverse gateway and integrated Esports and gaming experiential hub. Development costs are initially recognised at cost. Such costs include the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the assets for their intended use.

Subsequent to initial recognition, the development costs with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 5 years, which is the shorter of their remaining estimated useful lives and periods of contractual rights.

The Group applies SFRS(I) 1-36 to determine whether the development costs are impaired and accounts for any identified impairment loss as described in Note 2(i).

Crypto assets

The crypto assets held by the Group are accounted for as intangible assets with indefinite useful lives. The crypto assets are initially recorded at cost and subsequently stated at revalued amount less accumulated impairment losses, if any. The revalued amount of the Crypto assets is determined based on the quoted price of the crypto assets at the end of the reporting period, or more frequently when there is indication the quoted price of the crypto assets may differ significantly from the carrying amount.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(h) Intangible assets (cont'd)

Crypto assets (cont'd)

When an asset is revalued, any increase in the carrying amount arising from revaluation is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous surplus relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset.

(i) Impairment of non-financial assets

At the end of each financial year, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When the Group is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(j) Leases (cont'd)

When the Group is the lessee (cont'd)

Lease liabilities (cont'd)

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented as a separate line in the statement of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, such as a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct costs, less any lease incentives received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The estimated useful lives are as follows:

	Years
Mall and residence units	2 - 9 years
Motor vehicles	5 years
Office premises	12 - 13 years
Plant and equipment	5 years

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(i).

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(j) Leases (cont'd)

When the Group is the lessor

Where the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

(k) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the financial period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the financial period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income liability is provided on all taxable temporary differences arising on investments in subsidiaries and associated company (if applicable), except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the financial period.

(l) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(l) Financial assets (cont'd)

Recognition and derecognition (cont'd)

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets at amortised cost. The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

The Group's financial assets at amortised cost include trade and other receivables (excluding prepayments), and cash and cash equivalents comprising fixed deposit and cash and bank balances. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous financial period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(l) Financial assets (cont'd)

Impairment (cont'd)

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Cash and cash equivalents in the consolidated statement of cash flows

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalent comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts that form an integral part of the Group's cash management, other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits. Bank overdrafts, if any, are presented as current borrowings on the statements of financial position.

(n) Financial liabilities

Financial liabilities include trade and other payables (excluding provision for unutilised annual leave), lease liabilities, and loans and borrowings. Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(o) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(p) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(q) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the financial period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(r) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

(s) Employee benefits

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial period.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund ("CPF") in Singapore and Employee Provident Fund ("EPF") in Malaysia, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Share-based compensation

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options granted on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve, over the vesting period. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

(t) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in RM, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (cont'd)

(t) Foreign currencies (cont'd)

Translation of Group entities' financial statements

The financial performance and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the financial period;
(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign operation/entity, the cumulative amount of the currency translation reserve relating to that particular foreign operation/entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

(u) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the amount initially recognised less cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 and the amount of expected loss computed using the impairment methodology under SFRS(I) 9.

(v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

(w) Disposal group held-for-sale

Disposal group are classified as held-for-sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held-for-sale.

Notes to the Financial Statements

For the financial year ended 30 June 2022

3. Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations which are dealt in the preceding paragraph):

(i) Going concern assumption

The Group and the Company incurred a net loss of RM32.3 million and RM0.09 million respectively during the financial year ended 30 June 2022. The Group also incurred net cash flows used in operating activities of RM12.2 million during the financial year ended 30 June 2022.

The Group's working capital primarily comprises development properties and the related receivables. Subsequent to the end of the financial year, the Group had not been able to meet its forecasted sales target for its development properties and continued to experience slow recovery of its receivables. The Group continues to face uncertainties from the COVID-19 pandemic which has disrupted and distorted the property market outlook in Melaka, Malaysia, despite the gradual recovery from the pandemic. Coupled with the heightened uncertainty of the global economy and volatility of macroeconomic factors such as inflation and rising interest rates, these may continue to impact the demand and realisation of the Group's development properties which will cause a strain on its cash flows.

In addition to the above, as at 30 June 2022, the Group's total loans and borrowings (including loans and borrowings of Gold Mart Sdn. Bhd. as disclosed in Note 18) amounted to RM398.4 million, of which RM325.6 million were classified as current liabilities and exceeded the Group's cash and bank balances of RM11.3 million (Note 17). The Company's total loans and borrowings amounted to RM198.4 million, all of which were classified as current liabilities, and exceeded the Company's cash and bank balances of RM2.1 million. Included in the Group's and Company's loans and borrowings are convertible loan and secured bonds of US$20 million (approximately RM88.2 million) and US$25 million (approximately RM110.2 million) as at 30 June 2022, which originally matured on 10 October 2019 and 8 March 2020, respectively (Note 20). The Company is in the process of negotiation with the lender and the bondholders on the possible extension of repayments. At the date of this report, the definitive outcome of the extension of repayments or potential loan refinancing has yet to be executed.

The Group is also undergoing restructuring of its indirect wholly-owned subsidiaries as disclosed in Note 33(a).

These conditions give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

Notwithstanding the above, the directors are of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the following:

(a) As at 30 June 2022, the Group had net assets of RM41.2 million. In addition, the Group has a substantial value of unsold completed properties. The estimated market value of the development properties as at 30 June 2022 is approximately RM737,250,000, excluding the development properties of Gold Mart Sdn. Bhd. ("GMSB"). The Group's priority is to monetise these assets through sales and collection to generate cashflow;

(b) Completion of the proposed disposal of GMSB which will generate gross proceeds of US$60 million for the Company, and the proceeds will be used to redeem certain loans and borrowings of the Group as planned. The disposal of GMSB is subject to satisfaction of conditions precedent included in the announcement on 11 August 2020, which at this point of time the management cannot reasonably ascertained the exact timing for the date of completion. However, the representative of the counterparty, Tayrona Capital Group Corporation, had provided assurance that they remain keen and committed to completing the deal with the agreed consideration of US$60 million. The management will continue to monitor the situation closely (Note 18);

(c) 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(a));

Notes to the Financial Statements

For the financial year ended 30 June 2022

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgements in applying the entity's accounting policies (cont'd)

(i) Going concern assumption (cont'd)

(d) The Group has worked closely with its creditors to extend on repayment plans that included payment structure as well as contra payments with its property units. In addition, the Group also worked closely with its bankers and lenders to extend the repayment obligations for its borrowings. This has helped aligned the Group's repayment requirements with the current business climate and channel its cashflow for operation purposes; and

(e) As disclosed in Note 20 to the financial statements, the Company is in the process of negotiation with the lender on the possible extension of repayments of the US$20 million (approximately RM88.2 million) convertible loan. The loan is secured by personal guarantee by directors of the Company, corporate guarantee by a subsidiary in Malaysia and a charge over 760,000,000 shares in the Company held by the immediate and ultimate holding company and 345 retails units of the Group. The Company is also in the process of negotiation with the bondholders on the possible extension of repayments of the US$25 million (approximately RM110.2 million) secured bonds. The secured bonds are secured by a land charge for assets owned by a related party of the borrowing entity with an estimated collateral valuation of approximately two times of the loan amount.

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 financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to the financial statements.

(ii) Classification of properties

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or development property held for sale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and development property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in SFRS(I) 1-2 *Inventories*, SFRS(I) 1-16 *Property, Plant and Equipment* and SFRS(I) 1-40 *Investment Property*, and in particular, the intended usage of property as determined by the management.

(iii) Contracts with customers

(a) Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. The Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time where contracts are entered into for property development (sale of properties to customers), the Group is restricted contractually from directing the properties for other use and has an enforceable right to payment for performance completed to date.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Notes to the Financial Statements

For the financial year ended 30 June 2022

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgements in applying the entity's accounting policies (cont'd)

(iii) Contracts with customers (cont'd)

(b) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

(iv) Investment in an associated company

Management has considered the Group's representation in the board of ECXX Global Pte Ltd ("ECXX") and contractual terms in the shareholders agreement, and has determined that it has significant influence on ECXX even though the Group's shareholding is 19.3%. Consequently, this investment has been classified as an associated company (Note 14).

(v) Disposal group classified as held-for-sale

Management has determined that the assets and liabilities related to GMSB have been presented as disposal group classified as held-for-sale as the Group and the parties concerned remain keen and committed to complete the proposed transaction as at the date of this report (Note 18). In making its judgement, management considered the detailed criteria and related guidance as set out in SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

(vi) Accounting of crypto assets

Management notes that the topic of digital assets and accounting for digital assets continues to be considered by the International Accounting Standards Board (IASB) and continues to monitors new comments and interpretations released by IASB and other standard setters from around the world.

In line with this, the Group has considered its position for the financial year ended 30 June 2022 and had to make judgement that the most applicable standard would be SFRS(I) 1-38 *Intangible Assets*, based on the Group's understanding of the characteristics of the assets.

Management's assessment is to measure crypto assets at fair value (unless otherwise disclosed and provided certain conditions are met) under the respective accounting standards.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(vii) Estimation of net realisable value for development properties

Development properties are stated at lower of cost or net realisable value. Net realisable value is assessed with reference to the estimated selling prices, less the estimated costs of completion and the estimated costs necessary to make the sale. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated costs of completion are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The carrying amount of the Group's development properties at the end of the financial period is disclosed in Note 15.

(viii) Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Notes to the Financial Statements

For the financial year ended 30 June 2022

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

(viii) Calculation of loss allowance (cont'd)

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying value of trade receivables at the end of the financial period are disclosed in Note 29(a).

(ix) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(x) Provision for liquidated ascertained damages

For contracts with variable considerations (i.e. liquidated ascertained damages), revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Thereafter, the amount of revenue recognised is adjusted for possibility of delays of the projects. The Group reviews the progress of the projects at each end of the financial period and updates the transaction price accordingly. The carrying amount of the Group's provision for liquidated ascertained damages at the end of the financial period is disclosed in Note 22.

(xi) Impairment of investment in subsidiaries

The Company assesses at each balance sheet date whether there are any indicators of impairment for investment in subsidiaries. Investment in subsidiaries is tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of the investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the business and a suitable terminal growth rate and discount rate, in order to determine the present value of those cash flows. The key assumptions and estimates applied in the determination of the value-in-use including a sensitivity analysis, and the carrying amount of investment in subsidiaries are disclosed in Note 13.

(xii) Impairment of investment in an associated company

As at 30 June 2022, the carrying value of the Group's investment in an associated company was RM22.3 million (2021: RM22.6 million) as disclosed in Note 14. The investment in an associated company is assessed for impairment in accordance with the accounting policy described in Note 2(i).

Notes to the Financial Statements

For the financial year ended 30 June 2022

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

(iv) Impairment of investment in an associated company (cont'd)

As at 30 June 2022, the fair value of the investee, ECXX is approximately US$44.3 million (approximately RM196.9 million) as reported by an independent firm of professional valuers. The resulting fair value of the Group's investment in an associated company based on percentage of equity interest of 19.3% owned by the Group is approximately RM38.0 million. The Group has determined that no impairment of the investment in an associated company is necessary as the recoverable amount of the investment, determined using the value-in-use approach based on the discounted cash flow method, exceeded the carrying value of the investment in an associated company. When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the business and a suitable terminal growth rate and discount rate, in order to determine the present value of those cash flows. The key assumptions and estimates applied in the determination of the value-in-use including a sensitivity analysis, and the carrying amount of investment in an associated company are disclosed in Note 14.

4. Revenue

	Group	
	2022 RM'000	2021 RM'000
Revenue from rendering of data room support services	**1,694**	–
Revenue from sales of development properties in Malaysia	**32,453**	32,031
Add: Reversal of provision for developer interest-bearing scheme (Note 22)	**19,228**	–
Add/(less): Reversal of/(provision) for liquidated ascertained damages to property buyers (Notes 18 and 22)*	**1,678**	(65,023)
	55,053	(32,992)
Revenue recognised from sales of development properties in Malaysia		
- at a point in time	**28,299**	24,098
- over time	**4,154**	7,933
	32,453	32,031

* The amount includes a reversal of liquidated ascertained damages to property buyers of RM2,687,000 (Note 18) (2021: provision for liquidated ascertained damages of RM69,176,000 as disclosed in Note 22) arising from Gold Mart Sdn. Bhd. ("GMSB").

Revenue from rendering of data room support services is recognised over time.

In accordance with the requirements of SFRS(I) 15 relating to variable consideration, the amount for liquidated ascertained damages shall be accounted for as a reduction in the transaction price. As the provision for liquidated ascertained damages is a variable consideration, the amount would be debited to the revenue recognised.

Notes to the Financial Statements

For the financial year ended 30 June 2022

4. Revenue (cont'd)

(a) Contract assets and contract liabilities

Information relating to contracts assets and contract liabilities from contracts with customers is disclosed as follows:

	Group		
	30 June 2022 RM'000	30 June 2021 RM'000	1 July 2020 RM'000
Trade receivables	**67,698**	108,230	348,148
Contract assets	**5,382**	5,383	27,202
Contract liabilities	**(59,849)**	(55,955)	(256,976)

Contract assets relate to the Group's rights to consideration for work completed but not billed at the reporting date on sale of development properties. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities relate to the Group's obligation to transfer goods or services to customers for which the Group has received consideration from customers, namely advances received from customers for sale of development properties. Contract liabilities are recognised as revenue as the Group performs under the contract.

In 2021, the significant changes in the trade receivables, contract assets and contract liabilities were mainly due to the reclassification of GMSB's disposal group as held-for-sale in Note 18.

(b) Transaction price allocated to remaining performance obligations

The aggregate amount of the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 30 June 2022 is RM475,725,000 (2021: RM495,979,000). The amount includes RM360,290,000 (2021: RM378,811,000) arising from GMSB in accordance with the underlying sales and purchase agreements.

The Group expects to recognised revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations over the next 2 years.

5. Cost of sales

	Group	
	2022 RM'000	2021 RM'000
Cost of sales arising from leasing activities	**215**	–
Cost of sales arising from development properties	**18,490**	28,277
Less: Provision for liquidated ascertained damages claimed from direct project contractors	**–**	(1,547)
	18,705	26,730

6. Other operating income, other income/gains and other expenses

The following items have been included in arriving at other operating income, other income/gains and other expenses:

(a) Other operating income

	Group	
	2022 RM'000	2021 RM'000
Rental income	**654**	160

Notes to the Financial Statements

For the financial year ended 30 June 2022

6. Other operating income, other income/gains and other expense (cont'd)

(b) Other income/gains

	Group	
	2022 RM'000	2021 RM'000
Forfeiture income	**4,713**	4,867
Service fee income	**3,485**	–
Interest income		
- banks	**27**	506
- overdue interest charged to property buyers due to late repayments	**5,275**	10,547
Gain on disposal of right-of-use assets	**1,228**	198
Gain on disposal of subsidiary (Note 13)	**9,525**	4,121
Gain on dilution of interest in an associated company (Note 14)	**–**	1,211
Administrative fees	**1,052**	736
Miscellaneous income[1]	**266**	1,544
Waiver of debts[2]	**69**	13,855
Performance bond income[3]	**–**	40,909
Reimbursement of state consent fee	**1,374**	–
Rent concessions	**–**	199
Rental payable discount	**–**	1,781
Back charges of utility expenses	**8,271**	243
Others	**16**	840
	35,301	81,557

1 In 2021, there was an amount of RM407,000 recognised under the Jobs Support Scheme (the "JSS").

2 On 6 January 2021, the High Court of Malaya in Malacca, Malaysia has approved the scheme of arrangement between MDSA Ventures Sdn. Bhd. ("MVSB") and its creditors. The Court Order dated 6 January 2021 approving the scheme was lodged with the Companies Commission of Malaysia on 19 January 2021. The Scheme Creditors under the scheme are the unsecured creditors of MVSB, including third party creditors, directors and related parties. In 2021, a total amount of RM13,855,000 was waived under the arrangement of the Scheme (Also see Note 33(a)).

During the financial year, an amount of RM69,000 was reversed after the proof of debt due to over provision in the previous financial year.

3 On 13 May 2020, Gold Mart Sdn. Bhd. ("GMSB") received a Notice of Adjudication from Messrs Lee Hishammuddin Allen & Gledhill, being the lawyers representing China Construction Yangtze River (M) Sdn. Bhd. (the "Contractor"). The Notice of Adjudication refers to the dispute between GMSB and the Contractor arising out of and/or in connection with a construction and completion contract dated 15 July 2016 for the Harbour City project with a total contract value of RM818.2 million.

On 12 April 2021, the adjudicator reached a decision and determined that GMSB is allowed to set off the sum of RM40,909,000 against the amount payable (non-cash transaction) to the Contractor in respect of the non-renewal of the performance bond by the Contractor. The Company is of the view that the award of the non-renewal of the performance bond by the Contractor is due to the breach of contract by the Contractor and therefore the Company recognised the awarded amount as other income in the consolidated statement of comprehensive income.

Notes to the Financial Statements

For the financial year ended 30 June 2022

6. Other operating income, other income/gains and other expenses (cont'd)

(c) Other expenses

	Group	
	2022 RM'000	2021 RM'000
Loss on termination of right-of-use assets[1] (Note 19)	**–**	20,234
Others	**–**	469
	–	20,703

1 On 6 January 2021, the High Court of Malaya in Malacca, Malaysia has approved the scheme of arrangement between MDSA Ventures Sdn. Bhd. ("MVSB") and its creditors. The Court Order dated 6 January 2021 approving the scheme was lodged with the Companies Commission of Malaysia on 19 January 2021. The Scheme Creditors under the scheme are the unsecured creditors of MVSB, including third party creditors, directors and related parties. During the previous financial year, the right-of-use assets were terminated under the arrangement of the Scheme and a loss of RM20,234,000 was recognised in the consolidated statement of comprehensive income (Also see Note 33(a)).

7. Finance costs

	Group	
	2022 RM'000	2021 RM'000
Interest expense on:		
- Term loans, medium term notes, convertible loan and secured bonds	**33,927**	32,033
- Accretion of interest on deferred payables	**748**	1,851
- Lease liabilities (Notes 18 and 19)	**10,008**	12,830
- Others	**1,202**	114
	45,885	46,828

Notes to the Financial Statements

For the financial year ended 30 June 2022

8. Loss before tax

In addition to the transactions disclosed elsewhere in the notes to the financial statements, the loss before tax is arrived at after charging/(crediting) the following:

	Group	
	2022 RM'000	2021 RM'000
Amortisation of capitalised costs of obtaining contracts (Note 15)	**158**	355
Depreciation of property, plant and equipment (Note 11)	**1,144**	1,372
Depreciation for right-of-use assets (Note 19)	**16,436**	27,222
Net loss/(gain) on foreign exchange	**14,862**	(4,044)
Loss on derecognition of lease liabilities (Note 19)	**–**	1,347
Loss on termination of joint development agreement[1]	**–**	3,971
Loss on modification of lease (Note 19)	**–**	132
Rental expense – short-term or low value items (Note 19)	**575**	1,036
Loss on revocation of sales[#]	**31,319**	17,321
Audit fees payable to		
- auditor of the Company	**390**	276
- other auditors*	**286**	301
Non-audit fees payable to		
- auditor of the Company	**26**	16
Directors' fee paid/payable to Company's directors (Note 27(b))	**583**	371
Directors' fee paid/payable to subsidiary's director (Note 27(b))	**230**	110
Directors' remuneration (Note 27(b))		
- Salaries and other emoluments	**3,565**	2,987
- Defined contribution plans	**213**	150
- Others	**–**	313
Staff costs		
- Salaries, wages and bonus	**6,804**	7,131
- Defined contribution plans	**754**	908
- Others	**84**	12
Over provision of tax penalty (Notes 22 and 35)[2]	**(6,000)**	(2,938)

1 On 11 February 2021, Admiral Merger Sdn. Bhd. ("AMSB") and a third-party landowner entered into a mutual agreement to terminate the joint development agreement in relation to the planned acquisition of the development rights over 2 plots of land in Selangor, Malaysia. Hence, all the deposits and partial considerations amounting to RM3,971,000 had been written off and recognised in the consolidated statement of comprehensive income.

2 During the financial year, an amount of RM6,000,000 (2021: RM2,938,000) was credited to administrative expenses due to an over provision of tax penalty after receiving the final notice from the Malaysia tax authority (Notes 22 and 35).

Loss on revocation of sales represents the losses recognised when the Group revoked the sales and purchase agreements on properties purchased by the customers.

* Includes independent member firm of Baker Tilly International.

Notes to the Financial Statements

For the financial year ended 30 June 2022

9. Income tax (credit)/expense

	Group	
	2022 **RM'000**	(Restated) 2021 RM'000
Current income tax	**–**	7,416
- Current year	**(21,715)**	2,085
- (Over)/under provision in prior years#	**(21,715)**	9,501
Deferred income tax		
- Origination and reversal of temporary differences	**1**	–
Income tax (credit)/expense recognised in profit or loss	**(21,714)**	9,501

The income tax (credit)/expense on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable to the loss in the countries where the Group operates due to the following factors:

	Group	
	2022 **RM'000**	(Restated) 2021 RM'000
Loss before tax	**(54,012)**	(168,636)
Tax at the domestic rates applicable to profits in the countries where the Group operates	**(10,593)**	(35,781)
Adjustments:		
Income not subject to tax*	**(11,699)**	(2,099)
Non-deductible expenses	**1,825**	21,705
Effect of share of results of an associated company	**(94)**	(30)
Effect of partial tax exemption and tax relief	**–**	53
(Over)/under provision in respect of prior years	**(21,715)**	2,085
Deferred tax assets not recognised	**20,375**	24,175
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**–**	(553)
Others	**187**	(54)
Income tax (credit)/expense recognised in profit or loss	**(21,714)**	9,501

Notes to the Financial Statements

For the financial year ended 30 June 2022

9. Income tax (credit)/expense (cont'd)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The tax rates applicable to entities in Singapore and Malaysia are 17% and 24% (2021: 17% and 24%) respectively.

At the end of the financial year, the Group has tax losses of approximately RM344,314,000 (2021: RM271,433,000) and deductible temporary differences of RM158,828,000 (2021: RM150,744,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Unused tax losses for the Company and subsidiaries in Singapore of approximately RM5,181,000 (2021: RM4,614,000) have no expiry date.

Effective from financial year ended 30 June 2018, unused tax losses for subsidiaries in Malaysia of approximately RM339,133,000 (2021: RM266,819,000) are allowed to be carried forward for a maximum period of seven years.

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements as at 30 June 2022 and 30 June 2021.

On 28 April 2022, MDSA Resources Sdn. Bhd. ("MRSB"), the Company's indirect wholly owned subsidiary, received a letter of notification from the Malaysia tax authority which stated that the final balance to be paid by MRSB for the years of assessment 2014 to 2016 amounted to RM4,149,000. The Group had provided a total of RM17,258,000 of tax payable and an over provision of RM13,109,000 has been recognised during the current financial year accordingly.

* The major income not subject to tax in 2022 includes a reversal of provision for developer interest-bearing scheme of RM19,228,000 (Notes 4 and 22), an over provision of tax penalty after receiving the final notice from the Malaysia tax authority of RM6,000,000 (Notes 8 and 22), and a reversal of write-down of development properties of RM12,840,000 (Note 15).

10. Loss per share

Basic loss per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The basic and diluted loss per share for the financial years ended 30 June 2022 and 30 June 2021 are the same as there were no potential dilutive ordinary shares in existence for the financial years ended 30 June 2022 and 30 June 2021. Warrants and bonus element arising from the issuance of rights shares during the year and after year end are anti-dilutive.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the years ended 30 June:

	Group	
	2022	(Restated) 2021
Loss for the year attributable to owners of the Company (RM'000)	**(32,230)**	(178,137)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation	**1,717,680,954**	1,559,166,333

Notes to the Financial Statements

For the financial year ended 30 June 2022

11. Property, plant and equipment

Group	Construction -in-progress RM'000	Freehold land and buildings RM'000	Carparks RM'000	Cinema RM'000	Motor vehicles RM'000	Computers and office equipment RM'000	Renovations RM'000	Data room facilities RM'000	Others RM'000	Total RM'000
Cost										
At 1 July 2020	150,403	1,697	95,812	12,177	149	3,243	1,446	–	854	265,781
Additions	568	–	–	–	–	157	258	–	–	983
Currency translation differences	–	–	–	–	–	9	6	–	–	15
Reclassification as held-for-sale (Note 18)	(142,798)	–	–	–	–	(130)	–	–	–	(142,928)
At 30 June 2021 and 1 July 2021	8,173	1,697	95,812	12,177	149	3,279	1,710	–	854	123,851
Additions	414	–	–	–	–	96	214	3,001	144	3,869
Disposals	–	–	–	–	–	(320)	–	–	–	(320)
Currency translation differences	–	–	–	–	–	39	33	–	–	72
Deconsolidation of a subsidiary (Note 13)	–	(1,697)	(12,319)	(12,177)	–	–	–	–	(619)	(26,812)
Reclassification as held-for-sale (Note 18)	(369)	–	–	–	–	–	–	–	–	(369)
At 30 June 2022	**8,218**	**–**	**83,493**	**–**	**149**	**3,094**	**1,957**	**3,001**	**379**	**100,291**

Notes to the Financial Statements

For the financial year ended 30 June 2022

11. Property, plant and equipment (cont'd)

Group	Construction -in-progress RM'000	Freehold land and buildings RM'000	Carparks RM'000	Cinema RM'000	Motor vehicles RM'000	Computers and office equipment RM'000	Renovations RM'000	Data room facilities RM'000	Others RM'000	Total RM'000
Accumulated depreciation										
At 1 July 2020	–	132	3,455	356	86	2,861	1,031	–	483	8,404
Charge for the year (Note 8)	–	23	539	244	30	270	183	–	83	1,372
Currency translation differences	–	–	–	–	–	9	5	–	–	14
Reclassification as held-for-sale (Note 18)	–	–	–	–	–	(85)	–	–	–	(85)
At 30 June 2021 and 1 July 2021	–	155	3,994	600	116	3,055	1,219	–	566	9,705
Charge for the year (Note 8)	–	11	469	122	33	146	277	13	73	1,144
Disposals	–	–	–	–	–	(320)	–	–	–	(320)
Currency translation differences	–	–	–	–	–	39	29	–	–	68
Deconsolidation of a subsidiary (Note 13)	–	(166)	(570)	(722)	–	–	–	–	(468)	(1,926)
Reclassification as held-for-sale (Note 18)	–	–	–	–	–	(23)	–	–	–	(23)
At 30 June 2022	**–**	**–**	**3,893**	**–**	**149**	**2,897**	**1,525**	**13**	**171**	**8,648**

Notes to the Financial Statements

For the financial year ended 30 June 2022

11. Property, plant and equipment (cont'd)

Group	Construction -in-progress RM'000	Freehold land and buildings RM'000	Carparks RM'000	Cinema RM'000	Motor vehicles RM'000	Computers and office equipment RM'000	Renovations RM'000	Data room facilities RM'000	Others RM'000	Total RM'000
Impairment loss										
At 1 July 2020	–	–	66,507	–	–	–	–	–	–	66,507
Charge for the year	–	–	–	7,565	–	–	–	–	–	7,565
At 30 June 2021 and 1 July 2021	–	–	66,507	7,565	–	–	–	–	–	74,072
Deconsolidation of a subsidiary (Note 13)	–	–	(5,358)	(7,565)	–	–	–	–	–	(12,923)
At 30 June 2022	**–**	**–**	**61,149**	**–**	**–**	**–**	**–**	**–**	**–**	**61,149**
Net carrying amount										
At 30 June 2021	8,173	1,542	25,311	4,012	33	224	491	–	288	40,074
At 30 June 2022	**8,218**	**–**	**18,451**	**–**	**–**	**197**	**432**	**2,988**	**208**	**30,494**

Impairment assessment

2022:

During the financial year, management performed a review of the recoverable amount on its property, plant and equipment (including property, plant and equipment of GMSB disclosed in Note 18) and no impairment loss is recognised in the Group's profit or loss. The recoverable amounts were estimated using the fair value less costs to sell approach, based on the valuation reports performed by a third party firm of professional valuers using the market comparison approach. The fair value measurement was categorised as a Level 3 fair value inputs to the valuation technique used (Note 28(a)).

2021:

During the previous financial year, due to the continuing challenges affecting the property market in Melaka, Malaysia and the uncertainties brought by the COVID-19 pandemic, an allowance for impairment loss of RM7,565,000 was recognised in profit or loss to impair the cost of cinema to its recoverable amount. The recoverable amount was estimated using the fair value less costs to sell approach, based on the valuation report performed by a third party firm of professional valuers using the market comparison approach. The recoverable amount was estimated at RM4,012,000. The fair value measurement was categorised as a Level 3 fair value inputs to the valuation technique used (Note 28(a)).

Construction-in-progress

The Group's construction-in-progress relates to theme park and carparks under construction in Melaka, Malaysia.

Assets pledged as securities

As at 30 June 2021, the Group's freehold land and buildings with a carrying amount of RM1,542,000 were mortgaged to secure the Group's bank loans (Note 20). There are no assets pledged as securities as at 30 June 2022.

Notes to the Financial Statements

For the financial year ended 30 June 2022

11. Property, plant and equipment (cont'd)

Capitalisation of borrowing costs

Interest expense capitalised in construction-in-progress during the financial year ended 30 June 2022 amounted to RM38,000 (2021: RM247,000) at a capitalisation rate of 6.47% (2021: ranged from 5.57% to 6.47%).

12. Intangible assets

Group	Development costs RM'000	Crypto assets RM'000	Total RM'000
Cost or valuation			
At 30 June 2020 and 1 July 2021	–	–	–
Additions	7,027	710	7,737
At 30 June 2022	**7,027**	**710**	**7,737**
Representing:			
Cost	7,027	–	7,027
Valuation	–	710	710
At 30 June 2022	**7,027**	**710**	**7,737**

Development costs

Development costs relate to the professional costs and labour costs capitalised for the Group's respective projects pertaining to crypto assets exchange platform, metaverse gateway and integrated Esports and gaming experiential hub. As at 30 June 2022, all the projects are still in development stage and not ready for use, hence amortisation has not commenced during the financial year.

Within the additions, an amount of US$200,000 (approximately RM881,000) will be settled via issuance of the Company's ordinary shares and this is included in amount due to non-controlling interests (Note 21). The remaining balances were settled in cash during the financial year.

Management performed an impairment assessment on the respective projects and determined the recoverable amount of the development costs using the value-in-use approach based on the discounted cash flow method with projections covering a period of five years.

Key assumptions used in value-in-use calculations for development costs

The key assumptions for the value-in-use calculations include the estimated market prices of cryptocurrency in the crypto assets exchange platform, estimated prices and sales of digital assets in the metaverse gateway, estimated number of platform users and tourists in the integrated Esports and gaming experiential hub, and discount rates applied.

The estimated market prices of cryptocurrency are estimated based on management's judgement after taking into the consideration of the latest and historical trends of the cryptocurrency. The estimated prices and sales of digital assets are estimated based on management's judgement after taking into consideration of the prices and sales trends of the digital assets by various competitors of similar nature. The estimated number of platform users and tourists are estimated based on management's judgement after taking into consideration of the popularity of a mobile multiplayer online game of similar concept. Management estimates the discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to these projects.

The pre-tax rates used to discount the projected cash flows from these projects pertaining to crypto assets exchange platform, metaverse gateway and integrated Esports and gaming experiential hub are 67.0%, 66.5% and 11.2% respectively.

Notes to the Financial Statements

For the financial year ended 30 June 2022

12. Intangible assets (cont'd)

Sensitivity to changes in assumptions

Management believes that the change in the estimated recoverable amounts arising from any reasonably possible change in the key assumptions would not cause the recoverable amounts to be decreased significantly that will result in an impairment loss to be recognised during the financial year.

Crypto assets

As at the end of financial year, the revalued amount of the crypto assets is determined based on fair value at year end using the quoted price in United States dollars from a number of different sources with the primary source being Yahoo Finance. Management considers this fair value measurement is categorised in Level 1 of the fair value hierarchy as the price on the quoted price (unadjusted) in an active market for identical assets.

13. Investment in subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Unquoted equity shares, at cost	**1,203,315**	1,203,315
Less: Allowance for impairment losses	**(492,576)**	(492,576)
	710,739	710,739
Movements in allowance for impairment loss:		
At 1 July and 30 June	**492,576**	492,576

During the financial year, management performed a review of the recoverable amount on its investment in subsidiaries and no impairment loss is recognised in the Company's profit or loss. The recoverable amount was estimated using the value-in-use approach, based on the discounted cash flow method as performed by an independent firm of professional valuers. The calculations of the value-in-use were most sensitive to estimated selling prices for the development projects and the discount rate. The future cash flows were discounted to their present value using a pre-tax discount rate of 11.6% (2021: 9.1%).

Sensitivity to changes in assumptions

Management believes that the change in the estimated recoverable amount arising from any reasonably possible change in the key assumption would not cause the recoverable amount to be decreased significantly that will result in an impairment loss to be recognised during the financial year.

Notes to the Financial Statements

For the financial year ended 30 June 2022

13. Investment in subsidiaries (cont'd)

Details of subsidiaries at the end of the financial year are as follows:

Name	Principal place of business	Principal activities	Proportion (%) of ownership interest 2022 %	2021 %
Held by the Company:				
Hatten MS Pte. Ltd. ("Hatten MS") [1]	Singapore	Investment holding and management consultancy	**100**	100
Hatten Technology (S) Pte. Ltd. ("HTPL") [1]	Singapore	Development of software, programming activities and e-commerce applications	**100**	100
Hatten Edge Pte. Ltd. ("HEPL") (Incorporated on 16 December 2021) [1]	Singapore	Management consultancy services	**100**	–
Held through Hatten MS:				
Genonefive Pte. Ltd. ("Genonefive") [1]	Singapore	Marketing and development consultancy	**100**	100
Hatten Energy (SG) Pte. Ltd. (formerly known as Hatten Land China Pte. Ltd.) ("HESPL") [1, 4]	Singapore	Investment holding	**–**	100
MDSA Vedro Development Sdn. Bhd. ("MVDSB") [2]	Malaysia	Property development	**100**	100
MDSA Resources Sdn. Bhd. ("MRSB") [2]	Malaysia	Property development	**100**	100
MDSA Ventures Sdn. Bhd. ("MVSB") [2]	Malaysia	Property development	**100**	100
Gold Mart Sdn. Bhd. ("GMSB") [2]	Malaysia	Property development	**100**	100
Prolific Properties Sdn. Bhd. ("PPSB") [2]	Malaysia	Property development	**100**	100
Prolific Revenue Sdn. Bhd. ("PRSB") [2]	Malaysia	Property development	**100**	100
Hatten Commercial Management Sdn. Bhd. ("HCM") [2]	Malaysia	Mall management and leasing	**100**	100
Admiral Merger Sdn. Bhd. ("AMSB") [2]	Malaysia	Property development	**100**	100
Hatten Land Pty. Ltd. ("HLPL") [3]	Australia	Investment holding	**100**	100
Velvet Valley Sdn. Bhd. ("VVSB") [6]	Malaysia	Property development	**–**	100
Held through HTPL:				
NCSA Services Pte. Ltd. ("NSPL") [5]	Singapore	Development of software, programming activities and e-commerce applications	**100**	100
The Medici-Watermark Pte. Ltd. ("TMWPL") [1, 7]	Singapore	Management consultancy services / Business and project advisory and consultancy	**60**	60
Held through HEPL:				
Hatten Technology Sdn. Bhd. ("HTSB") [2] (Incorporated on 14 October 2021)	Malaysia	E-commerce and software development	**100**	–

Notes to the Financial Statements

For the financial year ended 30 June 2022

13. Investment in subsidiaries (cont'd)

Details of subsidiaries at the end of the financial year are as follows:

Name	Principal place of business	Principal activities	Proportion (%) of ownership interest 2022 %	2021 %
Held through HEPL (cont'd):				
Hatten Energy Holdings Pte. Ltd. ("HEHPL") [3] (Incorporated on 25 January 2022)	Singapore	Engineering design, consultancy services in energy management and clean energy systems	**100**	–
Hatten X Pte. Ltd. ("HXPL") (Incorporated on 28 December 2021) [1]	Singapore	Development of software and applications	**100**	–
Held through HESPL:				
Hatten Renewable Assets Pte. Ltd. (formerly known as Hatten Wellness China Pte. Ltd.) ("HRAPL") [1]	Singapore	Investment holding and property development	**100**	100
Held through MRSB:				
Elements RSS Management Sdn. Bhd. ("Elements RSS") [2]	Malaysia	Business management and consultancy services	**100**	100
Held through HLPL:				
Hatten Haig Street Pty. Ltd.[3]	Australia	Property development	**100**	100
Held through HRAPL:				
Hatten Wellness Asia Company Limited[3]	Hong Kong	Investment holding	**100**	100
Held through TMWPL:				
The Medici-Watermark Sdn. Bhd. ("TMWSB") [3] (Incorporated on 10 September 2021)	Malaysia	Management, project consultancy and advisory	**100**	–
Held through HXPL:				
H2X Pte. Ltd. ("H2XPL") [1,7] (Incorporated on 29 December 2021)	Singapore	Development of software and applications	**60**	–
Held through HEHPL:				
Hatten Energy (SG) Pte. Ltd. (formerly known as Hatten Land China Pte. Ltd.) ("HESPL") [1,4]	Singapore	Investment holding	**100**	–

Notes to the Financial Statements

For the financial year ended 30 June 2022

13. Investment in subsidiaries (cont'd)

Details of subsidiaries at the end of the financial year are as follows:

Name	Principal place of business	Principal activities	Proportion (%) of ownership interest 2022 %	2021 %
Held through HEHPL (cont'd):				
Hatten Energy (M) Sdn. Bhd. ("HEMSB") [2] (Incorporated on 10 February 2022)	Malaysia	Renewable initiatives and sustainability	**100**	–
Held through HEMSB:				
Hatten Renewable Energy Sdn. Bhd. [2] (Incorporated on 14 October 2021)	Malaysia	Renewable initiatives and sustainability	**100**	–

1 Audited by Baker Tilly TFW LLP, Singapore.
2 Audited by independent overseas member firm of Baker Tilly International in Malaysia.
3 Not audited, as it is inactive and not significant.
4 Hatten MS transferred the entire equity interest in HESPL to HEHPL for a consideration of S$100 during the financial year. There is no change to the effective interest to the Group.
5 Struck-off on 13 July 2022.
6 Disposed during the financial year.
7 There are no non-controlling interests that are considered by management to be material to the Group as at 30 June 2022 and 30 June 2021.

a) Unwinding of acquisition of VVSB Group

On 3 August 2018, the Group through its wholly-owned subsidiary, Hatten MS, entered into a sale and purchase agreement with Dato' Tan June Teng Colin @ Chen JunTing, Dato' Tan Ping Huang Edwin @ Chen BingHuang (collectively, the "controlling shareholders") and Yap Wei Shen (collectively, the "Vendors"), that hold 40%, 40% and 20% shareholding in VVSB Group respectively, to acquire the entire issued and paid-up share capital of VVSB Group for an aggregate consideration of RM43,000,000 (the "Purchase Price") that shall be satisfied in full in the following manner:

- 20% of the Purchase Price shall be paid in cash on the first anniversary of the date of completion;
- 30% of the Purchase Price shall be paid in cash on the second anniversary of the date of completion; and
- 50% of the Purchase Price shall be paid in cash on the third anniversary of the date of completion.

The payments of aggregate considerations of RM43,000,000 have been deferred and included in deferred payables in Note 21. These deferred payables are measured at amortised costs using an effective interest of 7.00% per annum.

Notes to the Financial Statements

For the financial year ended 30 June 2022

13. Investment in subsidiaries (cont'd)

a) Unwinding of acquisition of VVSB Group (cont'd)

On 28 December 2021, Hatten MS entered into a termination agreement to unwind the acquisition of VVSB. The unwinding exercise was completed on 18 January 2022. The effects of the unwinding of acquisition ("deemed disposal") of the subsidiary on the financial position of the Group are as follows:

	RM'000
Carrying amounts of assets and liabilities disposed of:	
Property, plant and equipment (Note 11)	11,963
Right-of-use assets	335
Development properties	44,030
Trade and other receivables	9,380
Cash and cash equivalents	181
Loans and borrowings (Note 20)	(10,808)
Lease liabilities (Note 19)	(189)
Trade and other payables	(49,356)
Progress billings	(360)
Provisions	(1,441)
Tax payable	(1,119)
Net identifiable assets	2,616
Gain on disposal of subsidiary recognised in equity*	30,859
Reversal of deferred considerations	43,000
Gain on disposal of subsidiary (Note 6(b))	**(9,525)**

* The acquisition of VVSB Group involved a combination of entities under common control since VVSB Group is controlled by the same controlling shareholders. Accordingly, the acquisition of VVSB Group was accounted for using the pooling of interest method. As a result of the disposal, the resulting gain on disposal of subsidiary arising from the controlling shareholders of RM30,859,000 is derived based on their 80% shareholding in VVSB Group and is recognised in equity as transactions with shareholders.

b) Disposal of VVMSB in 2021

On 1 November 2020, the Company's indirect wholly-owned subsidiary, VVSB, had disposed the entire shareholding of VVMSB to a third party for a consideration of RM100.

Notes to the Financial Statements

For the financial year ended 30 June 2022

13. Investment in subsidiaries (cont'd)

b) Disposal of VVMSB in 2021 (cont'd)

The effects of the disposal of the subsidiary on the financial position of the Group are as follows:

	RM'000
Carrying amounts of assets and liabilities disposed of:	
Right-of-use assets	12,347
Trade and other receivables	159
Cash and bank balances	1
Deferred tax liabilities	(171)
Trade and other payables to third parties	(3,913)
Lease liabilities (Note 19)	(12,544)
Net identifiable liabilities	(4,121)
Proceeds from disposal of subsidiary	*
Gain on disposal of subsidiary (Note 6(b))	**(4,121)**

* *Amount under RM1,000*

14. Investment in an associated company

	Group	
	2022 RM'000	2021 RM'000
Unquoted equity shares, at cost		
Balance at beginning of financial year	**22,587**	–
Acquisition during financial year	**–**	21,973
Gain on dilution of interest (Note 6(b))	**–**	1,211
Share of post-acquisition reserves	**(277)**	(597)
Balance at end of financial year	**22,310**	22,587

Details of associated company at the end of the financial year are as follows:

Name	Principal place of business	Principal activities	Carrying amount 2022 RM'000	Carrying amount 2021 RM'000	Group's effective equity interest held 2022 %	Group's effective equity interest held 2021 %
Held by HTPL: ECXX Global Pte. Ltd. ("ECXX") [1]	Singapore	Provision of digital asset exchange services	**22,310**	22,587	**19.3%**	19.3%

1 Audited by other firm of independent auditor.

Notes to the Financial Statements

For the financial year ended 30 June 2022

14. Investment in an associated company (cont'd)

The associated company is measured using the equity method. The activities of the associated company are strategic to the Group. The Group did not receive any dividends from the associated company during the financial year.

Acquisition of associated company

In accordance with the sale and purchase agreement between the Company and ECXX, the Company acquired 19,809 ordinary shares in the capital of ECXX, representing approximately 18.54% equity interest in ECXX. The Company has nominated Hatten Technology (S) Pte. Ltd. ("HTPL") to hold the shares in ECXX.

In accordance with the share subscription agreement between HTPL and ECXX, HTPL subscribed for 1,557 new ordinary shares in the capital of ECXX, representing approximately 1.46% equity interest of the enlarged share capital after the issuance of the new ordinary shares by ECXX.

On 18 August 2020 (the "completion date"), the proposed acquisition was completed with the allotment and issuance of 100,200,000 ordinary shares in the capital of the Company at the share price on the completion date of S$0.066 per share (approximately RM20,417,000) and cash consideration of US$354,930 (approximately RM1,556,000) which will be paid by the Company on behalf of HTPL. As at 30 June 2022, a balance of cash consideration of RM67,000 (2021: RM998,000) is included in other payables in Note 21.

Subsequent to the completion date, ECXX issued 3,750 ordinary shares to another third party shareholder on 4 February 2021. As a result, the equity interest held by HTPL in ECXX has been diluted from the initial 20% to 19.3%. The dilution in the equity interest has resulted in a gain of RM1,211,000 to the Group and credited to other income (Note 6(b)) in the previous financial year. ECXX is deemed to be an associated company of HTPL as HTPL has the ability to exercise significant influence over ECXX through its board representation.

Summarised financial information in respect of ECXX is set out below. The summarised information below represents amounts in ECXX's financial statements prepared in accordance with SFRS(I) (not adjusted for the Group's share of those amounts).

	2022 RM'000	2021 RM'000
Non-current assets		
Current assets	**108**	180
Non-current liabilities	**10,742**	11,692
Current liabilities	**–**	(152)
	(1,577)	(1,008)
Net assets as at 30 June 2022	**9,273**	10,712
Revenue*	**174**	109
Loss after tax*	**(2,860)**	(907)
Other comprehensive loss*	**1,424**	(2,187)
Total comprehensive loss*	**(1,436)**	(3,094)

* The summarised financial information of the income statement for 2021 is for the financial period from 18 August 2020 (completion date) to 30 June 2021.

Notes to the Financial Statements

For the financial year ended 30 June 2022

14. Investment in an associated company (cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in ECXX recognised in the consolidated financial statements is as follows:

	2022 RM'000	2021 RM'000
Net assets	**9,273**	10,712
Proportion of ownership interest	**19.3%**	19.3%
Group's share of net assets based on proportion of ownership interest	**1,790**	2,067
Goodwill on acquisition	**20,520**	20,520
Carrying amount of investment	**22,310**	22,587

During the financial year, management performed a review of the recoverable amount on its investment in associate and no impairment loss is recognised in the Company's profit or loss. The recoverable amount was estimated using the value-in-use approach, based on the discounted cash flow method as performed by an independent firm of professional valuers. The calculations of the value-in-use were most sensitive to the estimated revenue and the discount rate. The future cash flows were discounted to their present value using a pre-tax discount rate of 20%.

Sensitivity to changes in assumptions

Management believes that the change in the estimated recoverable amount arising from any reasonably possible change in the key assumption would not cause the recoverable amount to be decreased significantly that will result in an impairment loss to be recognised during the financial year.

15. Development properties

	Group	
	2022 RM'000	2021 RM'000
Completed development properties	**421,116**	449,434
Development properties under construction	**8,555**	6,239
Properties for development, representing leasehold land carried at net realisable value *	**25,800**	25,800
	455,471	481,473

* The leasehold land is disposed at an agreed consideration of RM25.8 million (see Note 32(a)).

Reversal of write-down of development properties in 2022

During the financial year, the Group reversed its write-down of completed development properties of RM12,840,000, as a result of an increase in market value estimated using the fair value less costs to sell approach, based on the valuation reports performed by a third party firm of professional valuers using the market comparison approach. The fair value measurement was categorised as a Level 3 fair value inputs to the valuation technique used (Note 28(a)).

Notes to the Financial Statements

For the financial year ended 30 June 2022

15. Development properties (cont'd)

Write-down of development properties in 2021

On 11 February 2021, AMSB and a third-party landowner entered into a mutual agreement to terminate the joint development agreement in relation to the planned acquisition of the development rights over 2 plots of land in Selangor, Malaysia, an amount of RM1,364,000 was recognised in the Group's profit or loss to fully write-down the costs capitalised under the development properties to nil during the previous financial year. Management considers this fair value to be a Level 3 input under the SFRS(I) 13 Fair Value Measurement fair value hierarchy inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

On 7 July 2021, PRSB entered into a sale and purchase agreement (the "Proposed Disposal") with Webest Sdn. Bhd., a third party, for the disposal of a leasehold land for an aggregate consideration of RM25.8 million, an amount of RM3,130,000 was recognised in the Group's profit or loss to write-down the development properties to the consideration amount during the previous financial year. The Proposed Disposal is completed on 13 October 2022 (Note 32(a)).

Capitalised incremental costs of obtaining contracts

Capitalised incremental costs of obtaining contracts included in the carrying value of completed development properties as at 30 June 2022 amounted to RM29,598,000 (2021: RM29,756,000), comprise sales commission paid to real estate agent and legal costs incurred as a result of securing sale and purchase agreements that are expected to be recoverable. As at the end of the financial year, no impairment has been recorded. These costs are amortised and recognised in the "Cost of sales" line item in profit or loss when the related revenue is recognised.

The movement in capitalised incremental costs of obtaining contracts during the financial year is as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 July	**29,756**	29,613
Additions	**–**	498
Amortisation charged to cost of sales (Note 8)	**(158)**	(355)
At 30 June	**29,598**	29,756

Capitalised government grants

Capitalised government grants included in the carrying value of development properties as at 30 June 2022 amounted to RM9,683,000 (2021: RM9,683,000), relates to funding received by the Group from local government's assistance scheme for the development costs incurred for Hatten City Phase 1. Capitalised government grants are amortised to profit or loss included as deduction against cost of sales when the related revenue is recognised. There is no amortisation of capitalised government grants credited to cost of sales for current and previous financial year.

Notes to the Financial Statements

For the financial year ended 30 June 2022

15. Development properties (cont'd)

Details of the development properties held by the Group as at 30 June 2022 are as follows:

Project Name	Description (Location)	% owned	Site area (square metre)	Estimated gross floor area (square metre)	Stage of completion as at 30 June 2022	Expected year of completion
Vedro by the River	Freehold retail mall development (Melaka, Malaysia)	100	8,672	19,839	100%	Completed
Hatten City Phase 1	99-year leasehold integrated mall and residential development (Melaka, Malaysia)	100	22,298	267,056	100%	Completed
Hatten City Phase 2	99-year leasehold integrated mall and residential development (Melaka, Malaysia)	100	13,124	131,903	100%	Completed
Unicity	Freehold integrated mixed development consisting of service suite and retail space (Seremban, Malaysia)	100	7,932	617,468	100%	Completed
Satori	99-year leasehold integrated mall and residential development (Melaka, Malaysia)	100	8,303	48,768	14%	FY2024
Harbour City[1]	99-year leasehold mixed commercial development consisting of a retail mall and 3 hotels (Melaka, Malaysia)	100	24,290	310,117	68%	FY2024

1 Harbour City project is undertaken by GMSB which the assets are now reclassified as disposal group classified as held-for-sale in Note 18.

Notes to the Financial Statements

For the financial year ended 30 June 2022

16. Trade and other receivables

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Current:				
Trade receivables	**56,628**	81,473	**–**	–
Less: loss allowance (Note 29(a))	**(332)**	(259)	**–**	–
	56,296	81,214	**–**	–
Other receivables	**72,736**	46,901	**1,096**	222
Less: loss allowance (Note 29(a))	**(650)**	(650)	**–**	–
	72,086	46,251	**1,096**	222
Amount due from related parties (non-trade)	**–**	48,541	**–**	–
Amount due from subsidiaries (non-trade)	**–**	–	**303,500**	267,470
Refundable deposits	**2,311**	3,001	**–**	–
GST recoverable	**670**	15	**–**	–
	131,363	179,022	**304,596**	267,692
Non-current:				
Trade receivables	**11,402**	27,016	**–**	–
Refundable deposits	**628**	611	**–**	–
	12,030	27,627	**–**	–
Total trade and other receivables (current and non-current)	**143,393**	206,649	**304,596**	267,692
Add:				
Cash and cash equivalents (Note 17)	**11,241**	8,070	**2,136**	175
Disposal group assets classified as held-for-sale (Note 18)	**138,429**	179,257	**–**	–
Less:				
GST recoverable	**(670)**	(15)	**–**	–
Total financial assets carried at amortised costs	**292,393**	393,961	**306,732**	267,867

Trade receivables are non-interest bearing and are generally on 14 to 21 days' terms. Extended credit terms are assessed and approved on a case-by-case basis by management. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The management of the Group does not foresee any issues with the collection of the outstanding trade receivables as the Group has policies in place to ensure that sales are made to purchasers with appropriate financial strength and after obtaining sufficient security such as deposits. If a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may resume possession of the units, retain a portion of the purchaser's deposits from payments made to date, and resell the property.

Amount due from related parties and subsidiaries are unsecured, non-interest bearing, repayable on demand and to be settled in cash.

Notes to the Financial Statements

For the financial year ended 30 June 2022

17. Cash and cash equivalents

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Cash at banks and on hand, representing total cash and cash equivalents, as presented in the statements of financial position	**11,241**	8,070	**2,136**	175
Add: included in disposal group classified as held-for-sale (Note 18)	**98**	202	**–**	–
Cash and cash equivalents, as presented in the consolidated statement of cash flows	**11,339**	8,272	**2,136**	175

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Included in cash at banks of the Group is an amount of RM1,272,000 (2021: RM1,148,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia and therefore restricted from use in other operations.

Cash and cash equivalents denominated in foreign currencies at 30 June are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
United States Dollar	**113**	107	**94**	89
Chinese Renminbi	**17**	33	**–**	–
Singapore Dollar	**3,230**	629	**2,042**	86

18. Disposal group classified as held-for-sale

On 11 August 2020, the Company's wholly owned subsidiary Hatten MS Pte. Ltd. ("Hatten MS") has entered into an agreement (the "Agreement") with Tayrona Capital Pte Ltd and Wealth Express Group Holdings Limited for, inter alia the proposed divestment of Gold Mart Sdn. Bhd. ("GMSB"). On 21 May 2021, Hatten MS entered into a deed of novation with all the other parties to the Agreement to substitute Tayrona Capital Pte Ltd, an original party to the Agreement with Tayrona Capital Group Corporation. The Group would derive gross proceeds of US$60 million from the proposed divestment (the "Proposed Transaction"), subject to satisfaction of conditions precedent in the Agreement. The assets and liabilities related to GMSB have been presented as disposal group classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

On 17 September 2021, the Group announced that the delay of completion of the disposal is due to the substantial documentation and time required by the financial institutions involved to approve and process the cross-border payment and further exacerbated by the Covid-19 pandemic situation.

As at the date of this report, the Proposed Transaction has not been completed. However, the Group and all the other parties remain keen and committed to complete the Proposed Transaction with the agreed consideration of US$60 million.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the remeasurement of disposal group assets classified as held-for-sale.

The disposal group classified as held-for-sale is categorised under the Group's property development business in Malaysia, which relates to a single segment of the entire Group's operations (Note 30).

Notes to the Financial Statements

For the financial year ended 30 June 2022

18. Disposal group classified as held-for-sale (cont'd)

Details of disposal group assets classified as held-for-sale are as follows:

	Group	
	2022 **RM'000**	2021 RM'000
Property, plant and equipment (Note 11)	**143,189**	142,843
Right-of-use assets	**1,191**	4,090
Trade and other receivables	**138,331**	179,055
Development properties held for sales	**124,207**	116,547
Contract assets	**21,805**	21,962
Prepayments	**560**	1,068
Cash and cash equivalents (Note 17)	**98**	202
	429,381	465,767

Included in the contract assets are costs to obtain contracts related to incremental commission and referral fees paid to intermediaries as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods to the related assets. The amortisation of contract costs was RM157,000 (2021:RM338,000).

Liabilities directly associated with disposal group classified as held-for-sale are as follows:

	Group	
	2022 **RM'000**	2021 RM'000
Loans and borrowings (Note A)	**100,278**	95,590
Lease liabilities (Note B)	**1,731**	4,324
Trade and other payables	**53,527**	48,539
Income tax payable	**7,627**	14,310
Contract liabilities (Note C)	**159,948**	206,994
Provisions (Note D)	**112,458**	115,145
	435,569	484,902

Note A - Term loans

Reconciliation of movement of loans and borrowings to cash flows arising from financing activities:

	2022 **RM'000**
At 1 July*	**95,590**
Changes from financing cash flows:	
- repayments	**(1,475)**
Non-cash changes:	
- interest expense	**6,163**
Balance at 30 June	**100,278**

* The 2021 movement of loans and borrowings to cash flows arising from financing activities is included in Note 20.

Notes to the Financial Statements

For the financial year ended 30 June 2022

18. Disposal group classified as held-for-sale (cont'd)

Note A - Term loans (cont'd)

RM5,843,000 loan at base lending rate per annum

The loan was obtained to finance construction of a development project. As at 30 June 2022, the Group had an outstanding balance of RM6,151,000 (2021: RM5,871,000) under the loan. The loan is repayable by monthly instalments of principal and interest for 12 months commencing from the 37th month from the date of the letter of offer. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

RM1,555,000 loan at base lending rate per annum

The loan was obtained to finance the keyman insurance and is repayable by monthly instalments of principal and interest for 60 months from the full release of the loan. As at 30 June 2022, the Group had an outstanding balance of RM1,420,000 (2021: RM1,362,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

RM19,283,000 loan at base lending rate per annum

The loan was obtained to finance construction of a development project and is repayable by monthly instalments of principal and interest for 24 months commencing from the 25th month from the date of the first loan disbursement. As at 30 June 2022, the Group had an outstanding balance of RM20,572,000 (2021: RM19,366,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

RM37,805,000 loan at base lending rate per annum

The loan was obtained to finance construction of a development project and is repayable by monthly instalments of principal and interest for 24 months commencing from the 25th month from the date of the first loan disbursement. As at 30 June 2022, the Group had an outstanding balance of RM40,794,000 (2021: RM39,085,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

RM29,759,000 loan at base lending rate per annum

The loan was obtained to finance construction of a development project and is repayable by monthly instalments of principal and interest for 24 months commencing from the 25th month from the date of the first loan disbursement. As at 30 June 2022, the Group had an outstanding balance of RM 31,341,000 (2021: RM29,906,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

Notes to the Financial Statements

For the financial year ended 30 June 2022

18. Disposal group classified as held-for-sale (cont'd)

Note B – Lease liabilities

Reconciliation of movement of lease liabilities to cash flows arising from financing activities:

	2022 RM'000
At 1 July*	4,324
Changes from financing cash flows:	
- repayments	(2,593)
- interest paid	(267)
Non-cash changes:	
- interest expense (Note 7)	267
Balance at 30 June	**1,731**

* The 2021 movement of lease liabilities to cash flows arising from financing activities is included in Note 19.

Note C – Contract liabilities

GMSB issued progress billings to purchasers when the billing milestones were attained. GMSB recognises revenue when the performance obligations are satisfied.

The significant change in contract liabilities is mainly due to the decrease in progress billings arising from the revocation of sales.

Note D – Provision

The movement in provision for liquidated ascertained damages is as follows:

	2022 RM'000
At 1 July	115,145
Reversal (Note 4)	(2,687)
At 30 June	112,458

19. Right-of-use assets and lease liabilities

Nature of Group's leasing activities

The Group's leasing activities comprise the following:

i) The Group had entered into guaranteed rental return ("GRR") schemes with the purchasers of certain properties. The GRR scheme has non-cancellable two to nine years lease period commencing six months from the date of issuance of Certificate of Completion and Compliance or full settlement of purchase price, whichever is later. The rental rate for the units is 6.0% to 8.0% (2021: 6.0% to 8.0%) for two to nine years.

ii) The Group has entered into commercial leases on part of its office building. These non-cancellable leases have remaining lease terms of between 1 to 5 years (2021: 1 to 5 years). Certain of these leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

iii) The Group has entered into hire-purchase arrangements on its plant and equipment and motor vehicles. These non-cancellable leases have remaining lease terms of 5 to 7 years (2021: between 3 to 6 years) bearing an interest of 4.80% to 5.68% (2021: 3.95% to 4.80%) per annum.

Notes to the Financial Statements

For the financial year ended 30 June 2022

19. Right-of-use assets and lease liabilities (cont'd)

Nature of Group's leasing activities (cont'd)

The Group's leasing activities comprise the following (cont'd):

iv) The Group has entered into leases on its properties. These non-cancellable leases have remaining lease terms between 1 to 3 years (2021: 1 to 3 years). Certain of these leases include a renewable clause of 2 to 3 years with a maximum of 15% upward revision of the rental charge or the prevailing market rent, whichever is higher.

Extension and termination option

The Group has lease contracts that include extension and termination options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the Group's business need.

The maturity analysis of the lease liabilities is disclosed in Note 29(b).

Information about leases for which the Group is a lessee is presented below:

	Group	
	2022 RM'000	2021 RM'000
Carrying amount of right-of-use assets:		
Mall and residence units *	**32,804**	45,483
Motor vehicles (Note A)	**3,402**	738
Office premises	**7,553**	9,808
Plant and equipment	**85**	500
	43,844	56,529

* Net of impairment allowance of RM 4,175,000 (2021: RM4,175,000).

Carrying amount of lease liabilities:

Current	**14,826**	12,461
Non-current	**36,314**	48,473
	51,140	60,934
Additions to right-of-use assets	**3,180**	987

Notes to the Financial Statements

For the financial year ended 30 June 2022

19. Right-of-use assets and lease liabilities (cont'd)

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	Group	
	2022 **RM'000**	2021 RM'000
At 1 July	**60,934**	118,482
Changes from financing cash flows:		
- repayments	**(1,742)**	(11,808)
- interest paid	**(291)**	(12,288)
Non-cash changes:		
- amount settled by issuance of the Company's shares (Note B)	**–**	(10,717)
- disposal of subsidiary (Note 13(b))	**–**	(12,544)
- interest expense (Note 7)	**9,741**	12,830
- loss on derecognition of lease liabilities (Note 8)	**–**	1,347
- new leases	**2,851**	968
- rental payables	**(20,263)**	(23,471)
- reclassification as held-for-sale (Note 18)	**–**	(4,324)
- exchange differences	**99**	70
- additions due to modification	**–**	2,389
- deconsolidation of subsidiary (Note 13(a))	**(189)**	–
Balance at 30 June	**51,140**	60,934

Amount recognised in profit and loss:

	Group	
	2022 **RM'000**	2021 RM'000
Depreciation (Note 8):		
Mall and suites	**12,736**	22,611
Motor vehicles	**1,148**	1,680
Plant and equipment	**81**	103
Office	**2,471**	2,828
	16,436	27,222
Lease expense - short term lease (Note 8)	**575**	1,036
Lease expense - interest expenses (Note 7)	**10,008**	12,830
Right-of-use assets - impairment loss	**–**	4,175
Loss on termination of right-of-use assets (Note 6(c))	**–**	20,234
Loss on modification of lease (Note 8)	**–**	132
Loss on derecognition of lease liabilities (Note 8)	**–**	1,347

Notes to the Financial Statements

For the financial year ended 30 June 2022

19. Right-of-use assets and lease liabilities (cont'd)

Note A:
During the financial year, Genonefive Pte. Ltd. ("Genonefive") entered into a lease agreement with a third party for a motor vehicle. The motor vehicle is registered and held in trust by Cosha Leasing, a sole proprietor owned by Genonefive.

Note B:
On 31 August 2020, Genonefive entered into a rental supplemental agreement with the landlord whereby the lease for the Genonefive's office expires on 15 June 2025 and the rental from 1 August 2020 till 15 June 2025 is amounting to S$3,471,440 (approximately RM10,717,000). Pursuant to the supplemental agreement, Genonefive agreed to allot and issued 60,372,875 ordinary shares in the share capital of the Company, at an issue price of S$0.0575 (approximately RM0.1775) per share and the landlord agreed to accept the issued shares as consideration. The issued shares rank pari passu in all respects with the existing shares of the Company (Also see Note 23).

Total cash flows for leases of the Group amounted to RM5,468,000 (2021: RM25,132,000) which includes the cash flows for leases of Goldmart Sdn. Bhd. amounted to RM2,860,000 (Note 18).

During the previous financial year, due to the continuing challenges affecting the property market in Melaka, Malaysia and the uncertainties brought by the COVID-19 pandemic, an allowance for impairment loss of RM4,175,000 was recognised in profit or loss to fully impair the cost of mall units of MVDSB to its recoverable amount of nil based on cash flow projections from forecast approved by management.

20. Loans and borrowings

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Current:				
Loan and secured bonds	**198,365**	186,900	**198,365**	186,900
Medium term notes	**13,350**	15,650	**–**	–
Term loans	**13,569**	15,042	**–**	–
	225,284	217,592	**198,365**	186,900
Non-current:				
Term loans	**72,826**	81,020	**–**	–
Total loans and borrowings (current and non-current)	**298,110**	298,612	**198,365**	186,900

Details of the Group's loans and borrowings are as follows:

Loan and secured bonds

US$20,000,000 loan at 10.00% (2021: 10.00%) per annum

The convertible loan of an aggregate amount of US$20,000,000 (approximately RM88,162,000) (2021: US$20,000,000 (approximately RM83,067,000)) matured on 10 October 2019 and the lender has decided not to convert the loan into the new ordinary shares in the Company. The Company obtained the roll-over of the US$20,000,000 loan at 10.00% per annum for another 12 months to 10 October 2020. At the date of this report, the Company is in the process of negotiation with the lender on the possible extension of repayments. The loan is secured by personal guarantee by directors of the Company, corporate guarantee by a subsidiary in Malaysia and a charge over 760,000,000 shares in the Company held by the immediate and ultimate holding company and 345 retails units of the Group.

Notes to the Financial Statements

For the financial year ended 30 June 2022

20. Loans and borrowings (cont'd)

Loan and secured bonds (cont'd)

US$25,000,000 secured bonds at 10.00% (2021: 10.00%) per annum

The Company issued US$25,000,000 (approximately RM110,203,000) (2021: US$25,000,000 (approximately RM103,833,000)) secured bonds (the "Bonds") that bore interest at a fixed rate of 8.00% per annum payable semi-annually and matured on 8 March 2020. The repayment of the Bonds was extended on a monthly basis to 8 June 2021. At the date of the report, the Company is in the process of negotiation with the bondholders on the possible extension of repayments. The Bonds bear an interest of 10.00% per annum effective from 8 March 2020 and secured by a land charge for assets owned by a related party of the borrowing entity, first fixed charge over assets owned by a related party and a personal guarantee by a director of the Company.

Medium term notes

RM13,350,000 (2021: RM15,650,000) medium term notes at 7.00% per annum

An indirect wholly-owned subsidiary, MRSB, had on 11 September 2017 established an unrated medium-term note programme of up to RM200,000,000 in nominal value (the "MTN Programme"), for a tenure of 15 years from the date of the first note issuance under the MTN Programme.

During the financial year, MRSB made a repayment of RM2,300,000 (2021: RM15,568,000). As at 30 June 2022, the Group had an outstanding balance of RM13,350,000 (2021: RM15,650,000) which was due for repayment on 23 September 2021 and 24 September 2021. MRSB issued new notes amounting to RM13,350,000 to repay the outstanding notes. These new notes would mature on 26 September 2022 and bear a coupon rate of 7.00% per annum payable semi-annually in arrears from the date of issue. On 26 September 2022, the lender has agreed in writing to extend the maturity date of the outstanding notes of RM13,350,000 to 23 March 2023.

The medium term notes are secured by a debenture over 44 units of luxury residences service apartments and 11 units of penthouse suites from the development of the borrowing entity and corporate guarantee provided by the Company.

Term loans

RM18,000,000 loan at base lending rate + 0.50% per annum

The loan was obtained to finance the purchase of a plot of development land and is repayable by monthly instalments of principal and interest for 180 months commencing from the date of the first loan disbursement. As at 30 June 2022, the Group had an outstanding balance of RM15,383,000 (2021: RM14,549,000) under the loan. The loan is secured by a legal charge over the project land under development, joint and several guarantees from directors of the borrowing entity and a corporate guarantee by a related party.

RM4,290,000 loan at base lending rate + 1.00% per annum

The loan was obtained to finance the purchase of a plot of development land and is repayable by instalments of principal and interest for 180 months commencing from the date of the first loan disbursement. As at 30 June 2022, the Group had an outstanding balance of RM2,205,000 (2021: RM2,098,000) under the loan. The loan is secured by a legal charge over the project land under development, joint and several guarantees from directors of the entity and a corporate guarantee by a related party.

RM58,800,000 loan at base financing rate + 2% per annum

The loan was obtained to refinance an outstanding term loan and is repayable by monthly instalments of principal and interest up to 111 months inclusive of 30 months grace period from the date of the first loan disbursement. As at 30 June 2022, the Group had an outstanding balance of RM58,743,000 (2021: RM58,800,000) under the loan. The loan is secured by a legal charge over certain retail lots, services apartments and serviced suites, deed of assignment over the rental proceeds from certain retail lots, services apartments and serviced suites, deed of assignment over the surplus monies in the Housing Development Account, deed of assignment on all right, interests and benefits over the designated accounts, memorandum of deposit and letter of set-off in relation to the Financial Services Reserve Account, and joint and several guarantees from directors of the borrowing entity.

Notes to the Financial Statements

For the financial year ended 30 June 2022

20. Loans and borrowings (cont'd)

Term loans (cont'd)

S$100,000 bridging loan at 2.50% per annum

The loan was obtained for working capital purpose and has a tenure of 60 months effective from 13 January 2021. The loan is repayable by monthly instalments of interest for the first 12 months and subsequently by monthly instalments of principal and interest for the remaining loan period. As at 30 June 2022, the Group had an outstanding balance S$90,000 (approximately: RM286,000) (2021: S$100,000 (approximately RM308,000)) under the loan. The loan is secured by the joint and personal guarantee executed by the directors of the borrowing entity.

RM20,000,000 loan at KLIBOR + 3.00% per annum

The loan was obtained to part finance the furniture and fittings of a completed property and is payable by instalments of principal and interest for 60 months from the date of the first loan disbursement. As at 30 June 2022, the Group had an outstanding balance of RM9,778,000 (2021: RM9,445,000) under the loan. The loan is secured by debenture over present and future assets of the borrowing entity, first party charge over certain property assets owned by the borrowing entity, 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 borrowing entity.

RM30,000,000 loan at base lending rate per annum

The loan was obtained to finance construction of a development project and is repayable by monthly instalments of principal and interest for 24 months commencing from the date of the first loan disbursement. As at 30 June 2021, the Group had an outstanding balance of RM9,925,000 under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

RM1,116,000 loan at base lending rate minus 2.30% per annum

The loan was obtained to finance the purchase of freehold land and buildings and is repayable by monthly instalments of principal and interest for 240 months. As at 30 June 2021, the Group had an outstanding balance of RM937,000 under the loan. The loan is secured by a legal charge over the freehold land and buildings and joint and several guarantees from directors of the borrowing entity.

Notes to the Financial Statements

For the financial year ended 30 June 2022

20. Loans and borrowings (cont'd)

Reconciliation of movements of loans and borrowings to cash flows arising from financing activities:

		Cash flows		Non-cash changes		
	1.7.2021 RM'000	**Drawdown RM'000**	**Repayments RM'000**	**Foreign exchanges RM'000**	**(Note 13(a)) Deconsolidation RM'000**	**30.6.2022 RM'000**
Medium term notes	15,650	–	(2,300)	–	–	13,350
Loan and secured bonds	186,900	–	–	11,465	–	198,365
Term loans (current and non-current)	96,062	1,417	(292)	16	(10,808)	86,395
	298,612	**1,417**	**(2,592)**	**11,481**	**(10,808)**	298,110

		Cash flows		Non-cash changes		
	1.7.2020 RM'000	**Drawdown RM'000**	**Repayments RM'000**	**(Note 18) Reclassification RM'000**	**Foreign exchanges RM'000**	**30.6.2021 RM'000**
Medium term notes	15,568	15,650	(15,568)	–	–	15,650
Loan and secured bonds	192,464	–	–	–	(5,564)	186,900
Term loans (current and non-current)	191,098	7,629	(7,075)	(95,590)	–	96,062
	399,130	23,279	(22,643)	(95,590)	(5,564)	298,612

Notes to the Financial Statements

For the financial year ended 30 June 2022

21. Trade and other payables

	Group		Company	
		(Restated)		
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Current:				
Trade payables	**11,698**	11,500	**–**	696
Deposits received (Note A)	**16,488**	8,344	**–**	–
Accruals – third parties	**80,440**	85,172	**997**	2,630
Accruals – directors	**594**	1,235	**118**	376
Amount due to related parties (non-trade)	**779**	41,383	**–**	657
Amount due to a director	**1,807**	1,144	**–**	–
Amount due to non-controlling interests	**1,023**	–	**–**	–
Amount due to subsidiaries	**–**	–	**1,184**	595
Rental payables	**56,316**	47,691	**–**	–
Deferred payables – third party	**–**	8,701	**–**	–
Amount due to creditors under the Scheme arrangement (Note 33(a))	**30,834**	31,159	**–**	–
Amount due to associated company (Note 14)	**67**	998	**67**	998
Other payables	**41,057**	37,012	**192**	36
	241,103	274,339	**2,558**	5,988
Non-current:				
Deferred payables – directors	**–**	34,057	**–**	–
Total trade and other payables (current and non-current)	**241,103**	308,396	**2,558**	5,988
Less:				
GST payables	**(27)**	(36)	**(13)**	–
Add:				
Lease liabilities (Note 19)	**51,140**	60,934	**–**	–
Loans and borrowings (Note 20)	**298,110**	298,612	**198,365**	186,900
Liabilities directly associated with disposal group classified as held-for-sale (Note 18)	**155,536**	148,453	**–**	–
Total financial liabilities carried at amortised cost	**745,862**	816,359	**200,910**	192,888

Trade payables are non-interest bearing and are generally settled on credit term of 30 to 90 days.

Amount due to related parties, a director and subsidiaries are unsecured, non-interest bearing, repayable on demand and to be settled in cash.

Amount due to non-controlling interests are unsecured, non-interest bearing and repayable on demand. An amount of US$214,000 (approximately RM943,000) will be settled via issuance of the Company's ordinary shares. The remaining balance will be settled in cash.

Note A:
Included in deposit received is an amount of RM7.8million (2021: Nil) being deposit received from a third party for the disposal of a leasehold land (see Note 32(a)).

Notes to the Financial Statements

For the financial year ended 30 June 2022

21. Trade and other payables (cont'd)

Rental payables

This pertains to rental guarantees provided to the purchasers in conjunction with the sale of development properties, in which the Group is obliged to pay rental yield of 6% to 8% (2021: 6% to 8%) per annum of the purchase price to the purchasers for a committed lease term of 2 years to 9 years (2021: 2 years to 9 years) commencing six months from the date of issuance of the Certificate of Completion and Compliance or start of full business operations, whichever is earlier.

Deferred payables

Deferred payables relate to amounts due to the vendors on the acquisition of VVSB Group in August 2018 which are repayable between December 2019 and December 2021 (Note 13(a)). As at 30 June 2021, the portion of the deferred payables due to directors amounting to RM34,057,000 were classified as non-current, as the directors undertake not to demand for repayment for the next twelve months. The deferred payable has been de-recognised due to the unwinding of acquisition of VVSB Group (see Note 13(a)).

Reconciliation of movements of trade and other payables to cash flows arising from financing activities:

	1.7.2021 RM'000	**Advance/ (Repayments) RM'000**	**Non-cash changes RM'000**	**30.6.2022 RM'000**
Amount due to director	1,144	482	181	1,807
Amount due to associated company	998	(931)	–	67
Amount due to related parties (non-trade)	41,383	–	(40,604)*	779
	43,525	**(449)**	**(40,423)**	**2,653**

	1.7.2020 RM'000	**(Repayments) RM'000**	**Non-cash changes RM'000**	**30.6.2021 RM'000**
Amount due to director	2,152	(1,008)	–	1,144
Amount due to associated company	–	–	998	998
Amount due to related parties (non-trade)	43,907	(2,524)	–	41,383
	46,059	(3,532)	998	43,525

* The amount pertains to offsetting arrangement between related parties whereby there is a legally enforceable right to set off the recognised amounts and intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously with an undertaking by the common directors of the Group and the related parties.

22. Provisions

	Group	
	2022 RM'000	(Restated) 2021 RM'000
Provision for developer interest-bearing scheme	**–**	19,228
Provision for liquidated ascertained damages	**6,015**	5,972
Other provisions	**317**	6,317
	6,332	31,517

Notes to the Financial Statements

For the financial year ended 30 June 2022

22. Provisions (cont'd)

Provision for developer interest-bearing scheme

Developer interest-bearing scheme ("DIBS") was an incentive scheme or arrangement between the property developer and the purchaser whereby the Group agreed to bear the interest element of the property loan during the construction period undertaken by the Company's indirect wholly-owned subsidiaries, MVSB and MRSB in Malaysia. The DIBS was introduced by the Malaysia Government back in 2009. Pursuant to the Malaysia Government's Budget 2014, it is stated that the property developers are no longer allowed to roll out property projects with features of DIBS, while financial institutions are also prohibited from providing final funding for projects involved in the DIBS.

The movement in provision for developer interest-bearing scheme is as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 July	**19,228**	19,228
Reversal (Note 4)	**(19,228)**	–
At 30 June	**–**	19,228

With reference to the Limitation Act 1953 in Malaysia, the limitation period is six years and the purchaser may be time-barred from claiming for such reimbursement. During the financial year, management has considered the legal opinion provided by a third party professional legal firm and subsequently concluded to reverse the provision of RM19,228,000 (Note 4) made in the prior financial years.

Provision for liquidated ascertained damages

The provision arises from the late delivery of development projects undertaken by the Group based on the applicable terms and conditions stated in the sale and purchase agreement up to the estimated completion date. The liquidated ascertained damages are recoverable from the contractors.

The movement in provision for liquidated ascertained damages is as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 July	**5,972**	64,831
Change in estimate on revenue recognition and debited to revenue (Note 4)	**3,180**	69,176
Reversal (Note 4)	**(2,171)**	(4,153)
Utilised	**(966)**	(8,737)
Reclassification to held-for-sale (Note 18)	**–**	(115,145)
At 30 June	**6,015**	5,972

During the previous financial year, the significant change in estimate on revenue recognition is mainly due to the delay of GMSB's expected Certificate of Completion and Compliance ("CCC") date with an extension of time of 266 days as assessed by a third party professional architect firm.

Other provisions

Other provisions represent provision for fixed subsidy provided to the residential units purchasers for sale and purchase agreement signed, and provision for legal fees and tax penalty.

Notes to the Financial Statements

For the financial year ended 30 June 2022

22. Provisions (cont'd)

Other provisions (cont'd)

The movement in other provisions is as follows:

	Group	
	2022 **RM'000**	(Restated) 2021 RM'000
At 1 July	**6,317**	9,863
Arose during the financial year	**–**	180
Reversal (Note 8)	**(6,000)**	–
Prior year adjustments (Note 35)	**–**	(2,938)
Utilised	**–**	(788)
At 30 June	**317**	6,317

During the financial year, an amount of RM6,000,000 was credited to other income/gains due to an over provision of tax penalty after receiving the final notice from the Malaysia tax authority (Note 8).

23. Share capital

Issued and fully paid ordinary shares

Group	**No. of ordinary shares issued**	**RM'000**
At 1 July 2021	1,595,169,228	298,044
Issuance of ordinary shares	261,954,000	31,023
Share issuance expenses	–	(205)
At 30 June 2022	**1,857,123,228**	**328,862**
At 1 July 2020	1,434,596,353	267,425
Issuance of ordinary shares	160,572,875	30,905
Share issuance expenses	–	(286)
At 30 June 2021	1,595,169,228	298,044

Notes to the Financial Statements

For the financial year ended 30 June 2022

23. Share capital (cont'd)

Issued and fully paid ordinary shares (cont'd)

Company	**No. of ordinary shares issued**	**RM'000**
At 1 July 2021	1,595,169,228	1,330,548
Issuance of ordinary shares	261,954,000	31,023
Share issuance expenses	–	(205)
At 30 June 2022	**1,857,123,228**	**1,361,366**
At 1 July 2020	1,434,596,353	1,299,929
Issuance of ordinary shares	160,572,875	30,905
Share issuance expenses	–	(286)
At 30 June 2021	1,595,169,228	1,330,548

The Group's share capital amount differs from that of the Company as a result of reverse acquisition accounting on the acquisition of Hatten MS Pte. Ltd. and its subsidiaries (collectively, the "HMS Group") on 24 January 2017 via the issuance of 1,187,692,308 new ordinary shares in the Company to the shareholders of the HMS Group.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Issuance of ordinary shares

2022:

On 29 September 2021, the Company issued 80,000,000 ordinary shares at S$0.023 (approximately RM0.07164) per share for cash.

On 29 September 2021, the Company issued 80,000,000 warrants with each warrant carrying the right to subscribe for 1 warrant share at the exercise price of S$0.048 (approximately RM0.14951) per share. On 8 November 2021, the shareholders exercise the option by subscription of 40,000,000 warrants at the exercise price by cash.

Movement of the warrants issued are as below:

Group	**No. of warrants issued**
At 1 July 2021 and 30 June 2021	–
Issuance of warrants at 29 September 2021	80,000,000
Exercised and converted to ordinary shares	(40,000,000)
At 30 June 2022	**40,000,000**

On 22 November 2021, the Company issued 20,000,000 ordinary shares at S$0.060 (approximately RM0.18689) per share for cash.

On 22 April 2022, the Company issued 121,954,000 ordinary shares at S$0.041 (approximately RM0.12771) per share for cash.

Notes to the Financial Statements

For the financial year ended 30 June 2022

23. Share capital (cont'd)

Issued and fully paid ordinary shares (cont'd)

Issuance of ordinary shares (cont'd)

2021:

On 18 August 2020, the Company issued 100,200,000 ordinary shares at S$0.066 (approximately RM0.2023) per share, as consideration for the investment in an associated company (Note 14). This is a non-cash transaction.

On 16 November 2020, the Company issued 60,372,875 ordinary shares at S$0.0575 (approximately RM0.1762) per share, as consideration for the settlement of rental with the landlord for the period from 1 August 2020 till 15 June 2025 (Note 19). This is a non-cash transaction.

24. Translation reserve

The translation reserve represents the accumulation of foreign exchange differences arising from the translation of the financial statements of entities whose functional currencies are different from that of the Group's presentation currency of the consolidated financial statements of the Company.

25. Merger reserve

Merger reserve arose from the acquisition of Hatten MS Pte. Ltd. and its subsidiaries on 24 January 2017 and the acquisition of VVSB Group on 3 August 2018 (Note 13(a)). This represents the difference between the consideration paid and the share capital of the subsidiaries acquired under common control.

On 28 December 2021, the Company's wholly-owned subsidiary, Hatten MS entered into a termination agreement to unwind the acquisition of VVSB. The unwinding exercise was completed on 18 January 2022 and as a result, the merger reserve of RM24,686,000 was transferred to accumulated losses.

26. Commitments

(a) Capital commitments

Capital expenditure contracted for as at the end of the financial year but not recognised in the financial statements in respect of construction-in-progress and intangible assets are as follows:

	Group	
	2022 RM'000	2021 RM'000
Approved and contracted for	**286,501**	265,230
Less: Amount capitalised to construction-in-progress	**(149,599)**	(149,052)
Less: Amount capitalised to intangible assets (Note 12)	**(7,027)**	–
	129,875	116,178

Notes to the Financial Statements

For the financial year ended 30 June 2022

26. Commitments (cont'd)

(b) Lease commitments – where the Group is lessee

The Group had entered into guaranteed rental return ("GRR") schemes with the purchasers of certain properties. The GRR scheme has non-cancellable two to nine years lease period commencing six months from the date of issuance of Certificate of Completion and Compliance or full settlement of purchase price, whichever is later. The rental rate for the units is 6.0% to 8.0% (2021: 6.0% to 8.0%) for two to nine years.

As at end of the financial year, rental guarantees provided to purchasers in conjunction with the sale of development properties but not provided for as liabilities as those development properties are uncompleted, are as follows:

	Group	
	2022 RM'000	2021 RM'000
Not later than one year	**8,007**	8,128
Later than one year but not later than five years	**187,759**	200,186
Later than five years	**12,756**	6,700
	208,522	215,014

(c) Contingent liabilities

The Company has provided corporate guarantee of RM13,350,000 (2021: RM15,650,000) for the MTN Programme drawn down by MRSB at the end of the financial year.

27. Related party transactions

(a) Transactions with related parties outside the Group

In addition to the related party information disclosed elsewhere in the financial statements, the Group engaged in significant transactions with related parties which are controlled by certain directors and key management personnel of the Group. The following significant transactions took place at terms agreed between the parties during the financial year:

	Group	
	2022 RM'000	2021 RM'000
Services provided from/(to) related parties:		
- Rendering of services	**–**	208
- Sales commission	**78**	239
- Reversal/(waiver) of debts under the Scheme arrangement (Note 33(a))	**199**	(951)
- Rental of office expense	**3,363**	7,268
Services provided from non-controlling interests:		
- Professional fee in developing crypto assets exchange platform	**1,634**	–

Notes to the Financial Statements

For the financial year ended 30 June 2022

27. Related party transactions (cont'd)

(b) Compensation of key management personnel

Key management personnel includes the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

	Group	
	2022 RM'000	2021 RM'000
Salaries, wages, bonuses and other costs	**4,823**	4,524
Contributions to defined contribution plans	**191**	200
	5,014	4,724
Comprise amounts paid to:		
Directors – remunerations (Note 8)	**3,778**	3,450
Directors – fees (Note 8)	**813**	481
Other key management personnel	**423**	793
	5,014	4,724

28. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities not carried at fair value but whose carrying amounts are reasonable approximation of fair value

The carrying amounts of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the financial year.

The fair values of non-current portion of trade and other receivables, trade and other payables and loans and borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, and were assessed to approximating to their carrying amounts.

Notes to the Financial Statements

For the financial year ended 30 June 2022

29. Financial risk management objectives and policies

The Group and Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current financial year and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost efficient. The Group does not apply hedge accounting.

All financial transactions with the banks are governed by banking facilities duly approved by the board of directors. All financial transactions require two authorised signatories.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables and contract assets.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to credit risk exposure. It is the Group's policy to provide credit terms to credit worthy customers. These debts are continually monitored and, therefore, the Group does not expect to incur material credit losses. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

At the end of the financial year, the Group's maximum exposure to credit risk is represented by the carrying amount of trade and other receivables and cash and cash equivalents. No other financial assets carry a significant exposure to credit risk.

The Group has no significant concentration of credit risk except for amount due from related parties in previous financial year as disclosed in Note 16. The Company has no significant concentration of credit risk except for amount due from subsidiaries as disclosed in Note 16.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses (ECL):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Debts where there has been a significant increase in credit risk since initial recognition. The presumption of significant increase in credit risk after 30 days past due is not suitable for application in the industries that the Group operates in	Lifetime ECL - not credit-impaired
Debts that are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Notes to the Financial Statements

For the financial year ended 30 June 2022

29. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Notes to the Financial Statements

For the financial year ended 30 June 2022

29. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowance.

Trade receivables and contract assets

Trade receivables and contract assets arise mainly from the sale of development properties. The Group has policies in place to ensure that sales are made to purchasers with appropriate financial strength and after obtaining sufficient security such as deposits. If a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may resume possession of the units, retain a portion of the purchaser's deposits from payments made to date, and resell the property.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Other financial assets at amortised cost

For other financial assets at amortised cost, management has considered, among other factors (including forward-looking information), the Group's and the Company's historical loss pattern over the last three financial years to assess the expected credit loss.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more event that have a detrimental impact on the estimated future cashflows of that financial assets have occurred. Evidence that a financial asset is credit-impaired includes observable data about events, including but not limited to significant financial difficulty of the borrower or a breach of contract, such as default or past due event.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have the financial capacity to meet the contractual cash flow obligations in the near future and the loans are secured by debenture over the subsidiaries' development properties and hence, does not expect significant credit losses arising from these guarantees.

Notes to the Financial Statements

For the financial year ended 30 June 2022

29. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Movements in credit loss allowance are as follows:

Group	Current: Trade receivables (Note 16) RM'000	Current: Other receivables (Note 16) RM'000	Total RM'000
At 1 July 2020	–	448	448
Loss allowances measured:			
12-month ECL	–	202	202
Lifetime ECL			
- credit-impaired	259	–	259
	259	202	461
At 30 June 2021	259	650	909
Loss allowances measured:			
Lifetime ECL			
- credit-impaired	73	–	73
At 30 June 2022	**332**	**650**	**982**

The table below details the credit quality of the Group and Company's financial assets:

Group 2022	12-month or lifetime ECL	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
Cash and cash equivalents	N.A. Exposure Limited	11,339	–	11,339
Trade receivables	Lifetime ECL	168,275	(332)	167,943
Contract assets	Lifetime ECL	27,187	–	27,187
Refundable deposits	N.A. Exposure Limited	2,939	–	2,939
Other receivables	12-month ECL	110,822	(650)	110,172

Notes to the Financial Statements

For the financial year ended 30 June 2022

29. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The table below details the credit quality of the Group and Company's financial assets (cont'd):

Group 2021	**12-month or lifetime ECL**	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net carrying amount RM'000**
Cash and cash equivalents	N.A. Exposure Limited	8,272	–	8,272
Trade receivables	Lifetime ECL	284,989	(259)	284,730
Amount due from related parties	Lifetime ECL	48,541	–	48,541
Contract assets	Lifetime ECL	27,345	–	27,345
Refundable deposits	N.A. Exposure Limited	3,612	–	3,612
Other receivables	12-month ECL	49,456	(650)	48,806
Company **2022**				
Cash and cash equivalents	N.A. Exposure Limited	2,136	–	2,136
Amount due from subsidiaries	Lifetime ECL	303,500	–	303,500
Other receivables	12-month ECL	1,096	–	1,096
Company 2021				
Cash and cash equivalents	N.A. Exposure Limited	175	–	175
Amount due from subsidiaries	Lifetime ECL	267,470	–	267,470
Other receivables	12-month ECL	222	–	222

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and to mitigate the effects of fluctuations in cash flows, and having adequate amounts of committed credit facilities.

Notes to the Financial Statements

For the financial year ended 30 June 2022

29. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the financial year based on contractual undiscounted repayment obligations.

Group **2022**	**Less than one year** **RM'000**	**Two to five years** **RM'000**	**More than five years** **RM'000**	**Total** **RM'000**
Financial liabilities				
Trade and other payables	294,603	–	–	294,603
Lease liabilities	22,513	44,495	1,078	68,086
Loans and borrowings	352,391	55,924	47,134	455,449
Total undiscounted financial liabilities	**669,507**	**100,419**	**48,212**	**818,138**
2021				
Financial liabilities (restated)				
Trade and other payables	322,842	34,057	–	356,899
Lease liabilities	23,067	66,559	677	90,303
Loans and borrowings	295,312	85,999	58,293	439,604
Total undiscounted financial liabilities	641,221	186,615	58,970	886,806

Company **2022**	**Less than one year** **RM'000**	**Two to five years** **RM'000**	**More than five years** **RM'000**	**Total** **RM'000**
Financial liabilities				
Trade and other payables	2,545	–	–	2,545
Loan and borrowings	218,201	–	–	218,201
Financial guarantees*	13,350	–	–	13,350
Total undiscounted financial liabilities	**234,096**	**–**	**–**	**234,096**
2021				
Financial liabilities				
Trade and other payables	5,988	–	–	5,988
Loan and borrowings	205,590	–	–	205,590
Financial guarantees*	15,650	–	–	15,650
Total undiscounted financial liabilities	227,228	–	–	227,228

Notes to the Financial Statements

For the financial year ended 30 June 2022

29. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

* As at 30 June 2022 and 30 June 2021, the maximum exposure of the Company in respect of the intra-group financial guarantee (Note 20) based on facilities drawn down by the subsidiaries is RM13,350,000 (2021: RM15,650,000) (Note 26(c)). The Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee as its subsidiaries have the financial capability to meet the contractual cash flow obligations in the near future.

	Company	
	2022 RM'000	2021 RM'000
Total committed financial guarantee	**200,000**	200,000
Amount utilised	**(54,000)**	(40,650)
Total unutilised amount	**146,000**	159,350

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risks arises primarily from their floating rate loans and borrowings from banks and financial institutions, disclosed in Note 20. The Group manages its interest rate risk by having a mixture of fixed and variable rates for its loans and borrowings from time to time based on prevailing market conditions. The Group and Company do not utilise derivatives to mitigate its interest rate risk.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing financial liabilities at the end of the financial year and the stipulated change taking place at the beginning of the year and held constant throughout the financial year in the case of instruments that have floating rates. A 50-basis point increase or decrease is used and represents management's assessment of the possible change in interest rates.

Table below shows the sensitivity of profit before tax affected by changes in interest rates for financial liabilities with floating rates.

	(Decrease)/increase in loss before tax	
	Group	
	2022 RM'000	2021 RM'000
Change in interest rates		
50 basis points decrease	**(1,000)**	(957)
50 basis points increase	**1,000**	957

The interest from financial assets including cash and cash equivalents is not significant.

Notes to the Financial Statements

For the financial year ended 30 June 2022

29. Financial risk management objectives and policies (cont'd)

(d) Foreign currency rate risk

The Group and the Company has transactional currency exposures primarily arising from financing activities that are denominated in a currency other than its functional currency, RM, i.e. United States Dollar ("USD"), as disclosed in Note 20. The foreign currency balances in cash and cash equivalents, trade and other receivables and payables of the Group and Company are not significant. The Group may enter into forward currency contracts to eliminate the currency exposures on borrowings in foreign currencies. These forward currency contracts will be in the same currency as the hedged item. The Group and the Company did not enter into any forward currency contract as at 30 June 2022 and 30 June 2021.

Foreign currency rate risk sensitivity

Table below demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the USD against RM, with all other variables held constant.

	Decrease/ (increase) in loss before tax	
	Group	
	2022 RM'000	2021 RM'000
USD against RM		
Weakened 5%	**9,918**	9,345
Strengthened 5%	**(9,918)**	(9,345)

30. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors.

The board of directors is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

The management considers that the entire Group's operations constitute a single segment which is in the business of property development in Malaysia. Management assesses the performance of the Group's operations based on profit before income tax, total assets and total liabilities which are measured in a manner consistent with that of the consolidated financial statements.

During the current financial year, the Group started the business in the provision of space, power capacity, connectivity, setup and installation, utilities and technical support for external customers engaged in crypto mining activities. The total revenue generated for this new business is RM1,694,000, and this represents about 3% of the Group's total revenue during the financial year (Note 4).

In addition, the total assets (including intangible assets as disclosed in Note 12) as at 30 June 2022 and the absolute amount of profit or loss for the current financial year of the new business are less than 10% of the total combined assets and total combined profit or loss in absolute amount of the Group respectively.

Accordingly, no business or geographical segment information is presented.

31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2022 and 30 June 2021.

Notes to the Financial Statements

For the financial year ended 30 June 2022

31. Capital management (cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital includes equity attributable to the owners of the Company.

	Group	
	2022	(Restated) 2021
	RM'000	RM'000
Loans and borrowings (Notes 18 and 20)	**398,388**	394,202
Less: Cash and bank balances (Note 17)	**(11,339)**	(8,272)
Net debt [A]	**387,049**	385,930
Equity attributable to owners of the Company, representing total capital	**40,991**	11,994
Adjusted capital [B]	**428,040**	397,924
Gearing ratio [A/B]	**90%**	97%

There are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

32. Subsequent events

(a) Disposal of land

On 7 July 2021, the Company's indirect wholly-owned subsidiary, Prolific Revenue Sdn. Bhd. entered into a sale and purchase agreement with Webest Sdn. Bhd., a third party, for the disposal of a leasehold land for an aggregate consideration of RM25.8 million (the "Proposed Disposal"). The completion of the Proposed Disposal is conditional upon the satisfaction of conditions precedent. The Proposed Disposal is completed on 13 October 2022.

(b) Entry into agreement to partner with Mobile Legends

On 18 August 2022, the Company's direct wholly-owned subsidiary, Hatten Edge Pte. Ltd. ("Hatten Edge") has entered into a Phygital Integrated Esports Partnership Agreement with Vizta Pte. Ltd., a subsidiary of Moonton Holdings Limited ("Moonton Games"), a third party, to jointly develop and launch the world's first Mobile Legends: Bang Bang Integrated Esports Hub in Melaka and promote Mobile Legends in Malaysia and across the region via marketing campaigns, Esports tournaments and branding events.

(c) Partnering with Melaka ICT Holdings Sdn. Bhd. ("MICTH") and Malaysia Smart Cities Alliance Association ("MSCA")

On 22 August 2022, the Company's direct wholly-owned subsidiary, Hatten Edge has signed a separate Memorandum of Understanding with MICTH to implement the technology development and drive Melaka towards a digital economy under the Smart Melaka Blueprint 2035; and MSCA to collaborate on smart cities initiatives in Malaysia. Both MICTH and MSCA are third parties.

(d) Entry into shareholders' agreement with NEFIN Pte. Ltd. ("NEFIN")

On 16 September 2022, the Company's direct wholly-owned subsidiary, Hatten Edge has entered into a shareholders' agreement ("SHA") with NEFIN, a third party, to regulate the operation and management of Hatten Energy Holdings Pte. Ltd. ("JV Co") and the relationship between the shareholders.

Notes to the Financial Statements

For the financial year ended 30 June 2022

32. Subsequent events (cont'd)

(d) Entry into shareholders' agreement with NEFIN Pte. Ltd. ("NEFIN") (cont'd)

Both NEFIN and Hatten Edge shall invest a maximum of US$10 million into the share capital of the JV Co for the purpose of developing, constructing and operating renewable energy projects. The JV Co will issue up to 9,000 redeemable preference shares and the parties intend that NEFIN will own 100% of the issued redeemable preference shares. The JV Co will issue up to 1,000 ordinary shares and the parties intend that Hatten Edge will own up to 100% of the issued ordinary shares. NEFIN and Hatten Edge will together hold the entire issued share capital of the JV Co.

The principal business of the JV Co shall be to invest in and development of rooftop solar projects with long-term offtakes. Hatten Edge will be the primary developer, operator and manager of the solar PV projects ("Projects") in Singapore and Malaysia while NEFIN will primarily provide funding, fund raising assistance and governance controls in relation to such Projects.

The Board of JV Co shall have three directors, NEFIN shall have the right to appoint and maintain in office two NEFIN Director and Hatten Edge shall have the right to appoint and maintain in office one Hatten Edge Director.

Hatten Edge shall have the option to redeem the preference shares at an agreed premium between the twenty fifth and thirty sixth month from the date of the SHA. In the event that Hatten Edge has not exercised the option to redeem NEFIN preference shares after the thirty sixth month from the date of the SHA, NEFIN shall have the option to acquire Hatten Edge's remaining shares in the JV Co. at issuance price.

Hatten Edge shall make payment to NEFIN on behalf of the JV Co. for any outstanding dividend payment on the preference shares at the end of 2 consecutive three-months periods. In the event that Hatten Edge fails to make such payment, NEFIN shall have the right at its sole discretion, by giving notice to Hatten Edge and the JV Co. to take and require the JV Co. to take necessary actions to sell, lease, assign or otherwise dispose of the properties or assets.

(e) Entry into Solar Power Purchase Agreement with Trend Technologies Singapore Pte Ltd

On 16 September 2022, the Company's indirect wholly-owned subsidiary, Hatten Renewable Assets Pte. Ltd. has entered into a Solar Power Purchase Agreement with Trend Technologies Singapore Pte Ltd, a third party.

33. Significant events during the financial year

(a) Restructuring of MDSA Ventures Sdn. Bhd. ("MVSB") and MDSA Resources Sdn. Bhd. ("MRSB")

On 2 July 2020, the Company announced that its indirect wholly-owned subsidiaries, MVSB and MRSB had applied to the High Court of Malaya at Malacca, Malaysia, pursuant to Sections 366 and 368 of the Malaysian Companies Act 2016 (the "Act") for, among others, the following orders:

(i) Leave to call for creditors' meetings pursuant to Section 366 (1) of the Act for the purpose of considering and if deemed appropriate, to approve with or without modification, a proposed scheme of arrangement and compromise between the applicant and its unsecured creditors (the "Scheme"); and

(ii) A restraining order pursuant to Section 368 of the Act restraining any legal proceedings against the applicants and/or their assets, including but not limited to court, winding up and arbitration proceedings for a period of 3 months from the date of the order, except with leave of court and subject to such terms as the court may impose (the "Order").

MVSB and MRSB have been granted the restraining order and leave to call for the creditors' meetings by the High Court of Malaya at Malacca, Malaysia pursuant to the Act. The scheme entities are working with its legal counsel to formulate the details of the Scheme accordingly.

MVSB

On 6 January 2021, the High Court of Malaya in Malacca, Malaysia has approved the scheme of arrangement between MVSB and its creditors. The court order dated 6 January 2021 approving the Scheme was lodged with the Companies Commission of Malaysia on 19 January 2021 (the "Effective Date").

Notes to the Financial Statements

For the financial year ended 30 June 2022

33. Significant events during the financial year (cont'd)

(a) Restructuring of MDSA Ventures Sdn. Bhd. ("MVSB") and MDSA Resources Sdn. Bhd. ("MRSB") (cont'd)

MVSB (cont'd)

The scheme creditors under the Scheme are the unsecured creditors of MVSB, which consists of:

- Third party scheme creditors relating to purchasers of sold units in the mixed development of approximately four (4) acres in Bandar Hilir, Melaka, known as Hatten City Phase 2 (the "Development") having outstanding Guaranteed Rental Return ("GRR") payables and future GRR claims (the "GRR Creditors"), purchasers of sold units in the Development with Liquidated Ascertained Damages claims (the "LAD Creditors") and other third party trade creditors. The Scheme is pending for the completion of verification of the proof of debt conducted by the liquidator(s). As at the Effective Date, all GRR arrangements were terminated as future GRR have been included as part of the Scheme; and

- Hatten Group scheme creditors, the total amount due to them being approximately RM231.9 million.

This Scheme is formulated to allow MVSB to meet its financial obligations whilst it continues its business operations. Under the Scheme, MVSB will earmark 32 unsold and unencumbered units in Imperio Mall in Melaka (the "Earmarked Properties") with an approximate value of RM114.6 million to a Special Purpose Vehicle (the "SPV") set up for the implementation of the Scheme. MVSB has also undertaken to inject further assets of up to RM53.6 million if necessary.

The SPV will be placed into creditors' voluntary liquidation where the liquidator(s)' will realise the Earmarked Properties and distribute the monies to the scheme creditors. Under the Scheme, third party scheme creditors will be paid first from the proceeds from the disposal of the Earmarked Properties.

At the date of this report, there are no disposal of the Earmarked Properties and no distribution made to the scheme creditors as the liquidator is still in the midst of performing the proof of debts.

MRSB

The High Court of Malaya in Malacca, Malaysia has dismissed MRSB's application for the approval of the scheme of arrangement and the Group has filed an appeal to the Court of Appeal of Malaysia against the decision of the High Court. The Court of Appeal of Malaysia fixed a hearing date for MRSB on 4 January 2022 and allowed for any additional submissions, authorities, and executive summary (if any) to be filed before 21 December 2021.

As announced by the Company on 11 March 2022, the Court of Appeal has dismissed the Group's appeal against the dismissal of sanction of the scheme of arrangement in the High Court. The Group has filed an application for leave to appeal to the Federal Court and the hearing was fixed on 13 July 2022. The Federal Court of Malaysia fixed the case management of the appeal on 5 September 2022.

At the date of this report, the grounds of judgement of the Court of Appeal are pending and the Federal Court has set a further case management update on 6 January 2023.

(b) Entry into placement agreement

On 15 September 2021, the Company entered into a 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"), all these parties are third parties. Pursuant to the Placement Agreement, 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, 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. The Subscribers have agreed to subscribe for the Placement Shares at the price of S$0.023 per Placement Share for an aggregate amount of S$1,840,000 (approximately RM5,681,000) (the "Placement Consideration"), with S$920,000 (approximately RM2,840,000) of such Placement Consideration to be paid by Asdew Acquisitions, and S$460,000 (approximately RM1,420,000) of such Placement Consideration to be paid by each of Evolve Capital and Ong Toon Wah respectively.

Notes to the Financial Statements

For the financial year ended 30 June 2022

33. Significant events during the financial year (cont'd)

(b) Entry into placement agreement (cont'd)

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 with the exercise price of S$0.048 per Warrant. The completion of the placement is conditional upon the satisfaction of conditions precedent.

On 8 November 2021, certain subscribers completed the exercise of 40,000,000 Warrants at the exercise price of S$0.048 per Warrant for an aggregate amount of S$1,920,000. There are 40,000,000 outstanding Warrants remaining after the aforesaid exercise.

(c) Placement of 20,000,000 new ordinary shares in the capital of the Company

On 28 October 2021, the Company entered into a placement agreement (the "Placement Agreement") with Golden Summit International Ltd ("GSIL"). Pursuant to the Placement Agreement, the Company agrees to allot and issue 20,000,000 new ordinary shares in the capital of the Company (the "Placement Shares") at an issue price of S$0.06 for each Placement Share and GSIL agrees to subscribe for the Placement Shares for a consideration of S$1,200,000 (approximately RM3,705,000). The allotment and issue of 20,000,000 new ordinary shares has been completed on 22 November 2021.

(d) Litigation against Gold Mart Sdn. Bhd. ("GMSB")

On 3 November 2021, the Company announced that a winding up petition (the "Petition") for the sum of RM1,380,307 was filed against the Company's indirect wholly-owned subsidiary, GMSB. The notice of the Petition was published in The Star (Malaysia) on 11 October 2021 and 12 October 2021.

GMSB had filed an appeal on the Petition and the petitioners have consented to stay the application pending the outcome of the appeal. As at the date of this report, the court hearing has been extended to 1 December 2022.

The Petition was filed against GMSB by the petitioners who claimed that GMSB is indebted to them. In view of the claim amount, the Group does not expect the Petition to have a material impact on the business and operations of the Group.

34. Basis for disclaimer of opinion on the financial statements for the financial year ended 30 June 2021

The independent auditor's report dated 8 December 2021 contained a disclaimer of opinion on the financial statements for the financial year ended 30 June 2021. The extract of the basis for disclaimer of opinion, which should be read in conjunction with the Group's 2021 Annual Report as all figures and references are in respect of the financial statements for the financial year ended 30 June 2021, is as follows:

Basis for Disclaimer of Opinion

1) Use of the going concern assumption

We draw attention to Note 3(i) to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. The Group and the Company incurred a net loss of RM168.7 million and RM59.3 million respectively during the financial year ended 30 June 2021.

The Group's working capital primarily comprises development properties and the related receivables. Subsequent to the end of the financial year, the Group had not been able to meet its forecasted sales target for its development properties and experienced slower recovery of its receivables. As disclosed in Note 3(i), the Group faces continuing challenges from the COVID-19 pandemic which has affected the property market in Melaka, Malaysia, and this has continued to impact the realisation of the Group's development properties causing a strain on its cash flows.

Notes to the Financial Statements

For the financial year ended 30 June 2022

34. Basis for disclaimer of opinion on the financial statements for the financial year ended 30 June 2021 (cont'd)

Basis for Disclaimer of Opinion (cont'd)

1) *Use of the going concern assumption (cont'd)*

In addition to the above, as at 30 June 2021, the Group's total loans and borrowings amounted to RM298.6 million, of which RM217.6 million were classified as current liabilities and exceeded the Group's cash and bank balances of RM8.1 million. The Company's total loans and borrowings amounted to RM186.9 million, all of which were classified as current liabilities, and exceeded the Company's cash and bank balances of RM0.2 million. Included in the Group's and Company's loans and borrowings are convertible loan and secured bonds of US$20 million (approximately RM83.1 million) and US$25 million (approximately RM103.8 million) as at 30 June 2021, which originally matured on 10 October 2019 and 8 March 2020, respectively (Note 19). The Company is in the process of negotiation with the lender and the bondholders on the possible extension of repayments. At the date of this report, the definitive outcome of the extension of repayments or potential loan refinancing has yet to be executed.

The Group is also undergoing restructuring of its indirect wholly-owned subsidiaries as disclosed in Note 34(a).

These conditions give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

Notwithstanding the above, the directors have prepared the financial statements on a going concern basis based on the assumptions disclosed in Note 3(i) to the financial statements. However, based on the information available to us, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves whether the use of the going concern assumption in preparing these financial statements are appropriate as (i) the exact timing for the date of completion in relation to the disposal of Gold Mart Sdn. Bhd. ("GMSB") to a third party which will generate gross proceeds of US$60 million for the Company cannot be reasonably ascertained; (ii) the arrangements to secure additional funding and loan refinancing have yet to conclude satisfactorily; and (iii) the restructuring of MDSA Resources Sdn. Bhd. ("MRSB") is subject to the outcome of the appeal to the Court of Appeal of Malaysia against the decision of the High Court of Malaya in Malacca, Malaysia at the date of this report. The Group also continues to face challenges in realising its development properties and recover the related receivables as planned.

The financial statements did not include any adjustments that may result in the event that the Group and the Company are unable to continue as going concerns. In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to realise their assets and discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to the financial statements.

2) *Appropriateness of the classification of disposal group classified as held-for-sale*

The assets and liabilities related to GMSB have been presented as disposal group classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as disclosed in Note 3(v) and Note 18 to the financial statements. As disclosed in Note 18, there was a delay in the completion of the disposal due to the substantial documentation and time required by the financial institutions involved to approve and process the cross-border payment and this was further exacerbated by the COVID-19 pandemic situation. In view of the delay and also the significant uncertainties with respect to the estimated date of completion of the disposal, we are unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of the classification of the disposal group classified as held-for-sale as at 30 June 2021.

Notes to the Financial Statements

For the financial year ended 30 June 2022

34. Basis for disclaimer of opinion on the financial statements for the financial year ended 30 June 2021 (cont'd)

Basis for Disclaimer of Opinion (cont'd)

3) *Investment in subsidiaries and amounts due from subsidiaries in the Company's financial statements*

As at 30 June 2021, the carrying amounts of the Company's investment in subsidiaries and amount due from subsidiaries were RM710.7 million and RM267.5 million as disclosed in Notes 12 and 15 to the financial statements, respectively. In view of the material uncertainties on the ability of the Group to continue as going concern as described in the preceding paragraphs and the ability of the subsidiaries in realising its development properties at expected timings which is inherently uncertain, we are unable to determine whether any impairment loss is required on the carrying amounts of the Company's investments in subsidiaries and amount due from subsidiaries as at 30 June 2021. We are also unable to obtain sufficient appropriate audit evidence on the appropriateness of the classification of amounts due from subsidiaries as current assets in the statement of financial position of the Company, and the disclosures of credit risk with respect to the Company's amounts due from subsidiaries in Note 29(a) to the financial statements.

35. Prior year adjustments and comparative figures

Restatements

(i) On 27 August 2021, MDSA Venture Sdn. Bhd., the Company's indirect wholly-owned subsidiary, received a tax claim from the Malaysia tax authority that stated there were additional tax expenses amounted to RM10,375,000 and tax penalty fees of RM6,173,000 from tax audit conducted by the tax authority for the years of assessment ("YA") 2017 to 2019.

(ii) On 21 October 2021, MDSA Resources Sdn. Bhd. ("MRSB"), the Company's indirect wholly owned subsidiary, had submitted a self-declaration that there was an understatement of tax payable for the YA 2017 to 2020. On 8 November 2021, MRSB received a letter of notification from the tax authority which stated that MRSB was granted a payment scheme where the final balance to be paid for YA 2017 to 2020 amounted to RM1,844,000. As at 30 June 2021, the Group had provided a total of RM5,983,000 of tax payable and RM2,938,000 of tax penalty fees in the financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2022

35. Prior year adjustments and comparative figures (cont'd)

Restatements (cont'd)

As a result of the above mentioned, the financial statements for the previous financial year included herein as comparatives have been restated according to this adjusting event. Effect on the statement of financial position as at 30 June 2021 and consolidated statement of comprehensive income and consolidated statement of cash flows for the financial year ended 30 June 2021 are as follows:

	As reported RM'000	Prior year adjustments RM'000	As restated RM'000
30.06.2021 - Group			
Consolidated Statement of Comprehensive income			
Administrative expenses	(89,807)	(3,235)	(93,042)
Loss before tax	(165,401)	(3,235)	(168,636)
Income tax expenses	(3,265)	(6,236)	(9,501)
Loss for the year	(168,666)	(9,471)	(178,137)
Total comprehensive loss for the year	(169,119)	(9,471)	(178,590)
Statement of Financial Position			
Equity			
Accumulated losses	193,220	9,471	202,691
Total equity	(21,465)	9,471	(11,994)
Current liabilities			
Trade and other payables	(268,166)	(6,173)	(274,339)
Provisions	(34,455)	2,938	(31,517)
Income tax payable	(28,257)	(6,236)	(34,493)
Total liabilities	(1,265,339)	(9,471)	(1,274,810)
Consolidated Statement of Cash Flows			
Loss before tax	(165,401)	(3,235)	(168,636)
Operating cash flows before working capital changes	(113,273)	(3,235)	(116,508)
Trade and other payables	15,254	3,235	18,489

The prior year adjustments do not have any impact to opening balance of the preceding financial year ended 30 June 2021, thus the consolidated statement of financial position as at 1 July 2020 is not presented.

36. Authorisation of financial statements for issue

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022 were authorised for issue in accordance with a resolution of the board of directors of the Company on 28 November 2022.

Statistics of Shareholdings

As at 15 November 2022

SHARE CAPITAL AND VOTING RIGHTS

Number of shares issued	: 1,857,123,228
Issued and fully paid-up capital	: S$439,890,554
Class of shares	: 1 vote per ordinary share
Treasury shares	: NIL
Subsidiary holdings	: NIL

Size of Shareholdings	No. of Shareholdings	%	No. of Shares	%
1 - 99	169	4.86	9,783	0.00
100 - 1,000	788	22.66	314,225	0.02
1,001 - 10,000	847	24.35	3,504,669	0.19
10,001 - 1,000,000	1,589	45.69	229,099,613	12.33
1,000,001 and above	85	2.44	1,624,194,938	87.46
	3,478	100.00	**1,857,123,228**	100.00

SUBSTANTIAL SHAREHOLDERS

	Direct interest		Deemed interest	
	Number of shares	**%**	**Number of shares**	**%**
Hatten Holdings Pte Ltd*	937,091,508	50.46%	-	-
Tan June Teng Colin @ Chen JunTing	-	-	937,091,508	50.46%
Tan Ping Huang Edwin @ Chen BingHuang	-	-	937,091,508	50.46%

* Hatten Holdings Pte Ltd is jointly owned by Tan June Teng Colin @ Chen JunTing and Tan Ping Huang Edwin @ Chen BingHuang, as such Tan June Teng Colin @ Chen JunTing and Tan Ping Huang Edwin @ Chen BingHuang are deemed interested in the shares of the Company held by Hatten Holdings Pte. Ltd.

SHARE CAPITAL AND VOTING RIGHTS

Based on the information available to the Company as at 15 November 2022, approximately 43.56% of the issued ordinary shares of the Company is held by the public and therefore, the Company has complied with Rule 723 of the Catalist Rules.

Statistics of Shareholdings

As at 15 November 2022

TWENTY LARGEST SHAREHOLDERS AS AT 15 NOVEMBER 2022

	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	780,022,618	42.00
2	HATTEN HOLDINGS PTE LTD	177,091,508	9.54
3	TOH SOON HUAT	60,975,000	3.28
4	KINGPIN INVESTMENT (PTE LTD)	56,500,000	3.04
5	AIM WORLDWIDE GROUP LTD	48,909,000	2.63
6	RAFFLES NOMINEES (PTE) LIMITED	48,245,567	2.60
7	LINK (THM) BIZ MS PTE LTD	30,186,875	1.63
8	MAYBANK SECURITIES PTE. LTD.	29,199,320	1.57
9	TAN JUNE WEE EDERN	28,900,000	1.56
10	KGI SECURITIES (SINGAPORE) PTE. LTD	26,930,000	1.45
11	UOB KAY HIAN PTE LTD	24,908,220	1.34
12	CITIBANK NOMINEES SINGAPORE PTE LTD	24,539,116	1.32
13	ERIC TAN ENG HUAT	22,479,000	1.21
14	ONG TOON WAH	21,300,000	1.15
15	PRISCIL POH LY-MAY	19,513,000	1.05
16	HILLS HOLDINGS PTE LTD	12,195,000	0.66
17	LU CHAI HONG	10,696,500	0.58
18	OCBC SECURITIES PRIVATE LTD	10,687,415	0.58
19	POH TECK BOON	10,000,000	0.54
20	DBS NOMINEES PTE LTD	9,453,503	0.51
	TOTAL	**1,452,731,642**	**78.24**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Hatten Land Limited (the "**Company**") will be held at Level 2, 53 Mohamed Sultan Road, Singapore 238993 on Wednesday, 14 December 2022 at 9.00 a.m. to transact the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 30 June 2022 and the Directors' Statement and the Auditors Report thereon. **(Resolution 1)**

2. To re-elect Mr. Nicholas Khoo, a Director retiring pursuant to Article 122 of the Company's Constitution, and who being eligible, will offer himself for re-election. **(Resolution 2)**

   Mr. Nicholas Khoo will, upon re-election as Director of the Company, remain as the Chairman of the Remuneration Committee and member of the Audit and Risk Committee and the Nominating Committee. The Board considers Mr. Nicholas Khoo, to be independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Trading Limited (the "**SGX-ST**") ("**Catalist Rules**").

3. To re-elect Dato' Colin Tan, a Director retiring pursuant to Article 117 of the Company's Constitution, and who being eligible, will offer himself for re-election. **(Resolution 3)**

   Dato' Colin Tan will, upon re-election as Director of the Company, remain as the Executive Chairman and Group Managing Director of the Company.

4. To re-elect Dato' Edwin Tan, a Director retiring pursuant to Article 117 of the Company's Constitution, and who being eligible, will offer himself for re-election. **(Resolution 4)**

   Dato' Edwin Tan will, upon re-election as Director of the Company, remain as the Executive Director and Deputy Managing Director of the Company.

5. To approve the payment of Directors' Fees of S$187,171 (2021: S$127,875) for the year ended 30 June 2022. **(Resolution 5)**

6. To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as ordinary resolutions with or without any modifications:

7. **THE PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE** **(Resolution 7)**

   " a) That, pursuant to Section 161 of the Companies Act 1967 (the "**Act**"), and Rule 806 of the Catalist Rules, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

      i) issue new shares in the capital of the Company whether by way of rights, bonus or otherwise;

      ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

      iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

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b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

Provided always that,

i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed 100% of the Company's issued share capital, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 50% of the issued share capital of the Company, and for the purpose of this resolution, the issued share capital shall be the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed, after adjusting for;

1) new shares arising from the conversion or exercise of convertible securities, or

2) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and

3) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Please see Explanatory Note 1)

8. **THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE** **(Resolution 8)**

"a) That for the purposes of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire fully-paid ordinary shares in the capital of the Company ("**Shares**") not exceeding 10% of the issued shares of the Company (excluding treasury shares and subsidiary holdings), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

i) on-market purchase(s) ("**Market Purchase**") transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

ii) off-market purchase(s) ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Act and the Catalist Rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

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b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:-

   i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
   ii) he date on which the share purchases are carried out to the full extent mandated;
   iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in general meeting;

c) in this Resolution:

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding related expenses of the purchase) not exceeding:-

i) in the case of a Market Purchase, 105% of the Average Closing Price; and
ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price;

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Day period;

"**day of making of the offer**" means the day on which the Company announces its intention to make an offer for Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price for Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Market Day**" means a day on which SGX-ST is open for trading of securities; and

d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary or expedient to give effect to the transactions contemplated by this Resolution."

(Please refer to the Appendix for details)

9. **THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTION MANDATE** **(Resolution 9)**

a) That approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules for the Group to enter into any of the transactions falling within the types of Interested Person Transactions ("**IPTs**") (particulars of which are set out in the Appendix) with the interested persons in accordance with the guidelines of the Company for IPTs as set out in the Appendix, and subject to the review procedures for such IPTs as set out in the Appendix (the "**IPT Mandate**");

b) That such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company;

c) That the Audit and Risk Committee of the Company be and is hereby authorized to take such action as it deems proper in respect of the review procedures for the IPTs and/or to modify or implement such procedures as may be necessary to take into consideration

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any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and

d) That the Directors of the Company and each of them be and are hereby authorized to do all such acts and things (including without limitation executing all such documents as may be required) as they may consider expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorized by the IPT Mandate and/or this Resolution

(Please see Explanatory Note 2)

10. **AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE HATTEN LAND LIMITED EMPLOYEE'S SHARE OPTION SCHEME ("HATTEN ESOS")** **(Resolution 10)**

"That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to:

a) offer and grant options ("**Options**") from time to time in accordance with the provisions of the Hatten ESOS; and

b) allot and issue from time to time such number of Shares in the capital of the Company

as may be required to be issued pursuant to the exercise of options granted under the Hatten ESOS,

provided always that aggregate number of Shares to be issued and issuable pursuant to the exercise of options under the Hatten ESOS, Hatten PSP and any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), on the day immediately preceding the date on which an offer to grant an Option is made and that the grant of Options can be made at any time and from time to time."

(Please see Explanatory Note 3)

11. **AUTHORITY TO GRANT AWARDS AND ISSUE SHARES UNDER THE HATTEN LAND LIMITED PERFORMANCE SHARE PLAN ("HATTEN PSP")** **(Resolution 11)**

"That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to:

a) offer and grant awards ("**Awards**") from time to time in accordance with the provisions of the Hatten PSP; and

b) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of Awards granted under the Hatten PSP,

provided always that aggregate number of Shares to be issued and issuable pursuant to the exercise of options under the Hatten ESOS, Hatten PSP and any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), on the day immediately preceding the date on which an Award is granted."

(Please see Explanatory Note 4)

BY ORDER OF THE BOARD
Dato' Colin Tan
Executive Chairman and Group Managing Director
29 November 2022
Singapore

Notice of Annual General Meeting

EXPLANATORY NOTES:

1. Ordinary Resolution 7 proposed in item 7 above is to authorise the Directors of the Company from the date of the AGM until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100 percent of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 50 percent of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

2. Ordinary Resolution 9 proposed in item 9 above, if passed, will renew the IPT Mandate for transactions with the interested persons and empower the Directors of the Company from the date of the AGM until the date of the next Annual General Meeting to do all acts necessary to give effect to the Directors of the Company from the date of the AGM until the date of the next Annual General Meeting to do all acts necessary to give effect to the Resolution. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company. In accordance with the requirements of Chapter 9 of the Catalist Rules, Dato' Tan June Teng Colin and Dato' Tan Ping Huang Edwin being the "Interested Persons" in relation to the IPT Mandate, will abstain from voting, and will ensure that their respective associates abstain from voting, on Ordinary Resolution 9 relating to the proposed renewal of the IPT Mandate.

3. Ordinary Resolution 10 proposed in item 10 if passed, will empower the Directors of the Company, to offer and grant Options under the Hatten ESOS and to allot and issue shares pursuant to the exercise of such Options under the Hatten ESOS, Hatten PSP and any other share based incentive schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

4. Ordinary Resolution 11 proposed in item 11 if passed will empower the Directors of the Company, to allot and issue Shares pursuant to the vesting of Awards under the Hatten PSP, Hatten ESOS and any other share based incentive schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

Voting by proxy

5. A member (whether individual or corporate) may appoint a proxy as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.

6. A proxy need not be a member of the Company.

7. The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by the appointor or his attorney, and in case of a corporation, shall be either under the common seal or signed by its attorney or an authorised officer on behalf of the corporation.

8. A member of the Company (other than a member who is a relevant intermediary as defined below) shall not be entitled to appoint more than two proxies to attend and vote at the AGM on his behalf. Where such member's form of proxy appoints more than one proxy, the proportion of his/her shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named.

9. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

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10. Pursuant to Section 181 of the Act, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the AGM. Relevant intermediary is either:

    a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
    b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or
    c) the Central Provident Fund ("**CPF**") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

11. The proxy form for the Annual General Meeting may be accessed at the Company's website at http://www.hattenland.com.sg and SGXNET.

12. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 pm on 5 December 2022**.

13. The duly executed proxy form must be submitted via one of the following means:

    (a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898, or

    (b) submitted by email to sg.is.proxy@sg.tricorglobal.com

    not later than 72 hours before the time set for the Annual General Meeting.

14. A Depositor shall not be regarded as a member of the Company unless his/her name appears on the Depository Register 72 hours before the time appointed for the Annual General Meeting.

Submission of Questions

15. Shareholders may submit questions relating to the items on the agenda of the AGM. All questions must be submitted by **5.00 p.m.** on **6 December 2022**.

    (a) by email to hattenlandagm@hattengrp.com, or

    (b) by post to Level 4, 53 Mohamed Sultan Road, Singapore 238993

    The Company will endeavour to address the substantial and relevant questions received in advance of the AGM by 9 December 2022. Any questions received after the said date will be addressed at the Annual General Meeting. The responses to such questions from shareholders, together with the minutes of the AGM, will be posted on the SGXNET and the Company's website within one month after the date of the AGM. Shareholders are reminded to provide their full name as set out in their NRIC, NRIC number and number of shares held, when sending in their questions to the Company in order to verify their shareholder status.

Important reminder

16. Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM.

Notice of Annual General Meeting

PERSONAL DATA POLICY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

HATTEN LAND LIMITED

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

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act 1967 of Singapore (the "**Act**"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company ("**CPF Investors**"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Annual General Meeting.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 November 2022

PROXY FORM

*I/We____NRIC/Passport No/Company's Registration Number ________________________ of ____
being *a member/members of Hatten Land Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

*and/or

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at Level 2, 53 Mohamed Sultan Road, Singapore 238993 on 14 December 2022 at 9.00 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "**X**" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For	Against	Abstain
1.	To receive and consider the Audited Financial Statements of the Company for the financial year ended 30 June 2022 and the Directors' Statement and Auditors' Report thereon			
2.	To re-elect Mr. Nicholas Khoo as Director pursuant to Article 122 of the Company's Constitution.			
3.	To re-elect Dato' Colin Tan as Director pursuant to Article 117 of the Company's Constitution			
4.	To re-elect Dato' Edwin Tan as Director pursuant to Article 117 of the Company's Constitution.			
5.	To approve the payment of Directors' Fees of S$187,171- for the financial year ended 30 June 2022			
6.	To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.			
8.	To approve the renewal of Share Buyback Mandate			
9.	To approve the renewal of the Interested Person Transaction Mandate			
10.	To approve the allotment and issue of shares under the Hatten Land Limited Employees' Share Option Scheme			
11.	To approve the allotment and issue of shares under the Hatten Land Limited Performance Share Plan			

Dated this ________day of ____________________ 2022

Total Number of Shares Held

____

Signature(s) of Member(s)/Common Seal

* Delete accordingly

IMPORTANT. Please read notes overleaf

Notes:-

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Constitution and Section 179 of the Companies Act, 1967 of Singapore.

The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be submitted via one of the following means:

(a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898, or

(b) via email to sg.is.proxy@sg.tricorglobal.com

not later than 72 hours before the time set for the Annual General Meeting.

5. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

7. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.

8. An investor who buys shares using CPF monies ("**CPF Investor**") or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF or SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF or SRS Investors shall be precluded from attending the Meeting. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 pm on 5 December 2022.**

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 November 2022.

AFFIX
STAMP

The Company Secretary
HATTEN LAND LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

WWW.HATTENLAND.COM.SG