HATTEN 惠胜 LAND

ANNUAL REPORT 2023

Content

Enriching Communities Together

Hatten Land Annual Report 2023

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

Overview

Sustainability

Financials & Additional Information

This Annual Report has been prepared by Hatten Land Limited ("Company") and its contents have been reviewed by RHT Capital Private Limited ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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 Josh Tan (Registered Professional), 36 Robinson Road, #10-06, City House, Singapore 068877, sponsor@rhtgoc.com.

Corporate Profile

HATTEN 惠胜
LAND

The name "Hatten" is derived from the Japanese word (发展) which means "growth and development".

Hatten Land has an established track record as a visionary developer, had won 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 Land's strategic pivot continues to make bold strides and advancements towards digitization in a tactical union of technology, hospitality and tourism in Melaka.

Tapping on the annual influx of 16 million tourists into this UNESCO World Heritage Site, and coupled together with Melaka's economic growth, Hatten Land is well-positioned to rejuvenate, revitalise and multiply the footfall and boost sales within our Melaka malls and developments, as we build up strategic resilience and financial agility within our business model.

Development Portfolio

Hatten City (Phase 1 & 2)

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

Phase 2 is a mixed development that 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.

Development Portfolio

Phase 1

- Sky Deck @ Hatten City
- ElementX Mall
- Silverscape Residences
- DoubleTree by Hilton
- Hatten Place Hotel




Phase 2

- Imperio Residences
- Imperio Mall


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 of Melaka.

Corporate Milestones

2023 MARCH

Hatten Land partners with Quantum Healthcare to transform Imperio Mall in Melaka into a medical hub, capitalizing on the city's dual tourism appeal as both a UNESCO site and a healthcare destination frequented by over 160,000 visitors pre-pandemic.

JUNE

Hatten Land and Quantum Healthcare have signed a tenancy agreement for over 138,000 sq. ft., with an option for an additional 72,000 sq. ft., totaling more than 210,000 sq. ft. of identified space at Imperio Mall @ Hatten City in Melaka. Utilizing Hatten City's integrated offerings, the partnership targets the growing medical tourism sector in Melaka, taking advantage of extended stays and higher spending by healthcare travelers.

SEPTEMBER

GMSB's Scheme of Arrangement gained majority approval on 8 September 2023, pending court approval. Melaka's appeal to investors is rising due to projects like the Melaka Waterfront Economic Zone (M-WEZ). Harbour City, a significant hospitality project in downtown UNESCO Melaka and a flagship within M-WEZ, will include Malaysia's first 'sky' water theme park, indoor experiential zones, and panoramic views of the Straits of Melaka for all age groups.

Chairman's Statement

DATO' COLIN TAN

Executive Chairman and 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 2023 ("FY2023").

Since Malaysia's full reopening of international borders from 1 April 2022 for fully-vaccinated travellers, progressive re-openings of the economy and social activities in Melaka as well as the resurgence of tourism activities. In 2022, Melaka recorded the arrival of more than 6 million tourists in 2022. In July 2023, the Melaka government announced a target of 18.7 million domestic and foreign tourists for Visit Melaka Year 2024.

In terms of investments, the state government of Melaka has secured RM5 billion worth of investments for the first six months of 2023 and government officials have indicated that Melaka is on track to exceed its 2023 target of RM6 billion. In addition, Melaka has announced that it is set to receive RM3.5 billion investment through seven projects that will be developed in the state in collaboration with Cheng Ho International Trade and Cultural City Centre Sdn Bhd and investors from China, which will further strengthen bilateral relations in various aspects with China.

With China's reopening in January 2023, unprecedented visa-free privilege to Chinese visitors since December 2023, and Hong Kongers getting longer visa-free stays in Malaysia, there is more optimism for Melaka's tourism and hospitality sectors within the foreseeable future.

As such, the Group is optimistic that these key drivers, among others, of tourism and hospitality activities will benefit our integrated mixed-use development projects in Melaka, which are located within the prime and strategic locations in Melaka, UNESCO World Heritage City.

It is worth noting that Singapore's leading Lifestyle F&B, and Hospitality group, 1-Group, is partnering with our parent, Hatten Group, to create a new tourism and hospitality icon in Malaysia within our spectacular Hatten City development in Melaka. Perched at the highest point in Melaka, at over 650 feet above Hatten City that offers spectacular views over the UNESCO city as well as the Straits of Malacca.

Gradually opened since July 2023 and leveraging on 1-Group's unique strengths, this sky-high destination will occupy an area of more than 81,000 sq. ft., offering a curated portfolio of dining, café, bar, nightlife, co-working and co-living concepts that aims to not only be the best in Melaka but also one of the best in Malaysia.

The Group has been a pioneer in creating property landmarks in Melaka and has proudly served more than 5,800 property purchasers. The Group's properties portfolio comprises four integrated mixed-use development projects and retail mall, three completed and two developments in-progress.

Over the past 12 months, the Group has been proactively working to re-purpose our completed retail malls with new concepts to increase our footfall to harness the opportunities associated with the rising consumer demand and hospitality activities in Melaka in the endemic phase.

In addition, we have made considerable progress in the enhancement of our business model towards more opportunities within the digital economy via various collaborations and partnerships with government agencies and prominent partners in the digital and technology field.

Chairman's Statement

NOTE OF APPRECIATION

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

With the new concepts of our integrated mixed-use development projects and targeting new anchor tenants, we expect more property sales of our development in the near future.

In addition, the Group is continuing our efforts on strategic restructuring initiatives to restructure our legacy contractual obligations, so as to achieve a more sustainable capital structure which will reduce pressure on the Group's cash outflows going forward.

Change is never easy, yet Hatten Land has continue to challenge traditional norms and reinvent ourselves to become a more efficient and effective organisation to realise our strategic objectives.

On behalf of the Board of Directors, I would like to express my sincere gratitude to our management team and staff whose hard work and dedication has been crucial to the Group through the challenging times we have faced.

To my fellow Board members, I would like to acknowledge your counsel, professionalism and contributions in steering the Group forward.

I would also like to thank all our stakeholders – our customers, business partners, bankers, and the relevant authorities for your continued support and confidence in our work.

Last but not least, I would also like to extend my heartfelt appreciation to our shareholders. Without your continued support in our vision, we would have not been able to come this far.

We are confident that Hatten Land's differentiated strategy put us in a unique position to harness the emerging trends following the pandemic and we remain committed in delivering value for all our stakeholders.

To everyone, once again, thank you!

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

Board of Directors

DATO' COLIN TAN

Executive Chairman and 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 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, 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. 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 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 Managing Director. He is responsible for the overall management and strategy of the Group. Dato' Edwin Tan oversees operations, human resource and development management of the Group.

Dato' Edwin Tan was one of the founders of Hatten, 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, Dato' Edwin Tan served as the Executive Director and Deputy Managing Director of Hatten and was in charge of operations, human resource, 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."

Board of Directors

DATO' WONG KING KHENG
Lead Independent Director

Present Directorships
(Listed Companies)

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

Dato' Wong King Kheng 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

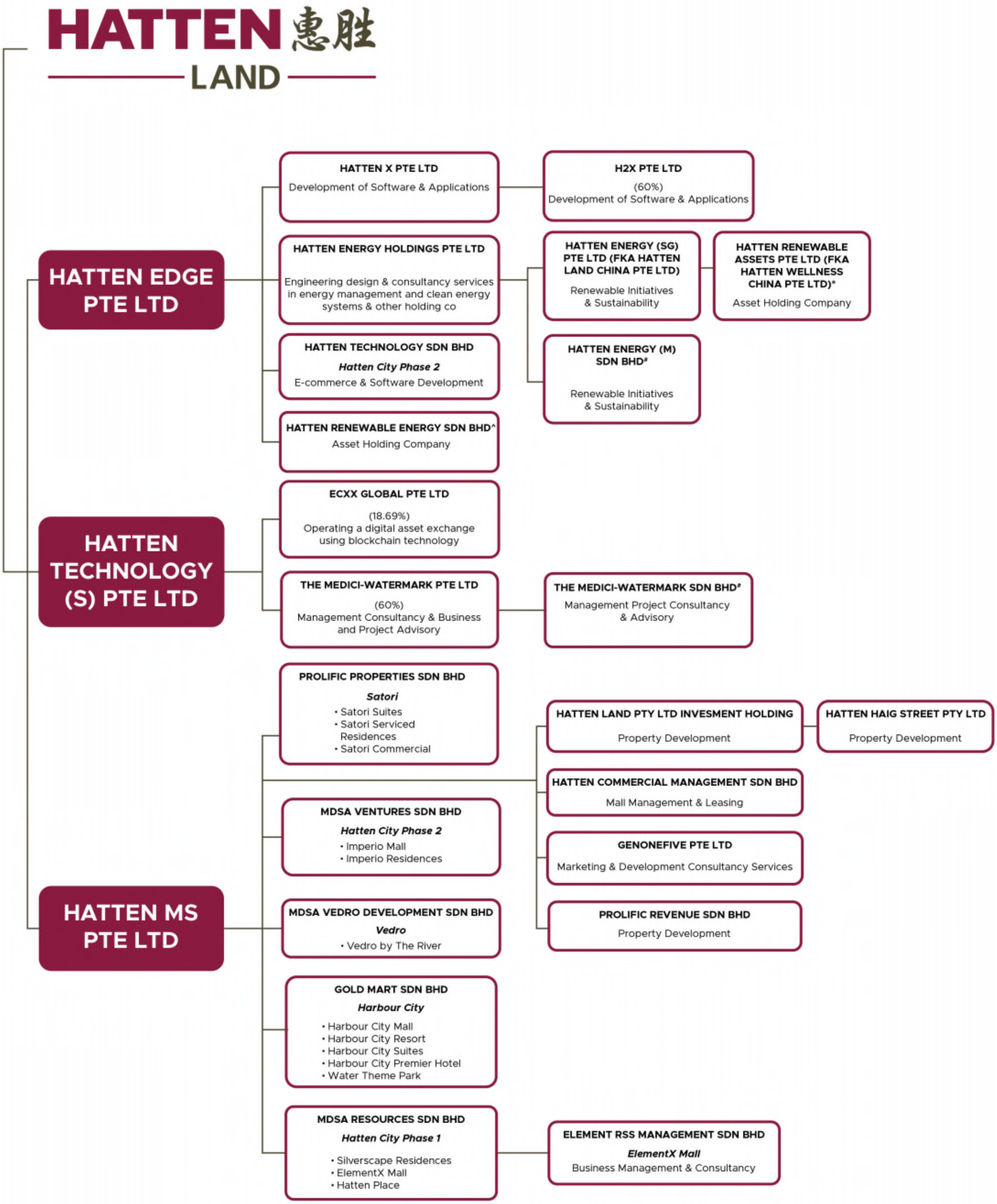
Present Directorships
(Listed Companies)

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 *AS AT 30 JUNE 2023*



^ The group disposed 80% shares on 25 August 2023
** Struck off on 29 August 2023*
 # Struck off on 6 August 2023

Corporate Information

Board of Directors

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

Audit and Risk Committee

Dato' Wong King Kheng (Chairman)
Loh Weng Whye
Nicholas Khoo

Nominating Committee

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

Remuneration Committee

Nicholas Khoo (Chairman)
Dato' Wong King Kheng
Loh Weng Whye

Company Secretaries

Lotus Isabella Lim Mei Hua
Lee Bee Fong

Registered Office

Company Registration No.: 199301388D
53 Mohamed Sultan Road
#03-01
Singapore 238993
Tel: (65) 6470 0619
Website: www.hattenland.com.sg

Share Registrar

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
9 Raffles Place
#26-01 Republic Plaza Tower 1
Singapore 048619

Sponsor

RHT Capital Private Limited
36 Robinson Road
#10-06, City House
Singapore 068877

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 2023

BOARD STATEMENT

At Hatten Land, we aim to foster a company-wide culture of sustainability. Through our actions taken over the last year, we, collectively as a Board, aim to ensure that sustainability is an integral part of Hatten Land's operations, from the way business is conducted, stakeholders engagements, environmental impact reduced and positive impact is created for local communities where we operate.

Recognising that sustainability is an ongoing process, Hatten Land is continuously improving our approach in managing sustainability within the organisation, so that material issues are identified, addressed and managed effectively.

We will continue to capitalise on the Group's core strengths and improve on identified gaps in our business policies, creating enhanced decision-making processes within the Group that are aligned with our strategic direction and policies, focused on supporting people, the planet, and the communities in which we operate.

In FY2023, the global economy continues to face headwinds arising from rising interest rates, inflationary pressures, growing social challenges, increasing impacts of climate change, and ongoing geopolitical tensions, among others.

The Group's core business activities are in Melaka, Malaysia, which is strategically located within close driving distance of major cities such as Kuala Lumpur and Singapore. Listed as the UNESCO World Heritage Site, Melaka is one of Malaysia's most popular tourist destinations.

Coupled together with the Group's properties portfolio in Melaka (comprising four integrated mixed-use development projects and a retail mall, with three completed and two in-progress) in prime locations, these factors have helped preserve the value of the Group's assets.

Since our strategic review in late 2021, the Group has continued to make progress and advance on our strategic pivot, where 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, digital-related experiences.

To reduce our carbon footprint, 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, within our business activities. At the same time, we continue to implement cost saving measures and streamline our business functions to enhance our business resiliency.

Employees are our biggest assets at Hatten Land, hence the health and well-being of our employees are what we value most, and we will continue to improve our policies and implement better safeguards for our employees.

Equipping employees with the necessary functional and leadership skills is vital to help them excel at the workplace. Apart from providing various training opportunities, Hatten Land aims to create a vibrant, positive workplace with an emphasis on performance and excellence.

We recognise that sustainability is not confined to the world outside our business, and in addition to development opportunities, Hatten Land acknowledges the importance of an engaged and motivated workforce. Our Happy Committee continue to regularly organise engagement activities to develop our relationships with our employees in a sustainable way, fostering a sense of belonging and boosting the morale within the organisation.

Sustainability Report 2023

At Hatten Land, we see ourselves as community developer. Aligned with our vision and core values as a responsible corporate citizenship, Hatten Land actively seeks new ways to implement our Corporate Social Responsibility ("**CSR**") initiatives, providing support and making a positive change within our company and the communities that we come in touch with.

This is our sixth annual sustainability report and we sincerely hope our stakeholders appreciate our sustainability journey, progress and transparency depicted within this report. We will continue to apply our pioneering spirit, working together in a collaborative manner with our stakeholders, to deliver on our commitments and make real world impact.

Sustainability Report 2023

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 sixth sustainability report published by Hatten Land.

The report discusses our sustainability performance for the financial year ended 30 June 2023 ("**FY2023**"). 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 as energy consumption, water consumption and effluents and waste generated from Singapore is immaterial as the proportionate for Singapore were below 1%. 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.

We are currently in the process of implementing mandatory climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"), and will report on our progress in the FY2025 report.

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.

However, the Board has engaged Crowe Horwath First Trust Advisory Pte Ltd ("**Crowe**"), a reputable professional firm specialising in audit and risk solutions, to assist the Board in its review of the adequacy and effectiveness of the Company's internal control systems in relation to sustainability reporting.

The scope of the services is to review the operations related to the development of sustainability report. The findings are presented to the Audit Committee for its deliberation and recommendation to the Board. There are no significant weaknesses reported.

The Board is of the opinion, with the concurrence of the Audit Committee, that based on the review performed by Crowe, the Company maintains a sound system of internal controls in the areas of sustainability reporting. The Board however notes that no system of internal controls can provide absolute assurance against failure to meet business objectives, poor business judgement, human fallibility, material errors or losses, frauds, breaches of laws or regulations, or other unforeseeable occurrence.

We have restated the reported data on energy intensity for FY2021 and FY2022. This correction was made due to use of outdated conversion rate in the previously reported information. Also, in this latest Annual Report FY2023, we have included the data on water consumption for FY2023.

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.

Sustainability Report 2023

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	Hospitable	Unity	Integrity	Excellence
We take initiative to solve problems by thinking outside the box	We put people first in everything we do	We work together to deliver impeccable products and services	We earn our reputation by adhering to the highest ethical standards and conducts	We strive to achieve excellence at all times

The COVID-19 pandemic has led to significant transformations that shaped the post-pandemic business environment. As the world emerges from the crisis, companies find themselves navigating a new landscape defined by resilience, innovation, and digitalization. In Hatten Land, besides the core values, the company also embraces LAND philosophy to thrive in the new business era.

Lean

We streamline our processes, and eliminate irrelevancy.

Nimble

We adapt quickly to changes in the market and industry.

Accountable

We hold ourselves accountable for our actions and decisions, and own our successes and failures.

Dynamic

We embrace a culture that encourages creativity, innovation and continuous progress.

Through our LAND, we aim to deliver impeccable service to our customers while fostering a positive and empowering work environment for our team.

External Assurance

Our current practice is to rely on internal verification to ensure the accuracy of ESG data. We have not obtained external assurance for this sustainability report. However, our sustainability report has been internally reviewed by independent Internal Auditors to ensure its reliability.

Sustainability At Hatten Land

STAKEHOLDER ENGAGEMENT

Engaging 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 FY2023 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 committee 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 and Waste	
Water Consumption	GRI 303: Water & Effluents	
People and Community		
Human Capital Development	GRI 401: Employment GRI 404: Training and Education	• All operations
Occupational Health and 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 Environment 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 on solar energy generated by installing solar panels to ensure that the negative impacts of these activities are negated.

Our performance

In FY2023, as COVID-19 enters into the endemic phase, our retail malls and hotel operations resume, Hatten City Phase 1 and 2 saw a rise in Total Energy Consumption and Scope 2 Emissions.

In addition, in FY2023 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 as well as slow retail market growth. As momentum picks up post COVID-19, there has been an increase in energy consumption in FY2022 and FY2023. This is due to in FY2021, Malaysia imposed tough movement restrictions which resulted in low foot traffic into Hatten City 1 components of ElementX Mall and DoubleTree by Hilton. ElementX and DoubleTree bv Hilton has seen a surge in foot traffic in FY2022 and FY2023 resulting in more floors opened in ElementX Mall and higher occupancy in DoubleTree by Hilton.

Reducing Our Environment Impact

ENERGY CONSUMPTION

Total Energy Consumption (GwH)

FY2021	FY2022	FY2023
5.41*	16.52*	19.20

Energy Intensity (GwH/GFA)

FY2021	FY2022	FY2023
Not Reported Previously	Not Reported Previously	18.37

Scope 2 Emissions (tCO_2e)[1]

FY2021	FY2022	FY2023
4.220	12.886	14.976

Table 2: Energy consumption for Hatten City Phase 1 for FY2023

*Note * Restated from GJ previously to GwH for FY2021 and FY2022.*

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 0.780 tCO_2e/mWh found at: https://meih.st.gov.my/documents/10620/384e88c1-b782-49a1-8dff-74c836b3a3f7

Reducing Our Environment Impact

WATER CONSUMPTION

Why this is material

In an era marked by increasing environmental concerns and the imperative for corporate responsibility, the prudent management of resources has become paramount. At Hatten Land, we recognize that water, as a finite and essential resource, plays a pivotal role in our sustainability journey. Our commitment to reducing environmental impact is unwavering, and responsible water management is at the core of this commitment.

Water is not only a fundamental element for life but also a critical factor in the global sustainability landscape. Its scarcity in many regions and its role in climate change mitigation underscore the necessity of water conservation. Hatten Land understands the profound implications of our water consumption on ecosystems, communities, and the planet as a whole.

How we manage our water

Hatten Land has embarked on key water saving measures to ensure water is used responsibly. These range from major initiatives such as optimisation of cooling towers in ElementX Mall, repair and upkeep of the rainwater harvesting system in Silverscape Residences to small but important initiatives which include among others replacement of restroom faucets with water flow at 0.5 gpm. Additional valves have been added to existing piping systems to ensure that in the event of pipe leakages, water supply can be cut off to prevent unnecessary loss of water from leakages.

How we manage our energy

Prior to FY2023, water consumption was not reported in this report. As part of our continuous improvement process, from this year onwards, we are reporting water consumption and water intensity.

Total Water Consumption (m^3)

FY2021	FY2022	FY2023
Not Reported Previously	Not Reported Previously	176,208

Water Intensity (m^3/GFA)

FY2021	FY2022	FY2023
Not Reported Previously	Not Reported Previously	0.168416

Table 3: Water consumption for Hatten City Phase 1 for FY2023

Target

At the moment, ElementX Mall has a fourteen percent (14%) occupancy rate, Hatten Place and Skydeck are still not in operation during FY2023.

As we move towards 70% - 80% of occupancy rate for ElementX Mall, reopening of Hatten Place and Skydeck, we are targeting to manage the water consumption increase to within 40% of the current water consumption.

Reducing Our Environment 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 FY2023, there was an increase in the amount of waste generated and disposed as momentum picks up post COVID-19 recovery. There has been an increase in the occupancy for DoubleTree By Hilton, increase in footfall into ElementX Mall and also an increase in the number of visitors to Silverscape Residences for AirBnB stayovers.

Hazardous	Total Waste Disposal	Non-Hazardous
FY2021 None		FY2021 1323 tonnes
FY2022 None		FY2022 896.25 tonnes
FY2023 None		FY2023 1,075.92 tonnes

Table 4: Waste generated for Hatten City Phase 1 for FY2023

Tracking corporate waste documented per waste collection;

1. 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;

2. The company conduct internal briefings to all staff on recycling matters.

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

Table 5: Our employee profile as of 30th June 2023 compared to 30th June 2022.

Employee Profile	FY2022					FY2023				
	Singapore		Melaka		Total	Singapore		Melaka		Total
	Male	Female	Male	Female		Male	Female	Male	Female	
Permanent contract	10 (9%)	9 (8%}	35 (31%)	59 (52%)	**113**	17 (14%)	16 (12%)	42 (34%)	50 (40%)	**125**
Temporary contract	0 (0%)	0 (0%)	7 (54%)	6 (46%)	**13**	0 (0%)	0 (0%)	2 (50%)	2 (50%)	**4**
Total	10 (8%)	9 (7%)	42 (33%)	65 (52%)	**126**	17 (14%)	16 (12%)	44 (34%)	52 (40%)	**129**

Out of the total employee profile FY2023, the following table shows the Top Management's Diversity.

Table 6: Top Management's Diversity

Diversity of Top Management	FY2023								
	Singapore				Melaka				Total
	Male	%	Female	%	Male	%	Female	%	
Senior Manager	2	20%	1	10%	3	30%	4	40%	**10**
Director	3	50%	1	17%	2	33%	0	0%	**6**
Consultant	1	100%	0	0%	0	0%	0	0%	**1**
Total	6	35%	2	12%	5	29%	4	24%	**17**

Note: Comparison will be provided in FY2024 as we have restructured our group this year.

People & Community

HUMAN CAPITAL DEVELOPMENT

Table 7: New hires and resignation by gender

New Hires and Resignation by Gender									
	FY2023								
	Singapore				Melaka				**Total**
	Male	%	Female	%	Male	%	Female	%	
New Join	7	15%	6	13%	17	36%	17	36%	**47**
Resignation	13	24%	10	18%	13	24%	19	34%	**55**

Note: Comparison will be provided in FY2024 as we have restructured our group this year.

Table 8: Headcount by age group

Headcount by Age Group									
	FY2023								
	Singapore				Melaka				**Total**
	Male	%	Female	%	Male	%	Female	%	
Below 30	8	16%	5	10%	16	31%	22	43%	**51**
31 - 50	8	12%	9	14%	21	32%	28	42%	**66**
Above 50	1	8%	2	17%	7	58%	2	17%	**12**
Total	17	13%	16	12%	44	34%	52	40%	**129**

Note: Comparison will be provided in FY2024 as we have restructured our group this year.

People & Community

HUMAN CAPITAL DEVELOPMENT

Table 9: New hires by age group

New Hires by Age Group									
	FY2023								
	Singapore				Melaka				Total
	Male	%	Female	%	Male	%	Female	%	
Below 30	5	17%	3	10%	10	35%	11	38%	**29**
31 - 50	2	13%	3	20%	4	27%	6	40%	**15**
Above 50	0	0%	0	0%	3	100%	0	0%	**3**
Total	7	15%	6	13%	17	36%	17	36%	**47**

Note : Comparison will be provided in FY024 as we have restructured our group this year.

Table 10: Resignation by age group

Resignation by Age Group									
	FY2023								
	Singapore				Melaka				Total
	Male	%	Female	%	Male	%	Female	%	
Below 30	8	28%	4	14%	5	17%	12	41%	**29**
31 - 50	5	22%	6	26%	5	22%	7	30%	**23**
Above 50	0	0%	0	0%	3	100%	0	0%	**3**
Total	13	24%	10	18%	13	24%	19	34%	**55**

Note: Comparison will be provided in FY2024 as we have restructured our group this year.

People & Community

HUMAN CAPITAL DEVELOPMENT

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 continue easing of the pandemic in sight, we were able to resume an in-office work environment. Our utmost priority is to maintain safe working conditions. All necessary pre-cautions and standard operating procedures (SOPs) were implemented to ensure all staff could safely perform their duties. Whilst the pandemic has resulted in unprecedented and prolonged challenges, we continue to prioritize our human capital and focus on nurturing their health, livelihood, economic prospects and job security. 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 is picking 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 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 SOPs. Additionally, we have implemented technological advancements and guidelines to ensure our employees are able to work remotely and efficiently.

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 Departments (HODs), 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.

HODs Workshop on 12-13 April 2023

People & Community

HUMAN CAPITAL DEVELOPMENT

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 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.

We continued carrying out regular training plans in FY2023, which included both online and physical training. Our employees 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 workforce to staff for the growing company.

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

Orientation for new joiners

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 FY2023 in comparison with our performance in FY2022, meeting our FY2023 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.

	FY2022				FY2023			
	Singapore		Melaka		Singapore		Melaka	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior	21	0	2	2	8	7	8	18
Middle	8	2	3	2	1	6	7	8
Executive	1	0.5	2	2	2	1	5	2
Non-executive	0	0	2	2	0	1	2	1

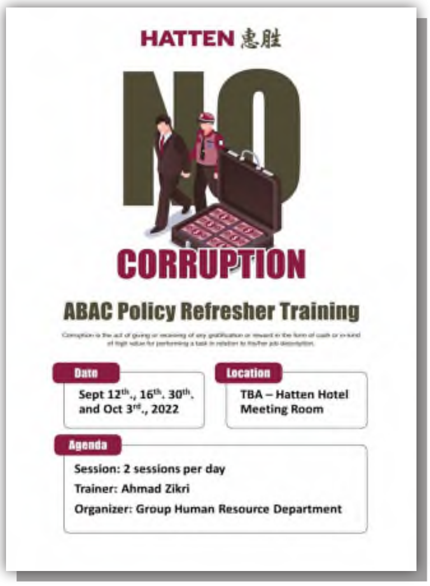
Table 6: Average hours of employee training in FY2023 compared to FY2022

People & Community

HUMAN CAPITAL DEVELOPMENT

	FY2023											
	Singapore						Melaka					
	Headcount		Total Hours		Average Hours		Headcount		Total Hours		Average Hours	
	M	F	M	F	M	F	M	F	M	F	M	F
Senior	5	3	40	20	8	7	5	4	40	72	8	18
Middle	4	7	4	40	1	6	9	13	66	104	7	8
Executive	6	4	10	4	2	1	10	26	50	42	5	2
Non-executive	2	2	0	2	0	1	20	9	34	10	2	1
Total	**17**	**16**	**54**	**66**	**11**	**15**	**44**	**52**	**190**	**228**	**22**	**29**

Table 7: Total and average hours of employee training in FY2023



Additionally, in FY2023, Hatten Land conducted a mandatory group-wide training or refresher for Anti-Bribery and Anti-Corruption (ABAC) procedures. Our employees underwent the training and were informed about our current ABAC policies and regulations. We also circulated FAQs to our employees, to further expound on our implemented policies. All our employees attended the ABAC training and there were no cases relating to bribery or corruption reported for FY2023.

ABAC Refresher Training in September & October 2022

People & Community

1ST Town Hall Meeting on March 2023

Hatten's Idea Board

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. 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 FY2022/23, 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 festive gatherings and diversity celebrations.

Despite the COVID-19 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.

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 FY2023, through online 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 FY2023.

Target

We aim to have a minimum average hour of 5 hours per employee to be met annually.

People & Community




Staff invitation to watch live famous Korean Burning Trotman (season 1) Melaka tour




Buka Puasa Get Together 2023

Career Fair @ Machap Jaya

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:

- 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 FY2023, we have recorded no work-related injuries and no high-consequence work-related injuries.

Targets

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

Casual Friday happen weekly for office staff

People & Community

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 FY2023, 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.

Anti-Smoking Campaign by Pejabat Kesihatan Daerah Melaka Tengah

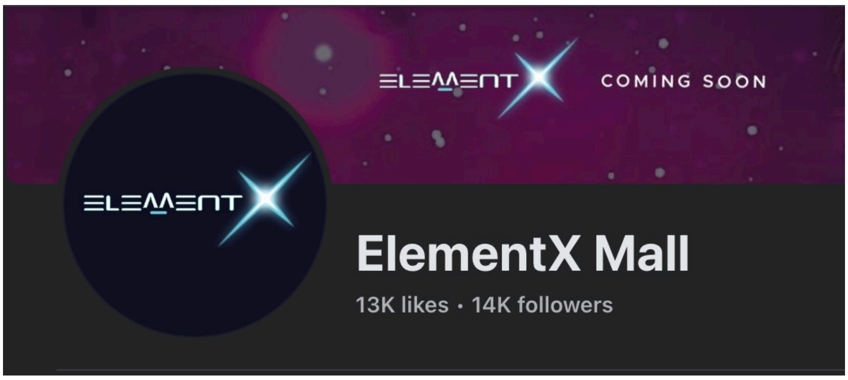
People & Community

Date	CSR Initiative	Outcome
July 2022	Pejabat Kesihatan Daerah Melaka Tengah	A campaign that spreads awareness to the public in respecting the rights of non-smokers. This campaign will help the young and old generations to think what is good for their health.
October 2022	Jabatan Perubatan Tranfusi, Hospital Melaka	Blood Donation Drive
January 2022	Chinese New Year Festive Cheer	Oranges distribution to all tenants in conjunction with Chinese New Year celebration.
May 2023	National Cancer Society Malaysia	High Five for Health: - Health Screening & Blood Donation Drive. A day dedicated to health. Joined forces between National Blood Bank, National Cancer Society Malaysia and Artius Dental Clinic. Terminal Pahlawan was the official venue for this CSR event.
May 2023	Jabatan Bomba dan Penyelamat	World Firefighter's Day 2023 Celebration – Dataran Pahlawan was the official venue of this event in support of the country's firefighters.
July 2023	Gatorade 3x3 Basketball Challenge	Basketball 3x3 Challenge: - In support with the spirit of Health and Sports, Dataran Pahlawan is the venue sponsor for this prestigious event which gives back to the community by supporting children of all ages to be active and instil good competitive spirits in them.

Table 6: CSR Initiative table in FY2023

We have accomplished our target for FY2023 through transforming our online platform to attract more followers and users. Generally, the number of followers currently standing at 14,000 for Facebook, 4433 for Instagram and 544 for Tiktok.

As we prepare to open ElementX Mall in 2024, the mall marketing team has also started to establish digital presence for the mall such as ElementX website, Facebook, Instagram and TikTok.



People & Community

Blood Donation Drive in collaboration with Jabatan Perubatan Transfusi, Hospital Melaka

Mandarin oranges distribution to tenants in conjunction with Chinese New Year 2023

People & Community

World Firefighter's Day at Padang Pahlawan

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 FY2024.

- We aim to conduct the following CSR activities:

No	Month	CSR Program Plan for FY2022/2023
1	December 2023	Ho Ho Ho Charity Giving for Christmas
2	February/March 2024	Charity Activity @ Old Folks Home for Chinese New Year 2024 Programme
3	March/April 2024	Iftar Programme for the Underprivileged or Earth Day Collaboration
4	June/July 2024	Melaka River Clean Up

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 June 2020. As aforementioned, we successfully accomplished our target for FY2023 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. 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 FY2023, we had no significant fines in the economic and social areas, and we had no incidences of whistleblowing cases.

Targets

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

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

Good Governance

Besides that, we have re-purposed Imperio Mall to be a wellness-medical centre in Melaka for the rising medical tourism in Melaka. Quantum Healthcare from Singapore will be making its first venture in Melaka by offering medical services in Imperio Mall. Facilities include:

- Scanning and imaging
- Out-of-patient
- Beauty and aesthetics clinics
- Specialist clinics
- Beauty and wellness stores

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

Performance

In FY2023, 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.

Targets

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

GRI Content Index

Disclosure Number	Disclosure Title	Page Reference.
General disclosures		
2-1	Organizational Details	About this Report
2-2	Organization's Sustainable Reporting	Refer to annual report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Reinstatements of information	About this Report
2-5	External assurance	No External Assurance
2-6	Activities, value chain and other business relationships	Refer to annual report
2-7	Employees	People and Community
2-9	Governance structure and composition	Sustainability at Hatten Land
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance
2-22	Statement on sustainable development strategy	Board Statement
2-23	Policy commitments	Sustainability at Hatten Land
2-26	Mechanisms for seeking advice and raising concerns	Human Capital Development Regulatory and Legal Compliance
2-29	Approach to stakeholder engagement	Sustainability at Hatten Land
3-1	Process to determine material topics	Stakeholder Engagement
3-2	List of material topics	Materiality Assessment
3-3	Management of material topics	Materiality Assessment

GRI Content Index

Specific Disclosures		
GRI Standard: Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	Human Capital Development
205-3	Confirmed incidents of corruption and actions taken	There is ZERO reported case on corruption and bribery matter
GRI Standard: Energy		
302-3	Energy intensity	Reducing our Environmental Footprint
302-4	Reduction of energy consumption	Reducing our Environmental Footprint
305-2	Energy indirect (Scope 2) GHG emissions	Reducing our Environmental Footprint
GRI Standard: Water and Effluents		
303-5	Water consumption	Reducing our Environmental Footprint
GRI Standard: Waste		
306-3	Waste generated	Reducing our Environmental Footprint
GRI Standard: Employment		
401-1	New employee hires and employee turnover	People and Community
GRI Standard: Occupational Health and Safety		
403-9	Work-related injuries	People and Community
GRI Standard: Training and Education		
404-1	Average training hours per year per employee	People and Community
GRI Standard: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	There is no incidents of discrimination
GRI Standard: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Child labour is strictly prohibited
GRI Standard: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Forced and compulsory labour is strictly prohibited
GRI Standard: Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Good Governance
GRI Standard: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Data
GRI Standard: Socioeconomic Compliance		
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 2023 ("FY2023"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "Code").

Provision	Code Description	Company's Compliance or Explanation
BOARD MATTERS		
The Board's Conduct of Affairs 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		
1.1	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.	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:

Name of Director	Designation	Date appointed
Dato' Tan June Teng Colin @ Chen JunTing ("**Dato' Colin Tan**")	Executive Chairman and Managing Director	24 January 2017
Dato' Tan Ping Huang Edwin @ Chen BingHuang ("**Dato' Edwin Tan**")	Executive Director and Deputy Managing Director	24 January 2017
Dato' Wong King Kheng	Lead Independent Director[1]	28 October 1996
Mr Loh Weng Whye	Independent Director	24 January 2017
Mr Nicholas Khoo	Independent Director	3 January 2022

Note:

(1) Appointed as an Independent Director of the Company on 28 October 1996. Upon the successful acquisition of Hatten MS Pte Ltd, Dato' Wong was re-appointed as an Independent Director of the Company on 24 January 2017 and 30 December 2021 respectively.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		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. In addition, during FY2023 all Directors have completed the mandated sustainability training course organised by SID as prescribed under Rule720(6) of the Catalist Rules. 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. 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.

Provision	Code Description	Company's Compliance or Explanation

Dato' Colin Tan- Courses attended during the financial year	
SID Event: LED – Environment, Social and Governance Essentials (Core)	7 September 2022
YPO Singapore Event – China After The 20th Party Congress	17 November 2022
COE Singapore Workshop: Hatten Land Forward	12 April 2023
COE Singapore Workshop: Hatten Ladn Forward 2.0	4 September 2023 5 September 2023
Global Cultural Alliance: Spolight Singapore (Business With A Cultural Handshake) Young Entrepreneurs Series 2023	19 October 2023 - 25 October 2023

Dato' Edwin Tan- Courses attended during the financial year	
Asia Pacific Employment & Compensation Quarterly Update Quarter 4:2021	3 February 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
MarketwiseAsia NASDAQ TRADING FESTIVAL	23 July 2022 24 July 2022
Sustainable Hotel: How to Achieve UN 17 SDG & Climate Change, Circular Economy, Sustainability, Water & Food Security Conference & Workshop by Cottage by The Sea Langkawi (Prof Anthony Wong, Niloy Banerjee, Prof Dato Woo Wing Thye)	20 November 2022 21 November 2022
Innovation & Change Management Workshop by Centre for Organisational Effectiveness, COE Pte.Ltd. (Hatten Life-Internal)	6 December 2022
Performance Management: Translating Strategies into Operations by Centre for Organisational Effectiveness, COE Pte. Ltd. (Hatten Life-Internal)	10 April 2023
Asia Solutions Roadshow Q2	20 June 2023
ESG & Climate Governance: What Directors Need to Know by Singapore Institute of Directors	28 June 2023

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation

Dato' Edwin Tan- Courses attended during the financial year	
Hatten Life Forward Workshop (Hatten Life-Internal) by Centre for Oragnisational Effectiveness, COE Pte Ltd (Internal)	6 September 2023 7 September 2023
Entrepreneurs Summit IV	17 October 2023

Dato' Wong King Kheng - Courses attended during the financial year	
CPA Australia: SSA 220 ISQM 1 Engagement Level	12 January 2023
CPA Australia: FRS 109 Financial Instruments	9 February 2023
CPA Australia: Singapore budgets 2023	9 March 2023
CPA Australia: SSA 315 Assessing the Risks of Material Misstatement	13 April 2023
CPA Australia: SSA 600 Groups Audits	11 May 2023
CPA Australia: Accounting for Intangible Assets	8 June 2023
CPA Australia: SSQM2 - Engagement quality review	13 July 2023
CPA Australia: Accounting for business combination	10 August 2023
CPA Australia: Sustainability audit	14 September 2023
CPA Australia: ESG reporting and climate risks	12 October 2023
CPA Australia: Robotic process automation (RPA) solutions	9 November 2023
IPAS: Cross-Border Recognition of insolvency Proceedings between Singapore, Hong Kong, and Indonesia – Theory and Practice	7 December 2023
CPA Australia: Cybersecurity for practitioners	14 December 2023

Loh Weng Whye - Courses attended during the financial year	
SID Event: LED – Environment, Social and Governance Essentials (Core)	7 September 2022

Provision	Code Description	Company's Compliance or Explanation
		Nicholas Khoo - Courses attended during the financial year SID Event: LED – Environment, Social and Governance Essentials (Core) — 6 December 2022 SID Event: LED 5 – Audit Committee Essentials — 12 October 2022 SID Event: LED 4 – Stakeholder Engagement — 6 December 2022 SID Event: LED 3 – Board Performance — 6 December 2022 SID Event: LED 2 – Board Dynamics — 6 December 2022 SID Event: LED 1 – Listed Entity Director Essentials — 6 December 2022 SID Event: LED 8 – Remuneration Committee Essentials — 6 December 2022 SID Event: LED 7 – Nominating Committee Essentials — 6 December 2022 SID Event: LED 6 – Board Risk Committee Essentials — 6 December 2022
1.3	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.	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
1.4	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.	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:

	ARC	RC	NC
Chairman	Dato' Wong King Kheng	Nicholas Khoo	Loh Weng Whye
Member	Loh Weng Whye	Dato' Wong King Kheng	Dato' Colin Tan
Member	Nicholas Khoo	Loh Weng Whye	Dato' Wong King Kheng
Member	-	-	Nicholas Khoo

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		The key information of the Directors, including their profiles and directorships, are set out on pages 11 to 12 of this Annual Report under section Board of Directors. The shareholdings of the Directors of the Company are set out on page 73 of this Annual Report. None of the Directors hold shares in the subsidiaries of the Company. Dato' Wong King Kheng will be retiring by rotation and has advised the Board, that in accordance with the Code of Corporate Governance 2018, he will not be seeking re-election as a Director of the Company in view of the fact that his tenure of service has exceeded 9 years. Mr. Loh Weng Whye will be retiring by rotation and has advised that he will not be seeking re-election as a Director of the Company at the forthcoming annual general meeting ("AGM") to be held on 29 December 2023, for personal reasons. The NC will endeavour to fill the vacancy in the Board and Board Committees upon the retirement of Dato' Wong King Kheng and Mr. Loh Weng Whye to constitute and foster a strong balance Board and Board Committees within two (2) months, so in any case, no later than three (3) months to be in compliance with the Code, Catalist Rules and Companies Act.
1.5	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.	The Board meets on a quarterly basis, and as and when circumstances require. In FY2023, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.

	Board	ARC	NC	RC
No. of Meetings	4	4	1	1
No. of Meetings Attended by the Respective Directors				
Dato' Colin Tan	4	4*	1	1*
Dato' Edwin Tan	4	4*	1*	1*
Dato' Wong King Kheng	4	4	1	1
Mr Loh Weng Whye	4	4	1	1
Mr Nicholas Khoo	2	2	1	1

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.

Corporate Governance

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

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.</td></tr>
<tr><td>1.7</td><td>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.</td><td>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.</td></tr>
<tr><td colspan="3"><u>Board Composition and Guidance</u>
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.</td></tr>
<tr><td>2.1</td><td>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,</td><td>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’ Wong King Kheng 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 2023. All Independent Directors have also provided their independence declaration.</td></tr>
</table>

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
2.2 2.3	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.	Following the retirement of Dato Wong King Kheng and Mr Loh Weng Whey which will take effect on 29 December 2023, the Board will comprise 2 Executive Directors and 1 Independent Director. As such, the Board notes that Independent Directors do not make up a majority of the Board pursuant to Provision 2.2 of the Code as 1 of the 3 Directors are Independent Directors. Notwithstanding the above, the Board is considering appointing 2 additional Independent Directors when suitable candidates are identified in the interest of embracing recommended best practices.
2.4	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.	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. The Board constantly examines its size and, with a view to determining the impact of the number upon effectiveness, decides what is considered an appropriate size for the Board, which facilitates effective decision-making. The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board, is appropriate for effective decision making. The Board noted that gender diversity on the Board of Directors is also one of the recommendations under the Code to provide an appropriate balance and diversity. Although the Company has not adopted the board diversity policy, the Company has embraced all aspects of diversity in the current Board composition, including of right blend of skills and industry knowledge diversity. As there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration. The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

	Number of Directors	Proportion of the Board (%)
Core Competencies		
• Accounting or finance	2	40.0
• Business management	5	100.0
• Legal orcorporate Governance	2	40.0
• Relevant Industry knowledge or experience	3	60.0
• Strategic planningexperience	5	100.0
• Customer based experience or knowledge	3	60.0

Provision	Code Description	Company's Compliance or Explanation
		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.
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 FY2023.

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Chairman and Chief Executive Officer</u>
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.</td></tr>
<tr><td>3.1</td><td>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.</td><td>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.</td></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 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 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 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’ Wong King Kheng, 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 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 Managing Director or the Management has failed or is inappropriate.

Following the retirement of Dato’ Wong King Kheng as a Director of the Company at the forthcoming AGM, Dato’ Wong King Kheng will contemporaneously relinquish his position as the Lead Independent Director. The Company intends to appoint 2 additional Independent Directors to ensure that it is in compliance with the Code.</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
Board Membership 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.		
4.1	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 (d) the appointment and re-appointment of directors (including alternate directors, if any).	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; (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.

Corporate Governance

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>4.2</td><td>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.</td><td>The members of the NC are Dato' Wong King Kheng, 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.

Following the retirement of Dato' Wong King Kheng and Mr Loh Weng Whye at the forthcoming AGM, the Company intends to appoint 2 additional Independent Directors whom will be appointed as members of the NC and to ensure that it is in compliance with the Code.</td></tr>
<tr><td>4.3</td><td>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.</td><td>The following table sets out the process for selecting and appointing new directors:
<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>

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.	Each Director completes a declaration to confirm his independent on an annual basis. The NC does determine annually whether each of the Independent Directors still meet the criteria of an Independent Director.
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.

Corporate Governance

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 FY2023.
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.
5.2	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.	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.

Provision	Code Description	Company's Compliance or Explanation
REMUNERATION MATTERS		
Procedures for Developing Remuneration Policies 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.		
6.1	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.	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.
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 RC are Dato' Wong King Kheng, Mr Loh Weng Whye and Mr Nicholas Khoo, all of whom are Independent Directors. The Chairman of the RC is Mr Nicholas Khoo, an Independent Non-Executive Director. Following the retirement of Dato' Wong King Kheng and Mr Loh Weng Whye at the forthcoming AGM, the Company intends to appoint 2 additional Independent Directors whom will be appointed as members of the Renumeration Committee and to ensure that it is in compliance with the Code.
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 FY2023.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
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 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. 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' Wong King Kheng 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.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>7.3</td><td>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.</td><td>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.</td></tr>
<tr><td colspan="3"><u>Disclosure on Remuneration</u>
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.</td></tr>
<tr><td>8.1</td><td>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</td><td>The breakdown for the remuneration of the Directors in FY2023 is as follows:

<table>
<tr><th rowspan="2"></th><th colspan="4">Remuneration earned through (%):</th><th rowspan="2">Total (%)</th></tr>
<tr><th>Base/ Fixed Salary</th><th>Variable or performance related income/ bonus</th><th>Director Fees*</th><th>Benefits</th></tr>
<tr><td colspan="6">S$400,000 to S$600,000</td></tr>
<tr><td>Dato' Colin Tan</td><td>78</td><td>-</td><td>4</td><td>18</td><td>100</td></tr>
<tr><td>Dato' Edwin Tan</td><td>75</td><td>-</td><td>4</td><td>21</td><td>100</td></tr>
<tr><td colspan="6">Below S$200,000</td></tr>
<tr><td>Dato' Wong King Kheng</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
<tr><td>Loh Weng Whye</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
<tr><td>Nicholas Khoo</td><td>-</td><td>-</td><td>100</td><td>-</td><td>100</td></tr>
</table>

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 FY2023.

<table>
<tr><th rowspan="2"></th><th colspan="3">Remuneration earned through (%):</th><th rowspan="2">Total (%)</th></tr>
<tr><th>Base/ Fixed Salary</th><th>Variable or performance related income/ bonus</th><th>Benefits</th></tr>
<tr><td colspan="5">Below S$200,000</td></tr>
<tr><td>Liang Fei</td><td>100</td><td>-</td><td>-</td><td>100</td></tr>
</table>
</td></tr>
</table>

Corporate Governance

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 FY2023 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 FY2023 is in the bands of S$400,000 to S$450,000 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 FY2023.
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 FY2023. 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. 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.

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

<table>
<tr><th></th><th>Short-term Incentives (such as performance bonus)</th><th>Long-term Incentives (such as PSP and ESOS)</th></tr>
<tr><td>Performance Conditions</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork</td><td>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.</td></tr>
</table>
</td></tr>
<tr><td colspan="3">ACCOUNTABILITY AND AUDIT</td></tr>
<tr><td colspan="3"><u>Risk Management and Internal Controls</u>
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.</td></tr>
<tr><td>9.1</td><td>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.</td><td>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.</td></tr>
</table>

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		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. 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 to determine the risk tolerance level and corresponding risk policies. The Company has outsourced its internal audit function to Crowe Horwath First Trust Risk Advisory Pte Ltd ("**Crowe IA Singapore**" 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 Group Financial Controller: 1. the financial records of the Group have been properly maintained and the financial statements for FY2023 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 FY2023. 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. 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.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
Audit Committee Principle 10: The Board has an Audit Committee which discharges its duties objectively.		
10.1	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 (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.	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); (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;

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		(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 group 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. 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. The external auditors, Baker Tilly TFW LLP, has expressed their intention for not seeking re-appointment as external auditors of the Company at the forthcoming AGM. The Company is in the midst of identifying a suitable auditing firm and will make further announcement(s) when the new auditors has been identified and convene an extraordinary general meeting to obtain shareholders' approval for the appointment of a new auditors in due course, in any case not more than 3 months after the date of the external auditors' resignation. The table below sets out the audit and non-audit fees for FY2023:

<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></th><th>RM</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>1,018,000</td><td>97</td></tr>
<tr><td>Non-audit fees</td><td>29,000</td><td>3</td></tr>
<tr><td>Total</td><td>1,047,000</td><td>100</td></tr>
</table>
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 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 FY2023.
</td></tr>
<tr><td>10.2</td><td>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.</td><td>
The members of the ARC are Dato’ Wong King Kheng, Mr Loh Weng Whye and Mr Nicholas Khoo, all of whom are Independent Directors. The Chairman of the ARC is Dato’ Wong King Kheng, an Independent Non-Executive Director. Dato’ 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.
Following the retirement of Dato’ Wong King Kheng and Mr Loh Weng Whye at the forthcoming AGM, the Company intends to appoint 2 additional Independent Directors whom will be appointed as members of the ARC and to ensure that it is in compliance with the Code.
</td></tr>
</table>

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
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.
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 FY2023.
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. 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

Provision	Code Description	Company's Compliance or Explanation
		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 14 December 2022. 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. 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.

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
		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.
Engagement with Shareholders Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.		
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.
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.	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.
12.3	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.	

Corporate Governance

Provision	Code Description	Company's Compliance or Explanation
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 13.2 13.3	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. 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. The company maintains a current corporate website to communicate and engage with stakeholders.	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.
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 FY2023 based on the following: • assurance had been received from the Managing Director and Group 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 2023, the Company has appointed a professional services firm, Crowe IA Singapore 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 functionally to the

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 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 FY2023.

<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>503</td><td>-</td></tr>
</table>

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

Provision	Code Description	Company's Compliance or Explanation
		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.
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's sponsor, RHT Capital Pte Ltd for FY2023.
1204(22)	Use of proceeds	No proceeds raised for FY2023.

Disclosure of Information on Directors Seeking Re-election

Mr. Loh Weng Whye is due for retirement under rotation pursuant to Article 117 of the Constitution of the Company and is not seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 December 2023 (“**AGM**”) (“**Retiring Directo**r”).

Mr. Loh Weng Whye, has served the Board as Independent Director of the Company since January 2017 and he will not be seeking re-election as a Director of the company to facilitate the Board‘s renewal.

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 2023.

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 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 2023, 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

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 2023.

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;

Directors' Statement

Audit and Risk Committee (cont'd)

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

- 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.

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

Independent auditor

The independent auditor, Baker Tilly TFW LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting.

On behalf of the Board of Directors

Dato' Tan June Teng Colin @
Chen JunTing
Director

Dato' Tan Ping Huang Edwin @
Chen BingHuang
Director

14 December 2023

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"), which comprise the statements of financial position of the Group and the Company as at 30 June 2023, 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) *Limitation of scope in relation to the Malaysia entities*

   At the date of this report, we are unable to obtain sufficient appropriate audit evidence and carry out the necessary audit procedures to form our conclusion in relation to MDSA Resources Sdn. Bhd. ("MRSB"), MDSA Vedro Development Sdn. Bhd. ("MVDSB"), MDSA Ventures Sdn. Bhd. ("MVSB"), Prolific Properties Sdn. Bhd. ("PPSB"), Gold Mart Sdn. Bhd. ("GMSB") and Hatten Commercial Management Sdn. Bhd. ("HCM") (collectively, the "Malaysia entities") for the matters described below:

   a) *Sales revocation and properties repossessed*

      As at 30 June 2023, the carrying amount of the Group's development properties was RM616.1 million (2022: RM484.3 million) as disclosed in Note 15 to the financial statements. During the financial year ended 30 June 2023, the Group recognised a gain of RM2.4 million (2022: RM5.5 million) arising from the revocation of sales recognised in the consolidated statement of comprehensive income following management's re-assessment of certain accounting policies and interpretations in relation to sales revocation and properties repossessed by the Group. As a result of the re-assessment, the prior years' financial statements have been restated as disclosed in Note 35 to the financial statements.

      Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence to satisfy ourselves whether the adjustments made by the management on the sales revocation and 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 any adjustments might have been found necessary in respect of (i) the carrying amounts of development properties, disposal group assets classified as held-for-sale and accumulated losses as at 30 June 2023 and in prior financial years; (ii) the gain on settlement arising from the revocation of sales, cost of sales and write-down of development properties during the financial year ended 30 June 2023 and in prior financial years; and (iii) the current and deferred tax liabilities for the current and prior financial years.

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

Basis for Disclaimer of Opinion (cont'd)

1) *Limitation of scope in relation to the Malaysia entities (cont'd)*

b) *Impairment assessment of property, plant and equipment and net realisable value of development properties*

As at 30 June 2023, the carrying amount of the Group's property, plant and equipment was RM180.3 million as disclosed in Note 11 to the financial statements. As at 30 June 2023, the carrying amount of the Group's development properties was RM616.1 million and the Group has written down the value of its development properties of RM21.0 million during the financial year, as disclosed in Note 15 to the financial statements.

For the purposes of impairment assessment of the property, plant and equipment and estimation of the net realisable value of the development properties as at 30 June 2023, management engaged a firm of professional valuers to perform the valuation assessment accordingly. We are unable to obtain sufficient appropriate audit evidence over certain key inputs and assumptions and the appropriateness of the methodology used in the valuation assessment as at 30 June 2023. Accordingly, we are unable to determine whether any adjustments might have been found necessary in respect of the carrying amounts of the property, plant and equipment and development properties as at 30 June 2023, and write-down of development properties during the financial year ended 30 June 2023.

c) *Reversal of provision for liquidated ascertained damages related to sales of development properties recognised within revenue*

During the financial year ended 30 June 2023, the Group recognised a reversal of provision for liquidated ascertained damages ("LAD") related to sales of development properties of RM67.9 million (Notes 4 and 22) arising from the restructuring of GMSB as disclosed in Note 33(c) to the financial statements. At the date of this report, the proposed scheme of arrangement between GMSB and its unsecured creditors is awaiting the approval by the Kuala Lumpur High Court.

Due to the uncertainty in obtaining the approval by the Kuala Lumpur High Court, we are unable to satisfy ourselves on the appropriateness of management's basis to reverse the provision for LAD. Accordingly, we are unable to determine whether any adjustments to the carrying amount of the provision for LAD as at 30 June 2023 and the reversal of provision for LAD recognised during the financial year ended 30 June 2023 might be necessary.

d) *Impairment of trade and other receivables*

As at 30 June 2023, the carrying amount of the Group's trade and other receivables was RM272.6 million as disclosed in Note 16 to the financial statements. Management had performed an expected credit loss assessment as at 30 June 2023 and a loss allowance of RM0.44 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 Malaysia entities' trade and other receivables as at 30 June 2023 and whether any adjustments to these trade and other receivables might be necessary. In addition, we are unable to determine the appropriateness of the disclosures of credit risk with respect to these trade and other receivables.

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) *Limitation of scope in relation to the Malaysia entities (cont'd)*

    e) *Other adjustments and related disclosures*

    In view of the matters described above, we are unable to satisfy ourselves with regards to the recording and measurement of all transactions related to the Malaysia entities during the financial year ended 30 June 2023 and whether the assets and liabilities are complete and fairly stated as at 30 June 2023, including the related disclosures and the possible effect of these matters on the comparability of the current financial year's figures and the corresponding figures.

    Accordingly, because of the above limitations on the scope of our audit which significantly impeded our ability to carry out further audit procedures or satisfy ourselves through alternative means, we are unable to ascertain the completeness, existence, occurrence, accuracy, valuation and related disclosures of the various transactions and balances relating to the Malaysia entities.

    Consequently, we are unable to conclude whether the financial information of the Malaysia entities which had been consolidated in the Group's consolidated financial statements are free from material misstatements and whether any other adjustments might have been found necessary in respect of the multiple elements making up the accompanying financial statements for the financial year ended 30 June 2023. Our opinion on the current financial year's financial statements is also modified because of the possible effect of these matters on the comparability of the current financial year's figures and the corresponding figures.

2) *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 incurred a net loss of RM34.4 million during the financial year ended 30 June 2023. As at 30 June 2023, the Group's current liabilities exceeded its current assets by RM152.2 million.

    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) to the financial statements, the Group continues to face uncertainties in the property market outlook in Melaka, Malaysia, despite the gradual recovery from the COVID-19 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.

    As at 30 June 2023, the Group's total loans and borrowings amounted to RM396.8 million, of which RM393.5 million were classified as current liabilities and exceeded the Group's cash and bank balances of RM2.5 million (Note 17). The Company's total loans and borrowings amounted to RM209.9 million, all of which were classified as current liabilities, and exceeded the Company's cash and bank balances of RM0.004 million. Included in the Group's and Company's loans and borrowings are convertible loan and secured bonds of US$20 million (approximately RM93.3 million) and US$25 million (approximately RM116.6 million) as at 30 June 2023, 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 for the Group and the Company.

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

Basis for Disclaimer of Opinion (cont'd)

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

In addition, the Group has breached the financial covenant to maintain the Financial Services Reserve Account ("FSRA") as at 30 June 2023 as disclosed in Note 20 to the financial statements. Subsequent to the end of the reporting period, the Group received a letter of demand from the bank as disclosed in Note 32 to the financial statements.

The Group is also undergoing restructuring of its indirect wholly-owned subsidiaries as disclosed in Notes 33(b) and 33(c) to the financial statements.

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 arrangements to secure additional funding and loan refinancing have yet to conclude satisfactorily; (ii) the various business initiatives announced by management have yet to materialise; (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; and (iv) the restructuring of Gold Mart Sdn. Bhd. ("GMSB") is subject to the approval of the High Court in Kuala Lumpur, 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.

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)

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

   As at 30 June 2023, the carrying amount of the Group's intangible assets in relation to development costs was RM8.6 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 2023. 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 management.

   Based on the information available to us, we are unable to obtain sufficient appropriate audit evidence and explanation to satisfy ourselves the appropriateness of the key assumptions and estimates used in the respective CGU forecasts prepared by management. 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 2023.

4) *Investment in an associated company*

   During the financial year ended 30 June 2023, an impairment loss of RM22.0 million was recognised to write down the carrying amount of investment in an associated company, ECXX Global Pte. Ltd. ("ECXX") to its recoverable amount. As a result, the carrying amount of investment in an associated company as at 30 June 2023 was fully impaired.

   The Group accounted for the investment in an associated company using the equity method and recorded the share of total comprehensive loss of the associated company amounting to RM0.3 million (Note 14) for the current financial year based on the unaudited financial information. At the date of this report, we are unable to obtain sufficient appropriate audit evidence or perform other alternative procedures over the share of results of the associated company.

   Accordingly, we are unable to determine if the impairment loss and share of total comprehensive loss of the associated company recognised during the financial year of RM22.0 million and RM0.3 million as disclosed in Note 14 to the financial statements respectively, are appropriate.

5) *Inability to obtain confirmations from third-party lender and bondholders*

   We are not able to obtain confirmations from a third-party lender amounting to US$20,000,000 (approximately RM93.3 million) and two third-party bondholders amounting to US$18,000,000 (approximately RM61.9 million), which are included in "loan and secured bonds" within the Group's and the Company's loans and borrowings as at 30 June 2023 (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.

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

Basis for Disclaimer of Opinion (cont’d)

6) *Investment in subsidiaries and amount due from subsidiaries in the Company’s financial statements*

As at 30 June 2023, the carrying amounts of the Company’s investment in subsidiaries and amount due from subsidiaries were RM720.1 million and RM322.4 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 2 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 2023. 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, including the expected credit loss assessment in relation to the financial guarantees issued to banks for borrowings of the Company’s subsidiaries, as disclosed in Note 29(a) to the financial statements.

In addition, for the purpose of impairment assessment of the Company’s investment in subsidiaries as at 30 June 2023, management engaged a firm of professional valuers to perform the valuation assessment accordingly. We are unable to obtain sufficient appropriate audit evidence over certain key inputs and assumptions and the appropriateness of the methodology used in the valuation assessment as at 30 June 2023. Accordingly, we are unable to determine whether any adjustments might have been found necessary in respect of the carrying amount of the Company’s investment in subsidiaries as at 30 June 2023.

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 2022 was similarly disclaimed for points 1(a), 1(d), 2, 3, 5 and 6 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

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

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

14 December 2023

Consolidated Statement of Comprehensive Income

For the financial year ended 30 June 2023

	Note	Group 2023 RM'000	Group (Restated) 2022 RM'000
Revenue		**36,707**	53,375
Add: Provision for liquidated ascertained damages – reversal		**66,953**	1,678
	4	**103,660**	55,053
Cost of sales	5	**(6,126)**	(22,324)
Gross profit		**97,534**	32,729
Other items of income			
Other operating income	6(a)	**1,627**	654
Other income/gains	6(b)	**25,630**	35,301
Interest revenue from non-current trade receivables using the effective interest rate method		**1,434**	4,538
Other items of expense			
Selling and marketing expenses		**(16)**	-
Administrative expenses		**(77,200)**	(65,864)
Gain on settlement on revocation of sales		**2,412**	5,458
Loss allowance on trade and other receivables	29(a)	**(440)**	(73)
Impairment loss on investment in an associated company	14	**(21,997)**	-
(Write-down)/reversal of development properties	15	**(20,992)**	12,088
Finance costs	7	**(49,809)**	(45,885)
Share of results of an associated company, net of tax	14	**(503)**	(552)
Loss before tax	8	**(42,320)**	(21,606)
Income tax credit	9	**7,935**	21,714
(Loss)/profit for the year		**(34,385)**	108

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 2023

		Group	
			(Restated)
		2023	2022
	Note	**RM'000**	RM'000
Other comprehensive loss:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation		**(1,563)**	(719)
Currency translation differences arising from associated company	14	**190**	275
Total other comprehensive loss for the year		**(1,373)**	(444)
Total comprehensive loss for the year		**(35,758)**	(336)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(34,373)**	176
Non-controlling interests		**(12)**	(68)
(Loss)/profit for the year		**(34,385)**	108
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(35,747)**	(274)
Non-controlling interests		**(11)**	(62)
Total comprehensive loss for the year		**(35,758)**	(336)
(Loss)/earnings per share attributable to owners of the Company (RM cents per share)			
Basic and diluted	10	**(1.85)**	0.01

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

Statements of Financial Position

As at 30 June 2023

		Group			Company	
	Note	**30.6.2023 RM'000**	(Restated) 30.6.2022 RM'000	(Restated) 1.7.2021 RM'000	**30.6.2023 RM'000**	30.6.2022 RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	11	**180,334**	30,494	40,074	**–**	–
Right-of-use assets	19	**27,239**	43,844	56,529	**–**	–
Intangible assets	12	**9,430**	7,737	–	**–**	–
Investment in subsidiaries	13	**–**	–	–	**720,132**	710,739
Investment in an associated company	14	**–**	22,310	22,587	**–**	–
Trade and other receivables	16	**39,160**	12,030	27,627	**–**	–
		256,163	116,415	146,817	**720,132**	710,739
Current assets						
Development properties	15	**616,119**	484,268	504,652	**–**	–
Contract costs	15	**26,292**	5,382	5,383	**–**	–
Trade and other receivables	16	**233,461**	131,363	179,022	**323,041**	304,596
Prepayments		**215**	172	272	**67**	61
Cash and cash equivalents	17	**2,461**	11,241	8,070	**4**	2,136
		878,548	632,426	697,399	**323,112**	306,793
Disposal group assets classified as held-for-sale	18	**–**	474,843	484,441	**–**	–
Total assets		**1,134,711**	1,223,684	1,328,657	**1,043,244**	1,017,532
LIABILITIES						
Non-current liabilities						
Lease liabilities	19	**20,850**	36,314	48,473	**–**	–
Loans and borrowings	20	**3,280**	72,826	81,020	**–**	–
Other payables	21	**155**	–	34,057	**–**	–
Deferred tax liabilities		**–**	–	1	**–**	–
		24,285	109,140	163,551	**–**	–
Current liabilities						
Lease liabilities	19	**15,342**	14,826	12,461	**–**	–
Loans and borrowings	20	**393,539**	225,284	217,592	**209,926**	198,365
Income tax payable		**14,504**	16,132	34,493	**–**	–
Trade and other payables	21	**356,014**	235,347	268,583	**12,967**	2,558
Provisions	22	**51,761**	12,088	37,273	**–**	–
Contract liabilities	4(a)	**199,575**	59,849	55,955	**–**	–
		1,030,735	563,526	626,357	**222,893**	200,923
Liabilities directly associated with disposal group classified as held-for-sale	18	**–**	435,569	484,902	**–**	–
Total liabilities		**1,055,020**	1,108,235	1,274,810	**222,893**	200,923
Net assets		**79,691**	115,449	53,847	**820,351**	816,609

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

Statements of Financial Position (cont'd)

As at 30 June 2023

		Group			Company	
	Note	**30.6.2023 RM'000**	(Restated) 30.6.2022 RM'000	(Restated) 1.7.2021 RM'000	**30.6.2023 RM'000**	30.6.2022 RM'000
Equity						
Share capital	23	**328,862**	328,862	298,044	**1,361,366**	1,361,366
Accumulated losses		**(192,084)**	(157,711)	(160,838)	**(541,015)**	(544,757)
Translation reserve	24	**(2,448)**	(899)	(449)	**–**	–
Merger reserve	25	**(54,827)**	(54,827)	(79,513)	**–**	–
Other reserve		**–**	(175)	(3,397)	**–**	–
Equity attributable to equity holders of the Company, total		**79,503**	115,250	53,847	**820,351**	816,609
Non-controlling interests		**188**	199	–	**–**	–
Total equity		**79,691**	115,449	53,847	**820,351**	816,609
Total equity and liabilities		**1,134,711**	1,223,684	1,328,657	**1,043,244**	1,017,532

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2023

		Attributable to owners of the Company							
2023 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 2022, as restated		328,862	(157,711)	(899)	(54,827)	(175)	115,250	199	115,449
Loss for the year		–	(34,373)	–	–	–	(34,373)	(12)	(34,385)
Other comprehensive loss									
Currency translation on consolidation		–	–	(1,549)	–	175	(1,374)	1	(1,373)
Total comprehensive (loss)/income for the year		–	(34,373)	(1,549)	–	175	(35,747)	(11)	(35,758)
At 30 June 2023		**328,862**	**(192,084)**	**(2,448)**	**(54,827)**	**–**	**79,503**	**188**	**79,691**

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 2023

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
		Attributable to owners of the Company							
At 1 July 2021		298,044	(202,691)	(449)	(79,513)	(3,397)	11,994	–	11,994
Prior year adjustments	35	–	41,853	–	–	–	41,853	–	41,853
As restated		298,044	(160,838)	(449)	(79,513)	(3,397)	53,847	–	53,847
Profit/(loss) for the year, as restated		–	176	–	–	–	176	(68)	108
Other comprehensive loss									
Currency translation on consolidation		–	–	(450)	–	–	(450)	6	(444)
Total comprehensive income/(loss) for the year		–	176	(450)	–	–	(274)	(62)	(336)
Gain on disposal of subsidiary	13(b)	–	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(b)	–	(27,908)	–	24,686	3,222	–	–	–
At 30 June 2022, as restated		328,862	(157,711)	(899)	(54,827)	(175)	115,250	199	115,449

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

Statement of Changes in Equity

For the financial year ended 30 June 2023

		Attributable to owners of the Company		
Company	**Note**	**Share capital RM'000**	**Accumulated losses RM'000**	**Total RM'000**
2023				
At 1 July 2022		1,361,366	(544,757)	816,609
Profit and total comprehensive income for the year		–	3,742	3,742
At 30 June 2023		**1,361,366**	**(541,015)**	**820,351**
2022				
At 1 July 2021		1,330,548	(544,671)	785,877
Loss and total comprehensive loss for the year		–	(86)	(86)
Contributions by and distributions to owners				
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

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

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2023

		Group	
	Note	**2023 RM'000**	(Restated) 2022 RM'000
Cash flows from operating activities			
Loss before tax		**(42,320)**	(21,606)
Adjustments for:			
Depreciation of property, plant and equipment	11	**1,566**	1,144
Depreciation of right-of-use assets	19	**13,398**	16,436
Gain on disposal of right-of-use assets	6(b)	**(1,359)**	(1,228)
Loss on disposal of property, plant and equipment		**74**	–
Gain on disposal of subsidiary	13	**(1,012)**	(9,525)
Gain on modification of right-of-use assets	19	**(5,236)**	–
Loss allowance on trade and other receivables	29(a)	**440**	73
Loss allowance on investment in an associated company	14	**21,997**	–
Interest income	6(b)	**(3,273)**	(5,302)
Interest expense	7	**49,809**	45,885
Write-down/(reversal) of development properties	15	**20,992**	(12,840)
Reversal of provision, net		**(66,953)**	(26,906)
Gain on settlement on revocation of sales		**(2,412)**	(5,458)
Unrealised foreign exchange loss		**11,209**	10,645
Amortisation of capitalised costs of obtaining contracts	15	**898**	158
Written off of deposit		**921**	–
Waiver of debts	6(b)	**–**	(69)
Interest revenue from non-current trade receivables using the effective interest rate method		**(1,434)**	(4,538)
Share of results of an associated company	14	**503**	552
Operating cash flows before working capital changes		**(2,192)**	(12,579)
Changes in operating assets and liabilities			
- Development properties		**18,340**	(8,477)
- Contract assets		**895**	159
- Contract liabilities		**(20,222)**	(43,153)
- Trade and other receivables		**9,693**	73,627
- Trade and other payables		**54,095**	39,032
- Movement of cash restricted in nature		**319**	(124)
Cash flow generated from operations		**60,928**	48,485
Interest paid		**(41,818)**	(33,927)
Interest received		**3,273**	27
Income tax paid		**(1,319)**	(2,210)
Net cash flows generated from operating activities		**21,064**	12,375

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 2023

	Note	Group 2023 RM'000	Group (Restated) 2022 RM'000
Cash flows from investing activities			
Proceeds from disposal of right-of-use assets		**2,317**	3,434
Additions to intangible assets	12	**(2,577)**	(6,856)
Utilisation of crypto assets	12	**1,495**	–
Additions to property, plant and equipment	11	**(8,257)**	(3,869)
Net cash inflow from the contribution of non-controlling interests in subsidiaries		**–**	261
Net cash outflow from the disposal of subsidiary	13(b)	–	(181)
Movement in amount due to associated company		–	(931)
Net cash flows used in investing activities		**(7,022)**	(8,142)
Cash flows from financing activities			
Additions to right-of-use assets		**–**	(329)
Net proceeds from issuance of ordinary shares	23	**–**	31,023
Share issuance expenses paid	23	**–**	(205)
Proceeds from term loans	20	**–**	1,417
Repayment of term loans	18, 20	**(12,152)**	(1,767)
Repayment of medium-term notes	20	**(1,000)**	(2,300)
Movement in amount due to a director	21	**46**	482
Repayment of lease liabilities	18, 19	**(2,880)**	(4,335)
Interest paid on lease liabilities	18, 19	**(453)**	(558)
Repayment of rental payables	21	**(6,163)**	(24,716)
Net cash flows used in financing activities		**(22,602)**	(1,288)
Net (decrease)/increase in cash and cash equivalents		**(8,560)**	2,945
Cash and cash equivalents at the beginning of the year		**10,067**	7,124
Effects of exchange rate changes on cash and cash equivalents		**1**	(2)
Cash and cash equivalents at the end of the year	17	**1,508**	10,067

	Note	Group 2023 RM'000	Group 2022 RM'000
Cash and cash equivalents are represented by:			
Cash and bank balances	17	**2,461**	11,339
Less: Cash and bank balances restricted in nature	17	**(953)**	(1,272)
		1,508	10,067

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

Notes to the Financial Statements

For the financial year ended 30 June 2023

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, #03-01 Sultan Link, 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.

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

(a) Basis of preparation (cont'd)

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.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the financial year but are not yet effective for the financial year ended 30 June 2023 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.

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

(c) Basis of consolidation (cont'd)

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.

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 (i.e. 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.

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

(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.

(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.

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

(e) Revenue recognition (cont'd)

Sale of development properties (cont'd)

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.

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

(e) Revenue recognition (cont'd)

Interest income

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

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.

Notes to the Financial Statements

For the financial year ended 30 June 2023

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

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

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.

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.

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

(h) Intangible assets (cont'd)

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.

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.

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

(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.

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.

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

(j) Leases (cont'd)

When the Group is the lessee (cont'd)

Right-of-use assets (cont'd)

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).

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.

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

(k) Income taxes (cont'd)

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.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2023

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

(l) Financial assets (cont'd)

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 asset 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.

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.

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

(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 2023

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.

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

(t) Foreign currencies (cont'd)

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.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2023

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

(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.

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 incurred a net loss of RM34.4 million during the financial year ended 30 June 2023. As at 30 June 2023, the Group's current liabilities exceeded its current assets by RM152.2 million.

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 in the property market outlook in Melaka, Malaysia, despite the gradual recovery from the COVID-19 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.

As at 30 June 2023, the Group's total loans and borrowings amounted to RM396.8 million, of which RM393.5 million were classified as current liabilities and exceeded the Group's cash and bank balances of RM2.5 million (Note 17). The Company's total loans and borrowings amounted to RM209.9 million, all of which were classified as current liabilities, and exceeded the Company's cash and bank balances of RM0.004 million. Included in the Group's and Company's loans and borrowings are convertible loan and secured bonds of US$20 million (approximately RM93.3 million) and US$25 million (approximately RM116.6 million) as at 30 June 2023, 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 for the Group and the Company.

In addition, the Group has breached the financial covenant to maintain the Financial Services Reserve Account ("FSRA") as at 30 June 2023 as disclosed in Note 20 to the financial statements. Subsequent to the end of the reporting period, the Group received a letter of demand from the bank as disclosed in Note 32 to the financial statements.

The Group is also undergoing restructuring of its indirect wholly-owned subsidiaries as disclosed Notes 33(b) and 33(c) to the financial statements.

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

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)

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) The Group reported a carrying value of development properties of RM616.1 million as at 30 June 2023, the total market value of the Group's development properties is approximately RM1,073 million based on the latest valuation reports as at 30 June 2023, of which approximately RM663 million comprises unsold completed properties that the Group intends to sell gradually. In addition, the Group's liabilities, in particular the US$25 million (approximately RM117 million) secured bonds are secured by additional hospitality assets provided by a related party of the Company, of which the market value is approximately RM238 million (approximately US$54 million) based on the latest available valuation report issued by an external valuer in November 2022.

b) On 22 March 2023, the Group announced that it has entered into a Strategic Partnership Agreement with Quantum Healthcare Limited ("Quantum") to provide premium healthcare service in Melaka at Imperio Mall @ Hatten City. The Group and Quantum jointly announced on 13 June 2023 the signing of a tenancy agreement for a total tenure of 9 years. With identified space of more than 210,000 square feet within Imperio Mall @ Hatten City, Quantum has committed to lease more than 138,000 square feet of space on Lower Ground Floor, Ground Floor and Mezzanine Floor with the option to lease up to an additional 72,000 square feet on Level 1. Quantum Specialist Centre will be the newest healthcare facility in Melaka.

c) The Group has embarked on strategic restructuring of its subsidiary, GMSB 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. As announced in the Group's announcements on 14 June 2023 and 30 June 2023, GMSB has successfully obtained the following orders from Kuala Lumpur High Court ("Court") held on 12 June 2023, which includes (i) GMSB shall within 90 days from 12 June 2023 to hold a creditors' meeting to approve a proposed scheme agreement with its unsecured creditors; and (ii) a restraining order to prevent legal proceedings against GMSB, including enforcing security and initiating wind up proceedings over GMSB assets for a period of three (3) months from 12 June 2023, except with leave of Court and subject to terms the Court may impose. The date of creditors' meeting is set on 8 September 2023. As of the date of this report, the Court has not final approved the above-mentioned orders as disclosed further in Note 33(c).

d) 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(b)).

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.

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)

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.

(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.

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

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

(iv) Investment in an associated company

Management has considered the Group's ability to appoint director and 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 18.69% (2022: 19.30%). Therefore, this investment has been classified as an associated company (Note 14).

(v) 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 monitor 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 2023 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:

(vi) 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.

(vii) 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 current macroeconomic uncertainties 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.

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

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

(vii) 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).

(viii) 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.

(ix) 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.

Notes to the Financial Statements

For the financial year ended 30 June 2023

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

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

(x) 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.

4. Revenue

	Group	
	2023	2022
	RM'000	RM'000
Revenue from rendering of data room support services	**3,076**	1,694
Revenue from sales of development properties in Malaysia	**33,631**	32,453
Add: Reversal of provision for developer interest-bearing scheme (Note 22)	–	19,228
Add: Reversal of provision for liquidated ascertained damages to property buyers (Notes 18 and 22)*	**66,953**	1,678
	103,660	55,053
Revenue recognised from sales of development properties in Malaysia		
- at a point in time	**20,689**	28,299
- over time	**12,942**	4,154
	33,631	32,453

* The amount includes a reversal of liquidated ascertained damages to property buyers of RM67,909,000 (Note 22) (2022: RM2,687,000) (Note 18) 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.

4. Revenue (cont'd)

(a) Contract balances

Information relating to contract balances from contracts with customers is disclosed as follows:

	Group		
	30 June 2023 RM'000	30 June 2022 RM'000	1 July 2021 RM'000
Trade receivables (Note 16)	**186,670**	67,698	108,230
Contract liabilities	**(199,575)**	(59,849)	(55,955)

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.

During the financial year, the significant changes in the trade receivables and contract liabilities were mainly due to the reclassification of GMSB's disposal group as held-for-sale to the respective accounts as disclosed 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 2023 is RM455,499,000 (2022: RM475,725,000).

The Group expects to recognised revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations over the next 5 years.

5. Cost of sales

	Group	
	2023 RM'000	(Restated) 2022 RM'000
Cost of sales arising from leasing activities	**345**	215
Cost of sales arising from development properties	**5,781**	22,109
	6,126	22,324

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For the financial year ended 30 June 2023

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	
	2023	2022
	RM'000	RM'000
Rental income	**1,627**	654

(b) Other income/gains

	Group	
	2023	2022
	RM'000	RM'000
Forfeiture income	**748**	4,713
Service fee income	**303**	3,485
Interest income		
- Banks	**5**	27
- Overdue interest charged to property buyers due to late repayments	**3,268**	5,275
Gain on disposal of right-of-use assets	**1,359**	1,228
Gain on disposal of subsidiary (Note 13)	**1,012**	9,525
Administrative fees	**257**	1,052
Miscellaneous income	**166**	266
Waiver of debts	**–**	69
Reimbursement of state consent fee	**15**	1,374
Gain on modification of right-of-use assets (Note 19)	**5,236**	–
Back charges of utility expenses	**13,218**	8,271
Others	**43**	16
	25,630	35,301

7. Finance costs

	Group	
	2023	2022
	RM'000	RM'000
Interest expense on:		
- Term loans, medium term notes, convertible loan and secured bonds	**41,818**	33,927
- Accretion of interest on deferred payables	**–**	748
- Lease liabilities (Notes 18 and 19)	**7,041**	10,008
- Others	**950**	1,202
	49,809	45,885

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	
	2023	2022
	RM'000	RM'000
Amortisation of capitalised costs of obtaining contracts (Note 15)	**898**	158
Depreciation of property, plant and equipment (Note 11)	**1,566**	1,144
Depreciation for right-of-use assets (Note 19)	**13,398**	16,436
Net loss on foreign exchange	**13,512**	14,862
Rental expense - short-term or low value items (Note 19)	**679**	575
Audit fees payable to		
- Auditor of the Company	**813**	390
- Other auditors*	**205**	286
Non-audit fees payable to		
- Auditor of the Company	**29**	26
Directors' fee paid/payable to Company's directors (Note 27(b))	**619**	583
Directors' fee paid/payable to subsidiary's director (Note 27(b))	**240**	230
Directors' remuneration (Note 27(b))		
- Salaries and other emoluments	**4,004**	3,565
- Defined contribution plans	**162**	213
Staff costs		
- Salaries, wages and bonus	**8,291**	6,804
- Defined contribution plans	**838**	754
- Others	**151**	84
Over provision of tax penalty (Note 22) [1]	**(5,756)**	(6,000)

[1] During the financial year, an amount of RM5,756,000 (2022: RM6,000,000) was credited to administrative expenses due to an over provision of tax penalty after receiving the final notice from the Malaysia tax authority (Note 22).

* Includes independent member firm of Baker Tilly International.

9. Income tax credit

	Group	
	2023	2022
	RM'000	RM'000
Current income tax		
- Over provision in prior years#	**(7,935)**	(21,715)
Deferred income tax		
- Origination and reversal of temporary differences	–	1
Income tax credit recognised in profit or loss	**(7,935)**	(21,714)

9. Income tax credit (cont'd)

The income tax credit 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	
	2023	(Restated) 2022
	RM'000	RM'000
Loss before tax	**(42,320)**	(21,606)
Tax at the domestic rates applicable to profits in the countries where the Group operates	**(8,438)**	(5,185)
Adjustments:		
Income not subject to tax*	**(27,951)**	(17,107)
Non-deductible expenses@	**16,263**	1,825
Effect of share of results of an associated company	**(121)**	(94)
Over provision in respect of prior years	**(7,935)**	(21,715)
Deferred tax assets not recognised	**20,429**	20,375
Utilisation of deferred tax asset previously not recognised	**(325)**	–
Others	**143**	187
Income tax credit recognised in profit or loss	**(7,935)**	(21,714)

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% (2022: 17% and 24%) respectively.

At the end of the financial year, the Group has tax losses of approximately RM488,037,000 (2022: RM318,834,000) and deductible temporary differences of RM114,165,000 (2022: RM193,213,000) 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 RM22,379,000 (2022: RM13,691,000) have no expiry date.

Effective from financial year ended 30 June 2018, unused tax losses for subsidiaries in Malaysia of approximately RM465,658,000 (2022: RM305,143,000) are allowed to be carried forward for a maximum period of seven years.

9. Income tax credit (cont'd)

\# On 12 January 2023, MDSA Ventures Sdn. Bhd. ("MVSB"), the Company's indirect wholly owned subsidiary, received a corresponding letter from the Malaysia tax authority which stated that the final balance to be paid by MVSB for years of assessment 2017 to 2019 amounted to RM1,573,000. The Group had provided a total of RM10,375,000 of tax payables and an over provision of RM8,802,000 has been recognised during the financial year accordingly.

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 previous financial year accordingly.

* During the financial year, the major income not subject to tax includes a reversal for provision of liquidation ascertain damages of RM67,909,000 (Note 22).

In 2022, the major income not subject included 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 RM12,088,000 (Note 15).

@ During the financial year, the major non-deductible expenses include impairment loss on investment in an associated company of RM21,997,000 (Note 14) and write-down of development property of RM20,992,000 (Note 15).

10. (Loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing (loss)/profit 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)/earnings per share for the financial years ended 30 June 2023 and 30 June 2022 are the same as there were no potential dilutive ordinary shares in existence for the financial years ended 30 June 2023 and 30 June 2022.

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	
		(Restated)
	2023	2022
(Loss)/profit for the year attributable to owners of the Company (RM'000)	**(34,373)**	176
Weighted average number of ordinary shares outstanding for basic and diluted (loss)/earnings per share computation	**1,857,123,228**	1,717,680,954

Notes to the Financial Statements

For the financial year ended 30 June 2023

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 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(b))	–	(1,697)	(12,319)	(12,177)	–	–	–	–	(619)	(26,812)
Reclassification as held-for-sale (Note 18)	(369)	–	–	–	–	–	–	–	–	(369)
At 30 June 2022 and 1 July 2022	8,218	–	83,493	–	149	3,094	1,957	3,001	379	100,291
Additions	607	5,636	–	–	–	522	971	290	231	8,257
Disposals	–	–	–	–	–	(78)	–	–	–	(78)
Currency translation differences	–	–	–	–	–	108	125	–	11	244
Reclassification from disposal group classified as held-for-sale (Note 18)	143,166	–	–	–	–	130	–	–	–	143,296
At 30 June 2023	**151,991**	**5,636**	**83,493**	**–**	**149**	**3,776**	**3,053**	**3,291**	**621**	**252,010**

Notes to the Financial Statements

For the financial year ended 30 June 2023

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 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(b))	–	(166)	(570)	(722)	–	–	–	–	(468)	(1,926)
Reclassification as held-for-sale (Note 18)	–	–	–	–	–	(23)	–	–	–	(23)
At 30 June 2022 and 1 July 2022	–	–	3,893	–	149	2,897	1,525	13	171	8,648
Charge for the year (Note 8)	–	28	400	–	–	401	367	329	41	1,566
Disposals	–	–	–	–	–	(4)	–	–	–	(4)
Currency translation differences	–	–	–	–	–	104	106	–	–	210
Reclassification from disposal group classified as held-for-sale (Note 18)	–	–	–	–	–	107	–	–	–	107
At 30 June 2023	**–**	**28**	**4,293**	**–**	**149**	**3,505**	**1,998**	**342**	**212**	**10,527**

Notes to the Financial Statements

For the financial year ended 30 June 2023

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 2021	–	–	66,507	7,565	–	–	–	–	–	74,072
Deconsolidation of a subsidiary (Note 13)	–	–	(5,358)	(7,565)	–	–	–	–	–	(12,923)
At 30 June 2022, 1 July 2022 and 30 June 2023	–	–	61,149	–	–	–	–	–	–	61,149
Net carrying amount										
At 30 June 2022	8,218	–	18,451	–	–	197	432	2,988	208	30,494
At 30 June 2023	**151,991**	**5,608**	**18,051**	**–**	**–**	**271**	**1,055**	**2,949**	**409**	**180,334**

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

Impairment assessment

2023:

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

2022:

During the previous 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 was 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)).

Construction-in-progress

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

Capitalisation of borrowing costs

Interest expense capitalised in construction-in-progress during the financial year ended 30 June 2023 amounted to RM224,000 (2022: RM38,000) at a capitalisation rate of 6.47% (2022: 6.47%).

Assets pledged on security

The property, plant and equipment with a net carrying amount of RM175,650,000 (2022: RM26,669,000) is pledged as security for credit facilities granted to the Group (Note 20).

Notes to the Financial Statements

For the financial year ended 30 June 2023

12. Intangible assets

Group	Development costs RM'000	Crypto assets RM'000	Total RM'000
Cost or valuation			
At 1 July 2021	–	–	–
Additions	7,027	710	7,737
At 30 June 2022 and 1 July 2022	7,027	710	7,737
Additions	999	1,578	2,577
Utilisation	–	(1,495)	(1,495)
Currency translation differences	611	–	611
At 30 June 2023	**8,637**	**793**	**9,430**
At 30 June 2022	7,027	710	7,737
Representing:			
Cost	8,637	–	8,637
Valuation	–	793	793
At 30 June 2023	**8,637**	**793**	**9,430**

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 2023 and 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. The remaining balances were settled in cash in 2022.

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.

12. Intangible assets (cont'd)

Key assumptions used in value-in-use calculations for development costs (cont'd)

The estimated market prices of cryptocurrency and non-fungible token ("NFT") are estimated based on management's judgement after taking into the consideration of the latest and historical trends of the cryptocurrency and NFT. 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 8.55%, 50.0% and 12.4% (2022: 67.0%, 66.5% and 11.2%) respectively.

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	
	2023	2022
	RM'000	RM'000
Unquoted equity shares, at cost	**1,212,708**	1,203,315
Less: Allowance for impairment losses	**(492,576)**	(492,576)
	720,132	710,739
Movements in allowance for impairment loss:		
At beginning and end of financial year	**492,576**	492,576

On 29 August 2022, the Company acquired additional 2,899,999 ordinary shares with a consideration of $1 (equivalent to RM3.24) each by capitalising the amount receivable from Hatten Edge Pte. Ltd., a wholly owned subsidiary.

During the financial year, management performed a review of the recoverable amount on its investment in subsidiaries and no impairment was recognised in Company's profit and loss. The recoverable amount was estimated using the cost approach, based on the revalued net asset value method as performed by an independent firm of professional valuers. The calculations of the revalued net asset were most sensitive to fair value of the development properties.

In 2022, 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%.

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.

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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 2023 %	2022 %
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") [1]	Singapore	Management consultancy services	**100**	100
Held through Hatten MS:				
Genonefive Pte. Ltd. ("Genonefive") [1]	Singapore	Marketing and development consultancy	**100**	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

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 2023 %	2022 %
Held through Hatten MS:				
Hatten Land Pty. Ltd. ("HLPL") [3]	Australia	Investment holding	**100**	100
Admiral Merger Sdn. Bhd. ("AMSB") [Note (a)]	Malaysia	Property development	**–**	100
Held through HTPL:				
The Medici-Watermark Pte. Ltd. ("TMWPL") [3, 5]	Singapore	Management consultancy services /Business and project advisory and consultancy	**60**	60
NCSA Service Pte. Ltd. ("NCPL") [4]	Singapore	Development of software, programming activities and e-commerce applications	**–**	100
Held through HEPL:				
Hatten Technology Sdn. Bhd. ("HTSB") [2]	Malaysia	E-commerce and software development	**100**	100
Hatten Energy Holdings Pte. Ltd. ("HEHPL") [3]	Singapore	Engineering design, consultancy services in energy management and clean energy systems	**100**	100
Hatten X Pte. Ltd. ("HXPL") [1]	Singapore	Development of software and applications	**100**	100
Hatten Renewable Energy Sdn. Bhd. ("HRESB") [2, 8]	Malaysia	Renewable initiatives and sustainability	**100**	100

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 2023 %	2022 %
Held through HESPL:				
Hatten Renewable Assets Pte. Ltd. ("HRAPL") [3, 6]	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
Held through TMWPL:				
The Medici-Watermark Sdn. Bhd. ("TMWSB") [3, 7]	Malaysia	Management, project consultancy and advisory	**100**	100
Held through HXPL:				
H2X Pte. Ltd. ("H2XPL") [1, 5]	Singapore	Development of software and applications	**60**	60
Held through HEHPL:				
Hatten Energy (SG) Pte. Ltd. ("HESPL") [3]	Singapore	Investment holding	**100**	100
Hatten Energy (M) Sdn. Bhd. ("HEMSB") [3, 7]	Malaysia	Renewable initiatives and sustainability	**100**	100

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13. Investment in subsidiaries (cont'd)

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

[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] Struck-off on 13 July 2022.
[5] There are no non-controlling interests that are considered by management to be material to the Group as at 30 June 2023 and 30 June 2022. Therefore, no information on non-controlling interest is disclosed.
[6] Struck-off on 29 August 2023.
[7] Struck-off on 6 August 2023.
[8] On 25 August 2023, HEPL disposed 80% of the equity interest in HRESB to a third party for a consideration of RM3,000.

a) *Disposal of AMSB in 2023*

On 3 January 2023, the Company's indirect wholly-owned subsidiary, AMSB, had disposed the entire equity interest to a third party for a consideration of RM100.

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:	
Cash and cash equivalent	*
Trade and other payables	(1,012)
Net identifiable liabilities	(1,012)
Proceeds from disposal of subsidiary	*
Gain on disposal of subsidiary (Note 6(b))	**(1,012)**

* *Amount under RM1,000*

b) *Unwinding of acquisition of VVSB Group in 2022*

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.

13. Investment in subsidiaries (cont'd)

b) Unwinding of acquisition of VVSB Group in 2022 (cont'd)

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

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:

	2022 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 was 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 was derived based on their 80% shareholding in VVSB Group and was recognised in equity as transactions with shareholders.

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14. Investment in an associated company

	Group 2023 RM'000	Group 2022 RM'000
Unquoted equity shares, at cost		
Balance at beginning of financial year	**22,310**	22,587
Total comprehensive loss during the financial year	**(313)**	(277)
Less: Allowance for impairment losses	**(21,997)**	–
Balance at end of financial year	–	22,310

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

Name	Principal place of business	Principal activities	Carrying amount 2023 RM'000	Carrying amount 2022 RM'000	Group's effective equity interest held 2023 %	Group's effective equity interest held 2022 %
Held by HTPL:						
ECXX Gloabl Pte. Ltd. ("ECXX")[1]	Singapore	Provision of digital asset exchange services	–	22,310	**18.7**	19.3

[1] Audited by other firm of independent auditor.

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 2021

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. 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% as at 30 June 2021.

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

During the financial year, ECXX further issued 3,742 ordinary shares to another third-party shareholder and resulted in a dilution in the equity interest hold by the Group from 19.3% to 18.7%. However, the impact on the dilution of equity interest by the Group in ECXX during the financial year is not material. 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 and the ability to appoint director to ECXX.

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).

	2023 **RM'000**	2022 RM'000
Non-current assets	**275**	108
Current assets	**9,504**	10,742
Current liabilities	**(1,873)**	(1,577)
Net assets	**7,906**	9,273
Revenue	**6,545**	174
Loss after tax	**(2,688)**	(2,860)
Other comprehensive gain	**1,016**	1,424
Total comprehensive loss	**(1,672)**	(1,436)

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:

	2023 **RM'000**	2022 RM'000
Net assets	**7,906**	9,273
Proportion of ownership interest	**18.7%**	19.3%
Group's share of net assets based on proportion of ownership interest	**1,477**	1,790
Goodwill on acquisition	**20,520**	20,520
Impairment loss during the year	**(21,997)**	–
Carrying amount of investment	–	22,310

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

As at 30 June 2023, the Group determined the recoverable amount of investment in associate using value-in-use approach, based on the discounted cash flows method and an impairment loss of RM22 million is recognised. ECXX is engaged in the provision of digital asset exchange services. During the financial year, ECXX has ceased its digital asset exchange services. As the date of this report, the Group and ECXX are not able to determine the future business plan of ECXX.

In 2022, management performed a review of the recoverable amount on its investment in an associated company and concluded no impairment loss was recognised in the Group'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 believed 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 current and previous financial years.

15. Development properties

	Group		
		(Restated)	(Restated)
	30.6.2023	30.6.2022	1.7.2021
	RM'000	RM'000	RM'000
Completed development properties	**607,447**	449,913	472,613
Development properties under construction	**8,672**	8,555	6,239
Properties for development, representing leasehold land carried at net realisable value*	**–**	25,800	25,800
	616,119	484,268	504,652
Contract costs	**26,292**	5,382	5,383
Add: amount included in disposal group classified as held-for-sale (Note 18)	**–**	21,805	21,962
	26,292	27,187	27,345
	642,411	511,455	531,997

* As at 30 June 2022, the leasehold land was disposed subsequently on 13 October 2022 at an agreed consideration of RM25.8 million (see Note 33(a)).

15. Development properties (cont'd)

Write-down of development properties in 2023

During the financial year, the Group has written down the value of its development properties of RM20,992,000 based on the valuation reports performed by an independent professional valuer using residual method for Habour City project and Satori project; and comparable method for Vedro by the River project, Hatten City project and Unicity project. The fair value measurement was categorised as a Level 3 fair value inputs to the valuation technique used (Note 28(a)).

Reversal of write-down of development properties in 2022

During the previous financial year, the Group reversed its write-down of completed development properties of RM12,088,000, 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 an independent professional valuer 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)).

Capitalised government grants

Capitalised government grants included in the carrying value of development properties as at 30 June 2023 amounted to RM9,683,000 (2022: 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.

Contract costs

Contract costs are capitalised incremental costs of obtaining contracts which 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 contract costs during the financial year is as follows:

	Group		
	30.6.2023	30.6.2022	1.7.2021
	RM'000	RM'000	RM'000
At 1 July	**27,187**	27,345	27,202
Additions	**3**	–	498
Amortisation charged to cost of sales (Note 8)	**(898)**	(158)	(355)
At 30 June	**26,292**	27,187	27,345

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15. Development properties (cont'd)

Assets pledged on security

The development properties with a carrying amount of RM616,119,000 (2022: RM484,268,000) is pledged as security for credit facilities granted to the Group (Note 20).

Details of the development properties held by the Group as at 30 June 2023 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 2023	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	13%	FY2026
Harbour City[1]	99-year leasehold mixed commercial development consisting of a retail mall and 3 hotels (Melaka, Malaysia)	100	24,290	310,117	69%	FY2027

[1] Harbour City project is undertaken by GMSB and the assets were previously classified as disposal group classified as held-for-sale as disclosed in Note 18.

16. Trade and other receivables

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current:				
Trade receivables	**148,469**	56,628	**–**	–
Less: loss allowance (Note 29(a))	**(257)**	(332)	**–**	–
	148,212	56,296	**–**	–
Other receivables	**65,902**	73,406	**694**	1,096
Less: loss allowance (Note 29(a))	**(1,165)**	(650)	**(515)**	–
	64,737	72,756	**179**	1,096
Amount due from related parties (non-trade)	**18,214**	–	**–**	–
Amount due from subsidiaries (non-trade)	**–**	–	**322,367**	303,500
Refundable deposits	**2,298**	2,311	**495**	–
	233,461	131,363	**323,041**	304,596
Non-current:				
Trade receivables	**38,458**	11,402	**–**	–
Refundable deposits	**702**	628	**–**	–
	39,160	12,030	**–**	–
Total trade and other receivables (current and non-current)	**272,621**	143,393	**323,041**	304,596
Add:				
Cash and cash equivalents (Note 17)	**2,461**	11,241	**4**	2,136
Disposal group assets classified as held-for-sale (Note 18)	**–**	138,429	**–**	–
Less:				
GST recoverable	**(20)**	(20)	**–**	–
Total financial assets carried at amortised costs	**275,062**	293,043	**323,045**	306,732

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.

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.

17. Cash and cash equivalents

	Group		Company	
	2023	2022	**2023**	2022
	RM'000	RM'000	**RM'000**	RM'000
Cash at banks and on hand, representing total cash and cash equivalents, as presented in the statements of financial position	**2,461**	11,241	**4**	2,136
Add: included in disposal group classified as held-for-sale (Note 18)	**–**	98	**–**	–
	2,461	11,339	**4**	2,136

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 RM953,000 (2022: RM1,272,000) 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	
	2023	2022	**2023**	2022
	RM'000	RM'000	**RM'000**	RM'000
United States Dollar	**14**	113	**2**	94
Chinese Renminbi	**–**	17	**–**	–
Singapore Dollar	**128**	3,230	**2**	2,042

18. Disposal group classified as held-for-sale

On 11 August 2020, the Company's wholly owned subsidiary Hatten MS Pte. Ltd. ("Hatten MS") 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 were 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 at 30 June 2022 and 30 June 2021.

On 17 September 2021, the Group announced that the delay of completion of the disposal was 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.

In 2022, 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.

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

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.

On 14 February 2023, the Company issued a notice of termination to Tayrona to terminate the Agreement in relation to the Proposed Transaction.

The disposal group classified as held-for-sale was categorised under the Group's property development business in Malaysia, which relates to a single segment of the entire Group's operations (Note 30). Since the Proposed Transactions was terminated, the group assets and liabilities were reclassified from held-for-sales to respective line items in the statement of financial position of the Group.

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

		Group	
		(Restated)	(Restated)
	30.6.2023	30.6.2022	1.7.2021
	RM'000	RM'000	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	–	169,669	135,221
Contract costs (Note 15)	–	21,805	21,962
Prepayments	–	560	1,068
Cash and cash equivalents (Note 17)	–	98	202
	–	474,843	484,441

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

	Group	
	2023	2022
	RM'000	RM'000
Loans and borrowings (Note A)	–	100,278
Lease liabilities (Note B)	–	1,731
Trade and other payables	–	53,527
Income tax payable	–	7,627
Contract liabilities (Note C)	–	159,948
Provisions (Note D)	–	112,458
	–	435,569

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

Note A - Term loans

In 2022, the property, plant and equipment and development properties held for sale with carrying values of RM143,189,000 and RM169,669,000, respectively, are pledged as security for credit facilities granted to the Group.

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

	2023 RM'000	2022 RM'000
At 1 July	**100,278**	95,590
Changes from financing cash flows:		
- repayments	–	(1,475)
Non-cash changes:		
- interest expense	–	6,163
- reclassified to loans and borrowings (Note 20)	**(100,278)**	–
Balance at 30 June	–	100,278

Note B - Lease liabilities

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

	2023 RM'000	2022 RM'000
At 1 July	**1,731**	4,324
Changes from financing cash flows:		
- repayments	–	(2,593)
- interest paid	–	(267)
Non-cash changes:		
- interest expense (Note 7)	–	267
- reclassified to lease liabilities (Note 19)	**(1,731)**	–
Balance at 30 June	–	1,731

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.

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

Note D - Provision

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

	2023 RM'000	2022 RM'000
At 1 July	**112,458**	115,145
Reversal (Note 4)	–	(2,687)
Reclassified to provisions (Note 22)	**(112,458)**	–
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% (2022: 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 (2022: 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 months to 10 years (2022: between 5 to 7 years) bearing an interest of 2.60% to 5.50% (2022: 4.80% to 5.68%) per annum.

iv) The Group has entered into leases on its properties. These non-cancellable leases have remaining lease terms between 1 to 3 years (2022: 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).

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

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

	Group	
	2023	2022
	RM'000	RM'000
Carrying amount of right-of-use assets:		
Mall and residence units *	**19,457**	32,804
Motor vehicles (Note A)	**3,948**	3,402
Office premises	**3,834**	7,553
Plant and equipment	**–**	85
	27,239	43,844

* Net of impairment allowance of RM4,175,000 (2022: RM4,175,000).

	Group	
	2023	2022
	RM'000	RM'000
Carrying amount of lease liabilities:		
Current	**15,342**	14,826
Non-current	**20,850**	36,314
	36,192	51,140
Additions to right-of-use assets	**3,727**	3,180

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

	Group	
	2023	2022
	RM'000	RM'000
At 1 July	**51,140**	60,934
Changes from financing cash flows:		
- Repayments	**(2,880)**	(1,742)
- Interest paid	**(453)**	(291)
Non-cash changes:		
- Interest expense (Note 7)	**7,041**	9,741
- Derecognition of lease liabilities	**(4,522)**	–
- New leases	**3,513**	2,851
- Rental payables	**(13,547)**	(20,263)
- Reclassification from disposal group classified as held-for-sale (Note 18)	**1,731**	–
- Exchange differences	**446**	99
- Lease modification	**(6,277)**	–
- Deconsolidation of subsidiary (Note 13(b))	**–**	(189)
Balance at 30 June	**36,192**	51,140

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

Reconciliation of movements of lease liabilities to cash flows arising from financing activities (cont'd):

Amount recognised in profit and loss:

	Group	
	2023	2022
	RM'000	RM'000
Depreciation (Note 8):		
Mall and suites	**9,768**	12,736
Motor vehicles	**1,301**	1,148
Plant and equipment	–	81
Office	**2,329**	2,471
	13,398	16,436
Lease expense - short term lease (Note 8)	**679**	575
Lease expense - interest expenses (Note 7)	**7,041**	10,008
Gain on modification of lease (Note 6(b))	**5,236**	–

Note A:
Genonefive Pte. Ltd. ("Genonefive") entered into lease agreements with third parties for motor vehicles. The motor vehicles are registered and held in trust by Cosha Leasing, a sole proprietor owned by Genonefive.

Total cash flows for leases of the Group amounted to RM11,191,000 (2022: RM5,468,000 which includes the cash flow for leases of Gold Mart Sdn. Bhd. amounted to RM2,860,000 (Note 18)).

20. Loans and borrowings

	Group		Company	
	2023	2022	**2023**	2022
	RM'000	RM'000	**RM'000**	RM'000
Current:				
Loan and secured bonds (A)	**209,925**	198,365	**209,926**	198,365
Medium term notes (Note 26(c)) (B)	**12,350**	13,350	–	–
Term loans (C)	**171,264**	13,569	–	–
	393,539	225,284	**209,926**	198,365
Non-current:				
Term loans (C)	**3,280**	72,826	–	–
Total loans and borrowings (current and non-current)	**396,819**	298,110	**209,926**	198,365

20. Loans and borrowings (cont'd)

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

(A) Loan and secured bonds

US$20,000,000 loan at 10.00% (2022: 10.00%) per annum

The convertible loan of an aggregate amount of US$20,000,000 (approximately RM93,300,000) (2022: US$20,000,000 (approximately RM88,162,000)) originally 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.

US$25,000,000 secured bonds at 10.00% (2022: 10.00%) per annum

The Company issued US$25,000,000 (approximately RM116,626,000) (2022: US$25,000,000 (approximately RM110,203,000)) 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.

(B) Medium term notes

RM12,350,000 (2022: RM13,350,000) 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 RM1,000,000 (2022: RM2,300,000). As at 30 June 2023, the Group had an outstanding balance of RM12,350,000 (2022: RM13,350,000) which was due for repayment on 25 March 2024 and bear a coupon rate of 7.00% per annum payable semi-annually in arrears from the date of issue.

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.

(C) Term loans

In 2022, there was a total term loans amounted to RM100,278,000 included in liability directly associated with disposal group classified as held-for-sale (Note 18) and this has been reclassified to loan and borrowings on 30 June 2023.

20. Loans and borrowings (cont'd)

Details of the Group's loans and borrowings are as follows (cont'd):

(C) 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 2023, the Group had an outstanding balance of RM6,500,000 (2022: RM6,151,000) 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 two directors of the Company, corporate guarantee by the Company, 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 2023, the Group had an outstanding balance of RM1,497,000 (2022: RM1,420,000) 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 two directors of the Company, corporate guarantee by the Company 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 2023, the Group had an outstanding balance of RM21,794,000 (2022: RM20,572,000) 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 two directors of the Company, corporate guarantee by the Company 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 2023, the Group had an outstanding balance of RM43,046,000 (2022: RM40,794,000) 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 two directors of the Company, corporate guarantee by the Company, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

20. Loans and borrowings (cont'd)

Details of the Group's loans and borrowings are as follows (cont'd):

(C) Term loans (cont'd)

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 2023, the Group had an outstanding balance of RM33,118,000 (2022: RM31,341,000) 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 two directors of the Company, corporate guarantee by the Company, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

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 2023, the Group had an outstanding balance of RM2,340,000 (2022: RM2,205,000) 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 2023, the Group had an outstanding balance of RM58,743,000 (2022: RM58,743,000) 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.

As at 30 June 2023, the Group has breached the financial covenant to maintain the Financial Services Reserve Account ("FSRA") with a minimum balance of RM3.0 million. Accordingly, the loan has been classified as current liability in the consolidated financial statements for the financial year ended 30 June 2023. Subsequent to the end of the reporting period, the Group received a letter of demand from the bank (Note 32).

20. Loans and borrowings (cont'd)

Details of the Group's loans and borrowings are as follows (cont'd):

(C) 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 2023, the Group had an outstanding balance S$66,000 (approximately: RM226,000) (2022: S$90,000 (approximately: RM286,000)) 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 2023, the Group had an outstanding balance of RM7,279,000 (2022: RM9,778,000) 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.

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 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.

Notes to the Financial Statements

For the financial year ended 30 June 2023

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**		
	1.7.2022 RM'000	**Drawdown RM'000**	**Repayments RM'000**	**Foreign exchanges RM'000**	**Reclassification from disposal group classified as held-for-sale (Note 18) RM'000**	**30.6.2023 RM'000**
Medium term notes	13,350	–	(1,000)	–	–	12,350
Loan and secured bonds	198,365	–	–	11,560	–	209,925
Term loans (current and non-current)	86,395	–	(12,152)	23	100,278	174,544
	298,110	**–**	**(13,152)**	**11,583**	**100,278**	**396,819**

		Cash flows		Non-cash changes		
	1.7.2021 RM'000	Drawdown RM'000	Repayments RM'000	Foreign exchanges RM'000	Deconsolidation Note 13(b) 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

21. Trade and other payables

	Group			Company	
	2023 RM'000	2022 RM'000	(Restated) 1 July 2021 RM'000	**2023 RM'000**	2022 RM'000
Current:					
Trade payables	**42,885**	11,698	11,500	–	–
Deposits received (Note A)	**5,383**	16,488	8,344	–	–
Accruals - third parties	**146,150**	80,440	85,172	**739**	997
Accruals - directors	**1,418**	594	1,235	**1,418**	118
Amount due to related parties (non-trade)	**18,337**	779	41,383	–	–
Amount due to a director	**1,965**	1,807	1,144	–	–
Amount due to non-controlling interests	**998**	1,023	–	–	–
Amount due to subsidiaries	–	–	–	**9,964**	1,184
Rental payables	**63,700**	56,316	47,691	–	–
Deferred payables - third party	–	–	8,701	–	–
Amount due to creditors under the Scheme arrangement (Note 33(b))	**30,784**	30,834	31,159	–	–
Amount due to associated company	–	67	998	–	67
Other payables	**44,394**	35,301	31,256	**846**	192
	356,014	235,347	268,583	**12,967**	2,558
Non-current:					
Other payables	**155**	–	–	–	–
Deferred payables - directors	–	–	34,507	–	–
	155	–	34,507	–	–
Total trade and other payables (current and non-current)	**356,169**	235,347	303,090	**12,967**	2,558
Less:					
GST payables	**(9)**	(27)	(36)	**(13)**	(13)
Add:					
Lease liabilities (Note 19)	**36,192**	51,140	60,934	–	–
Loans and borrowings (Note 20)	**396,819**	298,110	298,612	**209,926**	198,365
Liabilities directly associated with disposal group classified as held-for-sale (Note 18)	–	155,536	484,902	–	–
Total financial liabilities carried at amortised cost	**789,171**	740,106	1,147,502	**222,880**	200,910

21. Trade and other payables (cont'd)

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:

In 2022, included in deposit received is an amount of RM7.8 million being deposit received from a third party for the disposal of a leasehold land (see Note 33(a)).

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% (2022: 6% to 8%) per annum of the purchase price to the purchasers for a committed lease term of 2 years to 9 years (2022: 2 years to 9 years) commencing six months from the date of issuance of the Certificate of Completion and Compliance or full settlement of purchase price, whichever is earlier.

Reconciliation of movements of trade and other payables to cash flows arising from financing activities:

	1.7.2022 RM'000	**Advance/ (Repayments) RM'000**	**Non-cash changes RM'000**	**30.6.2023 RM'000**
Amount due to a director	1,807	46	112	1,965
Amount due to associated company	67	(67)	–	–
Amount due to related parties (non-trade)	779	–	17,558	18,337
Rental payable	56,316	(6,163)	13,547	63,700
	58,969	**(6,184)**	**31,217**	**84,002**

	1.7.2021 RM'000	Advance/ (Repayments) RM'000	Non-cash changes RM'000	30.6.2022 RM'000
Amount due to a 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
Rental payable	47,691	(24,716)	33,341	56,316
	91,216	(25,165)	(7,082)	58,969

* 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		
	2023 **RM'000**	2022 RM'000	(Restated) 1 July 2021 RM'000
Provision for developer interest-bearing scheme	**–**	–	19,228
Provision for liquidated ascertained damages	**51,444**	6,015	5,972
Other provisions	**317**	6,073	12,073
	51,761	12,088	37,273

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	
	2023 **RM'000**	2022 RM'000
At 1 July	**–**	19,228
Reversal (Note 4)	**–**	(19,228)
At 30 June	**–**	–

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. In 2022, management 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.

22. Provisions (cont'd)

Provision for liquidated ascertained damages (cont'd)

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

	Group	
	2023	2022
	RM'000	RM'000
At 1 July	**6,015**	5,972
Change in estimate on revenue recognition and debited to revenue (Note 4)	**956**	3,180
Reversal (Note 4)	**(67,909)**	(2,171)
Utilised	**(76)**	(966)
Reclassified from disposal group classified as held-for-sale (Note 18)	**112,458**	–
At 30 June	**51,444**	6,015

In 2022, 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 an independent 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.

The movement in other provisions is as follows:

	Group	
		(Restated)
	2023	2022
	RM'000	RM'000
At 1 July, as restated	**6,073**	12,073
Reversal (Note 8)	**(5,756)**	(6,000)
At 30 June	**317**	6,073

During the financial year, an amount of RM5,756,000 (2022: 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 and 30 June 2023	**1,857,123,228**	**328,862**
Company		
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 and 30 June 2023	**1,857,123,228**	**1,361,366**

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 22 April 2022, the Company issued 121,954,000 ordinary shares at S$0.041 (approximately RM0.12771) per share for cash.

On 29 September 2021, the Company issued 80,000,000 ordinary shares at S$0.023 (approximately RM0.07164) per share for cash.

On 22 November 2021, the Company issued 20,000,000 ordinary shares at S$0.060 (approximately RM0.18689) 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 exercised the option by subscription of 40,000,000 warrants at the exercise price by cash.

23. Share capital (cont'd)

Issued and fully paid ordinary shares (cont'd)

Movement of the warrants issued are as below:

Group	**No. of warrants issued**
At 1 July 2021	–
Issuance of warrants at 29 September 2021	80,000,000
Exercised and converted to ordinary shares	(40,000,000)
At 30 June 2022 and 30 June 2023	**40,000,000**

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(b)). 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	
	2023	2022
	RM'000	RM'000
Approved and contracted for	**1,156,061**	286,501
Less: Amount capitalised to construction-in-progress	**(567,202)**	(149,599)
Less: Amount capitalised to intangible assets (Note 12)	**(8,637)**	(7,027)
	580,222	129,875

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% (2022: 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	
	2023	2022
	RM'000	RM'000
Not later than one year	**7,951**	8,007
Later than one year but not later than five years	**185,421**	187,759
Later than five years	**12,519**	12,756
	205,891	208,522

(c) Contingent liabilities

The Company has provided corporate guarantee of RM12,350,000 (2022: RM13,350,000) as disclosed in Note 20 for the MTN Programme drawn down by MRSB at the end of the financial year.

Notes to the Financial Statements

For the financial year ended 30 June 2023

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	
	2023	2022
	RM'000	RM'000
Services provided from/(to) related parties:		
- Sales commission	–	78
- Reversal of debts under the Scheme arrangement (Note 33(b))	–	199
- Rental of office expense	**619**	686
Services provided from non-controlling interests:		
- Professional fee in developing crypto assets exchange platform	**250**	1,634
Other transactions from/(to) related parties:		
- Fund received/(paid)	**8,108**	(3,387)
- Undertaken	**(15,026)**	(23,227)
- Reimbursement	**(2,495)**	(18,055)
- Leaseback rental	**5,289**	2,697

(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	
	2023	2022
	RM'000	RM'000
Salaries, wages, bonuses and other costs	**5,299**	4,823
Contributions to defined contribution plans	**210**	191
	5,509	5,014
Comprise amounts paid to:		
Directors - remunerations (Note 8)	**4,166**	3,778
Directors - fees (Note 8)	**859**	813
Other key management personnel	**484**	423
	5,509	5,014

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.

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.

Notes to the Financial Statements

For the financial year ended 30 June 2023

29. Financial risk management objectives and policies (cont'd)

(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 current 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

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.

29. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Significant increase in credit risk (cont'd)

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.

29. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

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.

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.

29. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Other financial assets at amortised cost (cont'd)

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.

Movements in credit loss allowance are as follows:

	← Current →		
Group	**Trade receivables (Note 16) RM'000**	**Other receivables (Note 16) RM'000**	**Total RM'000**
At 1 July 2021	259	650	909
Loss allowances measured: Lifetime ECL - credit-impaired	73	–	73
At 30 June 2022	332	650	982
Loss allowances (reversed)/measured: Lifetime ECL - (reversal)/credit-impaired	(75)	515	440
At 30 June 2023	**257**	**1,165**	**1,422**
Company			
At 1 July 2021 and 30 June 2022	–	–	–
Loss allowances measured: 12-month ECL - credit-impaired	–	515	515
At 30 June 2023	**–**	**515**	**515**

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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:

Group 2023	**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	**2,461**	**–**	**2,461**
Trade receivables	Lifetime ECL	**186,927**	**(257)**	**186,670**
Amount due from related parties (non-trade)	Lifetime ECL	**18,214**	**–**	**18,214**
Refundable deposits	N.A. Exposure Limited	**3,000**	**–**	**3,000**
Other receivables	12-month ECL	**65,902**	**(1,165)**	**64,737**

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 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
Refundable deposits	N.A. Exposure Limited	3,000	–	3,000
Other receivables	12-month ECL	110,822	(650)	110,172
Company **2023**				
Cash and cash equivalents	N.A. Exposure Limited	**4**	**–**	**4**
Amount due from subsidiaries (non-trade)	Lifetime ECL	**322,367**	**–**	**322,367**
Other receivables	12-month ECL	**694**	**(515)**	**179**
Refundable deposits	N.A. Exposure Limited	**495**	**–**	**495**
2022				
Cash and cash equivalents	N.A. Exposure Limited	2,136	–	2,136
Amount due from subsidiaries (non-trade)	Lifetime ECL	303,500	–	303,500
Other receivables	12-month ECL	1,096	–	1,096

29. Financial risk management objectives and policies (cont'd)

(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.

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.

29. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Group	**Less than one year RM'000**	**One to five years RM'000**	**More than five years RM'000**	**Total RM'000**
2023				
Financial liabilities				
Trade and other payables	356,005	155	–	356,160
Lease liabilities	20,976	23,755	1,376	46,107
Loans and borrowings	456,349	3,688	–	460,037
Total undiscounted financial liabilities	**833,330**	**27,598**	**1,376**	**862,304**
2022				
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

Company	**Less than one year RM'000**	**One to five years RM'000**	**More than five years RM'000**	**Total RM'000**
2023				
Financial liabilities				
Trade and other payables	12,954	–	–	12,954
Loan and borrowings	242,197	–	–	242,197
Financial guarantees*	12,350	–	–	12,350
Total undiscounted financial liabilities	**267,501**	**–**	**–**	**267,501**
2022				
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

29. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

* As at 30 June 2023 and 30 June 2022, the maximum exposure of the Company in respect of the intra-group financial guarantee (Note 20) based on facilities drawn down by the subsidiary is RM12,350,000 (2022: RM13,350,000) (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 the assets of the subsidiary are pledged as security for the credit facilities.

	Company	
	2023	2022
	RM'000	RM'000
Total committed financial guarantee	**200,000**	200,000
Amount utilised	**(66,350)**	(54,000)
Total unutilised amount	**133,650**	146,000

(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 loss before tax affected by changes in interest rates for financial liabilities with floating rates.

	(Decrease)/increase in loss before tax	
	Group	
	2023	2022
Change in interest rates	**RM'000**	RM'000
50 basis points decrease	**(934)**	(1,000)
50 basis points increase	**934**	1,000

The interest from financial assets including cash and cash equivalents is not significant.

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 (Loan and Secured bonds). 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 2023 and 30 June 2022.

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	
	2023	2022
	RM'000	RM'000
USD against RM		
Weakened 5%	**10,496**	9,918
Strengthened 5%	**(10,496)**	(9,918)

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.

In 2022, 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 business is RM3,076,000 (2022: RM1,694,000), and this represents about 8% (2022: 3%) of the Group's total revenue excluding the provision for liquidated ascertained damages during the financial year (Note 4).

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30. Segment information (cont'd)

In addition, the total assets (including intangible assets as disclosed in Note 12) as at 30 June 2023 and 30 June 2022 and the absolute amount of profit or loss for the current and previous financial year of the 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 2023 and 30 June 2022.

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	
	2023	2022
	RM'000	RM'000 (Restated)
Loans and borrowings (Notes 18 and 20)	**396,819**	398,388
Less: Cash and bank balances (Note 17)	**(2,461)**	(11,339)
Net debt [A]	**394,358**	387,049
Equity attributable to owners of the Company, representing total capital	**79,503**	115,250
Adjusted capital [B]	**473,861**	502,299
Gearing ratio [A/B]	**83%**	77%

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

Receipt of letter of demand

On 14 November 2023, the Company announced that its indirect wholly-owned subsidiary, MDSA Ventures Sdn. Bhd. ("MVSB") had on 10 November 2023 received a letter of demand (the "Letter") from the solicitor representing Bank Kerjasama Rakyat Malaysia Berhad (the "Lender") in relation to the loan extended to MVSB (the "Facility").

The Facility was obtained to refinance an outstanding term loan and this Facility 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 of MVSB, 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 MVSB.

The Letter has demanded partial payment before 20 November 2023, of which non-payment will cause the Facility to be automatically recalled/terminated, as well as within 14 days from the date of recall/termination, the solicitor of the Lender will proceed with legal actions/foreclosure.

The Company further announced on 22 November 2023 that the management has met with the Lender on the alternative settlement proposals. At the date of this report, the Facility has not been terminated or recalled by the lender.

33. Significant events during the financial year

(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 was conditional upon the satisfaction of conditions precedent. The Proposed Disposal was completed on 13 October 2022 (Note 15).

(b) 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").

33. Significant events during the financial year (cont'd)

(b) Restructuring of MDSA Ventures Sdn. Bhd. ("MVSB") and MDSA Resources Sdn. Bhd. ("MRSB") (cont'd)

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").

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.

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.

33. Significant events during the financial year (cont'd)

(b) Restructuring of MDSA Ventures Sdn. Bhd. ("MVSB") and MDSA Resources Sdn. Bhd. ("MRSB") (cont'd)

MRSB (cont'd)

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.

As announced by the Company on 10 November 2022, 14 February 2023 and 15 May 2023, MRSB has successfully obtained the leave from the Federal Court of Malaysia. Followed by the hearing held by the Federal Court on 5 January 2023 and 19 April 2023, the subsequent session was initially scheduled for 16 May 2023. MRSB has received a letter from the Federal Court of Malaysia informing them that the session date scheduled for 16 May 2023 has been vacated due to a rearrangement of cases.

On 5 July 2023, the Company announced that the Federal Court of Malaysia has heard the matter and has dismissed MRSB's appeal against the dismissal of sanction of the scheme of arrangement in the High Court and in the Court of Appeal. There will be no financial impact to the Group for the financial year ended 30 June 2023, as potential waiver of debts under the Scheme has not been accounted for, unless sanctioned by the court.

At the date of this report, the Group will continue to seek legal advice on the next steps and collaborate with relevant creditors to engage in discussions regarding the settlement arrangements.

(c) Restructuring of Goldmart Sdn Bhd ("GMSB")

On 14 June 2023, the Company announced that GMSB, a wholly-owned subsidiary of the Company, has updated that, pursuant to Sections 366 and 368(1) of the Malaysian Companies Act 2016 (the "Act"), the following orders were granted by the Kuala Lumpur High Court during a hearing held on 12 June 2023:

- GMSB shall call for a creditors' meeting (the "Meeting") 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 between the GMSB and its unsecured creditors (the "Proposed Scheme") where the Meeting is to be held within 90 days from 12 June 2023; and

- A restraining order pursuant to Section 368(1) of the Act restraining all legal proceedings against GMSB including but not limited to enforcement of any security, the commencement or continuing of winding up proceedings and/or any appointment of receiver and/or manager over any and all of the assets of GMSB for a period of three months from 12 June 2023, except with leave of Court and subject to such terms as the Kuala Lumpur High Court may impose.

The Proposed Scheme was initiated by a group of 660 purchasers (the "Initiating Purchasers") and supported by GMSB. The purpose of the Proposed Scheme is to enable GMSB to restructure its outstanding financial obligations and to allow GMSB to complete the construction of Harbour City project.

33. Significant events during the financial year (cont'd)

(c) Restructuring of Goldmart Sdn Bhd ("GMSB") (cont'd)

On 13 September 2023, the Company announced the results of the Meeting in connection with the Proposed Scheme between GMSB and its unsecured creditors (the "Scheme Creditors") held in Malaysia on 8 September 2023.

The salient terms and quantum of the Proposed Scheme are as follows:

- The Scheme Creditors shall waive 60% of their liquidated ascertained damages ("LAD"), amounting to approximately RM67.0 million (Notes 4 and 22) of waiver, based on LAD as at the cut-off date, i.e. 30 November 2022;

- The balance 40% of the LAD shall be settled by way of proceeds received from the sale of certain unsold units of Harbour City (the "Assigned Properties"), thereby preserving the Group's cash reserves; and

- GMSB shall complete the development of Harbour City within three years from the commencement date.

The Proposed Scheme was approved by a majority of 80.02% of the total value of the Scheme Creditors present and voting in person or by proxy at the Meeting. The solicitors for the Initiating Purchasers have filed an application to obtain the Kuala Lumpur High Court's approval of the Proposed Scheme. Once approval of the Proposed Scheme has been obtained, the Proposed Scheme shall be binding on GMSB and the Scheme Creditors.

At the date of this report, the Proposed Scheme is awaiting the approval by the Kuala Lumpur High Court.

34. Basis for disclaimer of opinion on the consolidated financial statements for the financial year ended 30 June 2022

The independent auditor's report dated 28 November 2022 contained a disclaimer of opinion on the consolidated financial statements for the financial year ended 30 June 2022. The extract of the basis for disclaimer of opinion, which should be read in conjunction with the Group's 2022 Annual Report as all figures and references are in respect of the financial statements for the financial year ended 30 June 2022, 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 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.

34. Basis for disclaimer of opinion on the consolidated financial statements for the financial year ended 30 June 2022 (cont'd)

Basis for Disclaimer of Opinion (cont'd)

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

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.

Notes to the Financial Statements

For the financial year ended 30 June 2023

34. Basis for disclaimer of opinion on the consolidated financial statements for the financial year ended 30 June 2022 (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.

34. Basis for disclaimer of opinion on the consolidated financial statements for the financial year ended 30 June 2022 (cont'd)

Basis for Disclaimer of Opinion (cont'd)

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.

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.

34. Basis for disclaimer of opinion on the consolidated financial statements for the financial year ended 30 June 2022 (cont'd)

Basis for Disclaimer of Opinion (cont'd)

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.

35. Prior year adjustments and comparatives

As part of the Group's ongoing efforts to address issues raised in the previous financial years, the Group engaged another professional accounting firm to conduct an independent review of certain accounting policies and interpretations in relation to revocation of sales to ensure proper recognition of the sales revocation and properties repossessed (the "Accounting Review"). Revocation of sales which arises when the Group revoked the sales and purchase agreements on properties purchased by the customers. The Group has subsequently assessed the financial impact arising from the Accounting Review and make the prior year adjustments.

In addition, certain reclassifications have been made to the previous year's financial statements to enhance comparability with the current year's financial statements to conform to the current year presentation.

35. Prior year adjustments and comparatives (cont'd)

Based on the Group's assessment, the financial statements for the previous financial years included herein as comparatives have been restated accordingly. Effects on the statements of financial position as at 30 June 2022 and 1 July 2021, consolidated statement of comprehensive income and consolidated statement of cash flows for the financial year ended 30 June 2022 are as follows:

	As reported RM'000	Prior year adjustments RM'000	As restated RM'000
30.06.2022 - Group			
Consolidated Statement of Comprehensive income			
Cost of sales	(18,705)	(3,619)	(22,324)
(Loss)/gain on settlement on revocation of sales	(31,319)	36,777	5,458
Reversal of write-down of development properties	12,840	(752)	12,088
(Loss)/profit for the year	(32,298)	32,406	108
Total comprehensive loss for the year	(32,742)	32,406	(336)
Consolidated Statement of Financial Position			
Equity			
Accumulated losses	(231,970)	74,259	(157,711)
Total equity	40,991	74,259	115,250
Current assets			
Development properties	455,471	28,797	484,268
Disposal group assets classified as held-for-sale	429,381	45,462	474,843
Total assets	1,149,425	74,259	1,223,684
Current liabilities			
Trade and other payables	241,103	(5,756)	235,347
Provision	6,332	5,756	12,088
Consolidated Statement of Cash Flows			
Loss before tax	(54,012)	32,406	(21,606)
Loss/(gain) on settlement on revocation of sales	31,319	(36,777)	(5,458)
Changes in operating assets and liabilities			
- Development properties	(12,848)	4,371	(8,477)

35. Prior year adjustments and comparatives (cont'd)

	As reported RM'000	Prior year adjustments RM'000	As restated RM'000
01.07.2021 - Group			
Consolidated Statement of Financial Position			
Equity			
Accumulated losses	(202,691)	41,853	(160,838)
Total equity	11,994	41,853	53,847
Current assets			
Development properties	481,473	23,179	504,652
Disposal group assets classified as held-for-sale	465,767	18,674	484,441
Total assets	1,286,804	41,853	1,328,657
Current liabilities			
Trade and other payables	274,339	(5,756)	268,583
Provision	31,517	5,756	37,273

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 2023 were authorised for issue in accordance with a resolution of the board of directors of the Company on 14 December 2023.

Statistics of Shareholdings

As at 15 November 2023

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	178	5.22	10,260	0.00
100 - 1,000	787	23.09	313,974	0.02
1,001 - 10,000	841	24.68	3,459,174	0.18
10,001 - 1,000,000	1,508	44.25	229,157,414	12.34
1,000,001 and above	94	2.76	1,624,182,406	87.46
	3,408	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 2023, approximately 43.62% 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 2023

TWENTY LARGEST SHAREHOLDERS AS AT 15 NOVEMBER 2023

	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	781,485,918	42.08
2	HATTEN HOLDINGS PTE LTD	177,091,508	9.54
3	TOH SOON HUAT	60,975,000	3.28
4	KINGPIN INVESTMENT (PTE LTD)	60,674,667	3.27
5	AIM WORLDWIDE GROUP LTD	56,500,000	3.04
6	RAFFLES NOMINEES (PTE) LIMITED	48,909,000	2.63
7	LINK (THM) BIZ MS PTE LTD	30,259,120	1.63
8	MAYBANK SECURITIES PTE. LTD.	28,900,000	1.56
9	TAN JUNE WEE EDERN	24,450,316	1.32
10	KGI SECURITIES (SINGAPORE) PTE. LTD	22,479,000	1.21
11	UOB KAY HIAN PTE LTD	22,131,675	1.19
12	CITIBANK NOMINEES SINGAPORE PTE LTD	21,311,126	1.15
13	ERIC TAN ENG HUAT	21,300,000	1.15
14	ONG TOON WAH	19,513,000	1.05
15	PRISCIL POH LY-MAY	12,533,297	0.67
16	HILLS HOLDINGS PTE LTD	12,195,000	0.66
17	LU CHAI HONG	11,000,000	0.59
18	OCBC SECURITIES PRIVATE LTD	9,696,500	0.52
19	POH TECK BOON	9,476,262	0.51
20	DBS NOMINEES PTE LTD	8,537,000	0.46
	TOTAL	**1,439,418,389**	**77.51**

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 Friday, 29 December 2023 at 10.00 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 2023 and the Directors' Statement and the Auditors Report thereon. **(Resolution 1)**

2. To note the retirement of Dato' Wong King Kheng as a Director of the Company.

3. To note the retirement of Mr. Loh Weng Whye as a Director of the Company.

4. To approve the payment of Directors' Fees of S$187,500 (2022: S$187,171/-) for the year ended 30 June 2023. **(Resolution 2)**

5. To note that Messrs Baker Tilly TFW LLP will not seek re-appointment as auditors of the Company.

(Please see Explanatory Note 1)

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions as ordinary resolutions with or without any modifications:

6. **THE PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE**

"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: **(Resolution 3)**

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

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 2)

7. **THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE** **(Resolution 4)**

"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 (**"Share Buyback Mandate"**);

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) the 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)

8. **THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTION MANDATE** **(Resolution 5)**

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 (**"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 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 3)

9. AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE HATTEN LAND LIMITED EMPLOYEE'S SHARE OPTION SCHEME ("HATTEN ESOS") **(Resolution 6)**

"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 4)

10. AUTHORITY TO GRANT AWARDS AND ISSUE SHARES UNDER THE HATTEN LAND LIMITED PERFORMANCE SHARE PLAN ("HATTEN PSP") **(Resolution 7)**

"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 5)

Notice of Annual General Meeting

BY ORDER OF THE BOARD
Dato' Tan June Teng Colin @ Chen JunTing
Executive Chairman and Managing Director
14 December 2023
Singapore

EXPLANATORY NOTES:

1. The Auditors of the Company, Messrs Baker Tilly TFW LLP, have expressed that they would not be seeking re-appointment as Auditors of the Company at this Annual General Meeting. Efforts are being made by the Company to appoint new auditors as soon as practicable. Further announcement(s) would be released in due course once the proposed new appointment has been confirmed.

2. Ordinary Resolution 3 proposed in item 6 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.

3. Ordinary Resolution 5 proposed in item 8 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.

4. Ordinary Resolution 6 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 not exceeding 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.

5. Ordinary Resolution 7 if passed will empower the Directors of the Company, to allot and issue Shares pursuant to the vesting of Awards under the Hatten PSP not exceeding 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

6. 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.

7. A proxy need not be a member of the Company.

8. 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.

9. 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.

10. 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.

11. 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.

12. The proxy form for the Annual General Meeting may be accessed at the Company's website at http://www.hattenland.com.sg and SGXNET.

13. 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 p.m. on 19 December 2023**.

14. 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 9 Raffles Place, #26-01, Republic Plaza Tower 1, Singapore 048619, 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.

Notice of Annual General Meeting

15. 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

16. 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 **19 December 2023**

(a) by email to hattenlandagm@hattengrp.com, or
(b) by post to Level 2, 53 Mohamed Sultan Road, Singapore 238993.

The Company will endeavour to address the substantial and relevant questions received in advance of the AGM by **25 December 2023**. 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.

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 14 December 2023

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 29 December 2023 at 10.00 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Resolutions 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
Ordinary business				
1.	To receive and consider the Audited Financial Statements of the Company for the financial year ended 30 June 2023 and the Directors' Statement and Auditors' Report thereon.			
2.	To approve the payment of Directors' Fees of S$187,500/- for the financial year ended 30 June 2023.			
Special business				
3.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.			
4.	To approve renewal of share buyback mandate.			
5.	To approve the renewal of the Interested Person Transaction Mandate.			
6.	To approve the allotment and issue of shares under the Hatten Land Limited Employees' Share Option Scheme.			
7.	To approve the allotment and issue of shares under the Hatten Land Limited Performance Share Plan.			

Dated this ________day of ____________________ 2023

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. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

4. 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.

5. 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.

6. 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 deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 9 Raffles Place #26-01, Republic Plaza Tower 1, Singapore 048619 not later than 72 hours before the time set for the Annual General Meeting.

7. 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.

8. 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.

9. 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.

10. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and 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 and SRS Investors shall be precluded from attending the 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 14 December 2023.

AFFIX
STAMP

The Company Secretary
HATTEN LAND LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
9 Raffles Place
#26-01 Republic Plaza Tower 1
Singapore 048619

***Enriching** Communities Together*