HATTEN 惠胜
LAND

ANNUAL REPORT

ENRICHING COMMUNITIES TOGETHER

CONTENTS

ENRICHING COMMUNITIES TOGETHER

This Annual Report has been prepared by Hatten Land Limited (the "Company") and its contents have been reviewed by UOB Kay Hian Private Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

CORPORATE PROFILE

惠胜

HATTEN

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

Headquartered in the historical city of Melaka, Hatten Land Limited ("Hatten Land") has recently embarked on a post-pandemic strategic shift. It seeks to re-purpose the substantial mall footprint in Melaka tapping on trends and opportunities in new digital economy, blockchain, metaverse and renewable energy. The pivot will invigorate retail activities by combining e-commerce and related blockchain trends.

With the Right of First Refusal and Call Options to over 20 land banks and development rights in high-growth locations in Malaysia, Hatten Land is able to periodically review whether the specific land bank will be suitable for development, before releasing it to other developers. This arrangement places Hatten in a near-unrivalled position with priority access to many plots of prime land.

CORPORATE PROFILE

The current development portfolio comprises five integrated mixed-use development projects and retail mall in Melaka, Malaysia.

HATTEN CITY PHASE 1

Integrates four distinct projects namely; Elements Mall, SilverScape Residences, Hatten Place, and a tower block managed by Hilton Worldwide as part of its DoubleTree brand.

HATTEN CITY PHASE 2

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

SATORI

Is the first wellness sanctuary in the heart of the historical city of Melaka. Satori is a two-acre mixed development that integrates health, wellness, beauty, and leisure facilities, a hotel, serviced residences, and a mall.

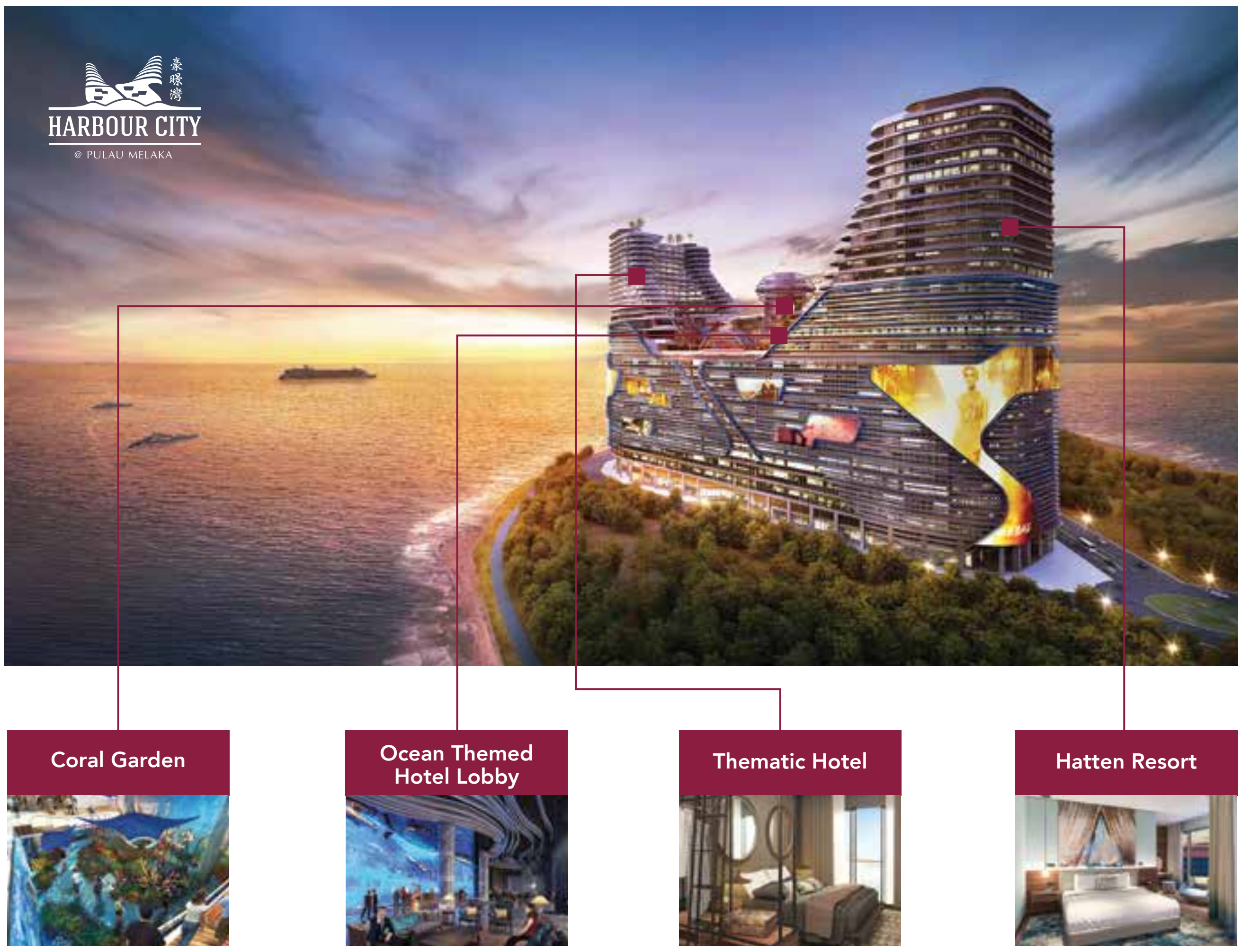
CORPORATE PROFILE

UNICITY PROJECT

Is the company's first venture into the Seremban area which comprises a mall and serviced suites.

VEDRO BY THE RIVER

Is a retail mall which is located along the Melaka River which features an eclectic mix of tenants.



HARBOUR CITY

Comprises a Thematic Mall, Harbour City Suites, Harbour City Resort, Harbour City Premier Resort, and Melaka's largest "Sky" water theme park.

H

DIGITAL AND BLOCKCHAIN STRATEGY

CORPORATE MILESTONES OF DIGITAL AND BLOCKCHAIN PIVOT

2021

1 December

Release of Corporate & Business Update outlining preparations for recovery of mall and commercial activities with easing of travel after the COVID-19 pandemic, and strategic pivot to repurpose the Group's malls in Melaka; foundation for metaverse and digital activities set will facilitate future corporate actions to enhance shareholder value.

22 November

Completion of allotment and issue of 20,000,000 New Ordinary Shares to Golden Summit International to fund new business initiatives.

10 November

Signed Joint Venture Agreement with Nestcon Sustainable Solutions, a subsidiary of Nestcon Bhd, to install over 6,000 solar panels on Dataran Pahlawan Melaka's Rooftop. The panels will improve sustainability and enable renewable energy to be used for cryptocurrency mining activities.

1 November

Signed Joint Venture Agreement with Hydra X to develop and operate Exchanges for the listing and trading of "Green" and "Clean" Cryptocurrencies and Tokens.

7 October

Signed Exclusive Agreement with Prakal Pte Ltd ("Enjinstarter") to digitise Hatten Land's Assets and create the Digital Melaka Metaverse.

29 September

Signed binding Strategic Collaboration and Management Agreement with Frontier Digital Asset Management to share proceeds from jointly operating at least 1,000 cryptocurrency mining.

Completed allotment and issue of 80 million new ordinary shares and 80 million warrants to three investors to raise working capital for digital and solar initiatives.

16 September

Signed Memorandum of Understanding with SMI Vantage Ltd (formerly known as Singapore Myanmar Investco Limited) to collaborate on cryptocurrency mining activities within Hatten Land's malls in Melaka; Strategic Partnership with Nestcon Sustainable Solutions to pursue renewable energy solutions.

H DIGITAL AND BLOCKCHAIN STRATEGY

EXECUTING THE DIGITAL & BLOCKCHAIN STRATEGY

Since the pandemic outbreak in early 2020, the Group has been aligning its real estate business model with the digital economy, embarking on various strategic initiatives to accelerate its transformation to harness the growth opportunities in the digital economy.

HATTEN LAND TIES UP WITH HYDRA X

The joint venture is the latest initiative undertaken by Hatten Land to re-purpose its malls in Melaka and align its business model with the growth trends of the digital economy.

Cryptocurrency

Hatten Land forms JV with HydraX to develop and operate cryptocurrency exchanges in Singapore and Malaysia

BUILDER NESTCON PARTNERS HATTEN LAND FOR SOLAR PV VENTURE

The partnership's first rooftop turnkey solar project is the installation of 6,373 solar panels to generate up to 3.19 megawatt-peak (MWp) at the Dataran Pahlawan Melaka Megamall in Melaka.

Deals, joint ventures & alliances

Hatten Land enters solar panel JV with Nestcon; to harness solar power for blockchain activities

Nestcon to form JV company with SGX-listed Hatten Land unit for solar photovoltaic project in Melaka

Hatten Land, Frontier Digital ganding bahu kendalikan pelantar perlombongan kripto

HATTEN LAND PARTNERS WITH FRONTIER TO RUN GREEN CRYPTO MINING RIGS

The companies will now work together to manage more than 1,000 crypto mining rigs operating within Hatten Group properties based in Malaysia.

H DIGITAL AND BLOCKCHAIN STRATEGY

EXECUTING THE DIGITAL & BLOCKCHAIN STRATEGY

HATTEN LAND SIGNS WITH ENJINSTARTER TO 'DIGITALIZE' MELAKA

Under the Agreement, both Hatten Technology and EnjinStarter will collaborate to develop a Metaverse, starting with a digital 'twin city' for Melaka ("Digital Melaka") that aims to promote physical and digital tourism in Melaka and accelerate the growth of the city's digital economy.

Hatten Land to develop token system, NFTs for digital tourism in Melaka

THU, OCT 07, 2021 - 9:08 AM

Hatten Land, EnjinStarter ink pact to promote digital economy in Melaka

Thursday, 07 Oct 2021 04:41 PM MYT

SINGAPORE MYANMAR INVESTCO MULLING JV WITH HATTEN LAND TO MINE CRYPTOCURRENCY

SMI plans to install and operate up to 2,000 crypto mining rigs on Hatten Land's Melaka properties from December. It recently partnered with Nasdaq-listed The9 to procure up to 4,000 sets of crypto mining rigs.

Hatten Land subsidiary to develop token system to promote digital economy in Melaka

Hatten Land Brings 'Green' Crypto Mining Activities to Melaka With SMI Partnership

by Tyler Smith September 23, 2021

Hatten Land enters deal to operate cryptocurrency mining from its Malaysia malls

Hatten Land turns to cryptomining to repurpose its mall footprint in Melaka

By Sharen Kaur - September 29, 2021 @ 3:10pm

H

DIGITAL AND BLOCKCHAIN STRATEGY

4 MAIN PILLARS OF HATTEN TECHNOLOGY

E-Commerce & Phygital

A new concept to take online retailers to offline and housing them in a brick-and-mortar location to help them expand their reach and create a community to further enhance trade. The Phygital Mall will also include a business education center to reskill and upskill merchants to further equip them for the future. Ideal retail partners would be Lazada and Shopee.

Blockchain & Cryptomining

Blockchain Technology, in partnership with EnjinStarter the premier blockchain startup with an impressive list of backers and angel investors will be setting up in Melaka to help community embrace blockchain technologies such as NFT's, Blockchain game, digital payments, digital assets and incubator for new blockchain technology. Partnership with The9, SMI, and Frontier to establish Green crypto mining centers, utilization of blockchain systems and also to manage cloud mining.

Metaverse

Digital Entertainment, with the partnership of EEA (Esports Entertainment Asia) and EnjinStarter the biggest Esports center in Singapore, ESPL (Esports Players League) UNRIVAL and EPIC Games, the plan is to build one of the biggest Esports center in Malaysia. ESPL is tasked to virtualized major attractions in Melaka to create a virtual twin city of Melaka to create "Virtual Tourism".

Renewable Energy

Green Energy adoption and implementation. Hatten Technology partnered with Nestcon to install solar panels and also a creation of a 100 MVp solar farm to support all digital initiative outlined in Digital Melaka Plan. With this partnership Hatten Technology is enabled to accelerate Green Energy adoption by the people of Melaka.

LOCATION – BASED DISCOVERY AND GAMIFICATION

The Art of Gamification

The ability to conduct purchases, book services, or seek inquiries within the game world. Using gaming techniques to motivate consistent participation and long-term engagement.

This is the new answer to customer engagement. The aim is to connect the businesses, attractions, and points of interest in Melaka, seamlessly using gamification to pair consumers and tourists entails a fun and rewarding experience.

CHAIRMAN'S STATEMENT

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 2021 ("FY2021").

With the Group's substantial hospitality and commercial property businesses and assets in Melaka, the pandemic has dealt Hatten Land one of the most challenging periods in our history with the Movement Control Order and other restrictions imposed by the Malaysian Government since 2020, curtailing foot traffic to the malls and affecting hospitality activities operated by the Group.

As the COVID-19 pandemic becomes endemic, our top priority is to ensure the health and safety of our employees, customers, partners, and communities. This report to shareholders has also been delayed because of the exceptional circumstances surrounding the pandemic.

The prolonged COVID-19-related travel restrictions continued to dampen economic sentiments, hampered property viewings, and delayed project timelines, which then affected the revenue in the year under review. Nonetheless, the Group narrowed its loss after tax in FY2021 to RM168.7 million, from a loss of RM229.7 million a year ago. The loss included non-recurring items of impairment losses of RM11.7 million, write-down of development properties of RM4.5 million, loss on revocation of sales from purchasers of RM17.3 million, loss on termination of right-of-use-assets of RM20.2 million, provision of liquidated ascertained damages of RM65.0 million to property buyers and other non-recurring items of RM5.4 million, which in aggregate amounting to RM124.1 million.

Against the challenging operating environment, the Hatten Land team had undertaken a major strategic review to re-purpose our malls and to pivot our business model towards blockchain-related and digital economy trends as well as opportunities in digital assets.

Following our strategic review, we announced our key strategies on 1 December 2021 and I will share some of the key highlights here.

Strategic Pivot to Emerging Trends of the Digital Economy

We have witnessed first-hand the deep impact of the pandemic on our business activities in Melaka but we also see new opportunities to use digital solutions to address business challenges.

In addition, Melaka has initiated its own efforts to transform the digital capabilities of the city while preserving and enhancing its unique heritage.

Aligned with the emerging trends associated with blockchain technology and the digital economy, we are re-purposing our property assets in Melaka to pivot towards digital and blockchain activities with the following key strategic initiatives:

a. Blockchain and cryptomining:

- Re-purposing the malls to include space/hub for 'green' cryptocurrency mining ("cryptomining") activities
- Setting up specialised crypto exchanges to list and trade 'green' and clean tokens

b. Metaverse:

- Creating a 'metaverse' world, commencing with a digital twin of Melaka and building up an eco-system to create new digital assets including non-fungible tokens ("NFTs") and utility tokens

c. Renewable energy:

- Implementing renewable initiatives commencing with solar panels to be installed on the roofs of our malls so as to lower energy costs, enable 'green' cryptomining activities, and advance the Group's sustainability efforts

d. Phygital:

- Preparation for post-pandemic economic activities resumption and improving the tenant mix and related activity of our malls in Melaka.

Blockchain and Cryptomining

For a start, we are leveraging our existing physical assets to provide a secure and stable facility to host cryptocurrency mining ("cryptomining") activities. Under this asset-light model, the Group will obtain a share of the net proceeds of digital assets being mined, where the cryptomining activities will be focused on Bitcoin ("BTC") at the initial phase. With the first 80 testing cryptomining rigs starting operations in December 2021, we intend to progressively increase our cryptomining activities to at least 10,000 cryptomining rigs by 2023 by establishing more partnerships and/or collaborations beyond these first two agreements.

CHAIRMAN'S STATEMENT

Another supporting pillar of our digital strategy is our 60:40 joint venture with Singapore-based fintech company Hydra X Pte. Ltd. to jointly develop and operate a cryptocurrency exchange that focuses on the listing and trading of newly-minted Bitcoins, eco-friendly BTC wrapper tokens, as well as other sustainability-focused digital assets. These exchanges and related custodian services are subject to obtaining the necessary regulatory approvals.

Metaverse: Digital Melaka and Creation of Other Digital Assets

Secondly, we are embarking on the creation of digital assets that will be owned by Hatten Land. We have established a collaboration with Prakal Pte Ltd ("EnjinStarter") to tokenise and enhance the value proposition of the existing Hatten loyalty points system by combining it with blockchain technology. These Hatten tokens can be used at any Hatten Land-managed malls and can also be used for online gaming, purchase of digital assets such as cryptocurrencies and non-fungible tokens ("NFTs") within our digital ecosystem, further enhancing the appeal of our malls.

A major focus of this strategy is to create a "Metaverse" world – starting with a digital twin city of Melaka, emphasising its culture and tourism potential as a UNESCO World Heritage site. The Metaverse will contain digital/NFT assets such as virtual land, fashion items, art pieces, heritage collections and other collectables which can be purchased transacted with Hatten tokens.

Digital Melaka will also serve as a template for other digital twin cities that will allow Hatten Land to expand its value proposition and extend opportunities beyond Melaka to the broader Metaverse.

Renewable Energy Initiatives

Climate change and sustainability have become increasingly important and a major pillar of our digital pivot involves the utilisation of renewable energy to lower the carbon footprint and operating costs of our activities. Through our 30:70 joint venture ("JVC") with a wholly-owned subsidiary of Bursa-listed Nestcon Bhd. to develop solar photovoltaic plant and facility ("SPPF") and other renewable energy opportunities in Malaysia. We have plans to source approximately 300 acres of land in Melaka for solar energy generation and expand solar farm acreage thereafter with an aim to develop mega-scale solar power plants by 2027, together with government agencies and other business partners.

Our renewable energy initiative will start off with the installation of a SPPF on the roof of the largest mall in Melaka, the Dataran Pahlawan Melaka Megamall. Upon completion of the project in 2022, the JVC will enter into a power purchase agreement with the mall owner and generate approximately 3,900 MWh per year, the equivalent of powering more than 1,100 three-room apartments for an entire year.

Apart from lowering overall energy costs, the Group's solar initiative will also enable renewable energy to be used for cryptomining activities at the Group's malls when such similar solar panels are installed in the future.

Phygital Malls and New Opportunities

With the acceleration of e-commerce during the pandemic lockdowns, Hatten Land is in discussion with a major regional e-commerce player to develop one of Southeast Asia's first physical-digital ("Phygital") malls. These malls, commencing with Elements Mall will combine omni-channel retail concepts with our brick-and-mortar property assets that will be supported by integrated supply chain solutions, customer service, training programs for retailers, live-streaming studios, among others.

On the backend, we will harness artificial intelligence to analyse consumer behaviour and retail trends in order to optimise our offerings, and improve customer engagement and traffic, translating into greater top line for our Phygital malls and spur adjacent economic activities such as logistics, warehousing, software development, co-working and hosting of data centres.

CHAIRMAN'S STATEMENT

Beyond Phygital activities, the Group has entered into an agreement with Melaka Esports Association ("MEA"), to co-develop one of the largest esports centres in the region with approximately 20,000 sqft. The Group and MEA will also co-manage the centre and organise inter-state and cross-border tournaments, events, training and other Esports related opportunities.

The Group is also updating our tenant mix, in line with consumer trends and preferences (such as e-learning and co-working spaces).

Moving Ahead

As the pandemic unfolded, we undertook decisive actions towards a leaner financial structure and to build a stronger capital foundation for the Group.

To support our organic business growth and working capital purposes in our digital ventures and related business activities, we raised a total of S$4.9 million from new investors in the recent share placement exercises and warrants exercise in September 2021 and November 2021.

The COVID-19 pandemic has served as a catalyst for the acceleration of the digital economy and we have taken this opportunity to transform our business strategies to target the emerging trends within the digital economy. All these initiatives are aimed to dovetail at a time when Melaka is itself embarking on its own digital transformation.

Our strategic pivot has moved beyond blueprint to execution as I write these words. Cryptomining activities are starting from December 2021, and the plans outlined above are progressing as planned.

Hence, barring unforeseen circumstances, we expect that our financial performance for 2H FY2022 to be better compared to 1H FY2022. For the whole of FY2022, we expect our overall performance to surpass FY2021.

I would like to take this opportunity to convey my sincere appreciation to business partners, and customers for their support throughout these unprecedented times. I would also like to thank the Hatten Land team for their hard work and dedication. Last but not least, I would also like to thank our shareholders for their faith and confidence in the Group's long-term vision.

These growth initiatives will form a strong foundation for the Group to create new value propositions in the Metaverse and digital economy, and I am confident we will emerge with more business resiliency and agility than before to drive new shareholder value.

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

BOARD OF DIRECTORS

DATO' COLIN TAN JUNE TENG

Executive Chairman and Managing Director

Present Directorships
(Listed Companies)
Hatten Land Limited

Past Directorships (3 years)
(Listed Companies)
Nil

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

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

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

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

DATO' EDWIN TAN PING HUANG

Executive Director and Deputy Managing Director

Present Directorships
(Listed Companies)
Hatten Land Limited

Past Directorships (3 years)
(Listed Companies)
Nil

Dato' Edwin Tan Ping Huang 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 resources and development management of the Group.

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

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

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

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

BOARD OF DIRECTORS

DATO' WONG KING KHENG

Lead Independent Director

Present Directorships
(Listed Companies)
Hatten Land Limited
Ossia International Limited
Tiong Woon Corporation Holding Ltd
JCY International Bhd

Past Directorships (3 years)
(Listed Companies)
Nil

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

Past Directorships (3 years)
(Listed Companies)
Nil

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. FOO JONG HAN REY

Independent Director

Present Directorships
(Listed Companies)
Hatten Land Limited

Past Directorships (3 years)
(Listed Companies)
Nil

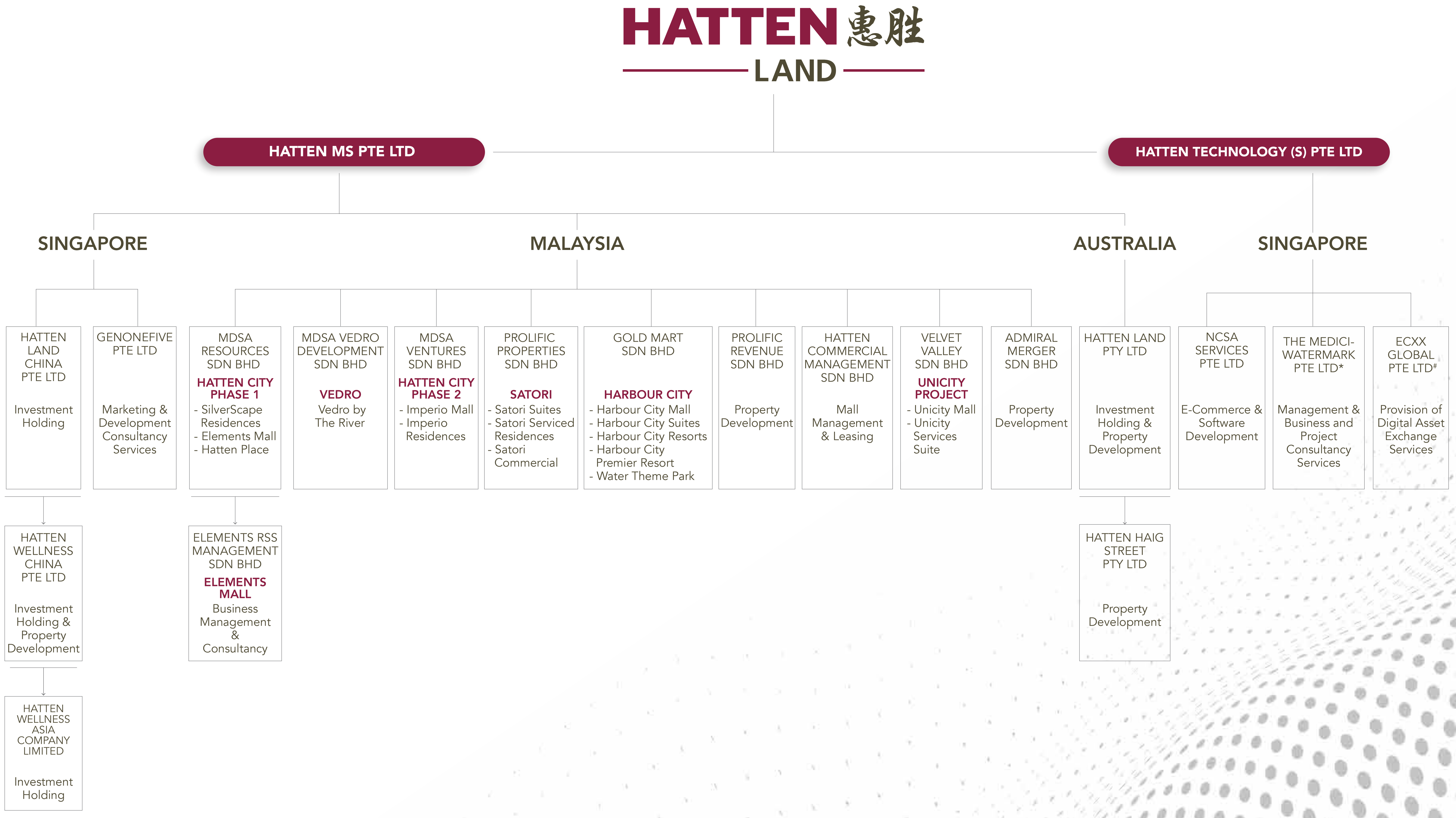
Mr. Foo Jong Han Rey was appointed to the Board on 24 January 2017 as Independent Director and was last re-appointed as director on 30 October 2020. Prior to his appointment, he served as an Independent Director for VGO Corporation Limited since 16 January 2006.

Mr. Foo is a partner of Singapore law firm KSCGP Juris LLP and he has been practising law in Singapore for over 20 years.

He holds an LLB Honours from University of Buckingham and an LLM in Corporate and Commercial Law from Queen Mary College, University of London. He was called to the English Bar as a Barrister-at-law, Inner Temple in 1991, and was called to the Singapore Bar in June 1992.

GROUP STRUCTURE

AS AT 30 JUNE 2021



- **HATTEN LAND 惠胜**
  - **HATTEN MS PTE LTD**
    - **SINGAPORE**
      - HATTEN LAND CHINA PTE LTD – Investment Holding
        - HATTEN WELLNESS CHINA PTE LTD – Investment Holding & Property Development
          - HATTEN WELLNESS ASIA COMPANY LIMITED – Investment Holding
      - GENONEFIVE PTE LTD – Marketing & Development Consultancy Services
    - **MALAYSIA**
      - MDSA RESOURCES SDN BHD – **HATTEN CITY PHASE 1**
        - SilverScape Residences
        - Elements Mall
        - Hatten Place
        - ELEMENTS RSS MANAGEMENT SDN BHD – **ELEMENTS MALL** Business Management & Consultancy
      - MDSA VEDRO DEVELOPMENT SDN BHD – **VEDRO** Vedro by The River
      - MDSA VENTURES SDN BHD – **HATTEN CITY PHASE 2**
        - Imperio Mall
        - Imperio Residences
      - PROLIFIC PROPERTIES SDN BHD – **SATORI**
        - Satori Suites
        - Satori Serviced Residences
        - Satori Commercial
      - GOLD MART SDN BHD – **HARBOUR CITY**
        - Harbour City Mall
        - Harbour City Suites
        - Harbour City Resorts
        - Harbour City Premier Resort
        - Water Theme Park
      - PROLIFIC REVENUE SDN BHD – Property Development
      - HATTEN COMMERCIAL MANAGEMENT SDN BHD – Mall Management & Leasing
      - VELVET VALLEY SDN BHD – **UNICITY PROJECT**
        - Unicity Mall
        - Unicity Services Suite
      - ADMIRAL MERGER SDN BHD – Property Development
    - **AUSTRALIA**
      - HATTEN LAND PTY LTD – Investment Holding & Property Development
        - HATTEN HAIG STREET PTY LTD – Property Development
  - **HATTEN TECHNOLOGY (S) PTE LTD**
    - **SINGAPORE**
      - NCSA SERVICES PTE LTD – E-Commerce & Software Development
      - THE MEDICI-WATERMARK PTE LTD* – Management & Business and Project Consultancy Services
      - ECXX GLOBAL PTE LTD# – Provision of Digital Asset Exchange Services

Note:
All subsidiaries above are 100% owned, except for the following:-
* The Medici Watermark Pte Ltd which is 60% owned.

\# An associated company with 19.3% interest.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Dato' Tan June Teng Colin @ Chen JunTing
(Executive Chairman and Managing Director)
Dato' Tan Ping Huang Edwin @ Chen BingHuang
(Executive Director and Deputy Managing Director)
Dato' Wong King Kheng
(Lead Independent Director)
Loh Weng Whye
(Independent Director)
Foo Jong Han Rey
(Independent Director)

AUDIT AND RISK COMMITTEE
Dato' Wong King Kheng (Chairman)
Loh Weng Whye
Foo Jong Han Rey

NOMINATING COMMITTEE
Loh Weng Whye (Chairman)
Dato' Wong King Kheng
Foo Jong Han Rey
Dato' Tan June Teng Colin @ Chen JunTing

REMUNERATION COMMITTEE
Foo Jong Han Rey (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
#04-01
Singapore 238993
Tel: (65) 6690 3136
Fax: (65) 6690 3139
Website: www.hattenland.com.sg

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

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

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

Partner-In-Charge
Chan Sek Wai
(Appointed since financial year ended 30 June 2020)

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 2021 ("**FY2021**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**").

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3"><u>The Board's Conduct of Affairs</u>
Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company</td></tr>
<tr><td>1.1</td><td>Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</td><td>All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.As at the date of this Annual Report, the Board has five Directors and comprises the following:
<table>
<tr><th>Name of Director</th><th>Designation</th><th>Date appointed</th></tr>
<tr><td>Dato' Tan June Teng Colin @ Chen JunTing ("Dato' Colin Tan")</td><td>Executive Chairman and Managing Director</td><td>24 January 2017</td></tr>
<tr><td>Dato' Tan Ping Huang Edwin @ Chen Bing Huang ("Dato' Edwin Tan")</td><td>Executive Director and Deputy Managing Director</td><td>24 January 2017</td></tr>
<tr><td>Dato' Wong King Kheng</td><td>Lead Independent Director(1)</td><td>28 October 1996</td></tr>
<tr><td>Mr Loh Weng Whye</td><td>Independent Director</td><td>24 January 2017</td></tr>
<tr><td>Mr Foo Jong Han Rey</td><td>Independent Director(2)</td><td>16 January 2006</td></tr>
</table>
(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.
(2) Appointed as an Independent Director of the Company on 16 January 2006. Upon the successful acquisition of Hatten MS Pte Ltd, Mr Foo was re-appointed as an Independent Director of the Company on 24 January 2017.</td></tr>
</table>

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. 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
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	Foo Jong Han Rey	Loh Weng Whye
Member	Loh Weng Whye	Dato' Wong King Kheng	Dato' Colin Tan
Member	Foo Jong Han Rey	Loh Weng Whye	Dato' Wong King Kheng
Member	–	–	Foo Jong Han Rey

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 and page 44 to 48 of this Annual Report under section Disclosure of Information on Directors Seeking Re-election.

The shareholdings of the Directors of the Company are set out on page 49 of this Annual Report. None of the Directors hold shares in the subsidiaries of the Company.

Dato' Wong King Kheng and Mr. Loh Weng Whye will be retiring by rotation and seeking re-appointment at the forthcoming annual general meeting ("**AGM**") to be held on 30 December 2021 as stated in the Notice of AGM in this Annual Report.

Mr Foo Jong Han Rey is also due for retirement at the forthcoming Annual General Meeting and has advised the Board that he will not be seeking re-election as a Director of the Company.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.5</td><td>Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.</td><td>The Board meets on a quarterly basis, and as and when circumstances require. In FY2021, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.
<table>
<tr><th></th><th>Board</th><th>ARC</th><th>NC</th><th>RC</th></tr>
<tr><td>No. of Meetings</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td colspan="5">No. of Meetings attended by the Respective Directors</td></tr>
<tr><td>Dato' Colin Tan</td><td>4</td><td>4*</td><td>2</td><td>2*</td></tr>
<tr><td>Dato' Edwin Tan</td><td>4</td><td>4*</td><td>2*</td><td>2*</td></tr>
<tr><td>Dato' Wong King Kheng</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td>Mr Loh Weng Whye</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
<tr><td>M Foo Jong Han Rey</td><td>4</td><td>4</td><td>2</td><td>2</td></tr>
</table>
Note:
*Attendance by invitation
The Company's constitution (the "Constitution") allows for meetings to be held through telephone, video-conference, or any other form of audio, audio-visual, electronic or instantaneous communication by which all persons participating in the meeting are able to hear and be heard by all other participants.</td></tr>
<tr><td>1.6</td><td>Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</td><td>
<table>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>(a)</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>(b)</td><td>Quarterly and full year financial results</td><td>Quarterly</td></tr>
<tr><td>(c)</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>As and when, relevant</td></tr>
<tr><td>(d)</td><td>Reports on on-going or planned corporate actions</td><td>As and when, relevant</td></tr>
<tr><td>(e)</td><td>Internal auditors' report(s)</td><td>As and when, available</td></tr>
<tr><td>(f)</td><td>Research report(s)</td><td>As and when, requested</td></tr>
<tr><td>(g)</td><td>Shareholding statistics</td><td>As and when, requested</td></tr>
</table>
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>
</table>

Provision	Code Description	Company's Compliance or Explanation
1.7	Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.	All Directors have separate and independent access to the Company Secretary. The Company Secretary, or her representatives, attends all Board meetings and is responsible to ensure that the Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with requirements of all applicable rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the Catalist Rules. The Company Secretary is also responsible for the proper maintenance of the records of Board and Board Committees meetings. The appointment and the removal of the Company Secretary are subject to the Board's approval.
Board Composition and Guidance Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.		
2.1	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,	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 27 October 2021. All Independent Directors have also provided their independence declaration
2.2	Independent directors make up a majority of the Board where the Chairman is not independent.	
2.3	Non-executive directors make up a majority of the Board.	
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. Having considered the scope and nature of the Group's business, and the requirements of the business, the Board, in concurrence with the NC, believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides sufficient diversity without interfering with efficient decision-making.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p>
<table>
<tr><th></th><th>Number of Directors</th><th>Proportion of the Board (%)</th></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>• Accounting or finance</td><td>2</td><td>40.0</td></tr>
<tr><td>• Business Management</td><td>5</td><td>100.0</td></tr>
<tr><td>• Legal or Corporate Governance</td><td>2</td><td>40.0</td></tr>
<tr><td>• Relevant Industry knowledge or experience</td><td>3</td><td>60.0</td></tr>
<tr><td>• Strategic Planning Experience</td><td>5</td><td>100.0</td></tr>
<tr><td>• Customer based experience or knowledge</td><td>3</td><td>60.0</td></tr>
</table>
<p>The Board has taken the following steps to maintain or enhance its balance and diversity:</p>

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.

<p>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.</p>
</td></tr>
<tr><td>2.5</td><td>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.</td><td>
<p>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.</p>
<p>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.</p>
<p>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.</p>
</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
		The Independent Directors have met and/or discussed informally on various occasions without the presence of Management in FY2021.
Chairman and Chief Executive Officer Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.		
3.1	The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	The Board recognises the Code's recommendation that the Chairman of the Board ("Chairman") and the Managing Director should be separate persons to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Board is of the opinion that the present Group structure and business scope does not warrant a meaningful split of the roles of the Chairman and the Managing Director. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual exercising any considerable concentration of power or influence.
3.2	The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.	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.
3.3	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.	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.

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.

<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 Foo Jong Han Rey 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.</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>
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.</td></tr>
<tr><td>4.4</td><td>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</td><td>The NC does determine annually whether each of the Independent Directors still meet the criteria of an Independent Director.

Mr Foo Jong Han Rey and Dato' Wong King Kheng have served on the Board for more than nine years.</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
	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.	Dato' Wong King Kheng was appointed as an Independent Director of the Company on 28 October 1996 , prior to the completion of the acquisition of Hatten MS Pte Ltd ("RTO") on 24 January 2017. Mr Foo Jong Han Rey was appointed as an Independent Directors of the Company on 16 January 2006, prior to the RTO. The Board (save for Dato' Wong King Kheng and Mr Foo Jong Han Rey) had subjected the independence of Dato' Wong King Kheng and Mr Foo Jong Han Rey to particularly rigorous review and were of the opinion that notwithstanding the appointment of Dato' Wong King Kheng and Mr Foo Jong Han Rey as Independent Directors of the Company since 1996 and 2006 respectively, their independence is not affected taking into consideration the following: (a) the previous board of the Company, including Dato' Wong King Kheng and Mr Foo Jong Han Rey, (the "Previous Board") had stepped down from the Company upon the completion of RTO. The subsequent appointments of Dato' Wong King Kheng and Mr Foo Jong Han Rey as Independent Directors were approved by shareholders at the extraordinary general meeting held on 20 January 2017; (b) save for Dato' Wong King Kheng and Mr Foo Jong Han Rey, none of the directors of the Previous Board were appointed to the current Board; (c) Prior to the RTO, the Company was in the business of franchising, marketing and retailing of lifestyle sporting goods, footwear, equipment, apparel and accessories, which was disposed off and ceased to be a part of the Group (the "Disposed Business"). The current business of the Group, being property development, is completely different and not related to the Disposed Business. There is no business relationship between the Disposed Business and the property development business of the Group; (d) Neither of Dato' Wong King Kheng and Mr Foo Jong Han Rey have any existing business or professional relationship of a material nature with the Group, the Directors of the Previous Board, the Directors of current Board and/or substantial shareholders of the Group; (e) Dato' Wong King Kheng and Mr Foo Jong Han Rey are not in any way related to the controlling shareholders, Directors and key management of the Group; and (f) Dato' Wong King Kheng and Mr Foo Jong Han Rey with their relevant financial and legal backgrounds and experience respectively continue to value add to the Board. Mr Foo Jong Han Rey has advised the Board that he will not be seeking re-election as a Director of the Company at the forthcoming Annual General Meeting.

Provision	Code Description	Company's Compliance or Explanation
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. 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 FY2021.
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

Provision	Code Description	Company's Compliance or Explanation
		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.
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.

Provision	Code Description	Company's Compliance or Explanation
		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 Remuneration Committee are Dato' Wong King Kheng, Mr Loh Weng Whye and Mr Foo Jong Han Rey, all of whom are Independent Directors. The Chairman of the Remuneration Committee is Mr Foo Jong Han Rey, an Independent Non-Executive Director.
6.3	The RC considers all aspects of remuneration, including the 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 FY2021.
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 Foo Jong Han Rey, Dato' Wong King Kheng and Mr Loh Weng Whye.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>7.2</td><td>The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.</td><td>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.</td></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 FY2021 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>82</td><td>-</td><td>3</td><td>15</td><td>100</td></tr>
<tr><td>Dato' Edwin Tan</td><td>80</td><td>-</td><td>3</td><td>17</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>Foo Jong Han, Rey</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 2 top key management personnel in FY2021.
<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>Clarence Chong[1]</td><td>100</td><td>-</td><td>-</td><td>100</td></tr>
<tr><td>Tammy Tam[2]</td><td>100</td><td>-</td><td>-</td><td>100</td></tr>
</table>
Note:
(1) Resigned as Chief Financial Officer on 24 March 2021.
(2) Appointed as Financial Controller on 09 March 2021.</td></tr>
</table>

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 FY2021 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 FY2021 is in the bands of S$350,000 to S$400,000 per annum. Save for the above, there was no other employee who is an immediate family member of a Director or the Managing Director, and whose remuneration exceeds S$100,000 during FY2021.
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 FY2021. 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.

Provision	Code Description	Company's Compliance or Explanation
		The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

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

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

Provision	Code Description	Company's Compliance or Explanation
		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 the specific remuneration packages for each director as well as for the key management personnel. (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.	The Board has obtained the following assurance from the Managing Director and Financial Controller: (a) the financial records of the Group have been properly maintained and the financial statements for FY2021 give a true and fair view of the Group's operations and finances; (b) risk management systems and internal control systems were properly maintained; (c) material information relating to the Company was disclosed on a timely basis for the purposes of preparing financial statements; and (d) the Company's risk management systems and internal control systems were adequate and effective in FY2021. 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.

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;

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 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, and has recommended to the Board the re-appointment of Baker Tilly TFW LLP as external auditors of the Company at the forthcoming AGM. The table below sets out the audit and non-audit fees paid for FY2021:

	RM	% of total
Audit fees	276,000	95
Non-audit fees	16,000	5
Total	292,000	100

Provision	Code Description	Company's Compliance or Explanation
		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 FY2021.
10.2	The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	The members of the ARC are Dato' Wong King Kheng, Mr Loh Weng Whye and Mr Foo Jong Han Rey, 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.
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.

Provision	Code Description	Company’s Compliance or Explanation
10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	The ARC’s responsibility in overseeing that the Group’s risk management system and internal controls is complemented by its Internal Auditor. The Internal Auditor reports directly to the Chairman of the ARC on audit matters. The Internal Auditor plans its audit work in consultation with, but independently of, the management, and its yearly plan is submitted to the ARC for review and approval prior to the beginning of the financial year. The Internal Auditor has full access to all the Company’s documents, records, properties and personnel including access to the ARC. The ARC is satisfied that Internal Auditor is adequately qualified (given, inter alia, its adherence to Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.
10.5	The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	The ARC has met the Internal Auditors and External Auditors on various occasions without the presence of Management for FY2021.

CORPORATE GOVERNANCE

Provision	Code Description	Company's Compliance or Explanation
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 report or a circular, at least 14 days, or 21 days (as the case may be), before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either formally or informally before or at the shareholders' meetings. All shareholders are entitled to vote at the shareholders' meetings in accordance with the established voting rules and procedures. The Company shall conduct poll voting for all resolutions tabled at the shareholders' meetings. The rules, including the voting process, shall be explained by the scrutineers at such shareholders' meetings. Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. Due to the COVID-19 restriction orders in Singapore, the Company will apply and adopt the alternative arrangements for the convening, holding and conducting of the AGM for FY2021 in accordance with the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"), as set out in the second column of the First Schedule of the Order.
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.

Provision	Code Description	Company's Compliance or Explanation
11.3	All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	All Directors and the External Auditors were present at the company's Annual General Meeting held on 30 October 2020 and the Extraordinary General Meeting held on 13 November 2020. 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. 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.

Provision	Code Description	Company's Compliance or Explanation
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.	The Company currently does not have an investor relations policy. However, the Company has engaged an external investor relations adviser, 8PR Asia Pte Ltd, to carry out investor relations activities in tandem with our in-house Group Corporate Communications team.
12.2	The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	
12.3	The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	
MANAGING STAKEHOLDER RELATIONSHIPS		
Engagement with Stakeholders Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.		
13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various communication as follows: (1) Announcements, including quarterly and full-year financial results announcements, via SGXNET; (2) Annual reports and notices of AGM; (3) Company's general meetings; (4) Investor/analyst briefings; and (5) Corporate website of the Company at www.hattenland.com.sg The Company also solicits feedback from and addresses the concerns of shareholders via the Company's corporate website www.hattenland.com.sg Such communications are handled by in-house Group Corporate Communications Department. Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.hattenland.com.sg. Please also refer to the Sustainability Report for further details on the Company's approach on stakeholders engagement.
13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	
13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	

Provision	Code Description	Company's Compliance or Explanation
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 FY2021 based on the following: • assurance had been received from the Managing Director and Financial Controller (refer to provision 9.2 above); • Key management personnel regularly evaluates, monitors and reports to the ARC on material risks; • Discussions were held between the ARC and auditors in the absence of the key management personnel to review and address any potential concerns; and • work performed by the Internal Auditors and External Auditors.
1204(10C)	ARC's comment on Internal Audit Function	The ARC is satisfied that the Company's internal audit function is • sufficiently independent to carry out its role; • conducted effectively as Management has provided full co-operation to enable Internal Auditors to perform its function; • adequately resourced to perform the work for the Group; and • has the appropriate standing within the Company. From financial year ended 2021, the Company has appointed a professional services firm, PricewaterhouseCoopers Risk Services Pte Ltd ("**PwC**" or "**Internal auditors**") to carry out internal control reviews, as instructed by the ARC, as part of the Group's annual internal audit plan approved by the ARC. The internal auditor reports functionally to the ARC and administratively to the Managing Director. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel. The internal audit team is headed by a Partner with significant experience of leading internal audit services for Singapore listed companies. The team supporting the Partner constitutes dedicated internal controls specialists with requisite knowledge and experience. The ARC will review the adequacy, effectivenesS and independence of the internal audit team on an annual basis. The ARC will also assess and ensure that the internal auditor meets or exceeds the standards set by recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

Provision	Code Description	Company's Compliance or Explanation
1204(17)	Interested persons transaction ("**IPT**")	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 value more than S$100,000 transacted during FY2021. *(see table below)* Notes: (1) Temasek Blooms Sdn. Bhd. is a company wholly owned by Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang and their associates. (2) Hatten Properties Sdn. Bhd. is a company wholly owned by Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang and their associates.
1204(19)	Dealing in securities	The Company has adopted an internal policy which prohibits the Directors and officers of the Group from dealing in the securities of the Company while in possession of price-sensitive information. All Company, its Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full year financial statements respectively, and ending on the date of the announcement of the relevant results.

Name of interested person	Nature of relationship	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	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
Temasek Blooms Sdn. Bhd	1	731	-
Hatten Properties Sdn Bhd	2	-	442

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The Company, its Directors and officers of the Group are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.</td></tr>
<tr><td>1204(21)</td><td>Non-sponsor fees</td><td>No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited for FY2021.</td></tr>
<tr><td>1204(22)</td><td>Use of proceeds</td><td>
<p>September placement proceeds</p>
<p>The Company raised net proceeds of approximately S$1.78 million from the placement completed on 29 September 2021. Please refer to the Company's announcement dated 16 September 2021 for further details. The intended use of the net proceeds of approximately S$1.78 million are as follows:</p>
<table>
<tr><th>Use of proceeds</th><th>Amount allocated S$</th><th>Amount Utilised S$</th><th>Amount Unutilised S$</th></tr>
<tr><td>To fund new business initiatives of the Group</td><td>1,248,800</td><td>(1,248,800)</td><td>-</td></tr>
<tr><td>Working capital purposes</td><td>535,200</td><td>(535,200)(1)</td><td>-</td></tr>
<tr><td>Total</td><td>1,784,000</td><td>(1,784,000)</td><td>-</td></tr>
</table>
<p>Note 1:
The use of the net proceeds for working capital purposes is for payment of professional and consultancy fees.</p>
<p>Warrant Proceeds</p>
<p>On 8 November 2021, the Company raised proceeds of approximately S$1.92 million from the exercise of 40,000,000 Warrants at the exercise price of S$0.048 per Warrant. The intended use of the proceeds of approximately S$1.92 million are as follows:</p>
<table>
<tr><th>Use of proceeds</th><th>Amount allocated S$</th><th>Amount Utilised S$</th><th>Amount Unutilised S$</th></tr>
<tr><td>To fund new business initiatives of the Group</td><td>1,344,000</td><td>-</td><td>1,344,000</td></tr>
<tr><td>Working capital purposes</td><td>576,000</td><td>(284,489)(1)</td><td>291,511</td></tr>
<tr><td>Total</td><td>1,920,000</td><td>(284,489)</td><td>1,635,511</td></tr>
</table>
<p>Note 1:
The use of the net proceeds for working capital purposes is for payment of professional and consultancy fees.</p>
</td></tr>
</table>

Provision	Code Description	Company's Compliance or Explanation
		November placement proceeds The company raised net proceeds of approximately S$1,183,000 from the placement completed on 29 November 2021. Please refer to the Company's announcement dated 1 November 2021 for further details. The intended use of the net proceeds of approximately S$1,183,000 are as follows: There are no material disbursement on the November placement proceeds as at the date of this Annual Report.

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

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DISCLOSURE OF INFORMATION ON
Directors Seeking Re-election

Dato' Wong King Kheng, Mr Foo Jong Han, Rey and Mr. Loh Weng Whye are Directors due for retirement under rotation pursuant to Article 117 of the Constitution of the Company and seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 December 2021 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**"). Mr Foo Jong Han, Rey having served as a Director of the company for a period exceeding a duration of 9 years has advised the Board that he will not be seeking re-election as a Director of the Company.

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

	DATO' WONG KING KHENG	**MR. LOH WENG WHYE**
Date of Appointment	28 October 1996	24 January 2017
Date of last re-appointment	23 November 2019	25 October 2018
Age	68	75
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Dato' Wong King Kheng, for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Dato' Wong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Loh Weng Whye for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Loh possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job title (e.g. Lead ID, AC chairman, AC Member etc.)	Lead Independent Director, Chairman of Audit and Risk Committee Member of Nominating Committee and Member of the Remuneration Committee for the Group	Independent Non-Executive Director, Chairman of the Nominating Committee, Member of Audit and Risk Committee and Member of Remuneration Committee for the Group.
Professional qualifications	Dato' Wong is a member of the Institute of Singapore Chartered Accountants (ISCA), Australian CPA and Malaysian Institute Of Accountant.	Bachelor of Engineering (Mechanical) - University of Singapore Master Degree in Industrial Engineering Fellow of the Institute of Engineers, Singapore, the Singapore Institute of Directors and the Chartered Management Institute of the United Kingdom.
Working experience and occupation(s) during the past 10 years	Managing Partner of KK Wong & Associates, Chartered Accountants	Professional Engineer, PE(S) Acredited Engineering Expert Witness Senior Advisor, Green Dot Capital (under Temasek Holdings) Senior Advisor, YTL Power international Limited (Malaysia) Senior Advisor, OTM 21 (Singapore) Pte Ltd

DISCLOSURE OF INFORMATION ON
Directors Seeking Re-election

	DATO' WONG KING KHENG	MR. LOH WENG WHYE
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Shareholding interest in the listed issuer and its subsidiaries	NIL	NIL
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#	Yes	Yes
Past (for the last 5 years):	Internet Technology Group Pte. Ltd. H2SG Energy Pte Ltd H2SG Technology Pte Ltd LAWP Private Ltd H2SG Energy (AUS) Pty Ltd VGO Corporation Limited Soh & Wong Management Consultants Pte Ltd	None
Present:	Ossia International Limited The Business Exchange Pte Ltd In-Tec Global Pte Ltd Tiong Woon Corporation Holding Ltd JCY International Bhd JCY HDD Technology Group Pte. Ltd. International Renewal Energy Holding Pte Ltd	BH Global Corporation Limited Kwong Wai Shui Hospital Ltd KWSH Foundation Ltd Moral Home for the Aged Sick Ltd YangZheng Foundation
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

DISCLOSURE OF INFORMATION ON
Directors Seeking Re-election

	DATO' WONG KING KHENG	**MR. LOH WENG WHYE**
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

DISCLOSURE OF INFORMATION ON Directors Seeking Re-election

	DATO' WONG KING KHENG	MR. LOH WENG WHYE
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

DISCLOSURE OF INFORMATION ON Directors Seeking Re-election

	DATO' WONG KING KHENG	MR. LOH WENG WHYE
iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

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 2021.

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 2021, 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, Chapter 50 (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
Foo Jong Han Rey

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	-	-	987,091,508	937,091,508
Dato' Tan Ping Huang Edwin @ Chen BingHuang	-	-	987,091,508	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	-	-

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2021.

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, Foo Jong Han Rey, 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)
-	Foo Jong Han Rey	(Member and Independent Director)

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

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

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

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

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

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

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

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

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

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

- 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.

DIRECTORS' STATEMENT

Audit and Risk Committee (cont'd)

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

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

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

Independent auditor

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

On behalf of the Board of Directors

Dato' Tan June Teng Colin @ Chen JunTing Director	Dato' Tan Ping Huang Edwin @ Chen BingHuang Director

8 December 2021

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 2021, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Disclaimer of Opinion

1) Use of the going concern assumption

We draw attention to Note 3(i) to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. The Group and the Company incurred a net loss of RM168.7 million and RM59.3 million respectively during the financial year ended 30 June 2021.

The Group's working capital primarily comprises development properties and the related receivables. Subsequent to the end of the financial year, the Group had not been able to meet its forecasted sales target for its development properties and experienced slower recovery of its receivables. As disclosed in Note 3(i), the Group faces continuing challenges from the COVID-19 pandemic which has affected the property market in Melaka, Malaysia, and this has continued to impact the realisation of the Group's development properties causing a strain on its cash flows.

In addition to the above, as at 30 June 2021, the Group's total loans and borrowings amounted to RM298.6 million, of which RM217.6 million were classified as current liabilities and exceeded the Group's cash and bank balances of RM8.1 million. The Company's total loans and borrowings amounted to RM186.9 million, all of which were classified as current liabilities, and exceeded the Company's cash and bank balances of RM0.2 million. Included in the Group's and Company's loans and borrowings are convertible loan and secured bonds of US$20 million (approximately RM83.1 million) and US$25 million (approximately RM103.8 million) as at 30 June 2021, which originally matured on 10 October 2019 and 8 March 2020, respectively (Note 19). The Company is in the process of negotiation with the lender and the bondholders on the possible extension of repayments. At the date of this report, the definitive outcome of the extension of repayments or potential loan refinancing has yet to be executed.

The Group is also undergoing restructuring of its indirect wholly-owned subsidiaries as disclosed in Note 34(a).

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

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

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

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

Basis for Disclaimer of Opinion **(cont'd)**

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

The assets and liabilities related to GMSB have been presented as disposal group classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as disclosed in Note 3(v) and Note 17 to the financial statements. As disclosed in Note 17, there was a delay in the completion of the disposal due to the substantial documentation and time required by the financial institutions involved to approve and process the cross-border payment and this was further exacerbated by the COVID-19 pandemic situation. In view of the delay and also the significant uncertainties with respect to the estimated date of completion of the disposal, we are unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of the classification of the disposal group classified as held-for-sale as at 30 June 2021.

3) Investment in subsidiaries and amounts due from subsidiaries in the Company's financial statements

As at 30 June 2021, the carrying amounts of the Company's investment in subsidiaries and amount due from subsidiaries were RM710.7 million and RM267.5 million as disclosed in Notes 12 and 15 to the financial statements, respectively. In view of the material uncertainties on the ability of the Group to continue as going concern as described in the preceding paragraphs and the ability of the subsidiaries in realising its development properties at expected timings which is inherently uncertain, we are unable to determine whether any impairment loss is required on the carrying amounts of the Company's investments in subsidiaries and amount due from subsidiaries as at 30 June 2021. We are also unable to obtain sufficient appropriate audit evidence on the appropriateness of the classification of amounts due from subsidiaries as current assets in the statement of financial position of the Company, and the disclosures of credit risk with respect to the Company's amounts due from subsidiaries in Note 29(a) to the financial statements.

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, Chapter 50 (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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HATTEN LAND LIMITED

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

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

8 December 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group	
	Note	**2021 RM'000**	2020 RM'000
Revenue		**32,031**	150,183
Less: Provision for liquidated ascertained damages		**(65,023)**	(40,736)
	4	**(32,992)**	109,447
Cost of sales		**(28,277)**	(92,788)
Add: Provision for liquidated ascertained damages		**1,547**	8,370
	5	**(26,730)**	(84,418)
Gross (loss)/profit		**(59,722)**	25,029
Other items of income			
Other operating income	6(a)	**160**	8,242
Other income/gains	6(b)	**81,557**	17,722
Interest revenue from non-current trade receivables using the effective interest rate method		**6,587**	–
Other items of expense			
Selling and marketing expenses		**(2,454)**	(4,156)
Administrative expenses		**(90,268)**	(106,907)
Loss on revocation of sales	8	**(17,321)**	(37,766)
Impairment loss on property, plant and equipment	11	**(7,565)**	(66,507)
Write-down of development properties	14	**(4,494)**	(9,218)
Impairment loss on right-of-use assets	18	**(4,175)**	–
Other expenses	6(c)	**(20,703)**	(18,519)
Finance costs	7	**(46,828)**	(52,224)
Share of results of an associated company	13	**(175)**	–
Loss before tax	8	**(165,401)**	(244,304)
Income tax (expense)/credit	9	**(3,265)**	14,575
Loss for the year		**(168,666)**	(229,729)
Other comprehensive loss:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences arising on consolidation		**(31)**	(1)
Currency translation differences arising from associated company		**(422)**	–
Total comprehensive loss for the year		**(169,119)**	(229,730)
Loss for the year attributable to:			
Owners of the Company		**(168,666)**	(229,704)
Non-controlling interests		**–**	(25)
Loss for the year		**(168,666)**	(229,729)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(169,119)**	(229,705)
Non-controlling interests		**–**	(25)
Total comprehensive loss for the year		**(169,119)**	(229,730)
Loss per share attributable to owners of the Company (RM cents per share)			
Basic and diluted	10	**(10.8)**	(16.3)

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	Group		Company	
		2021 **RM'000**	2020 RM'000	**2021** **RM'000**	2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**40,074**	190,870	**–**	–
Right-of-use assets	18	**56,529**	121,517	**–**	–
Investment in subsidiaries	12	**–**	–	**710,739**	710,739
Investment in an associated company	13	**22,587**	–	**–**	–
Trade and other receivables	15	**27,627**	118,341	**–**	–
		146,817	430,728	**710,739**	710,739
Current assets					
Development properties	14	**481,473**	614,600	**–**	–
Contract assets	4(a)	**5,383**	27,202	**–**	–
Trade and other receivables	15	**179,022**	384,404	**267,692**	299,318
Prepayments		**272**	3,751	**159**	158
Cash and cash equivalents	16	**8,070**	23,142	**175**	840
		674,220	1,053,099	**268,026**	300,316
Disposal group assets classified as held-for-sale	17	**465,767**	–	**–**	–
Total assets		**1,286,804**	1,483,827	**978,765**	1,011,055
LIABILITIES					
Non-current liabilities					
Lease liabilities	18	**48,473**	81,313	**–**	–
Loans and borrowings	19	**81,020**	122,320	**–**	–
Other payables	20	**34,057**	32,191	**–**	–
Deferred tax liabilities	21	**1**	172	**–**	–
		163,551	235,996	**–**	–
Current liabilities					
Lease liabilities	18	**12,461**	37,169	**–**	–
Loans and borrowings	19	**217,592**	276,810	**186,900**	192,464
Income tax payable		**28,257**	42,190	**–**	–
Trade and other payables	20	**268,166**	380,799	**5,988**	4,007
Provisions	22	**34,455**	93,922	**–**	–
Contract liabilities	4(a)	**55,955**	256,976	**–**	–
		616,886	1,087,866	**192,888**	196,471
Liabilities directly associated with disposal group classified as held-for-sale	17	**484,902**	–	**–**	–
Total liabilities		**1,265,339**	1,323,862	**192,888**	196,471
Net assets		**21,465**	159,965	**785,877**	814,584
Equity					
Share capital	23	**298,044**	267,425	**1,330,548**	1,299,929
Accumulated losses		**(193,220)**	(24,554)	**(544,671)**	(485,345)
Translation reserve	24	**(449)**	4	**–**	–
Merger reserve	25	**(79,513)**	(79,513)	**–**	–
Other reserve		**(3,397)**	(3,397)	**–**	–
Total equity		**21,465**	159,965	**785,877**	814,584
Total equity and liabilities		**1,286,804**	1,483,827	**978,765**	1,011,055

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Attributable to owners of the Company					
2021 **Group**	Note	**Share capital RM'000**	**Accumulated losses RM'000**	**Translation reserve RM'000**	**Merger reserve RM'000**	**Premium paid on acquisition of non-controlling interests RM'000**	**Total RM'000**
At 1 July 2020		267,425	(24,554)	4	(79,513)	(3,397)	159,965
Loss for the year		–	(168,666)	–	–	–	(168,666)
Other comprehensive loss							
Currency translation on consolidation		–	–	(453)	–	–	(453)
Total comprehensive loss for the year		–	(168,666)	(453)	–	–	(169,119)
Contributions by and distributions to owners							
Issuance of ordinary shares	23	30,905	–	–	–	–	30,905
Shares issuance expenses	23	(286)	–	–	–	–	(286)
Total transactions with owners in their capacity as owners		30,619	–	–	–	–	30,619
At 30 June 2021		**298,044**	**(193,220)**	**(449)**	**(79,513)**	**(3,397)**	**21,465**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Attributable to owners of the Company							
2020 **Group**	Note	**Share capital RM'000**	**Retained earnings/ (accumulated losses) RM'000**	**Translation reserve RM'000**	**Merger reserve RM'000**	**Premium paid on acquisition of non-controlling interests RM'000**	**Equity attributable to owners of the Company, total RM'000**	**Non-controlling interests RM'000**	**Total RM'000**
At 1 July 2019		252,719	205,717	5	(79,513)	(3,222)	375,706	(150)	375,556
Loss for the year		–	(229,704)	–	–	–	(229,704)	(25)	(229,729)
Other comprehensive loss									
Currency translation on consolidation		–	–	(1)	–	–	(1)	–	(1)
Total comprehensive loss for the year		–	(229,704)	(1)	–	–	(229,705)	(25)	(229,730)
Contributions by and distributions to owners									
Issuance of ordinary shares	23	15,531	–	–	–	–	15,531	–	15,531
Shares issuance expenses	23	(825)	–	–	–	–	(825)	–	(825)
Dividend on ordinary shares	31	–	(567)	–	–	–	(567)	–	(567)
Changes in ownership interests in a subsidiary									
Acquisition of non-controlling interests without a change in control		–	–	–	–	(175)	(175)	175	–
Total transactions with owners in their capacity as owners		14,706	(567)	–	–	(175)	13,964	175	14,139
At 30 June 2020		**267,425**	**(24,554)**	**4**	**(79,513)**	**(3,397)**	**159,965**	**–**	**159,965**

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Company	Note	**Attributable to owners of the Company** **Share capital RM'000**	**(Accumulated losses)/ retained earnings RM'000**	**Total RM'000**
2021				
At 1 July 2020		1,299,929	(485,345)	814,584
Loss and total comprehensive loss for the year		–	(59,326)	(59,326)
Contributions by and distributions to owners				
Issuance of ordinary shares	23	30,905	–	30,905
Shares issuance expenses	23	(286)	–	(286)
		30,619	–	30,619
At 30 June 2021		**1,330,548**	**(544,671)**	**785,877**
2020				
At 1 July 2019		1,285,223	8,225	1,293,448
Loss and total comprehensive loss for the year		–	(493,003)	(493,003)
Contributions by and distributions to owners				
Issuance of ordinary shares	23	15,531	–	15,531
Shares issuance expenses	23	(825)	–	(825)
Dividend on ordinary shares	31	–	(567)	(567)
		14,706	(567)	14,139
At 30 June 2020		1,299,929	(485,345)	814,584

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group **2021** **RM'000**	 2020 RM'000
Cash flows from operating activities			
Loss before tax		**(165,401)**	(244,304)
Adjustments for:			
Depreciation of property, plant and equipment	11	**1,372**	3,005
Depreciation of right-of-use assets	18	**27,222**	34,849
Loss on disposal of property, plant and equipment		**–**	19
Gain on disposal of right-of-use assets	6(b)	**(198)**	(2,296)
Gain on disposal of subsidiary	6(b)	**(4,121)**	–
Gain on dilution of interest in an associated company	6(b)	**(1,211)**	–
Loss on termination of joint development agreement	8	**3,971**	–
Loss on write-off of property, plant and equipment	8	**–**	730
Loss on termination of right-of-use assets	18	**20,234**	–
Loss on modification of lease	18	**132**	–
Loss on derecognition of lease liabilities	18	**1,347**	–
Interest income	6(b)	**(11,053)**	(1,241)
Interest expense	7	**46,828**	52,224
Impairment loss on property, plant and equipment	11	**7,565**	66,507
Impairment loss on right-of-use assets	18	**4,175**	–
Write-down of development properties	14	**4,494**	22,058
Loss on revocation of sales	8	**17,321**	37,766
Modification loss on trade receivables	6(c)	**–**	18,519
Unrealised foreign exchange (gain)/loss		**(5,590)**	9,061
Amortisation of capitalised costs of obtaining contracts	14	**355**	4,856
Performance bond income	6(b)	**(40,909)**	–
Waiver of debts	6(b)	**(13,855)**	–
Interest revenue from non-current trade receivables using the effective interest rate method	6(b)	**(6,587)**	–
Share of results of an associated company	13	**175**	–
Operating cash flows before working capital changes		**(113,734)**	1,753
Changes in operating assets and liabilities			
- Development properties		**11,731**	37,281
- Contract assets		**(143)**	(23,935)
- Contract liabilities		**5,973**	(69,283)
- Trade and other receivables		**128,973**	3,329
- Trade and other payables		**15,254**	133,073
Cash flow generated from operations		**48,054**	82,218
Interest paid		**(32,132)**	(34,910)
Interest received		**506**	1,241
Income tax paid		**(2,890)**	(2,874)
Net cash flows generated from operating activities		**13,538**	45,675

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group	
	Note	**2021 RM'000**	2020 RM'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**–**	7
Proceeds from disposal of right-of-use assets		**427**	105
Additions to right-of-use assets		**(18)**	–
Additions to property, plant and equipment	11	**(983)**	(23,513)
Acquisition of an associated company	13	**(558)**	–
Decrease/(increase) in pledged fixed deposits		**1,264**	(37)
Net cash flows generated from/(used in) investing activities		**132**	(23,438)
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares	23	**–**	14,706
Share issuance expenses paid	23	**(286)**	–
Proceeds from term loans	19	**7,629**	66,213
Repayment of term loans	19	**(7,075)**	(85,962)
Proceeds from medium-term notes	19	**15,650**	–
Repayment of medium-term notes	19	**(15,568)**	(2,023)
Movement in amount due to related parties		**(2,524)**	25,787
Movement in amount due to a director		**(1,008)**	100
Repayment of lease liabilities		**(11,808)**	(28,778)
Interest paid on lease liabilities		**(12,288)**	(17,314)
Dividends paid	31	**–**	(567)
Net cash flows used in financing activities		**(27,278)**	(27,838)
Net decrease in cash and cash equivalents		**(13,608)**	(5,601)
Cash and cash equivalents at the beginning of the year		**21,878**	27,257
Effects of exchange rate changes on cash and cash equivalents		**2**	222
Cash and cash equivalents at the end of the year	16	**8,272**	21,878

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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

1. Corporate information

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

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

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries and associated company are disclosed in Notes 12 and 13.

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, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

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

Use of estimates and judgements

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

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

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

New and revised standards that are adopted

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

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

(a) Basis of preparation (cont'd)

New and revised standards that are adopted (cont'd)

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, except as disclosed below:

During the financial year, the Group has elected to early adopt the amendment to SFRS(I) 16: COVID-19 - Related Rent Concessions which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of RM199,000 was recognised as other income (Note 6(b)) in the Group's consolidated statement of comprehensive income during the year. The amendment has no impact on retained earnings at 1 July 2020.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the end of the financial period but are not yet effective for the financial year ended 30 June 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

(b) Subsidiaries

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

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

(c) Basis of consolidation

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

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

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

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

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

(c) Basis of consolidation (cont'd)

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 (ie transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Company.

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

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

(d) Associated companies

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

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

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

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.

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

(d) Associated companies (cont'd)

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.

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.

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.

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.

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

(e) **Revenue recognition (cont'd)**

Sale of development property with leaseback arrangement (cont'd)

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

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest income

Interest income 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.

(f) **Property, plant and equipment**

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

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

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

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

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

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

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

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.

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

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

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

(g) 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.

(h) 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.

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.

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

(h) **Leases (cont'd)**

When the Group is the lessee **(cont'd)**

Lease liabilities (cont'd)

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

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

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

Right-of-use assets

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

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

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

The estimated useful lives are as follows:

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

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

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

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

(h) Leases (cont'd)

When the Group is the lessor

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

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

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

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

(i) Income taxes

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

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

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

Deferred income tax is provided on 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.

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

(j) 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.

(k) 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.

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.

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

(k) Financial assets (cont'd)

Impairment

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

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

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

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

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.

(l) 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.

(m) 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.

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

(n) 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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)

(s) 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.

(t) 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.

(u) Dividend

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

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

(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 Groups 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):

(i) Going concern assumption

The Group and the Company incurred a net loss of RM168.7 million and RM59.3 million respectively during the financial year ended 30 June 2021.

The Group's working capital primarily comprises development properties and the related receivables. Subsequent to the end of the financial year, the Group had not been able to meet its forecasted sales target for its development properties and experienced slower recovery of its receivables. The Group faces continuing challenges from the COVID-19 pandemic which has affected the property market in Melaka, Malaysia, and this has continued to impact the realisation of the Group's development properties causing a strain on its cash flows.

In addition to the above, as at 30 June 2021, the Group's total loans and borrowings amounted to RM298.6 million, of which RM217.6 million were classified as current liabilities and exceeded the Group's cash and bank balances of RM8.1 million. The Company's total loans and borrowings amounted to RM186.9 million, all of which were classified as current liabilities, and exceeded the Company's cash and bank balances of RM0.2 million. Included in the Group's and the Company's loans and borrowings are convertible loan and secured bonds of US$20 million (approximately RM83.1 million) and US$25 million (approximately RM103.8 million) as at 30 June 2021, which originally matured on 10 October 2019 and 8 March 2020, respectively (Note 19). The Company is in the process of negotiation with the lender and the bondholders on the possible extension of repayments. At the date of this report, the definitive outcome of the extension of repayments or potential loan refinancing has yet to be executed.

The Group is also undergoing restructuring of its indirect wholly-owned subsidiaries as disclosed in Note 34(a).

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

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

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)

(a) As at 30 June 2021, the Group had net assets of RM21.5 million. In addition, the Group has a substantial value of unsold completed properties. The estimated market value of the development properties as at 30 June 2021 is approximately RM780,750,000, excluding the development properties of Gold Mart Sdn Bhd. The Group's priority is to monetise these assets through sales and collection to generate cashflow;

(b) In response to the challenging business environment, the Company has implemented various cost containment measures to generate immediate savings and conserve financial resources, including salary adjustments and reduction of non-essential expenses;

(c) On 11 August 2020, the Company announced the disposal of Gold Mart Sdn Bhd ("GMSB") to a third party which will generate gross proceeds of US$60 million for the Company, and the proceeds will be used to redeem certain loans and borrowings of the Group as planned. The disposal of GMSB is subject to satisfaction of conditions precedent included in the announcement, which at this point of time the management cannot reasonably ascertained the exact timing for the date of completion. However, the representative of the counterparty, Tayrona Capital Group Corporation, had provided assurance that they remain keen and committed to completing the deal. The management will continue to monitor the situation closely (Note 17);

(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 34(a));

(e) The Company has worked closely with its lenders to extend the repayment obligations for its borrowings. This has helped aligned the Group's repayment requirements with the current business climate and channel its cashflow for operation purposes;

(f) As disclosed in Note 19 to the financial statements, the Company is in the process of negotiation with the lender on the possible extension of repayments of the US$20 million (approximately RM83.1 million) convertible loan. The loan is secured by personal guarantee by directors of the Company, corporate guarantee by a subsidiary in Malaysia and a charge over 760,000,000 shares in the Company held by the immediate and ultimate holding company and 345 retails units of the Group. The Company is also in the process of negotiation with the bondholders on the possible extension of repayments of the US$25 million (approximately RM103.8 million) secured bonds. The secured bonds are secured by a land charge for assets owned by a related party of the borrowing entity with an estimated collateral valuation of approximately two times of the loan amount;

(g) As disclosed in Note 19 to the financial statements, an indirectly wholly-owned subsidiary in Malaysia has established a RM200,000,000 Medium Term Notes ("MTN") Programme, of which RM54,000,000 has been drawn down to date. As at date of the financial statements, the balance of the MTN Programme that remains unutilised by the subsidiary amounted to RM146,000,000. The subsidiary will draw down this facility for its investment activities, capital expenditure, working capital requirements and/or other general corporate purposes when need arises;

(h) On 15 September 2021, the Company entered into a placement agreement with the subscribers to allot and issue an aggregate of 80,000,000 new ordinary shares (the "Placement Shares") in the capital of the Company at a price of S$0.023 per placement share for an aggregate amount of S$1,840,000 (approximately RM 5,681,000) which has been completed on 29 September 2021. In addition, the Company has agreed to constitute 80,000,000 non-listed, transferable warrants (the "Warrants") at an exercise price of S$0.048 per Warrant. Assuming the Warrants are fully exercised into warrant shares, the estimated amount of additional proceeds that may be raised is approximately S$3,840,000 (approximately RM11,855,000).

On 8 November 2021, certain subscribers completed the exercise of 40,000,000 Warrants at the exercise price of S$0.048 per Warrant for an aggregate amount of S$1,920,000 (approximately RM5,928,000). There are 40,000,000 outstanding Warrants remaining after the aforesaid exercise; and

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)

(i) On 1 November 2021, the Company entered into a placement agreement with Golden Summit International Ltd to allot and issue 20,000,000 new ordinary shares in the capital of the Company at the price of S$0.06 per ordinary share for an aggregate amount of S$1,200,000 (approximately RM3,705,000). The Company has completed the allotment and issuance of 20,000,000 new ordinary shares on 22 November 2021.

The Group and the Company remain confident of raising additional funds required and will be able to generate sufficient cash flows from its operations in the next 12 months and therefore the directors consider it appropriate to prepare the financial statements on a going concern basis.

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

(ii) Classification of properties

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

(iii) Contracts with customers

(a) Satisfaction of performance obligations

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

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

(b) Determination of transaction prices

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

(iv) Investment in an associated company

Management has considered the Group's representation in the board of ECXX Global Pte Ltd ("ECXX") and contractual terms in the shareholders agreement, and has determined that it has significant influence on ECXX even though the Group's shareholding is 19.3%. Consequently, this investment has been classified as an associated company (Note 13).

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

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

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

Management has determined that the assets and liabilities related to Gold Mart Sdn Bhd ("GMSB") have been presented as disposal group classified as held-for-sale as the Group and the parties concerned remain keen and committed to complete the proposed transaction as at the date of this report (Note 17). In making its judgement, management considered the detailed criteria and related guidance as set out in SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations.*

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 14.

(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 COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

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.

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

Key sources of estimation uncertainty (cont'd)

(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.

(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 are 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 with consideration of the impact of COVID-19 on the cash flow projections 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 12.

(xi) Fair value measurement and impairment of investment in an associated company

As at 30 June 2021, the carrying value of the Group's investment in an associated company was RM22.6 million (2020: Nil) as disclosed in Note 13. The investment in an associated company is assessed for impairment in accordance with the accounting policy described in Note 2(g).

As at 30 June 2021, the fair value of the Group's investment in an associated company was approximately RM32 million as reported by a third party firm of professional valuers. The Group has determined that no impairment of the investment in an associated company is necessary as it is considered that the recoverable amount of the investment, determined using fair value less cost of disposal, exceeded the carrying value of the investment in an associated company. In making its assessment of the recoverable amount of the investment, management considered the prior transaction method under the market approach as indication of value by using prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as business. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

4. Revenue

	Group	
	2021 RM'000	2020 RM'000
Revenue from sales of development properties in Malaysia	**32,031**	150,183
Less: Provision for liquidated ascertained damages to property buyers (Note 22)	**(65,023)**	(40,736)
	(32,992)	109,447
Revenue recognised from sales of development properties in Malaysia		
- at a point in time	**24,098**	68,461
- over time	**7,933**	81,722
	32,031	150,183

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 assets and contract liabilities

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

	Group		
	30 June 2021 RM'000	30 June 2020 RM'000	1 July 2019 RM'000
Trade receivables	**108,230**	348,148	404,482
Contract assets	**5,383**	27,202	3,267
Contract liabilities	**(55,955)**	(256,976)	(272,563)

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

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

The significant changes in the trade receivables, contract assets and contract liabilities are mainly due to the reclassification of Gold Mart Sdn. Bhd.'s disposal group as held-for-sale as at 30 June 2021 in Note 17.

(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 2021 is RM495,979,000 (2020: RM503,207,000). The amount includes RM378,811,000 (2020: RM383,941,000) arising from Gold Mart Sdn. Bhd. in accordance with the underlying sales and purchase agreements.

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

5. Cost of sales

	Group	
	2021 RM'000	2020 RM'000
Cost of sales arising from development properties	**28,277**	79,948
Impairment loss on development properties (Note 14)	**–**	12,840
Less: Provision for liquidated ascertained damages claimed from direct project contractors	**(1,547)**	(8,370)
	26,730	84,418

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	
	2021 **RM'000**	2020 RM'000
Rental income	**160**	8,242

(b) Other income/gains

	Group	
	2021 **RM'000**	2020 RM'000
Forfeiture income	**4,867**	6,586
Service fee income	**–**	1,401
Interest income		
- banks	**506**	273
- overdue interest charged to property buyers due to late repayments	**10,547**	968
Gain on disposal of right-of-use assets	**198**	2,296
Gain on disposal of subsidiary (Note 12)	**4,121**	–
Gain on dilution of interest in an associated company (Note 13)	**1,211**	–
Administrative fees	**736**	538
Miscellaneous income [1]	**1,544**	4,720
Waiver of debts [2]	**13,855**	–
Performance bond income [3]	**40,909**	–
Rent concessions	**199**	–
Rental payable discount	**1,781**	–
Others	**1,083**	940
	81,557	17,722

[1] Within the miscellaneous income is an amount of RM407,000 (2020: RM453,000) recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Company's operations.

[2] On 6 January 2021, the High Court of Malaya in Malacca, Malaysia has approved the scheme of arrangement between MDSA Ventures Sdn. Bhd. ("MVSB") and its creditors. The Court Order dated 6 January 2021 approving the scheme was lodged with the Companies Commission of Malaysia on 19 January 2021. The Scheme Creditors under the scheme are the unsecured creditors of MVSB, including third party creditors, directors and related parties. During the financial year, a total amount of RM13,855,000 was waived under the arrangement of the Scheme (Also see Note 34(a)).

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

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

(b) Other income/gains (cont'd)

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

(c) Other expenses

	Group	
	2021 **RM'000**	2020 RM'000
Loss on termination of right-of-use assets [1] (Note 18)	**20,234**	–
Modification loss on trade receivables	**–**	18,519
Others	**469**	–
	20,703	18,519

[1] On 6 January 2021, the High Court of Malaya in Malacca, Malaysia has approved the scheme of arrangement between MDSA Ventures Sdn. Bhd. ("MVSB") and its creditors. The Court Order dated 6 January 2021 approving the scheme was lodged with the Companies Commission of Malaysia on 19 January 2021. The Scheme Creditors under the scheme are the unsecured creditors of MVSB, including third party creditors, directors and related parties. During the financial year, the right-of-use assets were terminated under the arrangement of the Scheme and a loss of RM 20,304,000 was recognised in the consolidated statement of comprehensive income. (Also see Note 34(a)).

7. Finance costs

	Group	
	2021 **RM'000**	2020 RM'000
Interest expense on:		
- Term loans, medium term notes, convertible loan and secured bonds	**32,033**	32,105
- Accretion of interest on deferred payables	**1,851**	2,138
- Lease liabilities (Note 18)	**12,830**	17,314
- Others	**114**	667
	46,828	52,224

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	
	2021 **RM'000**	2020 RM'000
Amortisation of capitalised costs of obtaining contracts (Note 14)	**355**	4,856
Depreciation of property, plant and equipment (Note 11)	**1,372**	3,005
Depreciation for right-of-use assets (Note 18)	**27,222**	34,849
Net (gain)/loss on foreign exchange	**(4,044)**	7,105
Loss on derecognition of lease liabilities (Note 18)	**1,347**	–
Loss on termination of joint development agreement [1]	**3,971**	–
Loss on modification of lease (Note 18)	**132**	–
Rental expense – short-term or low value items (Note 18)	**1,036**	2,316
Loss on revocation of sales#	**17,321**	37,766
Loss on disposal of property, plant and equipment	**–**	19
Loss on write-off of property, plant and equipment	**–**	730
Audit fees payable to		
- auditor of the Company	**276**	233
- other auditors*	**301**	240
Non-audit fees payable to		
- auditor of the Company	**16**	31
- other auditors	**–**	–
Directors' fee paid/payable to Company's directors	**371**	570
Directors' fee paid/payable to subsidiary's director	**110**	–
Directors' remuneration (Note 27(b))		
- Salaries and other emoluments	**2,305**	2,868
- Defined contribution plans	**150**	151
- Others	**313**	577
Staff costs		
- Salaries, wages and bonus	**7,500**	12,277
- Defined contribution plans	**908**	1,289
- Others	**12**	94

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

* Includes independent member firm of Baker Tilly International

\# Loss on revocation of sales represents the loss recognised when customers revoke the sales and purchase agreements.

9. Income tax expense/(credit)

	Group	
	2021 RM'000	2020 RM'000
Current income tax		
- Current year	**7,416**	4,716
- Over provision in prior years	**(4,151)**	(7,048)
	3,265	(2,332)
Deferred income tax		
- Origination and reversal of temporary differences	**–**	(7,408)
- Over provision in prior years	**–**	(4,835)
	–	(12,243)
Income tax expense/(credit) recognised in profit or loss	**3,265**	(14,575)

The income tax expense/(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	
	2021 RM'000	2020 RM'000
Loss before tax	**(165,401)**	(244,304)
Tax at the domestic rates applicable to profits in the countries where the Group operates	**(34,923)**	(58,266)
Adjustments:		
Income not subject to tax	**(2,099)**	(173)
Non-deductible expenses	**20,846**	27,249
Effect of share of results of an associated company	**(30)**	–
Effect of partial tax exemption and tax relief	**53**	(83)
Over provision in respect of prior years	**(4,151)**	(11,883)
Deferred tax assets not recognised	**24,175**	28,592
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(553)**	–
Others	**(53)**	(11)
Income tax expense/(credit) recognised in profit or loss	**3,265**	(14,575)

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% (2020: 17% and 24%) respectively.

At the end of the financial year, the Group has tax losses of approximately RM202,208,000 (2020: RM181,927,000) and deductible temporary differences of RM170,359,000 (2020: RM38,740,000) 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 RM4,614,000 (2020: RM5,483,000) have no expiry date.

Effective from financial year ended 30 June 2018, unused tax losses for subsidiaries in Malaysia of approximately RM197,593,000 (2020: RM176,444,000) are allowed to be carried forward for a maximum period of seven years.

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements as at 30 June 2021 and 30 June 2020 (Note 31).

10. Loss per share

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

The basic and diluted loss per share for the financial years ended 30 June 2021 and 30 June 2020 are the same as there were no potential dilutive ordinary shares in existence for the financial years ended 30 June 2021 and 30 June 2020.

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	
	2021 **RM'000**	2020 RM'000
Loss for the year attributable to owners of the Company (RM'000)	**(168,666)**	(229,704)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation	**1,559,166,333**	1,410,668,757

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	Others RM'000	Total RM'000
Cost									
At 1 July 2019	127,391	1,697	95,812	12,177	12,768	3,511	1,234	1,941	256,531
Reclassification on adoption of SFRS(I) 16	–	–	–	–	(12,619)	(300)	–	–	(12,919)
Additions	23,012	–	–	–	–	56	208	237	23,513
Written off	–	–	–	–	–	(15)	–	(1,277)	(1,292)
Disposals	–	–	–	–	–	(14)	–	(47)	(61)
Currency translation differences	–	–	–	–	–	5	4	–	9
At 30 June 2020 and 1 July 2020	150,403	1,697	95,812	12,177	149	3,243	1,446	854	265,781
Additions	568	–	–	–	–	157	258	–	983
Currency translation differences	–	–	–	–	–	9	6	–	15
Reclassification as held-for-sale (Note 17)	(142,798)	–	–	–	–	(130)	–	–	(142,928)
At 30 June 2021	**8,173**	**1,697**	**95,812**	**12,177**	**149**	**3,279**	**1,710**	**854**	**123,851**
Accumulated depreciation									
At 1 July 2019	–	109	1,539	113	7,693	2,638	850	717	13,659
Reclassification on adoption of SFRS(I) 16	–	–	–	–	(7,637)	(35)	–	–	(7,672)
Charge for the year (Note 8)	–	23	1,916	243	30	268	177	348	3,005
Written off	–	–	–	–	–	(1)	–	(561)	(562)
Disposals	–	–	–	–	–	(14)	–	(21)	(35)
Currency translation differences	–	–	–	–	–	5	4	–	9
At 30 June 2020 and 1 July 2020	–	132	3,455	356	86	2,861	1,031	483	8,404
Charge for the year (Note 8)	–	23	539	244	30	270	183	83	1,372
Currency translation differences	–	–	–	–	–	9	5	–	14
Reclassification as held-for-sale (Note 17)	–	–	–	–	–	(85)	–	–	(85)
At 30 June 2021	–	**155**	**3,994**	**600**	**116**	**3,055**	**1,219**	**566**	**9,705**
Impairment loss									
At 1 July 2019	–	–	–	–	–	–	–	–	–
Charge for the year	–	–	66,507	–	–	–	–	–	66,507
At 30 June 2020 and 1 July 2020	–	–	66,507	–	–	–	–	–	66,507
Charge for the year	–	–	–	7,565	–	–	–	–	7,565
At 30 June 2021	–	–	**66,507**	**7,565**	–	–	–	–	**74,072**
Net carrying amount									
At 30 June 2020	150,403	1,565	25,850	11,821	63	382	415	371	190,870
At 30 June 2021	**8,173**	**1,542**	**25,311**	**4,012**	**33**	**224**	**491**	**288**	**40,074**

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

Impairment loss

During the financial year, due to the continuing challenges affecting the property market in Melaka, Malaysia and the uncertainties brought by the COVID-19 pandemic, an allowance for impairment loss of RM7,565,000 (2020: RM66,507,000) was recognised in profit or loss to impair the cost of cinema (2020: carparks) to its recoverable amount. The recoverable amount was estimated using the fair value less costs to sell approach, based on the valuation report performed by a third party firm of professional valuers using the market comparison approach. The recoverable amount was estimated at RM4,012,000 (2020: RM25,850,000). The fair value measurement was categorised as a Level 3 fair value inputs to the valuation technique used (Note 28(a)).

Construction-in-progress

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

Assets pledged as securities

The Group's freehold land and buildings with a carrying amount of RM1,542,000 (2020: RM1,565,000) are mortgaged to secure the Group's bank loans (Note 19).

Capitalisation of borrowing costs

Interest expense capitalised in construction-in-progress during the financial year ended 30 June 2021 amounted to RM247,000 (2020: RM329,000). The capitalisation rates range from 5.57% to 6.47% (2020: 5.82% to 7.60%).

12. Investment in subsidiaries

	Company	
	2021 **RM'000**	2020 RM'000
Unquoted equity shares, at cost	**1,203,315**	1,203,315
Less: Allowance for impairment losses	**(492,576)**	(492,576)
	710,739	710,739
Movements in allowance for impairment loss:		
At 1 July	**492,576**	–
Impairment loss charged to profit or loss	**–**	492,576
At 30 June	**492,576**	492,576

During the financial year, management performed a review of the recoverable amount on its investment in subsidiaries and no impairment loss was 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 a third party 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 9.1% per annum.

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.

During the previous financial year, due to the continuing challenges affecting the property market in Melaka, Malaysia and the uncertainties brought by the COVID-19 pandemic, an impairment loss of RM492,576,000 was recognised in the Company's profit or loss to impair the cost of investment to its recoverable amount. The recoverable amount was estimated using the value-in-use approach, based on the discounted cash flow method as performed by a third party 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 10.8% per annum. Consequently, any adverse change in a key assumption would result in a further impairment loss.

12. 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	
			2021 **%**	**2020** **%**
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, 4]	Singapore	Development of software, programming activities and e-commerce applications	**100**	–
Held through Hatten MS:				
Genonefive Pte. Ltd. ("Genonefive") [1]	Singapore	Marketing and development consultancy	**100**	100
Hatten Technology (S) Pte. Ltd. ("HTPL") [1, 4]	Singapore	Development of software, programming activities and e-commerce applications	**–**	100
Hatten Land China Pte. Ltd. ("HLCPL") [1]	Singapore	Investment holding	**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
Velvet Valley Sdn. Bhd. ("VVSB") [2]	Malaysia	Property development	**100**	100
Admiral Merger Sdn. Bhd. ("AMSB") [2]	Malaysia	Property development	**100**	100
Hatten Land Pty. Ltd. ("HLPL") [3]	Australia	Investment holding	**100**	100

12. 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	
			2021 **%**	2020 %
Held through HTPL:				
NCSA Services Pte. Ltd. ("NSPL") [1]	Singapore	Development of software, programming activities and e-commerce applications	**100**	100
The Medici-Watermark Pte. Ltd. ("TMWPL") [3,5] (Incorporated on 16 November 2020)	Singapore	Management consultancy services /Business and project advisory and consultancy	**60**	–
Held through HLCPL:				
Hatten Wellness China Pte. Ltd. ("HWCPL") [1,5]	Singapore	Investment holding and property development	**100**	55
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 HWCPL:				
Hatten Wellness Asia Company Limited [3]	Hong Kong	Investment holding	**100**	100
Held through VVSB:				
Velvet Valley Management Sdn. Bhd. ("VVMSB") [2]	Malaysia	Business management and consultancy services	–	100

[1] Audited by Baker Tilly TFW LLP, Singapore.

[2] Audited by independent overseas member firm of Baker Tilly International in Malaysia.

[3] Not audited, as it is inactive and not significant.

[4] Hatten MS transferred the entire equity interest in HTPL to the Company for a consideration of S$100 during the financial year. There is no change to the effective interest to the Group.

[5] There are no non-controlling interests that are considered by management to be material to the Group as at 30 June 2021 and 30 June 2020. As a result, no non-controlling interest are accounted for in the consolidated financial statements.

12. Investment in subsidiaries (cont'd)

a) Acquisition of VVSB Group in 2018

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

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

The payments of aggregate considerations of RM43,000,000 have been deferred and included in deferred payables in Note 20. These deferred payables are measured at amortised costs using an effective interest of 7.00% (2020: 7.00%) per annum.

b) Disposal of VVMSB in 2021

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

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

	RM'000
Carrying amounts of assets and liabilities disposed of:	
Right-of-use assets	12,347
Trade and other receivables	159
Cash and bank balances	1
Deferred tax liabilities (Note 21)	(171)
Trade and other payables to third parties	(3,913)
Lease liabilities (Note 18)	(12,544)
Net identifiable liabilities	(4,121)
Proceeds from disposal of subsidiary	*
Gain on disposal of subsidiary (Note 6(b))	**(4,121)**

** Amount under RM1,000*

13. Investment in an associated company

	Group	
	2021 **RM'000**	2020 RM'000
Unquoted equity shares, at cost		
Balance at beginning of financial year	**–**	–
Acquisition during financial year	**21,973**	–
Gain on dilution of interest	**1,211**	–
Share of post-acquisition reserves	**(597)**	–
Balance at end of financial year	**22,587**	–

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

Name	**Principal place of business**	**Principal activities**	**Cost**		**Group's effective equity interest held**	
			2021 **$**	2020 $	**2021** **%**	2020 %
Held through HTPL:						
ECXX Global Pte. Ltd. ("ECXX") [1]	Singapore	Provision of digital asset exchange services	**22,587**	–	**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 accordance with the sale and purchase agreement between the Company and ECXX, the Company acquired 19,809 ordinary shares in the capital of ECXX, representing approximately 18.54% equity interest in ECXX. The Company has nominated Hatten Technology (S) Pte. Ltd. ("HTPL") to hold the shares in ECXX.

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

On 18 August 2020 (the "completion date"), the proposed acquisition was completed with the allotment and issuance of 100,200,000 ordinary shares in the capital of the Company at the share price on the completion date of S$0.066 per share (approximately RM20,417,000) and cash consideration of US$354,930 (approximately RM1,556,000) which will be paid by the Company on behalf of HTPL. As at 30 June 2021, a balance of cash consideration of RM998,000 is included in other payables in Note 20.

Subsequent to the completion date, ECXX issued 3,750 ordinary shares to another third party shareholder on 4 February 2021. As a result, the equity interest held by HTPL in ECXX has been diluted from the initial 20% to 19.3%. The dilution in the equity interest has resulted in a gain of RM1,211,000 to the Group and credited to other income (Note 6(b)). 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.

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

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).

	2021 RM'000
Non-current assets	**180**
Current assets	**11,692**
Non-current liabilities	**(152)**
Current liabilities	**(1,008)**
Net assets as at 30 June 2021	**10,712**
Revenue	**109**
Loss after tax	**(907)**
Other comprehensive loss	**(2,187)**
Total comprehensive loss	**(3,094)**

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

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:

Net assets	**10,712**
Proportion of ownership interest	**19.3%**
Group's share of net assets based on proportion of ownership interest	**2,067**
Goodwill on acquisition	**20,520**
Carrying amount of investment	**22,587**

14. Development properties

	Group	
	2021 RM'000	2020 RM'000
Completed development properties	**449,434**	460,843
Development properties under construction	**6,239**	124,113
Properties for development, representing land carried at cost	**25,800**	29,644
	481,473	614,600

14. Development properties (cont'd)

Write-down of development properties

On 11 February 2021, AMSB and a third party landowner entered into a mutual agreement to terminate the joint development agreement in relation to the planned acquisition of the development rights over 2 plots of land in Selangor, Malaysia, an amount of RM1,364,000 was recognised in the Group's profit or loss to fully write-down the costs capitalised under the development properties to nil during the financial year.

On 7 July 2021, PRSB has 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 (Note 33(a)), an amount of RM3,130,000 was recognised in the Group's profit or loss to write-down the development properties to the consideration amount during the financial year.

During the previous financial year, due to the continuing challenges affecting the property market in Melaka, Malaysia and the uncertainties brought by the COVID-19 pandemic, an amount of RM22,058,000 (within this amount, RM12,840,000 was charged to cost of sales (Note 5)) was recognised in the Group's profit or loss to write-down the development properties to the net realisable value. The impairment was determined by taking into consideration the expected selling prices for the projects, which were based on valuation reports. The valuations were undertaken by a third party firm of professional valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the development properties being valued. The valuations were based on market comparison approach. The valuation approach used involves making estimates of the selling prices of the development properties, taking into consideration the recent selling prices for comparable properties and prevailing market conditions.

Capitalised incremental costs of obtaining contracts

Capitalised incremental costs of obtaining contracts included in the carrying value of development properties as at 30 June 2021 amounted to RM29,756,000 (2020: RM29,613,000), comprise sales commission paid to real estate agent and legal costs incurred as a result of securing sale and purchase agreements that are expected to be recoverable. As at the end of the financial year, no impairment has been recorded. These costs are amortised and recognised in the "Cost of sales" line item in profit or loss when the related revenue is recognised.

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

	Group	
	2021 **RM'000**	2020 RM'000
At 1 July	**29,613**	33,266
Additions	**498**	1,203
Amortisation charged to cost of sales (Note 8)	**(355)**	(4,856)
At 30 June	**29,756**	29,613

Capitalised government grants

Capitalised government grants included in the carrying value of development properties as at 30 June 2021 amounted to RM9,683,000 (2020: 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.

14. Development properties (cont'd)

Details of the development properties held by the Group as at 30 June 2021 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 2021	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
Harbour City[1]	99-year leasehold mixed commercial development consisting of a retail mall and 3 hotels (Melaka, Malaysia)	100	24,290	310,117	70%	FY2023
Satori	99-year leasehold integrated mall and residential development (Melaka, Malaysia)	100	8,303	48,768	14%	FY2023
Melaka International Convention Centre ("MICC")[2]	99-year leasehold integrated mixed development consisting of retail mall, cineplex, convention hall, hotel and residential development (Melaka, Malaysia)	100	37,810	150,295	–	–

[1] Harbour City project is undertaken by GMSB which the assets are now reclassified as disposal group classified as held-for-sale in Note 17.

[2] MICC is undertaken by PRSB and the project has not commenced as at 30 June 2021. On 7 July 2021, PRSB has 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 (Note 33(a)).

15. Trade and other receivables

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Current:				
Trade receivables	**81,214**	230,414	**–**	–
Amount due from related parties (non-trade)	**48,541**	41,606	**–**	–
Amount due from subsidiaries (non-trade)	**–**	–	**267,470**	299,159
Refundable deposits	**3,001**	6,590	**–**	–
GST recoverable	**15**	974	**–**	–
Other receivables	**46,251**	104,820	**222**	159
	179,022	384,404	**267,692**	299,318
Non-current:				
Trade receivables	**27,016**	117,734	**–**	–
Refundable deposits	**611**	607	**–**	–
	27,627	118,341	**–**	–
Total trade and other receivables (current and non-current)	**206,649**	502,745	**267,692**	299,318
Add:				
Cash and cash equivalents (Note 16)	**8,070**	23,142	**175**	840
Disposal group assets classified as held-for-sale (Note 17)	**179,257**	–	**–**	–
Less:				
GST recoverable	**(15)**	(974)	**–**	–
Total financial assets carried at amortised costs	**393,961**	524,913	**267,867**	300,158

Trade receivables are non-interest bearing and are generally on 14 to 21 days' terms. Extended credit terms are assessed and approved on a case-by-case basis by management. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition. During the previous financial year, certain trade receivables were reclassified from current to non-current due to the continuing challenges affecting the property market in Melaka, Malaysia and the uncertainties brought by the COVID-19 pandemic. Accordingly, the Group recognised modification loss on certain trade receivables due to change in expected timing in collecting the cash flows.

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.

Included in other receivables are amount due from contractors. These include liquidated ascertained damages recoverable from contractors for the delay in completion of certain development projects amounting to Nil (2020: RM47,683,000).

16. Cash and cash equivalents

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Fixed deposits	**–**	1,264	–	–
Cash at banks and on hand	**8,070**	21,878	**175**	840
Total cash and cash equivalents, as presented in the statements of financial position	**8,070**	23,142	**175**	840
Less: Pledged fixed deposits for banking facilities	**–**	(1,264)	–	–
Add: Included in disposal group classified as held-for-sale (Note 17)	**202**	–	–	–
Cash and cash equivalents, as presented in the consolidated statement of cash flows	**8,272**	21,878	**175**	840

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

Included in cash at banks of the Group is an amount of RM1,148,000 (2020: RM5,057,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia and therefore restricted from use in other operations.

As at 30 June 2020, fixed deposits of RM1,264,000 were pledged to secure bank loans (Note 19). These fixed deposits were made for varying periods of up to 12 months and earned interests between 2.55% and 2.90% per annum.

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

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
United States Dollar	**107**	277	**89**	226
Chinese Renminbi	**33**	33	–	–
Singapore Dollar	**629**	2,164	**86**	614

17. Disposal group classified as held-for-sale

On 11 August 2020, the Company's wholly owned subsidiary Hatten MS Pte. Ltd. ("Hatten MS") has entered into an agreement (the "Agreement") with Tayrona Capital Pte Ltd and Wealth Express Group Holdings Limited for, inter alia the proposed divestment of Gold Mart Sdn Bhd ("GMSB"). On 21 May 2021, Hatten MS entered into a deed of novation with all the other parties to the Agreement to substitute Tayrona Capital Pte Ltd, an original party to the Agreement with Tayrona Capital Group Corporation. The Group would derive gross proceeds of USD60 million from the proposed divestment (the "Proposed Transaction"), subject to satisfaction of conditions precedent in the Agreement. The assets and liabilities related to GMSB have been presented as disposal group classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations.*

On 17 September 2021, the Group announced that the delay of completion of the disposal is due to the substantial documentation and time required by the financial institutions involved to approve and process the cross-border payment and further exacerbated by the Covid-19 pandemic situation. As at report date, the Group and all the other parties remain keen and committed to complete the Proposed Transaction.

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

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

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

	Group 2021 RM'000
Property, plant and equipment (Note 11)	**142,843**
Right-of-use assets	**4,090**
Trade and other receivables	**179,055**
Development properties held for sales	**116,547**
Contract assets	**21,962**
Prepayments	**1,068**
Cash and cash equivalents (Note 16)	**202**
	465,767

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

	Group 2021 RM'000
Loans and borrowings (Note 19)	**95,590**
Lease liabilities (Note 18)	**4,324**
Trade and other payables	**48,539**
Income tax payable	**14,310**
Contract liabilities	**206,994**
Provisions (Note 22)	**115,145**
	484,902

18. 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% (2020: 5.4% 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 (2020: 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 leases on its properties. These non-cancellable leases have remaining lease terms between 1 to 3 years (2020: 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.

(iv) The Group has also entered into hire-purchase arrangements on its plant and equipment. These non-cancellable leases have remaining lease terms between 3 to 6 years (2020: 3 to 6 years) bearing an interest from 3.95% to 4.80% per annum.

Extension and termination option

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

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

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

	Group	
	2021 RM'000	2020 RM'000
Carrying amount of right-of-use assets:		
Mall and residence units	**45,483**	104,602
Motor vehicles	**738**	5,999
Office premises	**9,808**	10,315
Plant and equipment	**500**	601
	56,529	121,517
Carrying amount of lease liabilities:		
Current	**12,461**	37,169
Non-current	**48,473**	81,313
	60,934	118,482
Additions to right-of-use assets	**987**	–

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

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

	Group	
	2021 **RM'000**	2020 RM'000
At 1 July	**118,482**	138,068
Changes from financing cash flows:		
- repayments	**(11,808)**	(28,778)
- interest paid	**(12,288)**	(17,314)
Non-cash changes:		
- amount settled by issuance of the Company's shares (Note A)	**(10,717)**	–
- disposal of subsidiary (Note 12(b))	**(12,544)**	–
- interest expense (Note 7)	**12,830**	17,314
- loss on derecognition of lease liabilities (Note 8)	**1,347**	–
- new leases	**968**	19,861
- rental payables	**(23,471)**	(10,703)
- reclassification as held-for-sale (Note 17)	**(4,324)**	–
- exchange differences	**70**	34
- additions due to modification	**2,389**	–
Balance at 30 June	**60,934**	118,482

Amount recognised in profit and loss:

	Group	
	2021 **RM'000**	2020 RM'000
<u>Depreciation:</u>		
Mall and suites	**22,611**	30,928
Motor vehicles	**1,680**	1,797
Plant and equipment	**102**	79
Office	**2,828**	2,045
	27,222	34,849
Lease expense - short term lease (Note 8)	**1,036**	2,316
Lease expense – interest expenses (Note 7)	**12,830**	17,314
Right-of-use assets – impairment loss	**4,175**	–
Loss on termination of right-of-use assets (Note 6(c))	**20,234**	–
Loss on modification of lease (Note 8)	**132**	–
Loss on derecognition of lease liabilities (Note 8)	**1,347**	–

<u>Note A:</u>

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

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

Total cash flows for leases of the Group amounted to RM25,132,000 (2020: RM48,408,000).

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

19. Loans and borrowings

	Group		**Company**	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Current:				
Loan and secured bonds	**186,900**	192,464	**186,900**	192,464
Medium term notes	**15,650**	15,568	–	–
Term loans	**15,042**	68,778	–	–
	217,592	276,810	**186,900**	192,464
Non-current:				
Term loans	**81,020**	122,320	–	–
Total loans and borrowings (current and non-current)	**298,612**	399,130	**186,900**	192,464

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

Loan and secured bonds

US$20,000,000 loan at 10.00% (2020: 10.00%) per annum

The convertible loan of an aggregate amount of US$20,000,000 (approximately RM83,067,000 (2020: RM85,540,000)) matured on 10 October 2019 and the lender has decided not to convert the loan into the new ordinary shares in the Company. The Company obtained the roll-over of the US$20,000,000 loan at 10.00% per annum for another 12 months to 10 October 2020. At the date of this report, the Company is in the process of negotiation with the lender on the possible extension of repayments. The loan is secured by personal guarantee by directors of the Company, corporate guarantee by a subsidiary in Malaysia and a charge over 760,000,000 shares in the Company held by the immediate and ultimate holding company and 345 retails units of the Group.

US$25,000,000 secured bonds at 10.00% (2020: 10.00%) per annum

The Company issued US$25,000,000 (approximately RM103,833,000 (2020:RM106,924,000)) 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.

19. Loans and borrowings (cont'd)

Medium term notes

RM25,000,000 medium term notes at 6.00% per annum

An indirect wholly-owned subsidiary, MRSB, had on 11 September 2017 established a 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.

On 18 September 2017, MRSB issued and offered its first tranche of notes, amounting to RM25,000,000 under the MTN Programme with maturity date on 20 September 2019 and coupon rate of 6.00% 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.

During the financial year, MRSB made a repayment of RM15,568,000 (2020: RM2,350,000) via the first tranche second issuance amounting to RM15,650,000 on 23 September 2020. As at 30 June 2021, the Group had an outstanding balance of RM15,650,000 (2020: RM15,568,000) and it was due for repayment on 24 September 2021 and on 23 September 2021, MRSB issued new notes amounting to RM13,350,000 to repay the outstanding notes. These new notes would mature on 26 September 2022 and bear a coupon rate of 7.00% per annum payable semi-annually in arrears from the date of issue.

Term loans

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 2021, the Group had an outstanding balance of RM5,871,000 (2020: RM5,672,000) under the loan. The loan is repayable by monthly instalments of principal and interest for 12 months commencing from the 37th month from the date of the letter of offer. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

At the end of the financial year, the amount has been reclassified as held-for-sale (Note 17).

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 2021, the Group had an outstanding balance of RM1,362,000 (2020: RM1,554,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

At the end of the financial year, the amount has been reclassified as held-for-sale (Note 17).

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 2021, the Group had an outstanding balance of RM19,366,000 (2020: RM20,350,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

At the end of the financial year, the amount has been reclassified as held-for-sale (Note 17).

19. Loans and borrowings (cont'd)

Term loans (cont'd)

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 2021, the Group had an outstanding balance of RM39,085,000 (2020: RM37,805,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

At the end of the financial year, the amount has been reclassified as held-for-sale (Note 17).

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 2021, the Group had an outstanding balance of RM29,906,000 (2020: RM28,888,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

At the end of the financial year, the amount has been reclassified as held-for-sale (Note 17).

RM30,000,000 loan at base lending rate per annum

The loan was obtained to finance construction of a development project and is repayable by monthly instalments of principal and interest for 24 months commencing from the date of the first loan disbursement. As at 30 June 2021, the Group had an outstanding balance of RM9,925,000 (2020: RM9,809,000) under the loan. The loan is secured by a legal charge over the project land under development, legal assignment of all project sales proceeds in favour of the lender, fixed and floating charges over all assets of the project, joint and several guarantees from directors of the entity, and letter of undertaking from directors and shareholders to cover any construction cost overrun and to complete the development project.

RM1,116,000 loan at base lending rate minus 2.30% per annum

The loan was obtained to finance the purchase of freehold land and buildings and is repayable by monthly instalments of principal and interest for 240 months. As at 30 June 2021, the Group had an outstanding balance of RM937,000 (2020: RM916,000) under the loan. The loan is secured by a legal charge over the freehold land and buildings and joint and several guarantees from directors of the borrowing entity.

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 2021, the Group had an outstanding balance of RM14,549,000 (2020: RM13,653,000) under the loan. The loan is secured by a legal charge over the project land under development, joint and several guarantees from directors of the borrowing entity and a corporate guarantee by a related party.

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

The loan was obtained to finance the purchase of a plot of development land and is repayable by instalments of principal and interest for 180 months commencing from the date of the first loan disbursement. As at 30 June 2021, the Group had an outstanding balance of RM2,098,000 (2020: RM2,019,000) 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.

19. Loans and borrowings (cont'd)

Term loans (cont'd)

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 2021, the Group had an outstanding balance of RM9,445,000 (2020: RM11,689,000) 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.

RM60,000,000 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 for 84 months from the date of the first loan disbursement. As at 30 June 2021, the Group had an outstanding balance of RM58,800,000 (2020: 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, assignment over the surplus monies in the Housing Development Account and joint and several guarantees from directors of the borrowing entity.

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 2021, the Group had an outstanding balance S$100,000 (approximately RM308,000) under the loan. The loan is secured by the joint and personal guarantee executed by the directors of the borrowing entity.

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

		Cash flows		**Non-cash changes**		
	1.7.2020 RM'000	**Drawdown RM'000**	**Repayments RM'000**	**Reclassification RM'000**	**Foreign exchanges RM'000**	**30.6.2021 RM'000**
Medium term notes	15,568	15,650	(15,568)	–	–	**15,650**
Loan and secured bonds	192,464	–	–	–	(5,564)	**186,900**
Term loans (current and non-current)	191,098	7,629	(7,075)	(95,590)	–	**96,062**
	399,130	23,279	(22,643)	(95,590)	(5,564)	**298,612**

		Cash flows		**Non-cash changes**		
	1.7.2019 RM'000	**Drawdown RM'000**	**Repayments RM'000**	**Reclassification RM'000**	**Foreign exchanges RM'000**	**30.6.2020 RM'000**
Obligations under finance leases (current and non-current)	4,906	–	–	(4,906)	–	–
Medium term notes	17,591	–	(2,023)	–	–	15,568
Loan and secured bonds	183,180	–	–	–	9,284	192,464
Term loans (current and non-current)	210,847	66,213	(85,962)	–	–	191,098
	416,524	66,213	(87,985)	(4,906)	9,284	399,130

20. Trade and other payables

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Current:				
Trade payables	**11,500**	156,175	**696**	1,594
Deposits received	**8,344**	10,214	–	–
Accruals – third parties	**85,172**	88,674	**2,630**	–
Accruals – directors	**1,235**	–	**376**	–
Amount due to related parties (non-trade)	**41,383**	43,907	**657**	616
Amount due to a director	**1,144**	2,152	–	–
Amount due to subsidiaries	–	–	**595**	1,797
Rental payables	**47,691**	28,758	–	–
Deferred payables - third party	**8,701**	8,705	–	–
Amount due to creditors under the Scheme arrangement (Note 34(a))	**31,159**	–	–	–
Amount due to associated company (Note 13)	**998**	–	**998**	–
Other payables	**30,839**	42,214	**36**	–
	268,166	380,799	**5,988**	4,007
Non-current:				
Deferred payables - directors	**34,057**	31,989	–	–
Other payables	–	202	–	–
	34,057	32,191	–	–
Total trade and other payables (current and non-current)	**302,223**	412,990	**5,988**	4,007
Add:				
Lease liabilities (Note 18)	**60,934**	118,482	–	–
Loans and borrowings (Note 19)	**298,612**	399,130	**186,900**	192,464
Liabilities directly associated with disposal group classified as held-for-sale (Note 17)	**148,453**	–	–	–
Total financial liabilities carried at amortised cost	**810,222**	930,602	**192,888**	196,471

Trade payables are non-interest bearing and are generally settled on credit term of 30 to 90 days.

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

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% (2020: 6% to 9%) per annum of the purchase price to the purchasers for a committed lease term of 2 years to 9 years (2020: 2 years to 9 years) commencing six months from the date of issuance of the Certificate of Completion and Compliance or start of full business operations, whichever is earlier.

Deferred payables

Deferred payables relate to amounts due to the vendors on the acquisition of VVSB Group in August 2018 which are repayable between December 2019 and December 2021 (Note 12(a)). The portion of the deferred payables due to directors amounting to RM34,057,000 (2020: RM31,989,000) are classified as non-current, as the directors undertake not to demand for repayment for the next twelve months.

21. Deferred tax liabilities

	Group	
	2021 **RM'000**	2020 RM'000
Tax effects from adoption of SFRS(I) 16 (Note 12(b))	**–**	171
Others	**1**	1
	1	172

22. Provisions

	Group	
	2021 **RM'000**	2020 RM'000
Provision for developer interest-bearing scheme	**19,228**	19,228
Provision for liquidated ascertained damages	**5,972**	64,831
Other provisions	**9,255**	9,863
	34,455	93,922

Provision for developer interest-bearing scheme

The provision arises from developer interest bearing scheme that the Group offered to bear the interest charge by the bank during the construction period. The movement in provision for developer interest-bearing scheme is as follows:

	Group	
	2021 **RM'000**	2020 RM'000
At 1 July	**19,228**	19,306
Utilised	**–**	(78)
At 30 June	**19,228**	19,228

Provision for liquidated ascertained damages

The provision arises from the late delivery of development projects undertaken by the Group based on the applicable terms and conditions stated in the sale and purchase agreement up to the estimated completion date. The liquidated ascertained damages are recoverable from the contractors.

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

	Group	
	2021 **RM'000**	2020 RM'000
At 1 July	**64,831**	38,757
Change in estimate on revenue recognition and debited to revenue (Note 4)	**65,023**	40,736
Utilised	**(8,737)**	(14,662)
Reclassification to held-for-sale (Note 17)	**(115,145)**	–
At 30 June	**5,972**	64,831

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 to 30 June 2023 as assessed by a third party professional architect firm.

22. Provisions (cont'd)

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.

	Group	
	2021 **RM'000**	2020 RM'000
At 1 July	**9,863**	10,833
Arose during the financial year	**180**	32
Reversal	**–**	(285)
Utilised	**(788)**	(717)
At 30 June	**9,255**	9,863

23. Share capital

Issued and fully paid ordinary shares

	No. of ordinary shares issued	**RM'000**
Group		
At 1 July 2020	1,434,596,353	267,425
Issuance of ordinary shares	160,572,875	30,905
Share issuance expenses	–	(286)
At 30 June 2021	**1,595,169,228**	**298,044**
At 1 July 2019	1,378,096,353	252,719
Issuance of ordinary shares	56,500,000	15,531
Share issuance expenses	–	(825)
At 30 June 2020	1,434,596,353	267,425
Company		
At 1 July 2020	1,434,596,353	1,299,929
Issuance of ordinary shares	160,572,875	30,905
Share issuance expenses	–	(286)
At 30 June 2021	**1,595,169,228**	**1,330,548**
At 1 July 2019	1,378,096,353	1,285,223
Issuance of ordinary shares	56,500,000	15,531
Share issuance expenses	–	(825)
At 30 June 2020	1,434,596,353	1,299,929

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.

23. Share capital (cont'd)

Issuance of ordinary shares

On 18 August 2020, the Company issued 100,200,000 ordinary shares at S$0.0660 (approximately RM0.2023) per share, as consideration for the investment in an associated company (Note 13). This is a non-cash transaction

On 16 November 2020, the Company issued 60,372,875 ordinary shares at S$0.0575 (approximately RM0.1762) per share, as consideration for the settlement of rental with the landlord for the period from 1 August 2020 till 15 June 2025 (Note 18). This is a non-cash transaction.

On 3 December 2019, the Company issued 56,500,000 ordinary shares at S$0.0900 (approximately RM0.2750) per share for cash.

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 12). This represents the difference between the consideration paid and the share capital of the subsidiaries acquired under common control.

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 are as follows:

	Group	
	2021 RM'000	2020 RM'000
Approved and contracted for	**265,230**	265,230
Less: Amount capitalised to construction-in-progress	**(149,052)**	(148,483)
	116,178	116,747

(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% (2020: 5.4% 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	
	2021 RM'000	2020 RM'000
Not later than one year	**8,128**	–
Later than one year but not later than five years	**200,186**	209,267
Later than five years	**6,700**	6,735
	215,014	216,002

26. Commitments (cont'd)

(c) Lease commitments – where the Group is lessor

Nature of the Group's leasing activities – Group as a lessor

The Group has entered into sub-lease with third party on part of its office buildings. These non-cancellable leases have remaining lease terms of between 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.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	2021 RM'000	2020 RM'000
Not later than one year	–	853
Later than one year but not later than five years	–	3,366
Total undiscounted lease payments	–	4,219

During the financial year, the lease was terminated and income recognised from subleasing was RM160,000 (2020: RM965,000).

(d) Contingent liabilities

The Company has provided corporate guarantee of RM15,650,000 (2020: RM15,568,000) for the MTN Programme drawn down by MRSB at the end of the financial year.

27. Related party transactions

(a) Transactions with related parties outside the Group

In addition to the related party information disclosed elsewhere in the financial statements, the Group engaged in significant transactions with related parties which are controlled by certain directors and key management personnel of the Group. The following significant transactions took place at terms agreed between the parties during the financial year:

	Group	
	2021 RM'000	2020 RM'000
Services provided from/(to) related parties:		
- Rendering of services	**208**	(1,578)
- Rental expense charged	–	317
- Sales commission	**239**	3,135
- Waiver of debts under the Scheme arrangement (Note 34(a))	**(951)**	–
- Rental of office expense	**7,268**	6,420

27. Related party transactions (cont'd)

(b) Compensation of key management personnel

Key management personnel includes the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

	Group	
	2021 RM'000	2020 RM'000
Salaries, wages, bonuses and other costs	**4,155**	4,880
Contributions to defined contribution plans	**200**	210
	4,355	5,090
Comprise amounts paid to:		
Directors – remunerations	**2,768**	3,596
Directors – fees	**481**	570
Other key management personnel	**1,106**	924
	4,355	5,090

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.

(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 as disclosed in Note 15. The Company has no significant concentration of credit risk except for amount due from subsidiaries as disclosed in Note 15.

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

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

(a) Credit risk (cont'd)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions (including the potential impact from Covid-19) 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. Based on the valuation reports on the development properties, management is of the view that the estimated market value of the collateralised properties would not be lesser than the receivable amount due from respective property buyers. As a result, the potential credit loss is relatively remote.

There has been no change in the estimation techniques or significant assumptions made during the current financial year except for reassessments made of the current COVID-19 pandemic effects on the historical default rates of each past due category of its trade receivables and contract assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group. Where receivables are written off, the Group continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Other financial assets at amortised cost

For other financial assets at amortised cost, management has considered, among other factors (including forward-looking information), the Group's and the Company's historical loss pattern over the last three financial years to assess the expected credit loss.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more event that have a detrimental impact on the estimated future cashflows of that financial assets have occurred. Evidence that a financial asset is credit-impaired includes observable data about events, including but not limited to significant financial difficulty of the borrower or a breach of contract, such as default or past due event.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have the financial capacity to meet the contractual cash flow obligations in the near future and the loans are secured by debenture over the subsidiaries' development properties and hence, does not expect significant credit losses arising from these guarantees.

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:

	12-month or lifetime ECL	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
Group 2021				
Cash and cash equivalents	N.A. Exposure Limited	8,272	–	8,272
Trade receivables	Lifetime ECL	284,730	–	284,730
Amount due from related parties	Lifetime ECL	48,541	–	48,541
Contract assets	Lifetime ECL	27,345	–	27,345
Refundable deposits	N.A. Exposure Limited	3,612	–	3,612
Other receivables	12-month ECL	48,806	–	48,806
Group 2020				
Cash and cash equivalents	N.A. Exposure Limited	23,142	–	23,142
Trade receivables	Lifetime ECL	348,148	–	348,148
Amount due from related parties	Lifetime ECL	41,606	–	41,606
Contract assets	Lifetime ECL	27,202	–	27,202
Refundable deposits	N.A. Exposure Limited	7,197	–	7,197
Other receivables	12-month ECL	104,820	–	104,820
Company 2021				
Cash and cash equivalents	N.A. Exposure Limited	175	–	175
Amount due from subsidiaries	Lifetime ECL	267,470	–	267,470
Other receivables	12-month ECL	222	–	222
Company 2020				
Cash and cash equivalents	N.A. Exposure Limited	840	–	840
Amount due from subsidiaries	Lifetime ECL	299,159	–	299,159
Other receivables	12-month ECL	159	–	159

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.

Group	**Less than one year RM'000**	**Two to five years RM'000**	**More than five years RM'000**	**Total RM'000**
2021				
Financial liabilities				
Trade and other payables	316,705	34,057	–	350,762
Lease liabilities	23,067	66,559	677	90,303
Loans and borrowings	295,312	85,999	58,293	439,604
Total undiscounted financial liabilities	**635,084**	**186,615**	**58,970**	**880,669**
2020				
Financial liabilities				
Trade and other payables	380,799	32,191	–	412,990
Lease liabilities	50,934	107,007	1,202	159,143
Loans and borrowings	287,352	102,619	29,078	419,049
Total undiscounted financial liabilities	719,085	241,817	30,280	991,182

Company	**Less than one year RM'000**	**Two to five years RM'000**	**More than five years RM'000**	**Total RM'000**
2021				
Financial liabilities				
Trade and other payables	5,988	–	–	5,988
Loan and borrowings	205,590	–	–	205,590
Financial guarantees*	15,650	–	–	15,650
Total undiscounted financial liabilities	**227,228**	**–**	**–**	**227,228**
2020				
Financial liabilities				
Trade and other payables	4,007	–	–	4,007
Loan and borrowings	211,711	–	–	211,711
Financial guarantees*	15,568	–	–	15,568
Total undiscounted financial liabilities	231,286	–	–	231,286

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

(b) Liquidity risk (cont'd)

* As at 30 June 2021 and 30 June 2020, the maximum exposure of the Company in respect of the intra-group financial guarantee (Note 19) based on facilities drawn down by the subsidiaries is RM15,650,000 (2020: RM15,568,000) (Note 26). The Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee as its subsidiaries have the financial capability to meet the contractual cash flow obligations in the near future.

	Group	
	2021 RM'000	2020 RM'000
Total committed financial guarantee	**25,000**	25,000
Amount utilised	**(15,650)**	(15,568)
Total unutilised amount	**9,350**	9,432

(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 19. The Group manages its interest rate risk by having a mixture of fixed and variable rates for its loans and borrowings from time to time based on prevailing market conditions. The Group and Company do not utilise derivatives to mitigate its interest rate risk.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing financial liabilities at the end of the financial year and the stipulated change taking place at the beginning of the year and held constant throughout the financial year in the case of instruments that have floating rates. A 50-basis point increase or decrease is used and represents management's assessment of the possible change in interest rates.

Table below shows the sensitivity of profit before tax affected by changes in interest rates for financial liabilities with floating rates.

	(Decrease)/increase in loss before tax	
	Group	
Change in interest rates	**2021 RM'000**	2020 RM'000
50 basis points decrease	**(957)**	(955)
50 basis points increase	**957**	955

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 arises 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 19. The foreign currency balances in cash and cash equivalents 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 2021 and 30 June 2020.

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	
	2021 RM'000	2020 RM'000
USD against RM		
Weakened 5%	**9,345**	9,623
Strengthened 5%	**(9,345)**	(9,623)

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.

31. Dividends

	Group and Company	
	2021 RM'000	2020 RM'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2020: Nil (2019: S$0.013 ^ per share)	**–**	567

^ Approximately RM0.039.

32. 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 2021 and 30 June 2020.

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	
	2021 RM'000	2020 RM'000
Loans and borrowings (Notes 17 and 19)	**394,202**	399,130
Less: Cash and bank balances (Note 16)	**(8,272)**	(23,142)
Net debt [A]	**385,930**	375,988
Equity attributable to owners of the Company, representing total capital	**21,465**	159,965
Adjusted capital [B]	**407,395**	535,953
Gearing ratio [A/B]	**95%**	70%

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.

33. Subsequent events

(a) Proposed disposal of land

On 7 July 2021, the Company's indirect wholly-owned subsidiary, Prolific Revenue Sdn Bhd has entered into a sale and purchase agreement with Webest Sdn Bhd, a third party, for the disposal of a leasehold land for an aggregate consideration of RM25.8 million (the "Proposed Disposal"). The completion of the Proposed Disposal is conditional upon the satisfaction of conditions precedent.

(b) Entry into placement agreement

On 15 September 2021, the Company entered into a subscription agreement (the "Placement Agreement") with Asdew Acquisitions Pte. Ltd. ("Asdew Acquisitions"), Evolve Capital Management Private Limited ("Evolve Capital") and Ong Toon Wah (collectively, the "Subscribers"). Pursuant to the Placement Agreement, the Company has agreed to allot and issue an aggregate of 80,000,000 new ordinary shares (the "Placement Shares") in the capital of the Company, of which 40,000,000 Placement Shares are to be allotted and issued to Asdew Acquisitions, 20,000,000 Placement Shares are to be allotted and issued to Evolve Capital and 20,000,000 Placement Shares are to be allotted and issued to Ong Toon Wah. The Subscribers have agreed to subscribe for the Placement Shares at the price of S$0.023 per Placement Share for an aggregate amount of S$1,840,000 (approximately RM5,681,000) (the "Placement Consideration"), with S$920,000 (approximately RM2,840,000) of such Placement Consideration to be paid by Asdew Acquisitions, and S$460,000 (approximately RM1,420,000) of such Placement Consideration to be paid by each of Evolve Capital and Ong Toon Wah respectively.

In addition, the Company has agreed to constitute 80,000,000 non-listed, transferable warrants (the "Warrants") of which 40,000,000 Warrants are to be allotted and issued to Asdew Acquisitions, 20,000,000 Warrants are to be allotted and issued to Evolve Capital and 20,000,000 Warrants are to be allotted and issued to Ong Toon Wah with the exercise price of S$0.048 per Warrant. The completion of the placement is conditional upon the satisfaction of conditions precedent. On 8 November 2021, certain subscribers completed the exercise of 40,000,000 Warrants at the exercise price of S$0.048 per Warrant for an aggregate amount of S$1,920,000. There are 40,000,000 outstanding Warrants remaining after the aforesaid exercise.

33. Subsequent events (cont'd)

(c) Issuance of RM13,350,000 notes under the Medium-Term Note Programme

Pursuant to the Medium-Term Note Programme, there were outstanding notes amounted to RM15,650,000 due for repayment on 24 September 2021. On 23 September 2021, the Company announced that its indirect wholly-owned subsidiary, MDSA Resources Sdn Bhd had issued new notes amounting to RM13,350,000 to repay the outstanding notes. These new notes would mature on 26 September 2022 and bear a coupon rate of 7.0% per annum payable semi-annually in arrears from the date of issue.

(d) Memorandum of Understanding ("MoU") on cryptocurrency mining

On 16 September 2021, the Company's wholly-owned subsidiary, Hatten Technology (S) Pte. Ltd. ("HTPL") has signed a MoU with SGX Mainboard-listed SMI Vantage Limited (formerly known as Singapore Myanmar Investco Limited) to jointly explore business opportunities in cryptocurrency mining activities.

(e) Strategic partnership with Bursa-listed Nestcon Bhd subsidiary to explore solar energy opportunities

On 16 September 2021, the Company's indirect wholly-owned subsidiary, Hatten Commercial Management Sdn. Bhd. has signed a Strategic Partnership Agreement with Nestcon Sustainable Solutions Sdn. Bhd., a wholly-owned subsidiary of Bursa Malaysia-listed Nestcon Bhd. to explore opportunities related to solar photovoltaic plants and facilities in Malaysia.

(f) Definitive agreement with Frontier Digital Asset Management Pte. Ltd. ("Frontier")

On 29 September 2021, HTPL has signed an agreement with Frontier to share proceeds from jointly operating cryptocurrency mining rigs within the Groups' properties in Malaysia.

(g) Exclusive framework agreement with Prakal Pte. Ltd. ("EnjinStarter")

On 7 October 2021, HTPL has entered into an exclusive framework agreement with EnjinStarter to develop a dedicated token system and create digital assets, including non-fungible tokens ("NFTs") to promote the development of a digital economy in Melaka, Malaysia where the Group has substantial hospitality and retail assets.

(h) Proposed placement of 20,000,000 new ordinary shares in the capital of the Company

On 28 October 2021, the Company entered into a placement agreement (the "Placement Agreement") with Golden Summit International Ltd ("GSIL"). Pursuant to the Placement Agreement, the Company agrees to allot and issue 20,000,000 new ordinary shares in the capital of the Company (the "Placement Shares") at an issue price of S$0.06 for each Placement Share and GSIL agrees to subscribe for the Placement Shares for a consideration of S$1,200,000 (approximately RM3,705,000). The allotment and issue of 20,000,000 new ordinary shares has been completed on 22 November 2021.

(i) Joint venture with HydraX Pte. Ltd. ("Hydra X")

On 1 November 2021, the Company announced that HTPL has entered into a joint venture agreement ("JVA") with Hydra X to establish a joint venture company ("JVC") to jointly develop and operate "first-of-its-kind" cryptocurrency exchanges.

Under the JV Agreement, the Group will hold 60% equity stake in the JVC with the remaining 40% equity stake to be held by Hydra X. As partial consideration for the development costs for the cryptocurrency exchanges, Hydra X will be issued new ordinary shares of the Company and Hydra X will become a shareholder of the Company.

33. Subsequent events (cont'd)

(j) Litigation against Gold Mart Sdn. Bhd. ("GMSB")

On 3 November 2021, the Company announced that a winding up petition (the "Petition") for the sum of RM1,380,307 was filed against the Company's indirect wholly-owned subsidiary, GMSB. The notice of the Petition was published in The Star (Malaysia) on 11 October 2021 and 12 October 2021.

GMSB had filed an appeal on the Petition and the petitioners have consented to stay the application pending the outcome of the appeal. As at the date of this report, the date of hearing for the appeal has not yet been set.

The Petition was filed against GMSB by the petitioners who claimed that GMSB is indebted to them. In view of the claim amount, the Group does not expect the Petition to have a material impact on the business and operations of the Group.

(k) Entry into joint venture agreement (the "JVA") for renewable energy market opportunities

On 10 November 2021, the Group's newly incorporated wholly-owned subsidiary, Hatten Renewable Energy Sdn. Bhd. ("HRE") has entered into a JVA with Nestcon Sustaniable Solutions Sdn. Bhd. ("NSS"), pursuant to which the parties to the JVA have agreed to incorporate a joint venture company ("JVC") to co-operate and collaborate with each other and other potential partners to jointly secure, supply, construct, develop and manage solar photovoltaic plants and facilities in Malaysia.

Lianbang Ventures Sdn. Bhd., the majority owner of Dataran Pahlawan Melaka Megamall (the "Mall") and a related party of the Company, has invited the parties to undertake the development of a 3.19 MWp rooftop solar photovoltaic system project which consists of 6,373 solar panels and associated system on the roof of the Mall in the state of Melaka in Malaysia.

HRE and NSS agree that the shareholding structure of the JVC shall be 70% owned by NSS while 30% owned by HRE.

34. Significant events during the financial year

(a) Restructuring of MDSA Ventures Sdn Bhd ("MVSB") and MDSA Resources Sdn Bhd ("MRSB")

On 2 July 2020, the Company announced that its indirect wholly-owned subsidiaries, MVSB and MRSB had applied to the High Court of Malaya at Malacca, Malaysia, pursuant to Sections 366 and 368 of the Malaysian Companies Act 2016 (the "Act") for, among others, the following orders:

(i) Leave to call for creditors' meetings pursuant to Section 366 (1) of the Act for the purpose of considering and if deemed appropriate, to approve with or without modification, a proposed scheme of arrangement and compromise between the applicant and its unsecured creditors (the "Scheme"); and

(ii) A restraining order pursuant to Section 368 of the Act restraining any legal proceedings against the applicants and/or their assets, including but not limited to court, winding up and arbitration proceedings for a period of 3 months from the date of the order, except with leave of court and subject to such terms as the court may impose (the "Order").

MVSB and MRSB have been granted the restraining order and leave to call for the creditors' meetings by the High Court of Malaya at Malacca, Malaysia pursuant to the Act. The scheme entities shall work with its legal counsel to formulate the details of the Scheme to be presented to the creditors for their consideration in due course.

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

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

MVSB

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. MVSB has also undertaken to inject further assets of up to RM53.6 million if necessary.

The SPV will be placed into creditors' voluntary liquidation where the liquidator(s)' will realise the Earmarked Properties and distribute the monies to the scheme creditors. Under the Scheme, Third party scheme creditors will be paid first from the proceeds from the disposal of the Earmarked Properties.

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. As at the date of this report, the Court of Appeal of Malaysia has 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.

(b) Adjudication for a material litigation

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

Pursuant to the Notice of Adjudication, the Contractor is claiming against GMSB an amount of RM100 million. According to the Notice of Adjudication, the parties are to reach an agreement on the identity of the adjudicator within 10 working days from the date of receipt of the Notice of Adjudication, failing which the Contractor will make a request to the Director of Asian International Arbitration Centre to appoint an adjudicator.

The Group is of the view that the Contractor's claim is without merit given that the Contractor itself is in substantive breach of the Agreement and GMSB intends to defend the claim against it vigorously. GMSB also intends to counter-claim against the Contractor for various breaches of contract.

During the financial year, an adjudicator has been appointed by the Director of the Asian International Arbitration Centre pursuant to Section 23(1) of the Construction Industry Payment and Adjudication Act 2012 to determine the dispute between GMSB and the Contractor.

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

(b) Adjudication for a material litigation (cont'd)

On 12 April 2021, the adjudicator has reached a decision and determined that GMSB is required to pay to the Contractor for the amounts of RM1,534,935 (excluding interest) instead of the initial amount of RM100 million claimed by the Contractor as stipulated below:

- RM1,354,435 (the "Cost of Contract Works") which is calculated based on the amount claimed by the Contractor less liquidated damages of RM49,230,000 and non-renewal of performance bond of RM40,909,400;
- Interest at 5% per annum on the Cost of Contract Works from the date of the decision until payment;
- RM150,000 of cost of adjudication; and
- Reimbursement of RM30,500 paid by the Contractor to the Asian International Arbitration Centre.

The Group has no objection on the decision determined by the adjudicator. In addition, the contract with the Contractor has been terminated.

35. Impact of COVID-19

In March 2020, the World Health Organisation declared the Coronavirus Disease ("COVID-19") outbreak to be a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economy and this has impacted the Group's operations and its financial performance.

As the situation evolves, the directors and management do not consider it practicable to provide a quantitative estimate of the potential impact of the outbreak on the Group's subsequent financial statements. Notwithstanding this, the directors and management have assessed that the Group will still be able to maintain sufficient liquidity at least for the next 12 months from the date of authorisation of these financial statements.

36. Comparative figures and reclassifications

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's presentation. The comparative figures have been restated to reclassify the contract assets amount which was included in development properties in the previous financial year.

As a result, certain line items have been amended on the statement of financial position and the related notes to the financial statements for the previous financial year ended 30 June 2020. The items were reclassified as follows:

	As Previously reported RM'000	Amount reclassified RM'000	As reclassified RM'000
Statement of financial position			
As of 30 June 2020 - Group			
- Development properties	641,802	(27,202)	614,600
- Contract assets	–	27,202	27,202
Consolidated statements of cash flows			
For the financial year ended 30 June 2020			
Changes in operating assets and liabilities			
- Development properties	10,079	27,202	37,281
- Contract assets	3,267	(27,202)	(23,935)

The reclassifications did not have any effect on the net loss for the previous financial year and the statement of financial position of the beginning of the preceding financial year.

37. 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 2021 were authorised for issue in accordance with a resolution of the board of directors of the Company on 8 December 2021.

STATISTIC OF SHAREHOLDINGS

AS AT 30 NOVEMBER 2021

SHARE CAPITAL AND VOTING RIGHTS

Number of shares issued	: 1,735,169,228
Issued and fully paid-up capital	: S$434,890,440
Class of shares	: 1 vote per ordinary share
Treasury shares	: Nil
Subsidiary holdings	: Nil

Size of shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	**161**	4.88	**9,349**	0.00
100 - 1,00	**791**	23.99	**316,049**	0.02
1,001 - 10,000	**857**	25.99	**3,578,462**	0.21
10,001 - 1,000,000	**1,436**	43.56	**165,592,545**	9.54
1,000,001 and above	**52**	1.58	**1,565,672,823**	90.23
	3,297	100.00	**1,735,169,228**	100

SUBSTANTIAL SHAREHOLDERS

	DIRECT INTEREST		DEEMED INTEREST	
	Number of shares	**%**	**Number of shares**	**%**
Hatten Holdings Pte Ltd*	937,091,508	54.01%	-	-
Tan June Teng Colin @ Chen JunTing	-	-	937,091,508	54.01%
Tan Ping Huang Edwin @ Chen BingHuang	-	-	937,091,508	54.01%

* 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.

SHAREHOLDINGS HELD BY PUBLIC

Based on the information available to the Company as at 30 November 2021, approximately 36.89% 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.

STATISTIC OF SHAREHOLDINGS

AS AT 30 NOVEMBER 2021

TWENTY LARGEST SHAREHOLDERS AS AT 30 NOVEMBER 2021

	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	785,458,618	45.27
2	HATTEN HOLDINGS PTE LTD	177,091,508	10.21
3	KINGPIN INVESTMENT (PTE LTD)	56,500,000	3.26
4	AIM WORLDWIDE GROUP LTD	53,909,000	3.11
5	KGI SECURITIES (SINGAPORE) PTE. LTD	46,990,900	2.71
6	RAFFLES NOMINEES (PTE) LIMITED	43,261,279	2.49
7	LU CHAI HONG	41,893,900	2.41
8	ERIC TAN ENG HUAT	32,980,400	1.90
9	LINK (THM) BIZ MS PTE LTD	30,186,875	1.74
10	TAN JUNE WEE EDERN	28,900,000	1.67
11	ONG TOON WAH	27,200,000	1.57
12	UOB KAY HIAN PTE LTD	27,022,791	1.56
13	CITIBANK NOMINEES SINGAPORE PTE LTD	24,411,716	1.41
14	MAYBANK KIM ENG SECURITIES PTE. LTD	22,671,820	1.31
15	DBSN SERVICES PTE LTD	20,000,000	1.15
16	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	16,265,226	0.94
17	ASDEW ACQUISITIONS PTE LTD	16,200,000	0.93
18	OCBC SECURITIES PRIVATE LTD	15,627,331	0.90
19	DBS NOMINEES PTE LTD	11,106,985	0.64
20	IFAST FINANCIAL PTE LTD	6,789,711	0.39
	Total	**1,484,468,060**	**85.57**

NOTICE OF
Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Hatten Land Limited (the "Company") will be held by electronic means on Thursday, 30 December 2021 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 2021 and the Directors' Statement and the Auditors Report thereon. **(Resolution 1)**

2. To re-elect Dato' Wong King Kheng, a Director retiring pursuant to Article 117 of the Company's Constitution, and who being eligible, will offer himself for re-election. **(Resolution 2)**

3. That contingent upon the passing of Ordinary Resolution 2 above, members to approve the continued appointment of Dato' Wong King Kheng, as an Independent Director, pursuant to Rule 406(3)(d)(iii)(A) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("Catalist Rules"), that will take effect on 1 January 2022. **(Resolution 3)**

   (Please refer to Explanatory Note 1)

4. That contingent upon the passing of Ordinary Resolution 3 above, members (excluding the Directors and Chief Executive Officer ("CEO") of the Company, and associates of such Directors and CEO), to approve Dato' Wong King Kheng's continued appointment as an Independent Director, pursuant to Rule 406(3)(d)(iii)(B) of the Catalist Rules. **(Resolution 4)**

   Dato' Wong King Kheng will, upon re-election as Director of the Company, remain as the Chairman of the Audit and Risk Committee and member of the Nominating Committee and the Remuneration Committee. The Board considers Dato' Wong King Kheng to be independent for the purposes of Rule 704(7) of the Catalist Rules.

5. To re-elect Mr. Loh Weng Whye, a Director retiring pursuant to Article 117 of the Company's Constitution, and who being eligible, will offer himself for re-election. **(Resolution 5)**

   Mr. Loh Weng Whye will, upon re-election as Director of the Company, remain as the Chairman of the Nominating Committee and member of the Remuneration Committee and the Audit and Risk Committee. The Board considers Mr. Loh Weng Whye to be independent for the purposes of Rule 704(7) of the Catalist Rules.

6. To note the retirement of Mr Foo Jong Han Rey as a Director of the Company, who is retiring pursuant to Article 117 of the Company's Constitution and has decided not to seek re-election.

7. To approve the payment of Directors' Fees of S$121,875 (2020: S$187,500/-) for the financial year ended 30 June 2021. **(Resolution 6)**

8. To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

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

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

   "a) That, pursuant to Section 161 of the Companies Act, Chapter 50 (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 8)**

      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

(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 refer to Explanatory Note 2)

10. **THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

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: **(Resolution 9)**

   i) on-market purchase(s) ("**Market Purchase**") transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

   ii) off-market purchase(s) ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Act and the Catalist Rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

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."

11. THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTION MANDATE

(Resolution 10)

a) That approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules for the Group to enter into any of the transactions falling within the types of Interested Person Transactions ("**IPTs**") (particulars of which are set out in the Appendix) with the interested persons in accordance with the guidelines of the Company for IPTs as set out in the Appendix, and subject to the review procedures for such IPTs as set out in the Appendix (the "**IPT Mandate**");

b) That such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company;

c) That the Audit and Risk Committee of the Company be and is hereby authorized to take such action as it deems proper in respect of the review procedures for the IPTs and/or to modify or implement such procedures as may be necessary to take into consideration 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)

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

"That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to: **(Resolution 11)**

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)

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

That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to: **(Resolution 12)**

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)

BY ORDER OF THE BOARD

Dato' Tan June Teng Colin @ Chen JunTing
Executive Chairman and Managing Director

Singapore, 15 December 2021

NOTICE OF
Annual General Meeting

EXPLANATORY NOTES:

1. Dato’ Wong King Kheng was appointed as Independent Director of the Company on 28 October 1996 and has served the Board beyond nine years. Rule 406(3)(d)(iii), which takes effect on 1 January 2022, of the Listing Manual Section B: Rules of Catalist of the Listing Manual of the SGX-ST, requires a director who has been a director for an aggregate period of more than nine years (whether before or after listing) and whose continued appointment as an independent director to seek approval in separate resolutions by (A) all shareholders; and (B) all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the company, and associates of such directors and chief executive officer. In connection therewith, the resolutions to seek the approval of the shareholders for the re-election of Dato’ Wong King Kheng as an Independent Director of the Company will be put to the vote at the forthcoming Annual General Meeting in accordance with the abovementioned required two tier voting mechanism.

   Dato’ Wong King Kheng, upon re-election as a Director of the Company, will continue to serve as the Lead Independent Director, Chairman of the Audit and Risk Committee and a member of the Nominating Committee and Remuneration Committee and is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

2. Ordinary Resolution 8 proposed in item 9 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 10 proposed in item 11 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 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 @ Chen JunTing and Dato’ Tan Ping Huang Edwin @ Chen BingHuang 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 10 relating to the proposed renewal of the IPT Mandate.

4. Ordinary Resolution 11 if passed, will empower the Directors of the Company, to offer and grant Options under the Hatten ESOS and to allot and issue shares pursuant to the exercise of such Options under the Hatten ESOS, Hatten PSP and any other share baased incentive schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

5. Ordinary Resolution 12 if passed will empower the Directors of the Company, to allot and issue Shares pursuant to the vesting of Awards under the Hatten ESOS,Hatten PSP any any other share based incentive schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company from time to time.

Participation in the AGM via live webcast or live audio feed

1. As the AGM will be held by way of electronic means, shareholders will **NOT** be able to attend the AGM in person. All shareholders or their corporate representatives (in the case of shareholders which are legal entities) will be able to participate in the AGM proceedings by accessing a live webcast or live audio feed. To do so, shareholders are required to pre-register their participation in the AGM (“Pre-registration”) at this link: https://online.meetings.vision/hatten-agm-registration **by 10.00 a.m. 27 December 2021** (“**Registration Deadline**”) for verification of their status as shareholders (or the corporate representatives of such shareholders).

2. Investors who hold shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the Live AGM Webcast must approach their respective depository agents to pre-register by **5.00 p.m. on 20 December 2021** in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.

3. Upon successful verification, each such shareholder or its corporate representative will receive an email by **5.00 p.m. on 28 December 2021**. The email will contain instructions to access the live webcast or live audio feed of the AGM proceedings. Shareholders or their corporate representatives must not forward the email to other persons who are not shareholders and who are not entitled to participate in the AGM proceedings. Shareholders or their corporate representatives who have pre-registered by the Registration Deadline in accordance with paragraph 1 above but do not receive an email by **5.00 p.m. on 28 December 2021** may contact the Company’s Share Registrar, Tricor Barbinder Share Registration Services at (65) 6236 3550/555 for enquiries.

Voting by proxy

4. Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting 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. The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at http://www.hattenland.com.sg, https://online.meetings.vision/hatten-agm-registration and SGXNET.

5. Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the Meeting as their proxy to do so on their behalf and must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

6. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 pm on 20 December 2021**.

7. The duly executed proxy form must be submitted via one of the following means:

    (a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898, or

    (b) submitted by email to sg.is.proxy@sg.tricorglobal.com

    not later than 72 hours before the time set for the Annual General Meeting.

    In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. 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

9. Shareholders may submit questions relating to the items on the agenda of the AGM via the AGM Registration and Question & Answer ("Q&A") Link. All questions must be submitted by **10.00 a.m. on 23 December 2021**:

    (a) via the pre-registration website at https://online.meetings.vision/hatten-agm-registration, or

    (b) by email to hattenlandagm@hattengrp.com

10. The Company will endeavour to address the substantial and relevant questions received in advance of the AGM either before or during the AGM. 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.

11. Please note that shareholders will not be able to ask questions at the AGM "live" during the webcast and the audio feed, and therefore it is important for shareholders to pre-register their participation in order to be able to submit their questions in advance of the AGM.

Important reminder

12. Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM.

NOTICE OF
Annual General Meeting

PERSONAL DATA POLICY

By (a) submitting an instrument appointing the Chairman of the Meeting as a proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) administration and analysis of the Company (or its agents or service providers) for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"),

(ii) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as a proxy for the AGM (including any adjournment thereof);

(iii) the processing of the Pre-registration for purposes of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary;

(iv) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(v) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(vi) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

HATTEN LAND LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199301388D)

IMPORTANT

1. The Annual General Meeting ("**AGM**") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means, submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Notice of AGM dated 15 December 2021.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on is/her/its behalf at the AGM if such member wishes to exercise his/her/ its voting rights at the AGM.**
4. For investors who have used their CPF/SRS monies to buy shares in the Company, 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.
5. CPF/SRS investors are requested to contact their respective Agent Banks for any queries they may have with regard to the appointment of the Chairman of the Meeting as the proxy.

Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

PROXY FORM

*I/We (Name) ______________________________ NRIC/Passport No/Company's Registration Number ______________ of (address) ______________________________

being *a member/members of Hatten Land Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us at the Annual General Meeting of the Company to be held by electronic means on Thursday, 30 December 2021 at 10.00 a.m., and at any adjournment thereof.

I/We have indicated with an "X" in the appropriate box against each item below how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

No.	Ordinary Resolutions	For	Against	Abstain
1.	To receive and consider the Audited Financial Statements of the Company for the financial year ended 30 June 2021 and the Directors' Statement and Auditors' Report thereon.			
2.	To re-elect Dato' Wong King Kheng as Director pursuant to Article 117 of the Company's Constitution.			
3.	To approve Dato' Wong King Kheng's continued appointment as an Independent Director by all Members.			
4.	To approve Dato' Wong King Kheng's continued appointment as an Independent Director by Members (excluding the Directors and Chief Executive Officer ("CEO") of the Company, and associates of such Directors and CEO)			
5.	To re-elect Mr. Loh Weng Whye as Director pursuant to Article 117 of the Company's Constitution.			
6.	To approve the payment of Directors' Fees of S$121,875/- for the financial year ended 30 June 2021			
7.	To re-appoint Messrs Baker Tilly TFW LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
8.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.			
9.	To approve the renewal of the Share Buy-Back Mandate			
10.	To approve the renewal of the Interested Person Transaction Mandate			
11.	To approve the allotment and issue of shares under the Hatten Land Limited Employees' Share Option Scheme			
12.	To approve the allotment and issue of shares under the Hatten Land Limited Performance Share Plan			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this ________day of ___________________ 2021

Total Number of Shares Held

____

Signature(s) of Member(s)/Common Seal
* Delete accordingly
IMPORTANT. Please read notes overleaf

Notes:-

1. This 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.

2. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting 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.**

3. 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, may be

   (a) deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898, or

   (b) submitted by email to sg.is.proxy@sg.tricorglobal.com (recommended)

   not later than 72 hours before the time set for the Annual General Meeting.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf 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 of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5. The Company shall be entitled to reject the instrument appointing the Chairman as proxy 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.

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 15 December 2021.

AFFIX
STAMP

The Company Secretary
HATTEN LAND LIMITED
c/o Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #11-02
Singapore 068898

HATTEN LAND LIMITED

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