ANNUAL REPORT 2017

HATTEN LAND 惠勝

BUILDING TOMORROW TOGETHER

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	PROXY FORM

*Hatten Land Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 January 2017 via a reverse take-over ("**RTO**"). The financial adviser for the RTO was UOB Kay Hian Private Limited (the "**Sponsor**").*

This Annual Report has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Josh Tan, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

CORPORATE
PROFILE

Hatten Land Limited ("Hatten Land") is one of the leading property developers in Malaysia specialising in integrated residential, hotel and commercial developments and is headquartered in the historical city of Melaka.

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.

With the Right of First Refusal and Call Options to 20 land bank 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 Land in a near-unrivalled position with priority access to many plots of prime land.

The current development portfolio comprises five integrated mixed use development projects and one retail mall in Melaka. They are:

1. Hatten City Phase 1 (Elements Mall, SilverScape Residences, Hatten Suites, and a tower block that has been taken up by DoubleTree by Hilton);

2. Hatten City Phase 2 (Imperio Mall and Imperio Residence);

3. Harbour City (a mall, a theme park and three hotels);

4. Satori (Satori Suites, Satori Residences and a mall);

5. MICC Project; and

6. Vedro by the River (a mall).

Hatten Land began trading on the Singapore Exchange Catalist board (SGX:PH0) on 28 February 2017 after the completion of the reverse takeover by Sky Win Management Consultancy Pte Ltd.

MILESTONES

2006

Flagship Project
Largest mall in Melaka
Dataran Pahlawan
Melaka Megamall
("DPMM")

2008

Completion of the
expansion of DPMM

2011

Hatten City Phase 1
Sales Launch

2012

Completion of Hatten
Square and Hatten Hotel

Hatten City Phase 2
Sales Launch

2013

Vedro by the River
Sales Launch

2015

Completion of
Terminal Pahlawan

Completion of
Estadia Hotel

Harbour City Phase 1
Sales Launch

2016

Completion of Hatten
City Phase 1

Harbour City Phase 2
Sales Launch

2017

Listed on
Singapore Exchange

Satori
Sales Launch

CHAIRMAN'S STATEMENT

With an established track record and reputation as one of the premier developers in the historical city of Melaka on peninsular Malaysia's West Coast, Hatten Land's listing confers the Company, together with its subsidiaries (the "**Group**"), a broader capital market platform and international profile.

DATO' COLIN TAN JUNE TENG (DIMP)

Executive Chairman and Managing Director, Hatten Land Limited

Dear Shareholders,

It gives me great pleasure to present Hatten Land Limited's ("**Hatten Land**") first Annual Report as a public listed company since we completed the S$386 million reverse takeover ("**RTO**") on 24 January 2017. I am also elated to announce that our Board of Directors has proposed a maiden dividend, our first as a listed company, in view of a commendable financial performance in the year under review.

Our core business has been in mixed developments, masterfully combining residential, commercial and cultural elements to create a sophisticated merging of inspiration and architecture.

With an established track record and reputation as one of the premier developers in the historical city of Melaka on peninsular Malaysia's West Coast, Hatten Land's listing further confers the Group with the benefits of a broader capital market platform and international profile.

FINANCIAL PERFORMANCE

The Group's revenue in the financial year ended 30 June 2017 ("FY2017") increased by RM50.1 million or 12.1% to RM462.4 million compared to RM412.3 million in FY2016. This was mainly due to higher progressive sales recognised from Hatten City Phase 2 and Harbour City – two important projects in Melaka – in accordance with the percentage of completion method. The former is a mixed development that includes Imperio Mall and Imperio Residence while the latter is a mixed development which is set to transform Melaka's tourism and entertainment landscape. The healthy sales underscore the clear market differentiation and a reputation for quality that Hatten Land's projects have.

Factoring in the one-off expenses related to the RTO, we recorded a net profit after tax of RM8.7 million for FY2017 which compared with RM68.6 million in FY2016. Excluding the one-off RTO expenses, our net profit would have risen 32.6% to RM91.0 million from RM68.6 million a year ago ("FY2016").

Our financial position remains healthy with cash and cash equivalents of RM81.5 million as at 30 June 2017, compared to RM79.8 million as at 30 June 2016.

PROPOSED DIVIDENDS

In view of the positive set of results, the Directors have proposed a dividend of 0.05 Singapore cent per share, representing 26% of our net profit for the year. If approved, this would mark the first dividend payout as a publicly listed corporation. It is our way of rewarding shareholders for their support and loyalty as we embark on this transformation.

PROJECT IN THE PIPELINE AND CORPORATE DEVELOPMENTS

SATORI

A major factor behind Hatten Land's growth is its ability to identify what the market really wants. Our understanding of lifestyle trends points to potential in the multi-billion dollar global wellness-leisure market. In line with this strategy, we launched Melaka's first wellness hub in the heart of the historical city in July 2017.

Satori, set for completion in 2020, is a two-acre mixed development located in Taman Melaka Raya with an estimated gross development value ("**GDV**") of RM300 million. It will have high-quality serviced residential and hotels units, as well as a comprehensive wellness mall.

Sales since July 2017 have been encouraging and will contribute to our performance in FY2018 and beyond.

HARBOUR CITY

In 2015, we launched Harbour City, a six-acre integrated commercial development, built on two kilometres of seafront land right next to the RM43 billion Melaka Gateway deep-sea port mega project.

Harbour City is expected to be completed in 2020, and we are already seeing substantial interest in this project from investors and prospective residential buyers. In FY2018, we intend to launch Harbour City Luxury Hotel, the last phase of the Harbour City development.

MICC

In FY2018, we will unveil MICC (Melaka International Convention Centre), a nine-acre project in Melaka slated to be an integrated mixed development with an estimated GDV of RM942 million.

We also have three exciting upcoming projects through non-binding memoranda of understanding:

- Plot K to E Project: 66 acres of prime land fronting the Melaka Straits
- Movie-Town Project: an integrated mixed development set on 8.86 acres of land along the Melaka Straits
- Cyberjaya Project: an integrated mixed development in Selangor with a total GDV of RM3.0 billion

To accelerate our property developments, we made two announcements subsequent to the end of FY2017. On 22 September 2017, we entered into a convertible loan agreement with Haitong International Financial Products (Singapore) Pte. Ltd. to raise up to US$20 million (S$27 million) to accelerate the development of Hatten City Phase 2 and to enhance Hatten City Phase 1. The conversion price of S$0.35 represents a 79.1% premium to the last traded price before the announcement and reflects positively on Hatten Land's ability to enhance shareholder value.

As announced on 11 September 2017, we established a medium-term note programme with Kenanga Investment Bank Berhad to raise up to RM200 million in nominal value to finance investment activities and for general working capital. The first tranche of RM25 million has been issued and will mature in two years.

OUTLOOK

Melaka has a unique strategic location and a unique historical legacy dating back to the travels of Zheng He ("**Cheng Ho**"), the renowned Ming Dynasty admiral. This historical fact is of great significance for Melaka in the development of China's Belt and Road Initiative in Malaysia. Our track record and strong presence in the property market in Melaka, along with our listed status, position Hatten Land well to capture these opportunities in the state and within Malaysia.

Melaka is expected to benefit significantly not just from the Belt and Road Initiative which will include land reclamation and port development, but also from major infrastructure developments that have been announced or are being planned. These include the Kuala Lumpur-Singapore High Speed Rail – due for completion in 2026 – which will pass through Melaka and expansion of the Melaka International Airport.

Without a doubt, Melaka and Malaysia will witness some of the most exciting infrastructure developments in South East Asia. These developments will boost economic development and tourist arrivals which will in turn spur demand for real estate projects as well as wellness-related services.

The project in the pipeline as outlined above has already been set in motion and will contribute to the growth of Hatten Land. We will continue to pursue value-accretive opportunities, including options to generate recurring revenue so as to enhance shareholder value. The public listing of Hatten Land has raised our international profile and positions us well to

seek strategic alliances with regional and global players eager to benefit from this major turning point in South East Asia's development.

With a sound strategy to capture new growth opportunities in health and wellness while remaining committed to our core business of premium mixed developments, we are confident with the financial performance for FY2018.

WELCOME AND APPRECIATION

I wish to extend a warm welcome to shareholders for being part Hatten Land.

I would like to thank Mr. Lee Sok Khian John for his contributions to our Group during his tenure of service. Mr. Lee will not be standing for re-election at the upcoming annual general meeting and will be stepping down as Non-Executive Director.

I would like to take this opportunity to welcome Mr. Leong Chain Hong Andy, who was appointed as our new Chief Financial Officer on 1 September 2017. Mr. Leong has decades of professional experience and will be an asset to the Group.

In recognition for his contributions and extensive experience in project development work, Mr. Tan Kay Yan Mark has been promoted to Chief Operating Officer of the Property Development Division on 29 August 2017.

Hatten Land's improved performance this financial year reflects the hard work and dedication of our team. I am most grateful for the dedication and commitment of our staff, the management team and for the guidance of our directors. And, of course, our customers without whom we will not exist as a business entity.

I would like to express my gratitude to the professionals and business advisers for their assistance with the RTO, thank you for your guidance and counsel, and a warm welcome to the Board, shareholders and Sponsors to Hatten Land. We will not disappoint you.

On a personal note, I would like to thank everyone for joining Hatten Land on this exciting journey ahead.

Together, we will continue building the future.

Dato' Colin Tan June Teng
Executive Chairman and Managing Director

主席汇报

致广大股东：

自惠勝于2017年1月24日完成3.86亿新元反向收购以来，我很荣幸向各位提呈惠勝置地有限公司（“惠勝置地”）作为上市企业的首次年报。我也很高兴地宣布，鉴于本年度财务业绩的亮眼表现，董事会已提议派发上市后首次股息。

惠勝置地是惠勝集团旗下的房地产开发部门。公司的核心业务擅长于综合开发，巧妙地结合住宅、商业和文化元素，将灵感与建筑精妙融合。

惠勝置地拥有良好的过往业绩和企业声誉，在马来西亚半岛西海岸的历史古城马六甲，更是顶尖开发商之一。上市后的惠勝置地为集团提供了一个更广泛的资本市场平台和国际化形象。

财务业绩

截至2017年6月30日（“2017财年”），集团收入录得4.624亿令吉，对比2016财年录得4.123亿令吉，同比增长5010万令吉或12.1%。这主要是由惠勝置地在马六甲的两大项目，惠勝之都第二期与豪暻湾按照完工百分比，同时录得高销售业绩。前者是一个综合开发项目，包括皇萱广场和皇萱湾。后者也是一个综合开发项目，旨在改造马六甲旅游业和娱乐业景观。良好的销售业绩证明了惠勝置地项目的明确市场差异化以及品质信誉。

计入反向收购相关的一次性开支，公司2017财年录得税后净利润870万令吉，对比2016财年为6860万令吉。除去反向收购开支，我司的净利润则为9100万令吉，去年同期（“2016财年”）为6860万令吉，同比增长32.6%。

截至2017年6月30日，公司财务状况保持稳健，现金和现金等价物为8150万令吉，对比2016年6月30日则为7980万令吉。

拟议派息

鉴于良好的业绩表现，董事会已提议每股派发0.05新分股息，占本年净利润的26%。如获得批准，这将是公司上市后的第一次派息。随著公司的成功转型，这次派发股息，亦是作为对各位股东支持和忠诚的报答。

发展中项目和企业发展

Satori

促使惠勝置地跃进的一个主要因素，是其能够准确辨认市场需求。据我们对生活方式趋势的理解，全球健康休闲市场拥有数十亿美元的潜力。据此战略，公司于2017年7月在历史古城中心推出了马六甲的首个健康枢纽。

Satori预计于2020年竣工。这是一个占地两英亩，位于Taman Melaka Raya的综合开发项目，预计总开发价值（“GDV”）为3亿令吉。该项目将拥有高品质的服务式住宅和酒店单元，以及一个综合健康购物中心。

自2017年7月以来，Satori取得了可喜的销售业绩，这将有助于我司在2018财年乃至以后的表现。

豪曝湾

在2015年，公司推出了豪曝湾，这是一个占地六英亩的综合商业开发项目，建设在两公里的海滨工地上，毗邻价值430亿令吉的皇京港大型深海港口项目。

豪曝湾预计于2020年竣工。投资者和潜在住宅买家已经对这一项目展现出兴趣。2018财年，我司计划推出豪曝湾豪华酒店，即豪曝湾开发的最后阶段。

马六甲国际会议中心

公司将于2018财年揭露马六甲国际会议中心（“MICC”）的消息，这是一个位于马六甲占地9英亩的项目，预计将成为另一个综合性开发项目，预计总开发价值为9.42亿令吉。

通过不具约束力的谅解备忘录，公司还有三个即将到来且令人兴奋的项目：

- Plot K至E项目：占地66英亩，面向马六甲海峡的黄金地段
- 电影城项目：沿著马六甲海峡，占地8.86英亩的综合开发项目
- 赛城项目：位于雪兰莪的综合开发项目，总开发价值为30亿令吉

为加快物业发展，公司在2017财年结束之后发表了两项公告。2017年9月22日，公司与Haitong International Financial Products （Singapore） Pte. Ltd签订了可转换公司债券协议筹集高达2000万美元（约合2700万新元），以加快惠勝之都第二期的发展，并提升惠勝之都第一期的发展。转换价为0.35新元，比公告前最后交易价格溢价79.1%并积极反映了惠勝置地提高股东价值的能力。

2017年9月11日，公司公布与Kenanga Investment Bank Berhad建立了一个中期票据计划，以筹集高达名义价值2亿令吉，为投资活动和一般营运资金提供融资。第一笔2500万令吉已发行，并将在两年内到期。

前景

马六甲拥有独特的战略位置和历史遗产，可追溯到著名明代官员郑和的航海游记。这一史实对于马六甲在马来西亚的中国一带一路倡议发展中起到了至关重要的作用。我们在马六甲房地产市场的过往业绩和渗透深度，以及公司的上市地位，使惠勝置地能够掌握州内和大马境内的这些机会。

除了一带一路倡议带来的明显效益，如土地开垦和港口开发，马六甲还将受益于已宣布或正在计划的主要基建开发。这其中包括2026年竣工的隆新高铁（会经过马六甲）和马六甲国际机场的扩建。

毫无疑问，马六甲和马来西亚将会见证东南亚一些令人振奋的基建发展。这些发展将会推动经济和旅客人数的增加，从而刺激房地产项目以及与健康相关服务的需求。

上述项目计划已经启动，将有助于惠勝置地的发展。我们将继续追求增值机会，包括产生常性收益的方案，提高股东价值。惠勝置地的上市提高了其国际形象，帮助公司寻求与区域和全球企业的战略联盟，并从东南亚发展的重大转折点中受益。

通过健全的战略，在保健和健康领域获得新的增长机会，同时保持我们对高端混合发展项目这一核心业务的认可，我们对2018财年的财务业绩有信心。

欢迎与致谢

在此热烈欢迎各位股东加入惠勝置地。

我要感谢Lee Sok Khian John先生在任职期间对本集团的贡献。李先生在即将举行的股东周年大会上将不再竞选连任，并将退任为非执行董事。

我亦借此机会，欢迎于2017年9月1日被任命为新任财务总监的Leong Chain Hong Andy先生。梁先生拥有数十年的专业经验，他将会是本集团的资产。

鉴于他在项目开发工作方面的贡献和丰富经验，Tan Kay Yan Mark先生于2017年8月29日晋升为物业发展部首席营运官。

惠勝置地本财年的业绩改善反映出公司团队的辛勤工作和奉献精神。我非常感谢我们工作人员和管理团队的奉献和承诺，以及公司董事们的指导。当然，我们的客户是我司作为一个商业实体而存在的坚实基础。

我要为反向收购提供协助、指导和建议的专业团队和商业顾问表示感谢。也欢迎董事会，股东和保荐人加入惠勝置地。我们不会让你们失望！

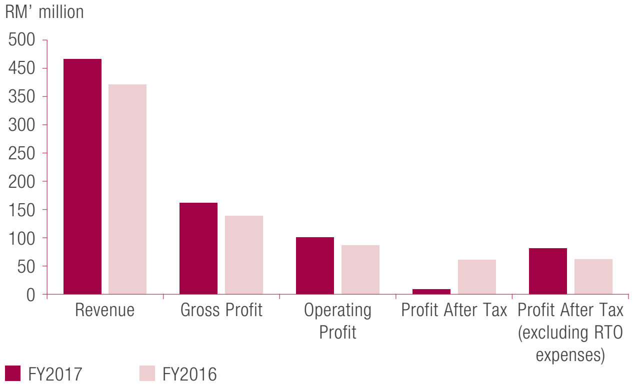
我个人想要借此机会，感谢大家加入惠勝置地，一同展开令人振奋的旅程。

携手共进，我们将继续筑起企业未来。

拿督陈俊廷

执行主席兼集团董事经理

FINANCIAL REVIEW



RM'million	FY2017	FY2016
Revenue	462.4	412.3
Gross Profit	180.3	154.7
Operating Profit	112.7	96.4
Profit After Tax	8.7	68.6
Profit After Tax (excluding RTO expenses)	91.0	68.6

INCOME STATEMENT

The Group's revenue for FY2017 rose 12.1% to RM462.4 million compared to RM412.3 million in FY2016 mainly due to higher progressive sales recognised from the Hatten City Phase 2 and Harbour City projects in accordance with the percentage of completion method.

Gross profit increased 16.6% to RM180.3 million in FY2017 from RM154.7 million in FY2016 while gross profit margin grew to 39.0% from 37.5%, over the comparative periods. In line with the higher gross profit, operating profit increased to RM112.7 million, up 16.8% from RM96.4 million a year earlier.

Selling and distribution expenses increased to RM40.5 million in FY2017 from RM22.4 million in FY2016 due to more sales and marketing initiatives, in line with the increase in revenue.

General and administrative expenses decreased significantly to RM35.6 million in FY2017 from RM47.2 million in FY2016 over the comparative periods, due to internal restructuring of manpower following the RTO.

Finance costs amounted to RM0.4 million in FY2017 as compared to RM0.9 million in FY2016 due to lower hire purchase interest in FY2017.

Factoring in the one-off expenses related to the RTO, we recorded a net profit after tax of RM8.7 million for FY2017 compared with RM68.6 million in FY2016. Excluding the RTO expenses, our net profit would have risen 32.6% to RM91.0 million from RM68.6 million a year ago.

Fully diluted earnings per share ("EPS") based on the enlarged post-placement share capital of 1.38 billion shares for FY2017 came to 0.69 RM cent, compared to 5.77 RM cents in FY2016. Excluding the RTO expenses, FY2017 EPS would have risen to 7.21 RM cents.

BALANCE SHEET

Non-current assets increased to RM156.0 million as at 30 June 2017 from RM115.4 million as at 30 June 2016. This is largely due to the increase in property, plant and equipment by RM30.5 million; contributed by the construction progress of car parks.

Current assets increased to RM1.1 billion as at 30 June 2017 from RM817.9 million a year ago due mainly to development properties which increased by RM61.3 million as well as trade and other receivables which increased by RM251.4 million.

Current liabilities rose to RM579.5 million as at 30 June 2017 from RM500.8 million as at 30 June 2016 mainly due to trade and other payables increasing by RM112.3 million, partially offset by lower other current liabilities, which decreased by RM33.3 million.

Non-current liabilities increased to RM485.5 million as at 30 June 2017 from RM371.9 million as at 30 June 2016 mainly due to increased in loans and borrowings by RM100.2 million for ongoing projects.

Our financial position remains healthy with cash and cash equivalents of RM81.5 million as at 30 June 2017, compared to RM79.8 million as at 30 June 2016. We ended the year with net assets of RM227.4 million compared to RM60.6 million a year earlier, after the completion of the RTO and placement to raise RM82.9 million.

STATEMENT OF CASH FLOWS

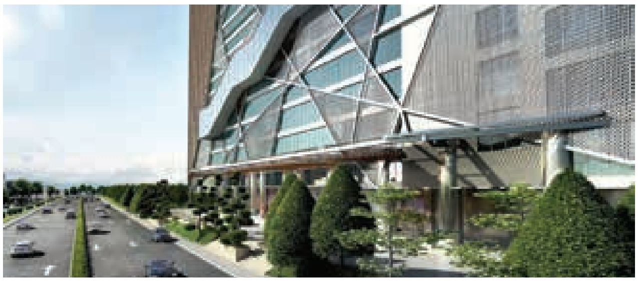
The Group recorded net cash flows used in operating activities of RM129.9 million in FY2017 mainly due to increase in trade and other receivables of RM251.3 million, and partially offset by an increase in trade and other payables of RM92.3 million.

The Group's net cash flows used in investing activities of RM32.2 million in FY2017 was mainly due to the addition of property, plant and equipment of RM33.6 million and acquisition of subsidiaries of RM0.9 million, partially offset by the proceeds from disposal of property, plant and equipment of RM2.4 million.

The Group recorded net cash flows generated from financing activities of RM163.5 million mainly due to the net proceeds from issuance of shares of RM82.9 million and proceeds from loans and borrowings of RM83.4 million.

PHASE 1

The mixed development, Hatten City Phase 1, integrates four distinct projects namely Elements Mall, SilverScape Residences, Hatten Place and a hotel block which will be managed by Hilton Worldwide as part of its Double Tree brand.



PROPERTY INFORMATION

LOCATION
Jalan Syed Abdul Aziz, Bandar Hilir,
Melaka Malaysia,
fronting the Melaka Straits

LAND SIZE
Approximately 6 acres

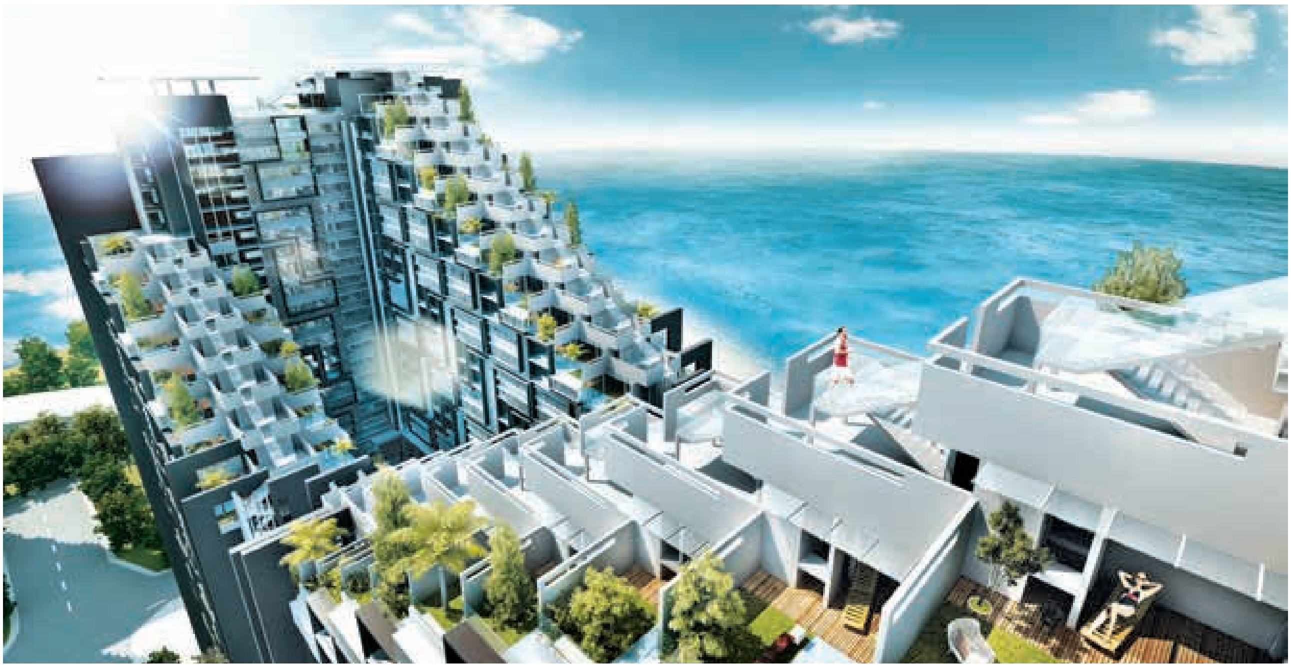
MARKET VALUE
RM628.0 million (as at 30 June 2016)

DEVELOPER
Fuyuu Resources Sdn. Bhd.

DEVELOPMENT PROFILE

PHASE 2

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



PROPERTY INFORMATION

LOCATION
Jalan Syed Abdul Aziz, Bandar Hilir,
Melaka Malaysia,
fronting the Melaka Straits

LAND SIZE
Approximately 4 acres

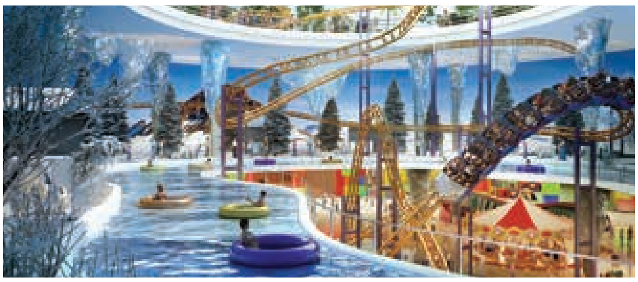
MARKET VALUE
RM363.0 million (as at 30 June 2016)

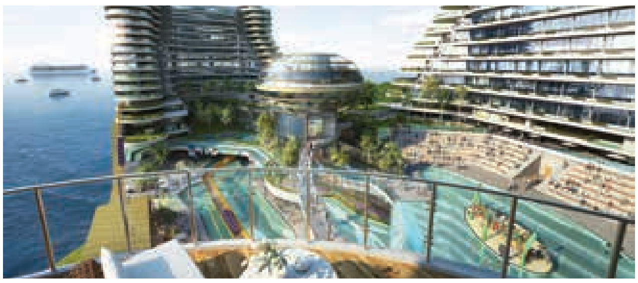
DEVELOPER
Fuyuu Ventures Sdn. Bhd.

HARBOUR CITY

@ PULAU MELAKA

Incorporating elements of retail, hospitality and entertainment, Harbour City aims to change Melaka's tourism and entertainment landscape. The mixed development comprises Harbour City Mall, a water theme park and three hotel blocks.





PROPERTY INFORMATION

LOCATION
Pulau Melaka fronting the Melaka Straits

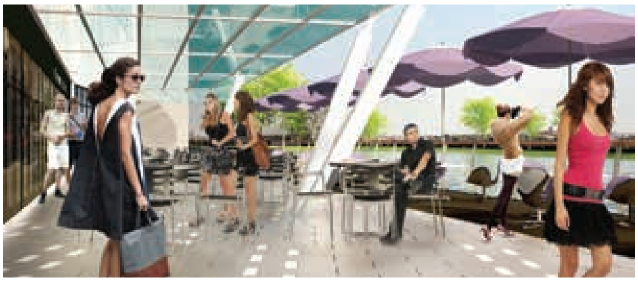
LAND SIZE
Approximately 6 acres

MARKET VALUE
RM849.0 million
(as at 30 June 2016)

DEVELOPER
Gold Mart Sdn. Bhd.

DEVELOPMENT
PROFILE

Vedro by the River is a retail mall which will feature an eclectic mix of tenants ranging from fashion houses to retailers of chic accessories and novelty gadgets.



PROPERTY INFORMATION

LOCATION
Kee Ann Road
along Melaka River

LAND SIZE
Approximately 2 acres

MARKET VALUE
RM65.0 million
(as at 30 June 2016)

DEVELOPER
Fuyuu Group Sdn. Bhd.

SATORI

SANCTUARY IN THE CITY

The Satori project is the first wellness project by the Group offering a quality lifestyle with a wholesome range of wellness amenities. Satori is home to a hotel block and a serviced apartment block with exciting health features targeted to rejuvenate the mind, body and soul.

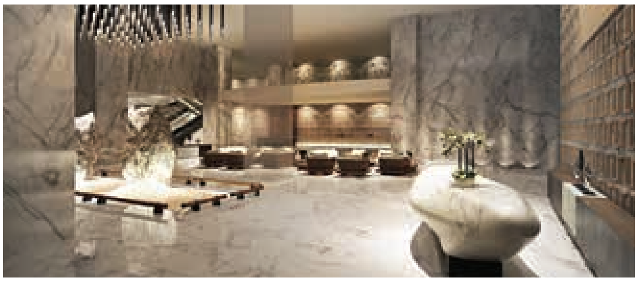
PROPERTY INFORMATION

LOCATION
PN 14975, No. Lot 850,
Kawasan Bandar XXXIX,
Daerah Melaka Tengah, Melaka

LAND SIZE
Approximately 2.05 acres

GROSS DEVELOPMENT VALUE
Estimated RM300 million

DEVELOPER
Prolific Properties Sdn. Bhd.



MICC PROJECT

The MICC (Melaka International Convention Centre) Project is slated to be developed into an integrated mixed development.

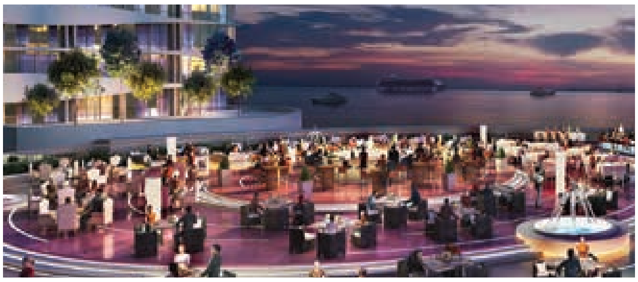
PROPERTY INFORMATION

LOCATION
Kawasan Bandar I
Daerah Melaka Tengah

LAND SIZE
Approximately 9 acres

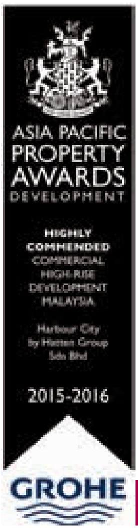
GROSS DEVELOPMENT VALUE
Estimated RM942.0 million

DEVELOPER
Prolific Revenue Sdn. Bhd.



AWARDS

	AWARD	AWARD TITLE	PROJECT	YEAR
01	Asia Pacific Property Awards	Highly Commended Commercial High-Rise Development Malaysia	Harbour City	2015
02	South East Asia Property Awards	Highly Commended Luxury Condo Development (South Malaysia)	SilverScape @ Hatten City	2015
03	iProperty.com Malaysia People's Choice Awards	Winner - Best Integrated Development	Harbour City	2015
04	Malaysian Property Press Awards	Winner - Best Retail Project	Harbour City	2015
05	Malaysian Property Press Awards	Outstanding Achievement – Catalyst Developer Melaka	Harbour City	2015
06	Sin Chew Business Excellence Awards	Property Excellence Award	Fuyuu Resources Sdn. Bhd.	2015
07	International Property Awards	Highly Commended Mixed-Use Development	Harbour City	2016
08	South East Asia Property Awards	Highly Commended Luxury Condo Development – South Malaysia	Imperio Residence @ Hatten City	2016
09	Nanyang Eagle Awards	Eminent Eagle (Property Development)	Fuyuu Resources Sdn. Bhd.	2016
10	Top 10 Developers	Property Insight Prestigious Developer Awards	Hatten Land Limited	2017



01

02

03


04

05


06

07

08

09

10

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE

Food distribution to poor, rural communities in collaboration with Kechara Organisation

Free medical health checks for the public held in Dataran Pahlawan Melaka Megamall

Collecting public donations through our "Christmas Bundle of Joy" charity campaign 2017

The Group is committed to good corporate governance and sustainable business practices. As part of our consideration of sustainability issues, we have identified three key areas of focus:

- Employees
- Community
- Environment

EMPLOYEES

Our company culture is based on the following core values which are instilled in every employee: initiative, hospitality, unity, integrity and excellence. We believe that our people are our greatest asset and we are committed to ensure the continuous professional development and personal growth of all our employees. We strive towards becoming a more diversified and inclusive business and we are constantly evolving our human resources policies to be more discerning to our employees' needs.

For our business to grow, it is crucial that we have a highly skilled and experienced workforce. To ensure that our employees grow with us personally and professionally, we have in place several training initiatives that cater to almost all our employees. These initiatives cover areas such as management, marketing, sales, finance and more. We also have in place regular performance and career development reviews which help our employees map out their career path.

Our employees are our biggest assets and we look out for all of them the best we can. We provide medical, hospitalisation, and insurance benefits to all our employees. Our healthcare benefits are also extended to select employees' immediate family members.

The safety and health of our employees, especially those who work in our construction sites, are very important to us. We have in place a Safety and Health Policy that dictates safety procedures and practices to be adhered to in the workplace. We are working towards achieving a Zero Accident Vision and are constantly looking at areas to improve our Safety and Health policy.

COMMUNITY

HATTEN CARES

Hatten Cares is the Corporate Social Responsibility ("CSR") initiative by Hatten Group. Hatten Land has a collaboration with Hatten Cares, which generally focuses on environmental awareness, promoting cultural awareness and alleviate social issues.

Alongside Hatten Cares, we were involved in several community outreach programmes over the past year. One of these activities was a blood donation drive in support of the Melaka Blood bank. We also pledged our support as a Platinum Sponsor and mentor for the Junior Chamber International Creative Young Entrepreneur Award 2017 which recognises exceptional young entrepreneurs.

The festive season is another opportunity for us to reach out and spread some joy to the community we operate in. Last Christmas, we organised the 'Bundle of Joy' Charity Campaign where collections booths were set up in 12 locations in Melaka. Members of the public were encouraged to donate gifts of groceries and daily necessities to the collection booths. The collected items were then distributed to four deserving charity homes which were the Hope Children Centre Melaka, Pusat Jagaan Kasih Sayang Prasanna Melaka, Melaka Salvatorian Home and Help Community Learning Centre, Kuala Lumpur.

ENVIRONMENT

Being in the property development business, we understand the importance of conserving our environment. In order to minimise our environmental impact, we have in place a Quality and Environmental Policy that covers the management of energy and water consumption, minimising wastages, resources and pollution to environment, and construction waste management on our sites.

As part of our energy efficiency initiatives, we encourage our employees to switch off lights and air conditioning units when a work area or room is not in use. In addition, we actively participate in the annual 60+ Earth Hour global environmental awareness initiative.

We are also working towards a paperless environment where we discourage unnecessary printing or usage of paper. We encourage our employees to recycle and have placed recycling boxes for used paper in the office.

BOARD OF DIRECTORS

DATO' COLIN TAN JUNE TENG

Executive Chairman and Managing Director

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 the conglomerate 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.

Prior to his re-designation as the Non-Executive Chairman and Non-Executive Director of Hatten Group, Dato' Colin Tan served as the Executive Chairman and Managing Director of Hatten Group and was 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 graduated from the University of Dublin with a Bachelor of Science (Finance) in 2009.

Present Directorships (Listed Companies)	**Past Directorships (3 years) (Listed Companies)**
Hatten Land Limited	Nil

DATO' EDWIN TAN PING HUANG

Executive Director and Deputy Managing Director

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 in 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.

Present Directorships (Listed Companies)	**Past Directorships (3 years) (Listed Companies)**
Hatten Land Limited	Nil

BOARD OF DIRECTORS

DATO' WONG KING KHENG

Lead Independent Director

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 is a Member of the Institute of Chartered Accountants in England and Wales, as well as a Member of the Institute of Singapore Chartered Accountants.

Present Directorships (Listed Companies)	**Past Directorships (3 years) (Listed Companies)**
Hatten Land Limited Tiong Woon Corporation Holding Limited Ossia International Limited JCY International Bhd	Nil

MR. LOH WENG WHYE

Independent Director

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 Stations Projects of 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, Adviser 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. Mr. Loh 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 Master's degree in Industrial Engineering in 1979. Mr. Loh is a Fellow of the Institution of Engineers Singapore (FIES), and a Fellow of the Chartered Management Institute of the United Kingdom (FCMI).

Present Directorships	**Past Directorships (3 years) (Listed Companies)**
Hatten Land Limited BH Global Corporation Limited Moral Home for the Aged Sick Ltd Kwong Wai Shiu Hospital Ltd	XinRen Aluminum Holdings Limited Leeden Limited

MR. FOO JONG HAN REY

Independent Director

Mr. Foo Jong Han Rey was appointed to the Board on 24 January 2017 as Independent Director. 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.

Present Directorships (Listed Companies)	**Past Directorships (3 years) (Listed Companies)**
Hatten Land Limited	Nil

MR. LEE SOK KHIAN JOHN

Non-Executive and Non-Independent Director

Mr. Lee Sok Khian John was appointed to the Board on 24 January 2017 as Executive Director. Mr Lee was subsequently re-designated as a Non-Executive and Non-Independent Director with effect from 1 September 2017. He first joined the Group in May 2016 where he served as the Head of Corporate and Finance.

Mr. Lee has more than 40 years of experience in finance and corporate related matters. From December 2008 to May 2016, he was the Chief Financial Officer and Company Secretary of Koh Brothers Group Limited, a real estate developer and contractor listed on the SGX Mainboard. He is currently an Executive Director of Koh Brothers Group Limited and a Non-Executive Director of Koh Brothers Eco Engineering Limited. His previous appointments include being the Managing Director and subsequently an advisor of Leeden Limited (now known as Leeden National Oxygen Ltd), which was listed on the SGX Mainboard.

Mr. Lee is a fellow of the Institute of Singapore Chartered Accountants and Association of Chartered Certified Accountants. He is also an Associate of the Chartered Institute of Management Accountants and the Chartered Secretaries Institute of Singapore.

Present Directorships (Listed Companies)	**Past Directorships (3 years) (Listed Companies)**
Hatten Land Limited Koh Brother Group Limited Koh Brothers Eco Engineering Limited	Nil

KEY MANAGEMENT

MR. TAN KAY YAN MARK

Chief Operating Officer, Property Development Division

Mr. Tan Kay Yan Mark was appointed as Head of Business Development of the Group on 24 January 2017 and promoted to Chief Operating Officer of the Property Development Division of the Group with effect from 29 August 2017. He first joined the Hatten Group in May 2015.

From 2010 to 2015, Mr. Tan was the General Manager at UE E&C Ltd, where he was responsible for steering the strategic direction and growth of the company. From 2004 and 2010, he worked at the parent company, United Engineers Limited, where he was responsible for business and corporate planning and helped to track and rationalise part of the regional portfolio of United Engineers Limited. Prior to that, Mr. Tan worked in the telecommunication and property sectors.

Mr. Tan graduated from the National University of Singapore in 1992 with a Bachelor Degree of Engineering (Electrical), Hons. He obtained a Master of Business Administration from the Helsinki School of Economics in 2004.

MR. LEONG CHAIN HONG, ANDY

Chief Financial Officer

Mr. Leong Chain Hong was appointed as Chief Financial Officer of the Group on 1 September 2017. He is responsible for all aspects of financial-related activities including treasury, accounting, taxation, budgetary controls as well as systems and processes.

Mr. Leong has more than 20 years of experience in the finance, operations, construction and property development industry. He has held various positions in both private and public listed companies.

Mr. Leong is a Chartered Accountant of the Malaysia Institute of Accountants and also a Fellow of the Association of Chartered Certified Accountants.

MR. CHONG FOH SIONG

Head of Development Management

Mr. Chong Foh Siong was appointed as Head of Development Management on 24 January 2017, and is responsible for project development and its administration. Besides leading the project and design teams on the execution of all projects, ensuring that the planning and execution of projects meet specified quality requirements, he also reviews, identifies and develops related strategies and initiatives for the projects. He first joined the Hatten Group in April 2007.

Mr. Chong brings more than 30 years of industry experience to the Group. From 1994 to 2007, he was Senior Architectural Assistant at Akitek AAP. From 1982 to 1994, he was working at Akitek KHP. At both architecture firms, he was responsible for project coordination and administration, including submission of plans to various authorities for approval and ensuring that all works carried out are in accordance with specific standards, codes, guidelines and regulations.

Mr. Chong graduated from the Federal Institute of Technology (Institute Teknologi Federal) with a Technical Diploma in Architecture in 1981.

SKY WIN MANAGEMENT CONSULTANCY PTE. LTD.

100%
HATTEN INTERNATIONAL PTE. LTD.
Marketing & Development Consultancy Services

100%
FUYUU VENTURES SDN. BHD.
Hatten City Phase 2
- Imperio Mall
- Imperio Residence

100%
GOLD MART SDN. BHD.
Harbour City
- Retail Mall
- Thematic Suites
- Resort Suites
- Theme Park
- Luxury Hotel

100%
PROLIFIC PROPERTIES SDN. BHD.
Satori
- Satori Suites
- Satori Residences
- Retail Mall

100%
FUYUU RESOURCES SDN. BHD.
Hatten City Phase 1
- SilverScape Residence
- Elements Mall
- Hatten Suites

100%
FUYUU GROUP SDN. BHD.
Vedro by the River

100%
PROLIFIC REVENUE SDN. BHD.
MICC Project

On 28th February 2017, Hatten Land Limited entered the world of public trading as an officially listed company in the Singapore Exchange.

The official listing ceremony was held at the Singapore Exchange where Hatten Land shares reached a high of S$0.30 during the day and closed at S$0.285. A total of 49.6 million shares were traded on its first day of trading.

Later in the evening, a Gala Dinner was held at JW Marriot, Singapore for 200 VIP guests in celebration of this significant milestone in Hatten history.

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)
Lee Sok Khian John (Non-Executive and Non-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
Chua Hanyang, Isaac

REGISTERED OFFICE

Company Registration No.: 199301388D
53 Mohamed Sultan Road
#04-02
Singapore 238993
Tel: (65) 6690 3136
Fax: (65) 6690 3137
Website: www.hattenland.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

SPONSOR

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

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge

Philip Ling Soon Hwa (Appointed since financial year ended 30 June 2014)

GROUP CORPORATE COMMUNICATIONS

Penny Ong

CORPORATE GOVERNANCE

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 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 2017 ("**FY2017**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="2">General</td><td>(a) Has the Company complied with all the principles and guidelines of the Code?

If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</td><td>The Company has complied with the principles and guidelines as set out in the Code and in the Guide, where applicable.

Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.</td></tr>
<tr><td>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?</td><td>Not applicable. The Company did not adopt any alternative corporate governance practises in FY2017.</td></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3"><u>The Board's Conduct of Affairs</u></td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>As at the date of this Annual Report, the Board has six 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 BingHuang ("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>24 January 2017</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>24 January 2017</td></tr>
<tr><td>Mr Lee Sok Khian John</td><td>Non-Executive and Non-Independent Director(3)</td><td>24 January 2017</td></tr>
</table>
Notes:
(1) Appointed as an Independent Director of the Company on 28 October 1996. Following the successful acquisition of Sky Win Management Consultancy Pte Ltd, Dato' Wong was re-appointed as an Independent Director of the Company.
(2) Appointed as an Independent Director of the Company on 16 January 2006. Following the successful acquisition of Sky Win Management Consultancy Pte Ltd, Mr Foo was re-appointed as an Independent Director of the Company.
(3) Appointed as Executive Director on 24 January 2017 and re-designated to Non-Executive and Non-Independent Director on 1 September 2017.</td></tr>
</table>

Guideline	Code and/or Guide 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	All Directors must objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.	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.
1.3	Has the Board delegated certain responsibilities to committees? If yes, please provide details.	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

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>
The Company was listed on the Catalist of the SGX-ST on 26 January 2017 following the completion of the acquisition of Sky Win Management Consultancy Pte Ltd (“RTO”) on 24 January 2017. The Company thereafter, held its first Board and Board Committees meeting on 8 May 2017.
The Board meets on a quarterly basis, and as and when circumstances require. In FY2017, the number of the Board and Board Committee meetings held and the attendance of each Director, subsequent to the RTO, are shown below.
<table>
<tr><th></th><th>Board</th><th>ARC</th><th>RC</th><th>NC</th></tr>
<tr><td>No. of meetings</td><td>1</td><td>1</td><td>0</td><td>0</td></tr>
<tr><td colspan="5">No. of meetings attended by the Directors</td></tr>
<tr><td>Dato' Colin Tan</td><td>1</td><td>1</td><td>0</td><td>0</td></tr>
<tr><td>Dato' Edwin Tan</td><td>1</td><td>1</td><td>0</td><td>0</td></tr>
<tr><td>Dato' Wong King Kheng</td><td>1</td><td>1</td><td>0</td><td>0</td></tr>
<tr><td>Mr Loh Weng Whye</td><td>1</td><td>1</td><td>0</td><td>0</td></tr>
<tr><td>Mr Foo Jong Han Rey</td><td>1</td><td>1</td><td>0</td><td>0</td></tr>
<tr><td>Mr Lee Sok Khian John</td><td>1</td><td>1</td><td>0</td><td>0</td></tr>
</table>
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>1.5</td><td>What are the types of material transactions which require approval from the Board?</td><td>
Matters that require the Board's approval include, amongst others, the following:

significant acquisition and disposal of assets;
material borrowings and fund raising exercises;
share issuance and proposal of dividends;
budgets, financial results announcements, annual report and audited financial statements; and
material interested person transactions.

</td></tr>
<tr><td>1.6</td><td>(a) Are new Directors given formal training? If not, please explain why.</td><td>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.</td></tr>
<tr><td></td><td>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</td><td>
Briefings, updates and trainings for the Directors in FY2017 included:

In conjunction with the RTO, a briefing was conducted by Morgan Lewis, Stamford LLC the legal adviser on Singapore law on the RTO, on the roles and responsibilities of a director of a public listed company in Singapore;
The external auditors, Ernst and Young LLP (“external auditors”) had briefed the ARC on changes or amendments to accounting standards; and
All Directors that did not previously serve on the board of a listed company have attended the “Listed Company Director Essentials: Understanding the Regulatory Environment in Singapore – What Every Director Ought to Know” course conducted by the Singapore Institute of Directors.

</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1.7	Upon appointment of each director, has the Company provided a formal letter to the director, setting out the director's duties and obligations?	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.
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Guidelines 2.1, and 2.2 of the Code are met as the Independent Directors made up half of the Board. As Dato' Colin Tan is both the Executive Chairman and and Managing Director, Dato' Wong King Kheng is appointed as the Lead Independent Director, complying with Guideline 3.3 of the Code.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	As the RTO was only completed in 24 January 2017, there were no NC meetings held during FY2017. Subsequent to FY2017, the NC had reviewed and the Independent Directors had also confirmed their independence in accordance with the Code during the NC meeting held on 15 August 2017. All Independent Directors have also provided their independence declaration.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.	There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	Yes. Both Mr Foo Jong Han Rey and Dato' Wong King Kheng have served on the Board for more than nine years. Dato' Wong King Kheng was appointed as an Independent Director of the Company on 28 October 1996, prior to the RTO. Mr Foo Jong Han Rey was appointed as an Independent Director of the Company on 16 January 2006, prior to the RTO. In conjunction with RTO, the Board (save for Dato' Wong King Kheng and Mr Foo Jong Han Rey), and the Financial Adviser of the RTO, UOB Kay Hian Private Limited, 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;

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		(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 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.
2.5	Has the Board examine its size and decide on what it considers an appropriate size for the Board, which facilitates effective decision making?	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, 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.
2.6	(a) What is the Board's policy with regard to diversity in identifying Director nominees?	The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:
	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	(see table below)

	Number of Directors	Proportion of the Board (%)
Core Competencies		
• Accounting or finance	3	50.0
• Business Management	5	83.0
• Legal or Corporate Governance	3	50.0
• Relevant Industry knowledge or experience	3	50.0
• Strategic Planning Experience	6	100.0
• Customer based experience or knowledge	3	50.0

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	The Board has taken the following steps to maintain or enhance its balance and diversity: • Review by the NC at least once a year to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • Evaluation by the Directors at least once a year of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board. The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.
2.7	How have the Non-Executive Directors: (a) constructively challenge and help develop proposals on strategy; and (b) review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance?	The Board, particularly the Non-Executive Directors (including 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 non-executive directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their oversight functions effectively. This enables the Non-Executive 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 Non-Executive 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.
2.8	Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?	The Non-Executive Director (including Independent Directors) discuss and/or meet on a need basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Directors. The Non-Executive Director (including Independent Directors) have and/or discussed informally on various occasions without the presence of Management in FY2017.

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Chairman and Chief Executive Officer		
3.1 3.2 3.3	Are the duties between Chairman of the Board and Managing Director segregated?	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. Dato' Colin Tan is the Executive Chairman and Managing Director. 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. Dato' Wong King Kheng, the Lead Independent Director of the Company, will meet periodically with the other Non-Executive 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 Chief Financial Officer has failed or is inappropriate.
3.4	Have the Independent Directors met in the absence of other Directors?	Led by the Lead Independent Director, the Independent Directors will meet in the absence of the other Directors as and when circumstances warrant. In FY2017, the Independent Directors had met and/or discussed informally on various occasions without the presence of other Directors in FY2017.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Membership		
4.1 4.2	What are the duties of the NC?	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 Nominating Committee 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 of Directors 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 of Directors, 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 our Board of Directors 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 of Directors; (i) Reviewing and making recommendations to the Board on the appointment of Key Executive Officers, having regard to the experience, qualifications and expertise of the candidate; and (j) Reviewing the termination of any Key Executive Officer.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its Directors? What are the reasons for this number?	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 will consult the Chairman of the NC before accepting any new appointments as a Director.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(b) If a maximum has not been determined, what are the reasons?</td><td>Refer to above.</td></tr>
<tr><td></td><td>(c) What are the specific considerations in deciding on the capacity of directors?</td><td>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.</td></tr>
<tr><td></td><td>(d) Have the Directors adequately discharged their duties?</td><td>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 FY2017.</td></tr>
<tr><td>4.5</td><td>Are there alternate Directors?</td><td>No. The Company currently does not have any alternate directors.</td></tr>
<tr><td>4.6</td><td>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</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 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>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
4.7	Please provide the following key information regarding the Directors': • Academic and professional qualifications • Shareholding in the Company and its related corporation • Board committees served on (as a member or chairman), date of first appointment and last re-appointment as a Director; • Directorships or chairmanships both present and those held over the preceding three years in other listed companies and other principal commitments; • Indicate which Directors are executive, non-executive or considered by the NC to be independent; and • The names of the Directors submitted for appointment or re-appointment should also be accompanied by such details and information to enable shareholders to make informed decisions.	The key information of the Directors, including their profiles and directorships, are set out on pages 19 to 21 of this Annual Report under section Board of Directors. The shareholdings of the Directors in the Company are set out on page 50 of this Annual Report. None of the Directors hold shares in the subsidiaries of the Company. Directors who are seeking re-appointment at the forthcoming annual general meeting ("**AGM**") to be held on 26 October 2017 are stated in the Notice of AGM set out on pages 102 to 107 of this Annual Report.
Board Performance		
5.1 5.2 5.3	What is the performance criteria set 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?	The performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board are as follows: (i) Board Composition and Size (ii) Board Committees (iii) Board Functions and processes (iv) Board Meetings (v) Communications (vi) Standards of Conduct (vii) Board Compensation The Board is of the opinion that it is more meaningful to evaluate the Board and the Board Committees as a whole. However, moving forward, the Board may consider evaluating each Director, where such evaluation is appropriate or necessary.

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>The evaluation of the Board and Board Committees was conducted by way of questionnaire. Whilst an individual evaluation was not carried out to assess whether each Director continues to contribute effectively and demonstrates commitment to his role and duties, the NC took notice of each Director's record of attendance and participation, his candour, performance and overall contribution to the Board and the Group; as well as his/her ability to adequately carry out the duties expected while performing his/her roles in other companies or in other appointments.

No external facilitator was used in the evaluation process.</td></tr>
<tr><td></td><td>(b) Has the Board met its performance objectives?</td><td>Yes, the Board has met its performance objectives.</td></tr>
<tr><td colspan="3"><u>Access to Information</u></td></tr>
<tr><td>6.1
6.2
10.3</td><td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td><td>
<table>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>(a)</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>(b)</td><td>Quarterly and full year financial results</td><td>Quarterly</td></tr>
<tr><td>(c)</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>As and when relevant</td></tr>
<tr><td>(d)</td><td>Reports on on-going or planned corporate actions</td><td>As and when relevant</td></tr>
<tr><td>(e)</td><td>Internal auditors' report(s)</td><td>As and when available</td></tr>
<tr><td>(f)</td><td>Research report(s)</td><td>As and when requested</td></tr>
<tr><td>(g)</td><td>Shareholding statistics</td><td>As and when requested</td></tr>
</table>
Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</td></tr>
<tr><td>6.3
6.4</td><td>What is the role of the Company Secretary?</td><td>All Directors have separate and independent access to the Company Secretary. The Company Secretary, or her representatives, attends all Board meetings and is responsible to ensure that the Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with requirements of all applicable rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the Catalist Rules. The Company Secretary is also responsible for the proper maintenance of the records of Board and Board Committees meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
REMUNERATION MATTERS		
Developing Remuneration Policies		
7.1 7.2 7.4	What is the role of the RC?	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 executive officers, and determine specific remuneration packages for each Executive Director and key executive officer of the Group; (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 executive officers' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and (e) review and approve, jointly with Nominating Committee, any new employment of related persons and the proposed terms of their employment.
7.3	Were remuneration consultants engaged in the last financial year?	No remuneration consultants were engaged by the Company in FY2017. The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally.
Level and Mix of Remuneration		
8.1	What are the measures for assessing the performance of Executive Directors and key management personnel?	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.
8.2	Are there long-term incentive schemes for Executive Directors and key management personnel?	The Company did not have any employee share schemes during FY2017. The Company is proposing to adopt a performance share plan ("**PSP**") as well as an executives' share option scheme ("**ESOS**") at the forthcoming AGM. Details of the proposed PSP and ESOS can be found in the Appendix to the Annual Report.
8.3	How is the remuneration for Non-Executive Directors determined?	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 AGM.
8.4	Are there any contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company?	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 years, renewable automatically thereafter for periods of two 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.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>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. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual performance of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.</td></tr>
<tr><td colspan="3">Disclosure on Remuneration</td></tr>
<tr><td>9</td><td>What is the Company's remuneration policy?</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 establishes the link between total compensation and the achievement of organisational and individual performance objectives, and is benchmarked against relevant and comparative compensation in the market.</td></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director's and the Managing Director's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Directors (excluding the Directors of the Previous Board) in FY2017 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$1,000,000 to S$1,249,999</td></tr>
<tr><td>Dato' Colin Tan</td><td>98</td><td>–</td><td>1</td><td>1</td><td>100</td></tr>
<tr><td>Dato' Edwin Tan</td><td>98</td><td>–</td><td>1</td><td>1</td><td>100</td></tr>
<tr><td colspan="6">S$250,000 to S$499,999</td></tr>
<tr><td>Lee Sok Khian, John[(1)]</td><td>97</td><td>–</td><td>3</td><td>–</td><td>100</td></tr>
<tr><td colspan="6">Below S$250,000</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>
Note:
(1) Re-designated from Executive Director to Non-Executive Non-Independent Director on 1 September 2017

* The Directors' fees are for the period from 24 January 2017 (date of the completion of RTO) to 30 June 2017.

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.

There are no termination, retirement, post-employment benefits that may be granted to the Directors.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="2">9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>Save for the Executive Directors, the Company only has 3 top key management personnel as at 30 June 2017.
<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$250,000</td></tr>
<tr><td>Chong Foh Siong</td><td>100</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Chua Thiam Siew, Johnson(1)</td><td>100</td><td>–</td><td>–</td><td>100</td></tr>
<tr><td>Tan Kay Yan (Mark)(2)</td><td>100</td><td>–</td><td>–</td><td>100</td></tr>
</table>
Notes:
(1) Resigned as Group Financial Controller on 31 August 2017
(2) Promoted from Head of Business Development to Chief Operating Officer – Property Development Division on 28 September 2017

There are no termination, retirement, post-employment benefits that may be granted to the top 3 key management personnel.

The Company had on 8 September 2017 proposed a one-time issuance of 3,016,000 new ordinary shares ("Employees Shares") to selected employees in recognition of the contributions of these employees in the successful acquisition of Sky Win Management Consultancy Pte. Ltd. (ii) to motivate and encourage these employees to achieve and maintain a high level of performance and contribution and (iii) to foster a sense of ownership within the Company which aligns the interests of these employees with the interests of the shareholders, and by extension, the Company. The Employee Shares were issued and allotted on 26 September 2017.</td></tr>
<tr><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the Managing Director).</td><td>The aggregate remuneration of the above key management personnel (who are not Directors or the Managing Director) for FY2017 amounted to S$773,000.</td></tr>
<tr><td>9.4</td><td>Is there any employee who is an immediate family member of a Director or the Managing Director, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the Managing Director.</td><td>Dato' Colin Tan and Dato' Edwin Tan are brothers and their respective remuneration for FY2017 are disclosed in the table above. Save as disclosed, there is no other employee of the Group who is an immediate family member of a Director or the Managing Director whose remuneration exceeds S$50,000 for FY2017.</td></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>The Company did not have any employee share schemes during FY2017.

The Company is proposing to adopt a PSP as well as an ESOS at the forthcoming AGM. Details of the proposed PSP and ESOS can be found in the Appendix to the Annual Report.</td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>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 FY2017. 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.</td></tr>
<tr><td></td><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><th></th><th>Short-term incentives
(such as performance bonus)</th><th>Long-term incentives
(such as PSP and ESOS)</th></tr>
<tr><td>Performance Conditions</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Profitability</td><td>The Company is proposing to adopt a PSP as well as an ESOS at the forthcoming AGM. The performance conditions used to determine the entitlement under the proposed PSP and ESOS will be determined by the respective committees of the PSP and ESOS. Details of the proposed PSP and ESOS can be found in the Appendix to the Annual Report.</td></tr>
</table></td></tr>
<tr><td></td><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Not applicable. As the RTO was completed on 24 January 2017, there was no evaluation on the performance of the Executive Directors and Key Executive Officers in FY2017. The Company will conduct such evaluation in FY2018.

Whilst the Company did not conduct a formal evaluation of the performance of the Executive Directors and Key Executive Officers, a one-time issuance of employees shares was made to employees in September 2017 as recognition of their past contributions to the Group and efforts in achieving listing status for the Group.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
ACCOUNTABILITY AND AUDIT		
Accountability		
10.1 10.2	The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.	The Board understands its accountability to the shareholders on the Group's position, performance and prospects. 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.
Risk Management and Internal Controls		
11.1	The Board should determine the Company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems.	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 to determine the risk tolerance level and corresponding risk policies.
11.2 11.4	The Board should, at least annually, review the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Such review can be carried out internally or with the assistance of any competent third parties.	The ARC evaluates the findings of the external and internal auditors on the Group's internal controls annually. The Company is in the midst of engaging external consultants to review and improve its risk management systems. 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.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
11.3	(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	The Board is of the view that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2017. The bases for the Board's view are as follows: 1. assurance had been received from the Managing Director and Group Financial Controller (refer to Section 11.3(b) below); 2. key management personnel regularly evaluates, monitors and reports to the ARC on material risks; 3. discussions were held between the ARC and auditors in the absence of the key management personnel to review and address any potential concerns; and 4. work performed by the internal and external auditors.
	(b) In respect of the past 12 months, has the Board received assurance from the Managing Director and the Chief Financial Officer (or equivalent) as well as the internal auditors that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	The Board has obtained the following assurance from the Managing Director and Group Financial Controller: 1. the financial records of the Group have been properly maintained and the financial statements for FY2017 give a true and fair view of the Group's operations and finances; 2. risk management systems and internal control systems were properly maintained; 3. material information relating to the Company was disclosed on a timely basis for the purposes of preparing financial statements; and 4. the Company's risk management systems and internal control systems were adequate and effective as at the end of FY2017. 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. The ARC has reviewed the Management's assessment and discussed with the external auditors about the identified key audit matters (referred to in Pages 53 to 55 of this Annual Report); and how those key audit matters have been addressed by the external auditors. Having considered the Management's assessment; and the approach taken by the external auditors and their findings, the ARC is satisfied with the basis and estimates adopted by the Group.
12.1 12.3 12.4	What is the role of the ARC?	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 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;

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		(c) resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), and any other relevant statutory or regulatory requirements; (d) 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; (e) 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; (f) 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); (g) commission and review the findings of investigations by internal 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; (h) consider the appointment, remuneration, terms of engagement or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors; (i) 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; (j) review and recommend to the Board any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules; (k) 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; (l) review the scope and results of the external audit, and the independence and objectivity of the external auditors; (m) 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; (n) 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.

CORPORATE GOVERNANCE

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>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 executive officer 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.</td></tr>
<tr><td>12.2</td><td>Are the members of the ARC appropriately qualified to discharge its responsibilities?</td><td>The Board is of the view that the ARC members possess the relevant accounting or related financial management expertise to discharge their responsibilities. The members collectively have many years of experience in accounting and audit, business and financial management, law and engineering. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.</td></tr>
<tr><td>12.5</td><td>Has the ARC met with the auditors in the absence of key management personnel?</td><td>Subsequent to the completion of RTO, the ARC has met the internal auditors and external auditors on various occasions without the presence of Management for FY2017.</td></tr>
<tr><td rowspan="2">12.6</td><td>Has the ARC reviewed the independence of the external auditors?</td><td>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 Ernst and Young LLP as external auditors of the Company at the forthcoming AGM.</td></tr>
<tr><td>(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.</td><td>The breakdown of the fees paid/payable to the external auditors for FY2017 is as follows:
<table>
<tr><th></th><th>S$</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>165,000</td><td>19</td></tr>
<tr><td>Non-audit fees</td><td>688,000</td><td>81</td></tr>
<tr><td>Total</td><td>853,000</td><td>100</td></tr>
</table></td></tr>
<tr><td></td><td>(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the ARC's view on the independence of the external auditors.</td><td>Notwithstanding the substantial volume of non-audit services rendered to the Company, the ARC is satisfied that the external auditors remain independent after considering that the non-audit fees in FY2017 relate to the RTO exercise whereby the external auditors rendered services as the reporting accountant, and are not expected to be recurring.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
12.7	Does the Company have a whistle-blowing policy?	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 FY2017.
12.8	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	The ARC had been briefed by the external auditors on changes in accounting standards and issues which are relevant to the Group and have a direct impact on the Group's financial statements.
12.9	Are any of the members of the ARC (i) a former partner or director of the Company's existing auditing firm or auditing corporation within the previous 12 months and (ii) hold any financial interest in the auditing firm or auditing corporation?	None of the AC members (i) is a former partner or director of the Company's existing auditing firm or auditing corporation in the previous 12 months and (ii) holds any financial interest in the auditing firm or auditing corporation.

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	The ARC's responsibility in overseeing that the Group's risk management system and internal controls is complemented by its outsourced internal auditor, PricewaterhouseCoopers Risk Services Pte Ltd. 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.
Shareholders' Rights		
14.1	The Company should facilitate the exercise of ownership rights by all shareholders. In particular, shareholders have the right to be sufficiently informed of changes in the company or its business which would be likely to materially affect the price or value of the Company's shares.	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.
14.2	The Company should ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders should be informed of the rules, including voting procedures that govern general meetings of shareholders.	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 conducts 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.
14.3	The Company should allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.	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.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">SHAREHOLDER RIGHTS AND RESPONSIBILITIES</td></tr>
<tr><td colspan="3"><u>Communication with Shareholders</u></td></tr>
<tr><td>15.1</td><td>Does the Company have an investor relations policy?</td><td>The Company currently does not have an investor relations policy. However, the Company has engaged an external investor relations adviser, WeR1 Consultants Pte Ltd, to carry out investor relations activities in tandem with our in-house Group Corporate Communications team.</td></tr>
<tr><td rowspan="3">15.2
15.3
15.4</td><td>(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?</td><td>Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various communication as follows:
(1) Announcements, including quarterly and full-year financial results announcements, via SGXNET;
(2) Annual reports and notices of AGM;
(3) Company's general meetings;
(4) Investor/analyst briefings; and
(5) Corporate website of the Company at www.hattenland.com.sg
The Company also solicits feedback from and addresses the concerns of shareholders via the Company's Corporate website at www.hattenland.com.sg.</td></tr>
<tr><td>(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?</td><td>Such communications are handled by in-house Group Corporate Communications Department, as well as the Group Secretariat Department.</td></tr>
<tr><td>(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?</td><td>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.</td></tr>
<tr><td rowspan="2">15.5</td><td>Does the Company have a dividend policy?</td><td>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.
The Directors had in the Company's circular dated 29 December 2017 disclosed their intention to recommend and distribute dividends of not less than 10.0% of the Group's net profits attributable to the shareholders in FY2017.</td></tr>
<tr><td>Is the Company paying dividends for the financial year? If not, please explain why.</td><td>The Board has recommended a tax-exempt (one-tier) dividend of 0.05 Singapore cents per ordinary share for FY2017, which will be subject to shareholders' approval at the forthcoming AGM.</td></tr>
</table>

CORPORATE GOVERNANCE

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Company's Constitution does not allow for abstentia voting at general meetings of shareholders as authentication of shareholder identity information and other related security issues continue to be a concern. 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. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries by our shareholders. The Company will make available minutes of general meetings to shareholders upon their request. 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

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
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, which are either still subsisting at the end of FY2017 or if not then subsisting, entered into since the end of the previous financial year. Subsequent to FY2017, the Group entered into a material contract involving the interest of Dato' Colin Tan. Please refer to Page 98 at note 31 to the Financial Statements.
1204(10)	Confirmation of adequacy of internal controls	The Board and the ARC are of the opinion that the Group's internal controls and risk management systems are adequate and effective to address the financial, operational, compliance and information technology risks in FY2017 based on the following: • works performed by external and internal auditors; • discussions were held between the ARC and auditors in the absence of the key management personnel to review and address any potential concerns; and • key management personnel regularly evaluates, monitors and reports to the ARC on material risks; • assurance from the Managing Director and Group Financial Controller; and • reviews done by the various Board Committees and key management personnel.

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(17)</td><td>Interested persons transaction ("IPT")</td><td>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the ARC and they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The following are IPTs with value more than S$100,000 transacted during FY2017.

<table>
<tr><th>Name of interested person</th><th>Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th><th>Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)</th></tr>
<tr><td></td><td>Group
RM'000</td><td>Group
RM'000</td></tr>
<tr><td>Hatten Properties Sdn. Bhd.</td><td>–</td><td>21,847</td></tr>
<tr><td>Montane Construction Sdn. Bhd.</td><td>–</td><td>165,101</td></tr>
<tr><td>Temasek Blooms Sdn. Bhd.</td><td>–</td><td>366</td></tr>
<tr><td>Tan June Teng Colin @ Chen JunTing and Tan Ping Huang Edwin @ Chen BingHuang[1]</td><td>1,212</td><td>–</td></tr>
</table>

Note:
(1) Acquisition of the entire issued and paid up share capital of Prolific Properties Sdn Bhd. amounting to RM773,949 for the Satori (previously known as Thea Wellness Project) and Prolific Revenue Sdn. Bhd. amounting to RM438,510 for the MICC Project from Dato' Colin Tan and Dato' Edwin Tan.</td></tr>
<tr><td>1204(19)</td><td>Dealing in securities</td><td>The Company has adopted an internal policy which prohibits the Directors and officers of the Group from dealing in the securities of the Company while in possession of price-sensitive information.

All Company, its Directors and officers of the Group are prohibited from dealing in the Company's securities during the period commencing two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full year financial statements respectively, and ending on the date of the announcement of the relevant results.

The Company, its Directors and officers of the Group are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.</td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></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 FY2017.</td></tr>
<tr><td>1204(22)</td><td>Use of proceeds</td><td>
The Company raised approximately S$26.6 million net proceeds from the placement completed on 23 February 2017. Please refer to the Company's offer information statement dated 17 February 2017 and announcement dated 6 June 2017 for further details.
As at the date of this Annual Report, the net proceeds have been utilised as follows:
<table>
<tr><th>Intended use of proceeds</th><th>Amount allocated (S$'000)</th><th>Amount utilised (S$'000)</th><th>Amount unutilised (S$'000)</th></tr>
<tr><td>RTO expenses</td><td>4,200</td><td>(4,200)</td><td>–</td></tr>
<tr><td>General corporate activities including acquisitions</td><td>6,774</td><td>(6,774)</td><td>–</td></tr>
<tr><td>General working capital(1)</td><td>15,626</td><td>(15,237)</td><td>389</td></tr>
<tr><td>Total</td><td>26,600</td><td>(26,211)</td><td>389</td></tr>
</table>
Note:
(1) General working capital consists of project expenses and corporate and administrative expenses.
</td></tr>
</table>

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited 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 2017.

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 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 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; 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.

Directors

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

Tan June Teng Colin @ Chen JunTing	(Appointed on 24 January 2017)
Tan Ping Huang Edwin @ Chen BingHuang	(Appointed on 24 January 2017)
Wong King Kheng	(Appointed on 24 January 2017)
Loh Weng Whye	(Appointed on 24 January 2017)
Foo Jong Han Rey	(Appointed on 24 January 2017)
Lee Sok Khian John	(Appointed on 24 January 2017)

Arrangements to enable directors to acquire shares and debentures

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 or debentures of the Company or any other body corporate.

Director's interest in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of directors	**At the beginning of financial year or date of appointment**	**At the end of financial year**	**At the beginning of financial year or date of appointment**	**At the end of financial year**
Ordinary shares of the Company				
Tan June Teng Colin @ Chen JunTing	–	–	1,138,392,308	1,138,392,308
Tan Ping Huang Edwin @ Chen BingHuang	–	–	1,138,392,308	1,138,392,308

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2017.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' STATEMENT

Options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were 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 under option at the end of the financial year.

Audit and Risk Committee

The Audit and Risk Committee ("ARC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, 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 external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC

– 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 of the ARC to the Board of Directors with such recommendations as the ARC considered appropriate

– 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.

Following the completion of the acquisition of Sky Win Management Consultancy Pte Ltd (the "Reverse Acquisition"), the ARC convened its first meeting on 8 May 2017 with full attendance from all members. The ARC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

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

DIRECTORS' STATEMENT

Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors:

Tan June Teng Colin @ Chen JunTing
Director

Tan Ping Huang Edwin @ Chen BingHuang
Director

Singapore

4 October 2017

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Independent Auditor's Report to the Members of Hatten Land Limited

Report on the Audit of the Financial Statements

Opinion

We have audited 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 2017, 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.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (Continued)

Accounting for reverse acquisition

As disclosed in Note 2, the Company completed its acquisition of the entire share capital of Sky Win Management Consultancy Pte Ltd and its subsidiaries (collectively, the "Sky Win Group") (the "Reverse Acquisition") on 24 January 2017, via the issuance of 1,187,692,308 new ordinary shares in the Company to the shareholders of the Sky Win Group. The transaction is treated as a reverse acquisition for accounting purposes as the shareholders of the Sky Win Group became the controlling shareholders of the Company upon completion of the transaction. Accordingly, the Sky Win Group (being the legal subsidiary in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree.

We focused on this transaction because of the judgement involved in identifying the acquiree and acquirer for accounting purposes, the materiality of the transaction and the complexity of the accounting and disclosures, in the following areas:

– The recognition of acquisition costs of RM77.8 million in the current period's profit or loss, and the quantification of consideration paid to the Company's shareholders by the Sky Win Group; and

– The disclosure of the Reverse Acquisition in financial statements is not common. The equity and comparative numbers in the consolidated financial statements relate to the Sky Win Group, whereas the legal shareholding relates to the Company.

In auditing the Reverse Acquisition, we obtained the signed contract and read significant contract terms relevant to the accounting and disclosures in the financial statements. We assessed management's basis to treat the transaction as a reverse acquisition. We evaluated the methodology and checked the mathematical accuracy of the calculations of the deemed consideration of RM77.8 million deemed paid to the Company's shareholders. We compared the underlying information inputs, including the share prices, exchange ratios and foreign exchange rates with independent data sources. We also evaluated whether the Group's disclosures in respect of the Reverse Acquisition were reasonable and reflected the transaction terms.

Accounting for development properties under construction

The Group is involved in the construction of development properties for which it applies the percentage of completion method. The revenue and profit recognised in a year on these projects is dependent, amongst others, on the surveys of work performed for each project for the assessment of the percentage of completion of these projects and the total budgeted cost estimated for the project. The uncertainty and subjectivity involved in determining the budgeted cost to complete will also have a significant impact on the results of the Group. Accordingly, we identified this as a key audit matter.

As part of our audit, we reviewed contract terms and conditions and the contractual sums and substantiated project revenues and costs incurred against the underlying documents. We assessed management's assumptions in determining the percentage of completion of the projects and the total budgeted cost estimated for the project. We evaluated the appropriateness of inputs used by management in their estimation of the total cost to complete and obtained supporting documentation on the major inputs. We also checked the arithmetic accuracy of the revenue and profit recognised based on the percentage of completion computation for individually significant projects. We perused correspondences with contractors and discussed the progress of the projects with the Group's various project officials and management for any potential disputes, variation order claims, known technical issues or significant events that could impact the estimated development costs. We also evaluated the adequacy of the disclosure of significant accounting policies for development properties under construction and related disclosures in Notes 3.14 and 14.

Key Audit Matters (Continued)

Carrying value of development properties held for sale

The Group has significant mixed development properties held for sale in Malaysia. Development properties held for sale are stated at the lower of cost and net realisable value. The estimation of the net realisable value of these development properties is dependent upon the Group's expectations of future selling prices. We identified this as a key audit matter as there is a risk that the estimates of net realisable values may exceed future selling prices, resulting in losses when properties are sold.

We evaluated the reasonableness of the Group's forecast selling prices by comparing it to recently transacted prices or prices of comparable properties located in the same vicinity as the development project. We focused on development projects with slower-than-expected sales or with lower profit margins. For projects which are expected to sell below cost, we checked the computations of the allowance to write down carrying value to estimated net realisable value. We also evaluated the adequacy of the disclosures in Note 14 in respect of the allowance for foreseeable losses presented in the financial statements for these development properties.

Recoverability of trade receivables

Trade receivables are significant to the Group as they represent 9.2% of the Group's assets.

The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The determination as to whether a trade receivable is collectible involves management judgment. Specific factors management considers include the age of the balances, existence of disputes, recent historical payments and any other available information concerning the creditworthiness of customers. Management uses the information to assist in their judgement to determine whether allowance for doubtful debts is required. As such, we determined that this is a key audit matter.

Our audit procedures included, amongst others, obtaining an understanding of the Group's processes and related controls on the monitoring of the collectability of trade receivables as well as considering the aging profile of outstanding trade receivables to identify collection risks. We independently confirmed trade receivable balances with major debtors and assessed their collectability by obtaining evidence of subsequent receipts. We also assessed the key assumptions used by management to evaluate the Group's trade receivables for impairment and the estimation of the impairment amount, where applicable, through analysis of age of outstanding receivables, assessment of significant overdue individual trade receivables and specific customer profile and risks.

Information regarding the Group's trade receivables and its credit risk management process is disclosed in Notes 15 and 27(a) respectively to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act and FRSs, 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, 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 Philip Ling Soon Hwa.

Ernst &Young LLP
Public Accountants and
Chartered Accountants
Singapore

4 October 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Group	
		2017	**2016**
		RM'000	**RM'000**
Revenue	5	**462,441**	412,347
Cost of sales		**(282,109)**	(257,627)
Gross profit		**180,332**	154,720
Other income/gains	6	**8,860**	12,155
Other items of expense			
Selling and distribution expenses		**(40,502)**	(22,422)
General and administrative expenses		**(35,615)**	(47,157)
Finance costs		**(419)**	(855)
Operating profit	7	**112,656**	96,441
Non-operating expenses	8	**(82,247)**	–
Profit before tax		**30,409**	96,441
Income tax expense	9	**(21,687)**	(27,853)
Profit for the year		**8,722**	68,588
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		**256**	(140)
Total comprehensive income for the year		**8,978**	68,448
Profit for the year attributable to owners of the Company		**8,722**	68,588
Total comprehensive income for the year attributable to owners of the Company		**8,978**	68,448
Earnings per share attributable to owners of the Company (RM cents per share)			
Basic and diluted	10	**0.69**	5.77

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	Group		Company	
		30 June 2017 RM'000	30 June 2016 RM'000	30 June 2017 RM'000	31 March 2016 RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	**94,638**	64,101	**–**	2,508
Investment in subsidiaries	12	**–**	–	**1,203,315**	2,470
Deferred tax assets	13	**61,313**	51,294	**–**	–
		155,951	115,395	**1,203,315**	4,978
Current assets					
Inventories		**–**	–	**–**	33,155
Development properties	14	**537,613**	476,350	**–**	–
Trade and other receivables	15	**463,977**	212,546	**69,485**	11,851
Other current assets	16	**51,198**	47,084	**932**	208
Cash and bank balances	17	**83,625**	81,930	**16,473**	3,825
		1,136,413	817,910	**86,890**	49,039
Total assets		**1,292,364**	933,305	**1,290,205**	54,017
Liabilities					
Current liabilities					
Bank overdraft		**–**	–	**–**	948
Loans and borrowings	18	**56,656**	51,899	**–**	14,062
Income tax payable		**49,330**	53,352	**–**	–
Trade and other payables	19	**468,505**	356,195	**1,034**	31,121
Amount due to shareholders		**–**	989	**–**	6,235
Other current liabilities	20	**5,005**	38,340	**–**	515
		579,496	500,775	**1,034**	52,881
Net current assets/(liabilities)		**556,917**	317,135	**85,856**	(3,842)
Non-current liabilities					
Deferred tax liabilities		**–**	–	**–**	88
Loans and borrowings	18	**298,793**	198,573	**–**	–
Other non-current liabilities	20	**186,665**	173,337	**–**	–
		485,458	371,910	**–**	88
Total liabilities		**1,064,954**	872,685	**1,034**	52,969
Equity					
Share capital	21	**250,874**	38,235	**1,283,378**	88,074
Retained earnings/(accumulated losses)		**31,244**	22,522	**5,793**	(87,026)
Translation reserve	22	**119**	(137)	**–**	–
Merger reserve	23	**(54,827)**	–	**–**	–
Total equity		**227,410**	60,620	**1,289,171**	1,048
Total equity and liabilities		**1,292,364**	933,305	**1,290,205**	54,017

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Group	Note	Attributable to owners of the Company Share capital RM'000	Retained earnings/ (accumulated losses) RM'000	Translation reserve RM'000	Merger reserve RM'000	Total RM'000
2017						
At 1 July 2016		38,235	22,522	(137)	–	60,620
Total comprehensive income for the year		–	8,722	256	–	8,978
Capital reorganisation	21, 23	54,827	–	–	(54,827)	–
Acquisition costs arising from the Reverse Acquisition	21	77,763	–	–	–	77,763
Issuance of placement shares	21	82,923	–	–	–	82,923
Share issuance expenses		(2,874)	–	–	–	(2,874)
At 30 June 2017		250,874	31,244	119	(54,827)	227,410
2016						
At 1 July 2015		38,235	5,428	3	–	43,666
Total comprehensive income for the year		–	68,588	(140)	–	68,448
Dividends on ordinary shares	29	–	(51,494)	–	–	(51,494)
At 30 June 2016		38,235	22,522	(137)	–	60,620

Company	Note	Attributable to owners of the Company Share capital RM'000	Retained earnings/ (accumulated losses) RM'000	Total RM'000
2017				
At 1 April 2016		88,074	(87,026)	1,048
Total comprehensive income for the year		–	4,759	4,759
Capital reduction	21	(88,060)	88,060	–
Issuance of shares pursuant to the Reverse Acquisition	21	1,203,315	–	1,203,315
Issuance of placement shares	21	82,923	–	82,923
Share issuance expenses		(2,874)	–	(2,874)
At 30 June 2017		**1,283,378**	**5,793**	**1,289,171**
2016				
At 1 April 2015		88,074	(65,397)	22,677
Total comprehensive income for the year		–	(21,629)	(21,629)
At 31 March 2016		88,074	(87,026)	1,048

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	Group 2017 RM'000	Group 2016 RM'000
Cash flows from operating activities			
Profit before tax		30,409	96,441
Adjustments for:			
Depreciation of property, plant and equipment	11	3,187	4,537
Gain on disposal of property, plant and equipment	6	(456)	(442)
Interest income	6	(2,712)	(4,124)
Interest expense		404	855
Unrealised foreign exchange gain	6	(250)	(1,248)
Acquisition costs arising from the Reverse Acquisition	8	77,763	–
Others		230	(228)
Operating cash flows before working capital changes		108,575	95,791
Changes in working capital			
(Increase)/decrease in:			
Development properties		(20,944)	3,461
Trade and other receivables		(251,288)	(70,122)
Amount due from related parties		–	207,671
Other current assets		(4,114)	(621)
Increase/(decrease) in:			
Trade and other payables		92,253	(175,310)
Other liabilities		(20,007)	(20,806)
Amount due to shareholders		(989)	821
Cash flow (used in)/generated from operations		(96,514)	40,885
Interest paid		(404)	(855)
Interest received		2,712	4,124
Income tax paid		(35,728)	(17,482)
Net cash flows (used in)/generated from operating activities		(129,934)	26,672
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		2,417	7,233
Additions to property, plant and equipment	11	(33,579)	(34,253)
Acquisition of subsidiaries	12	(946)	–
Increase in pledged fixed deposits		(69)	(2,088)
Net cash flows used in investing activities		(32,177)	(29,108)
Cash flows from financing activities			
Proceeds from loans and borrowings		83,431	109,656
Dividends paid	29	–	(51,494)
Proceeds from issuance of placement shares	21	82,923	–
Share issuance expense	21	(2,874)	–
Net cash flows generated from financing activities		163,480	58,162
Net change in cash and cash equivalents		1,369	55,726
Cash and cash equivalents the beginning of the year		79,842	24,116
Effects of exchange rate changes on cash and cash equivalents		257	–
Cash and cash equivalents at the end of the year	17	81,468	79,842

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

1. CORPORATE INFORMATION

Hatten Land Limited (formerly known as VGO Corporation Limited) (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The immediate and ultimate holding company is Hatten Holdings Pte Ltd.

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 investment holding. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

2. REVERSE ACQUISITION

The Company completed its acquisition of the entire share capital of Sky Win Management Consultancy Pte Ltd and its subsidiaries (collectively, the "Sky Win Group") ("Reverse Acquisition") on 24 January 2017 via the issuance of 1,187,692,308 new ordinary shares in the Company to the shareholders of the Sky Win Group. The transaction is treated as a reverse acquisition for accounting purposes as the shareholders of the Sky Win Group became the controlling shareholders of the Company on completion of the transaction. Accordingly, the Sky Win Group (being the legal subsidiary in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree.

The consolidated financial statements represent a continuation of the financial position, performance and cash flows of the Sky Win Group. Accordingly, the consolidated financial statements are prepared on the following basis:

(a) the assets and liabilities of the Sky Win Group are recognised and measured in the consolidated statement of financial position of the Group at their pre-acquisition carrying amounts;

(b) the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition-date fair values;

(c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the Sky Win Group immediately before the Reverse Acquisition;

(d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding to the issued equity of the Sky Win Group immediately before the Reverse Acquisition the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the Reverse Acquisition;

(e) the consolidated statement of comprehensive income for the financial year ended 30 June 2017 reflects the full year results of the Sky Win Group together with the post-acquisition results of the Company; and

(f) the comparative figures presented in these consolidated financial statements are those of the Sky Win Group.

The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the year ended 30 June 2017 refers to the Group which includes the results of the Sky Win Group from 1 July 2016 to 30 June 2017 and the post-acquisition results of the Company from the date of completion of the Reverse Acquisition to 30 June 2017. The consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the year ended 30 June 2016 refer to the results of the Sky Win Group from 1 July 2015 to 30 June 2016.

The consolidated statement of financial position of the Group as at 30 June 2017 refers to the consolidated statements of financial position of the Sky Win Group and the Company as at 30 June 2017. The consolidated statement of financial position of the Group as at 30 June 2016 refers to the consolidated statement of financial position of the Sky Win Group.

2. REVERSE ACQUISITION (CONTINUED)

Separate financial statements of the Company

In connection with the Reverse Acquisition, the Company changed its reporting year end from 31 March to 30 June to be coterminous with reporting year end of the Sky Win Group. Therefore, the financial statements of the Company for the current reporting year covered the fifteen months from 1 April 2016 to 30 June 2017.

In the Company's separate financial statements, investments in the legal subsidiaries (including the Sky Win Group) is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.

The statements of financial position of the Company as at 30 June 2017 and 31 March 2016 refer to the statements of financial position of the Company.

Further details on accounting of the Reverse Acquisition are provided in Note 21.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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 have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand (RM'000), except when otherwise stated.

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 July 2018.

3.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all new and revised standards which are effective for annual financial period beginning on 1 July 2016. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

3.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018
FRS 116 *Leases*	1 January 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Standards issued but not yet effective (Continued)

Except for FRS 109 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 and FRS 116 are disclosed below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

FRS 109 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group expects a significant impact on its equity due to unsecured nature of its loans and receivables, but will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

3.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of each of the reporting periods. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Basis of consolidation and business combinations (Continued)

(b) Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

– The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.

– No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.

– No additional goodwill is recognised as a result of the combination.

– Any difference between the consideration paid/transferred and the equity ‘acquired’ is reflected within the equity as merger reserve.

– The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

(c) Acquisition of an asset or a group of assets that does not constitute a business

At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Where the assets acquired and liabilities assumed do not constitute a business as defined under FRS 103, the transaction is accounted for as an asset acquisition.

In such cases, the Group identifies and recognises the individual identifiable assets acquired (including intangible assets) and liabilities assumed. The cost of the acquisition is allocated to the individual identifiable assets and liabilities based upon their relative fair values at the date of purchase, and no goodwill or deferred tax is recognised.

3.5 Foreign currency

The functional currency of the Company is Ringgit Malaysia (“RM”) as it reflects the primary economic environment which the entity operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Foreign currency (Continued)

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Translation

For consolidation purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of each of the reporting periods and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3.6 Revenue recognition

The Group adopts FRS 115 in the preparation of its financial statements, and applies the following accounting policy for revenue recognition:

(a) Sale of development properties held for sale

The Group recognises revenue from contracts with customers based on a five-step model as set out in FRS 115:

– Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

– Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

– Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

– Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Revenue recognition (Continued)

(a) Sale of development properties held for sale (Continued)

– Step 5. Recognise revenue when (or as) the Group satisfies a performance obligation. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For sale of development properties held for sale, revenue is recognised based on the percentage-of-completion method. Under the percentage-of-completion method, profit is brought to profit or loss only in respect of finalised sales contracts and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction and related costs incurred to date to the estimated total construction and related costs for each project.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

(b) 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.

(c) Interest income

Interest income is recognised using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Leases

(a) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Where a sale-and-leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss shall be recognised immediately. If the sale price is below fair value, any profit or loss shall be recognised immediately except that, if the loss is compensated for by future lease payments by the Group at below market price, it shall be deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value shall be deferred and amortised over the period for which the asset is expected to be used.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.6(b). Contingent rents are recognised as revenue in the period in which they are earned.

3.8 Borrowing costs

Borrowing costs 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 expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.9 Employee benefits

The Group participates in national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, and the Malaysian companies in the Group make contributions to the Employees Provident Fund scheme in Malaysia, which are defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as expense in the period in which the related service is performed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Taxes (Continued)

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

3.11 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment 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. The projected cost of dismantlement, removal or restoration is also 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. Expenditure relating to construction is capitalised as capital work-in-progress when incurred and no depreciation is provided until the construction is completed.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	–	5 years
Office equipment	–	3 – 10 years
Renovation	–	3 – 10 years

Properties under construction are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

3.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

3.14 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.

Completed development property/development properties under construction (unsold units)

Completed development property/development properties under construction (unsold units) 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Development properties (Continued)

Contract costs

Costs to obtain contracts are capitalised if they are incurred to obtain a contract with a customer that the Group would not have incurred if the contract had not been obtained, and the costs are expected to be 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.

Subsequent to initial measurement, contract costs are amortised to profit or loss using the same measure of progress as the related contract revenue.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of the contract costs exceeds the remaining amount of consideration that the Group expects to receive for the sold units less the estimated costs of completion that have not been recognised as expenses. An impairment loss is reversed if the conditions no longer exist or have improved.

3.15 Financial instruments

(a) Financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs. Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

(b) Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus directly attributable transaction costs. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Impairment of financial assets (Continued)

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 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.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3.20 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

While applying the accounting policies as stated in Note 3 to the financial statements, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revision to accounting estimates is 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.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.1 Critical judgments in applying accounting policies

Significant judgments made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Determination of asset versus business acquisition

At the time of acquiring Prolific Properties Sdn. Bhd. and Prolific Revenue Sdn. Bhd., the Group considers whether each of these acquisitions constitutes acquisition of business as defined under FRS 103 or acquisition of assets. The entities own land parcels and have been holding the land in a passive fashion with no operations or plans in place to use them. The Group plans to use these land parcels for development purpose after the acquisitions. Based on these considerations, the Group has concluded that the transactions in substance constitute acquisition of assets and has accounted for them as such in these financial statements.

Classification of properties

In the process of classifying properties, management has made various judgments. Judgment 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 judgment consistently in accordance with the definitions of investment property, property, plant and equipment and development property held for sale. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in FRS 2, FRS 16 and FRS 40, and in particular, the intended usage of property as determined by the management.

Contracts with customers

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 does not create an asset with an alternative use to the Group 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.

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 judgment 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.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting 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:

Allocation of transaction price to performance obligations in contracts with customers

The Group has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. These estimates mainly include: (a) for development contracts, the cost of development and related infrastructure; and (b) for services contracts, the time elapsed.

Estimation of net realisable value for development properties

Development properties are stated at lower of cost or net realisable value (NRV). NRV is assessed with reference to the estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs 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.

Impairment of trade and other receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired entails management's evaluation of the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including discussion with the legal department and review of the current economic environment. Management is satisfied that no additional impairment is required on its trade and other receivables in excess of amount already provided for.

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 judgment 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.

5. REVENUE

	Group	
	2017	**2016**
	RM'000	**RM'000**
Sale of development properties	**462,441**	412,347

(a) Nature of revenue

The Group is in the business of carrying out property development activities in Malaysia. Revenue from sale of development properties is recognised based on percentage-of-completion method which reflects the continuous transfer of control to the purchasers over the construction period.

(b) Contract balances

The following table provides information about receivables, contracts assets and contract liabilities from contracts with customers:

	Group	
	2017	**2016**
	RM'000	**RM'000**
Receivables (Note 15)	**118,364**	142,071
Contract assets (Note 15)	**299,385**	61,022
Contract liabilities (Note 19)	**(270,711)**	(209,269)

Contract assets relate to the Group's rights to recognise revenue for work completed but not billed on contracts at the reporting date and are transferred to receivables when the rights become unconditional.

Contract liabilities relate to the Group's rights to advance consideration received from customers, for which revenue is recognised as construction progresses.

(c) Performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date:

	Group	
	2017	**2016**
	RM'000	**RM'000**
Aggregate amount of the transaction price allocated to sale of development properties for contracts that are partially or fully unsatisfied as at 30 June	**526,156**	694,919

The Group expects the full transaction price allocated to unsatisfied contracts as at 30 June 2017 to be recognised as revenue for each financial year until 2020.

6. OTHER INCOME/GAINS

The following items have been included in arriving at other income/gains:

	Group	
	2017 RM'000	2016 RM'000
Service fee income	**–**	2,352
Rental income	**954**	1,049
Forfeiture income	**1,502**	1,094
Interest income	**2,712**	4,124
Gain on disposal of property, plant and equipment	**456**	442
Realised gain on foreign exchange	**507**	49
Unrealised gain on foreign exchange	**250**	1,248
Administrative fees	**1,160**	415
Others	**1,319**	1,382
	8,860	12,155

7. OPERATING PROFIT

The following items have been included in arriving at operating profit:

	Group	
	2017 RM'000	2016 RM'000
Auditor's remuneration		
– Audit fees	**481**	283
– Non-audit fees	**43**	58
Depreciation of property, plant and equipment	**3,187**	4,537
Operating lease expense	**2,743**	2,805
Effect of local government's assistance scheme on development costs	**27,629**	–
Directors' remuneration		
– Salaries and other emoluments	**6,782**	7,610
– Defined contribution plans	**176**	76
Staff costs		
– Salaries, wages and bonus	**10,443**	10,147
– Defined contribution plans	**1,245**	879
– Others	**605**	259

8. NON-OPERATING EXPENSES

The following items have been included in arriving at non-operating expenses:

	Group	
	2017 RM'000	2016 RM'000
Professional fees incurred in connection with the Reverse Acquisition	**4,484**	–
Acquisition costs arising from the Reverse Acquisition (Note 21(b))	**77,763**	–
	82,247	–

9. INCOME TAX EXPENSE

Major components of income tax expense

	Group	
	2017	**2016**
	RM'000	**RM'000**
Current income tax		
– Current year	**27,823**	35,965
– Underprovision in respect of prior years	**3,883**	3,227
	31,706	39,192
Deferred income tax		
– Origination and reversal of temporary differences	**(3,333)**	(12,201)
– (Over)/underprovision in respect of prior years	**(6,686)**	862
	(10,019)	(11,339)
Income tax expense recognised in profit or loss	**21,687**	27,853

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 June 2017 and 2016 is as follows:

	Group	
	2017	**2016**
	RM'000	**RM'000**
Profit before tax	**30,409**	96,441
Tax at the domestic rates applicable to profits in the countries where the Group operates	**13,142**	23,826
Adjustments:		
Non-deductible expenses	**15,709**	739
Income not subject to taxation	**(748)**	(146)
Effect of partial tax exemption and tax relief	**(158)**	(587)
Effect of reduction in Malaysian income tax rate	**(3,950)**	–
(Over)/underprovision in respect of prior years	**(2,803)**	4,089
Deferred tax assets not recognised	**550**	–
Others	**(55)**	(68)
Income tax expense recognised in profit or loss	**21,687**	27,853

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% respectively.

During the year, the Government of Malaysia reduced income tax rate based on the percentage of increase in current year chargeable income as compared to the immediate preceding year.

At the end of the reporting period, the Group has tax losses of approximately RM2,151,000 (2016: Nil) 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. The tax losses have no expiry date.

Tax consequences of proposed dividends

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 2017 (Note 29).

10. EARNINGS PER SHARE

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

The basic and diluted earnings per share for the financial years ended 30 June 2017 and 30 June 2016 are the same as there were no potential dilutive ordinary shares in existence for the financial years ended 30 June 2017 and 30 June 2016.

In connection with the Reverse Acquisition, the number of ordinary shares outstanding from the beginning of the year to the completion date of the Reverse Acquisition for purpose of calculating the weighted average number of ordinary shares is deemed to be the number of ordinary shares issued by the Company to the owners of the Sky Win Group. The number of ordinary shares outstanding from the completion date to the end of the year is the weighted average number of ordinary shares of the Company outstanding during the period.

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

	Group	
	2017	**2016**
Profit for the year attributable to owners of the Company (RM'000)	**8,722**	68,588
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation	**1,261,000,010**	1,187,692,308

11. PROPERTY, PLANT AND EQUIPMENT

Group	Construction-in-progress RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Others RM'000	Total RM'000
Cost						
At 1 July 2015	21,872	19,593	1,026	694	1,346	44,531
Additions	32,912	3,100	18	133	96	36,259
Disposals	–	(10,213)	(1)	(339)	–	(10,553)
Write-off	–	–	–	(17)	(164)	(181)
Exchange difference	–	–	35	23	20	78
At 30 June 2016 and 1 July 2016	54,784	12,480	1,078	494	1,298	70,134
Additions	32,946	2,320	28	305	67	35,666
Disposals	–	(3,186)	–	–	–	(3,186)
Write-off	–	–	–	(4)	(24)	(28)
Exchange difference	–	–	25	25	16	66
At 30 June 2017	**87,730**	**11,614**	**1,131**	**820**	**1,357**	**102,652**

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Construction-in-progress RM'000	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Others RM'000	Total RM'000
Accumulated depreciation						
At 1 July 2015	–	4,289	287	205	666	5,447
Charge for the year	–	3,746	287	162	342	4,537
Disposals	–	(3,761)	(1)	–	–	(3,762)
Write-off	–	–	–	(17)	(164)	(181)
Exchange difference	–	–	17	(124)	99	(8)
At 30 June 2016 and 1 July 2017	–	4,274	590	226	943	6,033
Charge for the year	–	2,426	318	236	207	3,187
Disposals	–	(1,225)	–	–	–	(1,225)
Write-off	–	–	–	–	(26)	(26)
Exchange difference	–	–	21	10	14	45
At 30 June 2017	**–**	**5,475**	**929**	**472**	**1,138**	**8,014**
Net carrying amount						
At 30 June 2016	54,784	8,206	488	268	355	64,101
At 30 June 2017	**87,730**	**6,139**	**202**	**348**	**219**	**94,638**

Assets held under finance leases

During the financial year, the Group acquired motor vehicles with an aggregate cost of RM2,087,000 (2016: RM2,006,000) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to RM33,579,000 (2016: RM34,253,000).

The carrying amount of motor vehicles held under finance leases at the end of the reporting period were RM6,135,000 (2016: RM8,199,000).

Leased asset are pledged as security for the related finance lease.

Capitalisation of borrowing costs

Interest expense capitalised in construction-in-progress during the financial year ended 30 June 2017 amounted to RM2,303,000 (2016: RM966,000).

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	Office equipment RM'000	Renovation RM'000	Others RM'000	Total RM'000
Cost					
At 1 April 2015	319	23,032	12,034	4,583	39,968
Additions	–	54	884	133	1,071
Write-off	–	(4,725)	(1,958)	(92)	(6,775)
At 31 March 2016 and 1 April 2016	319	18,361	10,960	4,624	34,264
Disposals	(319)	(18,361)	(10,960)	(4,624)	(34,264)
At 30 June 2017	–	–	–	–	–
Accumulated depreciation and impairment loss					
At 1 April 2015	319	17,280	10,341	4,441	32,381
Charge for the year	–	2,975	1,399	73	4,447
Write-off	–	(4,182)	(1,639)	(92)	(5,913)
Impairment loss	–	673	168	–	841
At 31 March 2016 and 1 April 2016	319	16,746	10,269	4,422	31,756
Disposals	(319)	(16,746)	(10,269)	(4,422)	(31,756)
At 30 June 2017	–	–	–	–	–
Net carrying amount					
At 31 March 2016	–	1,615	691	202	2,508
At 30 June 2017	–	–	–	–	–

Impairment of assets

During the financial year ended 31 March 2016, the Company carried out a review of the recoverable amount of the office equipment and renovation for certain outlets which have been incurring losses. An impairment loss of RM841,000, representing the write-down of the relevant assets to the recoverable amount was recorded.

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2017	**2016**
	RM'000	**RM'000**
At beginning of financial year	**2,470**	2,470
Acquisition of the Sky Win Group arising from the Reverse Acquisition (Note 21(b))	**1,203,315**	–
Disposal of subsidiaries (Note 12(b))	**(2,470)**	–
At end of financial year	**1,203,315**	2,470

As at 30 June 2017, the subsidiaries of the Company relate to entities held directly or indirectly by the Company subsequent to the Reverse Acquisition, namely, the Sky Win Group, as described in Note 2.

As at 31 March 2016, the subsidiaries of the Company relate to entities held directly by the Company prior to the Reverse Acquisition, namely, W.O.S. World of Sports (Franchising) Pte Ltd and W.O.S. World of Sports (M) Sdn. Bhd..

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

Name	Principal place of business	Principal activities	Proportion (%) of ownership interest 2017	2016
Held by the Company:				
Sky Win Management Consultancy Pte Ltd ("Sky Win")[1]	Singapore	Investment holding and management consultancy	**100**	–
W.O.S. World of Sports (Franchising) Pte Ltd[3]	Singapore	Dormant	**–**	100
W.O.S. World of Sports (M) Sdn. Bhd.[4]	Malaysia	Marketing and retailing of sporting goods, equipment, footwear, apparel and accessories	**–**	100
Held through Sky Win:				
Hatten International Pte Ltd ("HIPL")[1]	Singapore	Marketing and development consultancy	**100**	–
Fuyuu Group Sdn. Bhd. ("FGSB")[2]	Malaysia	Property development	**100**	–
Fuyuu Resources Sdn. Bhd. ("FRSB")[2]	Malaysia	Property development	**100**	–
Fuyuu Ventures Sdn. Bhd. ("FVSB")[2]	Malaysia	Property development	**100**	–
Gold Mart Sdn. Bhd. ("GMSB")[2]	Malaysia	Property development	**100**	–
Prolific Properties Sdn. Bhd. ("PPSB")[2]	Malaysia	Property development	**100**	–
Prolific Revenue Sdn. Bhd. ("PRSB")[2]	Malaysia	Property development	**100**	–

1 Audited by Ernst & Young LLP, Singapore

2 Audited by member firms of EY Global in Malaysia

3 Audited by Fong S F & Associates, Singapore

4 Audited by TKNP International, Malaysia

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of subsidiaries

On 24 March 2017 and 5 May 2017 (the "acquisition dates"), the Group through its wholly-owned subsidiary, Sky Win, acquired 100% equity interests in Prolific Properties Sdn. Bhd. ("PPSB") and Prolific Revenue Sdn. Bhd. ("PRSB"), for cash consideration of RM774,000 and RM439,000 respectively. Upon completion, PPSB and PRSB became subsidiaries of the Group.

PPSB and PRSB are both property development companies that own land parcels in Melaka, Malaysia. The Group intends to use the sites to construct Melaka's first wellness-themed mixed development and the Melaka International Conventional Centre, with development slated to commence in 2018.

Management considers that at acquisition, PPSB and PRSB constituted groups of net assets, rather than businesses as defined in FRS 103 Business Combinations as prior to their acquisitions, the subsidiaries were holding the land parcels in a passive fashion with no operations or plans in place to use the land.

The carrying values of the identifiable assets and liabilities of PPSB and PRSB as at the acquisition dates were:

	PPSB RM'000	PRSB RM'000	Total RM'000
Development properties	8,319	32,000	40,319
Trade and other receivables	143	–	143
Cash and cash equivalents	33	234	267
Loans and borrowings	(3,458)	(16,001)	(19,459)
Trade and other payables	(4,263)	(15,794)	(20,057)
Total purchase considerations, settled in cash	774	439	1,213
Less: Cash and cash equivalents of subsidiaries acquired	(33)	(234)	(267)
Net outflow of cash and cash equivalents on acquisitions	741	205	946

(b) Disposal of subsidiaries

On 12 December 2016, the Company disposed of its pre-existing business via the disposal of its 100% equity interests in W.O.S. World of Sports (Franchising) Pte Ltd and W.O.S Word of Sports (M) Sdn. Bhd. for a cash consideration of S$550,000 as part of the restructuring exercise in connection with the Reverse Acquisition.

13. DEFERRED TAX

	Group 2017 RM'000	Group 2016 RM'000
Deferred tax assets:		
Rental guarantees provided in conjunction with the sale of development properties	**55,576**	51,248
Unutilised tax losses	**526**	4,531
Allowance for foreseeable losses	**501**	1,446
Provision for developer interest-bearing scheme	**4,415**	6,495
Others	**557**	–
	61,575	63,720
Deferred tax liabilities:		
Differences in depreciation for tax purposes	**25**	94
Capitalised costs of obtaining contracts	**–**	6,189
Deferred expenses	**–**	5,021
Progress billings	**191**	1,104
Others	**46**	18
	262	12,426
Net deferred tax assets	**61,313**	51,294

14. DEVELOPMENT PROPERTIES

	Group	
	2017	**2016**
	RM'000	**RM'000**
Completed development properties	**223,987**	–
Development properties under construction		
Unsold units	**217,101**	393,673
Sold units	**53,483**	82,677
Properties for development representing land, at cost	**43,042**	–
	537,613	476,350

Completed development properties

Included in completed development properties is an allowance of RM2,088,000 (2016: Nil) to write down the carrying value of the completed development properties to net realisable value. Also included in the balance as at 30 June 2017 is an amount of RM10,971,000 (2016: Nil) that relates to funding received by the Group from the local government's assistance scheme for the development costs incurred for Hatten City Phase 1.

Development properties under construction

(a) Unsold units

The amount relates to costs attributable to the unsold units. Borrowing costs capitalised as cost of development properties under construction for unsold units ranged from 6.81% to 8.35% (2016: 6.85% to 8.35%) per annum.

The Group assesses at each reporting date whether any allowance for foreseeable losses is required. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs 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. As at the reporting date, no allowance for foreseeable losses is recorded. Allowance for foreseeable losses of RM2,088,000 provided during the financial year ended 30 June 2017 was transferred to completed development properties upon completion of the development project during the year.

14. DEVELOPMENT PROPERTIES (CONTINUED)

Development properties under construction (Continued)

(b) Sold units

The amount relates primarily to land related costs that are attributable to the sold units, which are capitalised as fulfilment costs as at 30 June 2017 and 2016. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue are recognised. As at the reporting date, no impairment is recorded.

Details of the development properties held by the Group as at 30 June 2017 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 2017	Expected year of completion
Vedro by the River	Freehold retail mall development (Melaka, Malaysia)	100%	8,672	19,839	99%	2H 2017
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	88%	2H 2017
Harbour City	99-year leasehold mixed commercial development consisting of a retail mall and 3 hotels (Melaka, Malaysia)	100%	24,290	310,117	15%	2020
Satori	99-year leasehold integrated mall and residential development (Melaka, Malaysia)	100%	8,303	48,768	–	2020
Melaka International Convention Centre (MICC)	99-year leasehold integrated mixed development consisting of retail mall, cineplex, convention hall, hotel and residential development (Melaka, Malaysia)	100%	37,810	150,295	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Trade receivables (Note 5)	**118,364**	142,071	**–**	4,128
Contract assets (Note 5)	**299,385**	61,022	**–**	–
Amounts due from related parties	**–**	–	**–**	1,346
Amount due from subsidiaries	**–**	–	**69,485**	2,337
Deposits	**3,062**	3,526	**–**	3,013
Other receivables	**43,166**	5,927	**–**	1,027
Total trade and other receivables	**463,977**	212,546	**69,485**	11,851
Add: Cash and bank balances (Note 17)	**83,625**	81,930	**16,473**	3,825
Total loans and receivables	**547,602**	294,476	**85,958**	15,676

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

Receivables that are past due but not impaired

The Group has trade receivables that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2017	2016
	RM'000	RM'000
Lesser than 30 days	**7,840**	20,236
30 – 60 days	**4,201**	16,273
61 – 90 days	**4,720**	14,883
91 – 120 days	**2,419**	11,580
More than 120 days	**71,582**	67,009
	90,762	129,981

16. OTHER CURRENT ASSETS

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Capitalised costs of obtaining contracts	**50,266**	46,156	**–**	–
Others	**932**	928	**932**	208
	51,198	47,084	**932**	208

Capitalised costs of obtaining contracts pertains to sales commission paid to real estate agent and legal costs incurred as a result of securing sale contracts and are expected to be recoverable. As at the reporting date, no impairment is recorded. These costs are amortised and recognised in the "Sales and distribution expenses" line item in profit or loss when the related revenue are recognised.

16. OTHER CURRENT ASSETS (CONTINUED)

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

	Group	
	2017 RM'000	2016 RM'000
As at 1 July	**46,156**	42,025
Capitalised during the year	**37,012**	27,442
	83,168	69,467
Charged to profit or loss during the year	**(32,902)**	(23,311)
At 30 June	**50,266**	46,156

17. CASH AND BANK BALANCES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Fixed deposits	**2,157**	3,037	**–**	–
Cash and bank balances	**81,468**	78,893	**16,473**	3,825
	83,625	81,930	**16,473**	3,825
Bank overdraft	**–**	–	**–**	(948)
Deposit pledged	**(2,157)**	(2,088)	**–**	–
Cash and cash equivalents, as presented in the consolidated statement of cash flows	**81,468**	79,842	**16,473**	2,877

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

Fixed deposits are made for varying periods between 1 and 365 days from the financial year end. Interest rates of the Group's fixed deposits are fixed at 2.55% (2016: 3.30%) per annum.

Fixed deposits of RM2,157,000 (2016: RM2,088,000) are pledged to secure bank loans (Note 18).

Cash and bank balances denominated in foreign currencies at 30 June are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
United States Dollar	**–**	**18**	**–**	**–**
Renminbi (Yuan)	**3,025**	**3,025**	**–**	**–**
Singapore Dollar	**22,678**	**8,059**	**16,473**	**3,825**

18. LOANS AND BORROWINGS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current:				
Obligations under finance leases (Note 24(d))	**2,036**	2,439	**–**	–
Term loans	**54,620**	49,460	**–**	14,062
	56,656	51,899	**–**	14,062
Non-current:				
Obligations under finance leases (Note 24(d))	**4,284**	5,809	**–**	–
Term loans	**294,509**	192,764	**–**	–
	298,793	198,573	**–**	–
Total loans and borrowings	**355,449**	250,472	**–**	14,062

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

Obligations under finance leases

The Group entered into finance leases in respect of motor vehicles. Interest rates implicit in these leases range between 2.34% and 5.44% (2016: 3.20% and 5.44%) per annum. As at 30 June 2017, obligations under these finance leases are scheduled to mature between 2017 and 2022 (2016: 2016 and 2022).

RM52,500,000 loan at base funding rate + 1.00% per annum

The loan has a tenure of 36 months from the date of its first disbursement and was repaid in full in April 2017 upon maturity. The Group had an outstanding balance of RM6,772,000 under the loan as at 30 June 2016. The loan was secured by a legal charge over the project land under development, debenture over fixed and floating present and future assets of the borrowing entity, legal assignment over designated bank account and monies, and legal assignment of sales proceeds from the sale of project units in favour of the lender. The loan was also jointly and severally guaranteed by directors of the borrowing entity in their personal capacity.

RM258,500,000 loan at cost of fund + 1.50% per annum

The loan was obtained to fund the development of a project and has a tenure of 48 months from the date of its first disbursement. As at 30 June 2017, the Group had an outstanding balance of RM247,927,000 (2016: RM168,121,000) under the loan. The loan is secured by a legal charge over the project land under development, third party first legal assignment over certain property assets owned by related parties, debenture over fixed and floating present and future assets of the borrowing entity, legal assignment over designated bank account and monies, legal assignment of sales proceeds from the sale of project units in favour of the lender, corporate guarantee by a related party and deed of subordination of advances due to shareholders and directors. The loan is also jointly and severally guaranteed by directors of the borrowing entity in their personal capacity.

RM55,000,000 loan at base lending rate per annum

The loan was obtained to finance construction of a development project. As at 30 June 2017, the Group had an outstanding balance of RM33,028,000 (2016: RM48,275,000) under the loan. The loan is repayable by monthly instalments of principal and interest for 27 months commencing from the 19th month from the date of the first loan disbursement.

The loan is secured by a legal charge over the project land under development, fixed and floating charges over all assets of the project, legal assignment of project bank account in favour of the lender, and jointly and severally guaranteed by directors of the borrowing entity.

18. LOANS AND BORROWINGS (CONTINUED)

RM120,000,000 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 25th month from the date of the first loan disbursement. As at 30 June 2017, the Group had an outstanding balance of RM48,958,000 (2016: RM19,056,000) 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.

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 2017, the Group had an outstanding balance of RM15,786,000 (2016: Nil) 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.

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 2017, the Group had an outstanding balance of RM3,430,000 (2016: Nil) 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. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Trade payables	**49,502**	67,616	**1,034**	7,726
Contract liabilities (Note 5)	**270,711**	209,269	**–**	–
Deposits received	**1,280**	8,665	**–**	–
Provision for developer interest-bearing scheme	**18,395**	27,062	**–**	–
Accruals	**76,581**	8,416	**–**	7,814
Amount due to related parties	**1,167**	–	**–**	9,839
Amount due to subsidiaries	**–**	–	**–**	512
Other payables	**50,869**	35,167	**–**	5,230
Total trade and other payables	**468,505**	356,195	**1,034**	31,121
Add:				
Loans and borrowings (Note 18)	**355,449**	250,472	**–**	14,062
Other liabilities (Note 20)	**191,670**	211,677	**–**	515
Less:				
Contract liabilities	**(270,711)**	(209,269)	**–**	–
Total financial liabilities carried at amortised cost	**744,913**	609,075	**1,034**	45,698

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

20. OTHER LIABILITIES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Current:				
Rental guarantees provided in conjunction with the sale of development properties	**5,005**	35,408	**–**	–
Others	**–**	2,932	**–**	515
	5,005	38,340	**–**	515
Non-current:				
Rental guarantees provided in conjunction with the sale of development properties	**186,665**	173,337	**–**	–
Total other liabilities	**191,670**	211,677	**–**	515

Rental guarantees provided in conjunction with the sale of development properties

This pertains to rental guarantees provided to the buyers in conjunction with the sale of development properties, in which the Group is obliged to pay rental yield of 6% to 9% (2016: 6% to 8%) of the purchase price to the buyers for a committed lease term of 3 years to 9 years (2016: 3 years to 9 years).

21. SHARE CAPITAL

Issued and fully paid ordinary shares

	No. of ordinary shares issued	RM'000
Group		
At 1 July 2015, 30 June 2016 and 1 July 2016	92,388,045	38,235
Capital reorganisation (Note 23)	–	54,827
Issuance of shares pursuant the Reverse Acquisition (Note 21(b))	1,187,692,308	77,763
Issuance of placement shares (Note 21(c))	95,000,000	82,923
Share issuance expenses	–	(2,874)
At 30 June 2017	**1,375,080,353**	**250,874**
Company		
At 1 April 2015, 31 March 2016 and 1 April 2016	92,388,045	88,074
Capital reduction (Note 21(a))	–	(88,060)
Issuance of shares pursuant to the Reverse Acquisition (Note 21(b))	1,187,692,308	1,203,315
Issuance of placement shares (Note 21(c))	95,000,000	82,923
Share issuance expenses	–	(2,874)
At 30 June 2017	**1,375,080,353**	**1,283,378**

The Group's share capital amount differs from that of the Company as a result of reverse acquisition accounting as described in Note 2.

The holders of ordinary shares are entitled to receive dividends as and when declared by entities within the Group. All ordinary shares carry one vote per share without restriction.

21. SHARE CAPITAL (CONTINUED)

(a) Capital reduction

The Company undertook a capital reduction exercise to offset against the Company's accumulated losses amounting to RM88,060,000 prior to the completion of the Reverse Acquisition. The capital reduction exercise did not result in any change in the number of shares of the Company.

(b) Issuance of shares pursuant to the Reverse Acquisition and acquisition costs arising from the Reverse Acquisition

As disclosed in Note 2, the Company completed its acquisition of the entire share capital of Sky Win Group via the issuance of 1,187,692,308 new ordinary shares in the Company to the shareholders of Sky Win Group. The transaction is treated as a reverse acquisition for accounting purposes as the shareholders of the Sky Win Group became the controlling shareholders of the Company upon completion of the transaction. The Sky Win Group is deemed to have issued equity shares as purchase consideration for the assets and liabilities of the Company using the accounting principles in FRS 102 Share-based Payment, as the Company's operation did not constitute a business under FRS 103 Business Combination at the time of completion of the Reverse Acquisition.

In the consolidated financial statements, the acquisition costs arising from the Reverse Acquisition was determined using the fair value of the issued equity of the Company before the acquisition, being 92,388,045 shares at S$0.27 (approximately RM0.84) per share, which represents the market value of the Company based on the quoted and trade price of the shares as at 24 January 2017 (date of completion of the Reverse Acquisition).

The identifiable assets of the Company were as follows:

	RM'000
Cash and cash equivalents, representing total assets	212
Other payables, representing total liabilities	(215)
Total identifiable net liabilities	(3)

The difference between the purchase consideration and identifiable net liabilities of the Company, amounting to RM77,763,000, has been recognised in the consolidated statement of comprehensive income as acquisition costs arising from the Reverse Acquisition incurred by the Sky Win Group in accordance with FRS 102.

In the separate financial statements of the Company, the acquisition costs arising from the Reverse Acquisition was determined by reference to the issue of 1,187,692,308 consideration shares at S$0.325 (approximately RM1.013), amounting to approximately RM1,203,315,000.

(c) Issuance of placement shares

On 23 February 2017, the Company issued 95,000,000 ordinary shares ("placement shares") at S$0.28 (approximately RM0.88) each, for cash.

22. TRANSLATION RESERVE

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the Company whose functional currencies are different from that of the Group's presentation currency.

23. MERGER RESERVE

During the financial year, as a condition to the Reverse Acquisition, the shareholders of the Sky Win Group carried out a capital reorganisation resulting in Sky Win holding directly the entire issued and paid-up share capital of HIPL, FGSB, FRSB, FVSB and GMSB. Shares in Sky Win were issued to the previous shareholders of these companies based on the net assets value of these companies. Merger reserve represents the difference between the consideration paid and the equity acquired under common control in this respect.

24. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements in respect of the properties under development and construction-in-progress are as follows:

	Group	
	2017 RM'000	2016 RM'000
Approved and contracted for	**289,792**	78,994
Less: Amount capitalised to capital work-in-progress	**(87,730)**	(40,092)
	202,062	38,902

(b) Operating lease commitments – as lessee

Future minimum rental payable under non-cancellable operating leases as at the end of each reporting period are as follows:

	Group	
	2017 RM'000	2016 RM'000
Not later than one year	**51,641**	42,123
Later than one year but not later than five years	**221,039**	198,202
Later than five years	**102,946**	106,007
	375,626	346,332

(c) Operating lease commitments – as lessor

The Group has entered into commercial leases on part of its property. These non-cancellable leases have remaining lease terms of between two and eight 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. Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2017 RM'000	2016 RM'000
Not later than one year	**936**	897
Later than one year but not later than five years	**3,567**	1,375
Later than five years	**2,557**	–
	7,060	2,272

24. COMMITMENTS (CONTINUED)

(d) Finance lease commitments

The Group has finance leases for its motor vehicles. Future minimum payments together with the present value of the net minimum payments are as follows:

	Group			
	2017 RM'000		2016 RM'000	
	Minimum lease payments	Present value of payments (Note 18)	Minimum lease payments	Present value of payments (Note 18)
Not later than one year	**2,320**	**2,036**	3,037	2,439
Later than one year and not later than five years	**4,582**	**4,284**	6,381	5,768
Later than five years	**–**	**–**	42	41
Total minimum payments	**6,902**	**6,320**	9,460	8,248
Less: Amount representing finance charges	**(582)**	**–**	(1,212)	–
Present value of minimum payments	**6,320**	**6,320**	8,248	8,248

25. 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 companies 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 reporting periods:

	Group	
	2017 RM'000	2016 RM'000
Services provided to related companies:		
– Sales commission	**28,323**	–
– Rental	**91**	484
– Property agent management	**4,288**	17,316
Advances to related companies	**–**	149,415
Advances from related companies	**–**	58,565

(b) Compensation of key management personnel

	Group	
	2017 RM'000	2016 RM'000
Salaries, wages, bonuses and other costs	**8,772**	9,263
Contributions to defined contribution plans	**265**	214
	9,037	9,477
Comprise amounts paid to:		
Directors	**6,652**	7,686
Other key management personnel	**2,385**	1,791
	9,037	9,477

26. 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 – Unobservable inputs for the asset or liability.

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 reporting period.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The boards of directors review and agree 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.

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.

At the end of the reporting period, 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.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (Continued)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy receivables with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15.

(b) Liquidity risk

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 financial assets and liabilities at the end of each reporting period based on contractual undiscounted payments.

Group	Less than one year RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
2017				
Financial assets				
Trade and other receivables	**463,977**	**–**	**–**	**463,977**
Cash and bank balances	**83,625**	**–**	**–**	**83,625**
Total undiscounted financial assets	**547,602**	**–**	**–**	**547,602**
Financial liabilities				
Trade and other payables (excluding contract liabilities)	**197,794**	**–**	**–**	**197,794**
Loans and borrowings	**59,955**	**325,526**	**16,480**	**401,961**
Other liabilities	**5,005**	**186,665**	**–**	**191,670**
Total undiscounted financial liabilities	**262,754**	**512,191**	**16,480**	**791,425**
Total net undiscounted financial assets/ (liabilities)	**284,848**	**(512,191)**	**(16,480)**	**(243,823)**
2016				
Financial assets				
Trade and other receivables	212,546	–	–	212,546
Cash and bank balances	81,930	–	–	81,930
Total undiscounted financial assets	294,476	–	–	294,476
Financial liabilities				
Trade and other payables (excluding contract liabilities)	146,926	–	–	146,926
Loans and borrowings	66,979	222,823	4,432	294,234
Other liabilities	38,340	173,337	–	211,677
Total undiscounted financial liabilities	252,245	396,160	4,432	652,837
Total net undiscounted financial assets/(liabilities)	42,231	(396,160)	(4,432)	(358,361)

27. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (CONTINUED)

(b) **Liquidity risk** (Continued)

Company	Less than one year RM'000	Two to five years RM'000	More than five years RM'000	Total RM'000
2017				
Financial assets				
Trade and other receivables	**69,485**	**–**	**–**	**69,485**
Cash and bank balances	**16,473**	**–**	**–**	**16,473**
Total undiscounted financial assets	**85,958**	**–**	**–**	**85,958**
Financial liabilities				
Trade and other payables, representing total undiscounted financial liabilities	**1,034**	**–**	**–**	**1,034**
Total net undiscounted financial assets	**84,924**	**–**	**–**	**84,924**
2016				
Financial assets				
Trade and other receivables	11,851	–	–	11,851
Cash and bank balances	3,825	–	–	3,825
Total undiscounted financial assets	15,676	–	–	15,676
Financial liabilities				
Trade and other payables	31,121	–	–	31,121
Amount due to shareholders	6,235	–	–	6,235
Loans and borrowings	14,062	–	–	14,062
Bank overdraft	948	–	–	948
Total undiscounted financial liabilities	52,366	–	–	52,366
Total net undiscounted financial liabilities	(36,690)	–	–	(36,690)

(c) **Interest rate risk**

The primary source of the Group's interest rate risk relates to interest bearing bank deposits and its borrowings from banks and financial institutions. The interest bearing loans and borrowings of the Group are disclosed in Note 18 to the financial statements. As the interest rates are pegged to floating rates, the Group is exposed to cash flow interest rate risk. This risk is not hedged. Interest bearing bank deposits are short to medium-term in nature but given the significant cash and bank balances held by the Group, any variation in the interest rates may have a material impact on the results of the Group.

The Group manages its interest rate risk by having a mixture of fixed and variable rates for its deposits and borrowings from time to time based on prevailing market conditions.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for bank deposits and interest bearing financial liabilities at the end of the reporting period and the stipulated change taking place at the beginning of the year and held constant throughout the reporting period 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.

	Increase/(decrease) in profit before tax Group	
Change in interest rates	**2017 RM'000**	**2016 RM'000**
50 basis points decrease	**1,766**	644
50 basis points increase	**(1,766)**	(644)

28. 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.

29. DIVIDENDS

Dividends on ordinary shares during the financial year ended 30 June 2016 relate to dividend declared and paid by HIPL and FRSB to the previous shareholders prior to the Reverse Acquisition at RM0.64 and RM10.00 per share, amounting to RM1,494,000 and RM50,000,000, respectively.

Dividends on ordinary shares proposed but not recognised as a liability as at 30 June and subject to shareholders' approval at the AGM:

	Group and Company	
	2017	**2016**
	RM'000	**RM'000**
Final exempt (one-tier) dividend for 2017: S$0.05 cent (approximately RM0.16 cent) (2016: Nil) per share	**2,149**	–

30. 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 2017 and 2016.

31. SUBSEQUENT EVENTS

(a) Establishment of a medium-term note programme of up to RM200,000,000 in nominal value

On 11 September 2017, FRSB 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.

FRSB had on 18 September 2017 issued and offered its first tranche of notes, amounting to RM25,000,000 under the MTN Programme with maturity date on 20 September 2018 and coupon rate of 6.00% per annum.

(b) Grant of a convertible loan amounting to US$20,000,000 by Haitong International Financial Products (Singapore) Pte Ltd (the "Lender")

On 22 September 2017, the Company entered into a convertible loan agreement with the Lender, pursuant to which the Lender has agreed to extend to the Company a convertible loan of an aggregate amount of US$20,000,000, which is convertible into new fully paid ordinary shares in the capital of the Company on terms and subject to the conditions of the convertible loan agreement.

31. SUBSEQUENT EVENTS (CONTINUED)

(c) Issuance of 3,016,000 new ordinary shares to selected employees of the Group (the "Employee Shares")

On 26 September 2017, the Company completed the allotment and issuance of 3,016,000 Employee Shares at an issue price of S$0.25 for each share. The Employee Shares rank *pari passu* in all respects with the existing issued shares of the Company. Upon completion, the number of issued and paid-up shares in the capital of the Company has increased from 1,375,080,353 shares to 1,378,096,353 shares.

32. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 30 June 2017 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 4 October 2017.

STATISTICS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2017

SHARE CAPITAL AND VOTING RIGHTS

Number of shares issued	:	1,378,096,353
Issued and fully paid-up capital	:	S$411,673,000
Class of shares	:	1 vote per ordinary share
Treasury shares	:	Nil
Subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of shares	%
1 – 99	107	3.62	5,960	0.00
100 – 1,000	809	27.39	323,371	0.02
1,001 – 10,000	960	32.50	4,231,645	0.31
10,001 – 1,000,000	1,047	35.44	76,044,548	5.52
1,000,001 and above	31	1.05	1,297,508,829	94.15
	2,954	**100.00**	**1,378,096,353**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct interest		Deemed interest	
	Number of shares	%	Number of shares	%
Hatten Holdings Pte Ltd	1,138,392,308	82.61%		
Tan June Teng Colin @ Chen JunTing	–	–	1,138,392,308	82.61%*
Tan Ping Huang Edwin @ Chen BingHuang	–	–	1,138,392,308	82.61%*

* 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 29 September 2017, approximately 17.33% of the issued ordinary shares of the Company is held by the public and therefore, the Company has complied with Rule 723 of the Catalist Rules.

STATISTICS OF SHAREHOLDINGS

AS AT 29 SEPTEMBER 2017

TWENTY LARGEST SHAREHOLDERS AS AT 29 SEPTEMBER 2017

	SHAREHOLDER'S NAME	NO OF SHARES	%
1	HATTEN HOLDINGS PTE LTD	1,138,392,308	82.61
2	RAFFLES NOMINEES (PTE) LTD	43,000,443	3.12
3	UOB KAY HIAN PTE LTD	21,773,343	1.58
4	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	16,872,441	1.22
5	OCBC SECURITIES PRIVATE LTD	6,690,102	0.49
6	CITIBANK NOMINEES SINGAPORE PTE LTD	5,634,975	0.41
7	MAYBANK KIM ENG SECURITIES PTE LTD	5,379,398	0.39
8	NG CHUEN GUAN	5,088,000	0.37
9	CIMB SECURITIES (SINGAPORE) PTE LTD	4,962,799	0.36
10	TAN LER CHOO	4,954,200	0.36
11	LUM CHUE TAT	4,821,000	0.35
12	CHUA HEE TECK	3,900,000	0.28
13	CHUA SWEE WAH	3,500,800	0.25
14	CHENG KWEE KIANG	3,422,000	0.25
15	LAY SIEW CHIN	3,421,000	0.25
16	NEO YAM CHENG OR LEE KWEE LAN	3,192,594	0.23
17	CHYE HIN HARDWARE PTE LTD	2,600,000	0.19
18	PHILLIP SECURITIES PTE LTD	2,445,130	0.18
19	DBS NOMINEES PTE LTD	2,145,079	0.16
20	RHB SECURITIES SINGAPORE PTE LTD	1,959,300	0.14
	Total	**1,284,154,912**	**93.19**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hatten Land Limited (the "**Company**") will be held at 53 Mohamed Sultan Road, Level 2, Singapore 238993 on Thursday, 26 October 2017 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 2017 and the Directors' Statement and the Auditors Report thereon. **(Resolution 1)**

2. To declare a Final tax-exempt (one-tier) Dividend of 0.05 cents per ordinary share for the financial year ended 30 June 2017 **(Resolution 2)**

3. To re-elect Mr Foo Jong Han, Rey, a Director retiring pursuant to Article 117 of the Company's Constitution, and who being eligible, will offer himself for re-election. **(Resolution 3)**

   (Please see Explanatory Note 1)

4. To note that Mr Lee Sok Khian, John, a Director retiring pursuant to Article 117, of the Company's Constitution, and has indicated that he does not wish to seek re-election as a Director of the Company.

5. To approve the payment of Directors' Fees of S$159,695.00 for the year ended 30 June 2017. **(Resolution 4)**

   (Please see Explanatory Note 2)

6. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

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

7. **THE PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE** **(Resolution 6)**

   (a) That, pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Act**"), and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

   (b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, Provided always that,

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) shall not exceed 100% of the Company's issued share capital, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 50% of the issued share capital of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's issued share capital 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 of the SGX-ST, and

(3) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(Please see Explanatory Note 3)

8. **THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE** **(Resolution 7)**

(a) That for the purposes of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire fully-paid ordinary shares in the capital of the Company ("**Shares**") not exceeding 10% of the issued shares of the Company (excluding treasury shares and subsidiary holdings), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

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

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

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

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-back 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 Buy-backs are carried out to the full extent mandated;

(iii) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by the Company in general meeting;

(c) in this Resolution:

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding related expenses of the purchase) not exceeding:–

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price;

"Average Closing Price" means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Day period;

"day of making of the offer" means the day on which the Company announces its intention to make an offer for Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price for Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"Market Day" means a day on which SGX-ST is open for trading of securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary or expedient to give effect to the transactions contemplated by this Resolution."

(Please refer to the Appendix for details)

9. **THE PROPOSED ADOPTION OF THE HATTEN LAND LIMITED EMPLOYEE'S SHARE OPTION SCHEME ("HATTEN ESOS")** **(Resolution 8)**

(a) That a share option scheme to be known as the "Hatten ESOS", substantially in the form set out in the rules of the Hatten ESOS, the details and rules, a summary of which is set out in the Appendix to this Notice of Annual General Meeting dated 11 October 2017 (the "**Appendix**"), under which Options (as defined below) will be granted to selected employees of the Company and its subsidiaries, including Directors of the Company and its subsidiaries, be and is hereby approved and adopted;

(b) That approval be and is hereby given for the Directors of the Company to:

(i) implement and establish the Hatten ESOS;

(ii) modify and/or amend the Hatten ESOS from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Hatten ESOS and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Hatten ESOS; and

(iii) offer and grant the right to subscribe for Shares granted pursuant to the rules of the Hatten ESOS ("**Options**") in accordance with the provisions of the Hatten ESOS (including, subject to the passing of Resolution 9 below, Options over Shares at a discount to the Market Price of a Share) and to 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 the Options under the Hatten ESOS and any other share scheme of the Company, provided that the aggregate number of new Shares to be issued pursuant to the Hatten ESOS shall not exceed 15% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time.

(Please refer to the Appendix for details)
(Please see Explanatory Note 4)

10. **THE PROPOSED GRANT OF AUTHORITY TO OFFER AND GRANT OPTIONS AT A DISCOUNT OF UP TO 20% UNDER THE HATTEN ESOS** **(Resolution 9)**

That subject to and contingent on the passing of Resolution 8, approval be and is hereby given for:

(a) the maximum discount that may be given under the Hatten ESOS to be up to 20% of the Market Price for the Shares at the time of the grant of the Option; and

(b) the Directors to be authorised to offer Options at a maximum discount of up to 20% of the Market Price (as defined in the Appendix) for the Shares at the time of the grant of the Option.

(Please refer to the Appendix for details)
(Please see Explanatory Note 4)

11. **THE PROPOSED ADOPTION OF THE HATTEN LAND LIMITED PERFORMANCE SHARE PLAN ("HATTEN PSP")** **(Resolution 10)**

(a) That a share award scheme to be known as the "Hatten PSP", substantially in the form set out in the rules of the Hatten PSP, the details and rules, a summary of which is set out in the Appendix, under which awards ("**Awards**") of Shares, their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and its subsidiaries, including Directors of the Company and its subsidiaries, be and is hereby approved and adopted;

(b) The Directors of the Company be and are hereby authorized:

(i) To administer the Hatten PSP;

(ii) To modify and/or amend the Hatten PSP from time to time, provided that such modification and/or amendment is effected in accordance with the provisions of the Hatten PSP and to do all such acts and to enter into such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Hatten PSP;

(iii) To grant Awards in accordance with the provisions of the Hatten PSP and to allot, issue, transfer and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the vesting of Awards under the Hatten PSP, provided that the aggregate number of Shares to be issued or delivered pursuant to the Hatten PSP and pursuant to all other share option or other share schemes of the Company shall not exceed fifteen per cent (15%) of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at any time and from time to time;

(iv) Subject to the same being allowed by law, to apply any share purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any treasury shares and subsidiary holdings) towards the satisfaction of Awards granted under the Hatten PSP; and

(v) To complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorized by this Resolution

(Please refer to the Appendix for details)
(Please see Explanatory Note 4)

12. **THE PROPOSED RENEWAL OF THE SHAREHOLDER'S MANDATE FOR INTERESTED PERSON TRANSACTIONS** **(Resolution 11)**

(a) That approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST 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 of the SGX-ST 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 5)

BY ORDER OF THE BOARD

Dato' Tan June Teng Colin @ Chen JunTing
Executive Chairman and Managing Director
11 October 2017
Singapore

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. Mr Foo Jong Han, Rey, upon re-election as a Director of the Company, will remain as the Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and the Nominating Committee. The Board considers Mr Foo to be independent pursuant to Rule 704(7) of the Catalist Rules

2. The sum of S$159,695.00 comprises the Director's Fees for the period ended 30 June 2017, and is inclusive of the proposed Director's Fees for Goh Ching Lai, Dato' Wong King Kheng, Mr Foo Jong Han Rey, and Anthony Clifford Brown for the period 1 April 2016 to 31 January 2017 as well as the proposed Director's Fee for the Board for the period 24 January 2017 to 30 June 2017.

3. Ordinary Resolution 6 proposed in item 7 above is to authorise the Directors of the Company from the date of the above Meeting 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.

4. Ordinary Resolutions 8, 9 and 10, proposed in items 9,10 and 11 respectively, if passed, will empower the Directors of the Company to, amongst others, establish and implement the Hatten ESOS and Hatten PSP. In accordance with the requirements of Chapter 8 of the Catalist Rules of the SGX-ST, shareholders who are eligible to participate in the Hatten ESOS and Hatten PSP must abstain from voting on Ordinary Resolutions 8, 9 and 10 relating to the Hatten ESOS and Hatten PSP.

5. Ordinary Resolution 11 proposed in item 12 above, if passed, will renew the IPT Mandate for certain transactions with the interested persons and empower the Directors of the Company from the date of the above meeting until the date of the next Annual General Meeting to do all acts necessary to give effect to the Directors of the Company from the date of the above meeting 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 of the SGX-ST, Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang being "Interested Person(s)" in relation to the IPT Mandate, will abstain from voting, and will ensure that their respective associates abstain from voting, on Ordinary Resolution 11 relating to the renewal of the IPT Mandate.

NOTES:

1. A member of the Company (other than a member who is a relevant intermediary as defined in Note 2 below) shall not be entitled to appoint more than two proxies to attend and vote at the Annual General Meeting on his behalf. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy needs not be a member of the Company.

2. Pursuant to Section 181 of the Act, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;

   (b) a capital markets services licence holder which provides custodial services for securities under the Securities and Futures Act (Cap. 289) and holds shares in that capacity; or

   (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased on behalf of CPF investors.

3. A proxy needs not be a member of the Company.

   (a) The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by the appointor or his attorney, and in case of a corporation, shall be either under the common seal or signed by its attorney or an authorised officer on behalf of the corporation

   (b) The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar,Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898 not later than 72 hours before the time appointed for the Annual General Meeting.

PERSONAL DATA POLICY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

HATTEN LAND LIMITED

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

PROXY FORM

Important:

1. Pursuant to Section 181(1C) of the Companies Act, Cap. 50 of Singapore (the "**Act**"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company ("CPF Investors"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Annual General Meeting.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 October 2017.

*I/We ______________________________ NRIC/Passport No. ______________

of ____

being *a member/members of Hatten Land Limited (the "Company"), hereby appoint

Name	Address	NRIC/Passport Number	Proportion of shareholdings to be represented by proxy (%)	

*and/or

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at 53 Mohamed Sultan Road, Level 2, Singapore 238993 on 26 October 2017 at 10.00 a.m. and at any adjournment thereof.

*I/we direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

(Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please indicate the number of shares in the boxes provided.)

No.	Resolutions	For	Against
1	To receive and consider the Audited Financial Statements of the Company for the financial year ended 30 June 2017 and the Directors' Statement and Auditors' Report thereon.		
2	To approve a Final Tax-exempt Dividend of 0.05 cents per ordinary share for the year ended 30 June 2017.		
3	To re-elect Mr. Foo Jong Han, Rey as Director pursuant to Article 117 of the Company's Constitution.		
4	To approve the payment of Directors' Fees of S$159,695.00 for the year ended 30 June 2017.		
5	To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.		
6	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
7	To approve the proposed adoption of Share Buy-back Mandate.		
8	To approve the proposed adoption of Hatten Land Limited Employees' Share Option Scheme ("**Hatten ESOS**").		
9	To approve the grant of authority to offer and grant options at a discount of up to 20% under the Hatten ESOS.		
10	To approve the proposed adoption of Hatten Land Limited Performance Share Plan ("**Hatten PSP**").		
11	To approve the proposed renewal of the shareholders' mandate for Interested Person Transaction Mandate.		

Dated this ______ day of ________________ 2017.

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of Member(s)/Common Seal

* *Delete accordingly*

IMPORTANT: Please read notes overleaf

Notes:–

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. A proxy need not be a member of the Company.
3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
4. The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.
6. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Share Registration Office of the Company at Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #11-02, Singapore 068898 not later than 72 hours before the time set for the Annual General Meeting.

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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

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7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
9. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
10. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Annual General Meeting in person. CPF and SRS Investors who are unable to attend the Annnual General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Annual General Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Annual General Meeting

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 October 2017.

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