

HATTEN LAND LIMITED

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

VARIANCE BETWEEN THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 ANNOUNCED ON 29 AUGUST 2023

The Board of directors (“**Board**” or “**Directors**”) of Hatten Land Limited (“**Company**”, and together with its subsidiaries, “**Group**”) refers to the unaudited full year financial statements announcement for the financial year ended 30 June 2023 (“**FY2023**”) announced on 29 August 2023.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board wishes to highlight certain material adjustments and reclassifications to the unaudited consolidated statement of comprehensive income, statements of financial position and consolidated statement of cash flows for FY2023, following the finalisation of the audit. The aforesaid adjustments and reclassifications with the explanation for the material variance are set out in Appendix A of this announcement.

By Order of the Board
HATTEN LAND LIMITED

Dato’ Tan June Teng Colin@ Chen JunTing
Executive Chairman and Managing Director
14 December 2023

This announcement has been prepared by Hatten Land Limited (“Company”) and its contents have been reviewed by the Company’s sponsor, RHT Capital Private Limited (“Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr Josh Tan (Registered Professional), 36 Robinson Road, #10-06, City House, Singapore 068877, sponsor@rhtgoc.com.

Appendix A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
	Financial year ended 30 June 2023			
	Audited RM'000	Unaudited RM'000	Variance RM'000	Note
Revenue	36,707	30,922	5,785	a
Add: Provision for liquidated ascertained damages - reversal	66,953	-	66,953	a
	103,660	30,922		
Cost of sales	(6,126)	(139)	(5,987)	b
Gross profit	97,534	30,783	66,751	
Other items of income				
Other operating income	1,627	1,232	395	c
Other income/gains	25,630	95,608	(69,978)	d
Interest revenue from non-current trade receivables using the effective interest rate method	1,434	-	1,434	e
Other items of expense				
Selling and marketing expenses	(16)	-	(16)	f
Administrative expenses	(77,200)	(79,785)	2,585	g
Gain/(loss) on revocation of sales	2,412	(8,382)	10,794	h
Loss allowance on trade and other receivables	(440)	-	(440)	i
Write-down of development properties	(20,992)	-	(20,992)	j
Impairment loss on investment in an associated company	(21,997)	-	(21,997)	k
Other expenses	-	(100)	100	l
Finance costs	(49,809)	(48,974)	(835)	m
Share of results of an associated company, net of tax	(503)	(535)	32	
Loss before tax	(42,320)	(10,153)		
Income tax credit	7,935	7,938	(3)	
Loss for the year	(34,385)	(2,215)		
Other comprehensive loss:				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Currency translation differences arising on consolidation	(1,563)	(1,261)	(302)	n
Currency translation differences arising from associated company	190	-	190	o
Total comprehensive loss for the year	(35,758)	(3,476)		
Loss for the year attributable to:				
Owners of the Company	(34,373)	(2,199)	(32,174)	
Non-controlling interests	(12)	(16)	4	
Loss for the year	(34,385)	(2,215)		
Total comprehensive loss for the year attributable to:				
Owners of the Company	(35,747)	(3,469)	(32,278)	
Non-controlling interests	(11)	(7)	(4)	
Total comprehensive loss for the year	(35,758)	(3,476)		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
	As at 30 June 2023			
	Audited	Unaudited	Variance	
	RM'000	RM'000	RM'000	Note
ASSETS				
Non-current assets				
Property, plant and equipment	180,334	174,652	5,682	1
Right-of-use assets	27,239	32,690	(5,451)	2
Intangible assets	9,430	9,430	-	
Investment in subsidiaries	-	-	-	
Investment in an associated company	-	21,775	(21,775)	3
Trade and other receivables	39,160	39,712	(552)	4
	256,163	278,259		
Current assets				
Development properties	616,119	563,791	52,328	5
Contract costs	26,292	26,934	(642)	6
Trade and other receivables	233,461	231,103	2,358	7
Prepayments	215	192	23	
Cash and cash equivalents	2,461	2,437	24	
	878,548	824,457		
Total assets	1,134,711	1,102,716		
LIABILITIES				
Non-current liabilities				
Lease liabilities	20,850	26,570	(5,720)	8
Loans and borrowings	3,280	58,955	(55,675)	9
Other payables	155	-		
	24,285	85,525		
Current liabilities				
Lease liabilities	15,342	16,146	(804)	8
Loans and borrowings	393,539	337,919	55,620	9
Income tax payable	14,504	14,729	(225)	10
Trade and other payables	356,014	352,494	3,520	11
Provisions	51,761	51,050	711	12
Contract liabilities	199,575	207,139	(7,564)	13
	1,030,735	979,477		
Total liabilities	1,055,020	1,065,002		
Net assets	79,691	37,714		
Equity				
Share capital	328,862	328,862	-	
Accumulated losses	(192,084)	(234,212)	42,128	
Translation reserve	(2,448)	(2,301)	(147)	
Merger reserve	(54,827)	(54,827)	-	
Other reserve	-	-	-	
Equity attributable to equity holders of the Company, total	79,503	37,522	41,981	
Non-controlling interests	188	192		
Total equity	79,691	37,714	41,977	
Total equity and liabilities	1,134,711	1,102,716		

CONSOLIDATED STATEMENT OF CASHFLOWS			
	Financial year ended 30 June 2023		
	Audited	Unaudited	Variance
	RM'000	RM'000	RM'000
Cash flows from operating activities			
Loss before tax	(42,320)	(10,153)	(32,167)
Adjustments for:			
Depreciation of property, plant and equipment	1,566	1,228	338
Depreciation of right-of-use assets	13,398	11,487	1,911
Gain on disposal of right-of-use assets	(1,359)	(1,182)	(177)
Loss/(Gain) on disposal of property, plant and equipment	74	(49)	123
Gain on disposal of subsidiary	(1,012)	(1,012)	-
Gain on modification of right-of-use assets	(5,236)	-	(5,236)
Loss allowance on trade and other receivables	440	8,382	(7,942)
Loss allowance on investment in an associated company	21,997	-	21,997
Interest income	(3,273)	(3,310)	37
Interest expense	49,809	48,974	835
Written-down of development properties	20,992	-	20,992
Reversal of provision, net	(66,953)	(82,513)	15,560
Gain on settlement of revocation of sales	(2,412)	-	(2,412)
Unrealised foreign exchange loss	11,209	203	11,006
Amortisation of capitalised costs of obtaining contracts	898	-	898
Waiver of deposits	921	-	921
Interest revenue from non-current trade receivables using the effective interest rate method	(1,434)	-	(1,434)
Share of results of an associated company	503	535	(32)
Operating cash flows before working capital changes	(2,192)	(27,410)	
Changes in operating assets and liabilities			
- Development properties	18,340	30,026	(11,686)
- Contract assets	895	(645)	1,540
- Contract liabilities	(20,222)	17,913	(38,135)
- Trade and other receivables	9,693	16,325	(6,632)
- Trade and other payables	54,095	19,310	34,785
- Movement of cash restricted in nature	319	-	319
Cash flow generated from operations	60,928	55,519	
Interest paid	(41,818)	(26,763)	(15,055)
Interest received	3,273	3,310	(37)
Income tax paid	(1,319)	(1,885)	566
Net cash flows generated from operating activities	21,064	30,181	
Cash flows from investing activities			
Proceeds from disposal of right-of-use assets	2,317	-	2,317
Proceeds from disposal property, plant and equipment	-	1,180	(1,180)
Additions to intangible assets	(2,577)	-	(2,577)
Utilisation of crypto assets	1,495	-	1,495
Additions to property, plant and equipment	(8,257)	(2,277)	(5,980)
Net cash flows used in investing activities	(7,022)	(1,097)	
Cash flows from financing activities			
Additions to right-of-use assets		-	-
Proceeds from term loans	(1,000)	103	(1,103)
Repayment of term loans	(12,152)	(29,287)	17,135
Movement in amount due to a director	46		46
Repayment of lease liabilities	(2,880)	(8,802)	5,922
Repayment on rental payables	(6,163)	-	(6,163)
Interest paid on lease liabilities	(453)	-	(453)
Net cash flows generated used in financing activities	(22,602)	(37,986)	
Net decrease in cash and cash equivalents	(8,560)	(8,902)	342
Cash and cash equivalents at the beginning of the year	10,067	11,339	(1,272)
Effects of exchange rate changes on cash and cash equivalents	1	-	1
Cash and cash equivalents at the end of the year	1,508	2,437	

Notes:

Consolidated statement of comprehensive income

(a) **Revenue**

The increase in revenue was mainly due to the followings:

- reclassification of reversal of provision of liquidated ascertained damages ("LAD") from other income; and
- adjustment on the reclassification of account to recognise revenue from recoverable account which recorded customers who have made the payment.

(b) **Cost of sales**

The increase was mainly due to adjustment on the reclassification of account from recoverable account which recorded who have made the payment.

(c) **Other operating income**

The increase in other operating income was mainly due to reclassification from other income for the reversal of impairment loss on financial assets.

(d) **Other income/gains**

The decrease in other income/gains was mainly due to the followings:

- the reclassification of reversal of provision of LAD to revenue.
- the reclassification of reversal of impairment loss to other income.
- the reclassification of interest revenue from non-current trade receivables using effective interest rate method.

(e) **Interest revenue from non-current trade receivables using the effective interest rate method**

This item was previously presented under other income/gains and it has been represented as a separate line item in the audited financial statement as required under the SFRS(l) paragraph 82(a).

(f) **Selling and marketing expenses**

The increase was mainly due to reclassification from administrative expense.

(g) **Administrative expenses**

The decrease in administrative expenses was mainly due the reclassification of overprovision of tax penalty fees from other income/gains.

(h) **Gain/(Loss) on revocation of sales**

The increase is due to a gain on settlement on revocation of sales arising from management assessment's re-assessment of certain accounting policies and interpretations in relation to sales revocations and properties repossessed by the Group.

(i) **Loss allowance on trade and other receivables**

The increase was mainly due to adjustment of impairment for a loan receivable.

(j) **Write-down of development properties**

The increase was due to adjustment of impairment on development properties.

(k) **Impairment loss on investment in an associated company**

The increase was due to the adjustment on the impairment on investment in an associated company, ECXX.

(l) **Other expenses**

The variance in other expenses was mainly due to the reclassification from administrative expenses for the bad debt written off.

(m) **Finance costs**

The increase of finance costs was mainly due to the lease modification adjustment for interest on lease liability.

(n) **Currency translation differences arising on consolidation**

The increase in currency translation differences arising on consolidation was mainly due to the foreign exchange differences arising from the translation of financial statements of the two subsidiaries which are denominated in SGD to the functional currency of the Group which is denominated in MYR.

(o) **Currency translation differences arising from associated company**

The increase in currency translation differences arising from associated company was mainly due to the foreign exchange differences arising from the translation of financial statements of the associated company which is denominated in USD to the functional currency of the Group which is denominated in MYR.

Consolidated statements of financial position for the Group

- (1) The reclassification of property, plant and equipment from development properties as office.
- (2) There is a lease modification adjustment on the right-of-use assets.
- (3) Due to recognition of impairment of investment in associated company.
- (4) Due to reclassification from non-current trade and other receivables to current trade and other receivables.
- (5) The increase in development properties was mainly due
 - The gain on settlement on revocation of sales arising from management's re-assessment of certain accounting policies and interpretations in relation to sales revocation and properties repossessed by the Group.

The increase was partially offset by the followings:-

- Impairment on development properties.
- Reclassification of properties to PPE as office.

- The cost of revenue recognised for the adjustment made to recognise revenue from recoverable account.
- (6) Due to reclassification of the utilisation of contract assets that recorded in contract liabilities.
- (7) The increase in trade and other receivables was mainly due to the followings:
- adjustment on reclassification of related parties balances after netting off process; and
 - reclassification from non-current trade and other receivables.
- The increase was partially offset by collection on trade and other receivables.
- (8) Due reclassification from non-current lease liabilities to current lease liabilities and lease modification adjustment on lease liability including the interests charged out to profit and loss.
- (9) Due to reclassification from non-current loans and borrowings to current loans and borrowings.
- (10) Due to reclassification to other payables for different tax nature.
- (11) Due to reclassification from non-current other payables to current trade and other payables.
- (12) Due to the adjustment of recognition of provision of LAD in current financial year.
- (13) Due to the reversal of deferred income recognised in current financial year as revenue.

Consolidated statement of cash flow

As a result of changes to the consolidated statement of comprehensive income and the statements of financial position, corresponding changes have been made to the consolidated statement of cash flows, which shall be read in conjunction with the audited consolidated statement of comprehensive income and the statements of financial position.