



HATTEN LAND LIMITED

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

**Unaudited Financial Statements and Dividend Announcement
For the First Quarter ended 30 September 2022**

The Company is required under Catalist Rule 705(2) to report its financial statements quarterly.

This announcement has been prepared by Hatten Land Limited (the “Company”) and its contents have been reviewed by UOB Kay Hian Private Limited (the “Sponsor”) for compliance with the relevant rules of the 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 Lance Tan, Senior Vice President, at 8 Anthony Road, #01- 01, Singapore 229957, telephone (65) 6590 6881.

Table of Contents

		Page
A	Condensed interim consolidated statement of profit or loss and other comprehensive income	3
B	Condensed interim statements of financial position	4
C	Condensed interim statements of changes in equity	5 - 6
D	Condensed interim consolidated statement of cash flows	7
E	Notes to the condensed interim consolidated financial statements	8 – 16
F	Other information required by Catalist Listing Rule Appendix 7C	16 - 21

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial period ended 30 September 2022

	Group 3 Months Ended		%
	30.09.2022	30.09.2021	
	RM'000	RM'000	Change
Revenue	10,298	1,678	N/M
Cost of sales	(3,229)	(1,495)	N/M
Gross profit	7,069	183	N/M
Other operating income	286	-	
Other income/ gains	6,215	1,613	N/M
Other items of expense			
Selling and marketing expenses	(304)	(112)	N/M
General and administrative expenses	(15,168)	(7,460)	N/M
Loss on revocation of sales	(3,435)	(1,688)	N/M
Finance costs	(8,606)	(8,432)	2.1
Share of results of the associated company	(93)	(90)	3.3
Loss before tax	(14,036)	(15,986)	(12.2)
Income (expense)/tax credit	-	-	N/M
Loss after tax	(14,036)	(15,986)	(12.2)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Currency translation differences arising on consolidation	197	-	N/M
Total comprehensive loss for the period	(13,839)	(15,986)	(13.4)
Loss for the period attributable to:			
Owners of the Company	(14,036)	(15,986)	(12.2)
Non-controlling interests	-	-	N/M
	(14,036)	(15,986)	(12.2)
Total comprehensive loss for the period attributable to:			
Owners of the Company	(13,847)	(15,986)	(13.4)
Non-controlling interests	8	-	N/M
	(13,839)	(15,986)	(13.4)
(Loss) per share attributable to owners of the Company (RM cents per share)	(0.8)	(1.0)	

Note: Please refer to Paragraph 3 in Section F - Other information required by Catalist Listing Rule Appendix 7C for further details.

N/M – Not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Note	<u>Group</u>		<u>Company</u>	
		30.09.2022	30.06.2022	30.09.2022	30.06.2022
		RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)	RM'000 (Unaudited)
Assets					
Non-current assets					
Property, plant and equipment	11	30,468	31,942	-	-
Right-of-use assets		43,226	43,719	-	-
Investment in subsidiaries	12	-	-	720,132	710,739
Investment in associate company	13	23,020	22,034	-	-
Trade and other receivables	14	11,806	16,500	-	-
Intangible assets	16	8,387	6,777	-	-
		<u>116,907</u>	<u>120,972</u>	<u>720,132</u>	<u>710,739</u>
Current assets					
Development properties	15	426,268	490,690	-	-
Contract assets		6,024	-	-	-
Trade and other receivables	14	137,959	107,138	310,945	305,270
Prepayments		141	171	57	60
Cash and bank balances		2,234	11,241	391	2,136
		<u>572,626</u>	<u>609,240</u>	<u>311,393</u>	<u>307,466</u>
Disposal group assets classified as held for sales		429,227	429,391	-	-
Total assets		<u>1,118,760</u>	<u>1,159,603</u>	<u>1,031,525</u>	<u>1,018,205</u>
Liabilities					
Current liabilities					
Lease liabilities		14,825	12,313	-	-
Loans and borrowings	17	233,393	225,302	208,530	198,365
Income tax payable		8,185	26,799	-	-
Trade and other payables	18	227,784	205,958	3,570	3,179
Provisions		6,444	8,103	-	-
Contract liabilities		64,149	63,989	-	-
		<u>554,780</u>	<u>542,464</u>	<u>212,100</u>	<u>201,544</u>
Liabilities directly associated with disposal group classified as held-for-sale		436,719	427,173	-	-
		<u>991,499</u>	<u>969,637</u>	<u>212,100</u>	<u>201,544</u>
Non-current liabilities					
Other payables	18	-	30,834	-	-
Lease liabilities		36,085	39,682	-	-
Loans and borrowings	17	58,374	72,808	-	-
Deferred tax liabilities		-	1	-	-
		<u>94,459</u>	<u>143,325</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>1,085,958</u>	<u>1,112,962</u>	<u>212,100</u>	<u>201,544</u>
Net assets		<u>32,802</u>	<u>46,641</u>	<u>819,425</u>	<u>816,661</u>
Equity					
Share capital	19	328,862	328,862	1,361,366	1,361,366
Accumulated losses		(244,040)	(230,004)	(541,941)	(544,705)
Translation reserve		(348)	(362)	-	-
Merger reserve		(54,827)	(54,827)	-	-
Other reserve		-	(175)	-	-
		<u>29,647</u>	<u>43,494</u>	<u>819,425</u>	<u>816,661</u>
Non-controlling interest		3,155	3,147	-	-
Total equity		<u>32,802</u>	<u>46,641</u>	<u>819,425</u>	<u>816,661</u>
Total equity and liabilities		<u>1,118,760</u>	<u>1,159,603</u>	<u>1,031,525</u>	<u>1,018,205</u>

Note: Please refer to Paragraph 3 in Section F - Other information required by Catalyst Listing Rule Appendix 7C for further detail.

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 30 September 2022

	Attributable to owners of the Company							
	Share capital	(Accumulated losses)	Translation reserve	Merger reserve	Premium paid on acquisition of non-controlling interests	Total equity	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
At 1 July 2022	328,862	(230,004)	(362)	(54,827)	(175)	43,494	3,147	46,641
Loss for the period	-	(14,036)	-	-	-	(14,036)	-	(14,036)
<u>Other comprehensive loss</u>								
Currency translation on consolidation	-	-	14	-	175	189	8	197
Total comprehensive loss for the period	-	(14,036)	14	-	175	(13,847)	8	(13,839)
Balance as at 30 September 2022	328,862	(244,040)	(348)	(54,827)	-	29,647	3,155	32,802
At 1 July 2021	298,044	(196,422)	(27)	(79,513)	(3,397)	18,685	-	18,685
Loss for the period	-	(15,986)	-	-	-	(15,986)	-	(15,986)
Total comprehensive loss for the period	-	(15,986)	-	-	-	(15,986)	-	(15,986)
<u>Contribution by and distributions to owners</u>								
Issuance of ordinary shares	5,662	-	-	-	-	5,662	-	5,662
	5,662	-	-	-	-	5,662	-	5,662
Balance as at 30 September 2021	303,706	(212,408)	(27)	(79,513)	(3,397)	8,361	-	8,361

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (con't)

For the financial year ended 30 September 2022

Company

	Share capital	(Accumulated losses)/ Retained earnings	Total equity
	RM'000	RM'000	RM'000
At 1 July 2022	1,361,366	(544,705)	816,661
Profit for the period	-	2,764	2,764
Balance as at 30 September 2022	1,361,366	(541,941)	819,425
At 1 July 2021	1,330,548	(544,672)	785,876
Loss for the period	-	(513)	(513)
<u>Contributions by and distributions to owners</u>			
Issuance of ordinary shares	5,662	-	5,662
	5,662	-	5,662
Balance as at 30 September 2021	1,336,210	(545,185)	791,025

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For financial year ended 30 September 2022

	Group	
	3 Months Ended	
	30.09.2022	30.09.2021
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(14,036)	(15,986)
Adjustments for:		
Share of results of associated company	93	90
Depreciation of property, plant and equipment	221	310
Depreciation of right-of-use assets	816	3,618
Gain on disposal of right-of-use assets	-	(62)
Gain on disposal of property, plant and equipment	-	(352)
Interest income	(2,261)	(199)
Interest expense	8,606	8,432
Loss on revocation of sales	3,435	1,688
Unrealised foreign exchange (gain)/loss	8,528	539
Operating cash flows before working capital changes	5,402	(1,922)
Changes in operating assets and liabilities		
Intangible assets	(1,610)	-
Development properties	64,422	(2,260)
Contract assets	(6,024)	-
Contract liabilities	160	(17,715)
Trade and other receivables	(29,553)	9,575
Trade and other payables	(13,347)	17,649
Asset held for sales	9,710	-
Cash flow generated from operations	29,160	5,327
Interest paid	(8,570)	(5,746)
Interest received	2,261	199
Income tax paid	(18,615)	(10)
Net cash flows generated from/(used in) operating activities	4,236	(230)
Cash flows from investing activities		
Proceeds from disposal of right-of-use assets	2,796	155
Additions to property, plant and equipment	-	684
Net cash flows generated from investing activities	2,796	839
Cash flows from financing activities		
Repayment of lease liabilities	(1,309)	(1,314)
Interest portion on lease liabilities	(36)	-
Proceed from term loans	1,150	-
Repayment of term loans and medium term notes	(15,852)	(103)
Proceeds from placement shares	-	5,662
Net cash flows (used in)/ generated from financing activities	(16,047)	4,245
Net decrease in cash and cash equivalents	(9,015)	4,854
Cash and cash equivalents at the beginning of the period	11,241	8,272
Effects of exchange rate changes on cash and cash equivalents	8	-
Cash and cash equivalents at the end of the period	2,234	13,126
Cash and bank balances	2,234	13,126
Add: Included in disposal group classified as held-for-sale	-	-
Cash and cash equivalents as per above	2,234	13,126

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

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

1. Corporate information

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

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

The principal activity of the Company is that of investment holding.

2. Basis of Preparation

The condensed interim financial statements for the three months ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Malaysian ringgit which is the Company’s functional currency.

2.1. New and amended standards adopted by the Group

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2021:

- Amendments to SFRS(I) 16 Covid-19-Related Rent Concessions
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

The application of the above amendments to standards and interpretations is not expected to have a material effect on the consolidated financial statements of the Group and of the Company.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Going Concern Assumption

For the financial period ended 30 September 2022, the Group incurred a net loss of RM14.0 million. As at 30 September 2022, the Group's total loans and borrowings amounted to RM291.8 million, of which RM233.4 million were classified as current liabilities and exceeded the Group's cash and bank balances of RM2.2 million. The Group's working capital primarily comprises development properties and the related receivables.

Notwithstanding the above, the financial statements have been prepared on a going concern basis as the Directors believe that the Group can continue as a going concern based on the following factors: -

- (a) The Group has a substantial value of unsold completed properties and the Group's priority is to monetise these assets through sales and collection to generate cashflow.
- (b) Completion of the proposed disposal of GMSB, which will generate gross proceeds of approximately US\$60 million and the proceeds will allow the Group to redeem certain loans and borrowings. As at the date of this announcement, the conditions precedent for completion of this transaction, namely the payment of the consideration, has not been met and management currently cannot reasonably ascertain the date of completion. However, the representative of the counterparty, Tayrona Capital Group Corporation, had provided assurance that they remain keen and committed to completing the deal. The management will continue to monitor the situation closely. However, as announced on 3 November 2021, there is a winding up petition ("Petition") filed against GMSB for the sum RM1,380,307.01, and GMSB had filed an appeal on the Petition and the petitioners have consented to stay the application pending the outcome of the appeal. The Board would like to update shareholders that the court hearing has been extended to 1 December 2022;
- (c) The Group has embarked on strategic restructuring of its subsidiary, MDSA Resources Sdn Bhd ("MRSB") to restructure its legacy contractual obligations to achieve a more sustainable capital structure which will reduce pressure on the Group's cash outflows going forward.

On 13 January 2021, the Scheme was approved by a majority of 90.4% of the total value of the Scheme Creditors present and voting in person or by proxy at the creditors meeting. However, the Malacca High Court ("High Court") has dismissed MRSB' application for approval of the Scheme. MRSB proceeded to file an appeal to the Court of Appeal of Malaysia against the decision of the High Court. On 11 March 2022, the Company announced that the Court of Appeal of Malaysia has dismissed the Company's appeal against the dismissal of sanction of the scheme of arrangement in the High Court and MRSB will be filing an application for leave to appeal to the Federal Court. The Board would like to update the shareholders that MRSB has successfully obtained the leave from Federal Court and the date of hearing of appeal is on 5 January 2023.

- (d) The Group has worked closely with its lender and bondholders to extend the repayment obligations for its borrowings. This has helped aligned the Group's requirements with the current business climate and channel its cashflow for operation purposes. In addition, the Company is also working to secure a refinancing package for the US\$20 million loan and US\$25 million bond. The US\$20 million loan are secured against, among others, assets owned by one of its subsidiaries and shares of the Company provided by related party of the borrowing entity and the US\$25 million bond is secured against an asset owned by related party of the borrowing entity with an estimated collateral valuation of approximately two times of the loan amount;
- (e) The re-opening of the economy, interstate and overseas travel will contribute to the recovery of the Group's hospitality and property-related activities in Melaka.
- (f) The Group has worked closely with its creditors to extend on repayment plans that included payment structure as well as contra payments with its property units. In addition, the Group has also worked closely with its banker to extend the repayment obligations for its borrowing.

Based on the above and the continued support of the Group's lenders, the Board is of the view that it is appropriate to prepare the financial statements on a going concern basis.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period from 1 July 2022 to 30 September 2022 ("1Q FY2023").

5. Segment and revenue information

5.1. Segment Information

The entire Group's operations constitute a single operating segment, which is in the business of property development in Malaysia. In FY2022, the Group started the business in the provision of space, power capacity and technical support for external customers who engaged in crypto mining services. The total revenue generated for this new business is RM1,452,000, and this represents about 9.8% of the total revenue, including both sales to external customers and intersegment sales during the financial period. Accordingly, no business or geographical segment information is presented.

5.2. Disaggregation of Revenue

	Group	
	3 Months Ended	
	30.09.2022	30.9.2021
	RM'000	RM'000
Revenue from rendering of data room support services	1,452	-
Revenue from sales of development properties	8,846	1,678
	10,298	1,678
Revenue from sale of development properties in Malaysia		
- recognised at a point in time	8,846	1,678
	8,846	1,678

6. Loss before tax

	Group	
	3 Months Ended	
	30.09.2022	30.09.2021
	RM'000	RM'000
Loss for the period is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	221	310
Depreciation of right-of-use assets	816	3,618
Gain on disposal of property, plant and equipment	-	(352)
Gain on disposal of right-of-use assets	-	(62)
Interest expense	8,606	8,432
Interest income	(2,261)	(199)
Loss on revocation of sales	3,435	1,688
Unrealised foreign exchange (gain)/loss	8,528	539

7. Loss per share attributable to equity holders of the Company

	Group 3 Months Ended	
	30.09.22	30.09.21
Loss attributable to owners of the Company(RM'000)	(14,036)	(15,986)
Weighted average number of ordinary shares in issue	1,857,123,228	1,596,038,793
Basic and fully diluted (loss)/earnings per share ("EPS")(RM'cents)	(0.76)	(1.00)

*As the Group was in a loss position, the outstanding warrants were not included in the computation of diluted loss per share because these potential ordinary shares were anti-dilutive.

8. Net assets value

	Group		Company	
	30.09.22	30.06.22	30.09.22	30.06.22
Net asset value attributable to owners of the Company (RM'000)	29,647	43,494	819,425	816,661
Number of ordinary shares in issue	1,857,123,228	1,857,123,228	1,857,123,228	1,857,123,228
Net asset value per ordinary share (RM'cents)	1.60	2.34	44.12	43.97

9. Related party transactions

For the financial period ended 30 September 2022, the Group had no significant related party transactions apart from that interested person transactions as disclosed in page 20.

11. Property, plant and equipment

During the financial period ended 30 September 2022, the Group acquired assets is nil (30 June 2022: RM 6.9 million).

12. Investment in subsidiary

	Company	
	30.09.22 RM'000	30.06.22 RM'000
Unquoted equity shares, at cost	1,212,708	1,203,315
Less: Allowance for impairment loss	(492,576)	(492,576)
	720,132	710,739

	Company	
	30.09.22 RM'000	30.06.22 RM'000
Movements in allowance for impairment loss		
At 1 July	492,576	492,576
Impairment loss charged to profit or loss	-	-
At 30 September 2022 and 30 June 2022	492,576	492,576

During the financial period ended 30 September 2022, the Company increased the issued and paid-up capital in its wholly owned subsidiary, Hatten Edge Pte Ltd, from S\$ 1 to S\$2,899,999 (equivalent to RM9,393,000).

13. Investment in associate company

	Group	
	30.09.22 RM'000	30.06.22 RM'000
Unquoted equity shares, at cost		
Balance at beginning of financial period	22,034	22,587
Group's share of loss for the financial period	(93)	(553)
Gain on translation difference	1,079	-
	<u>23,020</u>	<u>22,034</u>

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

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

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

Subsequently, ECXX issued 3,750 ordinary shares to another third party shareholder on 4 February 2021. As a result, the equity interest held by HTPL in ECXX has been diluted from the initial 20% to 19.3%. ECXX is deemed to be an associated company of HTPL as HTPL has the ability to exercise significant influence over ECXX through its board representation.

14. Trade and other receivables

	Group		Company	
	30.09.22 RM'000	30.06.22 RM'000	30.09.22 RM'000	30.06.22 RM'000
Current:				
Trade receivables	56,376	45,763	-	-
Amount due from related parties	-	-	-	-
Amount due from subsidiaries	-	-	308,921	305,270
Refundable Deposits	3,225	2,334	1,370	-
GST recoverable	16	1,541	-	-
Other receivables	78,342	57,500	654	-
	<u>137,959</u>	<u>107,138</u>	<u>310,945</u>	<u>305,270</u>
Non-current:				
Trade receivables	11,145	15,872	-	-
Refundable Deposits	661	628	-	-
	<u>11,806</u>	<u>16,500</u>	<u>-</u>	<u>-</u>
Total Trade and other receivables (current and non-current)	<u>149,765</u>	<u>123,638</u>	<u>310,945</u>	<u>305,270</u>

Trade receivables

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

Amount due from related parties and amount due from subsidiaries

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

Other receivables

Included in other receivables are amount due from contractors and also consisting of amount holding by joint management body (JMB) Malaysia for the development properties in Malaysia for the strata scheme purpose.

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

15. Development properties

	Group	
	30.09.22	30.06.22
	RM'000	RM'000
Completed Development properties	417,975	450,573
Development properties under construction	8,293	14,317
Properties for development representing land carried at cost	-	25,800
	426,268	490,690

16. Intangible assets

	Group	
	30.09.2022	30.06.2022
	RM'000	RM'000
Development cost	8,387	6,777
	8,387	6,777

Development cost incurred to-date relates to development costs for cost of building the metaverse and digital platforms. As of 30 September 2022, the development is still in progress and not completed yet.

During the financial year ended 30 September 2022, there were no amortisation charge on the development cost incurred to-date as the development works not completed yet.

17. Loan and Borrowings

	Group		Company	
	30.09.2022 RM'000	30.06.2022 RM'000	30.09.2022 RM'000	30.06.2022 RM'000
<u>Amount repayable within one year</u>				
Secured	233,393	225,302	208,530	198,365
<u>Amount repayable after one year</u>				
Secured	58,374	72,808	-	-
Total	291,767	298,110	208,530	198,365

The Group's loans and borrowings include bank borrowings, guaranteed secured bonds, and the medium-term notes issued.

Details of collaterals

The loans and borrowings are secured by the following: -

1. Joint and several guarantee by directors of the borrowing entities.
2. Legal charge over the project land under development, fixed and floating charges over all assets of the project of the borrowing entities.
3. Pledge of 760 million shares of the Company provided by Hatten Holdings Pte Ltd.
4. Third party first legal assignment over certain property assets owned by related parties of the borrowing entities.
5. Debenture over fixed and floating present and future assets of the borrowing entities.
6. Legal assignment over designated bank account and monies and legal assignment of sales proceeds from the sale of project units of the borrowing entities in favour of the lender.
7. Corporate guarantee by related parties of the borrowing entities
8. Deed of subordination of advances due to shareholders and directors.
9. Pledge of fixed deposits with licensed banks.
10. Debenture over the 44 units of luxury residences service apartments, 11 units of penthouse suites and 345 retail units from the development of borrowing entity.
11. Assignment of insurances
12. Land charge for assets owned by related parties of the borrowing entity.

18. Trade and other payables

	Group		Company	
	30.09.22 RM'000	30.06.22 RM'000	30.09.22 RM'000	30.06.22 RM'000
Current:				
Trade payables	11,864	3,368	751	179
Deposits received	3,537	16,893	-	-
Accruals - third parties	88,088	90,353	323	350
Accruals - directors	759	713	759	713
Amount due to related parties	2,084	-	-	674
Amount due to director	1,785	1,808	121	-
Amount due to shareholder	1,073	-	-	-
Amount due to subsidiaries	-	-	1,552	1,184
Rental payables	54,609	57,384	-	-
Amount due to creditors under scheme arrangement	30,834	-	-	-
Amount due to associated company	-	-	-	66
Other payables	33,151	35,439	64	13
	227,784	205,958	3,570	3,179
Non- Current:				
Amount due to creditors under scheme arrangement	-	30,834	-	-
	-	30,834	-	-
Total Trade and other payables (current and non-current)	227,784	236,792	3,570	3,179

Amount due to related parties and amount due to director

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

Rental payables

This pertains to rental guarantees provided to the purchasers in conjunction with the sale of development properties, in which the Group is obliged to pay rental yield of 6% to 8% (2021: 6% to 8%) per annum of the purchase price to the purchasers for a committed lease term of 2 years to 9 years (2021: 2 years to 9 years) commencing six months from the date of issuance of the Certificate of Completion and Compliance or start of full business operations, whichever is earlier.

Accruals

Accruals mainly comprised of various accrued operating expenses including but not limited to accrued finance cost, project cost and professional fees.

Other payables

Other payables comprised of various operating expenses from numerous suppliers.

Amount owing to creditors under scheme arrangements

All the amount owing to intermediate holding company, immediate holding company, fellow subsidiaries, directors' related companies and director by one of the Company subsidiaries, MDSA Ventures Sdn Bhd ("MDSA Ventures) had been transferred to and vested in a Special Purpose Vehicle ("SPV") under the scheme arrangement upon the effective date of the scheme.

Included in amount owing to creditors by MDSA Ventures under scheme arrangement are unsecured creditors, which consists of third-party scheme creditors relating to purchasers of sold units in the mixed development of Hatten City Phase 2 having outstanding Guaranteed Rental Guarantee ("GRR") payables and future GRR claims ("GRR Creditors"), purchasers of sold units in the Development with Liquidated Ascertained Damages claims ("LAD Creditors") and other third-party trade creditors, collectively known as "Scheme Creditors". The total debts owing to the Scheme Creditors had been transferred to and vested in a SPV.

19. Share capital

The Group			
30.09.22		30.06.22	
No. of shares '000	RM'000	No. of shares '000	RM'000
<u>Issued and fully paid ordinary shares</u>			
1,857,123	328,862	1,857,123	328,862

The total number of issued shares excluding treasury shares as at 30 September 2022 was 1,857,123,228 (30 June 2022: 1,857,123,228).

The Company did not hold any treasury shares and subsidiary holdings as at 30 September 2022, 30 June 2022 and 30 September 2021.

As at 30 September 2022, the Company has outstanding warrants of 40,000,000 (30.06.2022: 40,000,000, 30.09.2021: 80,000,000) convertible into 40,000,000 ordinary shares representing approximately 2.2% of the total number of issued shares as at 30 September 2022.

20. Subsequent events

On 13 October 2022, the Company has announced that the Proposed Disposal have been completed in accordance with the terms and conditions of the SPA.

F. OTHER INFORMATION REQUIRED BY CATALIST LISTING RULE APPENDIX 7C

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) updates on the efforts taken to resolve each outstanding audit issue

(b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern:-

The Company's Independent Auditor, Baker Tilly TFW LLP (the "Independent Auditor"), had in their Independent Auditor's Report dated 8 December 2021, expressed, among others, a disclaimer of opinion in respect of:

1. Use of going concern assumption.

The Independent Auditors' report highlighted certain conditions that give rise to material uncertainties surrounding the continuing use of the going concern assumption in preparation of the financial statements.

Please refer to Section E note 3 for more information on the Board's view that the Group is able to continue operating as a going concern notwithstanding the Independent Auditors' disclaimer of opinion.

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

The assets and liabilities related to Gold Mart Sdn Bhd ("GMSB") have been presented as disposal group classified as held-for-sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations. There was a delay in the completion of the disposal due to the substantial documentation and time required by the financial institutions involved to approve and process the cross border payment and this was further exacerbated by the COVID-19 pandemic situation. In view of the delay and also the significant uncertainties with respect to the estimated date of completion of the disposal, the Independent Auditors are unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of the classification of the disposal group classified as held-for-sale as at 30 June 2021. Notwithstanding the delay in the completing the disposal of GMSB, as at the date of announcement, the Group and Tayrona Capital Group Corporation remain keen and committed to complete the transaction. Further, the Group's intention to dispose GMSB remains unchanged. As the Group has entered into an agreement to dispose GMSB, the Board is of the view that it is appropriate to present the assets and liabilities of GMSB as held-for-sale in the financial statements.

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

In view of the material uncertainties on the ability of the Group to continue as going concern and the ability of the subsidiaries in realizing its development properties at expected timings which is

inherently uncertain, the Independent Auditors are unable to determine whether any impairment loss is required on the carrying amounts of the Company's investments in subsidiaries and amount due from subsidiaries as at 30 June 2021. Notwithstanding the Independent Auditors' disclaimer of opinion, the investment in subsidiaries and amounts due from subsidiaries were only presented at the Company's financial statements and had been eliminated at the Group's financial statements and therefore, there will be no financial impact on the Group's consolidated statement of financial position and consolidated statement of comprehensive income. In addition, property valuations have been conducted by a third party firm of professional valuers on the development properties as at 30 June 2021 and the estimated market value of the development properties is approximately RM1,150,750,000 (including the development properties of Gold Mart Sdn Bhd). Therefore, the Board is of the view that the amount investment in subsidiaries and amounts due from subsidiaries are fairly presented and the amount due from subsidiaries are recoverable through the sales of the unsold units of the completed properties.

The Board confirms that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

3. Review of the performance of the Group

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion on the following: -

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group performance for the first quarter ended 30 September 2022 ("1Q FY2023") as compared to the 1st quarter ended 30 September 2021 ("1Q FY2022")

Revenue and costs of sales

The Group's revenue increased by RM8.6 million in 1Q FY2023 as compared to 1Q FY2022 mainly due to higher sales generated from the completed projects and additional revenue from the Group's new initiative in provision of space, power capacity and technical support for external customer who engaged in crypto mining services. The increase in cost of sales was in tandem with the increase in revenue.

The Group recorded gross profit of RM 7.0 million for 1Q FY2023, which was RM6.9 million higher than 1Q FY2022. The higher gross profit was largely due to lower discount and lower sales commission in 1Q FY2023 as compared to 1Q FY2022.

Other income/gains

Other income/gains increased by RM4.6 million in 1Q FY2023 as compared to 1Q FY2022 mainly due to higher overdue interest and forfeiture income charged to purchasers and management fees charged to third party property management office.

General and administrative expenses

General and administrative expenses increased by RM7.7 million mainly due to (i) increase in professional fees for corporate exercises, (ii) increase in assessment expenses incurred for unsold property units in 1Q FY2023 as compared to 1Q FY2022, and (iii) increase operating expenses arising from the new business initiative and existing business as compared to 1Q FY2022

Impairment loss on trade receivables – credit loss on revocation of sales

The increase in the impairment loss on trade receivables – credit loss on revocation of sales was mainly due to higher revocation of sales from purchasers in 1Q FY2023 as compared to 1Q FY2022.

Net loss for the financial period

As a result of the aforementioned, the Group reported a loss after tax in 1Q FY2023 of RM14.0 million as compared to a loss of RM16.0 million in 1Q FY2022.

Review for the financial position of the Group as at 30 September 2022 as compared to 30 June 2022

Total assets

Total assets as at 30 September 2022 was RM1,118.8 million as compared to RM1,159.6 million as at 30 June 2022, a decrease of RM40.8 million mainly due to:

- decrease in development properties arising from the completion of the proposed disposal of land by one of its subsidiary and sales of properties during the financial period and
- decrease in property, plant and equipment and right-of-use assets due mainly from depreciation charges

The decrease was partially offset by the increase in intangibles assets, increase in trade and other receivables which was in tandem with the increase in revenue.

Total liabilities

Total liabilities as at 30 September 2022 was RM1,085.9 million as compared to RM1,112.9 million as at 30 June 2022, a decrease of RM27.0 million mainly due to repayment of lease liabilities, repayment of loan and borrowings and provision for taxation during the financial period.

Total equity

The net decrease in total equity attributable to owners of the Company of RM13.8 million from RM43.5 million as at 30 June 2022 mainly due to the loss incurred during the financial period. There were no significant changes in the Group balance sheet items except for the above-mentioned.

C. Consolidated Statement of Cash Flows (1Q FY2023)

The Group reported net decrease in cash and cash equivalents was mainly due net cash used in financing activities due to repayment of the term loans and lease liabilities and absent of proceed from placement shares in 1Q FY2023.

As a result of the above, the Group recorded a cash and cash equivalent of RM2.2 million as at 30 September 2022.

6. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. The Group has not previously disclosed any forecast or prospect statements to its shareholders.

7. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any know factors or events that may affect the group in the next reporting period and the next 12 months.

Property Development

The Group's properties are located within the prime and strategic locations in Melaka and this has helped preserve the value of the Group's property assets.

As COVID becomes endemic, there are progressive re-opening of the economy and social activities in Melaka as well as the resurgence of tourism activities from Malaysia's full reopening of international borders from 1 April 2022 for fully-vaccinated overseas travelers as well as interstate visitors.

Catering to the rising consumer demand and attract higher footfall, the Group has been working with partners to gradually reopen our malls and to create new thematic, experiential retail experiences.

For the Group's property-related business activities, we are cautiously optimistic of the sustained recovery of our business activities in the endemic phase.

Re-purposing our Malls for Phygital Experience

With the rebranding of Element Mall to ElementX that is positioned as Southeast Asia's first large-scale integrated Esports experiential hub, Metaverse gateway and themed award-winning hotel accommodation, the Group has signed various collaborations and agreements with strategic partners such as leading Esports organisations, Kitamen Holdings Sdn. Bhd. ("KITAMEN") and Melaka Esports Association ("MEA") as well as Focus Media Sports (Shanghai) Co., Ltd ("Focus Media"), a subsidiary of China's largest commercial media group, to boost the branding and revenue streams of ElementX.

To further enhance ElementX's appeal and positioning in the Esports industry, the Group announced a partnership agreement with MOONTON Games in August 2022, where both parties will endeavor to jointly develop and transform ElementX mall and hotel in Melaka into the world's first Mobile Legends-themed Integrated Esports Hub that aims to attract 20 million visitors from around the region.

For our Metaverse venture, the Group has launched WorldX, a virtual real-estate platform where users can own, explore, and interact with more than 150,000 different experiences online and offline. Together with our blockchain advisors, which includes EnjinStarter, we have been working in close collaboration on the set-up of our Metaverse and phygital system, including token system, which aims to have high levels of interoperability with different strategic partners as the project progresses, from physical to the digital space. Given that such systems need to be adapted with new partners and there are different partners involved in our Metaverse ventures, the timeline in the development of the token system with EnjinStarter has been extended.

The Group continues to work closely with our technological partners for the Metaverse development, including Huawei and HydraX, The Group's in-house development team is working with Huawei's engineers and technical team on the infrastructure and architecture, the backbone of our Metaverse.

Renewable Energy

In September 2022, the Group entered into a joint venture agreement with a renowned green independent power producer, NEFIN Group, one of the largest solar developers in Asia, to invest in and development of rooftop solar projects with long-term offtakes, with capacity of approximately 15MWp, in Singapore and Malaysia. This joint venture intends to raise funds of up to USD 10 million, which NEFIN Group has committed to invest 90% of it.

On the Dataran Pahlawan Melaka Megamall project, which the Group will install solar panels on the roof of Melaka's largest mall, the Group has started works that include the completion of site inspections and feasibility studies. The Group is currently working with our new partner, NEFIN Group, to evaluate the Dataran Pahlawan Melaka project and deploy funding accordingly to commence installation works.

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

Barring unforeseen circumstances, we expect the Group's performance in the financial year ending 30 June 2023 to benefit as a result of the above-mentioned initiatives.

8. Dividend Information

(a) Whether an interim (final) ordinary dividend has been declared (recommended):

No.

**(b) (i) Amount per share: cents
(ii) Previous corresponding period: Nil**

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable:

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined:

Not applicable.

9. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared for 1Q FY2023 as the Group is in a loss position during the financial period.

10. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

The Company had obtained a general mandate from its shareholders for IPTs at an annual general meeting of the Company held on 30 December 2021. For details, please refer to the Company's Appendix to the Annual Report 2021. There were no disclosable IPTs during the financial period ended 30 September 2022.

11. Disclosure of Acquisition (including incorporations and sale of shares under Catalist Rule 706A.

On 29 August 2022, the Company increased the issued and paid-up capital in its wholly owned subsidiary, Hatten Edge Pte. Ltd. from S\$1 to S\$2,899,999 at the consideration of SGD1.00, comprising 2,899,999 ordinary share issued. There is no change to the Company's shareholding interest in Hatten Edge Pte. Ltd..

12. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual.

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the first quarter ended 30 September 2022 to be false or misleading in any

material aspect.

13. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Listing Manual.

14. Use of proceeds

April Placement proceeds

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

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

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

**BY ORDER OF THE BOARD
HATTEN LAND LIMITED**

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
10 November 2022

Dato' Tan Ping Huang, Edwin
Executive Director and Deputy Managing Director