HATTEN 惠胜
LAND

HATTEN LAND LIMITED

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

Unaudited Financial Statements and Dividend Announcement
For the Third Quarter ended 31 March 2023

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 RHT Capital Pte Ltd (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.

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

For the financial period ended 31 March 2023

	Notes	Group Third Quarter Ended 31.03.2023 RM'000	Group Third Quarter Ended 31.03.2022 RM'000	% Change	Group 9 Months Ended 31.03.2023 RM'000	Group 9 Months Ended 31.03.2022 RM'000	% Change
Revenue	5	500	18,562	(97.3)	15,674	23,459	(33.2)
Cost of sales		(354)	(8,035)	(95.6)	(9,016)	(11,174)	(19.3)
Gross profit		**146**	**10,527**	(98.6)	**6,658**	**12,285**	(45.8)
Other operating income		26	489	(94.7)	965	509	11.6
Other income / gains		5,727	346	N/M	23,023	18,500	24.4
Other items of expense							
Selling and marketing expenses		(158)	948	N/M	(658)	885	N/M
General and administrative expenses		(8,446)	(16,830)	(49.8)	(36,155)	(40,564)	(10.9)
Loss on revocation of sales		(272)	(4,389)	(93.8)	(5,871)	(12,011)	(51.1)
Other expenses		(100)	-	N/M	(100)	-	N/M
Finance costs		(15,715)	(12,709)	23.7	(36,278)	(31,623)	14.7
Share of results of the associated company		(152)	(139)	9.4	(372)	(451)	(17.5)
Loss before tax	6	**(18,944)**	**(21,757)**	(12.9)	**(48,788)**	**(52,470)**	(7.0)
Income (expense) / tax credit	7	-	(10,764)	N/M	8,801	(10,764)	N/M
Loss after tax		**(18,944)**	**(32,521)**	(41.7)	**(39,987)**	**(63,234)**	(36.8)
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Currency translation differences arising on consolidation		(71)	9	N/M	405	9	N/M
Total comprehensive loss for the period		**(19,015)**	**(32,512)**	(41.5)	**(39,582)**	**(63,225)**	(37.4)
Loss for the period attributable to:							
Owners of the Company		(18,933)	(32,519)	(41.8)	(39,976)	(63,232)	(36.8)
Non-controlling interests		(11)	(2)	N/M	(11)	(2)	N/M
		(18,944)	**(32,521)**	(41.7)	**(39,987)**	**(63,234)**	(36.8)
Total comprehensive loss for the period attributable to:							
Owners of the Company		(25,743)	(32,510)	(20.8)	(39,590)	(63,223)	(37.4)
Non-controlling interests		-	(2)	N/M	8	(2)	N/M
		(25,743)	**(32,512)**	(20.8)	**(39,582)**	**(63,225)**	(37.4)
(Loss) per share attributable to owners of the Company (RM cents per share)		**(1.02)**	**(1.9)**		**(2.15)**	**(3.8)**	

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 31 MARCH 2023

	Note	Group		Company	
		31.03.2023	30.06.2022	31.03.2023	30.06.2022
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	174,350	30,494	-	-
Right-of-use assets		35,402	43,844	-	-
Investment in subsidiaries	12	-	-	720,132	710,739
Investment in associate company	13	23,331	22,310	-	-
Trade and other receivables	14	42,175	12,030	-	-
Intangible assets	16	9,072	7,737	-	-
		284,330	116,415	720,132	710,739
Current assets					
Development properties	15	552,430	455,471	-	-
Contract assets		27,795	5,382	-	-
Trade and other receivables	14	235,962	131,363	302,449	304,596
Prepayments		379	172	103	61
Cash and bank balances		889	11,241	-	2,136
		817,455	603,629	302,552	306,793
Disposal group assets classified as held for sales		-	429,381	-	-
Total assets		1,101,785	1,149,425	1,022,684	1,017,532
Liabilities					
Current liabilities					
Lease liabilities		14,473	14,826	-	-
Loans and borrowings	17	327,245	225,284	198,857	198,365
Income tax payable		13,938	16,132	-	-
Trade and other payables	18	317,374	241,103	2,301	2,558
Provisions		118,062	6,332	-	-
Contract liabilities		219,198	59,849	-	-
		1,010,290	563,526	201,158	200,923
Liabilities directly associated with disposal group classified as held-for-sale		-	435,569	-	-
		1,010,290	999,095	201,158	200,923
Non-current liabilities					
Lease liabilities		29,777	36,314	-	-
Loans and borrowings	17	59,096	72,826	-	-
		88,873	109,140	-	-
Total liabilities		1,099,163	1,108,235	201,158	200,923
Net assets		**2,622**	**41,190**	**821,526**	**816,609**
Equity					
Share capital	19	328,862	328,862	1,361,366	1,361,366
Accumulated losses		(270,879)	(231,970)	(539,840)	(544,757)
Translation reserve		(725)	(899)	-	-
Merger reserve		(54,827)	(54,827)	-	-
Other reserve		-	(175)	-	-
		2,431	40,991	821,526	816,609
Non-controlling interest		191	199	-	-
Total equity		**2,622**	**41,190**	**821,526**	**816,609**
Total equity and liabilities		**1,101,785**	**1,149,425**	**1,022,684**	**1,017,532**

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

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 March 2023

	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 January 2023	328,862	(253,013)	(654)	(54,827)	-	20,368	199	20,567
Loss for the period	-	(18,933)	-	-	-	(18,933)	(11)	(18,944)
Disposal of subsidiary		1,112				1,112	-	1,112
Other comprehensive loss								
Currency translation on consolidation	-	(45)	(71)	-	-	(116)	3	(113)
Total comprehensive loss for the period	-	(17,866)	(71)	-	-	(17,937)	(8)	(17,945)
Balance as at 31 March 2023	**328,862**	**(270,879)**	**(725)**	**(54,827)**	**-**	**2,431**	**191**	**2,622**
At 1 January 2022	313,302	(217,736)	(433)	(54,827)	(175)	40,131	-	40,131
Loss for the period	-	(32,519)	-	-	-	(32,519)	(2)	(32,521)
Other comprehensive loss								
Currency translation on consolidation	-	-	9	-	-	9	-	9
Total comprehensive loss for the period	-	(32,519)	9	-	-	(32,510)	(2)	(32,512)
Contribution by and distributions to owners								
Shares issuance expenses	(155)	-	-	-	-	(155)	-	(155)
Total transactions with owners in their capital as owners	(155)	-	-	-	-	(155)	-	(155)
Balance as at 31 March 2022	**313,147**	**(250,255)**	**(424)**	**(54,827)**	**(175)**	**7,466**	**(2)**	**7,464**

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)
For the financial year ended 31 March 2023

Company

	Share capital	(Accumulated losses) / Retained earnings	Total equity
	RM'000	**RM'000**	**RM'000**
At 1 January 2023	1,361,366	(546,020)	815,346
Profit for the period	-	6,180	6,180
Balance as at 31 March 2023	**1,361,366**	**(539,840)**	**821,526**
At 1 January 2022	1,345,806	(545,737)	800,069
Loss for the period	-	(872)	(872)
Contributions by and distributions to owners			
Issuance of ordinary shares	(155)	-	(155)
	(155)	-	(155)
Balance as at 31 March 2022	**1,345,651**	**(546,609)**	**799,042**

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For financial year ended 31 March 2023

	Group Third Quarter Ended		Group 9 Months Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Loss before tax	(18,944)	(21,757)	(48,788)	(52,470)
Adjustments for:				
Share of results of associated company	152	139	372	450
Depreciation of property, plant and equipment	242	259	708	751
Depreciation of right-of-use assets	3,899	4,098	11,833	12,506
Gain on disposal of right-of-use assets	-	-	-	(155)
Gain on disposal of property, plant and equipment	-	(817)	(1,180)	(1,073)
Gain on disposal of subsidiary	(1,012)	-	(1,012)	-
Impairment loss on trade receivables - credit loss on revocation of sales	272	4,389	5,871	12,011
Currency translation reserve	(8)	-	(8)	-
Interest income	(1,324)	455	(3,290)	(5,691)
Interest expense	15,715	12,709	36,278	31,623
Loss on revocation of sales	-			
Unrealised foreign exchange loss	125	44	(1,218)	395
Operating cash flows before working capital changes	**(883)**	**(481)**	**(434)**	**(1,653)**
Changes in operating assets and liabilities				
Intangible assets	(236)	(1,571)	(1,335)	(1,571)
Development properties	(458)	3,662	29,297	(5,534)
Contract assets	4	(642)	(641)	(642)
Contract liabilities	892	19,704	3,724	11,593
Trade and other receivables	(5,043)	42,939	(7,698)	70,144
Trade and other payables	4,147	(65,842)	(2,512)	(61,945)
Cash flow used in operations	**(1,577)**	**(2,231)**	**20,401**	**10,392**
Interest paid	(4,675)	(12,710)	(13,986)	(31,623)
Interest received	1,324	(455)	3,290	5,691
Income tax refund / (paid)	5,611	880	(811)	470
Net cash flows generated from / (used in) operating activities	**683**	**(14,516)**	**8,894**	**(15,070)**
Cash flows from investing activities				
Proceeds from disposal of property,plant and equipment	-	817	1,180	1,073
Proceeds from disposal of right-of-use assets	-	-	-	155
Increase in pledged fixed deposit	-	1	-	1
Additions to property,plant and equipment	(262)	(4,523)	(1,266)	(6,857)
Net cash flows used in investing activities	**(262)**	**(3,705)**	**(86)**	**(5,628)**
Cash flows from financing activities				
Repayment of lease liabilities	(1,506)	(810)	(2,160)	(8,134)
Proceeds from term notes	-	-	103	-
(Repayment) / proceed of term loans and medium term notes	(39)	12,818	(17,103)	11,270
Proceeds from placement shares	-	-	-	15,259
Shares issuance expenses	-	(155)	-	(155)
Net cash flows (used in) / generated from financing activities	**(1,545)**	**11,853**	**(19,160)**	**18,240**
Net decrease in cash and cash equivalents	(1,124)	(6,368)	(10,352)	(2,458)
Cash and cash equivalents at the beginning of the period	2,013	11,746	11,241	7,834
Effects of exchange rate changes on cash and cash equivalents	-	(4)	-	(2)
Cash and cash equivalents at the end of the period	**889**	**5,374**	**889**	**5,374**
Cash and bank balances	889	5,493	889	5,493
Add: Included in disposal group classified as held-for-sale	-	(119)	-	(119)
Cash and cash equivalents as per above	**889**	**5,374**	**889**	**5,374**

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the financial year ended 31 March 2023

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, #03-01, Singapore 238993.

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

2. Basis of Preparation

The condensed interim financial statements for the nine months ended 31 March 2023 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

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

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 judgments, 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 judgments 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.

Classification of disposal group classified as held-for-sale

The assets and liabilities relating to a wholly owned subsidiary, Gold Mart Sdn. Bhd. ("GMSB") are presented as disposal group classified as held-for-sale in accordance with SFRS(I) 5 – Non-current Assets Held for Sale and Discontinued Operations.

On 14 February 2023, the Group's wholly owned subsidiary, Hatten MS Pte. Ltd. ("Hatten MS") and GMSB has issued and announced a notice of termination to Tayrona Capital Group Corporation ("Tayrona Capital") to terminate the existing agreement that was entered into in relation to the proposed divestment of GMSB ("Proposed Transaction") as Tayrona Capital had not complied with its obligations in respect of the completion of the Proposed Transaction. As further updated by the Company on 20 March 2023 and 30 April 2023 respectively, the Company has a renewed opportunity to commence and resume the construction work.

As a result, the Group has reclassified the respective assets and liabilities of GMSB previously grouped into held-for-sale to the respective accounts accordingly, maintaining the same classification as before GMSB was accounted for as held-for-sale.

3. Going Concern Assumption

For the financial period ended 31 March 2023, the Group incurred a net loss of RM40.0 million. As at 31 March 2023, the Group's total loans and borrowings amounted to RM386.3 million, of which RM327.3 million were classified as current liabilities and exceeded its cash and bank balances of RM0.9 million. The Group's current liabilities of RM1,010.3 million also exceeded its current asset of RM817.5 million. The Group's net assets reduced to RM2.6 million as at 31 March 2023.

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) As the property market in Malaysia undergoes a progressive recovery, the Group remains focused on its core property development business. The Group has continued to reduce its losses and achieve positive operating cash flow for three consecutive quarters, including 3Q FY2023. In 3Q FY2023, the Group has reduced its loss after tax to RM18.9 million (3QFY2022: RM32.5 million) and recorded positive operating cash flow of RM0.7 million (compared to negative operating cash flow of RM14.5 million in 3Q FY2022).

(b) Comparing to cost value of RM552 million recognized on the statement of financial position, the total market value of the Group's development properties is over RM1.07 billion as of 30 June 2022, of which approximately RM703 million comprises unsold completed properties that the Group intends to sell gradually. In addition, the Company's liabilities, in particular the US$25 million (approximately RM110 million) secured bonds are secured by additional hospitality assets provided by a related party of the Company, of which the market value is RM238 million (approximately US$54 million) as at November 2022.

(c) The increase in current liabilities is primarily attributed to the impact of GMSB Reclassification (as defined in Paragraph 3 of Section F). Additionally, the provision of RM118 million and contract liabilities of RM219 million are non-monetary items that arise from accounting treatment in accordance with relevant accounting standards and do not necessitate immediate cash repayment. Out of the current portion of the loans and borrowings, approximately RM199 million pertains to the outstanding principal amount of facilities under the refinancing process of the Fundraising Facilities (as defined in the Group's monthly update on 30 April 2023). The remaining RM81 million pertains to bank facilities that are presently being serviced. Furthermore, RM73 million of trade and other payables represents accrued interest on facilities under the refinancing process of the Fundraising Facilities (as defined in the Group's monthly update on 30 April 2023). As for the RM202 million of trade and other payables, the Group is addressing these liabilities through contra payments with its property assets, effectively preserving cash.

(d) To further enhance the value of the Group's unsold units and for a better monetisation of its assets, the Group's focus is to leverage on the fast-recovering tourism activities in Melaka by developing new concepts and creating more attractions in Melaka. For example, the development of ElementX would be the first-of-its-kind themed around the multiplayer online battle area mobile game, MLBB (Mobile Legends: Bang Bang), which would be positioned as Southeast Asia's first large-scale integrated Esports experiential hub and themed award-winning hotel accommodation. In order to achieve this, the Group needs to collaborate with well-established Esports partners. The Group has inked multiple partnership agreements with top mobile games in Southeast Asia and leading Esports organisations for the development of ElementX. The Group is actively carrying out fundraising exercises. As one of the financing plans being negotiated, the Group is currently in the advanced stages of reaching a definitive agreement for a financing package that includes the funds required to complete the transformation of ElementX, which is likely to be launched in the calendar year of 2023. In addition to the above, the Group has also commenced its marketing and promotion activities on the unsold residential units and the commercial lots which would likely be launched from two quarters after the opening of ElementX and those unsold units are priced collectively at RM18 million and RM591 million respectively.

(e) On 22 March 2023, the Group announced that it has entered into a Strategic Partnership Agreement ("Agreement") with Quantum Healthcare Limited to bring the premium healthcare service in Melaka at Imperio Mall @ Hatten City. Quantum Healthcare Limited will become an anchor tenant at Imperio Mall @ Hatten City in Melaka with the goal to provide high-quality medical and healthcare-related facilities and services in Melaka. The Company updated on 21 April 2023 that both parties have mutually consented to a 30-day extension of time from 22 April 2023 to 22 May 2023 in respect of the Agreement.

(f) 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.

(g) The Group has worked closely with its creditors to extend and/or restructure the repayment plans that included payment structure as well as contra payments with its property units. Besides that, the Group is actively discussing with its banks in relation to the roll-over and extension of the repayment obligations. This aligns the Group's requirements with the current business climate and channels its cashflow for operation purposes.

(h) With the termination of the disposal of GMSB to Tayrona Capital (as defined above), the Group will also be able to restart the collection of over RM230 million of receivables from customers, which was previously halted due to the agreement with Tayrona Capital (as defined above).

(i) 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. As announced on the Q1 FY2023 result announcement, MRSB has successfully obtained the leave from Federal Court. Followed by the case management hearing held by the Federal Court on 5 January 2023 and 16 April 2023, the Federal Court has set the next session date for this matter on 16 May 2023.

(j) One of the executive directors, who is also a controlling shareholder of the Company, has undertaken to provide necessary financial support, in the form of debt and/or equity, to the Group should it be required to sustain its operations.

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 January 2023 to 31 March 2023 ("3Q 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. Since 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 RM0.4 million, and this represents about 0.3% 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 Third Quarter Ended		Group 9 Months Ended	
	31.03.23 RM'000	31.03.22 RM'000	31.03.23 RM'000	31.03.22 RM'000
Revenue from rendering of data room support services	375	-	2,539	-
Revenue from sale of development properties	125	18,562	13,135	23,459
	500	18,562	15,674	23,459
Revenue from sale of development properties in Malaysia				
- recognised at a point in time	125	18,491	13,135	20,247
- recognised over time	-	71	-	3,212
	125	18,562	13,135	23,459

6. Loss before tax

	Group Third Quarter Ended		Group 9 Months Ended	
	31.03.23 RM'000	31.03.22 RM'000	31.03.23 RM'000	31.03.22 RM'000
Loss for the period is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	242	259	708	751
Depreciation of right-of-use assets	3,899	4,098	11,833	12,506
Gain on disposal of property, plant and equipment	-	(817)	(1,180)	(1,073)
Gain on disposal of right-of-use assets	-	-	-	(155)
Interest expense	15,715	12,709	36,278	31,623
Interest income	(1,324)	455	(3,290)	(5,691)
Loss on revocation of sales	272	4,389	5,871	12,011
Net foreign exchange loss / (income)	305	(319)	2,161	395

7. Taxation

The Group calculates the year's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group		Group	
	Third Quarter Ended		9 Months Ended	
	31.03.23 RM'000	31.03.22 RM'000	31.03.23 RM'000	31.03.22 RM'000
Current income tax				
- Current year	-	-	-	-
- Over provision in prior year	-	10,764	8,801	10,764
	-	10,764	8,801	10,764
Income tax credit recognised in profit or loss	-	10,764	8,801	10,764

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

	Group Third Quarter Ended		Group 9 Months Ended	
	31.03.23	31.03.22	31.03.23	31.03.22
Loss attributable to owners to the Company (RM'000)	(18,933)	(32,519)	(39,976)	(63,232)
Weighted average number of ordinary shares in issue	1,857,123,228	1,680,716,673	1,857,123,228	1,680,716,673
Basic and fully diluted loss per share ("LPS") (RM'cents)	(1.02)	(1.93)	(2.15)	(3.76)

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

9. Net assets value

	Group		Company	
	31.03.23	30.06.22	31.03.23	30.06.22
Net asset value attributable to owners to the Company (RM'000)	2,431	40,991	821,526	816,609
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)	0.13	2.21	44.24	43.97

10. Related party transactions

For the financial period ended 31 March 2023, the Group had no significant related party transactions apart from that interested person transactions as disclosed in Page 24.

11. Property, plant and equipment

During the financial period ended 31 March 2023, the Group acquired assets of approximately RM1.3 million (30 June 2022: RM 6.9 million) and does not have any disposal of assets recorded at the end of this financial period. The significant increase in property, plant and equipment compared to financial year ended 30 June 2022 is mainly due to the reclassification of property, plant and equipment that are previously classified as asset held for sales amounting to approximately RM143.2 million arising from the termination of the Proposed Transaction (as set out in Note 2.2 above).

12. Investment in subsidiaries

	Company	
	31.03.23	30.06.22
	RM'000	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	
	31.03.23	30.06.22
	RM'000	RM'000
Movements in allowance for impairment loss		
At 1 July 2022	492,576	492,576
Impairment loss charged to profit or loss	-	-
At 31 March 2023 and 30 June 2022	**492,576**	**492,576**

During the financial period ended 31 March 2023, 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	
	31.03.23	30.06.22
	RM'000	RM'000
Unquoted equity shares, at cost		
Balance at beginning of financial period	22,310	22,587
Group's share of loss for the financial period	(372)	(277)
Gain on translation difference	1,393	-
	23,331	**22,310**

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.

14. Trade and other receivables

	Group		Company	
	31.03.2023	30.06.2022	31.03.2023	30.06.2022
Current:	RM'000	RM'000	RM'000	RM'000
Trade receivables	154,230	56,296	-	-
Amount due from subsidiaries	-	-	301,044	303,500
Amount due from related parties	-	-	1,405	-
Refundable deposits	3,360	2,311	-	-
GST recoverable	110	670	-	-
Other receivables	78,250	72,086	-	1,096
Tax recoverable	12	-	-	-
	235,962	131,363	302,449	304,596
Non-current:				
Trade receivables	41,497	11,402	-	-
Refundable deposits	678	628	-	-
	42,175	12,030	-	-
Total trade and other receivables (current and non-current)	**278,137**	**143,393**	**302,449**	**304,596**

The increase in trade and other receivables from RM143.4 million as at 30 June 2022 to RM278.1 million as at 31 March 2023 are mainly due to the reclassification of GMSB's disposal group that was previously classified as asset held for sales.

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 subsidiaries

Amount due from subsidiaries is 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	
	31.03.2023	30.06.2022
	RM'000	RM'000
Completed Development property	544,147	421,116
Development properties under construction	8,283	8,555
Properties for development representing land carried at cost	-	25,800
	552,430	**455,471**

The increase in development properties from RM455.5 million as at 30 June 2022 to RM552.4 million as at 31 March 2023 are mainly due to the reclassification of GMSB's disposal group that was previously classified as asset held for sales.

16. Intangible assets

	Group	
	31.03.2023	30.06.2022
	RM'000	RM'000
Development cost	9,072	7,737
	9,072	**7,737**

Development cost incurred to-date relates to development costs for building the metaverse and digital platforms. As of 31 March 2023, the development is still in progress and not completed yet.

During the financial year ended 31 March 2023, there was no amortisation charge on the development cost incurred to date as the development works have not been completed yet.

17. Loan and Borrowings

	Group		Company	
	31.03.2023	30.06.2022	31.03.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Amount repayable within one year				
Secured loan and borrowings	327,245	225,284	198,765	198,365
Unsecured bank overdrafts	-	-	92	-
	327,245	225,284	198,857	198,365
Amount repayable after one year				
Secured loan and borrowings	59,096	72,826	-	-
Total	386,341	298,110	198,857	198,365

The increase in loan and borrowings from RM 298.1 million as at 30 June 2022 to RM386.3 million as at 31 March 2023 are mainly due to the reclassification of GMSB's disposal group that was previously classified as asset held for sales.

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	
	31.03.2023	**30.06.2022**	**31.03.2023**	**30.06.2022**
Current:	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trade payables	41,699	11,698	-	-
Deposits received	5,280	16,488	-	-
Accruals – third parties	122,423	80,440	263	997
Accruals – directors	1,316	594	1,316	118
Amount due to related parties	8,816	779	-	-
Amount due to a director	1,826	1,807	-	-
Amount due to non-controlling interests	1,030	1,023	-	-
Amount due to subsidiaries	-	-	200	1,184
Rental payables	68,172	56,316	-	-
Amount due to creditors under scheme arrangement	28,650	30,834	-	-
Amount due to associated company	-	67	-	67
Other payables	38,162	41,057	522	192
	317,374	**241,103**	**2,301**	**2,558**

The increase in trade and other payables from RM241.1 million as at 30 June 2022 to RM 317.4 million as at 31 March 2023 is mainly due to the reclassification of GMSB's disposal group that was previously classified as asset held for sales.

Amount due to related parties, amount due to subsidiaries and amount due to a director

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

Amount due to non-controlling interests

Amount due to non-controlling interests are unsecured, non-interest bearing and repayable on demand. An amount of US$214,000 (approximately RM939,000) will be settled via issuance of the Company's ordinary shares. The remaining balance will 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% (2022: 6% to 8%) per annum of the purchase price to the purchasers for a committed lease term of 2 years to 9 years (2022: 2 years to 9 years) commencing six months from the date of issuance of the Certificate of Completion and Compliance or 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			
	31.03.2023		30.06.2022	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Issued and fully paid ordinary shares	1,857,123	328,862	1,857,123	328,862

The total number of issued shares excluding treasury shares as at 31 March 2023 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 31 March 2023, 30 June 2022 and 31 March 2022.

As at 31 March 2023, the Company has outstanding warrants of 40,000,000 (31.03.2022: 40,000,000) convertible into 40,000,000 ordinary shares representing approximately 2.2% of the total number of issued shares as at 31 March 2023.

20. Subsequent events

There are no known subsequent events which would lead to adjustment to this set of condensed interim consolidated financial statements.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

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 28 November 2022, 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 2022.

   As disclosed in section 2.2 of the Use of Judgements and Estimates, the Group's wholly owned subsidiary, Hatten MS Pte. Ltd. ("Hatten MS") and GMSB have issued and announced a notice of termination to Tayrona Capital Group Corporation ("Tayrona Capital") on 14 February 2023 to terminate the existing agreement that was entered into in relation to the proposed divestment of GMSB. As a result, the Group has reclassified the respective assets and liabilities of GMSB previously grouped into held-for-sale to the respective accounts accordingly, maintaining the same classification as before GMSB was accounted for as held-for-sale.

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 2022. 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 2022 and the estimated market value of the development properties are approximately RM1,107,250,000 (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.

4. Impairment of intangible assets in relation to development costs

The Group has carried out an impairment assessment on the Group's development costs capitalised for its respective projects pertaining to crypto assets exchange platform, metaverse gateway and integrated Esports and gaming experiential hub as at 30 June 2022. The impairment assessment was performed on the respective projects or cash generating units ("CGU") of the Group and management has determined the recoverable amount of the CGU using the value-in-use approach based on the discounted cash flow method. Given that these projects rely significantly on the estimated market prices of cryptocurrency, estimated prices and sales of digital assets, and estimated number of platform users and tourists, there are material uncertainties with respect to the reliability and reasonableness of the key assumptions and estimates that are used in the respective CGU forecasts prepared by the management. The Independent Auditor is unable to obtain sufficient appropriate audit evidence and explanation to satisfy themselves that the key assumptions and estimates used in the respective CGU forecasts prepared by the management can be relied upon and unable to determine whether any impairment loss is required on the carrying amount of the Group's intangible assets in relation to development costs as at 30 June 2022. According to SFRS(I) 1-36 Impairment of Assets, assets are required to be impaired when the recoverable amount is less than the carrying amount, where the recoverable amount represents the higher of value in use ("VIU") or fair value less cost of disposal. The Management performed an impairment assessment on the intangible assets, being development costs of the Group's respective projects pertaining to crypto assets exchange platform, metaverse gateway and integrated Esports and gaming experiential hub and determined the recoverable amount of the development costs using the value-in-use approach based on the discounted cash flow ("DCF") method with projections covering a period of five years. The key assumptions for the VIU calculations include the estimated market prices of cryptocurrency in the crypto assets exchange platform, estimated prices and sales of digital assets in the metaverse gateway, estimated number of platform users and tourists in the integrated Esports and gaming experiential hub, and discount rates applied. The estimated market prices of cryptocurrency are estimated based on management's judgement after taking into the consideration of the latest and historical trends of the cryptocurrency. The estimated prices and sales of digital assets are estimated based on management's judgement after taking into consideration of the prices and sales trends of the digital assets by various competitors of similar nature. The estimated number of platform users and tourists are estimated based on management's judgement after taking into consideration of the popularity of a mobile multiplayer online game of similar concept. Management estimates the discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to these projects. The pre-tax rates used to discount the projected cash flows from these projects pertaining to crypto assets exchange platform, metaverse gateway and integrated Esports and gaming experiential hub are 67.0%, 66.5% and 11.2% respectively. Based on the DCF, the Management estimated that the VIU of respective projects individually and in aggregate was higher than the total carrying amount of the Group's development costs, amounted to RM7.0 million as at 30 June 2022. In addition, the Management has performed sensitivity analysis and is of the view that the change in the estimated recoverable amounts arising from any reasonably possible change in the key assumptions would not cause the recoverable amounts to decrease significantly and result in an impairment loss to be recognised during the financial year. In view of the aforesaid, the Management concluded that no impairment was required of the Group's development costs.

5. Development properties

As at 30 June 2022, the carrying amount of the Group's development properties was RM455.5 million as disclosed in Note 15 to the financial statements. During the financial year ended 30 June 2022, the Group recognised a loss on revocation of sales of RM31.3 million which represents the losses recognised when the Group revoked the sales and purchase agreements on properties purchased by the customers. The properties repossessed by the Group relating to these revocations amounted to approximately RM32.1 million (the "repossessed properties") which are included in development properties in the consolidated statement of financial position as at 30 June 2022. The Independent Auditor is unable to obtain sufficient appropriate audit evidence to satisfy themselves as to whether the repossessed properties are appropriately measured and recognised in accordance with SFRS(I) 1-2 Inventories at the point of repossession. Accordingly, the Independent Auditor is unable to determine whether the carrying amount of the development properties as at 30 June 2022 are fairly stated, and whether any adjustments might have been found necessary in respect of the loss on revocation of sales recognised during the financial year ended 30 June 2022. Notwithstanding the Independent Auditors' disclaimer of opinion, development properties are held as inventories and are measured at the lower of cost and net realisable value.

6. Inability to obtain confirmations from third party bondholders

The Independent Auditor is not able to obtain confirmations from two bondholders amounting to US$10,000,000 and US$6,000,000 (approximately RM44,080,000 and RM26,448,000) respectively, which are included in the audit report as at 30 June 2022 Note 20 as "loan and secured bonds" within the Group's loans and borrowings. Consequently, the Independent Auditor is unable to ascertain the accuracy and completeness of the Group's loans and borrowings and whether there are any additional information or terms which could have an impact on the financial statements that require disclosure. Notwithstanding the Independent Auditors' disclaimer of opinion, the Company has obtained confirmation from another two bondholders amounting to US$8,000,000 and US$1,000,000. The Company has regular meetings with the bondholders to update the process of the refinancing packages and negotiations with the bondholders on the possible repayment obligations for its borrowings. In addition, the bond is secured against an asset owned by a related party of the borrowing entity with an estimated collateral valuation of approximately two times the loan amount.

7. Impairment of the Group's trade and other receivables

As at 30 June 2022, the carrying amount of the Group's trade and other receivables was RM278.1 million (including trade and other receivables of GMSB) as disclosed in Notes 16 and 18 to the financial statements. Management had performed an expected credit loss assessment as at 30 June 2022 and a loss allowance of RM0.07 million was recognised during the current financial year. The Independent Auditor is unable to obtain sufficient appropriate audit evidence on the reasonableness of management's expected credit loss assessment on the carrying amount of the Group's trade and other receivables as at 30 June 2022 and whether any adjustments to the Group's trade and other receivables are necessary. Consequently, the Independent Auditor is unable to determine the appropriateness of the disclosures of credit risk with respect to the Group's trade and other receivables in Note 29(a) to the financial statements. Notwithstanding the Independent Auditors' disclaimer of opinion, the Board is of the opinion that no additional credit loss adjustment is required as the Group's trade and other receivables consist of many individual buyers of property units and there is no material concentration risk from a particular debtor. In addition, in the event of default payment from purchaser, the Group may resume possession of the units and these units can be relisted for sales. The information about the expected credit losses (ECLs) on the Groups trade and other receivables is disclosed in Note 2 and Note 29(a) to the financial statements. The Board has reviewed the methodologies used by the management of the Group to assess the value of the impairment of trade receivables and is of the opinion that the methodologies used to determine the value of the impairment on trade receivables are reasonable. The Board will continue to be prudent in determining the value of impairment of the trade receivables.

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 third quarter ended 31 March 2023 ("3Q FY2023") as compared to the third quarter ended 31 March 2022 ("3Q FY2022")

Revenue and costs of sales

The Group recorded revenue of RM0.5 million in 3Q FY2023. This is due to the Group's sales and marketing strategy revision in line with the progress of securing anchor tenants for the Group's malls, which could potentially increase the value and attract more attention to the Group's unsold property assets. In 3Q FY2023, the Group has prioritized to work towards securing anchor tenants to the Group's mall, including the strategic collaboration with Quantum Healthcare Limited as announced on 22 March 2023 and 21 April 2023. The decrease in the cost of sales was in tandem with the decrease in revenue. The Group recorded gross profit amounting to RM0.1 million for 3Q FY2023. The decrease is in line with the decrease in revenue.

Other income/gains

Other income/gains increased by RM5.4 million in 3Q FY2023 as compared to 3Q FY2022 mainly attributable to higher late payment interest income and increase in property management income.

Loss on revocation of sales

The decrease in loss on revocation of sales was mainly due to lower revocation of sales from purchasers in 3Q FY2023 as compared to 3Q FY2022.

Finance costs

Finance costs increased by RM3.0 million mainly due to increased interest expense on bank loan in 3Q FY2023 as compared to 3Q FY2022. In 3Q FY2022, there was moratorium granted from the financial institutions and as a result, accrued interest has increased in the current quarter.

General and administrative expenses

The general and administrative expenses have decreased by RM8.4 million mainly due to a decline in operating expenses arising from the cost-cutting measures implemented by the Group which is partially offset with the increased in unrealised foreign exchange loss in 3Q FY2023.

Net loss for the financial period

As a result of the aforementioned, the Group reported a loss after tax in 3Q FY2023 of RM18.9 million as compared to a loss of RM32.5 million in 3Q FY2022.

Review for the financial position of the Group as at 31 March 2023 as compared to 30 June 2022

As disclosed in section 2.2 of the Use of Judgements and Estimates, the Group's wholly owned subsidiary, Hatten MS Pte. Ltd. ("Hatten MS") and GMSB have issued and announced a notice of termination to Tayrona Capital Group Corporation ("Tayrona Capital") on 14 February 2023 to terminate the existing agreement that was entered into in relation to the proposed divestment of GMSB. As a result, the Group has reclassified the respective assets and liabilities of GMSB ("GMSB Balances") which were previously grouped into held-for-sale to the respective accounts accordingly, maintaining the same classification as before GMSB was accounted for as held-for-sale ("GMSB Reclassification").

	Include GMSB Balances				Exclude GMSB Balances			
	31.03.2023	30.06.2022	Change		31.03.2023	30.06.2022	Change	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
	a	*b*	*c=a-b*	*d=c/b*	*e*	*f*	*g=e-f*	*h=g/f*
Non-current assets	284,330	296,498	(12,168)	-4%	106,159	116,415	(10,256)	-9%
Current assets	817,455	852,927	(35,472)	-4%	571,119	603,629	(32,510)	-5%
Current liabilities	1,010,290	996,648	13,642	1%	575,165	563,526	11,639	2%
Non-current liabilities	88,873	111,587	(22,714)	-20%	87,861	109,139	(21,279)	-19%

a As per Condensed Interim Statements of Financial Position as at 31 March 2023, including GMSB Balances
b As per Condensed Interim Statements of Financial Position as at 30 June 2022, including GMSB Balances
e As per Condensed Interim Statements of Financial Position as at 31 March 2023, excluding GMSB Balances
f As per Condensed Interim Statements of Financial Position as at 30 June 2022, excluding GMSB Balances

The financial position of the Group as at 31 March 2023 was significantly impacted by the effect of GMSB Reclassification as outlined above. Excluding this reclassification, the variance of the respective line items as shown in the table above in relation to the Group's financial position as at 31 March 2023 compared to 30 June 2022 range from -19% to 2%.

Total assets

Total assets as at 31 March 2023 was RM1,101.8 million as compared to RM1,149.4 million as at 30 June 2022. The decrease of RM47.6 million was mainly due to:

- Decrease of RM8.4 million in right-of-use assets mainly due to depreciation charges and disposal of motor vehicles; and
- Improved collection performance on trade and other receivables.

The decrease was partially offset by the increase in development properties, property, plant and equipment as well as current and non-current trade and other receivables.

Total liabilities

Total liabilities as at 31 March 2023 was RM1,099.2 million as compared to RM1,108.2 million as at 30 June 2022. The decrease of RM9.0 million mainly due to repayment of lease liabilities, loan and borrowings. The significant changes in provisions and contract liabilities were mainly due to the reclassification of GMSB's disposal group that was previously classified as asset held for sales.

Total equity

The net decrease in total equity of the Company amounting to RM38.6 million from RM41.2 million as at 30 June 2022 to RM2.6 million as at 31 March 2023 was mainly due to loss incurred during the financial period.

C. Consolidated Statement of Cash Flows (3Q FY2023)

Net cash flows generated from operating activities for the period ended 31 March 2023 of RM0.7 million. This was mainly due to (i) increase in trade and other payables due to ongoing management of creditors, including effect from repayment plans; (ii) receipt of income tax refund, partially offset by (iii) operating income before working capital changes of RM2.7 million; (iv) interest paid of RM4.7 million; and (v) increase in trade and other receivables.

Net cash used in investing activities for the period ended 31 March 2023 of RM0.3 million is mainly due to the additions of property, plant and equipment.

Net cash used in financing activities for the period ended 31 March 2023 of approximately RM1.5 million was mainly due to the repayment of lease liabilities.

As a result of the above, the Group recorded a cash and cash equivalent of RM0.9 million as at 31 March 2023.

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

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

5. 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.

The Group's prime and strategic properties portfolio in Melaka comprises five integrated mixed-use development projects and a retail mall, with three completed and two in-progress. Melaka's strategic location, situated within close driving distance of major cities such as Kuala Lumpur and Singapore, coupled with its popularity as a tourist destination, particularly among Chinese visitors, have helped preserve the value of the Group's assets. Listed as the UNESCO World Heritage Site, Melaka is one of Malaysia's most popular tourist destinations and promotes a rich Chinese history and modern ties with China. Prior to the pandemic, China was the largest source of tourist arrivals to Malaysia and Melaka among non-neighboring countries. With China reopening in January 2023, the Group is optimistic that this will lead to a further boost and accelerated resurgence of Melaka's tourism and hospitality sectors within the foreseeable future. As updated by the Company on 30 April 2023, the Group has restarted its construction on Harbour City project, a flagship hospitality icon that aligns with tourism and hospitality resurgence trends in Melaka.

To cater to increasing consumer demand and attract more visitors, the Group has collaborated with partners to create distinctive experiences that are unique not just in Melaka, but in the wider region. As the property market in Malaysia undergoes a progressive recovery, the Group has observed an increase in competition in the market. The Group targets foreign buyers, who typically prefer pristine units and purchase directly from property developers. However, with international travel gradually recovering, foreign buyers are taking longer to return to the market. The Group is also revising its sales and marketing strategy to align with the progress of securing anchor tenants for its malls, which could potentially increase the value of its property assets. As updated by the Company on 30 April 2023, the Company is in negotiations with Quantum Healthcare Limited regarding the tenancy agreement in respect of a Strategic Partnership Agreement that was entered into on 22 March 2023. The Group expects more property sales once its malls are reopened with anchor tenants in the calendar year of 2023.

6. Dividend Information

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

No.

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

(i) Nil
(ii) 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.

The date the dividend is payable:

Not applicable.

(d) 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.

7. 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 3Q FY2023 as the Group is in a loss position for the financial period.

8. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Catalist Rule 920(1)(a)(ii). 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 14 December 2022. For details, please refer to the Company's Appendix to the Annual Report 2022. There were no disclosable IPTs during the financial period ended 31 March 2023.

9. Disclosure of Acquisitions and Disposals (including incorporations and sale of shares) under Catalist Rule 706A.

Not applicable. There is no acquisition noted for 3Q FY2023.

On 19 January 2023, the Company's direct wholly owned subsidiary, Hatten MS Pte. Ltd. ("HMS"), completed the disposal of 100% of its shareholding in Admiral Merger Sdn. Bhd. ("AMSB"), a wholly owned subsidiary of HMS, for a cash consideration of RM100. Prior to the transaction, AMSB was dormant, and had no assets or liabilities.

10. Confirmation pursuant to Catalist Rule 705(5)

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 third quarter ended 31 March 2023 to be false or misleading in any material aspect.

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

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.

BY ORDER OF THE BOARD
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
15 May 2023

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