



HATTEN LAND LIMITED

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

Unaudited Financial Statements Announcement For Full Year Ended 30 June 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	Group Fourth Quarter Ended			Group 12 Months Ended		
		30/6/2019 RM'000	30/6/2018 (Restated) RM'000	% Change	30/6/2019 RM'000	30/6/2018 (Restated) RM'000	% Change
Revenue	8a	95,467	44,563	N/M	281,350	229,949	22.4
Cost of sales		(58,471)	(4,240)	N/M	(183,544)	(129,862)	41.3
Gross profit	8b	36,996	40,323	(8.3)	97,806	100,087	(2.3)
Other income/gains	8c	40,489	15,649	N/M	63,733	27,685	N/M
Other items of expense							
Selling and distribution expenses	8d	(13,750)	(12,128)	13.4	(43,858)	(46,272)	(5.2)
General and administrative expenses	8e	(16,411)	(14,564)	12.7	(48,197)	(45,557)	5.8
Finance costs	8f	(23,277)	(33,165)	(29.8)	(37,896)	(36,439)	4.0
Profit/(loss) before tax		24,047	(3,885)	N/M	31,588	(496)	N/M
Income tax expenses	8g	(14,771)	(1,413)	N/M	(19,395)	(4,217)	N/M
Profit/(loss) after tax		9,276	(5,298)	N/M	12,193	(4,713)	N/M
Other comprehensive income:							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation		-	969	N/M	-	(119)	N/M
Total comprehensive income		9,276	(4,329)	N/M	12,193	(4,832)	N/M
Profit/(loss) for the period attributable to:							
Owners of the Company		9,312	(5,298)	N/M	12,343	(4,713)	N/M
Non-controlling interests		(36)	-	N/M	(150)	-	N/M
		9,276	(5,298)		12,193	(4,713)	
Total comprehensive income for the period attributable to:							
Owners of the Company		9,312	(4,210)	N/M	12,343	(4,713)	N/M
Non-controlling interests		(36)	-	N/M	(150)	-	N/M
		9,276	(4,210)		12,193	(4,713)	

N/M - Not Meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Group			Group		
	Fourth Quarter Ended 30/6/2019	30/6/2018	%	12 Months Ended 30/6/2019	30/6/2018	%
	RM'000	RM'000	Change	RM'000	RM'000	e
Profit/(loss) for the period is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	884	830	6.5	4,085	3,162	29.2
Loss/(gain) on disposal of property, plant and equipment	6	(237)	N/M	35	(439)	N/M
Interest expense	23,277	33,165	(29.8)	37,896	36,439	4.0
Interest income	-	(545)	N/M	(2,262)	(3,546)	(36.2)
Issuance of shares to employees	-	-	N/M	-	1,845	N/M

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group			Company		
		30/6/2019 RM'000	30/6/2018 (Restated) RM'000	1/7/2017 (Restated) RM'000	30/6/2019 RM'000	30/6/2018 RM'000	1/7/2017 (Restated) RM'000
Assets							
Non-current assets							
Property, plant and equipment	8h	234,538	154,695	94,322	-	-	-
Deposit		605	587	-	-	-	-
Investment in subsidiaries		-	-	-	1,203,315	1,203,315	1,203,315
Deferred tax assets	8i	89,241	76,329	61,313	-	-	-
		<u>324,384</u>	<u>231,611</u>	<u>155,635</u>	<u>1,203,315</u>	<u>1,203,315</u>	<u>1,203,315</u>
Current assets							
Development properties	8j	827,083	585,150	520,686	-	-	-
Contract Assets	8k	-	278,959	299,385	-	-	-
Trade and other receivables	8l	430,528	240,724	164,592	277,086	250,574	69,485
Other current assets	8m	32,090	51,393	51,198	-	-	932
Cash and bank balances		27,309	59,475	83,625	269	12,686	16,473
		<u>1,317,010</u>	<u>1,215,701</u>	<u>1,119,486</u>	<u>277,355</u>	<u>263,260</u>	<u>86,890</u>
Total assets		<u>1,641,394</u>	<u>1,447,312</u>	<u>1,275,121</u>	<u>1,480,670</u>	<u>1,466,575</u>	<u>1,290,205</u>
Liabilities							
Current liabilities							
Loans and borrowings	8n	306,491	245,177	56,656	186,055	-	-
Income tax payable	8o	55,454	39,428	49,330	-	-	-
Trade and other payables	8p	362,860	279,718	214,306	1,295	985	1,034
Contract liabilities		227,566	243,512	258,336	-	-	-
Other liabilities		467	561	5,005	-	-	-
		<u>952,838</u>	<u>808,396</u>	<u>583,633</u>	<u>187,350</u>	<u>985</u>	<u>1,034</u>
Net current assets		364,172	407,305	535,853	90,005	262,275	85,856
Non-current liabilities							
Loans and borrowings	8n	105,565	262,633	298,793	-	174,274	-
Other payables	8p	396,589	175,501	186,665	-	-	-
		<u>502,154</u>	<u>438,134</u>	<u>485,458</u>	<u>-</u>	<u>174,274</u>	<u>-</u>
Total liabilities		<u>1,454,992</u>	<u>1,246,530</u>	<u>1,069,091</u>	<u>187,350</u>	<u>175,259</u>	<u>1,034</u>
Net assets		<u>186,402</u>	<u>200,782</u>	<u>206,030</u>	<u>1,293,320</u>	<u>1,291,316</u>	<u>1,289,171</u>
Equity							
Share capital		252,719	252,719	250,874	1,285,223	1,285,223	1,283,378
Retained earnings		14,180	2,890	9,864	8,097	6,093	5,793
Translation reserve		-	-	119	-	-	-
Merger reserve		(80,347)	(54,827)	(54,827)	-	-	-
Non-controlling interest		(150)	-	-	-	-	-
Total equity		<u>186,402</u>	<u>200,782</u>	<u>206,030</u>	<u>1,293,320</u>	<u>1,291,316</u>	<u>1,289,171</u>
Total equity and liabilities		<u>1,641,394</u>	<u>1,447,312</u>	<u>1,275,121</u>	<u>1,480,670</u>	<u>1,466,575</u>	<u>1,290,205</u>

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2019		As at 30/06/2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
306,491	-	245,177	-

Amount repayable after one year

As at 30/06/2019		As at 30/06/2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
105,565	-	262,633	-

The Group's loans and borrowings include obligations under finance leases and bank borrowings, guaranteed secured bonds, convertible loan 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 400 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 a related party of the borrowing entities and deed of subordination of advances due to shareholders and directors.
8. Pledge of fixed deposits with licensed banks.
9. Debenture over the 44 units of luxury residences service apartments and 11 units of penthouse suites from the development of borrowing entity.
10. Personal guarantee by a director of the Company.
11. Land charge for assets owned by related parties of the borrowing entity.

1(c) **A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	12 Months Ended	
	30/6/2019	30/6/2018
		(Restated)
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before tax	31,588	(496)
Adjustments for:		
Depreciation of property, plant and equipment	4,085	3,162
(Gain)/loss on disposal of property, plant and equipment	35	(439)
Interest income	(2,262)	(3,546)
Interest expense	37,896	36,439
Issuance of shares to employees	-	1,845
Unrealised foreign exchange (gain)/loss	4,163	3,437
Operating cash flows before working capital changes	75,505	40,402
Decrease/(increase) in:		
Development properties	10,195	(64,582)
Trade and other receivables and contract assets	124,441	(56,293)
Other current assets	19,302	(195)
Increase/(decrease) in:		
Trade and other payables and contract liabilities	(3,133)	39,424
Other liabilities	(94)	(4,444)
Cash flow from/(used in) operations	226,217	(45,688)
Interest paid	(37,896)	(36,439)
Interest received	2,262	3,546
Income tax paid	(16,280)	(29,135)
Net cash flows from/(used in) operating activities	174,304	(107,716)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	792	1,894
Acquisition of subsidiaries	507	-
Increase in pledged fixed deposit	(56)	(1,227)
Additions to property, plant and equipment	(80,879)	(62,092)
Net cash flows used in investing activities	(79,635)	(61,425)
Cash flows from financing activities		
Proceeds from term loans	52,248	70,497
Proceeds from issuance of convertible loan and secured bonds	-	171,170
Proceeds from issuance of medium-term notes	-	24,268
Repayment of obligations under finance leases	(2,752)	(3,908)
Repayment of loan and borrowings	(175,556)	(115,994)
Dividend paid on ordinary shares	(1,053)	(2,143)
Net cash flows (used in)/from financing activities	(127,113)	143,890
Net change in cash and cash equivalents	(32,445)	(25,251)
Cash and cash equivalents at the beginning of the year	56,091	81,468
Effects of exchange rate changes on cash and cash equivalents	222	(126)
Cash and cash equivalents at the end of the year	23,868	56,091
Cash and bank balances	27,309	59,475
Less: Pledged fixed deposit	(3,441)	(3,384)
Cash and cash equivalents as per above	23,868	56,091

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company					
	Share capital	Retained earnings	Translation reserve	Non-Controlling Interest	Merger reserve	Total equity
	RM'000	RM'000	RM'000		RM'000	RM'000
Group						
At 1 July 2018, as previously reported	252,719	32,274	-	-	(54,827)	230,166
Effects of change in accounting policy of capitalisation of borrow in costs		(29,384)				(29,384)
At 1 July 2018, as restated	252,719	2,890	-	-	(54,827)	200,782
Profit/(loss) for the year	-	12,343	-	(150)	(25,520)	(13,327)
Total comprehensive income for the year	252,719	15,233	-	(150)	(80,347)	187,455
<u>Distributions to owners</u>						
Dividend on ordinary shares	-	(1,053)	-	-	-	(1,053)
Total transactions with owners in their capital as owners	-	(1,053)	-	-	-	(1,053)
Balance as at 30 June 2019	252,719	14,180	-	(150)	(80,347)	186,402
At 1 July 2017, as previously reported (FRS framework)	250,874	31,244	119	-	(54,827)	227,410
Cumulative effects of adopting SFRS (I)	-	119	(119)	-	-	-
Effects of change in accounting policy of capitalisation of borrow in costs	-	(21,617)	-	-	-	(21,617)
At 1 July 2017, as restated	250,874	9,746	-	-	(54,827)	205,793
Loss for the year		(4,713)	-	-	-	(4,713)
<u>Other comprehensive income</u>						
Foreign currency translation reserve	-	-	-	-	-	-
Total comprehensive income for the year	-	(4,713)	-	-	-	(4,713)
<u>Contribution by and distributions to owners</u>						
Dividend on ordinary shares	-	(2,143)	-	-	-	(2,143)
Issuance of employee shares	1,845	-	-	-	-	1,845
	1,845	(2,143)	-	-	-	(298)
Balance as at 30 June 2018	252,719	2,890	-	-	(54,827)	200,782
Company						
	Share capital	Retained earnings	Total equity			
	RM'000	RM'000	RM'000			
At 1 July 2018	1,285,223	6,093	1,291,316			
Profit for the year	-	2,057	2,057			
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	-	(1,053)	(1,053)			
	-	(1,053)	(1,053)			
Balance as at 30 June 2019	1,285,223	7,097	1,292,320			
At 1 July 2017	1,283,378	5,793	1,289,171			
Profit for the year	-	2,443	2,443			
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	-	(2,143)	(2,143)			
Issuance of employee shares	1,845	-	1,845			
	1,845	(2,143)	(298)			
Balance as at 30 June 2018	1,845	6,093	1,291,316			

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of issued shares	Share capital RM
Balance as at 31 March 2019	1,378,096,353	252,718,519
Balance as at 30 June 2019	1,378,096,353	252,718,519

As at 30 June 2019 and 30 June 2018, the Company had a convertible loan due of an aggregate amount of US\$20,000,000, which may be converted into approximately 77,142,857 new fully paid ordinary shares of the Company based on a fixed conversion price of S\$0.35 per share (assuming an exchange rate of US\$1: S\$1.35). The conversion right will expire on 10 October 2019.

The Company does not have any treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30/6/2019	As at 30/6/2018
Total number of issued shares	1,378,096,353	1,378,096,353

The Company does not have any treasury shares as at 30 June 2019 and 30 June 2018.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial year reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have any subsidiary holdings during and as at the end of the current financial year reported on.

2. 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.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements for the financial year ended 30 June 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The accounting policies adopted are consistent with those the previous financial year except in the current financial year, the Group has adopted all new and revised standards which are effective for annual financial periods beginning on or after 1 July 2018. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company except for the effects of the borrowing costs relating to Development Properties finalised by The Interpretations Committee in March 2019.

SFRS(I) 1-23 Borrowing Costs

The Group previously capitalised borrowing costs in relation to the construction of development properties held for sale. On adoption of SFRS(I) 15, it is assessed that the Group transfers control of sold property units over time and, therefore, recognises revenue over time over the construction period of the units. The Group recognises receivables and/or contract assets in relation to property units that have been sold, and inventories for unsold units. As these assets do not qualify as assets that necessarily take a substantial period of time to get ready for their intended use or sale, the Group does not capitalise borrowing costs in relation to the construction of development properties. Consequently, the Group recognised a decrease in development properties of RM17.4 million and corresponding decrease in retained earnings of RM17.4 million on 1 July 2017. This adjustment amount represents borrowing costs that were capitalised in development properties held for sale as at 30 June 2017.

The Group's statement of financial position as at 30 June 2018 was restated, resulting a decrease in development properties of RM18.8 million and corresponding decrease in retained earnings of RM29.1 million. The profit or loss for the year ended 30 June 2018 was also restated, with an increase in finance costs by RM30.5 million.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 3 Months Ended		Group 12 Months Ended	
	30/6/2019	30/6/2018 (Restated)	30/6/2019	30/6/2018 (Restated)
Profit/(Loss) attributable to owners of the Company (RM'000)	9,312	(5,298)	12,343	(4,713)
Weighted average number of ordinary shares in issue	1,378,096,353	1,378,096,353	1,378,096,353	1,376,637,527
Basic and fully diluted earnings per share ("EPS") (RM'cents)	0.68	(0.38)	0.90	(0.34)

Note:

The diluted EPS for the period ended 30 June 2019 and 30 June 2018 were the same as the basic EPS assuming that no potential ordinary shares are to be issued under the convertible loan due to the conversion price or exercise price being higher than the prevailing market price as at 30 June 2019 and 30 June 2018 respectively.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/6/2019	30/6/2018 (Restated)	30/6/2019	30/6/2018
Net asset value (RM'000)	186,402	200,782	1,292,320	1,291,316
Number of ordinary shares in issue	1,378,096,353	1,378,096,353	1,378,096,353	1,378,096,353
Net asset value per ordinary share (RM'cents)	13.53	14.57	93.78	93.70

8. **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 of the following:-**
- (i) any significant factors that affected the revenue, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (ii) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Consolidated Statement of Comprehensive Income

Review of Group performance for the fourth quarter ended 30 June 2019 ("4Q FY2019") as compared to the fourth quarter ended 30 June 2018 ("4Q FY2018")

- (a) The Group recorded revenue of RM95.5 million for 4QFY2019, which was RM50.9 million higher than 4QFY2018. The increase in revenue was mainly attributed to higher revenue recorded from Harbour City project. The increase in revenue was partially offset by the lower revenue recorded for Hatten City Phase 2 project.
- (b) The Group recorded gross profit of RM36.9 million for 4QFY2019, which was RM3.3 million lower than 4QFY2018. The lower gross profit margin was largely due the reclassification of the borrowing costs in cost of sales relating to the development properties that are ready for its intended sale to finance cost for FY2018.
- (c) Other income/gains increased by RM24.8million mainly due to the increase in rental income from Hatten Place, Elements Mall under Hatten City Phase 1 project.
- (d) Selling and distribution expenses increased by RM1.6 million mainly due to increase in sales activities and marketing campaigns which was in line with the increase in revenue.
- (e) General and administrative expenses increased by RM1.8 million mainly due to higher professional costs and increase in headcount and related overheads arising from the acquisition of subsidiary companies.
- (f) Finance costs decreased by RM9.9 million mainly due the reclassification of the borrowing costs of FY2018 relating to the development properties from Cost of sales to finance costs which in line with the recent update of the agenda decision by IFRS Interpretations Committee ("IFRSIC").
- (g) Income tax expense increased by RM13.3 million as compared with the preceding year corresponding period due to higher taxable profits.

Review of Group performance for the year ended 30 June 2019 ("FY2019") as compared to the year ended 30 June 2018 ("FY2018")

- (a) The Group recorded revenue of RM281.3 million for FY2019, which was RM51.4 million higher than FY2018. The increase in revenue was mainly attributed to higher revenue recorded from Harbour City, Satori and Unicity Projects. The increase in revenue was partially offset by the lower revenue for Hatten City Phase 2 project.
- (c) Other income/gains increased by RM36.0 million mainly due to a non-recurring back charged of expenses to third party property management office and additional rental income from Hatten Place and Elements Mall under Hatten City Phase 1 project.
- (g) Income tax expense increased by RM15.2 million as compared with the preceding year due to higher taxable profits.

Consolidated Statement of Financial Position

Review for the financial position of the Group as at 30 June 2019 as compared to 30 June 2018

- (h) Property, plant and equipment increased by RM79.8 million or 51.6% to RM234.5 million as at 30 June 2019 compared to RM154.7million as at 30 June 2018 mainly due to the additional construction work in progress for car park and theme park for Harbour City, Unicity and Hatten City Phase 2 projects.

- (i) Deferred tax assets increased by RM12.9 million or 16.9% to RM89.2 million as at 30 June 2019 compared to RM76.3 million. The deferred tax assets mainly comprised of rental guarantees and unutilised tax losses and capital allowances. The increase is mainly due to deferred tax assets on rental guarantees provided in conjunction with the sale of development properties.
- (j) Development properties increased by RM241.9 million or 41.3% to RM827.1 million as at 30 June 2019 from RM585.2 million as at 30 June 2018 due to the capitalisation of development costs and construction services fees incurred for the current on-going construction for Harbour City and Satori projects and an effect from the acquisition of subsidiary companies during the financial year.
- (k) Contract assets decreased by RM278.9 million as at 30 June 2019 compared to 30 June 2018 mainly due to decrease in contract assets from Hatten City Phase 2 project which due to difference in timing between revenue recognition and actual billing over the periods under review.
- (l) Trade and other receivables increased by RM189.8 million to RM430.5 million as at 30 June 2019 from RM240.7 million as at 30 June 2018 mainly due increase in progress billings from Harbour City and Satori projects and progress billings to purchasers as a result of the completion of Hatten City Phase 2 project.
- (m) Other current assets decreased by RM19.3 million or 37.6% to RM32.1 million as at 30 June 2019 from RM51.4 million as at 30 June 2018 mainly due to amortization of sales commission capitalized for Harbour City and Hatten City Phase 2 project to income statement during the financial year.
- (n) Loans and borrowings (current and non-current) decreased by RM95.7 million or 18.9% to RM412.1 million as at 30 June 2019 from RM507.8 million as at 30 June 2018 mainly due to repayment during the financial year.
- (o) Income tax payable increased by RM16.0 million to RM55.4 million as at 30 June 2019 from RM39.4 million as at 30 June 2018 mainly due to higher taxable profits.
- (p) Trade and other payables (current and non-current) increased by RM304.2 million to RM759.4 million as at 30 June 2019 from RM455.2 million as at 30 June 2018 mainly due to increase in development costs for Harbour City Project, increase in deferred revenue which is the amount payable to the purchasers for sales of properties with leaseback arrangements and an effect from the acquisition of subsidiary companies during the financial year.

Consolidated Statement of Cash Flows

Review of Statement of Cash Flows for FY2019 as compared to FY2018

The Group reported net cash flows from operating activities of RM174.3 million mainly due to decrease in development properties and trade and other receivables.

The Group recorded net cash flows used in investing activities of RM79.6 million mainly due additional construction work in progress for car park and theme park for ongoing projects.

The Group recorded net cash flows used in financing activities of RM127.1 million mainly due to repayment of loan and borrowings, finance lease liabilities and payment of dividend on ordinary shares, partially offset by proceed from term loan.

As a result of the above, the Group's cash and cash equivalents decreased to RM23.9 million as at 30 June 2019 as compared to RM56.1 million as at 30 June 2018.

9. 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.

10. 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 known factors or events that may affect the Group in the next reporting period and the next 12 months.

Malaysia's economy is expected to expand at a relatively moderate rate, with the gross domestic product (GDP) projected to record 4.6 per cent in 2019 according to World Bank. Ministry of Finance Malaysia also noted that trade surplus for the first five months of 2019 has climbed 4.3% to RM56.8 billion from RM54.5 billion in the same period a year ago, as a result of the continuous export growth. Another confidence boost in Malaysia's positive economic outlook was provided by S&P Global Ratings' (Standard & Poor's) affirmation of Malaysia's issuer credit rating of A- with a stable outlook on 3 July 2019¹.

With the recent announcement of Budget 2019, several measures were unveiled to encourage first-home buyers, which will hopefully drive property sales and lower the number of unsold units for property developers. This, together with Melaka's status as a favourite destination for historical and medical/wellness tourism, is expected to underpin the demand for the Group's projects. The launch of Visit Melaka Year (VMY) 2019 promotion targets at attracting 20 million tourist in 2019².

Riding on the expected improvement of the property market in Malaysia, we will continue our focus on the soft launch of the Cyberjaya project by the second quarter of financial year ending 30 June 2020 ("FY2020"), subject to obtaining the relevant regulatory approvals for the soft launch.

For geographical diversification purposes, the Company's intended maiden overseas expansion in Melbourne Australia which the Group intends to develop a mixed-use development comprising retail and hospitality units. Melbourne is an increasingly popular overseas property destination for high net-worth investors who favour the city for its good yield, liquid markets and promising prospects for rental yield.

As at 30 June 2019, the Group has unbilled sales of development properties amounting to approximately RM379.9 million and this amount is expected to be recognised as the ongoing projects reach completion stage. As Harbour City is expected to complete in FY2020, we expect a substantial amount of the unbilled sales to be recognised beyond FY2019. Therefore, barring any unforeseen circumstances, we are cautiously optimistic about the Group's financial performance for FY2020.

Source:

1. The Edge Markets
2. The StarOnline

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Amount per Share	0.013 Singapore cent
Dividend Rates (in %)	NA
Par value of shares	NA
Tax rate	Tax exempt (one-tier)

(b) Amount per share (cents) and previous corresponding period (cents).

Yes. Dividend amount per share of 0.025 Singapore cent has been declared for FY2018. The company has declared a lower dividend per share of 0.0013 Singapore cent for FY2019 as compared to the previously corresponding period as the Group wishes to conserve its cash for the purpose of the Group's development and operations.

- (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).**

Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Amount per Share	0.013 Singapore cent
Dividend Rates (in %)	NA
Par value of shares	NA
Tax rate	Tax exempt (one-tier)

- (d) **The date the dividend is payable.**

Subject to approval by the Shareholders at the forthcoming annual general meeting and to be announced at a later date.

- (e) **The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Subject to approval by the Shareholders at the forthcoming annual general meeting and to be announced at a later date.

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

Not applicable.

13. **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). 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 25 October 2018. For details, please refer to the Company's Appendix to the Annual Report 2018. Save as disclosed below, there were no IPTs that exceeded S\$100,000 during the financial year ended 30 June 2019.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	Group RM'000	Group RM'000
Hatten Properties Sdn. Bhd. ¹	-	4,609
Montane Construction Sdn. Bhd. ²	-	61,493
Temasek Blooms Sdn. Bhd. ³	731	-
Hatten Place Sdn Bhd ⁴	-	10,527
Hatten Hotel (Melaka) Sdn. Bhd. ⁵	1,066	-

Note:

- (1) Hatten Properties Sdn. Bhd. is a company wholly owned by Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang and their associates.
- (2) Montane Construction Sdn. Bhd. is a company wholly owned by Tan Ler Choo, the aunt of Dato' Colin and Dato' Edwin. Transactions with Montane Construction Sdn Bhd were included under the IPT general mandate for prudence and good corporate governance although these transactions do not fall within the ambit of "interested person transactions" under Chapter 9 of the Catalyst Rules.
- (3) Temasek Blooms Sdn. Bhd is a company wholly owned by Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang and their associates.

(4) Hatten Place Sdn Bhd is a company wholly owned by Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang and their associates.

14. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for operating segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for immediately preceding year.

For FY2019 and FY2018, the entire Group's operations constitute a single operating segment, which is in the business of property development in Malaysia. Accordingly, no business or geographical segment information is presented.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

17. A breakdown of sales as follows:

	FY2019	FY2018 (Restated)	Change
	RM'000	RM'000	%
Sales reported for first half year	108,716	99,883	8.8
Profit after income tax before deducting non-controlling interests reported the first half year	2,125	13,801	(84.6)
Sales reported for second half year	172,634	130,066	32.7
Profit / (loss) after income tax before deducting non-controlling interests reported the second half year	10,068	(18,514) ¹	N.M

Note:

(1) Net loss of RM18.5 for second half of FY2018 was mainly due to recent update issued by IFRS that borrowing costs relating to development properties that are ready for its intended sale (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2019 S\$	FY2018 S\$
Ordinary	179,152	344,524
Preference	-	-
Total	179,152	344,524

Note:

FY2019's proposed final dividend of 0.013 Singapore cent per share is calculated based on the number of ordinary shares in issue of 1,378,096,353 as at 30 June 2019.

FY2018's proposed final dividend of 0.025 Singapore cent per share is calculated based on the number of ordinary shares in issue of 1,378,096,353 as at 30 June 2018.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the substantial shareholders of the issuer pursuant to Rule 704(10) in the format below, If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director/and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lu Chai Hong	55	Mother of Tan June Teng Colin@Chen JunTing and Tan Ping Huang Edwin@Chen BingHuang	Senior Manager, Office Admin & Human Resources. Responsible for office administration and human resource functions of Singapore office since 31 August 2017.	Not applicable
Eric Tan Eng Huat	62	Father of Tan June Teng Colin@Chen JunTing and Tan Ping Huang Edwin@Chen BingHuang	Corporate Advisor. Responsible for corporate development, strategy and identifying and evaluating merger and acquisition, joint venture and strategic alliance opportunities of Hatten Land Group since 2 July 2018.	Not applicable

**By Order of the Board
HATTEN LAND LIMITED**

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
28 August 2019

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

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

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

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