



HATTEN LAND LIMITED
(formerly known as VGO Corporation Limited)
(Company Registration No: 199301388D)
(Incorporated in the Republic of Singapore)

Unaudited Financial Statements Announcement
For Full Year Ended 30 June 2018

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

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

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

Background

The Company and together with its subsidiaries (the "Group"), formerly known as VGO Corporation Limited, was formed subsequent to the successful RTO by Sky Win Management Consultancy Pte Ltd ("Sky Win" and together with its subsidiaries, the "Sky Win Group"). Immediately prior to the completion of the RTO, the existing business of VGO Corporation Limited was disposed (the "Disposal"). The RTO and the Disposal were completed on 24 January 2017 and the Company changed its name to Hatten Land Limited. Please refer to the Company's circular to shareholders (the "Circular") dated 29 December 2016 for further details of the RTO and the Disposal. The Sky Win Group is principally engaged in the business of property development in the state of Melaka, Malaysia.

Following the completion of the RTO, the Company changed the presentation currency for its financial statements from Singapore Dollars ("SGD") to Malaysia Ringgit ("RM"). In addition, the Company changed its financial year end from 31 March to 30 June.

Group Level

Following the completion of the RTO, the wholly-owned subsidiary, Sky Win, is regarded as the accounting acquirer and the Company as the accounting acquiree, for accounting purpose. As such, the consolidated financial statements have been prepared and presented as a continuation of the Sky Win Group.

Accordingly, the consolidated financial statements comprising the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows have been presented as a continuation of the Sky Win Group's financial results and operations, in accordance with the following:

- 1) the assets and liabilities of the accounting acquirer, Sky Win Group, are recognised and measured in the

- consolidated statement of financial position at their pre-combination carrying amount;
- 2) the assets and liabilities of the accounting acquiree, the Company, are recognised and measured in accordance with their acquisition date fair value;
 - 3) the retained earnings and other equity balances recognised in the consolidated financial statements of the Group are the retained earnings and other equity balances of the Sky Win Group immediately before the RTO;
 - 4) the amount recognised in the issued equity interest in the consolidated financial statements of the Group is computed by adding the issued equity of Sky Win Group immediately before the RTO to the fair value of the consideration effectively transferred based on the share price of the Company at the acquisition date. However, the equity structure presented in the consolidated financial statements of the Group (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the Company, including the equity instruments issued by the Company to effect the combination

Following the completion of the RTO, the principal business of the Group are those of Sky Win Group. The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in FRS 103, but it does not result in the recognition of goodwill, as the Company was deemed a cash company under the Rule 1017 of the Catalist Rules on 24 January 2017 and did not meet the definition of a business as set out in FRS 103. Instead, such transaction falls within the scope of FRS 102 "Share-based payments", which requires the shares deemed issued by the legal subsidiary (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets represents a service received by the legal subsidiary, Sky Win Group, which is recognised as an expense in the statement of comprehensive income.

Company Level

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. As such, the investment in Sky Win Group recorded in the Company's financial statements is accounted for at cost less accumulated impairment losses, if any.

Notes:

- i) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the 3 months ended 30 June 2018 refer to the enlarged group which included the results of enlarged group comprising Sky Win Group and Hatten Land Limited from 1 April 2018 to 30 June 2018.
- ii) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year ended 30 June 2018 refer to the enlarged group which included the results of enlarged group comprising Sky Win Group and Hatten Land Limited from 1 July 2017 to 30 June 2018.
- iii) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the 3 months ended 30 June 2017 refer to the enlarged group which included the results of Sky Win Group and Hatten Land Limited from 1 April 2017 to 30 June 2017.
- iv) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year ended 30 June 2017 refer to the enlarged group which included the results of Sky Win Group from 1 July 2016 to 30 June 2017 and the result of Hatten Land Limited from 25 January 2017 to 30 June 2017.
- v) The Group's consolidated statement of financial position as at 30 June 2018 and 30 June 2017 refers to the consolidated statement of financial position of the enlarged group comprising Sky Win Group and Hatten Land Limited.
- vi) The Company's statement of financial position as at 30 June 2018 and 30 June 2017 refer to that of Hatten Land Limited.
- vii) The Company's statement of changes in equity for the year ended 30 June 2018 and 30 June 2017 refer to that of Hatten Land Limited.

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 3 months ended | | | Group 12 months ended | | |
|---|-------|-------------------------|---------------|--------|--------------------------|----------------|--------|
| | | 30/6/2018 | 30/6/2017 | % | 30/6/2018 | 30/6/2017 | % |
| | | RM'000 | RM'000 | Change | RM'000 | RM'000 | Change |
| Revenue | 8a | 50,079 | 129,996 | (61.5) | 235,465 | 462,441 | (49.1) |
| Cost of sales | | (32,407) | (57,000) | (43.1) | (158,029) | (282,109) | (44.0) |
| Gross profit | 8b | 17,672 | 72,996 | (75.8) | 77,436 | 180,332 | (57.1) |
| Other income/gains | 8c | 15,649 | 1,521 | N/M | 27,685 | 8,860 | N/M |
| Other items of expense | | | | | | | |
| Selling and distribution expenses | 8d | (12,128) | (7,652) | 58.5 | (46,272) | (40,502) | 14.2 |
| General and administrative expenses | 8e | (14,563) | (10,233) | 42.3 | (45,556) | (35,615) | 27.9 |
| Finance costs | 8f | (2,629) | (102) | N/M | (5,903) | (419) | N/M |
| Profit before tax | | 4,001 | 56,530 | (92.9) | 7,390 | 112,656 | (93.4) |
| Non-operating expenses | 8g | - | 5,551 | N/M | - | (82,247) | N/M |
| Profit before tax | | 4,001 | 62,081 | (93.6) | 7,390 | 30,409 | (75.7) |
| Income tax expense | 8h | (1,406) | (2,332) | (39.7) | (4,210) | (21,687) | (80.6) |
| Profit after tax | 8i | 2,595 | 59,749 | (95.7) | 3,180 | 8,722 | (63.5) |
| Other comprehensive income: | | | | | | | |
| <u>Items that may be reclassified</u> | | | | | | | |
| <u>subsequently to profit or loss</u> | | | | | | | |
| Foreign currency translation | | 969 | (1,160) | N/M | (119) | 256 | N/M |
| Total comprehensive income | | 3,564 | 58,589 | (93.9) | 3,061 | 8,978 | (65.9) |
| Profit for the period/ year | | | | | | | |
| attributable to: | | | | | | | |
| Owners of the Company | | 2,595 | 59,749 | (95.7) | 3,180 | 8,722 | (63.5) |
| Total comprehensive income for | | | | | | | |
| the period/year attributable to: | | | | | | | |
| Owners of the Company | | 3,564 | 58,589 | (93.9) | 3,061 | 8,978 | (65.9) |

N/M - Not Meaningful

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

| | Group 3 months ended | | | Group 12 months ended | | |
|---|-------------------------|-----------|--------|--------------------------|-----------|--------|
| | 30/6/2018 | 30/6/2017 | % | 30/6/2018 | 30/6/2017 | % |
| | RM'000 | RM'000 | Change | RM'000 | RM'000 | Change |
| Profit for the period/ year is arrived at after charging/(crediting): | | | | | | |
| Depreciation of property, plant and equipment | 823 | 911 | (9.7) | 3,155 | 3,187 | (1.0) |
| Gain on disposal of property, plant and equipment | (237) | (162) | 46.3 | (439) | (456) | (3.7) |
| Interest expense | 2,629 | 102 | N/M | 5,903 | 419 | N/M |
| Interest income | (496) | (841) | (41.0) | (3,497) | (2,712) | 28.9 |
| Acquisition costs arising from reverse acquisition | - | - | N/M | - | 77,763 | N/M |
| RTO professional fees | - | - | N/M | - | 10,035 | N/M |
| Adjustment to RTO Professional fees | - | (2,677) | N/M | - | (2,677) | N/M |
| Capitalisation of RTO professional fees | - | (2,874) | N/M | - | (2,874) | N/M |
| 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 | <u>Group</u> | | <u>Company</u> | |
|-------------------------------------|------|------------------|------------------|------------------|------------------|
| | | 30/6/2018 | 30/6/2017 | 30/6/2018 | 30/6/2017 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 8j | 155,580 | 94,638 | - | - |
| Deposit | | 587 | 587 | - | - |
| Investment in subsidiaries | | - | - | 1,203,315 | 1,203,315 |
| Deferred tax assets | | 76,336 | 61,313 | - | - |
| | | <u>232,503</u> | <u>156,538</u> | <u>1,203,315</u> | <u>1,203,315</u> |
| Current assets | | | | | |
| Development properties | 8k | 603,996 | 537,613 | - | - |
| Trade and other receivables | 8l | 521,798 | 463,390 | 257,965 | 69,485 |
| Other current assets | | 51,393 | 51,198 | - | 932 |
| Cash and bank balances | | 59,475 | 83,625 | 12,686 | 16,473 |
| | | <u>1,236,662</u> | <u>1,135,826</u> | <u>270,651</u> | <u>86,890</u> |
| Total assets | | <u>1,469,165</u> | <u>1,292,364</u> | <u>1,473,966</u> | <u>1,290,205</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Loans and borrowings | 8m | 245,177 | 56,656 | - | - |
| Income tax payable | 8n | 39,428 | 49,330 | - | - |
| Trade and other payables | 8o | 515,692 | 468,505 | 985 | 1,034 |
| Other liabilities | 8p | 561 | 5,005 | - | - |
| | | <u>800,858</u> | <u>579,496</u> | <u>985</u> | <u>1,034</u> |
| Net current assets | | 435,804 | 556,330 | 269,666 | 85,856 |
| Non-current liabilities | | | | | |
| Loans and borrowings | 8m | 262,633 | 298,793 | 181,665 | - |
| Other payables | 8o | 175,501 | 186,665 | - | - |
| | | <u>438,134</u> | <u>485,458</u> | <u>181,665</u> | <u>-</u> |
| Total liabilities | | <u>1,238,992</u> | <u>1,064,954</u> | <u>182,650</u> | <u>1,034</u> |
| Net assets | | <u>230,173</u> | <u>227,410</u> | <u>1,291,316</u> | <u>1,289,171</u> |
| Equity | | | | | |
| Share capital | | 252,719 | 250,874 | 1,285,223 | 1,283,378 |
| Retained earnings | | 32,281 | 31,244 | 6,093 | 5,793 |
| Translation reserve | | - | 119 | - | - |
| Merger reserve | | (54,827) | (54,827) | - | - |
| Total equity | | <u>230,173</u> | <u>227,410</u> | <u>1,291,316</u> | <u>1,289,171</u> |
| Total equity and liabilities | | <u>1,469,165</u> | <u>1,292,364</u> | <u>1,473,966</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 30/06/2018 | | As at 30/06/2017 | |
|-------------------------|---------------------|-------------------------|---------------------|
| Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| 245,177 | - | 56,656 | - |

Amount repayable after one year

| As at 30/06/2018 | | As at 30/06/2017 | |
|-------------------------|---------------------|-------------------------|---------------------|
| Secured RM'000 | Unsecured RM'000 | Secured RM'000 | Unsecured RM'000 |
| 262,633 | - | 298,793 | - |

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 | |
| | 30/6/2018 | 30/6/2017 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 7,390 | 30,409 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 3,155 | 3,187 |
| Gain on disposal of property, plant and equipment | (439) | (456) |
| Interest income | (3,497) | (2,712) |
| Interest expense | 5,903 | 419 |
| Issuance of shares to employees | 1,845 | - |
| Unrealised foreign exchange loss/(gain) | 3,435 | (250) |
| Acquisition costs arising from reverse acquisition | - | 77,763 |
| Others | - | 230 |
| Operating cash flows before working capital changes | 17,792 | 108,590 |
| Decrease/(increase) in: | | |
| Development properties | (66,383) | (20,944) |
| Trade and other receivables | (58,408) | (251,288) |
| Other current assets | (195) | (4,114) |
| Increase/(decrease) in: | | |
| Trade and other payables | 35,716 | 92,253 |
| Other liabilities | (4,444) | (20,007) |
| Cash flow used in operations | (75,922) | (95,510) |
| Interest paid | (5,903) | (419) |
| Interest received | 3,497 | 2,712 |
| Income tax paid | (29,136) | (35,728) |
| Net cash flows used in operating activities | (107,464) | (128,945) |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and | 1,894 | 2,417 |
| Acquisition of a subsidiary | - | (946) |
| Additions to property, plant and equipment | (65,552) | (33,579) |
| Net cash flows used in investing activities | (63,658) | (32,108) |
| Cash flows from financing activities | | |
| Proceeds from loan and borrowings | 70,619 | 137,033 |
| Proceeds from issuance of placement shares | - | 82,922 |
| Proceeds from issuance of bonds | 96,575 | - |
| Proceeds from issuance of convertible loan | 81,985 | - |
| Proceeds from issuance of medium-term note | 25,000 | - |
| Repayment of obligations under finance leases | (2,570) | (3,386) |
| Repayment of loan and borrowings | (122,376) | (50,216) |
| Dividend paid on ordinary shares | (2,143) | - |
| Increase in pledged fixed deposits | (54) | (69) |
| Share issuance expense | - | (2,874) |
| Net amount due from shareholders | - | (990) |
| Net cash flows generated from financing activities | 147,036 | 162,420 |
| Net change in cash and cash equivalents | (24,086) | 1,367 |
| Cash and cash equivalents at the beginning of the year | 81,472 | 79,842 |
| Effects of exchange rate changes on cash and cash equivalents | (122) | 259 |
| Cash and cash equivalents at the end the year | 57,264 | 81,468 |
| Cash and bank balances | 59,475 | 83,625 |
| Less: Pledged fixed deposit | (2,211) | (2,157) |
| Cash and cash equivalents as per above | 57,264 | 81,468 |

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 | Merger reserve | Total equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Group | | | | | |
| Balance as at 1 July 2017 | 250,874 | 31,244 | 119 | (54,827) | 227,410 |
| Total comprehensive income for the year | - | 3,180 | (119) | - | 3,061 |
| <u>Contributions by and distributions to owners</u> | | | | | |
| Issuance of shares to employees | 1,845 | - | - | - | 1,845 |
| Dividend on ordinary shares | - | (2,143) | - | - | (2,143) |
| | 1,845 | (2,143) | - | - | (298) |
| Balance as at 30 June 2018 | 252,719 | 32,281 | - | (54,827) | 230,173 |
| Balance as at 1 July 2016 | 38,235 | 22,522 | (137) | - | 60,620 |
| Total comprehensive income for the year | - | 8,722 | 256 | - | 8,978 |
| Capital reorganisation | 54,827 | - | - | (54,827) | - |
| Acquisition costs arising from the Reserve Acquisition | 77,763 | - | - | - | 77,763 |
| Issuance of Placement shares | 82,923 | - | - | - | 82,923 |
| Share Issuance expenses | (2,874) | - | - | - | (2,874) |
| Balance as at 30 June 2017 | 250,874 | 31,244 | 119 | (54,827) | 227,410 |

Company

| | Share capital | Retained earnings | Total equity |
|--|----------------------------------|-------------------|------------------|
| | RM'000 | RM'000 | RM'000 |
| | Balance as at 1 July 2017 | 1,283,378 | 5,793 |
| Total comprehensive profit for the year | - | 2,443 | 2,443 |
| <u>Contributions by and distributions to owners</u> | | | |
| Issuance of shares to employees | 1,845 | - | 1,845 |
| Dividend on ordinary shares | - | (2,143) | (2,143) |
| | 1,845 | (2,143) | (298) |
| Balance as at 30 June 2018 | 1,285,223 | 6,093 | 1,291,316 |
| Balance as at 1 July 2016 | 88,074 | (87,026) | 1,048 |
| Total comprehensive loss for the year | - | 4,759 | 4,759 |
| Capital reduction | (88,060) | 88,060 | - |
| Issuance of placement shares | 82,923 | - | 82,923 |
| Issuance of shares pursuant to the Reverse Acquisition | 1,203,315 | - | 1,203,315 |
| Share issuance expenses | (2,874) | - | (2,874) |
| Balance as at 30 June 2017 | 1,283,378 | 5,793 | 1,289,171 |

- 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 2018 | 1,378,096,353 | 252,718,519 |
| Balance as at 30 June 2018 | 1,378,096,353 | 252,718,519 |

As at 30 June 2018, the Company had a convertible loan 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 Company did not have any outstanding convertibles as at 30 June 2017.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

- 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 30/6/2018 | As at 30/6/2017 |
|-------------------------------|--------------------|--------------------|
| Total number of issued shares | 1,378,096,353 | 1,375,080,353 |

The Company did not have any treasury shares as at 30 June 2018 and 30 June 2017.

- 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 did 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 did 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 2017.

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 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

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 | |
|---|-------------------------|---------------|--------------------------|---------------|
| | 30/6/2018 | 30/6/2017 | 30/6/2018 | 30/6/2017 |
| Profit attributable to owners of the Company(RM'000) | 2,595 | 59,749 | 3,180 | 8,722 |
| Weighted average number of ordinary shares in issue | 1,378,096,353 | 1,375,080,353 | 1,376,637,527 | 1,261,000,010 |
| Basic and fully diluted earnings per share ("EPS")(RM'sens) | 0.19 | 4.35 | 0.23 | 0.69 |

Note:

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

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 | |
|--|---------------|---------------|---------------|---------------|
| | 30/6/2018 | 30/6/2017 | 30/6/2018 | 30/6/2017 |
| Net asset value (RM'000) | 230,173 | 227,410 | 1,291,316 | 1,289,171 |
| Number of ordinary shares in issue | 1,378,096,353 | 1,375,080,353 | 1,378,096,353 | 1,375,080,353 |
| Net asset value per ordinary share (RM'sens) | 16.70 | 16.54 | 93.70 | 93.75 |

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 3 months ended 30 June 2018 ("4Q FY2018") as compared to the 3 months ended 30 June 2017 ("4Q FY2017")

- (a) The Group recorded revenue of RM50.1 million for the 4Q FY2018, which was RM79.9 million or 61.5% lower as compared to the previous corresponding quarter. The decreased in revenue was mainly attributed to lower revenue recognised for Hatten City Phase 2 project, lower sales from Vedro

by the River and Hatten City Phase 1 projects in 4Q FY2018. Within the same quarter, the Group made a provision for liquidated damages arising from late delivery and handover of the property units for Hatten City Phase 2 to the buyers, which was offset against revenue in accordance with FRS115. The liquidated damages amounting to approximately RM15.2 million are to be fully recovered from the contractor. The revenue declined was partially offset by the higher revenue contribution from Harbour City and Satori projects.

- (b) The Group generated gross profit of RM17.7 million in 4Q FY2018, which was RM55.3 million or 75.8% lower than the preceding corresponding quarter mainly due to the decrease in revenue.
- (c) Other income increased by approximately RM14.1 million mainly due to liquidated damages arising from late completion of units for Hatten City Phase 2 which will be fully recovered from the contractor.
- (d) Selling and distribution expenses increased by RM4.5 million or 58.5% mainly due to the increased in sales and marketing efforts and initiatives by the Group for the ongoing and completed projects under the current challenging property market in Malaysia.
- (e) General and administrative expenses increased by RM4.3 million mainly due to income tax penalty amounting to RM3.1 million paid to Malaysian Inland Revenue Board, and remaining balances were due to professional fees and related expenses incurred for the Group's corporate exercises.
- (f) Finance costs increased by RM2.5 million were in line with the new financing facilities made available to the Group.
- (g) One-off non-operating expense of RM5.5 million in 4Q FY2017 relating to adjustment to RTO professional fees and capitalization of RTO professional fees.
- (h) Income tax expense decreased by RM0.9 million mainly due to lower taxable profits in 4Q FY2018.
- (i) As a result of the above, the Group recorded a profit after tax of RM2.6 million in 4Q FY2018 as compared to a profit after tax of RM59.7 million in 4Q FY2017.

Review of Group performance for the year ended 30 June 2018 ("FY2018") as compared to the year ended 30 June 2017 ("FY2017")

- (a) The Group recorded revenue of RM235.5 million for FY2018, which was RM226.9 million or 49.1% lower than preceding year. The decreased in revenue was mainly attributed to lower revenue recognised for Hatten City Phase 2 project and lower sales for Hatten City Phase 1 project in FY2018. In 4Q FY2018, the Group made a provision for liquidated damages arising from late delivery and handover of the property units for Hatten City Phase 2 to the buyers, which was offset against the revenue in accordance with FRS115. The liquidated damages amounting to approximately RM15.2 million are to be fully recovered from the contractor. The lower revenue was partially offset by the higher revenue achieved from Harbour City and Satori projects.
- (b) The Group recorded a gross profit of RM77.4 million for FY2018, which was RM102.9 million or 57.1% lower than the preceding year. This was mainly due to the lower revenue recognized in FY 2018.
- (c) Other income increased by RM18.8 million mainly due to liquidated damages amounting to RM15.2 million arising from late completion of units at Hatten City Phase 2 and the amount will be fully recovered from the contractor, gain on disposal of property, plant and equipment and higher interest income from late payment interest charged to purchasers.
- (d) Selling and distribution expenses increased by RM5.8 million mainly due to higher sales activities and marketing efforts for our new launched projects, namely, Harbour City and Satori Projects.
- (e) General and administrative expenses increased by RM9.9 million mainly due to income tax penalty amounting to RM3.1million paid to Malaysian Inland Revenue Board one-off costs in relation to the issuance of shares to employees of RM1.8million. The remaining balances were mainly the professional fees incurred in relation to the Group's funding and corporate exercises coupled with the corporate expenses incurred for the full year subsequent to RTO which was completed in January 2017.

- (f) Finance costs increased by RM5.5 million was in line with the new financing facilities made available to the Group.
- (g) The Group reported one-off non-operating expenses of RM82.2 million in FY2017. The non-operating expenses incurred in FY2017 were in relation to professional fees and acquisition costs arising from the RTO.
- (h) Income tax expense decreased to RM4.2 million in FY2018 from RM21.7 million in FY2017 was mainly due to lower taxable profits.
- (i) As a result of the above, the Group recorded a profit after tax of RM3.2 million in FY2018 as compared to a profit after tax of RM8.7 million in FY2017.

Consolidated Statement of Financial Position

Review for the financial position of the Group as at 30 June 2018 as compared to 30 June 2017

- (j) Property, plant and equipment increased by RM60.9 million or 64.4% to RM155.6 million as at 30 June 2018 compared to RM94.6 million as at 30 June 2017 mainly due to the additional construction work in progress for car park and theme park for Harbour City, Hatten City Phase 2 and Vedro by the River projects.
- (k) Development properties increased by RM66.4 million or 12.3% to RM604.0 million as at 30 June 2018 from RM537.6 million as at 30 June 2017 mainly attributable to development costs and construction services fees incurred for Harbour City and Satori Projects during the financial year.
- (l) Trade and other receivables increased by RM58.4 million or 12.6% to RM521.8 million as at 30 June 2018 from RM463.4 million as at 30 June 2017 mainly due to progress billings from Harbour City and Satori projects, and recovery of liquidated damages from the contractors arising from late delivery and handover of the property units for Hatten City Phase 2 to the buyers. The higher trade and other receivables were offset by higher collections from Vedro by the River and Hatten City Phase 2 projects.
- (m) Loans and borrowings (current and non-current) increased by RM152.4 million or 42.9% to RM507.8 million as at 30 June 2018 from RM355.4 million as at 30 June 2017 mainly due to the new financing facilities made available to the Group, i.e. the guaranteed secured bonds, the convertible loan, medium term notes, term loan, drawdown from existing bridging loan and new finance lease liabilities amounting to RM274.2 million. Nevertheless, this was partially offset by the repayments of the existing loans and borrowings during the financial year of approximately RM124.9 million.
- (n) Income tax payable decreased to RM39.4 million as at 30 June 2018 mainly due to progressive payment of income tax and lower provision for income tax during the financial year.
- (o) Trade and other payables (current and non-current) increased by RM36.0 million or 5.5 % to RM691.2 million as at 30 June 2018 from RM655.2 million as at 30 June 2017 mainly due to increase in progress billings for Harbour City and Satori projects and provision of liquidated damages arising from late delivery and handover of the property units for Hatten City Phase 2 to the buyers. The liquidated damages are to be fully recovered from the contractor. This was partially offset by payment to purchasers from sales of properties with leaseback arrangements.
- (p) Other liabilities decreased by RM4.4 million or 88.8% to RM0.6 million as at 30 June 2018 from RM5.0 million as at 30 June 2017 mainly due to decrease in amount due to land owners as a result of progress billings billed to land owners for their respective units.

Consolidated Statement of Cash Flows

Review of Statement of Cash Flows for FY2018 as compared to FY2017

The Group reported net cash flows used in operating activities of RM107.5 million mainly due to progress development works, payments of suppliers and income taxes and increase in trade and other receivables.

The Group recorded net cash flows used in investing activities of RM63.7 million mainly due to additional construction work in progress for car park and theme park for ongoing projects.

The Group recorded net cash flows generated from financing activities of RM147.0 million mainly due to proceeds from issuance of guaranteed secured bonds, medium-term notes, convertible loan and term loan totaling RM274.2 million, partially offset by repayment of loans and borrowings of RM124.9 million and payment of dividend on ordinary shares of RM2.1 million.

As a result of the above, the Group's cash and cash equivalents decreased to RM57.3 million as at 30 June 2018 as compared to RM81.5 million as at 30 June 2017.

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.

According to a Tourism Malaysia report published on 10 January 2018, Melaka ranked as the second most visited state in Malaysia, registering 16.7 million tourists in 2017 and is expected to rise to 17.8 million in 2018. The Group believes that various infrastructure and tourism projects will continue to contribute to Melaka's economic transformation and underpin tourism. To this end, the Group unveiled in August 2018 the 500,000-sq ft Splash World @ Harbour City, Melaka's largest water theme park, in a RM200 Million (USD 49.2 Million) collaboration with Samsung C&T and Polin Waterparks. Splash World is slated to open in the first half of 2020 and can accommodate up to 1.9 million visitors annually.

The Group also announced the following new initiatives which we believe will support the Group's business growth in the next 12 months:-

Property Development Beyond Melaka – Announced in August 2018, the Group is acquiring the developer of the 7,936 square metre Unicity project in Seremban, Malaysia. Unicity is an integrated mixed development project located next to the MARA University of Technology.

Recurring Income – Announced in April 2018, the Group setup its mall management arm, Hatten Commercial Management Sdn. Bhd., to complement its property development business. It will eventually oversee 4,900 commercial retail units within shopping malls developed by the Group and will introduce new retail concepts and technology to enhance the shopping experience at its malls in Melaka. Besides Melaka, the Group also plans to grow the mall management business within and outside Malaysia.

PropTech - In line with the new Melaka government's vision to transform Melaka into a modern Smart City, the Group launched in May 2018 *StayCay*, Asia's first proptech blockchain integrating hotels and retail malls with a token-based rewards for hotel guests and shoppers. *StayCay* expects to go-live by December 2018.

The Group will continue to pursue value-accretive growth opportunities outside of Melaka with a view to enhance shareholder value. With unbilled sales of RM875 million as at 30 June 2018, and the expected completion of Hatten City Phase 2 by last quarter of 2018, barring any unforeseen circumstances, the Directors are cautiously optimistic of the Group's financial performance for the financial year ending 30 June 2019.

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 | 0.025 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 0.05 Singapore cent has been declared for FY2017.

(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 | 0.025 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 later date.

12. If no dividend has been declared/recommended, a statement to that effect.

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 26 October 2017. For details, please refer to the Company's Appendix to the Annual Report 2017. Save as disclosed below, there were no IPTs that exceeded S\$100,000 during the year ended 30 June 2018.

| 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 | - | 3,474 |
| Montane Construction Sdn. Bhd. ² | - | 187,895 |
| Temasek Blooms Sdn. Bhd. ³ | 731 | - |
| Fuyuu Development Sdn Bhd ⁴ | 305 | - |

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 Catalist 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) Fuyuu Development 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 FY2018 and FY2017, 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:

| | FY2018 | FY2017 | Change |
|--|-----------------------|-----------------------|---------------|
| | RM'000 | RM'000 | % |
| Sales reported for first half year | 99,883 | 167,549 | (40.4) |
| Net profit attributable to the Group for the first half year | 13,801 | 23,225 | (40.6) |
| Sales reported for second half year | 135,582 | 294,892 | (54.0) |
| Net loss attributable to the Group for second half year | (10,621) ¹ | (14,503) ² | (26.8) |

Note:

(1) Net loss of RM10.6 million for second half of FY2018 was mainly due to additional borrowings costs charged out to income statement for Hatten City Phase 2 and Harbour City Projects.

(2) Net loss of RM14.5 for second half of FY2017 was mainly due to the one-off non-operating expenses of approximately RM82.2 million.

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:

| | FY2018 | FY2017 |
|------------|---------------|---------------|
| | S\$ | S\$ |
| Ordinary | 344,524 | 689,038 |
| Preference | - | - |
| Total | 344,524 | 689,038 |

Note:

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.

FY2017's proposed final dividend of 0.05 Singapore cent per share is calculated based on the number of ordinary shares in issue of 1,378,096,353 as at 30 June 2017. The total dividend paid out in RM is RM2,143,000. The basis of an exchange rate of S\$1:RM3.1088

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 | 54 | Mother of Tan June Teng Colin@Chen JunTing and Tan Ping Huang Edwin@Chen BingHuang | Head of Department, Office Admin & Human Resources. Responsible for office administration and human resource functions since 31 August 2017. | Not applicable |
| Eric Tan Eng Huat | 61 | 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, join 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

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

28 August 2018