



HATTEN LAND LIMITED

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

Unaudited Financial Statements Announcement For Second Quarter Ended 31 December 2018

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 Second Quarter Ended 31/12/2018 31/12/2017 %			Group Half Year Ended 31/12/2018 31/12/2017 %		
		RM'000	RM'000	Change	RM'000	RM'000	Change
Revenue	8a	57,533	43,404	32.6	108,716	99,883	8.8
Cost of sales		(40,088)	(8,796)	N/M	(81,220)	(44,399)	82.9
Gross profit	8b	17,445	34,608	(49.6)	27,496	55,484	(50.4)
Other income/gains	8c	10,734	3,099	N/M	22,240	7,326	N/M
Other items of expense							
Selling and distribution expenses	8d	(9,431)	(9,645)	(2.2)	(18,610)	(21,217)	(12.3)
General and administrative expenses		(11,508)	(10,993)	4.7	(19,419)	(20,003)	(2.9)
Finance costs	8e	(4,225)	(1,098)	N/M	(7,382)	(1,185)	N/M
Profit before tax		3,015	15,971	(81.1)	4,325	20,405	(78.8)
Income tax expense	8f	(1,294)	(5,141)	(74.8)	(2,200)	(6,604)	(66.7)
Profit after tax	8g	1,721	10,830	(84.1)	2,125	13,801	(84.6)
Other comprehensive income:							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation		-	115	N/M	-	(357)	N/M
Total comprehensive income		1,721	10,945	(84.3)	2,125	13,444	(84.2)
Profit for the period attributable to:							
Owners of the Company		1,721	10,830	(84.1)	2,125	13,801	(84.6)
Total comprehensive income for the period attributable to:							
Owners of the Company		1,721	10,945	(84.3)	2,125	13,444	(84.2)

N/M - Not Meaningful

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

	Group Second Quarter Ended			Group Half Year Ended		
	31/12/2018	31/12/2017	%	31/12/2018	31/12/2017	%
	RM'000	RM'000	Change	RM'000	RM'000	Change
Profit for the period is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment ¹	1,013	530	91.1	1,880	1,311	43.4
Loss/(gain) on disposal of property, plant and equipment	-	(202)	N/M	77	(202)	N/M
Interest expense	4,225	1,098	N/M	7,382	1,185	N/M
Interest income	(1,325)	(450)	N/M	(1,747)	(2,572)	(32.1)
Issuance of shares to employees	-	1,845	N/M	-	1,845	N/M

Note:

- (1) Depreciation of property, plant and equipment increased in 2Q FY2019 mainly due to Hatten City Phase 2 car park for depreciation and other additional property, plant and equipment acquired during the financial period.

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.

		<u>Group</u>		<u>Company</u>	
	Note	31/12/2018 RM'000	30/6/2018 RM'000	31/12/2018 RM'000	30/6/2018 RM'000
Assets					
Non-current assets					
Property, plant and equipment	8h	180,507	155,580	-	-
Deposit		601	587	-	-
Investment in subsidiaries		-	-	1,203,315	1,203,315
Deferred tax assets		79,623	76,329	-	-
		<u>260,731</u>	<u>232,496</u>	<u>1,203,315</u>	<u>1,203,315</u>
Current assets					
Development properties	8i	951,837	603,996	-	-
Trade and other receivables	8j	597,847	519,683	271,413	250,574
Other current assets		48,173	51,393	-	-
Cash and bank balances		105,585	59,475	4,487	12,686
		<u>1,703,442</u>	<u>1,234,547</u>	<u>275,900</u>	<u>263,260</u>
Total assets		<u>1,964,173</u>	<u>1,467,043</u>	<u>1,479,215</u>	<u>1,466,575</u>
Liabilities					
Current liabilities					
Loans and borrowings	8k	249,486	245,177	-	-
Income tax payable		35,831	39,428	-	-
Trade and other payables	8l	741,501	513,577	641	985
Amount due to directors	8m	34,400	-	-	-
Other liabilities		-	561	-	-
		<u>1,061,218</u>	<u>798,743</u>	<u>641</u>	<u>985</u>
Net current assets		<u>642,224</u>	<u>435,804</u>	<u>275,259</u>	<u>262,275</u>
Non-current liabilities					
Loans and borrowings	8k	251,114	262,633	186,114	174,274
Other payables	8l	451,865	175,501	-	-
		<u>702,979</u>	<u>438,134</u>	<u>186,114</u>	<u>174,274</u>
Total liabilities		<u>1,764,197</u>	<u>1,236,877</u>	<u>186,755</u>	<u>175,259</u>
Net assets		<u>199,976</u>	<u>230,166</u>	<u>1,292,460</u>	<u>1,291,316</u>
Equity					
Share capital		252,719	252,719	1,285,223	1,285,223
Retained earnings		33,346	32,274	7,237	6,093
Translation reserve		-	-	-	-
Merger reserve		(86,089)	(54,827)	-	-
		<u>199,976</u>	<u>230,166</u>	<u>1,292,460</u>	<u>1,291,316</u>
Total equity		<u>199,976</u>	<u>230,166</u>	<u>1,292,460</u>	<u>1,291,316</u>
Total equity and liabilities		<u>1,964,173</u>	<u>1,467,043</u>	<u>1,479,215</u>	<u>1,466,575</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 31/12/2018		As at 30/06/2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
249,486	-	245,177	-

Amount repayable after one year

As at 31/12/2018		As at 30/06/2018	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
251,114	-	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 Second Quarter Ended		Group Half Year Ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	3,015	15,971	4,325	20,405
Adjustments for:				
Depreciation of property, plant and equipment	1,013	530	1,880	1,311
Loss on disposal of property, plant and equipment	-	(202)	77	(202)
Interest income	(1,325)	(450)	(1,747)	(2,572)
Interest expense	4,225	1,098	7,382	1,185
Issuance of shares to employees	-	1,845	-	1,845
Unrealised foreign exchange loss/(gain)	127	(3,486)	4,217	(3,469)
Operating cash flows before working capital changes	7,055	15,306	16,134	18,503
Decrease/(increase) in:				
Development properties	(44,116)	(12,794)	(56,953)	(36,397)
Trade and other receivables	(30,958)	8,149	(42,880)	1,639
Other current assets	2,183	(4,381)	3,220	(6,593)
Increase/(decrease) in:				
Trade and other payables	165,040	(57,349)	202,770	(29,332)
Other liabilities	(1,407)	11,218	(561)	10,544
Cash flow from/(used in) operations	97,797	(39,851)	121,730	(41,636)
Interest paid	(4,225)	(1,098)	(7,382)	(1,185)
Interest received	1,325	450	1,747	2,572
Income tax paid	(2,197)	(8,164)	(9,090)	(17,849)
Net cash flows from/(used in) operating activities	92,700	(48,663)	107,005	(58,098)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	265	715	265
Acquisition of subsidiaries	507	-	507	-
Increase in pledged fixed deposit	(55)	(54)	(55)	(54)
Additions to property, plant and equipment	(17,036)	(12,630)	(24,982)	(18,604)
Net cash flows used in investing activities	(16,584)	(12,419)	(23,815)	(18,393)
Cash flows from financing activities				
Proceeds from term loans	17,177	38,120	17,177	53,911
Proceeds from issuance of convertible loan and secured	-	81,985	-	81,985
Proceeds from issuance of medium-term notes	-	-	-	25,000
Repayment of obligations under finance leases	(332)	(519)	(1,625)	(979)
Repayment of loan and borrowings	(30,736)	(40,650)	(51,858)	(86,632)
Dividend paid on ordinary shares	(1,053)	(2,142)	(1,053)	(2,142)
Net cash flows (used in)/from financing activities	(14,944)	76,794	(37,359)	71,143
Net change in cash and cash equivalents	61,172	15,712	45,831	(5,348)
Cash and cash equivalents at the beginning of the period	40,901	60,051	56,091	81,468
Effects of exchange rate changes on cash and cash equivalents	72	(169)	223	(526)
Cash and cash equivalents at the end of the period	102,145	75,594	102,145	75,594
Cash and bank balances	105,585	77,805	105,585	77,805
Less: Pledged fixed deposit	(3,440)	(2,211)	(3,440)	(2,211)
Cash and cash equivalents as per above	102,145	75,594	102,145	75,594

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 October 2018	252,719	32,678	-	(54,827)	230,570
Profit for the period	-	1,721	-	(31,262)	(29,541)
<u>Contributions by and distributions to owners</u>					
Dividend on ordinary shares	-	(1,053)	-	-	(1,053)
	-	(1,053)	-	-	(1,053)
Balance as at 31 December 2018	252,719	33,346	-	(86,089)	199,976
Balance as at 1 October 2017	250,874	34,215	(238)	(54,827)	230,024
Profit for the period	-	10,830	(169)	-	10,661
<u>Contribution by and distributions to owners</u>					
Issuance of employee shares	1,845	-	-	-	1,845
Dividend on ordinary shares	-	(2,142)	-	-	(2,142)
	1,845	(2,142)	-	-	(297)
Balance as at 31 December 2017	252,719	42,903	(407)	(54,827)	240,388

Company

	Share capital	Retained earnings	Total equity
	RM'000	RM'000	RM'000
Balance as at 1 October 2018	1,285,223	8,030	1,293,253
Loss for the period	-	(793)	(793)
Balance as at 31 December 2018	1,285,223	7,237	1,292,460
Balance as at 1 October 2017	1,283,378	5,506	1,288,884
Loss for the period	-	(4,233)	(4,233)
Dividend on ordinary shares	-	(2,142)	(2,142)
Issuance of employee shares	1,845	-	1,845
Balance as at 31 December 2017	1,285,223	(869)	1,284,354

- 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 30 June 2018	1,378,096,353	252,718,519
Balance as at 31 December 2018	1,378,096,353	252,718,519

As at 31 December 2018 and 31 December 2017, 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 31 December 2018 and 30 December 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 31/12/2018	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 31 December 2018 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 period 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 period 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.

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 Second Quarter Ended		Group Half Year Ended	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Profit attributable to owners of the Company (RM'000)	1,721	10,830	2,125	13,801
Weighted average number of ordinary shares in issue	1,378,096,353	1,375,080,353	1,378,096,353	1,375,178,701
Basic and fully diluted earnings per share ("EPS") (RM'cents)	0.12	0.79	0.15	1.00

Note:

The diluted EPS for the period ended 31 December 2018 and 31 December 2017 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 31 December 2018 and 31 December 2017 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	
	31/12/2018	30/6/2018	31/12/2018	30/6/2018
Net asset value (RM'000)	199,976	230,166	1,292,460	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)	14.51	16.70	93.79	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 second quarter ended 31 December 2018 ("2Q FY2019") as compared to the second quarter ended 31 December 2017 ("2Q FY2018")

- (a) The Group recorded revenue of RM57.5 million for 2Q FY2019, which was RM14.1 million or 32.6% higher than 2Q FY2018. The increase in revenue was mainly attributed to higher revenue recorded from Harbour City and Satori projects and resulting of acquisition of Unicity Project. The increase in revenue was partially offset by the lower revenue recorded from Hatten City Phase 1.
- (b) The Group recorded gross profit of RM17.4 million for 2Q FY2019, which was RM17.2 million or 49.6% lower than 2Q FY2018 with gross profit margin of 30.3 % in 2Q FY2019 as compared to 79.7%

in 2Q FY2018. This was mainly due to a one-off adjustment for lower project development cost for Hatten City Phase 2 in 2Q FY2018 and higher promotional rebates and discount for Harbour City project in 2Q FY2019.

- (c) Other income/gains increased by RM7.6 million mainly due to rental income from Hatten Place and Elements Mall under Hatten City Phase 1 and a non-recurring back charged of expenses to third party property management office. The increase was partially offset by lower interest income from late payment interest charged to purchasers.
- (d) Selling and distribution expenses increased by RM0.2 million mainly due to higher sales and marketing campaigns for Satori Project.
- (e) Finance costs increased by RM3.1 million were in line with the new financing facilities made available to the Group.
- (f) Income tax expense decreased by RM3.8 million in 2Q FY2019 as compared with the preceding year corresponding period mainly due to lower taxable profits.
- (g) As a result of the above, the Group recorded a profit after tax of RM1.7 million in 2Q FY2019 as compared to a profit after tax of RM10.8 million in 2Q FY2018.

Review of Group performance for the 6 months ended 31 December 2018 ("6M FY2019") as compared to the 6 months ended 31 December 2017 ("6M FY2018")

- (a) The Group recorded revenue of RM108.7 million for 6M FY2019, which was RM8.8 million or 8.8% higher than 6M 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 recorded from Hatten City Phase 1 and Hatten City Phase 2 projects.
- (b) The Group recorded gross profit of RM27.9 million for 6M FY2019, which was RM27.5 million or 50.4% lower than 6M FY2018 with gross profit margin of 25.3 % in 6M FY2019 as compared to 55.5% in 6M FY2018, this was due to a one-off adjustment for lower project development cost for Hatten City Phase 2 in 2Q FY2018. However, during the 6M FY2019, the cost of sales was higher mainly due to higher discount and promotional rebates to purchasers for Hatten City Phase 2 and Harbour City.
- (c) Other income/gains increased by RM14.9 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. The increase was partially offset by lower interest income from late payment interest charged to purchasers.
- (d) Selling and distribution expenses decreased by RM2.6 million mainly due to lower agent commission for Hatten City Phase 2 project in 6M FY2019 which was in line with the decrease in revenue from the Hatten City Phase 2 project. The decrease was partially offset by higher sales activities and marketing campaigns for Harbour City and Satori projects.
- (e) Finance costs increased by RM6.2 million were in line with the new financing facilities made available to the Group since October 2017.
- (f) Income tax expense decreased by RM4.4 million in 6M FY2019 as compared with the preceding year corresponding period mainly due to lower taxable profits.
- (g) As a result of the above, the Group recorded a profit after tax of RM2.1 million in 6M FY2019 as compared to a profit after tax of RM13.8 million in 6M FY2018.

Consolidated Statement of Financial Position

Review for the financial position of the Group as at 31 December 2018 as compared to 30 June 2018

- (h) Property, plant and equipment increased by RM24.9 million or 16.0% to RM180.5 million as at 31 December 2018 compared to RM155.6 million as at 30 June 2018 mainly due to the additional construction work in progress for car park and theme park for Harbour City and Hatten City Phase 2 projects.

- (i) Development properties increased by RM347.8 million or 57.6% to RM951.8 million as at 31 December 2018 from RM604.0 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 period.
- (j) Trade and other receivables increased by RM78.1 million or 15.0% to RM597.8 million as at 31 December 2018 from RM519.7 million as at 30 June 2018 mainly due to progress billings from Harbour City and Hatten City Phase 2 projects.
- (k) Loans and borrowings (current and non-current) decreased by RM7.2 million or 1.4% to RM500.6 million as at 31 December 2018 from RM507.8 million as at 30 June 2018 mainly due to repayment during the financial period.
- (l) Trade and other payables (current and non-current) increased by RM504.3 million or 73.2% to RM1,193.4 million as at 31 December 2018 from RM689.1 million as at 30 June 2018 mainly due to increase in progress billings for Harbour City and an effect from the acquisition of subsidiary companies during the financial period.
- (m) Amount due to directors increased by RM34.4 million due to acquisition of Velvet Valley Group during the financial period.

Consolidated Statement of Cash Flows

Review of Statement of Cash Flows for 6M FY2019 as compared to 6M FY2018

The Group reported net cash flows from operating activities of RM107.0 million mainly due to an increase in trade and other payables, development properties and trade and other receivables.

The Group recorded net cash flows used in investing activities of RM23.8 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 RM37.4 million mainly due to proceeds from term loan, partially offset by repayment of loan and borrowings, finance lease liabilities and payment of dividend on ordinary shares.

As a result of the above, the Group's cash and cash equivalents increased to RM102.1 million as at 31 December 2018 as compared to RM75.6 million as at 31 December 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.

Research by Knight Frank Malaysia indicates that the Malaysian property market is showing signs of improvement and that the positive sentiment may spill over into 2019, underpinned by steady economic growth of 4.4% in third quarter of 2018, supported by the services and manufacturing sectors. As a whole of 2018, GDP is expected to range from 4.4% to 4.8%¹.

In addition, as the newly elected Federal Government rolls out new policies, investment activities are expected to pick up gradually, which will stimulate further improvement of the property market in Malaysia. With the recent announcement of Budget 2019, several measures were unveiled to encourage first-home buyers, which will 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.

Riding on the expected improvement of the property market in Malaysia, we will focus our efforts on the soft launch of the Cyberjaya project. , This together with the recently completed acquisition of Velvet Valley Sdn Bhd, the Group has now expanded beyond Melaka into the neighbouring states of Negeri Sembilan and Selangor.

As at 31 December 2018, the Group has unbilled sales of development properties amounting to approximately RM557.1million. With the completion of Imperio Mall which is part of the Hatten City Phase 2 in November 2018, some of unbilled sales are converted into billings for the project.

StayCay – Southeast Asia’s first proptech blockchain platform for hotels – has launched the beta version of StayCay App in December 2018. This is in line with the new Melaka government’s vision to transform Melaka into a modern Smart City as well as tapping on the tourist arrivals of close to 17.8 million in Melaka². The launch of Visit Melaka Year (VMY) 2019 promotion will focus on improving services in the Melaka’s tourism sector to realise its target of attracting 20 million tourists in 2019².

The Group will continue to pursue value-accretive growth opportunities to enhance shareholders’ value and barring any unforeseen circumstances, we are cautiously optimistic about the Group’s outlook and financial performance for FY2019.

Note:

1. Source: Knight Frank Research
2. Source: The StarOnline

11. Dividend

If a decision regarding dividend has been made:-

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

No.

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

No dividend has been declared for 2Q FY2019 and in 2Q FY2018.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

Not applicable. No dividend has been declared/recommended for 2Q FY2019.

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 period ended 31 December 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	-	3,291
Montane Construction Sdn. Bhd. ²	-	31,610
Hatten Place Sdn Bhd ³	-	5,967

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) 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 705(5) of the Catalyst Listing Manual

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the first quarter ended 31 December 2018 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Catalyst 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 Catalyst Listing Manual.

By Order of the Board
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin
Executive Chairman and Managing Director
14 February 2019

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

Hatten Land Limited (the "Company") was listed on Catalyst 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 Catalyst. 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 Ms Lam Siew Hwa, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.