HATTEN LAND LIMITED

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

Unaudited Financial Statement Announcement
For Financial Period Ended 31 March 2017

*This announcement has been prepared by Hatten Land Limited (the "**Company**") and its contents have been reviewed by the Company's continuing sponsor (the "**Sponsor**") UOB Kay Hian Private Limited, for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently 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.

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Background

Hatten Land Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), formerly known as VGO Corporation Limited, was formed subsequent to the successful reverse takeover ("**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**"). The exchange rate of SGD1.00 to RM 3.1585 as at 31 March 2017 was used for the translation. In addition, the Company has 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 income statement and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows for the 9 months ended 31 March 2017 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; and
5) the comparative figures presented in these consolidated financial statements of the Group are those of consolidated financial statements of the Sky Win Group.

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 9 months ended 31 March 2017 refer to the enlarged group which included the results of Sky Win Group from 1 July 2016 to 31 March 2017 and the result of VGO Corporation Limited from 25 January 2017 to 31 March 2017.
ii) The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the 9 months ended 31 March 2016 refer to the results of Sky Win Group from 1 July 2015 to 31 March 2016.
iii) The Group's consolidated statement of comprehensive income and consolidated statement of changes in equity for the third quarter ended 31 March 2017 refer to the enlarged group which included the results of Sky Win Group from 1 January 2017 to 31 March 2017 and the result of VGO Corporation Limited from 25 January 2017 to 31 March 2017.
iv) The Group's consolidated statement of comprehensive income and consolidated statement of changes in equity for the 3 months ended 31 March 2016 refer to the results of Sky Win Group from 1 January 2016 to 31 March 2016.
v) The Group's consolidated statement of financial position as at 31 March 2017 refers to the consolidated statement of financial position of the enlarged group comprising Sky Win Group and VGO Corporation Limited.
vi) The Group's consolidated statement of financial position as at 30 June 2016 refers to the consolidated statement of financial position of the Sky Win Group.
vii) The Company's statement of financial position as at 31 March 2017 and 31 March 2016 refer to that of the Company.
viii) The Company's statement of changes in equity for the 12 months ended 31 March 2017 and 31 March 2016 refer to that of the Company.

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.

		Group 3 months ended			Group 9 months ended		
		31/03/2017	31/03/2016	%	31/03/2017	31/03/2016	%
		(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	Notes	RM'000	RM'000	Change	RM'000	RM'000	Chang
Revenue	8a	164,896	74,076	122.6	332,445	307,514	8.1
Cost of sales	8b	(115,805)	(46,227)	150.5	(225,109)	(192,127)	17.2
Gross profit		**49,091**	**27,849**	76.3	**107,336**	**115,387**	(7.0)
Other income/gains	8c	1,767	3,039	(41.9)	7,339	9,116	(19.5)
Other items of expense							
Selling and distribution expenses	8d	(17,326)	(6,276)	176.0	(32,850)	(18,951)	73.3
General and administrative expenses	8e	(7,458)	(11,789)	(36.7)	(25,382)	(35,368)	(28.2)
Finance costs	8f	(94)	(213)	(55.9)	(317)	(641)	(50.5)
Operating profit		25,980	12,610	106.0	56,126	69,543	(19.3)
Non-operating expenses	8g	(87,798)	-	N/M	(87,798)	-	N/M
(Loss)/profit before tax		**(61,818)**	**12,610**		**(31,672)**	**69,543**	
Income tax expense		(12,435)	(6,963)	78.60	(19,355)	(20,890)	(7.3)
(Loss)/profit after tax	8h	**(74,253)**	**5,647**	N/M	**(51,027)**	**48,653**	N/M
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation		1,829	(359)	N/M	1,531	(506)	N/M
Total comprehensive (loss)/ income		**(72,424)**	**5,288**	N/M	**(49,496)**	**48,147**	N/M
(Loss)/profit attributable to:							
Owners of the Company		(74,253)	5,647	N/M	(51,027)	48,653	N/M

N/M - Not meaningful

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

	Group 3 months ended			Group 9 months ended		
	31/03/2017 (Unaudited) RM'000	31/03/2016 (Unaudited) RM'000	% Change	31/03/2017 (Unaudited) RM'000	31/03/2016 (Unaudited) RM'000	% Change
(Loss)/profit for the period is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	2,830	1,787	58.4	4,108	3,464	18.6
Gain on disposal of property, plant and equipment	(294)	-	N/M	(294)	-	N/M
Interest expense	94	347	(72.9)	317	641	(50.5)
Interest income	(364)	(993)	(63.3)	(1,871)	(2,978)	(37.2)
Acquisition costs arising from reverse acquisition	77,763	-	N/M	77,763	-	N/M
RTO professional fees	10,035	-	N/M	10,035	-	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.

	Notes	The Group 31/03/2017 (Unaudited) RM'000	The Group 30/06/2016 (Unaudited) RM'000	The Company 31/03/2017 (Unaudited) RM'000	The Company 31/03/2016 (Unaudited) RM'000
Assets					
Non-current assets					
Property, plant and equipment	8i	91,221	64,101	-	2,508
Investment in subsidiary		-	-	1,203,316	2,470
Deferred tax assets		59,148	51,294	-	-
		150,369	115,395	1,203,316	4,978
Current assets					
Inventories		-	-	-	33,155
Properties under development	8j	566,512	476,350	-	-
Trade and other receivables	8k	441,106	212,546	25,242	11,851
Other current assets		50,028	47,084	1,035	208
Cash and cash equivalents		98,370	81,930	48,252	3,825
		1,156,016	817,910	74,529	49,039
Total assets		1,306,385	933,305	1,277,845	54,017
Liabilities					
Current liabilities					
Bank overdraft		-	-	-	948
Loan and borrowings		51,734	51,899	-	14,062
Income tax payable		60,483	53,352	-	-
Trade and other payables	8l	513,315	288,989	40	31,121
Amount due to shareholders	8m	-	989	-	6,235
Other current liabilities	8n	27,251	105,546	255	515
		652,783	500,775	295	52,881
Net current assets/(liabilities)		503,233	317,135	74,234	(3,842)
Non-current liabilities					
Deferred tax liabilities		-	-	-	88
Loan and borrowings		276,389	198,573	-	-
Other non-current liabilities		205,288	173,337	-	-
	8o	481,677	371,910	-	88
Total liabilities		1,134,460	872,685	295	52,969
Net assets		**171,925**	**60,620**	**1,277,550**	**1,048**
Equity					
Share capital		253,748	38,235	1,286,252	88,074
(Accumulated losses)/Retained earnings		(28,615)	22,522	(9,801)	(87,026)
Translation reserve		1,394	(137)	1,099	-
Merger reserve		(54,602)	-	-	-
Total equity		**171,925**	**60,620**	**1,277,550**	**1,048**
Total equity and liabilites		**1,306,385**	**933,305**	**1,277,845**	**54,017**

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 31/03/2017		As at 30/06/2016	
Secured	Unsecured	Secured	Unsecured
RM'000	RM'000	RM'000	RM'000
51,734	-	51,899	-

Amount repayable after one year

As at 31/03/2017		As at 30/06/2016	
Secured	Unsecured	Secured	Unsecured
RM'000	RM'000	RM'000	RM'000
276,389	-	198,573	-

The Group's borrowings and debt securities include obligations under finance leases and other bank borrowings.

Details of collaterals

The loan and borrowings are secured by the following:-

1. Joint and several guarantee by directors of the borrowing entity.
2. Legal charge over the project land under development, fixed and floating charges over all assets of the project of the borrowing entity.
3. Third party first legal assignment over certain property assets owned by related parties of the borrowing entity.
4. Debenture over fixed and floating present and future assets of the borrowing entity.
5. Legal assignment over designated bank account and monies and legal assignment of sales proceeds from the sale of project units of the borrowing entity in favour of the lender.
6. Corporate guarantee by a related party of the borrowing entity and deed of subordination of advances due to shareholders and directors.
7. Pledge of fixed deposits with licensed banks.

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 9 months ended 31/03/2017 (Unaudited) RM'000	Group 9 months ended 31/03/2016 (Unaudited) RM'000
Cash flows from operating activities		
(Loss)/profit before tax	(31,672)	69,543
Adjustments for:		
Depreciation of property, plant and equipment	4,108	3,464
Gain on disposal of property, plant and equipment	(294)	-
Interest income	(1,871)	(2,978)
Interest expense	317	641
Unrealised foreign exchange gain	(708)	(345)
Acquisition costs arising from reverse acquisition	77,763	-
Operating cash flows before working capital changes	**47,643**	**70,325**
Decrease/(increase) in:		
Properties under development	(78,831)	79,303
Trade and other receivables	(228,394)	(128,084)
Other current assets	(2,943)	808
Increase/(decrease) in:		
Trade and other payables	214,612	(3,865)
Other current liabilities	(46,344)	(60,454)
Amount due to directors/shareholders	(989)	(168)
Cash flow used in operations	(95,246)	(42,135)
Interest paid	(317)	(641)
Interest received	1,871	2,978
Income tax paid	(20,078)	(15,617)
Net cash flows used in operating activities	**(113,770)**	**(55,415)**
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	880	-
Acquisition of a subsidiary	(748)	-
Additions to property, plant and equipment	(31,814)	(3,654)
Net cash flows used in investing activities	**(31,682)**	**(3,654)**
Cash flows from financing activities		
Proceeds from issuance of shares	82,922	-
Proceeds from loans and borrowings	77,440	68,240
Net cash flows generated from financing activities	**160,362**	**68,240**
Net change in cash and cash equivalents	14,910	9,171
Cash and cash equivalents at the beginning	81,930	24,116
Effects of exchange rate changes on cash and cash equivalents	1,530	507
Cash and cash equivalents at the end	**98,370**	**33,794**

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	Merger reserve	Accumulated (losses)/Retained earnings	Translation reserve	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP					
(Unaudited)					
Balance as at 1 July 2016	38,235	-	22,522	(137)	60,620
Total comprehensive income/(loss) for the period	-	-	(51,027)	1,531	(49,496)
Effect of application of pooling of interest method	-	226	(110)	-	116
Issue of placement shares	82,922	-	-	-	82,922
Acquisition costs arising from reverse acquisition	77,763	-	-	-	77,763
Issue of shares pursuant to the capital reorganisation	54,828	(54,828)	-	-	-
	215,513	(54,602)	(51,137)	1,531	111,305
Balance as at 31 March 2017	**253,748**	**(54,602)**	**(28,615)**	**1,394**	**171,925**
Balance as at 1 July 2015	38,235	-	5,428	3	43,666
Total comprehensive income/(loss) for the year	-	-	48,653	(506)	48,147
	-	-	48,653	(506)	48,147
Balance as at 31 March 2016	**38,235**	**-**	**54,081**	**(503)**	**91,813**

COMPANY
(Unaudited)

	Share capital	Accumulated losses	Translation reserve	Total equity
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2016	88,074	(87,026)	-	1,048
Total comprehensive income/(loss) for the period	-	(10,835)	1,099	(9,736)
Issue of placement shares	82,922	-	-	82,922
Shares issued for reverse acquisition	1,203,316	-	-	1,203,316
Capital reduction	(88,060)	88,060	-	-
	1,198,178	77,225	1,099	1,276,502
Balance as at 31 March 2017	1,286,252	(9,801)	1,099	1,277,550
Balance as at 1 April 2015	88,074	(65,397)	-	22,677
Total comprehensive loss for the year	-	(21,629)	-	(21,629)
	-	(21,629)	-	(21,629)
Balance as at 31 March 2016	88,074	(87,026)	-	1,048

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	No. of ordinary shares issued	Amount of share capital	Amount of share capital
	Company & Group	Group	Company
		RM'000	RM'000
Balance as at 1 July 2016	92,388,045	38,235	88,074
Acquisition costs arising from reverse acquisition	-	77,763	-
Issue of shares pursuant to the capital reorganisation	1,187,692,308	54,828	1,203,316
Issue of placement shares	95,000,000	82,922	82,922
Capital reduction	-	-	(88,060)
Balance as at 31 March 2017	1,375,080,353	253,748	1,286,252

The Company did not have any outstanding options or treasury shares as at 31 March 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 31/03/2017	As at 31/03/2016
Total number of issued shares	1,375,080,353	92,388,045

There were no treasury shares as at 31 March 2017 and 31 March 2016.

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

Not applicable.

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 preparation of the current period's financial statements as in the most recently audited combined financial statements of Sky Win Group for the financial year ended 30 June 2016 and the audited consolidated as set out in the Company's circular dated 29 December 2016.

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.

Not applicable.

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 9 months ended	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Total comprehensive (loss)/profit attributable to owners of the Company (RM'000)	(74,253)	5,647	(51,027)	48,653
Weighted average number of ordinary shares in issue	1,223,449,195	1,187,692,308	1,223,449,195	1,187,692,308
Basic (loss)/earnings per share (RM'sens)	(6.07)	0.48	(4.17)	4.10
Fully diluted (loss)/earnings per share (RM'sens)	(6.07)	0.48	(4.17)	4.10

Excluding the non-recurring items pertaining to the RTO, the effects of the EPS are as follows:

	Group 3 months ended 31/03/2017	Group 9 months ended 31/03/2017
Total comprehensive loss attributable to owners of the Company (RM'000)	(74,253)	(51,027)
Adjusting for non-recurring items:-		
1) RTO professional fees (RM'000)	10,035	10,035
2) Acquisition costs arising from reverse acquisition (RM'000)	77,763	77,763
Adjusted total comprehensive income attributable to owners of the Company (RM'000)	13,545	36,771
Basic EPS (RM'sens)	1.11	3.01
Fully diluted EPS (RM'sens)	1.11	3.01

Note:
The basic and fully diluted EPS were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2017 and 31 March 2016.

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	
	31/03/2017	**30/06/2016**	**31/03/2017**	**31/03/2016**
Net Asset Value (RM'000)	171,925	60,620	1,277,550	1,048
Number of ordinary shares in issue	1,375,080,353	1,187,692,308	1,375,080,353	92,388,045
Net asset value per ordinary share (RM'sens)	12.50	5.10	92.91	1.13

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:-
(a) 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
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of Group performance for 3 months ended 31 March 2017 ("3M 2017") as compared to the 3 months ended 31 March 2016 ("3M 2016")

a) The Group's revenue for 3M 2017 increased by RM90.8 million or 122.6% from approximately RM74.1 million in 3M 2016 to approximately RM164.9 million in 3M 2017. The increase was mainly due to higher progressive sales recognised from the Hatten City Phase 2 and Harbour City projects. The Group's gross margin decreased from approximately 37.6% in 3M 2016 to approximately 29.8% in 3M 2017 mainly due to lower profit margin projects sold in 3M 2016.

b) The Group's cost of sales increased by RM69.6 million or 150.5% from approximately RM46.2 million in 3M 2016 to RM115.8 million in 3M 2017. This is in line with the increase in revenue.

c) Other income/gains decreased by RM1.3 million or 41.9% from approximately RM3.0 million in 3M 2016 to approximately RM1.7 million in 3M 2017, mainly due to decrease in interest income from payment interest charged to purchasers and service fee income.

d) Selling and distribution expenses increased by RM11.0 million or 176.0% from approximately RM6.3 million in 3M 2016 to approximately RM17.3 million in 3M 2017. The increase was due to increase in sales and marketing efforts which is in line with increase in revenue.

e) General and administrative expenses decreased by RM4.3 million or 36.7% from approximately RM11.8 million in 3M 2016 to approximately RM7.5 million in 3M 2017 mainly due to lower manpower, related expenses and overheads as a result of internal restructuring of manpower in connection with the RTO.

f) Finance costs decreased by RM0.1 million in 3M 2017 or 55.9% from approximately RM0.2 million in 3M 2016 to approximately RM0.1 million in 3M 2017 mainly due to lower hire purchase interest in 3M 2017 as a result of disposal of property, plant and equipment.

g) The Group reported a one-off non-operating expenses of approximately RM87.8 million in 3M 2017. The non-operating expenses incurred in 3M 2017 were in relation to (i) professional fees related to the RTO of RM10.0 million and (ii) acquisition costs arising from the RTO of approximately RM77.8 million.

h) As a result of the above, the Group recorded a loss after tax of approximately RM74.2 million in 3M 2017 as compared to a profit after tax of approximately RM5.6 million in 3M 2016.

Review of Group performance for 9 months ended 31 March 2017 ("9M 2017") as compared to the 9 months ended 31 March 2016 ("9M 2016")

a) The Group's revenue for 9M 2017 increased by RM24.9 million or 8.1% from approximately RM307.5 million in 9M 2016 to approximately RM332.4 million in 9M 2017. The increase was mainly due to higher progressive sales recognised from the Hatten City Phase 2 and Harbour City projects. The Group's gross margin decreased from approximately 37.5% in 9M 2016 to approximately 32.3% in 9M 2017 mainly due to lower profit margin projects sold as compared with 9M 2016.

b) The Group's cost of sales increased by RM33.0 million or 17.2% from approximately RM192.1 million in 9M 2016 to RM225.1 million in 9M 2017. This is in line with the increase in revenue.

c) Other income/gains decreased by RM1.8 million or 19.5% from approximately RM9.1 million in 9M 2016 to approximately RM7.3 million in 9M 2017, mainly due to decrease in interest income from payment interest charged to purchasers and service fee income.

d) Selling and distribution expenses increased by RM13.9 million or 73.3% from approximately RM18.9 million in 9M 2016 to approximately RM32.8million in 3M 2017. The increase was due to increase in sales and marketing efforts which is in line with increase in revenue.

e) General and administrative expenses decreased by RM10.0 million or 28.2% from approximately RM35.4 million in 9M 2016 to approximately RM25.4 million in 9M 2017 mainly due to lower manpower, related expenses and overheads as a result of internal restructuring of manpower in connection with the RTO.

f) Finance costs decreased by RM0.3 million in 9M 2017 or 50.5% from approximately RM0.6 million in 9M 2016 to approximately RM0.3 million in 9M 2017 mainly due to lower hire purchase interest in 3M 2017 as a result of disposal of property, plant and equipment.

g) The Group reported a one-off non-operating expenses of approximately RM87.8 million in 9M 2017. The non-operating expenses incurred in 9M 2017 were in relation to (i) professional fees related to the RTO approximately of RM10.0 million and (ii) acquisition costs arising from the RTO of approximately RM77.8 million.

h) As a result of the above, the Group recorded a loss after tax of approximately RM51.0 million in 9M 2017 as compared to a profit after tax approximately of RM48.6 million in 9M 2016.

Consolidated statement of financial position as at 31 Mar 2017 as compared to the financial year ended 30 June 2016.

The review for the financial position of the Group's based on the Group's financial position as at 31 March 2017 and 30 June 2016.

i) Property, plant and equipment increased by approximately RM27.1 million from approximately RM64.1 million as at 30 June 2016 to approximately RM91.2 million as at 31 March 2017. This was mainly due to addition to construction in progress of car parks.

j) Properties under development increased by approximately RM90.2 million from approximately RM476.3 million as at 30 June 2016 to approximately RM566.5 million as at 31 March 2017. This was mainly due to development cost accrued for ongoing projects.

k) Trade and other receivables increased by approximately RM228.6 million from approximately RM212.5 million as at 30 June 2016 to approximately RM441.1 million as at 31 March 2017. This was mainly due to increase in accrued billing (revenue recognised in the income statement in excess of the progress billings to purchasers) for Hatten City Phase 2.

l) Trade and other payables increased by approximately RM224.3 million from approximately RM289.0 million as at 30 June 2016 to approximately RM513.3 million as at 31 March 2017. This was mainly due to increase in development cost accrued for Hatten City Phase 1 and progress billing for Harbour City.

m) Amount due to directors/shareholders decreased by approximately RM0.99 million as at 31 March 2017 due to full repayment.

n) Other current liabilities decreased by RM78.3 million from approximately RM105.5 million as at 30 June 2016 to approximately RM27.2 million as at 31 March 2017. The decrease was mainly due to payment to customers from sales of properties with lease back arrangements and decrease in amount due to land owners as a result of progress billing to land owners for their units.

o) Non-current liabilities increased by RM109.8 million from approximately RM371.9 million as at 30 June 2016 to approximately RM481.7 million as at 31 March 2017. The increase was mainly due to drawdown of banking facilities for ongoing projects and increase in deferred revenue.

Review of Statement of Cash Flows

The Group recorded net cash flows used in operating activities of approximately RM113.8 million, which comprised operating cash inflows before working capital changes of approximately RM47.6 million, net working capital outflows of approximately RM142.9 million, net interest received of approximately RM1.6 million and income tax payment of approximately RM20.0 million. The net working outflows were mainly due to increase in properties under development of approximately RM78.8 million and increase in trade and other receivables of approximately RM228.3 million which was partially offset by an increase in trade and other payables of approximately RM 214.6 million.

The Group's net cash flows used in investing activities amounted to approximately RM31.6 million. This was mainly due to the additions of property, plant and equipment of approximately RM31.8 million and acquisition of a subsidiary of approximately RM0.7 million which partially offset by the proceeds from disposal of property, plant and equipment of approximately RM0.9 million.

The Group recorded net cash flows generated from financing activities of approximately RM160.4 million. This was mainly due to the proceeds of shares issuance of shares of approximately RM82.9 million and proceeds from loans and borrowings of approximately RM77.4 million.

As at 31 March 2017, the Group's cash and cash equivalents amounted to approximately RM98.4 million.

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 disclosed any forecast or prospect statements to its shareholders previously.

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.

The directors of the Group are of the opinion that the outlook for Melaka residential market remains positive with good publicity of the upcoming KL-Singapore High Speed Rail, deep-sea port, Melaka Gateway project and several Chinese investments in Melaka. In 2014 and 2015, the transactions of dwelling units exceeded 8,000 per year and barring unforeseen circumstances, the transactions in 2016 are expected to stay above 8,000 residential units in 2016.[1]

The Group has acquired the entire issued and paid up share capital of Prolific Properties Sdn Bhd (**"PPSB"**) and Prolific Revenue Sdn Bhd (**"PRSB"**) to replenish its land bank and increase its development portfolio to ensure continual growth of the Group. The Company believes that the acquisitions of PPSB and PRSB will be value accretive and is in the best interest of all shareholders in driving the next phase of growth of the Group.

PPSB owns 2.05 acres of leasehold land at Melaka Raya which is slated to be developed into an integrated mixed development that will comprise a hotel block and serviced apartment block (the "**Thea Wellness Project**"). The Gross Development Value ("**GDV**") of the Thea Wellness Project is currently estimated by the Company to be approximately RM300.0 million.

PRSB owns 9.34 acres of leasehold land at Kota Laksamana, Melaka which is slated to be developed into an integrated mixed development that will comprise a shopping mall, cineplex, convention hall and auditorium, meeting rooms, a hotel block and a serviced apartment block (the "**MICC Project**"). The GDV of the MICC Project is currently estimated by the Company to be approximately RM942.0 million.

Based on the sales and purchase agreements that have been entered into with the purchasers of the sold units for the existing four property development projects as at 31 March 2017, the unbilled revenue to be recognised over time from 1 April 2017 is approximately RM660.0 million.

Notes:
1. Source: National Property Information Centre

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?
No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No.

(c) Date the dividend is payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been recommended for the current financial period.

13. If the Group has obtained a general mandate from shareholders for IPTs, 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 general mandate from shareholders for interested person transactions was approved at Extraordinary General Meeting held on 20 January 2017.

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	-	18,158
Montane Construction Sdn Bhd	-	146,215
Tan June Teng Colin@ Chen JunTing and Tan Ping Huang Edwin@Chen BingHuang	774	-

14. Update on the use of compliance placement proceeds

	Amount Alllocated As at the date of announcement	Amount Utilised As at the date of announcement	Amount Unutilised As at the date of announcement
	S$'000	S$'000	S$'000
RTO expenses	4,200	(4,200)	-
General corporate activities including acquisitions	11,200	(6,744)	4,456
General working capital	11,200	(10,132)[(1)]	1,068
	26,600	(21,076)	5,524

Note:

(1) General working capital consisted of project expenses and corporate and administrative expenses.

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

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Company and the Group for the 3 months and 9 months period ended 31 March 2017 to be false or misleading in any material aspect.

16. 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.

By Order of the Board
HATTEN LAND LIMITED

Dato' Tan June Teng, Colin	**Lee Sok Khian John**
Executive Chairman and Managing Director	Executive Director

11 May 2017