



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

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**Unaudited Financial Statement Announcement**  
**For Financial Year Ended 30 June 2017**

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*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.*

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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 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 12 months ended 30 June 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 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.
- 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 2016 refer to the results of Sky Win Group from 1 July 2015 to 30 June 2016.
- iii) The Group's consolidated statement of comprehensive income and consolidated statement of changes in equity for the fourth quarter 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 and consolidated statement of changes in equity for the fourth quarter ended 30 June 2016 refer to the results of Sky Win Group from 1 April 2016 to 30 June 2016.
- v) The Group's consolidated statement of financial position as at 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 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 30 June 2017 and 31 March 2016 refer to that of the Company.
- viii) The Company's statement of changes in equity for the period ended 30 June 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.**

	Notes	Group Fourth Quarter ended			Group 12 months ended		
		30/6/2017 (Unaudited) RM'000	30/6/2016 (Unaudited) RM'000	% Change	30/6/2017 (Unaudited) RM'000	30/6/2016 (Unaudited) RM'000	% Change
Revenue	8a	129,996	104,833	24.0	462,441	412,347	12.1
Cost of sales		(57,000)	(65,500)	(13.0)	(282,109)	(257,627)	9.5
<b>Gross profit</b>	8b	<b>72,996</b>	<b>39,334</b>	85.6	<b>180,332</b>	<b>154,720</b>	16.6
Other income/gains	8c	1,521	3,039	(49.9)	8,860	12,155	(27.1)
<b>Other items of expense</b>							
Selling and distribution expenses	8d	(7,652)	(3,471)	120.5	(40,502)	(22,422)	80.6
General and administrative expenses	8e	(10,233)	(11,789)	(13.2)	(35,615)	(47,157)	(24.5)
Finance costs	8f	(102)	(214)	(52.3)	(419)	(855)	(50.9)
<b>Operating profit</b>		<b>56,530</b>	<b>26,899</b>	110.2	<b>112,656</b>	<b>96,441</b>	16.8
Non-operating expenses	8g	5,551	-	N/M	(82,247)	-	N/M
<b>Profit before tax</b>		<b>62,081</b>	<b>26,899</b>	130.8	<b>30,409</b>	<b>96,441</b>	(68.5)
Income tax expense	8h	(2,332)	(6,963)	(66.5)	(21,687)	(27,853)	(22.1)
<b>Profit after tax</b>	8i	<b>59,749</b>	<b>19,935</b>	199.7	<b>8,722</b>	<b>68,588</b>	N/M
<b>Other comprehensive income:</b>							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation		(1,275)	366	N/M	256	(140)	N/M
<b>Total comprehensive income</b>		<b>58,474</b>	<b>20,301</b>	N/M	<b>8,978</b>	<b>68,448</b>	N/M
<b>Profit attributable to:</b>							
Owners of the Company		59,749	19,935	199.7	8,722	68,588	(87.3)

N/M - Not Meaningful

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

	Group			Group		
	Fourth Quarter ended		%	12 months ended		%
	30/6/2017	30/6/2016		30/6/2017	30/6/2016	
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)		
	RM'000	RM'000	Change	RM'000	RM'000	Change
Profit for the year is arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	1,188	1,073	10.7	3,463	4,537	(23.7)
Gain on disposal of property, plant and equipment	(162)	(442)	(63.3)	(456)	(442)	3.2
Interest expense	87	214	(59.2)	404	855	(52.7)
Interest income	(841)	(1,146)	(26.6)	(2,712)	(4,124)	(34.2)
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

**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		The Company	
		30/6/2017 (Unaudited) RM'000	30/6/2016 (Unaudited) RM'000	30/6/2017 (Unaudited) RM'000	31/3/2016 (Unaudited) RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8j	94,638	64,101	-	2,508
Investment in subsidiaries		-	-	1,203,316	2,470
Deferred tax assets		61,313	51,294	-	-
		<u>155,951</u>	<u>115,395</u>	<u>1,203,316</u>	<u>4,978</u>
<b>Current assets</b>					
Inventories		-	-	-	33,155
Development properties under held for sale	8k	537,613	476,350	-	-
Trade and other receivables	8l	476,452	212,546	69,485	11,851
Other current assets		51,198	47,084	931	208
Cash and cash equivalents		83,625	81,930	16,473	3,825
		<u>1,148,888</u>	<u>817,910</u>	<u>86,889</u>	<u>49,039</u>
<b>Total assets</b>		<u>1,304,839</u>	<u>933,305</u>	<u>1,290,205</u>	<u>54,017</u>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Bank overdraft		-	-	-	948
Loan and borrowings		56,954	51,899	-	14,062
Income tax payable		49,330	53,352	-	-
Trade and other payables	8m	431,840	288,989	1,034	31,121
Amount due to shareholders	8n	-	989	-	6,235
Other current liabilities	8o	54,145	105,546	-	515
		<u>592,269</u>	<u>500,775</u>	<u>1,034</u>	<u>52,881</u>
<b>Net current assets/(liabilities)</b>		556,619	317,135	85,855	(3,842)
<b>Non-current liabilities</b>					
Deferred tax liabilities		-	-	-	88
Loan and borrowings		298,495	198,573	-	-
Other non-current liabilities		186,665	173,337	-	-
	8p	<u>485,160</u>	<u>371,910</u>	<u>-</u>	<u>88</u>
<b>Total liabilities</b>		<u>1,077,429</u>	<u>872,685</u>	<u>1,034</u>	<u>52,969</u>
<b>Net assets</b>		<u>227,410</u>	<u>60,620</u>	<u>1,289,171</u>	<u>1,048</u>
<b>Equity</b>					
Share capital		250,874	38,235	1,283,378	88,074
Retained earnings/(Accumulated losses)		31,244	22,522	5,879	(87,026)
Translation reserve		119	(137)	(86)	-
Merger reserve		(54,827)	-	-	-
<b>Total equity</b>		<u>227,410</u>	<u>60,620</u>	<u>1,289,171</u>	<u>1,048</u>
<b>Total equity and liabilities</b>		<u>1,304,839</u>	<u>933,305</u>	<u>1,290,205</u>	<u>54,017</u>

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

**Amount repayable in one year or less, or on demand**

<b>As at 30/06/2017</b>		<b>As at 30/06/2016</b>	
Secured	Unsecured	Secured	Unsecured
RM'000	RM'000	RM'000	RM'000
56,954	-	51,899	-

**Amount repayable after one year**

<b>As at 30/06/2017</b>		<b>As at 30/06/2016</b>	
Secured	Unsecured	Secured	Unsecured
RM'000	RM'000	RM'000	RM'000
298,495	-	198,573	-

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

**Details of collaterals**

The loan 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. Third party first legal assignment over certain property assets owned by related parties of the borrowing entities.
4. Debenture over fixed and floating present and future assets of the borrowing entities.
5. 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.
6. Corporate guarantee by a related party of the borrowing entities 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.**

	<b>Group</b>	
	<b>12 months ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	30,409	96,441
Adjustments for:		
Depreciation of property, plant and equipment	3,463	4,537
Gain on disposal of property, plant and equipment	(456)	(442)
Interest income	(2,712)	(4,124)
Interest expense	404	855
Unrealised foreign exchange loss/(gain)	250	(1,248)
Acquisition costs arising from reverse acquisition	77,763	-
Others	-	(228)
<b>Operating cash flows before working capital changes</b>	<b>109,121</b>	<b>95,791</b>
(Increase)/decrease in:		
Development properties held for sale	(20,944)	3,461
Trade and other receivables	(263,763)	(70,122)
Amount due from related parties	-	207,671
Other current assets	(4,114)	(621)
Increase/(decrease) in:		
Trade and other payables	122,543	(175,310)
Other current liabilities	(38,073)	(20,806)
Amount due to shareholders	(989)	821
<b>Cash flow (used in)/generated from operations</b>	<b>(96,219)</b>	<b>40,885</b>
Interest paid	(404)	(855)
Interest received	2,712	4,124
Income tax paid	(35,728)	(17,482)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(129,639)</b>	<b>26,672</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	2,417	7,233
Increase in pledged fixed deposits	(69)	(2,088)
Acquisition of subsidiary companies	(946)	-
Additions to property, plant and equipment	(35,961)	(36,259)
<b>Net cash flows used in investing activities</b>	<b>(34,559)</b>	<b>(31,114)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	82,923	-
Share issue expenses	(2,874)	-
Proceeds from loans and borrowings	85,518	111,662
Dividends paid	-	(51,494)
<b>Net cash flows generated from financing activities</b>	<b>165,567</b>	<b>60,168</b>
<b>Net change in cash and cash equivalents</b>	<b>1,369</b>	<b>55,726</b>
Cash and cash equivalents at the beginning of the year	79,842	24,116
Effects of exchange rate changes on cash and cash equivalents	257	-
<b>Cash and cash equivalents at the end of the year</b>	<b>81,468</b>	<b>79,842</b>
Cash and bank balances	83,625	81,930
Less: pledged fixed deposits	(2,157)	(2,088)
Cash and bank balances as per above	<b>81,468</b>	<b>79,842</b>

**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	Retained earnings	Translation reserve	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>GROUP</b>					
<b>(Unaudited)</b>					
<b>Balance as at 1 July 2016</b>	38,235	-	22,522	(137)	60,620
Total comprehensive income for the year	-	-	8,722	256	8,978
Issue of placement shares	82,923	-	-	-	82,923
Share issue expenses	(2,874)	-	-	-	(2,874)
Acquisition costs arising from reverse acquisition	77,763	-	-	-	77,763
Issue of shares pursuant to the capital reorganisation	54,827	(54,827)	-	-	-
	212,639	(54,827)	8,722	256	166,790
<b>Balance as at 30 June 2017</b>	<b>250,874</b>	<b>(54,827)</b>	<b>31,244</b>	<b>119</b>	<b>227,410</b>
<b>Balance as at 1 July 2015</b>	38,235	-	5,428	3	43,666
Total comprehensive income/(loss) for the year	-	-	68,588	(140)	68,448
Dividends on ordinary shares	-	-	(51,494)	-	(51,494)
	-	-	17,094	(140)	16,954
<b>Balance as at 30 June 2016</b>	<b>38,235</b>	<b>-</b>	<b>22,522</b>	<b>(137)</b>	<b>60,620</b>

	Share capital	(Accumulated losses)/Retained earnings	Translation reserve	Total equity
	RM'000	RM'000	RM'000	RM'000
<b>COMPANY</b>				
<b>(Unaudited)</b>				
<b>Balance as at 1 April 2016</b>	88,074	(87,026)	-	1,048
Total comprehensive income/(loss) for the year	-	4,845	(86)	4,759
Issue of placement shares	82,923	-	-	82,923
Shares issued for reverse acquisition	1,203,315	-	-	1,203,315
Capital reduction	(88,060)	88,060	-	-
Share issue expenses	(2,874)	-	-	(2,874)
	1,195,304	92,905	(86)	1,288,123
<b>Balance as at 30 June 2017</b>	<b>1,283,378</b>	<b>5,879</b>	<b>(86)</b>	<b>1,289,171</b>
<b>Balance as at 1 April 2015</b>	88,074	(65,397)	-	22,677
Total comprehensive loss for the year	-	(21,629)	-	(21,629)
	-	(21,629)	-	(21,629)
<b>Balance as at 31 March 2016</b>	<b>88,074</b>	<b>(87,026)</b>	<b>-</b>	<b>1,048</b>



- 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.

	No. of ordinary shares issued Company & Group	Amount of share capital Group RM'000	Amount of share capital Company RM'000
Balance as at 31 Mar 2017	1,375,080,353	253,748	1,286,252
Share issue expense	-	(2,874)	(2,874)
Balance as at 30 June 2017	1,375,080,353	250,874	1,283,378

The Company did not have any outstanding convertibles as at 30 June 2017 and 30 June 2016.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 2016

- 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 30/06/2017	As at 31/03/2016
Total number of issued shares	1,375,080,353	92,388,045

The Company did not have any treasury shares as at 30 June 2017 and 31 March 2016.

- 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 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 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 Fourth quarter ended		Group 12 months ended	
	30/6/2017	30/06/2016	30/6/2017	30/06/2016
Profit after tax attributable to owners of the Company (RM'000)	59,749	19,935	8,722	68,588
Weighted average number of ordinary shares in issue	1,375,080,353	1,187,692,308	1,261,000,010	1,187,692,308
Basic earnings per share("EPS") (RM'sens)	4.35	1.68	0.69	5.77
Fully diluted EPS (RM'sens)	4.35	1.68	0.69	5.77

	Group 12 months ended 30/6/2017
Profit after tax attributable to owners of the Company (RM'000)	8,722
Adjusting for non-recurring items:-	
1) RTO professional fees (RM'000)	4,484
2) Acquisition costs arising from reverse acquisition (RM'000)	77,763
	82,247
Adjusted total comprehensive income attributable to owners of the Company (RM'000)	90,969
Basic EPS (RM'sens)	7.21
Fully diluted EPS (RM'sens)	7.21

**Note:**

The basic and fully diluted EPS were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2017 and 30 June 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	
	30/06/2017	30/06/2016	30/06/2017	31/03/2016
Net Asset Value (RM'000)	227,410	60,620	1,289,171	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)	16.54	5.10	93.75	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:-**  
 (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 2017 ("4Q 2017") as compared to the 3 months ended 30 June 2016 ("4Q 2016")**

- (a) The Group's revenue for 4Q 2017 increased by RM25.2 million or 24.0% to RM130.0 million from RM104.8 million in 4Q 2016 mainly due to higher progressive sales recognised from the Hatten City Phase 2 and Harbour City projects in accordance with the percentage of completion method.
- (b) The Group's gross profit increased significantly by RM33.7 million or 85.6% to RM73.0 million from RM39.3 million in 4Q 2016 mainly due to local government's assistance scheme for the development costs incurred for Hatten City Phase 1.
- (c) Other income/gains decreased by RM1.5 million or 49.9% to RM1.5 million in 4Q 2017 from RM3.0 million in 4Q 2016 mainly due to decrease in interest income from interest charged to purchasers and service fee income.
- (d) Selling and distribution expenses increased by RM4.2 million or 120.5% to RM7.7 million in 4Q 2017 from RM3.5 million in 4Q 2016 due to more sales and marketing initiatives, in line with the increase in sales activities.
- (e) General and administrative expenses decreased by RM1.6 million or 13.2% to RM10.2 million in 4Q2017 from RM11.8 million in 4Q 2016 mainly due to lower manpower, related expenses and overheads as a result of internal restructuring following the RTO.
- (f) Finance costs decreased by RM0.1 million to RM0.1 million in 4Q 2017 from RM0.2 million in 4Q 2016 mainly due to lower hire purchase interest in 4Q 2017 as a result of disposal of property, plant and equipment.
- (g) The Group capitalised an one-off non-operating expenses of approximately RM2.9 million and made an adjustment of RM2.7 million to the RTO professional fees, which were previously charged to the income statement for the 3 months ended 31 March 2017. The non-operating expenses of approximately RM2.9 million capitalized in 4Q 2017 were in relation to RTO professional fees incurred for the issuance of placement shares.
- (h) Income tax expense decreased by RM4.6 million or 66.5% to RM2.3 million in 4Q 2017 from RM7.0 million in 4Q 2016 due to over provision in the prior year.
- (i) As a result of the above, the Group's profit after tax increased significantly to RM59.7 million in 4Q

2017 compared to a profit after tax of RM19.9 million in 4Q 2016.

Review of Group performance for the year ended 30 June 2017 (“FY2017”) as compared to the year ended 30 June 2016 (“FY2016”)

- (a) The Group’s revenue for FY2017 increased by RM50.1 million or 12.1% to RM462.4 million compared to RM412.3 million in FY2016 mainly due to higher progressive sales recognised from the Hatten City Phase 2 and Harbour City projects in accordance with the percentage of completion method.
- (b) The Group’s gross profit increased by RM25.6 million or 16.6% to RM180.3 million compared to RM154.7 million in FY2016 mainly due to local government’s assistance scheme for development costs incurred for Hatten City Phase 1.
- (c) Other income/gains decreased by RM3.3 million or 27.1% to RM8.9 million in FY2017 from RM12.2 million, mainly due to lower interest income from interest charged to purchasers and service fee income.
- (d) Selling and distribution expenses increased by RM18.1 million or 80.6% to RM40.5 million in FY2017 from RM22.4 million in FY2016 due to more sales and marketing initiatives, in line with the increase in sales activities.
- (e) General and administrative expenses decreased by RM11.5 million or 24.5% to RM35.6 million in FY2017 from RM47.1 million in FY2016 mainly due to lower manpower, related expenses and overheads as a result of internal restructuring of manpower following the RTO.
- (f) Finance costs decreased by RM0.4 million or 50.9% to RM0.4 million in FY2017 from RM0.9 million in FY2016 mainly due to lower hire purchase interest in FY2017 as a result of disposal of property, plant and equipment.
- (g) The Group reported an one-off non-operating expenses of approximately RM82.2 million in FY2017. The non-operating expenses incurred in FY2017 were in relation to (i) professional fees incurred for the RTO of approximately RM4.4 million; and (ii) acquisition costs arising from the non-cash accounting treatment relating to the RTO of approximately RM77.8 million.
- (h) Income tax expense decreased by RM6.2 million or 22.1% to RM21.7 million in FY2017 from RM27.9 million in FY2016 mainly due to over provision in the prior year.
- (i) As a result of the above, the Group recorded a profit after tax of RM8.7 million in FY2017 compared to a profit after tax approximately of RM68.6 million in FY2016. Assuming the one-off non-recurring non-operating expenses of RM82.2 million were excluded, the profit after tax of the Group for FY2017 would have been RM91.0 million.

**Consolidated Statement of Financial Position**

Review for the financial position of the Group as at 30 June 2017 as compared to 30 June 2016.

- (j) Property, plant and equipment increased by RM30.5 million to RM94.6 million as at 30 June 2017 compared to RM64.1 million as at 30 June 2016, mainly due to construction progress of car parks.
- (k) Development properties held for sale increased by RM61.3 million to RM537.6 million as at 30 June 2017 from RM476.4 million as at 30 June 2016 mainly due to an increase in development costs accrued for ongoing projects and the acquisition of subsidiary companies during the financial year.
- (l) Trade and other receivables increased by RM263.9 million to RM476.5 million as at 30 June 2017 from RM212.5 million as at 30 June 2016 mainly due to increase in accrued billings (revenue recognised in the income statement in excess of the progress billings to purchasers) for Hatten City Phase 2.
- (m) Trade and other payables increased by RM142.9 million to RM431.8 million as at 30 June 2017 from RM289.0 million as at 30 June 2016 mainly due to increase in development costs accrued for and

progress billings for Harbour City project.

- (n) The Group had no amount due to shareholders as at 30 June 2017 following the full repayment in FY2017.
- (o) Other current liabilities decreased by RM51.4 million to RM54.1 million as at 30 June 2017 from RM105.5 million as at 30 June 2016 mainly due to payment to purchasers from sales of properties with leaseback arrangements and decrease in amount due to land owners as a result of progress billings billed to land owners for their respective units.
- (p) Non-current liabilities increased by RM113.3 million to RM485.2 million as at 30 June 2017 from RM371.9 million as at 30 June 2016 mainly due to drawdown of loans and borrowings for ongoing projects and increase in financial liabilities to purchasers of properties with leaseback arrangement.

### **Consolidated Statement of Cash Flows**

The Group recorded net cash flows used in operating activities of RM129.6 million in FY2017 mainly due to increase in trade and other receivables of RM263.7 million, increase in development properties held for sale of RM20.9 million, partially offset by an increase in trade and other payables of RM122.5 million.

The Group's net cash flows used in investing activities of RM34.5 million in FY2017 was mainly due to the addition of property, plant and equipment of RM35.9 million and acquisition of subsidiary companies of RM0.9 million, partially offset by the proceeds from disposal of property, plant and equipment of RM2.4 million.

The Group recorded net cash flows generated from financing activities of RM165.6 million mainly due to the net proceeds from issuance of shares of RM82.9 million and proceeds from loans and borrowings of RM85.5 million.

As at 30 June 2017, the Group's cash and cash equivalents increased to RM81.5 million compared to RM79.8 million a year ago.

**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 public listing of the Company has lifted the profile of the Group's development portfolio in Melaka, a major city on the peninsular Malaysia's west coast which has a rich heritage and tourism potential. As at 30 June 2016, the aggregate gross market value of Hatten City Phase 1, Hatten City Phase 2, Vedro by the River, and Harbour City was RM1.9 billion. Following the listing of the Company, the Group's development portfolio has grown to include Satori (formerly known as Thea Wellness Project) and the MICC Project. The estimated gross development values of Satori and the MICC Project are approximately RM300 million and RM942 million respectively. The Group's development portfolio currently comprises five integrated mixed-used projects and a retail mall in Melaka.

The Directors believe that major infrastructure works in Melaka, being one of the eight stops for the proposed High-Speed Rail, will support tourism and investment in the area and lead to capital appreciation of the properties in the vicinity thus increasing demand for the Group's projects.

On 21 July 2017, subsequent to the end of FY2017, the Group launched Satori (formerly known as Thea Wellness Project), Melaka's first wellness-themed mixed development set on a 2.05-acre land parcel. The Group believes that Satori will carve a niche in the multi-billion dollar global wellness-tourism market by making a definitive statement in the wellness sector. Satori will be developed over three years.

The Group's MICC Project – a 9.34-acre integrated development comprising a shopping mall, cineplex, convention hall, an auditorium, meeting rooms, a hotel and a serviced apartment block in Melaka – will be unveiled in FY2018.

In FY2018, the Group intends to launch Harbour City Luxury Hotel, the last phase of the Harbour City development. Harbour City, which will be completed by 2020, is located on Pulau Melaka.

As at 30 June 2017, the balance of unbilled revenue to be recognised over time from FY2018 was approximately RM662 million. This is based on the sales and purchase agreements that have been entered into with the purchasers of the sold units for the property development projects.

## 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	0.05 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).

Not applicable. No dividend has been declared for FY2016.

### (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	0.05 cent
Dividend Rates (in %)	NA
Par value of shares	NA
Tax rate	Tax exempt (one-tier)

### (d) The date the dividend is payable.

Subject to approval by the Shareholders at the forthcoming Annual General Meeting and to be announced at a later date.

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

Subject to approval by the Shareholders at the forthcoming Annual General Meeting and to be announced at a later date.

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

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 Extraordinary General Meeting held on 20 January 2017. For details, please refer to the Company’s circular dated 29 December 2016.

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	-	21,847
Montane Construction Sdn Bhd	-	165,101
Temasek Blooms Sdn Bhd	-	366
Tan June Teng Colin @ Chen JunTing and Tan Ping Huang Edwin @Chen BingHuang <sup>1</sup>	1,212	-

**Note:**

(1) Acquisition of the entire issued and paid up share capital of Prolific Properties Sdn Bhd. amounting to RM773,949 for the Satori (previously known as Thea Wellness Project) and Prolific Revenue Sdn. Bhd. amounting to RM438,510 for the MICC Project from Dato’ Colin Tan and Dato’ Edwin Tan.

**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 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:**

	<b>As at 30-06-17 RM'000</b>	<b>As at 30-06-16 RM'000</b>	<b>Change %</b>
Sales reported for first half year	167,549	233,438	(28.2)
Net profit attributable to the Group for the first half year	23,225	43,008	(46.0)
Sales reported for second half year	294,892	178,909	64.8
Net loss /profit attributable to the Group for second half year <sup>1</sup>	(14,504)	25,580	N/M

**Note:**

(1) Net loss of RM14,504 for second half of FY2017 was mainly due to the one-off non-operating expenses of approximately RM82.2 million.

NM – Not Meaningful

**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:**

	<b>FY2017</b>	<b>FY2016</b>
<b>Ordinary</b>	<b>S\$</b>	<b>S\$</b>
Proposed Final	687,540	-

**Note:**

(1) FY2017's proposed final dividend of 0.05 Singapore cent per share is calculated based on the number of ordinary shares in issue as at 30 June 2017, and is subject to the approval of shareholders at the forthcoming Annual General Meeting.

**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.**

Save for Dato' Tan June Teng Colin @ Chen JunTing and Dato' Tan Ping Huang Edwin @ Chen BingHuang who are brothers, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

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

**Dato' Tan June Teng, Colin**  
Executive Chairman and Managing Director

**Lee Sok Khian John**  
Executive Director

16 August 2017