

# Hatten Land to reach safer ground in FY18

**By:**

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SINGAPORE (May 16): UOB Kay Hian is maintaining its “buy” recommendation on Hatten Land with a target price of 43 cents after the Malaysian property developer posted lower-than-expected 3Q17 earnings last Thursday.

Although the research house has lowered its FY17 earnings forecast by 12.9%, it raised its FY18 earnings forecast by 6.9% mainly through deferring earnings recognition from commercial projects to later years.

In a Tuesday report, UOB’s team of research analysts recall that while Hatten Land’s result fell short of expectations due to timing differences in earnings recognition of the group’s development projects, they believe income contributions in FY18 are likely to be bolstered by the completion of projects like Imperio Mall, Imperio Residence and Vedro in 1H18.

These projects have already been sold by 60%, 51% and 65% respectively.

The analysts also note that Hatten Land has entered into proposed acquisitions of two pipeline land plots from its parent company, Hatten Group, where both projects are to be launched by 2H18.

“Management highlighted that it would be looking to acquire a land plot within Kuala Lumpur (city area) from third parties. We understand that the potential target should be ready for development upon acquisition, to facilitate a possible launch within FY18,” says the team.

As at 11.45am, shares of Hatten Land are trading flat at 20 cents.

<http://www.theedgemarkets.com.sg/hatten-land-reach-safer-ground-fy18>