



RESULTS

Hatten Land posts 63.2% rise in 1Q earnings to \$1 mil on higher progressive sales

By: Michelle Zhu
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(\$1 million) in earnings for 1Q18, rising 63.2% from RM1.8 million a year ago on higher revenue and lower expenses.

Revenue for the quarter grew 5% to RM56.5 million compared to RM53.8 million previously.

The revenue growth was mainly due to higher progressive sales recognised from Harbour City – a six-acre integrated commercial development built on seafront land on Pulau Melaka that is slated to be completed by 2020 – in accordance with the percentage of completion method, says the group.

In line with the topline growth, cost of sales increased 2.7% to RM 35.6 million over the quarter from from RM34.7 million a year ago.

General and administrative expenses fell 19.8% to RM9 million from RM11.2 million in 1Q17 on the back of lower manpower, related expenses and overheads. This resulted from internal restructuring following Hatten Land's reverse takeover (RTO) by Sky Win Management Consultancy, which was completed earlier in Jan this year.

See: Hatten Land sinks into the red on RTO-related expenses

See: VGO Corp eyes consultancy and property business in possible RTO deal

Gross profit consequently increased 9.3% to RM20.9 million in 1Q18 from RM19.1 million a year ago, representing a gross profit margin of 37% and 35.6%, respectively.

As at end-Sept, cash and cash equivalents stood at RM60.1 million, while net asset value (NAV) improved to RM230 million compared to RM227.4 million as at end-June.

Colin Tan, Hatten Land's executive chairman and managing director, says the bottomline growth reaffirms the group's commitment to enhance shareholder value.

The group is also exploring value-accretive growth opportunities for sustained future growth, he adds.

Further, Tan notes that Satori, Hatten Land's new development in Malacca, has sold approximately 67.5% of its units for the first phase, lifting the group's unrecognised revenue to RM760 million as at end-Sept from RM662 million in the previous quarter.

"The strong sales underscores the compelling value Satori offers as Melaka's only health and wellness hub. Satori's unique theme will appeal to travellers who increasingly seek wellness as a major component of their travel experience," says Tan.

The group remains confident of its positive financial performance for FY18.

Shares in Hatten Land closed 2.52% higher at 20 cents on Tuesday.

Source: The Edge SG