

Hua Yang to set aside RM100mil to expand landbank



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PETALING JAYA: Property developer Hua Yang Bhd is setting aside RM100mil to go on a landbank acquisition spree for its financial year ending March 31, 2013, and is aiming to develop projects worth RM800mil to RM1bil in gross developmental value from the land acquired.

"We have set aside RM30mil of our own internal resources as capital expenditure, and is planning to raise another RM100mil to support our plans for land acquisition," said Hua Yang chief executive officer Ho Wen Yan. However, he said the company had not decided on the specific exercise to raise the amount needed.

Ho said the company spent only about RM56mil last year to expand

its landbank as land sales were difficult to complete as bullish market sentiments held back buyers who were holding out for a better price.

"I hope to secure more land this year, and the money we intend to raise would definitely be done by 2013," he said.

Besides targeting more land in Penang and Perak, the company is also eyeing land in east Malaysia, especially Kota Kinabalu, Sabah.

Currently, the company has a total landbank of 787 acres worth a gross development value of RM2.4bil.

Speaking on the outlook of the property market, Ho said the affordable housing sector would still remain strong driven by demand of for properties ranging RM400,000 and below. "While other segments of the market might experience some softening

especially high end areas in the Kuala Lumpur city centre, and also pockets in the Klang Valley where prices had gone up quicker than the others," he said.

For its nine-month period ended Dec 31, 2011, the company achieved a net profit of RM39.9mil, an increase of 136% from RM16.9mil when compared with the previous corresponding period. Revenue grew by 82% to RM222.1mil from RM122.1mil previously.

The company is set to deliver another record year as its financial performance for its nine-month period had surpassed what was achieved for the full financial year of 2011.

"Investors can expect better dividends than last year, as based on current results, 2012 will be better than the previous year," he said.