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# Hua Yang plans to double revenue

**To continue selling affordable houses**

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**KUALA LUMPUR:** Hua Yang Bhd expects to continue selling affordable houses — priced less than RM500,000 — as its core strategy to double its revenue to RM800 million in five years.

For the financial year ended March 31, 2013 (FY13), it posted a net profit of RM70.47 million or 36.58 sen per share on the back of RM408.67 million revenue.

Hua Yang CEO Ho Wen Yan said the group caters to first home buyers and the affordable market segment, where demand outstrips supply.

“First home buyers are a very good market; if you look at our (Malaysia’s) demographic, about 60% of our population is below 40 years old.

“These are the people who are always looking for their first home,” he said after the company AGM last Friday.

“There are a lot of people who want to buy their first home but unfortunately due to price escalation, they have not been able to get to do so. That is why we feel that this segment is very strong.”

According to Ho, more than 90% of the group’s customers are first time buyers which represent young families and couples. On average, the group’s current projects have a take-up rate of over 80%.



**Ho says the group caters to first home buyers and the affordable market segment where demand outstrips supply.**

He said the group has over RM1 billion in gross development value (GDV) worth of properties that it would be launching this financial year comprising six to eight projects.

“In hand, we have about RM4.2 billion GDV worth of properties available to sell. This year we are only launching RM1 billion.

“The remaining will be spread over the next three to four years,” said Ho.

Hua Yang is on track to achieve its sales target of RM600 million for FY14 ending March 31, based on the group’s unbilled sales of RM530 million as at June 1, 2013.

“Typically our unbilled sales are spread over a year and a half, we will slowly see these coming in and start recognising them as

revenue soon,” said Ho.

The developer is expecting a RM500 million contribution in revenue from its One South development, which carries a GDV of RM950 million, this year.

Additionally, the group is expecting to have three new launches in the Klang Valley over the next two quarters, and also in Perak and Johor, with two other launches each.

“We are very confident of this financial year and the next because we are able to see through our pipeline and our scheduled launches. The demand is also still quite strong,” said Ho.

Additionally, the group is eyeing expansion to the mainland of Penang and Kota Kinabalu, Sabah over the next three years.