

Publication : **The Edge**  
 Date : 11 November 2013  
 Section : Capital  
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## Hua Yang Bhd

Target price: **RM2.76 BUY**



**RHB RESEARCH (NOV 6):** Despite the rerating of this stock over the past one year, we still find its 5.1 times forecast 2014 PER undemanding. Given the company's niche in the affordable housing segment, it should be relatively unfazed by the recent tightening of regulations. The outstanding gross development value (GDV) of the company's landbank, currently concentrated in the Klang Valley, Perak and Johor, is about RM4.12 billion. This includes GDV of RM1 billion, slated for launch in FY14.

Management is confident of delivering about RM600 million in new sales in FY14. This will be underpinned by launches worth RM791 million planned for 2HFY14.

With RM3.05 billion in development to be launched beyond FY14, we believe Hua Yang's earnings will be sustained over the next two to three years. The stock's medium-term growth will be driven by its strategic landbank in Puchong, Selangor, which has an estimated GDV of RM1.54 billion. This development will replace One South, which has 26.5% of GDV remaining.