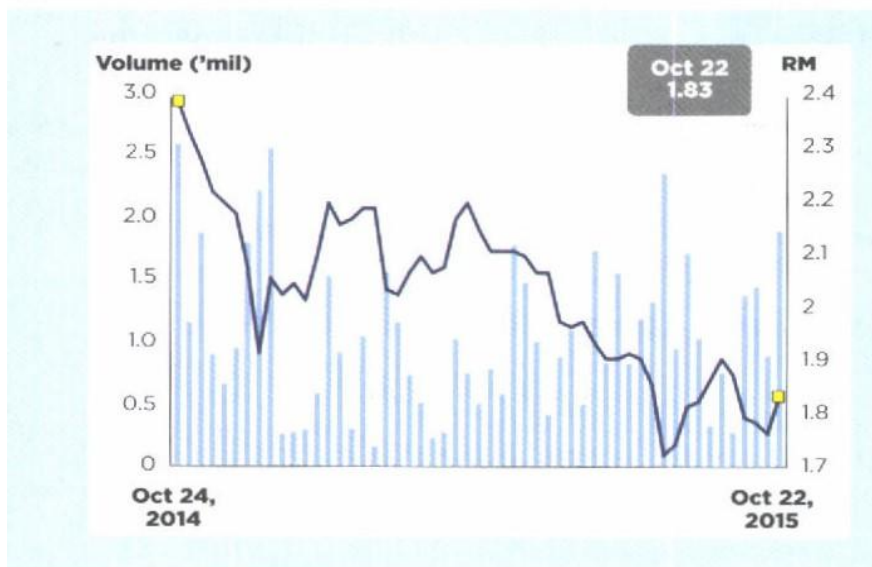


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Hua Yang Bhd

Current Price: **RM1.83 (as of Oct 22)**

Target Price: **2.12 BUY**

BIMB Securities Research

HUA Yang's new sales improved by 13.5% quarter-on-quarter (qoq) (Q1: RM82 mil; Q2: RM93 mil). For this quarter, the group achieved stronger sales derived from the landed residential and township projects. The main project contributors for the commendable sales came from Bandar Uni Seri Iskandar and Ridgewood@Perak which improved by 152% and 84% respectively qoq. Though stronger qoq, the group's new sales dropped 9% year-on-year (yoy) with the Klang Valley still the top revenue driver with 48% contribution.

Hua Yang's unbilled sales remain strong at RM607.2 mil (Q1FY16: RM660.7 mil; H1FY15: RM757 mil). As of Sept 30, the group's take-up rate out of the total projects launched was 72%. The management maintains the group's sales target for the year at RM500 mil. We expect the sales to be driven by RM648 mil planned launches and sales from the on-going projects, mostly in affordable houses. We are expecting a total dividend of 15.9 sen or a 30% payout ratio (FY15, 31%). This implies an attractive yield of 8.7% based on the last closing price of RM1.82. There is no dividend declared for the H1FY16.