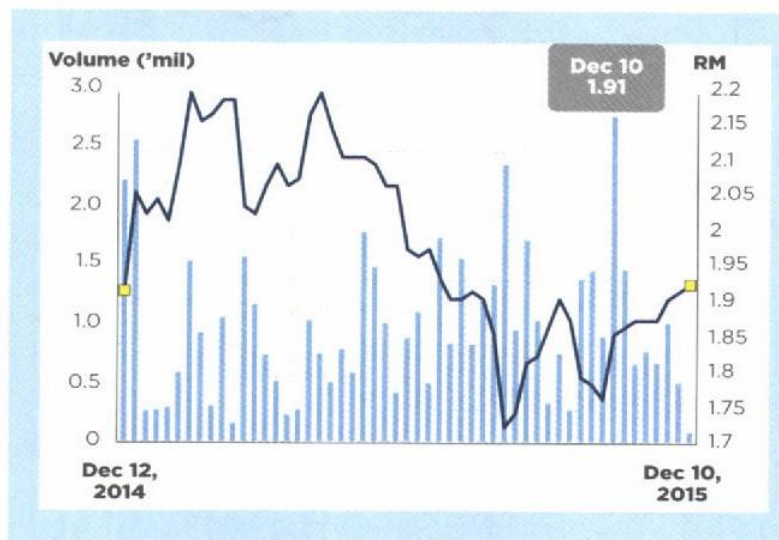


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Page : 52
Headline : Hua Yang Bhd



Hua Yang Bhd

Current Price: **RM1.91 (as of Dec 10)**

Target Price: **RM2.12 (HOLD)**

BIMB Securities Research

HUA Yang signed a conditional share-sale agreement (SSA) on Dec 4 to acquire the entire paid-up share capital of G Land Development Sdn Bhd for RM20 mil of which RM16.5 mil shall be satisfied by cash with the balance RM3.5 mil through borrowing.

Upon completion, the group via G Land Development will sign a conditional SPA to acquire six parcels of land totalling 3.44ha located in Seberang Perai.

The land is freehold costing RM25 mil or RM66.80 psf (previous landbank acquired at RM66 psf at imilar location in January).

The land is expected to garner an estimated gross development value of RM311 mil with proposed development of high-rise residential and shop offices. This translates into a land cost of about 8%.

We are positive on the acquisition and maintain a hold on the stock with a target price of RM2.12 based on five-year historical blended valuation of PE and PBV of five times and one time respectively premised on FY16E.