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TA SECURITIES has maintained its "sell" call on property developer Hua Yang Bhd as its earnings outlook remains bleak.

In its research note to investors yesterday, the firm said Hua Yang's sales target of RM500 million for next year was a relatively tall order, judging from the current weak consumer sentiment.

Hua Yang has said the RM500 million target, which is 48 per cent higher than this year's goal, is anchored by new launches worth RM721 million.

Astetica Residence (previously named Mines South) with a gross development value (GDV) of RM368 million and a Prai project (Phase 1 has GDV of RM220 million) are key launches.

Targeted for launch in the third quarter of this year, Hua Yang said Astetica Residences and the Prai land would feature affordable homes priced at around RM500,000 per unit.

TA Securities sees risk of further delays in property launches should consumer sentiment remain weak and banks' stringent lending practices remain.



"Although Hua Yang has replenished GDV worth RM1.2 billion over the past two years, we do not expect the new projects to lift earnings immediately."

"We believe the slowing take-up rate for Hua Yang's recent launches may prompt the company to embark on aggressive marketing campaigns to attract buyers in an effort to clear unsold stocks," said TA Securities.

It values Hua Yang's prices at RM1.94.