

Publication : **The Malay Mail**
Date : 28 April 2017
Section : Real Spaces
Page : 33
Headline : Hua Yang raises stakes in Magna Prima
PR Value : 9,389.06

Hua Yang raises stake in Magna Prima

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PETALING JAYA (April 2017): Hua Yang Bhd's acquisition of an extra 20.12% stake in Magna Prima Bhd (Magna Prima) will allow the medium sized property developer to extend its reach in the Klang Valley by tapping into the potential of Magna Prima's strategic land bank.

Hua Yang Berhad announced recently that it will be acquiring a further 20.1% stake in Magna Prima via its wholly-owned subsidiary, Prisma Pelangi Sdn Bhd for a cash consideration of RM123.8 million, effectively raising its stake to 30.9% as part of the company's land banking strategy.

Magna Prima's most prized asset is the 2.62 acres that used to house the Lai Meng School along Jalan Ampang, which is located close

to the the iconic Petronas Twin Towers.

In a filing with Bursa Malaysia, Hua Yang disclosed that the recent acquisition involved the purchase of 66,889,940 ordinary shares of the issued and paid-up share capital of Magna Prima for a total consideration of RM123.8 million (RM1.85 per purchase share).

Ho Wen Yan, Chief Executive Officer of Hua Yang, said, "Subsequent to our initial acquisition, we foresee that there are significant opportunities and synergies between the two companies that we can further tap on to drive growth for our Groups. Our decision to increase our stake is a reflection of this confidence."

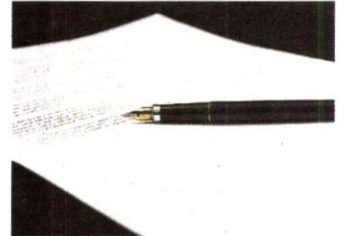
"This move also reaffirms our commitment to strengthen the Group's presence in the Klang Valley. Although we already hold strategic landbanks in this region, this

collaboration allows us to invest in existing landbanks that hold strong potential for growth, such as those in Jalan Ampang, Kuala Lumpur; Jalan Gasing, Petaling Jaya as well as Seksyen 15, Shah Alam, amongst others. In the long-term, this will positively impact the Group's earning."

"This collaboration also provides business opportunities, management synergies, cost efficiencies and potential for expansion for both organisations. Hua Yang will also be able to expand its market presence and recognise a proportionate share of Magna Prima's future profits," Ho explained.

The acquisition will be funded through internally generated funds and the exercise is expected to be completed by the second quarter of 2Q17.

As the exercise does not involve the issuance of Hua Yang new shares, the acquisition will



Hua Yang Bhd recently acquired an extra 20.12% stake in Magna Prima Bhd.

not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of the company. In addition, the acquisition is not expected to have any material effect on net assets per share and gearing of the Group.

Upon completion of the acquisition, Hua Yang will emerge as the single largest shareholder of Magna Prima.