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Hua Yang Bhd will be adopting a strategic approach to deliver stronger sales for its completed and ongoing projects even as it plays a role in the affordable homes segment.

Hua Yang's CEO Ho Wen Yan says although the property market is expected to remain challenging, the company believes that a positive year can be achieved with the right strategy and mindset.

It expects a better 2019 financial year (FY2019) and is looking forward to introducing new developments worth RM284 mil, which include new projects within existing townships as well as a brand-new development in Bukit Mertajam, Penang.

"As all these projects are within the affordable category, we are optimistic that these will be well-received," Ho tells *FocusM*.

He notes that Hua Yang's commitment remains on developing affordable homes within established and thriving districts with the right amenities and comfort, targeting young families and first-time home buyers.

The company's net profit plunged to RM4.4 mil in the financial year ended March 31, 2018 from RM60.9 mil in the previous year on the back of a lower turnover of RM230.7 mil compared with RM285.4 mil.

The company has nine ongoing projects in the Klang Valley, Penang, Perak and Johor such as Aviary Residence in Puchong, Selangor, and Oval@Elemence in Johor, both launched this year. These developments comprise affordable townships, serviced apartments and SoHo units as well as commercial developments.

Its upcoming projects for FY2019 include projects within the existing townships in Bandar Universiti Seri Iskandar in Perak and Taman Pulai Hijauan, Johor; and the launch of cluster homes and the first phase of double storey shop offices in Elemence, Johor.

"In FY2019, we will also be



One South is along the KL-Seremban highway and next to the Besraya highway where it enjoys a ready population catchment as well as high traffic visibility

Strategic approach to post stronger sales

- New projects worth RM284 mil to be unveiled in FY2019
- Commitments for affordable homes remains



Roznah Abdul Jabbar



The 314ha Bandar Universiti Seri Iskandar has quality residential homes fronting lakes and natural landscapes

introducing a brand-new development in Bukit Mertajam, marking our second project in mainland Penang after Meritus Residensi," Ho says.

He notes that the completed projects in FY2018 comprise 1,63 units with a total gross development value (GDV) of RM472 mil. They include Cube and Zeta Residence at One South as well as Citywoods in Johor.

One South has an estimated GDV of RM309 mil with a land size of 6,76ha while Citywoods, which was launched in 2014, comprises serviced residences on 0.80ha of freehold land.

Acquisitions

On plans for its existing landbank, Ho says to date, the group has a total undeveloped land bank of 92.61ha with a potential GDV of RM5.2 bil, adding that the acquisitions were for developing affordable projects and for now, it does not have any plans on selling any of the parcels.

"Our priority is on driving sales and efficiently managing our capital resources. It is unlikely that we will be pursuing any new land acquisitions in the near term, although we may consider joint venture opportunities with land owners should there be any land parcels that we may be attracted to," Ho says.

He adds that the company may be moving into a more measured pace currently, but should group is continuously exploring opportunities to pool common resources to generate cost savings and efficiencies in the near term.

"There is potential in Magna Prima's predominantly Klang Valley landbank that can be crystallised to enhance shareholders value in longer term," he notes.

Last year, Hua Yang completed the second tranche acquisition of Magna Prima of some 20.12% stake for RM123.8 mil. This has raised Hua Yang's interest in Magna Prima to 30.95%.

For FY2018, Magna Prima contributed RM1.3 mil in profit at Hua Yang's associate level. Focusing on the mid-market segment, one of Magna Prima's key

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Committed to core values

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ongoing projects is The View Residences, a condominium development at the Sultan Abdul Aziz Shah Golf Club in Shah Alam, comprising 35 residential apartments in three 15-storey blocks with a retail podium.

Moving forward

The group has announced that it will continue to tighten its operational efficiencies and pursue opportunities for growth in order to deliver sustainable results moving forward.

Ho says for this, the group has adopted an active yet prudent approach to its development activities by strategically pacing new launches and emphasising on marketing initiatives to promote new products and deliver stronger sales for completed and ongoing projects.

On its plan to attract more investors, Ho says it has established a strong track record in ensuring that projects are completed and handed over to buyers on time.

"Additionally, we have a prudent financial policy to maintain a healthy balance sheet with manageable gearing and cash flows. This will provide us with the liquidity for working capital for our development activities and, where appropriate, enable us to seek out landbanking opportunities when they arise," he says.

To maintain its momentum, Ho says Hua Yang has to also acknowledge that the environment it operates in will have constant competition from its peers. "It is important that we keep relevant in understanding the market's needs and remain committed to our core values in strengthening our brand presence," he adds.

"We do realise that it was an exceptionally tough year for us last year due to the slowdown in the property market. Nonetheless, we are not



Ho says the group has established a strong track record, ensuring projects completed and successfully handed over to the buyers

opposed to challenges and we have overcome many throughout our history. Right now, our focus is to redouble our efforts to strengthen our operations and work on areas that we can improve on," he says.

Ho mentions that Hua Yang will concentrate on driving new sales to improve earnings visibility and deliver overall improved performance, aside from paring down its inventory. "We have plans to roll out new launches with an estimated total GDV of RM284 mil in FY2019, this is in addition to the RM702 mil of our current ongoing projects, giving us a total of more than RM1 bil GDV across our key regions."

He says the company is confident that it will be able to deliver sustained earnings as it focuses on reinforcing the strong fundamentals and capitalising on key growth drivers within the group, as well as tap into viable opportunities for growth moving forward.

"We trust that our investors and potential investors will see our effort, commitment and dedication towards improvement and growth," Ho says.



Aviary Residence is the first phase of Puchong Horizon which consist of two towers of serviced apartments, with a total of 902 units

Hua Yang's projects

Ongoing projects

- Klang Valley: Astetica Residences in Seri Kembangan, Selangor, launched in 2017, and Aviary Residence @ Puchong Horizon, soft launched this year.
- Johor: Oval@Elemence this year, comprising double-storey terrace houses under the Johor affordable home scheme and double-storey retail shops at Taman Pulai Hijauan.
- Ipoh: Erica and Freesia, part of Bandar Universiti Seri Iskandar, launched in 2017. Erica comprises 250 double-storey terraced houses over 5.67ha, while Freesia is a 156-unit low-density residential development on 4.86ha.
- Penang: Meritus Residensi, launched in 2017, is a mixed development near matured commercial areas such as Chai Leng Park and Peral Industrial Estate, with spacious one- and three-storey shop offices. It is slated to be a thriving hotspot for emerging entrepreneurs.

Upcoming projects

- Phases within existing townships in Bandar Universiti Seri Iskandar in Perak and Taman Pulai Hijauan in Johor.
- Cluster homes and the first phase of double storey shop offices in Elemence.
- FY2019: New development in Bukit Mertajam, its second project in mainland Penang after Meritus Residensi.

Latest completed projects (FY2018)

- Cube @ One South: The final block of SoHos within the One South development, comprising 270 units with prices starting at RM372,600. Each unit is 445sq ft onwards. Estimated GDV of Cube is RM95 mil.
- Zeta Residence @ One South: 104 units of serviced apartments ranging in size from 1,055sq ft to 2,247sq ft, priced from RM751,575. Estimated GDV is RM78 mil.
- Citywoods: Two 19-storey towers with a total of 417 units, with three design layouts, priced from RM426,000 and sized 764sq ft.

Latest launches

- Puchong Horizon, a 11.82ha leasehold mixed development of residential and commercial components, including serviced apartments, SoHos and commercial lots. With an estimated GDV of RM2.2 bil, it will be introduced in three phases, beginning with Aviary Residence - two towers of serviced apartments on 2.48ha with 565 units in 36-storey Tower 1 and 337 units in 37-storey Tower 2. The project has a GDV of RM505.2 mil.
- At Oval@Elemence in Johor, 64 cluster homes and two link bungalows with a GDV of RM41.72 mil as first of eight phases on 29.6ha with a GDV of RM375 mil.