

Headline	Kenanga keeps 'outperform' on Hua Yang		
MediaTitle	New Straits Times(www.nst.com.my)		
Date	27 Oct 2014	Color	Full Color
Section	NEWS	Circulation	3
Page No	6	Readership	5
Language	English	ArticleSize	N/A
Journalist	N/A	AdValue	RM 1,050
Frequency	Daily	PR Value	RM 3,150

Kenanga keeps 'outperform' on Hua Yang

KENANGA Research remains positive on Hua Yang Bhd's long-term prospects, as it believes that the company would be the first to benefit should banks start turning on the "tap" again post-Goods and Services Tax implementation.

This is due to Hua Yang's strong positioning in the affordable housing segment.

Kenanga Research has maintained its "outperform" call on the stock with an unchanged target price of RM2.60, based on 26 per cent discount on its real net asset value of RM3.52.

Hua Yang's expected financial year 2015-2016 dividend yields remain fairly decent at 5.6-5.9 per cent, within the range of mid-cap peers of 4-6 per cent, coupled with the fact that it is currently trading at only 6.1-5.7 times FY15-16 price earnings ratio, below its mid-cap peers' average of 8-7 times.

"Hua Yang's ongoing projects are progressing well. Its unbilled sales remain healthy at RM717.9 million, providing the group with at least another 1.5 years earnings visibility. The management is happy with the progress of its ongoing projects, i.e. Gardenz @ One South, Taman Pulai Indah, Taman Pulai Hijauan and Bandar University Seri Iskandar that are progressing within timeline," Kenanga Research said in a note to investors.

The management is confident of maintaining its operating efficiencies, given the excess capacity in labour force for building projects.

