

Company Name : Berjaya Auto Berhad
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Berjaya Auto Share Advances On Dividend Payout

KUALA LUMPUR: Berjaya Auto Bhd's (BJauto) shares advanced on Bursa Malaysia on Friday after the group surprised the market with its fourth dividend and bonus announcement.

BJauto shares rose 20 sen to RM3.75 with 1.06 million shares traded as at 10.45 am.

The group's dividend announcement was above expectations, said Kenanga Research in a note on Friday.

"A fourth interim single-tier dividend per share (DPS) of 2.75 sen and a special single-tier dividend of 3.25 sen were declared, bringing the year-to-date net DPS to 14.6 sen, which implies a 56% dividend payout ratio," the research house said.

It said the figures bode well for the group's proposed bonus issue of two bonus shares for every five existing shares.

Meanwhile, Maybank Investment Bank (IB) Research in a separate note said BJauto's mid-term earnings prospects remain promising with strengthening market share aided by attractive new Mazda product offerings and its presence in the Philippines, a high automotive total industry volume (TIV) growth market.

Both Kenanga Research and Maybank IB Research have recommended a 'buy' call on BJauto, at a higher target price of RM4.39 and RM4.90, respectively, with an ex-bonus target price of RM3.55 and RM3.50, respectively.- Bernama