Dijaya Corporation Berhad

Riding on Iskandar

OUTPERFORM

Price: **RM1.52**
Target Price: **RM2.05**

Initiating coverage on Dijaya with OUTPERFORM and a fair value of RM2.05 based on 40% discount to our FD RNAV of RM3.41. The group has a total GDV of RM50b which is disproportionate to its market cap of RM1.2b as its pipeline is bigger than MAHSING, SUNWAY and IJMLAND. The company holds many prime landbanks in matured areas (e.g. Kota Damansara, Cheras, Subang Jaya, Penang World City) which naturally tap onto the up-graders and higher income markets implying resilient demand. We are also bullish on Iskandar and are heartened that Dijaya is the third largest listed big cap landbank owner in Iskandar behind UEMLAND and Sunway. Most Johor/Iskandar based developers share prices have shown stronger share price appreciation against the KLPRP. Dijaya is in the midst of de-gearing its balance sheet by sale of pocket landbanks this year and we believe the group can lower its net gearing to closer to 0.5x from current 0.77x. The company offers decent dividend yields of 4.2%-4.8% which is higher than typical developer's 1%-4%.

Huge pipeline. The group has a total GDV of RM50b which is relatively big vs. its market cap of RM1.2b. Much of their landbanks are located in prime matured areas, which makes it saleable or developable in the near tern. Their total GDV is bigger than MAHSING (RM18b) and IJMLAND (RM33b). The mismatch between their pipeline and GDV does indicate that Dijaya's market value is far from its full potential, especially when it has an aggressive launch target. So, aspirations of growing their market capitalisation to RM3b in the next 5 years are entirely believable.

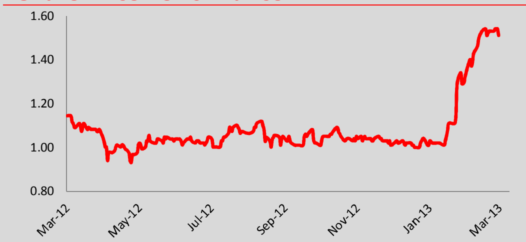
Third largest exposure Iskandar for developers above RM1b market cap, behind UEMLAND and Sunway, as it makes up 50% of their total GDV. We are bullish on developers with sizeable exposures to Iskandar as we believe this will be the next big engine of growth for developers. They are one of the few developers to own Danga Bay landbanks which should enjoy strong demand and capital upsides given the recent acquisition of Danga Bay land by China's Country Gardens Ltd and the JV between IWH and CapitaLand.

De-gearing to strengthen balance sheet. Over the last two years, the group's net gearing has increased to 0.77x from a net cash position, given their aggressive growth plan via asset injections from the amalgamation exercise. Now it is rationalizing its assets to reduce their net gearing to 0.5x in the next 12 months. We expect net gearing to reduce to 0.58x by end FY13E, upon realizing RM219m land sales. Currently, they have RM502m landbanks which are up for sale and if everything is sold in FY13E, net gearing could be as low as 0.29x.

Higher growth momentum given its low base effect. We are estimating FY13E sales target of RM2.0b (+108% YoY) - similar to Dijaya's target – driven by RM3.2b new launches. We are also assuming FY13E gross margins of 41%, which is within the range of previous years' gross profits about 34%-44%. Hence, we estimate FY13E core earnings of RM166m (+181% YoY). Unbilled sales of RM951m provide about 1 year visibility.

Attractive valuation points. Given their strong earnings leap, Dijaya's FY13-14E PER will be lowered to 7.2x-6.2x while its Fwd PBV is as low as 0.6x which is cheaper than most developers >RM1b market capitalisation which are averaging at 12.3x-10.5x Fwd PERs and 1.3x Fwd PBV. Our TP implies an attractive capital upside of 35% or a total return of 39%.

Share Price Performance



KLCI	1,643.89
YTD KLCI chg	-2.7%
YTD stock price chg	47.6%

Stock Information

Bloomberg Ticker	DJC MK Equity
Market Cap (RM m)	1,220.8
Issued shares	803.2
52-week range (H)	1.56
52-week range (L)	0.94
3-mth avg daily vol:	883,735
Free Float	29%
Beta	1.1

Major Shareholders

CHEE SING TAN	30.1%
GOLDEN DIVERSITY SDN	20.9%
IMPECCABLE ACE SDN B	20.4%

Summary Earnings Table

FYE Dec (RM m)	**2012A**	**2013E**	**2014E**
Turnover	630	1,247	1,636
EBIT	281	265	324
PBT	255	239	301
Net Profit (NP)	**203**	**166**	**194**
Core NP	**59**	**166**	**194**
Consensus (NP)	n.a.	131	167
Core EPS (sen)	7.4	20.9	24.4
Core EPS growth (%)	3.5	182	16.3
NDPS (sen)	4.8	6.3	7.3
NTA/Share (RM)	2.58	2.74	2.92
PER (x)	20.3	7.2	6.2
Price/NTA (x)	0.6	0.5	0.5
Net Gearing (x)	0.77	0.60	0.51
Dividend Yield (%)	3.2%	4.2%	4.8%
EPS (sen)	21.3	21.0	24.4

The Research Team
research@kenanga.com.my
+603 2713 2292

1. Investment Merit

Huge pipeline. Dijaya has a total GDV of RM50b which is relatively big vs. its market cap of RM1.2b. Their total GDV is bigger than MAHSING (RM18b) and IJMLAND (RM33b). UEMLAND has a total GDV of RM43b based on c.6500ac, but this does not include landbanks which have yet to be earmarked for development, which amounts to another c. 4500ac. When we calculated the ratio of each developers' total GDV to their respective market capitalisation, we noticed that Dijaya's ratio is much higher than other sizeable or mid cap developers. This does indicate that Dijaya's market value has yet to realize the full potential of the company, particularly when has an aggressive launch schedule. Aspirations of growing their market capitalisation to RM3b in the next 5 years are entirely believable.

Iskandar Exposure, Total GDV vs. Market Cap

	Total	Iskandar / Johor	Others	Mkt Cap	GDV/Mkt Cap
	GDV RM'b	%	%	RM'b	(x)
UEMLAND	43	66%	34%	10.95	3.9
Sunway	52	60%	40%	3.55	14.5
Dijaya	**50**	**50%**	**50%**	**1.21**	**41.3**
Hua Yang	4	19%	81%	0.34	12.0
IJMLAND	33	16%	84%	3.36	9.8
Mah Sing Group	17	13%	87%	2.68	6.4
SPSETIA	104	9%	91%	8.24	12.6

Source: Companies, Bloomberg, Kenanga Research

Third largest Iskandar exposure in terms of listed developers above RM1b market cap, behind UEMLAND and Sunway. In terms of total GDV, Dijaya has 50% exposure to Iskandar. We are bullish on developers with sizeable exposures to Iskandar as we believe the region will be the next engine of growth for developers. The pace of property demand has grown exponentially down in Iskandar because of strong G2G tie-ups between Singapore and Malaysia; so with immediately developable projects on hand, the group can ride this strong demand wave. Apart from the soon to be listed Iskandar Waterfront Holdings (IWH), Dijaya is one of the few developers owning sizeable projects in Danga Bay; Tropez @ RM0.7b GDV and total remaining GDV of Tropicana Danga Bay @ RM6.8b GDV. These projects should enjoy strong demand and capital upsides given the recent acquisition of Danga Bay land by China's Country Gardens Ltd and the JV between IWH and CapitaLand. It also has a strategic piece of land along the coast line and next to the Walker Group's Senibong Cove, names Tropicana Danga Cove worth RM10b GDV.

Owner of prime landbanks in matured areas. Landbanks in prime areas are tough to come by these days as land cost has escalated tremendously given the run-up in property values over the last few years. In Klang Valley, Dijaya has landbanks in Kota Damansara (Tropicana Gardens GDV of RM2.9b is near the MRT station), Tropicana Cheras and Subang Jaya (Tropicana Metropark: GDV: RM6.3b), to name a few. These projects can reap high sales within a short period of time because these are matured residences and naturally attract up-graders in the area. The group also has landbanks in the prime areas of KL, namely W KL Hotel & Residences @ Jln Ampang; its W KL land enjoys extremely high plot ratios of 12x compared to the average 7-8x in the area which would translates to higher margins. In Penang, is has a 55%:45% JV project with Ivory Properties to reclaim another 35ac land which will be contiguous to the existing 68ac landbank to develop Penang World City which will be a waterfront development near to the first Penang bridge. The project should fare well, assuming mid to high end pricing given its strategic location while Penang island property demand tend to be robust.

Johor/Iskandar based developers have fared well. We observed that most developers who are heavily weighted in Johor/Iskandar has enjoyed a strong run-up in share prices by 18%-96% vs. 9% for the KLPRP Index since the start of this year given more news flow of G2G collaborations and increasing buy-ins from Singaporeans. It is noteworthy that there are more foreign investors interests as UEMLAND foreign shareholding is just over 19% compared to 6 months ago where it stood at 15%; this is heartening because foreign investors appear to be extremely bullish on Johor/Iskandar based developers and is unfazed by near term GE risks.

2013 YTD Returns of developers with Johor exposure

	% of Total GDV / Landbanks in Johor	CY13 YTD Share Price Return
UEMLAND	66%	24%
Sunway	60%	18%
Dijaya	50%	47%
Hua Yang	19%	8%
IJMLAND	16%	2%
Mah Sing Group	13%	18%
SPSETIA	9%	6%
UOA	0%	12%
	% of Landbanks in Johor	
KSL	46%	41%
Crescendo	100%	14%
Tebrau Teguh	100%	96%

Source: Companies, Bloomberg, Kenanga Research

De-gearing to strengthen balance sheet… In the past two years, its net gearing has grown substantially from a net cash position to 0.77x as the company embarked on an aggressive growth plan via asset injections (refer overleaf for amalgamation exercise). Now the company is trying to rationalize some of its assets to strengthen its balance sheet. For developers, we prefer that net gearing be maintained below 0.5x in case of sharp down-cycles in the property market – most developers typically have net cash to 0.3x net gearing levels. Dijaya intends to reduce their net gearing to 0.5x in the next 12 months by paring down their debt from their stronger billings and sale of assets, including land and certain investment properties. Over FY12, the group sold RM26m worth of landbanks. FY13 will see RM219m worth of land sales and alongside their property billings, we expect net gearing to reduce to 0.58x by end FY13E. In order to bring their net gearing to 0.50 by end FY13E, we believe the group must sell RM170-200m worth of assets (assuming 50% gross margin); this has yet to be reflected in our estimates. Currently, the group has RM502m worth of landbanks which are available for sale - if these landbanks are sold in FY13E, net gearing will drop to 0.29x.

Land sales in 2013

	ASP (RM)	Gross Margin	Gross Proceeds (RM'm)
Bayou, Balakong	37	118%	106
Desa Aman Puri	240	71%	19
Desa Mentari	300	15%	23
Senibong	250	303%	44
Sungei Besi	172	104%	27
TOTAL			**219**

Source: Company, Kenanga Research

…for more Iskandar landbanking? We strongly believe that the company should continue to landbank in Iskandar once its net gearing has eased. Value of these landbanks is best realized over a larger parcel or a longer development period as the company can further value-add to the projects which will reap a better return for shareholders. We note that Dijaya has a lot of fragmented pocket landbanks. So offloading these to prepare for a larger land acquisition in say Iskandar, will be beneficial for shareholders over the long run. We expect them to launch their Iskandar projects aggressively over the next two years so replenishment will be necessary for management of future land cost. As it is, land cost has increased by 50%-60% in areas like Danga Bay over the last 12-18 months.

Increasing source of recurring income or en bloc sale opportunities? The group currently owns Tropicana City Mall & Office Tower, which has a healthy occupancy rate of 97% and 100%, respectively. It also has another 16 investment properties, which are mostly located in Klang Valley and Sabah, which are yielding 8% p.a. We also note that many of their integrated projects have 'investment properties' potential (e.g. Tropicana Metropark, Tropicana Danga Bay, Penang World City, W KL Hotel & The Residence) as they have shopping mall or office tower components; these can be kept for investments or sold on an en bloc basis. We prefer that the group explore en bloc opportunities or explore part equity stake sales to strengthen their balance sheet so that they can recognize their total GDV in at a faster pace.

Increased stake in Tenaga Kimia. The company has recently increased its shareholding in Tenaga Kimia Sdn Bhd ("TK") from an indirect 33%-owned associate company to an indirect 73%-owned subsidiary company. TK is the leading supplier of a complete range of civil high-explosive products, blastings accessories, bulk emulsion delivery systems and technical services in Malaysia and across South East Asian, which shall benefit from the growth in the construction and mining industries regionally. This company has achieved a 3-year net profit CAGR of 12.6%, which is pretty profitable and it has been progressively increasing its dividend pay-out from 53% in FY09 to 75% in FY11. On top of that, Dijaya acquired the additional 12.8m shares at a decent PER of 9.3x at a total purchase consideration of RM79.4m. A back-of-the-envelope calculation, this subsidiary would likely contribute about 10% to Dijaya's bottom line based on the 12.6% CAGR and likely to convert into a cash profit of c.RM9m given a 70% pay-out ratio. This is a clear example of the group's ability to source good recurring income, which will be beneficial in the long run.

2. The Amalgamation Exercise

On 6 March 2012, Dijaya entered into a conditional amalgamation exercise agreement with Tan Sri Dato' Tan Chee Seng to undertake an asset amalgamation and rationalization exercise involving 24 conditional sale and purchase agreements for landbanks and 16 conditional share sale agreements for investment properties on 9 April 2012. The exercise involved RM934.7m worth of asset acquisitions which were financed by cash and issuance of 10-year 3% redeemable convertible unsecured loan stocks or RCULS. The assets injected into Dijaya involved a total of 63.7 ac landbanks worth RM720.3m and 0.83m sf NLA worth of investment properties valued at RM385.2m. The cash portion of the acquisition was funded by equity fund raising, which involved 4 new rights shares for every 5 existing shares held and 1 bonus share for every 4 rights shares subscribed. The issue price of the rights share was RM1.20 and given a take-up of 72.2%, the company raised RM319.1m cash. The group did raise RM684.7m from the RCULS issuance, meaning total amount of funds raised was RM1.0b (refer to Appendix for RCULS details). Dijaya also secured a bank guaranteed commercial paper/ medium term note or CP/MTN Programme of RM500m for tenure of 7 years. This is mainly for future capital expenditure and working capital. These proposals have been completed in the year of 2012. The purpose of the amalgamation exercise was to streamline and rationalize the assets of Dijaya and the promoter under one-roof, which will provide it a larger platform to explore larger-scale business opportunities, as well as, mitigate potential conflicts of business interests for the promoter.

Injected Investment Properties

Companies	Location	Area	NBV as at 31/12/2012 (RM'm)	NLA
Ambang Cendana Sdn Bhd	Klang Valley	Jaya Square, Petaling Jaya	18	45.55
Daya Petaling Sdn Bhd	Klang Valley	Intan Square, Petaling Jaya	23	41.62
Istima Budi Sdn Bhd	Klang Valley	Wisma TT, Petaling Jaya	25	64.94
Nextwealth Development Sdn Bhd	Klang Valley	Casa Klang, Jalan Meru	30	68.52
Precious Nation Venture Sdn Bhd	Klang Valley	Casa Square, Puchong	45	105.17
Dijaya Plaza Sdn Bhd (Delta Heights)	City Centre	Dijaya Plaza, KL	125.43	149.03
Advent Nexus Sdn Bhd	City Centre	Sky Express Hotel	46.4	
Quantum Peace Sdn Bhd	Perak	Coliseum Square, Ipoh	23	49.99
Angkasa Istima Sdn Bhd	Sabah	Bangunan Keningau	5.5	11.67
Ultra Radiant Sdn Bhd	Sabah	Magma Sporec Centre, KK	5.8	17.14
Ultra Radiant Sdn Bhd	Sabah	New Pantai Building, Tanjung Aru, KK	7.8	17.71
Ultra Radiant Sdn Bhd	Sabah	Bangunan Moretune, KK (3 parcels)	11	27.29
Phoenix Stellar Sdn Bhd	Sabah	Bangunan Tiara, Sandakan (3 parcels)	12.2	32.64
Tropicana Development (Sabah) Sdn Bhd (fka Golddust Master Sdn Bhd)	Sabah	Bangunan D. Junction	21	34.71
Tropicana Development (Sabah) Sdn Bhd (fka Golddust Master Sdn Bhd)	Sabah	Penampang Point	19.5	44.21
Tropicana Development (Sabah) Sdn Bhd (fka Golddust Master Sdn Bhd)	Sabah	Bangunan Blue 7, Penampang (4 parcels)	26.5	55.13
Dynamic Sensation Sdn Bhd	Klang Valley	Bangunan Metro, Klang (2 parcels)	17	60.36

Source: Company, Kenanga Research

Injected Landbanks

Companies	Location	Area	Land cost (RMm)	Land cost (RM psf)
D&I Enterprise Sdn Bhd	lot 184-6 Jln Selangor, PJ (3 parcels)	1.06	9	194.4
Kuasa Cekapmas Sdn Bhd	SS2, PJ (2 parcels)	0.87	11.5	304.8
Potensi Cekap Sdn Bhd	Desa Aman Puri, Kepong	1.84	11.2	139.6
Glorade Sdn Bhd	Lot 2480, Jln Kepong Besar	0.84	10.2	278.7
Taraf Pertama Sdn Bhd	SS13, Subang Jaya	2.46	23.6	220
Star Triangle Sdn Bhd	Jln Harapan, PJ (2 parcels)	2.82	22	178.9
Mutiara Cempaka Sdn Bhd	Lot 1982, Jln Sg Besi	3.02	13	98.7
Asas Kenari Sdn Bhd	Sunway Kenari	5.57	75	309.1
Image Pertiwi Sdn Bhd	Jln Kia Peng	1.45	88	1394.9
Intan Recreation Sdn Bhd	Jln Bukit Bintang (8 parcels)	3.26	175	1233.6
Coastal Recreation Sdn Bhd	Jln Ampang (2 parcels)	0.9	20	510.9
Ultimate Support Sdn Bhd	Mt. Austin , Johor	1.5	8.5	130.1
Punca Klasik Sdn Bhd	lot 4271, Jln Tun Razak	21.93	146	152.8
Ebony Legacy Sdn Bhd	Rahang Land, Neg. Sembilan	2.42	4.8	46
Windmax Region Sdn Bhd	Pekan Bukit Kepayang, Neg. Sembilan (2 parcels)	2	9	103.3
D&I Enterprise Sdn Bhd	lot 914-6, Jalan Macalister, Penang (4 parcels)	2.09	41.5	455.7
D&I Corporation Sdn Bhd	The Landmark, Jalan Bundusan, KK	1.31	3.5	61
D&I Corporation Sdn Bhd	Jalan Segama, Lahad Datu	1.25	3	55.8
Germewah Jaya Sdn Bhd	Tawau City Land (5 parcels)	0.8	6	172.2
D&I Corporation Sdn Bhd	Taman Tshun Ngen, Sandakan	1.52	3.6	54.4
Desa Setia Sdn Bhd	Double Up Land, Off Jln Lintas, KK (2 parcels)	1.15	5	99.5
Metro Laris Sdn Bhd	Sadong Jaya, KK	1	8.8	201.8
Profile Wide Sdn Bhd	Jln Albert Kwok, KK	0.91	15.4	386.5
Desa Setia Sdn Bhd	Lido, Junction, Penampang (5 parcels)	1.67	6.6	90.5

Source: Company, Kenanga Research

3. Outlook

In the 9 months of 2012, Malaysian property market has grown 4.0% in value and 1.2% in volume in comparison to the previous corresponding period. So far, the year registered 317,307 transactions worth RM106.48b (9M11: 309,699 transactions worth RM102.73b). All property sub sectors registered mixed growth in terms of sales and value. Residential and development land recorded 3.1% and 3.6% growth in transactions respectively, which is followed by commercial (-0.5%), industrial (-3.5%) and agricultural (-4.4%). In value, residential grows by an impressive 10.6%, commercial by 9.6%, industrial by 8.3%. Agricultural and development land registered a growth decline. For this period, the number of residential units' launches is 202,508 units, which is a decline of 31.4% (9M11: 266,132). Due to this, the volume of completed residential overhang is 47,068 compare to 9M11 of 67,029, which is a notable decrease of 30%. Overall, the residential property transactions of 208,172 units are worth RM50.99b, which nearly half of 9M12 total transaction value. The occupancy rate for completed offices declines at -11% (9M11:+5.8%). Furthermore, the take up and vacant space is 41,727sqm and 238,932sqm respectively, which correspond to a ratio of 1: 5. This is a decline from 9M11 (ratio of 1:2).The commercial (retail) sub sector saw a growth as the average occupancy rate of shopping complexes was up by 20.8% .Up to this point of the year, there are 24 new entrances of completed shopping complexes with a total of 422,923sqm, which matches roughly last year's equivalent period of 28 new complexes with 437,904sqm built up. This shows that the retail segment is fairly stable, supported by unwavering consumer demand.

Klang Valley has good long-term prospects as a lot of infrastructure projects are coming up to supplement the property market. Property demand in Penang is resilient due to state government's initiative to attract investment, especially foreign and continuous improvement of infrastructure. Iskandar Johor is an up-and-coming property development zone, which is becoming a "hotbed" for Singaporean investors. The boom in Iskandar Johor will give a boost to the rest of the properties in Johor Bharu. In 2012, they managed to sell 85% of Tropez Residences' Tower A within first month. As for Sabah, the growth in economic activity has boosted the price of properties there. The Group has always maintained its development policy of providing a unique lifestyle to Malaysians whilst instilling and fortifying their Tropicana brand.

The Malaysian economy is expected to continue its growth, backed by strong economic fundamentals. A resilient construction sector is likely due to high private and public investments encouraged through ETP projects such as Klang Valley Mass Rapid Transit and Iskandar Johor. This will have spillover effect on the property market, especially in earmarked areas such as Klang Valley and Johor Bharu. Overall, for the full year 2012, it is expected that the residential sub sector will be sustained albeit a bit slower than the previous year. This is maintained through improving income and Government continuous support for home ownership. In 2012, housing starts and building plan approvals carry a much higher momentum from last year. Going forward in 2013, the property market will be experiencing a lower growth overall but will be buoyant in value due to key elements of residential sector and infrastructure and transportation.

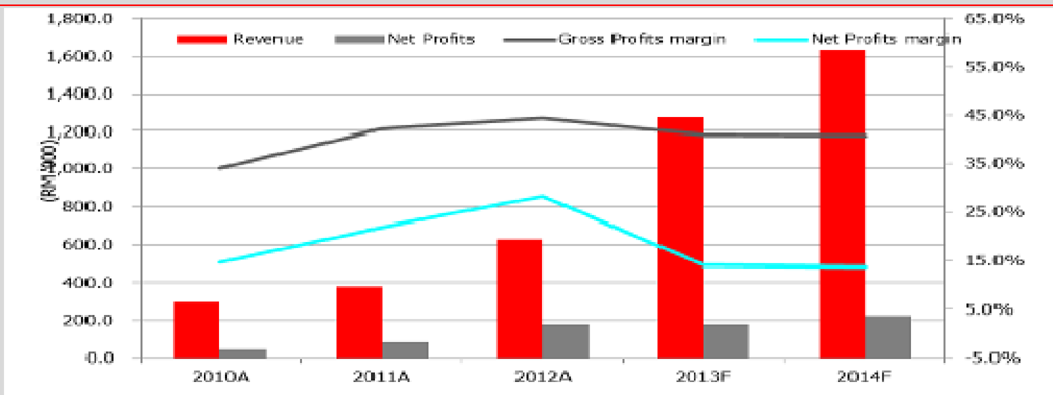
4. Financials and Valuations

Higher growth momentum given its low base effect. Dijaya's internal FY13E target is RM2.0b sales based on new launches worth GDV RM3.2b, which is close to five times higher than FY12 launches of RM973m. We are also estimating FY13E property sales of RM2.0b based on estimated new launches of RM3.2b for FY13E which will be driven by new projects such as Tropicana Gardens, Tropicana Metropark, Tropicana Danga Bay, Tropicana Danga Cove, Penang World City and other smaller projects. Geographic segmentation is as followed; Klang Valley (44%), Penang (13%), Johor (43%) and Kota Kinabalu (0.3%). We assumed take-ups of 60%-70% within the first year of launch. Our estimates also include the RM291m land sales which should be recognized in FY13; we have yet to impute for any other land sales beyond the mentioned. We are also assuming FY13E gross margins of 41%, which is within the range of previous years' gross profits about 34%-44%. Unbilled sales of RM951m provide about 1 year visibility. Hence, **we estimate FY13E core earnings of RM166m (+181% YoY).**

Note: 1) Property sales do not include land sales, as it is part of their de-gearing exercise rather than its normal course of business operations; 2) Our core earnings do not include non cash revaluation gains and non-core one-offs.

Decent dividend yield. Over the last 3 years, the group has been paying out 13%-40% of its net profit. We estimate a consistent pay-out of 30% for the next two years, which implies FY13-14 NDPS of 6.3sen and 7.3sen and translates into decent net dividend yield of 4.2%-4.8% for FY13-14E. This is slightly better than most developers above RM1b market capitalisation which typically pay out dividend yields of 1%-4%, save for UOA Development, which now provides 6% yield.

Revenues, Profits and margins



Source: Company, Kenanga Research

Initiating coverage on Dijaya with OUTPERFORM and a fair value of RM2.05. Our TP is based on a 40% discount to our FD RNAV. Our FD RNAV is extremely conservative as we have; 1) applied an 11% WACC to DCF future development profits based on net margins of 12%-13%; 2) assumed zero surplus on its investment property valuations; 3) zero surplus on other landbanks which have yet to be earmarked for development and may be sold as part of the de-gearing exercise, save for the confirmed land sales in FY13E amounting to RM291m. Even so, our TP implies an attractive capital upside of 35% or a total return of 39%. Our TP implies FY13-14E PBV of 0.74x-0.69x and PER of 9.8x-8.4x.

Attractive valuation points. Given their strong earnings leaps, Dijaya's FY13-14E PER will be lowered to 7.2x-6.2x while its Fwd PBV is as low as 0.6x which is cheaper than most developers >RM1b market capitalisation which are averaging at 12.3x-10.5x Fwd PERs and 1.3x Fwd PBV.

Peer comparison

Company	Price (22/3/13) (RM)	Mkt Cap (RMm)	PER (x) FY12/13	PER (x) FY13/14	Est. NDiv. Yld. (%)	Historical ROE (%)	P/BV (x)	FY12/13 NP Growth (%)	FY13/14 NP Growth (%)
DEVELOPERS UNDER COVERAGE									
UEM Land	2.61	11,300	21.2	19.5	0.9%	8.8%	2.0	19.1%	8.8%
SP Setia	3.27	8,040	16.7	14.1	2.6%	10.5%	1.4	15.9%	18.3%
SUNWAY	2.82	3,645	9.4	8.2	2.4%	16.3%	1.0	-27.2%	14.7%
IJM Land	2.45	3,459	14.8	12.4	1.6%	9.1%	1.3	18.9%	18.9%
UOA Development*	1.95	2,478	7.6	5.9	6.1%	15.5%	1.1	8.5%	29.1%
Mah Sing Group	2.20	2,465	9.0	7.3	4.2%	16.9%	1.7	19.3%	22.0%
DIJAYA *	1.51	1,212	7.2	6.2	4.2%	13.1%	0.6	181.9%	16.3%
Average (Mkt cap of RM1-4b)			**9.6**	**8.0**	**3.7%**	**14.2%**	**1.1**	**38.4%**	**21.0%**
Average (Mkt cap > RM1b)			**12.3**	**10.5**	**3.1%**	**12.9%**	**1.3**	**32.5%**	**18.8%**

*Core profit (excl. non cash revaluation gains)

Source: Company, Kenanga Research

FD RNAV

Projects	Stake	Duration (assumed) Years	Remaining GDV (RM'm)	Remaining Net Profit *** (RM'm)	WACC (%)	DCF Value (RM m)***
Klang Valley						
Tropicana Gardens	70%	7	2,331	313	11%	208.2
Tropicana Metropark	100%	16	6,253	750	11%	338.3
Tropicana Heights, Kajang	100%	11.0	2,164	260	11%	143.9
W Hotel & The Residence	100%	4.0	1,176	141	11%	97.4
Tropicana Cheras	100%	5.5	132	16	11%	12.0
Others	100%	12.0	2,145	257	11%	110.1
Johor						
Tropicana Danga Bay	60%	13.5	6,759	584	11%	295.7
Tropicana Danga Cove	50%	13.0	9,871	947	11%	482.3
Kg. Sungai Danga, Perling	100%	10.0	2,500	240	11%	139.0
Jalan Tun Razak	100%	4.0	5,000	480	11%	297.5
TDB Hotel & Residence	60%	4.0	1,060	61	11%	37.8
Penang						
Penang World City Tro/Ivory	55%	15.0	10,000	528	11%	247.6
Macalister	100%	4.0	294	28	11%	19.5
Sabah						
Tropicana Landmark, KK	100%	4.0	108	10	11%	7.2
Sub-total On-going & New projects:						**2,436.5**
Total Unbilled Sales	various	various	951	109	11%	**74.9**
Other assets	**Stake**		**NBV (RM'm)**	**Mkt Value (RM'M)**		**Surplus / (Deficit)**
Other Landbanks	100%		498	498		0.0
Confirmed land sales gains in FY13	100%		104	291		86.5
Investment Properties	100%		965	965		0.0
Revised Asset Value						**2,598.0**
NTA (at 30/Dec/12)						2,044.4
RNAV						**4,642.4**
Dilution impact						292.6
FD RNAV per share (RM)						**MYR 3.41**
Diluted No of shares ('m)						1,446
Applied Discount						**40%**
Target Price (RM)						**MYR 2.05**

**** After shareholding*

Source: Kenanga Research

5. Risks

Macro economic and sector risks. This includes overall property down-cycles, tightening of banking liquidity, sharp interest rate hikes, negative real estate policies, global economic slow-downs, etc. Economic uncertainties or a global slowdown contagion effect may slow down demand significantly. This will have negative implications on cash flow for developers doing medium to long term integrated projects. The group will be particularly sensitive to any changes in the Iskandar landscape, which is dependent on the G2G relationship between Singapore and Malaysia.

6. Appendix

Background & Business. Dijaya Corporation is a pioneer in property development, particularly resort-style home concepts with a strong track record in residential and commercial developments. The Group's founder and CEO,Tan Sri. Danny Tan (brother of tycoon Tan Sri Dato Vincent Tan), incorporated the company in Malaysia in 1965 under the name Itama Sdn Bhd, which in 1992 became Jasa Megah Industries Sdn Bhd and was made public on the Main Board of the Kuala Lumpur Stock Exchange (KLSE). In 1995, Tropicana Golf and Country Resort (TGCR) was injected into Jasa Megah Industries Bhd as a backdoor listing, and entity was renamed in 1997 as Dijaya Corporation Bhd to reflect the change in the core business from manufacturing to resort and property development as well as other related activities. The company's core business includes Property Investment, Property Management, Investment Holding and Manufacturing, of which 90% of the Group's revenue is generated by its property development, resort operations and property investment divisions. The Groups expanded product offering include retail and office spaces (Tropicana City), and will soon move into other sectors such as hospitality and education. To date, the company has expanded geographically beyond the Klang Valley to prime locations in Penang, Johor Bahru, Negeri Sembilan and Sabah.

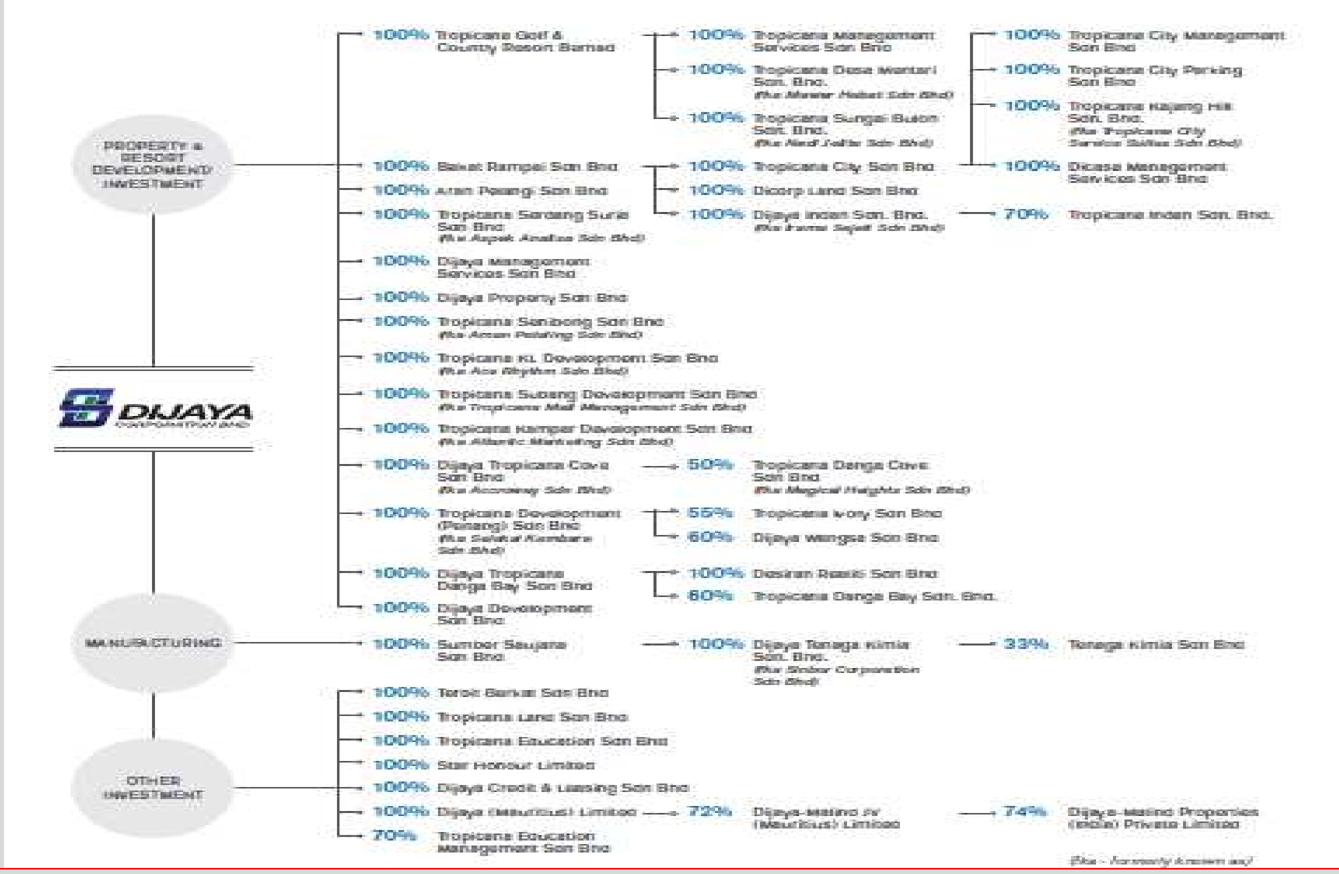
Succession plan is in place as Tan Sri Dato' Danny Tan's son, Dato' Dickson Tan is now the Group Managing Director while Tan Sri Danny Tan is the Executive Chairman. The company is led by a capable management team involving Dato' Yau Kok Seng as the new CEO alongside Executive Directors Mr. Edmund Kong and Dato' Andy Khoo, both who have more than 20 years experience in property development. Dato' Yau Kok Seng was previously the Group MD of Hong Leong Industries and was formally the MD of Sunway Holdings Bhd.

Board of Directors

Name	Designation
Tan Sri Dato Danny Tan	Group Executive Vice Chairman
Dato' Yau Kok Seng	Group Chief Executive Director.
Dato' Dickson Tan	Group Managing Director
Edmund Kong	Deputy Group Managing Director
Dato' Andy Khoo	Executive Director

Source: Company

Corporate Structure



Sources: Company

RCULS conversion schedule and price

Years from Issuance Date Issuance Date: 30-Aug-2012	Conversion Price (RM)
1-2	1.30
3-5	1.50
6-8	1.80
9-10	2.50

Note:
1) Convertible at any time into new Dijaya shares at the option of the holder in accordance to the following conversion schedule and prices which the amount of RCULS to be converted would be subjected to the announced preceding financial year's net profits recorded by Dijaya.
2) The RCULS are redeemable at any time at the option of the issuer subject to all the covenant for the CP/MTN are complied.

Source: Company

Launched Single Developments

Tropicana Grande is a luxurious golf-fronted condominium nestled in the vicinity of Tropicana Golf & Country Resort. This 5.17-acre development boasts generous built-up areas – ranging from 2,283 square feet to 5,800 square feet – and private lift lobbies. There are four condominium towers with a total of only 328 units to keep an exclusively low living density. Every unit features a full-height glass facade for maximum views of the magnificent golfing greens.

Tropicana Grande

Tropicana Grande

Launched	
Project Name:	Tropicana Grande
GDV (RM'm):	665
Type	Serviced Apartment
Launch Date:	Dec 2009
No of units	328
ASP	600psf
Take-up rate	66%

Sources: Company

Launched Projects

Tropicana Avenue

Tropicana Avenue

Launched	
Type	18-storey Office Tower
GDV (RM'm):	116
Launch Date:	Dec 2011
No of units	205
ASP	RM650 psf
Take-up rate	25%

Launched	
Type	40-storey Serviced Apartment
GDV (RM'm):	310
Launch Date:	Dec 2011
No of units	454
ASP	RM760 psf
Take-up rate	80%

Launched	
Type	Retail
GDV (RM'm):	112
Launch Date:	June 2012
No of units	64
ASP	RM1150 psf
Take-up rate	8%

Sources: Company

Tropicana Avenue is a contemporary complex located in Damansara, Petaling Jaya with an easy cut off to the SPRINT and NKVE. The complex offers retail opportunities (117,000 is gross square feet), an 18-storey office tower with 30 units of Duplex Offices, 175 units of Office Suites and 453 units of chic serviced apartments.

Tropicana Gardens

Tropicana Gardens

Project Name:	Tropicana Gardens
Location:	Central Region
GDV (RM'm):	2942
GFA (RM'm):	3.8m sf
Type	Mixed development
Size (ac)	17.6
Launch Date:	Oct 2012
Development period (years):	7
Interest	70%
Targetted plot ratio	1:6

Sources: Company

Tropicana Gardens occupies a total of 17 acres of strategically located land in Kota Damansara. This luxurious development offers a combination of serviced residence, shopping mall, hotel, offices and SOHO, amidst luscious landscapes. Situated at Persiaran Surian, it is easily accessible via the North Klang Valley Expressway(NKVE), LDP, SPRINT Highway and Penchala Link. Moreover, an elevated Mass Rapid Transit ("MRT") station is incorporated with direct linkage to the integrated development.

Arnica Residence (Phase 1) of the serviced residence of Tropicana Gardens, offers high-rise, luxury living amidst all the modern conveniences of city life. Arnica Residence offers six types of residential units, ranging from 597-square feet studio to 2,700-square feet penthouse. On the fifth level, the recreational podium boasts a 38-metre infinity pool, children's pool, playground, BBQ area, jacuzzi, herb & sculpture garden, mini golf lawn, half basketball court and tennis practice wall. The rest of the phases are being developed and finalized.

Tropicana Gardens: Serviced Residences

Arnica Serviced Residences (Tower 1)

Project Name:	Arnica Serviced Residences
Location:	Central Region
GDV (RM'm):	230
GFA (RM'm):	418k sf
No of Units	336
Type	Serviced Residences
ASP	RM850 psf
Launch Date:	Oct 2012
Take-up rate:	92%

Project Name:	BayBerry Serviced Residences (Tower 2)
Location:	Central Region
GDV (RM'm):	381
GFA (RM'm):	500k sf
No of Units	413
Type	Serviced Residences
ASP	RM1100 psf
Launch Date:	Mar 2013
Take-up rate:	80%

Sources: Company

Tropicana Cheras

Tropicana Cheras

Project Name:	Tropicana Cheras
Location:	Central Region
GDV (RM'm):	275.8
Type	Landed Residential
Size (ac)	26.8
Launch Date:	Mid 2011
Development period (years):	5.5
Land Cost	RM18.7m (RM16psf)

Sources: Company

Tropicana Cheras offers a quiet and private living retreat while being conveniently connected to the rest of the Klang Valley via the SILK highway. This residential development takes up part of 26 acres of freehold land in Sungai Long, Cheras. There are three types of modern and spacious housing options for buyers to choose from, each with 3 stories, catering for three-generation families.

Tropicana Metropark

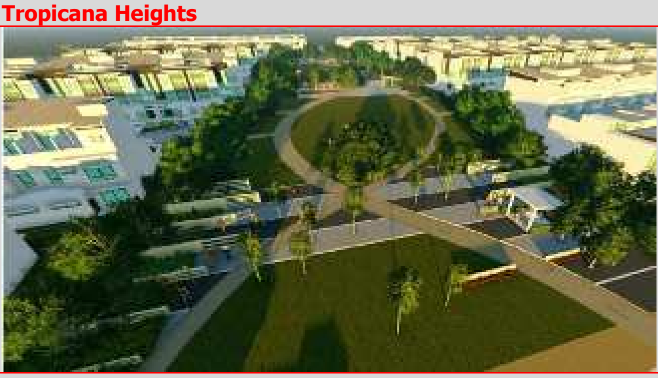
Tropicana Metropark

Project Name:	Tropicana Metropark
Location:	Central Region
Land Cost	RM385.5m (RM100psf)
Estimated GDV (RM'm):	6253
Remaining GDV (RM'm):	6253
GFA	10.1m sf
Type	Residential & Commercial
Size (ac)	88.5
Launch Date:	April 2013
Development period (years):	10
Interest	100%
Approved plot ratio	1:4

Sources: Company

Tropicana Metropark is a mixed development comprising townhouses, serviced apartments, shopfronts, business suites, SOHO, office towers, and a shopping mall nestled in between Subang and Shah Alam. This development sits on top a hill and slopes down towards Subang, overlooking various landmarks around Shah Alam and the Federal Highway. It encompasses 88.5 acres of lush green, freehold land and is strategically located, with direct access from the Federal Highway.

Tropicana Heights



Tropicana Heights

Project Name:	Tropicana Heights
Location:	Kajang, Selangor
Land Cost	RM228m (RM26psf)
Estimated GDV (RM'm):	2164
Remaining GDV (RM'm):	2164
Type	Mixed Development
Size (ac)	198.5
Launch Date:	Oct 2013
Development period (years):	11
Interest	100%

Sources: Company

Tropicana Heights in Kajang consist of landed residences, condominiums and a commercial precinct with lush green landscapes. This development spreads over 198.5 acres of freehold land and is complemented by existing amenities within the surrounding neighbourhood. Tropicana Heights is served by a convenient network of highways to the city.

W KL Hotel & The Residences

W KL Hotel & Residences

Project Name:	W KL Hotel & Residences
Location:	Central Region
Land Cost	RM123m (2173psf)
GDV (RM'm):	1176
GFA	676k sf
Type	Hotel & Residences
Size (ac)	1.28
Approved plot ratio	1:12
Launch Date:	March 2013
Development period (years):	4
Interest	100%

Sources: Company

W KL Hotel & Residences is situated on 1.28 acres of freehold commercial land along Jalan Ampang, The Hotel has 150 rooms and is located on the ground floor to 23rd floor of the mixed commercial building while The Residences are located on top of the W Kuala Lumpur Hotel, from 25th floor to 53rd floor. The Residences has a total of 353 units of serviced apartments comprising of one-, two- and three-bedroom units which range from 656 to 1,528 square feet.

Tropicana Danga Bay

Tropicana Danga Bay

Project Name:	Tropicana Danga Bay
Location:	Southern Region, Johor
GDV (RM'm):	7433
GFA	5,715k sf
Type	Mixed Integrated
Land Cost	RM308.5m (RM190psf)
Size (ac)	37
Launch Date:	Dec 2011
Development period (years):	13.5
Plot ratio	1:5
Interest	60%

Sources: Company

Tropicana Danga Bay represents a blend of world-class lifestyle properties, offices and commercial blocks, as well as a first-class hotel and a stupendous shopping mall. All of which are connected into a cohesive community via a network of well-shaded sky bridges and links to encourage walking for healthy living.

Tropez Residences is a 38 storey high, three tower skyscraper that is located at the centre of Tropicana Danga Bay on the edge of the Central Business District of Johor Baru. The Residences entail a guarded bayfront condo and include special added features such as two open-air sky lounges at the peak of two tallest towers, themed "Zen" and "Chi", and it is amazingly connected to the entire Tropicana Danga Bay development by a level-six walkway.

Tropicana Danga Bay (Tropez Residences)

Tropicana Danga Bay (Tropez Residences)

Project Name:	Tropez Residences (Tower A)
Location:	Southern Region, Johor
GDV (RM'm):	278
GFA	540k sf
No. of Units	428
Launch Date:	Dec 2011
ASP	RM600psf
Take-up Rate	98%

Project Name:	Tropez Residences (Tower B)
Location:	Southern Region, Johor
GDV (RM'm):	288
GFA	534k sf
No. of Units	424
Launch Date:	Dec 2011
ASP	RM680psf
Take-up Rate	99%

Project Name:	Tropez Residences (Tower C)
Location:	Southern Region, Johor
GDV (RM'm):	108
GFA	202k sf
No. of Units	297
Launch Date:	Feb 2012
ASP	RM720psf
Take-up Rate	98%

Sources: Company

Tropicana Danga Cove

Tropicana Danga Cove

Project Name:	Tropicana Danga Cove
Location:	Southern Region, Johor
Estimated GDV (RM'm):	10000
Remaining GDV (RM'm):	9867
Type	Mixed Development
Size (ac)	227
Launch Date:	Nov 2012
Development period (years):	13
Interest	50%
Land Cost	RM220m (RM22psf)

Sources: Company

Oasis @ Tropicana Danga Cove

Oasis @ Tropicana Danga Cove

Project Name:	Oasis 1 (3 storey shop office)
Location:	Southern Region, Johor
Estimated GDV (RM'm):	133
No of Units	112
ASP	RM1.2m per unit
Take-up rate	90%
Launch Date:	Nov 2012
Project Name:	Oasis 2 (3 storey shop office)
Location:	Southern Region, Johor
Estimated GDV (RM'm):	69
No of Units	52
Launch Date:	June 2013
Project Name:	Oasis 3 (3 storey shop office)
Location:	Southern Region, Johor
Estimated GDV (RM'm):	215
No of Units	82
Launch Date:	Nov 2012

Sources: Company

Oasis at Tropicana Danga Cove is a freehold commercial development located minutes away from Senibong Cove and Jusco Permas Jaya. This 39 acre development in Bandar Baru Puteri consists of 3-storey Shop Offices. The area is prime location for business with excellent connectivity through the new Eastern Dispersal Link (EDL), Permas Jaya bridge and Pasir Gudang Highway.

Kg. Sungai Danga, Perling

Kg. Sungai Danga, Perling

Project Name:	Kg. Sungai Danga, Perling
Location:	Southern Region, Johor
Land Cost	RM130.54m (48psf)
GDV (RM'm):	2500
Type	Mixed Development
Size (ac)	62

Jln Tun Razak

Jln Tun Razak

Project Name:	Jln. Tun Razak
Location:	Southern Region, Johor
Land Cost	RM133.4m (139psf)
GDV (RM'm):	5000
Type	Mixed Development
Size (ac)	21.93

Sources: Company

Kota Kinabalu

Tropicana Landmark

Tropicana Landmark

Project Name:	Tropicana Landmark
Location:	Kota Kinabalu
Land Cost	RM3.5m (61psf)
GDV (RM'm):	101
Type	Commercial + Serviced apartment
Size (ac)	1.31
Launch Date	1Q 2013
Development Period (years)	4

Sources: Company

Tropicana Landmark is situated within the urban township of Bundusan, and is highly accessible via the established Luyang, Kolombong and Bundusan Highway. It is located close to modern conveniences and facilities such as the Lido Market, City Mall, Damai & Lintas Commercial Center, Sabah Medical Centre, Luyang Clinic and more in addition to sharing close proximity to local and international schools.

Penang World City

Penang World City

Project Name:	Penang World City
Location:	Nothern Region, Penang
Land Cost	RM1100m (240psf)
GDV (RM'm):	10000
Type	Mixed Development
Size (ac)	102.56 (67.56 existing, 35 to be reclaimed)
Launch Date	First Half 2013
Development Period (years)	15

Sources: Company

Penang World City consists of both residential and commercial properties. This 55:45 joint venture between Ivory Properties Group and Dijaya Corporation strategically located next to the Jelutong Expressway (Lebuhraya Tun Dr Lim Chong Eu).

Tropicana Bay Residences was fetching an average selling price of RM678 – 788 psf for the Tower A and B. Both towers were well received as a result of the attractive discount and lower effective pricing. However Tower C and D, will open at a higher average selling price of RM701-834 psf.

Penang World City (Tropicana Bay Residences)

Penang World City (Tropicana Bay Residences)

Project Name:	Tropicana Bay Residences (Tower A)
Location:	Northern Region, Penang
No of Units	256
GDV (RM'm):	154
Launch Date	April 2013
ASP	RM678-788psf
Project Name:	Tropicana Bay Residences (Tower B)
Location:	Northern Region, Penang
No of Units	216
GDV (RM'm):	144
Launch Date	April 2013
ASP	RM678-788psf
Project Name:	Tropicana Bay Residences (Tower C)
Location:	Northern Region, Penang
No of Units	197
GDV (RM'm):	155
Launch Date	April 2013
ASP	RM701-834psf
Project Name:	Tropicana Bay Residences (Tower D)
Location:	Northern Region, Penang
No of Units	238
GDV (RM'm):	157
Launch Date	April 2013
ASP	RM701-834psf

Sources: Company

Tropicana Macalister

Tropicana Macalister

Project Name:	Tropicana Macalister
Location:	Nothern Region, Penang
Land Cost	RM41.5m (456psf)
GDV (RM'm):	294
Type	Mixed Development
Size (ac)	2.1
Launch Date	3Q 2013
Development Period (years)	4

Sources: Company

Investment Properties

Dijaya Plaza

Dijaya Plaza

Project Name:	Dijaya Plaza
Location:	Central Region, KL City Centre
NLA ('000 sf)	149.03
Interest	100%

Sources: Company

Tropicana City Mall & Office Tower

Tropicana City Mall & Office Tower

Project Name:	Tropicana City Mall & Office Tower
Location:	Central Region, Selangor
NLA ('000 sf)	550
Interest	100%

Sources: Company

Income Statement

FY Dec (RM m)	2010A	2011A	2012A	2013E	2014E
Revenue	292.3	375.2	630.1	1274.1	1636.1
EBITDA	62.4	118.0	263.4	286.3	344.4
Depreciation	14.6	16.4	17.3	-20.8	-20.8
EBIT	77.0	134.4	280.7	265.4	323.6
Interest Expense	-6.0	-11.4	-31.7	-26.7	-22.7
Investing	5.0	5.3	4.2	0.0	0.0
Associate/JCE	6.6	6.3	5.5	0.0	0.0
Exceptionals/FV	0.0	0.0	0.0	0.0	0.0
PBT	77.6	129.3	254.6	238.8	300.9
Taxation	-5.7	-14.6	-41.9	-59.7	-75.2
Minority Interest	-4.4	-7.6	-9.5	-12.8	-32.2
Net Profit	67.4	107.1	203.2	166.3	193.5
Core net profit	38.0	57.0	59.0	166.3	193.5

Balance Sheet

FY Dec (RM m)	2010A	2011A	2012A	2013E	2014E
Fixed Assets	840.9	1702.1	3423.5	3298.7	3277.9
Intangibles	3.3	4.8	16.6	16.6	16.6
Other FA	107.7	87.7	102.7	102.7	102.7
Inventories	33.2	19.8	20.3	41.1	63.9
Receivables	22.3	58.3	103.5	1052.8	1352.0
Other CA	292.3	544.7	638.0	160.4	160.4
Cash	240.6	120.1	213.7	297.6	186.6
Total Assets	1540.3	2537.6	4518.4	4970.0	5160.2
Payables	179.9	238.5	330.9	929.0	1203.2
ST Borrowings	2.6	145.7	223.9	134.2	2.6
Other ST Liability	29.3	6.6	8.5	13.1	14.0
LT Borrowings	207.8	845.6	1642.1	1437.9	1333.6
Other LT Liability	161.2	144.4	124.4	125.5	94.2
Minority Int.	60.8	118.0	127.6	140.4	172.6
Net Assets	**898.8**	**1038.8**	**2061.1**	**2190.0**	**2339.9**
Share Capital	455.0	458.1	793.1	793.1	793.1
Reserves	443.8	580.7	1268.0	1396.9	1546.8
Shareholders Equity	**898.8**	**1038.8**	**2061.1**	**2190.0**	**2339.9**

Cashflow Statement

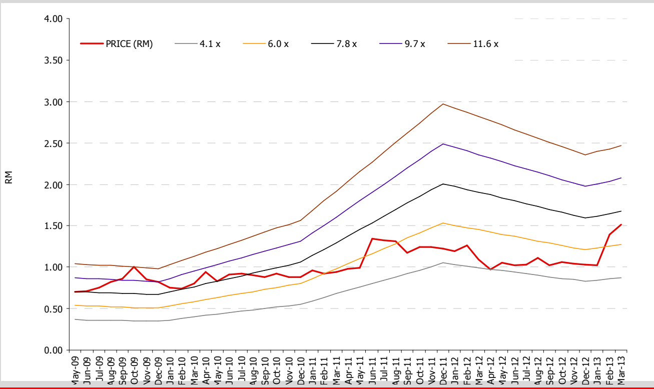
FY Dec (RM m)	2010A	2011A	2012A	2013E	2014E
Operating CF	-265.0	-18.3	838.4	447.9	267.7
Investing CF	-0.2	-948.5	-1922.4	0.4	-103.2
Financing CF	421.7	665.7	1139.8	-370.4	-316.6
Net Change in Cash	156.6	-301.1	55.8	77.8	-152.1
Free Cash Flow	-272.5	-864.8	-14.3	593.6	309.3

Financial Data & Ratios

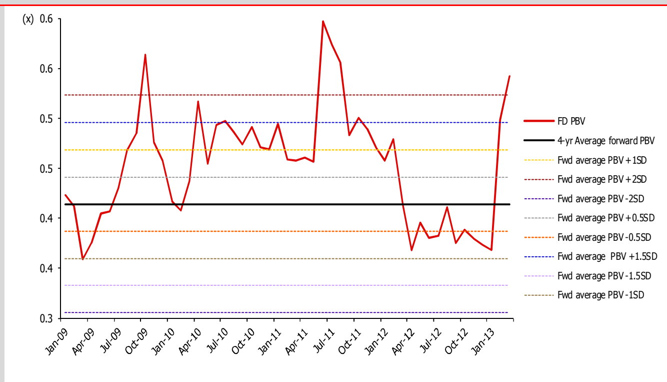
FY Dec (RM m)	2010A	2011A	2012A	2013E	2014E
Growth (%)					
Revenue	-6.3	28.4	67.9	102.2	28.4
EBITDA	-29.4	89.2	123.2	8.7	20.3
EBIT	-23.3	74.6	108.8	7.9	21.9
Pre-tax Income	-18.9	66.7	96.8	8.6	26.0
Core Net Income	n.a.	50.0	3.5	181.9	16.3
Profitability (%)					
EBITDA Margin	21.3	31.5	41.8	22.5	21.1
EBIT Margin	26.3	35.8	44.6	20.8	19.8
PBT Margin	26.5	34.5	40.4	18.7	18.4
Core Net Margin	13.0	15.2	9.4	13.1	11.8
Effective Tax Rate	-10.7	-14.7	-19.0	-25.0	-25.0
ROE	7.8	11.1	13.1	7.6	8.6
ROA	4.5	5.3	5.8	3.5	3.8
DuPont Analysis					
Net margin (%)	23.1	28.5	32.2	13.1	11.8
Assets Turnover (x)	0.2	0.2	0.2	0.3	0.3
Leverage Factor (x)	1.6	2.0	2.3	2.2	2.2
ROE (%)	7.8	11.1	13.1	7.8	8.5
Leverage					
Debt/Asset (x)	0.15	0.39	0.41	0.32	0.26
Debt/Equity (x)	0.23	0.95	0.91	0.72	0.57
Net Debt/(Cash)	(0)	1	2	1	1
Net Debt/Equity (x)	(0.10)	0.74	0.77	0.60	0.51
Valuations					
EPS (sen)	4.8	9.4	21.3	21.0	24.4
Dil. EPS	4.0	7.8	17.6	17.4	17.3
Core EPS (sen)	4.8	7.2	7.4	20.9	24.4
Dil. Core EPS	4.0	6.0	6.2	17.4	17.3
NDPS (sen)	2.2	1.3	4.8	6.3	7.3
NTA/share (RM)	1.13	1.30	2.58	2.74	2.93
Core PER (x)	31.5	21.0	20.3	7.2	6.2
Dil. Core PER	38.0	25.3	24.5	8.7	8.7
Net Div. Yield (%)	1.4%	0.9%	3.2%	4.2%	4.8%
PNTA (x)	1.3	1.2	0.6	0.5	0.5
EV/EBITDA (x)	18.7	17.5	10.8	8.8	6.9

Source: Kenanga Research

Fwd PER Band



Fwd PBV Band



Source: Kenanga Research

NAME	Price (22/3/13) (RM)	Mkt Cap (RMm)	PER (x) FY11/12	PER (x) FY12/13	PER (x) FY13/14	Est. NDiv. Yld. (%)	Historical ROE (%)	P/BV (x)	Net Profit (RMm) FY11/12	Net Profit (RMm) FY12/13	Net Profit (RMm) FY13/14	FY12/13 NP Growth (%)	FY13/14 NP Growth (%)	Target Price (RM)	Rating
DEVELOPERS UNDER COVERAGE															
UEM Land	2.61	11,300	25.2	21.2	19.5	0.9%	8.8%	2.0	448.4	534.0	580.8	19.1%	8.8%		Under Review
SP Setia	3.27	8,040	19.3	16.7	14.1	2.6%	10.5%	1.4	393.8	456.5	539.8	15.9%	18.3%		Under Review
IJM Land	2.45	3,459	17.6	14.8	12.4	1.6%	9.1%	1.3	193.7	230.2	273.6	18.9%	18.9%		Under Review
Mah Sing Group	2.20	2,465	10.7	9.0	7.3	4.2%	16.9%	1.7	230.6	275.1	335.5	19.3%	22.0%		Under Review
UOA Development*	1.95	2,478	8.2	7.6	5.9	6.1%	15.5%	1.1	301.3	327.0	422.1	8.5%	29.1%		Under Review
Dijaya Corporation*	1.51	1,212	7.1	7.2	6.2	4.2%	13.1%	0.5	168.6	166.3	193.5	-1.4%	16.3%		OUTPERFORM
Hua Yang Berhad	1.71	339	6.2	4.7	3.8	6.4%	22.3%	0.9	54.2	72.0	88.7	32.9%	23.1%		Under Review
Hunza Properties*	1.53	277	8.2	15.1	17.8	1.5%	20.3%	0.5	32.5	17.7	15.0	-45.6%	-15.3%		Under Review

** Core NP and Core PER*

*** FD Core PER, FD PBV, FD Core Net Profit . Note FY11 is only 9 months due to changes in year end.*

NAME	Price (22/3/13) (RM)	Mkt Cap (RMm)	PER (x) FY11/12	PER (x) FY12/13	PER (x) FY13/14	Est. NDiv. Yld. (%)	Historical ROE (%)	P/BV (x)	Net Profit (RMm) FY11/12	Net Profit (RMm) FY12/13	Net Profit (RMm) FY13/14	FY12/13 NP Growth (%)	FY13/14 NP Growth (%)	Target Price (RM)	Rating
CONSENSUS NUMBERS															
BERJAYA LAND BHD	0.80	3,981	41.9	n.a.	n.a.	n.a.	1.9%	0.8	95.0	n.a.	n.a.	n.a.	n.a.	0.93	NEUTRAL
IGB CORPORATION BHD	2.24	3,153	18.1	14.4	14.0	2.7%	4.8%	0.8	174.3	219.6	225.2	26.0%	2.6%	2.90	BUY
SUNWAY BHD	2.82	3,645	6.8	9.4	8.2	2.4%	16.3%	1.0	532.4	387.8	444.6	-27.2%	14.7%	3.09	BUY
YNH PROPERTY BHD	1.87	773	15.5	9.4	6.6	4.3%	6.1%	0.9	49.8	82.6	117.8	66.0%	42.5%	1.82	SELL
YTL LAND & DEVELOPMENT BHD	0.90	742	37.0	59.7	47.1	n.a.	2.2%	0.8	20.1	12.4	15.8	-38.0%	26.7%	1.05	NEUTRAL
GLOMAC BHD	0.96	680	6.6	6.1	5.2	5.8%	12.9%	0.4	103.6	112.0	131.1	8.1%	17.1%	1.11	BUY
KSL HOLDINGS BHD	2.05	792	6.0	6.1	5.5	1.9%	13.0%	0.7	131.6	129.4	144.1	-1.6%	11.3%	1.85	NEUTRAL
PARAMOUNT CORP BHD	1.51	510	9.0	7.9	7.2	5.6%	8.2%	0.7	56.5	64.2	70.9	13.6%	10.5%	1.90	BUY

Source: Kenanga Research

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM	:	A particular stock's Expected Total Return is MORE than 10% (an approximation to the 5-year annualised Total Return of FBMKLCI of 10.2%).
MARKET PERFORM	:	A particular stock's Expected Total Return is WITHIN the range of 3% to 10%.
UNDERPERFORM	:	A particular stock's Expected Total Return is LESS than 3% (an approximation to the 12-month Fixed Deposit Rate of 3.15% as a proxy to Risk-Free Rate).

Sector Recommendations***

OVERWEIGHT	:	A particular stock's Expected Total Return is MORE than 10% (an approximation to the 5-year annualised Total Return of FBMKLCI of 10.2%).
NEUTRAL	:	A particular stock's Expected Total Return is WITHIN the range of 3% to 10%.
UNDERWEIGHT	:	A particular stock's Expected Total Return is LESS than 3% (an approximation to the 12-month Fixed Deposit Rate of 3.15% as a proxy to Risk-Free Rate).

******Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.***

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KENANGA INVESTMENT BANK BERHAD (15678-H)
8th Floor, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Telephone: (603) 2166 6822 Facsimile: (603) 2166 6823 Website: www.kenangaresearch.com

Chan Ken Yew
Head of Research