

Dijaya Corporation

Recommendation: **NOT RANKED**

Stock Code: **5401**

Bloomberg: **DJC MK**

Price: **MYR1.07**

12-Month Target Price: **NA**

Date: **June 25, 2010**

Board: Main

Sector: Property

GICS: Financials/Real Estate Development

Market Value - Total: MYR486.2 mln

Summary: Dijaya is one of the largest developers in Petaling Jaya with two major golf resort-based residential township development projects: (i) Tropicana Golf and Country Resort and (ii) Damansara Indah. This stock is a component of FBMEMAS.

Analyst: Ching Wah Tam



Results Review & Earnings Outlook

Recommendation & Investment Risks

- We are suspending coverage of Dijaya Corporation pending a universe coverage change as the CBRS II scheme is completing. Our last call and target price are Hold and MYR1.10 respectively.
- Please note that our recommendation and target price may no longer represent our current view on the company. If readers have any queries, please direct them to asiaequityresearch@standardandpoors.com. For residents of Malaysia, all queries in relation to this report should be referred to Alexander Chia, Desmond Ch'ng or Ching Wah Tam in our K.L. office.

Key Stock Statistics

| FY Dec. | 2009 | 2010E |
|---------------------------------|-------------|-------|
| Reported EPS (sen) | 13.9 | 6.7 |
| PER (x) | 7.7 | 15.9 |
| Dividend/Share (sen) | 3.0 | 3.0 |
| NTA/Share (MYR) | 1.84 | 1.88 |
| Book Value/Share (MYR) | 1.85 | 1.89 |
| No. of Outstanding Shares (mln) | 454.4 | |
| 52-week Share Price Range (MYR) | 0.83 - 1.29 | |
| Major Shareholders: | % | |
| Tan Sri Danny Tan | 63.4 | |
| Permodalan Nasional Bhd | 4.0 | |

* Stock deemed Shariah compliant by the Securities Commission

Per Share Data

| FY Dec. | 2007 | 2008 | 2009 | 2010E |
|-------------------------|------|------|------|-------|
| Book Value (MYR) | 1.75 | 1.84 | 1.85 | 1.89 |
| Cash Flow (sen) | 15.9 | 11.8 | 12.4 | 8.6 |
| Reported Earnings (sen) | 14.0 | 9.9 | 13.9 | 6.7 |
| Dividend (sen) | 3.0 | 1.5 | 3.0 | 3.0 |
| Payout Ratio (%) | 15.8 | 16.3 | 35.1 | 33.4 |
| PER (x) | 7.6 | 10.8 | 7.7 | 15.9 |
| P/Cash Flow (x) | 6.7 | 9.0 | 8.6 | 12.4 |
| P/Book Value (x) | 0.6 | 0.6 | 0.6 | 0.6 |
| Dividend Yield (%) | 2.8 | 1.4 | 2.8 | 2.8 |
| ROE (%) | 8.3 | 3.8 | 3.9 | 3.6 |
| Net Gearing (%) | 0.0 | 0.0 | 0.0 | 0.0 |

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Dijaya Corporation

Recommendation: **NOT RANKED**Stock Code: **5401**Bloomberg: **DJC MK**Price: **MYR1.07**12-Month Target Price: **NA**Date: **June 25, 2010****Profit & Loss**

| FY Dec. / MYR mln | 2008 | 2009 | 2010E | 2011E |
|---------------------------------|-------|-------|-------|-------|
| Reported Revenue | 244.1 | 310.5 | 339.4 | 366.8 |
| Reported Operating Profit | 76.6 | 70.6 | 57.5 | 62.7 |
| Depreciation & Amortization | -2.4 | -1.4 | -0.4 | 3.0 |
| Net Interest Income / (Expense) | -2.9 | -3.6 | -9.4 | -9.5 |
| Reported Pre-tax Profit | 76.7 | 71.7 | 53.4 | 59.2 |
| Effective Tax Rate (%) | 33.4 | 18.1 | 25.0 | 22.0 |
| Reported Net Profit | 34.4 | 49.7 | 30.6 | 37.9 |
| Reported Operating Margin (%) | 31.4 | 22.7 | 16.9 | 17.1 |
| Reported Pre-tax Margin (%) | 31.4 | 23.1 | 15.7 | 16.1 |
| Reported Net Margin (%) | 14.1 | 16.0 | 9.0 | 10.3 |

Source: Company data, S&P Equity Research

Standard & Poor's Equity Research Services

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Glossary

Strong Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

Buy: Total return is expected to outperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months, with shares rising in price on an absolute basis.

Hold: Total return is expected to closely approximate the total return of the KLCI or KL Emas Index respectively, over the coming 12 months with shares generally rising in price on an absolute basis.

Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months and share price is not anticipated to show a gain.

Strong Sell: Total return is expected to underperform the total return of the KLCI or KL Emas Index respectively, over the coming 12 months by a wide margin, with shares falling in price on an absolute basis.

S&P 12 Month Target Price – The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Shariah-compliant stock - As defined by the Shariah Advisory Council of Malaysia's Securities Commission

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Recommendation and Target Price History

| Date | Recommendation | Target Price |
|-----------|----------------|--------------|
| New | Not Ranked | |
| 21-May-10 | Hold | 1.10 |
| 1-Mar-10 | Buy | 1.10 |
| 19-Nov-09 | Hold | 1.10 |
| 28-Aug-09 | Hold | 1.03 |
| 25-May-09 | Buy | 1.03 |
| 26-Nov-08 | Hold | 0.86 |
| 2-Sep-08 | Buy | 1.20 |
| 9-Jun-08 | Strong Buy | 1.50 |

