

# Inta Bina Group Berhad

*An Established Builder with Emphasis on Quality*

**TP: RM0.225 (+18.4%)**

*Last Traded: RM0.19*

**BUY**

Ooi Beng Hooi

Tel: +603-2167 9612

benghooi@ta.com.my

www.taonline.com.my

*We are initiating coverage on Inta Bina Group Berhad (INTA), a building contractor, with a BUY recommendation. We derive our target price of RM0.225 based on 8x CY21 earnings. This represents a potential total return of 22.3% (including a 3.9% estimated dividend yield)*

*Hit by triple black swan events, 2020 is considered a write-off year for most of the listed construction companies. Nevertheless, this may present an opportunity for medium to long term investors to accumulate quality construction stocks at trough valuation.*

## Investment Merits

- 1) Experienced and technically strong management team;
- 2) Established relationship with clients; and
- 3) Commitment to quality.

## Valuation

We assign a target PE multiple of 8x to INTA - i.e. a slight discount to its peers average PE of 10.2x and arrive at a target price of RM0.225. The discount is premised on the company being a small-cap company, compared to KERJAYA and GDB. Nevertheless, the 8x multiple is supported by: i) the company having a healthy balance sheet with a net cash position of RM20.2mn or 3.5sen/share; ii) experienced management team with proven track records, and iii) decent dividend yield of about 4% and 5% projected for FY21 and FY22 respectively.

**BUY.**

## Earnings Summary (RM'mn)

FYE Dec (RM'mn)	2018	2019	2020F	2021F	2022F
Revenue	383.1	411.6	290.0	375.0	401.0
Gross profit	39.5	43.8	23.2	33.8	40.1
EBITDA	36.0	39.9	19.6	30.2	36.0
EBITDA margin (%)	9.4	9.7	6.8	8.0	9.0
EBIT	29.2	31.7	11.2	21.8	27.6
Reported PBT	27.5	29.8	9.4	20.4	26.0
Core PBT	27.5	29.8	9.4	20.4	26.0
Reported net profit	21.2	22.4	6.9	15.0	19.1
Core profit	21.2	22.4	6.9	15.0	19.1
Core EPS (sen)	4.0	4.2	1.3	2.8	3.6
PER (x)	4.8	4.5	14.7	6.8	5.3
Gross dividend (sen)	0.8	1.0	0.3	0.8	1.0
Dividend yield (%)	3.9	5.3	1.3	3.9	5.3
ROE (%)	19.2	17.4	5.0	10.1	11.9

## Share Information

Bloomberg Code	INTA MK
Bursa	INTA
Stock Code	0192
Listing	Main Market
Share Cap (mn)	535.3
Market Cap (RMmn)	101.7
52-wk Hi/Lo (RM)	0.325/0.15
12-mth Avg Daily Vol ('000 shrs)	1370.0
Estimated Free Float (%)	34.9
Beta	1.4

## Major Shareholders (%)

Apexjaya Industries Sdn Bhd	- 34.48
Ahmad bin Awi	- 12.60
Lim Ooi Joo	- 9.16
Teo Hock Choon	- 8.84
Jinata Muhamad Yusup	- 5.16

## Forecast Revision

	FY20	FY21
Forecast Revision (%)	-	-
Net profit (RMmn)	6.9	15.0
Consensus	-	-
TA's / Consensus (%)	-	-
Previous Rating	na	

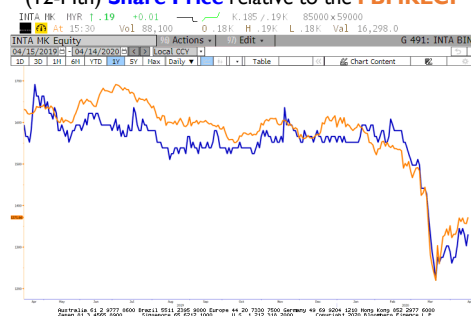
## Financial Indicators

	FY20	FY21
Net Debt / Equity (%)	net cash	net cash
CFPS (sen)	2.3	(3.3)
Price / CFPS (x)	8.4	(5.7)
ROA (%)	2.1	4.7
NTA/Share (sen)	26.6	28.7
Price/NTA (x)	0.7	0.7

## Share Performance (%)

Price Change	INTA	FBM KLCI
1 mth	(7.3)	2.0
3 mth	(29.6)	(13.2)
6 mth	(29.6)	(12.5)
12 mth	(32.1)	(15.9)

## (12-Mth) Share Price relative to the FBMKLCI



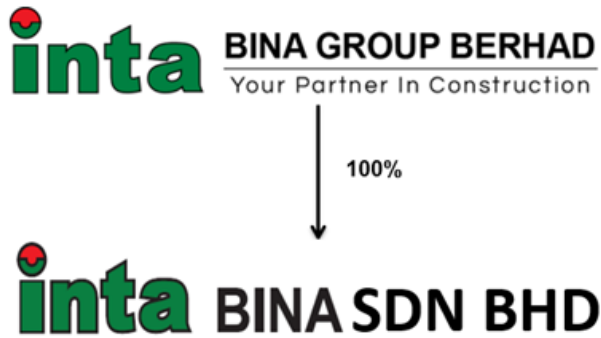
Source: Bloomberg

### Business Overview

INTA is a building contractor with more than 30 years of operating history in Malaysia. It has completed 127 projects with total contract value exceeding RM3bn. Registered as a Grade 7 contractor with the Construction Industry Development Board, INTA is able to tender for construction projects with unlimited value.

INTA was listed on the Ace Market of Bursa Malaysia on 25 May 2017 and was subsequently promoted to the Main Board 17 months later on 25 October 2018.

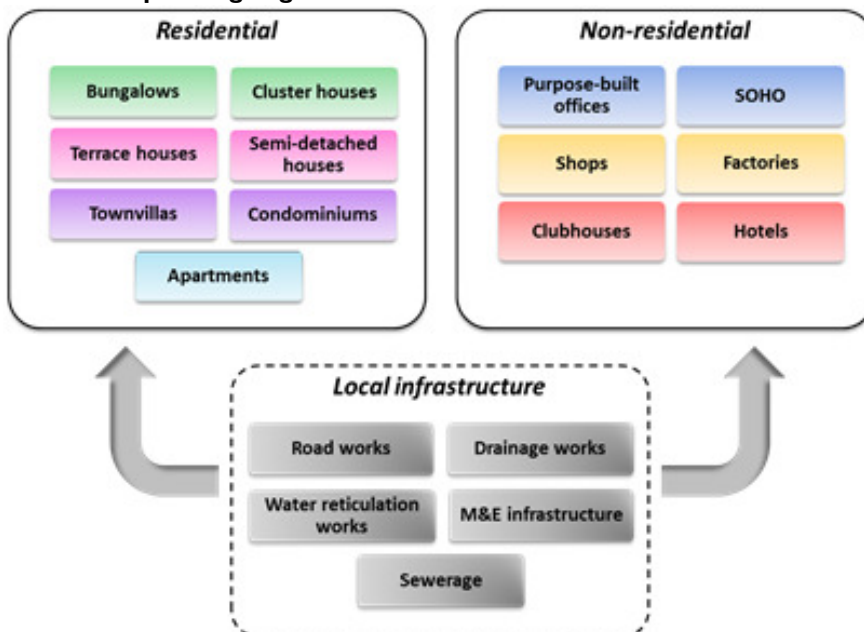
### Exhibit 1: Corporate Structure



Source: Company

INTA is mainly involved in building construction for both residential and non-residential segments (as shown in Exhibit 2). It is also involved in infrastructural works but mainly confined to local infrastructural works within the development to complement its building works. This eases its clients from having to manage and coordinate with different contractors for infrastructure works within the same development area. In the past 3 years, the residential segment contributed about 80% of the group's total revenue (Exhibit 3).

### Exhibit 2: Operating Segments



Source: Company

### Exhibit 3: Revenue Breakdown by Residential and Non-Residential Segment

	Audited FY2016		Audited FY2017		Audited FY2018		Unaudited FY2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Residential <sup>(1)</sup></b>	231,241	89.93	234,397	80.78	302,563	78.99	<b>335,387</b>	<b>81.48</b>
<b>Non-Residential <sup>(2)</sup></b>	25,895	10.07	55,789	19.22	80,496	21.01	<b>76,226</b>	<b>18.52</b>
<b>TOTAL</b>	<b>257,136</b>	<b>100</b>	<b>290,186</b>	<b>100</b>	<b>383,059</b>	<b>100</b>	<b>411,613</b>	<b>100</b>

Source: Company

To grow its business, and backed by stronger financial footing post-listing, INTA has been increasing its participation in high-rise projects, which carry higher project value and require higher resources. This can be evidenced from the substantial increase in revenue contribution from the high-rise segment from about 19.1% in 2016 to about 55.0% in 2019, as shown in Exhibit 4.

### Exhibit 4: Revenue Breakdown by High-Rise and Low-Rise

	Audited FY2016		Audited FY2017		Audited FY2018		Unaudited FY2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>High-Rise</b>	49,087	19.09	106,762	36.79	187,356	48.91	<b>226,225</b>	<b>54.96</b>
<b>Low-Rise</b>	208,049	80.91	183,424	63.21	195,703	51.09	<b>185,388</b>	<b>45.04</b>
<b>TOTAL</b>	<b>257,136</b>	<b>100</b>	<b>290,186</b>	<b>100</b>	<b>383,059</b>	<b>100</b>	<b>411,613</b>	<b>100</b>

Source: Company

Geographically, INTA generates most of its revenue from the Klang Valley. Between 2016 and 2019, Klang Valley contributed 82.6% to 92.4% of its total revenue (Exhibit 5). We expect its projects to remain Klang Valley-centric given the region is the country's main growth engine.

### Exhibit 5: Revenue Breakdown by Geographical Segment

	Audited FY2016		Audited FY2017		Audited FY2018		Unaudited FY2019	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Klang Valley</b>	212,471	82.63	268,028	92.36	332,415	86.78	<b>374,179</b>	<b>90.91</b>
<b>Johor</b>	44,665	17.37	22,158	7.64	50,644	13.22	<b>37,434</b>	<b>9.09</b>
<b>TOTAL</b>	<b>257,136</b>	<b>100</b>	<b>290,186</b>	<b>100</b>	<b>383,059</b>	<b>100</b>	<b>411,613</b>	<b>100</b>

Source: Company

## Key Competitive Advantages

### Experienced and technically strong management team

INTA is led by its Managing Director and Deputy Managing Director, Mr Lim Ooi Joo and Mr Teo Hock Choon, whom each has more than 35 years of working experience and network of business contacts in the construction industry.

They are supported by an experienced key management team comprising of capable and qualified professionals with extensive management, operating and in-depth industry knowledge and hands-on experience in their respective fields.

Based on our estimates, Apexjaya Industries Sdn Bhd (28.2% and 10.0% owned by Mr Lim and Mr Teo respectively), Mr Lim and Mr Teo, together with other Executive Directors, En Ahmad bin Awi and Mr Chau Yik Mun collectively hold 67.4% of INTA's total shares.

### ***Established Relationship with Clients***

INTA places great emphasis on long term relationship with its clients. Trust and relationship with clients are fostered by completing projects within the stipulated time frame and maintaining high quality of workmanship. It has established working relationship of with reputable developers, which include Gamuda Berhad, S P Setia Berhad, Eco World Development Group Berhad, Lum Chang Holdings Limited, Mah Sing Group Berhad, Mitraland Group Sdn Bhd, Paramount Corporation, Plenitude Berhad, Perdana Parkcity Sdn Bhd, Selangor Dredging Berhad, Tropicana Corporation Berhad, UEM Sunrise Berhad, MK Land Holdings Berhad, Sunway Berhad and Engtex Group Berhad.

### ***Commitment to Quality***

INTA strongly believes in delivering superior quality products to clients. It has been actively participating in building construction projects that are assessed under both Construction Quality Assessment System (CONQUAS) and Quality Assessment System in Construction (QLASSIC).

From December 2005 to May 2018, INTA has participated in 54 CONQUAS assessed projects with an average scoring of 78.2%, outperforming the industry average of 76.0%.

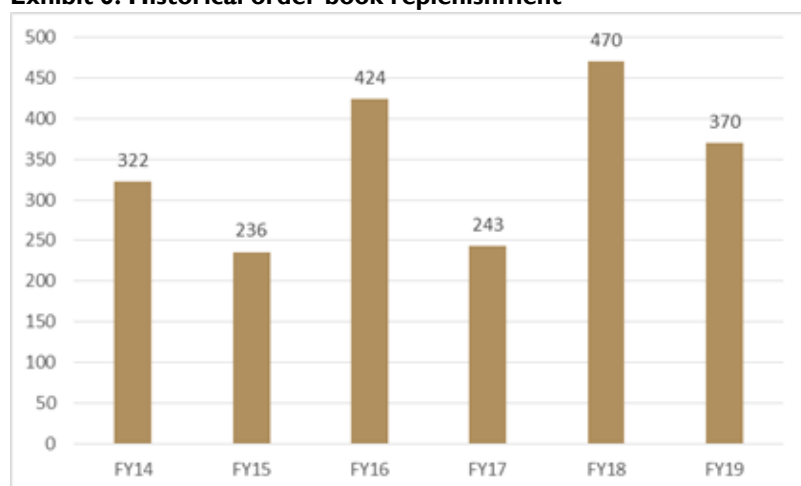
For the period between November 2014 and December 2018, INTA has participated in 11 QLASSIC assessed projects with a scoring of 78.0% to 84.0%, versus 2015 industry average of 72.5%. With the outstanding performance, INTA has won 5 QLASSIC achievement awards.

### ***Key Risks Relating to Business and Industry***

#### ***1) Continuity of order book is not assured***

The company secures construction contracts on a project basis. There is no assurance of continuity from one project to the next. In the event of the company not being able to secure sufficient contracts to sustain its revenue, any significant drop in its order book will adversely affect the financial performance of the group.

**Exhibit 6: Historical order book replenishment**



Source: Company, TA Securities

#### ***2) Fluctuation in the prices and shortages of construction materials***

Its key construction materials include steel, ready-mixed concrete, sanitary wares, tiles, cement, grout, adhesive, timber and plywood. These materials are price sensitive. Any price volatility and shortages of these materials could result in increased costs and have an adverse effect on its financial performance.

### 3) Dependent on the Malaysian property sector

INTA's business operations are dependent on the performance of the Malaysian property sector. A slowdown in the local property sector could have a direct impact on the financial performance of the company.

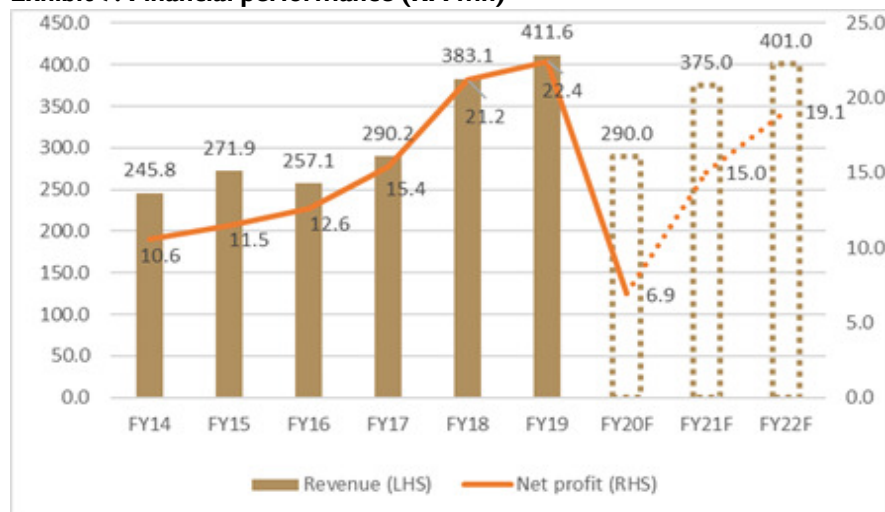
### 4) Dependent on foreign workers

The group's operations are dependent on the supply of foreign workers. Any shortage in labour supply could adversely affect its business operations and financial performance.

### Financial Highlights

Despite the property market slowing down since 2014/ 2015, INTA's revenue for the past 6 years has been on an uptrend - rising at a CAGR of 10.9%, from RM245.8mn in 2014 to RM411.6mn in 2019. Meanwhile, due to gradual improvements in its profit margin, its net profit grew at a faster pace, at a CAGR of 16.2% from RM10.6mn in 2014 to RM22.4mn in 2019.

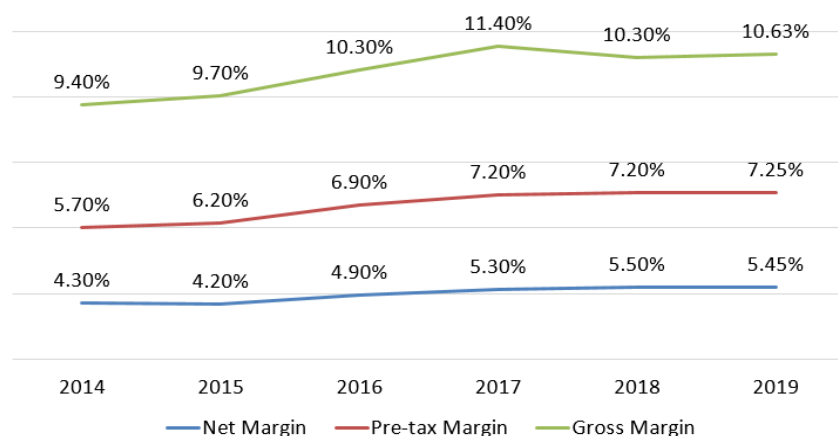
**Exhibit 7: Financial performance (RM'mn)**



Source: Company, TA Securities

As the business grew and by focusing more on high-rise projects, which offer better margin than landed property construction, INTA has seen gradual improvement in its gross, pretax and net margin, as depicted in Exhibit 8.

**Exhibit 8: Historical Margin**



Source: Company, TA Securities

### **Earnings Forecast**

We forecast INTA's earnings to contract by 69.2% in FY20, negatively affected by triple crises (Covid-19 outbreak, abrupt change of Federal Government and sudden plunge in oil price) before rebounding by 117.0% in FY21, followed by a growth of 27.2% in FY22 as business normalises. Our earnings projections are premised upon the following assumptions:

- Revenue contraction of 29.5% in FY20 before accelerating by 29.3% and 6.9% in FY21 and FY22 respectively, backed by an outstanding order book of RM601mn as of end-December 2019;
- Order book replenishment assumptions of RM200mn/ RM450mn/ RM500mn for FY20/ FY21/ FY22 respectively;
- Gross margin of 8.0%, 9.0% and 10.0% for FY20, FY21 and FY22 respectively;
- MCO period of approximately 2 months.

### **Future Plans and Business Strategies**

The group's future plans and business strategies are as follows:

#### **i) Focusing more on High Rise projects**

With stronger financial position and larger scale of operation post-listing, INTA has been focusing more on high rise projects that typically carry higher project value. Generally, high rise projects generate higher margin as compared with low rise projects due to economies of scale, higher barriers to entry that result in lower competition, and better bargaining power when purchasing in bulk. To take on more high-rise projects and improve its operation efficiency, INTA has increased its aluminium formwork to about 36,000m<sup>2</sup>, and equipped itself with perimeter self-climbing platform; and:

#### **ii) Potential acquisition of related businesses**

INTA is currently involved in building and infrastructure construction. To complement its existing business, INTA is exploring various acquisition opportunities in sub-trades such as plumbing, electrical services and landscaping. This will enhance the value proposition to its clients.

### **Outlook**

As of end-December 2019, the group has an outstanding order book of RM601mn (see Exhibit 11), translating into 1.5x FY19 revenue. This would provide earnings visibility to the group for the next 2 years.

While 2020 is a write-off year for most construction players, we expect the construction and property market to start recovering and normalising by end-2020 or early-2021. With its strong execution capabilities, proven track record, healthy balance sheet, we believe INTA would be able to sail through this challenging period. The battered share price could present a golden opportunity for investors to accumulate quality construction companies, such as INTA, at a steeply discounted price.

### **Balance Sheet**

The company has a healthy balance sheet with a net cash position of RM20.2mn, equivalent to 3.8sen/share, or 19.9% of its market capitalisation.

### **Dividend Policy**

The company does not have any official dividend policy at this juncture.

## Valuation

We assign a target PE multiple of 8x to INTA - i.e. a slight discount to its peers average PE of 10.2x and arrive at a target price of **RM0.225**. The discount is premised on the company being a small-cap company, compared to KERJAYA and GDB. Nevertheless, the 8x multiple is supported by: i) the company having a healthy balance sheet with a net cash position of RM20.2mn or 3.5sen/share; ii) experienced management team with proven track records, and iii) decent dividend yield of about 4% and 5% projected for FY21 and FY22 respectively.

## Exhibit 9: Peer Comparison

	Share Price (RM)	Market Cap (RM'mn)	EPS <sup>A</sup> (sen)	PE <sup>A</sup> (x)	P/B <sup>A</sup> (x)	ROE <sup>A</sup> (%)	Net Debt/Equity (%)	Dividend yield* (%)
KERJAYA	0.965	1198.5	11.4	8.6	1.1	13.7	net cash	1.6
GDB	0.55	343.8	4.7	11.8	2.8	25.9	net cash	3.6
AVERAGE				10.2	2.0	19.8		2.6
INTA	0.19	101.7	3.75	5.1	0.7	17.4	net cash	5.3

Note: <sup>A</sup>based on FY19 results

\*assuming FY19 full-year dividend per share of 3.5sen, 2sen and 1 sen for KERJAYA, GDB and INTA respectively

## Exhibit 10: Earnings Summary (RMmn)

### Profit & Loss (RMmn)

YE Dec 31	2018	2019	2020F	2021F	2022F
Revenue	383.1	411.6	290.0	375.0	401.0
EBITDA	36.0	39.9	19.6	30.2	36.0
Depreciation	(6.8)	(8.2)	(8.4)	(8.4)	(8.4)
EBIT	29.2	31.7	11.2	21.8	27.6
Finance cost	(1.7)	(1.9)	(1.8)	(1.3)	(1.6)
PBT	27.5	29.8	9.4	20.4	26.0
Taxation	(6.3)	(7.4)	(2.5)	(5.4)	(6.9)
Net profit	21.2	22.4	6.9	15.0	19.1
Core profit	21.2	22.4	6.9	15.0	19.1
GDPS (sen)	0.8	1.0	0.3	0.8	1.0
Div Yield (%)	3.9	5.3	1.3	3.9	5.3

### Cash Flow (RMmn)

YE Dec 31	2018	2019	2020F	2021F	2022F
PBT	27.5	29.8	9.4	20.4	26.0
Adjustments	5.3	8.9	10.2	9.7	10.0
Changes in WC	(18.6)	(11.2)	31.4	(29.0)	(4.4)
Interest & tax	(6.7)	(6.8)	(2.5)	(5.4)	(6.9)
<b>Operational cash flow</b>	<b>7.4</b>	<b>20.7</b>	<b>48.5</b>	<b>(4.2)</b>	<b>24.7</b>
Capex	(13.8)	(4.3)	(8.0)	(8.0)	(8.0)
Others	(0.1)	(0.4)	(5.0)	(5.0)	(5.0)
<b>Investment cash flow</b>	<b>(13.9)</b>	<b>(4.8)</b>	<b>(13.0)</b>	<b>(13.0)</b>	<b>(13.0)</b>
Debt raised/(repaid)	16.5	5.4	(20.2)	4.8	4.8
Dividend	0.0	(6.7)	(1.3)	(4.0)	(5.4)
Others	0.5	(8.4)	(1.8)	(1.3)	(1.6)
<b>Financial cash flow</b>	<b>17.0</b>	<b>(9.7)</b>	<b>(23.3)</b>	<b>(0.5)</b>	<b>(2.2)</b>
<b>Net cash flow</b>	<b>10.5</b>	<b>6.3</b>	<b>12.2</b>	<b>(17.8)</b>	<b>9.5</b>
<b>Beginning cash</b>	<b>1.3</b>	<b>11.8</b>	<b>18.0</b>	<b>30.2</b>	<b>12.5</b>
<b>Ending cash</b>	<b>11.8</b>	<b>18.0</b>	<b>30.2</b>	<b>12.5</b>	<b>22.0</b>
Adjustments	33.5	42.1	42.1	42.1	42.1
<b>Cash</b>	<b>45.3</b>	<b>60.1</b>	<b>72.3</b>	<b>54.5</b>	<b>64.1</b>

### Assumptions (RMmn)

YE Dec 31	2018	2019	2020F	2021F	2022F
New job wins	470	369	200	450	500

### Balance Sheet (RMmn)

YE Dec 31	2018	2019	2020F	2021F	2022F
Fixed assets	27.1	23.9	23.9	23.9	23.9
Others	28.0	28.0	32.6	37.2	41.8
<b>NCA</b>	<b>55.2</b>	<b>51.9</b>	<b>56.5</b>	<b>61.1</b>	<b>65.7</b>
Cash	45.3	60.1	72.3	54.5	64.1
Receivables	228.4	213.7	145.0	187.5	200.5
Others	33.4	34.1	29.0	37.5	40.1
<b>CA</b>	<b>307.1</b>	<b>307.9</b>	<b>246.3</b>	<b>279.5</b>	<b>304.7</b>
<b>Total assets</b>	<b>362.3</b>	<b>359.8</b>	<b>302.8</b>	<b>340.6</b>	<b>370.3</b>
ST borrowings	24.4	31.0	10.8	10.6	10.4
Payables	166.6	156.2	116.0	131.3	140.4
Other liabilities	39.9	26.3	24.1	30.9	33.0
<b>CL</b>	<b>230.9</b>	<b>213.5</b>	<b>150.9</b>	<b>172.8</b>	<b>183.8</b>
<b>Shareholders' funds</b>	<b>121.1</b>	<b>136.8</b>	<b>142.4</b>	<b>153.4</b>	<b>167.1</b>
LT borrowings	10.1	8.9	8.9	13.9	18.9
Other LT liabilities	0.3	0.6	0.6	0.6	0.6
<b>Total capital</b>	<b>362.3</b>	<b>359.8</b>	<b>302.8</b>	<b>340.6</b>	<b>370.3</b>

### Ratio

YE Dec 31	2018	2019	2020F	2021F	2022F
EBITDA Margins (%)	9.4	9.7	6.8	8.0	9.0
Core EPS (sen)	4.0	4.2	1.3	2.8	3.6
EPS Growth (%)	5.6	5.8	(69.2)	117.0	27.2
PER (x)	4.8	4.5	14.7	6.8	5.3
GDPS (sen)	0.8	1.0	0.3	0.8	1.0
Div Yield (%)	3.9	5.3	1.3	3.9	5.3
Net cash (RMmn)	10.8	20.2	52.6	30.0	34.8
Net gearing (%)	net cash	net cash	net cash	net cash	net cash
ROE (%)	19.2	17.4	5.0	10.1	11.9
ROA (%)	6.9	6.2	2.1	4.7	5.4
NTA (sen)	22.6	25.6	26.6	28.7	31.2
P/NTA(x)	0.8	0.7	0.7	0.7	0.6



APPENDIX

Exhibit 11: Outstanding Order Book

Summary of Order Book as of 31 Dec 2019	Client	Contract Value (RM'm)	Unbilled Order Book (RM'm)
Twin Palms	Fabulous Range Sdn Bhd	59	30
Gravit8	Vibrantline Sdn Bhd	192	15
Residensi Suasana Phase 1	Medan Prestasi Sdn Bhd	88	27
Eco Sanctuary – Grandezza	Eco Sanctuary Sdn Bhd	43	1
Horizon Hills – The Woodlands	Horizon Hills Development Sdn Bhd	18	1
Sunway Lenang Heights	Sunway City (JB) Sdn Bhd	52	20
Tropicana Metropark	Tropicana Metropark Sdn Bhd	177	62
Serimbun Iskandar Puteri	Nusajaya Greens Sdn Bhd	25	3
Eco Ardence - Dremien	Eco Ardence Sdn Bhd	58	16
Residensi Suasana Phase 2 & 3	Medan Prestasi Sdn Bhd	98	68
Eco Majestic – Stoneridge	Eco Majestic Sdn Bhd	63	21
SMK2	Lembah Surua Sdn Bhd	108	98
Eco Ardence - Nara	Eco Ardence Sdn Bhd	45	34
Southville City - Sensory	Southville City Sdn Bhd	178	166
Eco Forest – Show Unit	Eco Majestic Development Sdn Bhd	2	1
Eco Ardence - Nara	Eco Ardence Sdn Bhd	39	38
	<b>TOTAL</b>	<b>1,245</b>	<b>601</b>

Source: Company

Exhibit 12: Notable Projects Currently Undertaken by INTA

**Suasana Residensi, Damansara Damai**



Proposed construction of 1 Blocks Apartment (Phase 1) at Damansara Damai  
Client : Medan Prestasi Sdn Bhd  
Contract Value : RM 87,600,000.00

Proposed construction of 2 Blocks Apartment (Phase 2&3) at Damansara Damai  
Client : Medan Prestasi Sdn Bhd  
Contract Value : RM 97,800,000.00



### Paisley, Tropicana Metropark



Proposed construction of **2 Blocks Apartment at Tropicana Metropark**

Client : Tropicana Metropark Sdn Bhd  
Contract Value : RM 176,800,000.00

### Gravit 8, Klang, Kota Bayumas



Proposed construction of **2 Blocks Apartment at Kota Bayu Emas**

Client : Vibratline Sdn Bhd  
Contract Value : RM 192,000,000.00

Source: Company



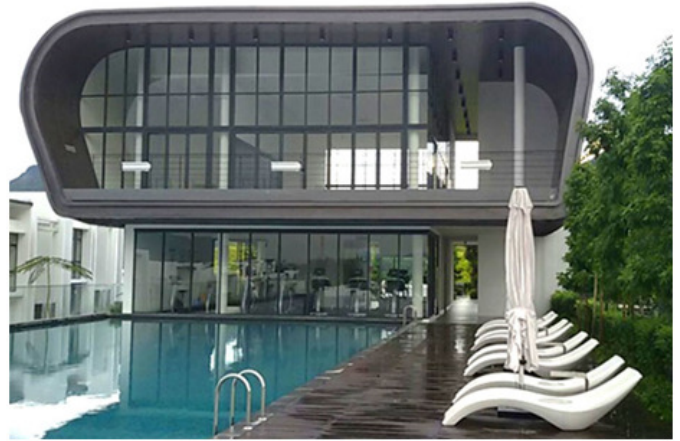
**Exhibit 13: Notable Projects Completed by INTA**



**20trees West, Melawati**

**46 units of bungalows on Lot 564 & 565, Taman Melawati (Phase 2), Hulu Kelang, Gombak**

Client : SDB Properties Sdn Bhd (a subsidiary of Selangor Dredging Berhad)



**16 Quartz, Melawati**

**81 units of townvillas and 36 units of apartments at Taman Melawati, Mukim Hulu Kelang, Daerah Gombak, Selangor**

Client : Mitraland Melawati Sdn Bhd (a subsidiary of Mitraland Group)



**Setiahills**

**43 units of bungalows on Lot 12991, PT 14534, PT 14533 (KD1) and PT 14532 (KD2), Bukit Indah, Mukim Hulu Kelang, Gombak, Selangor**

Client : Syarikat Kemajuan Jerai Sdn Bhd (a subsidiary of S P Setia Berhad)



**Duta Tropika**

**34 units of 3-storey terrace houses, 24 units of 3-storey cluster houses, 12 units of 3½-storey terrace houses at Duta Tropika (Parcel 1), Kuala Lumpur**

Client : Setia Duta One Sdn Bhd (a subsidiary of SP Setia Bhd)



### **The ParkCity Club**

**4 blocks of single and double-storey clubhouse at Desa ParkCity, Kuala Lumpur**

Client : Perdana Parkcity Sdn Bhd



### **Jade Hills Resort Club**

**Proposed construction of Clubhouse, Offices, Sales Galleries and associated works**

Client : Jade Homes Sdn Bhd



### **Amanja, Amanpuri, Kepong**

**2 blocks of commercial suite at Amanpuri, Kepong**

Client : Ivory Progression Sdn Bhd

Source: Company



### **Karisma Apartment, Eco Majestic**

**2 blocks apartments of affordable homes at Semenyih**

Client : Eco World

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

### Stock Recommendation Guideline

- BUY** : Total return within the next 12 months exceeds required rate of return by 5%-point.  
**HOLD** : Total return within the next 12 months exceeds required rate of return by between 0-5%-point.  
**SELL** : Total return is lower than the required rate of return.  
**Not Rated:** The company is not under coverage. The report is for information only.

**Total Return** is defined as expected share price appreciation plus gross dividend over the next 12 months. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

**Required Rate of Return** of 7% is defined as the yield for one-year Malaysian government treasury plus assumed equity risk premium.

### Disclaimer

The information in this report has been obtained from sources believed to be reliable. Its accuracy and/ or completeness is not guaranteed and opinions are subject to change without notice. This report is for information only and not to be construed as a solicitation for contracts. We accept no liability for any direct or indirect loss arising from the use of this document. We, our associates, directors, employees may have an interest in the securities and/or companies mentioned herein.

As of Wednesday, April 15, 2020, the analyst, Ooi Beng Hooi, who prepared this report, has interest in the following securities covered in this report:  
(a) nil

**Kaladher Govindan – Head of Research**

TA SECURITIES HOLDINGS BERHAD (14948-M)

A Participating Organisation of Bursa Malaysia Securities Berhad

Menara TA One | 22 Jalan P. Ramlee | 50250 Kuala Lumpur | Malaysia | Tel: 603 – 2072 1277 | Fax: 603 – 2032 5048  
[www.ta.com.my](http://www.ta.com.my)