MENARA TA ONE, 22 JALAN P. RAMLEE, 50250 KUALA LUMPUR, MALAYSIA TEL: +603-20721277 / FAX; +603-20325048



Wednesday, November 20, 2013 FBMKLCI: 1,807.16

Sector: Construction

# Bina Puri Holdings Berhad

Joint Property Development in Kota Bahru

THIS REPORT IS STRICTLY FOR INTERNAL CIRCULATION ONLY\*

TP: RM0.96(+21.5%)

Last traded: RM0.79

BUY

**TA Research Team Coverage** 

+603-2072-1277 ext:1635

benghooi@ta.com.my

www.taonline.com.my

Bina Puri has entered into a JV agreement with Sentosa Jaya Development Sdn Bhd to jointly develop Sentosa Residence on Lot 1910 (PT1592), Section 54, Mukim Kenali, Daerah Kubang Kerian, Jajahan Kota Bharu, Kelantan.

#### About the development

The gross development value (GDV) is estimated to be RM148.7mn and we understand that Bina Puri has 60% effective stake in the proposed development.

The 4,291m<sup>2</sup> development consists of 10 units of shops at ground floor, 11 units of offices, 339 units of apartments and 485 units of car parks. The construction works are expected to take 36 months. The indicative price for the apartment unit starts from RM450 psf.

This increases the group's total potential GDV in property development pipeline to about RM2.5bn.

## **Forecast**

We expect this proposed development to be launched in mid-2014. Assuming an EBIT margin of 4% for the project, we expect the proposed development to enhance the bottom line by RM0.1m in FY14, and RM0.5m each in FY15 and FY16, raising our earnings forecast for FY14 to FY16 by 0.7% to 1.9%.

#### **Valuation**

Given the minimal change in earnings forecasts, we keep the target price unchanged at **RM0.96/share**, based on 8x FY14 EPS. Maintain our **BUY** call on BPURI.

Share Information	
Bloomberg Code	BIN MK
Bursa	BPURI
Stock Code	5932
Listing	Main Market
Share Cap (mn)	155.1
Market Cap (RMmn)	122.5
Par Value	1.00
52-wk Hi/Lo (RM)	0.875/0.57
12-mth Avg Daily Vol ('000 shrs)	379.9
Estimated Free Float (%)	49.5
Beta	1.11
Major Shareholders (%)	

Major Shareholders (%)

Jentera Jati Sdn Bhd - 13.14 Tee Hock Seng - 10.84

Ng Keong Wee - 9.09 Tan Cheng Kiat - 6.04

Bumimaju Mawar Sdn Bhd - 5.28

Forecast Revision				
	FY13	FY14		
Forecast Revision (%)	-	0.7		
Net profit (RMm)	9.0	18.6		
Consensus	9.0	12.2		
TA's / Consensus (%)	99.7	152.7		
Previous Rating	Buy (Maint	Buy (Maintained)		

Financial Indicators		
	FY13	FY14
Net Debt / Equity (%)	190.1	134.6
CFPS (sen)	-23.3	69.8
Price / CFPS (x)	-3.4	1.1
ROA (%)	0.9	1.8
NTA/Share (RM)	1.29	1.33
Price/NTA (x)	0.6	0.6

Share Performance (%)		
Price Change	BPURI	FBM KLCI
1 mth	(1.3)	0.4
3 mth	6.8	3.5
6 mth	0.6	1.7
12 mth	(6.0)	11.3

(12-Mth) Share Pricerelative to the FBM KLCI



Source: Bloomberg



### **Earnings Summary**

FYE December (RMmn)		2011	2012	2013F	2014F	2015F
Revenue		1178.1	1280.1	1068.6	1203.5	1560.4
Gross Profit		88.1	68.3	64.1	78.2	101.4
EBITDA		41.2	31.5	37.0	56.4	70.5
EBITDA margin	(%)	3.5	2.5	3.5	4.7	4.5
EBIT		30.9	20.7	23.8	43.1	57.0
PBT		25.8	16.4	15.8	34.3	48.6
PAT		6.0	5.1	9.0	18.6	26.9
EPS	(sen)	5.4	4.1	6.2	12.0	17.3
PER	(x)	14.6	19.2	12.8	6.6	4.6
Gross dividend	(sen)	2.0	2.0	2.0	2.0	4.0
Dividend yield	(%)	2.5	2.5	2.5	2.5	5.1
ROE	(%)	5.0	3.9	5.8	10.0	12.6

#### Disclaimer

The information in this report has been obtained from sources believed to be reliable. Its accuracy and/ or completeness are 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.

This report has been prepared by TA SECURITIES HOLDINGS BERHAD for purposes of CMDF-Bursa Research Scheme ("CBRS") administered by Bursa Malaysia Berhad and will be compensated to undertake the scheme. TA SECURITIES HOLDINGS BERHAD has produced this report independent of any influence from the CBRS or the subject company.

For more information about CBRS and other research reports, please visit Bursa Malaysia's website at: <a href="http://www.bursamalaysia.com/market/listed-companies/research-repository/research-reports">http://www.bursamalaysia.com/market/listed-companies/research-repository/research-reports</a>

for TA SECURITIES HOLDINGS BERHAD(14948-M)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Kaladher Govindan – Head of Research