



News Flash – Matrix Concept

Spreading its wings

BUY ◀▶

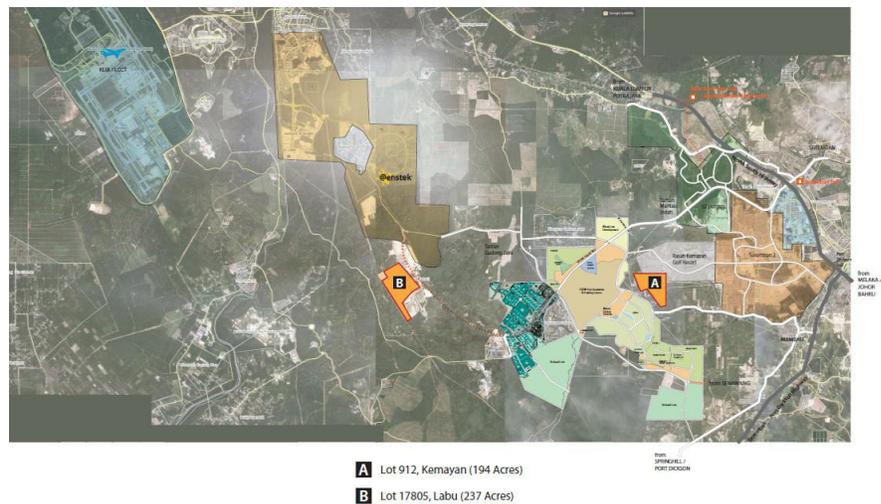
Price: RM2.60
Target Price: RM2.86

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Acquired two pieces of land. Matrix Concepts has acquired two pieces of freehold land in Mukim Rasah and Mukim Labu for a total consideration of RM106.8m (RM5.68 psf). The land is adjacent to its integrated township project, Bandar Sri Sendayan and it is adjacently located to the project. The lands are planned for a mixed development which consists of 2-storey shops, semi-detached homes and link homes with an estimated combined GDV of RM1.6bn to be developed in the next 2-3 years.

Our comments. We are positive on the land deal as it allows the company to extend its township in Bandar Sri Sendayan (BSS) for further development. The surrounding land will have a ready catchment via the existing BSS coupled with good accessibility to the city through few major highways, namely North-South Expressway, North-South Expressway Central (ELITE) and Seremban-Port Dickson as well as proposed Senawang-KLIA expressway and West Coast Expressway. We also think the price of RM5.68 psf is fair if we compare against the land price in the surrounding area which is asking in the range of RM4-6 psf. Moreover, the land cost is just 7% of its GDV. This new acquisition will add to its current remaining GDV at RM8.1bn that will last them till 2022.

Figure 1: Location of land acquired



Source: Company, BIMB Securities

Valuation and recommendation. We maintain our **BUY** recommendation with an unchanged TP of RM2.86 based on the discount rate of 20% to RNAV. This implies an undemanding PER of 6.8x based on FY13 earnings which is still relatively cheaper than most peers. We expect higher demand for its projects as it targets middle income segment which jives with our sector view where the genuine demand lies.

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BUY	Total return (price appreciation plus dividend yield) is expected to exceed 10% in the next 12 months.
TRADING BUY	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain.
NEUTRAL	Share price may fall within the range of +/- 10% over the next 12 months
TAKE PROFIT	Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.
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SELL	Share price may fall by more than 10% over the next 12 months.
NOT RATED	Stock is not within regular research coverage.

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OVERWEIGHT	The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months
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UNDERWEIGHT	The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

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