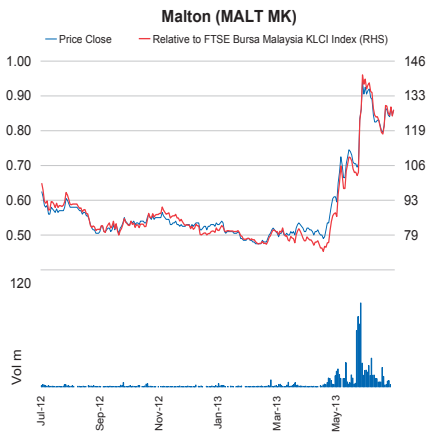


## A Perfect Mix



Source: Bloomberg

### Stock Profile

Bloomberg Ticker	MALT MK
Avg Turnover (MYR/USD)	10.3m/3.30m
Net Gearing (%)	-6.2
Market Cap (MYRm)	353m
Beta (x)	1.45
BVPS (MYR)	1.48
52-wk Price low/high (MYR)	0.48 - 0.94
Free float (%)	60

### Major Shareholders (%)

Datuk Desmond Lim	37.9
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### Share Performance (%)

	1m	3m	6m	12m
Absolute	(7.0)	68.6	62.3	39.8
Relative	(8.4)	63.4	56.3	29.9

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## Investment Merits

- ◆ Management refocusing on property development after sorting out legal tussles over a few big projects
- ◆ Stands to play a bigger role in the *Pusat Bandar Damansara (PBD)* redevelopment project, which is now effectively held by Malton's 38% major shareholder Datuk Desmond Lim
- ◆ We value the Group at MYR1.80, based on a 50% discount to RNAV

## Company Profile

Malton has a landbank of over 700 acres, carrying a gross development value (GDV) of MYR11bn. It is well-positioned at all the right locations within the West Malaysia property market, including Bukit Jalil, Kuala Lumpur; Batu Kawan, Penang; and Pengerang, Johor.

## Highlights

**Raring to go.** Trading at just 0.59x P/BV (NTA per share: MYR1.43), the market has largely underestimated the fundamental value and prospects of the Company. Following a two-year lull and after sorting out a few big projects (including Bukit Jalil and *PBD*), Management is now refocusing on its property development business, with a few sizeable projects lined up at strategic locations.

**Pavilion 2 at Bukit Jalil worth MYR3.5bn.** Malton plans to put up a mall as sizeable as *Pavilion Kuala Lumpur* at Bukit Jalil. We believe that other commercial and residential components will be easily sold, given: i) the mature surrounding residential areas, ii) a 5.3m population catchment, and iii) buyer confidence, as reflected by the success of the *Pavilion* and *Banyan Tree Signature* projects in the city centre.

**A mainland Penang play.** Malton holds 300 acres (GDV: MYR3.88bn) in Batu Kawan, right off the *Penang Second Bridge (PSB)*. The launch of Phase 1 (shop offices and superlink homes worth MYR440m) is targeted for mid-2014 – just after the opening of the *PSB*, when the growth visibility is substantiated. In our view, proper commercial developments on the mainland are scarce. Therefore, Malton's project will be designed to complement the business activities within the Seberang Prai Selatan area.

**Well-positioned in Johor.** Malton is also well-positioned in Pengerang, holding 200 acres in Malaysia's next mega oil & gas (O&G) hub. Its project is at the southern tip and has a GDV of MYR480m. We believe that the market may not be aware of this land in the Group's portfolio. We also expect the project to take off in one to two years' time when the O&G hub is more developed, and as the working population increases.