

► GLOMAC BHD				
	2009	2010	2011F	2012F
ADJ NET PROFIT (RM mil)	34.2	42.6	47.1	57.2
ADJ EPS (sen)	12.2	14.5	15.6	18.9
P/E (x)	11.1	9.3	8.7	7.1
DIV YIELD (%)	4.4	4.7	4.7	5.6

Potential RM158m GDV for Glomac's new Cyberjaya land

► **Recommendation: Buy**
Target Price: RM1.87
 By ECMLibra Investment
 Research (Sept 1)

News on Glomac

GLOMAC Bhd announced on Aug 30 that it has acquired the entire equity stake (par value of RM250,000) in Berapit Properties Sdn Bhd from its major shareholders, Tan Sri Mohamed Mansor Fateh Din and Datuk Fateh Iskandar Mohamed Mansor, for RM250,000 cash.

Concurrently, it also announced that Berapit Properties has acquired seven acres of development land adjacent to its existing Glomac Cyberjaya project for cash consideration of RM27.4 million or RM90 psf.

Comments on Company

Recall that Glomac acquired the existing 8-acre Glomac Cyberjaya landbank in January 2008 for RM21.2 million or RM60 psf. As such, the latest acquisition is being transacted at a 50% premium to the existing landbank.

Nonetheless, we believe the current price is fair after taking into account very strong sales take-up of Cyberjaya property launches, including that of Glomac's, over the past year.

While no details are available at this point in time, it is reasonable to assume that the new landbank will yield at least similar GDV per acre as the existing landbank.

Extrapolating from the

RM180 million GDV of the existing landbank, the new landbank could potentially have GDV of at least RM158 million.

Given Glomac's current net cash position and operating cash inflow in FY11, the said acquisition would not stress its balance sheet.

Maintain 'Buy'

We are keeping our estimates unchanged until we get further information from management. We maintain our 'Buy' call as we like Glomac for its 2-year earnings CAGR of 14.1%, and prospect of more landbank acquisitions.

Target price remains unchanged at RM1.87, which is derived from tagging a 12x P/E to FY11 EPS.