

28 November 2025

Mah Sing Group

Fundamentally Sustainable

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MAHSING's 9MFY25 net earnings (+10% YoY) met expectations with the group looking to increase its exposure beyond its affordable home developments, as seen in its acquisition of Corus Hotel KL, and expansion in Semenyih. There are no further developments on its data centre venture, but the group remains keen to pursue opportunities to leverage on its strategic landbank in Bangi. Maintain our OUTPERFORM call with a slightly higher SoP-TP of RM1.78 (from RM1.74) post-RNAV updates.

9MFY25 within expectations. MAHSING's 9MFY25 net profit of RM198.3m made up 74% each of both our full-year forecast and consensus full-year estimate.

YoY, 9MFY25 revenue increased by 5% thanks to higher progressive revenue recognition from its ongoing projects, while its gross margins increased to 28.1% (+2.4 ppts) with several projects reaching the tail end of their completion. All in, this led to a stronger 9MFY25 net profit of RM198.3m (+10%).

QoQ, 3QFY25 net profit was flattish at RM66.2m. Although the period reported a 12% higher revenue, gross profit only gained 2% with a gross margin of 27.9% (-2.8 ppts) from 2QFY25's higher base where more projects were completed.

Highlights. As of Sep 2025, MAHSING achieved property sales of RM1.88b. The group is optimistic of achieving its RM2.65b target on the back of launches in 4QFY25 consisting of M Aria and M Zenni. Meanwhile, the upcoming completion for its Meridin East 2G, M Senyum 2A and M Astra developments will support its earnings delivery for year-end.

MAHSING is seen to be gradually diversifying from its affordable products-led portfolio with the recent acquisition of Corus Hotel KL for redevelopment into premium service apartments looking to strengthen its track record in this space. Further, its further expansion into Semenyih (an additional 275 acres acquired) for township development with land set aside for strategic partnerships could also expand its suite of offerings.

While there are no further details shared on its data centre developments after the lapse of its exclusivity clause with Bridge Data Centres, MAHSING remains keen to pursue build-to-lease partnerships or outright land sale for its Southville City parcels.

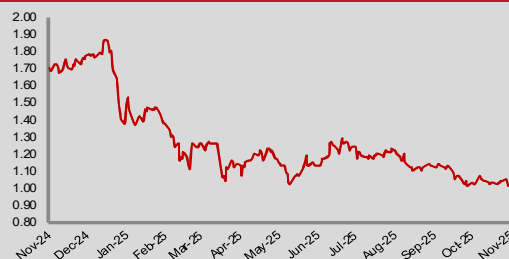
Forecast. Post results, while we maintain our FY25F earnings, we raise our FY26F earnings by 8% on the back greater unbilled sales booked so far.

Maintain OUTPERFORM with a slightly higher SoP-TP of RM1.78 (from RM1.74), following our RNAV updates. Our SoP comprises of a 50% discount to RNAV (contributing RM1.49/share in fair value) on top of a DCF valuation for its data centre landbank potential (contributing RM0.29/share in fair value based on a WACC: 4.5% and TG: 1.5%).

OUTPERFORM ↔

Price: RM1.01
Target Price: RM1.78 ↑

Share Price Performance



KLCI 1,617.46
YTD KLCI chg -1.5%
YTD stock price chg -43.9%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	MSGB MK Equity
Market Cap (RM m)	2,585.7
Shares Outstanding	2,560.1
52-week range (H)	1.87
52-week range (L)	0.99
3-mth avg. daily vol.	6,379,036
Free Float	57%
Beta	1.45

Major Shareholders

Mayang Teratai SdnBhd	25.5%
Amanah Saham Nasional	7.5%
Mayang Teratai Limited	7.0%

Summary Earnings Table

FYE Dec (RM m)	2024A	2025F	2026F
Turnover	2,520.3	2,632.4	2,688.0
Operating Profit	391.6	422.5	429.1
Profit Before Tax	337.1	357.1	374.0
Net Profit (NP)	239.1	267.8	280.5
Core NP (CNP)	239.1	267.8	280.5
Consensus (CNP)	-	267.1	295.7
Earnings Revision	-	-	+7.7%
FD EPS (sen)	9.3	10.5	11.0
FD EPS Growth (%)	7.6	12.0	4.7
NDPS (sen)	4.5	5.0	5.0
BV/Share (RM)	1.54	1.59	1.64
FD PER (x)	10.8	9.7	9.2
Price/BV (x)	0.66	0.64	0.61
Net Gearing (x)	0.16	0.17	0.12
Dividend Yield (%)	4.5	5.0	5.0

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Even assuming the group's data centre aspiration does not materialise, our core property development valuations still allow an attractive 48% capital upside for MAHSING, as the group continues to offer strong earnings stability with its affordable products offering and effective land banking management. There is no adjustment to our TP based on ESG given a 3-star rating appraised by us.

Risks to our call include: (i) persistent overhang in the high-rise segment, (ii) widening losses at its glove division due to persistent oversupply, and (iii) sustained elevated inflation and mortgage rates, hurting affordability.

Result Highlight

	3Q	2Q	QoQ	3Q	YoY	9M	9M	YoY
FYE Dec (RM m)	FY25	FY25	Chg	FY24	Chg	FY25	FY24	Chg
Revenue	635.9	565.9	12.4%	639.3	-1%	1,851.5	1,775.9	4.3%
Cost of Goods Sold	-458.7	-392.3	16.9%	-472.9	-3%	-1,331.0	-1,319.7	0.9%
Gross Profit	177.2	173.6	2.0%	166.4	6%	520.6	456.2	14.1%
Other income	11.9	7.5	58.4%	5.8	105%	27.4	25.6	7.1%
Selling and marketing expenses	-20.7	-21.8	-4.9%	-20.8	0%	-59.8	-50.2	19.0%
Administrative and other expenses	-57.8	-53.4	8.2%	-53.2	8%	-162.8	-145.3	12.1%
Operating Profit	110.6	105.9	4.4%	98.2	13%	325.3	286.2	13.7%
Net Finance Income / (Cost)	-14.4	-10.4	38.0%	-13.3	8%	-42.2	-37.2	13.4%
Profit Before Tax	96.2	95.5	0.7%	84.9	13%	283.2	249.0	13.7%
Taxation	-26.5	-24.1	9.9%	-24.5	8%	-72.8	-68.6	6.0%
Minority interest	-3.5	-5.4	-35.7%	-0.3	1055%	-12.1	-0.1	N.M.
Net Profit	66.2	66.0	0.4%	60.1	10%	198.3	180.3	10.0%
One-off Adjustments	0.0	0.0	N.A.	0.0	N.A.	0.0	0.0	N.A.
Core Net Profit	66.2	66.0	0.4%	60.1	10%	198.3	180.3	10.0%
Gross Profit Margin	27.9%	30.7%		26.0%		28.1%	25.7%	
Operating Margin	17.4%	18.7%		15.4%		17.6%	16.1%	
Pretax Margin	15.1%	16.9%		13.3%		15.3%	14.0%	
Net Margin	10.4%	11.7%		9.4%		10.7%	10.2%	
Effective Tax Rate	27.5%	25.2%		28.9%		25.7%	27.6%	
Net Gearing	0.24	0.20		0.22		0.24	0.22	

Source: Kenanga Research

Segmental Breakdown

	3Q	2Q	QoQ	3Q	YoY	9M	9M	YoY
<u>Revenue</u>	FY25	FY25	Chg	FY24	Chg	FY25	FY24	Chg
Property	500.3	442.8	13%	496.8	1%	1,464.1	1,411.2	3.7%
Manufacturing	120.4	109.2	10%	127.6	-6%	342.6	328.1	4.4%
Investment & Others	15.2	13.9	9%	14.9	2%	44.8	36.5	22.8%
Total Revenue	635.9	565.9	12%	639.3	-1%	1,851.5	1,775.9	4.3%
<u>Operating Profit</u>								
Property	108.1	108.1	0%	97.7	11%	319.6	277.8	15.0%
Manufacturing	-1.2	-3.8	-68%	-3.7	-67%	-6.4	-4.2	52.8%
Investment & Others	3.7	1.6	126%	4.2	-11%	12.1	12.6	-3.5%
Total Operating Profit	110.61	105.94	4%	98.2	13%	325.3	286.2	13.7%
<u>Operating Margin</u>								
Property	21.6%	24.4%		19.7%		21.8%	19.7%	
Manufacturing	-1.0%	-3.5%		-2.9%		-1.9%	-1.3%	
Investment & Others	24.5%	11.8%		28.2%		27.1%	34.5%	
Total Operating Margin	17.4%	18.7%		15.4%		17.6%	16.1%	

Source: Kenanga Research

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MAHSING's SoP			
Property Development	Remaining Land Bank (acres)	Outstanding GDV (RM b)	NPV of Profit (RM b)
<u>GREATER KL</u>			
Commercial			
Southgate	-	2	0
Star Avenue	-	88	6
Integrated Development & Residential			
Hijauan Residence	25	226	15
Garden Residence	13	76	5
Perdana Residence 2	4	13	1
Aman Perdana	24	72	5
Bayu Sekamat	3	7	0
Icon Residence Mont Kiara	-	12	1
Garden Plaza, Cyberjaya	-	31	2
M Suites @ Jalan Ampang	-	6	0
Icon City, Petaling Jaya	10	1,901	121
M City, Jalan Ampang	-	2	0
M Residence 1 / M Panora @ Rawang	24	27	2
M Residence 2 @ Rawang	7	5	0
M Aruna @ Rawang	29	149	10
Southville City @ Bangi	310	8,343	514
D'Sara Sentral	-	47	3
Lakeville Residence	-	1	0
M Centura/M Arisa, Sentul	-	4	0
M Vertica, Cheras	-	28	2
M Senyum, Salak Tinggi	4	3	0
M Astra, Setapak	-	11	1
M Nova, Kepong	-	132	9
M Terra/M Hana, Puchong	4	588	39
M Legasi (Glengowrie Estate), Semenyih	461	3,063	196
M Zenya, Kepong	2	169	13
M Azura, Setapak	2	280	20
M Aspira, Taman Desa	2	510	36
M Aurora, Old Klang Road	5	660	47
M Aria, Sentul	3	283	19
Corus Hotel Site, Jalan Ampang	1	1,280	88
M Legasi 2, Semenyih	275	1,700	117
M Mira	3	300	21
<u>PENANG</u>			
Integrated Development & Residential			
Ferringhi Residence	30	315	22
Southbay City	21	1,415	87
M Cora, Bandar George Town	21	528	33
<u>JOHOR</u>			
Residential			
Sierra Perdana	37	140	10
Meridin@Medini	-	227	16
Meridin East	949	2,949	203
M Minori	2	103	7
M Tiara	76	45	3
M Tiara 2	100	1,450	103
Tiara Hills	101	463	64
M Grand Minori	102	1,176	234
	2,650	28,830	2,076.2
Unbilled Sales (as of 3FQY25)		3,140	1,670.2
PD Net Assets (FY24)			3,882.3
PD RNAV (RM m)			7,628.8
Discount ascribed to PD RNAV			50%
Discounted PD RNAV			3,814.4
20% stake in Data Centre (DCF @ WACC: 4.5%, TG: 1.5%)			749.4
Total SoP Value			4,563.8
Number of shares (m shares)			2,560.1
Target Price (RM)			1.78

Source: Company, Kenanga Research

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Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside (%)	Market Cap (RM'm)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE (%)	Net Div. (sen)	Net Div Yld (%)
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.				
PROPERTY DEVELOPERS																	
ECO WORLD DEVELOPMENT GROUP	MP	2.20	2.15	-2.3%	7,042	Y	10/2025	13.0	14.4	13.3%	10.1%	16.9	15.3	1.3	8.1%	7.0	3.2%
IOI PROPERTIES GROUP BHD	MP	2.43	2.30	-5.3%	13,380	Y	06/2026	11.2	12.4	112.2%	10.1%	21.6	19.7	0.5	4.5%	5.0	2.1%
LBS BINA GROUP BHD	OP	0.405	0.640	58.0%	624	Y	12/2025	6.2	7.6	45.7%	23.3%	6.6	5.3	0.3	5.4%	2.3	5.7%
MAH SING GROUP BHD	OP	1.01	1.78	76.2%	2,586	Y	12/2025	10.5	11.0	12.0%	4.7%	9.7	9.2	0.6	6.4%	5.0	5.0%
S P SETIA BHD	OP	0.810	1.43	76.5%	4,053	Y	12/2025	6.1	7.3	-33.3%	18.9%	13.3	11.2	0.2	2.4%	2.0	2.5%
SIME DARBY PROPERTY BHD	OP	1.39	1.97	41.7%	9,453	Y	12/2025	8.3	8.6	11.9%	4.6%	16.8	16.1	0.9	5.3%	3.0	2.2%
SUNWAY BHD	UP	5.39	4.73	-12.2%	33,804	Y	12/2025	25.0	20.3	66.6%	-18.5%	21.6	26.5	2.1	10.1%	6.5	1.2%
UOA DEVELOPMENT BHD	OP	1.84	1.94	5.4%	4,885	Y	12/2025	14.5	15.3	59.0%	5.4%	12.7	12.0	0.9	6.8%	13.0	7.1%
SECTOR AGGREGATE					75,826					40.1%	-2.9%	19.5	20.1	0.8	5.9%		3.7%

Source: Kenanga Research

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Stock ESG Ratings:

	Criterion	Rating				
GENERAL	Earnings Sustainability & Quality	★	★	★		
	Community Investment	★	★	★		
	Workers Safety & Wellbeing	★	★	★		
	Corporate Governance	★	★	☆		
	Anti-Corruption Policy	★	★	☆		
	Emissions Management	★	★	☆		
SPECIFIC	Product Quality & Safety	★	★	★	★	
	Effluent/Water Management	★	★	★		
	Waste Management	★	★	★		
	Biodiversity & Conservation	★	★	★		
	Green Building	★	★	★		
	Supply Chain Management	★	★	★		
OVERALL		★	★	★		

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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