

03 March 2026

KJTS Group

Secures RM14m ACMV Contract

By Peter Kong, CFA | peterkong@kenanga.com.my

KJTS has secured a RM14m LOA from BPL Engineering (M) Sdn Bhd for ACMV works at Cengild Specialist Hospital, Kuala Lumpur, with completion targeted by end-September 2026. This marks the second hospital-related project secured post listing. The project may also open doors for potential recurring O&M opportunities post-completion, which typically range between 30%-50% of the contract value, subject to structure and tenure. We maintain our earnings forecasts, as the contract win falls within our expectations. Maintain **OUTPERFORM** with a TP of RM1.30.

RM14m award. KJTS Group Berhad's wholly-owned subsidiary, KJ Technical Services Sdn Bhd, has accepted a RM14m Letter of Award (LOA) from BPL Engineering (M) Sdn Bhd for the provision of air conditioning and mechanical ventilation (ACMV) works at Cengild Specialist Hospital, Kuala Lumpur. The contract commenced on end-January 2026 and is targeted for completion by end-September 2026.

Our Take. We are positive on the award as this marks the second hospital-related project secured post listing, further expanding its footprint in the healthcare infrastructure segment. Assuming a GP margin of 25%, the RM14m contract is estimated to generate c.RM3m in GP over the nine-months execution, equivalent to about 5% of our FY26F GP. In addition, this project may also open doors for potential recurring O&M opportunities post-completion, which typically range between 30%-50% of the initial contract value, depending on structure and tenure. This could enhance the long-term earnings visibility.

Outlook. Near-term earnings are expected to remain supported by the newly secured hospital contract, alongside two ongoing EPCC retrofitting works at Centara Grand Hua Hin and KIP Mall, which are scheduled for completion by May and July, respectively. Upon completion, these projects are expected to generate long-term recurring income streams, strengthening earnings visibility.

Forecasts. Maintained, as the contract win falls within our expectations.

Valuations. We maintain our TP of RM1.30 based on SoP valuation (see Exhibit 2) premised on: (i) 16x FY26F PER for EPCC, (ii) DCF for its concession assets, and (iii) Stonepeak's potential factored in at RM0.80/share.

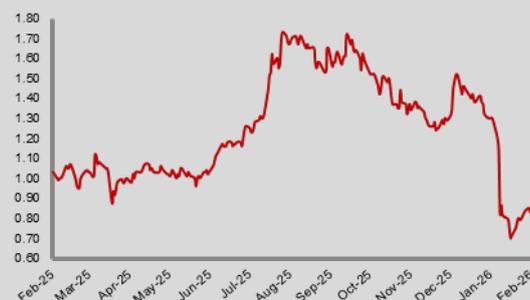
Investment thesis. We like KJTS for: (i) Malaysia's RM41b energy efficiency pie which provides an attractive avenue to grow its higher-margin recurring income concession base, (ii) the underappreciated 10% JV with Stonepeak, and (iii) MUSB which paves the way for the government's asset transformation strategy. Maintain **OUTPERFORM**.

Risks to our call include: (i) termination or delay risk from Stonepeak JV, (ii) rollback of the government's energy efficiency policy, and (iii) concession asset termination risk.

OUTPERFORM ↔

Price : **RM0.78**
Target Price : **RM1.30** ↔

Share Price Performance



KLCI 1,700.21
YTD KLCI chg 1.2%
YTD stock price chg -46.9%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	KJTS MK EQUITY
Market Cap (RM m)	535.1
Shares Outstanding	690.5
52-week range (H)	1.81
52-week range (L)	0.67
3-mth avg. daily vol.	1,514,994
Free Float	42%
Beta	0.9

Major Shareholders

Wee Tah Poh	26.8%
Lee Kok Choon	26.8%
Deutsche Bank AG	6.5%

Summary Earnings Table

FYE Dec (RM m)	2025A	2026F	2027F
Turnover	212.4	220.8	254.8
EBIT	25.4	14.3	33.4
PBT	24.8	31.4	36.1
Net Profit	18.3	23.8	27.3
Core PATAMI	18.2	21.5	25.8
Consensus (NP)	-	-	-
Earnings Revision	-	-30%	-47%
Core EPS (sen)	1.2	2.6	3.1
Core EPS Growth (%)	124.8	18.3	19.9
NDPS (sen)	0.8	0.6	0.7
NTA per Share (RM)	0.2	0.2	0.3
PER (x)	66.3	29.5	25.4
PBV (x)	4.7	4.0	3.0
Net Gearing (x)	(0.1)	0.0	(0.1)
Net Div. Yield (%)	1.0	0.8	0.9

03 March 2026

Exhibit 1: Sum-of-Parts (SoP) Valuation

Business/Asset	Stake	Value (RM m)	Basis
EPCC		224.0	16x FY27F PER
Centara Grand Beach Resort & Villas Hua Hin, Thailand	49%	4.9	DCF with a discount rate of 5.9%
8 KIPMall (Under KIP Reit)	100%	25.2	DCF with a discount rate of 5.9%
Centara Grand Mirage Beach Resort Pattaya, Thailand	49%	0.9	DCF with a discount rate of 5.9%
Menara Takaful Malaysia in Kuala Lumpur	100%	1.1	DCF with a discount rate of 5.9%
Centara Grand Hotel at Central World in Bangkok, Thailand	49%	0.8	DCF with a discount rate of 5.9%
Other Assets		81.7	DCF with a discount rate of 5.9%
Stonepeak Potential		559.0	
Net (Debt) / Cash		16.5	
Asset Valuation		914.0	
Number of Shares (m shares)		700.7	
TP (RM/share)		1.30	

Source: Kenanga Research

03 March 2026

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.				
Stocks Under Coverage																	
KJTS GROUP BHD	OP	0.775	1.30	67.7%	535.1	Y	12/2026	3.1	3.7	18.1%	20.0%	25.3	21.0	3.0	15.1%	61.5	0.8%
PEKAT GROUP BHD	OP	1.27	1.72	35.4%	897.0	Y	12/2026	8.5	9.2	22.4%	7.3%	14.9	13.9	2.3	18.6%	0.0	0.0%
SAMAIDEN GROUP BHD	OP	1.08	1.94	79.6%	542.8	Y	06/2026	6.3	7.5	21.3%	18.8%	17.1	14.4	2.7	17.4%	110.0	1.0%
SOLARVEST HOLDINGS BHD	OP	2.11	3.45	63.5%	2,002.4	Y	03/2026	10.3	14.3	51.9%	39.2%	20.5	14.7	4.1	22.7%	0.0	0.0%
SWIFT ENERGY TECHNOLOGY BHD	OP	0.185	0.470	154.1%	185.1	Y	09/2026	1.3	2.0	-29.3%	53.8%	14.2	9.3	2.3	19.1%	0.0	0.0%
SECTOR AGGREGATE					897.0					21.3%	20.0%	18.8	14.7	2.4	17.4%		0.8%

Source: Kenanga Research

*Note that Sunview numbers based on Bloomberg consensus

Stock ESG Ratings:

	Criterion	Rating			
GENERAL	Earnings Sustainability & Quality	★	★	★	★
	Community Investment	★	★	★	
	Workers Safety & Wellbeing	★	★	★	
	Corporate Governance	★	★	★	
	Anti-Corruption Policy	★	★	★	
	Emissions Management	★	★	☆	
SPECIFIC	Energy Efficiency	★	★	☆	
	Cybersecurity & Data Privacy	★	★	★	
	Effluent/Waste Management	★	★		
	Ethical Practices	★	★	★	
	Supply Chain Management	★	★	★	
	Corporate Disclosure	★	★	★	
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.**

This report has been prepared by Kenanga Investment Bank Berhad pursuant to the Research Incentive Program under Bursa Research Incentive Scheme Plus (“Bursa RISE+”) administered by Bursa Malaysia Berhad. This report has been produced independent of any influence from Bursa Malaysia Berhad or the subject company. Bursa Malaysia Berhad and its group of companies disclaims any and all liability, howsoever arising, out of or in relation to the administration of Bursa Research Incentive Program and/or this report. This research report can also be found in MyBursa platform or via the link: [Market Research and Analysis - MyBURSA](#)

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

Published by:

KENANGA INVESTMENT BANK BERHAD (15678-H)
 Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
 Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my

