

03 June 2026

Mah Sing Group

Building a Resilient Profile

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MAHSING's 1QFY26 net profit (+3% YoY) was within expectations. The group continues to expand its industrial development offerings to diversify earnings away from its traditional residential focus, although the group does not currently anticipate demand constrains in the immediate term. There are no material updates on its data centre initiatives, which we believe an outright land sale could be a more viable monetisation strategy. Maintain **OUTPERFORM** with a slightly higher TP of RM1.82 (from RM1.78) from RNAV updates.

1QFY26 within expectations. MAHSING's 1QFY26 net profit of RM68.1m came in at 24% of our full-year forecast and 23% of consensus full-year estimate.

YoY, 1QFY26 revenue fell by 13% owing to a larger proportion of sales coming from newly launched projects, where revenue recognition is still at an early stage of construction. That said, gross profit gained 4% with gross margins rising to 31.4% (+5.3 pts) with better progress savings for projects nearing completion during the period. This led to 1QFY26 net profits improving by 3%.

QoQ, 1QFY26 net profit increased by 10% for the same abovementioned reasons, with total revenue declining by 15%. This was also supported by lower overall expenses which were seasonally higher in 4QCY25.

Highlights. In its 5MFY26, MAHSING achieved property sales of RM978m, representing 35% of its FY26 sales target of RM2.76b.

Despite concerns over slowing mortgage approvals, the group indicated that sales conversion rates remain largely unaffected. We also take comfort in the group's continued expansion into the industrial segment across the Klang Valley and Johor, with the upcoming MS Industrial Park, Kulai, a 60:40 JV with KLF Land and estimated GDV of RM2.26b is scheduled to launch in 2HFY26.

Meanwhile, recent land acquisitions have added RM6.4b in GDV, bringing the group's total remaining landbank to 2,683 acres with a combined GDV of RM29.9b, providing strong visibility for development activities over the medium-to-long term.

Forecasts. Maintained.

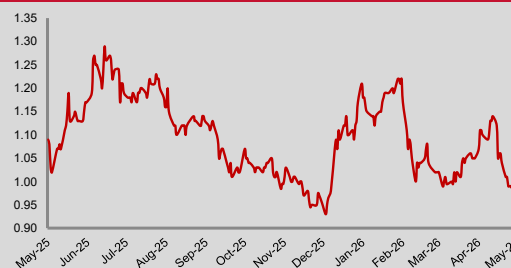
Maintain OUTPERFORM and SoP-TP of RM1.82 (from RM1.78), from RNAV updates. Our SoP comprises a 50% discount to RNAV (contributing RM1.53/share in fair value) on top of a DCF valuation for its data centre landbank should the group manage to materialise its initial intention to form a JV to operate the prospective DC (contributing RM0.29/share in fair value based on a WACC: 4.5% and TG: 1.5%).

Even assuming the group's data centre aspiration does not materialise, our core property development valuations still allow an attractive >50% capital upside as the group continue 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.

OUTPERFORM ↔

Price: **RM0.99**
Target Price: **RM1.82** ↑

Share Price Performance



KLCI	1,683.07
YTD KLCI chg	0.2%
YTD stock price chg	2.6%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	MSGB MK Equity
Market Cap (RM m)	2,534.5
Shares Outstanding	2,560.1
52-week range (H)	1.29
52-week range (L)	0.93
3-mth avg. daily vol.	6,624,578
Free Float	57%
Beta	1.42

Major Shareholders

Mayang Teratai Sdn Bhd	25.5%
Amanah Saham Nasional	7.5%
Mayang Teratai Limited	7.0%

Summary Earnings Table

FYE Dec (RM m)	2025A	2026F	2027F
Turnover	2,517	2,760	2,900
Operating Profit	441	449	476
Profit Before Tax	383	382	410
Net Profit (NP)	260	278	299
Core NP (CNP)	260	278	299
Consensus (CNP)	-	290	305
Earnings Revision	-	-	-
FD EPS (sen)	10.2	10.9	11.7
FD EPS Growth (%)	8.0	7.0	7.3
NDPS (sen)	5.0	5.5	6.0
BV/Share (RM)	1.59	1.64	1.70
FD PER (x)	9.7	9.1	8.5
Price/BV (x)	0.62	0.60	0.58
Net Gearing (x)	0.25	0.27	0.19
Dividend Yield (%)	5.1	5.6	6.1

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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

	1Q	4Q	QoQ	1Q	YoY	3M	3M	YoY
FYE Dec (RM m)	FY26	FY25	Chg	FY25	Chg	FY26	FY25	Chg
Revenue	563.1	665.0	-15.3%	649.7	-13%	563.1	649.7	-13.3%
Cost of Goods Sold	-386.4	-478.4	-19.2%	-479.9	-19%	-386.4	-479.9	-19.5%
Gross Profit	176.7	186.6	-5.3%	169.8	4%	176.7	169.8	4.1%
Other income	8.4	21.0	-60.1%	7.9	6%	8.4	7.9	6.3%
Selling and marketing expenses	-20.8	-28.3	-26.4%	-17.2	21%	-20.8	-17.2	21.0%
Administrative and other expenses	-53.2	-63.4	-16.1%	-51.7	3%	-53.2	-51.7	2.9%
Operating Profit	111.1	116.1	-4.2%	108.8	2%	111.1	108.8	2.1%
Net Finance Income / (Cost)	-18.0	-16.3	10.3%	-17.4	4%	-18.0	-17.4	3.9%
Profit Before Tax	93.1	99.7	-6.6%	91.4	2%	93.1	91.4	1.8%
Taxation	-25.7	-32.5	-21.0%	-22.2	16%	-25.7	-22.2	15.8%
Minority interest	0.6	-5.5	-111.4%	-3.2	-119%	0.6	-3.2	-119.1%
Net Profit	68.1	61.7	10.2%	66.0	3%	68.1	66.0	3.1%
One-off Adjustments	0.0	0.0	n.a	0.0	N.M.	0.0	0.0	N.M
Core Net Profit	68.1	61.7	10.2%	66.0	3%	68.1	66.0	3.1%
Gross Profit Margin	31.4%	28.1%		26.1%		31.4%	26.1%	
Operating Margin	19.7%	17.5%		16.7%		19.7%	16.7%	
Pretax Margin	16.5%	15.0%		14.1%		16.5%	14.1%	
Net Margin	12.1%	9.3%		10.2%		12.1%	10.2%	
Effective Tax Rate	27.6%	32.6%		24.2%		27.6%	24.2%	
Net Gearing	0.32	0.19		0.20		0.32	0.20	

Source: Kenanga Research

Segmental Breakdown

	1Q	4Q	QoQ	1Q	YoY	3M	3M	YoY
<u>Revenue</u>	FY26	FY25	Chg	FY25	Chg	FY26	FY25	Chg
Property	460.6	533.7	-14%	521.0	-12%	460.6	521.0	-11.6%
Manufacturing	89.4	117.3	-24%	113.0	-21%	89.4	113.0	-20.9%
Investment & Others	13.1	14.1	-7%	15.7	-17%	13.1	15.7	-16.6%
Total Revenue	563.1	665.0	-15%	649.7	-13%	563.1	649.7	-13.3%
<u>Operating Profit</u>								
Property	108.6	99.0	10%	103.4	5%	108.6	103.4	5.1%
Manufacturing	-1.6	2.1	-172%	-1.3	16%	-1.6	-1.3	16.0%
Investment & Others	4.1	14.9	-73%	6.8	-40%	4.1	6.8	-39.9%
Total Operating Profit	111.13	116.05	-4%	108.8	2%	111.1	108.8	2.1%
<u>Operating Margin</u>								
Property	23.6%	18.5%		19.8%		23.6%	19.8%	
Manufacturing	-1.7%	1.8%		-1.2%		-1.7%	-1.2%	
Investment & Others	31.0%	105.9%		43.1%		31.0%	43.1%	
Total Operating Margin	19.7%	17.5%		16.7%		19.7%	16.7%	

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	1	1	0
Bayu Sekamat	3	7	0
Icon Residence Mont Kiara	-	6	0
Garden Plaza, Cyberjaya	-	31	2
M Suites @ Jalan Ampang	-	5	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	2	44	3
M Aruna @ Rawang	29	149	10
Southville City @ Bangi	310	8,336	514
D'Sara Sentral	-	32	2
Lakeville Residence	-	1	0
M Centura/M Arisa, Sentul	-	4	0
M Vertica, Cheras	-	28	2
M Senyum, Salak Tinggi	4	4	0
M Astra, Setapak	-	11	1
M Nova, Kepong	-	51	4
M Terra/M Hana, Puchong	4	484	32
M Legasi (Glengowrie Estate), Semenyih	461	3,002	192
M Zenya, Kepong	-	129	10
M Azura, Setapak	-	202	14
M Aspira, Taman Desa	2	498	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	313	22
Southbay City	17	1,365	84
M Cora, Bandar George Town	3	528	33
<u>JOHOR</u>			
Residential & Industrial			
Sierra Perdana	37	140	10
Meridin@Medini	-	189	13
Meridin East	864	2,898	199
M Minori	-	98	7
M Tiara	-	6	0
M Tiara 2	100	1,450	103
Tiara Hills	59	463	32
M Grand Minori	3	1,169	77
MS Industrial Park @ Kulai	419	2,260	144
	2,711	30,462	1,990.1
Unbilled Sales (as of 4FQY25)		3,330	1,771.3
PD Net Assets (FY25)			4,058.7
PD RNAV (RM m)			7,820.1
Discount ascribed to PD RNAV			50%
Discounted PD RNAV			3,910.0
20% stake in Data Centre (DCF @ WACC: 4.5%, TG: 1.5%)			749.4
Total SoP Value			4,659.5
Number of shares (m shares)			2,560.1
Target Price (RM)			1.82

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)	
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.			1-Yr. Fwd.	1-Yr. Fwd.
PROPERTY DEVELOPERS																	
Eco World Development Group	OP	2.14	2.35	9.8%	6,896.0	Y	10/2026	17.9	18.1	28.9%	1.4%	12.0	11.8	1.0	8.6%	8.0	3.7%
IOI Properties Group Bhd	MP	4.20	4.01	-4.5%	23,125.8	Y	06/2026	13.5	15.1	154.5%	12.3%	31.2	27.8	0.9	5.0%	6.0	1.4%
LBS Bina Bhd	OP	0.445	0.510	14.6%	686.0	Y	12/2026	6.9	7.7	-1.7%	10.7%	6.4	5.8	0.3	6.0%	3.3	7.4%
Mah Sing Group Bhd	OP	0.990	1.82	83.8%	2,534.5	Y	12/2026	10.9	11.7	7.0%	7.3%	9.1	8.5	0.6	6.7%	5.5	5.6%
Malaysian Resources Corp Bhd	MP	0.325	0.560	72.3%	1,451.9	Y	12/2026	1.8	1.4	19.2%	-18.9%	45.8	24.6	0.3	1.7%	1.0	3.1%
Paramount Corporation Bhd	OP	1.01	1.47	45.5%	629.0	Y	12/2026	19.1	21.8	66.6%	14.2%	5.3	4.6	0.4	7.8%	7.5	7.4%
S P Setia Bhd	OP	1.00	1.43	43.0%	5,051.5	Y	12/2026	6.6	9.7	-47.5%	46.3%	15.2	10.4	0.3	2.4%	2.5	2.5%
Sime Darby Property Bhd	OP	1.49	1.97	32.2%	10,133.3	Y	12/2026	8.2	9.2	8.0%	11.4%	18.1	16.3	0.9	5.1%	3.3	2.2%
Sunway Bhd	MP	5.40	5.66	4.8%	36,506.3	Y	12/2026	21.6	21.6	19.9%	0.3%	25.1	25.0	2.0	8.3%	6.5	1.2%
UOA Development Bhd	MP	1.78	1.82	2.2%	4,725.9	Y	12/2026	12.3	13.9	7.2%	13.0%	14.5	12.8	0.8	5.3%	11.1	6.2%
SECTOR AGGREGATE					91,740.2					20.0%	9.7%	22.9	20.9	0.7	5.4%		4.1%

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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