

Tan Wai Wern

(603) 7890 8888 (ext 2092)

[waiwern.tan@apexsecurities.com.my](mailto:waiwern.tan@apexsecurities.com.my)

<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM 0.75
Previous Target Price:	RM 0.94
Target Price:	RM 0.96
Capital Upside/Downside:	28.0%
Dividend Yield (%):	1.3%
<b>Total Upside/Downside:</b>	<b>29.3%</b>

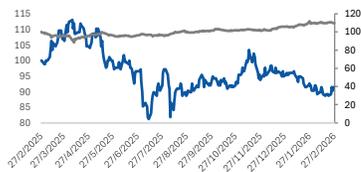
**Stock information**

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	3417 / EAST MK
Syariah Compliant	No
ESG Rating	★ ★ ★
Shares issued (m)	2,492.3
Market Cap (RM' m)	1,856.7
52-Week Price Range (RM)	0.605
Beta (x)	1.0
Free float (%)	31.6
3M Average Volume (m)	3015610.0
3M Average Value (RM' m)	2130922.0

**Top 3 Shareholders**

	(%)
Amazing Parade Sdn Bhd	28.4
Kerjaya Prospek Dev Sdn Bhd	18.2
Paramount Spring Sdn Bhd	9.3

**Share Price Performance**



	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute (%)	-1.3	-2.0	-12.9
Relative (%)	0.4	-8.9	-20.6

**Earnings Summary**

	<b>FY25</b>	<b>FY26F</b>	<b>FY27F</b>
Revenue (RM'm)	741.082	953.576	1069.88
PATAMI (RM'm)	168.6	252.0	272.5
Adjusted CNP (RM'm)	194.9	252.0	272.5
EPS - core (sen)	7.7	10.0	10.8
P/E (x)	9.6	7.4	6.9

# Eastern & Oriental Bhd

## Results Above Expectations

- E&O's 3QFY26 CNP came in at RM90.4m (+98.9% YoY, +48.8% QoQ), bringing 9MFY26 CNP to RM196.5m (+36.7% YoY), which accounts for 91% of our full-year forecast and 94% of consensus estimates.
- Post results, we raise our earnings forecasts by +16.3%/+12.6%/+16.5% for FY26F/FY27F/FY28F as we impute higher margins assumptions on its Properties segment.
- We maintain our BUY call with a higher TP of RM0.96 (from RM0.94), based on a 55% discount to our revised RNAV.

**Results Above Expectations.** 3QFY26 core net profit (CNP) came in at RM90.4m (+98.9% YoY, +48.8% QoQ) after adjusting for an unrealised foreign exchange loss of RM26.9m, bringing 9MFY26 CNP to RM196.5m (+36.7% YoY). These results significantly exceeded expectations, accounting for 91% of ours and 94% of consensus estimates. The earnings beat was anchored by the Properties segment, which saw operating profit (OP) surge +89.3% YoY and +41.6% QoQ. This outperformance was driven by accelerated revenue recognition and robust sales from ongoing projects (Fera, Senna and The Lume), complemented by maiden contributions from newly launched developments, Laman Embun and Avea.

**YoY/YTD.** CNP surged +98.9% YoY / +36.7% YTD, underpinned by robust revenue recognition and strong sales across existing projects, alongside new launches totalling c.RM900m in GDV this quarter. This momentum drove a significant +89.3% YoY / +42.1% YTD increase in the Properties segment's OP. Notably, the segment's OP margin expanded by 707bps YoY / 293bps YTD, reflecting improved operational efficiencies. This outperformance was slightly tempered by the Hospitality segment, which saw OP contract by -8.3% YoY / -8.9% YTD.

**QoQ.** CNP rose +48.8% QoQ, primarily driven by a +41.6% increase in the Properties segment OP. This growth was supported by a substantial 567bps expansion in OP margins. This sequential performance was further bolstered by a +35.7% uptick in the Hospitality segment, which benefitted from strengthening occupancy levels at E&O Residences.

**Outlook.** The Group's outlook remains positive, underpinned by a dual-engine performance in property and hospitality. Earnings are well-supported by steady construction progress and robust sales take-up, with unbilled sales rising 9.9% QoQ to RM1,497.2m (from RM1,362.7m). This provides clear revenue visibility through FY29. The hospitality segment continues to demonstrate resilience, bolstered by elevated room rates and improved international connectivity, including the new Haikou to Penang direct flights. Strategic infrastructure catalysts, specifically the Gurney Bridge which opened in December 2025, have significantly enhanced Andaman Island's accessibility. This benefits both current and upcoming phases. Looking ahead, the Andaman Island 2 reclamation remains on track for completion by late CY2027, unlocking a massive RM40bn GDV potential. Coupled with management's appetite for strategic landbank acquisitions, these factors ensure a robust long-term growth runway.

**Figure 1: FY26 Launches**

Projects	Details	Location	Launch date	Expected completion	GDV (RM m')
<b>Senna &amp; Fera - Phase 3&amp;4</b>	68 units of 3 storey semi-d and terrace houses (freehold)	Andaman island	Q2 2026 (Launched)	Q2 2028	280
<b>Laman Embun</b>	133 units of 2 storey and 3 storey shophouses (freehold)	Elmina	Q3 2026 (Launched)	Q1 2029	309
<b>Seri Embun</b>	360 units 3 storey terrace houses (freehold)	Elmina	Q4 2026 (Launched)	Q1 2029	670
<b>Avea</b>	1,080 units serviced apartments and 10 units shop lots (freehold)	Andaman Island	Q3 2026 (Launched)	CY 2029	1,190
				<b>TOTAL</b>	<b>2,449</b>

**Earnings Revision.** Post results, we raise our earnings forecasts by +16.3%/+12.6%/+16.5% for FY26F/FY27F/FY28F as we impute higher margins assumptions on its Properties segment.

**Valuation.** We maintain our BUY call with a higher TP of RM0.96 (from RM0.94), based on a 55% discount to our revised RNAV.

**Risk.** Affordability concerns amid premium positioning, SST exposure on construction services, and Syariah-compliant status risk.

# Results Note

Friday, 27 Feb, 2026

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**APEX**  
SECURITIES  
鼎峰证券有限公司

## Results Comparison

FYE Mar (RM m)	3QFY26	3QFY25	yoy (%)	2QFY26	qoq (%)	9MFY26	9MFY25	yoy (%)
Revenue	243.9	167.7	45.4	204.4	19.4	631.8	504.4	25.2
Cost of sales	(120.6)	(89.1)	35.3	(114.5)	5.3	(337.9)	(266.8)	26.6
Other income	6.4	2.2	193.9	7.9	(18.5)	21.7	11.8	84.5
Administrative expenses	(15.0)	(14.2)	6.1	(10.7)	40.1	(37.2)	(36.2)	2.8
Selling and marketing expenses	(3.3)	(3.2)	2.9	(3.1)	4.2	(10.4)	(11.0)	(5.2)
Other expenses	(33.1)	(20.5)	61.7	(16.7)	98.6	(55.5)	(62.7)	(11.5)
<b>Operating profit</b>	<b>78.3</b>	<b>42.9</b>	<b>82.4</b>	<b>67.1</b>	<b>16.6</b>	<b>212.5</b>	<b>139.5</b>	<b>52.3</b>
<b>EBIT</b>	<b>71.5</b>	<b>40.9</b>	<b>74.8</b>	<b>65.6</b>	<b>8.9</b>	<b>201.3</b>	<b>132.9</b>	<b>51.5</b>
Depreciation and amortisation	5.7	5.4	6.2	5.5	3.6	16.8	16.3	2.5
<b>EBITDA</b>	<b>84.0</b>	<b>48.3</b>	<b>73.9</b>	<b>72.6</b>	<b>15.6</b>	<b>229.3</b>	<b>155.8</b>	<b>47.1</b>
Finance income	6.8	2.0	234.8	11.8	(42.7)	11.2	6.6	69.4
Finance cost	(8.9)	(12.7)	(29.9)	(7.8)	13.6	(24.7)	(29.6)	(16.7)
Share of JV	16.6	15.3	8.4	11.8	40.4	32.6	34.6	(5.6)
<b>Pre-tax profit</b>	<b>86.0</b>	<b>45.5</b>	<b>88.8</b>	<b>71.1</b>	<b>20.9</b>	<b>220.4</b>	<b>144.5</b>	<b>52.6</b>
Taxation	(14.1)	(12.4)	13.8	(15.6)	(9.5)	(43.0)	(36.8)	17.0
Net profit	63.5	30.9	105.6	50.2	26.4	159.2	98.8	61.1
<b>Core net profit</b>	<b>90.4</b>	<b>45.5</b>	<b>98.9</b>	<b>60.8</b>	<b>48.8</b>	<b>196.5</b>	<b>143.8</b>	<b>36.7</b>
Core EPS (sen)	4.8	2.4	98.9	3.2	48.8	10.5	7.7	36.7
EBITDA margin (%)	34.4	28.8		35.5		36.3	30.9	
PBT margin (%)	35.2	27.1		34.8		34.9	28.6	
Core net profit margin (%)	37.1	27.1		29.7		31.1	28.5	

Source: Company, Apex Securities

## Segmental Breakdown

FYE Mar (RM m)	3QFY26	3QFY25	yoy (%)	2QFY26	qoq (%)	9MFY26	9MFY25	yoy (%)
<b>Revenue</b>								
Properties	219.3	140.8	55.8	180.5	21.5	559.9	427.9	30.9
Hospitality	28.7	27.3	5.0	25.7	11.6	79.5	76.6	3.8
Investments and others	12.6	7.4	69.4	8.6	46.4	31.4	17.1	83.8
Elimination	(16.7)	(7.8)	114.5	(10.5)	59.3	(39.1)	(17.2)	127.6
<b>Total</b>	<b>243.9</b>	<b>167.7</b>	<b>45.4</b>	<b>204.4</b>	<b>19.4</b>	<b>631.8</b>	<b>504.4</b>	<b>25.2</b>
<b>Operating profit</b>								
Properties	87.7	46.3	89.3	61.9	41.6	207.0	145.7	42.1
Hospitality	6.8	7.4	(8.3)	5.0	35.7	16.6	18.2	(8.9)
Investments and others	(11.5)	(6.0)	91.3	2.6	nm	1.5	(13.8)	nm
Elimination	(4.7)	(4.8)	(1.5)	(2.4)	98.9	(12.6)	(10.6)	19.2
<b>Total</b>	<b>78.3</b>	<b>42.9</b>	<b>82.4</b>	<b>67.1</b>	<b>16.6</b>	<b>212.5</b>	<b>139.5</b>	<b>52.3</b>
<b>Operating profit margin</b>			%-pts		%-pts			%-pts
Properties	40.0%	32.9%	7.07%	34.3%	5.67%	37.0%	34.0%	2.93%
Hospitality	23.6%	27.0%	-3.44%	19.4%	4.18%	20.9%	23.8%	-2.90%
Investments and others	-91.1%	-80.7%	-10.43%	29.7%	-120.82%	4.7%	-80.8%	85.50%
Elimination	28.4%	61.8%	-33.45%	22.7%	5.65%	32.3%	61.6%	-29.31%
<b>Aggregate Total</b>	<b>32.1%</b>	<b>25.6%</b>	<b>6.50%</b>	<b>32.8%</b>	<b>-0.75%</b>	<b>33.6%</b>	<b>27.7%</b>	<b>5.98%</b>

Source: Company, Apex Securities

# Results Note

Friday, 27 Feb, 2026

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## Financial Highlights

### Income Statement

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Revenue</b>	<b>422.8</b>	<b>741.1</b>	<b>953.6</b>	<b>1069.9</b>	<b>1895.2</b>
<b>Gross Profit</b>	<b>204.5</b>	<b>306.5</b>	<b>429.1</b>	<b>481.4</b>	<b>904.5</b>
<b>EBITDA</b>	<b>220.0</b>	<b>224.7</b>	<b>337.0</b>	<b>385.2</b>	<b>706.3</b>
Depreciation & Amortisation	-20.2	-23.2	-23.7	-22.0	-21.9
<b>EBIT</b>	<b>199.7</b>	<b>201.6</b>	<b>313.2</b>	<b>363.1</b>	<b>684.4</b>
Net Finance Income/(Cost)	-21.5	-23.7	-26.1	-26.9	-22.7
Associates & JV	-11.1	38.7	35.5	12.6	9.1
<b>Pre-tax Profit</b>	<b>167.2</b>	<b>216.6</b>	<b>322.6</b>	<b>348.9</b>	<b>670.8</b>
Tax	-26.0	-34.9	-51.6	-55.8	-93.9
<b>Profit After Tax</b>	<b>141.1</b>	<b>181.7</b>	<b>271.0</b>	<b>293.1</b>	<b>576.9</b>
Minority Interest	7.5	13.1	19.0	20.5	17.3
<b>Net Profit</b>	<b>133.6</b>	<b>168.6</b>	<b>252.0</b>	<b>272.5</b>	<b>559.6</b>
Exceptionals	60.9	-26.2	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>72.7</b>	<b>194.9</b>	<b>252.0</b>	<b>272.5</b>	<b>559.6</b>
<b>CNP (Excluding sales of land)</b>	<b>72.7</b>	<b>194.9</b>	<b>252.0</b>	<b>272.5</b>	<b>315.4</b>

### Key Ratios

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	2.9	7.7	10.0	10.8	22.2
P/E (x)	25.8	9.6	7.4	6.9	3.4
P/B (x)	0.9	0.8	0.7	0.7	0.6
EV/EBITDA (x)	3.7	2.1	1.3	1.1	1.1
DPS (sen)	0.0	1.0	1.0	1.9	2.0
Dividend Yield (%)	0.0%	1.3%	1.3%	2.6%	2.7%
EBITDA margin (%)	52.0%	30.3%	35.3%	36.0%	37.3%
EBIT margin (%)	47.2%	27.2%	32.8%	33.9%	36.1%
PBT margin (%)	39.5%	29.2%	33.8%	32.6%	35.4%
PAT margin (%)	33.4%	24.5%	28.4%	27.4%	30.4%
NP margin (%)	31.6%	22.8%	26.4%	25.5%	29.5%
CNP margin (%)*	17.2%	26.3%	26.4%	25.5%	29.5%
ROE (%)	3.4%	8.3%	9.8%	9.6%	16.7%
ROA (%)	1.8%	4.3%	5.0%	5.1%	10.0%
Gearing (%)	67.7%	73.3%	71.8%	67.5%	51.3%
Net gearing (%)	49.9%	61.4%	56.9%	52.8%	34.8%

\* Inclusive sales of land

Valuations	FY28F	Valuation methodology
Total RNAV (RM' m)	5394.3	(ke: 12%)
Discount Rate	55.0%	
Discounted RNAV (RM' m)	2427.4	
Enlarged Sharebase	2539.5	
<b>Fair Value (RM)</b>	<b>0.96</b>	

Source: Company, Apex Securities

### Balance Sheet

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Cash</b>	<b>385.4</b>	<b>278.5</b>	<b>384.8</b>	<b>415.5</b>	<b>553.5</b>
Receivables	25.7	104.1	115.3	107.4	121.0
Inventories	462.7	572.6	643.1	652.4	660.1
Other current assets	107.8	184.5	191.3	201.6	210.1
<b>Total Current Assets</b>	<b>981.7</b>	<b>1139.7</b>	<b>1334.5</b>	<b>1376.9</b>	<b>1544.7</b>
Fixed Assets	226.1	227.0	219.3	217.2	213.4
Intangibles	0.2	0.1	0.1	0.1	0.1
Other non-current assets	2835.0	3208.3	3443.8	3706.4	3831.9
<b>Total Non-Current Assets</b>	<b>3061.2</b>	<b>3435.4</b>	<b>3663.2</b>	<b>3923.8</b>	<b>4045.4</b>
Short-term debt	197.4	244.5	264.9	272.6	245.5
Payables	143.0	375.3	408.5	412.3	366.6
Other current liabilities	99.1	47.9	48.2	49.1	47.0
<b>Total Current Liabilities</b>	<b>439.5</b>	<b>667.7</b>	<b>721.6</b>	<b>734.0</b>	<b>659.1</b>
Long-term debt	1265.1	1468.2	1590.8	1636.6	1474.2
Other non-current liabilities	179.0	102.8	101.9	102.6	103.0
<b>Total Non-Current Liabilities</b>	<b>1444.0</b>	<b>1570.9</b>	<b>1692.7</b>	<b>1739.2</b>	<b>1577.1</b>
Shareholder's equity	2152.1	2316.3	2544.2	2767.7	3276.9
Minority interest	7.2	20.3	39.3	59.8	77.1
<b>Total Equity</b>	<b>2159.4</b>	<b>2336.5</b>	<b>2583.5</b>	<b>2827.5</b>	<b>3354.0</b>

### Cash Flow

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Pre-tax profit</b>	<b>167.2</b>	<b>216.6</b>	<b>322.6</b>	<b>348.9</b>	<b>670.8</b>
Depreciation & amortisation	20.2	23.2	23.7	22.0	21.9
Changes in working capital	-158.9	-443.4	-255.3	-258.0	-375.5
Others	-122.4	-131.6	-87.1	-68.4	-347.2
<b>Operating cash flow</b>	<b>-93.9</b>	<b>-335.2</b>	<b>4.0</b>	<b>44.5</b>	<b>-30.1</b>
Capex	-2.8	-13.3	-10.0	-12.0	-10.0
Others	-33.8	16.9	1.1	1.1	425.5
<b>Investing cash flow</b>	<b>-36.6</b>	<b>3.6</b>	<b>-8.9</b>	<b>-10.9</b>	<b>415.5</b>
Dividends paid	0.0	-24.9	-24.9	-49.1	-50.4
Others	-34.4	151.4	136.1	46.0	-197.1
<b>Financing cash flow</b>	<b>-34.4</b>	<b>126.6</b>	<b>111.2</b>	<b>-3.0</b>	<b>-247.4</b>
<b>Net cash flow</b>	<b>-164.9</b>	<b>-205.1</b>	<b>106.3</b>	<b>30.6</b>	<b>138.0</b>
Forex	-17.8	10.6	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	537.0	354.4	159.9	266.2	296.9
Ending cash & cash equivalent	354.4	159.9	266.2	296.9	434.9
Bank overdraft and cash restricted	31.1	118.6	118.6	118.6	118.6
<b>Total cash and bank</b>	<b>385.4</b>	<b>278.5</b>	<b>384.8</b>	<b>415.5</b>	<b>553.5</b>

**ESG Matrix Framework:**

**Environment**

Parameters	Rating	Comments
Climate	★★★	Scope 2 emissions rose 7.4% yoy to 6.7m/kg in FY23
Waste & Effluent	★★★	Co2 emissions reduced from 3.0m kg in FY21 to 2.5m kg in FY23
Energy	★★★	Energy consumption reduced from 8,014,556 kWh to 7,810,114 kWh
Water	★★★	Water consumption rose 5.4% yoy to 112,658m3 in FY23
Compliance	★★★	In compliance with local and international environmental regulations

**Social**

Diversity	★★★	73% of average employees age below 40, 21% of employees are female
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Occupational Safety and Health	★★	292 hours of OSH trainings completed, one worksite incidence in FY23
Labour Practices	★★★	Pay scale based on prevailing industry market rates as stipulated by the Act 732 National Wages Consultative Council Act

**Governance**

CSR Strategy	★★★	Donation to Sekolah Semangat Maju and participated in the Pesta Makanan Amal 2023
Management	★★	Average board members age @ 53, 2/9 female board composition, 4/9 Independent Directors
Stakeholders	★★★	4x analyst briefings per annum, 1x AGM per annum

**Overall ESG Scoring:** ★★★

**Recommendation Framework:**

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.

**HOLD:** Total returns\* are expected to be within +10% to – 10% within the next 12 months.

**SELL:** Total returns\* are expected to be below -10% within the next 12 months.

**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.

**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.

\*Capital gain + dividend yield

**Sector Recommendations:**

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.

**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.

**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

**ESG Rating Framework:**

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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(a) nil.