Initiation Coverage

Friday, 15 May, 2026

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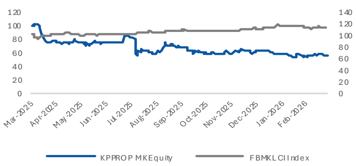
Recommendation:	BUY
Current Price:	RM 0.29
Previous Target Price:	-
Target Price:	RM 0.39
Capital Upside/Downside:	34.5%
Dividend Yield (%):	3.8%
Total Upside/Downside:	38.3%

Stock information

Board	MAIN
Sector	Property
Bursa / Bloomberg Code	7077/KPPROP MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,077.4
Market Cap (RM' m)	235.5
52-Week Price Range (RM)	0.27-0.446
Beta (x)	1.3
Free float (%)	22.1
3M Average Volume (m)	0.1
3M Average Value (RM' m)	0.0

Top 3 Shareholders	(%)
Javawana Sdn Bhd	73.7
Employees Provident Fund Board	0.8
Ang Swee Kuang	0.7

Share Price Performance



	1M	3M	12M
Absolute (%)	-1.7	-12.3	-34.9
Relative (%)	-5.2	-12.6	-41.3

Earnings summary

FYE Mar (RM m)	FY25	FY26F	FY27F
Revenue (RM'm)	196.5	206.0	356.4
PATAMI (RM'm)	7.2	9.7	33.2
CNP (RM'm)	7.2	9.7	33.2
EPS - core (sen)	0.7	0.9	3.1
P/E(x)	42.4	31.7	9.3

Kerjaya Prospek Property Bhd

Prime Assets and Strategic Launches to Drive Future Upside

- **Kerjaya Prospek Property Berhad (KPPROP) is a property developer specializing in high-rise residential and commercial real estate, complemented by a resilient recurring income base from its hospitality, retail, and leasing operations.**
- **KPPROP's core earnings are projected to grow by +33.6%, +242.4%, and +51.1% across FY26/FY27/FY28 respectively, underpinned by RM500m/RM720m/RM500m in estimated project launches.**
- **We initiate coverage on KPPROP with a BUY recommendation and a target price of RM0.39, derived from a SOP valuation, incorporating a three-star ESG rating.**

Key Investment Highlights

Robust Pipeline of High-Value Upcoming Launches. KPPROP is entering a new growth phase driven by a strategic roadmap to launch RM920m in Gross Development Value (GDV) through major projects in high-growth corridors. This upcoming cycle is anchored by the RM720m Batu Kawan development in Penang and the RM200m Jalan Puchong project in Kuala Lumpur, which together provide long-term earnings visibility. By spacing these launches, the Group maintains a disciplined balance sheet while diversifying its geographic footprint beyond the Klang Valley to tap into the industrial and residential expansion of mainland Penang through FY31.

Resilient Recurring Income from Hospitality Segment. KPPROP's hospitality division is a vital driver of operational resilience, providing steady recurring income that buffers the cyclical nature of property development. This segment is anchored by high-performing assets including the Swiss-Garden Hotel Melaka and the Courtyard by Marriott KL South, which maintain robust occupancy rates of 82% and 71% respectively. These hospitality assets, complemented by retail and leasing contributions from the Bloomsvale Shopping Gallery, provide a stable defensive base and consistent cash flow to support future development activities.

Strategic Landbank with High GDV Potential. KPPROP maintains a prime 61-acre landbank, with 89.9% of it situated within the high-demand Klang Valley area. This portfolio carries an estimated GDV of RM3.8bn, positioning the Group to sustain development activities and capitalize on urban capital appreciation. The strength of this landbank is further underpinned by a disciplined acquisition strategy that maintains a land cost to GDV ratio below 15%, ensuring superior project margins and pricing flexibility. By securing high-quality sites in prime locations the Group is well-equipped to unlock long-term value through tactical developments.

Robust Earnings Outlook. We project KPPROP core earnings to grow at a CAGR of 90.5% between FY25 and FY28F, driven by accelerated revenue recognition from the Vox Residence and the RM720m Batu Kawan development. This growth trajectory is sustained by a forecasted RM1.72bn launch pipeline over the next three FY, which utilize a low land cost-to-GDV ratio to enhance margins. By unlocking its RM3.8bn total GDV potential while scaling recurring income from hospitality and retail assets, the Group effectively balances high-growth development with long-term earnings stability.

Valuation & Recommendation. We initiate coverage of KPPROP with a **BUY** recommendation and a target price of **RM0.39**, derived from a Sum-of-Parts (SOP) valuation and supported by a three-star ESG rating. Our valuation applies a conservative 50% discount to the RNAV of the Property Development division. For the non-development segments, we have assigned a P/E multiple of 8.6x against an FY27F EPS of 0.01 sen. This multiple reflects a -2 SD discount compared to the Malaysian property sector's five-year average P/E of 12.0x.

Company Background

Kerjaya Prospek Property Berhad (KPPROP) is a property developer listed on the Main Market of Bursa Malaysia. The Group has established itself as a developer of residential, commercial and mixed-use properties across key regions including the Klang Valley, Penang, Melaka and Johor. The Group's core business is anchored in property development, complemented by strategic diversification into hospitality as well as retail and office leasing. This integrated business model allows KPPROP to generate both development profits and recurring income streams, while enhancing the overall value of its projects.

KPPROP's property portfolio reflects a focus on delivering developments that cater to evolving urban lifestyles, with an emphasis on design, functionality and connectivity. In addition to development activities, the Group owns and operates hospitality assets and commercial properties, including hotels, shopping galleries and office towers, which are typically integrated within its developments to create vibrant, self-sustaining communities. Guided by its vision to be a trusted and preferred leader in the property development industry, KPPROP adopts a strategy centred on sustainable profitability, innovation and expansion in high-growth urban areas.

Business Overview

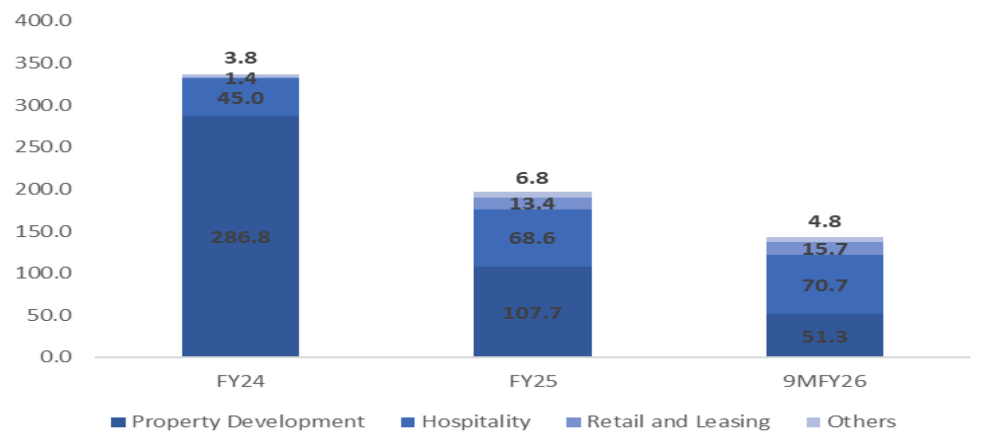
Business Model. KPPROP operates a diversified real estate platform, with core exposure to (i) property development and growing recurring income streams from (ii) hospitality, (iii) retail and leasing, as well as (iv) other ancillary businesses.

Figure 1: Business Activities

Business Divisions	Description
Property Development	Development of residential and commercial properties
Hospitality	Hotel operations
Retail & Leasing	Manages and leases investment properties
Others	Investment holding and electricity distribution

Source: Company, Apex Securities

Figure 2: Revenue Segmentation by Business Activities



Source: Company, Apex Securities

Property Development (36.0% of 9MFY26 Revenue)

Property development remains the Group's primary earnings driver, contributing RM51.3m or 36.0% of total revenue in 9MFY26. KPPROP focuses on residential, commercial and mixed-use developments across key growth corridors such as the Klang Valley, Penang, Johor and Melaka.

The Group's development strategy emphasises well-located urban projects that cater to modern living, with a focus on functionality, connectivity and lifestyle integration. Notable ongoing developments include Vox Residence in Sentul and Viera 15 in Shah Alam, which feature mid-sized residential units targeted at urban professionals and families.

As of 3QFY26, KPPROP has an undeveloped landbank of 61-acre, with an estimated gross development value (GDV) of RM3.8bn, providing medium-term earnings visibility. The Group also actively replenishes its landbank and has expanded geographically through initiatives such as its joint venture development with Aspen Group in Batu Kawan, Penang.

Figure 3: Vox Residence @ Sentul

Source: Company

Hospitality (49.6% of 9MFY26 Revenue)

KPPROP's hospitality segment is a key pillar in its strategy to build recurring income streams, representing RM70.7m or 49.6% of total revenue in 9MFY26. The Group owns and operates a portfolio of hotels and serviced accommodations located within its integrated developments and key tourist destinations.

Key assets include Courtyard by Marriott Kuala Lumpur South, Swiss-Garden Hotel Melaka and The Shore Hotel & Residences in Melaka. These properties cater to both business and leisure travellers and are designed to complement the Group's broader mixed-use developments.

The segment recorded strong growth in FY25, supported by the opening of new hotel assets and improving occupancy rates, reflecting the recovery in domestic and regional travel demand.

Figure 4: Courtyard by Marriott, Kuala Lumpur South

Source: Company

Retail and Leasing (11.0% of 9MFY26 Revenue)

Contributing RM15.7m or 11.0% of 9MFY26 revenue, the retail and leasing segment represents KPPROP's push toward building stable, recurring income streams through investment properties. The Group's flagship assets include Bloomsvale Shopping Gallery and Bloomsvale Office Tower, both located along Old Klang Road in Kuala Lumpur.

Bloomsvale Shopping Gallery is a curated retail mall offering a mix of shopping, dining and lifestyle outlets, while Bloomsvale Office Tower provides modern office spaces with integrated facilities and digital infrastructure. As of FY25, the mall and office tower recorded occupancy rates of 87.6% and 62.2%, respectively.

This segment is still in its early stages but has demonstrated strong growth, underpinned by active tenant acquisition and improving footfall. Over time, management expects this segment to form a meaningful portion of recurring income.

Figure 5: Bloomsvale Shopping Gallery

Source: Company

Others (3.4% of 9MFY26 Revenue)

Contributing RM4.8m (3.4% of total revenue) in 9MFY26, the “Others” segment comprises ancillary income streams, primarily from electricity distribution and related services within the Group’s developments. Although relatively small in contribution, this segment provides supplementary income and supports the overall ecosystem of the Group’s integrated developments.

Ongoing Projects: The Group maintains a robust pipeline of ongoing and upcoming projects, as shown in **Figure 6-8**, ensuring sustained growth visibility. We expect approximately RM1.1bn in remaining GDV to be recognised from these ongoing developments.

Figures 6-8: Ongoing Projects
Figure 6: Senna Heights @ Damansara Damai

Senna Heights @ Damansara Damai

Type	Leasehold serviced apartment
Location	Jalan PJU 10/1c, Damansara Damai
GDV	RM500m
Est. Remaining GDV	RM500m
Number of units	780
Land size	6.5 acre
Launch date	3Q2026
Expected completion	1Q2030
Take up	0%

**Take up rate as of April 2026*
Source: Company, Apex Securities

Figure 7: Vox Residence @ Sentul

Vox Residence @ Sentul

Type	Freehold serviced apartment
Location	Sentul, KL
GDV	RM370m
Est. Remaining GDV	RM220m
Number of units	587
Land size	2.3
Launch date	4Q2024
Expected completion	4Q2027
Take up*	41%

**Take up rate as of April 2026*
Source: Company, Apex Securities

Figure 8: Viera 15 Residence @ Shah Alam

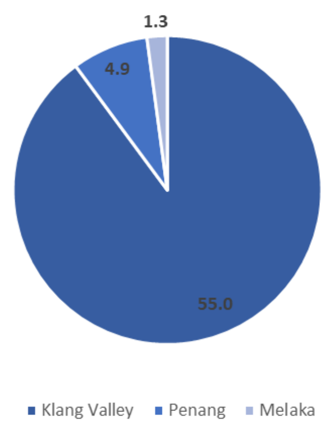
Viera 15 Residence @ Shah Alam

Type	Leasehold serviced apartment
Location	Seksyen 15, Shah Alam
GDV	RM290m
Est. Remaining GDV	RM200m
Number of units	479
Land size	2.2
Launch date	2Q2025
Expected completion	3Q2029
Take up*	31%

**Take up rate as of April 2026*
Source: Company, Apex Securities

Landbank. The Group has proactively expanded its footprint through a series of tactical land acquisitions. These additions fortify KPPROP's market standing, allowing for the optimization of its acreage to drive long-term value creation. The total landbank currently spans 61 acres, with a concentration in the Klang Valley (55 acres; 89.9%), complemented by holdings in Penang (4.9 acres; 8.0%) and Melaka (1.3 acres; 2.1%). This portfolio carries an estimated GDV of RM3.8bn.

Figure 9: Landbank across Geographical Location



Source: Company, Apex Securities

Future Projects. Moving forward, the Group has established a strategic roadmap to strengthen its development pipeline by targeting one major project launch per fiscal year. These upcoming ventures represent a combined estimated GDV of RM920m, providing a clear trajectory for steady revenue recognition.

The scheduled launches are summarized below:

- **Batu Kawan Project, Penang (Targeted Q3 2026):** This development, situated on 4.9 acres of freehold land, consists of two blocks featuring 1,406 units of serviced apartments and 15 retail/office units. With an estimated GDV of RM720m, it represents the Group's largest upcoming contribution to its residential portfolio.

- **Jalan Puchong Project, Kuala Lumpur (Targeted Q4 2027):** Strategically located on 2.3 acres of prime Klang Valley land, this project comprises a single block of 437 serviced apartment units. It carries an estimated GDV of RM200m and is designed to capitalize on the sustained demand within the high-growth urban corridors.

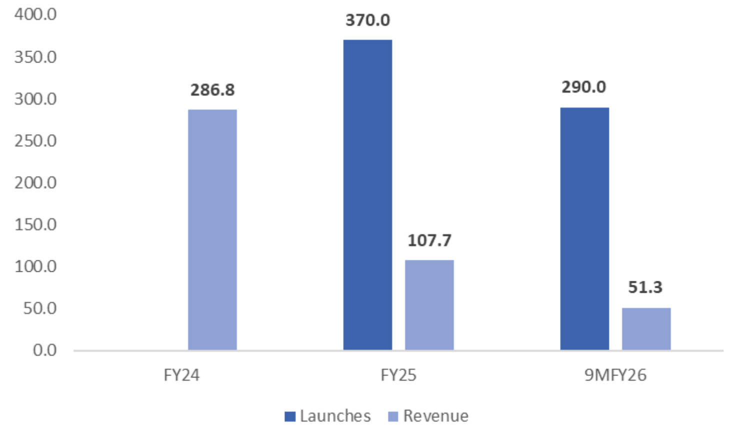
Figure 10: Upcoming Project Launches

Project	Targeted Launch Date	Type	Estimated GDV (RM m)
Batu Kawan	2026Q3	Serviced apartments with retail/office units	720
Jalan Puchong	2027Q4	Serviced apartments	200
		Total	920

Source: Company, Apex Securities

Launches and Revenue. Reflecting a disciplined launch approach in the past, KPPROP's core property development division has experienced a temporary moderation in revenue. This cautious approach to new project launches has allowed the Group to focus on the execution and delivery of its existing portfolio, most notably the Bloomsvale Residence at Old Klang Road. Despite the recent slowdown in top-line recognition, the Group's financial position remains well-supported. KPPROP maintains a robust unbilled sales backlog of RM100m, providing a clear floor for earnings and ensuring high visibility over the near-term horizon. As the Group transitions into its next phase of growth, this accumulated backlog acts as a vital bridge while upcoming projects with a combined GDV of RM920m move toward their respective launch dates. This strategic pacing ensures that the Group can manage its balance sheet effectively while capitalising on the sustained demand for high-rise residential properties.

Figure 11: Past Property Development Launches and Revenue, RM 'm (FY24-9MFY26)

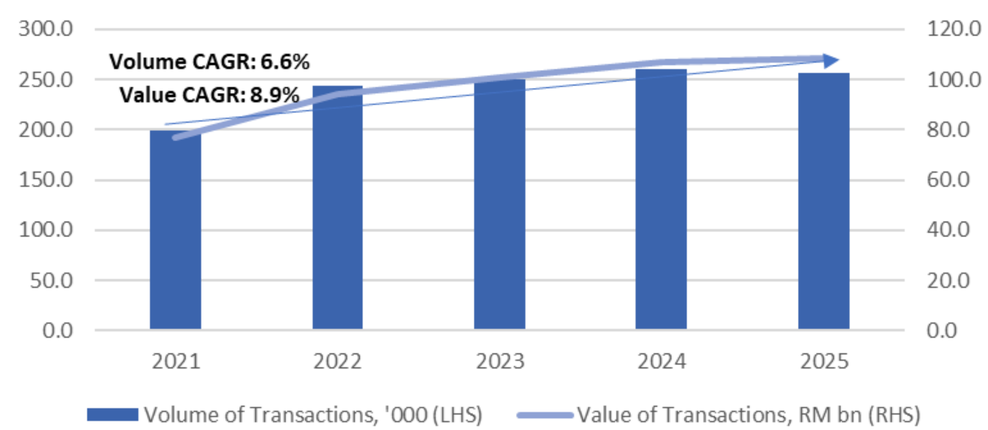


Source: Company, Apex Securities

Industry Overview

Residential Properties. The Malaysian residential property sector has shown steady growth, with transaction volume and value recording a five-year CAGR of 6.6% and 8.9% respectively from 2021 to 2025. This upward trajectory is anchored by consistent domestic demand, particularly within the mid-market segment, and is further bolstered by strategic government initiatives such as the Home Credit Guarantee Scheme (SJKP) and extended stamp duty exemptions for first-time homebuyers. Heading into 2026, the sector maintains a stable and cautiously optimistic outlook, supported by improving macroeconomic indicators and a projected national GDP growth of 4.0% to 4.5%. For KPPROP, which derives its core earnings from high-rise residential development, this provides a supportive backdrop for its project pipeline. Furthermore, the industry's evolving shift toward "future-ready" and sustainable built environments directly aligns with the Group's strategic focus on innovation and the delivery of high-quality urban living spaces.

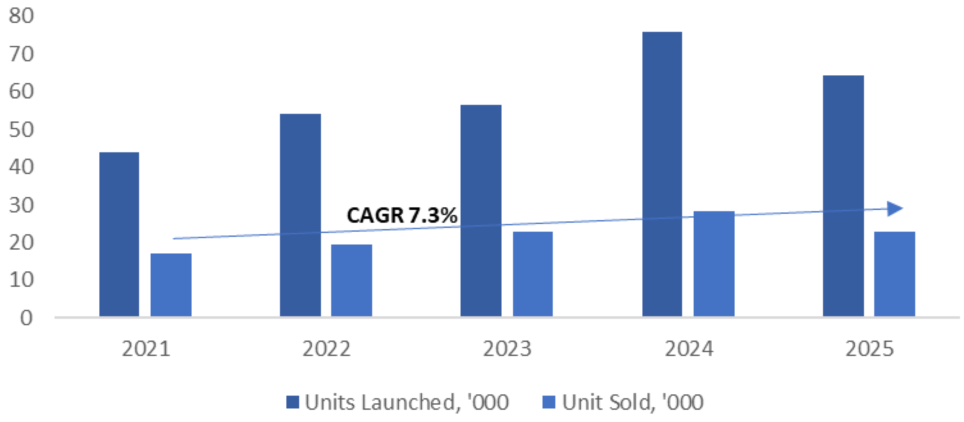
Figure 12: Volume and Value of Residential Property Transactions in Malaysia



Source: NAPIC, Apex Securities

The Primary Residential Market. The primary residential market in Malaysia has shown consistent growth, as evidenced by unit launches and units sold recording 10.1% and 7.3% CAGR, respectively, between 2021 and 2025. While new launches saw a slight moderation in 2025 with 64,487 units introduced. This was a 14.9% decrease from the preceding year, yet the overall five-year trajectory remains positive. A pivotal factor in maintaining this momentum was the reduction of the Overnight Policy Rate (OPR) to 2.75% in July 2025. This likely supported mortgage affordability and helped sustain buyer interest. For KPPROP, the resilience of the primary market and the more favorable interest rate environment create a stable outlook for its upcoming residential launches and existing unbilled sales.

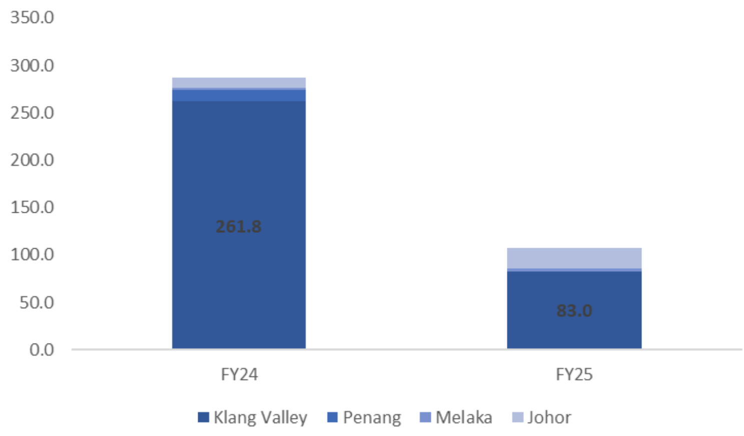
Figure 13: Residential Property Sales in Malaysia



Source: NAPIC, Apex Securities

Strategic Concentration in the Central Region. While the national property landscape shows broad resilience, the Central Region remains the primary engine of growth and the focal point of KPPROP's operational strategy. The Group's property development division is heavily weighted toward this region, with 55 acres or 89.9% of its total landbank situated within the Klang Valley. A key driver in this segment is the recently completed Bloomsvale Residence at Old Klang Road, which accounted for RM83.0m or 77.1% of the division's revenue in FY25. By anchoring its pipeline in this core economic zone, KPPROP effectively leverages the sustained demand for premium high-rise living in Kuala Lumpur and Selangor, providing a clear foundation for its near-term earnings.

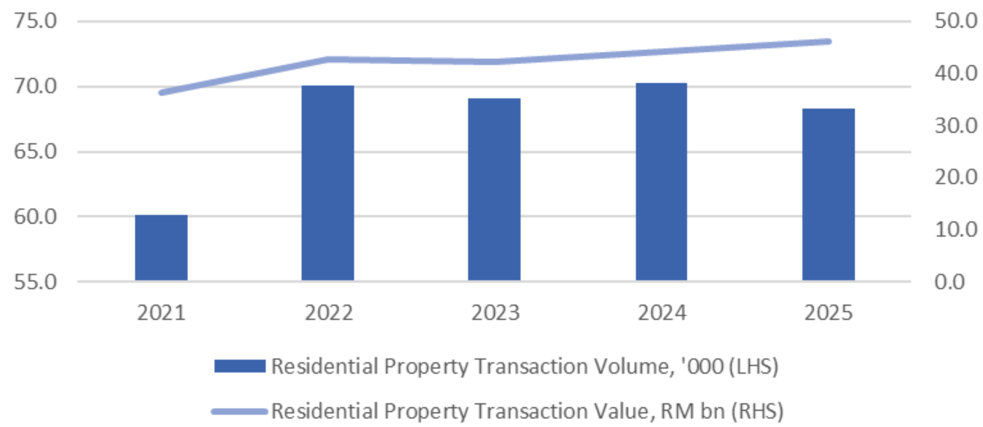
Figure 14: Property Development Revenue Split by Geographical Location, RM 'm



Source: Company, Apex Securities

The Central Region Outlook. The residential property market in the Central Region has demonstrated consistent performance, with transaction volume and value recording CAGRs of 3.2% and 6.1% respectively. This disparity between value and volume growth indicates a trend toward higher-priced high-rise developments and steady price appreciation within the Klang Valley. These dynamics are highly supportive of KPPROP, which maintains a heavy concentration of projects within this core region, representing nearly 90% of its total landbank. The Group's portfolio is anchored in Kuala Lumpur and Selangor, featuring key developments such as Bloomsvale in Old Klang Road and Viera Residence in Shah Alam. By focusing on high-rise residential development in these high-demand urban centers, the Group is strategically positioned to leverage the resilient transaction activity in the Central Region.

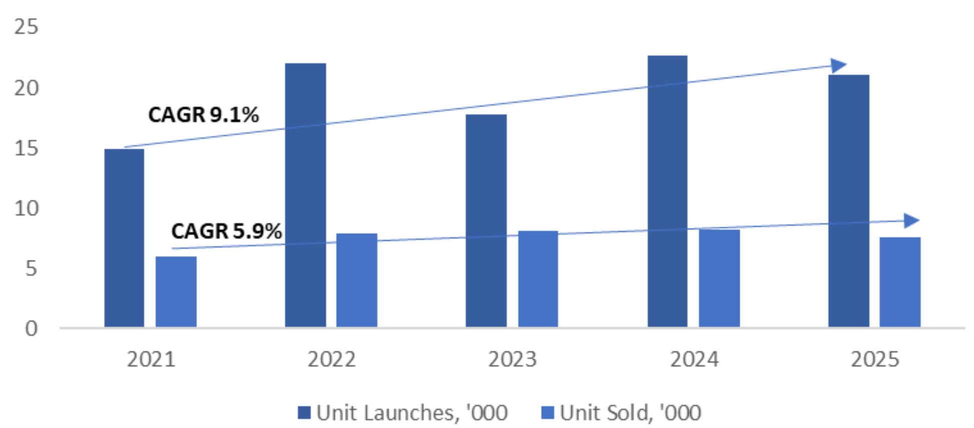
Figure 15: Volume and Value of Residential Property Transactions in Central Region



Source: NAPIC, Apex Securities

Supply and Demand Dynamics. The residential market in the Central Region has seen supply outpace demand, with new launches growing at a 9.1% CAGR versus 5.9% for units sold from 2021 to 2025, reflecting an increasingly competitive landscape despite ongoing urbanization. Nonetheless, the region remains Malaysia's most active property market, contributing nearly a quarter of total transaction volume and 40% of value in 2025. For KPPROP, this sustained level of launches supports a steady pipeline of development opportunities within its core Klang Valley focus. While moderating sales growth points to a more selective buyer base, the Group's ability to offer strategically located projects with an estimated GDV of RM3.8bn underpins the long-term viability of its portfolio, supporting earnings visibility over the medium term.

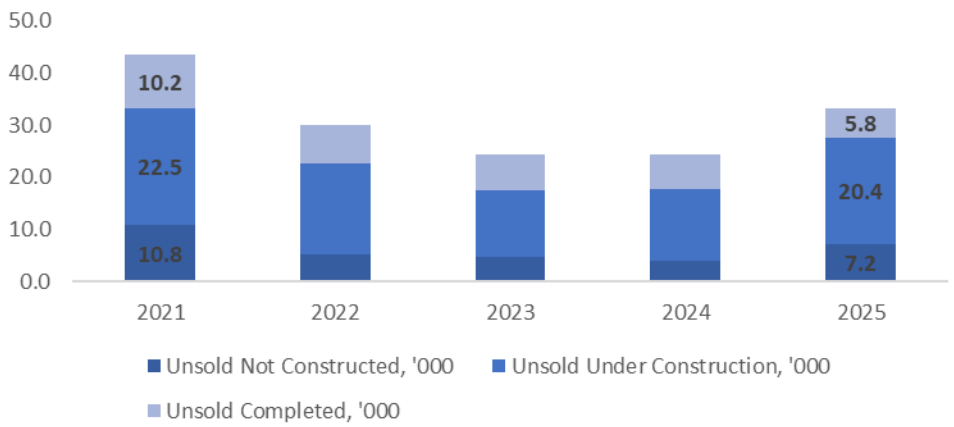
Figure 16: Sales Performance of Newly Launched Residential Properties in Central Region



Source: NAPIC, Apex Securities

Inventory and Absorption Trends. The residential inventory landscape in the Central Region has improved meaningfully, with unsold units across all development stages declining between 2021 and 2025. Notably, unsold completed units (property overhang) recorded a sharp 13.4% CAGR decline, reflecting strong absorption rates and the successful clearing of legacy inventory, which in turn supports price stability and improves developer balance sheets. Unsold units not yet constructed also fell by 9.5% CAGR, suggesting stronger pre-sales traction and more disciplined project launches. Meanwhile, the more modest 2.5% decline in unsold units under construction indicates a steady replenishment of supply as new developments continue to come onstream to meet urban demand. For KPPROP, these trends are supportive of a healthier operating environment. Improved inventory conditions typically encourage developers to launch new phases, such as the upcoming Senna Heights @ Damansara Damai, particularly in high-demand areas where the Group has a strong foothold.

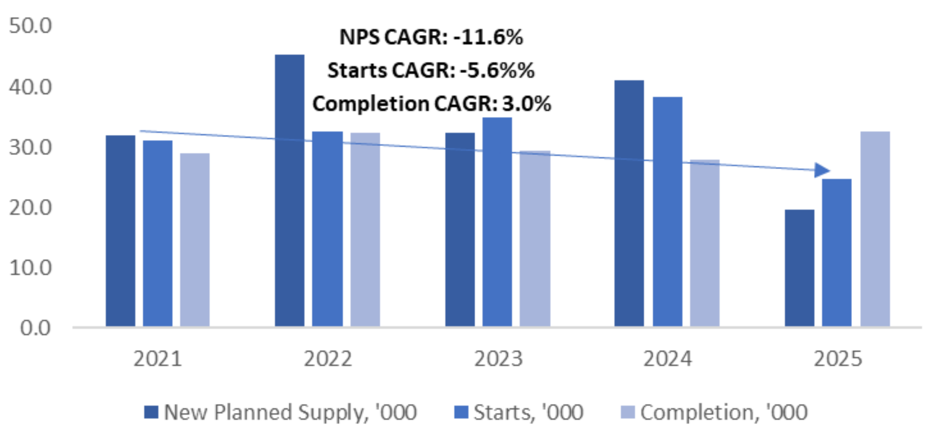
Figure 17: Unsold Residential Property in Central Region



Source: NAPIC, Apex Securities

The Construction and Development Pipeline. The construction pipeline in the Central Region has undergone a period of consolidation, where a 3.0% CAGR in completions reflects the steady delivery of existing projects despite a sharp contraction in new planned supply (-11.6% CAGR) and construction starts (-5.6% CAGR). While this data indicates developer caution in response to elevated material costs, the growth in completions confirms an active delivery environment for KPPROP's ongoing high-rise projects. Although the reduction in new starts suggests a more competitive landscape for future land acquisition, the Group's synergistic relationship with its construction partners provides a significant defensive advantage regarding cost management and timely completion. Furthermore, as the market successfully absorbs current supply, KPPROP is well-positioned to capitalize on any eventual reversal in the "starts" trajectory to further optimize its 61-acre landbank.

Figure 18: Residential Construction Activity in Central Region



Source: NAPIC, Apex Securities

Investment Highlights

Robust Pipeline of High-Value Upcoming Launches. KPPROP is entering a new phase of growth with a strategic roadmap to launch major projects with an estimated RM920m GDV. This upcoming cycle is anchored by two key developments designed to capture demand in high-growth corridors. The Batu Kawan project in Penang represents the Group's largest near-term catalyst with a GDV of RM720m, featuring over 1,400 units of serviced apartments. Complementing this is the Jalan Puchong project in Kuala Lumpur, which carries an estimated GDV of RM200m and is scheduled for launch in late 2027.

These planned launches provide a clear trajectory for the Group to replenish its project pipeline and secure long-term earnings visibility. By spacing these developments across the next several fiscal years, the Group ensures a disciplined project launch pipeline while maintaining a manageable balance sheet. The Batu Kawan development in particular allows KPPROP to diversify its geographic footprint beyond the Klang Valley, tapping into the vibrant industrial and residential expansion of mainland Penang through 2030.

Resilient Recurring Income from Hospitality Segment. The Group's hospitality division has emerged as a significant driver of operational resilience, providing a steady stream of recurring income that buffers the cyclical nature of property development. This segment is anchored by high-performing assets such as the Swiss-Garden Hotel Melaka and the Courtyard by Marriott KL South. The Swiss-Garden property has demonstrated exceptional operational strength with an occupancy rate of 82%, while the newer Courtyard by Marriott KL South maintains a robust 71% occupancy rate. These figures reflect the Group's ability to manage premium hospitality assets effectively and capitalize on the recovery of both domestic and international travel.

Beyond occupancy, the hospitality segment benefits from healthy Average Daily Rates (ADR), with Courtyard by Marriott KL South commanding RM285 per night. This operational efficiency contributes to the Group's bottom line and enhances its overall valuation by diversifying revenue streams. The continued stability of these hospitality assets, alongside the retail and leasing contributions from the Bloomsvale Shopping Gallery, reinforces the Group's defensive qualities and provides a consistent cash flow base to support future development activities.

Strategic Landbank with High GDV Potential. KPPROP maintains a prime landbank of 61 acres strategically situated in Malaysia's most economically active regions. The portfolio is heavily weighted toward the Klang Valley, which accounts for 55 acres or 89.9% of the total acreage. This concentration in Kuala Lumpur and Selangor allows the Group to leverage the sustained demand for urban high-rise living and capital appreciation in the capital. With an aggregate estimated GDV of RM3.8bn across its entire landbank, the Group is well-positioned to sustain its development activities well into the next decade.

The quality of this landbank is further highlighted by the Group's disciplined acquisition strategy, which has kept the land cost to GDV ratio below the 15% threshold for its major projects. By securing land at competitive prices in high-demand locations like Seksyen 13 Petaling Jaya and Damansara Damai, KPPROP ensures superior project margins and greater flexibility in its pricing strategy. This high-quality acreage serves as a significant competitive advantage, allowing the Group to unlock value through innovative, future-ready developments that meet the evolving needs of modern urban dwellers.

Financial Highlights

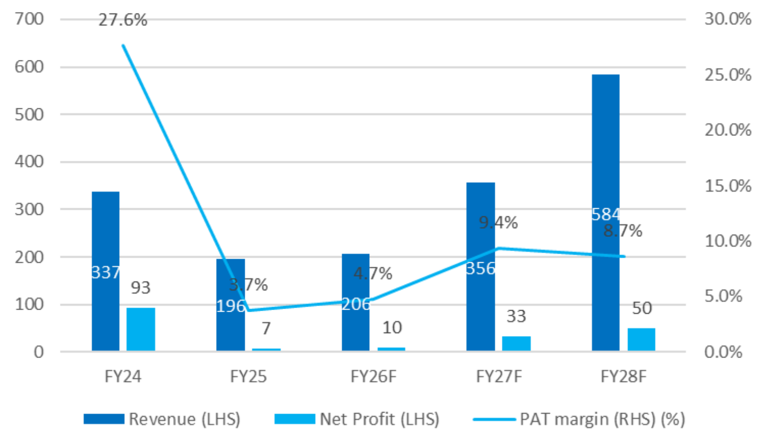
Financial Performance Contraction and Margin Compression. The substantial decline in net profit from RM91.5m in FY23 to RM7.2m in FY25, representing a two-year CAGR of -71.9%, marks a transition period for the Group. This contraction was primarily driven by a prudent launch strategy and the timing of project completions, where a lack of major new launches resulted in a natural tapering of top-line contributions from the property development arm. During this window, the Group focused on the final execution stages and delivery of the Bloomsvale Residence at Old Klang Road, which served as the primary revenue driver by contributing RM83.0m, or 77.1% of the division's total turnover in FY25. This heavy reliance on a single project nearing completion, coupled with a shift in the earnings mix toward the hospitality and investment segments, led to temporary margin compression as the Group absorbed higher fixed operating costs relative to moderated development income.

Despite the bottom-line pressure, this period of consolidation was a strategic choice to fortify the Group's balance sheet and optimize its 61-acre landbank for the next growth cycle. By prioritizing the clearance of existing inventory and successful project handovers, KPPROP has positioned itself to pivot back toward growth with a robust unbilled sales position of RM100m acting as a financial bridge. This backlog ensures immediate earnings visibility while the Group prepares to activate its RM920m launch pipeline, featuring high-GDV projects in Penang and Kuala Lumpur. This disciplined approach to market risks and project pacing allows the Group to maintain financial stability while transitioning from a phase of consolidation to the unlocking of its RM3.8bn total GDV potential over the coming years.

Earnings Outlook. We project an inflection point in KPPROP's financial performance, with core earnings forecast to grow by +33.6%, +242.4%, and +51.1% across FY26, FY27, and FY28 respectively. This robust recovery follows a period of consolidation and is underpinned by the accelerated recognition of revenue from the Group's current unbilled sales and its high-value project pipeline. The significant surge projected for FY27 is primarily driven by the construction progress of Vox Residence and the initial high-contribution phase of the RM720m Batu Kawan development, both of which serve as pivotal earnings catalysts.

The sustainability of this growth trajectory is further supported by a launch assumption of RM500m, RM720m, and RM500m over the next three FY. This includes the development of strategic land parcels such as Senna Heights @ Damansara Damai and the Jalan Puchong development. By consistently replenishing its development pipeline with projects that carry a land cost to GDV ratio below 15%, KPPROP is well-positioned to maintain healthy margins while unlocking the RM3.8bn total GDV potential within its landbank. Additionally, the continued scaling of the hospitality and retail segments provides a reliable recurring income base, which enhances the Group's overall earnings stability during this high-growth phase.

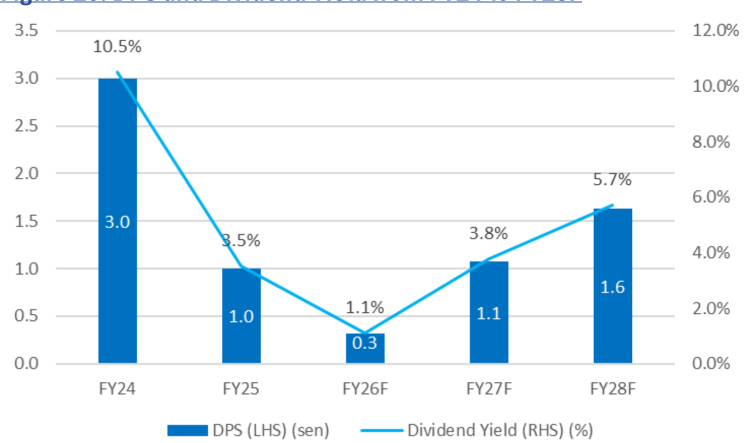
Figure 19: Revenue, Earnings and Margins from FY24 to FY28F



Source: Company, Apex Securities

Dividends. While KPPROP does not have a formal dividend policy, we have assumed a dividend payout ratio of 35%, based on dividends declared in FY24. This assumption strikes a balance between providing shareholders with participation in the Group's earnings and retaining sufficient internal funds to support ongoing operations and future growth initiatives.

Figure 20: DPS and Dividend Yield from FY24 to FY28F



Source: Company, Apex Securities

Sensitivity Analysis

Project GDV Launch Sensitivity Analysis. As KPPROP's profitability is primarily driven by the pace of project launches and the management of input costs, we have conducted a sensitivity analysis to evaluate the resilience of our FY27F base case earnings. Our core projection of RM33.2m in net profit is predicated on two key assumptions: a project launch GDV of RM720m and a PBT margin of 10.0%.

The analysis reveals that at our base case replenishment level of RM720m, the Group's bottom line remains highly sensitive to cost fluctuations. Specifically, every 200 basis point shift in the gross profit margin results in a ±10.3% swing in FY27F earnings. This sensitivity underscores the importance of the Group's cost-management capabilities and its ability to pass through potential increases in material or labour costs.

Furthermore, the volume of project wins remains a critical determinant of financial performance. Holding the gross margin constant at 10.0%, every RM100m variance in project launch GDV shifts net earnings by ±1.4%. These results highlight the inherent operating leverage within KPPROP's business model. While the Group possesses a lean cost structure, its ultimate profitability is significantly responsive to the timing and scale of new project launches and the efficient execution of its project pipeline.

Figure 21: FY27 Net Profit Sensitivity Based on Different Launch GDV and PBT Margins Assumptions

GDV of Launches (RM'm)	PBT Margin (%) 6.0%	8.0%	10.0%	12.0%	14.0%
520	25.8	29.0	32.2	35.5	38.7
620	26.1	29.4	32.7	36.0	39.3
720	26.3	29.7	**33.2**	36.6	40.0
820	26.6	30.1	33.6	37.1	40.6
920	26.9	30.5	34.1	37.6	41.2

Figure 22: FY27 Percentage Change in Net Profit Based on Different Launch GDV and PBT Margins Assumption

GDV of Launches (RM'm)	PBT Margin (%) 6.0%	8.0%	10.0%	12.0%	14.0%
520	-22.2%	-12.4%	-2.7%	7.0%	16.7%
620	-21.3%	-11.4%	-1.4%	8.6%	18.6%
720	-20.5%	-10.3%	**0.0%**	10.3%	20.5%
820	-19.7%	-9.2%	1.4%	11.9%	22.4%
920	-18.9%	-8.1%	2.7%	13.5%	24.3%

Valuation & Recommendation

Initiation Coverage. We initiate coverage of Kerjaya Prospek Property Berhad with a **BUY** recommendation and a target price of **RM0.39**, derived from a Sum-of-Parts (SOP) valuation and supported by a three-star ESG rating. Our valuation applies a conservative 50% discount to the RNAV of the Property Development division, accounting for prevailing competitive pressures, the the operational demand to optimize product margins against consumer spending power and fluctuations in the broader economic landscape.

For the non-development segments, comprising Hospitality, Retail & Leasing, and Others, we have assigned a P/E multiple of 8.6x against an FY2027F EPS of 0.01 sen. This multiple reflects a -2 SD discount compared to the Malaysian property sector's five-year average P/E of 12.0x. We believe this discount is justified given KPPROP's smaller market capitalization, its concentrated regional portfolio and the temporary margin volatility associated with the gestation periods of its recently completed flagship assets.

Figure 23: FBM KLCI Property Index 1-Year Forward P/E

Source: Bloomberg, Apex Securities

Peers Comparison

Figure 24: Selected Peers Engaged in Property Development, listed on Bursa Malaysia

Company	Market Group	FYE	Price (RM)	Market Cap (RM' m)	P/E (x) 2025	P/E (x) 2026F	Dividend Yield (%)*	Revenue (RM' m)*	Core Net Profit (RM' m)*
Kerjaya Prospek Property Bhd	**MAIN**	**Mar**	**0.29**	**307.0**	**42.4**	**31.7**	**3.5**	**196.5**	**7.3**
Eco World Development Bhd	MAIN	Oct	2.10	6,765.8	12.5	11.7	3.8	2,930.5	426.6
SP Setia Bhd	MAIN	Dec	1.12	5,603.8	13.1	12.7	2.3	4,217.8	500.3
UOA Development Bhd	MAIN	Dec	1.84	4,885.2	10.3	13.3	5.4	674.3	361.9
UEM Sunrise Bhd	MAIN	Dec	0.66	3,338.6	47.1	30.0	1.3	1702.1	66.9
Matrix Concepts Holdings Bhd	MAIN	Mar	1.33	2,496.4	10.7	9.5	4.7	1,150.7	205.4
Average ex-Kerjaya Prospek Property Bhd				**4,618.0**	**18.7**	**15.5**	**3.5**	**2,135.1**	**312.2**

**Figure taken from last audited financial statement*

Source: Bloomberg, Apex Securities

Investment Risk

High Concentration in the Klang Valley. With 89.9% of its landbank situated in the Klang Valley, KPPROP is highly susceptible to localized economic downturns or regulatory changes within Kuala Lumpur and Selangor. This geographic concentration means that any oversupply in the high-rise residential segment or a cooling of the property market in these specific areas could disproportionately impact the Group's sales velocity and revenue recognition.

Exposure to Cyclical Hospitality Trends. The Group's hospitality division is sensitive to macroeconomic factors that influence discretionary spending and tourism. A slowdown in global or domestic travel, increased competition in Melaka and Kuala Lumpur, or rising operational costs could lead to lower occupancy and Average Daily Rates (ADR).

Execution and Timing Risks for New Launches. KPPROP's growth trajectory relies on the timely execution of its RM920m launch pipeline, particularly the Batu Kawan and Jalan Puchong projects. Delays in regulatory approvals, labour shortages, or rising material costs could postpone these launches and defer revenue recognition.

Financial Highlights

Income Statement

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**337.1**	**196.5**	**206.0**	**356.4**	**584.2**
Gross Profit	**147.3**	**65.6**	**52.8**	**102.1**	**151.9**
EBITDA	**125.3**	**35.3**	**35.1**	**71.5**	**101.9**
Depreciation & Amortisation	4.4	12.5	6.0	10.4	17.1
EBIT	**120.9**	**22.9**	**29.1**	**61.1**	**84.8**
Net Finance Income/ (Cost)	2.1	-1.0	-9.9	-10.7	-11.8
Associates & JV	0.0	-0.1	0.0	0.0	0.0
Other Income/(Cost)	-2.5	-6.4	-6.4	-6.4	-6.4
Pre-tax Profit	**120.4**	**15.4**	**12.9**	**44.0**	**66.5**
Tax	-27.2	-8.1	-3.1	-10.6	-16.0
Profit After Tax	**93.2**	**7.3**	**9.8**	**33.5**	**50.6**
Minority Interest	0.0	-0.1	-0.1	-0.3	-0.5
Net Profit	**93.1**	**7.2**	**9.7**	**33.2**	**50.1**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**93.1**	**7.2**	**9.7**	**33.2**	**50.1**

Key Ratios

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	8.6	0.7	0.9	3.1	4.7
P/E (x)	3.3	42.4	31.7	9.3	6.1
P/B (x)	0.4	0.7	0.8	0.8	0.9
EV/EBITDA (x)	3.5	21.0	21.1	11.2	8.2
DPS (sen)	3.0	1.0	0.3	1.1	1.6
Dividend Yield (%)	10.5%	3.5%	1.1%	3.8%	5.7%
EBITDA margin (%)	37.2%	18.0%	17.1%	20.1%	17.4%
EBIT margin (%)	35.9%	11.6%	14.1%	17.1%	14.5%
PBT margin (%)	35.7%	7.8%	6.2%	12.4%	11.4%
PAT margin (%)	27.6%	3.7%	4.7%	9.4%	8.7%
NP margin (%)	27.6%	3.7%	4.7%	9.3%	8.6%
CNP margin (%)	27.6%	3.7%	4.7%	9.3%	8.6%
ROE (%)	13.1%	1.8%	2.5%	8.9%	14.2%
ROA (%)	8.5%	0.7%	0.8%	2.5%	3.4%
Gearing (%)	31.4%	119.2%	138.0%	159.6%	178.0%
Net gearing (%)	18.6%	105.6%	112.1%	132.6%	149.7%

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Expected property launches GDV			500.0	720.0	500.0

Valuations	Valuation Method	Equity Value (RM' m)
Property Development	50% Discount to RNAV	277.8
Others	8.6x FY27F PER	140.1
SOP Value		417.9
Number of shares		1,077.4
Fair Value (RM)		**0.39**
ESG premium/discount		0.0%
Implied Fair Value (RM)		**0.39**

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	90.7	56.2	100.0	100.0	100.0
Receivables	42.2	49.2	82.4	89.1	116.8
Inventories	214.7	350.2	344.7	445.1	540.3
Other current assets	43.3	6.6	6.6	6.6	6.6
Total Current Assets	**390.9**	**462.2**	**533.7**	**640.8**	**763.8**
Fixed Assets	707.5	625.3	653.8	688.7	722.6
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	1.9	1.9	1.9	1.9
Total Non-Current Assets	**707.5**	**627.2**	**655.6**	**690.5**	**724.4**
Short-term debt	40.0	22.2	67.2	67.2	67.2
Payables	127.4	150.9	229.8	317.9	432.3
Other current liabilities	11.0	2.4	10.7	22.5	45.8
Total Current Liabilities	**178.4**	**175.5**	**307.7**	**407.7**	**545.3**
Long-term debt	182.7	470.6	466.1	524.1	560.9
Other non-current liabilities	28.8	30.0	29.1	29.1	29.1
Total Non-Current Liabilities	**211.6**	**500.5**	**495.2**	**553.2**	**590.1**
Shareholder's equity	708.2	413.1	386.2	370.2	352.6
Minority interest	0.2	0.3	0.3	0.3	0.3
Total Equity	**708.4**	**413.4**	**386.4**	**370.4**	**352.9**

Cash Flow

FYE Mar (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**120.4**	**15.4**	**12.9**	**44.0**	**66.5**
Depreciation & amortisation	4.4	12.5	6.0	10.4	17.1
Changes in working capital	-60.1	52.6	58.6	-7.1	14.6
Others	-25.3	-18.8	-16.4	-28.2	-46.4
Operating cash flow	**39.3**	**61.7**	**61.1**	**19.2**	**51.9**
Net capex	-90.8	-25.4	-34.5	-45.4	-51.0
Others	-6.5	-37.0	-20.0	-20.0	-20.0
Investing cash flow	**-97.3**	**-62.4**	**-54.5**	**-65.4**	**-71.0**
Dividends paid	-12.4	-10.6	-3.4	-11.6	-17.5
Others	3.2	-23.2	40.5	57.8	36.7
Financing cash flow	**-9.3**	**-33.7**	**37.2**	**46.2**	**19.2**
Net cash flow	**-67.2**	**-34.5**	**43.8**	**0.0**	**0.0**
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	30.4	90.7	56.2	100.0	100.0
Ending cash	**-36.8**	**56.2**	**100.0**	**100.0**	**100.0**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Waste & Effluent	★★★	Monitors scope 1 and scope 2 emissions
Energy	★★★	Energy consumption reduced from 36 MWh to 14 MWh in its Property Development segment
Compliance	★★★	In compliance with local and international environmental regulations

Social

Diversity	★★★	44% of employees are female. Employees also comprise of all major ethnicity group in Malaysia
Human Rights	★★★	Enforce and adopts Code of Ethics and Conduct
Labour Practices	★★★	Maintains a zero-tolerance policy towards all forms of sexual harassment

Governance

Integrity	★★★	Adheres to all applicable regulatory requirements and applicable practices of the MCCG
Anti-Corruption	★★	All employees undergo anti-corruption training
Whistleblowing Policy	★★★	0 confirmed incidents of corruption

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

As of **Friday, 15 May, 2026**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) nil.