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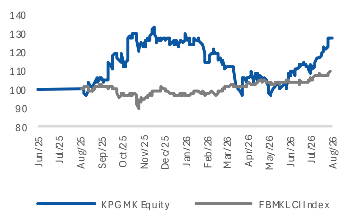
Recommendation:		BUY
Current Price:		RM 2.73
Previous Target Price:		RM 3.34
Target Price:	↑	RM 3.38
Capital Upside/Downside:		23.8%
Dividend Yield (%):		5.1%
Total Upside/Downsic		**28.9%**

Stock information	
Board	MAIN
Sector	Construction
Bursa / Bloomberg Code	7161 / KPGMK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	1,254.2
Market Cap (RM' m)	3,423.8
52-Week Price Range (RM)	2.06-2.92
Beta (x)	0.6
Free float (%)	29.2
3M Average Volume (m)	1.2
3M Average Value (RM' m)	2.9

Top 3 Shareholders	(%)
Egovision Sdn Bhd	50.0
Amazing Parade Sdn Bhd	18.0
Amanah Saham Nasional Bhd	2.6

Share Price Performance



	1M	3M	12M
Absolute (%)	11.9	25.8	28.8
Relative (%)	12.1	26.7	17.5

Earnings summary

FYE Dec	FY26F	FY27F	FY28F
Revenue (RM'm)	2,622.6	3,297.3	2,514.5
PATAMI (RM'm)	245.2	283.0	217.0
CNP (RM'm)	245.2	283.0	217.0
EPS - core (sen)	19.5	22.5	17.2
P/E (x)	14.0	12.1	15.8

Kerjaya Prospek Group Bhd

Deepens Stake in ES Sunlogy to 28.27% for a Further RM40.18m

- **KERJAYA, via wholly-owned subsidiary Acumen Marketing Sdn. Bhd., acquired an additional 19.18% for RM40.18m, raising its stake to 28.27% and making it the largest shareholder.**
- **The acquisition was made at RM0.272/share, implying 1.59x P/B and 22.4x PE versus 2.22x P/B and 31.5x PE at market. We view the valuation as fair.**
- **The enlarged stake strengthens KERJAYA's M&E and renewable-energy exposure.**
- **The investment remains manageable from a balance-sheet perspective, with cumulative investment of RM58.94m representing c.25% of FY26F cash.**
- **Maintain BUY with an increased TP of RM3.38 (from RM3.34), based on 15.0x PE applied to a higher FY27F EPS of 22.5 sen.**

Acquired Additional 19.18% Stake in ES Sunlogy for RM40.18m. KERJAYA, through its wholly-owned subsidiary Acumen Marketing Sdn. Bhd., has acquired an additional 147.7m ordinary shares, representing a 19.18% equity interest, in ES Sunlogy Berhad, through direct business transactions at an average purchase price of RM0.272 per share, for a total consideration of RM40.18 million. This follows KERJAYA's initial subscription for 70.0 million new shares, a 9.09% stake, for RM18.76 million in July 2026. Post-acquisition, KERJAYA's total equity interest in ES Sunlogy has risen to 28.27%, comprising 217.7m shares, making it the largest shareholder of ES Sunlogy.

Implied Valuation of the ES Sunlogy Stake. KERJAYA's cumulative investment of RM58.94m for a 28.27% stake implies an equity value of approximately RM208.5m for 100% of ES Sunlogy, based on 770.0m shares issued. This compares with ES Sunlogy's actual market capitalisation of approximately RM292.6m at its 13 August 2026 closing price of RM0.380, implying KERJAYA's blended acquisition value sits at roughly a 28.9% discount to the prevailing market valuation, broadly consistent with the 28.42% discount at which the latest RM40.18 tranche was transacted. The discount reflects the negotiated block transaction price and does not necessarily represent an immediate mark-to-market gain.

We use PE as our primary valuation basis for this comparison. Using the same annualised 9M FY26 PAT run-rate of c.RM9.3m for both sides, KERJAYA's acquisition implies a PE of approximately 22.4x, versus approximately 31.5x for ES Sunlogy's prevailing market valuation. As both figures are anchored to the identical annualised earnings base, this is a like-for-like comparison, and it shows KERJAYA's acquisition PE at a meaningful discount – roughly 29% below – ES Sunlogy's market-implied PE, consistent with the price discount discussed above. **On this basis, we view the acquisition valuation as fair.**

As a secondary cross-check, we also compare the transaction on a book value basis. The latest acquisition price of RM0.272/share represents approximately 1.59x ES Sunlogy's reported NAV/share of RM0.171 as at 30 April 2026, compared with 2.22x P/B based on ES Sunlogy's prevailing share price of RM0.380 – directionally consistent with the PE-based discount.

Figure 1: Implied Valuation

Metric	KERJAYA's Investment	ES Sunlogy Market (13 August 2026)
Price per share (RM)	0.272*	0.380
NAV/share (RM)	0.171	0.171
Implied P/B (NAV/share of RM0.17)	1.59x*	2.22x
Implied PE	22.4x	31.5x

Source: ES Sunlogy's Q3FY2026 financial results, Apex Securities
**Latest acquisition price, not cumulative blended price*

Why KERJAYA Paid Above Book Value. KERJAYA's willingness to pay roughly 1.59x book value for the latest tranche reflects growth drivers that ES Sunlogy's backward-looking NAV does not capture.

Firstly, its renewable energy segment was the only business line to grow in 9M FY26, expanding 10.7% year-on-year to RM6.5m even as total revenue fell 31.0%, and is inherently more annuity-like than ES Sunlogy's lumpy, project-based M&E engineering revenue.

Secondly, the Group has a visible, if still modest, renewable-energy pipeline, including the already-operational Selarong LSSPV solar plant and approved commitments for the Baram Project in Sarawak (RM4.7m) and land in Bukit Kayu Hitam, Kedah (RM3.2m), providing scope for further growth beyond its existing operations.

Finally, gross margin improved to 12.8% from 9.9% despite the revenue decline, suggesting the earnings dip reflects project timing rather than structural deterioration.

Overall, beyond ES Sunlogy's standalone fundamentals, KERJAYA's newly acquired largest-shareholder status carries strategic and synergy value by positioning it to pursue integrated M&E engineering and solar-related construction opportunities across its own project pipeline, including its industrial and data centre infrastructure push.

Our View. We view the investment **positively** as it further broadens KERJAYA's exposure to the M&E engineering and renewable energy sectors, which offer longer-term growth opportunities. On balance, we think the deal is **fair**. While KPGB paid roughly 1.59x ES Sunlogy's reported NAV/share for the latest tranche, the shares were acquired at a 28.42% discount to ES Sunlogy's prevailing market price, and the stake now confers largest-shareholder status rather than a passive minority holding – a premium to book is not unusual in that context. Strategically, the step-up to 28.27%, and the accompanying largest-shareholder status, marks a shift from a purely financial investment towards one where KERJAYA is positioned to exert meaningful influence over ES Sunlogy's strategic direction, potentially accelerating collaboration opportunities in M&E engineering, solar-related construction works and integrated project delivery.

Balance Sheet and Cash Flow Impact. On the balance sheet, cash and cash equivalents will fall by a further RM40.18m, offset by a corresponding increase in investment in ES Sunlogy. Total assets and shareholders' equity are unchanged at the point of acquisition, as this is purely an asset swap funded internally with no new debt raised. On the cash flow statement, the RM40.18m consideration will be reflected as an investing cash outflow, with no impact on operating cash flow from KERJAYA's construction business and no financing cash flow impact. Based on our FY26F cash balance of about RM233.7m, this latest tranche represents roughly 17% of FY26F cash and about 3.2% of FY26F total equity of RM1.26bn. On a cumulative basis, KERJAYA's total investment in ES Sunlogy of RM58.94m represents approximately 25% of FY26F cash and about 4.7% of FY26F total equity. Given KERJAYA's strong balance sheet and net cash position, we continue to view the impact on net cash, gearing and liquidity as manageable, though the cumulative investment now represents a more meaningful, if still non-core, allocation of the Group's balance sheet capacity.

Earnings Revision. We have raised our FY27F/FY28F earnings forecasts by 1.0%/1.3% respectively, to reflect the equity-accounted contribution from the 28.27% associate stake, assuming flat earnings growth over FY27F-FY28F.

Valuation & Recommendation. We maintain our **BUY** recommendation on KERJAYA with an increased TP of **RM3.38** (from RM3.34), after factoring in the 28.27% stake in ES Sunlogy, based on a 15.0x PE applied to a higher FY27F EPS of 22.5 sen, alongside a three-star ESG rating.

Risks. ES Sunlogy's operating performance, Rising material costs, labour shortages and oversupply of high-rise residential projects in the property sector.

Financial Highlights

Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Revenue	**1835.5**	**2249.3**	**2622.6**	**3297.3**	**2514.5**
Gross Profit	**246.2**	**353.1**	**372.8**	**428.6**	**331.9**
EBITDA	**225.4**	**339.1**	**346.5**	**395.7**	**306.8**
Depreciation & Amortisation	-16.8	-18.5	-21.9	-23.9	-24.1
EBIT	**208.6**	**320.6**	**324.6**	**371.8**	**282.6**
Net Finance Income/ (Cost)	7.6	11.7	6.1	6.4	6.5
Associates & JV	0.0	0.0	0.0	2.6	2.6
Pre-tax Profit	**216.2**	**308.9**	**330.8**	**380.7**	**291.7**
Tax	-55.9	-81.3	-85.5	-97.7	-74.7
Profit After Tax	**160.3**	**227.6**	**245.3**	**283.0**	**217.0**
Minority Interest	0.0	-0.6	0.0	0.0	0.0
Net Profit	**160.2**	**227.0**	**245.2**	**283.0**	**217.0**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**160.2**	**227.0**	**245.2**	**283.0**	**217.0**

Key Ratios

FYE Dec	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	12.7	18.0	19.5	22.5	17.2
P/E (x)	21.5	15.1	14.0	12.1	15.8
P/B (x)	3.0	2.9	2.7	2.5	2.5
EV/EBITDA (x)	14.1	9.1	9.3	8.4	9.9
DPS (sen)	15.0	12.5	14.0	14.0	14.0
Dividend Yield (%)	5.5%	4.6%	5.1%	5.1%	5.1%
EBITDA margin (%)	12.3%	15.1%	13.2%	12.0%	12.2%
EBIT margin (%)	11.4%	14.3%	12.4%	11.3%	11.2%
PBT margin (%)	11.8%	13.7%	12.6%	11.5%	11.6%
PAT margin (%)	8.7%	10.1%	9.4%	8.6%	8.6%
NP margin (%)	8.7%	10.1%	9.4%	8.6%	8.6%
CNP margin (%)	8.7%	10.1%	9.4%	8.6%	8.6%
ROE (%)	14.1%	18.8%	19.5%	20.8%	15.5%
ROA (%)	7.2%	9.6%	8.8%	8.7%	7.5%
Gearing (%)	2.5%	1.7%	1.8%	1.5%	1.3%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Expected order book replenishment		1800.0	2500.0	2100.0	2100.0

Valuations	FY27F
Core EPS (RM)	0.225
P/E multiple (x)	15.0
Fair Value (RM)	**3.38**
ESG premium/discount	0.0%
Implied Fair Value (RM)	**3.38**

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	294.7	381.4	233.7	141.2	429.2
Receivables	1125.3	1114.6	1401.1	1761.6	1343.4
Inventories	249.6	243.9	307.5	385.7	293.4
Other current assets	224.1	289.0	493.6	620.6	473.3
Total Current Assets	**1893.6**	**2028.9**	**2436.0**	**2909.1**	**2539.3**
Fixed Assets	92.4	94.0	98.4	107.5	108.5
Intangibles	227.9	227.9	227.9	227.9	227.9
Other non-current assets	10.8	8.3	10.8	10.8	10.8
Total Non-Current Assets	**331.2**	**330.2**	**337.2**	**346.2**	**347.2**
Short-term debt	24.1	19.2	19.6	17.6	15.8
Payables	429.8	369.2	601.3	756.2	617.3
Other current liabilities	627.3	762.5	886.4	1111.8	845.8
Total Current Liabilities	**1081.3**	**1150.8**	**1507.3**	**1885.6**	**1479.0**
Long-term debt	3.8	1.7	3.1	2.8	2.5
Other non-current liabilities	3.4	2.2	3.4	3.4	3.4
Total Non-Current Liabilities	**7.2**	**3.9**	**6.5**	**6.1**	**5.9**
Shareholder's equity	1135.6	1203.5	1258.6	1362.7	1400.7
Minority interest	0.7	0.9	0.8	0.9	0.9
Total Equity	**1136.4**	**1204.4**	**1259.4**	**1363.5**	**1401.6**

Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Pre-tax profit	**216.2**	**308.9**	**330.8**	**378.1**	**289.1**
Depreciation & amortisation	16.8	18.5	21.9	23.9	24.1
Changes in working capital	88.1	0.5	-18.2	-185.3	252.9
Others	2.9	-58.4	-85.5	-97.7	-74.7
Operating cash flow	**323.9**	**269.5**	**249.0**	**119.0**	**491.4**
Net capex	-13.5	-11.5	-26.2	-33.0	-25.1
Others	-47.3	-95.4	0.0	0.0	0.0
Investing cash flow	**-60.8**	**-106.9**	**-26.2**	**-33.0**	**-25.1**
Dividends paid	-201.8	-151.4	-176.3	-176.3	-176.3
Others	-12.2	-16.9	-2.5	-2.3	-2.0
Financing cash flow	**-214.0**	**-168.3**	**-178.8**	**-178.5**	**-178.3**
Net cash flow	**49.1**	**-5.7**	**44.0**	**-92.5**	**287.9**
Forex	-1.0	-0.7	0.0	0.0	0.0
Others	21.1	93.1	0.0	0.0	0.0
Beginning cash	104.1	294.7	189.8	233.7	141.2
Ending cash	**294.7**	**381.4**	**233.7**	**141.2**	**429.2**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Adopted LED lighting, implemented energy-saving practices in offices, and invested in renewable energy such as photovoltaic systems to reduce reliance on fossil fuels.
Waste & Effluent	★★★	100% recycling rate for iron and steel waste in FY25.
Energy	★★★	Total energy consumption stood at 35,917MWh in FY25, 42% increase from FY24 due to higher number of ongoing projects.
Water	★★★	Recorded a water intensity of 0.11 m3/RM1,000 Construction revenue in FY25, below 0.18 in FY24.
Compliance	★★★	In compliance with local environmental regulations.

Social

Diversity	★★	Male-dominated workforce for manual labor, 56% male and 44% female composition for office-based employees.
Human Rights	★★★	Enforce and adopts a workplace free from harassment, discrimination, enslavement, child, or forced labour. 0 human rights violations recorded in FY25.
Occupational Safety and Health	★★	All subsidiaries of construction segment certified with ISO 45001 Occupational Health and Safety Management System (OHSMS). 1 non-fatal serious injury and 0 fatalities recorded in FY25.
Labour Practices	★★★	Complies with Employee's Minimum Standards of Housing, Accommodations and Amenities Act.

Governance

CSR Strategy	★★★	Complies with principles and practices set out in the Malaysian Code on Corporate Governance (MCCG).
Management	★★★	3/8 female board composition, 4/8 Independent Directors.
Stakeholders	★★★	Major announcements and financial reports were announced in timely manner.

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 **Monday, 17 Aug, 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.