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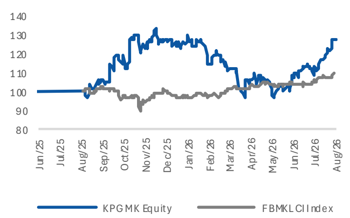
Recommendation:		BUY
Current Price:		RM 2.74
Previous Target Price:		RM 3.38
Target Price:	↔	RM 3.38
Capital Upside/Downside:		23.4%
Dividend Yield (%):		5.1%
Total Upside/Downsid		**28.5%**

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)	3,436.4
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 (%)	12.3	26.3	29.2
Relative (%)	12.7	27.3	18.0

Earnings summary

FYE Dec	FY26F	FY27F	FY28F
Revenue (RM'm)	2,622.6	3,297.3	2,514.5
PATAMI (RM'm)	245.2	283.3	217.3
CNP (RM'm)	245.2	283.3	217.3
EPS - core (sen)	19.5	22.5	17.3
P/E (x)	14.0	12.1	15.8

Kerjaya Prospek Group Bhd

Stake in ES Sunlogy Crosses 31%

- **KERJAYA, via wholly-owned subsidiary Acumen Marketing Sdn. Bhd., acquired a further 2.73% for RM5.36m, raising its stake to 31.0%.**
- **The acquisition was made at RM0.255/share, implying 1.49x P/B and 22.3x PE versus 2.34x P/B and 33.1x 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 RM64.31m representing c.28% of FY26F cash.**
- **Maintain BUY with an unchanged TP of RM3.38, based on 15.0x PE applied to a FY27F EPS of 22.5 sen.**

Acquired Additional 2.73% Stake in ES Sunlogy for RM5.36m. KERJAYA, through its wholly-owned subsidiary Acumen Marketing Sdn. Bhd., has acquired an additional 21m ordinary shares, representing a 2.73% equity interest, in ES Sunlogy Berhad, through direct business transactions at an average purchase price of RM0.255 per share, for a total consideration of RM5.36 million. This follows two earlier tranches: an initial subscription for 70.0m new shares, a 9.09% stake, for RM18.76 million in July 2026, and a 19.18% follow-on acquisition of 147.7m shares for RM40.18 million on 14 August 2026. Following completion of this latest tranche, KERJAYA's cumulative equity interest in ES Sunlogy has risen from 28.27% to 31.00%, with total cumulative investment across all three tranches now standing at RM64.31m.

Implied Valuation of the ES Sunlogy Stake. KERJAYA's cumulative investment of RM64.31m for a 31% stake implies an equity value of approximately RM207.5m for 100% of ES Sunlogy, based on 770.0m shares issued. This compares with ES Sunlogy's actual market capitalisation of approximately RM308.0m at its 14 August 2026 closing price of RM0.40, implying KERJAYA's blended acquisition value sits at roughly a 32.63% discount to the prevailing market valuation. This latest tranche alone was transacted at a steeper 36.15% discount to the 14 August closing price – the widest discount of the three tranches to date.

On a PE basis, using the same annualised 9M FY26 PAT run-rate of c.RM9.3m for both sides, KERJAYA's acquisition implies a PE of approximately 22.3x, versus approximately 33.1x for ES Sunlogy's prevailing market valuation – a discount of roughly 32.63%, consistent with the price discount 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 RM0.255/share represents approximately 1.49x ES Sunlogy's reported NAV/share of RM0.171 as at 30 April 2026, compared with 2.34x P/B based on ES Sunlogy's prevailing share price of RM0.40 – a discount of roughly 36.32%, directionally consistent with the price discount KERJAYA disclosed.

Figure 1: Implied Valuation

Metric	KERJAYA's Investment	ES Sunlogy Market (14 August 2026)
Price per share (RM)	0.255*	0.400
NAV/share (RM)	0.171	0.171
Implied P/B (NAV/share of RM0.17)	1.49x*	2.34x
Implied PE	22.3x	33.1x

Source: ES Sunlogy's Q3FY2026 financial results, Apex Securities
**P/B based on latest acquisition price; implied PE based on cumulative investment and 31% stake*

KDN PP13226/06/2024 (035469)

Our View. Based on ES Sunlogy's annualised 9MFY26 PAT of RM9.3m, KERJAYA's acquisition of 31% stake implies a P/E valuation of c.22.3x, we think the deal is **fair**. While KPGB paid roughly 1.49x ES Sunlogy's reported NAV/share for the latest tranche, the shares were acquired at a 36.15% discount to ES Sunlogy's prevailing market price. W**ith KERJAYA's stake now at 31%, we would also flag its increasing proximity to the more-than-33% threshold for a mandatory general offer, a dynamic worth monitoring should further stake-building continue at a similar pace.** Strategically, the enlarged stake supports integrated M&E engineering and solar-related project delivery, which could potentially deepen collaboration opportunities across KERJAYA's own construction pipeline, including its growing exposure to data centre-related infrastructure work. The investment also benefits from ES Sunlogy's recurring renewable energy income alongside its project-based M&E engineering revenue, which supports medium-term earnings visibility.

Balance Sheet and Cash Flow Impact. On the balance sheet, cash and cash equivalents will fall by a further RM5.36m, 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 RM5.36m 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 before acquisition of about RM233.7m, this latest tranche represents roughly 2.3% of FY26F cash and about 0.4% of FY26F total equity of RM1.26bn. On a cumulative basis, KERJAYA's total investment in ES Sunlogy of RM64.31m represents approximately 28% of FY26F cash and about 5.1% 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 further by 0.1%/0.1% respectively, to reflect the equity-accounted contribution from the 31% associate stake, assuming flat earnings growth over FY27F-FY28F.

Valuation & Recommendation. We maintain our **BUY** recommendation on KERJAYA with an unchanged TP of **RM3.38**, based on a 15.0x PE applied to a 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	2.9	2.9
Pre-tax Profit	**216.2**	**308.9**	**330.8**	**381.0**	**292.0**
Tax	-55.9	-81.3	-85.5	-97.7	-74.7
Profit After Tax	**160.3**	**227.6**	**245.3**	**283.3**	**217.3**
Minority Interest	0.0	-0.6	0.0	0.0	0.0
Net Profit	**160.2**	**227.0**	**245.2**	**283.3**	**217.3**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**160.2**	**227.0**	**245.2**	**283.3**	**217.3**

Key Ratios

FYE Dec	FY24	FY25	FY26F	FY27F	FY28F
EPS (sen)	12.7	18.0	19.5	22.5	17.3
P/E (x)	21.5	15.2	14.1	12.2	15.9
P/B (x)	3.0	2.9	2.7	2.5	2.5
EV/EBITDA (x)	14.1	9.1	9.5	8.6	10.1
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%	11.6%	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%	20.7%	15.4%
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	169.4	76.9	364.9
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**	**2371.7**	**2844.8**	**####**
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	75.2	78.1	81.0
Total Non-Current Assets	**331.2**	**330.2**	**401.5**	**413.4**	**417.3**
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**	**####**
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	1365.6	1406.5
Minority interest	0.7	0.9	0.8	0.9	0.9
Total Equity	**1136.4**	**1204.4**	**1259.4**	**1366.4**	**####**

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	-64.3	0.0	0.0
Investing cash flow	**-60.8**	**-106.9**	**-90.5**	**-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**	**####**
Net cash flow	**49.1**	**-5.7**	**-20.3**	**-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	169.4	76.9
Ending cash	**294.7**	**381.4**	**169.4**	**76.9**	**364.9**

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 **Tuesday, 18 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.