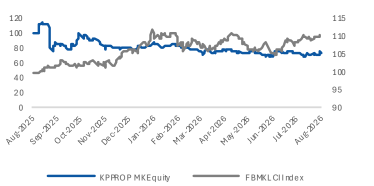
Research Team
(603) 7890 8899
research.dept@apexsecurities.com.my

Recommendation:	**BUY**
Current Price:	RM 0.29
Previous Target Price:	RM 0.40
Target Price: ↓	RM 0.38
Capital Upside/Downside:	31.0%
Dividend Yield (%):	4.5%
Total Upside/Downside:	**35.5%**

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)	244.8
52-Week Price Range (RM)	0.26-0.395
Beta (x)	1.3
Free float (%)	22.3
3M Average Volume (m)	0.1
3M Average Value (RM' m)	0.0

Top 3 Shareholders	**(%)**
Javawana Sdn Bhd	73.7
Kong Chee Heng	0.7
Chiau Beng Teik	0.5

Share Price Performance



	1M	**3M**	**12M**
Absolute (%)	0.0	0.0	-12.6
Relative (%)	-1.7	-3.3	-20.3

Earnings summary

FYE Mar (RM m)	**FY27F**	**FY28F**	**FY29F**
Revenue (RM'm)	322.1	461.8	638.9
PATAMI (RM'm)	31.5	41.8	61.2
CNP (RM'm)	31.5	41.8	61.2
EPS - core (sen)	3.7	4.9	7.1
P/E (x)	7.8	5.9	4.0

Kerjaya Prospek Property Bhd

Results Below Expectations

- **KPPROP's 1QFY27 core net profit came in at RM2.6m (+17.7% YoY, -29.8% QoQ), accounting for 7.5% of our FY27F forecast, which is below our expectation.**
- **Earnings visibility remains supported by a 60-acre landbank with a remaining GDV of RM3.9bn, providing a long runway for future Property Development launches.**
- **We lower our FY27F/FY28F core net profit forecasts by -8.2%/-18.5% respectively, to RM31.5m/RM41.8m, while introducing FY29F core net profit of RM61.2m.**
- **Maintain a BUY recommendation with a slightly lower TP of RM0.38 (from RM0.40), derived from a revised SOP valuation while incorporating a three-star ESG rating.**

Results below expectations. KPPROP reported a 1QFY27 core net profit of RM2.6m (+17.7% YoY; -29.8% QoQ). **These accounts for 7.5% of our estimates and below our expectations**. The underperformance was mainly due to weaker Property Development margin mix and softer Hospitality contribution, as well as higher selling and distribution expenses to support ongoing sales and development activity.

QoQ. Revenue rose 15.5% QoQ to RM48.7m, mainly on higher Property Development billings and additional sales of completed units, but PBT fell 39.4% QoQ to RM3.4m, mainly due to higher selling and distribution expenses and the absence of a one-off finance-cost benefit in 4QFY26. Core net profit fell 29.8% QoQ to RM2.6m as this quarter finance costs normalised and selling and distribution expenses rose to support ongoing launch and sales activity.

YoY. The 16.2% YoY revenue growth was driven by the Property Development segment (+37.1% YoY to RM21.5m) on faster billing progress at VOX Residence and Viera 15, and by Retail & Leasing (+16.6% YoY to RM5.8m) on higher occupancy at Bloomsvale Shopping Gallery and Office Tower. Hospitality revenue fell 7.1% YoY to RM19.4m on softer room occupancy and fewer banquet/MICE events. At the segment-profit level, Property Development profit nearly halved (-50.3% YoY to RM2.2m) as the prior-year period benefited from higher-margin completed-unit sales and lower distribution costs, while Hospitality segment profit fell 30.0% YoY to RM3.2m in tandem with softer topline. Retail & Leasing was the standout, with segment profit more than doubling (+111.5% YoY to RM2.9m) on better occupancy and cost absorption at the two Bloomsvale assets.

Outlook. We remain conservative on KPPROP's outlook, supported by its robust pipeline of upcoming launches and ongoing construction progress. The Group's Property Development will continue to be driven by ongoing construction at VOX Residence, Viera 15 and Senna Heights, together with the newly launched Andabreeze Residences in Batu Kawan, Penang, which carries an estimated GDV of RM780.0m, while the Group prepares further two launches in the Klang Valley. Hospitality remains focused on lifting room occupancy and MICE activity amid a cautious consumer backdrop, while Retail & Leasing should continue to benefit from stable tenant engagement at the two Bloomsvale assets. Earnings visibility remains underpinned by a **total landbank of 60 acres and a remaining GDV of RM3.9bn** to be unlocked via future launches. This sizeable pipeline should support multi-year Property Development revenue recognition, though the pace of conversion into billings and margins will depend on launch timing and prevailing take-up rates.

Earnings Revision. We take this opportunity to revise our expected property launches for **FY27F/FY28F** to **RM780m/RM200m** (from **RM720m/RM500m**), as the Group has since launched Andabreeze Residences in Batu Kawan in FY27 with an estimated GDV of RM780m, slightly above our earlier RM720m assumption. At the same time, we lower our FY28F launch assumption to RM200m as the two remaining upcoming projects are now targeted for launch in FY29F rather than FY28F, pushing the bulk of new launch GDV out by a year. Consequently, our **FY27F/FY28F** core net profit estimates are reduced by -8.2%/-18.5% to **RM31.5m/RM41.8m** respectively, while we introduce **FY29F** core net profit of **RM61.2m**.

Valuation. We maintain our **BUY** recommendation with a **slightly lower TP of RM0.38** (from **RM0.40**), derived from a revised Sum-of-Parts (SOP) valuation and support by a three-star ESG rating.

Risk. Failure to monetise non-core assets, exposure to the cyclicality of the property sector and rising construction costs.

Results Comparison

FYE Mar (RM m)	1QFY27	1QFY26	yoy (%)	4QFY26	qoq (%)	3MFY27	3MFY26	yoy (%)
Revenue	48.7	41.9	*16.2*	42.1	*15.5*	48.7	41.9	*16.2*
EBITDA	8.6	10.1	*(14.9)*	7.2	*19.5*	8.6	10.1	*(14.9)*
Pre-tax profit	3.4	3.2	*4.7*	5.6	*(39.4)*	3.4	3.2	*4.7*
Net profit	2.6	2.2	*17.7*	3.6	*(29.8)*	2.6	2.2	*17.7*
Core net profit	2.6	2.2	*17.7*	3.6	*(29.8)*	-	2.2	*(100.0)*
Core EPS (sen)	0.3	0.3	*17.7*	0.4	*(29.8)*	-	0.3	*(100.0)*
EBITDA margin (%)	17.6	24.1		17.0		17.6	24.1	
PBT margin (%)	6.9	7.7		13.2		6.9	7.7	
Core net profit margin (%)	5.3	5.2		8.7		-	5.2	

Source: Company, Apex Securities

Segmental Breakdown

FYE Mar (RM m)	1QFY27	1QFY26	yoy (%)	4QFY26	qoq (%)	3MFY27	3MFY26	yoy (%)
Revenue								
Property Development	21.5	15.7	*37.1*	14.5	*48.0*	21.5	15.7	*37.1*
Hospitality	19.4	20.8	*(7.1)*	20.5	*(5.5)*	19.4	20.8	*(7.1)*
Retail and Leasing	5.8	5.0	*16.6*	5.6	*3.6*	5.8	5.0	*16.6*
Others	2.0	0.4	*396.8*	1.5	*32.8*	2.0	0.4	*396.8*
Total	**48.7**	**41.9**	***16.2***	**42.1**	***15.5***	**48.7**	**41.9**	***16.2***
Profit before tax (PBT)								
Property Development	2.2	4.4	*(50.3)*	2.0	*9.2*	2.2	4.4	*(50.3)*
Hospitality	3.2	4.6	*(30.0)*	1.6	*100.1*	3.2	4.6	*(30.0)*
Retail and Leasing	2.9	1.4	*111.5*	0.9	*210.7*	2.9	1.4	*111.5*
Others	0.3	(0.3)	*nm*	1.0	*(71.6)*	0.3	(0.3)	*nm*
Total	**8.3**	**10.3**	***(19.7)***	**4.5**	***83.4***	**8.3**	**10.3**	***(19.7)***
PBT margin (%)								
Property Development	10.0%	27.7%		13.6%		10.0%	27.7%	-17.69%
Hospitality	16.7%	22.1%		7.9%		16.7%	22.1%	-5.45%
Retail and Leasing	50.6%	27.9%		16.9%		50.6%	27.9%	22.71%
Others	14.4%	-65.1%		67.6%		14.4%	-65.1%	79.55%
Aggregate Total	**17.1%**	**24.7%**		**10.8%**		**17.1%**	**24.7%**	**-7.61%**

Source: Company, Apex Securities

Financial Highlights

Income Statement

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Revenue	**196.5**	**184.7**	**322.1**	**461.8**	**638.9**
Gross Profit	**65.6**	**83.2**	**90.6**	**120.7**	**167.0**
EBITDA	**35.3**	**46.6**	**63.0**	**81.1**	**112.2**
Depreciation & Amortisation	12.5	15.1	9.4	13.5	18.7
EBIT	**22.9**	**31.4**	**53.6**	**67.6**	**93.5**
Net Finance Income/ (Cost)	-1.0	-6.4	-5.3	-5.7	-5.8
Associates & JV	-0.1	-0.1	0.0	0.0	0.0
Other Income/(Cost)	-6.4	-8.8	-6.4	-6.4	-6.4
Pre-tax Profit	**15.4**	**16.2**	**41.9**	**55.5**	**81.3**
Tax	-8.1	-4.9	-10.1	-13.3	-19.5
Profit After Tax	**7.3**	**11.3**	**31.8**	**42.2**	**61.8**
Minority Interest	-0.1	0.0	-0.3	-0.4	-0.6
Net Profit	**7.2**	**11.3**	**31.5**	**41.8**	**61.2**
Exceptionals	0.0	0.0	0.0	0.0	0.0
Core Net Profit	**7.2**	**11.3**	**31.5**	**41.8**	**61.2**

Key Ratios

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
EPS (sen)	0.8	1.3	3.7	4.9	7.1
P/E (x)	33.8	21.6	7.8	5.9	4.0
P/B (x)	0.6	0.4	0.7	0.7	0.7
EV/EBITDA (x)	19.3	12.5	11.4	9.0	7.3
DPS (sen)	1.0	0.4	1.3	1.7	2.5
Dividend Yield (%)	3.5%	1.5%	4.5%	6.0%	8.8%
EBITDA margin (%)	18.0%	25.2%	19.6%	17.6%	17.6%
EBIT margin (%)	11.6%	17.0%	16.6%	14.6%	14.6%
PBT margin (%)	7.8%	8.8%	13.0%	12.0%	12.7%
PAT margin (%)	3.7%	6.1%	9.9%	9.1%	9.7%
NP margin (%)	3.7%	6.1%	9.8%	9.0%	9.6%
CNP margin (%)	3.7%	6.1%	9.8%	9.0%	9.6%
ROE (%)	1.8%	2.0%	8.5%	11.7%	17.7%
ROA (%)	0.7%	0.8%	2.5%	3.1%	3.9%
Gearing (%)	119.2%	91.1%	153.1%	163.3%	195.6%
Net gearing (%)	105.6%	56.5%	126.2%	135.2%	166.6%

FYE Mar (RM m)	FY27F	FY28F	FY29F
Expected property launches GDV	780.0	200.0	560.0

Valuations	Valuation Method	Equity Value (RM' m)
Property Development	50% Discount to RNAV	264.8
Others	8.6x FY27F PER	147.0
SOP Value		411.8
Number of shares		1,077.4
Fair Value (RM)		**0.38**
ESG premium/discount		0.0%
Implied Fair Value (RM)		**0.38**

Source: Company, Apex Securities

Balance Sheet

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Cash	56.2	196.3	100.0	100.0	100.0
Receivables	49.2	34.1	80.5	92.4	127.8
Inventories	350.2	353.4	405.1	426.4	590.0
Other current assets	6.6	35.0	6.6	6.6	6.6
Total Current Assets	**462.2**	**618.7**	**592.2**	**625.4**	**824.4**
Fixed Assets	625.3	708.2	685.3	712.1	749.2
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	1.9	5.3	1.9	1.9	1.9
Total Non-Current Assets	**627.2**	**713.5**	**687.2**	**714.0**	**751.0**
Short-term debt	22.2	72.2	22.2	22.2	22.2
Payables	150.9	145.1	289.3	341.1	472.0
Other current liabilities	2.4	22.9	17.8	30.0	52.7
Total Current Liabilities	**175.5**	**240.2**	**329.4**	**393.3**	**546.8**
Long-term debt	470.6	444.6	548.3	560.2	653.8
Other non-current liabilities	30.0	80.2	29.1	29.1	29.1
Total Non-Current Liabilities	**500.5**	**524.8**	**577.4**	**589.4**	**682.9**
Shareholder's equity	413.1	552.4	372.4	356.5	345.4
Minority interest	0.3	14.8	0.3	0.3	0.3
Total Equity	**413.4**	**567.2**	**372.6**	**356.7**	**345.7**

Cash Flow

FYE Mar (RM m)	FY25	FY26	FY27F	FY28F	FY29F
Pre-tax profit	**15.4**	**16.2**	**41.9**	**55.5**	**81.3**
Depreciation & amortisation	12.5	15.1	9.4	13.5	18.7
Changes in working capital	52.6	39.1	7.5	30.8	-45.5
Others	-18.8	-22.2	-25.5	-36.7	-50.9
Operating cash flow	**61.7**	**48.3**	**33.3**	**63.1**	**3.6**
Net capex	-25.4	-78.9	-41.0	-40.3	-55.8
Others	-37.0	0.0	-20.0	-20.0	-20.0
Investing cash flow	**-62.4**	**-78.9**	**-61.0**	**-60.3**	**-75.8**
Dividends paid	-10.6	0.0	-11.0	-14.6	-21.4
Others	-23.2	170.8	38.7	11.9	93.6
Financing cash flow	**-33.7**	**170.8**	**27.7**	**-2.8**	**72.1**
Net cash flow	**-34.5**	**140.1**	**0.0**	**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	90.7	56.2	100.0	100.0	100.0
Ending cash	**56.2**	**196.3**	**100.0**	**100.0**	**100.0**

ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Zero fines/penalties for environmental non-compliance in FY2026.
Waste & Effluent	★★★	Scheduled waste managed via licensed DOE-approved contractors.
Energy	★★★	Electricity intensity of 112.65 kWh/RM1,000 revenue, well within the Group's 200.00 target.
Water	★★★	Water intensity of 1.38 m^3/RM1,000 revenue, outperforming the ≤2.00 target.
Compliance	★★★	No fines or penalties imposed for non-compliance with environmental laws and regulations during FY2026.

Social

Diversity	★★★	Workforce composition: 53% male, 47% female (188/167 of 355 employees).
Human Rights	★★★	Zero (0) substantiated human rights violations or labour standards non-compliance reported in FY2026.
Occupational Safety and Health	★★	Zero (0) work-related fatalities maintained, but Lost-Time Incident Rate (employees) rose to 0.42 in FY2026.
Labour Practices	★★★	Compliance maintained with Employment Act 1955, Occupational Safety and Health Act 1994, Anti-Trafficking in Persons Act 2007, and related labour legislation.

Governance

CSR Strategy	★★★	Policies aligned with MCCG, Whistleblowing Policy, Anti-Bribery & Corruption Policy, and Conflict of Interest Policy all in place.
Management	★★	Board comprises 5 directors: 3/5 Independent Directors, but only 1/5 women director.
Shareholders	★★★	Major announcements and financial reports were announced in timely manner.

Overall ESG Scoring: ★★★