Mah Sing Group Berhad

(8583 | MSGB MK) Main | Property

SHARIAH Compliant | 4 Stars | FTSE4Good

Corporate Update

Strengthening Presence in Semenyih

Maintain **BUY**

Unchanged Target Price **RM1.51**

Acquisition of land adjoining M Legasi in Semenyih. Mah Sing Group announced that it had on 3 November 2025 entered into conditional sale and purchase agreement with Petaling Garden Sdn Bhd for the proposed acquisition of 275 acres of freehold land in Semenyih for a total purchase consideration of RM273.5m. The vendor is a wholly owned subsidiary of I &P Group Sdn Bhd which is a wholly owned subsidiary of S P Setia Berhad. The land is adjoining the existing 500-acre M Legasi township. The land acquisition is expected to be completed in 2HFY26.

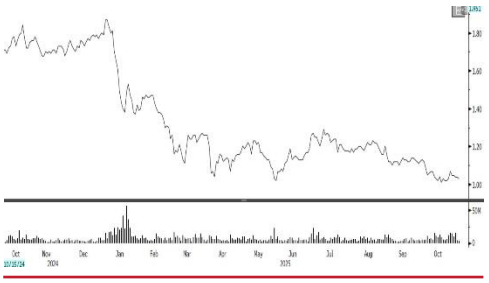
Strengthening presence in Semenyih. We view the land acquisition positively as it will strengthen Mah Sing's presence in Semenyih. Note that Mah Sing's M Legasi township was officially launched in June 2025. The township is on 500 acres of land in Semenyih. Sales performance of the township is encouraging with Phase 1A and 1B fully sold due to affordable pricing starting from RM635k. The development of the new land is named M Legasi 2, will be upscale extension of the existing M Legasi township with products including 2-storey superlink, linked semi-detached homes and semi-detached homes, alongside serviced apartments and shop lots. The initial 175 acres which are planned for residential and commercial components have an estimated GDV of RM1.7b while the remaining 100 acres are earmarked for strategic partnerships or collaborations. Registration of interest for the project is expected in 2HFY26 with development period of 8 years.

Fair land acquisition price. Land acquisition price of RM20.60psf (based on gross land size) for M Legasi 2 is fair which is slightly higher than land acquisition price of M Legasi of RM18psf but in line with acquisition price of RM20psf for Eco Radiance township in Semenyih by Eco World Development Group. Meanwhile, the land acquisition is expected to be funded through a combination of internally generated funds and bank borrowings. We estimate net gearing to increase of 0.3x from 0.23x in 2QFY25. We expect balance sheet of Mah Sing to remain healthy due to cash flow from vacant possession of its properties.

Maintain BUY with an unchanged TP of RM1.51. We make no changes to our earnings forecast for FY25/26/27. We also maintain our TP at RM1.51, pending further information on total GDV of the project. Our TP is based on 38% discount to RNAV. The growing presence in Semenyih is expected to sustain its new sales growth. Besides, earnings prospect will continue to sustain by the solid sales of M Series projects. Hence, we maintain our **BUY** call on Mah Sing.

RETURN STATISTICS	
Price @ 3rd Nov 2025 (RM)	1.03
Expected share price return (%)	+46.6
Expected dividend yield (%)	+4.7
Expected total return (%)	+51.3

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-8.0	-7.3
3months	-7.2	-18.2
12 months	-41.1	-41.8

INVESTMENT STATISTICS			
FYE Dec	2025E	2026F	2027F
Revenue	2,664	2,719	2,754
Operating Profit	389	444	486
Profit Before Tax	345	393	426
Core PATAMI	260	294	318
Core EPS	10.17	11.49	12.43
DPS	4.84	5.17	6.00
Dividend Yield	4.7%	5.0%	5.4%

KEY STATISTICS	
FBM KLCI	1,622.42
Issue shares (m)	2560.14
Estimated free float (%)	56.83
Market Capitalisation (RM'm)	2,634
52-wk price range	RM1.01– RM1.92
3-mth average daily volume (m)	7.13
3-mth average daily value (RM'm)	7.94
Top Shareholders (%)	
Mayang Teratai Sdn Bhd	25.51
Amanah Saham Nasional Bhd	7.53
Mayang Teratai Limited	7.03
Oversea-Chinese Banking Corp Ltd	6.05

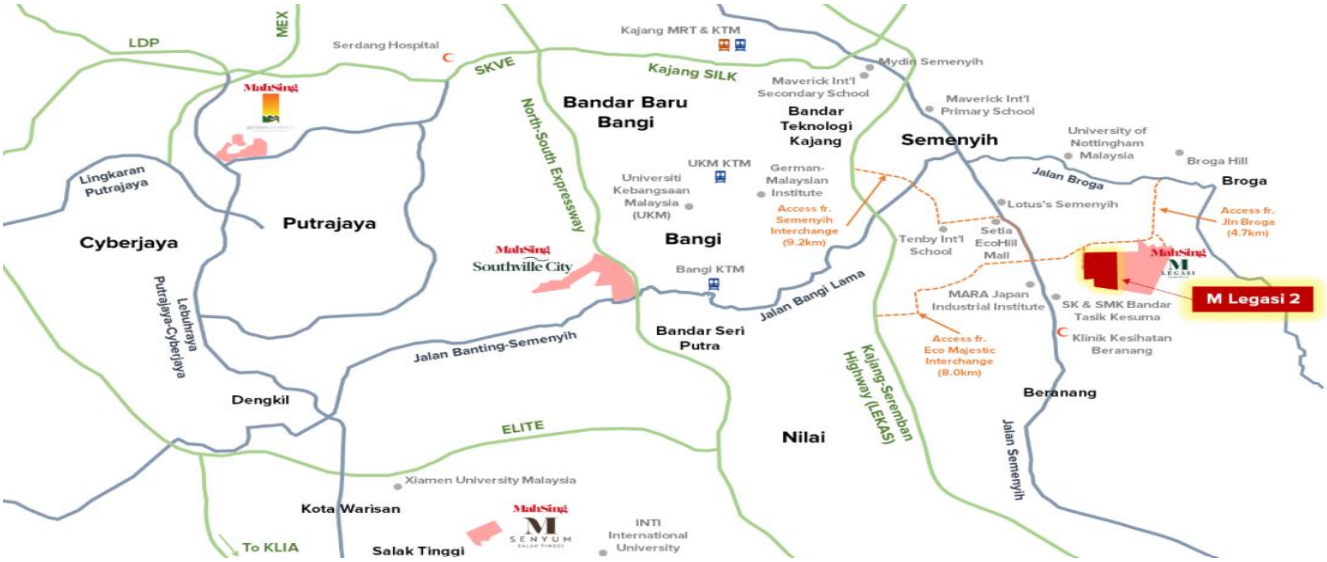
Analyst

Jessica Low Jze Tieng

jessica.low@midf.com.my

03-2173 8391

Figure 1: Location map



Source: Company

Mah Sing Group RNAV

	Stake	Est remaining GDV (RM m)	WACC (%)	Value (RM m)
Greater KL Projects				
Southgate	100%	2	10%	2
Star Avenue	100%	88	10%	7
Hijauan Residence	100%	226	10%	17
Aman Perdana	100%	72	10%	6
Garden Residence	100%	76	10%	6
Perdana Residence 2	100%	13	10%	1
M Suites @ Jalan Ampang	100%	6	10%	1
Bayu Sekamat	100%	7	10%	1
Icon Residence Mont' Kiara	100%	12	10%	1
Garden Plaza, Cyberjaya	100%	31	10%	3
M City, Jalan Ampang	100%	2	10%	0.2
M Residence 1 @ Rawang	100%	59	10%	5
M Residence 2 @ Rawang	100%	33	10%	3
Southville City @ KL South, Bangi	100%	8364	10%	502
Icon City, PJ	100%	1901	10%	147
D'sara Sentral	100%	50	10%	4
Lakeville Residence	100%	1	10%	0
M Aruna Rawang	100%	152	10%	12
M Centura, M Arisa, Sentul	78%	4	10%	0.3
M Vertica, Cheras	100%	29	10%	2
M Oscar	100%	22	10%	2
M Luna	100%	18	10%	1
M Adora	100%	9	10%	1
M Senyum	100%	10	10%	1
M Astra	100%	11	10%	1
M Nova	100%	347	10%	26
M Terra & M Hana	100%	641	10%	47
M Legasi (Glengowrie Estate) Semenyih	100%	3300	10%	198
M Zenya	100%	199	10%	15
M Azura, Setapak	100%	371	10%	29
Mah Sing Businss Park	56%	728	10%	32
M Aspira	100%	572	10%	42
M Aurora	100%	660	10%	49
M Aria	100%	283	10%	21
Corus Hotel Site	100%	1280	10%	91
Johor Projects				
Sierra Perdana	100%	140	10%	11
Meridin @ Medini	100%	227	10%	18
Meridin East	100%	3082	10%	171
Mah Sing i-Parc	100%	11	10%	1

M Tiara	100%	480	10%	13
M Tiara 2	100%	1450	10%	103
M Tiara 3	100%	463	10%	37
M Grand Minori	100%	1500	10%	111
Penang Projects				
Ferringhi Residence	100%	362	10%	29
Southbay City	100%	1415	10%	92
Unbilled sales		2730		210
Total				2,072
Shareholder Funds				3,882
Total RNAV				5,954
Number of shares				2,438
RNAV per share (RM)				2.44
Discount				38%
Target Price (RM)				**1.51**

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2023A	2024A	2025E	2026F	2027F
Revenue	2,603	2,520	2,664	2,719	2,754
EBIT	379	392	389	444	486
PBT	327	337	345	393	426
Net Income	215	241	258	294	318
Core Net Income	216	237	260	294	318
Core EPS (sen)	8.9	9.3	10.2	11.5	12.4
Core PER (x)	11.6	11.1	10.1	9.0	8.3
NTA/share	1.54	1.55	1.57	1.60	1.63
P/NTA	0.67	0.66	0.65	0.64	0.63

Balance Sheet (RM'm)	2023A	2024A	2025E	2026F	2027F
Property, plant and equipment	408	467	472	477	482
Land held for property development	1,766	2,362	2,315	2,268	2,223
Total non-current assets	2,627	3,291	3,364	3,438	3,513
Property development costs	1,000	1,032	1,043	1,053	1,063
Inventories	530	539	551	563	575
Cash and bank balances	981	1,347	969	1,173	1,199
Other assets	1,279	1,344	1,929	1,951	2,172
Total Assets	**6,417**	**7,553**	**7,855**	**8,178**	**8,523**
Medium Term Notes	1,003	552	591	632	676
LT Term Loans	266	804	822	840	858
Other Liabilities	1,411	2,222	2,400	2,594	2,805
Total Liability	2,680	3,578	3,813	4,066	4,339
Share capital	1,776	1,876	1,876	1,876	1,876
Other Equity	1,961	2,099	2,166	2,236	2,307
Total Equity	3,737	3,975	4,042	4,112	4,183
Equity + Liability	**6,417**	**7,553**	**7,855**	**8,178**	**8,523**

Cash Flow (RM'm)	2023A	2024A	2025E	2026F	2027F
Cash flows from operating activities					
Net income before taxation	327	337	345	393	426
Net cash from operating activities	1090	579	568	556	545
Cash flows from investing activities					
Addition to land held for property development	-46	-122	-105	-90	-78
Net cash used in investing activities	-496	-867	-928	-705	-536
Cash flows from financing activities					
Net proceeds from issuance of Medium Term Notes	0	0	0	0	0
Net cash from/(used in) financing activities	-298	580	141	360	250
Net increase/(decrease) in cash and cash equivalents	296	292	-220	211	260
Cash and cash equivalent at 1 January	480	781	1074	854	1065
Cash and cash equivalent at 1 December	781	1074	854	1065	1325

Profitability Ratios (%)	2023A	2024A	2025E	2026F	2027F
EBIT margin	14.6%	15.5%	14.6%	16.3%	17.6%
PBT margin	12.6%	13.4%	13.0%	14.5%	15.5%
PAT margin	8.3%	9.6%	9.7%	10.8%	11.6%
Core PATAMI margin	8.3%	9.4%	9.8%	10.8%	11.6%
ROE	5.8%	6.0%	6.4%	7.2%	7.6%
ROA	3.4%	3.1%	3.3%	3.6%	3.7%

MBSB RESEARCH (formerly known as MIDF RESEARCH) is part of MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad)

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report has been prepared by MBSB Investment Bank Berhad (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD) 197501002077 (24878-X).

It is for distribution only under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that we believe are reliable. MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD) makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such. This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. All opinions and estimates are subject to change without notice. The research analysts will initiate, update and cease coverage solely at the discretion of MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD). The directors, employees and representatives of MBSB INVESTMENT BANK BERHAD (formerly known as MIDF AMANAH INVESTMENT BANK BERHAD) may have an interest in any of the securities mentioned and may benefit from the information herein. Members of the MBSB Group and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein This document may not be reproduced, distributed or published in any form or for any purpose.

MBSB INVESTMENT BANK (formerly known MIDF INVESTMENT BANK): GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology