Property

POSITIVE (Maintain)

Encouraging Property Loan Application

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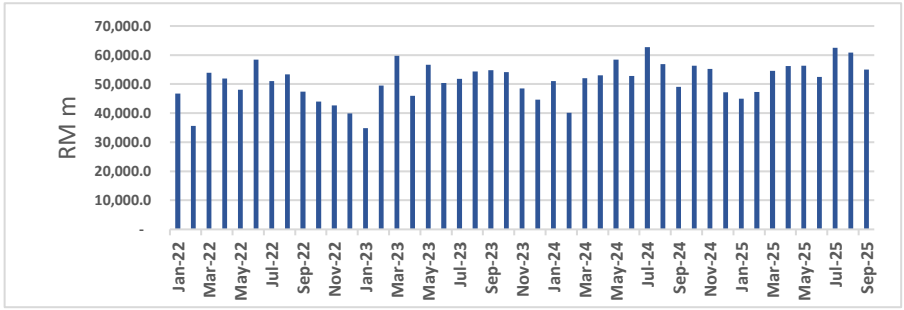
HIGHLIGHTS

- Double-digit growth in loan application
- Flattish approved loan in 9MCY25
- Positive earnings prospect for 3QCY25
- Maintain Positive on property sector
- Top three picks are Mah Sing Group, Matrix Concepts and UOA Development

Double-digit growth in loan application. Data released by Bank Negara Malaysia (BNM) shows that total loan application for purchase of property recorded double digit growth of +12.2%yoy in September 2025 following increase of +6.9%yoy in August 2025. The double-digit growth in loan application shows that buying sentiment on property remains resilient. That brought total loan application higher at RM490b (+3%yoy) in 9MCY25. On a monthly basis, loan application was weaker by -9.6%mom which we opine was due to school holidays and public holidays in September. Going forward, we expect loan application to recover in October 2025. Overall, we maintain our view that buying interest of properties will be stronger in 2025 as outlook for property market in Malaysia remains positive with stable house price in Malaysia.



Source: BNM, MBSB Research

Flattish approved loan in 9MCY25. Approved loan for purchase of property increased by +8.7%yoy in September 2025, snapping three consecutive declines in June 2025 to August 2025. The increase in approved loan was mainly due to higher loan application which cushioned the marginally lower loan approval ratio. On a monthly basis, approved loan declined by -13.6%mom, owing to lower loan application and lower loan approval ratio. Cumulatively, approved loan was flattish at RM212.6b (-0.4%yoy) in 9MCY25 while loan approval ratio was marginally lower at 43% in 9MCY25 against 45% in 9MCY24.

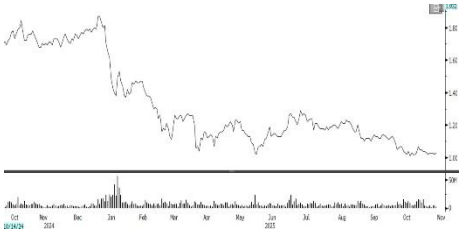
COMPANY *IN FOCUS*

Mah Sing Group

Maintain BUY | Unchanged Target Price: RM1.52
Price @ 11 Nov 2025: RM1.03

- New sales prospect is stable, underpinning by launches of affordable residential projects.
- New sales on track to hit new sales target of RM2.65b for FY25.
- Growing presence in Semenyih and Penang.

SHARE PRICE CHART

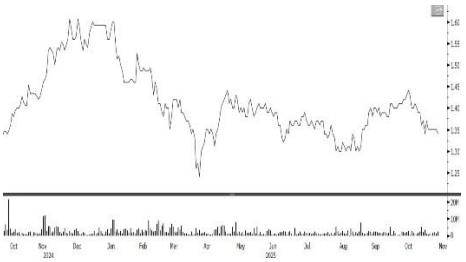


Matrix Concepts

Maintain BUY | Unchanged Target Price: RM1.65
Price @11 Nov 2025: RM1.34

- MVV City is the next growth earnings catalyst to Matrix Concepts.
- New sales target of RM1.6b for FY26.
- New sales momentum remains strong, supported by landed homes projects in Negeri Sembilan

SHARE PRICE CHART



Positive earnings prospect for 3QCY25. For the upcoming earnings release of property companies, we expect most the property companies to record earnings growth in 3QCY25 as progress billing of ongoing projects remain stable while earnings recognition from higher sales achieved in CY24 should support earnings growth. Note that most of the property companies under our coverage recorded higher sales in FY24 which should underpin earnings growth in FY25. Meanwhile, we expect earnings momentum to sustain in 3QCY25 following a decent 2QCY25. Recall that earnings growth of property companies was largely positive in 2QCY25 as five out of seven property companies under our coverage namely Matrix Concepts, UOA Development, Eco World Development Group, Mah Sing Group and Sunway Berhad registered earnings growth ranging 4%-49%. The earnings growth was largely driven by the acceleration of progress billing of property projects and cost savings. Meanwhile, most of the developers are targeting higher sales in CY25 as market condition is favourable with stable demand for property. Hence, we see better earnings outlook for developers from CY25 onwards.

Maintain POSITIVE on property sector. The growth in loan application is positive to the sector as it indicates that buying interest on property remains resilient which is in line with our expectation of stronger buying interest in 2025. Besides, OPR is maintained at 2.75% which we believe is positive to the sector as buying interest on property is expected to remain supported. Overall, we maintain our **POSITIVE** stance on property sector as we think that the upcoming Johor-Singapore RTS link, JS-SEZ, and the development of industrial properties in Malaysia will sustain growth of the property sector. **Our top three picks for the sector are Mah Sing Group (BUY, TP: RM1.52), Matrix Concepts (BUY, TP: RM1.65) and UOA Development (BUY, TP: RM2.04)**. For Mah Sing, we see that earnings prospect will continue to sustain by the solid sales of M Series projects while the recent land acquisitions in Semenyih and Penang bodes well for near-term growth. For Matrix Concepts, we see that it is a good proxy to economic growth of Negeri Sembilan due to its Bandar Sri Sendayan township while the development of MVV City will benefit from the booming economic growth in Negeri Sembilan. Meanwhile, we see maiden launch of UOA Development's project in Johor to support new sales in FY26 while dividend yield of UOA Development is attractive at 5.4%.

Peers Comparison

Stock	Rec.	Price @ 11-Nov-2025	Target Price (RM)	Core EPS (sen)		Core PER (x)		Net DPS (sen)		Net Dvd Yield		P/NTA (x)
				FY25F	FY26F	FY25F	FY26F	FY25F	FY26F	FY25F	FY26F	
MAHSING	BUY	1.03	1.52	10.2	11.5	10.1	9.0	4.8	5.2	4.7%	5.0%	0.67
UOADEV	BUY	1.85	2.04	12.3	13.0	15.1	14.3	10.0	10.0	5.4%	5.4%	0.87
MATRIX	BUY	1.34	1.65	11.4	14.2	11.7	9.5	7.95	7.50	5.9%	5.6%	1.12
SPSETIA	BUY	0.80	1.26	9.4	10.3	9.2	7.9	2.5	2.5	2.5%	2.6%	0.27
ECOWLD	NEUTRAL	2.04	2.19	12.7	20.0	16.1	10.2	6.0	6.0	2.9%	2.9%	1.20
SUNWAY	NEUTRAL	5.38	5.13	13.6	14.4	39.7	37.4	10.0	10.0	1.9%	1.9%	2.40
IOIPG	NEUTRAL	2.10	2.09	5.4	6.2	38.9	33.9	8.0	8.0	3.8%	3.8%	0.48

Source: MBSB Research

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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