AmInvestment Bank

Company Report

PROPERTY

MAH SING GROUP

(MSGB MK EQUITY, MAHS.KL) **08 Aug 2025**

Acquires Corus Hotel for RM1.28bil KLCC Redevelopment

BUY

Price: RM1.20
Target price: RM2.10

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Rationale for report: Company Update

Quick Take

YE to Dec	FY24	FY25F	FY26F	FY27F
FD Core EPS (sen)	9.4	11.5	11.7	12.4
PE (x)	12.7	10.4	10.2	9.7

Source: AmInvestment Bank Bhd

- **Corus Hotel redevelopment.** Mah Sing Group Berhad (Mah Sing) has signed a sale and purchase agreement to acquire prime freehold land and building at Jalan Ampang, formerly Corus Hotel,for RM260mil from Ming Court Hotel (KL) Sdn Bhd. The group plans to redevelop the site into a premium serviced apartments project with a gross development value (GDV) of RM1.28bil. This will feature premium serviced apartments with indicative selling price from RM898,000 per unit.

- **Key details on the transaction.** The proposed premium KLCC serviced apartment development will comprise approximately 1,000 units, with an average selling price of RM2,000 per sqft. Unit sizes are expected to range between 500 and 1,200 sqft. The project is anticipated to deliver a pretax margin exceeding 20%, notably higher than Mah Sing's existing M Series (17–18%) margin. The RM260mil land acquisition translates to a land cost of RM4,000 per sqft—deemed reasonable relative to recent KLCC transactions, which range between RM4,000 and RM7,000 per sqft. The deal is expected to complete by 1QFY26, with construction potentially commencing in 1HFY26.

- The acquisition aligns with the government's urban renewal initiatives. It brings the group's total remaining landbank to 2,322 acres with an estimated GDV of RM28.38 billion. While Mah Sing's core strategy remains focused on affordable housing, it is actively capitalising on selective opportunities in the premium segment.

- Despite the positive outlook on the property segment, investors are closely watching the potential monetisation of Mah Sing's landbanks in Dengkil and Johor for data centre developments—seen as a key catalyst for share price re-rating.

TABLE 1 : VALUATION MATRIX

YE 31 Dec	FY23	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	2,603.2	2,520.3	2,992.3	2,980.4	3,034.3
Core net profit (RM mil)	213.0	233.1	292.2	297.1	314.0
FD Core EPS (sen)	8.9	9.4	11.5	11.7	12.4
FD Core EPS growth (%)	19.8	5.8	21.9	1.7	5.7
Consensus Net Profit (RM mil)	-	-	-	-	-
DPS (sen)	4.0	4.5	5.4	5.5	5.8
PE (x)	13.4	12.7	10.4	10.2	9.7
EV/EBITDA (x)	8.0	8.4	6.7	6.3	7.0
Div yield (%)	3.3	4.4	5.3	5.4	5.7
ROE (%)	5.9	6.1	7.3	7.1	7.2
Net Gearing (%)	8.3	16.0	13.7	9.5	21.0

Source: Company, AmInvestment Bank Bhd estimates

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