How Kerjaya Prospek Gains By Investing In ES Sunlogy?

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Kerjaya Prospek has subscribed to 70 million new ordinary shares in Sunlogy at an issue price of RM0.268 per share through a private placement exercise, amounting to a total investment of RM18.8 million. The subscription represents a 9.09% stake in Sunlogy's enlarged share capital, making KPG a substantial shareholder.

RHB Investment Bank Bhd (RHB Research) has maintained its BUY call on Kerjaya Prospek Group Bhd with a target price of RM3.19, implying a 33% upside and around 5% financial year 2027 dividend yield.

The research house said KPG's investment in ES Sunlogy Bhd (Sunlogy) could provide new growth opportunities in mechanical and engineering (M&E) services as well as renewable energy.

RHB Research said the move was not unexpected given KPG's strong net cash position of RM352 million as at end-March 2026. The research house added that the subscription price values Sunlogy at a trailing 12-month price earnings ratio of 8.9 times, which it considered fair compared with other M&E players trading above 10 times forward earnings.

Sunlogy provides M&E services for electricity distribution systems and buildings, while also operating renewable energy projects including the 20.8MWac Junjong large-scale solar photovoltaic project in Kedah. The company had an outstanding orderbook of RM180 million as at end-July 2025 and secured RM220 million worth of new jobs for year-to-date financial year 2026.

RHB Research said the investment allows KPG to participate in Sunlogy's engineering and renewable energy growth prospects, with potential future collaborations as KPG expands into specialised engineering segments.

The research house maintained its RM3.19 target price, noting that potential involvement in major infrastructure projects such as the Penang Light Rail Transit could serve as a key catalyst for KPG.

KPG's stock price gained 0.42% to RM2.41 as of 10.40 am.