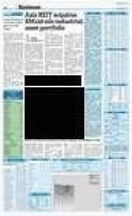
AUTHOR: No author available SECTION: BUSINESS AUDIENCE : 62,408 PAGE: A6
PRINTED SIZE: 202.00cm² REGION: KL MARKET: Malaysia PHOTO: Black/White ASR: MYR 3,242
WORDS: 424 ITEM ID: DP0121259701



02 JUL, 2026

Kee Ming's RM70 mln solar win strengthens earnings outlook

Borneo Post (KK), Malaysia

Kee Ming's RM70 mln solar win strengthens earnings outlook

KUCHING: Kee Ming Group Bhd's (Kee Ming) latest RM70 million subcontract for mechanical and electrical (M&E) interconnection works at a utility-scale solar photovoltaic (PV) project has strengthened its earnings outlook, prompting Kenanga Research to maintain its outperform recommendation while raising its target price to RM2.00 from RM1.80.

According to the research house, Kee Ming had accepted a Letter of Award (LoA) from Atlantic Blue Sdn Bhd, a wholly-owned subsidiary of Solarvest Holdings Bhd (SLVEST), for M&E interconnection works at a 99.99MWac solar PV plant in Bukit Selambau, Kedah.

The contract, valued at RM70 million excluding a RM2 million provisional contingency sum, is scheduled to achieve commercial operation by Feb 28, 2027.

The research house said the award marked Kee Ming's third and largest solar interconnection contract to date.

"We view the contract award positively, as it marks the third and largest interconnection works contract Kee Ming has secured in the utility-scale solar space," the research house said.

Based on a conservative gross profit margin assumption of 20 per cent, the research house estimates the project will generate about RM14 million in gross profit over the 249-day contract period.

It expects approximately RM10 million to be recognised in FY27, representing 16 per cent of its FY27 earnings forecast, while the remaining RM4 million is expected to be recognised in FY28.

The research house also expects minimal execution risk, citing Kee Ming's project delivery track record and payment terms arising from its relationship with Solarvest.

Looking ahead, the research house believes job momentum from Malaysia's utility-scale solar sector will remain strong, supported by Solarvest's RM2.5 billion order book.

"Leveraging this relationship, KEEMING remain well positioned to capture a meaningful share of the pipeline," it said.

The research house adding that the group's existing team of 15 project managers gives it the capacity to tender for up to RM900 million worth of projects.

Following the latest contract win, Kenanga raised its order book replenishment assumptions to RM270 million for FY2027 from RM230 million previously, and to RM350 million for FY28 from RM310 million.

As a result, it increased its FY26 and FY27 core net profit forecasts by 12 per cent and 11 per cent respectively to RM31 million and RM36 million.

The research house said Kee Ming's investment appeal is supported by its earnings growth profile, established position in solar interconnection works through its association with Solarvest, experience in data centre projects, and potential revenue opportunities from Tenaga Nasional Bhd and projects in Sarawak offering recurring earnings visibility.