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PETALING JAYA: Kee Ming Group Bhd is seeing its order book expand following a fresh contract win, strengthening its earnings visibility and positioning for further growth in the data centre segment.

The company, a Perak-based mechanical and electrical (M&E) engineering firm, clinched its latest RM6.7mil electrical sub-contract for a hyperscale data centre in Elmina Business Park 1A.

This lifts its outstanding order book to approximately RM183.7mil.

"We are positive on this new project win as it strengthens KM's positioning to secure additional M&E packages," said Maybank Investment Bank Research (Maybank IB).

The contract, awarded by a third-party contractor, involves electrical system fit-out works and is scheduled for completion by December 2026.

Based on an estimated 10% net profit margin for data centre M&E projects, Maybank IB expects the job to contribute around RM0.7mil in earnings for the financial year 2027 (FY27).

Beyond immediate earnings contribution, the research house highlighted the strategic value of the project.

It marks an opportunity for the company to establish a track record with a new M&E main contractor and a rapidly expanding data centre client.

The client is understood to have three to five data centre blocks under development in the central region, providing potential follow-on opportunities.

"We gather that KM has another RM40mil to RM60mil in ongoing tenders with this client, expected to be finalised in the second quarter (of 2026)," the research house said.

The latest win also represents KM's maiden project secured for FY27 and accounts for about 3% of Maybank IB's RM220mil order replenishment assumption for the year.

The company's replenishment outlook remains supported by a sizeable tender

book of about RM780mil as at end-2025, spanning solar interconnection facilities, industrial jobs and data centre M&E works.

In addition, the company is exploring opportunities in grid infrastructure projects with Tenaga Nasional Bhd and in Sarawak, working alongside local joint venture partners to build a foothold in the segment.

Maybank IB believes a successful expansion into these areas could diversify its project portfolio and enhance long-term growth prospects.

It maintained a "buy" call on the stock with an unchanged target price of 94 sen, based on 14 times FY27 earnings.