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09 NOV, 2026

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Renewable energy

OVERWEIGHT

UOB KAY HIAN RESEARCH (NOV 3): Minister of Energy Transition and Water Transformation (PETRA) Datuk Seri Fadillah Yusof recently announced in Parliament that the government has approved a requirement for data centres (DCs) in Malaysia to source at least 30% of their energy from renewable energy (RE), based on their total installed capacity or energy consumption.

Against this backdrop, we expect a total addressable market of RM20 billion, based on a development cost of RM5 million/MW and 4GW of cumulative demand over the next five years. Tenaga Nasional Bhd (KL:TENAGA) expects a total of 13GW of power demand from DCs over the next three to five years. At 30% of the 13GW demand outlook, we believe at least 4GW-5GW of RE is up for negotiation in the next three to five years. Sizeable land bank is an important leverage when negotiating for Corporate Renewable Energy Supply Scheme (CRESS) projects.

PETRA previously disclosed that the CRESS programme has attracted 11 applicants representing a combined capacity of 3GW. We expect the pace of CRESS wins to accelerate by December 2026, considering that only about 50% of the identified CRESS projects have been publicly disclosed thus far. Against this backdrop, we believe Solarvest Holdings Bhd (KL:SLVEST), Pekat Group Bhd (KL:PEKAT) and Northern Solar Holdings Bhd (KL:NORTHERN) will have to finalise CRESS projects within the next two months. Based on the terms of the CRESS Acceleration Package, the plant must be commissioned by Dec 31, 2028. Construction period takes 18 to 24 months.

Tender submission for Packages 1 and 2 of the Large-Scale Solar 6 (LSS6) tender closed on Oct 27. We expect the government to announce the successful bidders in 1H27.

We expect LSS6 engineering, procurement, construction and commissioning (EPCC) contracts to be progressively dished out in 2H27, paving the way for construction activities to begin in 2028 and meet the targeted commercial operation date of Dec 31, 2029. Based on an estimated captal expenditure of RM4 million to RM4.5 million per MW for a solar-plus-battery energy storage system (BESS), we expect a total of RM10 billion to RM11 billion in EPCC jobs to be dished out under LSS6.

Solarvest is poised to remain a primary beneficiary, as the group aims to maintain 25% share of the utility-scale EPCC market. Our channel checks suggest that Solarvest and Pekat each possess the execution capacity to undertake 500MW of EPCC contracts, while Northern Solar is capable of delivering approximately 150MW of EPCC works.

We maintain an "overweight" call, top picks being Solarvest and Pekat.

SOURCE: PETRA, UOB KAY HIAN

LSS6 packages

	CAPACITY	REMARKS
Package 1	Solar PV: 2,200MW BESS: 1,100MW	• Allowable capacity between 60–500MW per project • Open to all solar developers
Package 2	Solar PV: 300MW BESS: 150MW	• Allowable capacity between 60–500MW per project • Special allocation for bumiputera solar developers
Package 3	Solar PV: 150MW BESS: –	• Allowable capacity between 10–30MW per project • Special allocation for bumiputera solar developers

SOURCES: BLOOMBERG, UOB KAY HIAN

Peer comparison

COMPANY	REC	PRICE NOV 2, 2026 (RM)	TARGET PRICE (RM)	LAST YEAR END	PE 2026F/2027F (RM)	PE 2027F/2028F (RM)	EV/EBITDA 2026F/2027F (RM)	EV/EBITDA 2027F/2028F (RM)	YIELD 2026F/2027F (%)	ROE 2026F/2027F (%)	MARKET CAP (RM MIL)	PRICE/ NAV (X)
Solarvest Holdings	BUY	4.11	5.30	March 2026	34.9*	25.2**	20.2*	14.7**	–	12.0*	4,027.4	4.2
Pekat Group	BUY	2.85	3.60	Dec 2025	36.9	27.7	13.9	11.0	0.4	10.9	2,024.2	4.0
Samaiden	NOT RATED	3.01	NA	June 2026	32.7*	24.7**	19.8*	13.4**	0.8	17.5	1,688.0	5.1

*Note: * Data for 2027 ** Data for 2028*

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