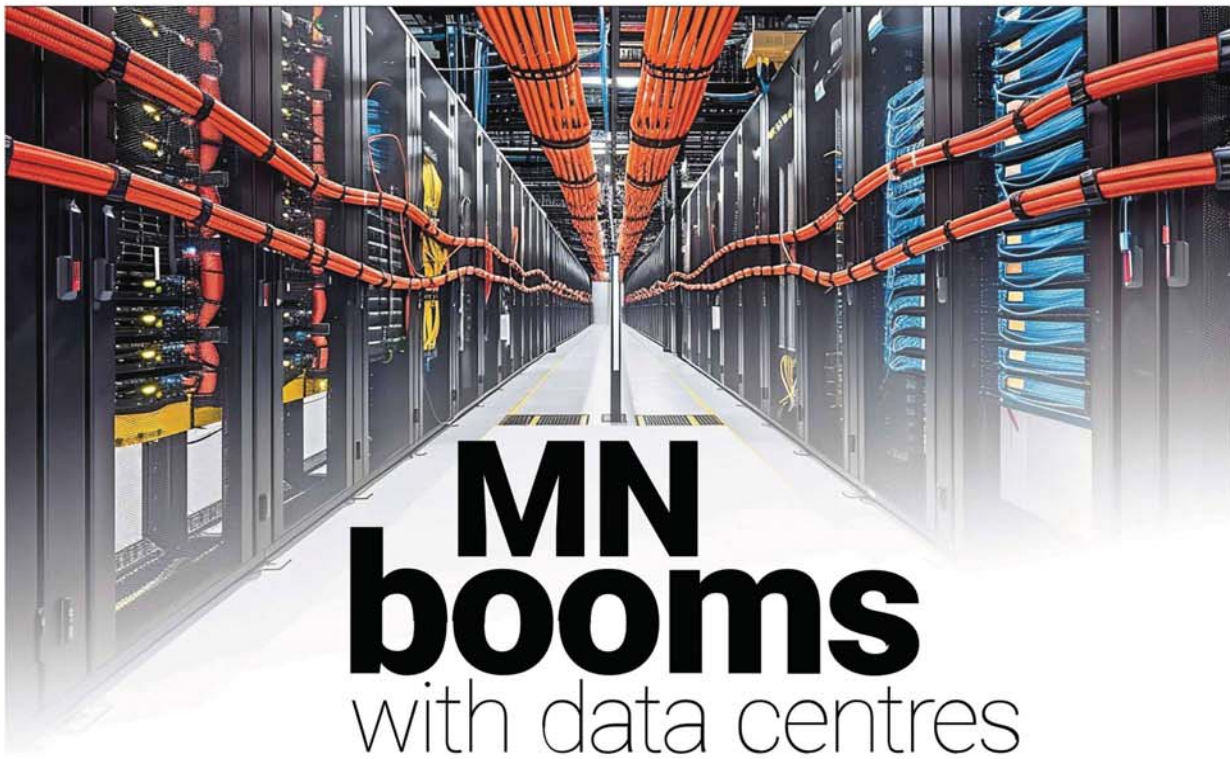


13 SEP, 2025

MN booms with data centres

The Star, Malaysia



By LYDIA NATHAN
lydia.sheena@thestar.com.my

MALAYSIA'S data centre (DC) boom has been good for MN Holdings Bhd, which builds and installs substations.

It has been racking up more jobs, counting Tenaga Nasional Bhd (TNB), the country's multinational electricity provider, as a key client.

Over the years, MN Holdings has continued to secure deals from TNB, including a RM137.8mil contract for a transmission main intake project in Kenyir, Terengganu and a RM58.2mil substation expansion project in Perlis.

Managing director Datuk Clement Toh says the group began its foray into the DC industry back in 2022 when it was asked to install cables for a smaller scale centre in Bukit Jalil.

He says that while DCs are in the spotlight now, they have long existed in Malaysia, mostly in Cyberjaya.

"These may have been smaller DCs, requiring perhaps 1MW or 2MW for cloud service providers. But at the moment, the DCs, for example those in Johor, are for AI (artificial intelligence), computing, calculation and other technologies, which are huge and require high data, which also means high consumption of electricity," he says.

It wasn't only TNB contracts that helped boost MN Holding's capabilities. They were also powering up any kind of factory or plant that needed it, including solar plays as well.

Toh says that when the group first started in 2012, power distribution was what they mainly focused on, but then Covid-19 happened.

The big boom for them then



Toh: The group has no plans at the moment to venture out of Malaysia.

was helping to quickly set up the cabling for glove manufacturers as demand for gloves was coming in fast from all over the globe.

This is also when the building of substations and cabling began to take off.

"Most companies were all needing a medium voltage of 33KV for their plants. If we want to make a comparison, residential homes or high-rise buildings only use 11KV, so we can see the difference in requirements," he explains.

That set them up to begin submitting tenders for more jobs as the economy opened up and competition intensified across sectors eager to restart delayed or new-bound projects.

"We had to submit tenders separately for substation building and for laying underground cables, so we were bidding for different segments," he says.

The group had recently bagged a number of contracts this year related to DCs in the southern region of Malaysia.

■ Group's experience with TNB prepared them for sizeable contracts

■ The big boom was cabling for glove makers during the Covid-19 epidemic

■ MNH is now well-positioned as a proxy for Malaysia's rising power demand

Toh says the group's experience and track record with TNB made them ready to take part in these sizeable contracts that actually deal with foreign direct investments (FDI).

"For these DCs, payments were coming in directly from them, which meant capital into the country. What boosted us was our track record spanning between 10 and 15 years with TNB. We learnt quickly that these tenders were based on competency, and we had the capabilities," he says.

He notes there are fewer than 10 market players at the moment that are able to accommodate and serve the needs of these DCs.

With new jobs rolling in, Toh says the group has been scaling up as they take on new talent.

"I do agree that good talent is getting harder to come by, we hear of brain drain all the time. It's not only the rise in salary, the job descriptions are changing so quickly too," he says.

Toh explains roles with safety, health and environment have gained significant importance, particularly in industries such as DC and infrastructure.

"This is largely due to stricter regulatory requirements and the critical need to minimise operational risks and avoid potential project disruptions.

"Consequently, the demand for qualified professionals in this area has increased tremendously, driving the remuneration packages up by approximately 50% to 70% compared to just a year ago," he says.

Despite the growth, the group has no plans at the moment to venture out of Malaysia, Toh says, adding that the country has been a very good base for them.

"The demand for jobs has been more than the supply, so we are quite comfortable here. Also, we

have to consider the risks overseas – currency fluctuations and political instability," he says.

MN Holdings' order book as at May 28, 2025, is RM1.2bil, but Toh says it fluctuates rather quickly as projects are very fast-moving.

"Our tender book is about RM2bil, and it is still increasing. So we are positive about the prospects there, we do foresee jobs rolling in quite consistently." He says every time a former client bags an award, he sees opportunity there.

"The jobs that we do get will last until 2026 or 2027, this certainly keeps us on our toes and occupied. But we don't intend to stay put, we are expecting a double-digit growth in both top line and bottom line this year."

Analysts have also remained positive on the group.

Philip Capital Research said MN Holdings' recent wins were a testament to its expertise in high-voltage power infrastructure projects.

Factoring in stronger order book replenishment, the research firm revised its financial year 2026 (FY26) to FY27 earnings forecast upward by 1% to 6%, while maintaining its "buy" rating on the stock with a target price of RM1.60.

Hong Leong Investment Bank Research also has a "buy" call on the group, and said it anticipates more job wins for MN Holdings, driven by increased capital expenditure by TNB from 2025 to 2027.

"We favour the group for its strong exposure to high-growth sectors such as solar and data centres. Additionally, MNH is well-positioned as a proxy for Malaysia's rising power demand and stands to benefit from TNB's capital-expenditure upcycle," it noted.