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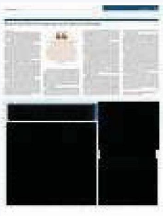

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Cypark's Kenyir win signals new phase of execution and growth

The Edge, Malaysia

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Cypark Resources Berhad appears to be entering a phase where its earnings growth is becoming more visible, more structured and increasingly tied to the level of its execution — setting the stage for a potential rerating as its business model gains clearer market recognition.

The company's appointment as the engineering, procurement, construction and commissioning (EPCC) contractor for the Kenyir Hydro Hybrid Floating Solar (Kenyir HHFS) project by TNB Genco and Terengganu Inc marks a key inflection point, not just in scale, but also in what it signals for the group's next phase of growth.

Infrastructure contracts are not given — they are earned. In Malaysia's evolving renewable energy and environmental landscape, where project complexity is rising and delivery risk is less forgiving, execution capability has become the defining currency. Against this backdrop, the Kenyir job win reads less as a procurement outcome and more as an affirmation of its capability built over time.

The RM1.96 billion Kenyir HHFS project, comprising a 785MWp floating solar photovoltaic plant integrated with battery energy storage system (BESS) infrastructure, is expected to become the largest floating solar development in Southeast Asia upon completion, reinforcing Cypark's ability to execute complex renewable infrastructure solutions at scale.

Cypark's delivery of the LSS2 Danau Tok Uban 98MWp floating solar project in Kelantan, Malaysia's largest of its kind, marked an early demonstration of its ability to operate at scale under complex conditions. The project was delivered through the company's engineering capability and execution discipline, demonstrating its ability to execute complex infrastructure at scale despite pandemic-driven supply chain disruptions, labour shortages and severe weather.

The Kenyir HHFS project builds on that foundation, reflecting a progression from isolated project delivery to a more integrated, system-level approach to infrastructure execution.

From proven capability to execution at scale

That progression is increasingly shaping how Cypark is positioned in the renewable energy landscape. As the market evolves, driven by Large Scale Solar programmes, hybrid energy solutions and growing demand from energy-intensive industries, execution capability is emerging as a key differentiator.

The selection of Cypark for the Kenyir HHFS project underscores the growing confidence in its ability to deliver complex, integrated infrastructure solutions. Its execution capabilities have strengthened under its new major shareholder and management since 2023, culminating in the successful completion of previously delayed LSS2 and LSS3 projects.

More importantly, projects of this nature do more than strengthen the order book. They accelerate Cypark's transition to an execution-driven platform, with a multi-year earnings pipeline that is increasingly visible and milestone-driven.

Balancing growth with earnings visibility

At the core of this strategy is a deliberate balance. Cypark's EPCC segment drives near-term growth, offering faster earnings recognition and improved cash-flow velocity through project execution. Running alongside this is its portfolio of solar, waste-to-energy (WtE) and circular waste management platforms, which generate recurring, concession-based income streams with long-term visibility.

Building on this foundation, the second phase of its SMART WtE facility represents the next step in scaling its circular waste and WtE platform. The expansion is aligned with national priorities to reduce dependence on landfills and advance circular economy initiatives, while enhancing its income base through a doubling of its waste processing and energy generation capacity.

This dual-engine model is intentional. It combines execution-led growth with a stable income base, enabling Cypark to scale while anchoring long-term value creation.

Entering a rerating phase

Taken together, the combination of EPCC, WtE and circular waste platforms is shaping a more structured and multi-layered earnings profile for Cypark. This foundation has been strengthened by the company's successful project execution and delivery, underscored by RAM Ratings' decision in June 2025 to revise the outlook on Cypark Ref's AA3-rated sukuk to "stable" from "negative".

This serves as an independent validation of the group's improved execution and stable cash-flow profile. Looking ahead, Cypark is entering a decisive phase defined by execution scale, enhanced earnings visibility and disciplined growth.

Building on this momentum, backed by one of the largest renewable energy EPCC contracts in Malaysia, the group is moving into a critical execution window that could drive a rerating in the next two years. A RM2.66 billion order book, alongside a further RM2.2 billion tender pipeline, provides visibility on sustained replenishment and potential conversion into FY2027 earnings.

The Kenyir HHFS project is therefore more than a single win. It reinforces Cypark's growing role in Malaysia's accelerating energy transition, positioning the group to secure larger and more technically complex projects ahead. At the same time, the second phase of its SMART WtE facility is expected to further strengthen its long-term income base.

As these projects translate into earnings and the group's dual-engine model becomes more evident, Cypark's financial profile is expected to improve meaningfully, underpinned by strengthening margins, more consistent cash-flow generation and a more scalable earnings base, enhancing overall earnings quality.

The exchange of documents for the RM1.962 billion Kenyir Hydro Hybrid Floating Solar (HHFS) Project at the Energy Transition Conference 2026 (ETCON26) on 3 June 2026 marked a key milestone towards the development of what is set to become Southeast Asia's largest floating solar project.