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# MN Holdings seeks larger infrastructure and solar EPCC jobs for next growth phase



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BY LEE WENG KHUEN

Having gained a foothold in the data centre (DC) segment, MN Holdings Bhd (KL:MNHLDG) is aiming for larger infrastructure contracts in Malaysia through partnerships with overseas players.

This is expected to drive the group's next phase of growth, following an upswing in its earnings and revenue since its flotation in April 2022 at 21 sen per share, says managing director Datuk Clement Toh Eng Keat.

MN Holdings' share price has risen tenfold since listing, closing at RM2.33 last Friday, giving the company a market capitalisation of RM1.54 billion. The stock hit an intraday all-time high of RM2.34 on the same day.

The rally has lifted MN Holdings' valuation much higher than its peers.

MN Holdings' shares are trading at a 12-month forward price-earnings ratio (PER) of 18.7 times against its closest peers Jati Tinggi Group Bhd (KL:JTGROUP) at 9.8 times and CBH Engineering Holding Bhd (KL:CBHB) at 14.5 times.

"Over the years, we have undertaken projects that cost less than RM500 million for DCs, Tenaga Nasional Bhd (KL:TENAGA) as well as solar and water jobs. Now, we are looking to grab more sizeable jobs but we will need JV partners for these projects," Toh tells *The Edge* in an interview.

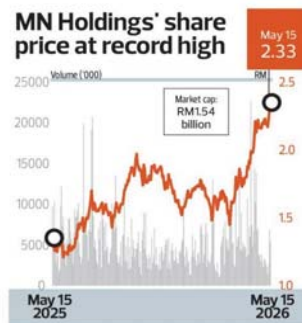
MN Holdings is in the midst of transferring its listing status from the ACE Market to the Main Market.

The group is also preparing to undertake engineering, procurement, construction and commissioning (EPCC) jobs in the solar industry, including battery energy storage system projects, although it is currently only involved in the power interconnection works between solar farms and the grids.

"There is a lack of top-tier solar EPCC contractors in the local market right now, with fewer than 10 top-tier players being capable of taking on such jobs.

"Although EPCC margins are not as attractive as other private projects, this will help sustain our revenue and will form part of the group's business direction. With LSS6 (large-scale solar Phase 6) coming up next, another round of sizeable jobs will be created," he explains, indicating that EPCC jobs are not beyond MN Holdings' abilities.

"[EPCC jobs] involving M&E (mechanical



and engineering) is not a new thing to us. We just have to work with M&E subcontractors and we can financially handle the procurement part. It is quite straightforward for us," Toh says.

Riding the strong growth in DC development, the company has an outstanding order book of about RM1.6 billion, of which 70% is linked to DC projects where the company specialises in the provision of underground utility engineering and substation engineering services and solutions.

Given the continued land transactions for DC development, Toh believes demand for DC-related jobs will remain robust. "I foresee the DC momentum continuing at least until 2030. Moving forward, there will still be new DC investments. As more DCs are built, Tenaga will also have to expand its supporting infrastructure," he says.

Among recent land transactions tied to DC development are deals involving NCT Alliance Bhd (KL:NCT), Crescendo Corp Bhd (KL:CRESNDO) and IOI Properties Group Bhd (KL:IOIPG).

Last week, US digital infrastructure company Equinix Inc said it will develop another DC in Cyberjaya, Selangor, for US\$190 million (about RM747 million).

MN Holdings itself recently secured several big DC-related contracts. In March, it won two contracts worth a combined RM245.4 million to construct consumer landing station facilities for two separate DCs in the southern region.

This was followed by a RM275.9 million contract in April to undertake electrical infrastructure works for another DC. And as recent as last Friday, the company announced an RM83.5 million contract for similar DC electrical infrastructure works.

### Expansion into Sabah and Sarawak

Beyond Peninsular Malaysia, the group has set its sights on Sabah and Sarawak for the vast potential there, especially in the power and solar segments.

"We are looking to expand our business to these states to secure big projects from the government or private sector. We have to work with some local partners there," Toh says, adding that MN Holdings' track record in the peninsula will be an advantage to the group.

To strengthen its margins, the company is exploring downstream opportunities through potential investments in high-voltage equipment suppliers with high growth potential.

Financially, Toh attributes the company's rapid earnings growth to its ability to execute multiple jobs concurrently in short periods.

For the first half of its financial year ending June 30, 2026 (1HFY2026), MN Holdings' net profit more than doubled to RM46.77 million from RM19.66 million in the previous corresponding period. This was on the back of a surge in revenue to RM457.65 million from RM228.59 million.

Net profit for FY2026 is expected to be RM88.23 million before climbing to RM112.5 million in FY2027, based on consensus estimates compiled by Bloomberg. In FY2025, the company posted a record net profit of RM47.75 million, up from RM16.91 million in FY2024.

Toh says contracts from Tenaga remain the company's bread and butter. Of its RM3 billion tender book, Tenaga-related jobs account for 55%, followed by DCs (31%). The remainder are water and sewerage, and solar and gas-related projects.

The implementation of the National Energy Transition Roadmap (NETR), which aims

to accelerate the shift towards cleaner and more efficient energy systems, offers new opportunities for grid modernisation, renewable energy integration and substation enhancement projects.

In addition, Toh sees opportunities arising from the government's efforts to reduce non-revenue water loss, particularly in pipe replacement and new pipeline projects.

Despite rising costs stemming from the Middle East war, Toh says the impact remains manageable as higher costs can be passed on to its clients. The company's primary input costs include major equipment such as transformers and switchgears while procurement accounts for about 60% of contract value.

MN Holdings does not rule out raising additional funds to support larger contracts, following a private placement that raised RM88.89 million last September.

"Fundraising is always a non-stop journey for a growth company like ours, but we need to find a balance. We have raised funds over the past two years, and we are looking at multiple channels to do fundraising, including commercial paper. But for sure, we are comfortable with our operating cash flow right now," Toh says.

As at end-December 2025, MN Holdings was in a net cash position of RM166.09 million, with RM174.54 million in cash and bank balances and fixed deposits, against borrowings of RM8.45 million. Net operating cash flow stood at RM82.04 million during the period.

Analysts are positive on MN Holdings' prospects with all four research houses covering the stock recommending a "buy", with a consensus target price of RM2.70, suggesting an upside potential of 15.9% based on last Friday's closing price of RM2.33.

Analysts expect the company's existing order book, which represents a strong 3.2 times cover for FY2025 revenue, to provide earnings visibility for MN Holdings for at least the next two years.

In an April 20 note, Hong Leong Investment Bank Research observes that MN Holdings is gaining the edge in time-critical tenders, given its ability to secure 275kV transformer deliveries earlier than its peers, putting it in a strong position to capture an upcoming wave of DC jobs.

MN Holdings, which has a workforce of 400, was co-founded by Toh and executive directors Datuk Loy Siong Hay and Datuk Dang Siong Diang. The founders own 15.34%, 13.47% and 6.16% of the company respectively.



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