



23 JUN, 2025

Malaysia`s data centre sector remains positive - MIDF Amanah

Borneo Post (KK), Malaysia



Malaysia's data centre sector remains positive — MIDF Amanah

KUALA LUMPUR: Malaysia's data centre sector remained positive amid a recent report alleging that Chinese firms were training their artificial intelligence (AI) models at a data centre here that is powered by Nvidia chips, said MIDF Amanah Investment Bank Bhd.

In a note yesterday, the investment bank strongly believed that the Nvidia chips involved were those of previous generations and not the latest GB200, while awaiting investigation by the Investment, Trade and Industry Ministry.

"As the allegations were said to happen in March 2025, we believe this could be a move to 'speed up

the process' before the eventually rescinded Framework of AI Diffusion that was expected to come into force on May 15, 2025," it said.

On Wednesday, The Wall Street Journal reported that four engineers from Beijing flew to Malaysia in March, carrying suitcases containing 80 terabytes (TB) of hard drives containing spreadsheets, images and video clips for training an AI model.

According to MIDF Amanah, there is no evident slowdown or delay in ongoing projects in the pipeline of data centre jobs in Malaysia following this latest

development.

"Contractors are still actively bidding for new data centre construction jobs," it said, citing a few data centre-related transactions in the past few months.

MIDF Amanah has also maintained its positive stance on the construction and utilities sectors as it expects contractors like Gamuda, IJM Corp and Sunway Construction to continue benefiting from the strong pipeline of data centre projects.

"We also like YTL Power International, which is developing the 500 megawatt (MW) Green Data Centre in Kulai through its

partnership with Nvidia, and it is set to launch the first 20 MW AI data centre by August 2025, which will be fitted with the latest GB200 chips," it noted.

Additionally, the investment bank said Tenaga Nasional will be the main beneficiary of stronger energy consumption from data centres over the long term.

"The utility giant has also recently inked an agreement under the Corporate Renewable Energy Supply Scheme (CRESS) with DayOne Data Centers to deliver up to 500MW of renewable energy over a 21-year term, which will be backed by new solar generation capacity," it said. — Bernama