Renewable Energy

A Slew of RE Announcements

POSITIVE (Maintained)

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HIGHLIGHTS

- Energy Commission shortlists 13 bidders for LSS PETRA 5+ out of 37 submissions
- Total capacity of 1,975MWac approved
- Known winners are Malakoff, Solarvest, Sunview, Cypark, Samaiden and YTL Power
- Up to RM5.9b of EPCC opportunities
- Solar farms to deliver recurring income after achieving COD in 2027

INTRODUCTION

The week ended 19th December 2025 saw several renewable energy (RE) related announcements being made on Friday, revolving mainly around solar and battery energy storage system (BESS). The announcements are:

1. Signing of PPAs between winning bidders of LSS PETRA 5+ with TNB
2. Enhancements to the Solar ATAP by PETRA
3. Selection of shortlisted bidders for MyBeST by ST

Signing of LSS5+ PPAs. Several winning bidders of the Large-Scale Solar PETRA 5+ (LSS PETRA 5+) programme have inked their 21-year solar power purchase agreements (PPAs) with Tenaga Nasional Berhad, based on public filings on Bursa Malaysia. Throughout the term of the solar PPAs, Tenaga will purchase the net energy output generated by the facilities. Among those that made bourse filings on Friday after inking the PPAs were Malakoff Corp, Solarvest Holdings, Sunview Group (NEUTRAL, TP: RM0.40), Cypark Resources, JAKS Resources, Samaiden Group Wawasan Dengkil Holdings and Nestcon. Further details on the stakes and solar farm locations in Table 1 below. We expect the solar PPAs to contribute positively towards their earnings throughout the 21-year period upon reaching commercial operation date (COD). The Energy Commission (ST) shortlisted 13 winning bids out of 37 submissions, approving a total capacity of 1,975MWac for LSS PETRA 5+, the largest capacity awarded under the LSS programme to date. We estimate that this can generate up to RM5.9b of EPCC opportunities and contract awards will start to trickle in soon.

Enhancements to Solar ATAP. Meanwhile, the Ministry of Energy Transition and Water Transformation (PETRA) announced that applications for the Solar Accelerated Transition Action Programme (Solar ATAP) will commence on 1st January 2026 which can be submitted via the website of Sustainable Energy Development Authority (SEDA). The guidelines will be uploaded on ST's website on 31st December 2025. Among the enhancements to Solar ATAP that were announced last Friday include the removal of the fixed quota, which helps to alleviate potential risks of a

COMPANY *IN FOCUS*

Gamuda Bhd

BUY | Target Price: RM6.35
Price @ 19 Dec 2025: RM4.88

- Record high order book of RM46.0b1
- Geographically diversified portfolio for construction and property
- Rapidly expanding footprint in the utilities and RE space and to rebuild recurring income

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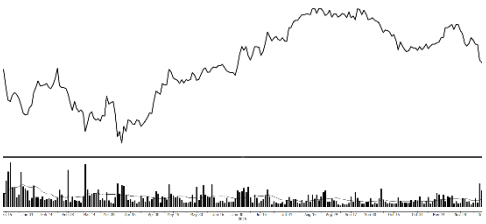
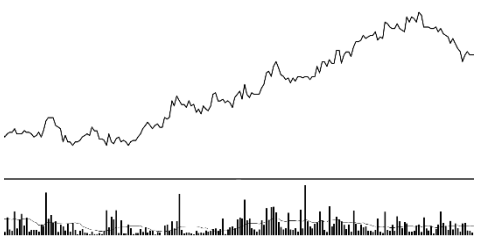


Pekat Group Bhd

BUY | Target Price: RM2.00
Price @ 19 Dec 2025: RM1.58

- Strong order book of over RM632m, benefiting from EPE Switchgear, solar EPCC jobs and ELP projects from DCs
- One of the most diversified solar EPCC player, benefitting from solar, TNB's capex spending, and growth in DCs

SHARE PRICE CHART



slowdown in rooftop solar, such as what was seen in 2HCY25 after the Net Energy Metering (NEM) expired in Jun-25. That said, PETRA's has the right to re-impose caps if the grid stability is threatened. Other improvements are the retention of the NEM principle, which allows excess energy to be exported to the grid as an offset. Rates for non-domestic users will be based on the system marginal price (SMP) while that of domestic users will be based on the prevailing energy tariff. ST also announced that solar installation capacity limit is set at 100% of maximum demand and that single-phase domestic users are allowed to install up to 5kW while capacity for three-phase residential premises has been increased from 12.5kW to 15kW. We believe the 100% cap is crucial as it prioritises self-consumption and ensures the stability of the grid.

Long-awaited MyBEST bids announced. Lastly, the ST announced the list of four shortlisted bidders for the MyBeST, which is by far the country's largest international competitive open bidding programme for grid-scale. It will feature four grid-connected BESS projects, each with the capacity of 100MW/400MWh, which will be commissioned in 2027. The largest winner for the MyBeST is ERS Energy Sdn Bhd, which is 30% owned by Gamuda, having secured two out of four projects. The shortlisted bidders are:

1. Consortium of BLE C&I Projects 2 Pte. Ltd. and Universal Peak Sdn Bhd
2. Consortium of ERS Energy Sdn. Bhd. and Gamuda Berhad
3. ERS Energy Sdn Bhd
4. Leader Energy Group Berhad

The ST said each of the shortlisted bidders proposed a different battery technology supplier, providing the opportunity to assess the suitability, actual performance and operational characteristics of a diversity of BESS configurations under Peninsular Malaysia's distinct grid and climatic conditions. While we do not view this to be a large project for Gamuda at the group level, we are positive as this allows Gamuda to build/accumulate more recurring income assets and can also act as a reference for Gamuda for future Corporate Renewable Energy Supply Scheme (CRESS) and grid-related opportunities. Recall that Gamuda purchased the 30% stake in ERS Energy back in 2022 for RM200m. The group's plans in the RE space and to rebuild its recurring income is starting to take shape, through the involvement in RE projects in Australia and in Malaysia, where it currently has collaborations with SD Guthrie and Gentari Renewables to develop and operate solar power assets including BESS with target capacities of 1.2GW and 1.5GW respectively.

Maintain POSITIVE on RE. We maintain our **POSITIVE** stance on the **Renewable Energy** subsector, underpinned by the structural policy tailwinds for a deep decarbonisation trajectory in line with the targets under NETR. We view that solar remains a multi-year growth engine. We have previously estimated that solar will be increasingly dominant accounting for 25%/39%/52%/58% share of the capacity mix in 2035/2040/2045/2050, growing at CAGR of 14% between 2025-2050. This underpins a multi-year growth story for solar EPCC companies and also asset-owners, through power generation over the long-term. However, as solar penetration rises, intermittency and system balancing constraints become more pronounced, reinforcing the critical role of BESS for grid stability and to enabling the next phase of RE scaling. Our top pick BUY calls are **Gamuda (TP: RM6.35)**, **Pekat (TP: RM2.00)** and **Samaiden (TP: RM1.70)**.

Table 1: LSS PETRA 5+ winning bidders and PPAs

LSS PETRA 5+ winning bidders	PPA signing party	Capacity (MWac)	Scheduled COD	Solar farm location	Holding company (listed)	Stake
Consortium Malakoff Corporation Berhad and Solarvest Holdings Berhad	Malakoff Silver Solar Sdn Bhd	470.00	1Q28	Larut Matang, Perak	Malakoff Corp/Solarvest Holdings	80%/20%
Consortium Fabulous Sunview Sdn. Bhd. and Cypark Renewable Energy Sdn. Bhd.	SunPark (Pasir Panjang) Sdn Bhd	99.99	29-Feb-28	Port Dickson, Negeri Sembilan	Sunview Group/Cypark Resources	51%/49%
Consortium JBB Builders (M) Sdn. Bhd. and Samaiden Sdn. Bhd.	Legasi Suria Selatan Sdn Bhd	99.99	29-Feb-28	Segamat, Johor	Samaiden Group	70%
Consortium JAKS Solar Power Holdings Sdn. Bhd. and China Power Engineering Consulting Group International Engineering Co. Ltd.	JAKS CP Solar One Sdn Bhd	99.99	-	Setiu, Terengganu	JAKS Resources	-
Consortium JAKS Solar Power Holdings Sdn. Bhd. and China Power Engineering Consulting Group International Engineering Co. Ltd.	JAKS CP Solar Two Sdn Bhd	99.99	-	Setiu, Terengganu	JAKS Resources	-
Consortium Wawasan Dengkil Sdn. Bhd., Pristine Multi-Vision (M) Sdn. Bhd. and Nestcon Infra Sdn. Bhd.	WD Solar Kedah Sdn Bhd	70.00	-	Pendang, Kedah	Wawasan Dengkil Holdings/Nestcon	70%30%
Consortium reNIKOLA Holdings Sdn. Bhd., Anglo-Eastern Plantations Management Sdn. Bhd. and RE Chenderong Sdn. Bhd.	-	250.00	-	Kemaman, Terengganu	-	-
MSR Green Energy Sdn. Bhd.	-	200.00	-	Bachok & Pasir Puteh, Kelantan	-	-
Consortium Abu Dhabi Future Energy Company P.J.S.C. - MASDAR, Citaglobal Renewable Energy Sdn. Bhd. and TIZA Global Sdn. Bhd.	-	200.00	-	Empangan Chereh, Kuantan, Pahang	-	-
Consortium Antara Hijauan Sdn. Bhd. and Anglo-Eastern Plantations Management Sdn. Bhd.	-	150.00	-	Kemaman, Terengganu	-	-
Leader Energy Ventures Sdn. Bhd.	-	99.00	-	Baling, Kedah	-	-
Equinox Solar Farm Sdn. Bhd.	-	99.99	-	Pasir Puteh, Kelantan	-	-
Consortium Classic Solar Farm Sdn. Bhd. and Jubli Pasifik Sdn. Bhd.	-	36.00	-	Padang Siding, Perlis	-	-
	Total LSS PETRA 5+ quota	**1,974.95**				

Source: Companies, MBSBR

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STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology