

Kee Ming Group Berhad (KEEMING)

Engineered for Larger-Scale Growth

- **Kee Ming Group Berhad is a Malaysia-based M&E engineering solutions provider, principally engaged in the (i) provision of electrical and mechanical engineering services, covering HV, MV and LV electrical systems, ACMV and fire protection systems, as well as renewable energy-related solutions such as solar PV and EV charging, and (ii) provision of maintenance and repair services for M&E systems.**
- **We project 3-year earnings CAGR of 31.1%, with core PATMI expected to reach RM10.1m-RM18.4m over the next three years. This growth is underpinned by (i) larger-scale interconnection facilities, (ii) recognition of unbilled order book, and (iii) supportive government policies like NIMP and NETR.**
- **We assign a fair value of RM0.69 per share for KEEMING, indicating an 81.6% upside from the IPO price of RM0.38. This valuation is based on a PE multiple of 15.0x pegged to mid-FY27f EPS of 4.60 sen.**

Investment highlights

Synergy with Solarvest. Solarvest Berhad is the second-largest shareholder of KEEMING, holding a 23.9% stake in the M&E engineering company. As an ACE Market newcomer based in Ipoh, we believe having a Main Market renewable energy leader like Solarvest as a major shareholder will enhance KEEMING's credibility when tendering for larger-scale projects, while institutional investors may also view this "Solarvest-backed" company as a higher-quality name. Meanwhile, as Solarvest expands into data centres and large-scale industrial projects, it could leverage KEEMING's M&E engineering capabilities for internal project execution, which could indirectly benefit KEEMING.

Unbilled order book provides solid earnings visibility. As at the LPD, the group has an unbilled order book of RM176.1m, representing a ~2.8x cover ratio over FY25 revenue. Most projects have a completion timeline of 12–24 months, with RM55.6m expected to be recognised in FY26 and the remainder in FY27. This provides strong earnings visibility over the next two financial years, and we expect continued project inflows for KEEMING underpinned by favourable government policies like NETR and NIMP.

Poised for more interconnection facilities and data centre projects. By offering specialised M&E services such as HV/MV electrical installations, electrical substation and solar PV installation, the group could ride on the country's industrialisation, data centre investments and renewable energy growth trend. According to MIDA, Malaysia's data centre industry is expected to grow at a CAGR of 22.4% between 2025 and 2030 to reach RM59.6bn by 2030. Given KEEMING's end-to-end electrical installation capabilities, from HV substations to LV distribution, the group is well-placed to serve complex and larger-scale interconnection facilities and data centre projects.

Quality and regulatory credentials. KEEMING has implemented a Quality Management System (ISO 9001:2015 certified), underscoring its commitment to internationally recognised quality standards. The group is also CIDB G7 registered and holds an SPKK G7 licence, enabling participation in large-scale government and private sector projects; and Electrical Contractor Class A licence holder with the Energy Commission (EC), allowing it to undertake high-voltage electrical works.

Market share poised for growth. According to the IMR report, the group held a 0.6% market share of the RM9.61bn local M&E engineering services market in 2024, based

IPO Note – Not rated

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Not Rated

Share price	RM0.38
Target price	RM0.69
Previous TP	-
Capital upside	81.6%
Dividend return	-
Total return	81.6%

Company profile

Incorporated in 2013, Kee Ming Group Berhad is a Malaysia-based M&E engineering solutions provider, primarily involved in the (i) provision of electrical and mechanical engineering services as well as (ii) provision of maintenance and repair services for M&E systems.

Stock information

Bursa Code	0392
Bloomberg ticker	KEEMING MK
Listing market	ACE
Share issued (m)	325.0
Market Cap (m)	123.5
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders

	%
Ir. Liew Kar Hoe	50.7
Solarvest	23.9

Earnings snapshot

FYE (Mar)	FY25	FY26f	FY27f
PATMI (m)	8.2	13.0	16.9
EPS (sen)	2.5	4.0	5.2
P/E (x)	15.1	9.5	7.3

Timetable of IPO

Opening of application	21 January
Closing of application	27 January
Balloting of application	4 February
Allotment of the IPO shares	10 February
Listing on the ACE market	12 February



on FY25 revenue of RM62.4m. Nevertheless, with SLVEST as the second-largest shareholder and tailwinds like industrialization trend, Tenaga’s grid upgrades and rising renewable energy adoption, we expect KEEMING to secure larger-value projects going forward and is able to expand its market share.

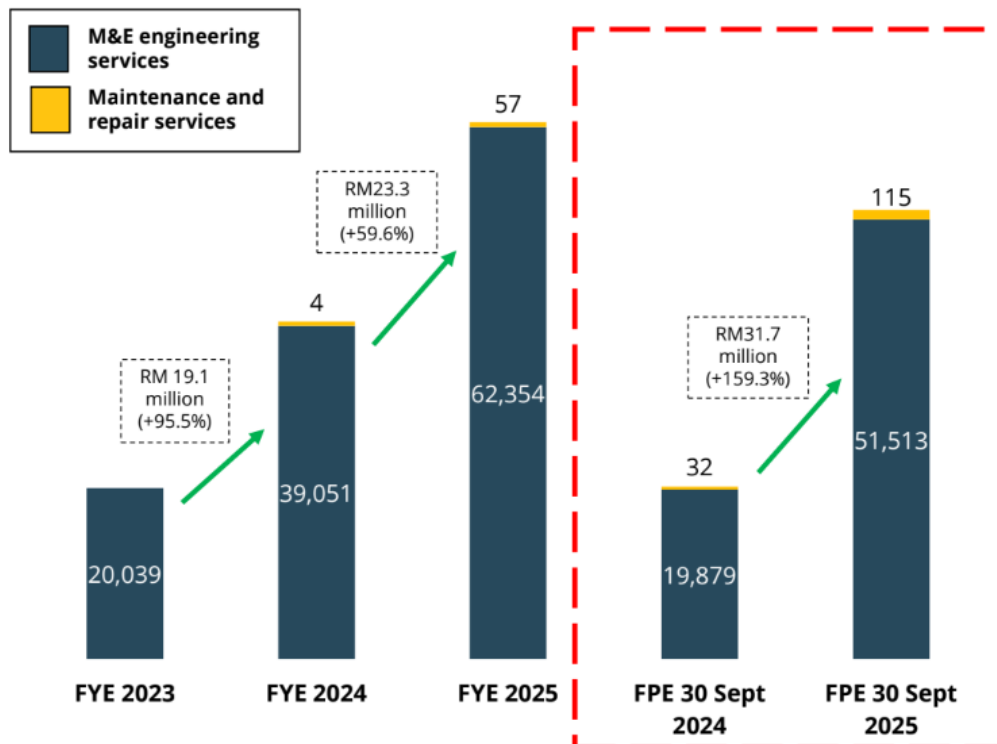
Company background

Incorporated in 2013, Kee Ming Group Berhad is a Malaysia-based M&E engineering solutions provider specialising in the design, supply, installation, testing and commissioning of electrical and mechanical systems for buildings and infrastructure projects. The group operates primarily in Malaysia, serving a broad customer base across residential, commercial, industrial, clean energy and infrastructure-related developments.

The group’s principal activities are organised into two core business segments. (i) **Provision of M&E engineering services**, which represents the dominant revenue contributor, covering both electrical and mechanical engineering works. Electrical engineering services span HV, MV and LV electrical installations, ELV systems, earthing and lightning protection systems, electrical substations, street lighting, uninterruptible and backup power solutions (UPS, IPS and generator sets), rooftop solar PV installations and EV charging solutions. Mechanical engineering services primarily comprise air-conditioning and mechanical ventilation (ACMV) systems as well as fire protection systems.

(ii) **Provision of maintenance and repair services** complements the engineering segment by providing ongoing upkeep, rectification and support services for installed M&E systems.

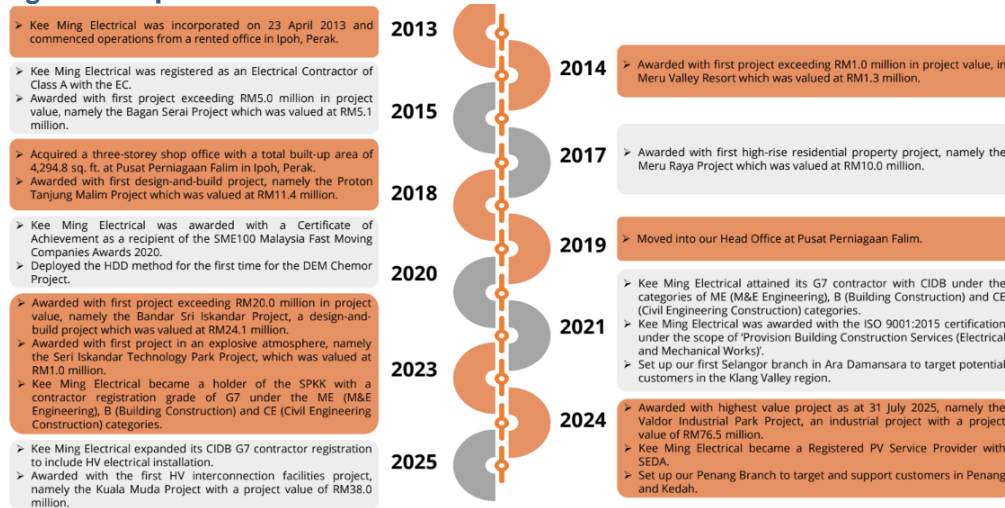
Fig #1 KEEMING’s revenue segmentation



Source: Kee Ming Group Berhad



Fig #2 Corporate milestones



Source: Kee Ming Group Berhad

Substantial Shareholders and Key Management

1. Ir. Liew Kar Hoe – Managing Director

Ir. Liew is a Promoter, substantial shareholder and Managing Director of Kee Ming Group. He oversees the group's overall strategy, business development and day-to-day operations. He holds a Bachelor of Engineering (Civil) from Queensland University of Technology and is a Professional Engineer registered with the Board of Engineers Malaysia. He co-founded Kee Ming Electrical in 2013 and has over 12 years of experience in the Malaysian M&E engineering services market, driving the group's expansion and project pipeline.

2. Choy Sook Yan – Executive Director

Ms Choy is a Non-Independent Executive Director responsible for administrative and human resource functions. She holds a Diploma in Business Studies and a Bachelor of Arts in Marketing from Nottingham Trent University. She joined Kee Ming Electrical in 2017 and was appointed Director in 2023, overseeing internal operations, HR matters and organisational coordination.

3. Lai Jun Wah – Chief Financial Officer

Mr Lai is responsible for the group's financial and accounting functions, including financial planning, reporting, budgeting and regulatory compliance. He holds a Bachelor of Accounting from Universiti Utara Malaysia and is a Chartered Accountant with MIA. He has prior experience in audit and corporate finance roles across Malaysia and Singapore, including a listed company, and joined the group as CFO in 2024.

4. Chan Hon Hoong – Project Manager (Mechanical)

Mr Chan oversees mechanical engineering project execution, tendering and procurement. He holds a Bachelor of Engineering (Mechanical) from the University of Malaya and has over 20 years of experience in ACMV, fire protection and construction project management across engineering and manufacturing environments. He joined Kee Ming Electrical in 2023.

5. Chan Jun Ho – Project Manager (Electrical)

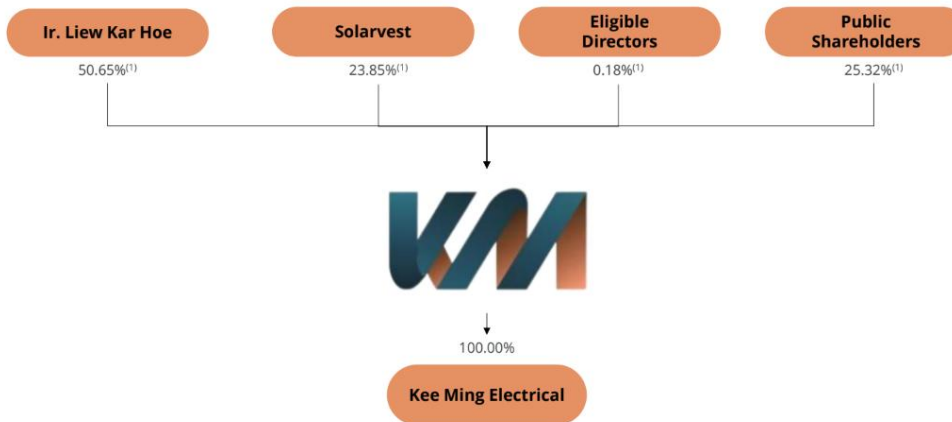
Mr Chan leads electrical engineering project execution and tendering activities. He holds a Bachelor of Electrical Engineering (First Class Honours) from Universiti Tun Hussein Onn Malaysia and is a registered Graduate Engineer with BEM and a PW4-



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certified wireman. He joined Kee Ming Electrical in 2018 and was promoted to Project Manager in 2022, with experience in M&E design, coordination and project execution.

Fig #3 Post-IPO structure



Source: Kee Ming Group Berhad

Fig #4 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Project working capital for future projects	13.0	51.3	Within 24 months
Performance bond for future projects	4.0	15.8	Within 24 months
Expansion of project team	1.7	6.8	Within 24 months
Purchase of ERP system	1.0	3.9	Within 12 months
General working capital	0.6	2.4	Within 12 months
Defraying fees and estimated listing expenses	5.0	19.8	Within 1 month
Total	25.3	100.0	

Source: Kee Ming Group Berhad

Business overview

Provision of M&E engineering services (99.8% of FPE26 revenue)

This core segment comprises of both electrical engineering services and mechanical engineering services, catered for residential, commercial, industrial and infrastructure projects.

- (i) Electrical engineering services cover the design, supply, installation, testing and commissioning of HV, MV and LV systems, ELV systems, earthing and lightning protection systems, electrical substations, street lighting, UPS/IPS and generator sets, rooftop solar PV systems and EV charging solutions.
- (ii) Mechanical engineering services primarily include air-conditioning and mechanical ventilation (ACMV) systems, as well as fire protection systems.

Provision of maintenance and repair services (0.2% of FPE26 revenue)

Maintenance and repair services include upkeep, troubleshooting and rectification works for installed electrical and mechanical systems, complementing the group's engineering services and supporting recurring income.



Fig #5 Principal business activities and services provided



Source: Kee Ming Group Berhad

Fig #6 SWOT analysis of Kee Ming Group Berhad

<p>Strength</p> <ul style="list-style-type: none"> • Strategic shareholder backing • Strong order book visibility with 2.8x cover ratio • Comprehensive M&E capabilities 	<p>Weakness</p> <ul style="list-style-type: none"> • Relatively small market share
<p>Opportunity</p> <ul style="list-style-type: none"> • Rapid growth in Malaysia's data centre industry • Grid and energy transition • Solarvest ecosystem leverage 	<p>Threat</p> <ul style="list-style-type: none"> • Intense competition within the M&E industry • Execution and cost overrun risks • Labour and material costs inflation

Source: M+ Research

Financials

Revenue and income highlights. The group reported a revenue growth of RM23.3m (+59.6% YoY), rising from RM39.1m in FY24 to RM62.4m in FY25, as higher revenue contribution from M&E engineering services segment driven by more new projects through higher participation in project tenders, referrals from existing customers and business partners as well as achieved higher percentage of completion for our ongoing projects. Again, M&E engineering services segment led the growth, increasing from RM39.1m in FY24 to RM62.4m in FY25, following the (i) commencement of



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Valdor Industrial Park Project, a new industrial project in Penang, and also (ii) higher level of M&E activities in the ongoing industrial and commercial projects in Perak and Selangor. Meanwhile, the group also recorded a revenue of ~RM57.0k in the maintenance and repair services segment as the group secured three more scheduled maintenance and repair orders. In-line with the increase in revenue, PAT also saw an increase from RM6.0m in FY24 to RM8.2m in FY25, representing a 35.2% growth.

For FPE26, the group recorded stunning revenue growth of RM31.7m or 159.3% YoY, rising from RM19.9m in FPE25 to RM51.6m in FPE26, thanks to the commencement of a new commercial project in Johor, namely Sedenak Project, and also higher level of M&E activities in Valdor Industrial Park, Bandar Sri Iskanadar and Kulim Project. Maintenance and repair services segment also increased toward RM0.1m as the group secured 10 additional scheduled maintenance and repair orders. Following the increase in revenue, PAT also surged RM2.2m or 84.5% YoY, from RM2.6m to RM4.8m in the same period.

Balance sheet. Total assets increased from RM51.1m in FY25 to RM79.0m in FPE26, mainly driven by the increase in trade receivables and also cash, bank balances and fixed deposits. Total liabilities also rose from RM30.2m to RM53.3m over the same period, largely due to higher contract liabilities and bank borrowings. Correspondingly, total equity expanded from RM20.9m to RM25.7m, thanks to the growth in retained earnings. The group was in a net cash position prior to listing.

Cash flow. Despite higher PBT, net cash from operating activities declined from an inflow of RM2.7m in FY24 to an outflow of RM2.6m in FY25, mainly due to an increase in contract assets and higher tax paid. Cash flow from investing activities turned from a net inflow of RM0.4m in FY24 to a net outflow of RM0.1m in FY25, mainly due to the purchase of PPE. Cash flow from financing activities recorded from an outflow of RM4.5m in FY24 to an inflow of RM0.8m in FY25, thanks to the net movement of bankers' acceptance. For FPE26, the group continued to generate healthy cash flows, with a net increase of RM13.7m in cash and cash equivalents.

Earnings forecasts. Moving forward, we project a 3-year earnings CAGR of 35.8%, with core PATMI expected to reach RM13.0m, RM16.9m, and RM20.5m over the next three years, largely supported by (i) larger-scale interconnection facilities, (ii) recognition of unbilled order book, and (iii) supportive government policies like NIMP and NETR. Meanwhile, we believe KEEMING's allocation towards project working capital and project team expansion will enable the group to capture the inflow of projects moving forward.



Fig #7 Financial Highlights

FYE Mar (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	39.1	62.4	137.5	163.9	194.7
EBITDA	8.4	11.5	20.0	24.7	29.3
EBIT	8.2	11.1	19.5	23.9	28.1
PBT	8.1	10.9	18.6	22.6	26.9
PAT	6.0	8.2	13.0	16.9	20.5
PATMI – Core	6.0	8.2	13.0	16.9	20.5
PATMI – Reported	6.0	8.2	13.0	16.9	20.5
% change YoY – Core PATMI	845%	35%	60%	29%	21%
Core EPS (sen)	1.9	2.5	4.0	5.2	6.3
P/E (x)	20.4	15.1	9.5	7.3	6.0
EV/EBITDA (x)	13.0	9.5	5.5	4.4	3.7
DPS (sen)	1.2	1.5	-	-	-
Yield (%)	3%	4%	0%	0%	0%
BVPS (RM/share)	0.0	0.1	0.2	0.2	0.3
P/B (x)	9.7	5.9	2.1	1.6	1.3
ROE (%)	62%	49%	33%	25%	24%
Net Gearing (x)	CASH	CASH	CASH	CASH	CASH

Source: M+ Research

Valuations

We assign a fair value of RM0.69 per share for KEEMING, based on a P/E ratio of 15.0x pegged to mid-FY27F EPS of 4.60 sen. We believe the assigned P/E multiple is fair, given that the average forward P/E and historical P/E of Bloomberg's Industrial Goods and Services stand at 14.7x to 17.5x.

Fig #8 Bloomberg's Industrial Goods and Services Members

Ticker	Name	Weight (%)*1	Shares	Price	Best P/E BF12M	P/E
* Industrial Goods and Services (86 members)						
HAP	MK HAP Seng Consolidated Bhd	16.331652	56,059,347,108		14.70	17.46
SCI	MK Scientex BHD	3.120832	2,489,681,583	3.0100	--	13.72
SCGBHD	MK Southern Cable Group Bhd	2.560025	1,556,277,014	3.9500	10.30	11.28
SEQB	MK Sam Engineering & Equipment M	1.077162	1,129,498,300	2.2900	18.18	17.36
VSI	MK VS Industry Bhd	1.043139	676,986,785	3.7000	28.28	29.74
UCHI	MK Uchi Technologies Bhd	0.756244	3,947,700,723	0.4600	12.66	48.84
SKP	MK SKP Resources Bhd	0.617717	464,984,959	3.1900	14.22	16.26
PIE	MK PIE Industrial BHD	0.423018	1,562,735,337	0.6500	8.70	9.18
TTNP	MK Lotte Chemical Titan Holding B	0.395035	384,041,985	2.4700	14.06	22.35
UEME	MK UEM Edgenta Bhd	0.385191	2,312,364,540	0.4000	--	--
MEGAFB	MK Mega Fortris Bhd	0.363644	831,624,030	1.0500	--	--
FIMA	MK Kumpulan Fima BHD	0.314938	844,972,480	0.8950	--	50.28
WELL	MK Wellcall Holdings Bhd	0.311025	287,251,200	2.6000	--	5.95
CBP	MK CB Industrial Product Holding	0.282022	497,947,555	1.3600	--	--
KOBAY	MK Kobay Technology BHD	0.256765	493,248,685	1.2500	--	--
SCIC	MK Scicom MSC Bhd	0.255374	326,180,803	1.8800	10.97	--
SCIPACK	MK Scientex Packaging Ayer Keroh	0.250167	355,453,560	1.6900	--	24.19
TGI	MK Thong Guan Industries Bhd	0.216442	351,171,292	1.4800	--	15.61
		0.197063	404,445,040	1.1700	--	8.49

Source: Bloomberg

Investment risks

Projects are largely non-recurring in-nature. The group's revenue is largely derived from non-recurring, project-based M&E engineering contracts secured through competitive tenders. Earnings sustainability depends on its ability to consistently secure new projects of similar or larger size to replenish its order book, failing which revenue and profitability may be adversely affected.

Exposure to project cost escalation and margin volatility. The group is exposed to



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fluctuations in raw material prices such as copper, aluminium and steel, as well as subcontractor and labour costs. In the absence of cost pass-through mechanisms, higher-than-expected costs may lead to margin compression or losses on certain projects.

Dependence on licences and regulatory approvals. The group's operations are subject to continuous maintenance and renewal of key licences and registrations, including CIDB G7, SPKK G7, EC Class A and SEDA registrations. Any suspension, revocation or failure to renew these licences could disrupt operations and materially impact business prospects.

Dependence on subcontractors. The group relies on subcontractors to supplement labour requirements and manage execution capacity. Any delays, substandard workmanship or non-performance by subcontractors may result in project delays, rectification costs or potential liquidated damages.

Environmental, Social and Governance (ESG) Practices

Environmental:

- Integrating sustainable practices into project design and operations, including energy-efficient HVAC systems, LED and motion-sensor lighting, and solar-ready infrastructure.
- Reducing environmental footprint through digitalisation initiatives to minimise paper usage and implementing office-wide recycling programmes.
- Promoting responsible waste management and disposal practices such as office-wide recycling programmes across office and project sites.

Social:

- Maintaining a strong occupational health and safety framework in compliance with OSHA, CIDB and EC guidelines, supported by an in-house safety coordinator and emergency response team.
- Achieving a zero lost-time injury (LTI) record through proactive risk mitigation, safety training and strict adherence to industry safety standards.
- Promoting diversity, equal opportunities and fair labour practices in line with the Employment Act 1955, including structured roles, equitable hiring and development opportunities for young engineers.
- Implementing sustainable supply chain practices through supplier due diligence, annual performance evaluations and prioritisation of local sourcing.

Governance:

- Adhering to applicable laws, regulations and the Malaysian Code on Corporate Governance, with strong board independence and gender diversity.
- Enforcing a zero-tolerance policy on bribery and corruption, supported by Anti-Bribery and Anti-Corruption and Whistleblowing policies.
- Ensuring transparency and integrity in corporate reporting through independent audits and regular performance disclosures.
- Implementing cybersecurity and data privacy controls, including access controls and periodic third-party penetration testing, to safeguard client data.



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Stock recommendation guide

BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned

