



ESG IN REAL ESTATE ISSUE 110

Budget 2027 Backs Energy Transition With Grid Spending And Extended Green Incentives



The government tabled Budget 2027 on October 9, 2026 with a clear push to step up the energy transition and secure long term national energy supply. For households, buyers of energy efficient air conditioners and refrigerators can claim rebates of up to RM200 under the Nur Madani scheme. The measure responds to rising electricity use during hot weather.

On the investment side, Tenaga Nasional Bhd is committing RM15 billion to reinforce the national grid for continuous power supply. UEM Lestra Bhd will invest RM1 billion, including an energy storage project at Kuala Lumpur International Airport and a one gigawatt hybrid energy project in Johor. In addition, the RM1 billion KWAP climate fund will be fully used for green projects such as renewable energy development and decarbonisation.

Tax support also continues. Green and sustainable technology incentives are extended and enhanced until December 31, 2030. They include investment tax allowances of up to 100% for green technology projects and electric vehicle charging stations. Companies buying green technology assets for their own use qualify as well, which should encourage wider private sector adoption.

MIDA Links 25 Local Firms To TNB Units For Renewable Energy Opportunities



The Malaysian Investment Development Authority connected 25 local manufacturing and services companies with TNB Power Generation Sdn Bhd and TNB Renewables Sdn Bhd. The business matching sessions explored renewable energy supply chain opportunities. They were held on October 8, 2026 at the International Greentech & Eco Products Exhibition and Conference Malaysia at the Kuala Lumpur Convention Centre. It announced the outcome in a statement on Wednesday, October 14, 2026.

The sessions formed part of its inaugural Renewable Energy Supply Chain Programme. Chief executive Datuk Sikh Shamsul Ibrahim Sikh Abdul Majid said the energy transition is also about building stronger local companies and creating economic value at home. He added that quality investments must be linked with the domestic industry.

TNB Power Generation managing director Datuk Shahrir Abdul Latiff said the collaboration opens its project pipeline to local manufacturers, vendors and service providers. TNB Renewables managing director Elmie Fairul Mashuri said its projects aim to deepen local participation across the renewable energy value chain. This covers engineering, technology, construction, operations and specialised services.

S P Setia Sees Budget 2027 Lifting Homebuyer Demand, Johor Growth, Contractors



S P Setia Bhd has voiced support for Budget 2027 measures on home ownership, green investment and construction resilience. In a statement on October 13, 2026, chief executive Datuk Zaini Yusoff welcomed the extension of the stamp duty exemption for residential properties priced up to RM750,000 until 2030. He called it a meaningful measure for homebuyers.

The company also noted the focus on Johor as an economic corridor, including the Johor Singapore Special Economic Zone and better regional connectivity. These support its industrial expansion. It welcomed the Green Investment Tax Allowance too, which aligns with plans for Setia Fontaines Industrial Park, an upcoming green industrial park.

For contractors, S P Setia praised the reintroduction of the Variation of Price mechanism. This helps manage rising costs for inputs such as diesel and bitumen. The company added that productivity and procurement efficiency matter in balancing affordability. It also backed the 13th Malaysia Plan goal of raising affordable housing supply through public private collaboration. Zaini described the budget as a constructive foundation for the property and construction sectors.

Port Of Tanjung Pelepas Completes Electric Prime Mover Fleet To Cut Emissions



The Port of Tanjung Pelepas has deployed 52 electric prime movers to make terminal operations greener and more efficient. Supplied by Terberg Tractors Malaysia, the fleet runs around the clock to support daily port activity. The port introduced its first 21 units in August 2026 and is described as the first Malaysian port to adopt the technology.

Transport Minister Anthony Loke said the deployment marks a move from pilot projects to full scale electrification. In his words, that is the difference between a demonstration and a transition. Sustainability must be built into port operations as Malaysia handles growing maritime trade while cutting carbon emissions.

Electrification is supported by artificial intelligence and Internet of Things tools. These optimise berth allocation, improve vehicle routing and reduce unnecessary idling. Loke said 96% of Malaysia's trade moves by sea, so decarbonisation matters for competitiveness. Ongoing initiatives include a Green Bunkering Regulatory Roadmap with Australia and the Malaysia Maritime Masterplan 2026 to 2040. Federal port legislation is also being modernised, with reforms due by end 2026.

Panel Says Grid Investment And Green Sukuk Will Anchor Malaysia's Energy Transition



A panel at the Kuala Lumpur Sustainability Summit on October 7, 2026 said Malaysia reached a 33% renewable energy capacity mix by mid 2026, against targets of 35% by 2030 and 70% by 2050. Further progress needs private capital, grid modernisation and fewer bankability bottlenecks. The National Energy Transition Roadmap puts investment needs at RM1.2 trillion to RM1.3 trillion through 2050.

HSBC Bank Malaysia's Shafiq Sheikh Mohamed said project financing typically assumes 80% debt, implying nearly RM200 billion that banks cannot absorb alone. Sustainable and responsible investment sukuk issuance reached RM67 billion from 2015 to 2025, and Malaysia held nearly 32% of global outstanding ESG sukuk by July 2026.

Tenaga Nasional's chief financial officer Badrulhisyam Fauzi said proposed capex under Regulatory Period 4 is RM43 billion, versus close to RM20 billion over the prior three periods. It commissioned Malaysia's first grid connected 100MW/400MWh battery system in May. Tadau Energy chief executive Datuk Susanna Lim cited approval delays of 3 to 18 months and thin solar auction bids as key risks.

Hektar REIT Terminates RM26 Million Perlis Solar Land Acquisition After Conditions Unmet



Hektar Real Estate Investment Trust has terminated its proposed RM26 million acquisition of a 90% stake in Terramark Sdn Bhd. In a bourse filing on October 9, 2026, it cited the sellers' failure to meet several key conditions precedent without specifying which. The deal covered 16.34 million shares from Wan Realty Sdn Bhd and Darul Modal Sdn Bhd, and the deposit will be refunded.

Terramark owns an 80.03 hectare leasehold property in Chuping, Perlis, with a lease expiring in May 2074. The land is zoned for agriculture and was intended for conversion to industrial use. It had been earmarked for a private solar farm under the proposed Corporate Renewable Energy Supply Scheme.

The trust said the termination should not materially affect its earnings, net asset value, gearing, unitholders' capital or substantial unitholders' holdings for the financial year ending December 31, 2026. It holds total assets of RM1.53 billion across five states. Units closed up one sen or 2.02% at 50.5 sen on October 9, valuing the trust at RM358.19 million and extending year to date gains to 16%.

Astral Asia Weighs RM234 Million Disposal Of Kuantan Hi Tech Park Land



Astral Asia Bhd is exploring the sale of 2,433 acres at the Kuantan Hi-Tech Park in Pahang to HNG Capital Sdn Bhd for an indicative RM233.57 million. The land represents 25% of its total land area. HNG Capital was formerly Leader Universal Holdings Bhd. The disposal could support solar farm and green energy development.

According to a bourse filing on October 9, 2026, subsidiary Astral Asia Plantation Sdn Bhd signed a memorandum of understanding with the buyer. HNG Capital has exclusivity for due diligence and may terminate if the findings are unsatisfactory. It must pay an interim deposit of RM2.34 million, or 1% of the indicative price, within seven business days of signing. The landowner's solicitors will act as stakeholders. Tasja Development Sdn Bhd holds a power of attorney to negotiate on its behalf.

Managing director Lim Guan Shiun said the sale would unlock value from the real estate portfolio and allow proceeds to be redeployed into future land acquisitions. Shares rose 1 sen or 9.09% to 12 sen, valuing the group at RM83.08 million.

Hibiscus Petroleum And Seri Pajam Team Up On Data Centre Power Solutions



Hibiscus Petroleum Bhd is working with property developer Seri Pajam Development Sdn Bhd to evaluate and develop power plants and energy solutions for data centres and industrial developments across Malaysia. A framework agreement dated September 30 sets out the assessment of gas turbines, gas engines, solar power and carbon capture systems on land owned by Seri Pajam and its affiliates.

SPD Tech Valley in Senawang, Negeri Sembilan has been identified as an industrial park suited to data centres with an onsite power plant. The initiative fits the Hibiscus 3.0 plan to expand into energy transition while keeping oil and gas as its core business. Seri Pajam brings its landbank, while Hibiscus adds its operational track record and long term energy asset management.

The work builds on a partnership signed on September 30, 2025 with Sime Darby Energy Solutions and Kawasaki Heavy Industries. Senior vice president Chong Chee Seong said distributed generation can meet data centre demand and create more stable revenue streams for shareholders. Shares closed 9 sen or 4.05% higher at RM2.31, valuing the company at RM1.703 billion.

NuEnergy Secures RM10 Million Interconnection Contract For 120 Megawatt Labuan Power Plant



NuEnergy Holdings Bhd has won a RM10.1 million contract to build interconnection facilities for a 120 megawatt power plant in Labuan. It accepted a letter of award from KAB Energy Holdings Sdn Bhd for Sabah Electricity Sdn Bhd interconnection facilities and related infrastructure. The plant is owned by Ranche Power Sdn Bhd. The company disclosed the award in a bourse filing on October 9, 2026.

Completion is targeted for the third quarter of 2027. NuEnergy expects the contract to have a positive effect on its earnings, order book, revenue and profitability. More importantly, the project marks its expansion into the extra high voltage and interconnection facility segment.

Management said successful execution would validate its technical capability and position it for larger transmission and high voltage projects. This points to a broader growth path beyond its current scope of work. On the market, shares rose two sen or 1.56% to close at RM1.30 on October 9, valuing the company at RM253.53 million. The stock is up 109.68% year to date, reflecting strong investor interest.

Kelington Books RM128 Million Kuching Water Systems, Third Award In Two Weeks



Kelington Group Bhd has secured a RM128 million contract from an existing customer to design and build water generation and wastewater treatment systems for a data storage manufacturing facility in Kuching, Sarawak. The systems supply ultra clean water for manufacturing and treat used water for reuse or discharge.

This is the third contract awarded to subsidiary Kelington Technologies Sdn Bhd by a manufacturer in the Sama Jaya Free Industrial Zone within two weeks. Work starts immediately and is expected to finish by April 2028. Contracts and purchase orders from this customer for the project have risen to about RM544 million from RM416 million.

The group expects the contract to contribute to earnings and net assets for the financial year ending December 31, 2026 and later years until completion. It expects further contracts from the customer. Chief executive Lim Seng Chuan said government support for the semiconductor industry under Budget 2027 presents opportunities. Shares fell 4.01% or 35 sen to RM8.38 at the Tuesday noon break, valuing the company at RM7.4 billion. The stock is up 62% over the past year.