

CONSTRUCTION

PETALING JAYA: Companies can play a role in helping cut Malaysia's greenhouse gas (GHG) emissions, with RHB Research naming Gamuda Bhd, Kerjaya Prospek Group Bhd and Sunway Construction Group Bhd (SunCon) among a few that are doing so.

The research house stated the country's move to achieve net-zero in GHG emissions by 2050, from a construction industry perspective, would be underpinned by technology and the Construction 4.0 Strategic Plan 2021-2025 emphasis on usage of industrialised building systems (IBS) to facilitate sustainability.

The research house noted that under Gamuda's Green Plan 2025, the group aims to reduce its corporate GHG emissions intensity by 30% by 2025 and by 45% by 2030, as compared to 2022.

"To that end the construction and engineering group is intensifying its investments in renewable energy (RE), specifically solar and hydropower," it said.

RHB research, which has a "buy" call on Gamuda with a target price (TP) of RM5.27 a share, said its greening measures include growing its RE asset portfolio to a capacity exceeding 800MW, which would position it as Malaysia's largest private RE producer.

Apart from its IBS capabilities, Gamuda is also continuously enhancing efforts in Scope 3 traceability through measures such as the monitoring of its construction emissions and training of over 3,000 partners in its supply chain ecosystem, as part of its move to help reduce Scope 3 emissions.

According to the research house, SunCon

Green builders to help achieve net-zero target

Gamuda among firms investing in renewable energy

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RHB Research

is also seeking to grow its RE footprint with the installation of solar panels at its various facilities.

"A total of 245MWh of solar energy is generated per year from its facilities – avoiding 143 tonnes of CO2 which is equivalent to carbon sequestered from 6,810 trees in a year," the research house stated in a sector thematic report yesterday.

Aside from that, SunCon has commenced the construction of the RM40mil district cooling system (DCS) at the mixed development project in South Quay Square, Sunway City, in collaboration with ENGIE South-East Asia since July last year.

"The project is on track for completion in its financial year 2024 and marks SunCon's

maiden foray in jointly operating a DCS system. The project will provide an energy-efficient cooling solution and is aligned with the parent's continued focus on reducing its carbon footprint and developing more sustainable townships," RHB Research said.

The research house has a "buy" on SunCon with a TP of RM2.05 a share.

SunCon is also using various technologies in its building projects that will help reduce construction waste generation, carbon footprint and the environmental impact, according to the research house.

Kerjaya Prospek, meanwhile, has invested in new machinery and equipment to

boost energy efficiency at its various projects and installed solar power generation systems at its premises to support or offset energy needs.

RHB Research added the construction company also sells solar power generated from its facilities to Tenaga Nasional Bhd.

"Instead of using conventional timber formwork which can be used only once, Kerjaya Prospek has fully adopted the use of aluminium formwork, a type of IBS component, at its construction site which can be repeatedly used," RHB Research said.

The technology allows Kerjaya Prospek to reduce building material waste and maintain a cleaner project site while being more efficient.

The company is also able to build one storey per week of high-rise buildings and be reused for a period of five years.

Moreover, the aluminium formwork which is repeatedly used will indirectly lead to lower carbon emissions from procuring new aluminium formwork at its project sites, according to the RHB Research report.

Due to its greening measures, RHB Research has a "buy" call on Kerjaya Prospek with a TP of RM1.55 a share.