

Headline	More contract wins seen for Solarvest		
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More contract wins seen for Solarvest

Further upside from possible transfer to Main Board

ENERGY

PETALING JAYA: Solarvest Holdings Bhd is expected to win more contracts in the coming months after its fourth win of a 50MW solar farm in Chuping, Perlis.

Further upside for the company could stem from potential solar asset wins in Sarawak and contract wins in Taiwan as discussions with other shortlisted large-scale solar programme (LSS4) bidders are still ongoing.

The company is potentially headed for a listing transfer to the Main Board and this could further call for a re-rating of the stock.

Currently, its order book is worth about RM583mil.

RHB Research said given its proven track record, Solarvest was likely to continue seeing robust contract wins, which should fuel investor optimism on the stock.

"We maintain our 'buy' call on potential further positive news flow from LSS4, com-

"We like the stock as a beneficiary of the demand for solar."

RHB Research

mercial, industrial, and residential contract wins on the back of growing demand for solar energy," the research house said.

It has retained its target price for the stock at RM1.51 a share.

Solarvest recently announced its fourth and largest LSS4 engineering, procurement, construction and commissioning (EPCC) contract win worth RM175mil.

"We continue to like the stock as a beneficiary of Malaysia's strong demand for solar

energy," the research house said.

These recent wins have yet to be imputed into its earnings forecast. However, RHB believes that its financial results should recover strongly once EPCC works are allowed to resume after the lockdowns.

The research house said in March this year that Solarvest had been selected as one of the short-listed bidders for LSS4 solar assets by the Energy Commission.

Solarvest recently signed the power purchase agreement with Tenaga Nasional Bhd (TNB) for the construction and operation of three solar plants (totalling 50MWac) for connection to TNB's medium voltage distribution network.

The scheduled commercial operation dates for two of the three plants are Dec 31, 2022 and Oct 31, 2023.

"Once the three plants start operations, we estimate an annual revenue contribution of about RM20mil and profit after tax of around RM6mil to RM8mil," RHB said.