



07 MAY, 2026

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The Star, Malaysia



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**PETALING JAYA:** The two new solar assets Sunview Group Bhd is pursuing could potentially bridge its earnings gap post-disposal of Winstar Capital Bhd.

TA Research said one of the new solar assets is already operational and could partly make up for the shortfall, in addition to contribution from potential new engineering, procurement, construction and commissioning (EPCC) projects.

It maintains its "hold" call on Sunview with an unchanged target price of 40 sen a share. Its valuation continues to peg Sunview's 2027 earnings to its historical mean price earnings ratio of 18 times.

TA Research is broadly positive on the proposed sale of its 70.03 million Winstar shares to third-party purchasers, to be identified later.

"The proposed exercise is expected to crystallise Sunview's investment in Winstar and allows the group to redeploy capital into its core business of solar EPCC," TA Research added.

Based on a carrying value of RM23mil as at financial year 2025 (FY25), Sunview is expected to register a one-off RM6.8mil gain from the proposed sale.

Some 60% of the estimated RM30mil sale proceeds is expected to be used as working capital for the group's EPCC projects with the majority of the remaining to pare down borrowings.

The latter is expected to result in finance cost savings of RM0.5mil per annum.

However, the stake sale is also estimated to reduce annual associate contribution by around RM2mil (41% of FY26 net profit).

In terms of balance sheet, the exercise is estimated to reduce Sunview's net gearing to 1.07 times from 1.26 times as at end-FY25, freeing up borrowing capacity for other projects and investments.

As to the two new assets, TA Research said the group is in the midst of acquiring two large-scale solar four plants with aggregate capacity of 100MW, which could come up to a total purchase price of RM175mil to RM245mil.

This is inclusive of additional funding required to complete one of the solar assets being acquired. Besides these, Sunview recently landed a RM1.96bil EPCC contract to construct Tenaga Nasional Bhd's 595MWac floating solar photovoltaic plant in Kenyir, Terengganu through a 40:60 joint venture with Cypark Resources Bhd.