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Solarvest plans RM56.7 mil private placement to fund solar projects

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KUALA LUMPUR (April 9): Solarvest Holdings Bhd has proposed to raise up to RM56.71 million via a private placement of 6% of its enlarged share base to fund its solar power projects.

The group announced in a bourse filing on Tuesday that up to 40.22 million shares will be issued to independent third parties under the proposal.

The issue price will be fixed later, but the RM56.71 million estimate was based on an illustrative issue price of RM1.41, a 9.62% discount to Solarvest shares' five-day volume-weighted average price up to April 1.

Solarvest said RM28.5 million (50.3%) of the proceeds will go towards capital expenditure for the group's secured Corporate Green Power Programme (CGPP) projects, while RM12 million (21.2%) will be used for capital expenditure for commercial and industrial rooftop solar projects, and another RM15.51 million (27.3%) for working capital.

The group said the private placement's objective is to introduce strategic and institutional investment investors to improve the

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company's current shareholding mix while raising funds for its business expansion.

The placement also enables the group to raise funds more expeditiously and in a more cost-effective manner as opposed to other fundraising options, the group added.

Solarvest said the group is a member of three consortia, solar power producers (SPPs), under the CGPP.

They are Setia Kawan Energy Sdn Bhd, in which Solarvest controls 70%, its 30%-owned Selarong Pertama Energy

Sdn Bhd and SM 01 Sdn Bhd, where the company has 10% equity participation. All three consortia have been awarded an export capacity of 29.99MW each.

"Each of the SPPs is finalising the NEDA (New Enhance Dispatch Arrangement) framework agreement to be entered into with Tenaga Nasional Bhd (TNB) and appointment of the turnkey engineering, procurement, construction and commissioning (EPCC) contractor for its CGPP project while actively sourcing for debt financing from the financial institutions," Solarvest said.

"The construction work is expected to commence in the second half of 2024 with the scheduled operating date by the end of 2025," it added.

The private placement is expected to be completed by the second quarter of 2024, the group said.

RHB Investment Bank Bhd has been appointed as the principal adviser and placement agent for the exercise.

Shares in Solarvest ended a session 0.66% higher at RM1.53, valuing the group at RM1.03 billion.