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Chow (left) and Chai (right) during the EPCC contract signing ceremony at Impiana KLCC Hotel

RENEWABLE energy (RE) specialist, Samaiden Group Bhd, in collaboration with JS Solar Consortium through subsidiary Samaiden Sdn Bhd (SSB), has secured a RM100 million contract from NUR Renewables Sdn Bhd.

The agreement is for the development of a 50MWac (megawatt alternating current) solar power plant at Kulim Hi-Tech Park (KHTP), Kedah, marking a significant stride in Malaysia's sustainable energy journey.

NUR Renewables, a key player in electricity generation and distribution with exclusive rights in KHTP, spearheads this groundbreaking venture.

The project is the inaugural phase of an ambitious 500MWac solar initiative in partnership with UEM Lestra Bhd, the green energy arm of UEM Group.

The 50MWac solar power plant is poised to provide sustainable energy to all KHTP customers, showcasing NUR Renewables' commitment to advancing RE development.

"Our participation in this engineering, procurement, construction and commissioning (EPCC) project at KHTP underscores our dedication to sustainable energy solutions. It not only highlights our engineering prowess but also aligns with

our commitment to fostering a sustainable future," Samaiden group MD Ir Chow Pui Hee said in a statement.

JS Solar MD Johnson Chai echoed the sentiment, emphasising the shared vision for a greener and more sustainable Malaysia.

"Our joint efforts represent not only a significant business milestone but also a commitment to contributing to sustainability in the RE sector," he remarked.

In a recent note, RHB Investment Bank Bhd (RHB Research) maintains a positive outlook on Samaiden Group, backing a 'Buy' rating with a RM1.55 target price (TP), presenting an enticing 36% upside.

The recent RM100 million joint solar EPCC contract for the 50MWac solar photovoltaic (PV) plant at KHTP aligns with Malaysia's proactive push towards RE.

The estimated gross orderbook, bolstered by this contract win, stands at approximately RM440 million, according to RHB Research.

While the final stake in this contract is pending finalisation, the orderbook includes the group's inaugural hydropower project valued at RM25.8 million.

Projected margins for this venture are expected to range

between 15%-20% gross profit margin.

Construction commencement is contingent on the issuance of the notice to proceed by NUR Renewables, with the PV power plant anticipated to be completed in the first quarter of 2025 (1Q25).

RHB Research anticipates stronger contract flows from the Corporate Green Power Programme (CGPP), the remaining 450MWac KHTP solar project, and initiatives aligned with the National Energy Transition Roadmap (NETR), including Tenaga Nasional Bhd's (TNB) 30MW floating solar project.

Maintaining earnings estimates aligned with the orderbook replenishment assumption, RHB Research derives the TP of RM1.55 from a sum of parts (SoP) valuation, pegged at 24 times financial year 2024 (FY24) price-to-earnings ratio (P/E).

This valuation includes a 20% discount compared to Solarvest's valuation, reflecting the latter's larger asset base and broader regional presence.

The target price also encompasses a 6% environmental, social and governance (ESG) premium based on Samaiden's impressive 3.3 ESG score, surpassing the country median.

— TMR