



KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

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Solarvest likely to secure more LSS4 EPCC contracts

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PETALING JAYA: There could be more positive news flow ahead for Solarvest Holdings Bhd, with potential new contract wins.

This follows after the company won its third Large-Scale Solar 4 (LSS4) engineering, procurement, construction and commissioning (EPCC) contract with a value of RM66mil last week.

"We expect more LSS4 EPCC contract flows since various discussions with other shortlisted LSS4 bidders are still ongoing," RHB

Research said in a report.

The latest contract win would bring Solarvest's order book to a historical high of RM400mil.

"The RM66mil contract brings its total LSS4 EPCC contract wins to date to RM196mil. This is within our expectations, as we had imputed a circa. RM600mil worth of LSS4 EPCC job wins in our forecasts," it said.

"There are no changes to our earnings estimates, as the LSS4 contract win is within our

expectations," RHB said.

The research house said it had increased its sum of parts derived target price to RM1.51 after ascribing a higher valuation of 27 times which is a circa 10% discount to regional peers from 22 times based on the forecast financial year 2023 (March) fully diluted earnings per share.

It had retained its "buy" call on the stock and also factored in a higher share base after the recent completion of another tranche of

share placements which is an additional 30 million shares.

It is learnt that Solarvest is interested in the 50MW floating solar system project at Sarawak Energy's Batang Ai hydroelectric dam as an asset owner.

"The outcome of this bid may be known towards the end of 2021. While details are scarce for now, we are positive on this, as any win will provide further upside to our forecast," it said.

