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# Solarvest rides on green energy boom

**Firm gets tender invites to bid for overseas and domestic jobs**



PETALING JAYA: Solar photovoltaic (PV) system specialist Solarvest Holdings Bhd, which is seeking a listing transfer from the ACE Market to the Main Market of Bursa Malaysia, said its project pipeline is robust and has received tender invites to bid for overseas and domestic projects.

For overseas projects, Group CEO Davis Chong Chun Shiong told StarBiz that in Taiwan, it has identified a local joint-venture partner and targeted to enter that market by year-end.

“We are bidding for engineering, procurement, construction and commissioning (EPC) projects in Taiwan and hope to secure the projects based on our track record.

“In the Philippines, we have partnered with renowned energy player Vivant Corp and have clinched two pilot projects.

“At the same time, we are in talks for more projects in the Philippines and to tap into Vivant’s solar investment plans there,” he said.

Solarvest made its maiden expansion beyond the Malaysian market after securing two contracts for solar rooftop projects in the Philippines in April this year.

The overseas expansion plan is crucial in diversifying the company’s portfolio in the long run, Chong said,

adding that it is working with local energy players to fast-track its market penetration in the two countries. He said Solarvest has also set up its team there to kick start project bidding activities.

Chong said: “For the longer term, we are diversifying our business geographically to disperse the risk of over reliance to any single market. Our aim is to grow our overseas portfolio to a sizeable portion in the next three to five years.”

As for its overseas markets, he said the company is on the lookout for potential merger and acquisition opportunities to expedite its expansion plans.

“We are open to potential synergistic investments that are within our financial and risk appetite. Under the current market conditions, valuations of assets are attractive for us to consider.

“We believe that we are currently in a comfortable position to access the possible options given our solid financial strength,” he said.

As of June 30, 2020, the group remains in a net cash position of RM46.6mil.

In Malaysia, Chong said its focus remained on organic growth and the company intended to expand its solar assets portfolio.

He said the company is also currently bidding for several large-scale solar assets under the large scale solar@mentari programme.

Early this month, Solarvest announced it has commissioned the country’s largest floating solar plant, the group’s ninth large scale solar (LSS) project. The 13MWp solar power facility, which was built on a former mining lake in Dengkil, Selangor, spans about 53ha or the size of 30 football fields.

UOB Kay Hian in a recent report said smaller players like Solarvest would be the bigger beneficiaries of the 1,000MW power plant projects under the LSS4 scheme, as it would be divided into smaller generation capacity projects.

The research house said the tender capacity for LSS4

would range from 10MW to 50MW for each bid, with up to 20 projects to be awarded by this December. It noted that EPCC players like Solarvest are bidding to be asset owners to reduce their dependency on EPCC contracts that are lumpy and short-term in nature. This would help boost their recurring income, backed by long-term 21-year renewable energy power purchase agreement offtaker, Tenaga Nasional Bhd (TNB).

On the company's business outlook for this year and in 2021, Chong said despite the short-term setbacks from the Covid-19 pandemic, he remains optimistic underpinned by the rising demand for solar PV systems across various segments.

“We believe this is an opportune time for us to shine and we are seizing opportunities during this unprecedented period. While the initial capex for the solar PV systems could be sizeable, in the long run it provides cost savings for the consumers.

“The economic benefits are also appealing for corporates who are looking for ways to reduce their operating costs. Hence, we believe the uptake of solar energy will continue to be on the rise,” he said. He said there is also more investments inflow for solar projects as corporates are diversifying their revenue stream. Furthermore, there is still a big gap to be filled in the renewable sector as the country moves towards its 20% clean energy mix goal by 2025, he noted.

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