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Cypark bids for solar project in Singapore

CEO says Singapore offers stable currency and interest rates, the banking system is similar to Malaysia

by ALIFAH ZAINUDDIN

CYPARK Resources Bhd is hoping to secure its first solar project in Singapore as the local technology company seeks to expand its presence in the region.

Group CEO Datuk Daud Ahmad said Singapore offers

stable currency and interest rates, while the banking system is similar to Malaysia.

"So, it is unlikely we will have any problems if we secure projects in Singapore," he said after the company's AGM in Petaling Jaya yesterday.

"If we venture into other Asian countries, the challenges would be different," he said.

Despite the different challenges, he said Cypark has not discard venturing into other markets.

He said Singapore presents a good opportunity. The winning bid is expected to be

announced in the middle of this year.

This is Cypark's latest attempt, following its bids to tap into the island nation's energy sector last year. The group was shortlisted for a government solar project last year, but failed in the final round.

In a joint venture with a Singapore company and a German technology firm, the group made a bid for a more than 40MW peak solar project for buildings managed by the Singapore government.

The tender was for 20 years,

and its capacity is almost double of Cypark's total installation of 30MW as at February 2017.

Despite its interest to expand its footprint overseas, Daud said the company is focused to maintain its leading position in the local renewable energy market, with between RM1 billion and RM1.5 billion bids in the pipeline.

On a separate note, Daud said the 30% tariff slapped on all imported solar panels by the US will create a buyers' market and benefit renewable energy producers.

The tariff hike is expected to be a boon for energy producers as the policy will create short-term oversupplies of solar panels.

"We are in a buyer's position. The solar panel market is expected to adjust downwards as there will be a glut in solar panel production in the short term.

"Industry reports show that a lot of projects in the US will be postponed due to this tariff announcement. Planned shipments to the US have been cancelled and this will create a buyers' market," Daud said.

On the company's prospect after the general election, Daud said Cypark's ongoing government-linked projects will not be affected as its power purchasing agreements are signed with Tenaga Nasional Bhd (TNB).

"Our client is TNB, which is a listed company, and they have an AAA rating. Therefore, we are not worried," he said.

"We factor our risk based on our paymaster, TNB, and I believe TNB has factored in all the risks from the election, so we take comfort in that."