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Solar energy offers attractive risk-adjusted yields, as it is defensive and recession-resistant in nature

by AZALEA AZUAR

SECURITIES Commission Malaysia (SC)-regulated solar energy investment firm, Gagasan Solar Sdn Bhd, plans to raise a total RM200 million in equity and debt to fund small and medium enterprises' (SMEs) venture into solar energy space.

The firm aims to raise RM50 million in equity from 20 sophisticated investors and high-net-worth individuals investors with each contributing roughly RM2.5 million through multiple rounds of funding, followed by leveraging the amount by up to RM150 million.

Gagasan Solar's managing partner Joshep Lee stated solar energy presents a great opportunity to investors and the business commu-



Malaysia's revenue potential for the commercial and industrial solar energy is worth RM24b per annum, which means it has a great investment opportunity in solar energy

nity, as well as the environment.

"For the investment community, solar energy offers attractive risk-adjusted yields, as it is defensive and recession-resistant in nature.

"For the business community, solar energy presents the opportu-

nity to lower overall electricity expenses and the savings can be allocated to more capital-efficient avenues," he noted in a statement yesterday.

Solar energy also lowers carbon emission, thus creating a positive

impact to the environment.

Solar energy is gaining popularity in the past few years and the government has decided to increase renewable-energy installation capacity to 31% of total generation capacity by 2025 and 40% by 2035 under its power generation plan, after seeing the many benefits it would offer.

Studies conducted by Gagasan Solar has revealed that Malaysia's revenue potential for the commercial and industrial solar energy is worth RM24 billion per annum, which means Malaysia has a great investment opportunity in solar energy.

Gagasan Solar is focused on solar investing, which results in a much faster investment decision-making, benefitting its solar construction partners, clients and capital partners.

To ensure efficient risk management and act as an additional layer of oversight, registered private equity management corporation (PEMC) Thinkat PE, formerly

known as Senturia Capital Sdn Bhd, has been appointed to manage the funds raised through Gagasan Solar.

Thinkat PE is one of only seven-teen SC-registered PEMCs in Malaysia.

"We're raising funds to capitalise on this blue ocean opportunity and accelerate the adoption of solar energy.

"With this acceleration, we hope to create a win-win-win situation for our capital partners, the environment and companies that will eventually experience reduced utility bills, thus resulting in resource conservation in the long run," Lee added.

Gagasan Solar's primary aim is to bridge the gap in Malaysia's solar energy industry where the market is mainly reserved for large and financially strong companies.

The firm is also backed by an inhouse management team familiar in finance and the solar energy industry.