

ENERGY

Gunkul in \$39.9m Vietnam solar deal

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Gunkul Engineering Plc has taken over a solar farm in Vietnam at a cost of US\$39.9 million, or 1.26 billion baht, to rack up revenue in renewable energy businesses it believes have high growth potential.

The firm became the sole owner of Vietnam-based Doan Son Thuy Investment JSC (DST) and is ready to operate 50-megawatt Phong Dien II solar power plant in Hue, said Gunkul chief executive Sopacha Dhumrongpiyawut.

She said the deal, which was concluded last week, includes the purchase of 49% of shares from Bangjak Green Energy Co, a subsidiary unit of Bangkok-based BS Industry Service Co, and 51% of shares from two individual Vietnamese shareholders.

Construction of Phong Dien II plant was recently completed. The facility will connect to the state grid, operated by Vietnam Electricity, under a power purchase agreement, with a feed-in tariff of \$0.0709 per kilowatt-hour (unit) granted to the operator for 20 years.

The project is expected to

start commercial operation on Dec 15.

“The acquisition of DST’s ordinary shares is part of the company’s plan to invest in solar power business in Vietnam,” said Ms Sopacha. “This will help expand the company’s business in Southeast Asia and promote our growth in terms of assets and operations.”

The investment in this solar power plant is part of Gunkul’s strategy to become a key player in the renewable business sector.

It plans to grow more in the power plant field, both domestically and internationally.

The company sees opportunities in this field and believes the business will incur a low risk.

Gunkul also wants to create a stable source of revenue in the long term.

Ms Sopacha said earlier Gunkul expects revenue growth of 15% this year to nearly 8 billion baht, thanks to power generation and construction.

In the power generation segment, the company plans to expand capacity to 1,000MW from 640MW by 2022.