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RM2.8b PROJECT

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KUALA LUMPUR: Jentayu Sustainables Bhd — through its 70 per cent-owned subsidiary Oriole Hydro Padas Sdn Bhd — has signed a 40-year power purchase agreement (PPA) involving a RM2.8 billion power project in Sipitang, Sabah.

Jentayu yesterday said Oriole Hydro had signed the PPA with Sabah Electricity Sdn Bhd for the 162-megawatt run-of-river hydro-electric project there.

All necessary land and resource approvals for the project, one of the largest renewable energy undertakings in the state, has been obtained from the state government, it added.

In a filing with Bursa Malaysia, Jentayu said the project is expected to make a significant contribution to the Sabah Renewable Energy Roadmap 2040, providing about 16 per cent of the state's peak electricity demand through dependable and sustainable hydropower.

"This PPA formalises the sale and purchase of electricity from Project Oriole to Sabah Electricity over a concession period of 40 years, on a build-own-operate-transfer basis, commencing from the plant's scheduled commercial operation date of June 1, 2029.

"Once operational, Project Oriole is expected to generate about RM300 million in annual recurring revenue for the group.

"The signing of the PPA follows and builds upon the issuance of the initial letter of notification by the Energy Commission of Sabah and the subsequent letter of notification," it said.

Under the agreement, Sabah Electricity will buy up to 868,894 megawatt-hour of electricity per year at a rate of 31.5 sen per kilowatt-hour.

Jentayu said in addition to energy sales, Project Oriole will also benefit from the monetisation of green

attributes through Renewable Energy Certificates (REC).

"The group will be entitled to receive up to RM10.1 million in REC-related income, with any excess being shared equally with Sabah Electricity," it added.

The project, it said, is expected to create 2,000 job opportunities during its construction phase, along with 150 high-skilled positions for the plant's operation and maintenance.

Jentayu also announced that the engineering, procurement, construction and commissioning contract for Project Oriole was awarded to a consortium headed by XD Power Transmission Sdn Bhd.

XD Power is a subsidiary of Xi'an Electric Engineering Co Ltd, in partnership with PT Anhe Konstruksi Indonesia and Jawat Johan Sdn Bhd.

"Xi'an Electric is one of China's largest and most established power

transmission and distribution engineering contractors, with a strong international presence spanning over 40 countries.

"The consortium's combination of deep technical expertise and integration of local capabilities through its regional partners was a key factor in its selection," it said.

Jentayu executive chairman Datuk Beroz Nikmal Mirdin said the PPA marks a pivotal milestone in the company's mission to deliver impactful and future-ready renewable energy solutions.

Beroz Nikmal said the company is exploring a joint venture with a world-class turbine manufacturer to establish a manufacturing facility in Sabah.

"By localising production and building technology capabilities locally, we aim to elevate Sabah's role in the regional energy value chain," he added.



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DATUK BEROZ NIKMAL MIRDIN
Jentayu executive chairman