



15 APR, 2025

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The Sun, Malaysia



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KUALA LUMPUR: Jentayu Sustainables Bhd, via subsidiary Oriole Hydro Padas Sdn Bhd (OHP), has signed a power purchase agreement (PPA) with Sabah Electricity Sdn Bhd for a run-of-river hydroelectric project in Sipitang, Sabah.

In a filing to Bursa Malaysia yesterday, Jentayu said the project, located in Hulu Sungai Padas, will comprise two cascading hydroelectric facilities with a combined net capacity of 162 megawatts. Commercial operations are to begin on June 1, 2029.

OHP is a special purpose vehicle owned by Jentayu Sustainables' subsidiary (70%), a Sabah Electricity subsidiary (20%) and a Yayasan Sabah subsidiary (10%).

"The PPA governs the obligations of the parties to sell and purchase the energy generated by the facility for 40 years from the commercial operation date," it said.

Under the agreement, OHP will design, construct, test, commission, own, operate and maintain the hydroelectric scheme under a build-own-operate-transfer model.

The project is not expected to have a material impact on Jentayu Sustainables' earnings for the financial year ending June 30, 2025. – Bernama