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## Mudajaya signs 21-year PPA with TNB to build solar plant in Perak

BY SULHI AZMAN

KUALA LUMPUR: Loss-making Mudajaya Group Bhd announced that its indirect wholly-owned unit Sinar Kamiri Sdn Bhd has signed a 21-year power purchase agreement (PPA) with Tenaga Nasional Bhd (TNB).

The agreement, said Mudajaya, will allow it to build a large-scale photovoltaic plant in Sungai Siput, Perak, that has a capacity of 49mw, on a build-own-operate basis.

"The PPA, which has an expected commercial operation date of Aug 31, 2018, governs the sale and purchase obligations of the energy generated by the project between Sinar Kamiri and TNB for a period of 21 years from the commercial operation date in accordance with the agreed terms and conditions," Mudajaya said in a filing with Bursa Malaysia yesterday.

"The project is expected to contribute positively to the future earnings of the company," added Mudajaya.

Mudajaya first ventured into the solar business in 2014 when its

60%-owned Special Universal Sdn Bhd signed a renewable energy PPA with Tenaga Nasional for a 10mw solar farm in Gebeng, Pahang.

The plant achieved a commercial operation date for 5mw each in December 2013 and in April 2014, with a feed-in tariff of 90.16 sen per kilowatt hour (kWh) and 82.95 sen per kWh respectively.

Mudajaya in the financial year ended Dec 31, 2016 sank deeper into the red after its net loss widened to RM264.92 million from RM1.43 million a year ago, despite a 34.8% jump in revenue to RM732.47 million from RM543.51 million previously.

Mudajaya's order book currently stands at RM2.5 billion from RM750 million in 2015, which includes a Pan Borneo Highway contract, major roads and links in Penang, and a viaduct guideway for mass rapid transit projects.

The recognition of these contracts in Mudajaya's book, said RAM Ratings, is expected to take time within the medium term of between two and five years.