

Headline	Bank Islam, Sand Town Solar in RM91.5m Perak solar farm deal		
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KUALA LUMPUR: Bank Islam Malaysia Bhd has signed a RM91.5 million financing agreement with Sand Town Solar Sdn Bhd (STS), a subsidiary of Kumpulan Gading Kencana Sdn Bhd (GKSB), for a solar photovoltaic (PV) farm project in Perak.

STS is a renewable energy service company specialising in designing and installing solar PV systems and establishing and maintaining electrical and energy management systems.

Bank Islam group CEO Datuk Mohd Muazzam Mohamed said STS is a special purpose vehicle for a 29.99-megawatt (MW) solar PV farm project in Bidor, Perak, and supplies electricity generated to Tenaga Nasional Bhd (TNB) under the New Enhanced Dispatch Arrangement (Neda) mechanism.

"STS will utilise the financing from the bank to cover necessary capital expenses, including refinancing the land and the development costs for the 29.99MW solar PV farm.

"This financing will aid in Malaysia's energy transition, from

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► Partnership to support Malaysia's renewable energy objectives, demonstrates commitment to sustainable energy

power generation based on fossil fuel and coal to renewable energy sources like solar power, thus promoting the adoption of eco-friendly solutions," he said at the financial agreement's signing ceremony yesterday.

Neda is an initiative by the Energy Commission to enhance efficiency in the short-run electricity generation competition and drive down electricity

prices.

The agreement signing was witnessed by Deputy Prime Minister cum Energy Transition and Water Transformation Minister Datuk Seri Fadillah Yusof.

Mohd Muazzam said Bank Islam has been collaborating with GKSB to carry out several projects since 2019 successfully.

He said that among the GKSB projects supported by the bank are the development of the 8MW solar farm in Bandar Hang Tuah Jaya, Malacca and the 30MW large-scale solar farm in Bidor, Perak.

"Bank Islam's business strategy is to target RM4 billion in Shariah environmental, social and governance (ESG) assets by 2025.

"This target was achieved two years ahead of time with the bank's Shariah ESG assets reaching RM4.5 billion by the end of 2023," he added.

Meanwhile, GKSB managing director Datuk Guntor Tobeng said through Neda, the group is helping

to build an energy market ecosystem that is more competitive for Malaysia.

"Although the terms of the guarantee prepared by the bank through Neda are flexible, the financial institution is still taking a risk as it needs to take steps to ensure the energy generated is sold and paid to the project owner's account without involving TNB.

"There is great potential for renewable energy in Malaysia, especially solar-based energy for export and exploring this potential requires support from the financial industry in terms of funding," he added. - Bernama