

27 December 2023

Telekosang Hydro 2 power plant in Sabah achieves Feed in Tariff Commencement Date (FiTCD), poised to be injected into Jentayu Sustainables Berhad

Jentayu Sustainables Berhad (JSB) is pleased to announce that we have been notified by Telekosang Hydro Two Sdn Bhd that run of river hydropower plant Telekosang Hydro 2 (TH2), with a capacity of 16 MW's, has now achieved its Feed in Tariff Commencement Date (FiTCD) as of 25th December, 2023.

With the achievement of FiTCD, TH2 has now fully completed its development phase, and is now fully online and operating commercially, successfully supplying power to the Sabah Electricity Sdn Bhd (SESB) as contracted. Telekosang Hydro 1 (TH1) has a capacity of 24 MW's, and achieved its FiTCD in February 2023

For clarity, TH1 and TH2 were developed by the private companies Telekosang Hydro One Sdn Bhd and Telekosang Hydro Two Sdn Bhd respectively - private companies which are run by parties related to JSB. JSB is currently in the process of acquiring these two private companies.

Now that both TH1 and TH2 have achieved their final and most important milestones, we have satisfied a critical condition precedent necessary for JSB to acquire and inject TH1 and TH2 into JSB, subject to final approval by shareholders and regulators, especially as this exercise involves related parties.

The upcoming acquisition of Telekosang Hydro One Sdn Bhd and Telekosang Hydro Two Sdn Bhd by JSB represents a major milestone in JSB's plans to transform its business, strengthen its financial position, and further cement JSB's position as a major player in the ever growing renewable energy sector.

Formula for success, to #BrightenUpSabah

The 40 MW Telekosang Hydro project as a whole (TH1 and TH2) is thus now successfully providing clean and reliable electricity at one of the lowest tariff rates in the whole of Sabah.

As per standard operating procedure, the relevant submissions to the Sustainable Energy Development Authority (SEDA) and SESB have been made, who will verify the test results and issue the appropriate certification in about 3 months.

We are glad that this milestone will serve as one answer to Prime Minister Dato' Seri Anwar Ibrahim's call on the 7th of December 2023 for power generating projects in Sabah to be expedited in light of Sabah's urgent power needs.

As a company with Sabahan roots, we are deeply committed to our mission to #BrightenUpSabah. All our renewable energy projects in Sabah are designed to help ensure that all Sabahans will have access to affordable and reliable sources of electricity for generations to come.

This final major milestone for Telekosang Hydro is the culmination of many years of work on the part of the team that now runs JSB. We are very proud of how the entire team has worked so hard to ensure that all the milestones and deliverables were met in a timely manner and on budget, as planned.

The successful completion of the 40 MW Telekosang Hydro project demonstrates once again that the carefully planned approach and formula the JSB team has been using to build and commission hydropower plants in Sabah has resulted in the full achievement of our target goals.

This approach and formula is further validated by the fact that we achieved those target goals even amidst such adverse conditions such as the Covid-19 pandemic, and financial challenges surrounding global interest rates and the foreign currency market. This formula has also helped to ensure that we were not financially impacted by these economic headwinds.

JSB is committed to keep building upon our successful, proven track record, going from strength to strength. We believe this is the only truly reliable proof positive of a company's ability to deliver on our commitments to clients, shareholders, and investors as promised.

It is precisely this proven track record that JSB will build on as we progress onto our next major endeavour: Project Oriole.

Project Oriole

Project Oriole is two run of the river hydropower cascading schemes to be constructed along Sungai Malingan and Hulu Sungai Padas in Sipitang, Sabah that will produce 170 MWs of power. The project is estimated to cost RM 2.8 billion to develop and is expected to be completed by December 2027.

Project Oriole was presented by JSB to a meeting of The Planning and Implementation of Electricity Supply and Tariff Committee of Sabah (JPPPET - Jawatankuasa Perancangan dan Pelaksanaan Pembekalan Elektrik dan Tarif), which was chaired by the Minister of Natural Resources, Environment and Climate Change and the Chief Minister of Sabah on the 25th of August, 2022.

In October 2022, the Group then secured a letter of intent from the Ministry of Energy and Water Resources (KeTSA) which allowed JSB to continue development of Project Oriole.

Project Oriole was subsequently included as a confirmed project in the Plant Up Plan for Sabah that was released on 19th September 2023, which represents the development plan for future power generating plants in Sabah.

Given the demonstrated success of TH1 and TH2, as well as the tried and tested formula we have developed in building hydropower plants in Sabah, we are confident that with the same team working just as hard for Project Oriole as we did for TH1 and TH2, we will deliver yet another commercially successful plant to significantly contribute towards Sabah's urgent power needs.

Datuk Haji Beroz Nikmal Mirdin
Executive Chairman
Jentayu Sustainables Berhad