



Samart, M-Link sign deal to develop B1bn power plant

Samart Corporation has entered into a joint venture agreement with M-Link Asia Corporation to build a 1-billion-baht power plant in Chiang Mai using waste to generate electricity.

Named Chiang Mai Waste2Power Co, the 50:50 joint venture involves Samart Waste2Power, a subsidiary of Samart, and M-Link Energy, a subsidiary of M-Link Asia.

The venture will combine the strengths of the two telecom equipment companies to build a waste-to-energy power plant in the northern province that will drive technology integration for upstream businesses.

The company has exclusive rights to collect household waste in Chiang Mai to produce refuse-derived fuel and sell electricity to the Provincial Electricity Authority.

"We expect to spend up to 1 billion baht on installing power plant equipment with a capacity of 10 megawatts," said a source familiar with the agreement.

He said the joint venture expected to earn 300 million baht in profit from the waste power plant in 2016.

"The formation of Chiang Mai Waste2Power marks another milestone in the strategic transformation of Samart and M-Link and underscores our commitment to the company's long-term earnings profile," the source said.

"This partnership also bolsters our integration strength while liberating capital for investment in businesses that are technology- and customer-driven with higher, more consistent earnings."

The venture by SET-listed Samart is a strategic move to expand into emerging green energy and waste disposal trends, with the goal to more than triple its consolidated revenue to 100 billion baht by 2020.

Samart, through Samart U-Trans Co, is gearing up for aggressive investment in utilities, transport and energy businesses to create new sources of sustainable revenue in the coming years.

SET-listed M-Link is also seeking to transform itself into a higher-margin company by cutting back its traditional core mobile handset sales business and focusing on high-growth ventures.

The company is also going into transport and e-commerce as part of a sweeping overhaul of its business and organisational structure.

M-Link was founded by Yaowapa Wongsawat, a sister of ousted prime minister Thaksin Shinawatra and the wife of Somchai Wongsawat, who was briefly prime minister in 2008.

Samart Corporation, headed by founder and chief executive Watchai Vilailuck and new police chief Pol Gen Somyot Pumpanmuang, holds a combined 50%-plus stake in M-Link.

SAMART shares closed yesterday on the SET at 36 baht, up 1.25 baht, in trade worth 374 million baht.

MLINK shares closed at 3.18 baht, down 16 satang, in trade worth 129 million baht.

