

Company Name : TDM Berhad
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TDM Inks Agreements For Development Of Two Biogas Plants In Terengganu

KUALA LUMPUR (Aug 9): TDM Bhd has entered into two agreements with Concord Biotech Sdn Bhd to develop biogas plants with power generation facilities at two palm oil mills in Terengganu.

The two mills are the Kemaman Palm Oil Mill (KPOM) and Sg Tong Palm Oil Mill (STPOM), said TDM, which is 61.49% owned by the Terengganu State Government, in a filing with Bursa Malaysia.

TDM said its wholly-owned subsidiary, TDM Plantation Sdn Bhd, has entered into a build, own, operate and transfer (BOOT) agreement with Concord Biotech, under which Concord Biotech will design, finance, construct and operate a biogas plant with power generation facilities at STPOM and KPOM.

Its other wholly-owned unit, Kumpulan Ladang-Ladang Trengganu Sdn Bhd (KLLT), meanwhile, has signed a sub-lease agreement with Concord Biotech, whereby the leasing involves the development of bio-gas plants in Kemaman and Kuala Terengganu.

“The period of sub-lease will commence effectively on the date of the BOOT agreement until the expiry of Renewable Energy Power Purchase Agreement (REPPA) between Concord Biotech and Tenaga Nasional Bhd dated April 18 with an effective period of 21 years from the commercial operations date,” said TDM.

Under the sub-lease agreement, the rental is RM15,000 annually and the payment will commence from the effective date of the BOOT Agreement right up to the commencement of the commercial operations date, said TDM.

Thereafter, TDM added the rental will be RM65,000 annually, effective from the commercial operations date right up till the expiry of the terms of REPPA.

Shares of TDM closed half a sen or 2.78% higher at 18.5 sen today, valuing the company at RM311.29 million.