

OTHERS COMINTEL CORPORATION BHD ("Comcorp" or "the Company") - Renewable Energy Power Purchase Agreement ("REPPA") with Tenaga Nasional Berhad ("TNB")

COMINTEL CORPORATION BHD

Type	Announcement
Subject	OTHERS
Description	COMINTEL CORPORATION BHD ("Comcorp" or "the Company") - Renewable Energy Power Purchase Agreement ("REPPA") with Tenaga Nasional Berhad ("TNB")

Further to our announcements dated 22 July 2015, 17 June 2015 and 12 June 2015 in relation to the REPPA with TNB, the Board of Directors of Comcorp wishes to announce that Sustainable Energy Development Authority Malaysia ("SEDA Malaysia") have given their approval for the extension of the Feed-in-Tariff Commencement Date ("FITCD") from 31 December 2015 to 31 May 2016. The approval letter from SEDA Malaysia dated 30 December 2015 was received yesterday, 5 January 2016.

Comintel Green Technologies Sdn Bhd (:CGT") sought for an extension from SEDA Malaysia on 30 November 2015 as it was not able to meet the scheduled FITCD fixed at 31 December 2015. The reason for the FITCD extension was that the Company needs time to set the syngas engine to run in harmony with all the other seven (7) engines.

Besides that, we also have feedstock supply problem which is the supply of feedstock was not in accordance with the agreed terms of the contract with the supplier. The "out of size" feedstocks have caused disruption to our automated material handling system. CGT is in discussion with the supplier to ensure that the supplier provides consistent quality woodchips that are within the specification as agreed in the contract.

Barring any unforeseen circumstances, CGT shall be able to meet the new extended FITCD. Therefore, this green energy venture by CGT which is initially expected to contribute positively to the performance for financial year ending 31 January 2016 will only start contributing in financial year ending 31 January 2017.

This announcement is dated 6 January 2016.

Announcement Info

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