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Tadmax gets nod for RM3.5b Pulau Indah power plant project

Company banking on venture for future growth

BY EMIR ZAINUL

KUALA LUMPUR: Seven months after its last update, Tadmax Resources Bhd said it has received government approval to proceed with the development of a 1,000-1,200-megawatt (MW) combined cycle gas and turbine power plant in Pulau Indah, Selangor.

In a filing with Bursa Malaysia yesterday, Tadmax said its wholly-owned unit, Tadmax Indah Power Sdn Bhd, received a letter from the Energy Commission, notifying that the government has agreed on Aug 29, 2019 for the development of the RM3.5 billion power plant project to proceed.

In February, *The Edge Malaysia* weekly reported that the development of the project — scheduled to be commissioned by early 2023 — had been terminated by the government.

Following the report, Tadmax said it did not receive any notification of termination from the government then. The contract was

awarded to the property developer through direct negotiation by the previous government.

The company, which is banking on its venture into power generation with the power plant project for future growth, stressed that it “has complied with all the requirements of all relevant government agencies and has not received any notification of termination”.

The project was awarded to Tadmax in August 2016, which raised eyebrows then, considering the company’s lack of experience and expertise in the power generation industry.

The group’s high debt then also caused concerns that the company might fail to fund the large-scale project.

Initially, it invited Tenaga Nasional Bhd (TNB) to participate in the power plant, but the latter declined the offer in May 2017.

Subsequently, Tadmax roped in South Korea’s state-owned utility Korea Electric Power Corp as its technical partner and Selangor state-owned

Worldwide Holdings Bhd as its strategic partner to carry out the project.

To recap, Energy, Science, Technology, Environment and Climate Change Minister Yeo Bee Yin announced the ministry’s intention to review independent power producer projects that had been awarded previously, two months after taking over the portfolio last year.

This was said to be part of the reform of the domestic power industry, following the change in government.

Already, the ministry had announced the termination of power contracts that had been granted to Malakoff Corp Bhd and TNB’s 700MW gas-powered plant in Kapar, Selangor; Aman Majestic Sdn Bhd and TNB’s 1,400MW plant in Paka, Terengganu; Sabah Development Energy (Sandakan) Sdn Bhd and SM Hydro Energy Sdn Bhd’s hydropower plant in the Palm Oil Industrial Cluster in Sandakan, Sabah; and the solar power quota of 400MW to Edra Power Holdings Sdn Bhd for the construction of a solar-powered plant.