TNB announces new dividend policy

KUALA LUMPUR: Tenaga Nasional Bhd (TNB) will adopt a new dividend policy effective the financial year ending Aug 31, 2017.

In a filing to Bursa Malaysia yesterday, TNB said it intends to distribute dividends on a 30 per cent to 50 per cent dividend payout ratio, based on the reported consolidated net profit attributable to shareholders after minority interest, excluding extraordinary, non-recurring items.

It also endeavors to adopt a dividend policy that provides stable and sustainable dividends to shareholders.

This is while maintaining an efficient capital structure, sufficient to cater to its business prospects, capital requirements growth/expansion strategy and other factors considered relevant by the board.

TNB said its ability to pay dividends is also dependent upon dividends received from its subsidiaries, which in turn would depend on the subsidiaries’ distributable profits, operating results, financial condition, capital expenditure plans and other factors that the respective subsidiary boards deem relevant.

Whilst the dividend policy reflects the board’s current views on the group’s financial and cash-flow positions, TNB said the dividend policy would be continuously reviewed in light of its financial position, regulatory environment and business prospects.

TNB added that it is the board’s policy, in recommending dividends, to allow shareholders to participate in the company’s profits, as well as retain adequate reserves for future growth. — Bernama