

Headline	TNB to venture into broadband business		
MediaTitle	The Malaysian Reserve		
Date	15 May 2019	Language	English
Circulation	12,000	Readership	36,000
Section	Corporate Malaysia	Page No	6
ArticleSize	261 cm <sup>2</sup>	Journalist	SHAZNIONG
PR Value	RM 4,944		



# TNB to venture into broadband business

by SHAZNI ONG & AZALEA AZUAR

TENAGA Nasional Bhd (TNB), which successfully completed the pilot fiberisation project in Jasin, Melaka, would explore the possibility of expanding into the broadband business.

TNB CEO Amir Hamzah Azizan said such venture would still be based on the initiatives' commercial viability.

He said the project would see TNB functioning as a "backbone", while working together with Internet service providers (ISPs) such as Astro Malaysia Holdings Bhd, Time dotCom Bhd, Telekom Malaysia Bhd and Maxis Bhd, to provide the end service to the household.

"They (the ISPs) are the ones that offer the front end. So, what we are doing is maximising

the opportunity of opening up new areas on what we have as a connectivity capability.

"At the end of the day, the key precursor for TNB is it must have the opportunity that we can expand, it makes business sense and it must be commercially viable," he told reporters at a press conference after the company's 29th AGM in Kuala Lumpur yesterday.

Amir Hamzah added that the project has been worked through, together with the Malaysian Communications and Multimedia Commission (MCMC), which has commended TNB's participation due to the low penetration of fibre in the country.

"With TNB coming into the space, both we and MCMC believe that it will help the expansion of fiberisation in Malaysia," he said, adding that the shareholders were

supportive of the fiberisation journey and would be a fine addition to TNB's portfolio.

Amir Hamzah also said, as a utility entity, the company is expected to see the first real penetration some time later this year.

"It would still be very early for a business model. (However), you will only see a pickup in the numbers maybe next year onwards, but not this year. This year will be about planning, staging then rolling it out by the end of the year.

"It is important to realise that the journey maybe a bit longer. But the recurrent earnings that we get from this wholesale business is like our utility business. We invest in to put the infrastructure and we will yield it over the years to come," he said.

The local utility giant, meanwhile, has allocated a lower

capital expenditure (capex) of between RM9 billion and RM9.5 billion for the year.

TNB CFO Nazmi Othman, who was also present at the AGM, said around RM6 billion will be used for its grid division, while around RM2 billion to RM2.5 billion will be allocated for its generation division, with the remainder for renewable energy and smart meters.

He said the capex is lower than last year's RM12 billion and is expected to reduce in the subsequent years following the completion of two power stations namely Jimah East Power Plant which is expected to be commissioned by this year and Southern Power Generation Pasir Gudang Plant in 2020.

On a separate matter, TNB chairman Tan Sri Leo Moggie declined to elaborate further on TNB's CEO salary structure

that became a subject of interest, following last week's disclosure by the Securities Commission Malaysia (SC) that five government-linked companies (GLCs) and 10 family-controlled entities made up the top 20 listed companies on Bursa Malaysia with the highest-paid CEOs last year.

According to the SC's inaugural Corporate Governance Monitor 2019, the remuneration of the top 20 highest paid CEOs in the country ranged from RM8 million to RM168 million.

"Our CEO salary structure, our management salary structure is also based on an independent study done by proper consultants. So, it is not departing from that.

"Secondly, obviously in our case, GLC is also guided by government policies. So, we will always be sensitive to that," he said.