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| Headline | TNB aims reserve margin at 30percent, 2 chiefs cease office | | |
| MediaTitle | The Malaysian Reserve | | |
| Date | 16 May 2018 | Language | English |
| Circulation | 12,000 | Readership | 36,000 |
| Section | Corporate Malaysia | Page No | 4 |
| ArticleSize | 379 cm ² | Journalist | NG MIN SHEN |
| PR Value | RM 10,725 | | |
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TNB aims reserve margin at 30%, 2 chiefs cease office

Projected margin is in line with the level determined by the national energy regulator, says CFO

by NG MIN SHEN

TENAGA Nasional Bhd's (TNB) power reserve margin is expected to remain sustainable at around 30% for the foreseeable future.

Its CFO Datuk Fazlur Rahman Zainuddin said the projected margin is in line with the level determined by the national energy regulator, based on power demand expectations, available capacity, expiring capacity and incoming capacity, as well as sources of power.

"With additional capacity, there's also additional demand expected over time, and existing older capacity will expire as well. The reserve margin will be around a sustainable level of 30%," he told reporters after the group's AGM in Kuala Lumpur yesterday.

He noted that the national utility provider has new plants in the pipeline, including the Jimah East Power plant in Port Dickson, Negeri Sembilan, which is due to come online in mid-2019.

The coal-fired power plant will increase TNB's contribution to Malaysia's generation capacity to 53.2% from 51.8% currently.

Meanwhile, TNB chairman



Pic by Afif Abd Halim
With additional capacity, there's also additional demand expected over time, says Fazlur Rahman

Tan Sri Leo Moggie said the future direction of the utility group will "be following the policy of the government of the day".

"TNB as a government-linked company (GLC) is sensitive to the policy of the government of the day.

"We have not had any direct communication at this moment (with Pakatan Harapan), but we understand that the head of the government investment company — in our case, Khazanah Nasional Bhd, as one of TNB's major shareholders — has had communication with the new government," he said.

Accordingly, two of the company's directors chose not to

seek re-election at the group's AGM yesterday.

"When we issued the notice of AGM, there were four names seeking re-election, but at the AGM (yesterday), two of those individuals decided not to offer themselves for re-election. This is presumably because they feel that they might be linked in terms of political alignment."

"So, they themselves have already decided not to offer themselves for appointment," Leo said.

In statements to Bursa Malaysia yesterday, the group announced that senior independent non-ED Datuk Abd Manaf Hashim and independent non-ED Datuk Sakthivel

Alagappan have ceased to be members of TNB's board of directors.

It said both Abd Manaf and Sakthivel had expressed their intentions not to seek re-election as independent non-EDs of the company, prior to the commencement of the AGM, pursuant to clause 64(1) of the company's constitution.

Abd Manaf is a member of Umno, which forms part of the previous ruling coalition Barisan Nasional (BN). He is also a member of the Perak State Public Service Commission.

Sakthivel is secretary general of MIC, which is also part of BN.

With regard to the vacant positions on the board of directors, Leo said when the time comes, the group will look for new directors who are qualified and "professional in their background".

He added that the group has always evaluated its investments on a professional basis, with the end goal of benefiting both shareholders and the nation at large.

"As noted by the new government, there will be a clearer distinction between professional and political (interests). GLCs are expected to be professional in what they do. TNB will be professional in what we do," he said.

Shares of TNB closed eight sen lower at RM15.92 yesterday, giving it a market capitalisation of RM90.28 billion. The stock saw 20.25 million shares being traded.