



SIARAN AKHBAR PRESS STATEMENT

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TNB ON TRACK TO BE TOP 10 GLOBAL UTILITY BY 2025

Tenaga Nasional Berhad (TNB) is on track to be the top 10 Global Utility by 2025 as it takes advantage of the emerging trends in the energy industry, said its President/Chief Executive Officer, Datuk Seri Ir. Azman Mohd.

These rapidly evolving trends, comprising Asia's growing economic prominence; disruptive technology; more expensive capital; and evolving regulatory landscape, will not only shape the future but also present exciting opportunities for growth.

To meet the 2025 target, the national electric utility will strive to unlock new growth areas; win a new generation of customers; expand its regional and global presence; and achieve productivity gains, he said at the company's Annual General Meeting (AGM) here.

"These efforts will be guided by our Strategic Plan (2017 – 2025) which is anchored on key pillars designed to achieve continued and sustainable growth.

"As a forward-thinking organisation determined to transform into a global leader in the utilities industry, TNB seeks to capitalise on these changes through three strategic pillars: Future Generation Sources, Grid of the Future and Winning the Customer".

Ir. Azman explained that the Strategic Plan is timely, as electricity demand has begun to show very moderate growth as expected, with unit electricity demand growth expanding just one percent in FY2017.

The plan, he added is anchored by concrete and measurable targets with the ultimate aim of emerging as a Top 10 Global Utility by 2025.

“While we have achieved much thus far, we realised that we cannot remain where we are. The time is ripe for our evolution, as the world is also changing at unprecedented speeds.

“First, we will pursue Future Generation Sources. This global expansion drive will focus on key growth markets in Southeast Asia, South Asia and the Middle East, as well as other markets in which we see opportunities to add value to TNB’s non-regulated revenue portfolio and serve the wider global population.”

Next, in Building the Grid of the Future, he said: “We have already introduced our smart meter/Advanced Metering Infrastructure facilities and will embark on providing more digitised and automated services.

“This will make our electricity systems ready for customers to generate their own electricity through solar PVs and sell the surplus to the grid. In addition, the Grid of the Future will enable higher productivity, system performance with better experience and offers more value to our customers”.

This pillar will also drive TNB’s support of the country’s planned broadband fiberisation project as the company owns one of the most extensive high speed fiber network in Malaysia.

TNB’s fiber network, running along its transmission lines are underutilised as the network is solely used for its SCADA system at present.

In catering to Winning the Customer pillar, Ir. Azman said TNB will continue to invest in digital technologies towards improving the customer experience, and also unlock opportunities beyond the sale of electricity.

To do all this, TNB will be preparing for these changes to the industry by strengthening its investment in people and the capabilities of its workforce with the right talent in order to pursue these new avenues for business and serving the customer and the public at large.

On Renewable Energy (RE), TNB Chairman, Tan Sri Leo Moggie disclosed that the company will continue to invest in and bid for projects, both locally and abroad as key component of its long term growth strategy.

TNB, he said will continue to bid for tenders in 2018 with a focus on solar and wind projects.

It recently received a letter of acceptance of offer for a Large Scale Solar (LSS) project in Malaysia's second round of LSS's competitive bidding exercise.

The 30MW LSS photovoltaic plant to be built in Bukit Selambau, Kedah will be TNB's second LSS project after its 50MW LSS in Kuala Langat, Selangor, currently under construction.

"We have also made bids for another large solar PV plant in the middle east and are also expecting the outcome in early 2018."

During the financial year ended August 31, 2017 (FY 2017), TNB had completed the acquisition of a 50 percent stake in Vortex Solar Investments Sarl, which has 365MW solar PV portfolio in the United Kingdom through Vortex Solar UK Ltd.

With aspiration to become the Asean leader in renewables, TNB is working closely with the government to deliver Malaysia's RE portfolio through investments in solar, wind, biomass, biogas and mini hydro projects.

"This will be fortified by our existing capabilities and experience in the renewables space in Malaysia," said Moggie.

Elaborating on biogas, he said two biogas power plants, jointly developed with Sime Darby was launched during FY2017.

The plants, in Layang-Layang, Johor and Bagan Datuk, Perak, each with generation capacity of 1.6MW, are expected to pave the way for another four similar projects undertaken by both companies, added Moggie.

Turning to the company's high dividend payout, he said it was approved unanimously by the shareholders at today's AGM.

The new dividend policy will create multipliers through TNB's institutional investors such as EPF, PNB, KWAP and Lembaga Tabung Haji who can pass the higher returns to their account holders.

"We are pleased that our latest dividend policy has been well received by these investors based on our engagement with the institutional investors and press reports."

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Moggie also announced that the beginning January 2018, TNB will change its financial year end to 31 December from the current 31 August.

This is in line with the annual reporting period of the majority of public-listed companies in Malaysia.

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*For inquires, please contact Nor Hanim Idris at 019-2617617 /
Datuk Omar Sidek at 013-3418988 or email us at media@tnb.com.my*