



SIARAN AKHBAR PRESS STATEMENT

S.A 2016/12/101 (HQ)

TNB EYES GROWTH WITH 10-YEAR PLAN

Tenaga Nasional Berhad (TNB) will focus on Renewable Energy (RE) and global expansion, combine with smarter grid and value added customer products as the company set its goal to emerge as one of the world's top 10 utilities by market capitalisation by 2025.

"It is also imperative that we remain perceptive and responsive to regulatory developments both domestic and foreign, so we can work harmoniously with the electricity industry laws that govern our sector," said its President/Chief Executive Officer, Datuk Seri Ir. Azman Mohd.

These growth pillars, formulated under a 10-year Strategic Plan is based on major trends affecting the industry, i.e. the shift in economic power to Asia, technology disruptions, the end of cheap capital and evolving regulatory developments.

"Capitalising on these trends will enable TNB to unlock new growth areas, win a new generation of customers, realise our regional ambitions and unleash greater productivity."

Azman said that TNB aspires to be the Asean leader in RE with plans to invest domestically in solar, wind, biomass, biogas and mini hydro projects.

He was confident that the national electric utility corporation is in great stead to take advantage of the potential opportunities in RE given the knowledge and expertise obtained from TNB's various community grid solar projects, mini hydropower projects and 5,777 RE projects in Peninsular Malaysia in which TNB is the offtaker.

TNB is taking active steps in pursuing its RE goals including via 83 percent-owned, Sabah Electricity Sdn Bhd (SESB). The latter had bid for the development of a 200 megawatt (MW) Large-Scale Solar Photovoltaic Plant in Sabah and Labuan. The bid's outcome is expected in January 2017.

Azman added that TNB is also aggressively expanding into regional markets, setting its eyes on Southeast Asia, South Asia and the Middle East.

The company, he said targets international investments to account for 20 percent of its earnings by 2025.

TNB has made two notable overseas investments via a 30 percent stake in GAMA Enerji, Turkey and a 30 percent stake in GMR Energy, India this year.

As for TNB's move for smarter, next generation grid, Azman said a smart meter or Advanced Metering Infrastructure (AMI) pilot project involving 1,000 customers in Melaka and Putrajaya has been successfully concluded this year.

"It gave us the confidence to expand the project to 340,000 customers throughout Melaka. This will constitute the first phase of our AMI roll out nationwide and is targeted to be launched in 2017."

On value added products and services, Azman said TNB wants to win the customers with products and services that take into account the increase awareness in the environment and rising trends in digital connectivity.

"We have thus identified several specific projects ranging from energy management to smart city utility services with various Government agencies and corporate entities."

TNB Chairman, Tan Sri Leo Moggie meanwhile stressed that the Board remains confident of TNB's prospects and continue to keep sights on TNB becoming a Domestic and Regional Champion.

He said the Strategic Plan will pave the way for TNB towards a fresh growth trajectory driven by mergers and acquisitions at home and abroad.

"I would like to reiterate that the Board will ensure the Company evaluates new endeavours based on shareholder interests."

He also said that TNB's exposure to the foreign exchange rate remains limited.

"With our foreign currency denominated loans accounting for just 17.4 percent as at the end of FY2016, we have continued to safeguard TNB against risks encountered from foreign exchange movements this past year," added Moggie.

Released in Kuala Lumpur on December 15, 2016

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