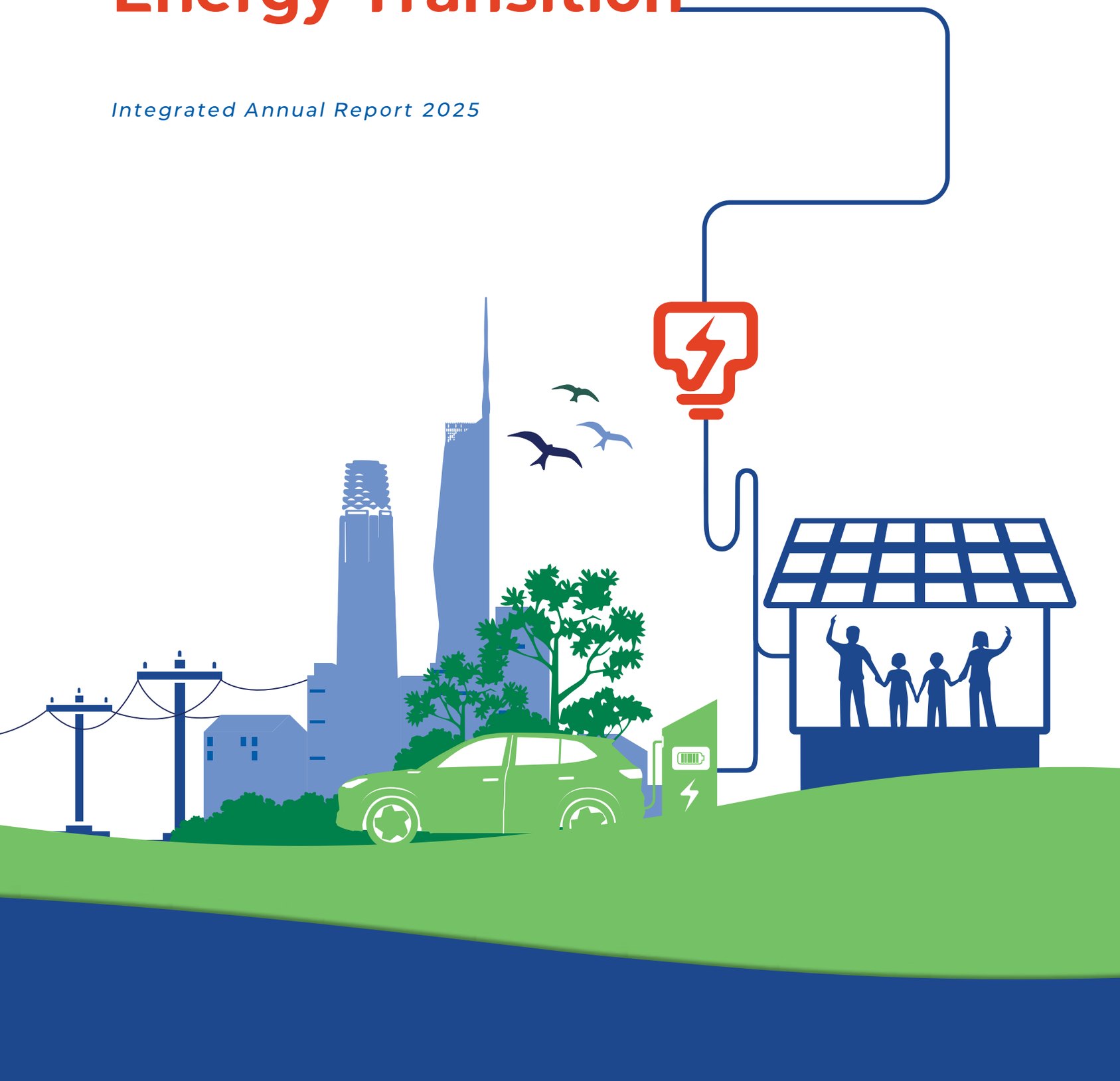
TENAGA NASIONAL

Better. Brighter.

Delivering Tomorrow's Energy Transition

Integrated Annual Report 2025



Delivering Tomorrow's Energy Transition

Guided by the theme Delivering Tomorrow's Energy Transition, this year's cover reflects a journey shaped by both progress and purpose. It captures a pivotal moment of transformation, where the decisions made today lay the foundation for the energy systems of tomorrow.

Energy extends beyond infrastructure. It powers homes, fuels ambitions and connects communities, quietly enabling the everyday moments that matter most. As the energy landscape evolves, its role becomes even more profound, supporting the way people live, work and thrive in a rapidly changing world.

This transition demands care, responsibility and long-term vision. It represents a deliberate shift towards cleaner energy pathways, smarter systems and a more adaptive ecosystem built for the future. Each step forward strengthens not only how energy is delivered, but how lasting value is created for society.

Through this journey, TNB continues to help shape a future where progress is inclusive, sustainable and built to last; delivering not just energy, but a better tomorrow for all.

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Deliver Clean Generation | Develop Energy Transition Network | Dynamic Energy Solutions | Drive Regulatory Evolution

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BASIS OF THIS REPORT

This Integrated Annual Report (IAR) 2025 outlines how Tenaga Nasional Berhad (TNB) creates sustainable value for stakeholders through integrated thinking, strategic capital management and responsible governance. It reflects our commitment to transparency, long-term resilience and our role in enabling Malaysia's energy transition. The Report provides a holistic view of our financial and non-financial performance for the financial year ended 31 December 2025, highlighting the key drivers of value across our business.

REPORTING FRAMEWORKS

This report guided by the following local and global frameworks:

Key Frameworks Applied	IR
International Financial Reporting Standards (IFRS®)	●
International Integrated Reporting Framework (January 2021) under IFRS Foundation	●
Malaysian Code on Corporate Governance 2021 by the Securities Commission Malaysia (MCCG)	●
Bursa Malaysia's Corporate Governance Guide (4th Edition)	●
Companies Act 2016	●
Malaysian Financial Reporting Standards (MFRS)	●
National Sustainability Reporting Framework (NSRF)	●
Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR)	●
IFRS Sustainability Disclosure Standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures)	●
Sustainability Accounting Standards Board (SASB) Standards	●
Sustainability Reporting Guide by Bursa Malaysia	●
Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021	●
FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance (ESG) Indicators	●
GHG Emissions Assessment: GHG Protocol Corporate Accounting and Reporting Standard, Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, GHG Protocol and Clean Development Mechanism (CDM)	●

NAVIGATING THIS REPORT

Our Capitals

- FC Financial Capital
- MC Manufactured Capital
- SR Social & Relationship Capital
- HC Human Capital
- IC Intellectual Capital
- NC Natural Capital

Strategic Pillars

- DC Deliver Clean Generation
- DE Develop Energy Transition Network
- DS Dynamic Energy Solutions
- DR Drive Regulatory Evolution

Our Stakeholders

- S1 Customers & Communities
- S2 Regulators
- S3 TNB's Retirees
- S4 Employees
- S5 Media
- S6 Federal & State Governments
- S7 Financial Communities
- S8 Non-Governmental Organisations (NGOs) & Associations
- S9 Vendors & Partners

TARGETED READERS

This Report is primarily tailored for our shareholders and investors, focusing on the key information most relevant to their interests. At the same time, it provides all stakeholders with meaningful insights into our sustainable business practices and the strategies we employ to create long-term value.

SCOPE AND BOUNDARY

This Report encompasses the activities and performance of TNB and its group of subsidiaries. It presents key material topics impacting the Group's sustainability and long-term viability, supported by both qualitative insights and quantitative data. Unless otherwise specified, all information is accurate as of 31 December 2025.

MATERIALITY

The content of this Report highlights issues of strategic importance to TNB, particularly those with a significant bearing on our ESG performance. These priority areas enable stakeholders to make informed assessments of our business practices and sustainability efforts. They are derived from a structured materiality assessment process that incorporates both impact and financial materiality lenses, drawing on insights and feedback from a broad range of internal and external stakeholders, as well as an evaluation of sustainability-related and climate-related risks and opportunities over the short, medium and long term.

For more information about our materiality assessment, refer to the page 75 of this Report.

ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In support of our commitment to a sustainable future, TNB aligns its strategic initiatives with key SDGs. The selected SDGs reflect our core priorities and underscore our efforts to drive positive change, foster inclusive growth and create long-term value for all stakeholders:

FORWARD-LOOKING STATEMENTS

This IAR contains forward-looking statements on TNB's future performance, based on assumptions and conditions current at the time of publication. However, actual results may differ materially due to uncertainties and changes in the operating environment.

FEEDBACK

This IAR is part of our ongoing efforts to enhance transparency and communication. We welcome your feedback and suggestions for improvement. Please feel free to share your comments with us at cosec@tnb.com.my.

Material Topics

Our Climate Response and Energy Transition Strategy	Our Commitment to Advancing Sustainability Management	Our Shared Path Towards Sustainability
MT 1 Energy Transition and Grid Resiliency	MT 7 Energy Reliability and Affordability	MT 11 Business Ethics and Corporate Governance
MT 2 Greenhouse Gas Emissions and Energy Resource Planning	MT 8 Air Quality Management	MT 12 Labour Rights and Employment Culture
MT 3 Climate Resiliency	MT 9 Waste Management and Coal Ash Management	MT 13 Community Development and Social Impact
MT 4 Customer Experience and Energy Efficiency	MT 10 Safety, Health and Well-Being	MT 14 Sustainable and Responsible Supply Chain
MT 5 Water and Biodiversity		MT 15 Digital Trust and Cybersecurity
MT 6 Nuclear as a Future Clean Energy Source		

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OUR IDENTITY AND PURPOSE

OUR PURPOSE

Together we brighten lives through innovative and sustainable solutions towards a better world

OUR ASPIRATION

To be a leading provider of sustainable energy solutions in Malaysia and internationally

OUR CORE VALUES

Integrity

- We uphold the highest ethical standards and do what is right, all the time
- We are fair, honest and transparent - in everything we do
- We always seek to achieve mutual benefit for the country, company and customers

Collaborative

- We trust each other, believe in teamwork and win together as one company
- We proactively help each other, communicate clearly and provide constructive feedback
- We embrace diversity and inclusivity and we value outside-in perspectives

Professionalism

- We take full ownership and accountability for our actions
- We consistently demonstrate high performance and productivity
- We are result-focused and carry out our duties with discipline

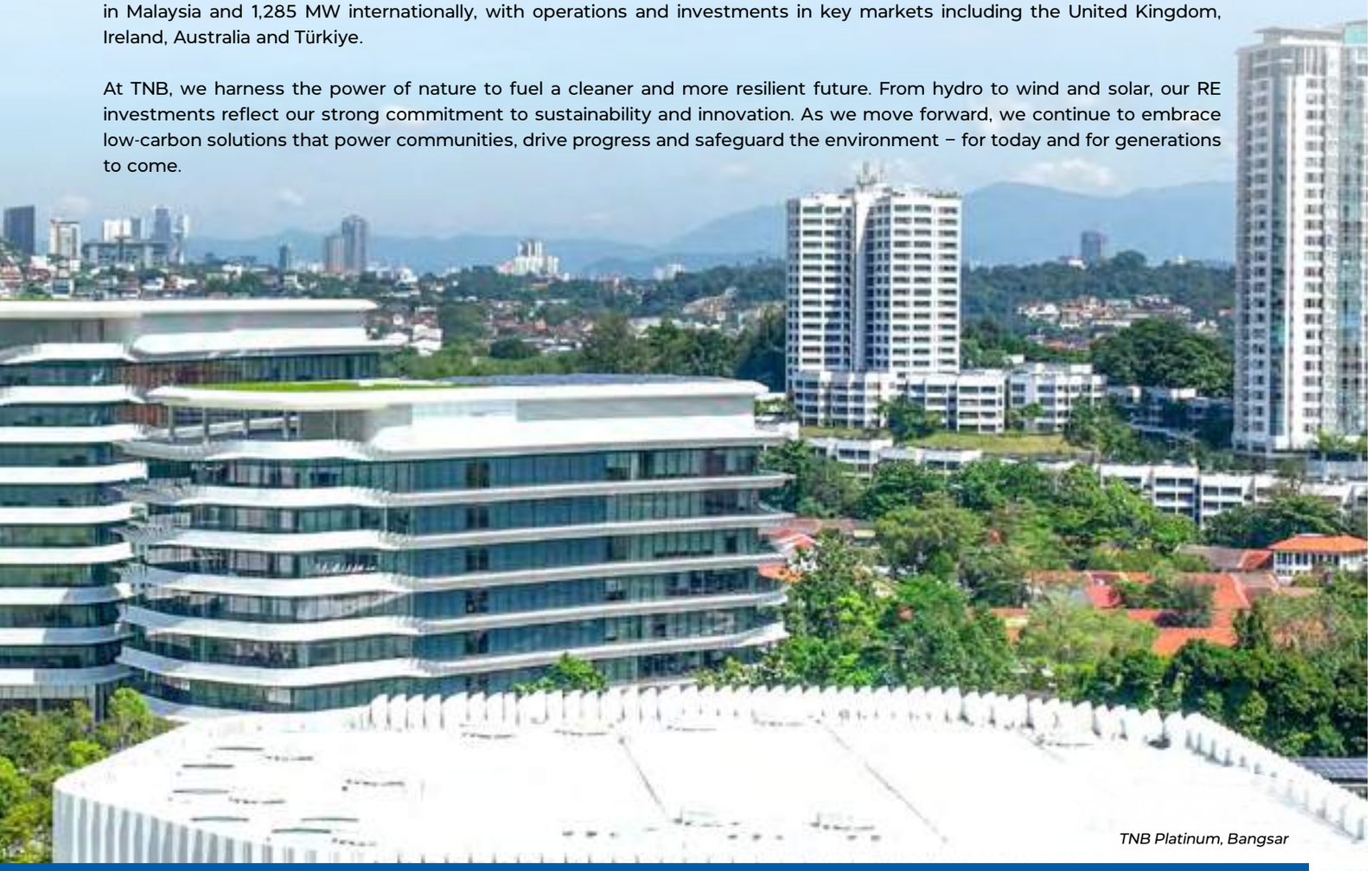
OUR PROFILE

Tenaga Nasional Berhad (TNB) is Malaysia's largest electricity utility and a key enabler of the nation's energy transition. Listed on the Main Market of Bursa Malaysia, TNB plays a vital role in powering Malaysia's economy through its core businesses in electricity generation, transmission, distribution and retail, serving over 11 million customers across Peninsular Malaysia and Sabah.

Guided by its purpose of delivering a *Better. Brighter.* future, TNB is committed to driving a just and responsible energy transition. The Group continues to advance decarbonisation efforts, strengthen energy security and accelerate innovation to support Malaysia's aspirations towards a sustainable and resilient energy future.

As part of its growth strategy, TNB is expanding its renewable energy (RE) portfolio and strengthening its presence in global clean energy markets. The Group currently has a total gross renewable energy portfolio of 4,681 MW, comprising 3,396 MW in Malaysia and 1,285 MW internationally, with operations and investments in key markets including the United Kingdom, Ireland, Australia and Türkiye.

At TNB, we harness the power of nature to fuel a cleaner and more resilient future. From hydro to wind and solar, our RE investments reflect our strong commitment to sustainability and innovation. As we move forward, we continue to embrace low-carbon solutions that power communities, drive progress and safeguard the environment – for today and for generations to come.



TNB Platinum, Bangsar

Customer Centricity

- We seek to truly understand customers' needs and always stay a step ahead
- We continue to build trust by delivering on our promises
- We look for unexpected ways to delight our customers

Mindfulness

- We know who we are and we stand by our values
- We are empathetic, respectful and compassionate to others and the environment
- We protect the safety and promote the well-being of our people and the public

Forward Thinking

- We are bold, challenge the status quo and encourage agility and innovation
- We commit to ensuring the sustainability of TNB in all aspects
- We make informed decisions and learn from our mistakes

OUR INTERNATIONAL FOOTPRINT

IRELAND

POWER PLANT

Vantage Re No. 3 Limited (100% Equity)
Capacity: **267 MWp**

ENERGY SOURCE:

Solar

TOTAL CAPACITY:
267 MWp

UNITED KINGDOM

POWER PLANT

Tenaga Wind Ventures UK Ltd. (100% Equity)
Capacity: **26.6 MW**

Clean Energy and Infrastructure UK Limited (100% Equity)
Capacity: **97.3 MW**

Vantage Solar Investment S.A.R.L. (55% Equity)
Capacity: **365 MWp**

Blyth Offshore Demonstrator Limited (49% Equity)
Capacity: **41.5 MW**

JBM Solar Projects 18 Ltd (100% Equity)
Capacity: **66.7 MWp**

JBM Solar Projects 23 Ltd (100% Equity)
Capacity: **35 MWp**

ENERGY SOURCE:

Wind Solar

TOTAL CAPACITY:
632.1 MW

TÜRKIYE

POWER PLANT

Gama Enerji A.S. (30% Equity)
Capacity: **1,151.5 MW**

ENERGY SOURCE:

Wind Hydro Natural Gas

TOTAL CAPACITY:
1,151.5 MW

KUWAIT

OPERATIONS & MAINTENANCE SERVICES

Engineering Services for **210 MW** Doha West Water & Distillation Station Gas Turbine and Auxiliaries (GE LM6000)

Engineering Services for **252 MW** Sabiya Open Cycle Gas Turbine Station-1 (GE LM6000)

Engineering Services for **300 MW** Sabiya Open Cycle Gas Turbine Station-2 and Auxiliaries (GE F7)

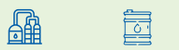
Engineering Services for **252 MW** Shuwaikh Open Cycle Gas Turbine and Auxiliaries (GE LM6000)

Engineering Maintenance Services for **880 MW** Shuaiba North Power Generation & Water Distillation Plant (GE F9FA)

Annual Maintenance Contract (Mechanical) for Ministry of Electricity and Water, Kuwait

Maintenance of Gas and Liquid Fuel Systems and Lines at Power and Water Distillation Stations by Ministry of Electricity and Water, Kuwait

ENERGY SOURCE:



Natural Gas Distillate

TOTAL CAPACITY:
1,894 MW

SAUDI ARABIA

POWER PLANT

Shuaibah Independent Water & Power Project (IWPP) (6% Equity)
Capacity: **1,190.7 MW**

WATER DESALINATION ASSETS

SWEC Water **880,000 m³/day**

SEPCO Water **150,000 m³/day**

Total Capacity: **1,030,000 m³/day**

ENERGY SOURCE:

Fuel oil

TOTAL CAPACITY:
1,190.7 MW

PAKISTAN

OPERATIONS & MAINTENANCE SERVICES

Operation & Maintenance for **1,223 MW** Balloki Combined-Cycle Gas Turbine

ENERGY SOURCE:

Natural Gas

TOTAL CAPACITY:
1,223 MW

CAMBODIA

TECHNICAL ADVISORY

Technical Advisory Services for EDC C7 **408 MW** HFO/LNG Power Plant

ENERGY SOURCE:

Distillate

TOTAL CAPACITY:
408 MW

AUSTRALIA

POWER PLANT

Bomen Solar Farm Pte. Ltd. (100% Equity)
Capacity: **120.5 MWp**

ENERGY SOURCE:

Solar

TOTAL CAPACITY:
120.5 MWp

Presence in
8 Countries
United Kingdom, Ireland, Türkiye, Kuwait, Saudi Arabia, Pakistan, Cambodia and Australia

OUR INTERNATIONAL FOOTPRINT

WHAT WE DO: CORE BUSINESS SEGMENTS

POWER GENERATION

TNB, through its subsidiary TNB Power Generation Sdn. Bhd. (TNB Genco), is Malaysia's largest power producer, contributing 52.4% generation market share in Peninsular Malaysia. In Sabah, generation activities are undertaken via Sabah Electricity, supporting the state's energy needs. Internationally, TNB's presence extends to the United Kingdom (UK), Australia and Türkiye through its New Energy Division (NED), reflecting a growing and diversified global footprint.

TNB Genco offers comprehensive asset management, operations and maintenance (O&M), maintenance, repair and overhaul (MRO), diagnostics, and engineering, procurement, construction and commissioning (EPCC) services, supporting strong operational performance. In line with the Group's Net Zero 2050 aspiration, TNB continues to transition towards cleaner energy solutions.

Generation Capacity Mix:

Coal
39%

Hydro
14%

Gas
30%

Renewable Energy (RE) (Solar, Wind, Mini Hydro and Biomass/Biogas)
10%

Others (Oil & Diesel)
7%

Note:
Based on Installed Capacity

Total Number of Power Plants:
217 units

Total Installed RE Capacity:
4,681 MW

Generation Market Share:
52.4%
of total Peninsular Malaysia Installed Capacity

GRID

The Grid Division manages and operates the National Grid across Peninsular Malaysia, ensuring the safe, reliable and economical operation of the transmission system. Comprising 132 kV, 275 kV and 500 kV networks, the Division's core functions include strategy formulation, system planning, engineering, project management, maintenance and wayleave management. These activities are conducted in accordance with the Malaysian Grid Code, while grid operations in Sabah are managed separately by Sabah Electricity.

To facilitate regional energy exchange, the National Grid is interconnected with neighbouring systems. The northern link with the Electricity Generating Authority of Thailand (EGAT) consists of a 300 MW High Voltage Direct Current (HVDC) link and an 80 MW 132 kV High Voltage Alternating Current (HVAC) overhead line. The southern link connects to Singapore's transmission system at Senoko via 230 kV submarine cables with a capacity of 2 x 550MVA, providing a firm capacity of 200 MW.

Total Transmission Network:
29,744 km

Peninsular Malaysia
26,594 km

Sabah
3,150 km

Total Transmission Substations:
545 units

Peninsular Malaysia
497 units

Sabah
48 units

Total Transmission Transformers:
1,509 units

Peninsular Malaysia
1,406 units

Sabah
103 units

System Minutes:

Peninsular Malaysia
0.15 minutes
2024: 0.0019 minutes

Sabah
9.93 minutes
2024: 0.548 minutes

DISTRIBUTION NETWORK

The Distribution Network Division operates as a regulated business entity responsible for the planning, construction, operation and maintenance of the distribution network across Peninsular Malaysia. As the final link in the electricity supply chain, the Division manages an extensive infrastructure of lines and substations at 33 kV, 11 kV, 6.6 kV and 0.4 kV voltage levels.

These assets are instrumental in delivering seamless electricity to over 11 million customers, representing the crucial endpoint of power delivery from generation plants to the end user. While the Division oversees these activities throughout the Peninsular, the distribution network in Sabah is independently managed by Sabah Electricity.

SAIDI:

Peninsular Malaysia
46.93 minutes
2024: 47.88 minutes

Sabah
186.00 minutes
2024: 203.65 minutes

Total Distribution Transformers:
115,031 units

Peninsular Malaysia
105,556 units

Sabah
9,475 units

Smart Meter Deployed:
5.6 million
as at 31 December 2025

Total Distribution Substations:
99,603 units

Peninsular Malaysia
90,142 units

Sabah
9,461 units

RETAIL

Established in 2018, TNB's Retail Division is committed to creating value for customers, employees and shareholders by delivering customer-centric experiences across all engagement channels – Click, Call, Come Over and Go Over. This is supported by a strong presence across Peninsular Malaysia, comprising 13 state offices, 125 Kedai Tenaga outlets and 4 CareLine offices. In Sabah, the management of retail activities is undertaken separately by Sabah Electricity.

With a mandate that goes beyond energy, the division also develops smart energy solutions tailored to diverse customer segments, from large corporations and Small and Medium Enterprises (SMEs) to micro-businesses and residential users-supporting their transition towards a smarter, more sustainable energy lifestyle.

Number of Customers:
11.39 million

Peninsular Malaysia
10.66 million

Sabah
0.73 million

Customer Satisfaction Index:
9.0

Customer Experience Index:
96%

Total Electricity Sales in Malaysia:
RM58,930.1 million

Peninsular Malaysia
RM56,595.3 million

Sabah
RM2,334.8 million

Total Energy Units Sold in Malaysia:
140,137.6 GWh

Peninsular Malaysia
133,350.4 GWh

Sabah
6,787.2 GWh

WHO WE SERVE

Our Customer Profile

For over 75 years, we have been committed to serving our industrial, commercial and residential customers.

Breakdown of Customers (Peninsular Malaysia and Sabah)

Residential

9,369,713

Peninsular Malaysia	Sabah
8,766,538	603,175

Commercial

1,862,245

Peninsular Malaysia	Sabah
1,748,735	113,510

INDUSTRIAL

Industrial customers form the smallest segment by number but account for the largest share of electricity sales, reflecting their role in manufacturing and production across key sectors.

COMMERCIAL

Commercial customers, engaged in a wide range of economic activities, contribute the largest share of electricity sales, driven by business and service sector demand.

RESIDENTIAL

Residential customers represent the largest segment of our customer base, with approximately 9.4 million out of 11.39 million total customers. We continue to promote greater awareness and adoption of efficient energy use to support more sustainable consumption patterns.

Industrial

36,582

Peninsular Malaysia	Sabah
34,841	1,741

Others

112,643

Peninsular Malaysia	Sabah
105,841	6,802

KEY PERFORMANCE HIGHLIGHTS

BUSINESS HIGHLIGHTS

Total Assets
RM198,354.5 million
2024 (Restated): RM200,380.4 million

Market Capitalisation
RM79,975.8 million
2024: RM86,845.4 million

Total Revenue
RM67,723.1 million
2024: RM56,737.1 million

EBITDA Margin (with ICPT and AFA)
31.6%
2024: 30.3%

Unit Demand Growth
2.6%
2024: 6.5%

Average Coal Price
USD100.2 per MT
2024: USD113.2 per MT

Return on Assets
2.4%
2024 (Restated): 2.0%

Capital Expenditure (CAPEX)
RM15,677.0 million
2024: RM11,171.4 million

Net Profit Attributable to Owners of the Company
RM4,768.1 million
2024 (Restated): RM3,978.2 million

Renewable Energy Installed Capacity
4,681 MW
2024: 4,514 MW

Number of TNB Electron Charging Points
256
2024: 66

Sales of Electricity in Malaysia
140,137.6 GWh
2024: 137,110.8 GWh

AWARDS & RECOGNITION

- Awarded Brand of the Year 2025–2026 at the World Branding Awards under the Energy – Power category (Malaysia)
- Ranked as the second strongest utility brand globally by Brand Finance
- Achieved an AAA brand strength rating with a Brand Strength Index (BSI) score of 88.9/100
- Recipient of three awards at the Asian Power Awards 2025: Innovative Power Technology of the Year – Malaysia, Smart Grid Project of the Year – Malaysia, and Information Technology Project of the Year – Malaysia
- Recipient of three awards at the Enlit Asia Power & Energy Awards 2025: Winner – Energy Storage Project, Runner-up – Transmission & Distribution Networks, and Runner-up – Power Utility Project of the Year
- Winner of the Data & AI category at the 2025 AIBP ASEAN Innovation Award
- Recipient of the Overall Excellence Award (Top 10) and Industry Excellence Award (Utilities) at the National Corporate Governance & Sustainability Awards 2025
- Recipient of the award for highest returns to shareholders over three years (Super Big Cap category – above RM40 billion market capitalisation) at The Edge Billion Ringgit Club Awards 2025
- myTNB App recognised as the Best Public Utility App by PC.com for the third consecutive year
- TNB Power Generation Sdn. Bhd. received the Notable Achievement in Environmental Performance award at the Prime Minister's Hibiscus Award

SUSTAINABILITY HIGHLIGHTS

Total Volume of Water Used
8,920 megalitres
2024: 9,234 megalitres

ZERO
number of substantiated complaints concerning breaches of customer privacy and losses of customer data

Total Waste Diverted from Disposal
547,444 metric tonnes
2024: 479,579 metric tonnes

Increasing Gender Diversity in Senior Management
27% female
2024: 24%

Number of Employees Trained on Health and Safety Standards
34,963
2024: 13,973

Percentage of Local Suppliers
57%
2024: 52%

On track to achieve TNB's 1% annual reduction target for Scope 2 Emissions
0.314 million tCO_2e
2024: 0.321 million tCO_2e

RM3.4 million
invested in biodiversity initiatives across key operational sites

Investing in Communities & Nation Building
RM232.3 million
Surpassing 1% of Profit After Tax commitment

Lost Time Injury Frequency Rate for Employees
0.83 per million man-hours
2024: 0.87 per million man-hours

Revenue from coal generation does not exceed
25%
of our total revenue before intercompany elimination

- **TNB Power Generation Sdn. Bhd. won 26 awards at the MiSHA Asia Excellence Awards 2025**
- **Recipient of the Platinum Award for Top Voted Employer 2025 in the Electrical & Electronics category**
- **Runner-up in the Energy Efficient Building (Large Green Building) category at the 2025 National Energy Awards (NEA)**
- **TNB Global Business Solutions Division awarded Gold and recognised among the Top 20 Most Admired GBS/SSO for 2025**
- **TNB Electron received the Excellence in EV Infrastructure & Connectivity award at the Malaysia Car of the Year 2025**
- **Recipient of the ASEAN-OSHNET Best Practice Award**
- **TNB Integrated Learning Solution Sdn. Bhd. (ILSAS) garnered the Silver Award for Sustainable Talent Development & TVET Innovation at the META 2025 Awards**
- **TNB's former President/Chief Executive Officer, Datuk Ir. Megat Jalaluddin Megat Hassan, was named MADANI Best CEO of the Year**

HOW WE ARE STRUCTURED

AS AT 7 APRIL 2026

TENAGA NASIONAL BERHAD

100% TNB POWER GENERATION SDN. BHD.

- 100% Integrax Berhad
  - 100% Integrax Maritime Services Sdn. Bhd.
  - 100% Pelabuhan Lumut Sdn. Bhd.
    - 100% Lekir Bulk Terminal Sdn. Bhd.
    - 50% Less 1 Share Lumut Maritime Terminal Sdn. Bhd.
      - 100% LMT Capital Sdn. Bhd. *(Dormant)*
- 100% TNB Manjung Five Sdn. Bhd.
  - 100% TNB Western Energy Berhad
- 100% TNB Prai Sdn. Bhd.
  - 100% TNB Northern Energy Berhad
- 100% TNB Janamanjung Sdn. Bhd.
- 100% TNB Pasir Gudang Energy Sdn. Bhd.
- 100% TNB Connaught Bridge Sdn. Bhd.
- 100% TNBPG Hydro Nenggiri Sdn. Bhd.
- 100% TNBPG Hydro Sungai Perak Sdn. Bhd.
- 100% Chenderoh Solar Terapung Satu Sdn. Bhd.
- 90% Paka Energy Two Sdn. Bhd.
- 70% Jimah East Power Sdn. Bhd.
- 70% Southern Power Generation Sdn. Bhd.
- 60% Kapar Energy Ventures Sdn. Bhd.
- 100% TNB Repair and Maintenance Sdn. Bhd.
  - 100% Tenaga WHR 1 Sdn. Bhd. *(Dormant)*
  - 100% TNB REMACO Pakistan (Private) Limited
  - 100% Trichy Energy Limited *(In Members' Voluntary Winding Up)*
  - 100% Trichy Power Limited *(In Members' Voluntary Winding Up)*
  - 100% TNB Operations & Maintenance International Ltd.
    - 100% Oasis Parade Sdn. Bhd.
      - 30% Saudi-Malaysia Operation & Maintenance Services Company Limited
      - 10% Alimtiaz Operation & Maintenance Company Limited

100% TNB RETAIL SDN. BHD.

- 100% TNBX Sdn. Bhd.
- 100% GSPARX Sdn. Bhd.
  - 49% Sime Darby Property (Rooftop Solar Solutions) Sdn. Bhd.

100% TNB-IT SDN. BHD.

100% MALAYSIA TRANSFORMER MANUFACTURING SDN. BHD.

100% TNB GLOBAL VENTURES CAPITAL BERHAD

100% TNB FUEL SERVICES SDN. BHD.

100% TNB GLOBAL CAPTIVE (L) LTD.

100% REV PROPERTY HOLDINGS SDN. BHD.

- 100% REV Horizon Sdn. Bhd.
- 100% REV Platinum Sdn. Bhd.
- 100% REV Kapar Sdn. Bhd.
- 100% REV Perai Sdn. Bhd.
- 100% REV Zenith Sdn. Bhd.

100% TNB ENGINEERING CORPORATION SDN. BHD.

- 100% Bangsar Energy Systems Sdn. Bhd.
  - 70% Selesa Energy Systems Sdn. Bhd. *(Dormant)*
- 100% TNEC Operations and Maintenance Sdn. Bhd. *(Dormant)*
- 77% Airport Cooling Energy Supply Sdn. Bhd.
- 70% Cooling Energy Supply Sdn. Bhd.
- 70% Darul Ehsan Cooling Services Sdn. Bhd.
- 49% Abraj Cooling L.L.C

100% TNB RENEWABLES SDN. BHD.

- 100% TNB Sepang Solar Sdn. Bhd.
- 100% TNB Bukit Selambau Solar Sdn. Bhd.
- 100% TNB Bukit Selambau Solar Dua Sdn. Bhd.
- 100% TNB Bukit Sidim Kulim Solar Sdn. Bhd.
- 100% TNB Kuala Muda Solar Sdn. Bhd.
- 49% SD Guthrie TNB Renewables Sdn. Bhd.
- 40% Mengaris Solar Sdn. Bhd.
- 30% Selarong Pertama Energy Sdn. Bhd.
- 30% Setia Kawan Energy Sdn. Bhd.

100% TNB ENERGY SERVICES SDN. BHD.

- 100% Tenaga E Mobility Solutions Sdn. Bhd. *(Dormant)*
- 100% MAEVI Sdn. Bhd. *(Dormant)*
- 49% Metrosphere Hydro Tersat Sdn. Bhd.
- 40% FTJ Bio Power Sdn. Bhd.
- 20% Jana Landfill Sdn. Bhd.

100% TNB INTEGRATED LEARNING SOLUTION SDN. BHD.

100% ALLO TECHNOLOGY SDN. BHD.

100% TNB ENERLINK SDN. BHD.

HOW WE ARE STRUCTURED

AS AT 7 APRIL 2026

Legend: Subsidiaries · Associates · Joint Ventures · Simple Investments · Trust Foundations

100% TNB RESEARCH SDN. BHD.

- 100% TNB Labs Sdn. Bhd.
- 40% Gunung Tenaga Sdn. Bhd. *(Dormant)*

100% UNIVERSITI TENAGA NASIONAL SDN. BHD.

- 100% UNITEN R & D Sdn. Bhd.
- Yayasan Canselor Universiti Tenaga Nasional

100% TNB INTERNATIONAL SDN. BHD.

- 100% Vantage RE Ltd.
  - 100% Tenaga Wind Ventures UK Ltd.
    - 100% GVO Wind Limited*
    - 100% Bluemerang Capital Limited*
  - 55% Vantage Solar Investments S.A.R.L.*
    - 100% Vantage Solar UK4 Limited
  - 100% Clean Energy and Infrastructure UK Limited
    - 100% Clean Energy and Infrastructure UK Wind Limited*
    - 100% Clean Energy and Infrastructure UK Wind 2 Limited*
  - 100% JBM Solar Projects 18 Ltd
  - 100% JBM Solar Projects 23 Limited
  - 100% TWV No.1 Limited
  - 100% Vantage RE No.1 Limited
    - 49% Blyth Offshore Demonstrator Limited
  - 100% Vantage RE No.3 Limited
    - 100% Elipsgeen Limited
    - 100% Dullarbtons Limited
- 100% Stone HoldCo Pty Ltd
  - 100% Stone BidCo Pty Ltd
    - 100% Spark Renewables Pty Ltd*

SIMPLE INVESTMENTS

- 20% PERUSAHAAN OTOMOBIL ELEKTRIK (MALAYSIA) SDN. BHD. *(Winding Up)*
- 10% LABUAN REINSURANCE (L) LTD.
- 7.7% FEDERAL POWER SDN. BHD.

100% POWER AND ENERGY INTERNATIONAL (MAURITIUS) LTD.

- 100% Independent Power International Ltd.
  - 20% Malaysian Shoaiba Consortium Sdn. Bhd.
    - 50% Saudi-Malaysia Water & Electricity Co. Ltd.

100% TNB VENTURES SDN. BHD.

- 76% Tenaga Cable Industries Sdn. Bhd.

83% SABAH ELECTRICITY SDN. BHD.

- 100% Elopura Power Sdn. Bhd.
  - 20% Oriole Hydro Padas Sdn. Bhd.
- 100% Sustainable Power Sdn. Bhd.
  - 60% Mengaris Solar Sdn. Bhd.
  - 20% Rancha Power Sdn. Bhd.
- 100% Green Watt Services Sdn. Bhd.

100% ARUNA SERVICIOS INTEGRALES S.L.U.

- 100% Global Power Enerji Sanayi Ve Ticaret Anonim Sirketi
  - 30% Gama Enerji Anonim Sirketi

60% TENAGA SWITCHGEAR SDN. BHD.

- 60% TSG Ormazabal Sdn. Bhd.
- 95% PT. Tenaga Nusa Bakti *(Dormant)*

DORMANT COMPANIES

- 100% TNB RISK MANAGEMENT SDN. BHD.
- 100% TNB HIDRO SDN. BHD.
- 100% TNB GENERATION SDN. BHD.
- 100% TNB ENGINEERS SDN. BHD.
- 100% TNB TOPAZ ENERGY SDN. BHD.
- 100% TNB PROPERTIES SDN. BHD.
  - 100% TNP Construction Sdn. Bhd.
  - 40% KM-Metro TNB Properties Sdn. Bhd.

ASSOCIATES

- 49% FIBRECOMM NETWORK (M) SDN. BHD.
- 20% TEKNOLOGI TENAGA PERLIS CONSORTIUM SDN. BHD.
- 20% GB3 SDN. BHD.
- 25% JIMAH ENERGY VENTURES HOLDINGS SDN. BHD.
  - 100% Jimah Energy Ventures Sdn. Bhd.

TRUST FOUNDATIONS

- YAYASAN TENAGA NASIONAL
- RETIREMENT BENEFIT TRUST FUND

MANJUNG ISLAND ENERGY BERHAD
(Subsidiary as defined by MFRS 10, 11 and 12)

* *GVO Wind Limited, Bluemerang Capital Limited, Vantage Solar Investments S.A.R.L., Clean Energy and Infrastructure UK Wind Limited, Clean Energy and Infrastructure UK Wind 2 Limited and Spark Renewables Pty Ltd Group of Companies are detailed out on pages 447 to 457 of this Integrated Annual Report.*

INDICES REPRESENTATION

MSCI ESG Rating
A
(October 2025)

CDP Climate Score
C

CDP Water Score
C

FTSE Russell ESG Rating Score
4.0
(December 2025)

FTSE4Good ESG Rating Grading Band
4 Star
(December 2025)

Sustainalytics ESG Rating Score
26.3
(May 2025)

CREDIT RATINGS

INTERNATIONAL RATING AGENCIES

S&P Global Ratings
A- Stable

Moody's Ratings
A3 Stable

LOCAL RATING AGENCIES

RAM Rating Services Berhad (RAM)
AAA Stable

Malaysian Rating Corporation Berhad (MARC)
AAA Stable

MEMBERSHIPS AND ASSOCIATIONS

TNB maintains an active presence in key energy and industry leadership associations, reinforcing its role as a strategic contributor to national and regional energy discourse and policy development.

The Heads of ASEAN Power Utilities and Authorities (HAPUA) is a key ASEAN platform promoting regional energy cooperation. TNB leads Working Group 5 on talent development and contributes to other 4 working groups, supporting initiatives such as the ASEAN Power Grid, ASEAN Plan of Action for Energy Cooperation (APAEC) and regional energy integration.

The Malaysian Industry-Government Group for High Technology (MIGHT) brings together public and private sector players to drive the growth of Malaysia's high-technology industry through strategic collaboration. As a Lead Member, TNB actively exchange insights and expertise to MIGHT's initiatives, helping shape national strategies for high-tech sector development.

The Association of the Electricity Supply Industry of East Asia and the Western Pacific (AESIEAP) fosters collaboration and innovation in power generation, transmission, distribution and electric vehicle integration. In line with its leadership role, TNB proudly hosted the CEPSI 2018 conference, reinforcing its commitment to regional energy advancement.

The 30% Club Malaysia Chapter advocates for a minimum 30% representation of women on boards and in senior management.

Malaysian Photovoltaic and Sustainable Energy Industry Association (MPSEA) is a non-profit organisation promoting Malaysia's photovoltaic (PV) industry by fostering collaboration, knowledge sharing and capacity building. As a registered member, GSPARX supports MPSEA's vision by investing in solar PV systems for retail electricity customers.

International Council on Large Electric Systems (CIGRE) is a global network of power system professionals advancing the industry through knowledge sharing. As a member, TNB contributes technical papers on emerging technologies, best practices and asset management.

International Conference on Electricity Distribution (CIRED) is a global platform for sharing advancements and best practices in electricity distribution. Established in 1999 by TNB Distribution leaders, CIRED Malaysia includes participation from various industry stakeholders. CIRED Malaysia members have been actively participating in CIRED International conferences and workshops by attending and presenting technical papers on engineering practice implementations and success stories.

CEO Action Network (CAN), led by private sector leaders, drives policy and action for sustainable development. TNB engages with CAN members to demonstrate collective commitment to sustainability.

Malaysia National Committee on Large Dams (MYCOLD) promotes knowledge exchange in dam engineering. As a Corporate Member, TNB, through TNB Power Generation Sdn. Bhd., supports dam safety and sustainability through knowledge-sharing and policy advocacy.

Malaysia Zero Emission Vehicle Association (MyZEVA) advocates for the adoption of Battery Electric Vehicles (BEVs) in Malaysia. As one of the founding members, TNB is currently the President of the association and actively supporting the BEV development programmes through funding and participation in the activities.

Malaysia Association of Energy Services Companies (MAESCO) promotes energy efficiency across sectors. As a registered member, TNB Energy Services Sdn. Bhd. support this effort by providing Energy Performance Contract to industrial and commercial customers, to supports its efforts to strengthen the energy services industries.

The Malaysian Gas Association (MGA) is the nation's leading advocate for the natural gas industry, playing a key role in fostering engagement and dialogue among stakeholders to support the development of a vibrant and sustainable gas industry. TNB's membership in MGA underscores its commitment to the National Energy Transition Roadmap (NETR), reflecting its role in supporting the power sector's transition, where gas is recognised as a critical transition fuel in Malaysia's pathway towards net zero by 2050.

As a key UK-Malaysia business network, British Malaysian Chamber of Commerce (BMCC) acts as a strategic bridge connecting TNB with investors, industry leaders and policymakers across both markets. TNB's membership enables structured market access through trade facilitation, business matching and high-impact networking platforms, while strengthening education partnerships with UK institutions for research, talent development and global visibility. It also provides a platform for policy engagement, allowing TNB to contribute to bilateral dialogues and position itself as a regional leader in energy transition and ESG.

LEADERSHIP STATEMENTS

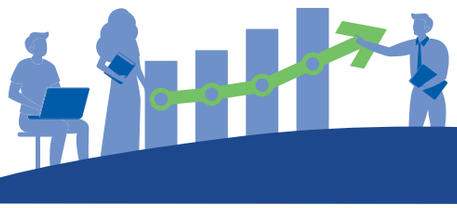
Chairman's Letter to Shareholders **24**
President/Chief Executive Officer's Strategic & Operational Review **28**

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

2025 marked a year of continued progress for TNB as we strengthened our role in powering Malaysia's growth and advancing the nation's energy transition. As Malaysia's national electricity utility, we remain focused on ensuring reliable and affordable supply while enabling a managed transition towards a lower-carbon future, balanced with disciplined capital allocation and long-term value creation for our shareholders.

Tan Sri Abdul Razak bin Abdul Majid
Chairman



19.4% increase
Revenue
RM67.7 billion

4.2% increase
Total Dividend
RM3.1 billion

19.0% increase
Profit After Tax (PAT)
RM4.8 billion

NAVIGATING GEOPOLITICAL CHALLENGES AND ECONOMIC TRANSITION

The operating landscape in 2025 continued to challenge governments, businesses and institutions alike. Persistent geopolitical tensions kept trade flows under strain and injected further uncertainty into global energy markets. At the same time, tariff disputes and shifting economic alignments among major powers continued to influence supply chains, investment decisions and macroeconomic policies. While energy prices and supply chains showed signs of broad stabilisation, both remained vulnerable to global and geopolitical disruptions. Against this backdrop, another structural shift accelerated: the adoption of artificial intelligence, driving sustained growth in computing demand and intensifying investment in power-hungry data centres.

The International Monetary Fund's latest estimate places global economic growth for 2025 at around 3.4%, with headline inflation easing amid improving supply conditions, softer demand and tighter monetary settings. Malaysia, however, turned in a stronger performance, with Gross Domestic Product (GDP) growth reaching 5.2% in 2025, ahead of initial official forecasts. This was driven by firm domestic demand, stronger exports and a steady flow of investments. For TNB, these conditions translated into rising electricity demand, led by data centre development, digital economy expansion and continued industrial activity. Load patterns also began to shift, with higher demand extending into the late evening and night, reflecting the growing interplay between solar energy, data centres and electric vehicles.

Developments on the policy front added further significance to the year. The unveiling of the 13th Malaysia Plan (RMK-13) in July 2025 set out the nation's development framework for 2026 to 2030, while reinforcing the role of the National Energy Transition Roadmap (NETR) in steering the energy sector towards a more sustainable, secure and resilient future. Together, these frameworks sharpen the national imperative for renewable energy (RE) expansion, greater efficiency and grid modernisation. As the principal player in the Malaysian Electricity Supply Industry (MESI), TNB has a central role in translating these ambitions into practical outcomes. That, in turn, places a premium on disciplined planning, sound judgement and sustained Board oversight to ensure the country's energy infrastructure is ready not only for present demand, but for the far more complex requirements of the years ahead.

TNB'S ROLE, MANDATE AND REGIONAL LEADERSHIP

Our role as Malaysia's national electricity utility and a government-linked company (GLC) carries a clear responsibility that the Board approaches with full seriousness. The responsibility extends beyond operational delivery. It encompasses the obligation to power national development while advancing a responsible transition in the energy system which continues to be shaped by the need to balance the competing priorities of affordability, reliability and sustainability. This energy trilemma has become more pronounced as demand patterns evolve and transition pathways accelerate.

This dual mandate requires balance. We must deliver long-term value to shareholders while fulfilling broader national priorities that underpin economic growth and public welfare. The Board continues to place confidence in the strategic direction set under Reimagining TNB 2.0 (RT 2.0), which is anchored by governance discipline and the institutional capability required to navigate a period of structural change in the energy sector.

A key milestone during the year was the Government's approval of Regulatory Period 4 (RP4) for 2025 to 2027 under the Incentive Based Regulation (IBR) framework. This provides greater clarity on tariff setting, reinforcing a structured approach that balances cost recovery with broader considerations of affordability and system reliability. With improved regulatory certainty, the Group is better positioned to advance capital investments in grid modernisation and RE integration in a measured manner, while maintaining a stable and dependable electricity supply for the nation.

Our stewardship extended beyond Malaysia's borders as the country assumed the ASEAN Chairmanship in 2025, with TNB taking on a leading role in advancing regional energy cooperation. During the year, the Group was at the forefront of efforts to progress the ASEAN Power Grid (APG) and broader electricity market integration, working alongside regional stakeholders to strengthen cross-border connectivity. Building on the momentum created from regional collaborations via existing platforms such as the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP) and Energy Exchange Malaysia (ENEGEM), progress was made to advance further cooperations in interconnection projects such as the Vietnam-Malaysia-Singapore renewable power corridor and a second transmission link between Singapore and Peninsular Malaysia.

Through these efforts, TNB contributed technical expertise and system knowledge and strengthened collaboration among ASEAN partners on energy security and transition. In doing so, TNB has reinforced its position and that of Malaysia, as a credible and trusted partner in shaping a more connected and sustainable regional energy landscape.

A SOLID FINANCIAL PERFORMANCE

The Group's financial performance in 2025 reflects the underlying strength of its business model and its ability to generate returns within a transitioning energy landscape. Revenue increased by 19.4% to RM67.7 billion, driven primarily by higher electricity sales of 133.9 TWh in Peninsular Malaysia. Growth was led by the commercial segment and rising energy demand from the digital economy. PAT correspondingly increased by 19.0% to RM4.8 billion, driven by continued discipline in operational execution and cost management.

The Board's approach to capital allocation remains deliberate and balanced, seeking to deliver sustainable returns to shareholders while ensuring sufficient reinvestment into infrastructure required for the nation's energy transition. For the financial year under review, a final single-tier dividend of 28 sen per share was declared, bringing total dividends to 53 sen per share. This represents the highest payout in five years amounting to a distribution of RM3.1 billion.

At a payout ratio of 65.6% of adjusted Profit After Tax and Minority Interest (PATAMI), this distribution signals the Board's confidence in the Group's cash flow position and its continued ability to deliver value to shareholders. A significant portion of these returns flows to government-linked investment companies (GLICs), including Kumpulan Wang Simpanan Pekerja (KWSP), Khazanah Nasional Berhad, Permodalan Nasional Berhad (PNB), Kumpulan Wang Persaraan (KWAP) and Tabung Haji, extending the benefits of the Group's performance to millions of Malaysians through retirement savings and long-term investments.

While dividend delivery remains a priority, the Board is equally mindful of maintaining balance sheet strength to fund the Group's capital-intensive roadmap. In 2025, RM15.7 billion was invested for capital expenditure, out of which RM12 billion was allocated towards grid modernisation. This investment is necessary to ensure security of supply, accommodate demand growth and enable the integration of RE, while positioning the network to serve emerging high-growth sectors that are shaping Malaysia's economic expansion.

STRENGTHENING THE GOVERNANCE FRAMEWORK

The Board continues to place strong emphasis on governance as the foundation for effective oversight and sustained value creation. In a sector defined by regulatory complexity and significant capital requirements, governance plays a central role in guiding decision-making, managing risk and maintaining stakeholder confidence.

TNB has made solid progress on its ESG journey, driven by clearer execution of initiatives supporting its carbon management strategy and continued expansion in RE. The Group is steadily increasing its clean energy capacity while managing carbon intensity, supported by stronger emissions monitoring and reporting aligned with international standards.

External assessments provided validation of these efforts. TNB maintained its MSCI ESG rating of A, supported by performance across water stress management, RE opportunities, human capital development and corporate governance. In addition, the Group's FTSE4Good rating was upgraded from three to four stars, indicating improvements across both environmental and social indicators, including health and safety, labour practices, community-related measures and biodiversity. Our sustained efforts have been recognised at the National Corporate Governance and Sustainability Awards 2025, where the Group received two awards.

To align governance practices with evolving regulatory and disclosure expectations, the Group has committed to phased adoption of the International Sustainability Standards Board (ISSB) requirements. By adopting IFRS S1 and IFRS S2, TNB is strengthening the quality and consistency of its disclosures while aligning with global reporting standards.

The Board also continues to prioritise structured engagement with key stakeholders, including the Government, regulators and shareholders. Ongoing dialogue ensures alignment between strategic priorities, national objectives and investor expectations, while reinforcing accountability and transparency across the organisation.

COMMITMENT TO EXCELLENCE

The Group's performance in 2025 was recognised through several awards and external validations, highlighting both operational execution and institutional standing. During the year, TNB received the prestigious Brand of the Year 2025-2026 award at the World Branding Awards, with recognition under the Energy-Power category in Malaysia. In addition, the Group was ranked the second strongest utility brand globally in the Energy 100 2025 report by Brand Finance, achieving an AAA brand strength rating with a Brand Strength Index (BSI) score of 88.9 out of 100.

TNB's 2025 performance was recognised with the Brand of the Year 2025–2026 award at the World Branding Awards, affirming its leadership in Malaysia's energy sector.

Recognition also extended to developments in new growth areas and operational capabilities. TNB Electron, the Group's public EV charging network, received an award for Excellence in EV Infrastructure and Connectivity at the Malaysia Car of the Year 2025, marking progress in the expansion of EV infrastructure. In the realm of innovation, TNB was recognised for its efforts to integrate technology into operations, winning international awards for its AI-driven predictive maintenance system.

VALUE CREATION AND GIVING BACK TO SOCIETY

The Group's approach to value creation extends beyond financial returns to include continued investment in social development and community wellbeing. In 2025, TNB contributed more than RM232.3 million towards corporate social responsibility initiatives, reflecting a sustained commitment to community development and social inclusion.

Through Yayasan Tenaga Nasional (YTN), the Group continued to expand access to education by providing scholarships and financial assistance to Malaysian students. Since its establishment in 1993, the foundation has benefited approximately 21,600 students, with total funding exceeding RM2 billion. This long-standing effort contributes to the development of talent equipped to address future challenges within the energy sector and beyond.

Our contribution to education does not end there, as our TVET Learn-to-Work (L2W) programme conducted by TNB Integrated Learning Solution Sdn. Bhd. (ILSAS) strengthens the pipeline of skilled technicians by linking vocational training with industry application. Our efforts in this space saw ILSAS garner the Silver Award for Sustainable Talent Development & TVET Innovation at the META 2025 awards.

Beyond education, community programmes during the year focused on improving living conditions and access to learning. Initiatives such as Baiti Jannati dan Projek Mesra Rakyat provided housing assistance to underprivileged families, while programmes including Ceria ke Sekolah and Sekolah Angkat MADANI enhanced learning environments for 22,000 students across 50 adopted schools. This was complemented by the rollout of solar initiatives for selected mosques and community centres, enabling cost savings on electricity and contributing to more sustainable community infrastructure.

The Group also continued its involvement in national sports development through its engagement with the Malaysia Hockey Confederation (MHC), contributing to broader efforts in promoting unity and sporting excellence. Internationally, subsidiaries including Vantage RE Ltd. in the United Kingdom and Spark Renewables Pty. Ltd. in Australia undertook community initiatives such as charitable contributions and enhancement of local facilities, extending the Group's community engagement beyond Malaysia.

NURTURING OUR PEOPLE AND STRENGTHENING ORGANISATIONAL CAPABILITY

The execution and success of the Group's energy transition strategy is dependent upon the capability and readiness of its workforce. As the operating landscape evolves, the Board has placed emphasis on ensuring that employees are equipped with the technical skills and competencies required for a future-oriented utility. The workforce is central to delivering the ambitions set out under RT 2.0.

During the year, efforts to build technical depth were intensified through the TNB Energy Transition (ET) Expert Programme, which focuses on developing expertise in areas such as RE integration, grid digitalisation and carbon management.

Leadership continuity also remains a key priority. A structured succession planning framework is in place to identify and develop high-potential talent across the organisation. During the year, two new senior leadership roles were introduced to strengthen accountability and ensure the appropriate leadership structure is in place to sustain operational continuity and strategic execution.

These efforts are directed towards building an organisation that is adaptive, technically capable and prepared to take on the increasing demands of Malaysia's evolving energy landscape.

OUTLOOK

As we look ahead to 2026, the Group's priorities remain aligned with Malaysia's broader economic direction and national development agenda. Our focus is guided by the MADANI Economy Framework, ensuring that TNB continues to provide the energy infrastructure required to sustain growth, enhance competitiveness and enable inclusive development.

TNB supports the MADANI Economy framework by advancing energy infrastructure and clean energy initiatives, including hybrid hydro-floating solar and green hydrogen hub projects, to drive sustainable and inclusive growth.

To deliver on these priorities, we will sustain capital investment across both regulated and non-regulated segments. These investments are directed towards advancing the objectives of the NETR, the New Industrial Master Plan 2030 and the RMK-13. Grid modernisation and the expansion of RE capacity will be central to this effort, ensuring that the system is able to accommodate future demand while progressing towards a lower-carbon energy mix.

In parallel, the Group remains attentive to the evolving global environment. Geopolitical developments, shifting trade dynamics and continued uncertainty in energy markets will require disciplined risk management and careful capital allocation. Maintaining operational resilience and financial strength will be essential in ensuring continuity of service and delivery of value to stakeholders.

Looking further ahead, the rise in demand driven by artificial intelligence and digital infrastructure presents a structural opportunity. By strengthening the reliability and capacity of the national grid, TNB is positioned to facilitate this next phase of industrial growth. In doing so, the Group continues to play a central role in reinforcing Malaysia's economic resilience and technological advancement.

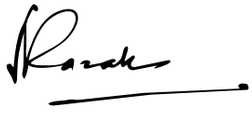
ACKNOWLEDGEMENTS

The achievements of the past year demonstrate the understanding and support of our stakeholders. I would like to extend my personal appreciation to my fellow Directors for their guidance and stewardship in navigating a challenging environment. The Board also acknowledges the Management team and all 35,476 *Warga TNB*, whose commitment and execution have enabled the Group to deliver on its priorities.

We convey our appreciation to our shareholders, ministries, regulatory bodies, industry partners and customers for the trust placed in the Group. This continued confidence underpins our ability to deliver sustainable value while fulfilling our national responsibilities.

The year also marks a leadership transition. The Board records its appreciation to our former President/Chief Executive Officer, Datuk Ir. Megat Jalaluddin bin Megat Hassan for his contributions and leadership during a significant phase of the Group's development. At the same time, we welcome Datuk Ir. Ts. Shamsul bin Ahmad as the new President/Chief Executive Officer, effective 1 March 2026. The Board is confident that his experience and perspective will guide TNB through its next phase of growth as it progresses towards becoming a leading international provider of sustainable energy solutions.

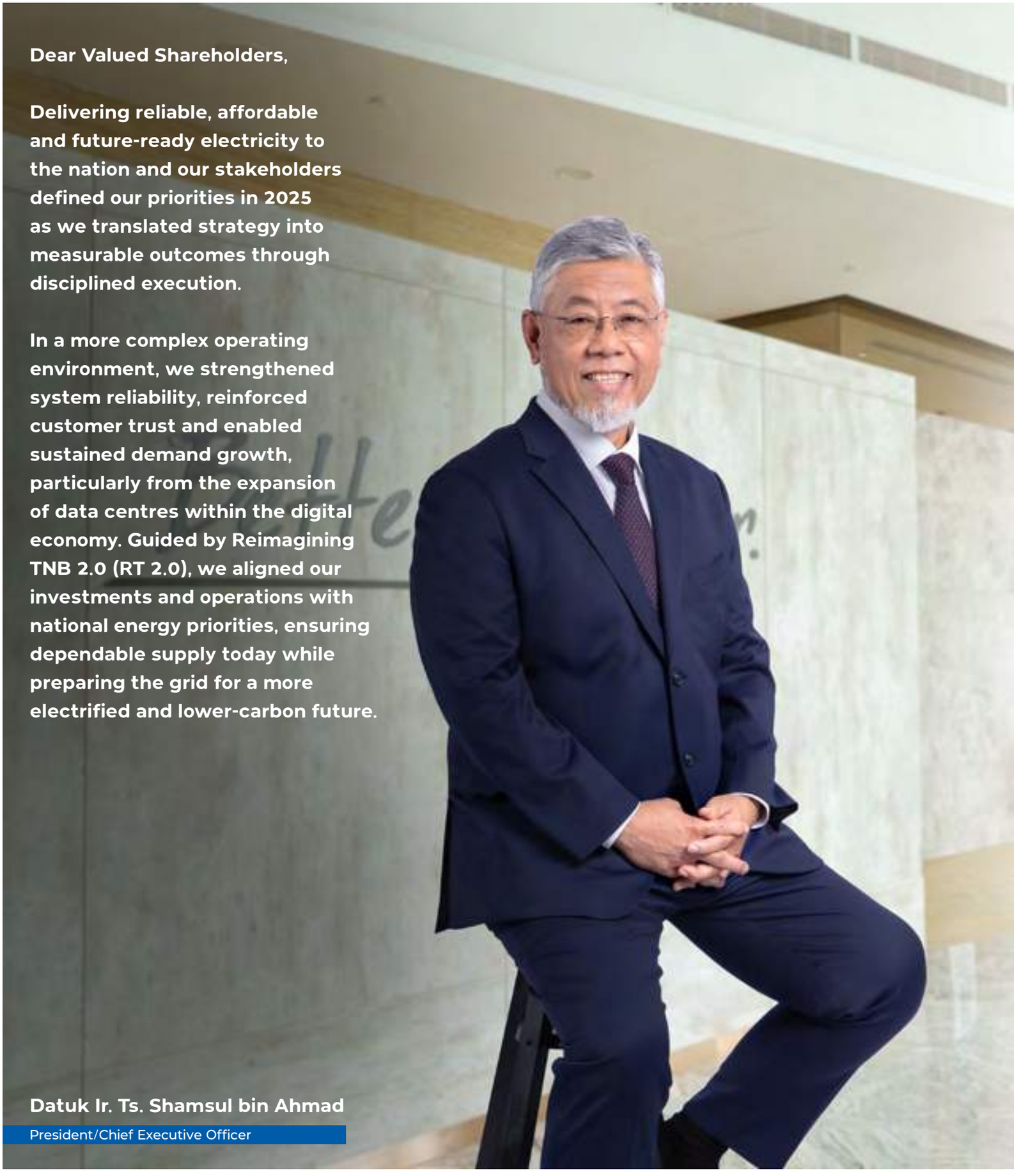
Thank you.



Tan Sri Abdul Razak bin Abdul Majid
Chairman

Sources
1. *World Economic Outlook https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025*
2. *Economic, Monetary and Financial Developments in 2025 https://www.bnm.gov.my/publications/emr2025/ch0c*

PRESIDENT/CHIEF EXECUTIVE OFFICER'S STRATEGIC & OPERATIONAL REVIEW



Dear Valued Shareholders,

Delivering reliable, affordable and future-ready electricity to the nation and our stakeholders defined our priorities in 2025 as we translated strategy into measurable outcomes through disciplined execution.

In a more complex operating environment, we strengthened system reliability, reinforced customer trust and enabled sustained demand growth, particularly from the expansion of data centres within the digital economy. Guided by Reimagining TNB 2.0 (RT 2.0), we aligned our investments and operations with national energy priorities, ensuring dependable supply today while preparing the grid for a more electrified and lower-carbon future.

Datuk Ir. Ts. Shamsul bin Ahmad
President/Chief Executive Officer

PRESIDENT/CHIEF EXECUTIVE OFFICER'S STRATEGIC & OPERATIONAL REVIEW

FINANCIAL PERFORMANCE

In the year under review, the Group delivered improved financial performance, reflecting electricity growth of 2.6% year-on-year (2024: 6.5%) and continued discipline in cost and capital management. Revenue increased to RM67.7 billion, up 19.4% year-on-year, driven primarily by higher sales volumes from the commercial segment. Profit after tax strengthened to RM4.8 billion, an increase of 19.0% year-on-year. As at 31 December 2025, TNB's share price closed at approximately RM13.72, with a market capitalisation of about RM80.0 billion, reflecting sustained investor confidence in the Group's performance and forward strategy.

This performance was underpinned by operational efficiency improvements across the value chain, cost optimisation and disciplined management of capital expenditure. The Group's financial strength enabled continued reinvestment into critical infrastructure, with capital allocation focused on grid reinforcement, system modernisation and energy transition initiatives, ensuring that investments are aligned with long-term system needs and demand growth. At the same time, we delivered sustainable returns to shareholders, while continuing to contribute to national development through taxes, zakat and targeted social investments.

OPERATIONAL PERFORMANCE

Operational performance remained stable in 2025, with improvements in supply reliability reinforcing customer satisfaction and stakeholder confidence. We continued to prioritise system availability and reliability across the network. Transmission System Minutes recorded 0.15 minutes, well within the global benchmark of <1.5 minutes, while the System Average Interruption Duration Index (SAIDI) improved to 46.93 minutes from 47.88 minutes.

Performance across the generation fleet also improved, with the Equivalent Availability Factor (EAF) rising to 87.8% from 81.2% in 2024. This reduced capacity payment losses during the year and reflects ongoing efforts to optimise asset performance and operational efficiency. These outcomes were complemented by continued focus on workforce capability, with a Reputation and Relationship Strength Index (RRSI) of 96%, indicating sustained stakeholder trust.

Customer and brand metrics also strengthened during the year. TNB was ranked the second strongest utility brand globally by Brand Finance, while the Customer Reputation Index (CRI) increased to 88% from 82% in 2024. Customer satisfaction reached a record high, with a Customer Satisfaction Index (CSI) of 9.0. We continued to enhance customer experience across our base of 10.66 million customers in Peninsular Malaysia through initiatives such as the expansion of smart meter deployment, the Time of Use (ToU) tariff and the delivery of Automatic Fuel Adjustment (AFA) savings. Increased adoption of the myTNB app and the expansion of our EV charging network also reflect changing customer needs in a more digital and electrified environment.

ESG HIGHLIGHTS

Sustainability continued to be integrated into our operational and investment decisions, with progress across emissions management, governance and safety. TNB is committed to reducing carbon intensity through continuous improvement in operational efficiency, particularly across its thermal power plants.

We also advanced several energy transition pilot initiatives to support longer-term decarbonisation, including efforts in green hydrogen production and carbon capture, utilisation and storage.

At the same time, we strengthened our sustainability disclosures and data governance through phased adoption of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), enhancing transparency and supporting decision-making. Climate considerations were further integrated into planning and investment processes, reflecting the increasing relevance of both physical and transition risks to our operations.

Safety remained a key priority across the Group. While our Lost Time Injury Frequency (LTIF) improved to 0.83 from 0.86 in 2024, we regret the loss of three lives during the year. Each incident is taken seriously, and we continue to strengthen our safety practices, accountability and risk management processes across all operations.

PROGRESSING THE RT 2.0 STRATEGY

2025 marked a transition from foundation-building to scaled execution under RT 2.0, with a clear focus on translating strategic priorities into measurable system outcomes. RT 2.0 continued to guide operational decisions and capital allocation across the Group, ensuring alignment between day-to-day execution and long-term energy transition objectives.

During the year, we refined our strategic enablers to reflect evolving operational needs. The Digitalisation enabler was expanded to Digitalisation and artificial intelligence (AI), recognising the increasing importance of embedding and leveraging artificial intelligence in enhancing operational visibility, improving asset performance and enabling more informed decision-making. Digital capabilities are now deployed as a multi-value enabler across the value chain, supporting more responsive and data-driven operations.

To strengthen oversight and execution, we enhanced governance by establishing a dedicated Digital and AI Committee. This provides clearer accountability in driving digital initiatives and ensures that technology investments are prioritised based on operational impact and system outcomes.

DELIVER CLEAN GENERATION

A key milestone was the signing of a 595 MW Corporate Renewable Energy Supply Scheme agreement to power data centre operations.

Under the Deliver Clean Generation pillar, we continued to expand and diversify our generation portfolio in line with the National Energy Transition Roadmap (NETR), with progress across both domestic and international projects. Total renewable energy (RE) capacity now stands at 3,396 MW in Malaysia and 1,285 MW abroad, mainly in the UK, Ireland and Australia.

During the year, we advanced several NETR-aligned initiatives, including utility-scale solar developments, hybrid renewable solutions and low-carbon technologies. A key milestone was the signing of a 595 MW Corporate Renewable Energy Supply Scheme (CRESS) agreement to power data centre operations. We also progressed hybrid hydro-floating solar developments at Kenyir, Terengganu, alongside green hydrogen initiatives at the Jimah East Power Plant in Negeri Sembilan, strengthening our position in emerging low-carbon value chains.

Our international renewable energy platform recorded further progress with the achievement of commercial operation for a 102 MWp greenfield solar project in the United Kingdom in July 2025. Domestically, the 100 MW/400 MWh battery energy storage system (BESS) in Lahad Datu, Sabah commenced commercial operations in August 2025, supporting grid stability and facilitating greater integration of renewable energy.

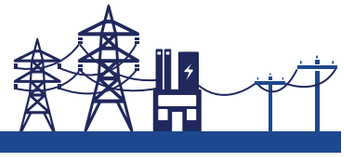
We also secured key approvals to support future capacity requirements. This includes an Initial Letter of Notification (ILON) for Sultan Ismail Power Station (SPG2) (700 MW) in Pasir Gudang, Johor. Extensions were obtained successfully for three (3) existing gas-fired plants in Gelugor, Port Dickson and Putrajaya with a combined capacity of 1,262 MW. Major domestic projects continued to progress, including the 300 MW Nenggiri hydro development in Kelantan and the Sungai Perak life extension programme (648 MW) in Perak. New projects such as Project Kayla (2.1 GW) is under development while pre-construction has commenced for Project Praline (1.4 GW).

In parallel, we continued to build our renewable energy pipeline through programmes such as the Corporate Green Power Programme (CGPP) (154 MWp), Large Scale Solar 5 (LSS5) (686 MWp) and LSS Sabah (22.5 MWp). Internationally, developments in Australia progressed across multiple assets, including the Dinawan Energy Hub (1.3 GW), which received approval in April 2026 and the Wattle Creek Solar (710 MW) and the Mallee Wind Farm (400 MW), which are advancing through various stages of development and grid connection.

On the repair and maintenance front, REMACO secured RM705 million in contracts across Kuwait and Cambodia, strengthening our international footprint and technical services portfolio.

TNB continues to expand and diversify its generation portfolio, strengthening its RE capacity across key international markets, including the UK, Ireland and Australia, as well as in Malaysia through solar farm developments.

DEVELOP ENERGY TRANSITION NETWORK



Under the Develop Energy Transition Network pillar, we continued to strengthen the national grid to support demand growth, improve system resilience and enable greater integration of renewable energy. This is underpinned by a planned RM43 billion capital expenditure programme under Regulatory Period 4 (RP4), comprising RM26.6 billion in base expenditure and RM16.3 billion in contingent investments.

During the year, we progressed key transmission infrastructure projects to enhance network capacity and reliability. This includes the commissioning of the 500 kV overhead transmission line from Ayer Tawar, Perak to Bentong South, Pahang and Lenggeng, Negeri Sembilan in December 2025, forming a critical backbone of the national grid. We also continued to support national infrastructure projects, including the provision of bulk supply for 12 East Coast Rail Link (ECRL) feeder stations across the eastern region.

Grid development efforts were closely aligned with the rapid growth of the data centre sector, particularly in Johor, which is emerging as a key digital hub in the region. During the year, we commissioned 17 high-voltage data centre connections with a combined capacity of approximately 2.6 GW. A further nine (9) high-voltage projects and five medium-voltage projects, with a combined capacity of approximately 1.8 GW, are currently under development to support continued demand growth.

We also advanced regional interconnection initiatives to strengthen energy security and enable cross-border renewable energy flows. This includes the Vietnam-Malaysia-Singapore Power Integration Project, which will facilitate the import of renewable energy into Malaysia and onward export to Singapore. In parallel, we are exploring a second interconnection link with Singapore of up to 2 GW by 2030, complementing the existing 1 GW bi-directional interconnection.

Digitalisation and automation continued to play a central role in network operations. Smart meter deployment increased by slightly more than one million units during the year, bringing the cumulative total to over 5.6 million installations. Distribution automation also progressed, with 5,102 substations enhanced during the year, increasing the cumulative number of automated substations to 38,007. These initiatives support more responsive network management and improved service reliability.

DYNAMIC ENERGY SOLUTIONS

Under the Dynamic Energy Solutions pillar, we continued to expand customer-focused offerings, enabling greater participation in the energy transition and supporting the shift towards a more decentralised and electrified energy system.

During the year, we advanced rooftop solar adoption through our subsidiary, GSPARX, securing 536 MWp of solar photovoltaic (PV) installation agreements, including through our collaboration with Sime Darby Property to launch a community solar model under the Community Renewable Energy Aggregation Mechanism (CREAM).

We also accelerated the development of the electric vehicle (EV) ecosystem through a dual approach of facilitating third-party Charge Point Operators (CPOs) and expanding our own charging network under TNB Electron. During the year, 110 projects with a maximum demand of approximately 14 MW were commissioned under the EV Green Lane Supply Connection initiative, bringing the cumulative commissioned capacity to approximately 32 MW. We also installed 190 new charge points, bringing the cumulative total to 256 nationwide across highways, urban centres, universities and key transit routes. In parallel, we formalised a collaboration with Perusahaan Otomobil Kedua Sdn. Bhd. (Perodua) to support Malaysia's EV adoption by strengthening charging infrastructure, integrating renewable energy solutions and improving accessibility to EV ownership.

Customer engagement and digitalisation continued to strengthen, positioning customers as active participants in energy management. As at year-end, approximately 102,000 residential customers with smart meters were on the Time of Use (ToU) tariff which was introduced in July 2025, enabling better control of electricity consumption and cost. The Green Electricity Tariff (GET) achieved a 59% subscription of the 6,600 GWh quota. Digital adoption also increased, with over eight (8) million subscribers on the myTNB application, of which more than 107,000 users onboarded through MyDigital ID integration since January 2025, enhancing accessibility and security.

TNB remains actively engaged with Government and regulators through management visits and discussions with Ministers to support a stable, transparent and progressive energy sector.

DRIVE REGULATORY EVOLUTION

The implementation of Incentive-Based Regulation Regulatory Period 4 marked a key development in strengthening the regulatory framework.

Under the Drive Regulatory Evolution pillar, we continued to engage closely with Government and regulators to support the development of a stable, transparent and forward-looking energy framework. This is reflected in our Regulatory and Relationship Strength Index (RRSI) of 96%, indicating sustained engagement and alignment with national priorities.

During the year, we contributed to key policy developments, including the National Carbon Market Policy and the proposed Climate Change Act, while also participating in international platforms such as the Conference of the Parties (COP), where TNB's role and Malaysia's broader energy transition agenda was showcased. These engagements ensure that regulatory frameworks evolve in tandem with system requirements and emerging transition needs.

The implementation of Incentive-Based Regulation (IBR) Regulatory Period 4 (RP4) marked a key development in strengthening the regulatory framework. RP4 provides greater clarity on investment planning and performance expectations, supporting long-term infrastructure development. Tariff structures were also enhanced by voltage category to better reflect underlying cost drivers, improve transparency and encourage more efficient electricity consumption.

In addition, the introduction of the Automatic Fuel Adjustment (AFA) mechanism allows for timely adjustments to reflect fuel cost movements, providing greater cost transparency while mitigating the impact of fuel price volatility on customers. The Time of Use (ToU) tariff continues to be expanded as a key lever to influence consumption patterns, enabling customers to optimise electricity usage and manage costs more effectively.

PEOPLE, PARTNERSHIPS AND LOCAL ECOSYSTEM

Our people continue to play a central role in executing our strategy, particularly as the Group advances its digitalisation and energy transition agenda. During the year, 5,645 employees were reskilled and upskilled in areas related to energy transition, digital capabilities and grid transformation, strengthening the capabilities required to support evolving operational needs.

We also enhanced our leadership structure to strengthen accountability and execution. This includes the establishment of the Senior Chief Network Officer and Senior Chief Strategy, Regulatory and Sustainability Officer roles, which provide clearer ownership of core operational and strategic priorities, while supporting leadership continuity and succession planning.

Employee engagement and workplace development continued to be a focus, contributing to a positive working environment and organisational alignment. These efforts were recognised through the Top Voted Employer 2025 Platinum Award.

At the same time, we continued to strengthen collaboration across the broader ecosystem. Through the Program Pembangunan Vendor Bumiputera (PV3.0), we appointed 1,264 vendors, supporting capability development and participation within the local supply chain. In parallel, we established 33 industry collaborations linked to energy transition initiatives, reflecting continued engagement with partners across the value chain.

OUTLOOK AND PRIORITIES

Looking ahead, electricity demand is expected to remain structurally strong, supported by Malaysia's economic expansion, continued industrial activity and accelerating electrification trends, particularly from the growth of data centres and digital infrastructure.

To support this demand, the Group has outlined a capital expenditure programme of approximately RM18 billion for the coming year, focused on strengthening system resilience, expanding network capacity and enabling greater integration of renewable energy. Investments will be prioritised towards projects that deliver clear system value, with continued emphasis on disciplined capital allocation and execution.

At the same time, we will continue to advance the execution of RT 2.0, ensuring that our strategic priorities translate into measurable outcomes across generation, networks and customer solutions. This includes supporting national initiatives under the NETR, scaling renewable energy deployment and strengthening our role in regional energy connectivity.

We will also maintain a strong focus on operational performance, customer experience and stakeholder trust, which underpin our ability to deliver sustainable long-term value. This includes reinforcing our service reliability, enhancing customer engagement and ensuring that our operations are aligned with evolving regulatory and market expectations.

As we move forward, we are confident in our ability to execute our strategy with discipline and consistency, while contributing to Malaysia's energy transition and supporting broader regional ambitions, including the development of the ASEAN Power Grid.

GRATITUDE AND ACKNOWLEDGEMENTS

On behalf of the management team, I would like to record our heartfelt appreciation to Datuk Ir. Megat Jalaluddin bin Megat Hassan for his service as President/Chief Executive Officer from 1 March 2024 to 28 February 2026. His leadership guided the acceleration of our energy transition agenda and strengthened alignment with the NETR.

I would also like to thank our employees for their commitment and focus in delivering operational performance throughout the year. Your unrelenting efforts have enabled the Group to achieve key milestones across our operations and strategic initiatives.

We also acknowledge the continued support and collaboration of the Government, regulators, business partners and stakeholders. These collective efforts and strong relationships are essential in enabling the development of the energy sector and advancing Malaysia's transition towards a more sustainable energy system.

As we move forward, management remains focused on disciplined execution and delivering outcomes aligned with our strategic priorities, while continuing to support the nation's long-term energy needs and energy transition ambitions.

Datuk Ir. Ts. Shamsul bin Ahmad
President/Chief Executive Officer

OUR KEY CAPITALS

Guided by our Reimagining TNB 2.0 strategic vision, we optimise the use of our resources and capital to generate long-term, meaningful value for our stakeholders. Through rigorous evaluation of each asset, we ensure resources are either strategically deployed or thoughtfully preserved. The following section outlines our disciplined approach to capital allocation.

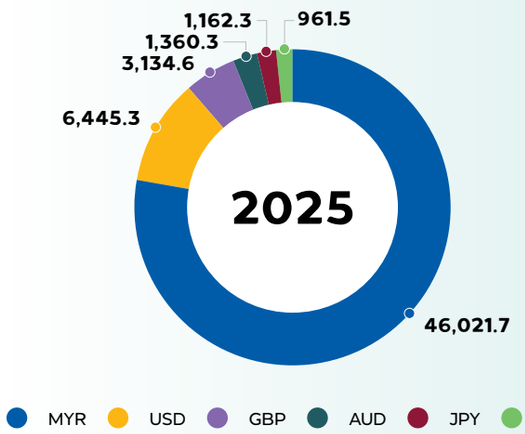
FC FINANCIAL CAPITAL

EBITDA MARGIN (with ICPT and AFA)

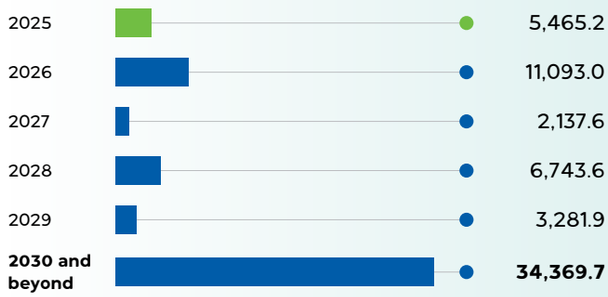
31.6%

2024: 30.3%

BORROWINGS CURRENCY MIX (RM million)



DEBT MATURITY PROFILE (RM million)



TOTAL DIVIDEND

Interim

25.0 sen

2024: 25.0 sen

Final Single-Tier Dividend

28.0 sen

2024: 26.0 sen

Dividend Payout of Group PATAMI

65.6%

2024: 59.6%

Dividend Yield

3.86%

2024: 3.41%

MC MANUFACTURED CAPITAL

EQUIVALENT AVAILABILITY FACTOR (EAF) FOR GENERATION:

87.8%
2024: 81.2%

SYSTEM MINUTES FOR GRID:

0.15 minutes
2024: 0.0019 minutes

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI) FOR DISTRIBUTION NETWORK:

46.93 minutes
2024: 47.88 minutes

NC NATURAL CAPITAL

We manage natural capital through the responsible generation and delivery of electricity, while accelerating the shift towards renewable energy and reducing the environmental impact of our operations.

IC INTELLECTUAL CAPITAL

We build capabilities through R&D, advanced technologies and innovation to enhance operational efficiency and service delivery.

HC HUMAN CAPITAL

We develop a skilled and engaged workforce by fostering an inclusive environment that promotes capability building, well-being and productivity.

SR SOCIAL AND RELATIONSHIP CAPITAL

We strengthen relationships with stakeholders through structured engagement, community initiatives and partnerships that contribute to shared outcomes.

OUR SOCIAL CIRCLE

TNB CareLine
520,467 followers
2024: 500,000

Tenaga Nasional Berhad
1,228 followers

TENAGAofficial
105,000 subscribers
2024: 95,061

tenaga_nasional
74,052 followers
2024: 68,441

Tenaga Nasional Berhad
363,266 followers
2024: 343,460

Tenaga_Nasional
36,800 followers
2024: 29,536

Tenaga Nasional
47,933 followers
2024: 47,065

Note:
Facebook data for the Tenaga Nasional Berhad page is unavailable for 2024, as the page was established in March 2025.

OUR VALUE CREATING BUSINESS MODEL

OUR CAPITALS

INPUTS

FC FINANCIAL

- Shareholders' Funds: **RM52,974.0 million**
- Effective Weighted Average Cost of Funds: **4.6%**
- Total Borrowings: **RM59,085.7 million**
- Cash and Cash Equivalents: **RM10,652.3 million**

MC MANUFACTURED

Power Generation Assets

- Thermal Generation Capacity (Equity-Based Ownership)
  - Coal-Fired Plants: **6,790 MW**
  - Gas-Fired Plants: **4,587 MW**
  - Oil, Diesel & Solar Hybrid: **266 MW**
- Renewable Energy Capacity (Equity-Based Ownership)
  - Large Hydro: **2,640 MW**
  - Solar, Mini Hydro, Wind & Biomass/Biogas: **1,650 MW**

Power Network Assets

- Transmission Lines: **29,744 km**
- Transmission Substations: **545 units**
- Distribution Network Lines: **736,015 km**
- Distribution Network Substations: **99,603 units**

HC HUMAN

- Staff Expenditure: **RM4,034.6 million**
- Average Training Hours per Employee per Year: **57.56 hours**
- Total Training Hours: **1,988,642 hours**
- Investment in Learning and Development: **RM203.9 million**
- Employees Completed Learning and Development Programme: **29,298**

IC INTELLECTUAL

- Investment in Research and Development: **RM85.7 million**
- Operational & Service Innovations
- Established Green Lane Pathway to Streamline On-Boarding Process for Data Centres

SR SOCIAL & RELATIONSHIP

- Total Customers:
  - Peninsular Malaysia: **10.66 million**
  - Sabah: **0.73 million**
- Donations and sponsorships for well-being, education, sports and the environment: **RM232.3 million**

NC NATURAL

- Hydro: **7,380.92 GWh**
- Solar: **1,023.61 GWh**
- Biomass: **15.61 GWh**
- Biogas: **9.90 GWh**
- Wind: **447.17 GWh**

ENABLE VALUE-ADDING

OUR STRATEGY PILLARS

- **DC** Deliver Clean Generation
- **DE** Develop Energy Transition Network
- **DS** Dynamic Energy Solutions
- **DR** Drive Regulatory Evolution

MATERIAL TOPICS

Our Climate Response and Energy Transition Strategy

- **MT 1** Energy Transition and Grid Resiliency
- **MT 2** Greenhouse Gas Emissions and Energy Resource Planning
- **MT 3** Climate Resiliency
- **MT 4** Customer Experience and Energy Efficiency
- **MT 5** Water and Biodiversity
- **MT 6** Nuclear as a Future Clean Energy Source

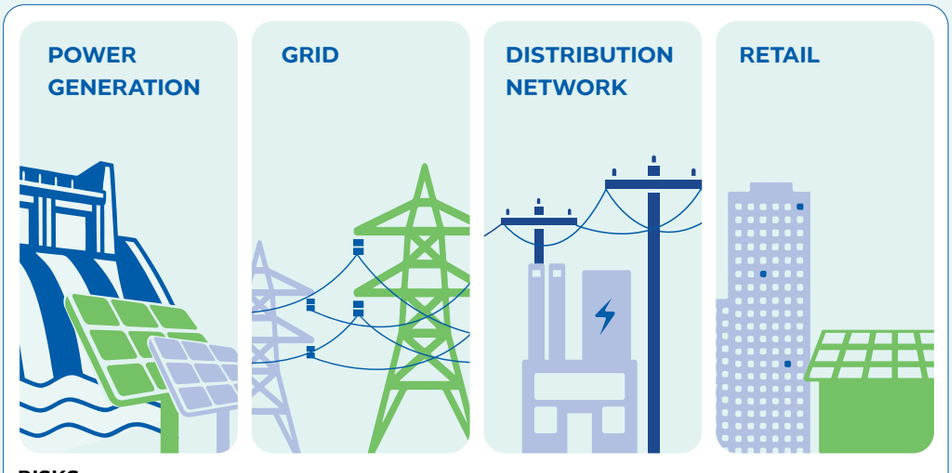
Our Commitment to Advancing Sustainability Management

- **MT 7** Energy Reliability and Affordability
- **MT 8** Air Quality Management
- **MT 9** Waste Management and Coal Ash Management
- **MT 10** Safety, Health and Well-Being

Our Shared Path Towards Sustainability

- **MT 11** Business Ethics and Corporate Governance
- **MT 12** Labour Rights and Employment Culture
- **MT 13** Community Development and Social Impact
- **MT 14** Sustainable and Responsible Supply Chain
- **MT 15** Digital Trust and Cybersecurity

For more information about our material topics, refer to the pages 82 to 213 of this Report.



RISKS

- **ER** External Risk
- **CR** Capabilities Risk
- **SR** Sustainability Risk
- **CR** Customer Risk
- **PR** Physical Asset Risk
- **RR** Regulatory Risk
- **FR** Finance Risk
- **SR** Supply Chain Risk

KEY MARKET TRENDS

- Surge in Data Centre Demand
- Electrification of Transportation
- Renewable Energy Expansion
- Energy Transition Policies and Incentives
- Grid Modernisation and Flexibility
- Regional Energy Collaboration

TRADE-OFFS

FC FINANCIAL

TNB balances reinvestment with shareholder returns to maintain financial strength. Energy transition investments may affect short-term returns but are intended to generate longer-term value, strengthen resilience and expand scalable clean energy solutions aligned with policy and decarbonisation priorities.

MC MANUFACTURED

TNB prioritises infrastructure modernisation and reliability upgrades to improve system efficiency and grid resilience. These initiatives require upfront capital expenditure but enable consistent service delivery, support renewable energy integration and prepare the network for future operating requirements.

HC HUMAN

TNB advances workforce transformation through upskilling, diversity and safety practices to strengthen capability and engagement. While reskilling and organisational changes require continued investment, they improve workforce agility and align talent development with energy transition priorities.

OUR VALUE CREATING BUSINESS MODEL

ACTIVITIES THAT CREATE VALUE FOR OUR STAKEHOLDERS

OUTPUTS

PRODUCTS & SERVICES

Total Electricity Units Sold in Malaysia:
140,137.6 GWh

myTNB App:
8.1 million subscribers

Rooftop Solar:
536 MWp

Smart Meters Installed:
5,563,252 units

EV Charge Points Installed by TNB Electron:
256 units

Other Businesses:
Manufacturing, Infrastructure, Services, Education and Research

GHG EMISSIONS

Greenhouse Gas (GHG) Emissions - Direct (Scope 1):
39.31 million tCO_2e*

**Excluding external factors that lead to absolute emissions of 41.36 million tCO_2e in FY2025.*

WASTE GENERATED

Hazardous Waste:
1,010,753 metric tonnes

Non-Hazardous Waste:
1,503 metric tonnes

OUTCOMES

FC FINANCIAL

- Revenue: **RM67,723.1 million**
- Operating Profit: **RM8,532.1 million**
- Net Profit Attributable to Owners of the Company: **RM4,768.1 million**
- Total Dividend: **RM3,089.5 million**

MC MANUFACTURED

- Equivalent Availability Factor (EAF) for Power Generation
  - Peninsular Malaysia: **87.8%** | Sabah: **73.2%** | International: **94.5%**
- System Minutes for Grid
  - Peninsular Malaysia: **0.15 minutes** | Sabah: **9.93 minutes**
- System Average Interruption Duration Index (SAIDI) for Distribution Network
  - Peninsular Malaysia: **46.93 minutes** | Sabah: **186.00 minutes**

HC HUMAN

- Organisational Competency Index (OCI): **89.5%**
- Lost Time Injury Frequency (LTIF): **0.83**

IC INTELLECTUAL

- R&D Technology Solutions and Services: **10**
- Revenue from Commercialisation of Technology Solutions and Services: **RM28.9 million**
- Employees Upskilled in Energy Transition Capabilities: **5,645**
- Ranking in Brand Finance's Most Valuable & Strongest Utilities Brands 2025: **Ranking 2**

SR SOCIAL & RELATIONSHIP

- Successful Graduates Under Yayasan TNB: **745**
- Net Taxation and Zakat Paid: **RM7,741.8 million**
- Customer Satisfaction Index (CSI): **9.0**
- Regulatory Relationship Strength Index (RRSI): **96%**
- Energy Literacy Level Under the Malaysia Energy Literacy Programme (MELP): **79.8%**

NC NATURAL

- GHG Emissions Intensity: **0.537 tCO_2e/MWh***
- Total Rainwater Harvested for TNB Platinum: **around 8.37 megalitres**
- TNB's Fleet Electrified: **401 vehicles**
- Elevate Biodiversity and Sustainability Efforts: **approximately RM3.4 million**

**Excluding external factors that lead to emissions intensity of 0.565 tCO_2e/MWh in FY2025.*

STAKEHOLDERS & UNSDG

S2 S3 S4

S3 S6 S8

S2 S4 S5

S1 S2 S5 S8

S3 S6 S7

S3 S6 S7

IC INTELLECTUAL

TNB allocates resources to research and development and digital innovation to advance decarbonisation and operational performance. While these investments may moderate short-term returns, they build long-term capability, strengthen technological positioning and support value creation across the energy ecosystem.

SR SOCIAL & RELATIONSHIP

TNB engages stakeholders through structured programmes and transparent communication. Expanding these initiatives requires time and resources, but it reinforces stakeholder confidence, strengthens partnerships and contributes to equitable outcomes for communities and customers.

NC NATURAL

TNB invests in cleaner energy and more efficient practices to reduce environmental impact and improve resource management. These efforts may involve trade-offs with existing assets, but they contribute to longer-term sustainability objectives and alignment with national and global climate targets.

OPERATING LANDSCAPE

The Market Landscape

Malaysia's energy sector in 2025 was shaped by a more complex but structurally supportive environment. Economic growth remained resilient at about 5.2%, driven by sustained domestic demand, investment activity and continued expansion of the digital economy.

Electricity demand continued to grow, although at a more moderate pace compared to the prior year, reflecting both cyclical normalisation and shifting consumption patterns. Growth was increasingly underpinned by energy-intensive segments, particularly data centres and advanced manufacturing, which are reshaping demand profiles and placing greater emphasis on reliability and system capacity.

NAVIGATING UNCERTAINTY IN THE ENERGY ENVIRONMENT

Global energy markets in 2025 remained exposed to volatility, particularly in fuel prices. While benchmark prices moderated from the elevated levels seen in 2024, they continued to fluctuate in response to geopolitical developments, supply disruptions and shifting demand across key markets. This sustained variability continued to influence generation costs and tariff dynamics across the electricity sector.

In Malaysia, the regulatory framework plays a central role in managing these pressures. The Incentive-Based Regulation (IBR) mechanism continues to provide a structured approach to balancing cost recovery, infrastructure investment and consumer affordability, allowing the system to absorb external shocks while maintaining financial stability.

Further evolution of the framework was reflected in the introduction of the Automatic Fuel Adjustment (AFA) mechanism, which replaced the Imbalanced Cost Pass-Through (ICPT) mechanism with more frequent adjustments. This enhances transparency and predictability in tariff setting, while reducing the lag between fuel cost movements and tariff adjustments. The mechanism also strengthens system resilience by improving cash flow visibility across the value chain and limiting prolonged exposure to fuel price volatility.

ADVANCING ENERGY TRANSITION COMMITMENTS

Malaysia's energy transition continued to gain momentum in 2025, guided by the National Energy Transition Roadmap (NETR), which has moved from initial policy articulation in 2023 into early-stage execution across priority areas. The roadmap establishes a long-term pathway towards net zero emissions by 2050, with interim targets including a 31% renewable energy share by 2025 and a progressive increase to 70% over the longer term.

Since its launch, the NETR has provided greater clarity on transition priorities, structured around key levers such as renewable energy, energy efficiency, hydrogen, green mobility and carbon capture. Early implementation has focused on unlocking investment, mobilising private sector participation and advancing enabling policies and market frameworks.

This transition is occurring against a backdrop of continued reliance on fossil fuels, which still account for the majority of Malaysia's energy mix. As a result, the shift towards a lower-carbon system is inherently complex, requiring careful balancing of energy security, affordability and sustainability considerations.

The implications for the electricity sector are structural. Increasing renewable penetration, electrification and distributed energy adoption are reshaping system requirements, placing greater emphasis on grid flexibility, storage integration and coordinated planning across the value chain. At the same time, the scale of investment required remains significant, reinforcing the need for stable regulatory frameworks and sustained stakeholder alignment to support long-term transition outcomes.

DEMAND GROWTH AND ELECTRIFICATION OPPORTUNITIES

Electricity demand in 2025 continued to be shaped by structural shifts in Malaysia's economy, with growth increasingly driven by energy-intensive and technology-led sectors. Data centres have emerged as a key source of incremental demand, reflecting the rapid expansion of the digital economy and increasing adoption of artificial intelligence.

As of 2025, the segment recorded a maximum demand of approximately 850 MW at the year-end, drawn from 35 projects already connected, with a final contracted demand of ~4.5 GW. The disparity between actual load and contracted demand underscores the potential demand which is expected to materialise, complemented by a significant portion of new demand in the pipeline scheduled for energisation over the next one to three years.

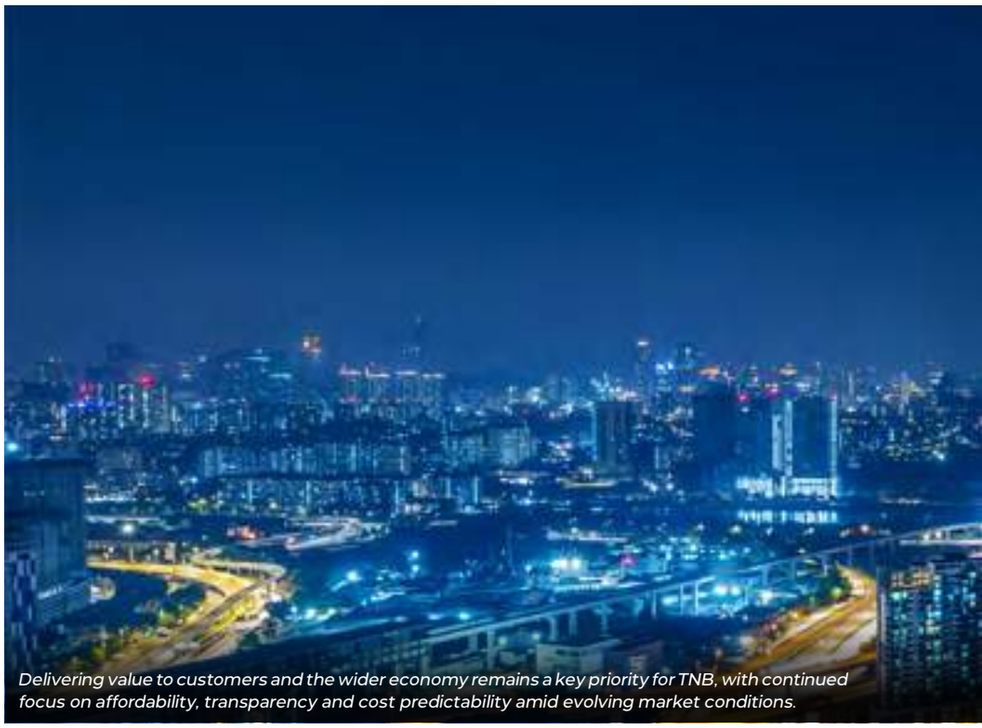
At the same time, electrification is gaining traction across multiple segments, including transport and industry. The gradual adoption of electric vehicles, alongside efforts to decarbonise industrial processes, is also contributing to a steady increase in electricity intensity.

Sources

1. *Bernama feature on data centre electricity demand and pipeline*
   https://garasi.bernama.com/stories/the-rise-of-data-centres-can-malaysias-power-grid-cope
2. *W.Media report on Malaysia data centre growth and power demand outlook*
   https://w.media/malaysia-powering-data-centers-at-scale
3. *ISEAS Perspective on long-term data centre energy demand in Malaysia*
   https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2025-43-data-centres-energy-demand-and-sustainability-can-malaysia-strike-the-right-balance-by-sara-loo

OPERATING LANDSCAPE

In response to a more complex and evolving operating landscape, the Group has maintained a clear focus on disciplined execution, guided by Reimagining TNB 2.0.



Delivering value to customers and the wider economy remains a key priority for TNB, with continued focus on affordability, transparency and cost predictability amid evolving market conditions.

ENHANCING GRID RESILIENCE AND SYSTEM READINESS

The increasing complexity of electricity demand and supply is placing new requirements on grid infrastructure and system operations. Rising demand from energy-intensive sectors, coupled with the growing share of variable renewable energy, is shifting the role of the grid from a passive delivery network to an active system enabler.

Greater renewable penetration introduces intermittency and variability, requiring enhanced flexibility to maintain system stability. At the same time, the rapid growth of large, concentrated loads such as data centres places additional pressure on transmission capacity, connection timelines and system reliability.

These dynamics are further compounded by evolving load patterns, including higher night-time demand and more distributed generation. As a result, grid planning and operations must increasingly accommodate bidirectional flows, real-time balancing requirements and more dynamic demand profiles. In addition, the expansion of cross-border interconnections and electricity trading frameworks is reinforcing the importance of coordinated system planning and operational alignment across markets.

REGULATORY EVOLUTION AND MARKET DESIGN

The regulatory landscape continued to evolve in 2025, reflecting the increasing complexity of the energy transition and the need to align market structures with long-term system requirements.

The approval of RP4 marked a significant milestone, providing greater clarity for investment planning and reinforcing the role of regulation in enabling infrastructure development. The framework supports a multi-year investment cycle focused on grid modernisation, system reliability and readiness for increased renewable integration.

Tariff structures have also been refined to better reflect underlying cost drivers and evolving consumption patterns. Enhancements such as more granular tariff categories and itemised billing are intended to improve transparency, while demand-side mechanisms such as Time-of-Use (ToU) pricing are increasingly positioned as tools to encourage more efficient energy consumption and system optimisation.

At a broader level, policy development continues to evolve alongside the energy transition. Initiatives such as the Corporate Renewable Energy Supply Scheme (CRESS), as well as ongoing work on carbon market frameworks and climate-related legislation, reflect efforts to expand market participation and enhance project bankability.

Regional developments are also shaping market design. Cross-border electricity trading and interconnection initiatives are gaining traction, reinforcing the need for coordinated regulatory approaches and interoperable market frameworks across ASEAN. These developments point towards a more integrated regional power system, with increasing emphasis on flexibility, transparency and long-term investment signals.

OPERATING LANDSCAPE

OUR RESPONSE TO THE OPERATING ENVIRONMENT

In response to a more complex and evolving operating landscape, the Group has maintained a clear focus on disciplined execution, guided by Reimagining TNB 2.0 (RT2.0). This has enabled a consistent translation of strategic priorities into system-level outcomes, with emphasis on sustaining reliability, strengthening operational performance and ensuring readiness to meet continued demand growth across the economy.

Delivering value to customers and the broader economy remains a central priority. As market and regulatory frameworks evolve, the Group continues to place emphasis on affordability, transparency and cost predictability, ensuring that electricity remains accessible while reflecting underlying system costs. At the same time, ongoing investments in network resilience and system performance contribute to improved reliability and service quality. These efforts are complemented by the gradual expansion of demand-side mechanisms and customer solutions, enabling more informed energy usage and cost management. Reliable and stable electricity supply continues to underpin economic activity, enabling business operations, job creation and the sustained growth of Malaysia's digital economy.

At the same time, the Group's response to the energy transition is anchored in a measured and system-aligned approach. As the sector progresses towards a lower-carbon future, the focus remains on balancing decarbonisation objectives with the need to maintain system stability and affordability. This reflects the broader national imperative to ensure that the transition proceeds in an orderly and economically viable manner, alongside continued investment in infrastructure and careful integration of renewable energy into the system.

Underlying this response is a continued emphasis on organisational strength, governance and long-term sustainability. The Group is strengthening its capabilities to operate within a more complex and technology-driven energy system, while maintaining focus on workforce development, safety and operational readiness. At the same time, close engagement with regulators and alignment with evolving policy and disclosure expectations contribute to a transparent and stable operating environment. Together with disciplined capital allocation, these elements ensure that growth and transition objectives are pursued in a responsible and sustainable manner, consistent with the Group's broader role in national development.

OUR STRATEGIC ROADMAP

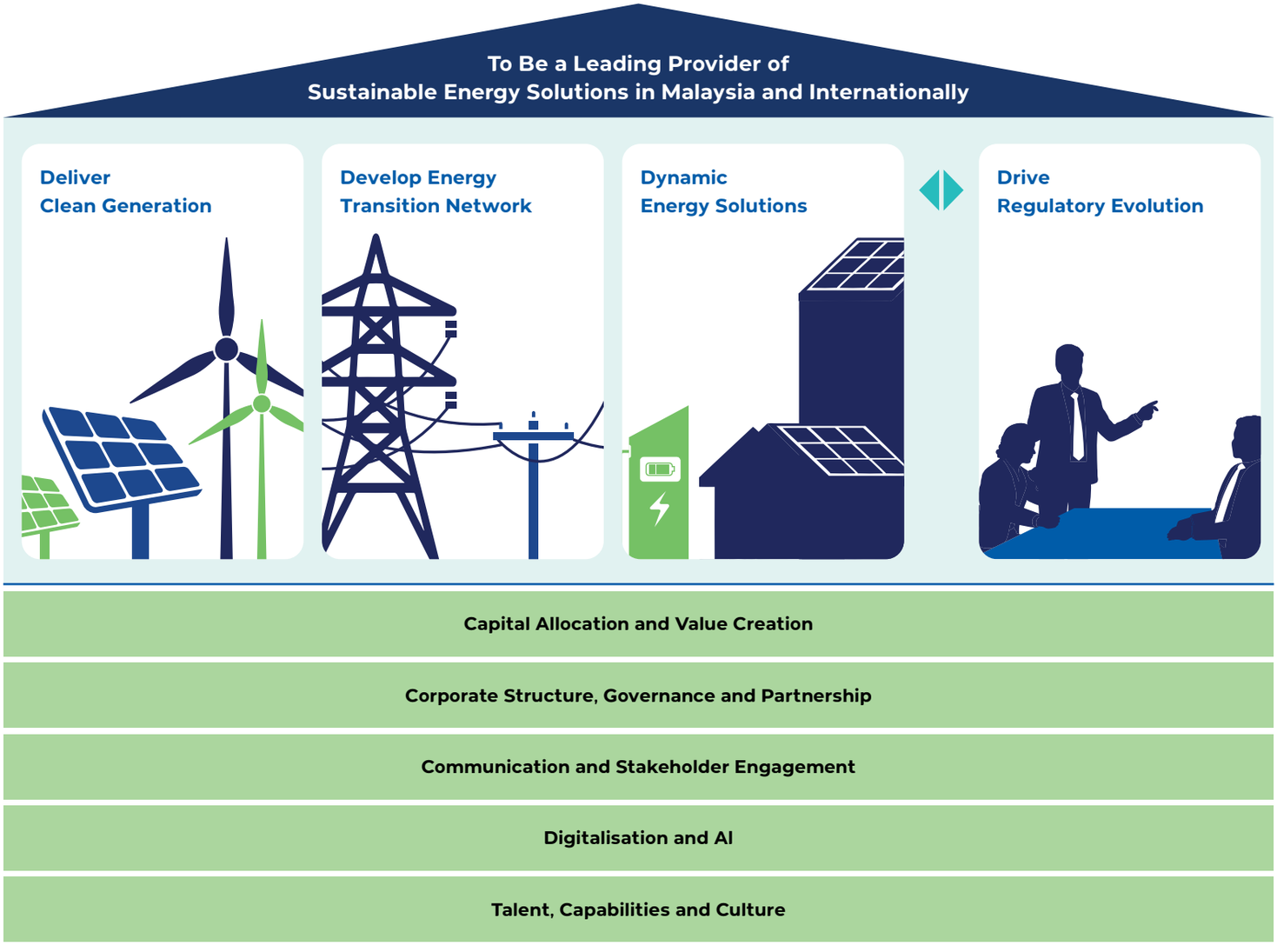
TNB continues to advance its Reimagining TNB 2.0 (RT 2.0) strategy, anchored on its ambition to be a leading provider of sustainable energy solutions in Malaysia and internationally. The strategy is structured around four core pillars; Deliver Clean Generation, Develop Energy Transition Network, Dynamic Energy Solutions and Drive Regulatory Evolution, which collectively guide how the Group positions its portfolio, strengthens system capabilities and engages across the energy value chain.

The RT 2.0 framework reflects TNB's approach to the aligning decarbonisation priorities with energy security, grid resilience, system flexibility and evolving customer needs. Each pillar addresses a distinct area of focus, ensuring a coordinated approach across generation, networks, solutions and regulatory engagement.

In 2025, TNB reaffirmed this strategic direction while refining its execution enablers. Digitalisation has been expanded to Digitalisation and AI to acknowledge the increasing importance of embedding and leveraging artificial intelligence in enhancing operational visibility, improving asset performance and enabling more informed decision-making across the Group.

The strategy continues to be supported by other core enablers, including capital allocation and value creation, corporate structure, governance and partnership, communication and stakeholder engagement, as well as talent, capabilities and culture. These enablers provide the foundation for consistent execution and alignment across the organisation.

RT 2.0 - TNB'S STRATEGIC ROADMAP



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DELIVER CLEAN GENERATION

UN SDGs:

Affordable and Clean Energy:	Expansion of solar, hydro and co-firing technologies to decarbonise energy supply.
Industry, Innovation and Infrastructure:	Application of battery energy storage systems (BESS), digital twins and smart plant technologies.
Sustainable Cities and Communities:	Projects like Hybrid Hydro-Floating Solar (HHFS) and Nenggiri Hydroelectric Project that benefit local communities and infrastructure.
Climate Action:	Targets for carbon intensity reduction, Carbon Capture, Utilisation and Storage (CCUS) and green hydrogen deployment.
Partnerships for the Goals:	Collaborations and engagements with local and international government, technology and industrial companies and associations.

OVERVIEW

Under the RT 2.0 strategy, the Deliver Clean Generation pillar reflects TNB's continued shift towards a cleaner and more balanced generation portfolio, while maintaining system reliability to advance Malaysia's energy transition. This approach is aligned with national priorities under the National Energy Transition Roadmap (NETR) and guided by TNB's Sustainability Pathway 2050, which sets out its commitment to achieving net zero emissions by 2050.

TNB Power Generation Sdn. Bhd. (TPGSB) manages the domestic thermal and hydroelectric fleet, including hybrid-hydro floating solar (HHFS) assets, while the New Energy Division oversees the Group's renewable energy (RE) portfolio across Malaysia and selected international markets. Together, these entities enable TNB to manage a diversified generation mix while progressively increasing its share of low-carbon capacity.

This pillar is guided by three strategic thrusts:

Improving generation asset operations and performance to strengthen reliability and efficiency	**Scaling clean energy sources across domestic and international markets**	**Advancing the transition towards a lower-carbon generation mix through structured decarbonisation initiatives**

Type	Number of Power Plants (2025)	Total Installed Capacity (MW) (2025)	Equity Capacity (MW) (2025)	Capacity under Construction (MW) (2025)
Wholly-owned				
Coal	2	4,080	4,080	
Gas	3	2,857	2,857	
Non-carbon/RE	111	3,379	3,379	1,726
Others	0	0	0	
Majority-owned				
Coal	2	3,600	2,360	
Gas	3	2,152	1,461	
Non-carbon/RE	30	447	269	22.5
Others	50	235	195	
Minority-owned				
Coal	1	1,400	350	
Gas	1	895	268	
Non-carbon/RE	13	319	106	109
Others	1	1,191	71	

IMPROVE GENERATION ASSET OPERATIONS AND PERFORMANCE

TNB prioritised operational discipline across its generation fleet, with a clear focus on improving reliability, enhancing efficiency and enabling greater system flexibility as renewable penetration increases. This reflects a more responsive operating model, positioning thermal assets not only for output, but as critical stabilizers in an increasingly variable energy system.

To support this, the Group implemented targeted operational enhancements across its fleet. Digital monitoring and heat-rate optimisation were applied more systematically, alongside plant-specific upgrades, including high-pressure heater replacements and enhanced water efficiency systems. At the same time, thermal units were optimised to better complement intermittent renewable generation.

These efforts translated into clear improvements in operational performance with the Equivalent Availability Factor increasing to 87.8%, up from 81.2% in 2024. This upward trend reduced capacity payment losses, with revenue climbing to RM4.5 billion (95% of full potential), compared to RM4.2 billion in the previous year. These improvements provided reliability and stability to the peninsular electrical system, with the generation fleet continuing to serve rising electricity demand under a more dynamic and challenging energy mix.

In addition, operational performance was underpinned by a strong safety culture across the generation fleet. This was recognised through 26 awards at the MiSHA Asia Excellence Awards 2025, including the Platinum Main Award for HSE Excellence, reflecting sustained adherence to occupational safety and health standards.

GROWTH OF NEW CLEAN ENERGY SOURCES

TNB continued to scale its clean energy portfolio across both domestic and international markets, in line with its strategy to expand renewable capacity and diversify its generation mix. This expansion is anchored in the Group's role in NETR priorities, while positioning its portfolio to meet rising demand for low-carbon electricity and achieving the goal of 10 GW of renewable capacity by 2030.

Domestically, progress was driven by a combination of large-scale solar, hydro and hybrid renewable developments at various stages of execution. Construction commenced for LSS5 (686 MWp) and the LSS Sabah programme (22.5 MWp), while projects under the Corporate Green Power Programme (CGPP) (154 MWp) advanced towards completion, with overall progress reaching approximately 95%. The Centralised Solar Park (750 MWp) also progressed, underpinned by a 500 MWac bilateral energy supply agreement with DayOne to meet data centre demand.

In parallel, TNB advanced firm and dispatchable capacity to maintain system stability as renewable penetration increases. The 300 MW Nenggiri Hydroelectric Project reached 68% completion, while the Sungai Perak hydro life extension programme achieved 28% progress. The Kenyir Hybrid Hydro-Floating Solar development also progressed, with pre-development reaching 71%, positioning it as a key hybrid solution integrating multiple generation sources.

To complement this, the Group continued to strengthen system flexibility through energy storage and grid-supporting assets. The 100 MW/400 MWh Battery Energy Storage System (BESS) in Lahad Datu achieved commercial operation in August 2025, enhancing renewable integration and grid stability. It is recognised as the first and largest grid-scale battery storage system in Sabah and the largest in Malaysia.

Internationally, TNB expanded its renewable footprint through both operational assets and development pipelines. The Group achieved commercial operation of 102 MWp of solar capacity in the United Kingdom through the Eastfield and Bunkers Hill projects. At the same time, continued to advance large-scale developments in Australia, including the Dinawan Energy Hub (1.3 GW), Wattle Creek Solar (710 MW) and the Mallee Wind Farm (400 MW), strengthening its long-term growth pipeline in key renewable markets.

ADVANCING THE TRANSITION TO LOWER-CARBON GENERATION

TNB continued to advance the transition of its generation portfolio towards lower-carbon sources, balancing decarbonisation priorities with the need to maintain system reliability. This transition reflects a structured shift in the generation mix, driven by targeted investments in lower-emission capacity, operational improvements and the deployment of emerging technologies.

As part of this transition, the Group progressed lower-carbon thermal capacity, including 1,262 MW of plant extensions at Gelugor, Putrajaya and Port Dickson, supporting a phased shift to a lower-carbon portfolio while maintaining supply reliability.

Alongside these shifts, TNB continued to strengthen its Carbon Management Strategy, focusing on reducing, capturing and offsetting emissions with operational improvements continuing to lower emissions intensity at source while improving overall plant efficiency. Efforts to reduce emissions centred on improving plant efficiency through heat-rate optimisation, digital monitoring and targeted upgrades such as high-pressure heater replacements and water efficiency improvements.

Beyond operational improvements, TNB continued to advance a set of targeted energy transition pilots which establish pathways for scaling low-carbon technologies as they mature. These include solar-powered green hydrogen production, carbon capture and utilisation at Jimah East Power Plant and Bio Algae at TNB Janamanjung.

These efforts are complemented by nature-based solutions to offset residual emissions, including mangrove planting initiatives to enhance natural carbon absorption capacity. Together with operational and portfolio measures, this forms a more integrated approach to emissions management across the Group.

TNB recorded an emissions intensity of 0.565 tCO_2e/MWh in 2025, representing a 1.4% increase compared to 0.557 tCO_2e/MWh in 2024, due to external factors beyond operational control. One of the main external factors was the Putra Heights gas pipeline incident, which disrupted gas supply and constrained gas-fired generation, particularly in the Klang Valley, requiring higher dispatch from coal-fired plants, resulting in a higher overall emissions intensity. Notwithstanding these factors, ongoing portfolio adjustments, efficiency improvements and technology deployment continue to position the Group towards its targets of a 5% annual reduction in emissions intensity, a 35% reduction by 2035 and net zero emissions by 2050.

VALUE CREATED

The Deliver Clean Generation pillar continues to contribute to system reliability, decarbonisation progress and earnings stability, reflecting its dual role in supporting both operational performance and the broader energy transition.

Improved generation performance and higher plant availability strengthened system reliability, enabling the fleet to operate more flexibly in support of increasing renewable penetration. This ensures that supply remains stable even as the generation mix becomes more variable.

At the same time, the expansion of renewable capacity and continued reduction in emissions intensity contributed to TNB's decarbonisation objectives. These efforts also translated into more stable financial outcomes; improved plant reliability and a more balanced generation mix mitigate fluctuations in capacity payments and enhance earnings visibility.

OUTLOOK

Looking ahead, TNB will prioritise disciplined execution of its generation pipeline while continuing to balance reliability, decarbonisation and capacity growth. In the near term, focus will remain on progressing key domestic projects, including the Nenggiri Hydroelectric Project, the Kenyir Hybrid Hydro-Floating Solar development and the Centralised Solar Park, alongside advancing solar milestones under CGPP, LSS5 and the Sabah LSS programme. The Group will also continue to progress the Sungai Perak hydro life extension programme and advance international developments such as the Dinawan Energy Hub, while optimising the thermal fleet to ensure system stability as renewable penetration increases.

Over the medium to long term, TNB will continue to reshape its generation portfolio towards a lower-carbon mix. This includes decarbonising the thermal fleet through efficiency improvements, fuel transition and the phased retirement of higher-emission assets, while scaling renewable capacity in line with national energy transition priorities and growing electricity demand. At the same time, the Group will advance low-carbon technologies to explore firm and dispatchable clean power, including hydrogen, ammonia co-firing and carbon capture solutions, while preparing for longer-term options such as nuclear readiness.

Portfolio expansion will remain selective and disciplined, with continued focus on priority domestic and international markets. This will involve developing a more flexible generation mix combining renewables, storage and lower-carbon thermal capacity to enable higher renewable penetration without compromising reliability. Emissions intensity will continue to be reduced progressively through portfolio optimisation and operational improvements as we move towards TNB's aspiration to achieve net zero emissions by 2050, including the longer-term goal of transitioning towards a coal-free generation portfolio.

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DEVELOP ENERGY TRANSITION NETWORK

UN SDGs:

Affordable and Clean Energy:	Grid readiness for RE integration and energy access.
Decent Work and Economic Growth:	Enabling digital economy growth through power access for data centres and tech clusters.
Industry, Innovation and Infrastructure:	Infrastructure upgrades, smart grid rollout and transmission automation.
Sustainable Cities and Communities:	Reliable electricity supply to support smart cities and technology parks (e.g., Penang The Light Project, Kota Kinabalu Smart City).
Partnerships for the Goals:	Regional collaboration through Energy Exchange Malaysia (ENEGEM), ASEAN Power Grid (APG) and cross-border energy trade.

OVERVIEW

Building on the progress under Deliver Clean Generation, the Develop Energy Transition Network pillar focuses on strengthening TNB's role as the national grid owner and system operator, enabling a reliable, flexible and future-ready electricity network. As the owner and operator of Malaysia's electricity grid, TNB plays a central role in ensuring system stability, enabling renewable integration and advancing the country's economic and energy transition priorities. This pillar underpins the delivery of clean energy by ensuring that the grid can accommodate higher renewable penetration, enable electrification and maintain system stability across Malaysia.

TNB's network spans an extensive transmission and distribution system across Peninsular Malaysia, as well as in Sabah and Labuan through Sabah Electricity. The Group also maintains critical cross-border interconnections with Thailand and Singapore while actively advancing regional power exchange initiatives. This positions the grid not only as the national backbone for electricity delivery, but also as a strategic platform for regional energy flows within the ASEAN Power Grid framework.

In line with the RT 2.0 strategy, the Group continues to modernise its grid infrastructure to drive the energy transition. This includes strengthening network capacity, enhancing system resilience and accelerating digitalisation across transmission and distribution assets. These efforts reinforce the importance of the grid as a critical enabler of renewable energy integration, demand growth and system flexibility in a more complex energy landscape.

This pillar is guided by two strategic thrusts:	
Enhancing grid stability and flexibility through network modernisation	**Energy storage integration to support higher renewable energy penetration**

Manufactured	Unit	2025 Peninsular	2025 Sabah
Transmission Lines	Circuit-km	26,594	3,150
Transmission Substations	#	497	48
Transmission Transformers	#	1,406	103
Distribution Lines	Circuit-km	708,763	27,252
Distribution Substations	#	90,142	9,461
Distribution Transformers	#	105,556	9,475

STRENGTHENING GRID RELIABILITY AND OPERATIONAL EXCELLENCE

TNB continued to prioritise network reliability and operational performance, maintaining world-class standards in the delivery of electricity supply while supporting rising demand and increasing renewable penetration. This focus reflects the need to sustain a stable and resilient system as the energy mix becomes more complex and distributed.

During the year, the Group sustained its world-class reliability performance across the network. System Minutes improved to 0.15 minutes, significantly outperforming the global benchmark <1.5 minutes, while the System Average Interruption Duration Index (SAIDI) improved to 46.93 minutes from 47.88 minutes in 2024.

Operational performance was further enhanced through the accelerated deployment of digital and AI-enabled solutions. TNB implemented predictive maintenance systems capable of forecasting underground cable failures with up to 96.8% accuracy, allowing for pre-emptive intervention and a marked reduction in unplanned outages.

The Group's performance in grid reliability and innovation was recognised through multiple industry awards, including three accolades at the Asian Power Awards 2025 and three major wins at Enlit Asia 2025.

DELIVERING DISCIPLINED RP4 EXECUTION

TNB maintained a disciplined approach in executing its Regulatory Period 4 (RP4) investment programme, ensuring that capital deployment strengthens grid capacity, enhances reliability and supports the energy transition while meeting growing demand.

In 2025, the Group achieved full delivery of its Year 1 RP4 milestones, with regulated CAPEX utilisation exceeding 100%. A total of RM12 billion was deployed to advance grid readiness, with investments prioritised across security of supply, demand growth and energy transition. Of this, RM5.4 billion was allocated to strengthen system reliability, RM5.3 billion to enable demand expansion and RM1.3 billion to drive energy transition initiatives.

In 2025, TNB accelerated key infrastructure and digital initiatives across the network. Smart grid modernisation progressed through the rollout of smart meters, exceeding annual targets and enhancing customer visibility and data-driven operations. Distribution automation penetration also exceeded targets, improving network visibility, response time and operational control across the system.

At the transmission level, TNB fortified grid capacity through the successful commissioning of the 500 kV backbone connecting Ayer Tawar, Bentong South and Lenggeng, enhancing system stability and enabling greater renewable integration. In parallel, the 100 MW/400 MWh Battery Energy Storage System (BESS) in Santong, Terengganu achieved commercial operation in April 2026. It is the first grid-balancing BESS in Malaysia, using advanced inverters to actively establish and regulate grid voltage and frequency, thereby contributing to grid stability as renewable energy penetration increases.

The Group also expanded network readiness for large-scale infrastructure and national development projects. This includes providing bulk supply for 12 East Coast Rail Link (ECRL) feeder stations across the Eastern region, reinforcing TNB's role in enabling key national infrastructure.

ADVANCING ASEAN POWER GRID INTEGRATION AND REGIONAL CONNECTIVITY

TNB continued to strengthen its role in advancing regional energy connectivity, positioning the grid as a platform for cross-border renewable energy trade and system integration across ASEAN. This reflects a broader shift from a national grid operator to a regional enabler, supporting energy security, market development and the integration of low-carbon electricity flows.

During the year, the Group made further progress under the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project Phase 2 (LTMS-PIP 2.0), with negotiations for the tripartite Energy Wheeling Agreement (EWA) successfully concluded. The agreement, which enables the wheeling of up to 100 MW of renewable energy from Lao PDR to Singapore, expands cross-border trading capacity under LTMS-PIP 2.0 to 200 MW and was subsequently signed in January 2026. In this arrangement, TNB serves dual roles as both energy supplier and wheeling provider, enhancing network utilisation and market participation.

Complementing this, TNB operationalised Energy Exchange Malaysia (ENEGEM) as a platform to facilitate transparent and competitive cross-border electricity trading. Through ENEGEM, 50 MW of RE supply was sold to Singapore via a competitive bidding mechanism and contributed to energy exports of 415.8 GWh in 2025.

The Group also advanced new regional partnerships to expand cross-border renewable energy flows. In May 2025, TNB, Sembcorp Industries and PetroVietnam (through PTSC) entered into a Joint Development Agreement to explore exporting renewable energy from Vietnam to Malaysia and Singapore. This trilateral collaboration represents a further step towards realising the ASEAN Power Grid and expanding regional energy connectivity.

OUR STRATEGIC ROADMAP

In parallel, TNB continued to explore additional interconnection capacity with Singapore, including a potential second link with a capacity of up to 2 GW by 2030 to complement the existing 1 GW bi-directional interconnection. A Joint Development Agreement with SP Group and Singapore Energy Interconnections has been established to undertake a feasibility study for the proposed second interconnection, supporting cross-border electricity trade and regional integration.

ENABLING DATA CENTRE GROWTH AND EMERGING DEMAND

TNB continued to strengthen grid readiness to serve Malaysia's rapidly expanding data centre ecosystem, ensuring reliable and timely electricity supply to meet the requirements of hyperscale and digital infrastructure operators.

As at December 2025, the Group recorded 850 MW of actual load utilisation from data centres, reflecting accelerated demand from the digital sector. A total of 35 data centre projects, representing approximately 4.5 GW of capacity, have been connected to the grid, driven by ongoing investments in transmission and distribution infrastructure.

This growth is underpinned by a strong project pipeline, with 56 projects representing approximately 7.5 GW at various stages of development, including completed, under construction and Energy Supply Agreement (ESA) stages. Of these, 14 projects (1.8 GW) are currently under construction, while a further seven projects (1.2 GW) have secured ESA approvals, reflecting sustained demand visibility.

To support this expansion, TNB continues to work closely with hyperscale customers to deliver scalable and reliable grid connections within required timelines. This includes strengthening network capacity, enhancing delivery capabilities and aligning infrastructure development with project requirements to ensure timely energisation.

VALUE CREATED

The Develop Energy Transition Network pillar continues to underpin system reliability, demand growth and regional connectivity, reinforcing the grid's role as a core enabler of both operational performance and the energy transition.

Sustained world-class reliability performance and continued investment in grid resilience strengthened the stability of electricity supply, enabling the network to facilitate higher renewable penetration and more complex system requirements. At the same time, disciplined capital deployment under RP4 enhanced network capacity and operational efficiency, resulting in predictable and stable regulated returns.

The expansion of grid infrastructure and connection capabilities also enabled the Group to capture emerging demand, particularly from the data centre segment, while supporting electrification across the economy. This positions TNB to participate in new growth areas while maintaining a balanced and scalable network.

At a regional level, cross-border interconnections and energy trading initiatives enhanced system flexibility, strengthened energy security and enabled more efficient integration of renewable energy across ASEAN, while unlocking new growth opportunities for TNB and reinforcing its role as a regional grid enabler.

OUTLOOK

TNB will continue to prioritise disciplined execution of its grid investment programme under RP4, with a focus on strengthening network capacity, enhancing reliability and meeting energy transition requirements. In 2026, the Group targets approximately RM13 billion in regulated CAPEX deployment, aligned to system readiness and demand growth.

In the near term, efforts will centre on accelerating smart grid deployment and strengthening network flexibility. This includes the installation of one million smart meters to enhance customer visibility and digital network operations, alongside the expansion of distribution automation to 2,644 substations to improve reliability and response times. The Group also targets the commissioning of the Santong pilot Battery Energy Storage System in 2026 to support renewable integration and system stability.

TNB will continue to strengthen grid readiness in emerging demand segments, particularly data centres, while enabling the connection of new renewable capacity across the network. Investments will be prioritised to ensure timely infrastructure delivery, maintain system resilience and electrification growth.

Over the medium to long term, the Group will evolve towards a more flexible and decentralised grid model, supported by distributed energy resources and enhanced digital capabilities. This includes scaling grid-connected energy storage and strengthening system flexibility for higher renewable penetration, in line with national targets. At the same time, TNB will expand regional interconnections under the ASEAN Power Grid, increasing cross-border capacity and positioning Malaysia as a regional energy hub.

The Group will also continue to strengthen climate resilience across its network infrastructure while advancing digital and data-driven capabilities to develop a more dynamic and complex energy system.

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DYNAMIC ENERGY SOLUTIONS

UN SDGs:

Good Health and Well-being:	Safer, more reliable energy access for communities and businesses.
Affordable and Clean Energy:	Retail and rooftop solar expansion, energy efficiency rebates and customer empowerment tools.
Reduced Inequalities:	Inclusive programmes such as eKasih and Government Relief for underserved communities.
Responsible Consumption and Production:	Solar ATAP (Accelerated Transition Action Programme), digital billing, demandside management and solar adoption.
Climate Action:	Enabling low-carbon lifestyles via Electric Vehicles (EV) infrastructure and green tariff adoption.

OVERVIEW

The Dynamic Energy Solutions pillar focuses on delivering customer-centric energy solutions through TNB Retail and Sabah Electricity, strengthening the Group's role at the customer interface across both regulated and non-regulated businesses.

TNB Retail serves over 10.66 million customers across Peninsular Malaysia, while Sabah Electricity supports approximately 700,000 customers in Sabah, providing essential electricity services across residential, commercial and industrial segments. This positions the Group to engage directly with a broad and diverse customer base, enabling more tailored solutions aligned to evolving consumption patterns and sustainability requirements.

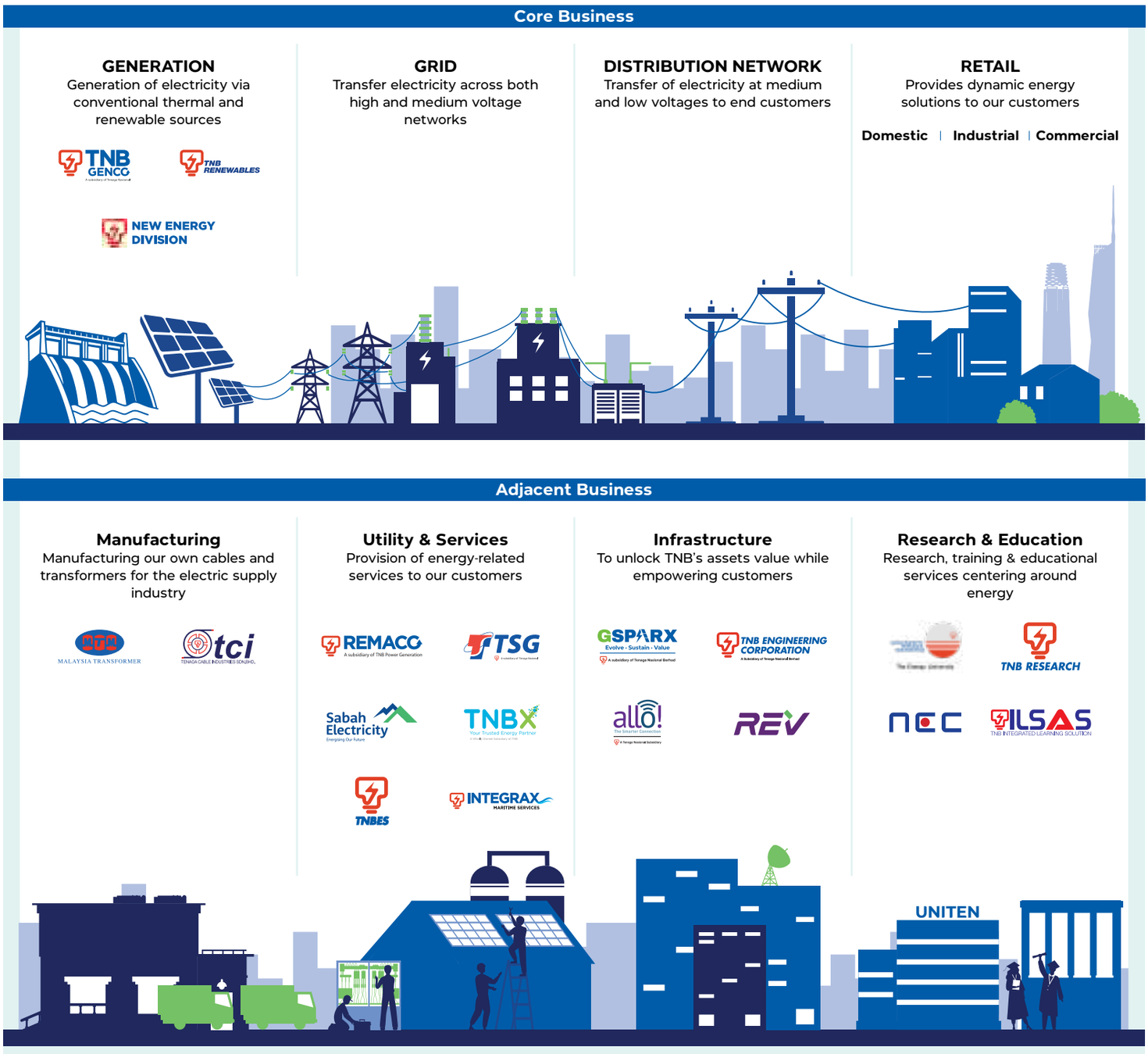
Beyond the provision of reliable electricity supply, this pillar reflects TNB's expanding role in delivering end-to-end energy solutions. This includes green energy offerings, electrification solutions, energy efficiency programmes and value-added services that advance customers' decarbonisation ambitions. These capabilities are increasingly important as customers transition from passive consumers to active participants in the energy ecosystem.

This pillar is guided by two strategic thrusts:	
Enhancing customer experience delivery within the regulated retail business through digitalisation and service excellence	**Empowering customer participation in the energy transition through non-regulated solutions such as distributed solar, green electricity and electric mobility**

OUR STRATEGIC ROADMAP

	Residential		Commercial		Industrial		Others	
Year	Peninsular	Sabah	Peninsular	Sabah	Peninsular	Sabah	Peninsular	Sabah
2021	7,916,379	544,186	1,621,098	103,352	32,846	1,614	83,474	6,585
2022	8,113,221	559,312	1,660,313	104,995	33,542	1,645	86,210	6,672
2023	8,335,253	574,782	1,693,500	107,624	34,319	1,661	88,982	6,777
2024	8,554,220	589,237	1,721,968	110,674	34,834	1,738	91,864	6,794
2025	8,766,538	603,175	1,748,735	113,510	34,841	1,741	105,841	6,802

As shown in the business overview below, TNB's diverse subsidiary portfolio creates a comprehensive platform for sustainable growth across both core and adjacent energy sectors. This integrated ecosystem enables the Group to deliver a broader suite of customer-centric solutions, ranging from distributed solar and electric mobility to specialised engineering services and research.



In partnership with Sime Darby Property, TNB is advancing Malaysia's first CREAM community solar initiative in the City of Elmina, enabling shared renewable energy use and supporting decarbonisation efforts.

ENHANCING CUSTOMER EXPERIENCE DELIVERY

In 2025, our regulated retail business continued to deliver strong momentum and customer service excellence. Customer satisfaction improved to a record high, with the Customer Satisfaction Index increasing to 9.0 from 8.7 in 2024. This reflects continued progress in strengthening service delivery, enhancing digital engagement and improving overall customer experience across the regulated retail business.

This performance was underpinned by the continued expansion of TNB's digital platforms, which have become central to customer interaction and engagement. The myTNB app surpassed 8 million users, representing approximately 75% of the customer base, while the myTNB Energy Budget feature recorded 2.6 million subscribers, enabling customers to better monitor and manage their electricity consumption. Enhancements to digital access further improved customer experience, including the integration of MyDigital ID to strengthen security and streamline onboarding.

Efforts to enhance our digital platforms continued to gain recognition, with the myTNB app receiving the Best Public Utility App award at the PC.com Readers' Choice Awards 2025, while TNB was named Brand of the Year 2025-2026 at the World Branding Awards.

Digital adoption also enabled broader demand-side management efforts. Participation in the Time-of-Use (ToU) tariff programme increased to approximately 102,000 customers, facilitated by a simplified application process through the myTNB platform. This allowed greater flexibility in consumption patterns and improved cost management for participating customers. These developments contributed to measurable energy efficiency outcomes with 106 GWh of energy savings achieved during the year, equivalent to 74,293 tCO_2e avoided.

In parallel, electricity demand in Peninsular Malaysia remained resilient, with total units sold reaching 133,895 GWh. The commercial segment continued to be the primary growth driver, contributing 38% of total units sold and recording 10% year-on-year growth, supported by data centres, retail malls and digital infrastructure.

EMPOWERING CUSTOMER PARTICIPATION IN THE ENERGY TRANSITION

TNB continued to expand its non-regulated retail business by enabling customers to participate more actively in the energy transition through a broader suite of customer-centric energy solutions. This includes distributed solar, green electricity offerings and electric mobility, reflecting a shift towards a more decentralised and participatory energy ecosystem.

Distributed solar adoption remained a key growth area, driven through GSPARX. During the year, TNB secured 3,125 cumulative rooftop solar projects, representing 536 MWp, with 216 MWp installed capacity contributing approximately RM109 million in revenue. Deployment continued across a wide range of customer segments, including public sector, healthcare, commercial and data centre customers, enabling both energy cost optimisation and decarbonisation objectives.

The Group also advanced new deployment models to scale customer participation. In collaboration with Sime Darby Property, TNB is progressing Malaysia's first Community Renewable Energy Aggregation Mechanism (CREAM) community solar initiative in the City of Elmina, aggregating residential rooftop generation to supply green electricity to nearby commercial and industrial customers. This model supports corporate decarbonisation targets while contributing to national renewable capacity ambitions.

The TNB Electron network expanded to 256 cumulative charge points, with 96 new installations across highways, trunk roads and TNB premises.

In addition, TNB expanded access to green electricity solutions to advance customer sustainability commitments. The introduction of Green Electricity Tariff (GET) Greenpath, developed in collaboration with TNBX, the Energy Commission and PETRA, enables tenants under bulk and corporate accounts to procure certified green electricity through Malaysia Renewable Energy Certificate (mREC). ByteDance was secured as the first corporate subscriber under this programme, therefore enabling renewable energy sourcing for its data centre operations.

The Group also strengthened its electric mobility ecosystem to support the growth of electrified transport. The TNB Electron network expanded to 256 cumulative charge points, with 96 new installations across highways, trunk roads and TNB premises. Green Lane supply increased to 461 applications, representing 128 MW of EV infrastructure capacity, while total electricity sales from EV charging scaled to approximately 15 GWh, generating around RM7.1 million in revenue. Nationwide, EV readiness continued to improve, with approximately 5,719 charge points available.

VALUE CREATED

The Dynamic Energy Solutions pillar strengthens TNB's position at the forefront of the customer experience, both in service delivery and the expansion of solutions tailored to evolving energy needs.

Enhanced digital engagement and service delivery contributed to improved customer experience, through wider adoption of platforms such as myTNB and data-driven energy management tools. This enables customers to better manage consumption, optimise costs and interact more seamlessly with TNB's services.

At the same time, the expansion of distributed solar, green electricity and electric mobility solutions enabled customers to participate more actively in the energy transition. These offerings support corporate decarbonisation targets, promote more efficient energy usage and facilitate the adoption of low-carbon technologies across multiple customer segments.

The growth of these customer-centric solutions also contributes to the diversification of TNB's revenue base beyond traditional electricity sales. This includes income generated from rooftop solar deployments, EV charging and green electricity solutions, creating additional growth avenues within the non-regulated business.

Demand growth from electrification and digital infrastructure further strengthens the role of the retail business in capturing new consumption patterns, particularly from data centres and emerging energy applications.

OUTLOOK

In the near term, TNB will focus on scaling customer-centric energy solutions while strengthening digital engagement and service delivery. This includes expanding the electric mobility ecosystem through the deployment of an additional 250 TNB charge points with the aim of expanding the TNB Electron network to 500 charge points by the end of 2026, alongside the continued expansion of Green Lane supply connections, which reached 461 applications to support growing EV infrastructure demand. The Group also targets securing an additional 100 MWp of distributed solar capacity through GSPARX, while continuing to expand access to green electricity solutions across customer segments.

Digital platforms will remain central to customer engagement, with the myTNB app targeted to exceed 8.5 million users. Participation in the Time-of-Use tariff programme is also expected to increase, with a target of 150,000 to 200,000 additional applications, enabling customers to better manage consumption and optimise energy costs.

Over the medium to long term, the Group will continue to expand its role in enabling customer participation in the energy transition. This includes scaling distributed energy solutions such as rooftop solar and storage, while broadening access to green electricity and energy efficiency offerings through platform-based services.

Growth in electric vehicle adoption is expected to drive new electricity demand, with battery electric vehicle penetration projected to reach approximately 800,000 units by 2030. This will support further expansion of the electric mobility ecosystem, including charging infrastructure, energy supply and digital platforms.

The Group will also continue to develop integrated energy solutions that encourage customers to become prosumers and omnisumers, enabling more active participation in energy generation, consumption and optimisation across a more decentralised energy system.

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DRIVE REGULATORY EVOLUTION

UN SDGs:

Decent Work and Economic Growth:	Enabling digital economy growth through power access for data centres and tech clusters.
Climate Action:	Enabling low-carbon lifestyles via Electric Vehicle (EV) infrastructure and green tariff adoption.
Peace, Justice and Strong Institutions:	Transparent governance, stakeholder engagement and strong regulatory frameworks.
Partnerships for the Goals:	Regional collaboration through Energy Exchange Malaysia (ENEGEM), ASEAN Power Grid (APG) and cross-border energy trade.

OVERVIEW

The Drive Regulatory Evolution pillar focuses on shaping a stable, transparent and forward-looking regulatory framework that enables Malaysia's energy transition while ensuring balanced outcomes for consumers, investors and the broader economy.

Central to this is the Incentive-Based Regulation (IBR) framework, which provides a structured mechanism for aligning infrastructure investment with service delivery and tariff stability. Since its introduction in 2014, the IBR model has enabled TNB to invest approximately RM78 billion in grid infrastructure, strengthening system reliability and supporting national economic growth, while maintaining tariffs among the lowest in the region. The framework is designed to balance competing priorities. It ensures continued investment in grid modernisation and energy transition readiness, while safeguarding affordability for consumers and providing fair and predictable returns to shareholders.

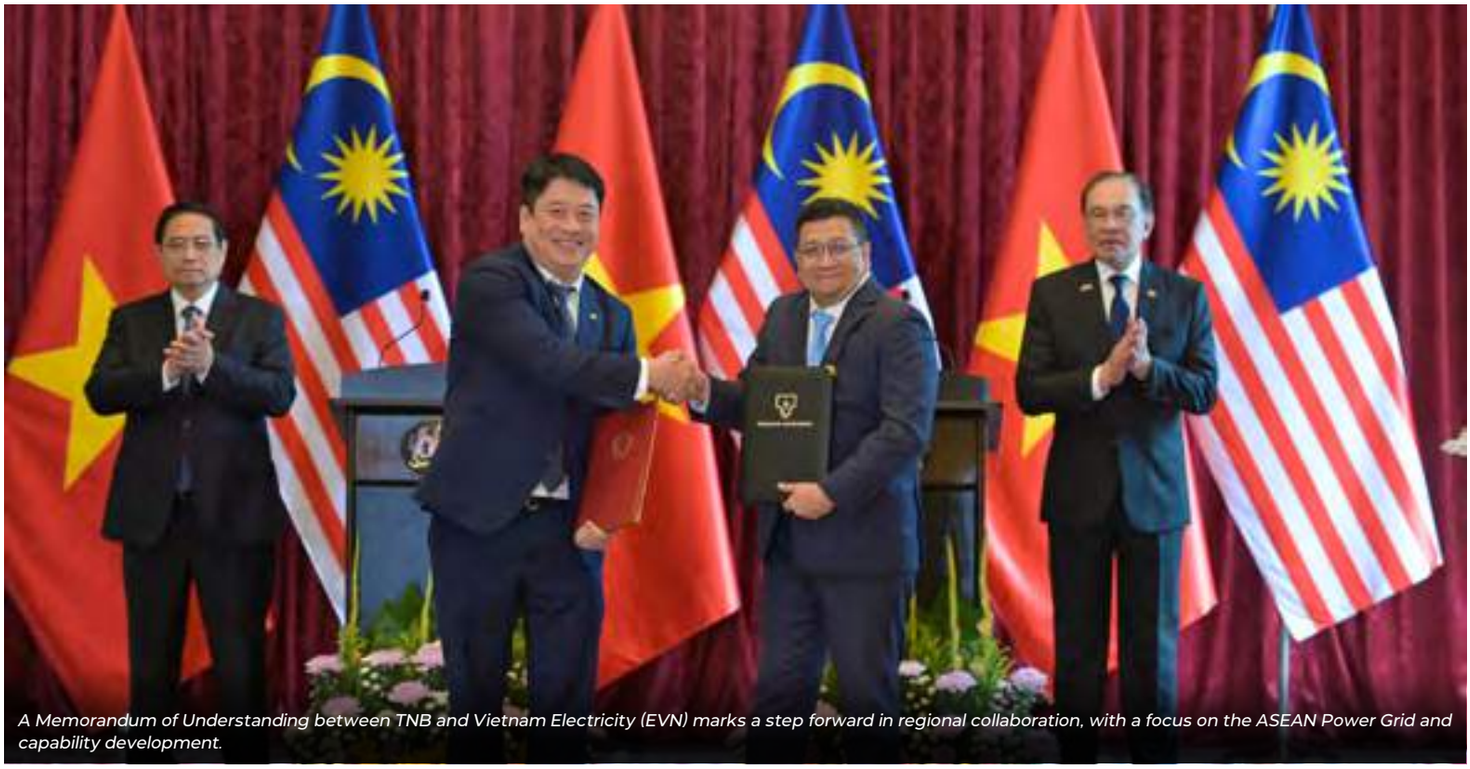
Beyond regulatory mechanisms, TNB plays an active role in driving policy and regulatory development at both national and regional levels. This includes contributing to key initiatives such as the National Carbon Market Policy, National Climate Change Policy 2.0 and establishment of frameworks that enable renewable integration, cross-border energy trade and customer participation in the energy transition.

Through continued engagement with regulators, policymakers and industry stakeholders, TNB strengthens alignment between regulatory outcomes and system requirements, ensuring that the electricity sector remains resilient, financially sustainable and responsive to evolving energy needs.

This pillar is guided by one strategic thrust:

Supporting the nation in accelerating Energy Transition efforts

OUR STRATEGIC ROADMAP



A Memorandum of Understanding between TNB and Vietnam Electricity (EVN) marks a step forward in regional collaboration, with a focus on the ASEAN Power Grid and capability development.

STRENGTHENING THE IBR FRAMEWORK AND ADVANCING RP4 EXECUTION

TNB continued to operate within the IBR framework, which provides a structured mechanism for aligning investment, operational performance and tariff outcomes. The framework underpins regulatory stability and enables long-term planning by linking capital deployment to service delivery, while maintaining a balance between affordability and financial sustainability.

The approval of RP4 reinforces this stability, providing greater clarity for TNB's investment trajectory over the 2025-2027 period. Under RP4, a total CAPEX of RM42.8 billion has been allowed, comprising RM26.6 billion in base CAPEX and RM16.3 billion in contingent CAPEX.

During the year, tariff restructuring was implemented with effect from 1 July 2025, introducing more cost-reflective tariff categories, itemised billing and enhanced incentives for energy efficiency. The revised tariff framework supports continued investment in grid modernisation and system readiness, while maintaining affordability and protection for consumers. The Time-of-Use (ToU) scheme was also introduced for low-voltage domestic and non-domestic customers, encouraging off-peak consumption and improving demand management across the system.

These developments strengthen the effectiveness of the IBR framework in supporting infrastructure investment, improving transparency in tariff structures and aligning regulatory mechanisms with evolving system needs.

ENHANCING COST RECOVERY AND FINANCIAL RESILIENCE THROUGH AFA

The Automatic Fuel Adjustment (AFA) mechanism was introduced in July 2025 to replace the Imbalance Cost Pass-Through (ICPT), to strengthen the responsiveness and transparency of fuel cost recovery within the regulatory framework. This transition reflects a shift towards more timely and predictable tariff adjustments in response to movements in fuel prices.

Under the AFA mechanism, fuel cost adjustments are implemented on a monthly basis, reducing the lag between cost fluctuations and tariff recovery. This allows for more immediate cost pass-through, improving transparency for consumers while providing clearer visibility on pricing dynamics within the electricity sector.

The introduction of AFA also strengthens TNB's financial resilience by enhancing cash flow visibility and improving working capital management. More timely cost recovery reduces the accumulation of regulatory under-recoveries, enables a more stable financial position while allowing continued investment in grid modernisation and energy transition initiatives.

DRIVING POLICY ALIGNMENT AND ADVANCING NATIONAL AND REGIONAL AGENDAS

TNB continued to play an active role in supporting and contributing to policy and regulatory developments to advance Malaysia's energy transition and broader economic agenda. This includes contributing to the formulation of key national policies such as the National Carbon Market Policy and the Climate Change Act, as well as providing input into RMK-13 and Budget 2026 energy sector priorities.

The Group also participated in the development and implementation of key regulatory frameworks that enable renewable energy deployment and market participation. This includes facilitating the rollout of Solar Accelerated Transition Action Programme (ATAP), as well as enhancing the Corporate Renewable Energy Supply Scheme (CRESS) by extending access to all existing commercial and industrial consumers, in tandem with reduced access charges of up to 40%. In parallel, TNB supported the development of the Natural Gas Roadmap, contributing technical and operational insights for long-term sector planning.

At the regional level, TNB continued to strengthen its involvement in cross-border energy initiatives and international platforms by actively participating in ASEAN energy forums, including ASEAN Senior Officials Meeting on Energy (SOME), ASEAN Ministers on Energy Meeting (AMEM), Heads of ASEAN Power Utilities/ Authorities (HAPUA) and the Association of the Electricity Supply Industry of East Asia and the Western Pacific (AESIEAP). Progress in cross-border power trade contributed to measurable outcomes, including approximately 18 GWh of energy transacted under LTMS-PIP Phase 2 and approximately 400 GWh contracted under ENEGEM, generating revenue of around RM14 million and RM330 million respectively.

TNB also played a role in advancing Malaysia's presence on the global stage, including participation in the Malaysia Pavilion at the 2025 United Nations Conference of the Parties on Climate Change (COP30), highlighting the country's energy transition progress and grid modernisation efforts. In conjunction with Malaysia's ASEAN Chairmanship in 2025, the Group supported the ratification of cross-border agreements, including feasibility studies for a second interconnection with Singapore and collaboration with State Grid Corporation of China to advance regional energy cooperation.

These efforts strengthen alignment between policy development, regulatory frameworks and system requirements, while positioning TNB as a key contributor to both national and regional energy transition initiatives.

STRENGTHENING REGULATORY CAPABILITIES AND STAKEHOLDER ENGAGEMENT

TNB continued to strengthen its internal regulatory capabilities and stakeholder engagement to support its expanding role across domestic and international markets. This includes enhancing its ability to interpret evolving regulatory requirements, anticipate policy developments and align business strategies with emerging regulatory trends.

During the year, the Group established an International Regulations team to navigate the complexities of cross-border operations and global energy policy developments. The team translates international regulatory insights, ESG requirements and market developments into actionable strategies for overseas investments, while informing domestic policy engagement and regional initiatives such as the ASEAN Power Grid.

At the same time, TNB maintained active engagement with government agencies, regulators and key stakeholders to drive policy development and implementation. These efforts are reflected in a strong Regulatory Relationship Strength Index (RRSI) of 96%, indicating continued trust and alignment between TNB and regulatory stakeholders.

OUTLOOK

Execution under RP4 is expected to accelerate as projects transition from planning to deployment, reinforcing a multi-year grid investment cycle and system readiness for the energy transition.

In parallel, TNB will begin preparations for Regulatory Period 5 (RP5), with submission targeted in 2026 and negotiations expected in 2027. RP5 is highly significant as it will shape the next phase of sector transformation, aligning the regulatory framework with evolving requirements across electrification, digitalisation and AI, as well as increasing renewable integration and customer participation in a more decentralised energy system.

These developments will require regulatory mechanisms that provide greater flexibility and clearer investment signals, while maintaining a balance between affordability, reliability and sustainability. Market expectations are also evolving, with stakeholders seeking increased transparency, predictability and confidence in regulatory outcomes.

Following ongoing geopolitical developments, the AFA mechanism may shift from rebate to surcharge by mid-2026, reflecting potential increases in global fuel prices and foreign exchange volatility affecting generation costs. In this context, TNB will continue to work closely with regulators and government agencies to balance cost recovery with consumer protection, while advancing measures to reduce long-term exposure to fuel price volatility.

This includes accelerating renewable energy integration, strengthening demand-side programmes such as Time-of-Use tariffs and energy efficiency initiatives and enhancing operational efficiency to manage cost pressures within the system.

FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December	Group		Company	
	31.12.2025	31.12.2024 (Restated)	31.12.2025	31.12.2024 (Restated)
PROFITABILITY (RM million)				
Revenue	**67,723.1**	56,737.1	**61,637.4**	50,950.6
Operating profit	**8,532.1**	8,720.1	**8,002.7**	8,883.3
Profit before taxation and *zakat*	**6,176.6**	5,814.8	**4,642.9**	4,754.4
Net profit attributable to owners of the Company	**4,768.1**	3,978.2	**3,702.1**	3,416.1
KEY BALANCE SHEET DATA (RM million)				
Property, plant and equipment	**132,884.8**	125,611.1	**88,489.0**	81,907.3
Total assets	**198,354.5**	200,380.4	**181,465.8**	187,408.5
Total borrowings	**59,085.7**	57,406.6	**28,801.8**	26,657.6
Total liabilities	**145,380.5**	148,369.1	**144,597.3**	150,629.1
Share capital	**12,810.1**	12,700.2	**12,810.1**	12,700.2
Shareholders' equity	**52,974.0**	52,011.3	**36,868.5**	36,779.4
SHARE INFORMATION				
Per share (sen):				
- Basic earnings	**81.86**	68.58		
- Diluted earnings	**81.86**	68.43		
Dividend (sen):				
- Interim	**25.0**	25.0		
- Final	**28.0**	26.0		
Net assets per share attributable to owners of the Company (sen)	**871.3**	856.9		
FINANCIAL RATIOS				
Return on assets (%)	**2.4**	2.0		
EBITDA margin (%)	**31.6**	30.3		
Debt-equity (net of cash) ratio	**0.72**	0.87		

GROUP QUARTERLY FINANCIAL PERFORMANCE

RM Million	FY2025				
	Q1	Q2	Q3	Q4	Total
Revenue	**16,038.7**	**16,835.0**	**17,249.7**	**17,599.7**	**67,723.1**
Other operating income	**181.3**	**209.6**	**253.4**	**573.3**	**1,217.6**
Operating profit	**2,321.7**	**2,117.0**	**1,811.4**	**2,282.0**	**8,532.1**
Profit before taxation and *zakat*	**1,554.2**	**1,601.4**	**1,205.0**	**1,816.0**	**6,176.6**
Profit attributable to owners of the Company	**1,058.0**	**1,158.1**	**876.9**	**1,675.1**	**4,768.1**
Earnings per share (sen) - basic	**18.20**	**19.90**	**15.06**	**28.76**	**81.86**
Dividend per share (sen)	**-**	**25.0^**	**-**	**28.0***	**53.0**

RM Million	FY2024 (Restated)				
	Q1	Q2	Q3	Q4	Total
Revenue	13,640.4	14,366.8	14,351.6	14,378.3	56,737.1
Other operating income	173.4	338.3	179.4	363.4	1,054.5
Operating profit	2,024.8	2,241.2	1,612.4	2,841.7	8,720.1
Profit before taxation and *zakat*	1,029.8	1,766.9	1,875.4	1,142.7	5,814.8
Profit attributable to owners of the Company	586.2	1,304.4	1,445.3	642.3	3,978.2
Earnings per share (sen) - basic	10.13	22.54	24.94	11.07	68.58
Dividend per share (sen)	-	25.0^	-	26.0*	51.0

^ *Interim Dividend.*
* *Final Dividend.*

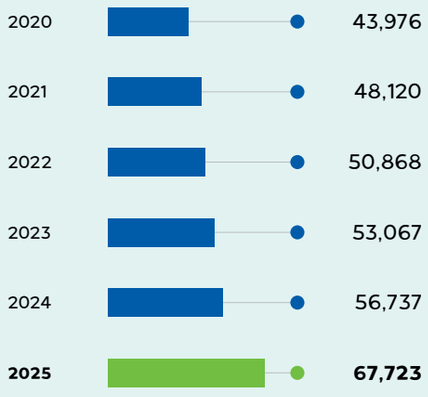
SIX-YEAR GROUP FINANCIAL SUMMARY

Year/Period Ended	Group					
	31.12.2025	31.12.2024 (Restated)	31.12.2023	31.12.2022	31.12.2021	31.12.2020
OPERATING RESULTS (RM million)						
Revenue	**67,723.1**	56,737.1	53,066.9	50,867.7	48,119.9*	43,976.0
Operating profit	**8,532.1**	8,720.1	7,356.9	9,409.5	8,083.0	7,358.8
Profit before taxation and *zakat*	**6,176.6**	5,814.8	3,373.6	5,348.6	4,738.3	4,235.4
Profit attributable to owners of the Company	**4,768.1**	3,978.2	2,770.3	3,463.3	3,661.8	3,592.7
KEY BALANCE SHEET DATA (RM million)						
Property, plant and equipment	**132,884.8**	125,611.1	121,932.1	116,577.1	114,105.6	112,596.1
Total assets	**198,354.5**	200,380.4	204,743.6	205,922.3	182,600.6	181,433.3
Total borrowings	**59,085.7**	57,406.6	61,770.2	63,882.2	51,678.2	49,452.6
Total liabilities	**145,380.5**	148,369.1	143,660.9	144,956.1	124,208.2	123,983.4
Share capital	**12,810.1**	12,700.2	12,499.5	12,204.3	11,927.6	11,675.2
Shareholders' equity	**52,974.0**	52,011.3	61,082.7	60,966.2	58,392.4	57,449.9
SHARE INFORMATION						
Per share (sen)						
Basic earnings	**81.86**	68.58	48.00	60.35	64.05	63.06
Diluted earnings	**81.86**	68.43	47.79	59.98	63.73	62.79
Gross dividend	**53.00**	51.00	46.00	46.00	40.00	80.00
Net assets per share attributable to owners of the Company	**871.3**	856.9	1,016.5	1,017.1	988.6	978.7
Share price as at reporting date (RM)	**13.72**	14.94	10.04	9.63	9.34	10.42
FINANCIAL RATIOS						
Return on assets (%)	**2.4**	2.0	1.3	1.7	2.1	2.0
Adjusted return on assets (%)[1]	**2.3**	2.1	1.7	2.2	2.6	2.4
Return on equity (%)	**9.0**	7.7	4.3	5.8	6.6	6.3
Gearing (%)	**52.7**	52.5	50.3	51.2	47.0	46.3
EBITDA margin# (%)	**31.6**	30.3	29.3	28.4	35.7*	40.9
Effective weighted average cost of funds (%)	**4.6**	4.8	4.8	4.6	4.6	4.9
Interest coverage (%)	**5.1**	4.9	4.3	4.8	5.0	4.9
Currency mix (RM: Foreign)	**78:22**	73:27	73:27	79:21	76:24	75:25
Debt-equity (net of cash) ratio[2]	**0.72**	0.87	0.67	0.83	0.73	0.63
Dividend yield (Annual dividend/ share price per unit)	**3.86%**	**3.41%**	**4.58%**	**4.78%**	**4.28%**	**7.68%**

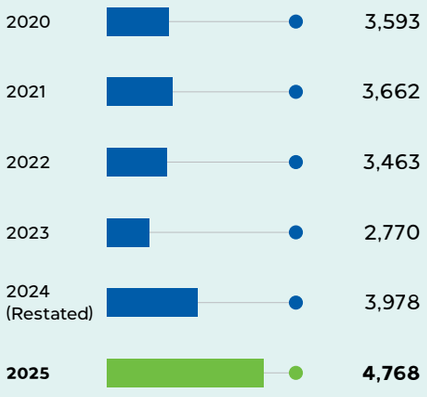
* *Restated.*
\# *With ICPT and AFA.*
[1] *Adjusted for MFRS119 and foreign exchange.*
[2] *Cash include financial assets at fair value through profit or loss (FVTPL).*

SIX-YEAR GROUP GROWTH SUMMARY

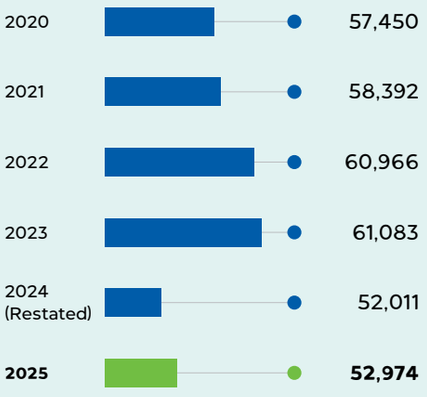
Revenue (RM million)



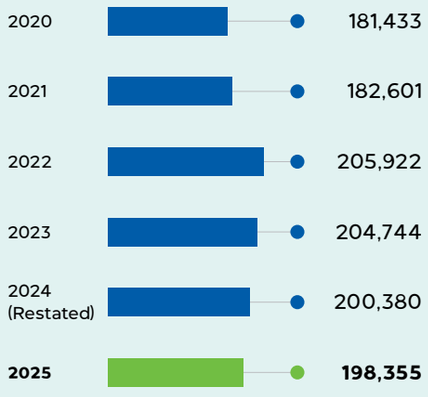
Net Profit Attributable to Owners of the Company (RM million)



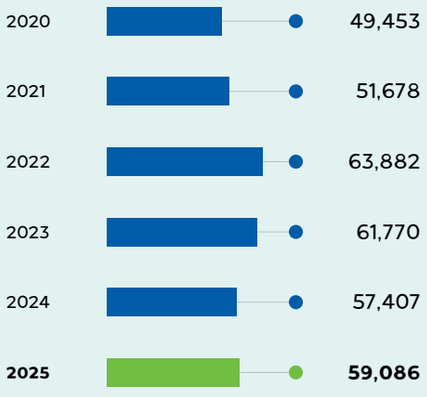
Shareholders' Equity (RM million)



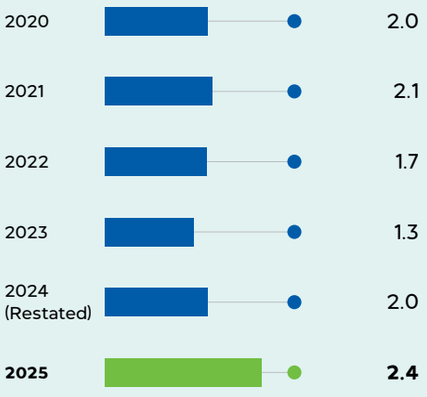
Total Assets (RM million)



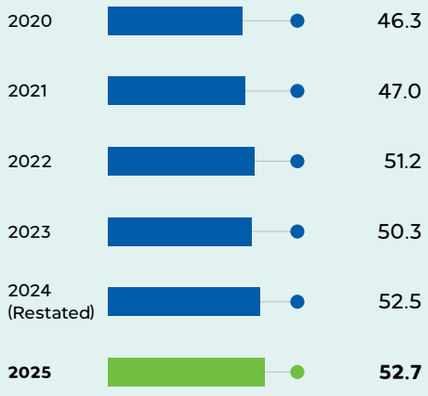
Total Borrowings (RM million)



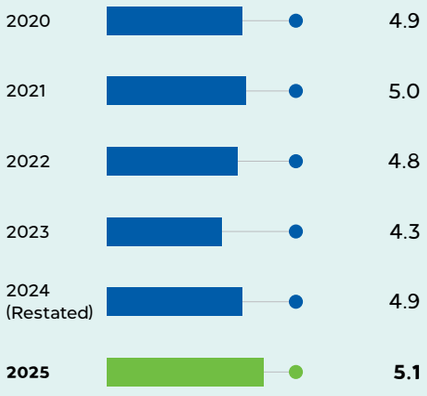
Return on Assets (%)



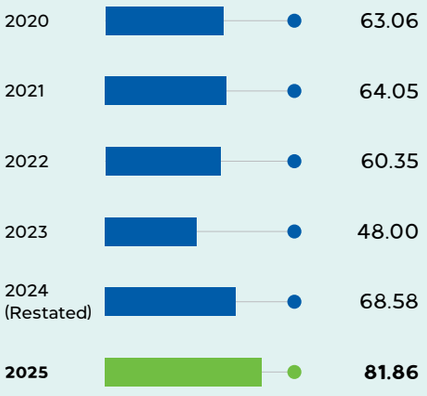
Gearing (%)



Interest Coverage (%)

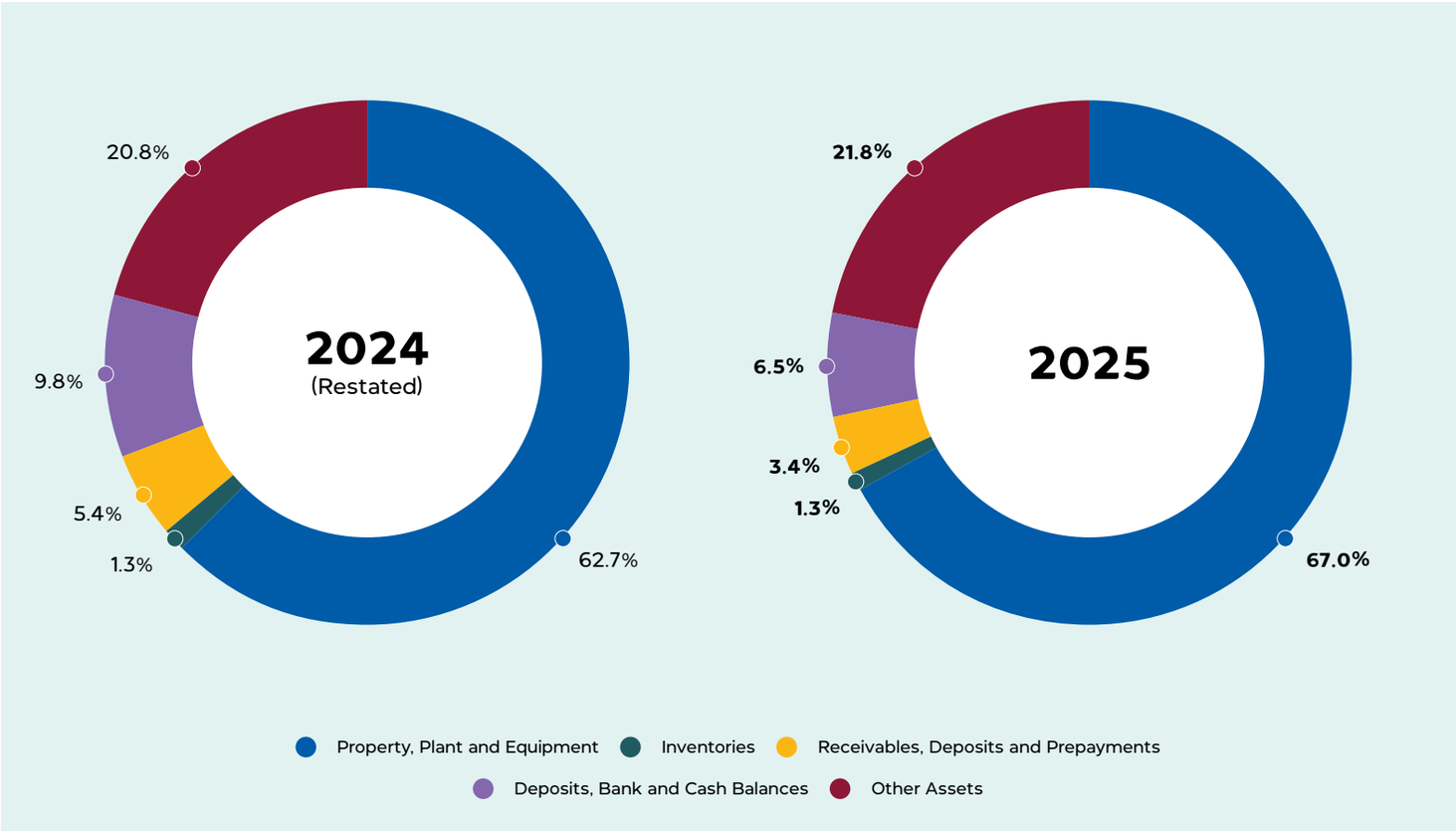


Basic Earnings Per Share (sen)

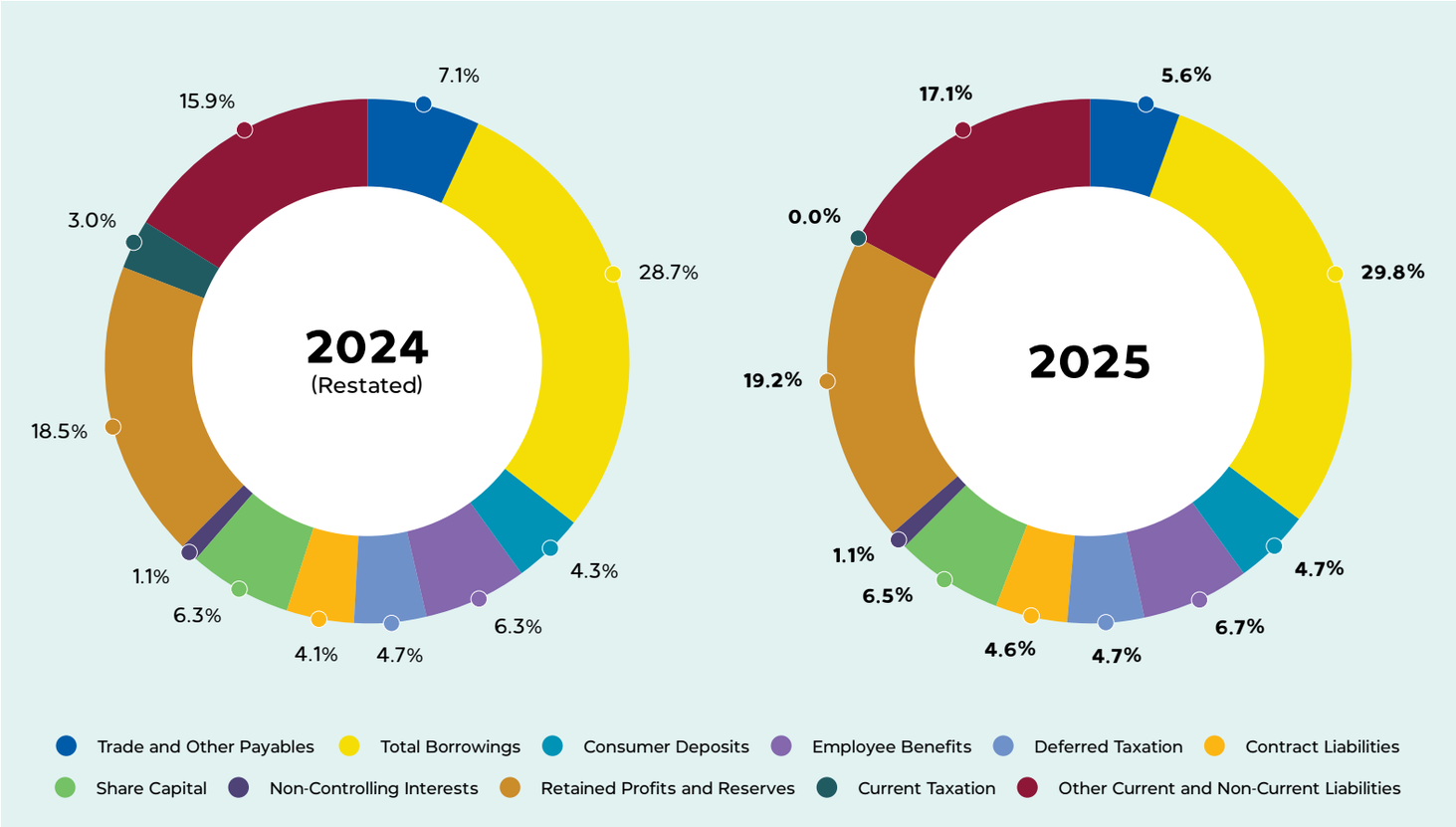


SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS



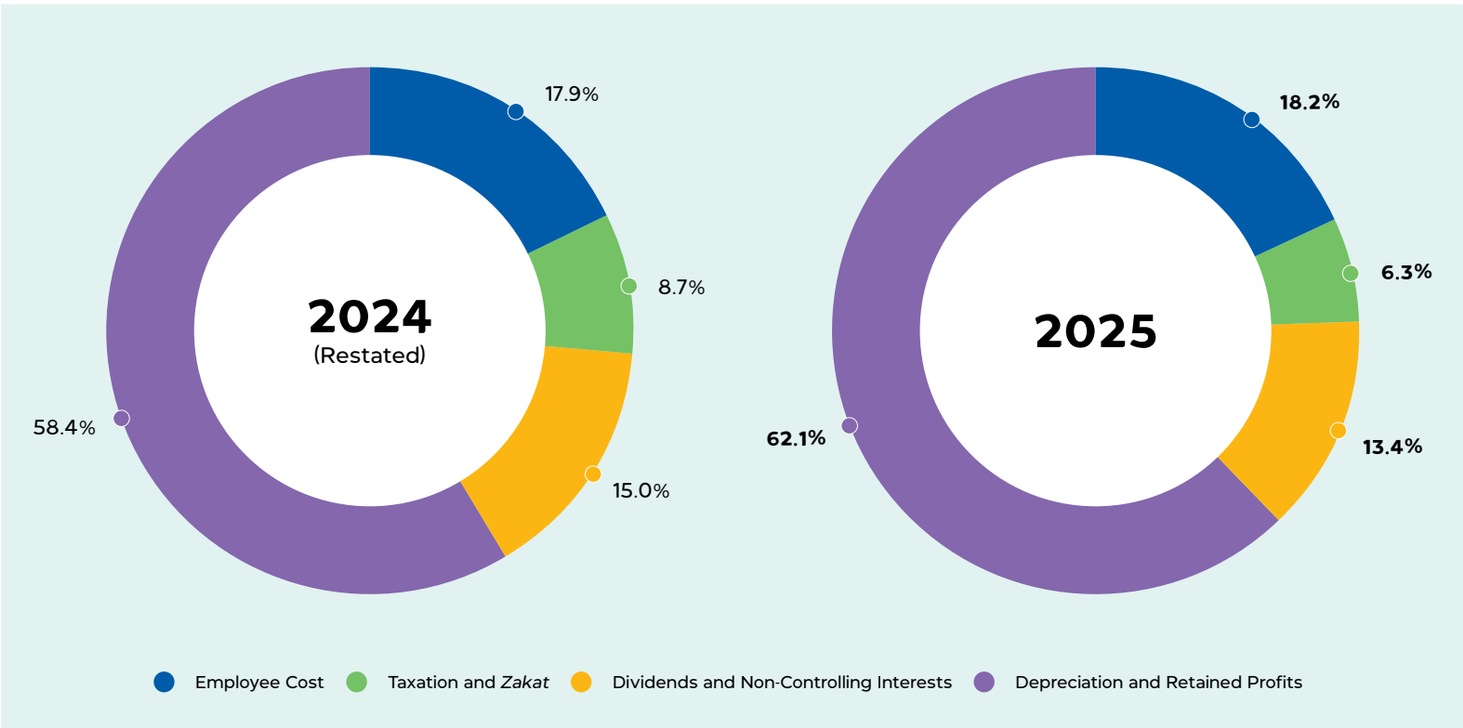
TOTAL LIABILITIES AND EQUITIES



STATEMENT OF VALUE ADDED

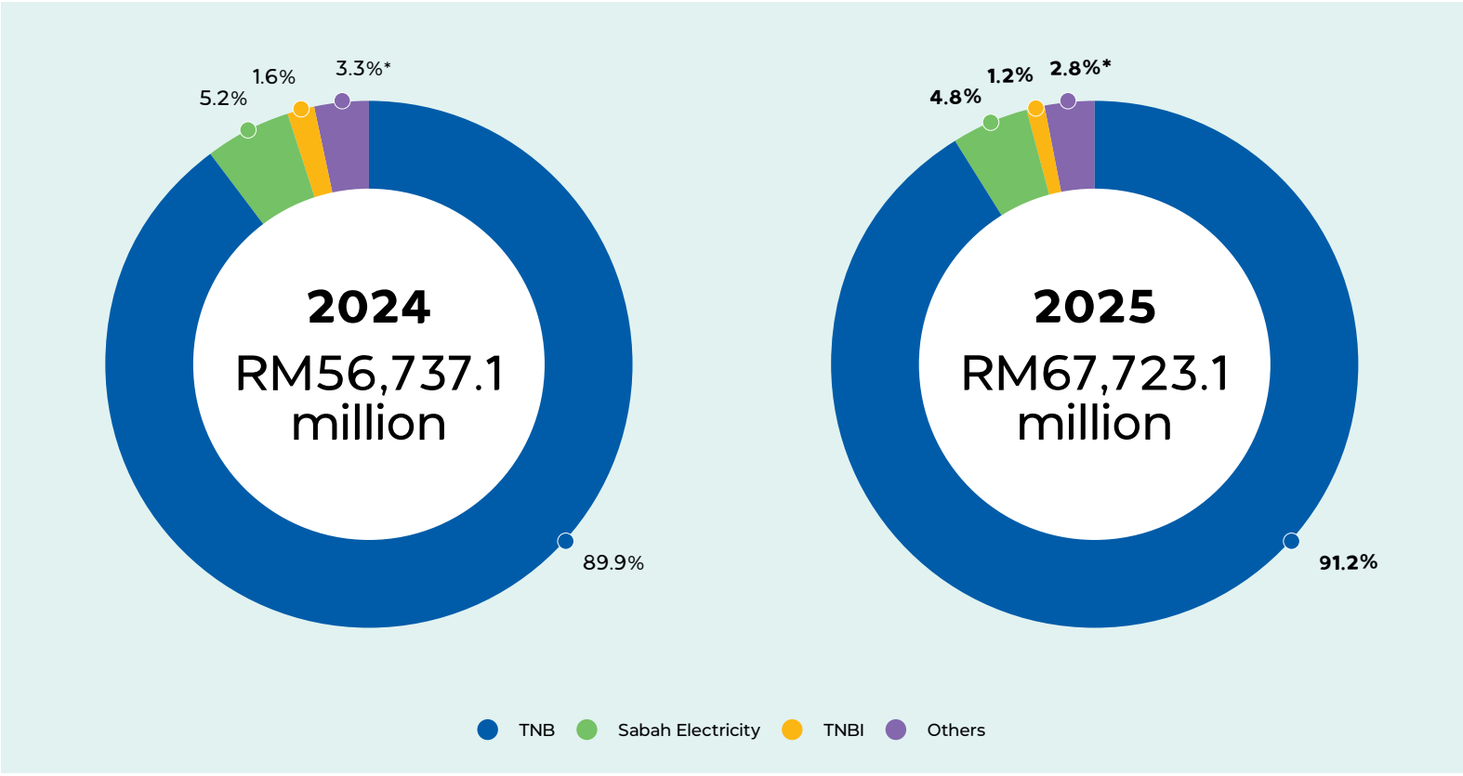
	31.12.2025	31.12.2024 (Restated)
VALUE ADDED (RM Million)		
Revenue	**67,723.1**	56,737.1
Imbalance Cost Pass-Through ('ICPT') and Automatic Fuel Adjustment ('AFA') (over)/under recovery	**(2,738.6)**	9,097.7
Operating expenses excluding staff cost and depreciation	**(41,688.0)**	(44,006.4)
Net reversal on impairment of financial instruments	**32.9**	789.1
Other operating income	**1,217.6**	1,054.5
Finance income	**631.4**	628.7
Finance cost	**(3,994.5)**	(4,097.8)
Fair value changes of financial instruments	**217.2**	(11.1)
Foreign exchange gain	**702.6**	467.4
Share of results of associates and joint ventures	**87.8**	107.5
Value added available for distribution	**22,191.5**	20,766.7
DISTRIBUTION (RM Million)		
To employees:		
Staff cost	**4,034.6**	3,719.5
To the Government:		
Taxation and *zakat*	**1,406.8**	1,805.6
To shareholders:		
Dividends	**2,968.7**	3,073.7
Non-controlling interests	**1.7**	31.0
To reinvest in the Group:		
Depreciation	**11,980.3**	11,232.4
Retained profits	**1,799.4**	904.5
Total distributed	**22,191.5**	20,766.7

DISTRIBUTION OF VALUE ADDED

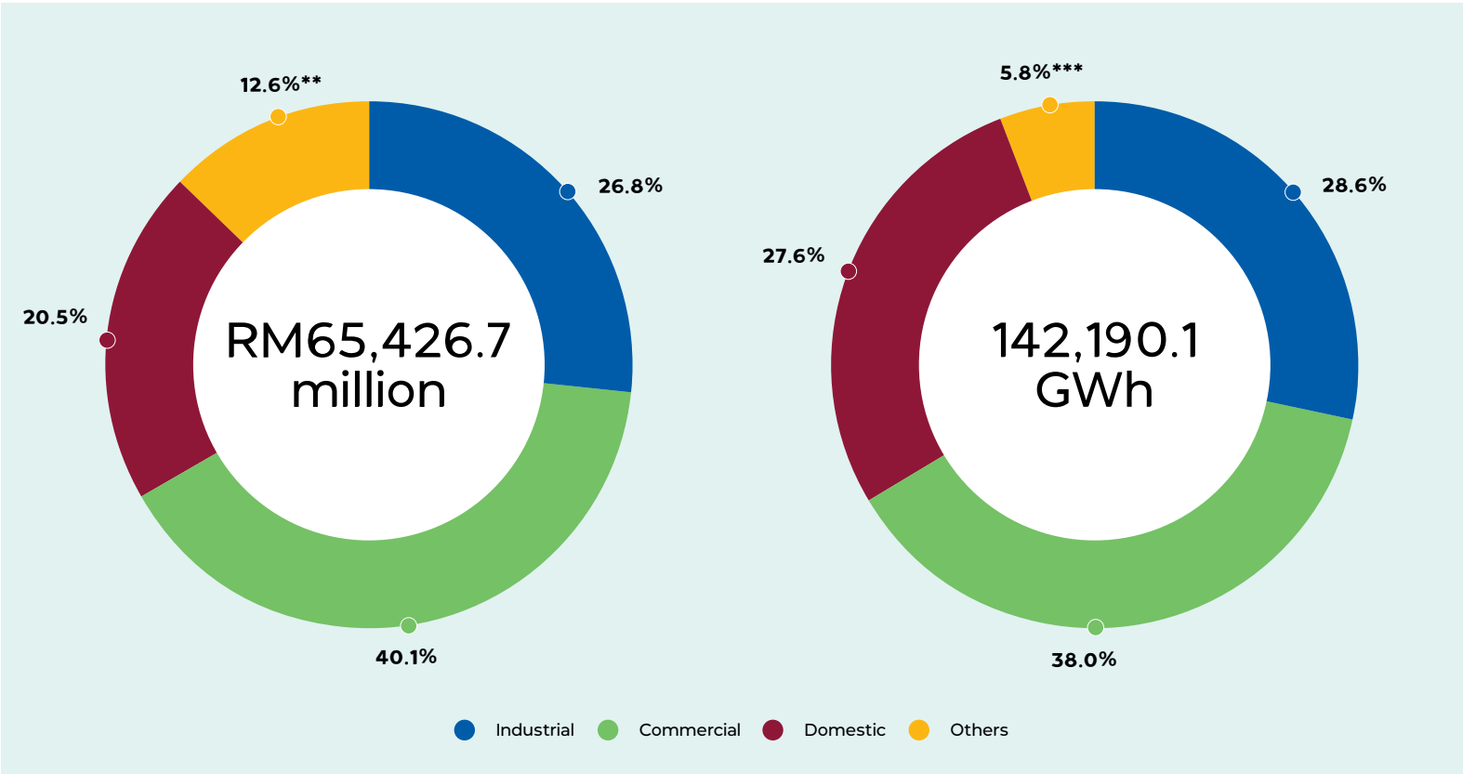


CORE REVENUE

TOTAL REVENUE



GROUP SALES OF ELECTRICITY (BY SECTOR) IN YEAR 2025



* *Others include Goods & Services, Construction Contracts and Insurance Contract Revenue.*

** *Others include Agriculture, Mining, Public Lighting, Water & Sewerage, Accrued Revenue, Energy Export, TNBI, Other Regulatory Adjustments and Tariff Support Subsidy & Fuel Subsidy - Sabah Electricity.*

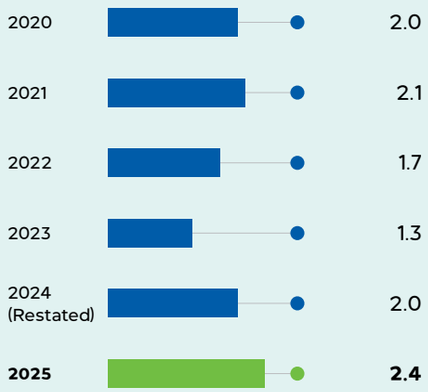
*** *Others include Agriculture, Mining, Public Lighting, Water & Sewerage, Energy Export and TNBI.*

OUR SCORECARD

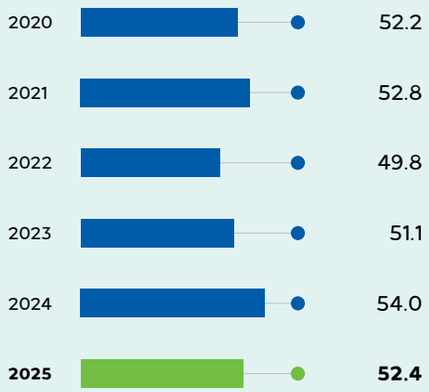
	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024 (Restated)	31.12.2025
Return on asset	2.0%	2.1%	1.7%	1.3%	2.0%	**2.4%**
Generation market share[1]	52.2%	52.8%	49.8%	51.1%	54.0%	**52.4%**
Customer satisfaction index	86%	87%	87%	88%	87%	**90%**
Corporate reputation index	81%	88%	79%	86%	82%	**88%**
Equivalent availability factor[2]	87.39%	82.96%	83.20%	83.26%	81.17%	**87.8%**
Equivalent Unplanned Outage Factor[2]	6.7%	7.8%	7.4%	6.6%	5.4%	**3.72%**
Transmission system minutes[1]	0.08 minutes	0.08 minutes	0.17 minutes	0.48 minutes	0.0019 minutes	**0.15 minutes**
System average interruption duration index[1] (SAIDI) minutes/customer/year	44.95	45.25	45.06	46.1	47.88	**46.93**
Transmission losses[1]	1.47%	1.60%	1.59%	1.56%	1.32%	**0.94%**
Distribution losses[1]	6.69%	6.16%	5.45%	5.42%	5.84%	**5.69%**
Employee engagement/People Experience[3]	89%	85%	87%	89%	90%	**87%**

(1) *For Peninsular Malaysia only.*
(2) *All Coal, Gas and Hydro power plants under TNB Power Generation Sdn. Bhd.*
(3) *In 2024, Employee Engagement Survey (EES) was replaced by People Experience (PX) Survey.*

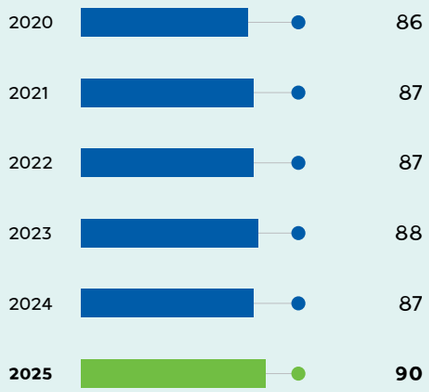
Return On Assets (%)



Generation Market Share (%)



Customer Satisfaction Index (%)



FINANCIAL CALENDAR

Announcements of Consolidated Results

27 May 2025	28 August 2025	28 November 2025	26 February 2026
Unaudited consolidated results for the first (1st) quarter ended 31 March 2025	Unaudited consolidated results for the second (2nd) quarter ended 30 June 2025	Unaudited consolidated results for the third (3rd) quarter ended 30 September 2025	Unaudited consolidated results for the fourth (4th) quarter ended 31 December 2025

Dividends

Interim Single-Tier Dividend of 25.0 sen per ordinary share for the Financial Year ended 31 December 2025

30 September 2025	16 October 2025
Entitlement Date	Payment Date

Final Single-Tier Dividend of 28.0 sen per ordinary share for the Financial Year ended 31 December 2025

31 March 2026	17 April 2026
Entitlement Date	Payment Date

Annual General Meetings

23 April 2025	22 May 2025	22 April 2026	21 May 2026
Notice of 35th Annual General Meeting and Issuance of Integrated Annual Report and Audited Financial Statements for the Financial Year ended 31 December 2024	35th Annual General Meeting	Notice of 36th Annual General Meeting and Issuance of Integrated Annual Report and Audited Financial Statements for the Financial Year ended 31 December 2025	36th Annual General Meeting