TENAGA NASIONAL
Better. Brighter.

75
1949-2024

LEADING THE ENERGY TRANSITION FOR A SUSTAINABLE TOMORROW

INTEGRATED ANNUAL REPORT
2024

Cover Rationale

The cover of TNB's Integrated Annual Report 2024, themed **"Leading the Energy Transition for a Sustainable Tomorrow,"** visually represents the company's commitment to shaping a low-carbon, digitally connected energy future. Through elements such as renewable energy sources, smart grids, electric mobility, and green landscapes, the design highlights TNB's leadership in driving sustainable progress. It reflects a balanced approach that prioritises innovation, environmental stewardship, and community impact—reinforced by the 75th Anniversary emblem that anchors the company's legacy and forward momentum.

Scan this QR code to view it online or visit

www.tnb.com.my

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Proxy Form

35th Annual General Meeting

Date
22 May 2025, Thursday

Time
10.00 am

Venue
Pusat Konvensyen Leo Moggie, TNB Platinum,
No. 3, Jalan Bukit Pantai, Bangsar,
59100 Kuala Lumpur, Malaysia

Basis of This Report

This Integrated Annual Report 2024 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 2024, highlighting the key drivers of value across our business.

REPORTING FRAMEWORKS

This report adheres to the following local and global frameworks:

Key Frameworks Applied	IR	SR
International Integrated Reporting Framework (January 2021) under IFRS Foundation	✓	
Malaysian Code on Corporate Governance by the Securities Commission Malaysia (MCCG)	✓	
Bursa Malaysia's Corporate Governance Guide (4th Edition)	✓	
Companies Act 2016	✓	
Malaysian Financial Reporting Standards (MFRS)	✓	
International Financial Reporting Standards (IFRS)	✓	
Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR)	✓	✓
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	✓	✓
Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	✓	✓
United Nations Sustainable Development Goals (UN SDGs)	✓	✓
GHG Emission 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).	✓	✓

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 matters 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 2024.

MATERIALITY

The content of this Report highlights issues of strategic importance to TNB, particularly those with a significant bearing on our Environmental, Social and Government (ESG) performance.

These priority areas enable stakeholders to make informed assessments of our business practices and sustainability efforts. They are the result of a rigorous materiality assessment process that draws on insights and feedback from a broad range of internal and external stakeholders.

For more information about our materiality assessment, please refer to page 67 of this Report.

ALIGNMENT WITH THE 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 Integrated Annual Report 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 Integrated Annual Report 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**.

Navigating This Report

OUR CAPITALS

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

STRATEGIC PILLARS

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

OUR STAKEHOLDER

- S1 Customers
- S2 Employees
- S3 Governments and Regulators
- S4 Investors
- S5 Trade Unions & Associations
- S6 Communities
- S7 Non-Governmental Organisations (NGOs) & Associations
- S8 Vendors

MATERIAL MATTERS

Environmental

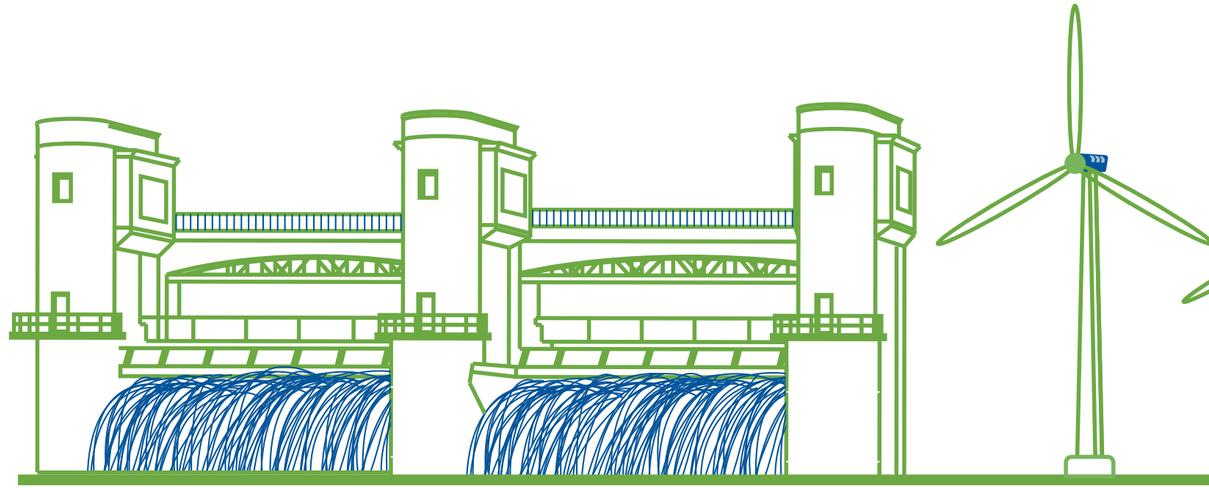
- MM 2 Energy Transition and Innovation
- MM 3 Climate Change and Emissions
- MM 6 Biodiversity and Environmental Management

Social

- MM 5 Safety, Health and Well-Being
- MM 8 Community Development and Social Impact
- MM 11 Labour Rights and Employment Culture

Governance

- MM 1 Responsible Business and Financial Performance
- MM 4 Reliable Energy and Fair Tariff
- MM 7 Customer Experience and Satisfaction
- MM 9 Sustainable and Responsible Supply Chain
- MM 10 Cybersecurity Management



HARNESSING NATURE'S POWER FOR TOMORROW

75 Years: A Legacy of Excellence and Achievements

The Central Electricity Board (LLP) 1949-1965

In the 1940s, the need arose for a unified electrical grid to replace the existing fragmented system. To address this, the Central Electricity Board (LLP) was established in 1949 with the mandate to centralise electricity generation and distribution across Peninsular Malaysia. This led to the development of a stable and cohesive national electricity network.

National Electricity Board (LLN) 1965-1990

Established in 1965, the National Electricity Board (LLN) was entrusted with a broader mission: to bring electricity to every corner of the country. To achieve a fully integrated national electricity supply, LLN focused on expanding both the electrical grid and the distribution network system.

1 September 1949

The Central Electricity Board (LLP) of the Malay Federation was formed.

22 June 1965

LLP was renamed as the National Electricity Board (LLN).

1966

The Prime Minister of Malaysia, Tunku Abdul Rahman Putra Al-Haj, delivered an address at the opening ceremony of the new LLN Headquarters in Bangsar.

1975

LLN Safety Unit completed its inaugural parade exercise, demonstrating the organisation's commitment to safety practices.

1976

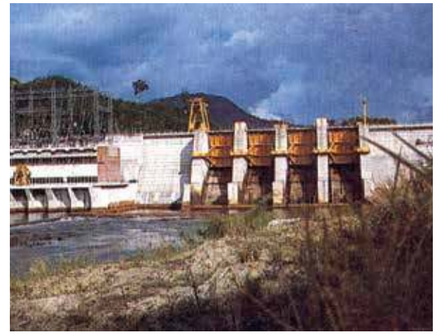
A new telephone switchboard was installed at LLN Headquarters in Bangsar. Handling 10,000 calls daily, it was the second busiest switchboard in the country at that time.

1979

The National Load Dispatch Centre (NLDC) was officially opened by Prime Minister Tun Hussein Onn.

1983

The Bersia Power Station, located in Sungai Perak with a capacity of 72MW, was completed.



1953

A source of great pride for LLP, the Connaught Bridge 40MW Power Station in Klang, was officially opened by Sir Gerald Templer.

1963

The Cameron Highlands Hydroelectric Power Station was officially inaugurated. It marked a significant milestone in Malaysia's hydroelectric development.

1966

LLN embraced technological advancement by implementing the country's first computerised system, the IBM 1440, which was equipped with an 8,000KB memory capacity.

1970s

LLN employees meticulously conducted final tests on the internal wiring of a village house, bringing electricity to a rural community through the Rural Electricity Supply Programme.

1976

The Women's Association, or PELITAWANIS, was inaugurated by the Chief Secretary to the Government, Tan Sri Abdul Kadir Shamsuddin, who also served as the Chairman of LLN, at the headquarters' canteen.

1976

The PELITAWANIS kindergarten was officially opened as part of a welfare initiative aimed at benefitting the families of LLN employees.

1978

General Manager, Tan Sri Dato' Dr. Ir. Haji Abu Zarim Omar officially laid the foundation stone for the LLN Training Institute in Bangi.

1980

Construction began on the 150-metre high Kenyir Dam, the largest hydroelectric project in Peninsular Malaysia at the time. The dam was completed in December 1985.

1984

LLN introduced mobile collection vans, allowing users to pay their electricity bills more conveniently.

1990

LLN's Board of Directors before its corporatisation.

Tenaga Nasional Berhad (TNB) 1990-Now

In 1983, the Government introduced the National Privatisation Policy. As a result, Tenaga Nasional Berhad (TNB) was established in 1990 as a corporate entity with the mandate to supply electricity nationwide and drive economic development.

1 September 1990

LLN was corporatised and rebranded as Tenaga Nasional Berhad (TNB). TNB unveiled its new logo during its official launch.

1996

The establishment of Call Management Centres (CMC) in every state in Peninsular Malaysia made TNB the first utility company to introduce a national public telephone number for customer convenience.

29 June 2000

Universiti Tenaga Nasional (UNITEN) was officially launched by Prime Minister, Tun Dr. Mahathir Mohamad.

2006

TNB demonstrated its commitment to corporate responsibility by focusing its efforts on the Firefly Tourism Centre in Kampung Kuantan, Kuala Selangor.

2012

TNB's CareLine service was launched by the Minister of Energy, Green Technology and Water, Tan Sri Peter Chin Fah Kui.

2016

Ulu Jelai Hydroelectric Station with a capacity of 2x186MW commenced operations.

18 September 2018

TNB organised the 22nd edition of the CEPSI conference, which was attended by 2,000 delegates from 30 countries.

2018

Malaysia's first large-scale solar farm, located in Sepang, Selangor commenced operations.

20 October 2021

TNB marked a milestone with its first international offshore wind turbine asset in Blyth, United Kingdom.

16 February 2023

TNB's Electron at Rest & Relaxation (R&R) Ayer Keroh Northbound was officiated by Dato' Sri Alexander Nanta Linggi, Minister of Works.

9 March 2024

TNB made history by winning the Treble title at the TNB-Malaysia Hockey League (MHL) 2024.

6 July 1993

Yayasan Tenaga Nasional (YTN) was launched by the Minister of Finance, Dato' Seri Anwar Ibrahim, at Institut Latihan Sultan Ahmad Shah (ILSAS).

1999

Executive Chairman & President, Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali launched TNB's 50th Anniversary logo.

18 October 2002

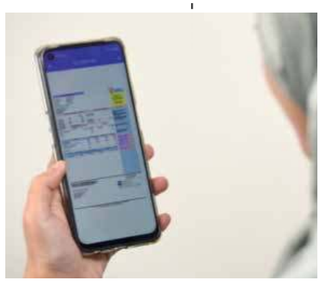
The Liberty Power Station in Pakistan was formally inaugurated, marking TNB's first major investment abroad.

2015

TNB completed its first monopole overhead line project, a 4.2km line connecting Pantai Siring to Pulau Besar in Melaka.

2018

TNB launched the myTNB App, enabling users to access their accounts and make online payments.



28 September 2018

Deputy Prime Minister, Dato' Seri Dr. Wan Azizah Wan Ismail visited the Serdang Hospital facilities after officiating the Better, Brighter Anjung Kasih programme.

15 January 2020

TNB's An-Nur Balai Islam Complex was officiated by Prime Minister, Tun Dr. Mahathir Mohamad in conjunction with TNB's 70th Anniversary.

2022

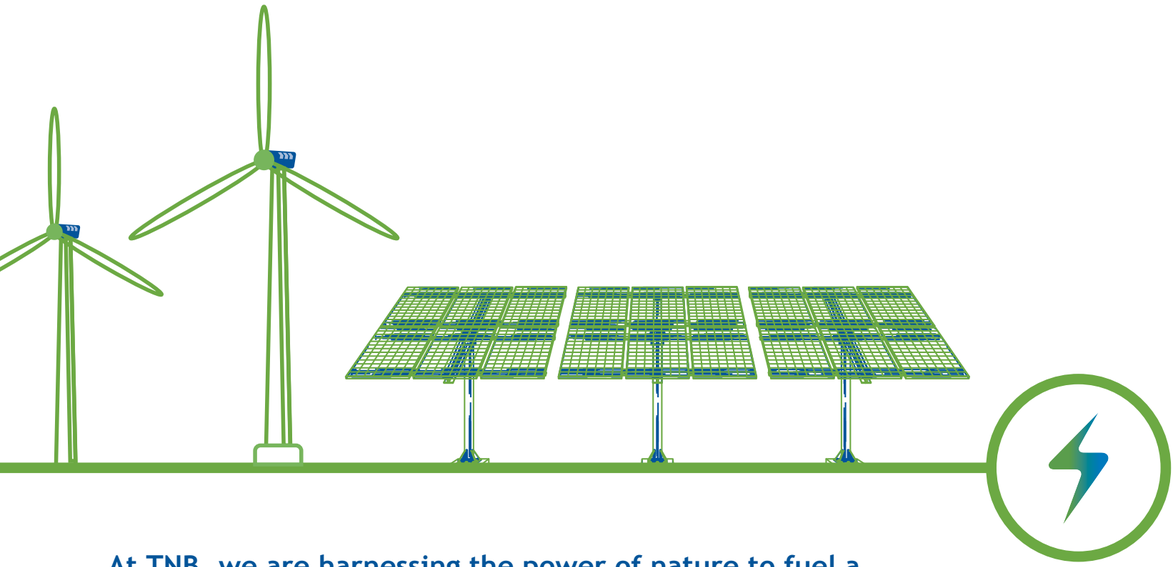
The Pulau Tenaga Hijau (PTH) Project is an island electrification initiative that utilises clean and environmentally friendly energy sources.

29 August 2023

The National Energy Transition Roadmap (NETR) was officiated by Prime Minister, Dato' Seri Anwar Ibrahim during the Energy Transition Conference organised by TNB.

29 October 2024

Prime Minister, Dato' Seri Anwar Ibrahim officiated the launch of TNB Platinum, the new campus and headquarters during TNB's 75th Anniversary celebrations.



At TNB, we are harnessing the power of nature to fuel a cleaner, more resilient future. From hydro to wind and solar, our renewable energy investments reflect our unwavering 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 the generations ahead.

We Are TNB

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 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 is primarily engaged in the generation, transmission, distribution, and retail of electricity, serving over 11 million customers across Peninsular Malaysia, Sabah, and beyond.

Guided by its purpose of delivering a Better. Brighter. future, TNB is committed to a just and responsible energy transition by advancing decarbonisation, strengthening energy security, and accelerating innovation. With a total gross renewable energy portfolio of 4,547MW – including 3,364MW in Malaysia and an additional 1,183MW internationally, TNB is actively expanding its clean energy footprint in markets such as the United Kingdom, Ireland and Australia.

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

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

Presence in 8 Countries

United Kingdom, Ireland, Türkiye, Kuwait, Saudi Arabia, Pakistan, Cambodia and Australia

Our International Footprint

UNITED KINGDOM

POWER PLANT

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

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

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

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

ENERGY SOURCE:

Wind, Solar

TOTAL CAPACITY: 530.4MW

IRELAND

POWER PLANT

Vantage Re No. 3 Limited (100% Equity)
Capacity: **275.8MWp**

ENERGY SOURCE:

Solar

TOTAL CAPACITY: 275.8MWp

TÜRKIYE

POWER PLANT

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

ENERGY SOURCE:

Wind, Hydro, Natural Gas

TOTAL CAPACITY: 1,151.5MW

KUWAIT

OPERATIONS & MAINTENANCE SERVICES

- Operation & Maintenance for **210MW** Doha West Water & Distillation Station Gas Turbine and Auxiliaries
- Engineering Services for **252MW** Shuwaikh Open Cycle Gas Turbine and Auxiliaries
- Engineering Services for **300MW** Sabiya Open Cycle Gas Turbine Station-1 (GE LM6000)
- Engineering Maintenance Services for **885MW** Shuaiba North Power Generation & Water Distillation Plant
- Engineering Services for **300MW** Sabiya Open Cycle Gas Turbine Station-2 and Auxiliaries (GE F7)
- Annual Maintenance Contract (Control & Instrumentation) for Ministry of Electricity and Water, Kuwait
- 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 MEWRE

ENERGY SOURCE:

Natural Gas, Distillate

TOTAL CAPACITY: 1,947MW

PAKISTAN

OPERATIONS & MAINTENANCE SERVICES

Operation & Maintenance for **1,223MW**

Balloki Combined-Cycle Gas Turbine

ENERGY SOURCE:

Natural Gas

TOTAL CAPACITY: 1,223MW

CAMBODIA

TECHNICAL ADVISORY

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

ENERGY SOURCE:

Distillate

TOTAL CAPACITY: 408MW

AUSTRALIA

POWER PLANT

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

ENERGY SOURCE:

Solar

TOTAL CAPACITY: 120.5MWp

SAUDI ARABIA

POWER PLANT

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

WATER DESALINATION ASSETS

SWEC Water **880,000 m³/day**

SEPCO Water **150,000 m³/day**

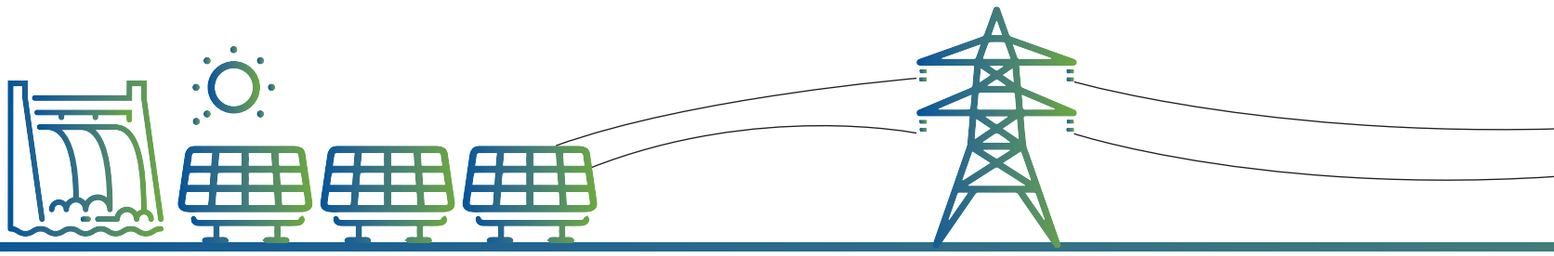
Total Capacity: **1,030,000 m³/day**

ENERGY SOURCE:

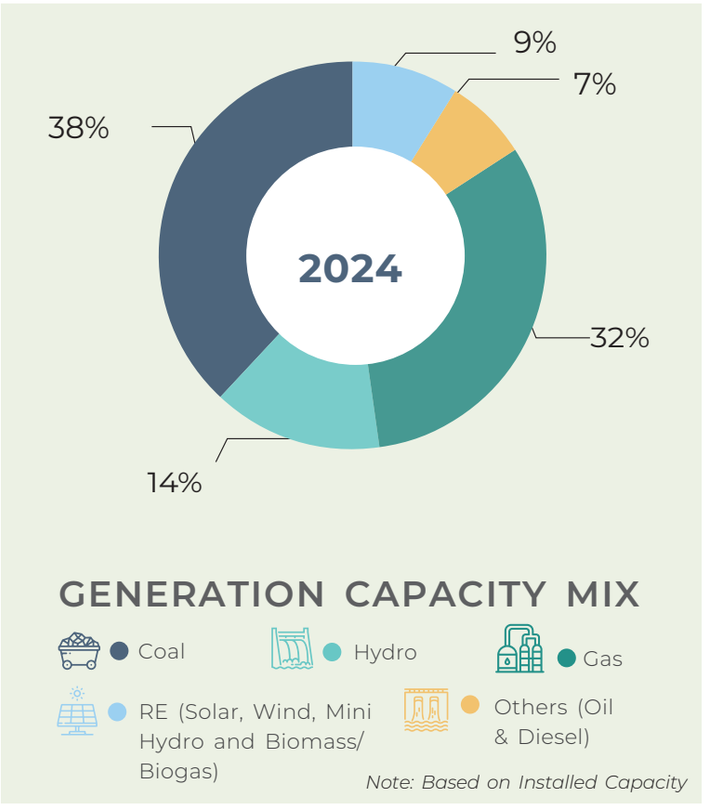
Fuel oil

TOTAL CAPACITY: 1,190.7MW

What We Do: Core Business Segments



POWER GENERATION



TNB, through its subsidiary TNB Power Generation Sdn. Bhd., is Malaysia's largest power producer, contributing 54% generation market share in Peninsular Malaysia. In Sabah, generation activities are undertaken via Sabah Electricity Sdn. Bhd. (SESB), supporting the state's energy needs. Internationally, TNB's presence extends to the United Kingdom (UK), Australia and Turkiye 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, reinforcing its operational excellence. In line with the Group's Net Zero 2050 aspiration, TNB is steadily transitioning towards cleaner energy solutions, exemplified by the award-winning Sultan Ibrahim Power Plant, which was recognised as the 2021 Power Plant of the Year.

Total No. of Power Plants:
222 units

Total Installed Renewable Energy Capacity:
4,515MW

Generation Market Share:
54% of total Peninsular Malaysia installed Capacity

GRID

In compliance with the Malaysian Grid Code, TNB's Grid Division is responsible for ensuring the safe, reliable, and economical operation of the electricity transmission system. The Division manages and operates TNB's National Grid, comprising the 132kV, 275kV, and 500kV transmission networks across Peninsular Malaysia. In Sabah, grid activities are managed separately by SESB.

Its core functions include strategy formulation, system planning, engineering, project management, maintenance, and wayleave management. The National Grid is interconnected with regional systems: to the north with Thailand's Electricity Generating Authority of Thailand (EGAT) via a 300MW High Voltage Direct Current (HVDC) link and a 132kV High Voltage Alternating Current (HVAC) overhead line (80MW); and to the south with Singapore's transmission system at Senoko via 230kV submarine cables with the capacity of 2 x 550MVA providing a firm capacity of 200MW.

Total Transmission Network:
29,518.87km

Peninsular Malaysia
26,371.48km

SESB
3,147.39km

Total Transmission Substations:
543 units

Peninsular Malaysia
494 units

SESB
49 units

Total Transmission Transformers:
1,497 units

Peninsular Malaysia
1,393 units

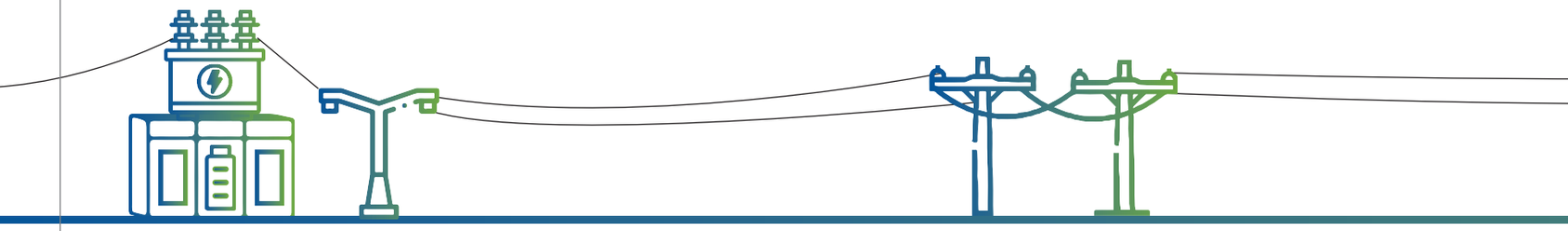
SESB
104 units

System Minutes:

Peninsular Malaysia
0.0019 minutes
2023: 0.483 minutes

Sabah
0.548 minutes
2023: 16.83 minutes

WHAT WE DO: CORE BUSINESS SEGMENTS



DISTRIBUTION NETWORK

The Division is responsible for the planning, construction, operation, maintenance, and asset management of the 33kV, 11kV, 6.6kV, and 0.4kV distribution networks across Peninsular Malaysia. In Sabah, the distribution network is independently managed by SESB.

SAIDI:

Peninsular Malaysia
47.88 minutes
2023: 46.10 minutes

Sabah
208.65 minutes
2023: 266.37 minutes

Total Distribution Transformers:
114,767 units

Peninsular Malaysia
105,556 units

SESB
104 units

Smart Meter Deployed:
4.5 million
as at 31 December 2024

Total Distribution Substations:
99,374 units

Peninsular Malaysia
90,142 units

SESB
49 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, 126 Kedai Tenaga outlets, and 3 CareLine offices. In Sabah, the management of retail activities is undertaken separately by Sabah Electricity Sdn. Bhd. (SESB).

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.

No. of Customers:

Peninsular Malaysia
10.41 million

Sabah
0.71 million

CSI:
87%

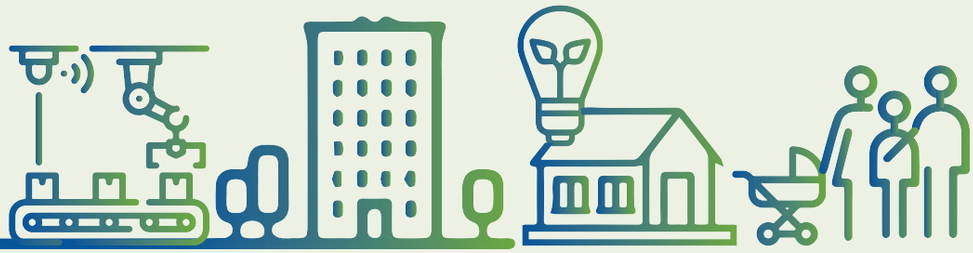
Customer Exp. Index **95%**

Total Electricity Sales:
RM54,545.7 million

Total Energy Units Sold:
138,539.2 GWh

Who We Serve

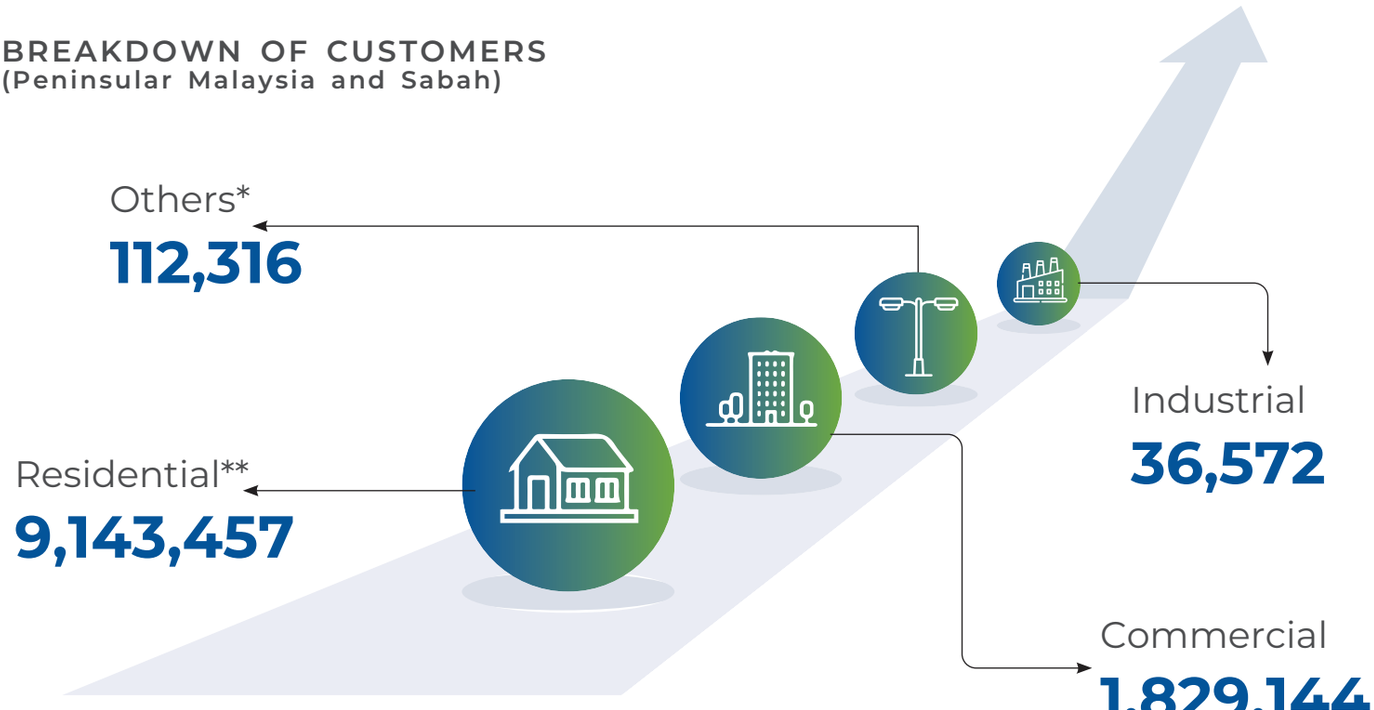
Our Customer Profile



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

Total 11.1 million

BREAKDOWN OF CUSTOMERS
(Peninsular Malaysia and Sabah)



* *Others include Mining, Agriculture, RE, Free Unit and Street Light.*
** *Residential (Tariff A – Domestic).*

INDUSTRIAL

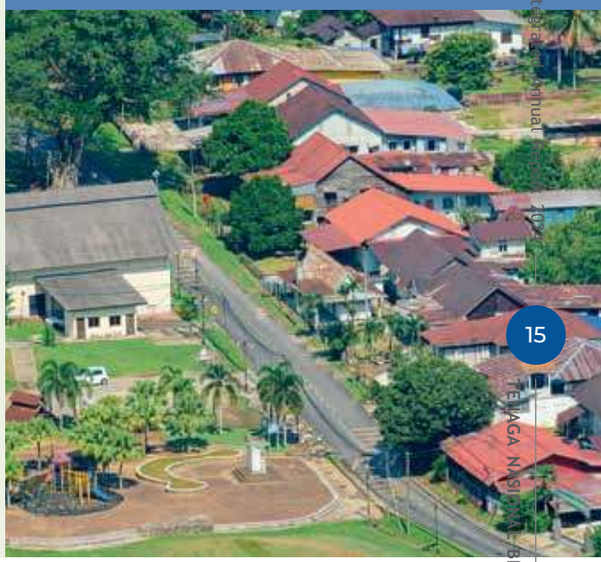
Although industrial customers represent the smallest segment of our customer base, they contribute the largest share of electricity sales, as key manufacturers of goods and services.

COMMERCIAL

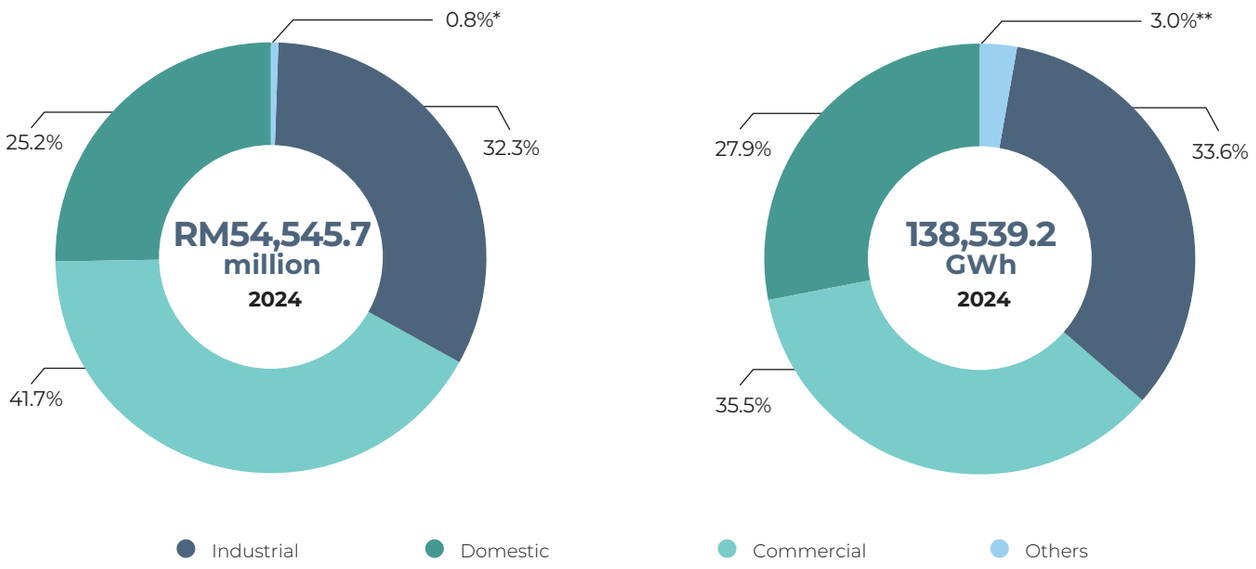
Our commercial customers, who are primarily engaged in business activities that drive the nation's economy, represent the largest contributors to our electricity sales.

RESIDENTIAL

Residential customers form the largest segment of our customer base, comprising approximately 9.1 million of our 11.1 million total customers. We are committed to empowering them to take greater control of their energy consumption while encouraging smarter and greener lifestyles.



GROUP SALES OF ELECTRICITY (BY SECTOR)



* *Others include Agriculture, Mining, Public Lighting, Accrued Revenue, Energy Export, TNBI, Other Regulatory Adjustments and Tariff Support Subsidy & Fuel Subsidy – SESB*

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

Key Performance Highlights

TOTAL ASSETS

RM205,056.1 million

2023: RM204,743.6 million

TOTAL REVENUE

RM56,737.1 million

2023: RM53,066.9 million

EBITDA MARGIN

35.2%

2023: 35.1%

UNIT DEMAND GROWTH

6.5%

2023: 3.9%

RETURN ON ASSETS

2.3%

2023: 1.3%

4,152MW in 2024, with accelerated RE investment by 2050

2023: 3,989MW

Total waste diverted from disposal

497,578.91 metric tonnes

2023: 440,595 metric tonnes

TNB's floating solar asset in Manjung, Perak set a template for Malaysia for a growing number of similar projects planned in the country and beyond.

TNB Remaco – Al Dhow joint venture and Ge Vernova strategic **collaboration** for **engineering maintenance services** of Shuaiba North Power Generation & Water Distillation Plant in Kuwait.

Total amount invested in the community

RM63.78
million

2023: RM99.04 million

Awards & Recognition

- Top 20 Most Admired Shared Service Centre/Global Business Service in the world
- SSON Impact Awards
  – Best Shared Services Team 2024 (Gold Winner)
- CX Asia Excellence Award 2024
  – Best Employee Experience Award (Silver Winner)
- The Edge Malaysia-Institute of Landscape Architects Malaysia Sustainable Landscape Awards 2024
  – Gold for Landscape Design (TNB Platinum Bangsar)
- Green Building Index (GBI) Platinum Certification
- World's First Operational GIS-ADMS Integrated Network Model Automation
  – Recognition from Schneider Electric & General Electric
- Enlit Asia 2024: Power & Energy Awards
  – Winner, Energy Storage – Community Energy Storage Systems
  – Winner, Transmission & Distribution Networks – Advanced Metering Infrastructure
- PC.Com Awards 2024
  – Best Public Utility App – myTNB App
- The Edge Malaysia ESG Awards 2024
  – Silver Award in the Best Performer by Sector (Utilities)
- Anugerah Langkawi – Kelestarian Alam Sekitar 2024
- ESG Positive Impact Awards 2023
  – Talent Management (Silver Award)
- Malaysian Industrial Safety and Health Association (MiSHA) Excellence Awards 2024
  – Gold for Behavioural Based Safety Management
  – Gold for Office Management
- The Asset Triple A Awards
  – Best Sustainability SUKUK – Utilities Malaysia (2 Billion Ringgit Four-Tranche Sustainability Wakala Sukuk)
- International Invention, Innovation, Technology Competition & Exhibition (ITEX) 2024
  – Gold Medal – AR Work Guidance App for Maintenance & Inspection (Manual AR)
  – Silver Medal – AI Gen Knowledge Repository Platform: NOKT
- The BrandLaureate Awards 2024
  – Nation Branding – Manufacturing – Sustainable Power Solutions
- Malaysia Technology Excellence Awards 2024
  – IoT – Energy Award
  – Infrastructure Technology – Utilities Award
- CXP Best Customer Experience Awards 2024
  – Winner
- GCA Graduates' Choice Award 2024
  – Private Higher Education Institution Award (Winner)

How We Are Structured

As at 12 March 2025

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.
- 70% Jimah East Power Sdn. Bhd.
- 70% Southern Power Generation Sdn. Bhd.
- 60% Kapar Energy Ventures Sdn. Bhd.

* *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 374-383 of this Integrated Annual Report.*

- 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
- 50% GMR Tenaga Operations and Maintenance Private Limited

100% TNB RETAIL SDN. BHD.

- 100% TNBX Sdn. Bhd.
- 80% 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 INTEGRATED LEARNING SOLUTION SDN. BHD.

100% ALLO TECHNOLOGY SDN. BHD.

100% TNB RESEARCH SDN. BHD.

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

100% TNB ENGINEERING CORPORATION SDN. BHD.

- 100% TNEC Construction Sdn. Bhd. *(In Members' Voluntary Winding Up)*
- 100% Bangsar Energy Systems Sdn. Bhd.
  - 70% Selesa Energy Systems Sdn. Bhd. *(Dormant)*
- 100% TNEC Operations and Maintenance Sdn. Bhd. *(Dormant)*
  - 51% Tomest Energy Management Sdn. Bhd. *(In Members' Voluntary Winding Up)*
- 77% Airport Cooling Energy Supply Sdn. Bhd.
- 70% Cooling Energy Supply 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. *(Formerly known as SD Plantation TNB Renewables Sdn. Bhd.)*
- 30% Selarong Pertama Energy Sdn. Bhd.
- 30% Setia Kawan Energy Sdn. Bhd.

100% UNIVERSITI TENAGA NASIONAL SDN. BHD.

- 100% UNITEN R & D Sdn. Bhd.

Yayasan Canselor Universiti Tenaga Nasional

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

TNB ENERGY SERVICES SDN. BHD.

- 100% Tenaga E Mobility Solutions Sdn. Bhd. *(Dormant)*
- 70% MAEVI Sdn. Bhd. *(Dormant)*
- 49% Metrosphere Hydro Tersat Sdn. Bhd.
- 40% FTJ Bio Power Sdn. Bhd.
- 20% Jana Landfill Sdn. Bhd.

POWER AND ENERGY INTERNATIONAL (MAURITIUS) LTD.

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

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. *(In Winding Up By The Court)*
- 10% LABUAN REINSURANCE (L) LTD.
- 7.7% FEDERAL POWER SDN .BHD.

TRUST FOUNDATIONS

- YAYASAN TENAGA NASIONAL
- RETIREMENT BENEFIT TRUST FUND

TNB VENTURES SDN. BHD.

- 76% Tenaga Cable Industries Sdn. Bhd.

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.

ARUNA SERVICIOS INTEGRALES S.L.U.

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

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 TRANSMISSION NETWORK SDN. BHD. *(In Members' Voluntary Winding Up)*
- 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.

JOINT VENTURE

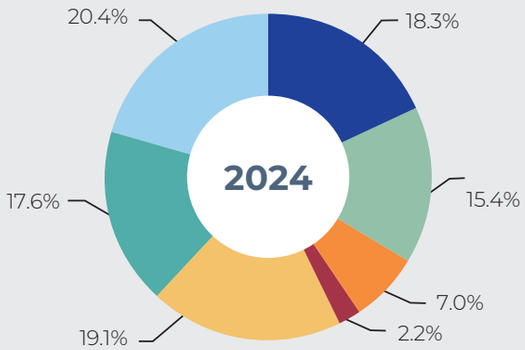
- 50% SEATRAC SDN. BHD. *(Dormant) (Dissolved w.e.f. 27 February 2025)*

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

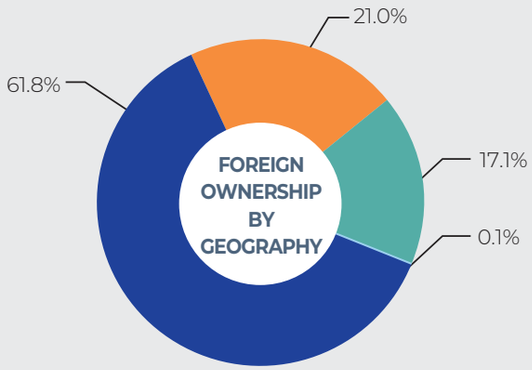
SHAREHOLDING INFORMATION

As at 31 December 2024, Khazanah Nasional Berhad stood as our largest shareholder, with 20.4% of shareholding. Other Government related agencies cumulatively hold 42.9% with Employees Provident Fund at 18.3%, Permodalan Nasional Berhad at 15.4%, Kumpulan Wang Persaraan at 7.0% while others at 2.2%. The balance of 36.7% is held by other local corporations, Malaysian retail and foreign shareholders.

Based on the geographical spread of our foreign shareholding, the largest shareholding base is North America at 61.8%, followed by our shareholders from Europe and Asia (excluding Malaysia), which accounted for 21.0% and 17.1% respectively, with the remaining 0.1% from Africa and the Pacific.



- Khazanah Nasional Berhad
- Employees Provident Fund Board (EPF)
- Permodalan Nasional Berhad (PNB)
- Kumpulan Wang Persaraan (KWAP)
- Other Government Agencies
- Local Corporation & Retail
- Foreign Shareholding



- North America
- Europe
- Asia
- Africa & Pacific

Source: Bloomberg, IPREO and IR Internal Analysis

INDICES REPRESENTATION

MSCI

TNB MSCI ESG Rating
A
(February 2025)

CDP

TNB CDP Climate Score
C
TNB CDP Water Score
C
(March 2025)

FTSE4Good

TNB FTSE Russell ESG Rating Score
3.5
TNB FTSE4Good ESG Rating Grading Band:
3 star
(June 2024)

SUSTAINALYTICS

TNB Sustainalytics ESG Rating Score
30.4
Rank for electric utilities 89/245
(May 2024)

CREDIT RATINGS

INTERNATIONAL RATING AGENCIES

Standard & Poor's Ratings Services (S&P)	Moody's Investors Services (Moody's)
A- Stable	**A3 Stable**

LOCAL RATING AGENCIES

RAM Rating Services Berhad (RAM)	Malaysian Rating Corporation Berhad (MARC)
AAA Stable	**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 Association of the Electricity Supply Industry of East Asia and the Western Pacific (AESIEAP) fosters collaboration and innovation in power generation, transmission, distribution, and EV integration. In line with its leadership role, TNB proudly hosted the CEPSI 2018 conference, reinforcing its commitment to regional energy advancement.

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 member, TNB actively contributes insights and expertise to MIGHT's initiatives, helping shape national strategies for high-tech sector development.

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

Malaysian Photovoltaic Industry Association (MPIA) 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 MPIA'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.

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 support this effort by providing Energy Performance Contract to industrial and commercial customers, to supports its efforts to strengthen the energy services industries.

Dear Shareholders,

It is a privilege to address you in Tenaga Nasional Berhad's (TNB) Integrated Annual Report for the year 2024, which marks the national utility company's 75th anniversary. Serving the nation with high reliability and efficiency for 75 years is a milestone we can all be proud of. What's more the organisation has only got stronger with time, as our performance in 2024 demonstrates.

TAN SRI ABDUL RAZAK BIN ABDUL MAJID
Chairman

Chairman's Letter to Shareholders

OVERVIEW

The year 2024 was one of both challenges and opportunities on the global and local scale. Global supply chains continued to be affected by ongoing conflicts in the Middle East and Eastern Europe together with trade tensions, especially between the United States (US) and China. Against a background of elections in major economies such as the US, India and the European Union, financial markets were volatile and there was a push for de-dollarisation, with some countries reducing their reliance on the US dollar in trade.

Global real GDP growth registered at 3.3% in 2023 and is projected to moderate slightly to record 3.2% in 2024. At the same time, inflation declined in many countries but remained a concern due to persistent supply chain issues and energy price fluctuations. Amid this backdrop, the world continued to witness various extreme weather events, further driving decarbonisation efforts. Investments in renewable energy (RE) technologies and infrastructure are increasing while more governments have started to implement carbon pricing and stricter emissions regulations.

Despite the external headwinds, economic growth in Malaysia was robust, at 5.1%, as compared to 3.6% in 2023. This was primarily due to continued expansion in domestic demand and a rebound in exports. The government's continued focus on sustainable development, as outlined in the National Energy Transition Roadmap (NETR) and the Twelfth Malaysia Plan (12MP), served as further impetus for growth, with projects under national master plans attracting significant domestic and foreign investments.

The New Industrial Master Plan, which aims to position the country as a digitally connected nation with extensive and reliable digital infrastructure, has been particularly effective – especially in promoting data centre expansion. In 2024, 18 data centres were commissioned under the Green Lane Pathway, increasing energy demand by 1.9GW. Overall electricity demand led to a 6.5% increase in electricity sales compared to 3.9% in 2023, driving a 6.9% growth in TNB Group's revenue.

STRONG FINANCIAL PERFORMANCE

Against a backdrop of increased demand and high operational efficiency, TNB recorded strong revenue growth and an 18.5% increase in Earnings Before Interest and Taxes (EBIT) to RM8.72 billion from RM7.36 billion in 2023. Based on our earnings, the Board declared a total dividend of 51.0 sen per share—the highest in four years—amounting to RM2.96 billion, or 59.6% of the Group's Adjusted Profit After Tax and Minority Interest (PATAMI). This payout, made in conjunction with our 75th anniversary, is at the upper end of our dividend policy range of 30% to 60%. Indeed, we have consistently adhered to this policy, demonstrating TNB's commitment to providing attractive returns to our shareholders.

In addition to healthy dividends, we also distributed RM1.09 billion in taxation and *zakat*, benefiting the rakyat and nation. Of note, we were able to create financial value for our stakeholders while also utilising RM8 billion in approved Capital Expenditure (CAPEX) (including an energy transition CAPEX of RM3.2 billion). The latter encompassed the installation of 949,226 units of smart meters in 2024 to further empower our consumers in managing their energy consumption.

TNB's excellent financial performance, coupled with the 1.8% decline in overall receivables, contributed to improved credit ratings to "AAA" by Rating Agency Malaysia (RAM) and Malaysian Rating Corporation Berhad (MARC), "A3" by Moody's Corporation (Moody's), and "A-" by S&P Global.

A 75-YEAR LEGACY OF POWERING THE NATION

In commemorating a milestone such as our 75th anniversary, it is only natural that we reflect on our journey over the years. It is truly heartwarming to be reminded of how, since our inception in 1949, LLN/TNB has been at the epicentre of Malaysia's progress, playing a pivotal role in the nation's economic transformation.

Over the past 75 years, we have evolved from a small electricity department into one of the largest utility companies in Southeast Asia, with a diversified portfolio that spans generation, transmission, distribution and retail. From pioneering RE projects to enhancing grid reliability and capacity, TNB has consistently provided world-class services and maintained a resilient energy supply system.

In addition, through the consistently high dividends paid to our shareholders – primarily Government-Linked Investment Companies (GLICs) such as Permodalan Nasional Berhad, Khazanah Nasional, Employees Provident Fund, Kumpulan Wang Persaraan (Diperbadankan) and Lembaga Tabung Haji – we have been contributing to the rakyat through pension funds and indirectly to support overall economic development. TNB itself has gone beyond our core business to provide affordable energy solutions via initiatives such as our Village Street Lighting Programme in close collaboration with the Government. Since its launch in 2000, we have installed more than half a million streetlights in rural areas. By 2024, we had entered Phase 11 of the programme, and had put up another 14,210 energy-efficient LED lights, funded under the 12MP.

FRONTRUNNER IN THE ENERGY TRANSITION

Given the urgency to manage and mitigate climate change, a key government agenda today is to minimise the national carbon footprint with the ultimate objective of achieving net zero emissions. This is the thrust of the NETR, launched in 2023, which focuses on increasing RE to 70% of the country's total generation capacity by 2050.

I'm pleased to share that TNB is a key player in the country's energy transition as we spearhead three flagship projects under NETR, namely Centralised Solar Parks (CSPs), hybrid hydro-floating solar (HHFS), and co-firing hydrogen and ammonia projects. On top of that, it is with even greater pleasure to share that we have recorded other key wins including securing 500MW (686MWp) capacity under the government's Large Scale Solar 5 (LSS5) project in Kedah while making positive inroads into the energy transition in Sabah. This is being realised through the 15MW (23MWp) LSS Sabah project and the 400MWh battery storage project in Lahad Datu, which is set to be the largest in ASEAN to date, and amongst the first in Malaysia.

At the same time, we are driving the RE agenda in collaboration with various partners. We are working with PETRONAS to advance the hydrogen business in Malaysia and explore carbon capture and storage (CCS) opportunities for gas-fired plants. We have also partnered with Sime Darby Property on the installation of rooftop solar on its housing development projects; and are engaging with BHPetrol as well as Petron on the development and expansion of charging stations for electric vehicles (EVs). We currently have 66 EV charging stations installed nationwide and have set the target of increasing the number to 250 by the end of 2025. Meanwhile, it is good to see that increased access to EV charging stations is contributing to more battery EVs on the road, with the number standing at 37,300 units at end of 2024.

REVENUE
RM56.74 billion

TOTAL DIVIDEND
RM2.96 billion

CHAIRMAN'S LETTER TO SHAREHOLDERS

Meanwhile, TNB is also propelling Malaysia's rapid expansion in the global RE market with the launch of the 102MW Solar Greenfield Development in the United Kingdom (UK), which presents an opportunity for TNB to learn and share our experience in RE.

REGIONAL ENERGY HUB

At the regional level, we continue to entrench our position as a key player in the ASEAN Power Grid, committed to advancing energy security and leading the region's energy transition. In September 2024, we signed a 100MW cross-border deal with Singapore's Keppel Electric as part of the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP). This was followed by a partnership in December with leading Singaporean renewables player Sembcorp Power for a maiden 50MW cross-border RE trade via Energy Exchange Malaysia (ENEGEM). This will certainly be a focus area in 2025 onwards when Malaysia assumes the role as the Chair of ASEAN.

SUPPORTING OUR COMMUNITIES

TNB has a tradition of contributing towards the upliftment of society through *zakat* and corporate social responsibility (CSR) initiatives that empower people and drive sustainable growth. Starting out as a government agency, community empowerment is part of our DNA, focusing on education, sports, community well-being and the environment. In 2024, we distributed RM33 million in *zakat*, while allocating a total of RM63 million to CSR projects.

Empowering future generations through education support by Yayasan Tenaga Nasional.

Under the education pillar, as at December 2024, our foundation Yayasan Tenaga Nasional (YTN) has sponsored 1,582 students with an investment of RM42.6 million. Since its establishment over 30 years ago, YTN has allocated over RM1.8 billion to support the education and welfare of 20,700 students. Today, as we champion the country's energy transition, we are proud to collaborate with Universiti Tenaga Nasional (UNITEN) to launch the TNB Energy Transition Academy, where the focus is on developing human capital equipped to tackle future energy challenges. Meanwhile, in collaboration with the Government and Energy Commission, we continue to educate the public on energy systems, consumption patterns and sustainability via our Malaysia Energy Literacy Programme (MELP) which promotes informed decision-making and responsible energy use.

Sports is another area in which TNB has contributed significant resources since the 1970s, especially hockey where we have trained and sponsored many world-class national players. At the heart of our hockey initiatives is the TNB Thunderbolts programme, aimed at developing young players aged between 13 and 17 years to become future stars. In 2024 itself, nearly RM6 million was allocated for the Malaysian Hockey Confederation, TNB Thunderbolts and hockey clinics.

Meanwhile, we support socio-economic development via various programmes. Among our flagship initiatives are Program Baiti Jannati and Projek Mesra Rakyat through which we rebuild, repair or purchase homes for vulnerable groups. Since 2018, we have channelled RM40.2 million to these programmes, benefitting close to 1,000 families. We also provide support to communities surrounding our power generation projects. In recent years, we have extended substantial aid to the Orang Asli communities neighbouring the Nenggiri hydro project, providing farming and other income generating opportunities to more than 1,200 individuals.

In the environmental sphere, our efforts centre around decarbonisation such as tree planting and installing energy efficient lights for non-profit organisations as well as in underserved areas.

ESG EXCELLENCE

Our environmental and social programmes are underpinned by strong corporate governance; and all three (3) environmental, social and governance (ESG) principles are deeply embedded in our corporate strategy, ensuring responsible business practices that benefit all stakeholders.

In 2024, we achieved a significant milestone with the establishment of the TNB Sustainability Framework comprising 14 key focus areas and setting out our sustainability commitments, including the aspiration to achieve Net Zero by 2050. Towards Net Zero, we seek to reduce, capture and offset our carbon emissions as per our Carbon Management Strategy. To keep track of our progress, we are monitoring and disclosing our Scopes 1, 2 and 3 emissions in our Sustainability Report.

In addition to the Sustainability Framework, in 2024 we also developed and launched our Biodiversity Framework outlining our aspiration and guiding principles in support of Malaysia's National Policy on Biological Diversity and the Kunming-Montreal Global Biodiversity Framework (KMGBF). This new framework provides structure for project-specific initiatives we have already been implementing over the years. For example, as part of the Nenggiri hydroelectric project, we have created a nursery to grow native plant species for habitat rehabilitation and enrichment. We have also established various wildlife corridors and designated grazing zones to facilitate safe animal movements and minimise human-wildlife conflicts.

Meanwhile, we are proud to become the first electricity utility player in ASEAN to establish a Transition Finance Framework, which provides transparency in terms of the processes employed by TNB in undertaking sustainable finance transactions (SFTs) to fund projects that support our decarbonisation and energy transition efforts.

With regard to integrity and accountability, we achieved 100% compliance with Adequate Procedures on Corporate Liability under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009. In addition, a total of 34,653 employees and 1,237 vendors have successfully completed anti-corruption training.

TNB remains dedicated to leading Malaysia's energy transition while ensuring long-term value creation for our shareholders.

The fact that TNB's MSCI ESG Rating has been upgraded from "BBB" to "A" validates all our efforts and demonstrates that we are on the right track to becoming a sustainability-driven organisation.

OUTLOOK

The global economy is expected to grow at a moderate pace in 2025, with advanced economies facing slower growth due to tighter monetary policies, geopolitical uncertainties, and trade tensions. Meanwhile, efforts to combat climate change will accelerate, with increased investments in RE, energy efficiency and decarbonisation technologies.

In Malaysia, the outlook remains resilient, with GDP growth projected at 4.5%-5.5% supported by strong domestic demand, private sector investment, and conducive government fiscal policies. The implementation of 12MP and NETR will support sustainable economic growth and the country's energy transition.

The energy sector itself will face continued volatility in global oil and gas prices due to geopolitical tensions, supply-demand imbalances, and OPEC+ production decisions. In contrast, coal prices stabilised in 2024 and are expected to remain steady moving forward.

At TNB, we are very thankful for the successful Incentive-Based Regulation (IBR) Regulatory Period 4 (RP4) outcome, which testifies to the government's commitment to the IBR framework. With a maintained Weighted Average Cost of Capital (WACC) of 7.3% and CAPEX of RM42.8 billion (including contingent CAPEX), this is set to stimulate the nation's economy and prepare the electricity network to facilitate the nation's energy transition. Through RP4 implementation, TNB commits to ensure a reliable and continuous supply of electricity to our customers, enhance our customer service level and facilitating the nation's energy transition agenda.

ACKNOWLEDGEMENTS

TNB's journey over the last seven (7) decades has been extremely commendable. While the team deserves to be acknowledged for shaping the organisation into the next-generation utility player it is today, we have also received unrelenting support from various stakeholders, particularly the Malaysian Government, our regulator, our shareholders and investors, our partners, and all our customers. On behalf of the Board, I would like to express my gratitude to these key stakeholders, as well as to our highly capable Management and the thousands of employees who often go beyond the call of duty to maintain security and reliability of supply.

As we look to the future, TNB remains dedicated to leading Malaysia's energy transition while ensuring long-term value creation for our shareholders. Our roadmap for 2025 and beyond includes further investments in RE, energy storage and smart grid infrastructure to solidify our position as a sustainable energy leader in the region. We are confident that, with the support of our employees and other stakeholders, TNB will continue to thrive in an evolving energy landscape.

TAN SRI ABDUL RAZAK BIN ABDUL MAJID
Chairman

President/ Chief Executive Officer's Strategic & Operational Review

DATUK IR. MEGAT JALALUDDIN BIN MEGAT HASSAN
President/Chief Executive Officer

Dear valued shareholders,

The year 2024 marked a significant milestone for all of us in the TNB family – we celebrated our 75th anniversary. We are immensely proud to uphold our role in keeping the lights on for the nation. In moving forward, we continue this focus on powering the future for all our customers – a future that is cleaner, sustainable and inclusive.

Beyond our core role in supporting national development, we remain steadfast to making a positive impact to our customers and in the communities that we serve through our corporate social responsibility initiatives. We also continue to prioritise the well-being of our employees, recognising their contributions as the foundation of our collective progress.

FINANCIAL & OPERATIONAL PERFORMANCE

TNB's growth in 2024 was meaningfully aligned to supporting and driving's Malaysia's economic and social goals. Strong operations helped lift Profit After Tax (PAT) by 82% to RM4.7 billion, while our TNB share price hit a record high of RM15.2. Concurrently, our market value grew 50%, closing the year at RM86.9 billion.

Our financial performance was underpinned by robust operations throughout the entire value chain, supported by a world-class network.

Performance of our power plants surpassed the initial targets and we also successfully recommenced operations at Manjung 4 power plant three (3) months ahead of schedule.

Meanwhile, we are proud to share that our Transmission System Minutes hit new performance in 2024 – decreasing from 0.483 minutes to 0.0019 minutes, – a performance that reflects world class standards. SAIDI stands at 47.88 minutes, showing continued improvements in network stability.

From the smart grid perspective, we are showing pay-offs from the investments with the Smart Grid Index of 80.4%.

In terms of customer satisfaction, we achieved a strong score of 87%, maintaining our position in the top quartile globally and surpassing scores in the United States (US) and United Kingdom (UK). In tandem with our Customer Satisfaction Index (CSI), our Customer Experience Index (CEI) has consistently exceeded 90%. This year, key customer-facing initiatives included the launch of a new 'phygital' concept store in Iskandar Puteri, Johor Malaysia and introduction to "myHome" in our myTNB App which allows homeowners to comfortably manage new application and perform change of tenancy, among others, online.

ESG HIGHLIGHTS

While achieving notable successes within our operations, it gives me pleasure to share that we have also made significant advances in our sustainability space. In 2024, we rolled out a new Sustainability Framework with 14 key areas and introduced policies covering biodiversity, labour rights, and transition finance. I'm especially proud that TNB is the first utility in ASEAN to launch a Transition Finance Framework — a noteworthy step in supporting our energy transition with the right funding approach.

As a result of these key developments, I am delighted to share that our MSCI ESG rating soared from "BBB" to "A", with key gains in areas like carbon emissions, water use, and renewables. We concurrently improved our FTSE Russell score, thanks to better performance in both environmental and social indicators including to health and safety.

On another note, our TNB Platinum headquarters also received recognition for Gold at The Edge's Best Managed & Sustainable Property Awards 2024.

Most importantly, we continue to keep our 34,939 employees safe, as aptly shown from steadily improving safety targets. Indeed, safety should never be taken for granted, and we will keep working to make safety part of our culture.

STRATEGY FOR ENERGY TRANSITION

At TNB, we are aligned to Malaysia's energy transition and climate goals set in the National Energy Transition Roadmap (NETR). In 2024, we embarked on a refreshed corporate strategy, Reimagining TNB 2.0, which outlines our focus to enable the nation's decarbonisation and energy transition journey.

Our corporate strategy is anchored on four (4) strategic pillars: Deliver Clean Generation; Develop The Energy Transition Network; Offer Dynamic Energy Solutions and Drive Regulatory Evolution.

Subsequently, our strategic pillars are underpinned by five (5) enablers: Capital Allocation and Value Creation; Corporate Structure, Governance and Partnerships; Communication and Stakeholder Engagement; Digitalisation; and Talent, Capabilities and Culture.

DELIVER CLEAN GENERATION

To date, TNB currently has 3.3GW of renewable energy (RE) in Peninsular Malaysia and 1.1GW abroad, mainly in the UK, Ireland and Australia.

In 2024, we secured over 700MWp of solar projects in large solar capacity through Large Scale Solar 5 (LSS5) and LSS Sabah. In addition, we achieved financial close for a 45MWp solar plant in Kulim under the Corporate Green Power Programme (CGPP).

Internationally, we operate a combined capacity of 927MW comprising of solar and wind assets in the UK, Ireland and Australia, and as well as commenced construction of two (2) new solar farms in the UK, totalling 102MWp and wind under development of 120MW.

Under the NETR, we are making progress on three (3) flagship projects, namely Centralised Solar Parks (CSPs), hybrid hydro-floating solar (HHFS), and co-firing hydrogen and ammonia projects. Allow me to share on the progress of these projects.

On HHFS, there is a 2.5GW floating solar photovoltaic development across our hydro reservoirs. This includes a successful installation of 154kWp at our own Kenyir Dam.

For CSPs, we are developing five (5) 150MWp solar parks across Malaysia with local partners. Currently, we have secured to supply 150MWp of green energy to Bridge Data Centres via Corporate Renewable Energy Supply Scheme (CRESS).

In addition, we are also working with PETRONAS on green hydrogen using solar power from our Kenyir project. A pilot system is currently in place with 500kWp solar panels and 1MWh battery storage.

PRESIDENT/CHIEF EXECUTIVE OFFICER'S STRATEGIC & OPERATIONAL REVIEW

Powering a greener future with large-scale solar projects across Malaysia.

Moving on to battery energy storage system (BESS), I am happy to report that we secured a 400MWh project in Sabah which is notably the largest of its kind in ASEAN. Concurrently, we also received a 400MWh pilot project for the national grid.

We have also ventured into the carbon capture and storage (CCS) space to help reduce emissions from thermal plants. To this end, we are developing carbon capture technology, with a demo unit now which is at 30% completion at the Jimah East Power Plant.

Notable domestic RE projects being undertaken by TNB include the 300MW Nenggiri hydro project in Kelantan which has achieved 48% completion.

DEVELOP ENERGY TRANSITION NETWORK

TNB is supporting the country's energy transition by upgrading the existing electricity network, ensuring security of supply. In December 2024, we completed the monopole transmission tower project in Penang, enabling 2,000MVA of power transferred to the island.

Regionally, we are also securing RE supply at the regional level by facilitating trade with neighbouring countries. These include exporting RE to Singapore through Keppel Electric under the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP). Concurrently we signed a 50MW green energy supply deal with Sembcorp in December.

To support the growing data centre industry, we successfully rolled-out a Green Lane Pathway with a 12-month delivery guarantee and a dedicated One Stop Centre support team. By the end of 2024, 18 data centres were energised, and 38 supply agreements secured, totaling 5.9GW.

On enabling the smart lifestyles of our customers, we have installed over 4.5 million of smart meters in the homes of our customers. These customers can now enjoy more control and empowerment through information on daily consumption and subsequently enjoy other features offered in myTNB App, enabled by smart meters.

DYNAMIC ENERGY SOLUTIONS

Through our own solar arm, GSPARX Sdn Bhd (GSPARX), we have successfully secured over 500MW of solar capacity across Peninsular Malaysia. Major development includes projects with Sime Darby Property in Elmina and Bandar Bukit Raja with solar panels installed in their residential, sales galleries, malls, and clubhouses. At these developments there are also customers living in solar-powered homes with the option to sell excess electricity back to the grid.

TNB is actively supporting the energy transition by advancing electric mobility initiatives. At the end of 2024, 66 TNB Electron chargers have been installed, with a target to expand this network to 250 chargers by 2025. We launched our first 200kW fast-charging station in collaboration with BHPetrol and have strengthened partnerships with Petron to further develop the EV ecosystem.

As part of our internal decarbonisation efforts, we are committed to electrifying 30% of our operational fleet by 2030, representing over 1,000 vehicles. To support the broader EV charging landscape, we introduced the EV Green Lane in 2022 – a streamlined facilitation platform that has received over 360 applications from charge point operators to date.

I am pleased to say that we also made headway in renewable energy certificates (RECs) space via our subsidiary, TNBX Sdn. Bhd.'s platform named Malaysia Green Attribute Trading System (mGATS). To date, a sum of 1,100GWh of green energy was opened for commercial trading – boosting corporate access to clean energy.

DRIVE REGULATORY EVOLUTION

TNB is appreciative of the government's steadfast support in the growth and development of the energy industry. We strive to maintain open dialogue and engagement on energy and electricity-based matters. Among others, we worked on the Incentive-Based Regulation (IBR) framework, which enters its fourth period – the IBR Regulatory Period 4 (RP4) in January 2025.

The previous IBR RP3 cycle saw fruitful accomplishments, including RM23.6 billion in CAPEX on projects that strengthen the nation's energy security, reliability and sustainability. This has

subsequently charted the next phase of projects in RP4 that will meet rising demand in the energy transition agenda and strengthen long-term energy agenda.

As a core driver of Malaysia's energy transition, we are honored to represent the nation at global climate forums like the 29th United Nations Climate Change Conference (COP29), and actively contribute to local policy-making. Contributions includes input on key bills such as the Energy Efficiency Act, CCUS Bill, and proposed Climate Change Bill.

We also support national reforms through MyPower Corp and recently signed an Memorandum of Understanding (MoU) with the state government and industry players to explore new energy projects in the state.

Looking ahead, we are committed to working closely with policymakers to ensure the regulatory landscape supports decarbonisation, energy access, and investor confidence.

OUTLOOK

Going forward, we are optimistic about 2025, with economic growth projected at 4.5%–5.5% and electricity demand rising up to 4.5%. With the launch of RP4 and a promising 7.3% return on investment, we are provided with strong confidence to scale up.

Taking into consideration the infrastructure that will have to be built to support the country's energy transition, the budgeted CAPEX has been more than doubled to RM42.8 billion comprising RM26.5 billion in base CAPEX and RM16.3 billion in contingent CAPEX. Of the contingency CAPEX, 64% will be to upgrade infrastructure to support RE, NETR and interconnection projects, while 30% is to meet potential demand growth, and 6% to maintain security of supply.

Up to RM20.8 billion has been permitted for operating expenditure to support the planning and execution of all necessary activities to run and maintain our electrical infrastructure.

Driving the future of transportation with EV charging solutions and green mobility.

We plan to ramp up investments in solar initiatives such as Large Scale Solar (LSS), Battery Energy Storage System (BESS), Corporate Renewable Energy Supply Scheme (CRESS) and Community Renewable Energy Aggregation Mechanism (CREAM). We will also push forward on green hydrogen, carbon capture, electric mobility and smart grid interconnection – all vital pieces of the ASEAN Power Grid vision.

At TNB, we remain focused on delivering our NETR flagship projects and strengthening our ESG credentials via an 'AA' rating. With the condusive policy support, partnerships and technology, we will continue to build the future for the country.

ACKNOWLEDGEMENTS

It was very gratifying to celebrate TNB's 75th anniversary with a number of financial, operational and sustainability wins – which have set the stage for strong and sustainable growth for years to come. For this, I would like to extend my sincere appreciation to all our external and internal stakeholders.

A note of gratitude goes to our customers and business partners for your trust in TNB. Without your continuous support over the last 75 years, TNB would not be where we are today. I would also like to acknowledge our valued shareholders for your belief in our vision which has been fundamental to our growth. As for the government, ministries, the Energy Commission and regulatory bodies, thank you for your ongoing contributions to the enhancement of the Malaysian Electricity Supply Industry.

Within the TNB family, I would like to extend my appreciation to the Board for your consistent and strategic guidance which has been critical in recent years as we navigate significant changes in guiding the country's Energy Transition. To my colleagues in the Management Team, thank you for your leadership and dedication to our purpose.

Finally, to all our employees, I would like to express a heartfelt gratitude for your hard work and commitment to TNB. I am continuously and immensely thankful to everyone in TNB, past and present, who has shaped our company into what it is today. The company would not be where it is today without the support and collaboration from all our employees.

Moving into 2025, I am eager to build upon the solid foundations and lead TNB toward greater success and sustainable growth. TNB's strong financial performance will enable reinvestment into initiatives that directly improve the lives of Malaysians. Our commitment goes beyond providing electricity; we seek to light up Malaysia's future.

DATUK IR. MEGAT JALALUDDIN BIN MEGAT HASSAN
President/Chief Executive Officer

Our Key Capitals

Guided by our 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.

Financial Capital

EBITDA Margin:

35.2%
2023: 35.1%

Borrowings Currency Mix

MYR: **RM41,638.15 million**
USD: **RM8,618.43 million**
JPY: **RM1,375.10 million**
GBP: **RM3,459.04 million**
AUD: **RM1,313.40 million**
EUR: **RM1,002.48 million**

Debt Maturity Profile

2024 – **RM6,425.61 million**
2025 – **RM5,158.23 million**
2026 – **RM5,022.25 million**
2027 – **RM1,545.15 million**
2028 – **RM7,032.58 million**
2029 and beyond – **RM37,063.92 million**

Total Dividend

RM
Interim
25.0 sen
2023: 18.0 sen

Final Single-Tier Dividend
26.0 sen
2023: 28.0 sen

Dividend Payout of Group PATAMI
59.6%
2023: 66.6%

Dividend Yield
3.4%
2023: 4.6%
Share price as at 31 December

Natural Capital

Read more about how we are investing in the future to boost our operational excellence and service advancements. This encompasses our efforts in research and development, the adoption of cutting-edge technologies and the cultivation of innovative business models. See page 32 to 33 for more details.

Manufactured Capital

Equivalent Availability Factor (EAF) for Generation:
81.2%

System Minutes for Grid:
0.0019 minutes

System Average Interruption Duration Index (SAIDI) for Distribution Network:
47.88 minutes

Note: EAF, System Minutes & SAIDI for Peninsular Malaysia only

Intellectual Capital

Learn how we are investing in the future to enhance operational excellence and service delivery—through research and development, advanced technologies, and innovative business models. See page 32 to 33 for more details.

Human Capital

Explore how we nurture a skilled, motivated workforce by fostering an inclusive, dynamic environment that supports growth, well-being, and productivity. See page 32 to 33 for more details.

Social & Relationship Capital

Discover how we strengthen trust and collaboration with our stakeholders through meaningful engagement, community development, and strategic partnerships that create shared value. See page 32 to 33 for more.

Our Social Circle

- Tenaga_Nasional **47,065** followers
- TENAGAOfficial **95,061** subscribers
- tenaga_nasional **68,441** followers
- Tenaga Nasional Berhad **343,460** followers
- TNB CareLine **500,000** followers
- tenaga_nasional **29,536** followers

Our Value Creating Business Model

Anchored in our Reimagining TNB 2.0 aspiration to be a leading provider of sustainable energy solutions in Malaysia and internationally, our business model reflects an unwavering commitment to long-term stakeholder value. Guided by our core values of Integrity, Collaborative, Professionalism, Customer Centricity, Forward Thinking, and Mindfulness, we optimise the use of our capitals and resources to generate economic, environmental, and social impact.

By critically evaluating each asset and decision point, we ensure that resources are either effectively deployed for impact or prudently conserved for future resilience. The following section details how our integrated approach to capital allocation supports sustainable growth and value creation across our ecosystem:

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 CAPITALS... → **...ENABLE VALUE-ADDING...** → **...ACTIVITIES THAT CREATE...** →

Inputs

FC FINANCIAL

- Shareholders' Funds: **RM62,569.7 million**
- Effective Weighted Average Cost of Funds: **4.8%**
- Total Borrowings: **RM57,406.6 million**
- Cash and Cash Equivalents: **RM19,601.1 million**

MC MANUFACTURED

Power Generation Assets

- Thermal Generation Capacity (Equity-Based Ownership)
  - Coal-Fired Plants: **6,790MW**
  - Gas-Fired Plants: **5,140MW**
  - Oil, Diesel & Solar Hybrid: **237MW**
- Renewable Energy Capacity (Equity-based Ownership)
  - Large Hydro: **2,614MW**
  - Solar, Mini Hydro, Wind & Biomass/Biogas: **1,515MW**

Power Network Assets

- Transmission Lines: **29,519km**
- Transmission Substations: **543 units**
- Distribution Network Lines: **738,028km**
- Distribution Network Substations: **99,374 units**

HC HUMAN

- Staff Expenditure: **RM3,719.5 million**
- Average Training Hours per Employee per Year: **50.47 hours**
- Total Training Hours: **1,346,477 hours**
- Investment in Learning and Development: **RM197.5 million**
- Employees Completed Learning & Development Program: **26,678**

IC INTELLECTUAL

- Investment in Research & Development: **RM110.9 million**
- Operational and Service Innovations
- Established Green Lane Pathway to Streamline On-boarding Process for Data Centres

SR SOCIAL & RELATIONSHIP

- Total Customers:
  - Peninsular Malaysia: **10.4 million**
  - Sabah & F.T Labuan: **0.7 million**
- Donation and sponsorship for wellbeing, education, sports, and environment: **RM140.9 million**

NC NATURAL

- Coal: **366,740,751GJ**
- Natural Gas: **193,211,458GJ**
- Diesel: **1,387,891GJ**
- Biomass: **996,207GJ**
- Oil: **487,249GJ**

Note: The above data is "for local only and based on equity-basis"

OUR STRATEGY PILLARS

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

MATERIAL MATTERS

Environmental

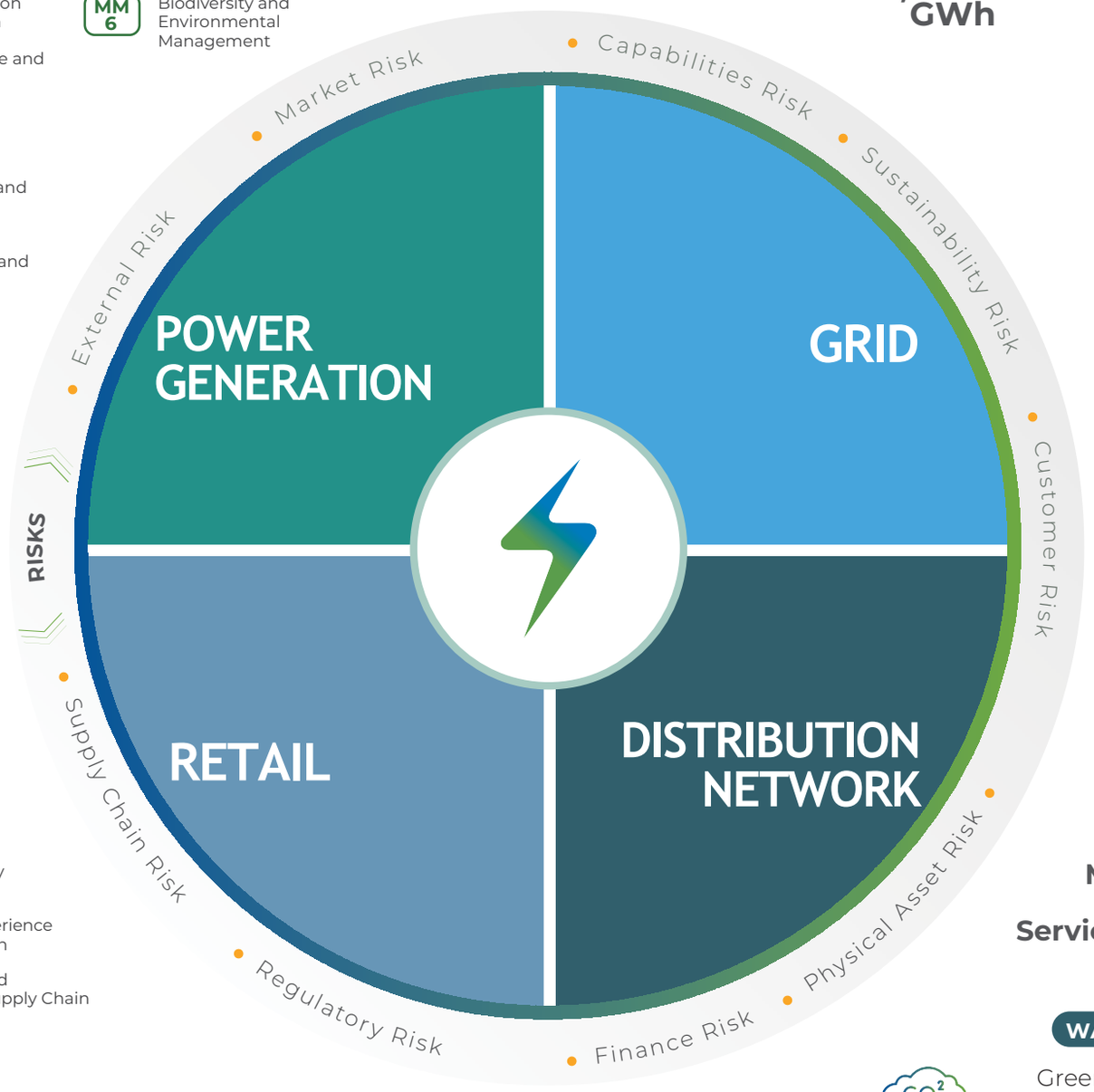
- MM 2 Energy Transition and Innovation
- MM 3 Climate Change and Emissions
- MM 6 Biodiversity and Environmental Management

Social

- MM 5 Safety, Health and Well-Being
- MM 8 Community Development and Social Impact
- MM 11 Labour Rights and Employment Culture

Governance

- MM 1 Responsible Business and Financial Performance
- MM 4 Reliable Energy and Fair Tariff
- MM 7 Customer Experience and Satisfaction
- MM 9 Sustainable and Responsible Supply Chain
- MM 10 Cybersecurity Management



KEY MARKET TRENDS

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

Outputs

PRODUCTS & SERVICES

Total Electricity Sold:
138,539.2 GWh

myTNB App:
7.26 million subscribers

Rooftop Solar:
504MWp

Smart Meters Installed:
4,498,715 units

EV Charge Points Installed by TNB Electron:
66 units

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

WASTE & EMISSIONS

Greenhouse Gas (GHG) Emission – Direct (Scope 1):
38.75 million tCO_2e

Waste Generated

Hazardous Waste:
895,038 metric tonnes

Non-Hazardous Waste:
958 metric tonnes

GOVERNANCE Supported by strong governance and effective Board leadership – Robust Corporate Governance Ecosystem

Outcomes	Stakeholders	UNSDG	Trade-Offs
FC FINANCIAL • Revenue: **RM56,737.1 million** (2023: RM53,066.9 million) • Operating Profit: **RM8,720.1 million** (2023: RM7,356.9 million) • Net Profit Attributable to Owners of the Company: **RM4,698.6 million** (2023: RM2,770.3 million) • Total Dividend: **RM2,964.6 million** (2023: RM2,662.2 million)	S2 S3 S4	7 9 8	TNB strategically balances reinvestment and shareholder returns to sustain financial strength. While energy transition investments may impact short-term returns, they unlock long-term value, support business resilience, and enable scalable clean energy solutions aligned with national policy and global decarbonisation goals.
MC MANUFACTURED • Equivalent Availability Factor (EAF) for Power Generation – Peninsular Malaysia: **81.17%** (2023: 83.26%) | Sabah: **77.56%** (2023: 78.74%) | International: **95.64%** (2023: 95.76%) • System Minutes for Grid – Peninsular Malaysia: **0.0019 minutes** (2023: 0.483 minutes) | Sabah: **0.548 minutes** (2023: 16.83 minutes) • System Average Interruption Duration Index (SAIDI) for Distribution Network – Peninsular Malaysia: **47.88 minutes** (2023: 46.10 minutes) | Sabah: **208.65 minutes** (2023: 266.37 minutes)	S3 S6 S8	9 15 11	TNB prioritises infrastructure modernisation and reliability upgrades to enhance long-term system efficiency and grid resilience. While this requires upfront CAPEX, it ensures sustainable service delivery, supports renewable integration, and positions TNB for future-ready operations.
HC HUMAN • People Experience (PX)/Employee Engagement Score (EES): **89.7%** (2023: 86.0%) • Organisational Competency Index (OCI): **88.3%** (2023: 87.8%) • Lost Time Injury Frequency (LTIF): **0.86** (2023: 0.74)	S2 S4 S5	4 8 5	Strategic workforce transformation through upskilling, diversity, and safety excellence ensures long-term capability and engagement. While reskilling and organisational restructuring require ongoing investment, they enhance talent agility and drive a high-performance culture aligned with the Group's energy transition goals.
IC INTELLECTUAL • R&D Technology Solution and Services: **15** (2023: 14) • Revenue from Commercialisation of Technology Solution & Services: **RM13.5 million** (2023: RM4.1 million) • Employees Upskilled in Energy Transition Capabilities: **4,989** (2023: 1,896) • Smart Grid Index (SGI): **80.4%** (2023: 78.6%) • Ranking in Global Strongest Utilities Brand: **Ranking 2** (2023: Ranking 2)	S1 S2 S5 S8	4 12 9	TNB channels resources into research and development, and digital innovation to accelerate decarbonisation and operational excellence. This forward investment may trade off short-term gains but enables long-term competitive advantage, technological leadership, and value creation across the energy ecosystem.
SR SOCIAL & RELATIONSHIP • Successful Graduates Under Yayasan TNB: **1,874** (2023: 2,160) • Tax and Zakat contributions: **RM1,085.2 million** (2023: RM770.0 million) • Customer Satisfaction Index (CSI): **87%** (2023: 88%) • Regulatory Relationship Strength Index (RRSI): **94%** (2023: 92%) • Energy Literacy Level under Malaysia Energy Literacy Program (MELP): **73.4%** (2023: 69.8%)	S3 S6 S7	10 17 11	TNB fosters trust with stakeholders through inclusive programmes and transparent engagement. While expanding stakeholder programmes requires time and resources, it strengthens the licence to operate, deepens partnerships, and enables just transition outcomes for communities and customers alike.
NC NATURAL • GHG Emissions Intensity: **0.5571 tCO_2e/MWh** (2023: 0.5465 tCO_2e/MWh) • Total Rainwater Harvested for TNB Platinum: **8,233,250 litres** (2023: 5,703,020 litres) • TNB's Fleet Electrified: **157** (2023: 105) • Trees Planted Nationwide: **92 acres** (2023: 55 acres) • Elevate Biodiversity and Sustainability Efforts : **RM1.76 million** (2023: RM1.46 million)	S3 S6 S7	7 15 13	In reducing environmental impact and enhancing stewardship of natural resources, TNB invests in cleaner energy and efficient practices. These actions may involve trade-offs with legacy assets but are vital for long-term sustainability and aligning with national and global climate ambitions.

For more information on Stakeholders, refer to the Focus on What Matters to our Stakeholders with our Sustainability Agenda Report section of Sustainability Statement, which can be found on pages 63 to 66.

Operating Landscape

The Market Landscape

In 2024, Malaysia's energy sector underwent significant transformations, driven by economic recovery, policy advancements, technological innovations and a steadfast commitment to sustainability. Electricity demand in Peninsular Malaysia continued its upward trajectory, recording 6.5% year-on-year growth for the year, primarily fueled by industrial sector recovery and the burgeoning digital economy.

NAVIGATING UNCERTAINTY IN ENERGY ENVIRONMENT

The global energy market in 2024 was marked by fluctuating coal prices, which moderated from previous highs but remained volatile, reflecting the ongoing variability in fossil fuel markets. This volatility posed challenges to electricity tariff management. In response, the Malaysian government maintained the Imbalance Cost Pass-Through (ICPT) mechanism, ensuring that domestic consumers with monthly consumption up to 600kWh continued to receive a rebate of 2 sen/kWh.

The ICPT mechanism, implemented since January 2014 under the Incentive-Based Regulation (IBR) framework, allows Tenaga Nasional Berhad (TNB) to adjust electricity tariffs in response to changes in fuel and generation costs. This approach ensures that fluctuations in global fuel prices are fairly reflected in consumer tariffs, maintaining transparency and financial stability within the energy sector.

TNB has initiated several projects focusing on solar and hydroelectric power, leveraging Malaysia's abundant natural resources. The company is also exploring innovative solutions such as energy storage systems and smart grid technologies to enhance grid flexibility and reliability.

ADVANCING ENERGY TRANSITION COMMITMENTS

The launch of Malaysia's National Energy Transition Roadmap (NETR) in 2023 underscored the nation's dedication to achieving net-zero emissions by 2050. The roadmap sets ambitious targets, aiming for renewable energy (RE) to constitute 70% of the national installed capacity by 2050. TNB is actively contributing to these goals by investing in RE projects and modernising the grid to support a more resilient electricity network.

In line with these commitments, TNB has initiated several projects focusing on solar and hydroelectric power, leveraging Malaysia's abundant natural resources. The company is also exploring innovative solutions such as energy storage systems and smart grid technologies to enhance grid flexibility and reliability. These efforts are designed to facilitate the integration of RE sources and accommodate the evolving energy consumption patterns of consumers.

DEMAND GROWTH AND ELECTRIFICATION OPPORTUNITIES

The higher anticipated growth in electricity demand in Peninsular Malaysia reflects the nation's economic expansion and increased electrification across various sectors. To meet this rising demand, TNB is committed to enhancing system reliability and supporting Malaysia's decarbonisation agenda through strategic investments and collaborations with stakeholders.

A significant portion of this increased demand is attributed to the rapid growth of data centres in Malaysia. Electricity demand from data centres is projected to reach 12.9GW by 2030 and 20.9GW by 2040, as mentioned by Energy Transition and Water Transformation (PETRA) Minister, Datuk Seri Fadillah Yusof on 12 December 2024, underscoring the critical need for capacity expansion and sustainable energy solutions. TNB is proactively engaging with data centre operators to develop tailored energy solutions that align with their sustainability objectives, including the provision of RE options and energy efficiency advisory services.

Moreover, TNB is exploring opportunities in the electrification of transportation, recognising the potential of electric vehicles (EVs) to contribute to energy demand growth while reducing carbon emissions. Initiatives include the development of EV charging infrastructure and collaborations with automotive industry stakeholders to promote EV adoption.

ENHANCING GRID RESILIENCE AND MODERNISATION

To accommodate the increasing penetration of RE sources and the growing complexity of the energy landscape, TNB is investing in grid modernisation initiatives. These efforts focus on enhancing grid resilience, integrating advanced digital technologies and implementing smart grid solutions to improve operational efficiency and reliability.

TNB's grid modernisation strategy includes the deployment of advanced metering infrastructure (AMI), which enables real-time monitoring and management of electricity consumption. This technology empowers consumers with greater control over their energy usage and facilitates demand-side management, contributing to overall grid stability.

Furthermore, TNB is strengthening its transmission and distribution networks to support the integration of distributed energy resources (DERs) and facilitate bi-directional energy flows. These enhancements are essential for accommodating the evolving energy landscape and ensuring the reliable delivery of electricity to consumers.

COMMITMENT TO SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

TNB is dedicated to minimising its environmental footprint and promoting sustainable practices across its operations. The company is implementing comprehensive environmental management systems and investing in technologies to reduce greenhouse gas emissions and improve energy efficiency.

In addition to expanding its RE portfolio, TNB is exploring carbon capture and storage (CCS) technologies and participating in reforestation projects to offset carbon emissions. These initiatives align with Malaysia's broader climate objectives and demonstrate TNB's commitment to environmental stewardship.

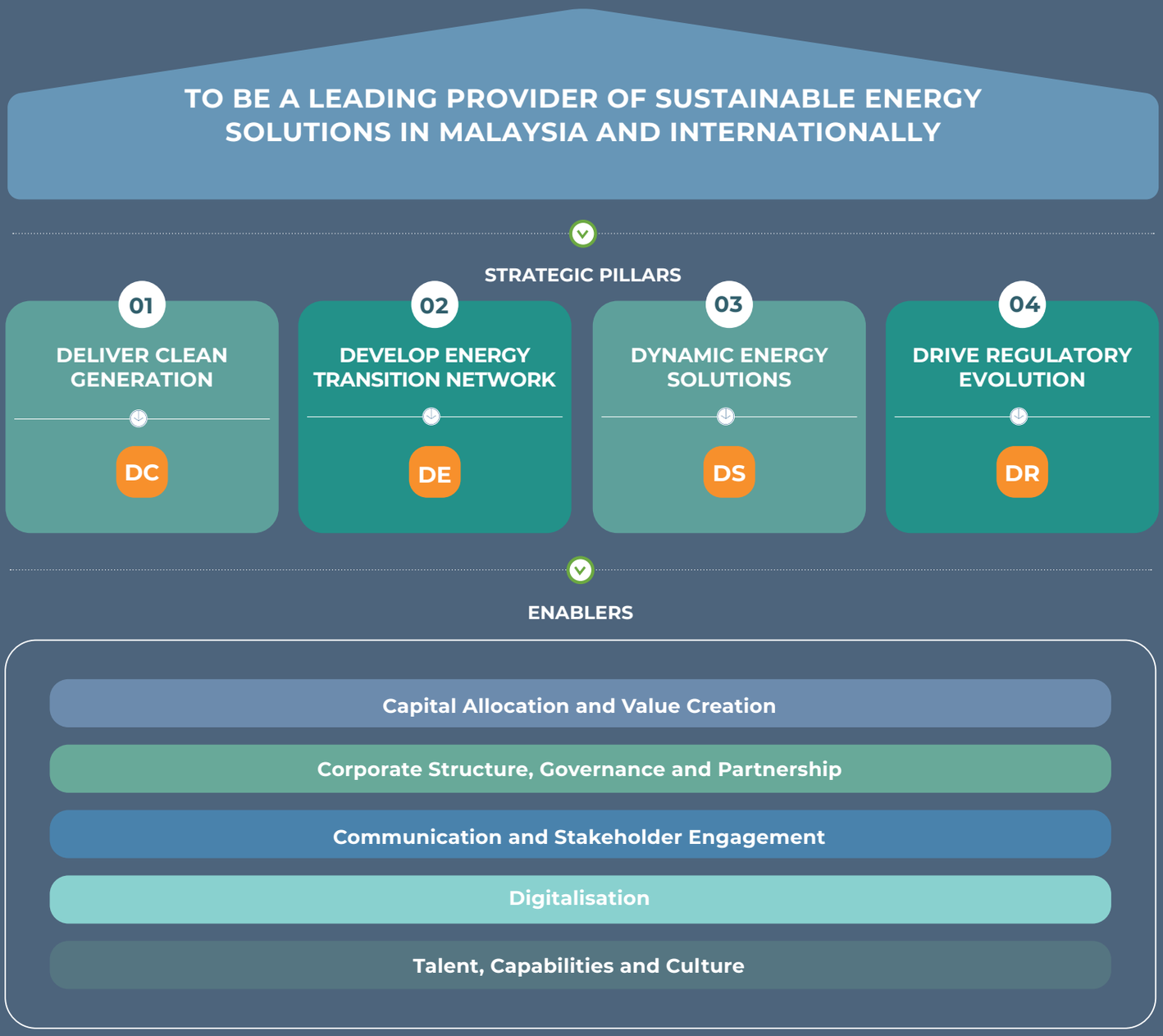
TNB is also actively engaging with communities and stakeholders to promote awareness and education on energy conservation and sustainability. Through various corporate social responsibility programmes, the company aims to foster a culture of environmental responsibility and contribute to the wellbeing of society.

Our Strategic Roadmap

To realise our ambition of becoming a leading provider of sustainable energy solutions in Malaysia and internationally, Tenaga Nasional Berhad (TNB) continues to advance its Reimagining TNB 2.0 (RT 2.0) strategy. The refreshed strategy is structured around four (4) strategic pillars – Deliver Clean Generation, Develop Energy Transition Network, Dynamic Energy Solutions, and Drive Regulatory Evolution – each designed to reinforce the Group's commitment to decarbonisation, grid resilience, and energy innovation.

These pillars reflect TNB's integrated approach to building a future-ready energy ecosystem that is reliable, inclusive, and aligned with national policies such as the National Energy Transition Roadmap (NETR). They also serve as a blueprint for value creation across all aspects of the business – from generation and transmission to customer engagement and regulatory advocacy.

TNB's strategic roadmap ensures alignment between operational performance and long-term sustainability goals. Together, the RT 2.0 strategy forms the foundation for TNB's role in powering Malaysia's just energy transition and strengthening regional energy leadership.



DC 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, Utilization, and Storage (CCUS), and green hydrogen deployment.

Partnerships for the Goals: Collaborations with PETRONAS, Siemens, and international subsidiaries (e.g., Vantage RE Ltd., Spark Renewables).

OVERVIEW

Under the refreshed RT 2.0 strategy, the "Deliver Clean Generation" pillar reflects a fundamental shift in TNB's role—from simply securing future generation capacity to actively delivering clean, sustainable energy for Malaysia and internationally. This commitment is anchored in TNB's support of the NETR through our Sustainability Pathway 2050, which charts our journey towards Net Zero by 2050.

TNB's generation business is driven by two (2) core entities: TNB Power Generation Sdn. Bhd. (TPGSB), which manages the thermal and hydroelectric portfolio within Malaysia; and the New Energy Division, which oversees the Group's renewable energy (RE) ventures, including TNB Renewables and TNB International. These entities support TNB's ambitions to grow its renewable assets both in Malaysia and key international markets such as the United Kingdom (UK), Ireland, and Australia.

Type	Number of Power Plants 2024	Total Installed Capacity (MW) 2024	Equity Capacity (MW) 2024	Capacity Under Construction (MW)
Wholly owned				
Coal	2	4,080	4,080	0
Gas	5	3,419	3,419	0
Non-carbon	112	3,781	3,781	447
Others	0	0	0	0
Majority-owned				
Coal	2	3,600	2,360	0
Gas	3	2,141	1,452	0
Non-carbon	30	447	269	0
Others	52	200	166	0
Minority-owned				
Coal	1	1,400	350	0
Gas	1	895	268	0
Non-carbon	13	319	106	0
Others	1	1,191	71	0

OUR STRATEGIC ROADMAP

We are also a global player as we strive to future proof our business by expanding our RE footprint and establishing strategic partnerships with leading RE players

INTERNATIONAL PORTFOLIO

2021 VANTAGE RE

- **Equity stake: 100%**
- **Capacity:**
  - 123.9MW in onshore wind
  - 365.0MW in solar (55% equity)
  - 41.5MW in offshore wind (49% equity)
  - 276.0MW in solar

2005 SEPCO SWEC

- **Equity stake: 6% effective equity stake**
- **Capacity:**
  - 1,190.7MW in oil
  - Water desalination of 376 mcm p.a.

2016 GAMA ENERJİ

- **Equity stake: 30%**
- **Capacity:**
  - 1,151.5MW in gas, hydro and wind. Water conveyance in Jordan

REMACO A subsidiary of TNB Power Generation

- **Operation & Maintenance Services:**
  - Operation & Maintenance Contract for Doha West and Shuwaikh Power Stations
  - Maintenance, Repair and Overhaul Contract for Sabiya Station-1, Sabiya Station-2 & Shuaibah North Power Stations

REMACO A subsidiary of TNB Power Generation

- **Operation & Maintenance Services:**
  - TNB Remaco & Balloki Power Plant National Power Park Management Company Limited 276.0MW in solar

REMACO A subsidiary of TNB Power Generation

- **Technical Advisory:**
  - Technical Advisory for Electricité du Cambodge (EDC) Heavy Fuel Oil Plant of 400MW

SPARK RENEWABLES A subsidiary of Tenaga Nasional Berhad

- **Equity stake:** 100%
- **Capacity:**
  - 120.5MWp in Solar

Solar · Gas · Wind · Hydro

Our International Presence

United Kingdom · Ireland · Australia · Turkiye · Saudi Arabia

New Energy Division · Remaco

OPERATIONAL PERFORMANCE AND PLANT EFFICIENCY

In 2024, TNB strengthened operational excellence by advancing flagship projects under the NETR and enhancing plant reliability across its domestic fleet – demonstrating its readiness to deliver on national clean energy targets.

Key NETR-aligned projects advanced during the year include the HHFS pilot at Kenyir Hydro Dam, which achieved full installation of the 100kW system and laid the groundwork for commercial development by mid-2025. This initiative represents a significant innovation in hybrid energy solutions, integrating floating solar capacity with existing hydro assets.

Similarly, the 750MWp Centralised Solar Park (CSP) moved forward with a signed agreement for 150MW under the Corporate Renewable Energy Supply Scheme (CRESS), while TNB's co-firing initiatives gained momentum with pilot demonstrations at Manjung 4, Manjung 5, and Jimah East Power. These projects are pivotal to our brown-to-green transition and carbon intensity reduction targets.

Operationally, TPGSB delivered a plant availability factor of 81.2%, with high-performing plants such as Manjung 5, Gelugor, and Kenyir achieving full capacity payments. Manjung 4 also resumed operations in November 2024 ahead of schedule, following successful turbine restoration.

Among the year's most impactful developments was the continued progress of the 300MW Nenggiri Hydroelectric Project. We have observed good progress with river diversion works successfully completed in December 2024. Beyond energy generation, Nenggiri is also delivering tangible socio-economic benefits to over 1,200 members of the Orang Asli community through infrastructure improvements, education support, and local employment opportunities.

In tandem, TNB progressed the 700MW Sungai Perak Hydro Life Extension Programme, issuing Notice to Proceed for Engineering, Procurement, Construction, and Commissioning (EPCC) contracts and completing mobilisation works across several key plants. The project aims to optimise hydro capacity while extending the useful life of critical renewable assets.

In support of cleaner thermal generation, TNB received the initial Letter of Notification (iLON) for the 1,400MW Paka Repowering project, which is targeted for completion in 2029. The Group also entered into high-level discussions with the Energy Commission and other industry players for collaboration on engineering and Original Equipment Manufacturer (OEM) selection.

Further highlighting TNB's innovation agenda, the Gelugor Power Station received a four-month Power Purchase Agreement (PPA) extension from the Energy Commission through December 2024. A Memorandum of Understanding (MoU) was signed with the Penang Development Corporation to undertake a feasibility study for an Aeroderivative Gas Turbine (AGT) and BESS at the facility — a proposal endorsed by Deputy Prime Minister Fadillah Yusof for its potential to drive green energy innovation.

EXCELLENCE IN OUR OPERATIONS

TNB's sustainability performance was equally lauded. In 2024, TPGSB, a wholly owned subsidiary of TNB, received a "Gold" Impact Assessment from Malaysian Rating Corporation Berhad (MARC) for its expanded Sustainability Sukuk Framework. The framework, which supports up to RM10 billion in green issuances, has been extended to finance a broader portfolio of RE projects, including hydro life extension and CRESS-linked initiatives.

Recognition from industry bodies further validated TPGSB's safety and operational excellence. The Malaysian Industrial Safety and Health Association (MiSHA) honoured TNB with multiple awards in 2024: the Main Award Gold (MMA15), the Excellence Award for OSH Risk Management in the Energy & Utility Sector, and the Specific Award Gold (MSA4) for Emergency Response Team excellence.

DOMESTIC RE PROGRESS

In line with national policy and the NETR, TNB made significant strides in expanding its domestic RE capacity. In 2024, the Group secured over 700MWp of new capacity, reinforcing its leadership in Malaysia's clean energy transition. This included 515MW under LSS5 and LSS Sabah, 135MW through the Corporate Green Power Programme (CGPP). Notably, TNB achieved financial close for 45MWp under CGPP, including a corporate PPA with Western Digital.

These initiatives, which span large-scale and corporate-led developments, represent a coordinated push to scale RE adoption across sectors. The continued development of the 750MW CSP is also expected to reach financial close in 2025. Collectively, these projects showcase TNB's deep commitment to delivering clean energy solutions that align with national and corporate climate goals.

GLOBAL RE EXPANSION

TNB continued to expand its international RE portfolio to support strategic diversification and capability development. In the United Kingdom, Vantage RE Ltd. operates more than 800MW of wind and solar assets and is advancing two (2) greenfield solar projects—Bunker's Hill and Eastfield—scheduled for commercial operation in 2025. These projects were secured under the UK's 15-year Contract-for-Difference (CfD) scheme, which guarantees stable revenue streams and reduces market risk.

In Australia, Spark Renewables deepened its market presence through new pipeline projects in resource-rich regions. These global ventures support technology transfer and regulatory benchmarking, ensuring TNB remains responsive to evolving trends while applying international best practices to local operations.

ADVANCING REGIONAL ENERGY INFRASTRUCTURE IN SABAH

In 2024, TNB, through its subsidiary Sabah Electricity Sdn. Bhd. SESB, achieved notable progress in strengthening Sabah's energy ecosystem through a series of strategic and high-impact initiatives. These efforts are part of TNB's broader commitment to advancing energy security, grid resilience, and environmental sustainability in East Malaysia.

Among the key highlights was the successful award of a 23MWp large-scale solar project in Kota Marudu under the LSS Sabah programme. This project will provide clean, stable energy to rural communities while reinforcing SESB's role in accelerating RE adoption across the state.

SESB also advanced grid stability and storage capacity with the deployment of a 100MW/400MWh BESS in Lahad Datu—the largest of its kind in ASEAN and amongst the first in Malaysia, with the project targeted to be commissioned by June 2025. It represents a critical technological milestone that will allow higher solar penetration and manage peak demand more effectively.

Further strengthening Sabah's power infrastructure, the Energy Commission of Sabah (ECoS) issued a Letter of Intent (LOI) to Sabah Energy Corporation (SEC) to work together with SESB on the development of a 94MW gas peaking plant in Kimanis. This facility will play a pivotal role in supporting load balancing, especially during demand surges, while complementing the state's growing share of variable RE.

INNOVATION AND DECARBONISATION INITIATIVES

Innovation remains central to TNB's decarbonisation strategy, enabling progress toward a secure, efficient, and low-carbon energy future. In 2024, TNB invested RM78 million through its Technology Fund across 12 catalytic projects focused on green hydrogen, CCU, BESS, and advanced RE technologies—reinforcing alignment with the NETR.

Strategic partnerships continue to be a cornerstone of our strategy, enabling access to advanced technologies and global expertise. A notable example is TNB's collaboration with Siemens Energy to explore the integration of hydrogen in large-scale power generation. This partnership includes a feasibility study to retrofit existing combined-cycle plants, with the potential to source green hydrogen from Sarawak's hydropower capacity.

In parallel, TNB and PETRONAS advanced an end-to-end green hydrogen venture exploration to establish Malaysia as a regional green hydrogen hub. To deepen the understanding of emerging clean technologies, TNB launched two (2) pilot projects at Jimah East Power plant, exploring green hydrogen production and carbon capture ahead of potential future scaling.

OUR STRATEGIC ROADMAP

To reduce emissions from existing thermal assets, TNB is progressing ammonia co-firing trials as potential alternative fuel at Manjung 4, Manjung 5, and Jimah East Power. These technical innovations are supported by digital solutions such as predictive analytics, digital twin models, real-time dashboards, and emission monitoring systems—enhancing reliability and operational intelligence.

TNB also fosters an ecosystem of innovation through partnerships and startup engagement, offering mentorship, technology access, and market pathways. Collectively, these efforts strengthen TNB's role as a leader in Malaysia's energy transition, delivering sustainable growth while unlocking new economic value.

LOOKING AHEAD

At TNB, our foremost priority is to accelerate the decarbonisation of our energy system, in alignment with national and regional climate ambitions.

We aim to reduce our annual carbon emission intensity (Scope 1) by 5% each year from 2024 and remain steadfast in our commitment to achieve a 35% carbon emission intensity reduction by 2035 and net zero by 2050.

To achieve these targets, our efforts focus on reducing carbon emission intensity through our Carbon Management Strategy and RE Capacity Expansion. Together, these initiatives enable us to reduce emission intensity from our operations and set the stage for long-term sustainability by integrating RE and innovative carbon management technologies.

TNB will continue advancing fast-track decarbonisation through the repowering of thermal plants with biomass and green hydrogen, expanding ammonia co-firing, and scaling CCU technologies. Domestically, we aim to secure up to 5GW of RE capacity in Malaysia under various programs including LSS, CRESS and CGPP.

TPGSB is targeting RM40 billion in cumulative revenue from domestic generation, while the New Energy Division aims to expand its international RE portfolio by attracting strategic equity investments through to 2050.

With the right combination of technology, strategic partnerships, and supportive policies, TNB is poised to lead Malaysia's energy transition. We are committed to delivering reliable, clean, and affordable energy while building a sustainable future for our customers and communities.

Offshore wind farms led by TNB's subsidiary, Vantage RE, reflect our commitment to stakeholder-driven sustainability.

DE 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 tech parks (e.g., Penang 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 foundational efforts under Pillar 1: Deliver Clean Generation, the "Develop Energy Transition Network" pillar reinforces TNB's integrated approach to decarbonisation by enabling a flexible, intelligent, and robust grid system capable of delivering the clean electricity of the future. As Malaysia's national utility and system operator, TNB plays a pivotal role in enabling a just and inclusive energy transition by modernising its transmission and distribution infrastructure to integrate RE, support electrification, and maintain system security.

This strategic focus is fully aligned with the NETR, and TNB's Sustainability Pathway 2050. In doing so, TNB is transforming from a traditional utility into a future-ready energy enabler—driving sustainable economic development, digitalisation, and resilience through grid investments.

TNB's grid infrastructure spans 26,371 circuit km of transmission and 708,763 circuit km of distribution networks across Peninsular Malaysia, supported by 494 high voltage substation (132kV, 275kV and 500kV), 90,142 units of distribution substations and 4,498,715 units of smart meters. In East Malaysia, SESB oversees 3,147km of transmission and 29,264km of distribution lines in Sabah and Labuan. TNB also maintains interconnections with Thailand and Singapore and is actively supporting new cross-border energy exchanges through regional cooperation frameworks.

Type	Peninsular	Sabah
Transmission Lines (km)	26,371	3,147
Transmission Substations (units)	494	49
Transmission Transformers (units)	1,393	104
Distribution Lines (km)	708,763	29,264.6
Distribution Substations (units)	90,142	9,232
Distribution Transformers (units)	105,556	9,211

GRID MODERNISATION AND DIGITALISATION

Grid modernisation and digitalisation are critical enablers of TNB's ambition to develop a future-ready energy transition network. In 2024, TNB continued to strengthen the intelligence, reliability, and resilience of its grid infrastructure to support decarbonisation, decentralisation, and digitalisation (the 3Ds), while enhancing system flexibility and responsiveness to distributed energy flows.

TNB completed the installation of 949,226 Advanced Metering Infrastructure (AMI) units, far exceeding its target of 600,000 units for FY2024. This brings cumulative smart meter deployment to over 4.5 million customers out of a total of 10.4 million. By enabling real-time consumption insights, smart meters empower customers with better control over their energy use, promote energy savings, and support sustainable consumption patterns. To further enhance grid reliability, TNB achieved full completion of our Distribution Automation (DA) penetration targets, with

OUR STRATEGIC ROADMAP

4,565 units of substations automated – 162% of our annual target. These automation upgrades provide real-time remote monitoring and control of network assets, improve restoration time in the event of outages, and enable smoother integration of RE into the distribution network.

In tandem, TNB reached its Volt-Var Optimisation (VVO) target of 140MVAr, contributing to cumulative optimised capacity of 890MVAr across the grid. VVO technology helps ensure voltage levels remain stable across substations, reduces power losses, and minimises peak demand by coordinating reactive power resources such as reactors, capacitors, and tap changers. This optimised voltage control also defers network reinforcements and reduces capital outlay.

The impact of these grid modernisation efforts was evident in operational performance, with distribution losses of 5.85% recorded in 2024, supported by enhanced utilisation of digital technologies and AMI. TNB also recorded a System Average Interruption Duration Index (SAIDI) of 47.88 minutes, underscoring improved service continuity and grid reliability.

POWERING THE DIGITAL ECONOMY

TNB continues to play a pivotal role in enabling Malaysia's digital transformation by providing the critical electricity infrastructure required to support hyperscale data centre development. In 2024, the Group successfully energised 18 high-voltage data centre projects with a cumulative demand of 1.9GW. These projects were delivered under TNB's Green Lane Pathway, which offers an accelerated 12-month power delivery commitment alongside dedicated project management and a one-stop-centre support model. This programme is tailored to meet the stringent reliability, speed, and sustainability requirements of global data centre operators.

Among the notable projects energised in 2024 were Yondr Data Centre and Princeton Digital Group (PDG) at Sedenak Tech Park, both commissioned ahead of schedule. Additional milestones included a strategic 400MW Electricity Supply Agreement (ESA) and Bilateral Energy Supply Contract (BESC) signed with Bridge Data Centres (BDC)—TNB's first customer under CRESS. This agreement marked a significant achievement in bundling grid access with clean energy offerings, including solar PV and BESS, to enable low-carbon digital operations.

As of December 2024, TNB has secured a total of 38 Energy Service Agreement (ESA) contracts, representing a combined maximum demand of 5.9GW, with nine (9) new projects (1.3GW) completed in FY2024 alone. These achievements underscore TNB's leadership in supporting the government's digital economy aspirations, while positioning the Group as an enabler of green data infrastructure and a strategic partner for sustainable digital investments.

STRATEGIC PROJECTS: THE LIGHT PROJECT AND INNOVATION IN INFRASTRUCTURE

TNB's infrastructure investments continue to balance economic progress with environmental responsibility. In 2024, TNB achieved a significant milestone with the commissioning of The Light Project—a landmark 275kV transmission line serving the Bayan Lepas industrial zone in Penang.

This 250MW corridor, which delivers a direct connection from the national grid to the state, is critical in ensuring energy security, especially in high-growth digital and electronics hubs. Notably, the project's undersea cable crossing was executed with minimal seabed disturbance, exemplifying TNB's commitment to balancing infrastructure growth with environmental sensitivity.

Beyond its technical achievement, The Light Project serves as a model for future large-scale infrastructure investments that combine engineering innovation with sustainability considerations. It also highlights TNB's capacity to deliver complex, time-sensitive energy infrastructure that underpins national economic priorities and the growing needs of Malaysia's industrial and digital economy.

STRENGTHENING REGIONAL INTEGRATION AND TRADE

TNB continues to assert leadership in advancing regional energy connectivity through active participation in the APG initiative. In 2024, the Group made significant progress by commencing a 100MW regional power trade with Singapore's Keppel Electric, marking a key milestone in cross-border energy collaboration under the Lao PDR-Thailand-Malaysia-Singapore Power Integration Project (LTMS-PIP) scheme. Complementing this, we also facilitated the export of 50MW of RE to Sembcorp under the Cross-Border Electricity Sales for Renewable Energy (CBES RE) Scheme, reinforcing Malaysia's growing role as a clean energy exporter.

These transactions were executed through ENEGEM, which serves as the central platform for facilitating and tracking regional electricity sales. Through ENEGEM, TNB has enhanced the transparency, governance, and efficiency of cross-border energy trading—laying the foundation for a more integrated and competitive regional market.

Looking ahead, we are exploring new interconnection opportunities with Sumatra, Indonesia, as well as further integration with Peninsular Malaysia and Singapore. These initiatives are supported by ongoing efforts in tariff harmonisation and regulatory alignment, aimed at enabling a transparent, liquid ASEAN electricity market that can attract long-term investments and accelerate the region's clean energy transition. TNB's strategic push in regional energy trade not only strengthens Malaysia's energy diplomacy but also enhances energy security, system flexibility, and economic opportunity across Southeast Asia.

SMART GRID LEADERSHIP AND GLOBAL BENCHMARKING

Smart Grid Index (SGI) score of
80.4%

(2023: 78.6%)

We continued to solidify our position as a regional leader in digital grid innovation, with 2024 marking another year of significant progress in smart grid deployment. The Group achieved a SGI score of 80.4%, a remarkable trajectory of growth from 51.8% in 2019. This recognition validates TNB's sustained investments in future-proofing the grid through digital transformation, automation, and consumer-centric solutions.

Our strong SGI performance reflects excellence across critical dimensions such as Monitoring & Control, Customer Empowerment, and Cybersecurity. These advancements have been underpinned by the integration of SCADA-based automation, predictive analytics, digital twin technologies, and real-time system monitoring, which collectively support enhanced grid stability, faster outage response, and greater integration of variable RE sources.

In tandem with national deployment, TNB, through SESB, extended smart grid modernisation to East Malaysia. Under the Kota Kinabalu Smart City and Labuan Smart Island initiatives, SESB delivered critical upgrades across substations, expanded digital customer platforms, and rolled out smart meters—ensuring equitable access to modern energy services in traditionally underserved areas.

By the end of 2024, we successfully installed 949,226 smart meters—well above the RP3 target of 600,000 units. This milestone reflects TNB's strong commitment to consumer empowerment and the digitalisation of Malaysia's energy ecosystem. The deployment of smart meters has enhanced operational efficiency, energy reliability, and sustainability across the grid. By adopting cutting-edge digital technologies and Internet of Things (IoT) innovations, Malaysia is positioning itself ahead of regional peers and future-proofing its energy infrastructure.

OUTLOOK AND STRATEGIC PRIORITIES

TNB's outlook for the grid business is anchored in its ambition to build an agile, intelligent, and resilient Energy Transition Network that underpins Malaysia's decarbonisation journey and strengthens regional energy connectivity. Under Regulatory Period 4 (RP4) from 2025 to 2027, TNB has allocated RM42.8 billion in Capital Expenditure (CAPEX), with 64% of the RM16.3 billion contingent CAPEX channelled towards energy transition projects. These investments will enable interconnections, grid readiness for NETR flagship programmes, and the scaling of RE capacity across Peninsular Malaysia and beyond.

Key priorities in 2025 include:

- Enabling the connection of over 4GW in new RE capacity, including upcoming phases of LSS5+, LSS6, and BESS.
- Installing 360,000 additional smart meters, building on the 4.5 million units already deployed to empower consumers and enhance demand-side visibility.
- Automating additional substations to strengthen grid resilience, improve outage response, and enable seamless distributed energy integration.
- Supporting the energisation of five (5) new data centres representing 1.3GW of additional demand, with confirmed ESAs signed for Microsoft and Vantage RE Ltd., targeted for commissioning by mid to end 2025.
- Establishing a 500kV transmission backbone in Johor to cater to growing digital economy demand while enhancing long-term system reliability.

Beyond national borders, TNB is intensifying its collaboration with regional partners to unlock APG opportunities. The Group is also exploring new interconnection routes, including Sumatra–Malaysia and a second Singapore interconnector, to support regional green electricity flow and harmonised tariffs.

Collectively, these efforts reflect TNB's unwavering commitment to deliver an energy transition network that is digitally intelligent, climate-aligned, and globally benchmarked—cementing its role as Malaysia's grid of the future and a strategic enabler of regional decarbonisation.

OUR STRATEGIC ROADMAP

DS 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:** Net Energy Metering (NEM), digital billing, demand-side management, and solar adoption.
- **Climate Action:** Enabling low-carbon lifestyles via Electric Vehicles (EV) infrastructure and green tariff adoption.

OVERVIEW

In line with our RT 2.0's "Dynamic Energy Solutions" pillar and the objectives set forth in the TNB Energy Transition (ET) Plan, our Retail Division and SESB play pivotal roles in delivering outstanding solutions and services. These entities focus on customer-centric strategies, continuously enhancing customer experience and driving innovation.

In 2024, TNB Retail successfully provided essential services to over 10.41 million customers in Peninsular Malaysia across diverse channels, including digital platforms such as the myTNB portal and App, TNB's social media presence, the efficient TNB CareLine contact centre, and physical Kedai Tenaga outlets located across 13 states. SESB delivered critical services to approximately 708,000 customers in Sabah, notably improving service quality in key areas like meter reading, billing, and payments via enhancements in the MySESB digital platform.

Our strategic initiatives and achievements throughout 2024 reflect our strong alignment with government policies, our relentless pursuit of superior customer experiences, digital transformation efforts, support for vulnerable communities, and our proactive stance on environmental sustainability. We executed targeted programmes such as the eKasih initiative, Government Relief Programme, and extensive RE projects, demonstrating our holistic approach to sustainable business practices and community support.

	Residential (Tariff A - Domestic)		Commercial		Industrial		Others	
	Peninsular Malaysia	Sabah	Peninsular Malaysia	Sabah	Peninsular Malaysia	Sabah	Peninsular Malaysia	Sabah
2020	7,728,383	529,185	1,593,075	99,974	31,637	1,603	80,466	6,673
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

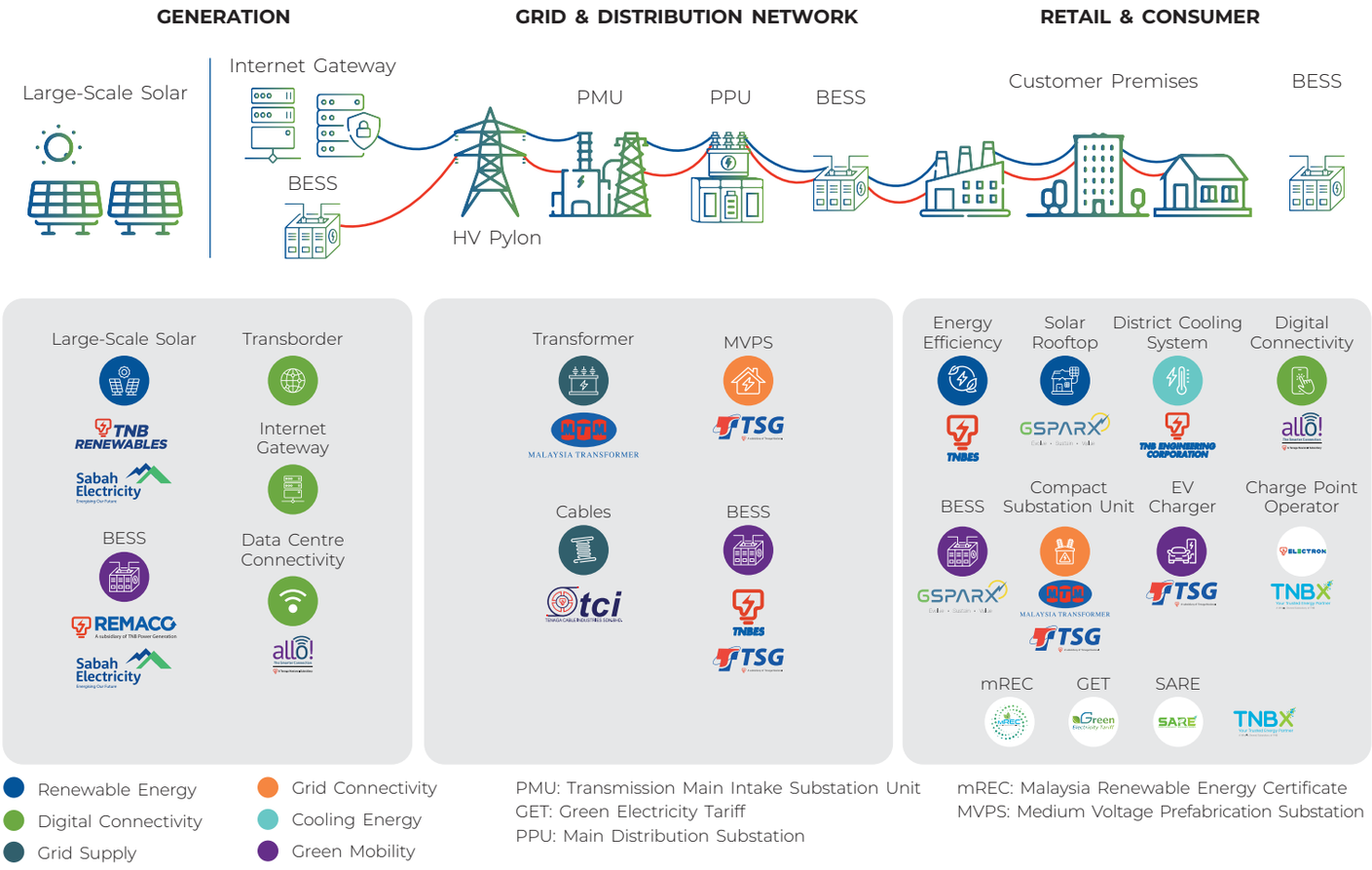
REGULATED BUSINESS

Our regulated retail business continues to deliver outstanding performance in customer service, achieving a Customer Satisfaction Index (CSI) of 8.7 and maintaining a high Customer Experience Index (CEI) of 95% for the second consecutive year. Digital transformation remains pivotal, highlighted by the significant growth of myTNB App subscribers, which reached 7.26 million in 2024. Our digital billing subscribers surged from 1.03 million to 2.41 million, reflecting customers' growing preference for digital interactions. Additionally, the introduction of the innovative "myHome" feature for all 7.26 million residential customers and the "phygital" concept store launched in Iskandar Puteri, Johor, represent significant steps forward in enhancing customer interactions and convenience.

We also actively supported Malaysia's ET through various green initiatives. NEM recorded significant achievements with 1,467.5MW take-up across NEM Rakyat (347MW), NEM Gomen (17MW), and NEM NOVA (681MW). Furthermore, we disbursed RM76.2 million through the Solar for Rakyat Incentive Scheme (SolaRIS) benefiting 19,081 customers. The Green Electricity Tariff (GET) saw robust demand, with 2,513.8GWh of green energy subscribed by 1,403 customers, while the SAVE 4.0 rebate facilitated energy-efficient appliance purchases amounting to RM60 million.

NON-REGULATED BUSINESS

The diagram below summarises where our subsidiaries' play in TNB's ET value chain:



PMU: Transmission Main Intake Substation Unit
GET: Green Electricity Tariff
PPU: Main Distribution Substation

mREC: Malaysia Renewable Energy Certificate
MVPS: Medium Voltage Prefabrication Substation

In our non-regulated business segment, GSPARX Sdn. Bhd. significantly elevated Malaysia's green energy capabilities, securing an additional 164MWp of rooftop solar capacity in 2024, securing a total cumulative capacity to date of 500MWp. GSPARX has partnered with a diverse range of public and private organisations—including universities, hospitals, manufacturing plants, data centres, schools, government buildings, and leading property developers—to deploy rooftop solar PV systems. Apart from that, GSPARX is also actively embracing innovation within RE space, integrating of BESS into solar PV systems as well as participating into new connection schemes introduced by the government – such as Community Renewable Energy Aggregation Mechanism (CREAM) etc. Its commitment towards excellence has also been recognised by the Malaysia Book of Records when University Putra Malaysia achieved the largest rooftop solar PV installation at a public university and unveiled Malaysia's first hydroponic-aquavoltaic floating solar system.

TNB Electron has been instrumental in supporting the development of Malaysia's EV ecosystem. To date, we have deployed a total of 66 EV charging stations, including 12 newly commissioned units located at strategic sites such as the PLUS Highway, AEON malls, BHPetrol and Petron stations, and various TNB facilities. We have also enhanced the Green Lane Pathway for Charge Point Operators, expediting the installation process and contributing to the national target of 37,000 EVs and 3,354 charging stations by December 2024. For example, under the enhanced Green Lane Pathway, 61kW to 240kW applications are now processed in just 21 days and 241kW to 850kW in 55 days, reducing connection times from months to weeks. Maintaining the momentum, at EV Day in August 2024, we engaged PlanMalaysia, the Energy Commission, and PLUS Highway to streamline requirements and map supply availability at highway exits. Studies shared with the National EV Task Force indicate the network can support up to one million EVs over the next decade, and upcoming "time-of-use" smart-meter features will allow recharging directly from rooftop solar during peak sun hours.

Our subsidiary, TNBX Sdn. Bhd., continues driving innovation in sustainable energy solutions, notably through SuriaShield, a specialised solar PV insurance product, and Virtual Energy Manager (VEM), which assist commercial and industrial customers in optimising energy consumption through data visualisation and analytics. The Malaysia Renewable Energy Certificate (mREC) business expanded significantly, complemented by the launch of the Malaysia Green Attribute Trading System (mGATS) platform on 8th May 2024 by the Ministry of Energy Transition and Water Transformation (PETRA) addressing growing corporate demand for RE certificates. There are two (2) main features of mGATS, which are the mREC auction (every 7th to 11th of the month) and mREC marketplace where consumer can purchase older REC vintage.

Further subsidiary achievements include TNB Repair and Maintenance Sdn. Bhd. (REMACO)'s substantial international project wins, TNB Engineering Corporation Sdn. Bhd. (TNEC)'s strategic partnership with Selangor State Development Corporation (PKNS), TNB Energy Services Sdn. Bhd. (TNBES)'s energy efficiency initiatives, Malaysia Transformer Manufacturing Sdn. Bhd. (MTM)'s first production of Malaysia's environmentally friendly earthing transformer using ester oil, along with a low-loss distribution transformer, and TNB Research Sdn. Bhd. (TNBR)'s commercialisation of 16 technology services including Virtual Energy Manager (VEM) and the Smart Grid Demonstration Project (SGDP).

OUR STRATEGIC ROADMAP

SUBSIDIARY HIGHLIGHTS

Subsidiary	Notable Achievements in 2024
TNB REMACO	• Secured Long Term Service Agreement (LTSA) of Gas Turbine and Related Equipment at Utilities Kerteh (UK) and Utilities Gebeng (UG) • Received Letter Of Award for Sungai Perak Hydroelectric Scheme valued at RM334.7 million • Awarded Engineering Maintenance Services contract for the Sabiya OCGT-1 Plant valued at RM202 million • Won prestigious awards including the 21st Annual Environment Excellence Award 2024 • Awarded Maintenance of Gas and Liquid Fuel Systems and Lines at Power and Water Distillation Stations by MEWRE valued at RM13.7 million
TNEC	• Signed MoU with PKNS for a District Cooling System and other development projects
TNBES	• Completed significant Power Quality projects, detailed energy audits, and energy efficiency projects • Sustained Platinum GBI Certificate for TNB HQ through IFM EE practices • Secured RM5.5 million Smart Streetlighting Project with MRANTI Corporation Sdn Bhd, marking TNBES first major non-regulated contract post-SBU Streetlight migration.
MTM	• Produced first environment friendly earthing transformer using ester oil • Start producing low loss transformer and CSU at mass • Improved production capacity including full capacity for 132kV line.
TNB Research	• Commercialised 16 products and technologies valued over RM13 million, including VEM and Smart Grid Demonstration (SGDP) projects SGDPs.
Tenaga Switchgear	• Commissioned 500kV Pulau Indah Power Plant Interconnection Facility and SSU GDS Data Centre Substation ahead of schedule • In 2024, TSG completed a total number of 66 charging points of AC and DC fast chargers
Tenaga Cable Industries	• Achieved highest CSI performance (87.1%) of the decade • Expanded sales in cable and fibre optic segments • Supply Thermal Aluminium Conductor Aluminium Clad Steel Reinforced (TACSR) High Capacity Conductor for the iconic Penang Light project which successfully commissioned in 2024

OUTLOOK

Looking ahead, TNB remains focused on leveraging technological innovation to enhance customer service in both regulated and non-regulated sectors. For regulated business growth, we aim to fully capitalise on the Incentive-Based Regulation (IBR) RP4 to improve service quality further and deliver exceptional customer experience and trust. Specific goals include achieving a 100% increase in Energy Budget feature usage on the myTNB App and significantly reducing household energy consumption emissions.

In the non-regulated sector, we will continue exploring and expanding our market presence, aiming to secure an additional 100MWp rooftop solar capacity and 250 new EV charge points by 2025. Our RM90 million investment in EV charging infrastructure will strategically position us to lead Malaysia's sustainable energy solutions market, reinforcing our commitment to driving a resilient and sustainable future both locally and internationally.

TNB's EV initiative drives forward Malaysia's clean energy ambitions with sustainable mobility solutions.

DR DRIVE REGULATORY EVOLUTION

UN SDGS:

Decent Work and Economic Growth: Stability in tariffs and Imbalance Cost Pass-Through (ICPT) to support industry competitiveness and energy reliability.

Climate Action: Policy alignment with NETR, CRESS, Energy Efficiency and Conservation Act (EECA), and regional climate diplomacy.

Peace, Justice and Strong Institutions: Transparent governance, stakeholder engagement, and strong regulatory frameworks.

Partnerships for the Goals: Regional and government-level cooperation for energy reforms and market development.

OVERVIEW

As we navigate the rapidly evolving energy landscape, TNB continues to proactively shape Malaysia's regulatory framework to underpin our strategic ambitions and long-term growth. In 2024, our approach has been marked by comprehensive stakeholder engagement, strategic partnership, and continuous support towards policy development. We have actively contributed to facilitating regulations and policies that promote industry sustainability, tariff stability, and the nation's accelerated transition to RE.

Our concerted efforts have fostered a transparent and collaborative relationship with regulatory authorities, governmental agencies, industry partners, and community stakeholders. This collaborative approach is exemplified by achieving a record-high Regulatory Relationship Strength Index (RRSI) score of 94%, reflecting the highest stakeholder trust since the index's introduction in 2020. This trust underscores our credibility as an effective and proactive industry leader in supporting the development of policies that balance consumer affordability, financial stability, and energy security.

In parallel, we strengthened our strategic collaboration with federal and state governments, providing input and support that contributed to key national milestones, including the establishment of ENEGEM, the rollout of critical RE agreements, and the development of regulatory frameworks such as CRESS and the EECA. Our leadership role in regional collaborations across ASEAN, notably enhancing interconnections with Thailand, Singapore, Indonesia, Vietnam, and the broader ASEAN community, demonstrates our regional influence and commitment to advancing cross-border energy trade and sustainability.
At TNB, regulatory evolution is not merely about compliance; it represents our strategic commitment to fostering a sustainable, resilient, and progressive electricity sector. By integrating rigorous internal processes, comprehensive external engagements, and proactive policy contributions, we ensure our business remains agile, responsive, and well-positioned to meet Malaysia's future energy needs. Through these sustained efforts, we continue to create enduring value for all stakeholders, reinforcing TNB's pivotal role in the nation's sustainable energy transformation.

OUR STRATEGIC ROADMAP

ACCELERATING THE NATION'S ENERGY TRANSITION

Our continued support for national energy transition efforts is reflected in our contributions to key NETR-aligned initiatives. We play a strategic role in strengthening Malaysia's energy trading framework by supporting Single Buyer, the entity that operates the ENEGEM, oversees the platform and managing the cross-border renewable electricity bidding mechanism, thereby reinforcing our commitment to a more transparent and efficient energy ecosystem.

A landmark achievement was signing the Renewable Energy Supply Agreement (RESA) with Sembcorp Power Pte Ltd, enabling a significant pilot 50MW RE trade with Singapore via the ENEGEM platform. We also facilitated essential agreements such as the Energy Wheeling Agreement (EWA) and Cross Border Power Trade Interconnection Agreement (CBPTIA), leading to the successful implementation of LTMS-PIP Phase 2 and ENEGEM within the targeted timelines.

In our continued support of regulatory initiatives, we played a pivotal role in assisting regulatory bodies with the preparation of CRESS guidelines, ensuring alignment with project timelines. Additionally, we supported the government in developing the Energy Efficiency and Conversation Act 2024 (EECA 2024) guidelines to promote energy efficiency.

Our active participation at international forums, notably The 29th United Nations Climate Change Conference (COP29) in Baku, underlined our commitment to Malaysia's climate agenda. Locally, we launched the Malaysia Energy Literacy Programme (MELP) to raise public awareness of sustainability, energy efficiency, and RE. Under MELP, we conducted several impactful initiatives, including hosting the first Forum Ilmuan Madani in collaboration with the Ministry of Higher Education (MoHE), chaired by YAB Dato' Seri Anwar bin Ibrahim, Prime Minister of Malaysia. Further MELP initiatives encompassed onboarding Energy Literacy Modules at six (6) prominent universities, the launch of the Green Guardian Centre (GGC) at Pusat Sains Negara, and extensive education videos garnering nearly 500,000 views.

Moreover, our strategic collaborations extended to engagements with the Ministry of Youth and Sports, fostering energy literacy among younger demographics, and our ongoing regional cooperation across five ASEAN countries, including enhancements in interconnections with Thailand, Singapore, Indonesia, Vietnam, and broader ASEAN collaboration frameworks.

REGULATORY STAKEHOLDER ENGAGEMENT AND TRUST

Stakeholder engagement continues to anchor our regulatory strategy, ensuring alignment with evolving industry needs and policy direction. In 2024, we conducted targeted engagements, primarily with Members of Parliament and key ministries, focusing on proactive issue resolution and policy advocacy. These efforts have strengthened mutual understanding, enabled constructive dialogue, and supported informed decision-making on critical industry matters.

We further solidified stakeholder relations by signing an MOU with the Selangor state government and Worldwide Holdings Berhad, exploring substantial energy development opportunities within the state. Additionally, we established the Regulatory Roundtable (RGR), a platform enhancing internal regulatory compliance, oversight, and governance visibility, supported by successful completion of audits such as the Regulatory Compliance Audit (RCA) and Guaranteed Service Level (GSL) and Minimum Service Level (MSL) audits, affirming our strong compliance posture.

OUTLOOK

TNB recognises that the evolving regulatory landscape will play a pivotal role in shaping the future of Malaysia's electricity supply industry. We welcome the government's ongoing efforts to strengthen policy and regulatory frameworks, including the development of the national climate change bill (RUUPIN or *Rang Undang-Undang Perubahan Iklim Negara*).

As we enter RP4, we remain committed to working closely with the government and regulators to optimise the use of the contingent CAPEX mechanism, which allows for more agile, needs-based investments in support of energy transition infrastructure — including grid readiness, renewable integration, and digitalisation — ensuring that TNB continues to meet the nation's growing and evolving energy needs.

Moving forward, our focus is on supporting regulatory outcomes that balance affordability, reliability, and sustainability. We are committed to maintaining active dialogue with policymakers and stakeholders to ensure that the interests of consumers, industry players, and the *rakyat* are upheld—while collectively advancing Malaysia's clean energy ambitions.

Financial Highlights

Financial Year Ended 31 December	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
PROFITABILITY (RM Million)				
Revenue	**56,737.1**	53,066.9	**50,950.6**	48,456.7
Operating profit	**8,720.1**	7,356.9	**8,883.3**	8,169.3
Profit before taxation and *zakat*	**5,814.8**	3,373.6	**4,754.4**	3,336.0
Net profit attributable to owners of the Company	**4,698.6**	2,770.3	**4,136.5**	2,955.0
KEY BALANCE SHEET DATA (RM Million)				
Property, plant and equipment	**125,611.1**	121,932.1	**81,907.3**	78,765.4
Total assets	**205,056.1**	204,743.6	**192,084.2**	192,681.0
Total borrowings	**57,406.6**	61,770.2	**26,657.6**	29,678.1
Total liabilities	**142,486.4**	143,660.9	**144,746.4**	146,266.0
Share capital	**12,700.2**	12,499.5	**12,700.2**	12,499.5
Shareholders' equity	**62,569.7**	61,082.7	**47,337.8**	46,415.0
SHARE INFORMATION				
Per share (sen):				
– Basic earnings	**81.00**	48.00		
– Diluted earnings	**80.82**	47.79		
Dividend (sen):				
– Interim	**25.0**	18.0		
– Final	**26.0**	28.0		
Net assets per share attributable to owners of the Company (sen)	**1,038.6**	1,016.5		
FINANCIAL RATIOS				
Return on assets (%)	**2.3**	1.3		
EBITDA margin (%)	**35.2**	35.1		
Debt-equity (net of cash) ratio	**0.60**	0.67		

Key Highlights

UNIT DEMAND GROWTH
6.5%

ROA
2.3%

EBITDA MARGIN
35.2%

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
RM**4,698.6** million

CAPEX
RM**11,171.4** million

AVERAGE COAL PRICE
USD**113.2** per MT

TOTAL ASSETS RM**205,056.1** million

DIVIDEND PAYOUT RATIO **59.6%**

TOTAL REVENUE RM**56,737.1** million

MARKET CAPITALISATION
RM**86,845.4** million

Group Quarterly Financial Performance

RM Million	FY2024 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	**715.7**	**1,444.1**	**1,584.3**	**954.5**	**4,698.6**
Earnings per share (sen) - basic	**12.37**	**24.95**	**27.33**	**16.46**	**81.00**
Dividend per share (sen)	**–**	**25.0^**	**–**	**26.0***	**51.0**

RM Million	FY2023 Q1	Q2	Q3	Q4	Total
Revenue	12,625.6	13,323.2	13,466.1	13,652.0	53,066.9
Other operating income	218.6	177.0	214.2	338.4	948.2
Operating profit	2,082.1	1,868.7	2,023.6	1,382.5	7,356.9
Profit before taxation and *zakat*	1,102.7	541.5	1,055.5	673.9	3,373.6
Profit attributable to owners of the Company	1,002.3	327.9	856.2	583.9	2,770.3
Earnings per share (sen) – basic	17.42	5.70	14.85	10.12	48.00
Dividend per share (sen)	–	18.0^	–	28.0*	46.0

^ *interim dividend*
* *final dividend*

Six-Year Group Financial Summary

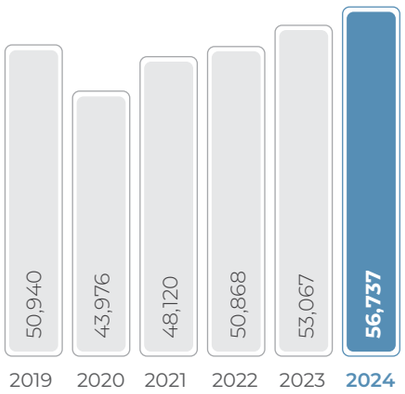
Year/Period Ended	GROUP					
	31.12.2024	**31.12.2023**	**31.12.2022**	**31.12.2021**	**31.12.2020**	**31.12.2019**
OPERATING RESULTS (RM Million)						
Revenue	**56,737.1**	53,066.9	50,867.7	48,119.9*	43,976.0	50,939.7
Operating profit	**8,720.1**	7,356.9	9,409.5	8,083.0	7,358.8	8,206.8
Profit before taxation and *zakat*	**5,814.8**	3,373.6	5,348.6	4,738.3	4,235.4	5,477.7
Profit attributable to owners of the Company	**4,698.6**	2,770.3	3,463.3	3,661.8	3,592.7	4,529.2
KEY BALANCE SHEET DATA (RM Million)						
Property, plant and equipment	**125,611.1**	121,932.1	116,577.1	114,105.6	112,596.1	109,966.0
Total assets	**205,056.1**	204,743.6	205,922.1	182,600.6	181,433.3	178,847.2
Total borrowings	**57,406.6**	61,770.2	63,882.2	51,678.2	49,452.6	45,411.7
Total liabilities	**142,486.4**	143,660.9	144,956.1	124,208.2	123,983.4	119,565.1
Share capital	**12,700.2**	12,499.5	12,204.3	11,927.6	11,675.2	11,446.1
Shareholders' equity	**62,569.7**	61,082.7	60,966.2	58,392.4	57,449.9	59,282.1
SHARE INFORMATION						
Per share (sen)						
Basic earnings	**81.00**	48.00	60.35	64.05	63.06	79.64
Diluted earnings	**80.82**	47.79	59.98	63.73	62.79	79.64
Gross dividend	**51.0**	46.0	46.0	40.0	80.0	100.0
Net assets per share attributable to owners of the Company	**1,038.6**	1,016.5	1,017.1	988.6	978.7	1,019.6
Share price as at reporting date (RM)	**14.94**	10.04	9.63	9.34	10.42	13.26
FINANCIAL RATIOS						
Return on assets (%)	**2.3**	1.3	1.7	2.1	2.0	2.5
Adjusted return on assets (%)[1]	**2.4**	1.7	2.2	2.6	2.4	2.8
Return on equity (%)	**7.6**	4.3	5.8	6.6	6.3	7.5
Gearing (%)	**47.8**	50.3	51.2	47.0	46.3	43.4
EBITDA margin (%)	**35.2**	35.1	40.9	39.0*	40.9	36.1
Effective weighted average cost of funds (%)	**4.8**	4.8	4.6	4.6	4.9	5.1
Interest coverage (%)	**4.9**	4.3	4.8	5.0	4.9	5.4
Currency mix (RM:Foreign)	**73:27**	73:27	79:21	76:24	75:25	76:24
Debt-equity (net of cash) ratio[2]	**0.60**	0.67	0.83	0.73	0.63	0.53

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

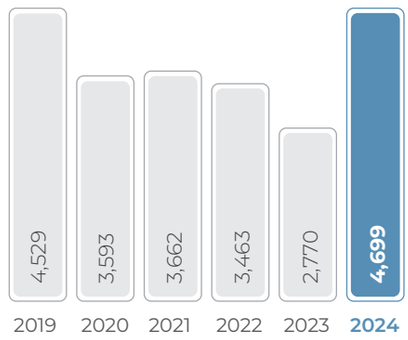
Dividend yield (Annual dividend/ share price per unit)	**3.41%**	**4.58%**	**4.78%**	**4.28%**	**7.68%**	**7.54%**

Six-Year Group Growth Summary

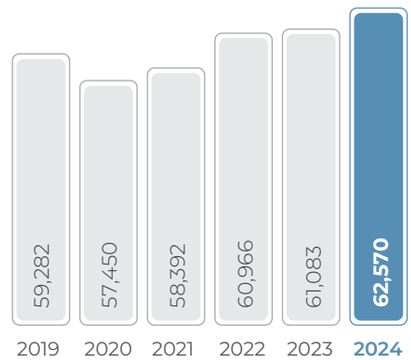
Revenue (RM million)



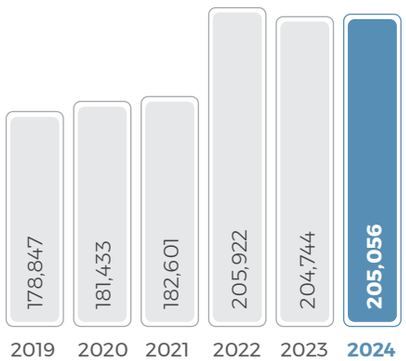
Net Profit Attributable to Owners of the Company (RM million)



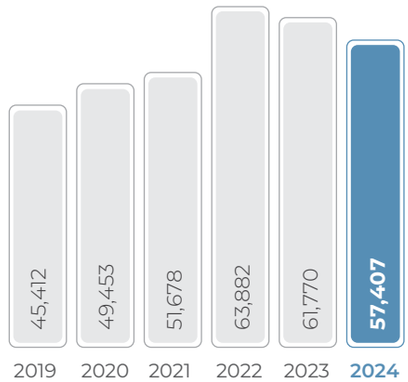
Shareholders' Equity (RM million)



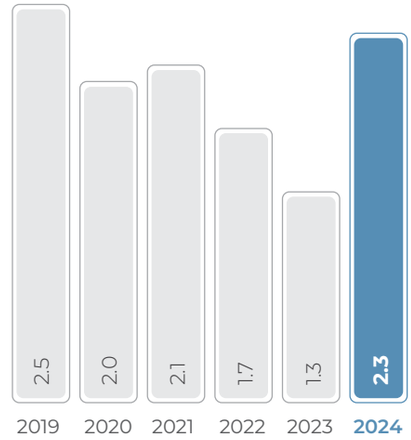
Total Assets (RM million)



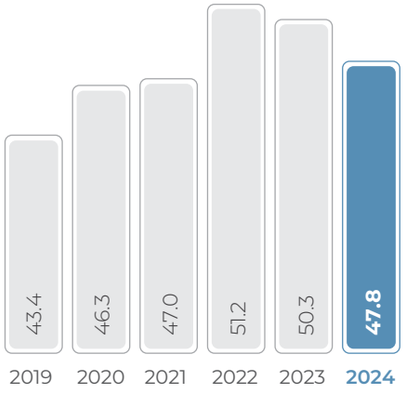
Total Borrowings (RM million)



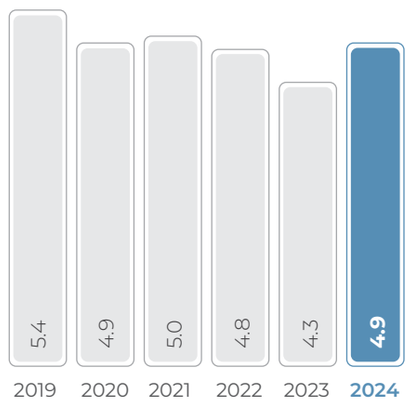
Return on Assets (%)



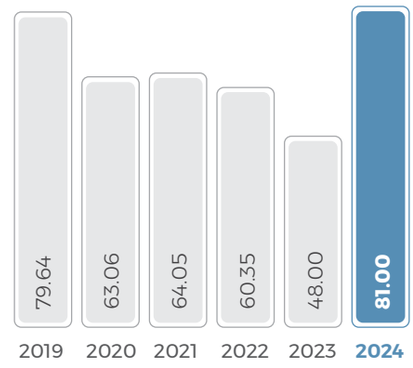
Gearing (%)



Interest Coverage (%)

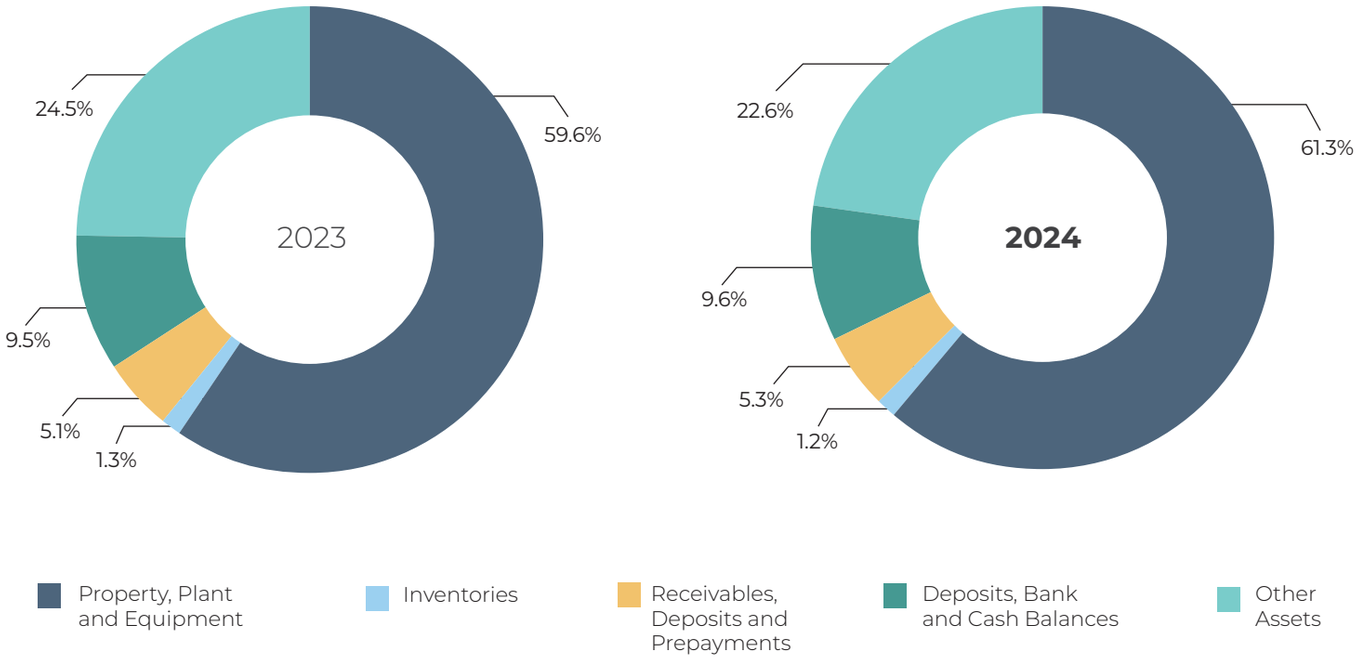


Basic EPS (sen)

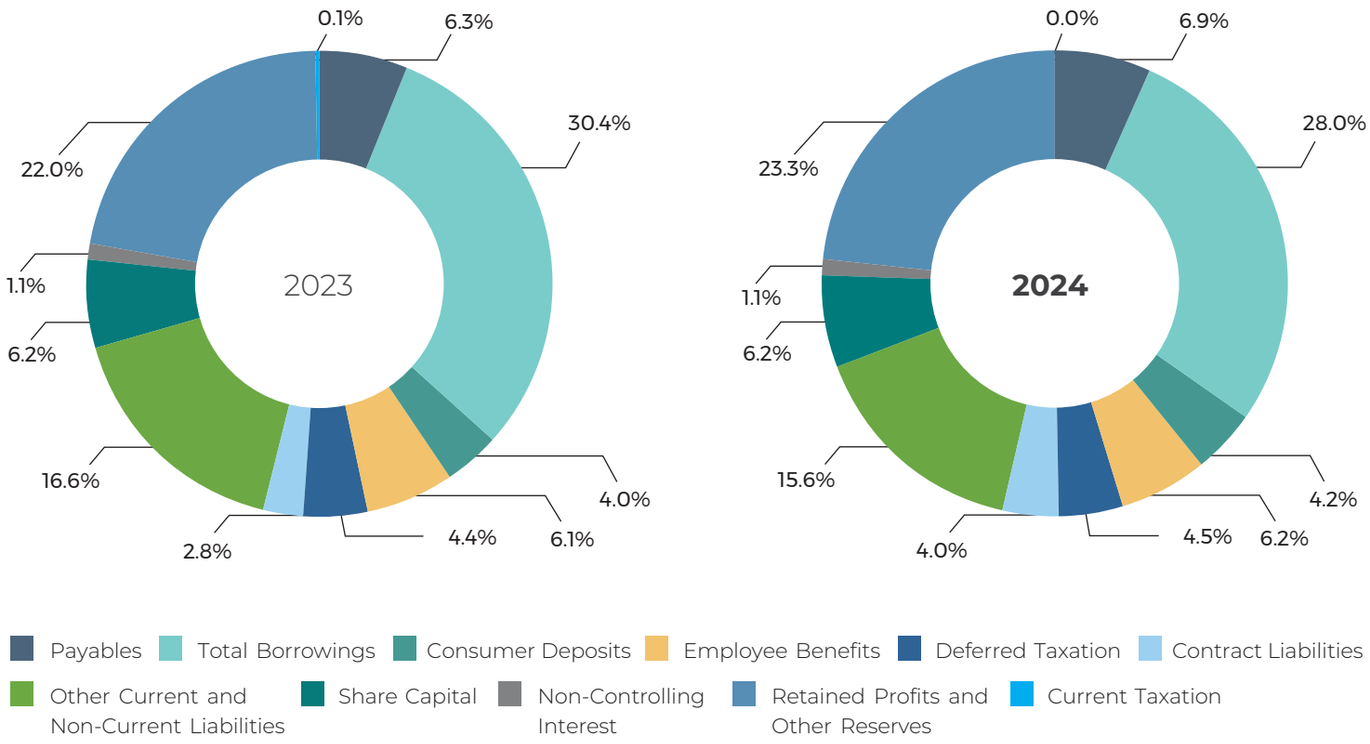


Simplified Group Statement of Financial Position

TOTAL ASSETS



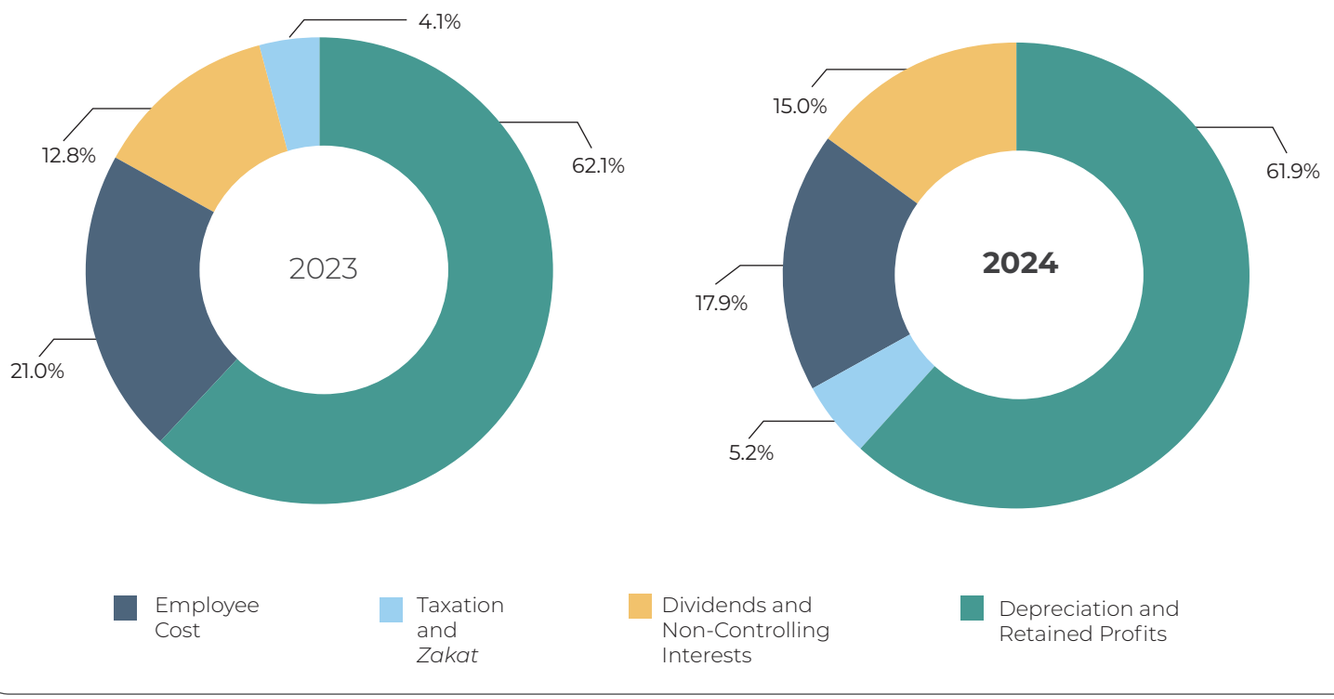
TOTAL LIABILITIES AND EQUITIES



Statement of Value Added

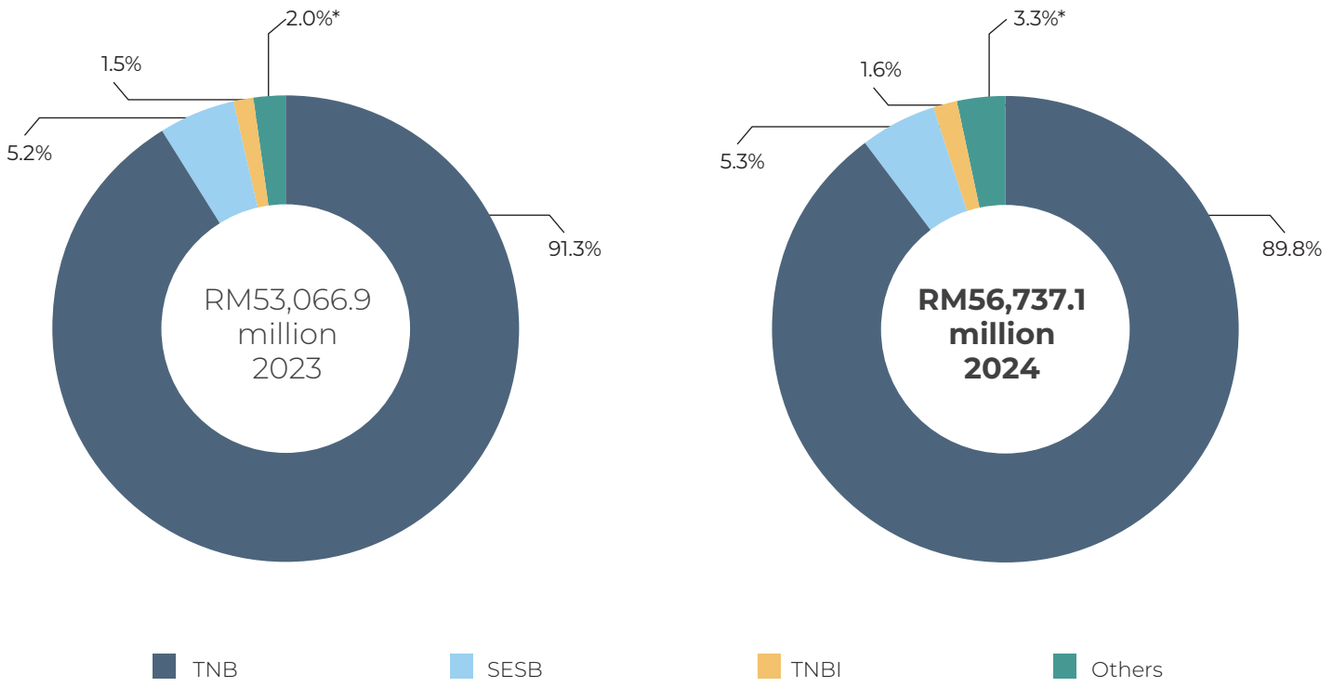
	31.12.2024	31.12.2023
VALUE ADDED (RM Million)		
Revenue	**56,737.1**	53,066.9
Imbalance Cost Pass-Through (ICPT) under recovery	**9,097.7**	10,598.2
Operating expenses excluding staff costs and depreciation	**(44,006.4)**	(42,219.6)
Net reversal on impairment of financial instruments	**789.1**	114.7
Other operating income	**1,054.5**	948.2
Finance income	**628.7**	544.3
Finance cost	**(4,097.8)**	(4,331.1)
Fair value changes of financial instruments	**(11.1)**	(49.4)
Foreign exchange gain/(loss)	**467.4**	(209.5)
Share of results of associates and joint ventures	**107.5**	62.4
Value added available for distribution	**20,766.7**	18,525.1
DISTRIBUTION (RM Million)		
To employees:		
Staff cost	**3,719.5**	3,885.8
To the Government:		
Taxation and *zakat*	**1,085.2**	770.0
To shareholders:		
Dividends	**3,073.7**	2,537.5
Non-controlling interests	**31.0**	(166.7)
To reinvest in the Group:		
Depreciation	**11,232.4**	11,265.7
Retained profits	**1,624.9**	232.8
Total distributed	**20,766.7**	18,525.1

DISTRIBUTION OF VALUE ADDED

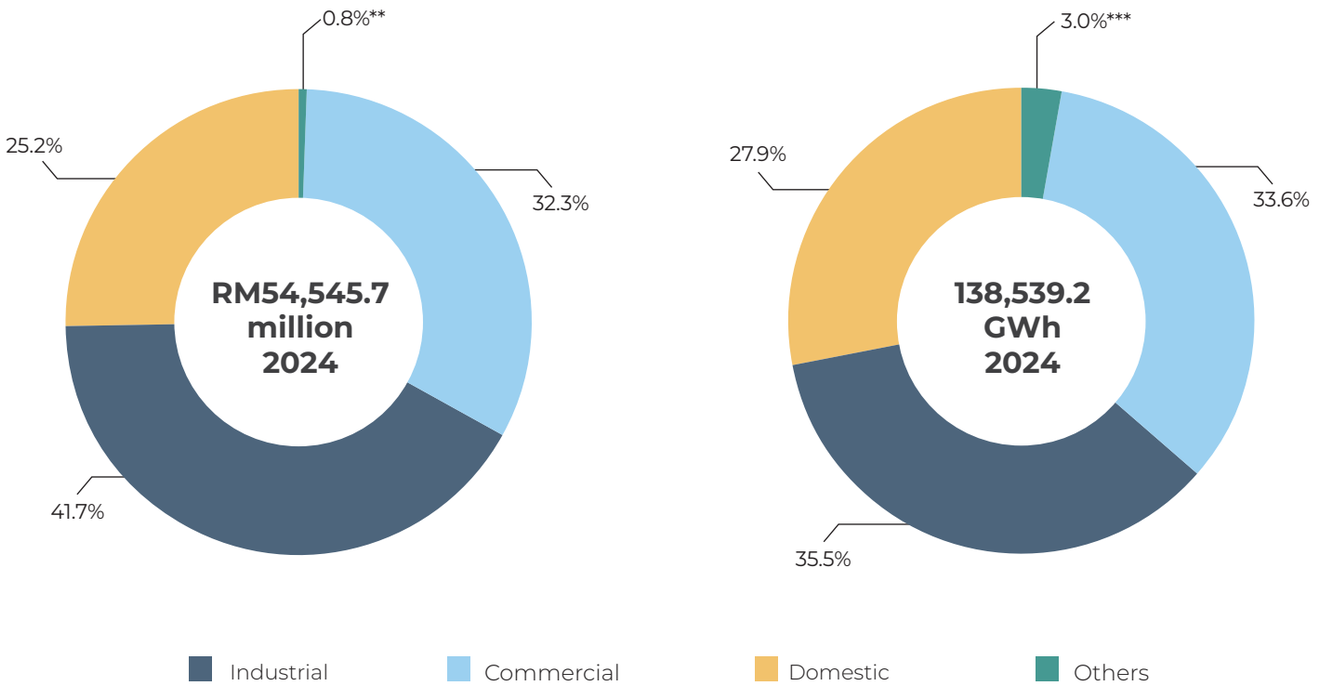


Core Revenue

TOTAL REVENUE



GROUP SALES OF ELECTRICITY (BY SECTOR)



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

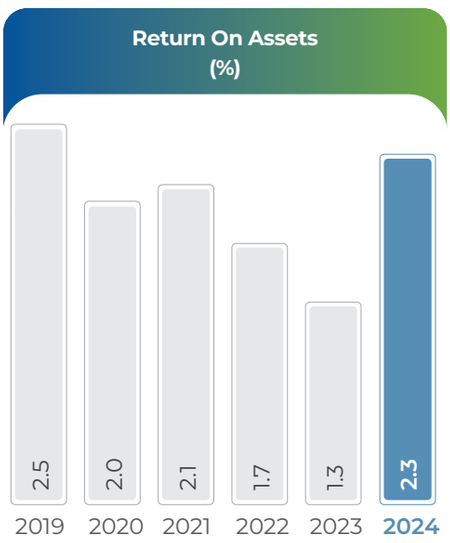
** *Others include Agriculture, Mining, Public Lighting, Accrued Revenue, Energy Export , TNBI, Other Regulatory Adjustments and Tariff Support Subsidy & Fuel Subsidy - SESB*

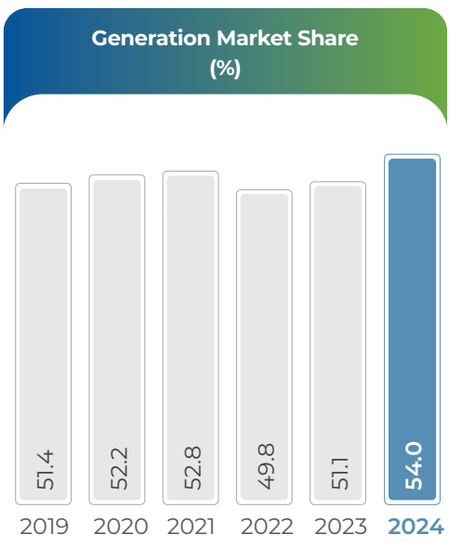
*** *Others include Agriculture, Mining, Public Lighting, Energy Export and TNBI*

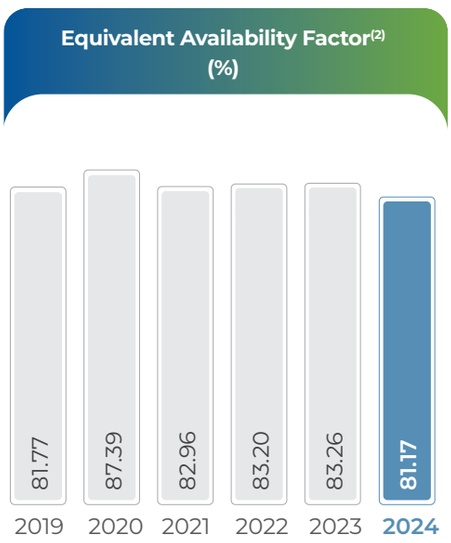
Our Scorecard

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024
Return on assets	2.5%	2.0%	2.1%	1.7%	1.3%	**2.3%**
Generation market share[1]	51.4%	52.2%	52.8%	49.8%	51.1%	**54.0%**
Customer satisfaction index	81%	86%	87%	87%	88%	**87%**
Corporate reputation index	87%	81%	88%	79%	86%	**82%**
Equivalent availability factor[2]	81.77%	87.39%	82.96%	83.20%	83.26%	**81.17%**
Equivalent Unplanned Outage Factor (%)	8.0%	6.7%	7.8%	7.4%	6.6%	**5.4%**
Transmission system minutes[1]	0.27 minutes	0.08 minutes	0.08 minutes	0.17 minutes	0.48 minutes	**0.0019 minutes**
System average interruption duration index[1] (SAIDI) minutes/customer/year	48.13	44.95	45.25	45.06	46.1	**47.88**
Transmission losses[1]	1.35%	1.47%	1.60%	1.59%	1.56%	**1.32%**
Distribution losses[1]	6.30%	6.69%	6.16%	5.45%	5.42%	**5.84%**
Employee engagement/culture barometer score[3]	89%	89%	85%	87%	89%	**90%**

[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.







Financial Calendar

Announcements of Consolidated Results

31 May 2024

Unaudited consolidated results for the first (1st) quarter ended 31 March 2024

29 August 2024

Unaudited consolidated results for the second (2nd) quarter ended 30 June 2024

28 November 2024

Unaudited consolidated results for the third (3rd) quarter ended 30 September 2024

28 February 2025

Unaudited consolidated results for the fourth (4th) quarter ended 31 December 2024

Annual General Meetings

22 April 2024

Notice of Virtual 34th Annual General Meeting and Issuance of Integrated Annual Report and Audited Financial Statements for the Financial Year ended 31 December 2023

21 May 2024

Virtual 34th Annual General Meeting

23 April 2025

Notice of 35th Annual General Meeting and Issuance of Integrated Annual Report and Audited Financial Statements for the Financial Year ended 31 December 2024

22 May 2025

35th Annual General Meeting

Dividends

Interim Single-Tier Dividend of 25.0 sen per ordinary share for the Financial Year ended 31 December 2024

30 September 2024

Entitlement Date

17 October 2024

Payment Date

Final Single-Tier Dividend of 26.0 sen per ordinary share for the Financial Year ended 31 December 2024

28 March 2025

Entitlement Date

16 April 2025

Payment Date

SUSTAINABILITY STATEMENT

This Sustainability Statement shares our sustainability strategies, initiatives and performance for the financial year ending 31 December 2024. Through our various efforts, TNB aspires to be a leading energy provider of sustainable energy solutions supported by our sustainability pillars - Environmental, Social and Governance (ESG).

The scope and basis of the Statement for 2024 encompass the activities of the TNB Company and its subsidiaries (TNB Group) in accordance with the TNB corporate structure. This Statement provides information on active subsidiaries with effective holding. This Statement excludes joint ventures and vendor activities unless explicitly stated otherwise.

We endeavour to be transparent and balanced in disclosing matters deemed material. Relevant targets and three (3) years of historical key performance indicators have been established, tracked and disclosed to the best of our ability.

This Statement adheres to the Bursa Malaysia Main Market Listing Requirements (MMLR) and the following:

In accordance with:

Bursa Malaysia Sustainability Reporting Guide (3rd Edition)

With reference to:

Global Reporting Initiative (GRI) Standards and GRI Electric Utilities Sector Disclosures

In alignment to:

Task Force on Climate-related Financial Disclosures (TCFD) Framework

In contribution to:

United Nations Sustainable Development Goals (UN SDGs)

We acknowledge the global development of sustainability reporting standards, such as the Malaysia National Sustainability Reporting Framework (NSRF) that adopts standards by the International Sustainability Standards Board (ISSB).

INTERNAL ASSURANCE

This Statement has been reviewed internally by the Group Internal Audit (see page 153).

Our Sustainability Journey

As a leading provider of energy solutions, we are committed to steering towards sustainability locally and internationally. With our eyes set on the TNB Sustainability Pathway, we are driving towards becoming a Net Zero company by 2050, propelling ourselves towards ESG excellence.

In light of the pressing need for environmental action, it has become more evident than ever that adopting sustainable practices is crucial. TNB acknowledges this imperative and is taking proactive measures to tackle these challenges head-on, guided by the TNB Sustainability Framework and Policy, which were approved by TNB Board of Directors (BOD) in 2024.

The TNB Sustainability Policy is driven by a commitment to ethical, responsible, and sustainable practices. This policy sets a course for environmental, social, and governance excellence, aligning with legal requirements and international standards. Our aim is to drive positive change in the communities we serve, ensuring that our actions are sustainable and have a positive impact through fourteen (14) key focus areas in the Environmental, Social and Governance pillars in the TNB Sustainability Framework.

TNB SUSTAINABILITY FRAMEWORK

To Be a Leading Provider of Sustainable Energy Solutions in Malaysia and Internationally

TNB Sustainability Policy
(Strategic Policy)

TNB Sustainability Disclosures
are aligned with

Standards

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative (GRI) Standards and GRI Electric Utilities Sector Disclosures
- Task Force on Climate-related Financial Disclosures (TCFD) Framework
- United Nations Sustainable Development Goals (UN SDGs)

Guides

(i) TNB Materiality Matrix
(ii) Financial Times Stock Exchange-4Good Bursa Malaysia Index (FTSE4GBM)
(iii) Morgan Stanley Capital International (MSCI) ESG Rating

TNB Sustainability Pillars
(Operational Policy Statements, Procedures & Guidelines on ESG focus area)

Environmental (E)

1. Carbon Emissions
2. Water Stress
3. Biodiversity & Land Use
4. Opportunities in Renewable Energy
5. Toxic Emissions & Waste

Social (S)

6. Human Capital Development
7. Health & Safety
8. Labour Rights
9. Privacy & Data Security
10. Supply Chain Management
11. Community Relations

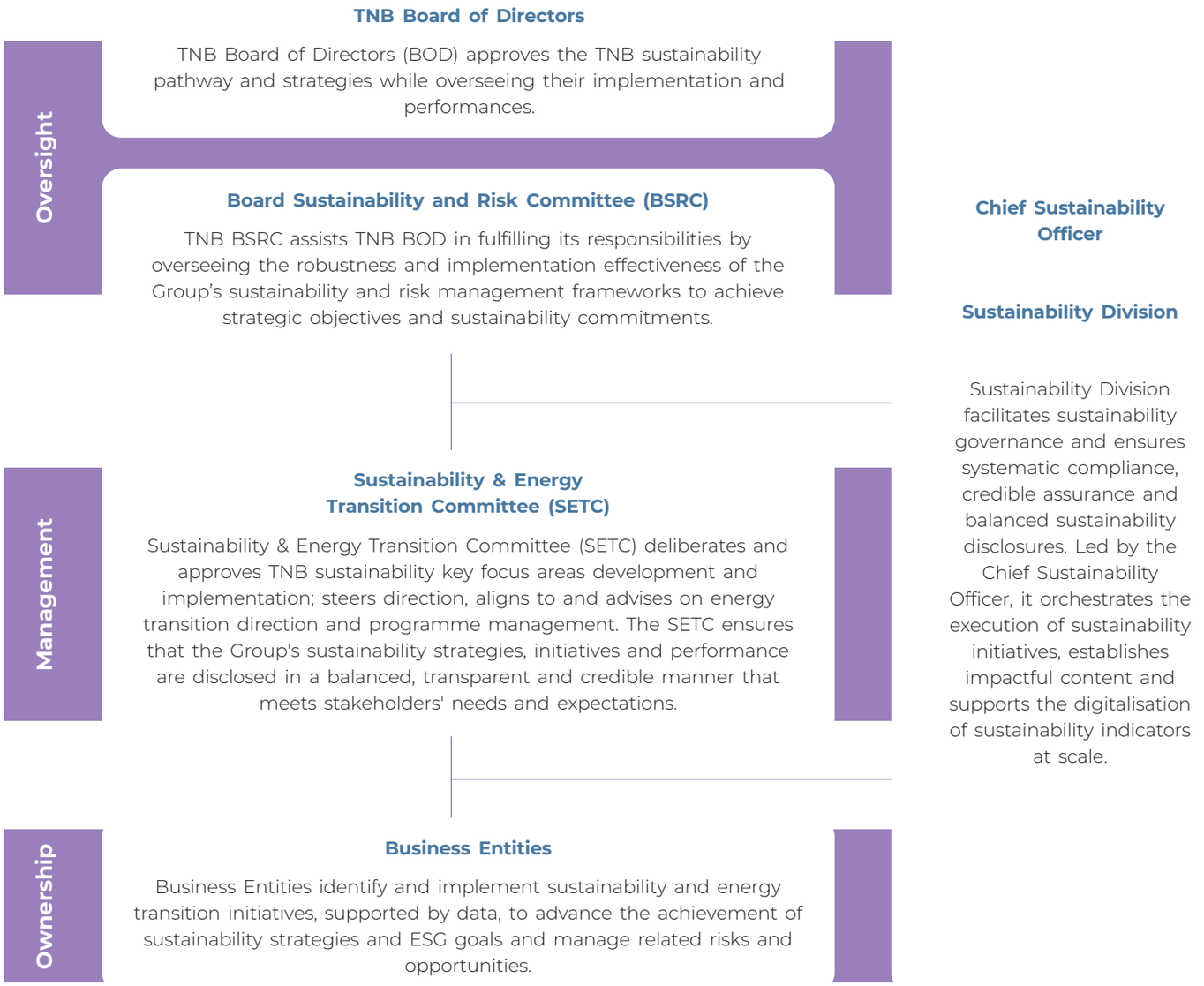
Governance (G)

12. Corporate Governance
13. Corporate Behaviour
14. Risk Management

Strengthening Our Sustainability Governance

A strong sustainability governance and leadership structure is vital to spearhead our sustainability agenda and to provide clear and definitive guidance to achieve our Net Zero aspirations. Our sustainability governance forms a part of the TNB Governance Framework that is aligned with the principles of the Malaysian Code on Corporate Governance (MCCG). The TNB Sustainability Governance Structure is in place to facilitate oversight, strategic management, and implementation of sustainability strategies and initiatives at all levels.

TNB Sustainability Governance Structure



For more information on BSRC, refer to the BSRC Report in page 203.

In 2024, the Terms of Reference for SETC have been enhanced with approving authority to drive the implementation of sustainability initiatives across the Group. Notably in the year, the SETC has approved the TNB Carbon Management Strategy and Carbon Emissions Intensity Reduction Target, TNB Labour Rights Policy Statement, TNB Biodiversity Framework and TNB Sustainability Procurement Code of Conduct for the Group-wide implementation.

Note:
In FY2024, SETC was revised from a council to committee which has the approving authority, aiming to empower decision-making in delivering TNB's business objectives and sustainability agenda.

Committed to Reaching Overall ESG-Related Targets with Enhanced ESG Key Performance Indicators (KPIs)

In 2024, sustainability-related Key Performance Indicators (KPIs) were further enhanced and embedded within the Board and senior management's performance evaluation scorecard to drive Group-wide accountability in steering our sustainability performance. Sustainability performance objectives relating to the ESG pillars are tied to the President/CEO and top management KPIs, as shown below. TNB ESG rating score includes performance and management for environmental, social, and governance including carbon emissions, water, capability development, and anti-corruption.

	KPI	Senior Managements																	
		CEO	MD Genco	CGO	CDNO	CReO	CNEO	CFO	CSVO	CRSMO	CPeO	CPO	CIO	CGBSO	CSO	CoSec	CRO	CIA	CIDO
	TNB ESG Rating Score	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environment	Renewable Energy Growth	✓					✓												
Environment	Carbon Emissions Rating/ Score		✓																
Environment	National Energy Transition Projects		✓			✓	✓		✓	✓									
Environment	Battery Storage (Grid-connected)			✓															
Environment	Data Centre Power Usage Effectiveness												✓						
Social	Lost-Time Injury Frequency Rate (LTIFR)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Social	Energy Literacy									✓									
Social	Human Capital Development Rating/Score										✓								
Governance	Integrity Health Index	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Governance	Corporate Governance Rating/Score															✓		✓	
Governance	Corporate Bahaviour Rating/Score											✓							

The TNB monopole tower, rising beside the iconic Penang Bridge, reflects engineering excellence and a commitment to sustainability.

Focus on what matters to our Stakeholders with our Sustainability Agenda

TNB has an extensive network of stakeholders that contribute to our business, as well as those who are impacted by our operations. We highly value all our stakeholders and seek to create better relationships with them through continuous engagement, dialogues and transparent communication in our dealings. The ultimate objective is to create value for each stakeholder group, building trust and credibility whilst ensuring our actions are aligned with their needs and expectations.

Engagement Frequency

DY Daily MO Monthly B Biannually AN As needed QT Quarterly O Ongoing AL Annually ATT All the time

S1 CUSTOMERS

Residential and non-residential customer segments encompassing the commercial and industrial sectors, such as Government, Large Businesses, and Micro, Small, and Medium Enterprises (MSMEs).

Engagement Platform	Engagement Frequency
One-Stop Centres (Kedai Tenaga)	ATT
Call centre	ATT
myTNB mobile application and online portal	ATT
Customer surveys	ATT
Social platform activities	ATT
Roadshows	AN
Campaigns	AN
One-to-one engagements	AN
Email	AN

Areas of Interest or Concern	Our Response
• New technologies such as the implementation of smart meters and their offerings, smart solutions, solar solutions and platform solutions • Enhanced customer experience and service delivery • Accessible, affordable and reliable supply of electricity • Regulated and non-regulated innovative solutions • Energy solutions and green products • Take-up rates on green/sustainable solutions • Matters related to Personal Data Protection Act (PDPA) compliance	• Customer Experience & Satisfaction, pages 120-124 • Reliable Energy and Fair Tariffs, pages 95-98 • Energy Transition & Innovation, pages 75-83 • Cybersecurity Management, pages 134-136

S2 EMPLOYEES

A total of 34,938 full-time employees (contractors excluded) in TNB Group.

Engagement Platform	Engagement Frequency
Townhall sessions	AL
Turun Padang, Sesi Sampai & Santai, Sesi FB Live, brown-bag sessions and other outreach programmes	O
Online portal (intranet), newsletters, emails and digital boards	ATT
People Experience Survey	AL
One-to-one engagements	AN
Social platform activities	AN
Corporate Social Responsibility (CSR)	AN
Webinars	AN

Areas of Interest or Concern	Our Response
• Performance, rewards and benefits • Health and safety • Employee well-being and workplace culture • Talent and skills development • Employee satisfaction • TNB strategies and initiatives	• Labour Rights & Employment Culture, pages 137-144 • Safety, Health and Well-Being, pages 99-104 • Community Development and Social Impact, pages 125-129

Focus on What Matters to our Stakeholders with our Sustainability Agenda

Engagement Frequency

DY Daily MO Monthly B Biannually AN As needed QT Quarterly O Ongoing AL Annually ATT All the time

S3 GOVERNMENT AND REGULATORS

The Malaysian Federal and State Governments, parliamentarians, municipal councils and regulators.

Engagement Platform	Engagement Frequency
Meetings and briefings	O
Site visits	AN
Round-table sessions	AN
One-to-one engagements	O
Outreach programmes	O
Summits/conferences	AL
Feedback sessions	AL AN

Areas of Interest or Concern	Our Response
• Regulatory and operational compliance • Changes in the regulatory framework and electricity supply industry • Disaster management and cybersecurity management • Nation-building initiatives that stimulate economic growth through green energy and job opportunities, and benefit the rakyat's well-being • Energy trilemma (Security, Affordability, Sustainability) • ESG and Energy Transition initiatives • Development programmes for local Bumiputera vendors • Rural development initiatives	• Responsible Business and Financial Performance, pages 69-74 • Reliable Energy and Fair Tariffs, pages 95-98 • Cybersecurity Management, pages 134-136 • Climate Change and Emission, pages 84-94 • Energy Transition and Innovation, pages 75-83 • Community Development and Social Impact, pages 125-129

S4 INVESTORS

Institutional and retail investors, analysts and potential investors with interest.

Engagement Platform	Engagement Frequency
Quarterly and Full Year Financial Results disclosures	QT AL
One-to-one engagement/group meetings with the investment community	O
Investor conferences and Non-Deal Roadshows	AL
Annual General Meeting	AL
TNB corporate website's Investor Relations section	AN
Bursa filings and Press Releases	AN
Integrated Annual Report and Sustainability Reports	AL
Email updates to the investment community	AN

Areas of Interest or Concern	Our Response
• Business strategy and performance such as overall electricity demand growth and grid readiness • National Energy Transition Roadmap (NETR) Flagship catalyst projects, Market Aggregator (ENEGEM) and Third-Party Access (TPA) and tariff reforms • Regulatory framework (Incentive Based Regulation, Regulatory Period 4 and Imbalance Cost Pass-Through mechanism) • Energy Transition (ET) Plan initiatives and progress such as decarbonisation strategy, Renewable Energy growth opportunities and capital expenditure plan for ET • Financial management including key areas such as financial sustainability, returns, fuel margins, working capital management initiatives, gearing, financial position (analysis), and dividend	• All – with reference to TNB Material Matters, pages 69-144

Engagement Frequency

DY Daily MO Monthly B Biannually AN As needed QT Quarterly O Ongoing AL Annually ATT All the time

S5 TRADE UNIONS AND ASSOCIATIONS

Three (3) registered unions and two (2) workers associations covering all categories of employees.

Engagement Platform	Engagement Frequency
Joint Consultative Council (JCC) at corporate, business entity and local levels	O
Negotiations for Collective Agreements (CA)	AN
Syndication and engagements	AN

Areas of Interest or Concern	Our Response
• Mitigation and resolution of issues • Employee health and well-being • Company strategies and initiatives • Impact of new policies or policy revision to employees	• Safety, Health and Well-Being, pages 99-104 • Labour Rights & Employment Culture, pages 137-144

S6 COMMUNITIES

Local communities in or near areas where we operate, including those affected by our operations.

Engagement Platform	Engagement Frequency
Outreach programmes	MO
CSR programmes	MO
Townhall sessions	QT
Dialogue sessions	AN
Sporting Events	DY

Areas of Interest or Concern	Our Response
• Public facilities and basic infrastructure • Compliance with legal and regulatory requirements • Accessible and reliable supply of electricity • Energy literacy • Development of National Sport - Hockey	• Community Development and Social Impact, pages 125-129 • Reliable Energy and Fair Tariffs, pages 95-98

Focus on What Matters to our Stakeholders with our Sustainability Agenda

Engagement Frequency

DY Daily MO Monthly B Biannually AN As needed QT Quarterly O Ongoing AL Annually ATT All the time

S7 NON-GOVERNMENTAL ORGANISATIONS (NGO) & ASSOCIATIONS

Consumer associations, think tank groups, environmental groups, chambers of commerce, and international associations—for example, the Heads of ASEAN Power Utilities/Authorities (HAPUA) and Association of the Electricity Supply Industry of East Asia and Western Pacific (AESIEAP).

Engagement Platform	Engagement Frequency
One-to-one engagements	AL AN
Outreach programmes	AN
Seminars	AN
Collaboration sessions	AN
Social media	AN
Meetings and knowledge-sharing sessions	B

Areas of Interest or Concern	Our Response
• Affordable tariff • Innovation in technology and RE • Quality of service • Supply reliability • Current and planned ESG efforts • Energy literacy • Environment and occupational safety and health • Compliance with legal and regulatory requirements	• Reliable Energy and Fair Tariffs, pages 95-98 • Energy Transition and Innovation, pages 75-83 • Biodiversity & Environmental Management, pages 105-119 • Safety, Health and Well-Being, pages 99-104

S8 VENDORS

A total of 3,848 active vendors.

Engagement Platform	Engagement Frequency
Engagement sessions	AN
Road Tour Dialogues	AN
Vendor training and awareness	AN
Joint Operations Centre	AN

Areas of Interest or Concern	Our Response
• Industry support for business growth through technology and solutions • New business opportunities and future developments • Training and capability development • Health and safety • Procurement processes • Fraud and bribery awareness	• Sustainable and Responsible Supply Chain, pages 130-133 • Responsible Business and Financial Performance, pages 69-74 • Safety, Health and Well-Being, pages 99-104

TNB Materiality Assessment

Our sustainability agenda is centred around material ESG matters as outlined in our materiality matrix. To ensure our approach remains relevant and responsive to evolving trends and stakeholder expectations, we conduct a comprehensive materiality assessment every two (2) years. In 2024, we conducted a comprehensive materiality assessment, adhering to the guidelines of the Bursa Sustainability Reporting Guide (3rd Edition) which comprises of three (3) phases.

PHASE 1: IDENTIFICATION OF STAKEHOLDERS & MATERIAL SUSTAINABILITY MATTERS

Our material sustainability matters are aligned with our strategic goals, which are the Reimagining TNB (RT) 2.0 and achieving Net Zero by 2050. We also incorporate insights from our eight key stakeholder groups to ensure that our sustainability efforts are aligned with their priorities and expectations. We also benchmark identified material sustainability matters against leading global power utilities and Government-Linked Companies.

To prioritise these material sustainability matters, weightages are accorded to each stakeholder group, reflecting their priorities and importance to TNB.

PHASE 2: PRIORITISATION OF MATERIAL SUSTAINABILITY MATTERS

The relative importance of material matters is assessed based on two considerations:

(i) significance/magnitude of the impact of the material matter to the Company; and
(ii) influence on the assessment and decisions of stakeholders.

To prioritise the identified material sustainability matters, we engaged in focus group discussions with employees who regularly interact with stakeholders and analysed data and feedback from engagement sessions with stakeholder groups that were conducted throughout the year.

As a result, a materiality matrix that prioritises the relative importance of each material matter to the Company and stakeholders is derived.

PHASE 3: REVIEW AND VALIDATION OF OUTCOMES

The materiality matrix is deliberated, reviewed, validated and approved by the following levels of authority:

Committee	Action
Sustainability Division Management	Deliberate
Sustainability & Energy Transition Committee (SETC)	Review
Board Sustainability & Risk Committee (BSRC)	Validate
Board of Directors	Approve

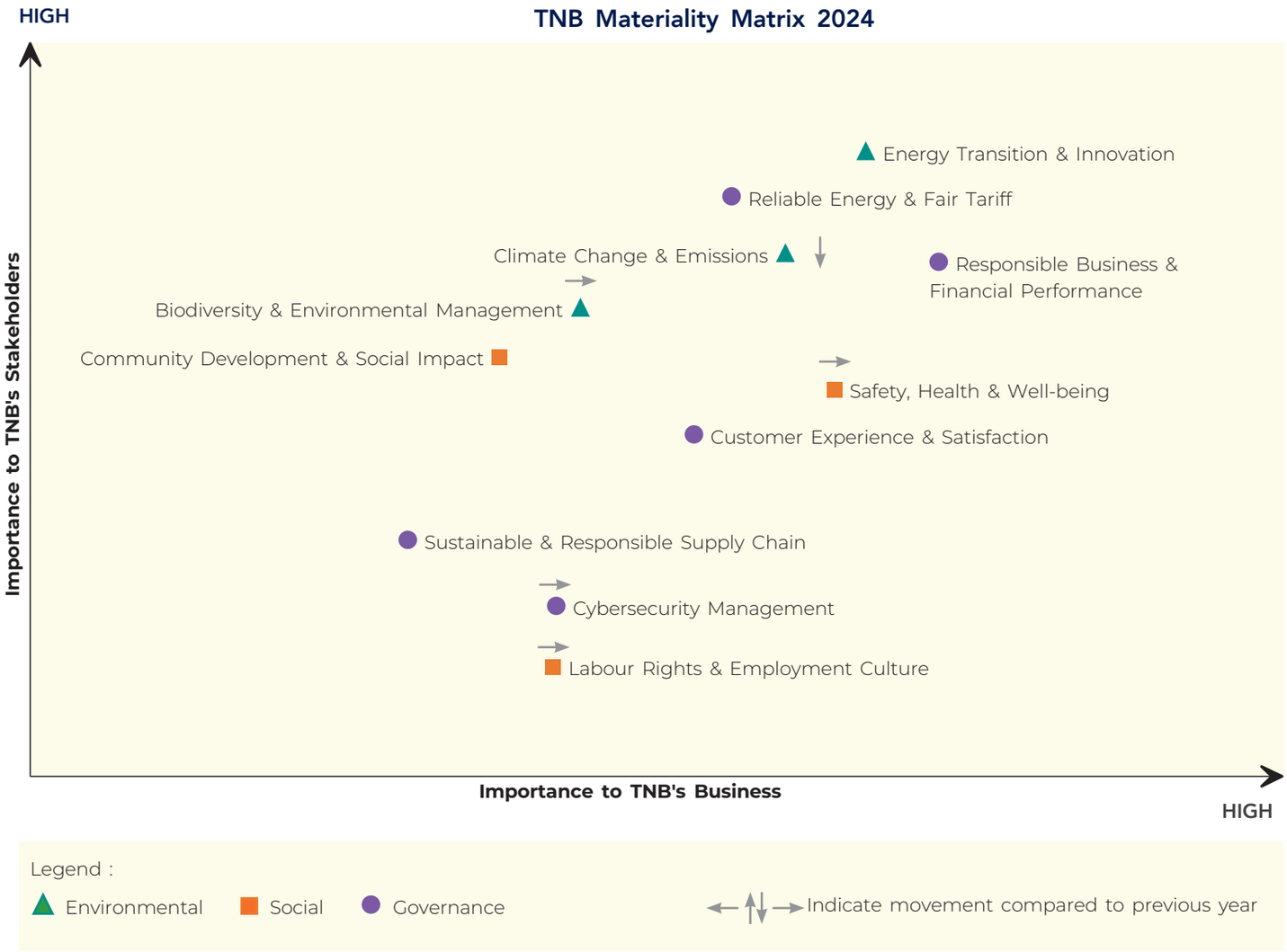
Harnessing the winds of change: Advancing towards a sustainable future through international renewable energy ventures.

TNB MATERIALITY ASSESSMENT

MATERIALITY MATRIX

Our Materiality Matrix 2024 renews our focus on matters that are material to the Group, which sets the basis of our Sustainability Statement, including disclosure of relevant indicators measuring our sustainability performance.

11 material matters are depicted in the matrix below with shifts in priority for four (4) matters and refinement of two (2) matters compared to the previous year.



- "Responsible Business & Financial Performance", "Energy Transition & Innovation" and "Reliable Energy & Fair Tariff" remain key priorities to TNB and stakeholders.
- "Climate Change and Emissions" has lowered in priority from stakeholders' perspective, reflecting enhanced stakeholders' confidence in our journey towards achieving our carbon emissions goals in view of the government's commitment to the NETR projects and progress of initiatives in the TNB Energy Transition Plan.
- "Safety, Health & Well-being" has shifted to a higher priority for TNB with our commitment towards enhanced data analytics and focused strategies in ensuring the safety and wellbeing of our employees, contractors and the public.
- The material matter related to "Environmental Management" has been refined to "Biodiversity & Environmental Management" and has increased in priority to TNB, reflecting our elevated attention on environmental management, particularly in biodiversity from a project-specific focus to company-wide principles and practices.
- "Cybersecurity Management" has shifted to a higher priority for TNB, reflecting our commitment to continually safeguard and strengthen the resiliency of national critical infrastructure.
- The material matter related to our employees has been refined to "Labour Rights and Employment Culture" and has increased in priority reflecting the importance we place in safeguarding our labour force and improving employee experience.
- The material matter related to community development has been refined to "Community Development and Social Impact" reflecting the importance we place in ensuring our community-focused initiatives benefit or uplift societies impacted by our operations.

Sustainability Disclosures on Material Matters

Responsible Business and Financial Performance

We are committed to upholding responsible business practices while maintaining solid financial performance. Our strategy aims to foster long-term resilience by leveraging our core activities and exploring new growth opportunities sustainably, while delivering values to our shareholders. Our corporate governance structure complies with the Malaysian Code on Corporate Governance (MCCG) and aligns with international best practices and standards in the areas of good governance, compliance and transparency to effectively facilitate our business operations and growth.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM1: Responsible Business and Financial Performance

With a strong governance structure, the TNB BOD and Management play active roles in making strategic decisions to support TNB's position as a leader in the energy sector, enhancing value for stakeholders and providing stable financial returns to our shareholders. We remain committed to our dividend policy which aims to provide stable and sustainable dividends, while maintaining an effective capital structure that supports our growth and expansion strategies. As a result of a solid corporate governance system that defines roles and responsibilities, the BSRC and Management oversee the main climate-related decisions aimed at creating value for shareholders over the long term, in cognisant of the environmental and social impacts.

MANAGEMENT APPROACH

Our governance structure reflects our commitment for strong financial performance while ensuring excellence in corporate governance. Key elements of our governance structure include clear roles and responsibilities of TNB BOD and sub-Boards. TNB BOD places high importance on responsible business with integrity, by establishing the Board Integrity Committee (BIC) in 2015.

See page 185 in the IAR for the TNB BIC roles and responsibilities. See page 183 in the IAR for the TNB Corporate Governance Statement and the Statement of Risk Management and Internal Control (SORMIC) and page 219 for our financial performance.

TNB CODE OF BUSINESS ETHICS (COBE)

We have established a comprehensive TNB Code of Business Ethics (COBE), approved by TNB BOD, which applies to all directors and employees at all levels. It outlines the ethical principles and expected behaviours in engagements with our stakeholders including shareholders, customers, vendors, and the communities in which we operate.

The COBE includes guidelines on conflicts of interest, giving and accepting business courtesies and the use of company assets and resources with care. It governs our decision-making and conduct, reinforcing our commitment to integrity. The TNB COBE is reviewed as and when needed.

The BIC oversees the effective implementation of TNB COBE to ensure compliance with relevant laws and regulations, sound employment practices, confidentiality and privacy.

ANTI-MONEY LAUNDERING AND ANTI-TERRORISM FINANCING

We strictly prohibit money laundering or terrorism financing offences in our business operations. Any suspicious, irrelevant or unusual transactions are immediately reported to the Management and TNB BOD, for necessary actions.

TNB CORPORATE INTEGRITY MANAGEMENT SYSTEM (TCIMS)

We are committed to adhering with guidelines required by the Malaysian Anti-Corruption Commission (MACC). The TCIMS is designed to foster an integrity-based culture across the TNB Group by mitigating the risk of misconduct and corruption in compliance with international anti-bribery standards. The TCIMS allows both TNB personnel and external parties to report misconduct or illegal activities via the TNB Whistle Blowing Information System (WBIS), whereby all concerns are independently investigated with actions taken accordingly.

The TCIMS consists of the following four (4) policies:

Anti-Corruption through TNB Anti-Bribery Policy

TNB upholds a zero tolerance approach to bribery and corruption where we explicitly state that bribery and corruption are strictly prohibited in all forms, including offering, giving, soliciting or accepting bribes. This policy applies equally to all our business dealings with commercial business associates (vendors, consultants, joint venture partners, consortium partners, advisors, agents), government entities and countries worldwide without exception.

Conflict of Interest (COI) Policy

This policy requires TNB BOD and all employees to declare any potential, perceived, or actual conflicts of interest promptly, using established mechanisms. All employees, including directors and top management sign an Integrity Pledge, declare COI annually, and disclose their interests particularly in competing businesses to ensure transparent and ethical decision-making.

In 2024, we enhanced this policy by emphasising the roles and responsibilities of TNB BOD and key senior management, including subsidiaries, in alignment with the MMLR. In addition, the guideline on COI Management for BOD and key senior management was established to facilitate conflict of interest management process. The enhanced COI Policy and guideline were reviewed by an independent third party, endorsed and approved by the BIC and TNB BOD.

Gifts, Hospitality, and Related Benefits Policy

This policy outlines strict guidelines on the acceptance of gifts and hospitality, aiming to ensure transparency in all interactions with external parties. It includes provisions for political donations which are strictly overseen by the BIC. In 2024, no political contributions were made.

Whistleblowing Policy

This policy supports an open working environment where unethical or unlawful conduct can be reported confidentially and without fear of reprisal. TNB provides multiple channels for reporting including an online system and a toll-free number, ensuring all concerns are investigated independently and feedback is provided to the complainants. In 2024, the whistleblowing management process was reviewed by an independent third party with positive observations.

CORRUPTION RISK ASSESSMENT & ETHICAL AUDITS

Corruption risk exposures are continually assessed across all business operations to identify exposures in areas such as bribery, fraud, abuse of power, theft, false claims, cheating and disciplinary issues. A total of 1,458 causes related to business ethics identified in the business processes are registered and monitored in TNB Risk Information System (TRIS) and risk controls are implemented by respective business entities. The Organisational Anti-Corruption Plan (OACP) outlines anti-corruption initiatives to prevent corruption and integrity violations, as well as to elevate transparency and accountability.

Annual internal and external audits on our Anti-Bribery Management System (ABMS) are carried out to all identified key business operations which includes Grid, Distribution Network, Retail, New Energy, Regulatory & Stakeholder Management, Single Buyer, Group Corporate Communication, Company Secretary, TNB Global Business Solutions, Group Finance, Group People, Procurement & Supply Chain, Strategy & Ventures, ICT, Sustainability, Group Internal Audit, Legal Services, and Grid System Operator.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM1: Responsible Business and Financial Performance

ABMS audits are to ensure compliance with internal policies and assess effectiveness of risk mitigations on corruption risk exposures including fraud and bribery. These audits are conducted by independent internal and external experts for unbiased evaluations and recommendations. The outcome from the audits are reported to Integrity Committee for management review and to BIC as the governing body. Every year, workshops on fraud and bribery risk are conducted for targeted business operations.

ABMS Audit and Fraud Risk Assessments	FY2022	FY2023	FY2024
ABMS Certification/Recertification Audits by SIRIM	Nil	2	2
ABMS Internal Audits (Division/Department)	20	21	18
ABMS Internal Audits (Subsidiary)	Nil	5	6
Fraud and Bribery Risk Assessments (Division/Department)	21	21	23
Fraud and Bribery Risk Assessments (Subsidiary)	16	16	95

STRENGTHENING TNB INTEGRITY CULTURE

Ethical Behaviour Training & Communication

A comprehensive training plan on ethical behaviour is outlined in our annual Training & Communication Plan (TCP). The TCP is an important component in our strategy to foster a strong integrity culture. This comprehensive plan includes ethical standards training for TNB BOD, employees, contractors, and vendors. The training elements in TCP, among others, include integrity seminars tailored for TNB BOD and top management, Integrity e-learning for all employees, contractors and vendors, and in-person awareness sessions with employees. The TCP also covers communication strategies such as publications of integrity bulletins and e-posters communicated through internal channels. The progress and effectiveness of the TCP is periodically reported to the BIC.

We continuously invest in the competency of our employees in integrity management. In 2024, 41 employees have successfully completed the Certified Integrity Officers (CeIO) programme by the Malaysian Anti-Corruption Academy (MACA).

Human Governance through the TNB Disciplinary Management Code

In 2024, the BIC approved improvements to the TNB Disciplinary Management Code with emphasise on human governance practices. With enhanced focus on human governance, our approach to disciplinary actions is rooted in corrective and reinforcement measures instead of punitive responses.

TNB remains steadfast in our commitment to uphold ethical standards and does not tolerate any form of unethical behaviour. In 2024, four (4) corruption cases involving four (4) staff were confirmed and were addressed appropriately according to the Code, which includes disciplinary action with dismissal, reinforcing our commitment to good governance and transparency.

Integrity Pledge and Conflict of Interest (COI) Declarations

In 2024, a total of 34,455 employees completed the Integrity Pledge online and COI declarations. Employees declare COI annually and whenever there is any conflict of interest.

Integrity Pact for Vendors

Our vendors are required to sign an Integrity Pact, which is a legal agreement for parties to act in accordance with an agreed set of practices to uphold ethical practices during their commercial interactions. Vendors are required to declare compliance with good governance practices, including those related to corruption offences, conflict of interest and confidentiality of information, and to report any offences and actions taken.

Integrity Health Index

The Integrity Health Index (IHI) is measured annually and is a KPI for our top management. It holistically assesses our integrity health status and performance in the dimensions of integrity infrastructure, corporate culture and ethical conduct, integrity learning and development and communication mechanisms. Gaps identified from the assessment are addressed through specific strategies for improvement. In 2024, the overall TNB IHI score was recorded at 91.89%, an improvement from the previous year.

STRUCTURED POLICIES, PROCEDURES AND GUIDELINES ON TAX MANAGEMENT

TNB has established structured policies, procedures, and guidelines to oversee tax compliance, planning, and risk management. The Chief Financial Officer oversees these activities, and the Board Audit Committee reviews key tax initiatives, including the Tax Corporate Governance Framework, Base Erosion Profit Shifting, and e-invoice implementation. For significant transactions or decisions, BOD approval is sought. TNB's Group Financial Policies and Procedures (GFPP) provide detailed guidelines to streamline tax compliance across the Group, ensuring uniformity and accountability.

TNB values its relationship with tax authorities and actively engages in constructive dialogue to support the development of effective tax systems and legislation. We are committed to transparency and cooperation with tax authorities, including the Inland Revenue Board of Malaysia and the Royal Malaysian Customs Department, during tax audits and information requests.

TNB TRANSITION FINANCE FRAMEWORK

In September 2024, we established our Transition Finance Framework, becoming the first electricity utility in ASEAN to do so. This framework serves as a set of guidelines to strengthen the connection between TNB's financing and its energy transition strategy, outlining criteria for both existing and new projects to support the energy transition in line with relevant market best practices, including the ASEAN Taxonomy for Sustainable Finance Version 2 and the ASEAN Transition Finance Guidance. This framework has received a Second-Party Opinion from Morningstar Sustainalytics.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM1: Responsible Business and Financial Performance

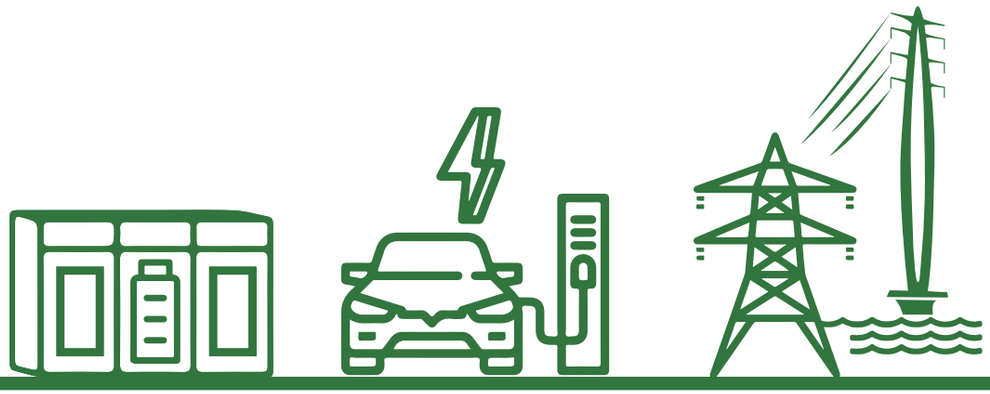
Prior to the establishment of the TNB Transition Finance Framework, TNB had started to embed sustainability financing requirements for project funding. In June 2022, a RM10.0 billion Islamic Medium-Term Note Sukuk Wakalah was raised for TNB Power Generation Sdn. Bhd. (TPGSB). The Sukuk Wakalah Programme was validated by a reputable rating agency to be aligned with our internal Sustainability Sukuk Framework and received multiple awards from various agencies of which portrays clear sign of the Company's credibility as issuer. The Sustainability Sukuk proceeds is being allocated in stages to Nenggiri hydroelectric project and upcoming Sungai Perak Life Extension Project and other eligible Renewable Energy projects.

TNB is progressing to set up a new Sukuk Programme up to RM10 billion in the year 2025. This will be the first financing initiative under the Transition Finance Framework, enabling TNB to issue Green, Social, and Sustainability (GSS) Sukuk, including Transition-themed Sukuk. Utilisation of the proceeds will focus on funding TNB's CAPEX requirement, including ET projects.

OUR PERFORMANCE

PERFORMANCE : Bursa Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
Anti-Corruption							
GRI 205-1	C1(a)	**Percentage of employees that have received training on ethics and anti-corruption by employee category**					
		Senior Management	%	1.57	1.01	1.26	
		Executive	%	7.74	17.39	27.16	
		Non-Executive	%	31.72	56.09	71.58	
		Total	**%**	**41.03**	**74.48**	**100.00**	100
GRI 205-2	C1(b)	**Total percentage of operations assessed for risks related to corruption**					
		Total percentage of operations assessed	%	–	97	100	100
GRI 205-3	C1(c)	**Confirmed incidents of corruption and actions taken**					
		Total number of confirmed incidents of corruption	Number	1	5	4	Zero Incident



MM 2

Energy Transition and Innovation

Malaysia's energy transition efforts to achieve Net Zero by 2050 will shift the nation's generation mix from fossil fuel-driven energy to 70% installed renewable energy capacity. The announcement of ten (10) National Energy Transition Roadmap (NETR) flagship projects by the government has strengthened the nation's commitment. TNB is entrusted to champion three (3) of these NETR projects, including hybrid hydro floating solar PV, solar parks as well as co-firing of hydrogen and ammonia. We remain committed to support other key energy transition projects, such as residential solar, EV charging stations and carbon capture and storage projects.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM2: Energy Transition and Innovation

TNB Energy Transition Plan which cuts across the electricity value chain focuses on three pillars, backed by initiatives to shift from fossil fuels to greener sources, aligning with its broader Reimagining TNB 2.0 (RT 2.0) programme. The three (3) pillars are accelerating generation decarbonisation, developing flexible and cross-border grid, and empowering cross-sector electrification and prosumers. TNB Energy Transition Plan continues to support balancing the energy trilemma and Malaysia's Net Zero target by 2050.

TNB continues to allocate resources into high impact projects to innovate and advance electricity value chain. Innovation and strategic partnership are keys to achieving the highest sustainable impact and business growth through advancement in technology, process, and business model.

MANAGEMENT APPROACH

Our Energy Transition Plan cuts across the energy value chain, which includes transitioning to clean energy sources, developing the energy transition network, and innovative customer solutions that promote efficient energy usage.

TNB ENERGY TRANSITION PLAN

Accelerate generation decarbonisation	Develop flexible and cross-border grid	Empower cross-sector electrification and prosumers
1 Decarbonise coal plants while ensuring security of supply 2 Deploy RE at scale (e.g., hydropower plants, floating solar) – Development of 2.5GW HHFS 3 Invest in clean tech at scale (e.g., hydrogen, ammonia co-firing, CCUS) 4 Expand RE generation focus markets	1 Enhance Smart & Autonomous Grid & Distribution Network (e.g., DER integration, self-healing grid) 2 Launch flexible solutions (e.g., grid-scale storage, community storage) 3 Deliver Renewable Energy Zones 4 Catalyse the building of the ASEAN Power Grid	1 Electrify mobility through grid upgrades and charging station construction 2 Scale industrial electrification solutions 3 Power rapid Data Centre growth 4 Support power-intensive hydrogen economy 5 Unlock energy management solutions for prosumers through: • Solar Rooftop • Energy Efficiency

Refer to MM3 Climate Change and Emissions on deliver clean generation, pages 84-94.

DEVELOP ENERGY TRANSITION NETWORK

TNB remains committed to building a reliable, resilient, and flexible energy transition network to support Malaysia's national energy goals. During Regulatory Period 3 (RP3), we invested RM20.73 billion to strengthen the grid and to ensure energy supply reliability. In 2024, our Grid and Distribution Network Divisions spent over RM2.49 billion and RM6.15 billion, respectively, toward securing, modernising, and maintaining the national grid.

Moving forward for RP4 (2025-2027), we intend to increase investments in the national grid to facilitate the injection of renewable energy into the grid.

POWERING THE FUTURE WITH SMART GRID

The shift from conventional fossil fuel-based energy sources to cleaner and more sustainable alternatives have a profound impact on electrical grids. Distributed Energy Resources (DERs), such as rooftop solar panels, are essential in fostering a more decentralised energy landscape. This shift moves away from the traditional one-way flow of energy from power plants to consumers, introducing a bi-directional flow of electricity. As a result, consumers are increasingly becoming prosumers, actively engaging in both the production and consumption of electricity. To effectively manage these dynamic energy flows, TNB is upgrading the national grid through its smart grid initiatives, targeting on being Top 20 Utilities in the Smart Grid Index by 2025.

We have undertaken a series of initiatives to optimise our network assets in compliance with ISO 55000 Asset Management standards. Among the smart grid initiatives are the Advanced Metering Infrastructure (AMI) expansion, implementation of real-time network monitoring and control, and distribution network assets optimisation through advancement in asset performance and analytics.

Smart Grid Objectives

01

Support RE generation, improve network, visibility and allow automated operation and control

02

Optimise voltage and bi-directional energy flow to increase integration of customer-owned power generation systems

03

Enable improved data access for customers and better management of energy consumption

Key Targets

Top 20 Utilities
by end of 2025

LED Relamping target of
700,000 units
installed by end of 2026

Volt-Var Optimisation (VVO) targets of
1,120 MVAR
by end of 2027

Smart Meter Installation target of
9 million units
installed by end of 2029

Advanced Metering Infrastructure

Advanced Metering Infrastructure (AMI) plays a critical role in managing Malaysia's complex energy system and empowering consumers by providing visibility into the network. In 2024, we successfully installed 949,226 smart meters, on track to meet our target of 888,000, bringing our total installations to 4,498,715 across Klang Valley, Melaka, Kedah, Johor, Penang, and Pulau Tenaga Hijau. TNB aims to install a total of 9.1 million smart meters in Peninsular Malaysia by 2029 and beyond.

Moving forward in RP4, smart meters would continue to be installed in Selangor, Johor, and Negeri Sembilan. AMI is expected to further enable us to introduce innovative features such as remote energisation and de-energisation, improving service reliability and enabling flexible prepayment schemes in the future.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM2: Energy Transition and Innovation

Real-time Network Monitoring and Control

Distribution Automation (DA)

We are actively advancing Distribution Automation (DA) in our substations, with a strong emphasis on remote monitoring and control capabilities. These efforts are aimed at enhancing the efficiency and reliability of our distribution network, ultimately benefiting our customers and supporting a more resilient energy system. Our operational efficiency has significantly improved, reducing the average restoration time for unplanned outages by 27%, with most outages now restored within just 15 minutes. In 2024, we equipped 4,565 substations, serving approximately 500,000 customers, with DA. Cumulatively, 32,905 substations, serving approximately 3.6 million customers, have been upgraded. Our goal is to expand DA coverage to 64% by 2027, and 84% by 2030.

Voltage and reactive power management

Volt-Var Optimisation (VVO) optimises voltage and reactive power management in the distribution network, to achieve network loss savings, enhance voltage stability, and minimise the impact of renewable energy integration. This initiative is expected to reduce losses by 1.61GWh through planned capacitor bank installations. In 2024, we commissioned 140 MVAR. Cumulatively, 890 MVAR have been installed, representing 79.5% progress toward our goal of 1,120 MVAR by 2027.

Online Feeder Pillar (OFP)

The Online Feeder Pillars (OFP), also known as Smart Feeder Pillars enable near real-time, remote monitoring of energy flow within distribution networks. Through continuous data transmission, OFP enhances network visibility, allowing accurate and efficient energy distribution and management.

Power Quality Management System (PQMS)

The Power Quality Monitoring System (PQMS) comprises of online power quality recorders installed at TNB's Pencawang Masuk Utama (PMU) and Pencawang Pembahagian Utama (PPU), that detects, records and diagnoses the occurrence of the quality of power disturbances in the Distribution Network (DN) that can affect the operations of TNB prime customers. The power-quality disturbances detected include power outages, voltage regulation (under/over voltage), frequency regulations (under/over frequency), voltage sags etc. The data from the power quality recorders are stored in the PQMS servers. With the PQMS data and via WhatsApp groups with customers, TNB can provide immediate information to prime customers that have experienced operation interruptions and assist them in the restoration process and thus reducing their operation losses.

PQMS monitors the performance and operations of PMU and PPU, ensuring reliable power supply to our customers.

Power Quality Monitoring System Web (PQMSWeb)

The Power Quality Monitoring System Web (PQMSWeb) is designed to compile all data from PQMS servers, to allow reporting and documentation of complaints from TNB prime customers as well as preparation of reports for customers and Energy Commission.

Advanced Distribution Management System (ADMS)

Advanced Distribution Management System (ADMS) integrates various utility system applications, offering automated capabilities for efficient outage restoration and distribution grid optimisation. This system reduces technical losses, enhances work safety and strengthens grid resilience against natural disasters and other disruptions, ensuring a reliable power supply to end users. From 31 December 2024, ADMS has integrated with Geographic Information System (GIS) to cater for the requirement of the medium voltage data for the Distribution System Operator (DSO) in managing the medium voltage distribution network.

Mapping the Future: GIS in Distribution Network

The primary goal of implementing a GIS within the distribution network is to systematically map network assets in relation to customer locations, power lines, infrastructure, and distributed energy resources (DERs). This comprehensive mapping is crucial for improving the management and optimisation of the entire distribution network.

As of 31 December 2024, the GIS for the distribution network has successfully completed 100% of its medium voltage (MV) data mapping. This dataset includes 87,991 distribution substations interconnected with 126,403 kilometres of MV underground cables and 17,179 kilometres of MV overhead lines, covering whole Peninsular Malaysia. Additionally, 45% of the low voltage (LV) data has been completed in the GIS, establishing connections between LV assets and networks to approximately 4.5 million out of a total of 10 million customers in Peninsular Malaysia.

OPTIMISING GRID ASSETS AND EFFICIENCY

As one of the recognised top performers in the International Transmission Operation & Maintenance Study (ITOMS), we continue to be a leader among international transmission utilities. One significant stride in our journey has been the integration of IEC61850 technology, pivotal for the modernisation of digital substations.

Substation Digital Intelligent Infrastructure

Development of an open data platform to provide ready access to quality real-time data, through leveraging TNB's internal Real-Time Application Platform (RTAP) and Intelligent Electronic Devices (IED) within grid substations. The deployment of the Substation Digital Intelligent Infrastructure (SDII) is a leap forward, providing real-time data integration and insights that drive better operational decisions. These technologies have not only enhanced our grid's efficiency but have also set a high standard for asset management and preventative maintenance.

Self-Healing Grid and Grid Integrated Special Protection Scheme

The enhancement of our Self-Healing Grid capabilities through the Wide Area Intelligent System (WAIS) underscores our proactive approach to managing the complexities of the grid. Since 2010, TNB Grid Division has implemented Special Protection Schemes (SPS) to enhance grid reliability and prevent cascading outages. To address challenges posed by network expansion and renewable energy integration, the Integrated SPS Digital Twin was launched. This in-house innovation simulates and optimises the entire SPS system using real-time data, enabling proactive issue resolution and enhanced grid management. The platform has delivered significant cost savings, such as RM4.46 million per major scheme, while supporting a resilient and future-ready power network aligned with the New Energy Transition Roadmap (NETR).

Automatic Fault Analysis and Asset Performance Management System

In addition, advancements in the Automatic Fault Analysis (AFA) system have resulted in more efficient fault location identification and enhanced decision-making processes.

Asset Investment Planning Management

Complementing these technological upgrades, the Asset Investment Planning Management (AIPM) system facilitates a strategic analysis of investment opportunities, enhancing the grid reliability and operational capabilities.

Generation Connection Management System (GCMS)

To facilitate easier applications of grid-connected projects, Grid is embarking on the Generation Connection Management System (GCMS). The GCMS is a digital platform that allows external parties (consultants/developers) to submit applications for Power System Study and Model Validation in grid-connected projects in Peninsular Malaysia. The GCMS platform automates generator application processes, enhancing efficiency, data security, and overall productivity.

Geospatial Land Value Information (GeoLVI)

Geospatial Land Value Information (GeoLVI) in Grid Land Planning System (GLPS) is a platform to store land transactional value with geolocation hence capable to do geospatial and statistical (land value analysis) for proposed ATDP & Target Network Project (New Subs & OHL). The land value data will be used as a reference to estimate the land cost for future projects.

Nested Drone

With the growing number of substations in the Grid Division, adopting advanced technologies like drones has become essential for efficient and routine inspections. By integrating the substation inspection process into a digital platform with visual analytics, we aim to enhance productivity and operational efficiency. Leveraging a data-driven approach, Grid Division is pioneering the use of nested drone technology to revolutionise substation inspections, ensuring higher precision and improved outcomes.

Energy Storage Solutions

Utility Scale Battery Energy Storage System

To meet escalating energy demands and the nation's goal of integrating up to 6GW solar penetration by 2025, we are advancing the deployment of utility scale Battery Energy Storage Systems (BESS) to ensure the security, reliability, and stability of the national grid. We have initiated the first BESS installation in 2024, with targeted completion by 2026.

As part of our global business expansion, we are also installing BESS at Eastfield and Bunker Hill in the United Kingdom, with capacities of 25MW and 40MW, respectively. These systems will support two greenfield solar power plants totaling 102MWp. These BESS projects offer key benefits, including grid stabilisation, peak load management, and carbon emissions reduction.

In East Malaysia, our subsidiary Sabah Electricity Sdn. Bhd. (SESB) is developing a 100MW/400MWh BESS in the East Coast of Sabah that is expected to be completed by mid-2025. The system will provide peak shaving and/ or load shifting function with configuration for additional functions such as spinning reserve, frequency/voltage regulation, and enables higher integration of intermittent renewables. The operation of the system is expected to increase Sabah's electricity grid reserve margin at peak period as well as increase higher integration of solar energy sources such as Large Scale Solar (LSS).

Community Energy Storage System (CESS)

We have successfully implemented three (3) CESS projects in Elmina Township in collaboration with Sime Darby Property Berhad. These systems allow more integration of solar rooftop PV in Elmina. At night, the CESS performs peak shaving and reduces the transformer loading.

Installed at Elmina Ilham Residence, these lithium-ion battery units, with capacities ranging from 76.8 kWh to 170 kWh will store excess green energy generated from rooftop solar panels during day time and use the energy at night for localised consumption for the respective area. A new technical specification for CESS 150 kW 430 kWh has been developed for future installation of CESS.

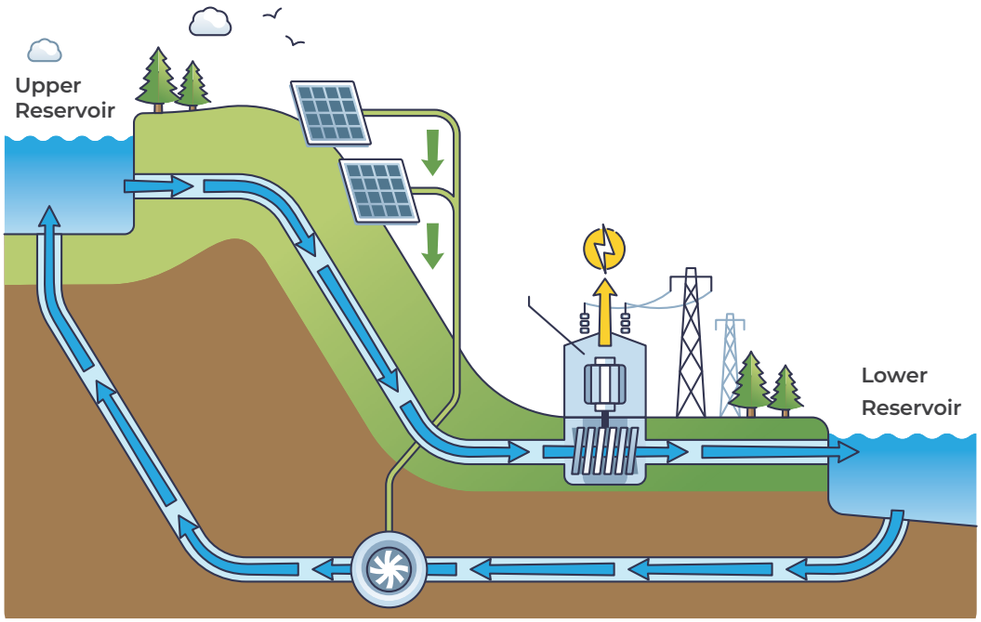
TNB collaborated with Sime Darby Property Berhad to install our first CESS at Elmina Township.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM2: Energy Transition and Innovation

Long Duration Energy Storage (LDES)

TNB is exploring on a LDES solution with a potential of 1,750MW at our hydro power plants utilising Hydro Energy Storage System (HESS). Technically, HESS stores energy by pumping downstream water at hydro plant back into the dam during period of excess energy generated from non-dispatchable renewables resources such as Solar PV. The stored water can be utilised to generate electricity in stabilising the grid due to the dynamics of Renewable Energy generation and electricity demand, and assist in restoring the power system in the event of blackout. Additionally, HESS can complement the intermittency power generation caused by solar PV thus allowing higher capacity of solar PV to connect with the Grid, supporting the National Energy Transition Roadmap's goals.



HESS uses a system of two interconnected reservoirs with one at a higher elevation than the other. During the period of surplus energy (pumping mode) water is pumped from lower reservoir to upper reservoir using excess energy from solar. Whereas during the period of excess demand (generating mode), water is released from upper reservoir and flows down through turbines to generate electricity.

PROGRESSING ASEAN POWER GRID DEVELOPMENT FOR ENHANCED REGIONAL CONNECTIVITY

As a key player in ASEAN's energy sector, TNB actively supports the ASEAN Power Grid (APG) agenda, fostering greater regional connectivity and energy security. We are collaborating with neighbouring countries to explore new interconnections, focusing on feasibility studies and future capacity planning.

The APG has the potential to promote cross-border energy exports and ensuring more reliable and green energy delivery in the ASEAN region.

ASEAN Power Grid (APG) Capacity Expansion Potential

Estimated Total Capacity
386GW by 2025

Total Regional Capacity
649GW by 2040

Potential Variable Renewable Energy (VRE)
126GW by 2040

We aim to enhance the existing Peninsular Malaysia-Thailand interconnection capacity to 1,000MW by 2031. We are preparing for future capacity needs upon the expiration of the current 300MW HVDC under the System Interconnection Agreement (SIA) with EGAT in 2027.

We are working with Singapore to establish a second interconnection link targeting 1,000MW capacity by 2031 and expanding power trade via the Energy Exchange Malaysia (ENEGEM).

We are also exploring a potential new interconnection with Sumatera, Indonesia, targeting 2,000MW by 2033, alongside resource-sharing initiatives to increase renewable energy integration and improve energy security. Together with Indonesia's PT Perusahaan Listrik Negara (PLN), we are conducting feasibility studies, supported by a U.S. Trade and Development Agency (USTDA) grant and coordinated by the ASEAN Centre of Energy (ACE), to enhance energy security and increase renewable energy integration across the region.

TNB is promoting the growth of BEV ecosystem in Malaysia.

BEV Charging Infrastructure

In line with Malaysia's Cross-Border Electricity Sales (CBES) RE Scheme approved in 2023, ENEGEM has become a strategic platform for cross-border renewable energy trading, initially facilitating up to 300MW using existing interconnections. ENEGEM, operated by Single Buyer, serves as a centralised marketplace for green electricity trading, employing a bidding mechanism to manage cross-border RE sales and green attributes.

Through its inaugural auction in June 2024, 50MW was successfully sold to Singapore, leveraging on surplus renewable energy generation. TNB continues to support ENEGEM's operations which contribute to bolstering Malaysia's cross-border electricity integration and advancing ASEAN's regional cooperation on renewable energy trading.

DYNAMIC ENERGY SOLUTIONS

Consumers play a crucial role in driving a successful energy transition. In 2024, we made significant strides in creating a sustainable transportation ecosystem, encouraging the adoption of renewable energy, and empowering consumers through digital solutions.

Electrification of Mobility

TNB plays a vital role in developing the Battery Electric Vehicle (BEV) ecosystem by ensuring that the grid and network are equipped to meet the increasing demand for charging infrastructure. Reinforcing our commitment to this sector, TNB has allocated RM90 million for investments from 2022 to 2025.

As a founding member of the Malaysia Zero Emission Vehicle Association (MyZEVA), TNB collaborates with the Malaysian government and regulatory bodies to shape the nation's EV landscape. MyZEVA unites 57 stakeholders to advocate for BEV policies and initiatives. It serves as a central hub for research and industry insights, supporting policy proposals such as EV charging system safety guides, incentives for EV manufacturers, and inputs for the "Garis Panduan Perancangan Petak Pengecasan Kenderaan Elektrik" (GPP EVCB). TNB's involvement in MyZEVA strengthens its commitment to advancing sustainable transportation in Malaysia.

In supporting the growing demand for charging points, TNB focuses on two key roles

01

Supplying electricity infrastructure to Charge Point Operators (CPOs) via the EV Green Lane initiative. The EV Green Lane Initiative was designed to streamline the process and reduce the lead time for supply. 109 applications have been processed, with an average time of 20 days without substation and 50 days with substations.

02

Installing EV charge points under the brand name TNB Electron. A budget of RM90 million has been allocated, with 66 charge points installed in 2024 and another 150 planned for installation by the end of 2025.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM2: Energy Transition and Innovation

The 66 charge points are as follow:

14 DC charge points along PLUS Highway

2 DC charge points with BHP along Arterial roads

14 DC charge point at TNB Premises

14 DC charge points with AEON/ AEON Big

4 DC charge points with Petron along Trunk Roads

18 AC charge points at TNB Platinum

EV Fleet Conversion

We target to electrify 30% of our fleet by 2030, in support of NETR's goal of 20% EV adoption by 2030. Our EV fleet conversion covers a wide range of pickups, vans, passenger cars and specialised units. We aim to replace over 1,000 units to significantly reduce our Scope 1 emissions. We have already deployed 157 EVs, including 138 technical operational vehicles and 19 corporate vehicles, marking a strong start towards our fleet electrification goals.

Rooftop Solar Prosumers

In 2024, PETRA launched Net Energy Metering (NEM) 3.0 and the Solar for Rakyat Incentive Scheme (SolaRIS) to encourage domestic customers to install solar PV systems. NEM 3.0 enables consumers to generate their own electricity from solar energy and export excess power back to the grid with a quota of 2,400MW, where installed capacity is 1,468MW in 2024. Leveraging this initiative, we continue to offer solar rooftop solutions through our subsidiary, GSPARX Sdn. Bhd.

The SolaRIS scheme is open to Malaysian citizens on a one-time basis per individual. In 2024, 19,081 customers have received the SolaRIS rebate totalling RM76.2 million, administered by TNB.

Refer to MM7 (Customer Experience and Satisfaction) on pages 120-124.

CUSTOMER EMPOWERMENT THROUGH DIGITALISED LIFESTYLES

Our customers play a crucial role in driving the energy transition through informed decisions and active participation in renewable energy and energy efficiency initiatives. In 2024, 7.26 million customers are enjoying solutions provided through the myTNB app. The combination of smart meter functionality and myTNB app enables customers to monitor their energy consumption in near real-time, effectively manage their budgets, and track their electricity usage, facilitating efficient energy management.

Refer to MM7 (Customer Experience and Satisfaction) on pages 120-124.

Enhancing Customer Experience Through MyDigital ID

MyDigital ID is a government-backed digital identity initiative aims to enhance online service authentication by providing individuals with a secure and reliable digital identity. Aligning with this initiative, TNB has successfully implemented MyDigital ID as an additional login option, enhancing customer experience and cybersecurity.

This implementation received positive feedback from our customers, where a survey finding shows that over 90% of new and existing users would start using MyDigital ID as their main login method and would recommend MyDigital ID to other TNB customers. All the surveyees also agreed that the login option provides better and more convenient login experience.

DIFFERENTIATED SOLUTIONS FOR TARGETED CUSTOMERS

Corporate Renewable Energy Supply Scheme (CRESS)

The Corporate Renewable Energy Supply Scheme (CRESS), introduced by the Ministry of Energy Transition and Water Transformation (PETRA), is designed to enhance the adoption of green energy by allowing participants to supply or purchase green electricity through open access to the grid network with a pre-determined System Access Charge. CRESS enables Green Consumers to contract directly with Renewable Energy Developers (REDs) for green electricity and associated Renewable Energy Certificates (RECs). By participating in CRESS, Green Consumers can meet their sustainability objectives by offsetting their carbon emissions.

As Malaysia's national utility and the owner of the grid network, TNB plays a significant role in ensuring the success of this initiative. TNB is committed that the national grid remains reliable, resilient, and capable of accommodating the growing volume of applications under CRESS, as more solar players participate in this initiative.

TNB will also continuously serve as the Supplier of Last Resort (SOLR), providing an essential safety net for Green Consumers during the unavailability of RE Developers.

Green Lane Pathway

Data centres are energy intensive facilities, requiring substantial and uninterrupted power to run the server and cooling systems. The Green Lane Pathway initiative emphasises efficient and sustainable solutions for data centre operations, aligning with global trends towards greener technology. It facilitates the smooth setup of data centres in Malaysia through:

- Fast-Track Electricity Supply: Data centres can connect to the power grid three times faster than usual, reducing setup time from 36-48 months to 12 months.
- One-Stop Centre (OSC): This facility provides dedicated support for data centre investors, simplifying the onboarding process and expediting related approvals.

TNB has experienced a notable increase in demand for electricity connections from data centres with 37 Electricity Supply Agreement (ESA) for a total demand of 5,765MW signed in 2024.

In 2024 alone, we completed nine (9) data centres electricity supply projects, with a total energy demand of 1,236MW. Since the establishment of the Green Lane Pathway, we have successfully completed 18 supply connections, meeting a demand of 1,856MW.

DRIVING INNOVATION FOR ENERGY TRANSITION

Our research and development in new technologies and innovations towards energy transition are overseen by the TNB Technology Committee. Its primary role is to drive innovation as we progress in our energy transition journey. This committee oversees our R&D and innovation strategy and policy, as well as the effective implementation of our technology roadmaps.

In 2024, the Technology Committee approved 12 projects, with a total investment of RM79.2 million, for high-impact projects to innovate and advance all parts of the energy value chain, such as Carbon Capture, Utilisation, and Storage (CCUS), hydrogen, energy storage systems, renewable offshore floating solar, interconnector, wave energy, alternative fuel co-firing and artificial intelligence.

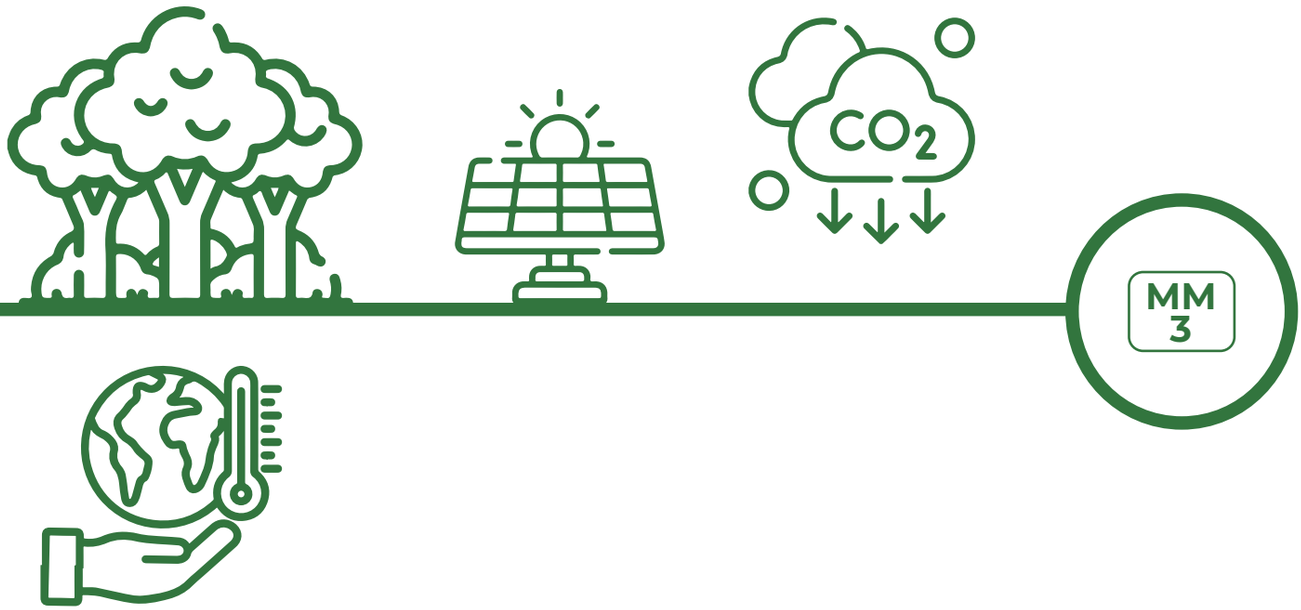
OUR PERFORMANCE

PERFORMANCE : Additional Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target
G4 – EU29	–	RE Capacity	MW	3,780	3,989*	4,152*	8.3GW by 2025
	–	Number of smart meters (AMI) installed	Number	838,830	873,740	949,226	360,000 annually
		Cumulative number of smart meters (AMI) installed	Number	2,675,749	3,549,489	4,498,715	9 million by 2029
–	–	Cumulative number of EV charging point	Number	3 DC	14 DC	48 DC	200 by 2025 (cumulative)
				3 AC	18 AC	18 AC	

**RE installed capacity is calculated using the equity capacity approach. Data for FY2023 has been reinstated to adhere to this approach.*

Note:
- *MW = Megawatt ; GW = Gigawatt*
- *Reinstated data on RE Capacity for FY2023*
- *Additional indicators disclosed to support the narrative, and the target setting as per TNB's specific target.*



Climate Change and Emissions

Taking a decisive step towards combating climate change, Malaysia has developed the National Climate Change Policy 2.0 that is anchored on the principle of common but differentiated responsibilities. In TNB, we acknowledge the impact we have on climate change as well as the threats of climate change to our business. We consistently assess climate related risks and opportunities to our assets, business operations and growth, with a robust climate adaptation and mitigation plan to enhance business resiliency.

In support of targets outlined in the Paris Agreement and United Nations 2030 Agenda as well as Malaysia's Nationally Determined Contribution (NDC) to reduce economy-wide carbon intensity against GDP by 45% by 2030 compared to 2005, TNB aims to reduce our annual carbon emissions intensity for Scope 1 by 5% annually from 2024. This annual target reflects our steadfast commitment to achieve 35% carbon emissions intensity reduction by 2035 and Net Zero by 2050. Our efforts to reduce carbon emissions intensity is outlined in our Carbon Management Strategy and Renewable Energy (RE) Capacity Expansion.

The TNB Energy Transition Plan, which cuts across the electricity value chain, continues to direct focused efforts in addressing climate change and GHG emissions reduction as we transition to a low-carbon economy. In the spirit of a just transition, we believe that building a strong and positive relationship with stakeholders and strategic partners is essential in view of the complexity and uncertainties inherent in energy transition.

MANAGEMENT APPROACH

SERVING MALAYSIA'S ECONOMIC GROWTH WHILE REDUCING EMISSIONS

As Malaysia's economy progresses, electricity demand has shown consistent growth. Historical trends reveal that the national power sector's emissions has risen in tandem with GDP and electricity demand. From 2018 to 2024, Malaysia's GDP grew at a Compound Annual Growth Rate (CAGR) of 3.9%, surpassing the power sector's absolute emissions CAGR of approximately 1% and TNB's own absolute emissions CAGR of 0.8%. This indicates that TNB's absolute emissions have been contained at a slower rate compared to the growth in GDP working towards greener fuel mix.

Looking ahead, Malaysia's GDP is projected to continue its growth trajectory from 2025 to 2030. The ongoing energy transition is expected to result in a reduction in emissions, while still supporting positive GDP growth. TNB's emissions are anticipated to decrease further through the effective implementation of its Energy Transition (ET) Plan.

TNB'S COMMITMENT IN ADDRESSING CLIMATE RISKS & OPPORTUNITIES

Since 2019, we have adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework that serves as a comprehensive approach for assessing and managing climate-related risks and opportunities. We are persistent in evaluating and mitigating both physical and transition risks, drawing guidance from the Representative Concentrating Pathways (RCP) scenarios by the Intergovernmental Panel on Climate Change (IPCC) as well as scenarios suggested by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). Furthermore, we identify business opportunities linked to transitioning to a low-carbon economy and execute adaptation strategies for climate change impacts like floods, heatwave, soil movement and coastal flooding.

Refer to the climate-related disclosures page 146-153

TNB promoted TNB Energy Transition Plan during United Nations Climate Change Conference of the Parties 29 (COP29).

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM3: Climate Change and Emissions

SCOPE 1 EMISSIONS: REDUCING OUR CARBON EMISSIONS INTENSITY

The TNB Carbon Management Strategy and Renewable Energy Capacity Expansion was approved by the SETC (chaired by TNB President/CEO) and was acknowledged by BSRC and TNB BOD. The initiatives intend to reduce carbon emissions intensity from our operations and set the stage for long-term sustainability by integrating renewable energy and innovative carbon management technologies.

TNB's Strategy to Reduce Carbon Emissions Intensity

Emissions Intensity Target | **5%** annual reduction from 2024 | **35%** reduction by 2035 | Net Zero by 2050

Carbon Management Strategy

Three (3) carbon management strategies:

Reduce Carbon Emissions	Lowering carbon emissions across the company (scope 1, 2 & 3).
Capture Carbon Emissions	Capturing and storing of carbon dioxide (CO_2) before it is released into the atmosphere.
Offset Carbon Emissions	Offset carbon emissions with the goal of reducing overall emissions over time.

Measures:
Carbon Emissions (tCO_2e)
Carbon Emissions Intensity (tCO_2e/MWh)

Renewable Energy Capacity Expansion

Capture RE growth potential in domestic and international markets:

Local

Capture Malaysia market through TRe & Genco:
- LSS
- Corporate Green Power Programme (CGPP)
- NETR (Solar park & HHFS)
- TPA

International

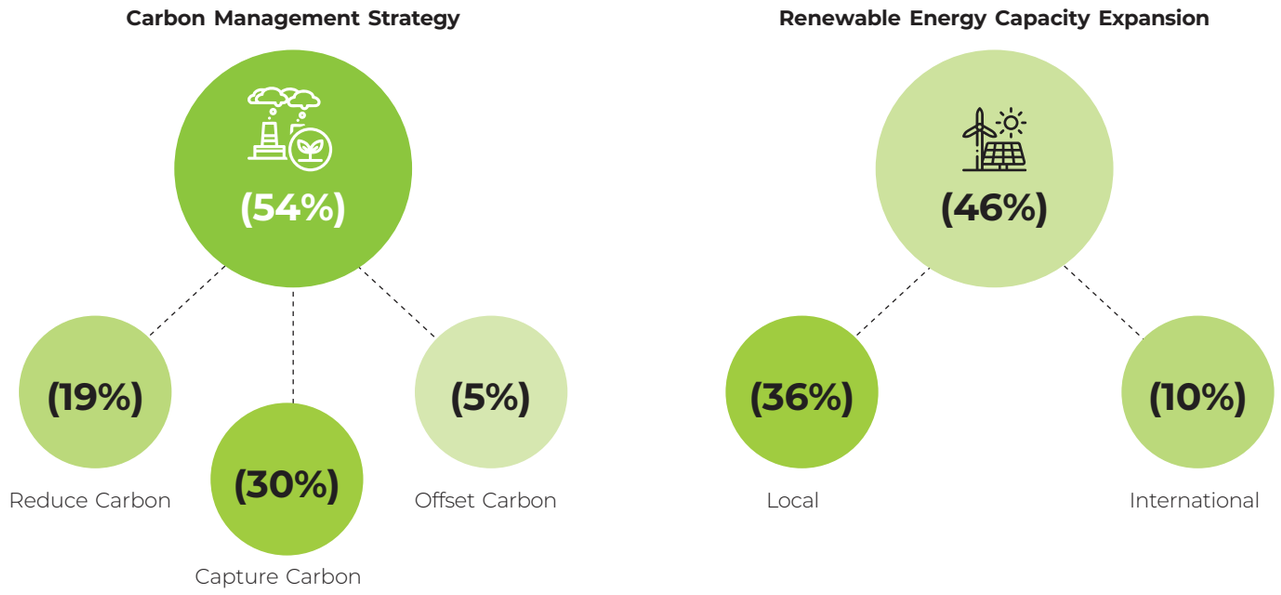
- Capture United Kingdom market through Vantage RE.
- Capture Australia market through Spark Renewables

Embark on strategic partnership for new technology, e.g., grid-scale BESS.

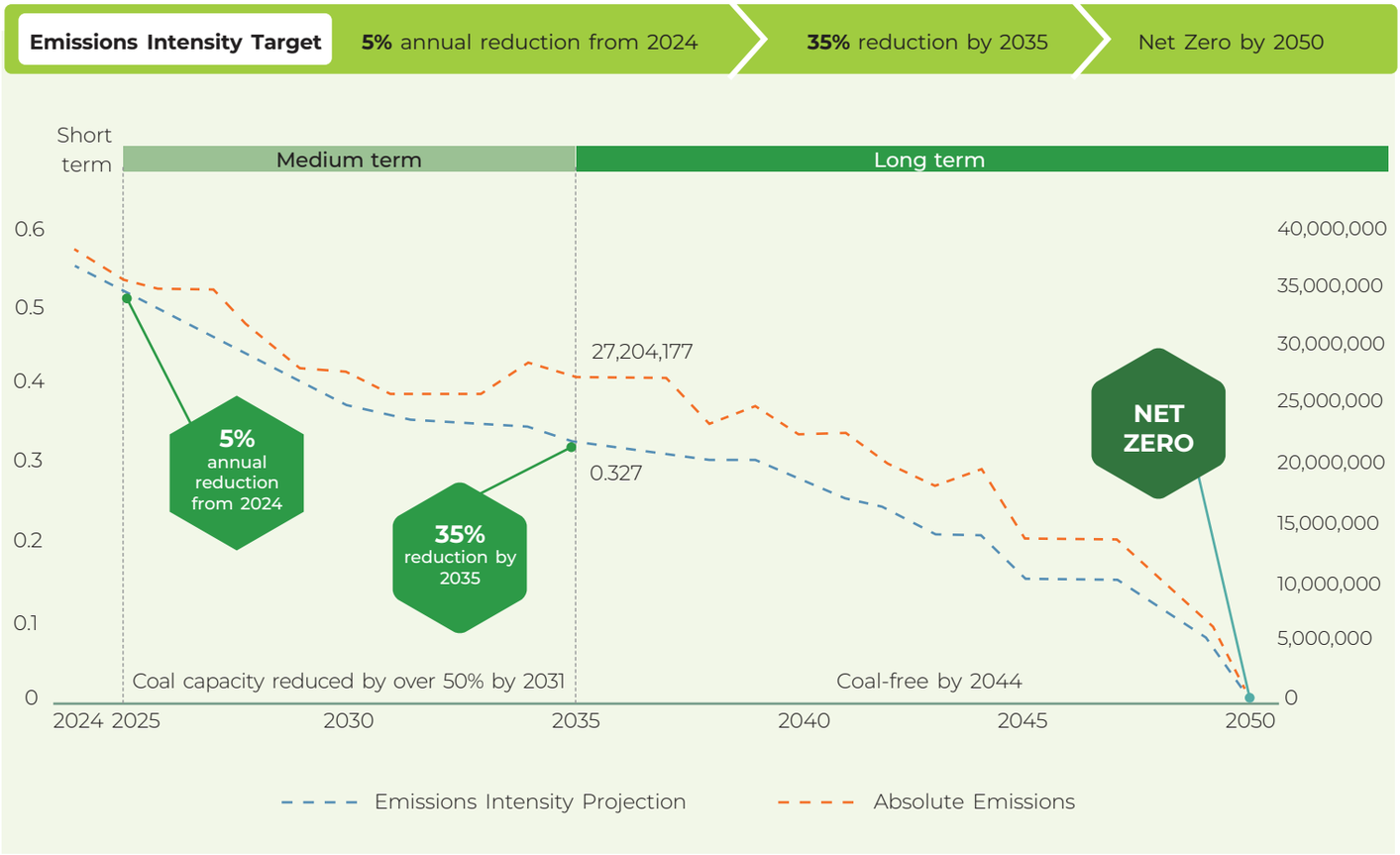
Measures:
RE Capacity (MW)
Net Generation from RE (MWh)

With this strategy, we aim to achieve the following carbon emissions intensity reductions by 2050, compared to 2024:

Expected Carbon Emissions Intensity Reduction by 2050 Compared to 2024



TNB Emissions Intensity Projection 2024 to 2050



CARBON MANAGEMENT STRATEGY: REDUCE, CAPTURE, OFFSET

Reduce Carbon Emissions

In our relentless pursuit of a sustainable future, we are committed to achieving 19% reduction in carbon emissions intensity by 2050, through a series of targeted initiatives.

Enhancing Power Plant Efficiency

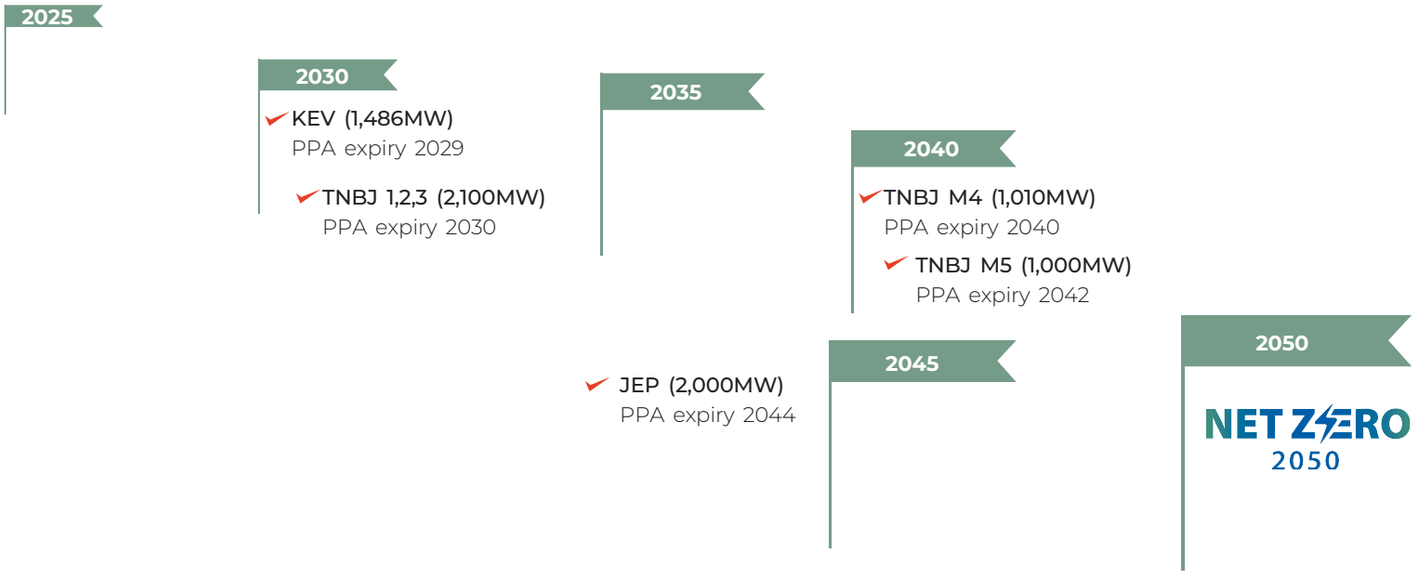
Carbon emissions are reduced by optimising fuel consumption at our thermal power plants to generate the same amount of electricity. To achieve this, we continuously monitor the heat rate of our thermal power plants and implement various efficiency enhancement initiatives, which include coal blending, periodic boiler cleaning, condenser cleaning, and compressor washing. We also leverage on Digital Twin technology to optimise power plant performances by simulating different scenarios and identifying the most efficient operating conditions.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM3: Climate Change and Emissions

Transitioning Energy Sources

We continue to explore the feasibility of retiring our coal-fired power plants ahead of schedule, subject to shareholders' agreement and approvals from relevant authorities and regulators. This is expected to reduce emissions from our coal power plants, as they retire according to their respective Power Purchase Agreements (PPAs), as follows:



Initiatives are ongoing as part of our efforts to transition to alternative energy sources:

Hydrogen Fuel: Paving the way for a Sustainable Energy Future

Building upon the TNB-PETRONAS MOU entered in 2022 to decarbonise the energy sector, a joint feasibility study on green hydrogen as an alternative clean energy was completed in 2024. Both parties are entering into a strategic collaboration agreement to explore a joint venture for the development of end-to-end green hydrogen value chain towards establishing Peninsular Malaysia as a green hydrogen hub.

Hydrogen Production for TNB Power Plant Operations

In 2024, TNB Research Sdn. Bhd. (TNBR) initiated a project on green hydrogen production system that is feasible, efficient, and scalable for the power sector. A 500kWp rooftop solar installation, coupled with a 1MWh battery system, would supply the energy needed by the electrolyser to produce an estimated 125,000Nm^3 of green hydrogen annually. The green hydrogen produced will be used for generator cooling at one of TNB's power plants, while other potential applications are being explored simultaneously.

Ammonia-Biomass Co-firing at Coal Power Plants

Following the successful execution of the Empty Fruit Bunch (EFB) Pellet Trial Burn at the Jimah East Power (JEP) (1,000MW Unit 2) Power Plant, further assessment and studies are ongoing to evaluate the technical behaviour under increased concentrations.

Biomass as Sustainable Fuel of the Future

In 2024, TNB Fuel Services Sdn. Bhd. (TNBF) supplied and delivered 4,305 metric tonnes of biomass in the form of EFB pellets to Tanjung Bin Power Sdn. Bhd., a subsidiary of Malakoff Berhad, as part of the co-firing project in the NETR.

Capture Carbon Emissions

We aim to achieve a 30% reduction in carbon emissions intensity by 2050 through the implementation of advanced carbon capture and utilisation (CCU) technologies, which are:

Carbon Capture: Development of systems for bio-carbon capture or chemical carbon capture to efficiently absorb and capture CO_2.

Carbon Utilisation: Development of a CO_2 utilisation system through biological and hydrogenation pathways.

A project was initiated in June 2024 to assess the technical and economic viability of integrating CCU technology at the Jimah East Power (JEP) coal power plant. The goal is to successfully capture up to 5,000 kg of CO_2 annually using microalgae.

Advancing Carbon Capture, Utilisation and Storage (CCUS) Solutions through Strategic Partnerships

The first stage of a CCUS joint feasibility study with PETRONAS was completed in the first half of 2024, on the costs involved in capturing carbon and transporting it to the receiving terminal. In the next stage, the study shall focus on the costs of sequestration, as well as obtaining supportive government policy including carbon tax.

Offset Carbon Emissions

We have been diligently investing in nature-based carbon offset initiatives such as reforestation to tackle hard-to-abate emissions. We target to plant 40,000 trees annually, covering about 89 acres and sequestering approximately 1,600 tCO_2e. In 2024, a total of 49,214 trees were planted at 25 designated areas across the country, which is equivalent to approximately 91.65 acres and 1,968.60 tCO_2e sequestered.

Total number of trees planted:
49,214 at 25
designated areas across the country

- Areas planted:
  Approximately **91.65** acres
- Approximate sequestration:
  1,968.60 tCO_2e

Refer to the MM8 Community Development and Social Impact on page 125-129.

We will continue to explore and invest in both nature-based and technology-based carbon offset initiatives, aiming for achieving Net Zero by 2050.

Mangrove replanting helps to offset carbon emissions as well as mitigate coastal erosion.

Renewable Energy (RE) Capacity Expansion

We aim to expand our RE capacity up to 22GW both domestically and internationally to achieve our Net Zero aspiration. Domestically, through various programmes such as the NETR, Large Scale Solar (LSS), Corporate Renewable Energy Supply Scheme (CRESS) and Corporate Green Power Programme (CGPP), 4,152MW already secured as of 2024.

As the demand for green energy in centres continues to rise, we have a significant opportunity to enhance our renewable energy growth and work towards achieving Net Zero emissions.

NETR projects

TNB is making substantial strides in its commitment to drive large-scale RE, championing two (2) flagship projects which are the Centralised Solar Park (CSP) and Hybrid Hydro Floating Solar (HHFS) and partnering with Sime Darby for Residential Solar.

Hybrid-Hydro Floating Solar (HHFS)

Leveraging on the recently announced CRESS on 26 July 2024, as well as support from states government, we are committed to deliver a total of 2,500MW by 2030. We are also looking at an additional 1,000MW of HHFS targeted to be completed in subsequent years.

Year	Capacity (MW)	Estimated Annual Emissions Avoidance (tCO_2e)
2026	170	301,920
2027	550	976,800
2028	750	1,332,000
2029	590	1,047,840
2030	440	781,440

**Estimated CO_2* avoidance assumes 1MW generation from RE = ~1,776 tCO_2e/year avoidance (ref: Sustainable Energy Development Authority).

HHFS projects at the Chenderoh and Kenyir hydro reservoirs are expected to be completed by 2026, while the HHFS at Temenggor is scheduled for completion by 2028. Our existing floating solar PV located on ash pond in Manjung comprises of 105.12kWp capacity and 100kWac pilot HHFS at Kenyir lake will serve as key references for the feasibility studies of the remaining phases of the project in the Terengganu and Kelantan schemes. As a key enabler, TNB has penned partnership with the relevant state agency, Terengganu Incorporated (TI) to ensure that the HHFS development is carried out successfully and responsibly. The commissioning of all projects is expected to avoid an estimated annual emissions of 4.44 million tCO_2e.

Pilot Floating Solar PV located on Kenyir dam with a capacity of 100kWac.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM3: Climate Change and Emissions

Centralised Solar Park

Under the NETR, our subsidiary TNB Renewables Sdn. Bhd. (TRe) is developing five (5) large scale solar parks each with a capacity of 150MWp (100MWac), totaling 750MWp (500MWac). These projects, in partnership with SMEs, cooperatives, and state related entities, span across multiple states in Malaysia. The commercial operation dates are targeted in late 2026 and are expected to avoid an annual emissions of 1.33 million tCO_2e.

Phase	Capacity (MWp)	Projected COD	Estimated Annual Emissions Avoidance (tCO_2e)
1	300	Q3 2026	0.53mil
2	450	Q4 2026	0.80mil
Total	**750**		**1.33mil**

**Estimated CO_2 avoidance assumes 1MW generation from RE = ~1776 tCO_2e/year avoidance (ref: Sustainable Energy Development Authority).*

Partnership with Sime Darby Property for Rooftop Solar

TNB through its fully owned subsidiary, GSPARX Sdn. Bhd., has entered into a corporate partnership with Sime Darby Property to construct the upcoming 4.5MW solar photovoltaic (PV) capacity for 450 homes in the City of Elmina and Bandar Bukit Raja, both located in Selangor.

As part of TNB's high commitment to ensure the best-in-class reliability of supply, special infrastructure has been incorporated into the distribution network in Elmina Ilham Residence, namely Community Energy Storage System (CESS), Voltage Regulated Distribution Transformer (VRDT) and online feeder pillar. This is part of the preparation for the upcoming installation of the solar PV system at the homes of City of Elmina.

In 2024, the partnership has invested into 10 commercial sites where the solar PV installations were already rolled out, totaling 811kWp and avoiding 662 tCO_2e emissions annually.

Other Domestic Projects

Nenggiri Hydroelectric Project

The 300MW Nenggiri Hydroelectric Project has reached a completion status of 46.3% and is on track to achieve its Commercial Operation Date (COD) by Q2 2027. The commissioning of the hydro power plant is expected to avoid an estimated annual emissions of 0.53 million tCO_2e.

Corporate Green Power Programme (CGPP)

In 2024, we continue to develop the 90MW (135MWp) of solar generation capacity secured through the government-launched CGPP. This capacity includes a wholly-owned 30MW (45MWp) facility and two joint venture facilities, each with 30MW/45MWp capacity.

Solar *Rooftop*

In 2024, with a total of 970 residential customers, 22 property developer customers, and 132 commercial and industrial customers secured and onboard, TNB has empowered communities and businesses to embrace clean energy solutions. A total of 64.09MWp solar rooftop was successfully commissioned in 2024, contributing to a cumulative installed capacity of 168.97MWp.

Solar Rooftop Project Type	Secured		COD*	
	MWp	Number of Customers	MWp	Number of Customers
Commercial Supply Agreement Renewable Energy (SARE)	146.11	111	49.78	79
Outright Purchase (OP): Commercial & Industrial	6.26	21	9.15	22
Outright Purchase (OP): Property Developer	1.59	22	0.44	2
Outright Purchase (OP): Residential	9.56	970	4.72	517
Total	**163.52**	**1,124**	**64.09**	**620**

**Inclusive of project secured in 2023*

International RE Project

TNB is driving international renewable energy expansion through strategic partnerships, spearheaded by two (2) subsidiaries, Vantage RE in the UK and Spark Renewables in Australia.

	Solar (MWp)	Wind (MWp)
Vantage RE	640.8	165.4
Spark Renewables	120.50	–

Asset portfolio as of December 2024

In 2024, two greenfield solar power plants in the UK with a total capacity of 102MWp are in construction with both sites targeted to achieve Commercial Operation Date (COD) by early 2025.

Our Response to Challenges and Unforeseeable Incident

As we have established our Carbon Management Strategy and committed to an annual 5% reduction in scope 1 emissions intensity starting from 2024, we acknowledge a slight increase in our 2024 emissions intensity compared to 2023. This was due to an unforeseeable incident on 4 December 2023, when our 1,000MW TNB Manjung Unit 4 (M4) Ultra-Super Critical coal power plant faced an approximately 11-month forced outage due to steam turbine blade damage. To ensure grid system security and meet rising customer demand, higher-emissions sub-critical coal power plants were dispatched during this period.

Through a collaborative effort with the OEM and an efficient crisis recovery strategy, we successfully expedited M4's restoration by 10 days, preventing an excess emissions of approximately 329,323 tCO_2e.

To enhance the reliability of our coal power plants and prevent recurrence of similar incidents, we are implementing robust measures, including improving steam quality, conducting regular blade inspections using Non-Destructive Testing (NDT) methods, and monitoring vibrations to detect early signs of anomalies.

SCOPE 2 EMISSIONS: IMPROVING ENERGY EFFICIENCY WITHIN OUR OPERATIONS

We are dedicated to reducing our energy consumption intensity to lower our Scope 2 emissions through energy efficiency initiatives.

Improving Power Plant Auxiliary Energy Consumption

We are implementing energy efficient initiatives at our power plants for the auxiliary systems such as co-firing of high-sulfur coal with lower-sulfur brands to decrease auxiliary consumption in the Flue Gas Desulphurisation (FGD) aeration fan and absorber spray pump, optimising the auto-changeover frequency of air compressors and adjusting the operation of the Main Cooling Water Pump (MCWP). By optimising these auxiliary systems, energy is utilised efficiently leading to reduced overall energy consumption.

Enhancing Energy Efficiency at TNB Office Buildings

Through the "Drip by Drip, Watt by Watt" campaign rolled out since July 2023, we are actively reducing electricity and water consumption at 109 TNB-owned offices. This campaign promotes energy conscious practices, fosters a collective commitment among TNB personnel towards resource conservation, that leads to cost savings. TNB personnel towards resource conservation, leading to cost savings. In 2024, our efforts have resulted in a reduction of 1,723,244kWh in electricity consumption, equivalent to an estimated reduction of 1,333 tCO_2e in Scope 2 emissions and RM877,131.00 cost savings.

Our Flagship Green Building – TNB Platinum Campus

The TNB Platinum Campus is designed in accordance with Green Building Index (GBI) principles, adopting key features such as a 25% reduction in electricity consumption compared to conventional building designs. It includes a photovoltaic system capable of supplying up to 2% of the building's total electricity needs, along with efficient energy monitoring facilitated by the Integrated Building Management System's Energy Sub-Metering System.

TNB Platinum Campus is certified with Platinum rating of GBI.

SCOPE 3 EMISSIONS: EMBRACING DIGITALISATION AND AUTOMATION

We continue to assess our Scope 3 indirect emissions for Categories 6 (Business Travel) and 7 (Employee Commuting), focusing on our operations in Peninsular Malaysia. Leveraging on current data availability and our internal monitoring systems, we are employing a distance-travelled-based methodology, which is aligned with the GHG Protocol Scope 3 Calculation Guidance (2013).

In 2024, we enhanced our data collection process through automation and integration of our human-resource systems with data such as the distance from registered home addresses to the office, employee check-in/out times, work-related travel to other locations and modes of transport.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM3: Climate Change and Emissions

OUR PERFORMANCE

We have established climate-related targets as milestones in realising our Net Zero aspirations and re-affirm our commitment to stop investing in new greenfield coal-fired power plants.

35% reduction of Scope 1 emissions intensity by 2035 and Net Zero Emissions by 2050, compared to the base year 2020

50% reduction of coal capacity by 2035 and 100% by 2050, compared to the base year 2020

Revenue from coal generation plants does not exceed **25%** of our total revenue

5% annual reduction of Scope 1 emissions intensity from 2024

PERFORMANCE : Bursa Indicator

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
Energy							
GRI 302-1	C4(a)	Total energy consumption within organisation	GJ	863,462.69 (MWh)*	404,523,322	320,997,148	1% reduction annually***
Direct (Scope 1) GHG emissions							
GRI 305-1	C11(a)	Total direct GHG emissions (Scope 1)	million tCO_2e	38.58	38.92	38.75	5% reduction of emission intensity compared to 2024
Energy indirect (Scope 2) GHG emissions							
GRI 305-2	C11(b)	Indirect (Scope 2) GHG emissions	million tCO_2e	0.292**	0.331**	0.321	1% reduction annually***
Other indirect (Scope 3) GHG emissions							
GRI 305-3	C11(c)	Business travel	million tCO_2e	–	0.037	0.035	1% reduction annually***
		Employee commuting	million tCO_2e	–	0.063	0.063	1% reduction annually***

**FY2022 data was reported according to the amount of energy consumption at TNB buildings (MWh). Data for FY2023 onwards was reported based on GRI 302-1 methodology.*

***The data was reinstated following a thorough methodology revision in alignment with GRI Standards.*

****For FY2025 target – base year target is 2024.*

Note: GJ = Gigajoule; MWh = Megawatt-hour

PERFORMANCE : Additional Indicator

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024
Energy						
GRI 302-1	–	Coal	GJ	444,682,239	452,842,875	366,740,751
		Natural gas	GJ	210,857,206	194,060,333	193,211,458
		Distillate fuel	GJ	2,445,795	1,846,890	1,387,891
		Residual Fuel Oil / Medium Fuel Oil	GJ	2,559,614.00	1.94	487,249
		Biodiesel (93% Fossil)	GJ	–	19,182	14,191
		Total fuel consumption within the organisation from non-renewable sources	GJ	–	648,769,280	561,841,541
		Biomass	GJ	–	1,134,665	980,948
		Biodiesel (7% Renewable)	GJ	–	1,444	1,068
		Biogas	GJ	–	222,874	–
		Total fuel consumption within the organisation from renewable sources	GJ	–	1,136,109	982,016
		Large scale solar and hydro	GJ	–	22,665,154	25,480,236
		Electricity purchased for consumption	GJ	–	1,659,736	1,408,189
		Electricity sold by the organisation	GJ	–	269,937,097	268,714,834
GRI 302-3	–	Energy intensity ratio for the organisation*	GJ/MWh	–	5.39	4.30
Generation						
G4-EU1	–	Total Installed Capacity	MW	–	17,949.54	16,385.35
		Gas	MW	–	6,147.77	5,145.07
		Coal	MW	–	7,378.89	6,790
		Hydro	MW	–	2,666.55	2,666.56
		Diesel	MW	–	258.96	203.18
		Solar	MW	–	1,135.85	1,298.90
		Biomass	MW	–	5.00	5.00
		Biogas	MW	–	2.40	2.40
		Wind	MW	–	179.47	179.47
		Oil	MW	–	142.88	71.00
		Solar Hybrid	MW	–	31.77	23.34

** Target maintained at <6*

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM3: Climate Change and Emissions

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024
G4-EU2	–	Total Net Energy Output	GWh	–	79,535.45	73,185.02
		Gas	GWh	–	26,065.97	22,238.84
		Coal	GWh	–	44,826.58	40,678.64
		Hydro	GWh	–	6,452.92	7,148.16
		Diesel	GWh	–	365.68	532.65
		Solar	GWh	–	572.01	1,274.96
		Biomass	GWh	–	13.16	31.37
		Biogas	GWh	–	13.8	–
		Wind	GWh	–	544.43	852.24
		Oil	GWh	–	660.52	395.21
		Solar Hybrid	GWh	–	20.38	32.95
GHG Emissions Intensity						
GRI 305-4		Scope 1	tCO_2e/MWh	0.5488	0.5465	0.5571
GHG Emissions Avoidance						
GRI 305-5		Total avoided emissions	mil tCO_2e	7.30	7.38	8.46

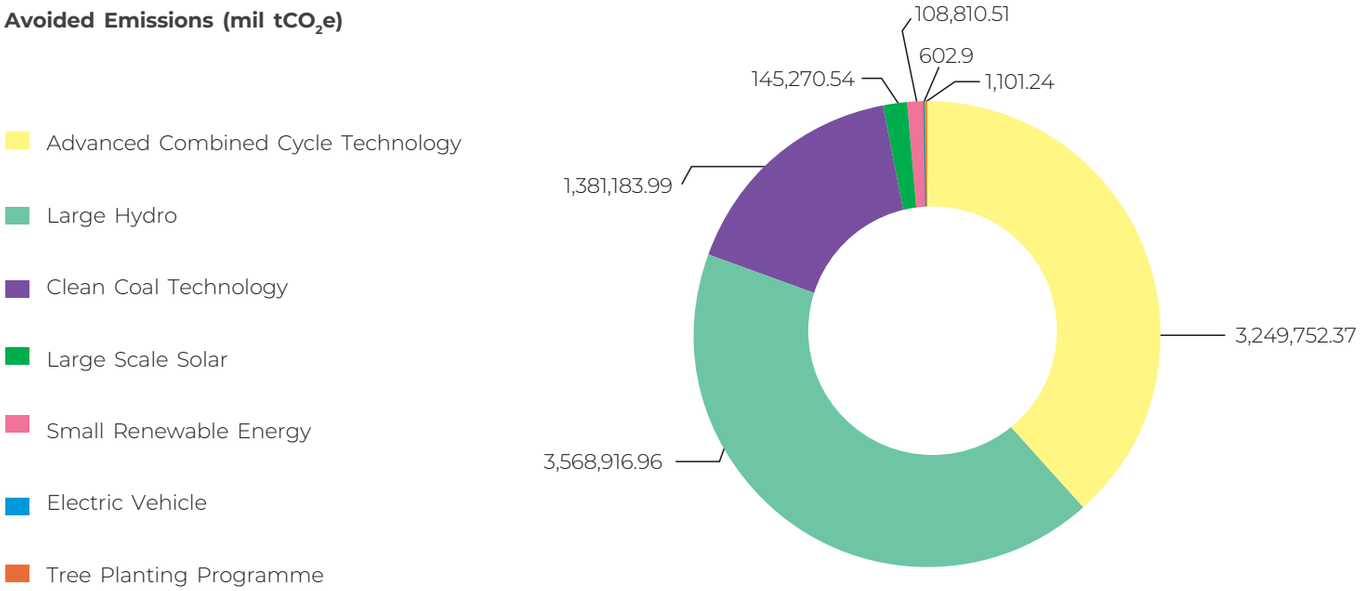
Note:

- *GJ = Gigajoule ; MWh = Megawatt hour ; GWh = Gigawatt-hour ; tCO_2e = metric tons of carbon dioxide equivalent*

GHG Emissions Avoidance

In 2024, we achieved the emissions avoidance of 8.46 mil tCO_2e due to our emissions avoidance initiatives and investment in technology.

Avoided Emissions (mil tCO_2e)



MM 4

Reliable Energy and Fair Tariff

Our commitment to stakeholders extends beyond merely providing a secure and reliable electricity supply; it encompasses addressing their expectations regarding affordability and sustainability. In addressing the future of the electricity industry within Malaysia, TNB is strategically navigating the evolving regulatory and policy landscape to ensure the best outcomes for its business, stakeholders, and the broader community. It is here that we recognise the symbiotic relationship between government support, TNB's proactive measures and the collective move towards a sustainable energy transition.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM4: Reliable Energy and Fair Tariff

We continue to see the Malaysian government's steadfast support for the Incentive-Based Regulation (IBR) framework, which has been governing our electricity sector since 2014 and implemented for three (3) Regulatory Periods (RP). The IBR framework has enabled enhancements in our network infrastructure, including the improved agility, flexibility and regional interconnectivity of the grid. In December 2024, the government has approved TNB Regulatory Period 4 (RP4) with RM42.82 billion of CAPEX, which consists of RM26.55 billion base CAPEX and RM16.27 billion contingent CAPEX, allocated from 2025 to 2027 to accelerate energy transition plan for the nation. TNB continues to perform beyond the requirements of the IBR framework, with world-class System Minutes and System Average Interruption Duration Index (SAIDI) ensuring reliable energy is supplied to our customers. With the IBR framework, tariffs are established in a fair and transparent manner to address local economic growth and socioeconomic challenges.

MANAGEMENT APPROACH

ENSURING RELIABLE SUPPLY

In 2024, we upheld our world-class grid performance, recording Transmission System Minutes of 0.0019 minutes and a System Average Interruption Duration Index (SAIDI) of 47.88 minutes. This achievement is an outcome of our implementation of the ISO 55001 Asset Management System, which promotes optimal asset performance through structured and systematic approaches, including risk-based preventive maintenance supported by data analytics. Additionally, a total of RM3.2 billion was invested in FY2024, to strengthen grid network resiliency ensuring continuous reliable supply to customers despite facing complexity with greater demand supply and RE interconnection and more complex system in near future.

Moving forward for RP4 (2025-2027), we intend to increase investments in the national grid to make the grid more modern, reliable and dynamic in addressing the challenges of Energy Transition. We believe that the demand for clean and renewable energy will continue to grow spurred by the trend in digitalisation and artificial intelligence that requires more data centres to be constructed, as such will continue to play our role in strengthening grid resiliency and reliability in delivering top notch product and services for our customers.

We have introduced the Green Lane Pathway, a strategic initiative aimed at enhancing Malaysia's data centre market. This pathway offers efficient and environmentally responsible solutions for data centre operators by streamlining the onboarding process, expediting approvals, and facilitating a smoother setup of data centre operations in the country.

A key feature of the Green Lane Pathway is its fast-track electricity supply, which connects data centres three times faster than the standard delivery time. This reduces the implementation period from range of 36 to 48 months to just 12 months. Since the establishment of the Green Lane Pathway, we have successfully completed all 18 supply connections ahead of schedule, meeting a demand of 1,856MW. In 2024, we completed nine (9) data centres electricity supply projects, with a total energy demand of 1,236MW, which represents 66% of the total energy demand. Additionally, TNB has established a One-Stop Centre (OSC) to assist data centre investors, providing dedicated support services to attract more companies to establish their operations in Malaysia.

ROBUST BUSINESS CONTINUITY MANAGEMENT (BCM)

In the event of disruptions to our business, we are fully committed to preparing and responding effectively, guided by the TNB Corporate Business Continuity Management (BCM) Framework. Our BCM Framework provides a structured approach that enables us to respond quickly and effectively while ensuring the continuity of our operations towards greater resilience.

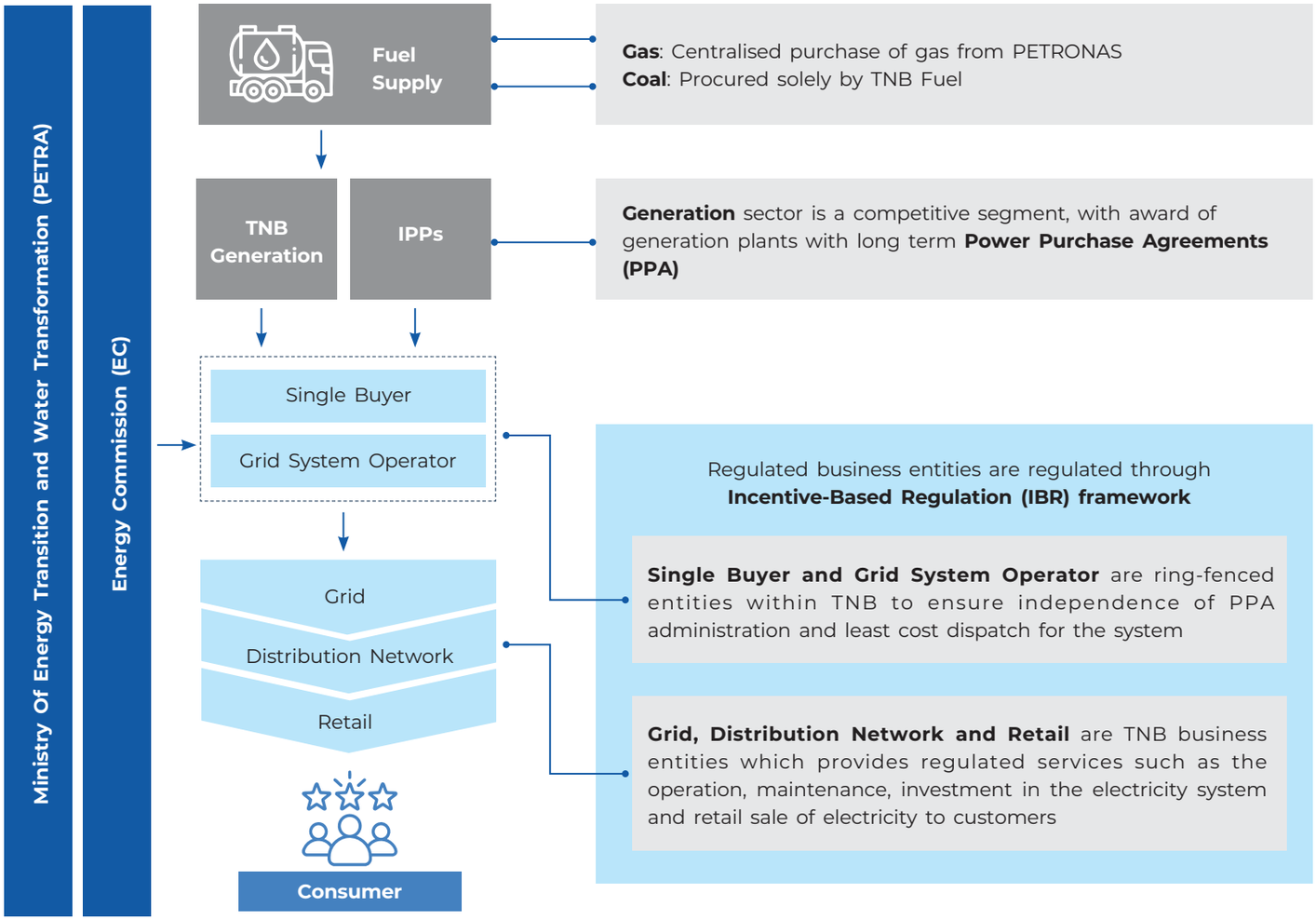
Refer to TCFD pages 145-153

In time of needs, mobile generator set will be despatched to ensure continuous power supply to our customers.

FAIR AND TRANSPARENT TARIFF DETERMINATION

The electricity tariff structure is governed by the Energy Commission (EC) based on the IBR framework with built-in incentives to improve our efficiency and for greater tariff transparency to our customers. TNB is protected against fuel cost fluctuations with the effective implementation of the Imbalance Cost Pass-Through (ICPT) mechanism within the IBR framework.

Below is the electricity ecosystem and regulatory framework which supports a transparent tariff structure:



In 2024, the Government continues to uphold the Imbalance Cost Pass-Through (ICPT) mechanism, focusing on a more targeted approach for domestic customers for 1H2024. This includes the removal of rebates for domestic customers with consumption between 600 - 1,500 kWh, ensuring that subsidies are allocated more effectively to protect vulnerable groups.

Overall, the ICPT framework has proven to be an effective mechanism for maintaining the balance between ensuring sustainable electricity supply and supporting vulnerable customers, ultimately contributing to the stability of the electricity market in Malaysia. For the upcoming ICPT implementation, TNB will continue to ensure that the ICPT mechanism remains effective and responsive to market conditions. TNB will work closely with the Government to further enhance the ICPT mechanism through forward forecast approach, alongside frequent adjustment of the additional generation costs. This enhancement will also balance the need for fair pricing.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM4: Reliable Energy and Fair Tariff

The Government has launched the Corporate Renewable Energy Supply Scheme (CRESS) in September 2024 to enhance corporate access to green electricity supply. CRESS is a strategic initiative which aims to provide corporations with greater access to green electricity, reinforcing Malaysia's commitment to a sustainable energy future. This programme leverages the concept of open grid access, enabling third parties to supply electricity to their preferred customers using the grid network under a regulated system access charge.

CRESS principle ensures that energy prices are determined through voluntary agreements between parties, free from external compulsion. This concept facilitates a marketplace where the price of energy is negotiated in good faith, with both buyer and seller seeking mutually acceptable terms. The aim is to create a transparent, fair, and competitive environment that ensures both sides can sustain their interests.

For the first phase, CRESS is open to high and medium voltage power consumers. This means that existing buildings, on top of buildings requiring new or additional power demand, can utilise green electricity through the CRESS policy in Malaysia.

REGULATORY ENGAGEMENT TO STRENGTHEN INSTITUTIONAL GOVERNANCE

We consistently engage with regulatory stakeholders to enhance the governance framework of the electricity sector, working towards balancing the energy trilemma. We continue to contribute to governmental studies and policy formulation, including the implementation of the National Energy Transition Roadmap (NETR) flagship projects and the CRESS.

The effectiveness of our engagement efforts is reflected in the Regulatory Relationship Strength Index (RRSI) score, which gauges the sentiment and expectations of key ministries, regulators, and government agencies that directly interact with TNB. Dedicated TNB personnel engage with stakeholders at the federal and state levels to address potential issues and enhance mutual collaboration. We achieved our highest RRSI score in 2024 with an overall trust score of 94%, surpassing our target of 92%, showcasing a consistent increase since 2020.

OUR PERFORMANCE

PERFORMANCE: Additional Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
G4 – EU4	-	**Regulatory Relationship**					
		Regulatory Relationship Strength Index (RRSI)	%	85	92	94	>92
	-	**Electricity Transmission System**					
		Transmission System Minutes	Minutes (for Peninsular Malaysia operations)	0.172	0.483	0.0019	<1.5
			Minutes (for Sabah operations)	14.22	16.83	0.548	<5.0
G4 – EU29	-	**Average Power Outage Duration**					
		System Average Interruption Duration Index (SAIDI)	Minutes/ Customer/ Year (for Peninsular Malaysia operations)	45.06	46.10	47.88	≤48.00
			Minutes/ Customer/ Year (for Sabah operations)	286.21	266.37	203.65	≤220

Note:
- *Additional indicators disclosed to support the narrative, and the target setting is based on industry best practices.*

MM 5

Health, Safety and Well-Being

Safeguarding the lives of our employees and vendors through robust occupational safety and health management systems and best practices is one of our top priorities. We are committed to providing a safe and conducive workplace where our employees and vendors feel cared for and supported while contributing to our shared goals. As a caring and responsible organisation, our commitment to safeguarding safety and health extends to all individuals affected by our operations.

Paramount focus is given to relevant safety standards where compliance is strictly imposed to mitigate the risks associated with work-related injuries and illnesses. Regular health and safety audits and assurance works are conducted with focus on improvement beyond compliance. By continuously refining our safety culture and conducting engagement and risk assessment with customised approach, we strive to inculcate self-regulation at all workplaces whilst strengthening the tone from the top from TNB BOD and top management safety committees.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM5: Health, Safety and Well-Being

We maintain vigilance and constant attention to safety and wellbeing in our workplace where safety is not only a corporate objective but also a commitment to mutual responsibility between the company, employees, vendors and the public.

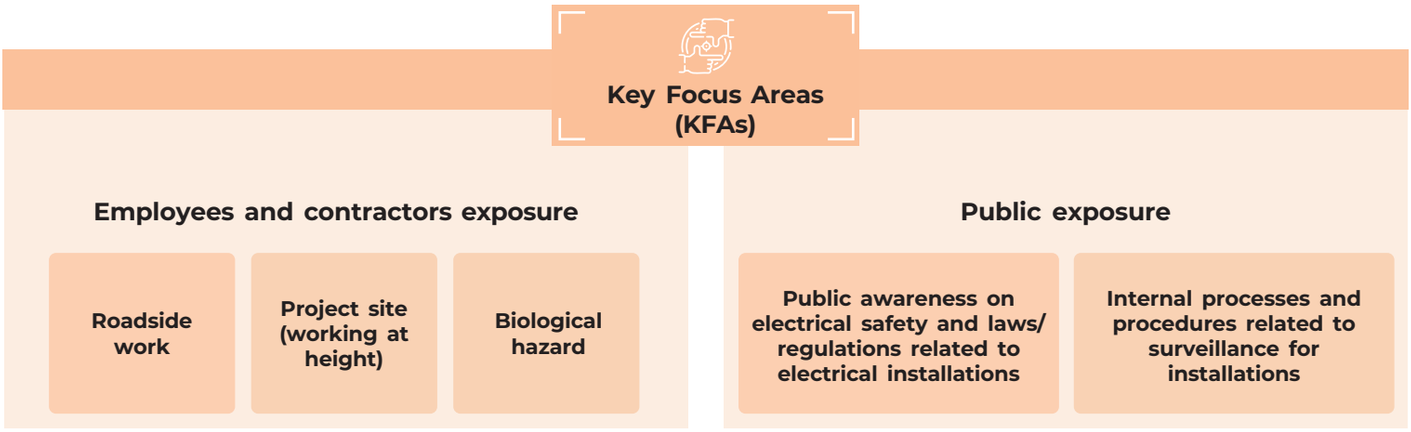
MANAGEMENT APPROACH

SAFETY, HEALTH & GOVERNANCE OVERSIGHT

We have strengthened our governance by enhancing the oversight and management of health and safety matters. In 2024, the Terms of Reference and membership of the TNB Health, Safety & Environment Committee (HSEC) have been enhanced with approving authority to drive the implementation of HSE across TNB. Chaired by the Chief Distribution Network Officer (CDNO), with members from the top management of key operations and corporate functions, the HSEC deliberates strategies and monitors the performance of initiatives implemented across TNB Group. The Board Sustainability and Risk Committee (BSRC) and TNB Group Executive Management Committee (GEMC), chaired by the President/Chief Executive Officer, maintain oversight on the implementation of HSE strategies and initiatives.

We uphold rigorous safety standards with the aim of zero workplace fatality and maintaining a Lost-Time Injury Frequency Rate (LTIFR) below 1.0.

In 2024, the number of fatal accidents remained at four (4) as per previous year. A detailed diagnostics based on past incidents was conducted to identify strategic initiatives to enhance our health and safety management practices across the organisation. GEMC approved the identified key focus areas as follows:



We have zero tolerance to fatality and every fatal accident is investigated and deliberated vigorously to identify root causes and actions to prevent recurrence. In the event of a fatal accident, the HSEC convenes immediately to ensure urgent mitigations are taken. The outcomes of fatality investigations are deliberated at GEMC and BSRC.

We remain guided by the TNB Occupational Safety and Health (OSH) Policy, which underscores our unwavering commitment to adhering to relevant legislation and regulations. This includes complying with all the relevant laws and regulations, namely the Occupational Safety and Health Act 1994, Electricity Supply Act 1990, Fire Services Act 1988, as well as the Energy Commission licensing conditions.

The Health, Safety and Environment Management System (HSEMS) provides a framework for TNB Group to ensure the health and safety of employees, contractors and the public are managed holistically and systematically, based on the principles of ISO management systems.

Our business entities that are currently certified with ISO 45001:2018 Occupational Health and Safety Management Systems are:

Business Entities Certified with ISO 45001:2018

01	TNB Power Generation Sdn. Bhd.
02	Grid Division
03	Distribution Network Division
04	Project Management & Control (PMC), PSD
05	Malaysian Transformer Manufacturer (MTM) Sdn. Bhd.
06	Tenaga Cable Industries (TCI) Sdn. Bhd.
07	Tenaga Switchgear (TSG) Sdn. Bhd.
08	Sabah Electricity (Generation, Transmission and Distribution Divisions)

Health & Safety Training For Employees

We are committed to building employee capability in health and safety practices and culture, ensuring that safety remains paramount in all our endeavours and is ingrained in every aspect of our TNB operations. Every two years, employees undergo mandatory safety and health training through the Tenaga Safety Passport module.

To enable greater self-regulation among our employees, HSEMS implementation training is provided to employees to ensure they are adequately trained to implement health and safety practices in respective workplaces.

We continue to provide health and safety trainings for our employees. In 2024, a total of 13,973 employees group-wide attended the related trainings, underscoring our dedication to equip our workforce with the essential health and safety skills and knowledge.

Health & Safety Risk Assessments

We meticulously identify all work-related hazards, assess the health and safety risks, and establish relevant controls to eliminate hazards and mitigate risks through our Hazard Identification, Risk Assessment, and Risk Control (HIRARC) procedure. Our HIRARC procedure is developed based on guidelines from the Department of Occupational Safety & Health (DOSH) and forms the foundation of our safety protocols. HIRARC procedures must be carried out prior to the commencement of any project and maintenance works. We conduct regular training sessions on HIRARC to ensure comprehensive understanding and implementation of the procedure across our operations.

Specific risk assessments are also conducted to assess exposures related to the workplace and work conditions such as Chemical Health Risk Assessment (HRA), Noise Risk Assessment (NRA) and Ergonomic Risk Assessment (ERA).

Life Saving Rules

We have implemented five (5) out of six (6) Life Saving Rules (LSR), which are LSR 1-5, with the primary objective of preventing serious accidents that could result in fatalities among employees and contractors. In 2024, the LSR consequence management process was enhanced with the inclusion of human factor assessment.

Core Rules	
	LSR 1: Isolate, earth and test before touch
	LSR 2: Valid permit to work mandatory
	LSR 3: Wear arc flash suit when switching

Supplementary Rules	
	LSR 4: Use fall protection
	LSR 5: Obtain authorisation before entering confined space
	LSR 6: Caution suspended load

We refined our incident investigation process by incorporating the Human Factor Analysis (HFA), a methodology introduced by Energy Institute, United Kingdom, to effectively identify the cause of human errors in an accident. This effort is to ensure fair justification is reached when human errors have resulted in fatal accidents before the consequence management process takes into effect. To effectively implement this initiative, 30 employees from various business entities were trained in-house by a representative from Energy Institute.

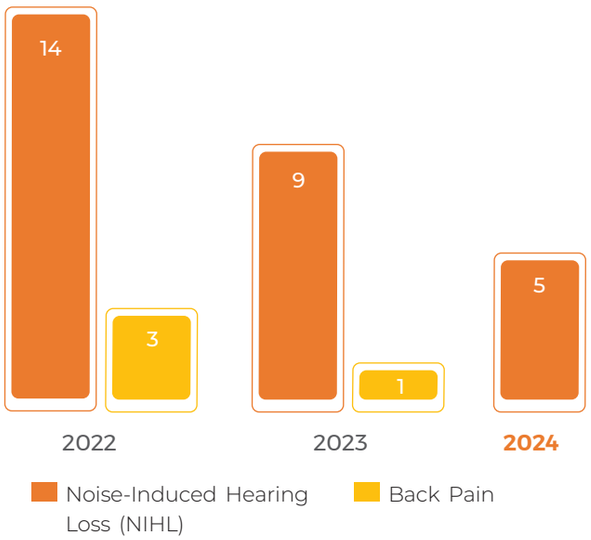
Occupational Health

We continue our efforts to strengthen occupational health (OH) practices by focusing on noise, ergonomic, and chemical management initiatives. Aligned with regulatory requirements, assessments in these areas were conducted with verification by internal audits and external parties.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM5: Health, Safety and Well-Being

Number of occupational diseases for 2022-2024



We continue to participate in the Systematic OH Enhancement Level Program (SOHELP) organised by DOSH. This programme drives occupational health compliance and improves overall health among employees, where companies with best practices based on a year of evaluation are acknowledged in the annual National SOHELP Convention. A total of 17 business entities with high exposure have enrolled in the SOHELP programme to drive the reduction of occupational diseases. In 2024, our OH practices were acknowledged with 2nd Prize in the Best SOHELP Award (Category 2 – Conglomerate Company) at the National SOHELP Convention 2024.

Public Safety Awareness Programme

As a caring and responsible organisation, we are committed to enhancing public safety. Any incidents related to TNB electrical installation involving the public safety are highly of our importance. TNB management, through HSE committee reviews investigation outcomes and identifies mitigation actions for each incident, overseen by BSRC to prevent recurrence. Significant effort has been carried out to mitigate these incidents to happen in the future through collaborative efforts with both internal and external stakeholders.

Key initiatives include the "RumahKu Selamat" campaign, where we encourage employees and contractors to promote electrical safety within their families. We also engaged targeted community groups, particularly those in plantations focusing on palm, paddy farmers, and fishermen to educate them about electrical hazards and safety.

An integrated public safety campaign during flood season raises awareness about electrical safety before, during, and after floods. It engages customers in flood-affected states through multi-lingual print media, digital and radio advertisements, personalised myTNB engagements, and visits to temporary flood shelters to distribute safety posters. These were further shared on TNB's social media accounts and through collaborations with Key Opinion Leaders (KOL), reinforcing the importance of electrical safety as part of disaster preparedness. Additionally, we work closely with the Energy Commission (EC) and local authorities to ensure compliance and safety in house renovations and TNB installations. Through these initiatives, we strive to foster a safer environment and promote sustainable practices within our communities.

Instilling safety as an integral aspect of our employees' daily work culture through toolbox meeting.

TENAGA SAFETY CULTURE

We instill safety to be an integral aspect of our employees' everyday working culture by anchoring on four (4) core behaviours of "Assess," "Comply," "Intervene" and "Actively Caring" (ACIA). To nurture these fundamental behaviours, we implement a wide range of initiatives to progressively inculcate the safety mindset. We conduct Safety Culture Assessment (SCA) once every two (2) years to promote leadership involvement and foster a sense of health and safety ownership by adopting the "Hearts and Minds Safety Culture Toolkit" methodology developed by the Energy Institute in the United Kingdom. The last assessment was conducted in 2023 where the result was at "Proactive" level. This year we focus our efforts to address gaps identified through the Safety Culture Management Plan (SCMP).

Our appointed HSE Culture Change Agents (HSE CCAs) act as ambassadors who advocate the ACIA behaviour through interactions and consistent communication, as well as monitoring and evaluating workplace safety. This encourages employees' participation in health and safety implementation with two-way communication to inculcate the Tenaga Safety Culture.

Our group-wide *Nampak, Dengar & Rasa Selamat* (NDRS) framework advocates occupational safety and health awareness and practices. This framework anchors on three (3) core elements, namely engineering, education and enforcement, and is supported by a consequence management process that rewards positive behaviour, encourages good practices, and addresses non-compliance appropriately. We give recognition to individuals and business entities for outstanding performance and behaviour during NDRS Award ceremony that is conducted every year.

In 2024, we further reinforced our TNB Stop Work Policy by implementing the *Intervensi Stop Work* (ISW) guideline across the Group, whereby all employees are empowered to intervene and stop work if an unsafe condition or act is observed. This initiative is enabled through the HSE Wallet mobile application for real-time reporting and response.

ADVANCING HSE DIGITAL TRANSFORMATION

We leverage on digitalisation to manage and centralise HSE data with the progressive rollout of modules for the holistic implementation of our eHSE online system. The TNB Safety Information System (TSIS) captures reports of incidents and near misses, and incidents are investigated to identify corrective and preventive actions to prevent recurrence. The HSE Wallet mobile application enables employees to record potential incidents, stop work intervention occurrences and good safety and health practices across the Group.

In 2024, we upgraded eHSE system by integrating multiple modules that incorporate Non-Conformance Report (NCR), Notice, Compound & Lawsuit (NCL), Safety Health Committee Online, Chemical Register and Legal Compliance. This upgrade streamlines our HSE processes to strengthen compliance and accountability across the Group and facilitates analysis and diagnostics for informed decisions.

SUPPORTING EMPLOYEES' HEALTH AND WELLNESS

We encourage our employees to stay active by continuing our wellness programme through subscription to the BookDoc mobile application where all employees are encouraged to track their daily steps as part of our initiative to promote fitness.

We conduct basic health screenings for all employees nationwide to monitor their health status. The health screening provides a baseline for employees to gauge their vital health statistics such as blood glucose levels, blood pressure, and Body Mass Index (BMI). Where necessary, TNB's Wellness Team will provide basic counselling and advice to employees on steps to modify their lifestyle and improve their overall health. Intervention plans are also made available such as M-Quit, a programme to help employees to quit smoking, and Biggest Loser challenge, a 6-month programme to manage weight and fitness.

Weekly 'Wellness Wednesday' and monthly "Are You Ok? Jom Sembang" webinars are held throughout the year in collaboration with panel hospitals on health and wellness-related topics, open to all employees and retirees. These webinars, with at least 1,000 participants each session, aim to increase awareness on common global health issues and holistic wellbeing, including identification and control of physical and mental health, treatment of bacterial and viral diseases, and prevention through healthier habits and lifestyle. In 2024, over 50 global health topics were conducted in this webinar sessions, ranging from various subjects including bipolar disorder, Attention Deficit Hyperactivity Disorder (ADHD) and depressions, stress management, cancer, diabetes, eye disease, monkey pox infection, and weight management.

TNB encourages our employees to stay active by participating in the wellness programme.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM5: Health, Safety and Well-Being

OUR PERFORMANCE

PERFORMANCE: Bursa Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
Health & Safety							
GRI 403-9	C5(a)	**Number of fatalities as a result of work-related injuries**					
		Employees	Number	0	3	0	Zero fatalities
		Contractors	Number	2	2*	4	
		Total (Employees and Contractor)	Number	2	5*	4	
	C5(b)	**Lost-Time Injuries Frequency Rate (LTIFR)****					
		Employees	per million manhours	0.82	0.74	0.87	<1.0
	C5(c)	**Number of employees undergoing Health & Safety trainings**					
		Number of employees undergoing Health & Safety trainings	Number	18,986	12,192**	13,973	2% annual increase

** Reinstatement for FY2023 due to an incident that happened in 2023 but the fatality of victim in 2024.*

*** Data for FY2022 has been reported based on Safety, Health and Environment training categories meanwhile data FY2023 onward reported based on Health and Safety Training categories. Reinstatement for FY2023, due to alignment with Bursa guidelines with focus on health and safety training. In TNB, health and safety training have been identified based on respective job hazards.*

PERFORMANCE : Additional Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
Health & Safety							
–	–	**Fatality rate result of work-related injuries**					
		Employees	per 1000 workers	–	0.09	0.00	Zero fatalities
		Contractors	per 1000 workers	–	0.04	0.10	

Note:

- *Additional indicators disclosed to support the narrative, and the target setting is based on industry best practices.*

MM 6

Biodiversity & Environmental Management

At TNB, our commitment to responsible environmental management is evident through effective actions and ongoing initiatives, especially in the areas of toxic emissions, biodiversity, waste management and water management. TNB BOD and Management have set a clear tone regarding environmental management for the preservation and conservation of natural resources, which is reflected in the TNB Environmental Policy. Our business entities are certified with ISO 14001:2015 - Environmental Management Systems (EMS). We remain guided by the TNB Health, Safety and Environmental Management System (HSEMS), which sets out environmental risk identification and control requirements. We are committed to protecting the environmental ecosystem through the implementation of a circular economy and proactive prevention of waste and pollution.

The fight against climate change cannot be separated from a commitment to the conservation of natural capital, which is increasingly impacted by the consequences that climate change is having on biodiversity and ecosystems. In 2024, we established TNB Biodiversity Framework with the commitment to minimise the impact on biodiversity and protect the land, aquatic and marine ecosystems comprising elements of flora, fauna, water, soil and air.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM6: Biodiversity & Environmental Management

MANAGEMENT APPROACH

TNB ENVIRONMENTAL COMMITMENTS

TNB Sustainability Policy and TNB Environmental Policy are key guidance in driving our environmental objectives and initiatives across the organisation. Our environmental commitments are summarised as follows:

1. Reduce emissions, seek opportunities in renewable energy and promote energy efficiency, in line with TNB Energy Transition Plan
2. Optimise the utilisation of natural resources through effective land use and water management
3. Manage waste responsibly, implement circular economy and prevent pollution
4. Promote to minimise impact on biodiversity and protect environmental ecosystem
5. Strive to comply with environmental laws and regulations and proactively managing risks

Achieving our goals relies on fostering a culture of environmental responsibility among employees, contractors, and suppliers.

ENVIRONMENTAL MANAGEMENT SYSTEM

Our environmental management system, embedded in TNB HSEMS is applicable across TNB Group, as guidance for environmental management and in compliance with regulatory requirements. TNB HSEMS supports continuous improvement including setting policies and implementation of action plans to manage environmental hazards and minimise environmental risks.

We actively improve our environmental management through benchmarking, site inspections, external and internal audits. The annual internal audits are conducted by ISO 14001 certified internal auditors. In 2024, nine (9) of our business entities were certified to ISO 14001:

Business Entities Certified to ISO 14001

01	Grid Division
02	TNB Power Generation Sdn. Bhd.
03	Malaysia Transformer Manufacturing Sdn. Bhd.
04	Tenaga Cable Industries Sdn. Bhd.
05	Tenaga Switchgear Sdn. Bhd.
06	Stesen Janakuasa Patau-Patau, SESB
07	Stesen Janakuasa Sandakan, SESB
08	Stesen Janakuasa Tawau & Kubota, SESB
09	Jabatan Pengurusan Gudang & Logistik, SESB

Recognising the importance of developing competencies in environmental management, we have 194 competent personnels accredited by the Department of Environment, who are experts in waste, effluent and emissions management. Their responsibilities include providing advisory services, planning, and implementing effective environmental practices and notifying authorities when required.

No.	Environmental Certification	Applicability	Number of certified personnel
01	Certified Environmental Professional in Scheduled Waste Management (CEPSWaM)	• Power Plants • Warehouse	75
02	Certified Environmental Professionals in the Operation of Industrial Effluent Treatment Systems (CePIETSO)	Power Plants	21
03	Certified Environmental Professionals in Bag Filter Operation (CePBFO)	Power Plants	17
04	Certified Environmental Professionals in Sewage Treatment Plant Operation (CePSTPO)	• Power Plants • Offices	14
05	Certified Professional for Environmental Officer in Environmental Impact Assessment (CePEOEIA)	EIA Projects	21
06	Certified Inspector of Sediment and Erosion Control (CISEC)		28
07	Certified Professional for Environmental Officer in EIA (CePEOEIA)		18

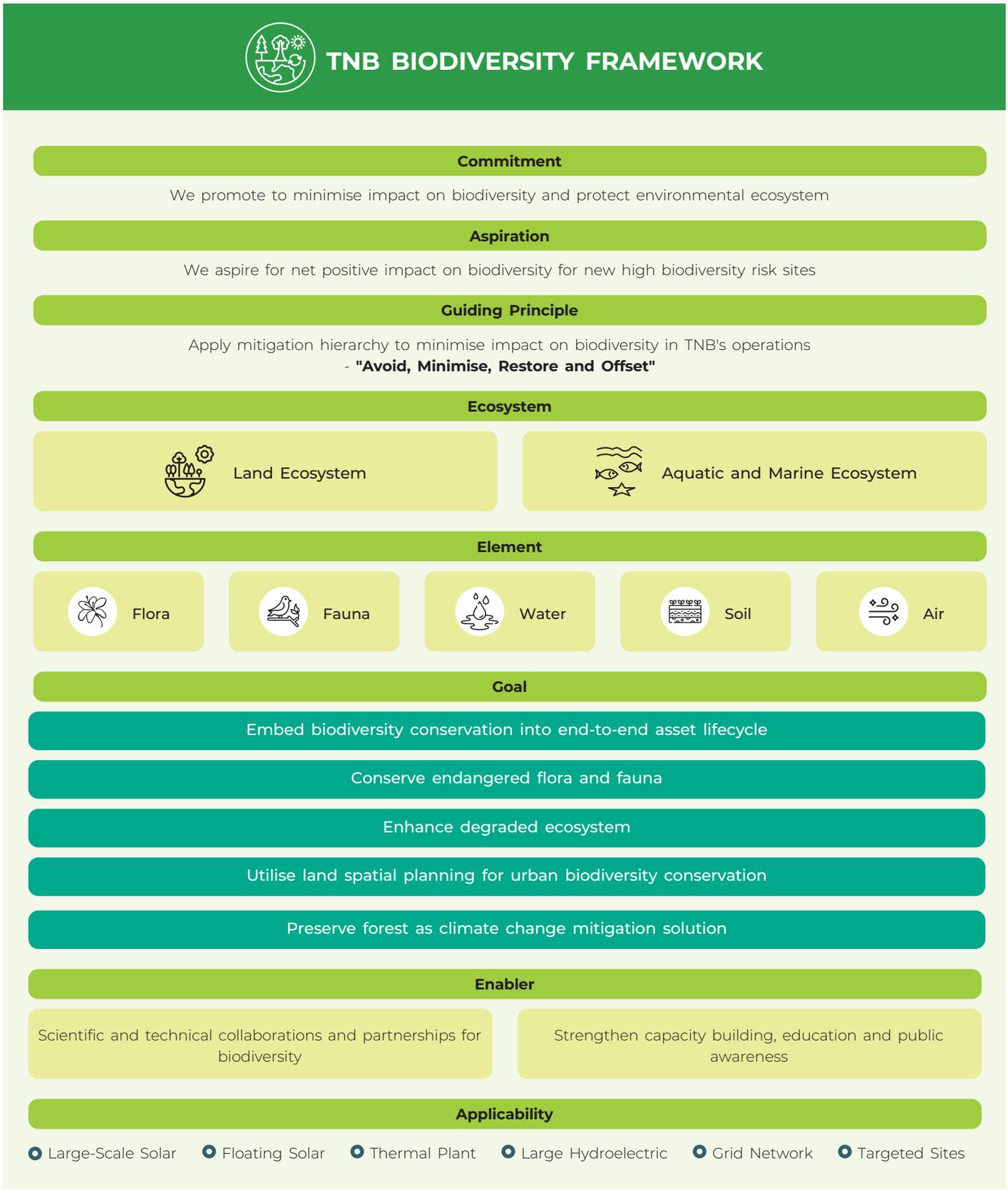
BIODIVERSITY MANAGEMENT

The TNB Biodiversity Framework is developed with the aspiration to achieve a net positive impact on biodiversity in new high biodiversity risk sites, aligning with the Kunming-Montreal Global Biodiversity Framework and Malaysia's National Policy on Biological Diversity 2022-2030. Our guiding principle focuses on applying the mitigation hierarchy to minimise impact on biodiversity in TNB operation. The framework embeds conservation across the asset lifecycle, focusing on endangered species, ecosystem restoration, forest preservation for climate action, and urban biodiversity through spatial planning.

Fish sanctuary conservation at Sungai Chilling, Kuala Kubu Baru to mitigate the impact of grid development in that area.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM6: Biodiversity & Environmental Management



**Targeted sites covers degraded areas, high biodiversity value areas and locations with ecotourism potential*

Our operations impact diverse ecosystems, with key biodiversity risks from habitat use, water exploitation, and pollution. Aquatic impacts are more prominent with thermal plants and floating solar, while land projects like hydroelectric and large-scale solar (LSS) mainly affect habitat fragmentation and land use. Understanding these biodiversity loss drivers helps guide our efforts in minimising their ecological footprint and ensuring sustainable energy production.

Ecosystem	Elements	Biodiversity Loss Driver	TNB Operation						
			LSS	Floating Solar	Onshore Wind	Offshore Wind	Thermal Plant	Hydro electric	Grid
AQUATIC AND MARINE ECOSYSTEM	Flora and Fauna	Use of aquatic habitat		H			H		L
		Use of marine habitat		H		L	L		L
		Invasive species		L			H	L	
		Conflict		L			M		
	Water	Water exploitation					H	H	
		Water pollution		L		L	H	L	L
	Air	Air pollution						H	
LAND ECOSYSTEM	All	Climate change					H		
	Flora and Fauna	Land use changes and habitat fragmentation	H		L		M	H	M
		Invasive species						L	
		Conflict	H					H	L
	Air	Air pollution					H		
	Soil	Soil pollution					L		H

Note: Based on TNB internal high level analysis

Legend

H High Potential Impact

M Medium Potential Impact

L Low Potential Impact

Addressing Biodiversity Impact

Our data-driven methodology supports adaptive biodiversity management with measurable goals. Following successful initiatives implemented at the Ulu Jelai and Hulu Terengganu hydroelectric projects, we continue to extend these initiatives at the Nenggiri Hydroelectric Project, Bukit Selambau Solar Farm, and biodiversity conservation at Sultan Azlan Shah Power Station.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM6: Biodiversity & Environmental Management

Our initiatives to mitigate biodiversity risks in our operations prioritise preventive and rehabilitative actions, comply with environmental laws and avoid Protected Areas as a result of Environmental Impact Assessment (EIA) studies.

Hydroelectric Site	• Nenggiri Hydroelectric Project: Collaborate with Jabatan PERHILITAN on wildlife management by maintaining wildlife corridors, rescuing animals, and educating workers on wildlife safety. • Royal Belum State Park: Support the community led AKEKCHEP Fish Sanctuary to protect local fish and sustain indigenous livelihoods. • Hydro Lake Sultan Abu Bakar: Partner with the Pahang Forestry Department to rehabilitate degraded areas and engage local communities in sustainable farming. • Annual ecology monitoring at multiple sites, including Hulu Terengganu, in compliance with the Environmental Quality Act with biodiversity health reports submitted to the Department of Environment.
Grid Infrastructure	• Tree Hyperspectral Identification System (THySIS) identifies endangered species along power lines for preservation. • Elevated transmission towers in ecologically sensitive areas minimise vegetation clearing and restore habitats with native species. • Fish sanctuary conservation at Sungai Chilling, Kuala Kubu Baru to mitigate the impact of grid development in that area.
Large Scale Solar (LSS)	• TNB Bukit Selambau: Development of a conflict management plan to address human-macaque conflicts. • Sepang Solar: Improvement in operational activities to protect identified bird species. • Bomen Solar Farm (Australia): Vegetation control aided by sheep grazing and beehive installations to promote pollination and ecosystem health.
Tree Planting	• My Brighter Green Programme: Supporting Malaysia's Greening Campaign to plant 100 million trees by 2025, a total of 49,214 trees have been planted nationwide.

Biodiverse Habitat

We acknowledge that our operations may impact habitat protected under local and international regulations. Accordingly, we have identified endangered and threatened species listed by the International Union for Conservation of Nature (IUCN) at our operational sites to safeguard surrounding ecosystems.

IUCN Conservation Status	No. of Species
Critically Endangered (CR)	8
Endangered (EN)	21
Vulnerable (VU)	21
Near Threatened (NT)	20
Lease Concern (LC)	199
Data Deficient (DD)	0
Not Evaluated (NE)	209

In addition to My Brighter Green Programme, in FY2024, TNB has planted a total of 144 trees at Nenggiri hydroelectric project site for the purpose of habitat and biodiversity rehabilitation.

Refer to MM8 Community Development and Social Impact pages 125-129.

Biodiversity Engagement

We engage various stakeholders at different platforms, emphasising our commitment to conserve and manage biodiversity.

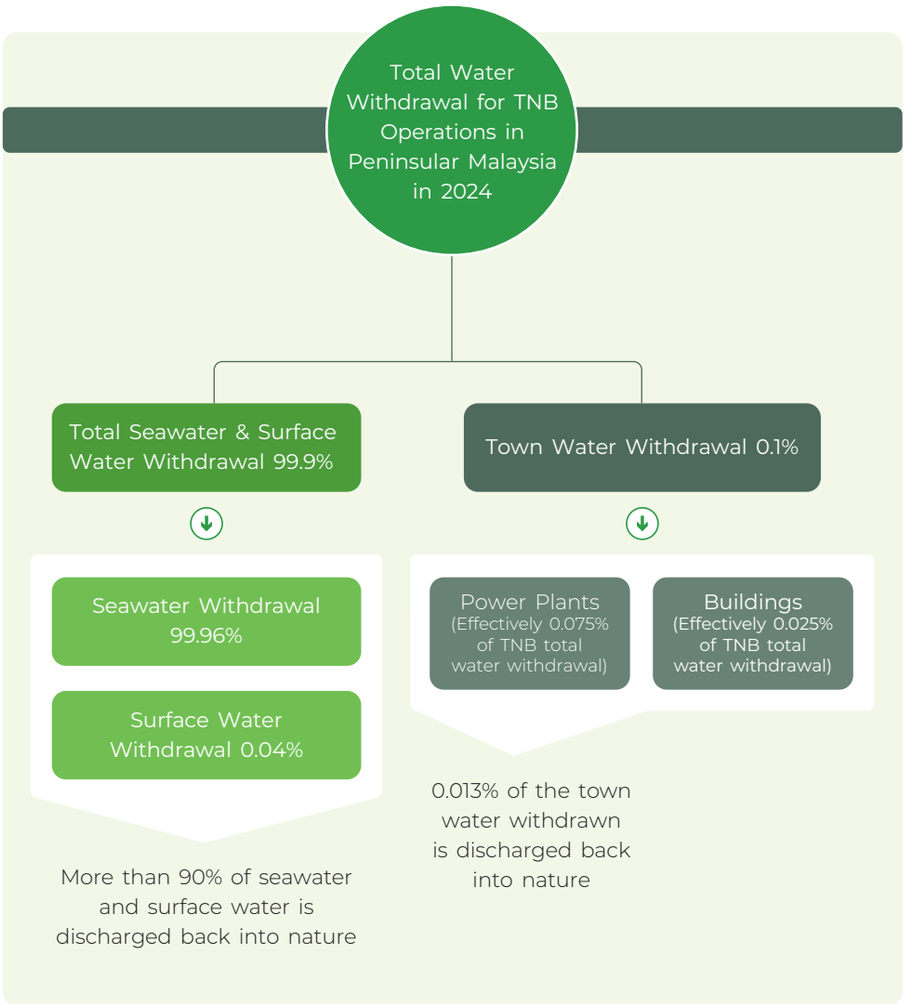
Expert view in formulation of new protocols/guidelines in Malaysia	• Malaysia Platform for Business & Biodiversity • Feasibility Studies and Development of Forest Carbon Offset Protocols in Malaysia
Dialogues with Governments or Regulators	• Terengganu Elephant Conservation Action Committee • Terengganu Wildlife Conflict Management Committee
Participation in biodiversity forum/ activities at national and international level	• National Climate Governance Summit 2024 • Malaysia Biodiversity Forum 2024 • Biodiversity Day 2024, organised by the Malaysia Palm Oil Green Conservation Fund (MPOGCF) and Universiti Malaya (UM) • ASEAN Carbon Forum 2024 • Sharing session on Nature-Based Solutions Projects in Malaysia organised by Fairatmos and the Embassy of the Republic of Indonesia

WATER MANAGEMENT

At TNB, we recognise that water is a finite resource. Water management initiatives and performance are among the key focus areas that are presented and deliberated in the SETC, demonstrating our commitment to efficient water management in our operations.

The SETC is chaired by the President/Chief Executive Officer (CEO), with members from TNB's top management team, to ensure executive-level responsibility for environmental, social and governance (ESG) matters. Our commitment to water efficiency is not just a responsibility but also a testament to our dedication to sustainable practices and resource conservation.

In FY2024, TNB consumed a total of 9,029 megalitres of water, a reduction of around 10% compared to the previous year. We withdraw water from seawater, surface water and town water for our operations, of which an estimated 90% or more was discharged back to the respective sources. Our focus, therefore, is to optimise the use of the 0.1% of town water withdrawn, where 0.013% of it is treated and safely discharged to nature. Our main efforts are concentrated on optimising the use of the remaining town water withdrawn through efficient operations, enhanced technologies, and innovation.



SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM6: Biodiversity & Environmental Management

Town Water Optimisation in Thermal Power Plant Operations

Our thermal power plants were built and continue to operate in accordance with the World Bank Environmental and Social Standards which include stringent water consumption protocols, aligned with high-efficiency thermal plant operations, reflecting our dedication to responsible and sustainable resource management.

Our power plant steam generation process is designed as a closed-loop system aimed at minimising reliance on town water sources. From 2023 to date, average water intensity (water consumption from town water source per net generation of respective plant) of our power plants is much lower than our counterparts with similar power plant technology, demonstrating our commitment to responsible water use.

Furthermore, we specialise in state-of-the-art plant upgrade initiatives. For instance, to address increasing water consumption since 2021 at our combined-cycle gas turbine plant, Sultan Ibrahim Power Plant, we installed 100 units of Zero Leakage Valve at the Heat Recovery Steam Generator (HRSG) in 2024 to reduce town water consumption.

Alternative Water Sources for Thermal Power Plant Cooling System

For our power plant cooling system, we utilise alternative sources such as seawater and river water to minimise dependency on town water sources.

Our open circuit Main Cooling Water (MCW) system effectively employs these sources, discharging water back into the sea at temperatures and chlorine levels compliant with the Department of Environment (DOE) standards, resulting in zero net water consumption. This approach underscores our commitment to sustainable practices and environmental stewardship, aligning with global water conservation standards established by the Electric Power Research Institute (EPRI). The average water intensity (water consumption from town water source per net generation of the respective plants) for our power plants is much lower than our counterparts using similar power plant technology.

TNB Thermal Power Plant Water Consumption Intensity

No.	TNB Genco Thermal Power Plant	Water Intensity, Litre/kWh		Steam-water Cycle	Water source for cooling system
		TNB Genco Thermal Power Plant (Year 2024)	International Counterparts		
1	TNB Janamanjung	0.161	0.36 – 0.52 *(Ultra-supercritical Boiler)*	Closed-Loop	Seawater
2	Jimah East Power	0.097		Closed-Loop	
3	Kapar Energy Ventures	0.242	0.41 – 0.57 *(Sub-critical Boiler)*	Closed-Loop	
4	Prai Power Station	0.010	0.27 – 0.45 *(Combined-cycle Gas Turbine)*	Closed-Loop	
5	Tuanku Jaafar Power Station	0.068		Closed-Loop	
6	Sultan Ibrahim Power Plant	0.072		Closed-Loop	
7	Connaught Bridge Power Station	0.062		Closed-Loop	River water
8	Gelugor Power Station	0.034		Closed-Loop	Not Applicable (air-cooled)

TNB Generation Assets Located in Areas of Low Water Stress

All of TNB generation assets in Peninsular Malaysia are strategically located in areas with zero water withdrawals from water-stressed areas. Our water stress mapping is based on the Aqueduct by the World Resources Institute. This proactive approach prevents potential conflicts over water use between industry and local communities.

Rainwater Harvesting

As part of our commitment to water conservation, TNB has implemented rainwater harvesting systems at various assets for multiple purposes to reduce water usage.

Asset Type	Asset	Rainwater Harvested
Large Scale Solar	TNB Sepang Solar TNB Bukit Selambau Solar	• Rainwater harvesting system with a capacity of 24,000 litres at TNB Sepang Solar and 1,000 litres at TNB Bukit Selambau Solar • Mitigate erosion by decreasing ground runoff and essential to support PV module cleaning, cooling or fire prevention
Thermal Power Plant	TNB Janamanjung Jimah East Power	• Rainwater harvesting system with a capacity of 1,375,000 litres at TNB Janamanjung and 1,890,000 litres at Jimah East Power • Rainwater harvested is used for coal yard dust suppression and is recirculated into the process tank for reuse
Substation	TNB Pencawang Masuk Utama (PMU) Kuantan North	• Rainwater harvesting system with a capacity of 2,000 litres at TNB PMU Kuantan North • The system useful for utilisation and reuse of rainwater for the building cleaning purpose
Office Building	TNB Headquarters, Bangsar	• Utilised for landscape irrigation and gardening

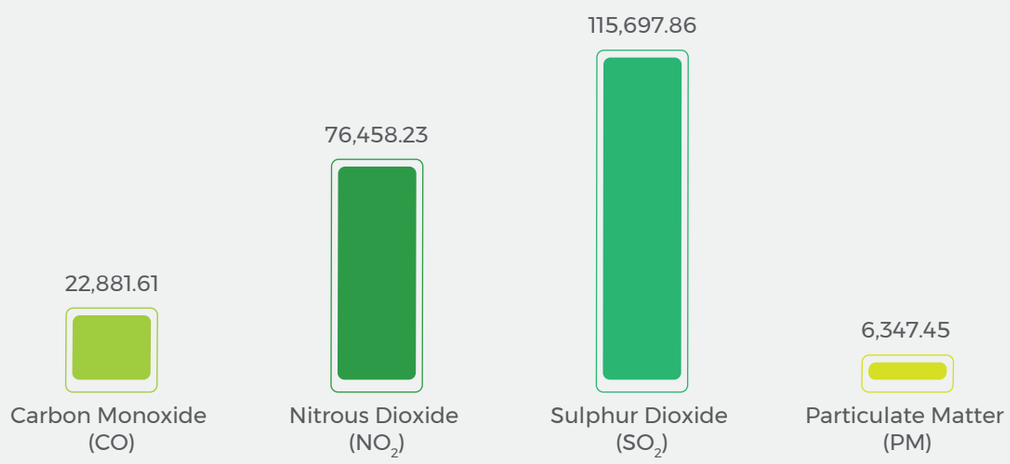
Water Reduction Initiative for TNB Office Buildings

Our "Drip by Drip, Watt by Watt" initiative is implemented at 109 TNB office buildings to promote water and energy efficiency. In 2024, we have saved a total of 17,863 m^3 of water consumption, a reduction of 20.5% compared to the previous year.

TOXIC EMISSIONS MANAGEMENT

The combustion of fossil fuels produces emissions such as carbon dioxide (CO_2), carbon monoxide (CO), nitrogen dioxide (NO_2), sulphur dioxide (SO_2) and particulate matter (PM). We actively mitigate our operations' impact to air quality by monitoring emissions in compliance with the Environmental Quality (Clean Air) Regulations 2014 and submitting annual toxic emissions reports to the DOE. Any deviations are reported within 24 hours, with corrective measures taken promptly.

Total Emissions in Metric Tonnes (MT) for year 2024



SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM6: Biodiversity & Environmental Management

WASTE MANAGEMENT

At TNB, our operations generate both hazardous and non-hazardous waste, each requiring tailored management and disposal strategies. We systematically categorise waste by its characteristics, origin, and potential environmental impact. This approach enables us to implement effective disposal, recycling, and treatment methods aligned with best practices.

Guided by the principles of the circular economy, TNB strives to establish a closed-loop waste management system that minimises waste generation, reduces environmental impact, and contributes to a sustainable future. Our initiatives are driven by our environmental policy and reflect our dedication to responsible environmental stewardship, focusing on:

Raising Awareness:

Promoting sustainable environmental practices among internal teams and external stakeholders.

Enhancing Systems:

Continuously improving our Health, Safety, and Environment Management System (HSEMS) to meet the highest safety and environmental standards.

Innovative Technologies:

Investing in cutting-edge solutions to advance environmental management practices.

Regulatory Compliance:

Ensuring full adherence to environmental laws and regulations while proactively identifying areas for improvement.

Transparent Reporting:

Maintaining accountability through detailed reporting of our environmental performance.

Our waste management efforts extend beyond compliance, emphasising education and collaboration to inspire sustainable practices among stakeholders. In anticipation of increasing solar and battery assets, we are committed to manage the end-of-life of these assets. By doing so, we aim to meet regulatory standards and prevent environmental harm, contributing meaningfully to a sustainable future.

Hazardous Waste Management

The TNB Scheduled Waste Roadmap 2018-2030 shapes our hazardous waste management strategy that is in line with national goals outlined in the DOE Strategic Engagement Plan 2021–2030. Our roadmap includes phased targets, starting with a 30% scheduled waste recycling rate by 2025.

Proactive waste prevention is our key priority and when waste generation is unavoidable, we manage it responsibly through the 4R approach — Reduce, Reuse, Recycle and Recover — alongside alongside our circular economy practices.

In compliance with the Environmental Quality Act, we strictly enforce the TNB Scheduled Waste Disposal Management Guidelines across all operations, which includes a five-step standardised process to manage hazardous waste through classification, storage, packing and labelling, inventory management, disposal and continuous monitoring.

Scheduled waste generated from our operations, including lead acid batteries, lubricating and hydraulic oils, contaminated soil, and chemical containers, are treated through reuse, cementation, or incineration as per regulatory requirements. With tailored disposal methods such as recycling of electronic waste, and physical/chemical treatment for mercury waste, we ensure safe and compliant waste handling to reduce environmental impact.

In terms of performance monitoring, we utilise the DOE-governed ESWIS system to enable reliable data tracking.

TNB continues to uphold best practices in hazardous waste management through inspections, risk-based audits, and Self Visual Report (SVR) programme. The SVR aims to promote self-regulation practices and accountability across our operations. In 2024, a total of 640 SVRs were recorded across 86 storage facilities.

Reducing Hazardous Waste and Maximising Recycling Rates

We have successfully reduced the amount of hazardous waste generated by 3.67% in 2024 (895,038 MT) compared to the previous year (929,123 MT). Of this hazardous waste, 55.58% (497,452 MT) was recycled.

Fly ash and bottom ash from our power generation operations constitute 99% of our total hazardous waste generated. The remaining hazardous waste is mainly used transformers, used lubricating oil, used batteries and e-waste.

Fly ash has substantial potential for reuse, particularly in construction. In 2024, we collaborated with ten (10) construction or cement companies to make use of the fly ash in the production of concrete and bricks, diverting the fly ash from landfills and promoting a circular economy. When recycling is not feasible, the fly ash is transported to secure, licensed landfills that adhere to DOE environmental standards.

Enhancing E-Waste Management

Our e-waste management guidelines aim to significantly increase the amount of e-waste diverted from landfills. In 2024, we launched our E-Waste Inventory System for comprehensive e-waste tracking from waste generation to disposal, with our e-waste amounting to 10 metric tonnes (baseline). Moving forward, we aim to increase e-waste collection by 10% in 2025 from this baseline.

Verification with Licensed Waste Collectors

We work exclusively with waste collectors licensed by DOE, ensuring responsible waste collection. To strengthen the validation of TNB's scheduled waste treatment, disposal methods, and data collection, we actively collaborate with our licensed vendors to ensure compliance and continuous improvement in our processes. In 2024, we began these efforts with onsite reviews, focusing on the collectors' waste treatment methods and inventory management. Visits to selected sites confirmed that 75% of our scheduled waste was recycled or recovered, reinforcing our commitment to the circular economy.

A Streamlined Process for Responsible Disposal by Licensed Vendors

Damaged solar panels are stored at the licensed vendor's warehouse for responsible disposal, with approximately 300 panels already processed. The panels are meticulously dismantled, separating the glass and metal components. The glass is carefully broken down and disposed of at a designated industrial landfill, while the compressed metal is sold to a third party for recycling. For residential, commercial, industrial, and government clients, we prioritise recycling panels for reuse at other TNB sites if they are still under warranty and in good condition. This stringent approach not only ensures regulatory compliance but also significantly mitigates the environmental impact of our operations.

TNB Chief Sustainability Officer (seventh from left) during a visit to a licensed waste collector.

Hazardous Waste Awareness Programmes

In 2024, we organised a symposium for our environmentally competent personnel to enhance their knowledge through the sharing of best practices in Grid Division and TNB Power Generation Sdn. Bhd., as well as to provide updates on the new Environmental Quality Act (Amendment) 2024 by DOE.

Various awareness initiatives for employees are also conducted, such as e-waste awareness videos and E-Waste Day at TNB headquarters, which allows employees to exchange e-waste for cash, thereby promoting responsible disposal.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM6: Biodiversity & Environmental Management

Responsible for End-of-Life Management of Solar Panels & Battery

As our solar capacity expands, so does our commitment to managing the end-of-life stage of solar panels. We recognise the importance of responsible end-of-life management for solar panels within a circular economy framework. By adhering to strict regulatory guidelines and employing the 3Rs principle (Reuse, Repurpose, Recycle), TNB ensures minimal environmental footprint during decommissioning. Furthermore, TNB actively explores avenues for panel reusability and recycling, aligning with Malaysia's ambitious target of achieving 70% renewable energy by 2050.

Our approach to solar panel end-of-life management adheres strictly to the Environmental Quality (Scheduled Waste) Regulation 2005, delegating the disposal process to licensed vendors under the close supervision of the DOE. This stringent approach ensures regulatory compliance and mitigates the environmental impact of our operations.

A STREAMLINED PROCESS FOR RESPONSIBLE DISPOSAL BY LICENSED VENDORS

Storage of Damaged Solar Panels

Damaged solar panels will be stored at the warehouse of the licensed vendor for further disposal. Approximately 300 solar panels waste have undergone the disposal exercise with the vendor.

Segregation of Solar Panel Components

Damaged panels will be dismantled from their structures and separated. For photovoltaic (PV) panels, the glass and metal components are typically separated first. The glass is broken down, and the metal frames are compressed into bundles.

Recycling and Disposal Process

Following segregation, the glass is disposed of at a designated industrial landfill. The compressed metal, meanwhile, is sold to a third-party for recycling.

Residential, Commercial, and Industrial Solar Panels

For solar panels installed for residential, commercial, industrial, and government clients, we prioritise recycling them for reuse at other TNB sites if there is a suitable site for re-installation, and the panels are still under warranty and in good condition.

In alignment with our circular economy commitment, we proactively explore initiatives across the solar energy lifecycle, from procurement to end-of-life management. These initiatives serve as integral steps towards supporting Malaysia's target of achieving 70% RE capacity target by 2050.

Procurement

We consider the recyclability of solar panels during procurement. This means prioritising components with high recycled content and favouring vendors with responsible sourcing practices.

Product Lifespan Extension

We focus on extending the lifespan of panels through proper maintenance, cleaning, and potential repair programmes. This reduces the need for early replacements and associated waste generation.

Second-Life Applications

We explore opportunities for reusing panels that are no longer suitable for primary use. For example, repurposing panels in non-critical applications.

Our subsidiary, TNB Research Sdn. Bhd. (TNBR), continuously seeks solutions to enhance solar PV circularity potential. TNBR has developed the Pilot Recycling System for PVs, which uses thermal treatment for material separation, supported by an optimised heat recovery design. The system is able to separate the PV samples into material components of clean glass, silicon wafer, metal and other recyclable resources.

By embracing these circular economy principles, we aim to establish a closed-loop system for solar energy, effectively minimising waste and environmental impact while fostering a more sustainable future.

In managing the battery lifecycle, we actively benchmark best practices and collaborate with industry partners to:

- Optimise battery performance
- Explore innovative second-life applications
- Minimise environmental impact through responsible recycling

TNB launched the Uniforms and Fabrics Recycling Campaign with more than 100 tonnes of recycled waste collected by end of 2024.

We have also intensified collaboration with vendors who are capable, licensed, and have vast experience in recycling and recovery to process our waste batteries.

Our commitment to responsible end-of-life solar and battery management extends beyond environmental considerations and encompasses minimising waste while educating stakeholders on sustainable practices.

Responsible Effluent Management

In mitigating legal and operational risks and ensuring that effluents meet quality standards to protect public health and the environment, we have developed the Industrial Effluent Treatment System (IETS) Management Guideline.

Industrial effluent treatment systems are fundamental in managing wastewater generated by TNB to safeguard the environment and ensure compliance with regulatory requirements. These systems encompass various stages and processes designed to remove contaminants from the effluent before its safe discharge into the environment.

Non-Hazardous Waste Management

Our non-hazardous waste management complies with the Solid Waste and Public Cleansing Management Act 2007 (Act 672) and regulations set by the *Jabatan Pengurusan Sisa Pepejal Negara* (JPSPN). We are taking a phased approach towards improving our non-hazardous waste management. In 2023, we introduced the Tenaga Solid Waste Inventory (TESWI) to streamline data collection and monitoring of non-hazardous waste generation, promoting waste separation and recycling practices.

In 2024, 958 tonnes of non-hazardous waste were generated, with garden waste as the largest category, followed by mixed waste, residual waste, paper waste and bulk waste. Of the total, 831.09 tonnes (86.8%) were disposed, while 126.91 tonnes (13.2%) were recycled. With data analysis and identification of key waste streams, we can pinpoint opportunities for targeted reduction and recycling efforts.

Initiatives such as source segregation, on-site composting and sustainable landscaping to transform waste into valuable resources are being explored to support our circular economy goals.

Uniforms and Fabrics Recycling Campaign

TNB launched the Uniforms and Fabrics Recycling Campaign in August 2024, targeting 75 tonnes of fabric collection by July 2025 across 135 locations in celebration of its 75th anniversary. This initiative promotes fabric waste recycling practices. By December 2024, the campaign had exceeded expectations, achieving 102.08 tonnes (136% of the target), with 89.86 tonnes (88%) from general fabrics and 12.23 tonnes (12%) from TNB uniforms. With strong participation and continued support from employees, TNB is making significant strides in reducing fabric waste and embedding a culture of recycling, and we strive to continue the recycling initiative.

ENVIRONMENTAL COMPLIANCE

In 2024, we faced penalties for non-compliance with the Environmental Quality (Scheduled Waste) Regulations 2005 and Environmental Quality (Industrial Effluent) Regulations 2009. We took full responsibility and swiftly settled all fines through immediate engagement with the DOE to prevent recurrence. We continue to implement corrective and preventive actions to ensure strict adherence to environmental regulations and to uphold the highest standards of compliance in our operations.

In 2024, the number of compounds received had reduced compared to the previous year as a result of rigorous inspections, internal audits and proactive self-regulation efforts aimed at achieving full compliance.

	2022	2023	2024
Number of compounds received	5	10	4
Amount (RM)	20,000	20,000	8,000

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM6: Biodiversity & Environmental Management

OUR PERFORMANCE

PERFORMANCE : Bursa Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
WATER							
GRI 303-5	C9	**Total water consumption from all areas**					
		Total water consumption from all areas	ML	–	10,096	9,234	2% reduction for water used in buildings
WASTE							
WASTE GENERATED							
GRI 306-3	C10(a)	**Waste generated**					
		Total weight of waste generated	metric tons	74,150	929,123	895,996	–
		Hazardous waste generated					
		Total weight of hazardous waste generated	metric tons	74,150	929,123	895,038	–
		Non–hazardous waste generated					
		Total weight of non-hazardous waste generated	metric tons	–	–	958	–
WASTE DIVERTED FROM DISPOSAL							
GRI 306-4	C10(a)	**Hazardous waste diverted from disposal**					
		Total hazardous waste diverted from disposal	metric tons	–	440,595	497,452	–
		Total hazardous waste recycling rate	%	–	47.42%	55.58%	30% recycling rate of hazardous waste by 2025
		Non–hazardous waste diverted from disposal					
		Total non-hazardous waste diverted from disposal	metric tons	–	–	126.91	–
WASTE DIRECTED TO DISPOSAL							
GRI 306-5	C10(a)	**Hazardous waste directed to disposal**					
		Total weight of hazardous waste directed to disposal	metric tons	–	488,528	397,586	–
		Non–hazardous waste diverted from disposal					
		Total non-hazardous waste directed to disposal	metric tons	–	–	831.09	–

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
SIGNIFICANT AIR EMISSIONS							
GRI 305-7	S4(a)	Carbon Monoxide (CO)	ton	8,180.10	16,107.26	22,881.61	-
		Nitrogen Oxides (NOx)	ton	31,024.14	41,936.32	76,458.23	-
		Sulfur Oxides (SOx)	ton	27,412.40	34,977.44	115,697.86	-
		Particulate matter (PM)	ton	1,880.70	6,539.63	6,347.45	-

Note:
- *ML = MegaLitre*
- *The target will be set based on prevailing trends for indicators that are without target*

PERFORMANCE : Additional Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024
WATER						
GRI 303-3		**Total water withdrawal from all areas by sources**				
		Total water withdrawal from all areas	ML	9,822	3,694,205	4,235,191
		Sources – Surface water				
		Freshwater	ML	–	3,230	2,389
		Other water	ML	–	–	–
		Sources – Seawater				
		Freshwater	ML	–	–	–
		Other water	ML	–	3,679,348	4,221,884
		Sources – Third-party water				
		Freshwater	ML	–	11,627	10,917
		Other water	ML	–	–	–
GRI 303-4		**Total water discharge to all areas**				
		Total water discharge to all areas	ML	–	3,684,109	4,225,957
		Total water discharge to all areas by category				
		Category – Freshwater	ML	–	4,762	2,389
		Category – Other water	ML	–	3,679,348	4,221,884
		Total water discharge to all areas by destination				
		Destination – Surface water	ML	–	3,230	2,389
		Destination – Seawater	ML	–	3,679,348	4,221,884
		Destination – Third-party water	ML	–	1,532	1,684
GRI 303-5	–	Water Intensity (Water consumption/Net Generation Output)	ML/GWh	–	0.127*	0.126

**Data reinstated due to formula revision*

Note:
- *ML = MegaLitre ; GWh = Gigawatt hour.*

Customer Experience and Satisfaction

We take great pride and consider it a privilege to serve our diverse customers our diverse customers with quality products and services, continuously seeking ways to enhance our customer experience. We are committed to providing reliable and affordable electricity supply to our 10.41 million customers.

The energy sector is undergoing a major shift where consumers are becoming key contributors to both energy generation and consumption. Leveraging emerging technologies, we empower customers with innovative solutions that foster the development of renewable energy and facilitate customers' energy transition journey through dynamic energy solutions such as rooftop solar, energy efficiency solutions, and Green Electricity Tariff. The rapid growth of Artificial Intelligence and cloud computing has significantly increased the need for data centres in this region that require reliable, sustainable, and fast-track energy supply. We continue to support and deliver power at scale and speed for data centres through our Green Lane Pathway initiatives.

The digital application, myTNB app, which connects to 7.26 million customers has strengthened customers' experience. Our annual Customer Satisfaction Index (CSI) recorded a score of 87% in 2024, maintaining top-quartile performance for ten (10) consecutive years. This consistent performance underscores our dedication to delivering outstanding services and exceeding customer expectations.

MANAGEMENT APPROACH

ELEVATING CUSTOMER EXPERIENCE

We enhance our customer-centric approach by delivering top-rated customer experience through four (4) communication channels: Click, Call, Come Over and Go Over. We empower customers with innovative solutions, such as the myTNB app, which provides real-time insights into energy consumption, supports energy efficiency, and facilitates their transition to renewable energy. At the same time, we continue to offer face-to-face appointments at our Kedai Tenaga for those who prefer in-person interactions, ensuring a seamless and personalised customer experience.

In September 2024, a new Kedai Tenaga Phygital Concept Store at Iskandar Puteri was established, leveraging technology to enhance interactive customer experience where customers can choose between face-to-face or digital interactions in their customer journey from supply application to account closure. At this store, customers experience an enhanced integrated environment that offers solutions such as energy efficient products and sustainability-related services.

DIGITALISING CUSTOMER SERVICES

Digital transformation is at the core of our strategy to enhance customer experience and contribute to sustainability. Our myTNB app and portal serve as a one-stop digital service hub, offering a comprehensive range of customer support features. Beyond simplifying customer interactions, the app and portal empower users to make informed energy choices, enabling them to collectively contribute to climate goals through more sustainable energy consumption. With over 7.26 million subscribers, representing around 70% of our customer base, the app and portal have strengthened our service delivery by providing greater convenience and control over energy usage.

Digital Enquiry

Customers can make enquiries or register service complaints, and receive prompt updates from myTNB app or other official TNB digital platforms.

e-Bill

Customers received e-bills instead of traditional paper bills, saving 60,000 trees, equivalent to around 120 acres, and resulting in annual savings of approximately 1,308 metric tons of CO_2 emissions.

myTNBiz

Digital hub for business customers with multiple accounts for bill viewing and bulk online payments.

We offer the following digital solutions to our customers:

Virtual Kedai Tenaga

myHome solution in myTNB app empowers customers to acquire services in Kedai Tenaga such as new connection, change of tenancy, and closing of account.

Virtual Energy Manager

Large Power Consumers can access real-time energy data that facilitates their appointed energy managers in data analysis, monitoring, benchmarking and advisory.

myTNB Energy Budget

Customers can set consumption thresholds and receive alerts, promoting more efficient energy use, along with detailed insights on carbon emissions per kilowatt-hour (kWh), empowering them to track their carbon footprint.

Enhancing Customer Interaction Through Strategic Social Media Platforms

Throughout 2024, TNB's social media platforms saw remarkable growth, with around an 8% increase in followership, reaching over 1.06 million users across various channels. This strong digital presence allows us to engage customers more effectively, using social media as a key tool to communicate our goals, explain regulatory changes, and promote greener lifestyles. By sharing content such as energy-saving tips, updates on renewable initiatives, and insights into energy efficiency, we increase public awareness and encourage active participation in the country's energy transition journey.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM7: Customer Experience and Satisfaction

TNB provides solar rooftop installations for our customers and has secured a cumulative capacity of 343MWp.

FACILITATING CUSTOMERS' ENERGY TRANSITION JOURNEY

We strive to provide various opportunities for customers to make informed decisions regarding renewable energy (RE) and energy efficiency such as:

01 Feed-in Tariff (FiT)

Customers in the FiT programme export RE produced to the national grid at a fixed price. In 2024, there are 9,480 Feed-in Approval Holders (FiAH) with a total installed capacity of 605.3MW.

02 Green Electricity Tariff (GET)

GET is a government initiative offering customers the chance to choose their electricity sources from renewable energy to reduce their carbon footprint. In 2024, 1,403 customers subscribed to GET, with a total annual consumption of 2,991GWh.

03 Net Energy Metering (NEM)

Customers export excess energy produced from their solar PV systems to the national grid. In 2024, 55,831 NEM participants make up a total installed capacity of around 1.5MW.

04 Supply Agreement for Renewable Energy (SARE)

Through its pioneering solution, the Supply Agreement for Renewable Energy (SARE), our subsidiary, TNBX Sdn. Bhd., has secured a cumulative capacity of 343MWp across 1,014 Solar PV projects. Seamless convergence billing and contracting services offered through SARE have attracted 110 Solar PV investors to adopt this solution in their Solar PV projects. This, in a way, assists to spur the growth of renewable energy adoption among commercial, industrial and government sectors in Peninsular Malaysia.

05 Energy Audit

TNB Energy Services Sdn. Bhd. conducts energy audits to identify opportunities for energy conservation and cost reduction across various sectors. The audit process involves preliminary data analysis, installation of data-gathering equipment, on-site inspections, and detailed reporting of findings, including recommended improvements.

06 Malaysia Green Attribute Trading System (mGATS)

mGATS, managed by TNBX Sdn. Bhd., was launched in May 2024 by PETRA. It serves as Malaysia's official marketplace for trading of Malaysia Renewable Energy Certificates (mREC) to support green customers in meeting their ESG commitments, particularly for Scope 2 GHG reductions.

07 Green Lane Pathway

We provide rapid energy deployment within 12 months for our customers through the Green Lane Pathway initiative and One-Stop Centre services. In 2024, TNB and Bridge Data Centres (BDC) signed the Electricity Supply Agreement (ESA) to provide a reliable and efficient 400MW power supply for BDC's upcoming hyperscale data centre in Johor. This project will also integrate renewable energy into its operations, enhancing sustainability while maintaining consistent power availability.

08 EV Charging solutions

TNB Electron EV charging stations provide more convenient and accessible EV charging infrastructure. EV users can easily locate and access these chargers via the GO TO-U mobile app, which had nearly 7,000 registered users in 2024.

EMPOWER CONSUMERS THROUGH ENERGY INNOVATIONS

Solar PV Rooftop

In addition to the above, our subsidiary GSPARX Sdn. Bhd. empowers consumers by encouraging them to become prosumers through self-generated electricity. GSPARX allows consumers to install solar PV at zero upfront cost and enjoy savings via self-consumption. In 2024, a total of 169MWp rooftop solar PV have been installed at government buildings, universities, commercial and industrial segments. With the aim of giving homeowners peace of mind and to ensure the longevity of their solar PV investments, TNBX Sdn. Bhd. offers SuriaShield as insurance coverage for residential solar PV which includes restoration services and compensation for income or savings loss during system breakdowns. In 2024, 621 policies subscribed to SuriaShield, benefiting from its tailored plans.

Solar Leasing

In September 2023, Sime Darby Property and TNB signed a Memorandum of Understanding (MoU) to advance renewable energy adoption through rooftop solar leasing. The partnership aims to install solar solutions for up to 1,000 properties in the City of Elmina and other developments, enabling residents to benefit from sustainable energy. Additionally, both parties explored integrating EV charging infrastructure and microgrid solutions to enhance energy efficiency within townships.

Building on this, in July 2024, the partnership progressed with the establishment of a joint venture to finance, develop and operate rooftop solar projects across Sime Darby Property's assets and townships. Initially, 14 assets were identified, with the potential to generate up to 4.5MW of solar capacity. This milestone reinforces Malaysia's push toward 70% renewable energy generation by 2050, offering customers sustainable energy solutions that enhance property value and support the nation's green agenda.

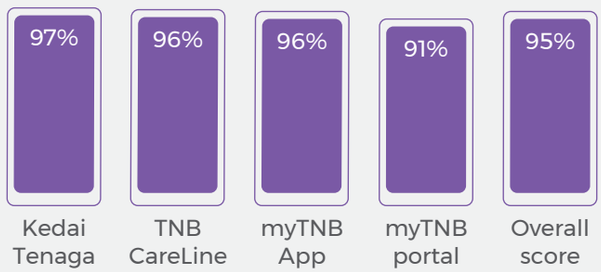
Community Energy Storage System (CESS)

TNBX Sdn. Bhd., in collaboration with Sime Darby Property, has introduced solar-powered homes at Elmina Ilham Residences, featuring solar rooftop installations and Community Energy Storage Systems (CESS). These homes allow residents to harness clean, renewable energy, reducing their dependence on the grid while providing significant savings on electricity costs. The integration of solar panels and energy storage solutions empowers homeowners to store excess energy and optimise consumption, further enhancing energy efficiency. Additionally, TNBX is innovating by repurposing electric vehicle (EV) batteries for home energy storage, lowering system costs and contributing to a circular economy for sustainable living. Moving forward, we plan to expand these solar solutions to other townships like Bandar Bukit Raja, Serenia City, and Nilai Impian, helping to create resilient, climate-adaptive communities across Malaysia.

ENHANCING CUSTOMER SATISFACTION

We are dedicated to ensuring a reliable electricity supply to our customers, meeting the Minimum Service Level (MSL) set by the Energy Commission. By adopting the Voice of Customer (VOC), we listen attentively to our customers and harness their feedback to drive satisfaction and continuous improvement. We remain committed to addressing and resolving enquiries and complaints received from customers and in 2024, 99.9% of enquiries and 99.4% of customer complaints were resolved.

Customer Experience Index (%)



Customer Satisfaction Index (%)

Number of Customers Subscribed to myTNB

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM7: Customer Experience and Satisfaction

OUR PERFORMANCE

PERFORMANCE : Bursa Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
GRI 418-1	C8(a)	**Total number of substantiated complaints received concerning breaches of customer privacy**					
		Total number of customer privacy complaints	Number	0	0	0	Zero complaints

PERFORMANCE : Additional Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024
–	–	**Results of surveys measuring customer satisfaction**				
		Customer satisfaction index	%	87	88	87
–	–	**Energy solution adoption by customers**				
		Rooftop Solar (GSPARX)				
		Cumulative rooftop solar capacity secured	MWp	45	105	503.95
		Cumulative total number of customers secured	Number	–	1,155	3,130
		Green Electricity Tariff (GET)				
		Number of customers subscribed per year	Number	–	2,753	1,403
		Total annual consumption	MWh	–	4,224,000	2,991,245
		Net Energy Metering (NEM) connected to TNB Peninsular Grid				
		Cumulative customers who are producer	Number	–	24,664	55,831
		Total Installed Capacity	MW	–	970.5	1,467.5
		Number of customers subscribed to myTNB				
		Number of customers subscribed to myTNB	Number	6,294,064	6,742,081	7,264,768

Note

- *MW = Megawatt ; MWp = Megawatt peak*
- *Additional indicators disclosed to support the narrative, and the target will be made available when necessary.*

MM 8

Community Development and Social Impact

Since our inception 75 years ago, we have been a part of nation-building, contributing to national and community growth. We believe that as a responsible organisation, it is a part of our responsibility to give back to the communities, providing opportunities for them to improve their lives and well-being.

We aim to drive progress with positive social impact to the community by allocating 1% of our Profit After Tax towards community development in social, education, environmental and sports. We continue to effectively engage with stakeholders to ensure our community development programmes create value and enhance social impact for responsible and sustainable growth. We are driven by our tagline “Better World. Brighter Lives.” towards brightening lives in Malaysia and beyond.

As a key driver of Malaysia’s Energy Transition, we are dedicated to a just and inclusive transition, ensuring no one is left behind.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM8: Community Development and Social Impact

MANAGEMENT APPROACH

In 2024, TNB invested over RM63 million in community programmes, strategically directed across four key focus areas: Social, Education, Environment and Sports. This dedicated funding underscores our commitment to making a positive impact on communities.

In FY2024, TNB has contributed RM0.5 million to Home for the Needy programme.

SOCIAL

Home for the Needy

Through our Home for the Needy programme, we have successfully provided 962 homes supporting 962 families, primarily from the B40 and underprivileged communities, including differently-abled individuals, senior citizens and single parents. In 2024, we continue to refurbish and build new homes for underprivileged families, an investment amounting to RM0.5 million.

Rural Electrification Programme

Through the Rural Electrification Programme (*Bekalan Elektrik Luar Bandar*) carried out in collaboration with the Ministry of Rural and Regional Development, TNB facilitates the electrification of rural regions, encompassing remote villages and indigenous people settlements. Where feasible, these areas are connected to the national grid. Otherwise, off-grid solutions are deployed including solar hybrids, generator sets and mini-hydro systems.

Village Street Lighting Programme

Since 2002, TNB has been collaborating with the Government in the Village Street Lighting programme, with the aim to illuminate public areas in remote villages, improving community safety. In 2024, a total of 14,210 units of village streetlights were successfully installed at a total cost of RM39.91 million.

Program Satu Pemimpin Satu Kampung (Santuni Madani)

The TNB's Group Executive Committee (GEC) members are empowered to further engage adopted villages to suggest solutions on socioeconomic problems in order to support infrastructure development and improve the well-being of the local community, aligned to the government's *Santuni Madani* programme. With its objectives of caring leadership, fostering sense of belonging and promoting sustainability engagements, TNB has contributed over RM31,000 by the end of December 2024 and will continue the effort beyond 2024.

Engaging Indigenous People (Orang Asli)

TNB actively engages with Orang Asli communities living near our operation sites and implements targeted initiatives to improve their well-being and socioeconomic conditions and address grievances. Specifically for resettled Orang Asli communities, a variety of community engagement activities and resilience-building programmes are implemented to promote community cohesion and well-being, including:

01 Income Restoration and Upliftment: Providing land for rubber and fruit plantations, alongside training for upskilling and reskilling to enhance productivity and employability.

02 Housing: Providing new houses of approximately 800 square feet per house.

03 Infrastructure and Amenities: Providing essential infrastructure including electricity supply, healthcare facilities, clean water supply, and schools.

04 Grievance Management: Engagements to address grievances are held regularly to ensure timely responses to concerns raised.

At the Nenggiri Hydroelectric Project site, the Social Impact Management Plan (SIMP) and Resettlement Action Plan have been initiated for the benefit of approximately 243 households comprising more than 1,200 individuals. These plans include physical development cost of resettlement area, cash compensation, and resettlement management costs, which currently amount to over RM59 million. TNB also invests over RM3.5 million in social impact and skills development programmes focusing on job and skills training, including financial literacy and other soft skills programmes for the Orang Asli communities.

EDUCATION

We aim to transform individuals and their families through the power of education by promoting accessible, high-quality educational opportunities and by educating Malaysians on their role in managing energy efficiently.

***Ceria Ke Sekolah* Programme (CKS)**

Annually, we organise the CKS programme to provide primary school students from low-income families with adequate school supplies such as school uniform, school bags and shoes. In 2024, we contributed RM0.7 million to this programme, which benefited 6,640 students.

Yayasan Tenaga Nasional (YTN)

At YTN, we sponsor students at the higher education level, both locally and internationally, through scholarships and convertible loans. In 2024, we contributed over RM41.5 million to support 1,582 students, with a particular focus on those from the underprivileged group through the My Brighter Future (MyBF) programme.

Better Brighter Internship

TNB offers internship opportunities to students from higher learning institutions, providing them with valuable workplace exposure, thereby enhancing their employability upon graduation. In 2024, a total of 559 students interned in TNB and 2 were eventually employed by TNB.

Graduate and Apprentice Programmes

We have been driving talent development through our PROTÉGÉ – Ready to Work Programme, which aims to tackle two key challenges in the country: reducing graduate unemployment and developing a skilled workforce for Malaysia's growing energy sector. This initiative is implemented through a hybrid learning model that combines theoretical knowledge with practical application. Since the launch of the SL1M/Protege programme at TNB back in 2011, a total of 6,610 trainees have been successfully trained, of which 546 trainees have been absorbed into TNB and its subsidiaries. Under the PROTEGE Phase 8 intake (spanning between December 2022 till July 2024), TNB has trained over 500 trainees. TNB's commitment and achievement in supporting this nation building initiative was recognised by Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP) Malaysia.

Cultivate Sustainability and Environmental Awareness Among Youth

TNB in collaboration with Universiti Tenaga Nasional (UNITEN), co-organised the "*Debat Alam Sekitar*" organised by the Department of Environment Ministry of Natural Resources and Environmental Sustainability, a debate competition involving higher education institutions across Malaysia. The debate competition enabled students to engage in meaningful discussions on pressing environmental challenges supported by data and research, enhancing their understanding and commitment to sustainability.

Commemorating our 75th anniversary, we launched a sustainability-themed video competition titled "Sustainability Superheroes: Your Journey, Our Future". University students participated in this competition, which aimed to raise awareness on sustainability practices. Participants were encouraged to showcase innovative ideas, personal contributions, or community-driven projects that promote ESG values.

Our involvement in these events underscores our dedication to cultivating environmental awareness among youth, fostering a new generation of environmentally conscious leaders.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM8: Community Development and Social Impact

Malaysia Energy Literacy Programme (MELP)

One of MELP's key achievements was the Energy Literacy elective modules at universities. The modules are part of a pioneer programme driven by the Project Management Office (PMO) MELP in collaboration with Universiti Tenaga Nasional (UNITEN) and Universiti Kebangsaan Malaysia (UKM) professors. The development of the content was also conducted in collaboration with Energy Commission (EC) and TNB's Subject Matter Experts (SMEs) from respective divisions, departments and PMO. These elective modules were successfully onboarded at six (6) universities UNITEN, UKM, Universiti Malaysia Kelantan (UMK), Universiti Teknologi Malaysia (UTM), Universiti Malaysia Perlis (UniMAP), and Universiti Utara Malaysia (UUM)). We also collaborated with Federation of Malaysian Consumers Associations (FOMCA) to focus on a smart and sustainable living campaign under the MELP programme. In 2024, the campaign targeted 25 schools and 35 communities across Peninsular Malaysia.

In 2024, we collaborated with Ministry of Energy Transition and Water Transformation (PETRA) and Yayasan Hijau Malaysia, to launch the Green Guardian Centre at the National Science Centre. The centre aims to nurture our youth in using energy wisely and provide them with knowledge of energy efficiency, renewable energy and energy generation.

ENVIRONMENT

In 2024, our contributions to environmentally related corporate responsibility programmes amounted to RM1.76 million, with the aim of creating a lasting positive impact on the ecosystems and communities we serve. Through our My Brighter Green Programme, we target to plant 40,000 trees annually, covering around 89 acres and sequestering about 1,600 tCO_2e. Our progress is monitored through a centralised tree planted registry. In 2024, we planted a total of 49,214 trees, sequestering about 1,900 tCO_2e.

In addition to tree planting, we embark on various initiatives such as:

01 Restoring degraded forests in collaboration with the Malaysian Nature Society and Bentong Forestry Department through joint tree-planting programmes, enhancing forest cover and biodiversity.

02 Protecting endangered species by working with NGOs such as Sahabat Alam Sungai Tampik to protect endangered tree species and overall forest health.

03 Fostering innovation in collaboration with the Forest Research Institute Malaysia (FRIM) by supporting research and development in sustainable forestry practices.

04 Combating plastic pollution in partnership with the Department of Environment through beach clean-up activities and restoring the beauty of coastlines such as Pantai Desar.

SPORTS

Energising Malaysian Hockey Development

TNB is the driving force behind hockey development in Malaysia and we are proud to have shaped many national hockey players with world-class standards. We foster national hockey development through the TNB Thunderbolts programme, which is aimed at nurturing high-potential youth between the ages of 13 and 17 to become future stars in the game.

In 2024, our contributions to hockey development amounted to RM5.86 million, which includes RM4 million sponsorship to the Malaysian Hockey Confederation (MHC), RM0.5 million for the TNB Thunderbolts programme and RM0.33 million for *Sumbangan Peralatan & Klinik Hoki*. TNB employees who were former national hockey players volunteered to coach promising students from selected local schools. Coaching programmes such as the *Pembangunan Klinik Hoki Remaja Negara* and *Kem Bakat Hoki 2024* were conducted with selected schools and clubs in Kelantan, Negeri Sembilan, Kuala Lumpur, Johor and Sabah, which benefited approximately 100 teachers and 600 students.

TNB championed TNB Malaysian Hockey League (MHL) 2024.

OUR PERFORMANCE

PERFORMANCE : Bursa Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
Community Development & Social Impact							
GRI 203-1	**Total number of beneficiaries of the investment in communities**						
	C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM million	12.2	99.04	63.78*	1% from PAT
	C2(b)	Beneficiaries of investment in communities	Number	-	6,635	79,581**	-

** The total amount invested to the community has included educational support from YTN and UNITEN to the children of TNB employees (238 beneficiaries, amounting approximately RM7.4 million). Additionally, the educational support for FY2024 refers to the actual amount invested instead of the total amount awarded to the scholars for that year.*

*** The beneficiary data for FY2024 reflects the total number of beneficiaries, rather than group beneficiaries as reported in FY2023.*

Sustainable & Responsible Supply Chain

In our commitment to driving a sustainable future, our procurement and supply chain approach focuses on embedding responsible, transparent, and ethical practices across the entire supply chain ecosystem. We have embarked on a sustainable supply chain approach that goes beyond traditional procurement, emphasising sustainability at every stage. We endeavour to apply a rigorous Environmental, Social and Governance (ESG) lens to all our operations, ensuring that we create lasting value while minimising negative impacts.

Guided by the TNB Procurement & Supply Chain Policy & Procedure, we continue to pursue best-value procurement practices that uphold ethical and transparent standards for our vendors, partners, and contractors. Through the TNB Code of Business Ethics (COBE) and the TNB Sustainable Procurement Code of Conduct (SPCC), we maintain a strong commitment to ethical dealings that support a fair and responsible supply chain.

In 2024, we continued to advance our sustainability journey by promoting environmental stewardship, social responsibility and robust governance throughout our supply chain. Our efforts contribute to building a resilient, inclusive and sustainable future for Malaysia and beyond.

MANAGEMENT APPROACH

In 2024, TNB recorded a substantial procurement expenditure of approximately RM36.37 billion, reflecting a consistent trajectory and underscoring our role in supporting Malaysia's economy.

Our procurement spend includes:

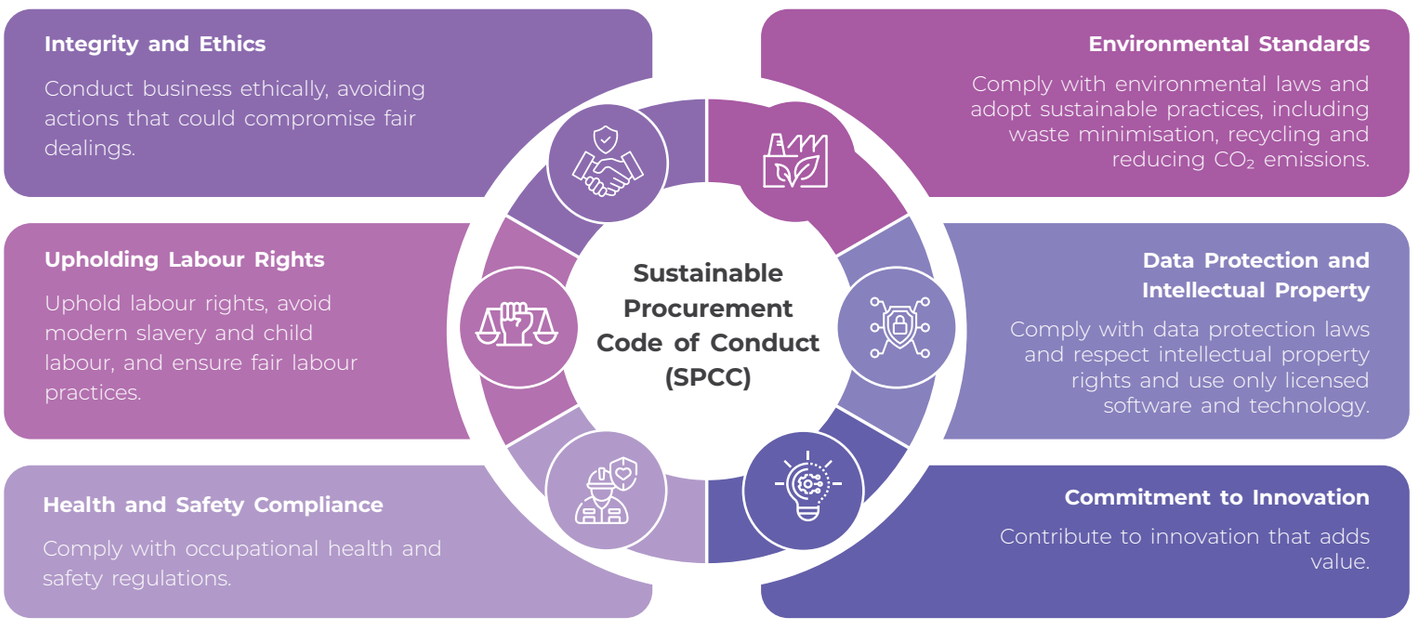
- Fuel-Related Expenditures: Approximately RM23.2 billion of our spend was dedicated to fuel, primarily locally sourced natural gas and internationally sourced coal, which are essential for power generation. By balancing local and international sources, TNB ensures a reliable energy supply to meet the nation's demands.
- Non-Fuel Expenditures: Non-fuel procurement spending amounted to RM13.15 billion, with around 95% sourced from local suppliers. This local focus reinforces our dedication to supporting Malaysian businesses across various industries and enhances the resilience of our supply chain.

Our commitment to local sourcing is reflected in 52.81% of our total procurement spend in 2024. This strengthens the Malaysian economy and aligns with our goal of building a supply chain that benefits local communities and businesses.

SUSTAINABLE PROCUREMENT CODE OF CONDUCT (SPCC)

The TNB Sustainable Procurement Code of Conduct (SPCC), introduced in 2024, outlines a framework for ethical and responsible procurement practices, setting standards that vendors must adhere to. Any non-compliance could lead to penalties, including contract suspension or termination. By setting clear guidelines for environmental responsibility, labour rights and health and safety standards, SPCC ensures our vendors meet ethical requirements and our commitment to TNB's ESG goals.

Code of Conduct for Vendors



Whistleblowing and Grievance Reporting

The SPCC includes provisions for whistleblowing, allowing vendors and employees to report unethical practices anonymously. TNB ensures the confidentiality of whistleblowers and actions are taken accordingly.

FACILITATING OPEN DIALOGUES AND GRIEVANCE MANAGEMENT

TNB fosters open, transparent, and effective communication with key stakeholders and vendor associations including *Persatuan Rakan Niaga Strategik Malaysia* (PERNISMA), *Persatuan Usahawan Tenaga Malaysia* (PUTM), *Gagasan Profesional Melayu Malaysia* (GPMM), *Persatuan Industri Tenaga Boleh Baharu dan Alam Sekitar* (PINTARE) through various channels. These include face-to-face engagements such as the Business Partnership Retreat and Opportunity Day, Procurement Cycle Digitalisation (PCD) Rangers for e-tendering support and the *Sistem Maklum balas Bahan* platform. Regular Vendor Satisfaction Surveys are conducted as feedback for Vendor Grievance Management.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM9: Sustainable & Responsible Supply Chain

Furthermore, our commitment to accountability is evident in our enhanced Vendor Grievance Procedure, which ensures a streamlined, centralised approach to handling grievances that allows for anonymous reporting to uphold impartiality and integrity.

Vendor Grievance Management

The Vendor Grievance Management aims to uphold integrity, fair labour, and sustainability within the supply chain by providing clear steps for addressing grievances and promoting transparency. It is guided by TNB's core values, such as integrity, professionalism, and collaboration, ensuring a respectful, accountable, and open environment for vendors and stakeholders. The vendor grievance procedure includes accessible grievance channels, a dedicated committee for fair evaluation, and ongoing support for vendors to drive continuous improvement and uphold ethical standards.

VENDOR COLLABORATION ECOSYSTEM

Together with our vendors, we collaborate to strengthen the supply chain ecosystem towards greater transparency and efficiency. This includes enhancing vendor performance and capabilities, and facilitating open dialogue.

Enhancing Vendor Performance

The Contractor Assessment and Supplier Evaluation (CASE) system facilitates transparent evaluation of vendor performance, helping vendors to continually improve in providing quality products and services. This commitment to excellence strengthens our partnerships and supports a culture of continuous improvement throughout our supply chain.

Elevating Vendor Capability Training and Development

TNB is committed to equipping our vendors with the knowledge and skills necessary to remain relevant and competitive in an evolving industry landscape. By offering a range of targeted training and development programmes, we support through programmes that build capabilities and aligning them to our stringent quality and safety standards.

These programmes include competency certification schemes such as *Orang Kompeten Suruhanjaya Tenaga*, technical competencies such as *Kad Kelayakan Teknikal* and ESG awareness and training.

Creating Opportunities for Local Vendors

We recognise our role in bolstering the local value chain ecosystem. In 2024, we continue to promote business matching activities to offer opportunities for new business and collaboration.

- **Data analysis & matching:** Through open advertisement, we identify potential vendors with sound prospects and strong track records who are assessed and matched to identified opportunities.
- **Matchmaking events:** TNB organises and participates in matchmaking events that expand our supplier base and fosters new partnerships, including small and medium-sized enterprises (SMEs). These initiatives promote opportunities for local suppliers to be integrated into the value chain, contributing to economic growth and social impact.
- **Stakeholder collaboration:** We work closely with industry associations, government-linked companies, and relevant stakeholders to engage with suppliers who are dedicated to responsible business practices and sustainable growth.

Creating Opportunities for our Local Vendors through Bumiputera Vendor Development Programme 3.0 (PV 3.0)

TNB's vendor development programme has been in place since 1994. After more than 30 years of implementation, it has been reviewed, in line with the NETR and the Government's Bumiputera economic agenda. Subsequently, the existing programme was enhanced by introducing a new framework to support TNB's business needs in the energy transition landscape and to realise the Government's aspiration in driving the Bumiputera Economic Transformation Plan 2035 (PuTERA35).

This programme comprises 731 Bumiputera Contractors, and 26 manufacturers (operating under the Bumiputera Spend Share Policy), further reinforcing our dedication to economic inclusivity and supporting the national Bumiputera Spend Share initiative.

The PV 3.0 plays a vital role in driving Bumiputera participation in the energy sector in alignment with NETR (National Energy Transition Roadmap), offering opportunities in energy transition, green technologies and digital solutions. With a local procurement target to steadily increase from 47.8% (in 2024) of total TNB procurement spending to 55% by 2030, PV 3.0 aims to foster long-term market growth and create more than 1,700 Bumiputera vendors by 2030.

TNB is dedicated to enhancing the competitiveness of Bumiputera contractors by facilitating joint ventures with high-tech companies, supporting participation in international trade missions, and providing a comprehensive platform under PV 3.0 that encourages business expansion and skill development. TNB assists vendors to access green financing and collaboration opportunities in flagship projects within the energy sector, while driving innovation and technological advancements.

Through these efforts, TNB ensures that the Bumiputera economic agenda remains aligned with the principles of the MADANI Economy, promoting sustainability through NETR, encouraging innovation, and fostering inclusive development with programmes such as TVET Learn To Work.

ENHANCING SUPPLY CHAIN EFFICIENCY THROUGH DIGITALISATION AND INNOVATION

We recognise digitalisation as a crucial enabler in transforming our supply chain for enhanced efficiency, resilience and sustainability. Digitalisation allows us to respond more effectively to changing market demands, optimise inventory management and reduce lead times.

Digital Tool	Features	Outcome
Procurement Connected Planning (PCP)	Centralised demand planning	Greater visibility on price competitiveness and facilitates data analytics
Robotic Process Automation (RPA)	Automate high-volume orders within a short lead time & distribution of orders by geographical locations	Efficient management of high-volume procurement and orders by geographical locations
Procurement Cycle Digitalisation (PCD)	End-to-end procurement system	Trackability and visibility across supply chain
e-Commerce Platforms (Lapasar, MyB2B and RS Puma)	As an alternative purchasing platform	Reduces lead time from ordering to delivery
Contractor Assessment and Supplier Evaluation (CASE)	Centralised review and feedback on vendor performance	Enhances vendor performance
***Sistem Maklum balas Bahan* (Material Feedback System)**	Two-way communication platform for reporting defects, warranty issues, and product feedback	Enhances supplier partnership

OUR PERFORMANCE

PERFORMANCE : Bursa Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target 2025
Supply Chain Management							
GRI 204-1	C7(a)	Percentage spent on local suppliers	%	95.10%***	46.45%**	52.81%*	>35%

* *Year 2024 data disclosed are based on spends under the scope of TNB Group which includes fuel purchases.*
** *Year 2023 data disclosed based on spends under the scope of TNB Group, including fuel purchases. All internal spends between TNB Business Entities are excluded.*
*** *Year 2022 data disclosed based on spends under TNB company and subsidiaries TPGSB, Retail Division and TNB Renewables SB. All fuel-related purchases were excluded. The data also included internal spends between TNB Business Entities*

PERFORMANCE : Additional Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024
Supply Chain Management						
-	-	Total spend on local suppliers	RM billion	10.38	17.18	19.21
-	-	Number of local vendors	Number	3,618	3,632	3,639

Cybersecurity Management

Digitalisation is a catalyst in enabling our energy transition journey, and is rapidly gaining importance in our operations, assisting us in enhancing customer and employee experiences. As cyber threats increase in sophistication, frequency and impact, we continue to act with an integrated approach, leveraging people, technologies and processes to reduce our cyber risk exposure. To this end, we ensure that we safeguard our Information Technology (IT) and Operational Technology (OT) systems, protecting customer privacy and stakeholders' data, while providing a reliable and secure electricity supply to the nation.

We diligently conduct risk assessments to foresee exposures related to cyber threats and data security. With the oversight of TNB BOD and commitment from the management, mitigation measures are implemented to address exposures.

Our cybersecurity management is developed to protect system and data confidentiality, integrity and availability in addition to securing our IT and OT systems. Apart from implementing initiatives to safeguard the data privacy of our 10.41 million customers, we comply with the relevant cybersecurity and personal data protection laws, and industry best practices.

MANAGEMENT APPROACH

Our cybersecurity management for Information and Communications Technology (ICT) adheres to the TNB ICT Security Policy and Code of Practice, ensuring all employees understand their roles in protecting our ICT assets. Through 24-hour cyber threat monitoring, we safeguard the security of the national grid to ensure a reliable electricity supply. Our key installations and data centres are certified under ISO/IEC 27001 Information Security Management System (ISMS), and we implement IEC 62443 best practices for OT cybersecurity in our control systems.

We maintain Payment Card Industry Data Security Standard (PCI-DSS) certification to secure our payment gateways and card transactions. Our business leverages cloud services for enhanced scalability and accessibility, with all service providers required to comply with key national standards including ISO/IEC 27017, ISO/IEC 27018, and Service Organisation Control Type 2 (SOC 2).

CYBERSECURITY RISK ASSESSMENT

TNB's cybersecurity framework adopts a strict no-ransom policy and implements defence measures through 2025. The initiative includes enhanced business continuity planning and international security standards compliance. Key measures include coordinating with the Energy Commission on cybersecurity guidelines, conducting system-wide risk assessments, and reviewing remote access protocols. The Risk Management Department oversees updates on cybersecurity operating model, digitalisation strategies, and ransomware mitigation strategies among others, while the Legal Services Department assesses Malaysia's Cyber Security Act 2024 against global benchmarks. TNB plans to achieve ISO/IEC 27001 certification across its ICT operations and will undergo thorough IT and OT security audits. TNB will also develop detailed contingency plans and crisis communication protocols.

In addition to our 24-hour cyber threat monitoring, the following measures prioritising cybersecurity are undertaken:

01 Enhance cybersecurity situational awareness through threat intelligence

02 Adopt cybersecurity risk assessment protocols for both IT and OT systems

03 Annual cybersecurity resilience assessments of TNB's key installations conducted by the *Jawatankuasa Pemeriksaan Keselamatan Sasaran Penting* under the leadership of the Malaysia Office of the Chief Government Security Officer (CGSO)

04 Group-wide effort to classify data according to criticality and sensitivity levels

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

MM10: Cybersecurity Management

CYBERSECURITY AWARENESS THROUGH TRAINING

Cybersecurity awareness programmes are implemented across the Group through multiple learning modalities, including e-learning modules, newsletters, and hybrid engagement sessions. Employees across all organisational levels are equipped with knowledge of cybersecurity risks and mitigation strategies. This educational framework extends beyond internal stakeholders to encompass contractors and vendors, ensuring a uniform approach to cybersecurity awareness across our entire operational ecosystem.

DATA PROTECTION MANAGEMENT

TNB is committed to safeguarding data subjects' personal data in accordance with the Personal Data Protection Act 2010 (PDPA), Personal Data Protection Code of Practice for The Utilities Sector (Electricity) Version 2.0 and other relevant internal policies, guidelines and circulars for the processing and handling of data subjects' personal data. Additionally, TNB places a high priority on personal data protection, ensuring that our customers personal data is managed with the utmost care and in full compliance with the relevant laws and regulations including a comprehensive Personal Data Protection (PDP) Policy. The PDP Policy is also applicable to TNB's subsidiaries.

CUSTOMER DATA MANAGEMENT OUR PRIORITY

We facilitate customer data management through Data Access and Correction Request Forms, whereby our customers can easily make requests to access or rectify their personal data in the event of any inaccuracies. A structured data retention framework is implemented, aligned with corporate policies and contractual agreements, whereby data is maintained only for the duration necessary to protect stakeholder interests whilst ensuring compliance with legislative requirements.

In addressing the demands of global digital integration, we implement security protocols, including identity verification mechanisms to safeguard customer privacy within TNB's ecosystem. We maintain stringent controls over international data transfers to external entities, including our service providers and business partners. These external entities are bound by contractual obligations that mandate equivalent data protection standards and restrict data utilisation exclusively to agreed-upon services.

TNB via its Cyber Security Operating Model (CSOM) has taken proactive and reactive measures in safeguarding our data from breaches or leakages via robust data governance such as the Enterprise Data Governance (EDG) initiative, emulating best practices through international certifications (ISO27001 and PCI DSS), technology controls and 24x7 strict monitoring by our Security Operation Centre (SOC). However, in the event of data breach or leaks, our incident response plan will ensure that TNB can swiftly contain the incident and protect the affected entities involved.

TNB practices a strict onboarding and offboarding policy for employees and contractors, guided by international cybersecurity standards, i.e. National Institute of Standards and Technology (NIST). We adopt best practices and leverage on advanced technology to ensure secure onboarding and offboarding experience for our employees and contractors.

TNB maintains continuous PDPA compliance through systematic implementation of regular training programmes and awareness sessions across TNB and its subsidiaries. Annual observational audits of personal data protection practices are conducted at designated premises to ensure adherence to the PDPA. Additionally, TNB also implements PDPA e-learning initiative with the identified business units in TNB based on operational needs.

TNB actively engages with the Personal Data Protection Commissioner's Office (PDP Commissioner's Office) to establish good working relationships, seek guidance and actively participate in discussion. TNB also proactively provides comprehensive feedback on the PDPA amendments and Public Consultation Papers issued by the PDP Commissioner's Office. This collaborative relationship facilitates informed guidance and strategic direction for personal data protection initiatives.

For any enquiries or concerns regarding the administration of customer personal data related to electricity supply, we encourage our customers to reach out to our dedicated Customer Care team. Additionally, for matters related to TNB PDP Policy, our designated Data Protection Officer team is readily available to address any concerns.

OUR PERFORMANCE

PERFORMANCE : Bursa Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target 2025
Data Privacy and Security							
GRI 418-1	Total number of substantiated complaints received concerning breaches of customer privacy						
	C8(a)	Total number of customer privacy complaints	Number	0	0	0	Zero complaints

MM 11

Labour Rights and Employment Culture

At TNB, we are committed to fostering an inclusive and supportive work environment that upholds equal opportunities and professional growth for all employees. Through our Reimagining Culture initiative, we define our core values of Integrity, Collaboration, Professionalism, Customer Centricity, Forward-Thinking, and Mindfulness. Our comprehensive Labour Rights Policy Statement ensures fair wages, safe working conditions, and robust protections against discrimination and harassment. We prioritise continuous learning, comprehensive training and career advancement to fully realise the potential of our workforce. By embracing diversity and inclusion, we drive innovation and sustainable growth, ensuring that employee concerns are promptly addressed through regular feedback and transparent communication. Together, we strive to create a thriving and dynamic workplace.

SUSTAINABILITY DISCLOSURES ON MATERIAL MATTERS

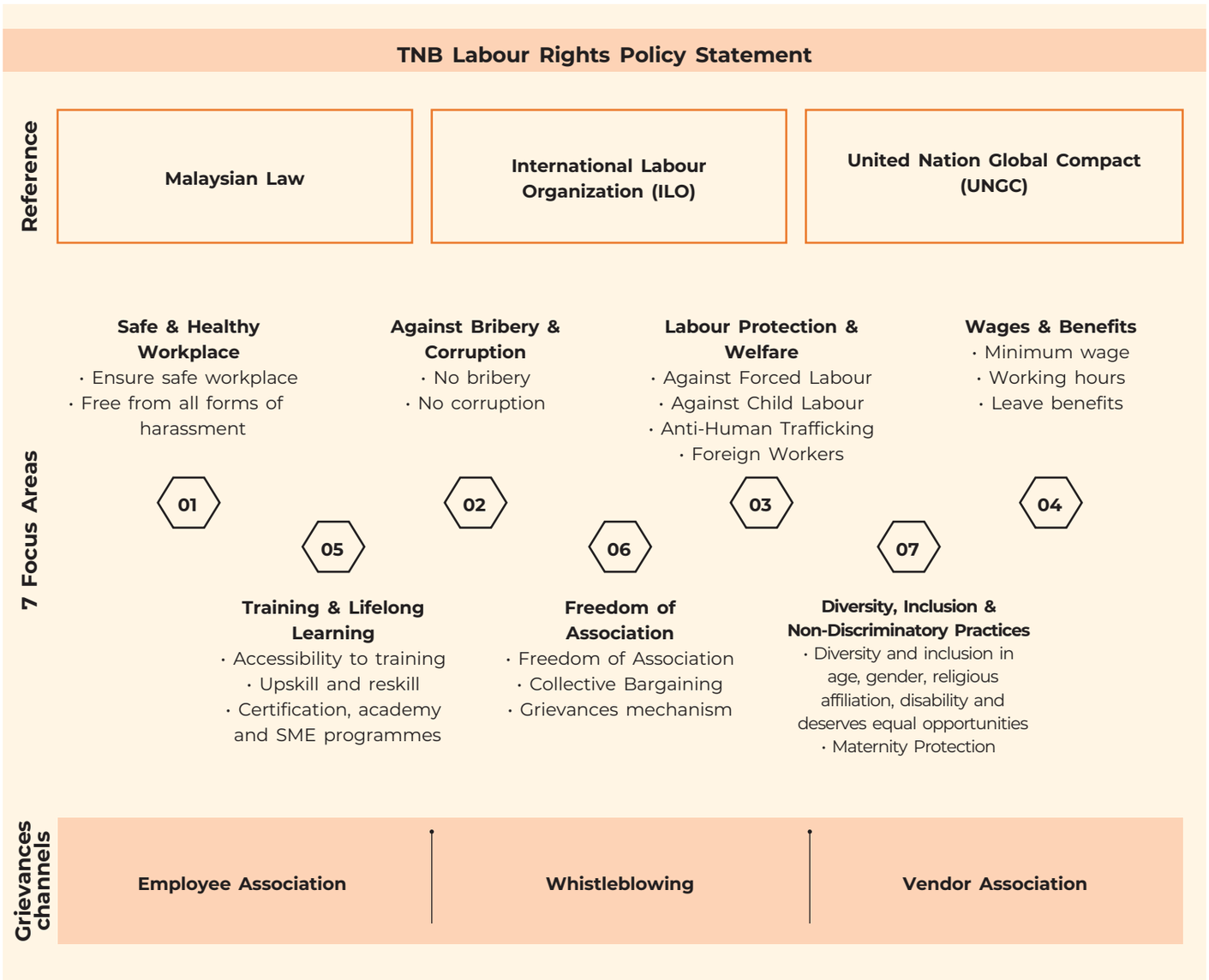
MM11: Labour Rights and Employment Culture

MANAGEMENT APPROACH

TNB LABOUR RIGHTS PRACTICES

Human rights principles are integrated into our labour rights practices, aligning with the United Nations Global Compact (UNGC) guidelines. We are dedicated to fostering a workplace with equal opportunities, mutual respect, and employee growth, ensuring fair labour practices, diversity, inclusion, and workforce well-being. By adhering to Malaysian laws and international standards from the International Labour Organisation (ILO) and UNGC, TNB upholds labour rights, promotes safe working conditions, and prevents discrimination. Labour rights is one of the Key Focus Areas (KFA) in TNB sustainability framework, with oversight by the TNB's Board Sustainability and Risk Committee (BSRC).

The TNB Labour Rights Policy Statement outlines our commitment, encompassing seven focus areas. This Labour Rights Policy Statement applies to all TNB employees and vendors through the SPCC, with grievance channels available to address labour rights issues. TNB's Group People Division leads centrally in adopting, producing guidelines and implementing labour rights initiatives in TNB for employees and TNB's Procurement & Supply Chain (P&SC) Division continues to encourage vendors to uphold labour rights as per SPPC. The policy is communicated globally to all TNB employees.



Key Elements in the TNB Labour Rights Policy Statement

Focus Area 1 **Safe and Healthy Workplace**

We adopt a zero-tolerance policy towards any form of discrimination and harassment in the workplace, ensuring a safe work environment for all. Our Occupational Safety and Health Policy emphasises continual improvement in safety performance, compliance with relevant laws, and the incorporation of safety requirements in all work activities.

Refer to MM5 Safety, Health and Well-Being page 99-104

Focus Area 2 **Against Bribery and Corruption**

Our organisational Anti-Corruption Plan reflects this commitment by promoting a transparent and ethical culture throughout our operations. We prohibit bribery in all forms and require all personnel to act with integrity.

Refer to MM1 Responsible Business and Financial Performance page 69-74

Focus Area 3 **Labour Protection and Welfare**

Any form of human trafficking, slavery, child labour and forced labour is prohibited. We ensure that all our operations comply with applicable laws and regulations related to labour protection and welfare rights.

Focus Area 4 **Wages and Benefits**

We ensure compliance with working hours, uphold minimum wage rates and provide paid leave in line with relevant laws, supporting a healthy work-life balance. Our comprehensive benefits package includes public holidays, annual leave, sick leave, maternity and paternity leave and additional leaves for various occasions.

Focus Area 5 **Training and Lifelong Learning**

The TNB Learning & Development Policy aims to create a learning organisation that evolves with business needs and global trends, aligning learning initiatives with our strategic objectives and promoting lifelong learning. The policy emphasises digital learning with the establishment of academies for practical development, ensuring agility and responsiveness to organisational needs.

Focus Area 6 **Freedom of Association**

We uphold the rights to freedom of association and collective bargaining, empowering employees to engage in organised activities for mutual support and representation. Our three registered unions and two workers' associations protect the rights of both executive and non-executive employees, as specified in the TNB Collective Agreements (CA).

Focus Area 7 **Diversity, Inclusion and Non-Discriminatory Practices**

Our policies protect against unfair dismissal and provides equal remuneration for men and women, maintaining a 1:1 salary ratio. The TNB Diversity Policy promotes diversity and inclusivity in TNB, fostering a diverse workplace irrespective of age, gender, race, religion, nationality, background or prior experience.

In 2024, women in senior management roles was at 24%, and executive roles was at 41%. Additionally, 36% of TNB's identified successors are women, reflecting our commitment to fostering gender diversity and inclusivity within leadership pipelines. This milestone underscores TNB's dedication to creating equal opportunities, promoting a balanced workforce, and driving sustainable growth through diverse perspectives.

In enhancing gender, race and religion inclusivity, TNB has established policies on religious/pilgrimage leave for all employees regardless of race and religion and has expanded the medical benefit coverage for spouses of female employees.

TNB GRIEVANCE MECHANISM

We take labour rights issues seriously and provide accessible grievance and whistleblowing channels to address concerns related to our employees and vendors on broader business activities. Employees, vendors and other stakeholders can report violations such as fraud, bribery, corruption, and labour rights abuses through our grievance channels.

Grievances can be submitted in writing or through the Whistle Blowing Information System (WBIS), calling the toll-free number, or emailing the designated officials. For employees, if grievances remain unresolved within seven working days, the issues can be escalated to their immediate manager. For vendor grievance

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channel, processing time depends on severity level, whereby low to medium level will require not more than 90 days, and high level will require not more than 120 days. In 2024, there were no substantiated complaints regarding human rights violations, reflecting our commitment to resolving grievances fairly and promptly.

STRATEGIC CAREER DEVELOPMENT AND LEADERSHIP PROGRAMME

TNB Leadership Development Framework

The TNB Leadership Development Framework is a dynamic, forward-thinking strategy designed to support our business goals by ensuring a continuous pipeline of successors, now enhanced with digital leadership competencies. It emphasises experiential leadership development through coaching and mentoring, promoting both professional and personal growth.

We have enhanced our leadership programme to cultivate world-class leaders across all executive levels from new recruits to the C-Suite through flagship development programmes offered at the TNB Leadership Development Centre. In 2024, two Managing Directors of our subsidiaries participated in external peer coaching and four high-potential employees received coaching for C-Suite positions. Our Top Talent Development programme identifies future leaders, with three participants joining premium leadership programme at renowned business schools such as the Institut Européen d'Administration des Affaires (INSEAD) and South East Asia Leadership Academy (SEALA).

The Transitional Leadership Programme, tailored for newly promoted supervisors, managers and senior managers is divided into three categories: Supervisor Development Programme (SDP), First-Time Manager Programme (FTM), and Senior Manager Transition Programme (SMTP). The primary goal is to help our new leaders to understand key leadership skills, engage effectively with teams, and inspire a high-performance culture. In 2024, 246 managers completed the FTM as part of their leadership journey. We are currently in the midst of reviewing other leadership transition programmes, such as the SDP and the SMTP, aimed to kick off in FY2025 to ensure alignment with our aspiration towards RT2.0. These reviews aim to enhance the development pathways for leaders across all levels, fostering resilience, adaptability, and future-ready leadership capabilities.

Succession Management

In 2024, TNB enhanced its succession management framework, creating a more robust system that surfaced a larger pool of successors and ensured 90% of current critical positions have ready- now successors. This progress highlights TNB's commitment to leadership continuity, talent development, and long-term organisational resilience, aligning with our sustainability goals to drive innovation and deliver stakeholder value.

Employee Performance and Career Development Reviews

TNB has developed an integrated and continuous performance management approach, encompassing performance planning, monitoring, and evaluation to align individual KPIs with business requirements and drive a culture of performance excellence. Performance conversations are crucial throughout this cycle, with structured discussions between managers and subordinates occurring at least four times annually. These conversations help employees strive for continuous improvement and measure progress. In 2024, all TNB employees received regular performance and career development reviews, reinforcing our commitment to fostering a high-performing culture.

CAPABILITY BUILDING

Through structured learning and development programmes, we ensure our workforce remains skilled and adaptable to navigate the evolving energy landscape. TNB Integrated Learning Solutions Sdn. Bhd. (ILSAS), which serves as TNB's training institute, trains professionals within the broader power and utility industry. ILSAS is accredited by the Energy Commission, with various technical programmes recognised by City & Guilds UK and leadership modules accredited by the Institute of Leadership & Management (ILM) UK.

Development of technical and functional skills are embedded in each employee's learning journey and academies have been established to build specific capabilities such as power generation and distribution network.

Our capability development approach is built on 70% on-the-job experience, 20% exposure, and 10% formal training. The 70:20:10 learning approach supports flexible and dynamic learning interventions. In 2024, we achieved an Organisational Competency Index (OCI) of 88%, reflecting the organisation's strong commitment to building a capable and skilled workforce. This accomplishment is supported by our extensive training initiatives, which engaged 26,678 employees in various development programmes over the year, resulting in a total of 1,346,477 learning hours.

Additionally, TNB through Chief People Officer serves as Chairman in Heads of ASEAN Power Utilities/Authorities (HAPUA) Working Group No. 5. The working group focuses on driving collaboration on human resource and human capital development initiatives with ASEAN counterparts. Programmes conducted in 2024 include personnel exchange amongst utilities and collaboratively organise bilateral training programmes.

Professional Certifications

The technical competencies of our workforce are crucial for advancing our business operations. Our employees actively pursue relevant professional certifications prioritising compliance with regulatory requirements such as the Energy Commission Competent Person and Department of Occupational Safety and Health (DOSH) Competent Person.

Extended Study Programmes

We provide our employees with opportunities to further their academic studies through sponsorships for both undergraduate and postgraduate programmes, including a dedicated Employee Academic Development Programme. From 2021 to 2024, 93 employees participated in these programmes, reflecting our commitment to continuous learning and development, with a total investment of RM3.42 million.

EMPLOYEE VALUE PROPOSITION (EVP) PACKAGE

At TNB, we offer competitive employee benefits packages to attract and retain talent through our comprehensive Employee Value Proposition (EVP). Our commitment to enhancing employee benefits includes subsidised childcare through the TNB Educare Programme and housing quarters for eligible employees. We provide medical treatment coverage for employees and their dependents, holiday accommodation at nominal rent, welfare

assistance, long service awards, personal accident group insurance benefits, and housing/ car loans under the Loan Interest Reimbursable Scheme. On our premises, we offer counselling services, and sports and recreational facilities. We also allocate various types of leave, including annual, sick, maternity, paternity, compassionate, marriage, religious and study leaves.

Medical Benefit

TNB extends its commitment to its *Lembaga Letrik Negara* (LLN) retirees and their dependents by offering continued medical benefits, reflecting our unwavering dedication to their well-being even beyond their years of service. TNB is dedicated in providing comprehensive medical benefits for our employees and their dependents, including the spouses of our female employees, ensuring robust healthcare to support their families.

Flexible Working Arrangements

We continue to implement a hybrid work model called the TNB Way Of Working (TWOW), allowing employees to work both in the office and remotely, supported by the award-winning People App, which also aids in reporting GHG Scope 3 emissions. Our flexible working arrangement is integral to our culture, promoting employee well-being, work-life balance and inclusivity.

TNB extends the medical benefits to LLN retirees.

EMPLOYEE COMMUNICATION AND ENGAGEMENT

Engagement with our workforce is encouraged through feedback and pulse check surveys, as well as face-to-face interactions such as employee gatherings, townhalls, outreach sessions, morning talks and meetings.

We conduct an annual survey to gain insights into our strengths and areas for improvement, enhancing the overall employee experience with a focus on corporate culture. In 2024, the survey recorded a score of 89%.

Intranet Subpages

Accessible internal pages for updates and resources

Corporate Bulletins

Tenagawan Daily: Regular updates and news

Info TV

Informative broadcasts in common areas

Social Media

Engaging interactions and timely updates through TNB Powerfaces Facebook group

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OUR PERFORMANCE

PERFORMANCE: Bursa Indicators

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
EMPLOYEE DEMOGRAPHIC							
GRI 2-7	C3(a)	Male	Number	27,258	27,084	27,353	–
			Percentage	78.6%	78.4%	78.3%	–
		Female	Number	7,441	7,459	7,586	–
			Percentage	21.4%	21.6%	21.7%	–
EMPLOYEE DIVERSITY AND EQUAL OPPORTUNITIES							
GRI 405-1	C3(a)	**Workforce by level and gender**					
		Senior Management					
		Male	Number	321	336	339	–
		Female	Number	103	120	112	–
		Total	Number	424	456	451	–
		Male	Percentage	75.71%	73.68%	75.17%	–
		Female	Percentage	24.29%	26.32%	24.83%	–
		Executive					
		Male	Number	5,312	5,362	5,508	–
		Female	Number	3,588	3,685	3,866	–
		Total	Number	8,900	9,047	9,374	–
		Male	Percentage	59.69%	59.27%	58.76%	–
		Female	Percentage	40.31%	40.73%	41.24%	–
		Non-executive					
		Male	Number	21,623	21,379	21,506	–
		Female	Number	3,752	3,661	3,608	–
		Total	Number	25,375	25,040	25,114	–
		Male	Percentage	85.21%	85.38%	85.63%	–
		Female	Percentage	14.79%	14.62%	14.37%	–
		Workforce by age group					
		< 35	Number	12,692	11,238	10,493	–
			Percentage	36.6%	32.5%	30.0%	–
		35 – 50	Number	17,689	19,065	20,248	–
			Percentage	51.0%	55.2%	58.0%	–
		> 50	Number	4,318	4,240	4,198	–
			Percentage	12.4%	12.3%	12.0%	–

GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
		Workforce by level and age group					
		Senior Management					
		< 35	Number	2	0	0	–
		35 – 50	Number	202	235	218	–
		> 50	Number	220	221	233	–
		Total	Number	424	456	451	–
		< 35	Percentage	0.5%	0.0%	0.0%	–
		35 – 50	Percentage	47.6%	51.5%	48.3%	–
		> 50	Percentage	51.9%	48.5%	51.7%	–
		Executive					
		< 35	Number	3,182	3,114	3,137	–
		35 - 50	Number	4,956	5,150	5,400	–
		> 50	Number	762	783	837	–
		Total	Number	8,900	9,074	9,374	–
		< 35	Percentage	35.8%	34.4%	33.5%	–
		35 – 50	Percentage	55.7%	56.9%	57.6%	–
		> 50	Percentage	8.6%	8.7%	8.9%	–
		Non-executive					
		< 35	Number	9,512	8,128	7,356	–
		35 – 50	Number	12,521	13,679	14,630	–
		> 50	Number	3,342	3,233	3,128	–
		Total	Number	25,375	25,040	25,114	–
		< 35	Percentage	37.5%	32.5%	29.3%	–
		35 – 50	Percentage	49.3%	54.6%	58.2%	–
		> 50	Percentage	13.2%	12.9%	12.5%	–
		Total (excluding board members)	Number	34,699	34,543	34,939	–
	C3(b)	**TNB Board of Directors**					
		Male	Percentage	63.6%	54.55%	66.67%	–
		Female	Percentage	36.4%	45.45%	33.33%	>30%
		TNB Board of Directors by Age					
		< 50	Percentage	9.10%	9.10%	8.33%	–
		50 – 60	Percentage	54.54%	45.45%	41.67%	–
		> 60	Percentage	36.36%	45.45%	50.00%	–

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GRI	Bursa	Metric	Units	FY2022	FY2023	FY2024	Target FY2025
CAPABILITY BUILDING							
GRI 404-1	C6(a)	**Training Hours**					
		Senior Management	Hours	11,642	15,469	15,932	–
		Executive	Hours	313,836	421,416	442,572	–
		Non-executive	Hours	792,874	907,736	887,973	–
		Average training hours	Hours/ employee	34	47	50.47	–
EMPLOYEE DEMOGRAPHIC BY CONTRACT TYPE							
GRI 2-7	C6(b)	**Workforce by contract type**					
		Total (Permanent)	Number	31,130	31,066	31,729	–
		Total (Contract)*	Number	3,569	3,477	3,210	–
		Total (Contract)*	Percentage	10.29%	10.07%	9.19%	–
NEW EMPLOYEE HIRES AND TURNOVER							
GRI 404-1	C6(c)	**Employee turnover by level**					
		Senior Management	Number	61	44	40	–
		Executives	Number	369	342	327	–
		Non-executives	Number	933	756	701	–
		Total	Number	1,363	1,142	1,068	–
		Employee turnover rate by level					
		Senior Management	Percentage	4.48%	3.85%	3.74%	–
		Executives	Percentage	27.07%	29.95%	30.62%	–
		Non–executives	Percentage	68.45%	66.20%	65.64%	–
LABOUR RIGHTS							
GRI 2-25	C6(d)	**Processes to remediate negative impact**					
		Number of substantiated complaints concerning human rights violations	Number	0	0	0	–

** The total number of employees includes permanent and contract employees with employment relationship as at the end of reporting period. Interns are excluded in this calculation.*

Note;
- *Target setting will be made available when necessary.*

Our Response to Climate Change

Climate change presents us with one of the most significant challenges of our time, but it also offers an opportunity for innovation and resilience. While we face profound impacts on our environment, economies and societies due to rising temperatures and extreme weather events, this challenge also inspires us to transition towards sustainable practices. Human activities have increased greenhouse gas concentrations, highlighting the importance of shifting our energy reliance towards cleaner alternatives.

Malaysia, with its rich natural resources, is particularly positioned to adapt to and address climate change. Despite the country's vulnerability to natural hazards such as floods, heatwaves and strong winds, TNB continues to be resilient in enhancing our infrastructure and operations.

In alignment with the National Climate Change Policy 2.0, TNB is dedicated to safeguard our assets against climate impacts. This commitment strengthens our operational reliability and reinforces our role in building a sustainable future for Malaysia.

Since 2019, we have adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework that serves as a comprehensive approach for assessing and managing climate-related risks and opportunities, ensuring a thorough evaluation of the associated financial implications.

TCFD CORE ELEMENTS IN TNB

We govern climate-related matters by integrating them into the TNB corporate governance system, with oversight from the Board and management

We prioritise to ensure business resiliency and continuous efforts in addressing climate change scenarios and exposures through our Reimagining TNB strategy and TNB Energy Transition Plan

We adopt the TNB Risk Management Framework, with continuous effort to address both transition and physical risks, and opportunities in the short-, medium- and long-term strategic risks across TNB business entities

We identify and set climate-related quantitative targets and monitor related metrics to ensure the realisation of the Net Zero by 2050 aspiration

OUR RESPONSE TO CLIMATE CHANGE

GOVERNANCE

The TNB sustainability governance policies and practices govern our climate-related matters.

For more information on sustainability governance, please refer to pages 61 of the Sustainability Statement.

TNB's Commitment towards Addressing Climate Risks

In line with the TNB Sustainability Policy and TNB Environmental Policy, we are committed to reducing emissions, promoting energy efficiency, and implementing effective climate change mitigation and adaptation measures, as outlined in the TNB Energy Transition Plan.

Our dedication to addressing climate risks begins at the board level, where the BSRC actively oversees the Group's sustainability performance in alignment with our approved strategies and targets. The BSRC periodically monitors our carbon emissions and sustainability initiatives, through forward-looking Key Risk Indicators reported in the quarterly TNB Risk Dashboard. Furthermore, the TNB BOD approves the Group's sustainability disclosures, ensuring transparency regarding climate risks and opportunities in accordance with TCFD guidelines.

At the management level, our commitment to tackling climate risks is evident in the setting of Key Performance Indicators (KPIs) at the President/CEO level, which are cascaded to all C-suites. Notably, the Managing Director of TNB Power Generation Sdn. Bhd., whose primary role is to manage TNB's power generation portfolio and adopt cleaner generation sources, is accountable for carbon emissions performance indicators. We also evaluate KPI performance annually as part of the remuneration package for senior management within our Short-term Incentive programme that reinforces accountability in performance management.

STRATEGY

Our priority is to ensure that our business is resilient in addressing climate exposures with continuous assessment to adapt to transition and physical risks and opportunities in the short-, medium- and long-term horizon.

Short-Term: Until 2025	**Medium-Term**: 2025 to 2035	**Long-Term**: 2035 to2050
Key target: • RE target of 8.3GW by 2025 with the acceleration of RE investments towards 2050 • Annual emissions intensity reduction of 5%	**Key Target:** • Emissions intensity reduction of 35% by 2035 • Reduction of coal capacity by 50% by 2035 *Note: Base year 2020*	**Key Target:** • Aspire to achieve Net Zero and be coal-free by 2050

We have identified nine (9) transition risks and six (6) transition opportunities and assessed their impact to our strategy, financial position and overall performance.

TRANSITION RISKS

S: Short-term **M**: Medium-term **L**: Long-term

High Significant Medium Low

Type	No	Transition Risk	Potential Impact	Exposure	Management Approach
Policy & Legal	1	**Carbon Price** Uncertainty about the government implementing carbon pricing as an instrument to capture the external cost of GHG emissions	Cost	S M L	• Implement initiatives within TNB Carbon Management Strategy & Emissions Reduction Target • Engage actively with regulatory bodies and government agencies on carbon pricing regulations *Refer to MM3 page 84-94*

Type	No	Transition Risk	Potential Impact	Exposure	Management Approach
	2	**Emissions Reporting Obligations** Increased expectations from regulatory bodies to track and publicly report emissions	Cost	S M L	• Digitalise emissions data and indicators • Monitor and report emissions metrics and performance for informed decisions • Engage actively with regulatory bodies to keep abreast of emissions reporting requirements *Refer to MM3 page 84-94*
	3	**Litigation Exposure** Lawsuits and fines driven by environmental and climate activism	Cost	S M L	• Comply with regulatory requirements • Engage actively with relevant stakeholders to communicate TNB's environmental and climate management *Refer to MM6 page 105-119*
Technology	4	**Low Carbon Technology** Uncertainty in the deployment of low-emissions technologies due to high investment and technology maturity	Capital Investment	S M L	• Implement initiatives within TNB Carbon Management Strategy & Emissions Reduction Target *Refer to MM3 page 84-94*
	5	**Talent Gaps** Talent gaps that require upskilling and reskilling to navigate new and emerging technologies	Cost	S M L	• Implement talent management programme customised to meet energy transition and technology requirements *Refer to MM11 page 137-144*
Market	6	**Changes in the electricity supply industry** Changes in the Malaysian Electricity Supply Industry (MESI) such as policy, regulatory requirements and market demands, in line with the transition to a low-carbon economy	Revenue	S M L	• Engage actively with regulatory bodies to shape an equitable energy market • Explore new opportunities in the energy market such as beyond kWh solutions *Refer to MM2 page 75-83*
	7	**Shift In Customer Behaviour** Changing customer behaviour and preference for low-carbon options	Revenue	S M L	• Engage actively with customers to anticipate and meet expectations by leveraging digitalisation • Collaborate with regulators and stakeholders to enhance energy literacy of the people *Refer to MM7 page 120-124*
	8	**Stranded Asset & Divestment** Unanticipated or premature write-downs, devaluation and divestment of carbon-intensive assets	Asset Value	S M L	• Implement initiatives within TNB Carbon Management Strategy & Emissions Reduction Target • Commit to no new coal power plants *Refer to MM3 page 84-94*
Reputation	9	**Adverse Perception of TNB's Brand & Image** Increased stakeholder expectations and scrutiny of our ESG strategy, management and performance	Share Price	S M L	• Implement the TNB Sustainability Pathway 2050 and Energy Transition Plan • Engage actively with stakeholders to address ESG needs and expectations *Refer to MM3 page 84-94*

OUR RESPONSE TO CLIMATE CHANGE

TRANSITION OPPORTUNITIES

S: Short-term **M**: Medium-term **L**: Long-term

High Significant Medium Low

Type	No	Transition Opportunities	Potential Impact	Opportunity	Management Approach
Resource efficiency	1	**Energy management at the supply and demand sides** Opportunities to reduce the resources required to generate electricity and implement energy efficiency solutions	Cost Saving	S M L	• Optimise asset performance and efficiency through technology and innovation • Repower power plants using cleaner and green technology • Collaborate with the Energy Commission (EC) on the Malaysia Energy Literacy Programme (MELP) *Refer to MM3 page 84-94*
Energy Source	2	**Renewable energy growth** Opportunities to increase RE portfolio locally and internationally	Revenue	S M L	• Capture strong RE growth potential in domestic & international markets through subsidiaries, i.e., TNB Renewables, Spark Renewables and Vantage RE *Refer to MM3 page 84-94*
Products and services	3	**Demand for low-carbon electricity and green energy solutions** Opportunities from increased demand for renewable energy, energy storage and electrification	Revenue	S M L	• Offer green energy solutions across the electricity value chain as per the TNB Energy Transition Plan • Implement energy transition projects in line with the National Energy Transition Roadmap (NETR) • Establish GSPARX Sdn. Bhd. and TNBX Sdn. Bhd. to provide beyond kWh solutions • Develop and enhance digital platforms such as myTNB app, EV charging platforms, a digital marketplace, etc. to complement ET initiatives • Increase the EV adoption rate in Malaysia by facilitating the EV ecosystem *Refer to MM2 page 75-83*
Markets	4	**Diversification of business activities** Opportunities to diversify business activities leveraging energy transition targets, green and emerging technology, digitalisation and strategic partnership	Revenue	S M L	• Embark on strategic partnerships for new technology such as hydrogen with Petronas, ammonia co-firing with IHI Corporation and CCUS with Petronas • Develop a hydrogen hub producing hydrogen for the industrial and power sectors *Refer to MM3 page 84-94*

Type	No	Transition Opportunities	Potential Impact	Opportunity	Management Approach
Resilience	5	**Flexible and reliable Grid** Opportunities for regulated assets due to the requirement for a flexible and reliable grid with the increase of renewable energy injection to the grid system	Revenue	S M L	• Enhance grid system efficiency through smart grid initiatives to facilitate bi-directional power flow from prosumers • Pilot the Virtual Power Plant (VPP) technology for peer-to-peer generation among energy prosumers and demand response control for system stability in the future *Refer to MM2 page 75-83*
	6	**ASEAN Power Grid Interconnection** Opportunities for grid interconnection projects with ASEAN countries towards a low-carbon economy in the region	Revenue	S M L	• Establish MoUs with ASEAN countries, e.g., Indonesia, Thailand and Singapore, to undertake collaborations on interconnection projects • Conduct feasibility studies for other cross-border electricity interconnection opportunities *Refer to MM2 page 75-83*

OUR BUSINESS RESILIENCE AGAINST THE IMPACT OF CLIMATE CHANGE

Proactive steps are being taken to ensure the resilience of our business operations and assets against acute and chronic physical risks resulting from climate change. Our climate risk assessment considers the scenarios based on the Intergovernmental Panel on Climate Change (IPCC) and Network for Greening the Financial System (NGFS), as follows:

IPCC/NGFS Scenario	NGFS–Net Zero Scenario	NGFS–NDC Scenario	IPCC RCP–6.0: Moderate Emissions Scenario	IPCC RCP–8.5: High Emissions Scenario
Description	An ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching Net Zero CO_2 emissions around 2050	The NDC scenario includes all pledged policies, even if not yet implemented, based on the trajectory associated with global NDC commitments to limit the impact of climate change	The scenario suggests a future in which greenhouse gas emissions continue to rise at a moderate rate but stabilise by 2070	The 'Business as usual' scenario suggests a likely outcome if society does not make a concerted effort to cut greenhouse gas emissions
Temperature Increase	**1.5°C – 2.0°C by 2100**	**2.3°C – 4.5°C by 2100**	**2.6°C – 5.7°C by 2100**	**>4.0°C by 2100**

In 2024, we undertook a comprehensive climate risk assessment at the asset level to gain deeper insights into climate-related threats. This approach has enabled us to strengthen the resilience of our assets by implementing targeted, effective, and sustainable adaptation measures.

OUR RESPONSE TO CLIMATE CHANGE

We integrate climate data from agencies such as the Malaysian Meteorological Department, National Disaster Agency, or National Disaster Management Agency (NADMA) and the National Water Research Institute of Malaysia (NAHRIM) with our internal Geographic Information System (GIS). This integration allows us to identify climate hazards to our asset on comprehensive maps, giving us a clearer understanding of the potential impacts of climate change on our operations, particularly concerning floods (riverine and surface water), extreme winds, and extreme heat whilst concurrently exploring assessments for other climate hazards.

Acute		Chronic		
Riverine Flooding	Extreme Wind	Extreme Heat	Sea Level Increase	Soil Movement
Surface Water Flooding	Forest Fire			

Floods (Riverine & Surface Water)

Malaysia is exposed to monsoon rains, particularly from November to March. Low-lying areas, especially along the east coast of Peninsular Malaysia, are highly vulnerable. Flooding can damage critical infrastructure, leading to power outages and costly repairs. Substations and transformers are particularly at risk, as water ingress can cause short circuits and equipment failure. Additionally, access to affected areas can be hindered, delaying repair and restoration efforts.

Extreme Heat

Extreme heat impacts our physical asset in various ways. Solar assets may operate sub-optimally in high temperatures or with insufficient sunlight, thus reducing output. For thermal power plants, rising ambient temperatures decrease gas power plant efficiency and increase fuel costs. Additionally, extreme heat may affect grid system reliability, particularly at substations, due to overloading and thermal stress (hotspots).

Extreme Wind

Our assets, particularly transmission and distribution networks' lattice towers and service poles, as well as solar power plants are vulnerable to extreme wind. Extreme winds can cause the collapse of lattice towers, uprooting of poles, dislodge or break solar panels, leading to costly repairs and downtime.

Sea Inundation

Our coastal assets are at significant risk due to rising sea levels. Seawater intrusion can contaminate freshwater supplies and corrode infrastructure. Submersion during high tides and storms can cause extensive damage, while prolonged exposure to saltwater accelerates metal erosion and compromises structural integrity.

Based on our analysis, majority of our physical assets are at low risk, reflecting their resilience:

Physical Risk	Asset Type	% of Asset Based on Risk Exposure Level			
		High	Significant	Medium	Low
Flood (Riverine & Surface Water)	HV, MV & LV substations, power plants (Coal, Gas, Hydro), large-scale solar power plants	0.05%	1.03%	14.97%	83.95%
Extreme Heat	HV, MV & LV substations	0.06%	0.20%	4.93%	94.81%
Extreme Wind	HV, MV & LV substations, power plants (Coal, Gas), large-scale solar power plants, HV Overhead Lines	0.00%	0.01%	41.67%	58.32%
Sea Inundation	HV, MV & LV substations, power plants (Coal, Gas, Hydro), large-scale solar power plants	0.00%	0.00%	4.80%	95.2%

CLIMATE ADAPTATION MEASURES

Proactive adaptation and mitigation measures have been implemented over the years. Through early and ongoing investments in climate resilience, many of our assets have been upgraded to withstand climate-related challenges, which have significantly reduced their vulnerability to potential climate impacts. Several adaptation measures for flood (riverine and surface water), extreme heat and extreme wind are highlighted as follows:

Physical Risk	TNB Adaptation Measures
Flood	• Conduct asset-level flood risk assessments to identify vulnerable assets • Implement flood mitigations such as elevating asset structure, installation of flood barrier for identified asset within flood-prone area • Develop and implement flood response plan, including shutdown procedures, dam water release procedure, followed by rapid response from Emergency Response Team (ERT) • Collaborate with local communities, governments, and other stakeholders to ensure prompt and coordinated responses • Implement Integrated Community-Based Disaster Management (ICBDM) programme • Secure adequate insurance coverage for flood-related damages
Extreme Heat	• Conduct asset-level extreme risk assessments to identify vulnerable assets • Incorporate climate change factors into new site assessments and adopt new design standards considering projected increasing extreme heat, e.g., increase equipment rating to mitigate over loading/hotspot • Implement demand response programmes to manage peak load during extreme heat event • Promote energy efficiency programmes to reduce overall demand during heat waves
Extreme Wind	• Conduct asset-level wind risk assessments to identify vulnerable asset • Strengthen infrastructure such as enhance tower safety factor to withstand extreme wind, switch from electric poles to underground cable, etc • Develop and regularly update emergency response plans for extreme wind events • Implement vegetation management, e.g., removal of dangerous tree to keep trees and branches away from power lines
Sea Inundation	• Conduct asset-level sea inundation risk assessments to identify vulnerable asset • Implement routine maintenance of corroded asset which includes regular inspections, repairs and upgrades of material that are resistant to saltwater corrosion

RISK MANAGEMENT

We integrate the assessment of transition risks and opportunities into our comprehensive risk management strategy, guided by our TNB Risk Management Framework. The management of climate-related physical and transition risk, including assessment, review and monitoring are embedded in our business operations and decisions regarding business growth, enabling us to navigate challenges effectively while seizing opportunities for a sustainable future.

(Refer to the SORMIC in page 219)

We recognise the importance of cultivating cross-functional capabilities and enhancing resilience across all areas of our business to support long-term strategic decision-making. Key capabilities include foresight and crisis preparedness. To achieve this, we employ a 4+1 approach—scan, assess, identify, mitigate, and repeat—allowing us to continuously monitor potential issues, evaluate their impacts, pinpoint specific risks, implement effective mitigation strategies, and iterate the process to stay ahead of emerging threats and prevent crises.

OUR RESPONSE TO CLIMATE CHANGE

BUSINESS CONTINUITY MANAGEMENT (BCM)

In the event of a crisis, we are fully committed to preparing and responding effectively, guided by the TNB Corporate Business Continuity Management (BCM) Framework. Developed in alignment with ISO 22301, our BCM Framework provides a structured approach to managing business continuity within the Group. This enables us to respond quickly and effectively to any crisis while ensuring the continuity of our operations towards greater resilience.

Across the Group, proactive pre-crisis preparedness is continually emphasised to prevent crisis from occurring or becoming more severe. For instance, in preparation for floods during monsoon season, a range of crisis preparedness measures is proactively taken, including:

01

Flood forecasts are generated using Flood Inundation Maps, Substation Elevation data, and Contour Gap Analysis. Based on these forecasts, warning alerts are issued to the operations team to enhance preparedness.

02

Review and enhancement of Business Impact Analysis (BIA) and Emergency Response Plans (ERP).

03

Identification and implementation of flood mitigations on asset infrastructure.

04

Communication and engagement with local authorities and state governments aim to strengthen a prompt and coordinated response during crises.

Our crisis management is led by the TNB Crisis Management Team (CMT), which includes the President/CEO and C-Suites, playing a vital role in ensuring efficient recovery and effective communication with stakeholders. At the operations level, Emergency Response Teams (ERT) activate respective ERP for immediate response such as medical care and rescue operations, prioritising the safety of both our assets and those affected. We strategically plan and execute stakeholder communications through official channels, including the TNB Careline Facebook page. Additionally, targeted engagements with stakeholders are led by TNB State Stakeholder Affairs or Head of Retail at the state to strengthen stakeholder confidence during a crisis.

METRICS AND TARGET

We identify and set climate-related quantitative targets and monitor related metrics to ensure the realisation of our Net Zero by 2050 aspiration.

Refer to Material Matter on Climate Change and Emissions on pages 84-94

Statement of Assurance for FY2024 Sustainability Statement

ASSURANCE UNDERTAKEN

TNB's Sustainability Statement for FY2024 has undergone an internal review by the internal audit function to enhance the credibility of the statement.

SUBJECT MATTER

The review covered the adequacy and effectiveness of materiality assessment process. Additionally, the accuracy and completeness of performance data for eight (8) subject matters (comprising 15 Bursa Malaysia common indicators) were also assessed, as follows:

	Subject Matters	Indicators
1	Anti-Corruption	• % of employees who received training on anti-corruption • % of operations assessed for corruption-related risks
2	Health and Safety	• Number of work-related fatalities • Lost time incident rate • Number of employees trained on health and safety standards
3	Diversity	• % of employees by gender and age group, for each employee category • % of directors by gender and age group*
4	Energy Management	• Total energy consumption
5	Labour Practices and Standards	• % of employees that are contractors or temporary staff • Total number of employee turnover by employee category
6	Supply Chain Management	• Proportion of spending on local suppliers
7	Data Privacy and Security	• Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
8	Emissions Management	• Scope 1 emissions • Scope 2 emissions • Scope 3 emissions (Category 6 and 7)

**Note: The internal review covers only TNB Company*

SCOPE

The boundary of the internal review includes Tenaga Nasional Berhad (TNB) Company's level and TNB Power Generation Sdn. Bhd. (Genco) for the period from 1 January 2024 to 31 December 2024.

Bursa Malaysia Common Sustainability Matters and Indicators

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	1.57 *	1.01	1.26
Executive	Percentage	7.74 *	17.39	27.16
Non-executive	Percentage	31.72 *	56.09	71.58
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	97.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	1	5	4
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	863,462.69 *	404,523,322.00 *	320,997,148.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	38,580,000.00 *	38,920,000.00 *	38,750,000.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	292,000.00 *	331,000.00 *	321,000.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	100,000.00 *	98,000.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	2	5 *	4
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.82	0.74	0.87
Bursa C5(c) Number of employees trained on health and safety standards	Number	18,986	12,192 *	13,973
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	74,150.00 *	929,123.00 *	895,996.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	440,595.00 *	497,578.91
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	488,528.00 *	398,417.09
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	No Data Provided *	10,096.000000	9,234.000000
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	12,200,000.00	99,037,559.50	63,780,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	6,635	79,581
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.10	46.45	52.81
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Internal assurance | External assurance | No assurance | (*)Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	11,642	15,469	15,884
Executive	Hours	313,836	421,416	416,946
Non-executive	Hours	792,874	907,736	825,924
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	10.29 *	10.07 *	9.19
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	61	44	40
Executive	Number	369	342	327
Non-executive	Number	933	756	701
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 35	Percentage	0.50 *	0.00	0.00
Senior Management Between 35-50	Percentage	47.60 *	51.50 *	48.30
Senior Management Above 50	Percentage	51.90 *	48.50 *	51.70
Executive Under 35	Percentage	35.80 *	34.40 *	33.50
Executive Between 35-50	Percentage	55.70 *	56.90 *	57.60
Executive Above 50	Percentage	8.60 *	8.70 *	8.90
Non-executive Under 35	Percentage	37.50 *	32.50 *	29.30
Non-executive Between 35-50	Percentage	49.30 *	54.60 *	58.20 *
Non-executive Above 50	Percentage	13.20 *	12.90 *	12.50
Gender Group by Employee Category				
Senior Management Male	Percentage	75.71 *	73.68 *	75.17
Senior Management Female	Percentage	24.29 *	26.32 *	24.83
Executive Male	Percentage	59.69 *	59.27 *	58.76 *
Executive Female	Percentage	40.31 *	40.73 *	41.24
Non-executive Male	Percentage	85.21 *	85.38 *	85.63
Non-executive Female	Percentage	14.79 *	14.62 *	14.37
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	63.60 *	54.55 *	66.67
Female	Percentage	36.40 *	45.45 *	33.33
Under 50	Percentage	9.10	9.10 *	8.33
Between 50-60	Percentage	54.54 *	45.45 *	41.67
Above 60	Percentage	36.36 *	45.45 *	50.00

Internal assurance | External assurance | No assurance | (*)Restated

Corporate Information

BOARD OF DIRECTORS

TAN SRI ABDUL RAZAK BIN ABDUL MAJID
Chairman
Non-Independent Non-Executive Director

DATUK IR. MEGAT JALALUDDIN BIN MEGAT HASSAN
President/Chief Executive Officer
Non-Independent Executive Director

RAMZI BIN MANSOR
Non-Independent Non-Executive Director

SELVENDRAN KATHEERAYSON
Non-Independent Non-Executive Director

ROHAYA BINTI MOHAMMAD YUSOF
Non-Independent Non-Executive Director

MUAZZAM BIN MOHAMAD
Non-Independent Non-Executive Director

ONG AI LIN
Senior Independent Non-Executive Director

JUNIWATI RAHMAT HUSSIN
Independent Non-Executive Director

GOPALA KRISHNAN K.SUNDARAM
Independent Non-Executive Director

DATO' MERINA BINTI ABU TAHIR
Independent Non-Executive Director

DATO' ZULKIFLI BIN IBRAHIM
Independent Non-Executive Director

ALAN HAMZAH SENDUT
Independent Non-Executive Director
(Appointed w.e.f. 2 December 2024)

ELAINE ONG YEE LYNN
(Alternate Director to Selvendran Katheerayson)
Non-Independent Non-Executive Director

DATO' ROSLINA BINTI ZAINAL
Independent Non-Executive Director
(Resigned w.e.f. 13 May 2024)

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Ong Ai Lin
Email : ongailin.integrity@tnb.com.my

COMPANY SECRETARY

Ali Munawar bin Haji Salim
(MAICSA 7021901)
(SSM Practicing Certificate No. 201908002911)

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Telephone : +603-7890 4700
Facsimile : +603-7890 4670
Website : www.boardroomlimited.com/my
Email : bsr.helpdesk@boardroomlimited.com

DIVIDEND SERVICE PROVIDER

Bursa Malaysia Depository Sdn. Bhd.
198701006854 (165570-W)
9th Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Malaysia

Telephone : +603-2034 7363
Facsimile : +603-2732 6163

PRINCIPAL BANKER

Malayan Banking Berhad
196001000142 (3813-K)

EXTERNAL AUDITORS

Messrs PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Malaysia

Telephone : +603-2173 1188
Facsimile : +603-2173 1288

REGISTERED OFFICE

Tenaga Nasional Berhad
199001009294 (200866-W)
Pejabat Setiausaha Syarikat
Tingkat 16, Tower A, TNB Platinum
No. 3, Jalan Bukit Pantai, Bangsar
59100 Kuala Lumpur
Malaysia

Official Communication Channels:

Telephone	: +603-2296 5566
Facsimile	: +603-2283 3686
Website	: www.tnb.com.my
TNB Careline	: 15454 (for power outage or TNB street light complaint)
One Stop Engagement Centre (OSEC)	: 1-300-88-5454 (for billing and account enquiries)
Email	: tnbcareline@tnb.com.my
Online Whistleblowing Information System	: wbis.tnb.com.my
Toll Free	: 1-800-888-862

INVESTOR RELATIONS

Investor Relations
Group Finance Division
Tenaga Nasional Berhad
Level 12, Tower A, TNB Platinum
No. 3, Jalan Bukit Pantai, Bangsar
59100 Kuala Lumpur
Malaysia

Telephone : +603-2108 2128
Facsimile : +603-2108 2034
Email : tenaga_ird@tnb.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
(Listed since 28 May 1992)
Stock Code : 5347
Stock Name : TENAGA

AMERICAN DEPOSITORY RECEIPTS PROGRAMME (ADR)

ADR Level 1

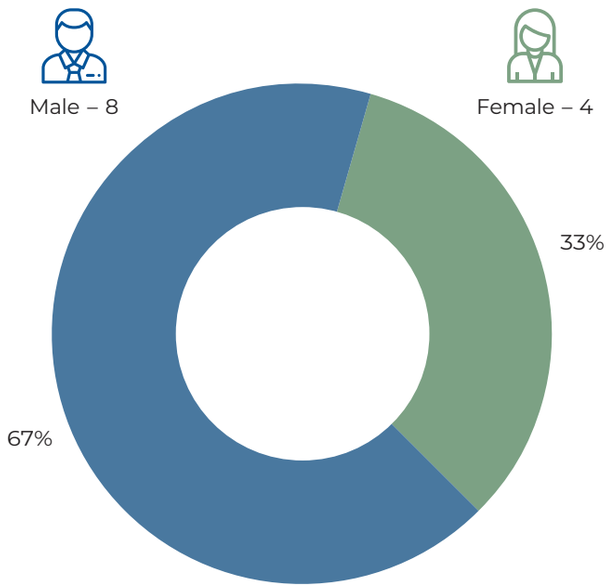
ANNUAL GENERAL MEETING HELP DESK

Telephone : +603-2108 3594/3765/3766/3574
Share Administration Section
Company Secretary's Office
Tenaga Nasional Berhad

@TNB Careline
@tenaga_nasional
@Tenaga_Nasional
@Tenaga Nasional Berhad
@TENAGAofficial
@tenaga_nasional

Our Board at a Glance

GENDER DIVERSITY



BOARD COMMITTEES

Chairman of Respective Committee	
A	Board Audit Committee
F	Board Finance and Investment Committee
T	Board Tender Committee
NR	Board Nomination and Remuneration Committee
S	Board Sustainability and Risk Committee
L	Board Long Term Incentive Plan Committee
I	Board Integrity Committee

SKILLS AND EXPERIENCE MATRIX

Electric Utilities	3
Audit/Finance	6
Banking	4
Business Continuity Management	1
Commercial/Marketing	4
Corporate Strategy, Planning & Development	7
Cybersecurity	1
Economics/Investment	9
Engineering	4
Human Resources	6
Legal	2
Project Management	8
Public Administration	2
Real Asset & Property	2
Regulatory	5
Risk Management	3
Stakeholders Management	3
Sustainability	7
Technology Risk	1

BOARD TENURE

Less than 1 year	1
1 to 3 years	8
More than 3 years	3

BOARD COMPOSITION

Independent Non-Executive Directors	6
Non-Independent Non-Executive Directors (including Chairman)	5
Non-Independent Executive Director	1

AGE DIVERSITY

Below 50 years old	1
50-60 years old	5
Above 60 years old	6

Board of Directors' Profile

TAN SRI ABDUL RAZAK BIN ABDUL MAJID

Chairman, Non-Independent Non-Executive Director
Appointed Director by Minister of Finance (Incorporated) (MoF Inc.), the Special Shareholder of TNB

Age
74

Gender
Male

Nationality
Malaysian

Date of Appointment:
27 March 2023

Date of Last Re-Election:
18 May 2023

Year(s) of Directorship:
Two (2) years

Board Committee(s):

Nil

Board Skills and Experience Matrix:

- Electric Utilities
- Engineering
- Corporate Strategy, Planning & Development
- Regulatory
- Project Management
- Public Administration
- Sustainability
- Human Resources
- Commercial/Marketing

Board meetings attended in the Financial Year:

16/19

Academic/Professional Qualification(s):

- Masters Degree in Business Administration, Ohio University, United States of America
- Bachelor of Electrical Engineering, Brighton University, United Kingdom

Relevant Working Experience:

- Member of the Independent Advisory Panel, Malaysian Petroleum Resources Corporation (2021 – Present)
- Chairman of two (2) Energy Commission Committees (Supply Chain and Licensing) (2022 – 2024)
- Member of the Action Committee in the National Energy Centre (2022 – 2024)
- Senior Independent Non-Executive Director (February 2023 – March 2023) and Independent Non-Executive Director (2018 – 2023), PETRONAS Gas Berhad
- Chief Executive Officer, MyPOWER Corporation (1st term) (2009 – 2014) & (2nd term) (2018 – 2020)
- Chairman, Energy Commission of Malaysia (2014 – 2018)
- Senior Vice President (Corporate Affairs), Tenaga Nasional Berhad (TNB) (2008 – 2009)
- Vice President (Generation), TNB (2004 – 2008)
- Served Lembaga Letrik Negara/TNB for 36 years since 1973, where his career achievements in TNB included assignments in Planning, Construction and Operations in all three (3) core divisions of Generation, Transmission and Distribution
- Seconded to the Economic Planning Unit, Prime Minister's Department (1998 – 2001)

Other Directorship(s):

Other than his directorships in TNB Group of Companies, Tan Sri Abdul Razak does not hold any directorships in public companies or other listed issuers.

DATUK IR. MEGAT JALALUDDIN BIN MEGAT HASSAN

President/Chief Executive Officer
Non-Independent Executive Director
Appointed Director by MoF Inc., the Special Shareholder of TNB

Age
59

Gender
Male

Nationality
Malaysian

Date of Appointment:
1 March 2024

Date of Last Re-Election:
21 May 2024

Year(s) of Directorship:
One (1) year

Board Committee(s):

Attends Board Committees' Meetings (By Invitation)

Board Skills and Experience Matrix:

- Electric Utilities
- Engineering
- Corporate Strategy, Planning & Development
- Economics/Investment
- Stakeholders Management
- Project Management
- Regulatory
- Sustainability
- Commercial/Marketing
- Human Resources

Board meetings attended in the Financial Year:

14/17 (since appointment date)

Academic/Professional Qualification(s):

- Member of the Institution of Engineers, Malaysia
- Certified Professional Engineer, Board of Engineers (BEM), Malaysia
- Bachelor of Engineering (Hons) (Electrical Engineering), University of Wollongong, Sydney, Australia

Relevant Working Experience:

- Chief Operating Officer, TNB (August 2023 – February 2024)
- Chief Strategy & Ventures Officer, TNB (October 2022 – July 2023)
- Chief Retail Officer, TNB (August 2018 – September 2022)
- Chief Strategy Officer, TNB (September 2012 – July 2018)
- General Manager (Metering Services), TNB (July 2010 – August 2012)
- General Manager State, Distribution Division, TNB (July 2009 – June 2010)
- Senior Manager, Project Management Office, Celcom (July 2008 – June 2009)
- Head of RMR Project (Metering Services), Distribution Division, TNB (June 2006 – July 2008)
- Built his career in TNB of which he had served in various engineering and managerial positions within the Company including Business and Strategic Planning, Business Development, Project Management, Business Process Improvement, Metering Service and Engineering Service

Other Directorship(s):

Other than his directorships in TNB Group of Companies, Datuk Ir. Megat Jalaluddin does not hold any directorships in public companies or other listed issuers.

BOARD OF DIRECTORS' PROFILE

RAMZI BIN MANSOR

Non-Independent Non-Executive Director
Appointed Director by MoF Inc., the Special Shareholder of TNB

Age
57

Gender
Male

Nationality
Malaysian

Date of Appointment:
1 March 2024

Date of Last Re-Election:
21 May 2024

Year(s) of Directorship:
One (1) year

Board Committee(s):

T NR

Board Skills and Experience Matrix:

- Public Administration

Board meetings attended in the Financial Year:

16/17 (since appointment date)

Academic/Professional Qualification(s):

- Master of Arts, Hiroshima University, Japan
- Bachelor of Administrative Management, Universiti Utara Malaysia, Malaysia
- Diploma in Public Administration, National Institute of Public Administration (INTAN), Malaysia

Relevant Working Experience:

- Deputy Secretary General of Treasury (Management), Management Sector, Ministry of Finance (23 January 2024 – Present)
- Deputy Secretary General (Management), Management Sector, Ministry of Education (15 October 2021 – 22 January 2024)
- Under Secretary, Finance Division, Ministry of Education (12 June 2018 – 14 October 2021)
- Deputy Director of Budget, Budget Management Division, Ministry of Finance (March 2014 – June 2018)
- Head of Section, Budget Management Division, Ministry of Finance (February 2011 – February 2014)
- Principal Assistant Director, Budget Management Division, Ministry of Finance (January 2008 – February 2011)
- Senior Assistant Director, Budget Management Division, Ministry of Finance (May 2005 – January 2008)
- Assistant Director, National Economic Action Council Secretariat, Prime Minister's Department (January 1998)
- Assistant Director, Distribution Section, Economic Planning Unit, Prime Minister's Department (March 1996)
- Assistant Director, Administration Section, Economic Planning Unit, Prime Minister's Department (March 1994)

Other Directorship(s):

Ramzi does not hold any directorships in public companies or other listed issuers.

SELVENDRAN KATHEERAYSON

Non-Independent Non-Executive Director
Representing Khazanah Nasional Berhad,
a Major Shareholder of TNB

Age
54

Gender
Male

Nationality
Malaysian

Date of Appointment:
1 September 2023

Date of Last Re-Election:
21 May 2024

Year(s) of Directorship:
One (1) year

Board Committee(s):

F S L

Board Skills and Experience Matrix:

- Finance
- Legal
- Corporate Strategy, Planning & Development
- Economics/Investment
- Project Management
- Real Asset and Property

Board meetings attended in the Financial Year:

19/19

Academic/Professional Qualification(s):

- Master in Public Administration, Harvard University, US
- Master of Business Administration (Finance), University of Hull, UK
- Degree in Law (Hons), University of London, UK

Relevant Working Experience:

- Currently Executive Director, Head, Real Assets & Property of Khazanah Nasional Berhad (Khazanah) and has been with Khazanah since January 2006
- Prior to joining Khazanah, he worked at Motorola Inc and Maxis Communications Berhad
- He began his professional career at Ernst & Young in June 1994

Other Directorship(s):

Other than his directorships in Khazanah Group of Companies, Selvendran does not hold any directorships in public companies or other listed issuers.

BOARD OF DIRECTORS' PROFILE

ROHAYA BINTI MOHAMMAD YUSOF

Non-Independent Non-Executive Director
Representing Employees Provident Fund,
a Major Shareholder of TNB

Age
59

Gender
Female

Nationality
Malaysian

Date of Appointment:
20 March 2023

Date of Last Re-Election:
18 May 2023

Year(s) of Directorship:
Two (2) years

Board Committee(s):

F L I

Board Skills and Experience Matrix:

- Audit/Finance
- Banking
- Economics/Investment
- Sustainability

Board meetings attended in the Financial Year:

19/19

Academic/Professional Qualification(s):

- Associate Member of CPA Australia
- Bachelor of Commerce (Accountancy), Australian National University, Canberra, Australia

Relevant Working Experience:

- Chief Investment Officer, Employees Provident Fund (EPF) (2020 – Present)
- Head of Private Market, Investment Division, EPF (2017 – 2020)
  - managed global investments in private equity, infrastructure and real estates
- Head of Capital Market Department, EPF (2011 – 2017)
  - investment in global and domestic fixed income
- Head of Corporate Finance, Investment Division, EPF (2008 – 2010)
- Executive Vice President, Corporate Investment Banking, Maybank Investment Bank (2005 – 2008)
- Held various positions in Corporate Investment Banking, Maybank Investment Bank (previously known as Aseambankers Malaysia Berhad) (1990 – 2005)
- Senior Financial Consultant, Audit Division, Arthur Andersen & Co. (1988 – 1990)

Other Directorship(s):

Listed Issuers:

- Nil

Public Companies:

- Malaysia Airports Holdings Berhad

MUAZZAM BIN MOHAMAD

Non-Independent Non-Executive Director
Representing Permodalan Nasional Berhad,
a Major Shareholder of TNB

Age
42

Gender
Male

Nationality
Malaysian

Date of Appointment:
1 July 2023

Date of Last Re-Election:
21 May 2024

Year(s) of Directorship:
One (1) year

Board Committee(s):

NR S L I

Board Skills and Experience Matrix:

- Engineering
- Sustainability
- Corporate Strategy, Planning & Development
- Economics/Investment
- Human Resources

Board meetings attended in the Financial Year:

19/19

Academic/Professional Qualification(s):

- Fellow of Investments and Securities, Financial Services Institute of Australasia (FINSIA)
- Bachelor of Engineering (Electronics Engineering) (First Class), University of Southampton, United Kingdom
- Diploma in Applied Finance and Investment, FINSIA

Relevant Working Experience:

- Presently, he is the Senior Vice President and Head of the Investment Stewardship Division at Permodalan Nasional Berhad (PNB) who oversees Environmental, Social and Governance (ESG) Investments, Strategic Governance and Shareholder Engagement functions
- Has over 15 years of experience in PNB, specialising in Corporate Finance, Mergers & Acquisitions, Corporate Strategy and Governance across various industries including industrial, automotive, financial services, telecommunication, property and plantation sectors
- Spearheaded the establishment of stewardship framework for PNB Group and had been involved heavily in sustainability initiatives and events for PNB
- He is also currently a member of the International Corporate Governance Network (ICGN)'s Global Policy Committee and is the only member representing Malaysia in the ICGN Committee, as well as being one of the 13 members of the Asia Pacific Accreditation Cooperation (APAC)

Other Directorship(s):

Muazzam does not hold any directorships in public companies or other listed issuers.

BOARD OF DIRECTORS' PROFILE

ONG AI LIN

Senior Independent Non-Executive Director

Age
69

Gender
Female

Nationality
Malaysian

Date of Appointment:
1 August 2018

Date of Last Re-Election:
21 May 2024

Year(s) of Directorship:
Six (6) years

Board Committee(s):

S A I

Board Skills and Experience Matrix:

- Audit/Finance
- Banking
- Business Continuity Management
- Cybersecurity
- Risk Management
- Sustainability
- Technology Risk

Board meetings attended in the Financial Year:

18/19

Academic/Professional Qualification(s):

- Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Member of the Malaysian Institute of Accountants (MIA)
- Past President of Information Systems Audit and Control Association (ISACA), Malaysia
- Bachelor of Arts (Hons) in Economics, University of Leeds, United Kingdom
- Certified Business Continuity Professional (CBCP)

Relevant Working Experience:

- Ong has had an extensive career in finance, accounting and risk management, holding various positions at PricewaterhouseCoopers (PwC) Malaysia. At PwC, she was appointed as a Partner/Senior Executive Director from 1993 to 2016 and was the Business Continuity Management and Information Security Practice Leader for PwC Malaysia
- As a Partner at PwC Malaysia – Risk Assurance Services, she led and implemented projects across diverse industry sectors, including energy, utilities, telecommunications, financial services, aviation and regulatory bodies. Her work spanned multiple regions, including the United Kingdom, Sri Lanka, Malaysia, Singapore and other Southeast Asia countries. She was responsible for implementing risk management projects in the areas of enterprise risk management, operational risk management, business continuity management, technology risk and cybersecurity
- Her previous experience includes roles at Kassim Chan & Co. (DH&S Malaysia) and DH&S Singapore from 1986 to 1991, as well as at Deloitte Haskins & Sells (DH&S) London, United Kingdom from 1978 to 1986

Other Directorship(s):

Listed Issuers:

- RHB Bank Berhad

Public Companies:

- RHB Islamic Bank Berhad

JUNIWATI RAHMAT HUSSIN

Independent Non-Executive Director

Age
66

Gender
Female

Nationality
Malaysian

Date of Appointment:
1 June 2017

Date of Last Re-Election:
18 May 2023

Year(s) of Directorship:
Seven (7) years

Board Committee(s):

NR I A T

Board Skills and Experience Matrix:

- Human Resources
- Corporate Strategy, Planning & Development
- Stakeholders Management
- Project Management
- Economics/Investment
- Commercial/Marketing
- Audit/Finance

Board meetings attended in the Financial Year:

18/19

Academic/Professional Qualification(s):

- Bachelor of Science (Hons) in Chemistry, University of Kent, Canterbury, United Kingdom
- Completed Certificate in International Management, GE
- Attended Senior Management Development and Advanced Management Programmes at INSEAD and HENLEY Business School

Relevant Working Experience:

- Vice President and Venture Director, Pengerang Integrated Complex and Chief Executive Officer, PETRONAS Refinery and Petrochemical Corporation Sdn. Bhd. (2013 – 2016)
- Vice President, Human Resource Management Division, PETRONAS (2010 – 2012)
- Vice President, Education Division, PETRONAS (2009 – 2010)
- Chief Executive Officer, Malaysian Philharmonic Orchestra & Dewan Filharmonik PETRONAS (2005 – 2009)
- General Manager (Marketing and Trading-Chemicals), MITCO Sdn. Bhd. (2003 – 2005)
- Senior Manager (Marketing and Trading-Chemicals), MITCO Sdn. Bhd. (2001 – 2003)
- Manager, Human Resource Management, PETRONAS (1997 – 2001)
- Manager, Petrochemicals Business Planning Unit, Petrochemical Division and Manager, Business Evaluation Department, Corporate Planning Division, PETRONAS (1994 – 1997)
- Executive (Analyst), Refining & Marketing Planning Unit, PETRONAS (1991 – 1994)
- Executive (Refinery), PETRONAS Penapisan (Melaka) Sdn. Bhd. (1991)
- Production Planner (Refinery), PETRONAS Penapisan (Terengganu) Sdn. Bhd. (1988 – 1990)
- Chemist, Process Engineering and Technical, PETRONAS Penapisan (Terengganu) Sdn. Bhd. (1982 – 1987)
- Chemist, Laboratory Services, PETRONAS (1981 – 1982)
- She has a wide range of hands-on experience in Refinery Operations, Project Management, Corporate Planning, Human Resource, Marketing and Trading

Other Directorship(s):

Listed Issuers:

- Dialog Group Berhad

Public Companies:

- Malaysia Petroleum Resources Corporation

BOARD OF DIRECTORS' PROFILE

GOPALA KRISHNAN K.SUNDARAM

Independent Non-Executive Director

Age
70

Gender
Male

Nationality
Malaysian

Date of Appointment:
4 July 2018

Date of Last Re-Election:
18 May 2023

Year(s) of Directorship:
Six (6) years

Board Committee(s):

L T NR S

Board Skills and Experience Matrix:

- Legal
- Banking
- Regulatory
- Economics/Investment
- Risk Management
- Human Resources
- Project Management

Board meetings attended in the Financial Year:

19/19

Academic/Professional Qualification(s):

- Advocate and Solicitor of the High Court of Malaya
- Bachelor in Law LL.B. (Hons), Universiti Malaya, Malaysia

Relevant Working Experience:

- Partner, Abdullah Chan & Co., Advocates & Solicitors (2012 – Present)
- Consultant, Asian Development Bank (2018 – 2021)
- Leading Adviser for the Financial Services Act 2013 and Islamic Financial Services Act 2013
- Independent International Consultant, World Bank (2017 – 2018)
- Director, Kuwait Finance House (Malaysia) Berhad and Chairman of Board Risk Management Committee, Kuwait Finance House (Malaysia) Berhad (2012 – 2016)
- Held various positions in Bank Negara Malaysia (BNM) (1982 – 2012):
  - Project Advisor (2011 – 2012)
  - Assistant Governor (2006 – 2011)
  - Assistant Manager/Deputy Director/Director, Legal Department (1990 – 2006)
  - Senior Executive/Assistant Manager, Secretary's Department (1985 – 1990)
  - Senior Executive, Banking Department (1982 – 1985)
  - Member of BNM Risk Committee

Other Directorship(s):

Listed Issuers:

- Nil

Public Companies:

- MCIS Insurance Berhad
- YTL Digital Bank Berhad (formerly known as Sea Capital Services Berhad)

DATO' MERINA BINTI ABU TAHIR

Independent Non-Executive Director

Age
59

Gender
Female

Nationality
Malaysian

Date of Appointment:
1 February 2022

Date of Last Re-Election:
2 June 2022

Year(s) of Directorship:
Three (3) years

Board Committee(s):

A F NR

Board Skills and Experience Matrix:

- Audit/Finance
- Corporate Strategy, Planning & Development
- Economics/Investment
- Project Management
- Real Asset and Property
- Sustainability

Board meetings attended in the Financial Year:

19/19

Academic/Professional Qualification(s):

- Fellow Member of the Association of Chartered Certified Accountants (ACCA), FCCA (UK)
- Member of the Malaysian Institute of Certified Public Accountants (MICPA), CPA
- Member of the Malaysian Institute of Accountants (MIA), CA (M)
- Member of the ASEAN Chartered Professional Accountant (ASEAN CPA)
- Professional Member of the Institute of Internal Auditors Malaysia (IIAM), CMIIA

Relevant Working Experience:

- Global Council Member, ACCA (2022 – Present)
- ACCA Global Forum Member on Governance, Risk & Performance (2020 – Present)
- MIA Education Board Member (2017 – Present)
- Chief Financial Officer, Lembaga Tabung Haji (2020 – 2021)
- Chairman, ACCA Malaysia Advisory Committee (2017 – 2019)
- Council Member, MIA (2016 – 2019)
- Malaysia Airlines Berhad/Malaysian Airline System Berhad – Held various leadership roles in Finance, Middle East/Africa/South America (MEASA) Region, Commercial Office, Corporate Services and Internal Audit (2004 – 2020)
- Head, Group Finance, IT and Property, Amanah Capital Partners Berhad (1997 – 2004)
- Sime Darby Berhad – Held various key positions in Internal Audit, Finance and Business Development (1991 – 1997)
- Audit Semi-Senior, Messrs Price Waterhouse (now known as Messrs PricewaterhouseCoopers PLT) (1991)
- Audit Senior, Messrs Ivor Barry & Co., England (1988 – 1991)
- Reconciliation Analyst, IBM (UK) Ltd., England (1987)

Other Directorship(s):

Listed Issuers:

- S P Setia Berhad
- AEON Co. (M) Bhd.

Public Companies:

- Nil

BOARD OF DIRECTORS' PROFILE

DATO' ZULKIFLI BIN IBRAHIM

Independent Non-Executive Director

Age
69

Gender
Male

Nationality
Malaysian

Date of Appointment:
1 April 2024

Date of Last Re-Election:
21 May 2024

Year(s) of Directorship:
One (1) year

Board Committee(s):

A F S

Board Skills and Experience Matrix:

- Electric Utilities
- Engineering
- Project Management
- Regulatory
- Economics/Investment
- Sustainability
- Human Resources
- Commercial/Marketing

Board meetings attended in the Financial Year:

14/15 (since appointment date)

Academic/Professional Qualification(s):

- Member of the Institution of Engineers, Malaysia
- Bachelor of Science (Honours) Degree in Electrical and Electronics Engineering, Leeds University, United Kingdom

Relevant Working Experience:

- He was an Independent Director, Ranhill Holdings Berhad (2015 – 2018)
- He had served in a few electric utilities where he played a key role in power plant developments
- In 2002 he left Malakoff Berhad to lead the development of 3x700MW Tg. Bin power plant until its injection into Malakoff. In 2003, he led the development of 2x700MW Jimah Power Plant until its successful commercial operations. In 2014, he left Jimah as Managing Director
- He was promoted as the Chief Operating Officer (COO) of Malakoff in 1997 where he was instrumental in the entire operation of Malakoff Berhad
- He left TNB in 1993 and involved in the development and operations of five (5) gas and coal power plants projects in total 5,525 MW. He set up the first successful 100% Malaysian owned and managed Operations and Maintenance (O&M) company, Teknik Janakuasa Sdn. Bhd., the most successful local power plant O&M company in the country
- He began his career with the National Electricity Board (now known as TNB) in 1979 as an Electrical Engineer. He has over 14 years' experience in power plant division, both in projects and operations. He had a total of six (6) oil, gas and coal fired power plant design, construction and commissioning experience with a total 2400 MW and operational experience of 600MW coal fired power plant
- He was extensively trained in Control and Instrumentation field with Siemens in Germany, CGE Alsthom in France and Control Bailey in Japan. He was attached for seven (7) months with steam turbine manufacturer, Parsons in Newcastle, UK under the CBI scholarships in 1991

Other Directorship(s):

Dato' Zulkifli does not hold any directorships in public companies or other listed issuers.

ALAN HAMZAH SENDUT

Independent Non-Executive Director

Age
65

Gender
Male

Nationality
Malaysian

Date of Appointment:
2 December 2024

Date of Last Re-Election:
N/A

Year(s) of Directorship:
Less than one (1) year

Board Committee(s):

T

Board Skills and Experience Matrix:

- Audit/Finance
- Corporate Strategy, Planning & Development
- Risk Management
- Economics/Investment
- Banking
- Project Management
- Stakeholders Management
- Regulatory

Board meetings attended in the Financial Year:

1/1 (since appointment date)

Academic/Professional Qualification(s):

- Chartered Accountant, Institute of Chartered Accountants England and Wales (ICAEW)
- Bachelor of Science Hons (Accountancy and Computer Science), University of Wales, Aberystwyth, United Kingdom

Relevant Working Experience:

- Has over 35 years of finance and business experience across multiple industries and approximately 25 years of serving in the capacity of C-Suite and Senior Manager positions
- Had served in companies involved in motor and heavy equipment distribution, manufacturing, plantations, corporate services, corporate strategy, corporate finance, business development and mergers and acquisitions
- Trustee for Khyra Legacy Berhad (2020 – Present)
- Trustee for Cancer Research Malaysia (2011 – Present)
- Independent Non-Executive Director, Hengyuan Refining Company Berhad (2017 – 2024)
- Independent Non-Executive Director, Tradewinds Plantation Berhad (2021 – 2023)
- He has held a number of senior roles including as:
  - Managing Director, Energy and Utilities (Non-China) Division, Sime Darby Berhad (2015 – 2016)
  - Executive Vice President, Group Corporate Finance, Strategy and Business Development, Sime Darby Berhad (2010 – 2014)
  - Global Operations Manager, Payment Services, BHP Billiton (2009 – 2010)
  - Group Finance Director, Consolidated Plantations Berhad (2002 – 2004)
  - Group Finance Director, Tractors Malaysia Holdings Berhad (1996 – 2001)
- He had served various companies including Shell Companies in Malaysia (1986 – 1991), CarnaudMetalbox Malaysia (1992 – 1996) and had joined Sime Darby Group in 1996
- He started his career with Price Waterhouse, London, United Kingdom (1982 – 1986)

Other Directorship(s):

Listed Issuers:

- Velesto Energy Berhad

Public Companies:

- Hong Leong Islamic Bank Berhad
- Khyra Legacy Berhad

BOARD OF DIRECTORS' PROFILE

ELAINE ONG YEE LYNN

Alternate Director to Selvendran Katheerayson
Non-Independent Non-Executive Director
Representing Khazanah Nasional Berhad, a Major Shareholder of TNB

Age
41

Gender
Female

Nationality
Malaysian

Date of Appointment:
24 November 2023

Date of Last Re-Election:
Nil

Year(s) of Directorship:
One (1) year

Board Committee(s):

Nil

Board Skills and Experience Matrix:

- Audit/Finance
- Economics/Investment
- Real Asset and Property
- Regulatory
- Sustainability

Board meetings attended in the Financial Year:

N/A

Academic/Professional Qualification(s):

- Associate Chartered Accountant (ACA) of the Institute of Chartered Accountants in England and Wales (ICAEW)
- Bachelor of Science (Honours) in Accounting and Finance, University of Warwick, United Kingdom

Relevant Working Experience:

- Director, Investments, Khazanah Nasional Berhad (2024 – Present)
- Senior Vice President, Investments, Khazanah Nasional Berhad (2018 – 2023)
- Director of Cenergi SEA Berhad (2020 – 2023)
- Director of Southrop Sdn. Bhd. (2015 – 2018)
- Assistant Vice President, Investments, Khazanah Nasional Berhad (2010 – 2015)
- Assistant Manager, Assurance – Financial Services, PricewaterhouseCoopers Malaysia (2006 – 2010)

Other Directorship(s):

Elaine does not hold any directorships in public companies or other listed issuers.

Declaration by the Board:

Save as disclosed below, the above Directors have no family relationship with any Director and/or major shareholders of TNB, have no conflict of interest or potential conflict of interest, including any interest in any competing business with TNB or its subsidiaries, have not been convicted of any offence (other than minor traffic offences) within the past five (5) years and have not had any public sanction or penalty imposed by the relevant regulatory bodies in FY2024:

(i) *Ramzi bin Mansor is an Appointed Director of MoF Inc. He will recuse himself from participating in any discussion on matters involving the interest of MoF Inc. Group and TNB Group and will abstain from deliberation and voting of such matters at TNB Board and Board Committee meetings.*

(ii) *Selvendran Katheerayson and Elaine Ong Yee Lynn (Alternate Director to Selvendran Katheerayson) are Appointed Directors of Khazanah. They will recuse themselves from participating in any discussion on matters involving the interest of Khazanah Group and TNB Group and will abstain from deliberation and voting of such matters at TNB Board and Board Committee meetings.*

(iii) *Rohaya binti Mohammad Yusof is an Appointed Director of Employees Provident Fund (EPF). She will recuse herself from participating in any discussion on matters involving the interest of EPF Group and TNB Group and will abstain from deliberation and voting of such matters at TNB Board & Board Committee meetings.*

(iv) *Muazzam bin Mohamad is an Appointed Director of Permodalan Nasional Berhad (PNB). He will recuse himself from participating in any discussion on matters involving the interest of PNB Group and TNB Group and will abstain from deliberation and voting of such matters at TNB Board & Board Committee meetings.*

(v) *Ong Ai Lin is an Independent Non-Executive Director of RHB Bank Berhad and RHB Islamic Bank Berhad (the Companies). She will recuse herself from participating in any discussion on matters involving the Companies and TNB Group and will abstain from deliberation and voting of such matters at TNB Board & Board Committee meetings.*

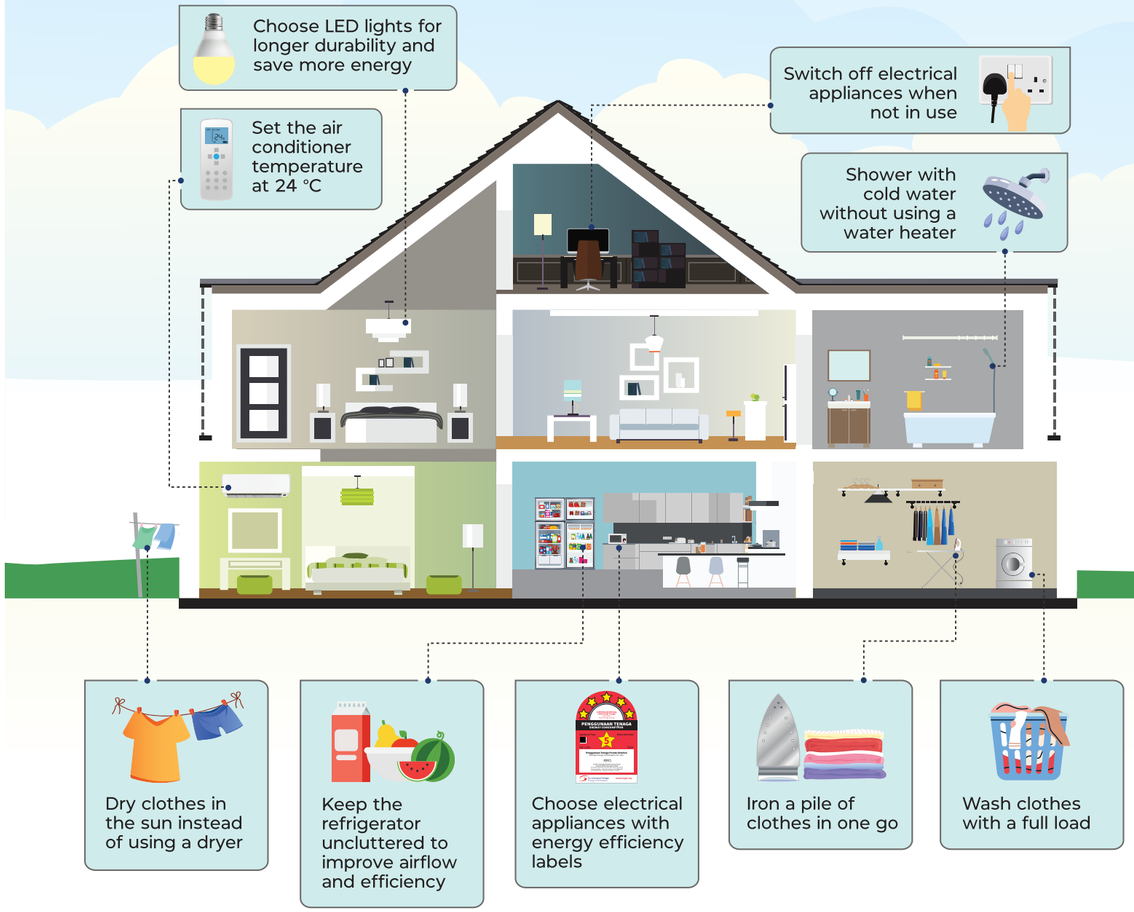
(vi) *Dato' Merina binti Abu Tahir is an Independent Non-Executive Director of S P Setia Berhad and AEON Co (M) Bhd. (the Companies). She will recuse herself from participating in any discussion on matters involving the Companies and TNB Group and will abstain from deliberation and voting of such matters at TNB Board and Board Committee meetings.*

(vii) *Alan Hamzah Sendut is an Independent Non-Executive Director of Hong Leong Islamic Bank Berhad. He will recuse himself from participating in any discussion on matters involving Hong Leong Group and TNB Group and will abstain from deliberation and voting of such matters at TNB Board & Board Committee meetings.*

BE ENERGY EFFICIENT WITH TNB,
POWER IS IN YOUR HANDS.

LITTLE ACTIONS CAN MAKE A WORLD OF DIFFERENCE

Let's make energy saving a part of our everyday lives. These small changes in our daily routine can lead to significant savings. No matter how insignificant these efforts may seem, if all of us do our part, imagine the positive impact we can achieve together.



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Senior Management at a Glance

01 DATUK IR. MEGAT JALALUDDIN BIN MEGAT HASSAN
President/Chief Executive Officer

02 KAMAL ARIFIN BIN A. RAHMAN
Chief Retail Officer

03 BADRULHISYAM BIN FAUZI
Chief Financial Officer

04 HASMARIZAL BIN HASSAN
Chief Grid Officer

05 MOHD ZARIHI BIN MOHD HASHIM
Chief New Energy Officer

06 ALI MUNAWAR BIN HAJI SALIM
Company Secretary

07 DATUK IR. AZMI BIN MD YUSOF
Chief Global Business Solutions Officer

08 DATUK IR. TS. SHAMSUL BIN AHMAD
Chief Regulatory & Stakeholder Management Officer

09 IR. MAHATHIR NOR BIN ISMAIL
Chief Distribution Network Officer

10 FELDATUN BINTI SHARIF
Chief People Officer

11 AZLAN BIN AHMAD
Chief Information Officer

12 DATO' IR. MUHAMAD NAZRI BIN PAZIL
Managing Director, TNB Power Generation Sdn. Bhd.

13 AMIR MAHMOD BIN ABDULLAH
Chief Procurement Officer

14 LEO PUI YONG
Chief Sustainability Officer

Additional Information on Our Management Team:

(i) None of our Management Team has any family relationship with any Director and/or major shareholder of TNB.

(ii) None of our Management Team has any conflict of interest or potential conflict of interest, including interest in any competing business with TNB or its subsidiaries.

(iii) None of our Management Team has been convicted of any offences (save for minor traffic offences) within the past five (5) years, nor has been imposed any public sanction or penalty by the relevant regulatory bodies during the Financial Year under review.

COMMITTEE MEETINGS

GEMC	Group Executive Management Committee
GPC	Group People Committee
SETC	Sustainability and Energy Transition Committee
IEC	Investment Executive Committee
TC	Technology Committee*
ICTGC	ICT Governance Committee
APGC	ASEAN Power Grid Committee
RC	Regulatory Committee
REBCC	Renewable Energy Business Coordination Committee
GMTC	Group Management Tender Committee
GLTC	Green Lane Tender Committee
COMPEC	Commodity Procurement Executive Committee
ESC	Energy Supply Committee*
SMC	Smart Meter Committee*
EVC	Electric Vehicle Committee
HSEC	Health Safety Environment Committee*
IC	Integrity Committee*

* *Committees are required to provide Chairman's report to GEMC on a regular basis, except for Committees chaired by Chief Executive Officer,*

Senior Management Profile

DATUK IR. MEGAT JALALUDDIN BIN MEGAT HASSAN

President/
Chief Executive Officer

Date of Appointment: 1 March 2024

Management Committee(s):

GEMC | GPC | SETC | IEC | ICTGC | APGC | RC | REBCC | GMTC | GLTC | COMPEC | EVC

Age
59

Gender
Male

Nationality
Malaysian

Qualification(s):

- Member of the Institution of Engineers, Malaysia
- Certified Professional Engineer of the Board of Engineers (BEM), Malaysia
- Bachelor of Engineering (Hons) (Electrical Engineering), University of Wollongong, Sydney, Australia

Working Experience:

- A visionary leader with over three decades of experience, Datuk Ir. Megat Jalaluddin is known at TNB for his exceptional ability to lead and transform various aspects of the organisation, including operations, strategy, and customer engagement
- In his previous role as Chief Operating Officer, he played a pivotal part in expanding TNB's business and championing its shift towards sustainable energy, aligning with Malaysia's 2050 carbon neutrality ambitions
- When he was Chief Strategy and Ventures Officer, he was instrumental in developing TNB's strategic initiatives and exploring new business opportunities
- He also made significant contributions to TNB Retail's customer service and business growth during his tenure as Chief Retail Officer
- Datuk Ir. Megat Jalaluddin actively contributes to various advisory panels, including the Industrial Advisory Panel at the Faculty of Mechanical Engineering, Universiti Teknologi MARA, and the Bachelor of Electrical and Electronics Engineering programme at the University of Technology Petronas
- He also contributes his expertise as a member of the Advisory Board of the Asia IoT Business Platform and as the leader of the SIRIM Malaysia Technical Working Group on Electrical Energy Measurement
- Recently, Datuk Ir. Megat Jalaluddin was appointed as the Chairman of CIGRE Malaysia for the 2024–2026 term, leading national efforts to advance power system innovation, collaboration, and engineering excellence
- Datuk Ir. Megat Jalaluddin is a recognised member of the International Electrotechnical Committee – Technical Committee No. 13, CIRED Malaysia Chapter, and The Institute of Asset Management, demonstrating his commitment to professional excellence and industry leadership. He is also a registered Professional Engineer in Malaysia

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

DATO' IR. MUHAMAD NAZRI BIN PAZIL

Managing Director,
TNB Power Generation
Sdn. Bhd.

Date of Appointment: 1 July 2023

Management Committee(s):

GEMC | GPC | SETC | IEC | APGC | REBCC | ESC

Age
55

Gender
Male

Nationality
Malaysian

Qualification(s):

- Executive MBA from Melbourne Business School
- Master of Science from Strathclyde University
- 1st Class Honours Bachelor's degree in Electro-Mechanical Power Engineering from Loughborough University

Working Experience:

- Currently, Dato' Ir. Muhamad Nazri bin Pazil is the Managing Director of TNB Power Generation Sdn. Bhd. (TNB Genco), where he is dedicated to making TNB Genco the leading clean energy provider in Southeast Asia. He brings over 31 years of experience in energy, utility, and manufacturing
- He played a crucial role as the Project Director in commissioning one of the world's largest and most efficient gas turbines in Pasir Gudang, Johor
- He was a key member of the Sabah Electricity Sdn. Bhd. (SESB) leadership team, focusing on improving GTD, System Operation, and achieving SAIDI below 180 mins
- He contributed to the formation and development of TNB Janamanjung, Malaysia's first Independent Power Producer, and was involved in the operational takeover of Saudi Arabia's first Independent Water and Power Producer
- He currently serves as Adjunct Professor at College of Engineering, Universiti Tenaga Nasional since 2024, bringing industry insights and his expertise into the academic environment

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

SENIOR MANAGEMENT PROFILE

HASMARIZAL BIN HASSAN

Chief Grid Officer

Date of Appointment: 16 April 2024

Management Committee(s):

GEMC | GPC | SETC | IEC | APGC | RC | REBCC | GMTC | GLTC | ESC | HSEC | IC

Age 52

Gender Male

Nationality Malaysian

Qualification(s):

- Master of Business Administration (MBA) from University Tenaga Nasional/Melbourne Business School
- Master of Engineering (M.Eng) from Imperial College of Science, Technology & Medicine, University of London

Working Experience:

- Hasmarizal bin Hassan, the Chief Grid Officer (CGO), brings over 28 years of experience in Engineering & Design, Operation & Maintenance, and Asset Development for the Grid Division
- His strategic leadership and technical expertise have been instrumental in enhancing grid infrastructure and reliability.
- Hasmarizal is also responsible for ensuring the long-term sustainable growth and profitablity of the Division through effective management and optimisation of resources. He plays a major role in guiding TNB towards realising the ASEAN Power Grid in addition to driving the Energy Transition agenda. He also plays vital role in ensuring TNB provides timely and reliable supply to Data Centres
- He serves as Board Member and Chairman of TNB Research Sdn. Bhd., Board Member of Sabah Electricity Sdn. Bhd., Chairman of the Board of Elopura Power Sdn. Bhd., and Board Member of TNBPG Hydro Nenggiri Sdn. Bhd.

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

IR. MAHATHIR NOR BIN ISMAIL

Chief Distribution Network Officer

Date of Appointment: 1 March 2024

Management Committee(s):

GEMC | GPC | SETC | IEC | RC | REBCC | GMTC | GLTC | ESC | SMC | EVC | HSEC

Age 49

Gender Male

Nationality Malaysian

Qualification(s):

- Master of Business Administration from UNITEN and Melbourne Business School
- Master of Electrical Engineering from Universiti Teknologi Malaysia (UTM)
- Bachelor of Engineering (Electrical) from the University of Southampton, UK

Working Experience:

- Ir. Mahathir Nor bin Ismail has over 24 years of service at TNB, encompassing various engineering and managerial roles. Some of his top leadership positions include Managing Director of TNB Energy Services (TNBES) and TNB Engineering Corporation Sdn. Bhd. (TNEC)
- He serves as a board member of TNB Retail Sdn. Bhd. (TRSB), TNB Energy Services Sdn. Bhd., and several joint-venture investment entities such as FTJ Bio Power Sdn. Bhd. and Metrosphere Hydro Tersat Sdn. Bhd.
- Previously, he also held directorship positions in over ten boards of TNB's subsidiaries
- His current ambition is to elevate the Distribution Network Division in terms of business and operational performance, contributing to government initiatives like the National Energy Transition Roadmap (NETR)
- Ir. Mahathir is dedicated to enhancing the Distribution Network's visibility, controllability, and energy management, thus enabling an accelerated energy transition and facilitating customer participation in TNB's initiatives

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

KAMAL ARIFIN BIN A. RAHMAN

Chief Retail Officer

Date of Appointment: 3 October 2022

Management Committee(s):

GEMC | GPC | SETC | IEC | ICTGC | RC | REBCC | GMTC | GLTC | ESC | SMC | EVC

Age 58

Gender Male

Nationality Malaysian

Qualification(s):

- Master of Business Administration from the University of Athens, Ohio, United States
- Bachelor of Science in Electrical Engineering from the University of Texas at El Paso (UTEP), United States
- Member of International Conference On Electricity Distribution (CIRED) Malaysia
- Chairman of HAPUA's Forum on Customer Service 2025

Working Experience:

- Kamal Arifin held more than 34 years of diverse experience within TNB encompassing roles such as Special Officer in the offices of the TNB Chairman and Senior Vice President. He was the Chief Operating Officer of Malaysia Transformer Manufacturing, State General Manager (Negeri Sembilan) for TNB Distribution, and Head of Customer Services (Johor) for Retail Division
- Prior to his appointment as Chief Retail Officer, he served as Head of Centralised Operations and Centre of Excellence in the Retail Division
- As the CReO, Kamal Arifin is at the forefront of transforming the retail ventures into a future-driven business. With over 34 years of extensive experience, he focuses on growing innovative retail ventures and improving customer experiences through digital transformation

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

BADRULHISYAM BIN FAUZI

Chief Financial Officer

Date of Appointment: 1 January 2025

Management Committee(s):

GEMC | GPC | SETC | IEC | TC | APGC | RC | GMTC | GLTC | COMPEC | EVC

Age 44

Gender Male

Nationality Malaysian

Qualification(s):

- Fellow, Chartered Institute of Management Accountants (CIMA)
- Member, Malaysian Institute of Accountants (MIA)
- Member, Chartered Financial Analyst (CFA) Institute
- Bachelor of Engineering in Computing from Imperial College London

Working Experience:

- Badrulhisyam Fauzi is the Chief Financial Officer, overseeing the Group Finance Division to drive financial sustainability and operational excellence for TNB. With over 20 years of experience, he has led financial transformations, strategic planning and governance across diverse industries
- He previously served as Group CFO at MMC Corporation Berhad and Covering CEO of Alam Flora Sdn. Bhd.
- Earlier in his career, he also held key investment roles at Permodalan Nasional Berhad
- In his role as Chief Financial Officer, he leads Group Finance as a strategic financial partner, actively contributing to TNB's business aspirations and the achievement of the Group's objectives. His focus includes the continuous improvement and review of key financial areas, such as finance policies and procedures, system efficiency and processes, strategic financial risks, and staff competency

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

SENIOR MANAGEMENT PROFILE

FELDATUN BINTI SHARIF

Chief People Officer

Date of Appointment: 1 April 2024

Management Committee(s):

GEMC | GPC | SETC | ICTGC | RC | GMTC | HSEC | IC

Age 52

Gender Female

Nationality Malaysian

Qualification(s):

- Bachelor of Art, Art & Social Science (Majoring in Social Administration), with Honours, Universiti Malaya, Malaysia

Working Experience:

- Feldatun binti Sharif is a highly experienced HR Professional with 28 years of experience in various aspects of HR including HR Strategy, Organisational Development, Workforce Planning, Talent Acquisition, Development and Deployment, HR Management & Operations, and Change Management
- She played a key role in TNB's Value Unlocking Programme in 2015 as Head of Organisation Design & Workforce Planning, contributing to a major transformation exercise
- In 2018, she took on the role of Project Director for the formation of the TNB Integrated Shared Service Centre
- Feldatun led the reorganisation of TNB's macro structure in 2020 to establish TNB Power Generation and TNB Retail under Project Needle
- Prior to becoming Chief People Officer in 2024, she held critical roles such as Head of People Strategy & Organisation Effectiveness in 2021 and Head of Operations, TNB Global Business Solutions (TGBS) in 2023
- Feldatun is responsible for crafting and deploying effective people management strategies at TNB. This is done through developing and implementing high-impact policies, initiatives and programmes to foster high employee experience, catalysing our people towards achieving TNB's purpose and aspiration

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

MOHD ZARIHI BIN MOHD HASHIM

Chief New Energy Officer

Date of Appointment: 12 January 2022

Management Committee(s):

GEMC | GPC | SETC | TC | APGC | REBCC | GMTC | ESC

Age 48

Gender Male

Nationality Malaysian

Qualification(s):

- Master of Business Administration from INSEAD
- Bachelor of Engineering (Honours) in Electrical and Electronic Engineering from University College London

Working Experience:

- Mohd Zarihi serves an important function within the New Energy Division, supporting the expansion of TNB's renewable energy initiatives both in Malaysia and abroad. He contributes to the company's Energy Transition (ET) efforts in line with its long-term sustainability goals. His responsibilities include guiding a more inclusive approach to encourage Bumiputera participation in Centralised Solar Park (CSP) projects. He is also involved in strengthening local involvement through Large Scale Solar (LSS) initiatives across Peninsular Malaysia and Sabah. In addition, he plays a key role in supporting the international expansion of TNB's renewable energy business
- Before joining TNB, Mohd Zarihi held senior roles in investment and private equity, and has extensive experience in management and IT consultancy with both local and international firms. He began his career as an engineer at a leading semiconductor company

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

DATUK IR. TS. SHAMSUL BIN AHMAD

Chief Regulatory & Stakeholder Management Officer

Date of Appointment: 12 December 2022

Management Committee(s):

GEMC | GPC | SETC | IEC | APGC | RC | REBCC | COMPEC | ESC | SMC | EVC

Age 59

Gender Male

Nationality Malaysian

Qualification(s):

- Industry Advisory Panel Chairman for Bachelor of Mechanical Engineering and Diploma in Mechanical Engineering Programmes, Universiti Tenaga Nasional, Malaysia
- Adjunct Professor at UNITEN Business School (UBS), Universiti Tenaga Nasional, Malaysia
- Certified Professional Engineer with the Board of Engineers Malaysia (BEM)
- Professional Technologist with the Malaysia Board of Technologists (MBOT)
- Master of Business Administration from Universiti Tenaga Nasional, Malaysia
- Bachelor of Science in Mechanical Engineering from North Carolina A&T State University, United States of America

Working Experience:

- Datuk Ir. Ts. Shamsul bin Ahmad's impressive tenure at TNB spans over 36 years, during which he has held a myriad of significant roles. Notably, he served as the Managing Director of TNB Janamanjung Sdn. Bhd. (TNBJ) for a decade
- Prior to his current role, he was the Managing Director of TNB Fuel Services Sdn. Bhd.
- In his current position as Chief Regulatory & Stakeholder Management Officer, Datuk Ir. Ts. Shamsul is instrumental in facilitating and advising the industry's regulatory framework
- He currently serves as the Country Coordinator for Malaysia within HAPUA (Heads of ASEAN Power Utilities/Authorities)

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

LEO PUI YONG

Chief Sustainability Officer

Date of Appointment: 1 June 2023

Management Committee(s):

GEMC | GPC | SETC | IEC | TC | RC | GMTC | EVC | HSEC

Age 46

Gender Female

Nationality Malaysian

Qualification(s):

- Master in Energy & Power System from University Malaya (UM)
- Bachelor Degree in Electrical & Electronic Engineering from Universiti Tenaga Nasional (UNITEN)
- Certified Internal Auditor (CIA)
- RIMS Certified Risk Management Professional
- Associate Business Continuity Professional (ABCP)

Working Experience:

- Leo Pui Yong has served more than two decades at TNB and held various positions which include engineering, internal auditing and managerial roles
- Prior to current appointment, she was the Chief Risk Officer of TNB
- As Chief Sustainability Officer, she is responsible in leading the company's sustainability efforts and ensuring that TNB's operations align with the company's sustainability goal towards Net Zero Emission aspiration by 2050
- She is a board director of TNB Power Generation Sdn. Bhd., TNB Janamanjung Sdn. Bhd., Tenaga Wind Ventures UK Ltd, and TNB Research Sdn. Bhd., and currently chairs TNB Global Captive Sdn. Bhd.

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

SENIOR MANAGEMENT PROFILE

AZLAN BIN AHMAD

Chief Information Officer

Date of Appointment: 18 July 2022

Management Committee(s):

GEMC | GPC | SETC | TC | ICTGC | GMTC | SMC | EVC | IC

Age 54 | **Gender** Male | **Nationality** Malaysian

Qualification(s):

- Master of Business Administration (MIS) from International Islamic University Malaysia (IIUM), Malaysia
- Bachelor of Science (Computation) from the University of Manchester Institute of Science and Technology (UMIST), United Kingdom
- BTEC National Diploma in Computer Studies from Coventry Technical College, United Kingdom
- Additional learning experiences include the Harvard Premier Business Management Program, Gartner Leadership Development Academy, BCG Leadership Institute and G20Y Summit

Working Experience:

- Azlan bin Ahmad has a distinguished 31-year career in TNB, mainly in the ICT Division, demonstrating his comprehensive expertise in IT & Telecommunication management
- As Chief Information Officer, he directs TNB's IT & Telecommunication strategy and operations, covering the entire ICT value chain from IT infrastructure and network telecommunication to applications and cybersecurity
- He plays a critical role in implementing secure and sustainable technology solutions across the organisation, key to advancing TNB's corporate digitalisation agenda
- Azlan serves on the Board of Directors for TNB-IT Sdn. Bhd., Allo Technology Sdn. Bhd. and Tenaga Switchgear Sdn. Bhd.
- He holds an adjunct professorship at the College of Computing and Informatics (CCI), UNITEN, and serves as Chairman of the Advisory Panel for Tan Sri Leo Moggie Distinguished Chair in Energy Informatics

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

AMIR MAHMOD BIN ABDULLAH

Chief Procurement Officer

Date of Appointment: 1 January 2020

Management Committee(s):

GEMC | GPC | SETC | ICTGC | GMTC | GLTC | COMPEC | SMC | HSEC | IC

Age 58 | **Gender** Male | **Nationality** Malaysian

Qualification(s):

- Master of Science in Engineering Business Management (Integrated Graduate Development Scheme, IGDS), University of Warwick, United Kingdom/Universiti Teknologi Malaysia (UTM)
- Bachelor of Engineering (Honours) in Electrical and Electronic Engineering, Brighton Polytechnic, United Kingdom
- Postgraduate Diploma in Engineering Business Management (Integrated Manager Development Scheme, IMDS), University of Warwick, United Kingdom/University of Technology, Malaysia
- Additional learning exposures include attachments at Melbourne Business School, Australia, National University of Singapore, and Disney University, Florida, United States of America

Working Experience:

- Encik Amir Mahmod commenced his career in 1988 with LLN/TNB and has accrued extensive experiences across various domains including Customer Service, Maintenance, Planning and Construction, and leadership of numerous Cost and Profit Centres
- He has spearheaded number of key projects, notably the online application systems; Competency Based Performance Management System, Employee Feedback, and Integrated Development of Proton City
- In 2009, he took the helm as Head of TNB Metering and Revenue Management and later as Director of TNB's Smart Meter under Advanced Metering Infrastructure (AMI)
- In 2016, he played a pivotal role in turning around Tenaga Cable Industries Sdn. Bhd., a TNB subsidiary, transforming it into a profitable and sustainable enterprise
- He was appointed as Programme Director of Procurement Hub Functions in 2018 and then as Chief Procurement Officer in January 2020
- In 2023, he was honoured as CPO of the Year at the 6th Annual Chief Procurement Officer Summit and Award in Kuala Lumpur and was a top-six finalist for the Asia Pacific CPO Award at the Asia Pacific Procurement Congress 2023 in Singapore
- In 2024, CPO was invited as a guest speaker and as a panelist in various conferences & summits locally and internationally. He was also re-elected as a Chairman to GLC Procurement Circle for the next two years.
- Encik Amir Mahmod is also a distinguished participant of TNB's Leadership Drive programme and an accredited trainer in several business domains

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

DATUK IR. AZMI BIN MD YUSOF

Chief Global Business Solutions Officer

Date of Appointment: 15 November 2024

Management Committee(s):

GEMC | GPC | SETC | ICTGC | GMTC | GLTC | EVC | HSEC

Age 52

Gender Male

Nationality Malaysian

Qualification(s):

- Bachelor of Electrical (Power) Engineering, Hanyang University, Seoul, Korea
- Diploma (Electrical Engineering), Dong Yang Technical College, Seoul, Korea
- Professional Engineer, Board of Engineer Malaysia (BEM)
- Asean Chartered Professional Engineer
- Competent Electrical Engineer (275kV – Terhad), Suruhanjaya Tenaga, Malaysia
- Competent/Authorisation Certificates for 500kV Substation and 132/275kV Lines/Cables

Working Experience:

- Datuk Ir. Azmi Bin Md Yusof was appointed as Chief Global Business Solutions Officer in November 2024. He leads TNB's shared services operations – covering Service Delivery, Security, Property, Health Care, Fleet, and Corporate Affairs – with a focus on operational excellence, cost efficiency, and positioning TNB Global Business Solutions (TGBS) as a global leader
- With over 25 years of experience, he has held various leadership roles across grid maintenance, stakeholder engagement, and regional operations. His previous positions include Head of Grid Maintenance, Head of State Stakeholder Affairs (Penang/Kedah/Perlis), and Pengurus Negeri and Cawangan in several states
- Starting his career as a Maintenance Engineer in 1997, Datuk Ir. Azmi has built a strong foundation in operations, engineering, and strategic leadership within TNB

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

ALI MUNAWAR BIN HAJI SALIM

Company Secretary

Date of Appointment: 1 January 2024

Management Committee(s):

GEMC | GPC | SETC | IC

Age 55

Gender Male

Nationality Malaysian

Qualification(s):

- Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators, United Kingdom
- Associate of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Diploma in Agribusiness from Universiti Putra Malaysia, formerly known as Universiti Pertanian

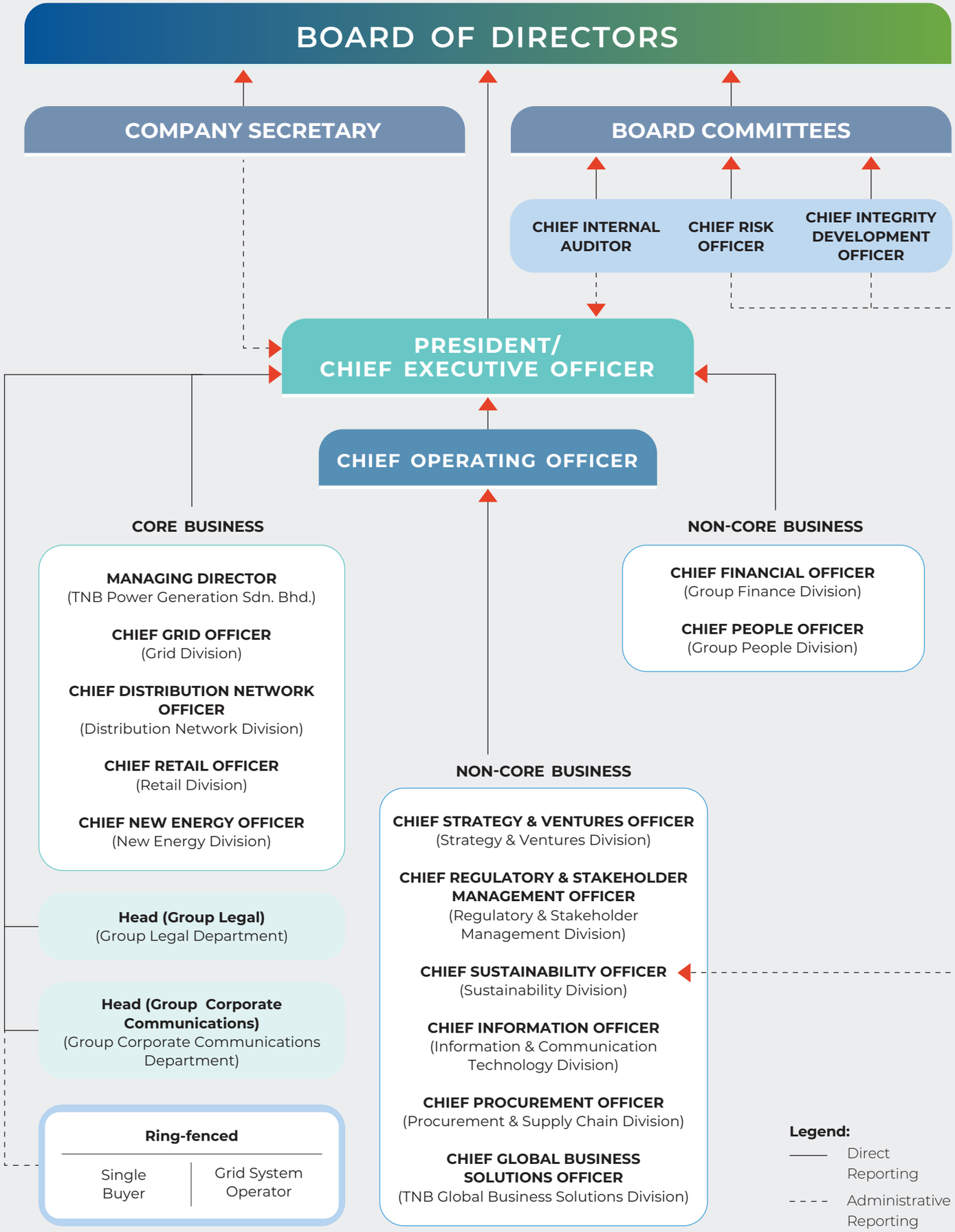
Working Experience:

- Ali Munawar, graduated from the Institut Profesional Baitulmal in Kuala Lumpur, possesses a profound background in corporate compliance, as he carried the role of Senior Manager (Corporate Compliance) in TNB Company Secretary's Office for 10 years from 2014 to 2023. During the period he was Assistant Company Secretary for the respective TNB Board Committees and Management Committee namely Board Finance and Investment Committee, Board Nomination and Remuneration Committee, Board Long Term Incentive Plan Committee and the Group Executive Management Committee
- He began his career at TNB in 1996 and developed over 29 years of experience in corporate secretarial matters, corporate governance, compliance, special projects and due diligence exercises
- Ali Munawar has played a vital role as Company Secretary or Joint Company Secretary for numerous key subsidiaries within the TNB Group, spanning a wide array of entities from power generation to technology and venture capital

Directorships In Public Companies and Listed Issuers:

No directorships in public companies and listed issuers

Organisational Structure



EMPOWERING A NET ZERO 2050 FUTURE TOGETHER

We are dedicated to driving a responsible energy transition and leading the pathway to a sustainable future.

Let us shape a world where clean energy defines tomorrow, sustainable cities thrive, green mobility becomes the norm, and digitalisation serves as the catalyst for transformation.

Together, let us ignite a change and empower a better, brighter future.

Scan to read our ESG stories

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Chairman's Introduction to Corporate Governance

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the Corporate Governance Overview Statement (CG Overview) for the year 2024. As Chairman of the Board, I am committed to uphold the highest standards of corporate governance and to ensure the Board fulfils its fiduciary duties and responsibilities to the shareholders as well as our broad group of stakeholders.

The Board recognises the intrinsic value and importance of robust corporate governance framework and its role in supporting the long-term success and sustainable growth of our business. Sound corporate governance practices serve as a cornerstone for driving shareholder value, fostering business integrity, instilling investors' confidence and realising the Group's corporate objectives and vision.

Amidst an increasingly challenging business environment, the Board is committed to strengthening the Group's corporate governance practices and processes to effectively meet growing business needs.

This CG Overview sets out the governance structures and procedures in place and summarises activities of the Board and its Committees in discharging their responsibilities during the Financial Year under review. The strength of the Board's leadership is assessed through the clarity of the actions it takes and transparency according to the prescribed standards, policies and processes.

This CG Overview also provides vital insights into the corporate governance of TNB which is guided by the principles and best practices encapsulated in the Malaysian Code on Corporate Governance 2021 (MCCG) by the Securities Commission of Malaysia (SC). This CG Overview is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and is to be read together with the Corporate Governance Report 2024 which is accessible on our corporate website at **www.tnb.com.my**.

Notably, in 2024, after a series of discussion, the Board on 30 August 2024 had approved the Reimagining TNB 2.0 (RT 2.0) strategy framework and way forward, an important strategic document developed with the aim of enabling Malaysia's energy transition journey and achieving the 2030 Earnings Before Interest And Taxes (EBIT) and Profit After Tax (PAT) targets.

BOARD COMPOSITION

Our Board currently comprises six (6) Independent Non-Executive Directors, five (5) Non-Independent Non-Executive Directors and one (1) Non-Independent Executive Director, to ensure balanced oversight and strategic guidance of the Company. The Board composition adheres to Paragraph 15.02 (1)(a) of the MMLR having 50% of Independent Directors, surpassing the requirements set by the MMLR.

The Board is committed in maintaining a diverse mix of skills, experience and expertise to effectively fulfill its duties and responsibilities as well as to address the dynamic landscape ahead. The Board has currently four (4) women members (constituting 33%), exceeding the requirement as prescribed by the MMLR and the 30% benchmark recommended by MCCG.

With primary focus on Board succession planning, we have streamlined a robust process for selecting, nominating and appointing candidates to the Board. The Board Nomination and Remuneration Committee (BNRC) is entrusted to evaluate the potential candidates, in respect of their capabilities, expertise, experience, fit and proper, commitment as well as suitability for the Board and Committees' roles in order to suit the need to further strengthen the Board's dynamic and to achieve a well-rounded composition of Board members.

Several changes within the Board took place in the course of the Financial Year, of which include the resignation of Dato' Roslina binti Zainal as Independent Non-Executive Director effective 13 May 2024, to pursue other interest and the appointment of Alan Hamzah Sendut, an Independent Non-Executive Director with effect from 2 December 2024.

With his wealth of knowledge and experience across multiple industries and companies in corporate strategy, corporate finance, business development as well as mergers and acquisitions, Alan Hamzah Sendut will contribute and facilitate the Board in making informed decisions.

On behalf of the Board, I would like to express our gratitude to Dato' Roslina binti Zainal for her unwavering dedication to the Company throughout her tenure of service. To Alan Hamzah Sendut, we welcome you to our organisation and we are confident that with your expertise, we will be able to continue steering TNB towards greater success.

The Board has brought together individuals from various backgrounds and cross-sectoral expertise in the fields of energy, finance and sustainability. By having a balanced blend of skills, experience and independence, the Board is confident of its ability to execute the Group's strategies effectively hence maximising value for the Company.

BOARD EFFECTIVENESS

The annual Board Effectiveness Assessment (BEA) serves as a valuable mechanism for the Board to measure its effectiveness and identify areas of improvement and enhancement. The 2024 BEA was conducted internally and facilitated by the Company Secretary through a set of online questionnaires. Save for Alan Hamzah Sendut and the Alternate Director, the rest of Directors participated in the assessment. Feedback of Top Management was also sought through this exercise.

Based on the overall findings, the Board continued to showcase strong and effective leadership in 2024. The Board on 24 March 2025, had approved the identified action plans as recommended by the BNRC, in order to close the gap and to ensure the Board remains effective in discharging its roles and duties for the Company.

COMMITMENT TO SUSTAINABILITY

Our sustainability governance is an integral part of TNB's Governance Model that is aligned with the principles of MCCG. A strong sustainability governance and leadership structure are imperative to our sustainability agenda and will provide us with clear and definitive guidance to achieve our Net Zero 2050 aspiration.

Our sustainability governance is embedded in the TNB Group Governance Platform which defines the framework of TNB management committees and sub-committees. Having the Sustainability and Energy Transition Council (SETC) in place since 2022, has allowed for the oversight of energy transition initiatives and sustainability agenda across the organisation. The SETC ensures that these sustainability and energy transition initiatives are aligned with our overall strategic direction.

During the Financial Year under review, the Board, on 29 April 2024, had approved TNB Sustainability Policy, TNB Sustainability Framework and TNB Sustainability Governance Document Approving Authority. The said policy reaffirms TNB's commitment to execute its sustainability and energy transition strategies, and further defines the approach to propel TNB to meet its Environmental, Social and Governance (ESG) goals.

As we progress, we will continuously review and strengthen our governance practice to ensure adherence to guiding principles and relevant benchmarks.

LOOKING AHEAD

In the year ahead, as we steadfastly pursue our strategic and sustainability goals, we will remain committed to fortifying the Group's governance framework. This will ensure that the Group's governance structure harmoniously aligns and upholds the principles of ethical behaviour, accountability, transparency and sustainability.

TAN SRI ABDUL RAZAK BIN ABDUL MAJID
Chairman

Corporate Governance Overview

The Board of Directors of Tenaga Nasional Berhad (TNB) is pleased to present the Corporate Governance Overview Statement (CG Overview), which provides shareholders and stakeholders with an overview of the corporate governance practices of TNB during the Financial Year under review with reference to the corporate governance principles, guidance and practices as set out in the Malaysian Code on Corporate Governance 2021 (MCCG).

This Statement is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is to be read together with the Corporate Governance Report 2024 (CG Report) of the Company, which may be accessed on the Company website at **www.tnb.com.my**.

The CG Report details out on how the Company has applied each practice as set out in the MCCG during the Financial Year 2024.

During the year under review, TNB's corporate governance practices were consistent and compliant with the following guidelines and best practices

1. Companies Act 2016
2. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR)
3. Malaysian Code on Corporate Governance 2021 by Securities Commission (MCCG)
4. Corporate Governance Guide by Bursa Malaysia Berhad (4th Edition)
5. Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries by Securities Commission
6. Applicable best practices and standards on corporate governance

TNB has applied 45 out of the 48 recommended practices in the MCCG for the Financial Year under review, save for Practice 5.2: Composition of Independent Directors for Large Companies, Practice 8.2: Disclosure on named basis the top five (5) Senior Management's remuneration and Step Up 8.3: Disclosure of detailed remuneration of each member of Senior Management on a named basis.

Board Leadership & Effectiveness

Supports Effective Decision Making and the Delivery of Our Strategy

Total Hours of Board Meetings

63

Overall Percentage of Board Meetings Attended by Directors

96

Total Hours of Board and Board Committees Meetings

276

BOARD OF DIRECTORS

Key Roles and Responsibilities

- Provides leadership to the Company and direction for Management.
- Has collective responsibility and accountability to shareholders for the long-term success of the Group.
- Reviews the performance of Management and the operating and financial performance of the Group.
- Sets strategy.
- Determines risk appetite.
- Ensures good governance.
- Deliberates and approves the sustainability strategy and pathway while overseeing TNB's implementation and performance on sustainability.

Chairman

- Leads the Board.
- Ensures an effective Board, including contributions and challenges from the Directors.
- Ensures that the Group maintains effective communication with its shareholders.

President/CEO

- Has day-to-day responsibility for running the Group's operations.
- Makes recommendations to the Board and implements Group strategy.
- Applies Group policies.
- Promotes TNB's culture and standards.
- Ensures the Directors are properly informed and that sufficient information is provided to the Board to enable the Directors to form appropriate judgements.

The roles of Chairman and President/CEO are held by two (2) separate individuals.

Total Board Meetings Attended for Financial Year 2024

Tan Sri Abdul Razak bin Abdul Majid	**Datuk Ir. Megat Jalaluddin bin Megat Hassan[1]**	**Ramzi bin Mansor[2]**
84% Attendance 16/19	82% Attendance 14/17*	94% Attendance 16/17*
Gopala Krishnan K.Sundaram	**Dato' Merina binti Abu Tahir**	**Dato' Zulkifli bin Ibrahim[5]**
100% Attendance 19/19	100% Attendance 19/19	93% Attendance 14/15*

TNB BOARD COMMITTEES

Board Audit Committee (BAC)

45 meeting hours

Chairman		
Dato' Merina binti Abu Tahir	100% Attendance | 14/14	
Members		
Ong Ai Lin	100% Attendance | 14/14	
Juniwati Rahmat Hussin	100% Attendance | 14/14	
Dato' Zulkifli bin Ibrahim[5]	100% Attendance | 11/11^	
Rohaya binti Mohammad Yusof[3]	100% Attendance | 3/3^	

Key Roles & Responsibilities

- To oversee the integrity of the financial statements in compliance with legal and regulatory requirements and applicable accounting standards.
- To assess the effectiveness of the Group's internal control framework as well as internal and external audit functions.
- To assess the effectiveness of the system for monitoring compliance with laws and regulations.
- To ensure consistency and connectivity of sustainability-related disclosures across financial reporting and other public disclosures.
- To review any related party transaction and conflict of interest situation that arose, perceived, or may arise within the Group including any transaction, procedure or course of conduct that raises questions of integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

Board Finance and Investment Committee (FIC)

47 meeting hours

Chairman		
Rohaya binti Mohammad Yusof	100% Attendance | 15/15	
Members		
Selvendran Katheerayson	80% Attendance | 12/15	
Dato' Merina binti Abu Tahir	100% Attendance | 15/15	
Dato' Zulkifli bin Ibrahim[5]	92% Attendance | 12/13*	
Elaine Ong Yee Lynn	Attendance | 4/15	
Dato' Roslina binti Zainal[7]	100% Attendance | 3/3^	

Key Roles & Responsibilities

- To review and endorse to the Board for approval and to approve investment/divestment proposals recommended by the Management, balancing strategic, financial and risk and return.
- To review and approve investment risks and risk treatments proposed by Management for new investment/divestment proposals for investment of value up to RM200.0 million per transaction.
- To review and endorse to the Board for approval investment risks and risk treatments proposed by Management for new investment/divestment proposals for investment of value above RM200.0 million per transaction.
- To review, monitor and make recommendations to the Board for approval in matters pertaining to finance, including but not limited to budgets and funding activities.

Board Tender Committee (BTC)

40 meeting hours

Chairman		
Ramzi bin Mansor[2]	100% Attendance | 13/13	
Datin Rashidah binti Mohd Sies[9]	*No meeting held during her tenure/service*	
Members		
Juniwati Rahmat Hussin	100% Attendance | 16/16	
Gopala Krishnan K.Sundaram	100% Attendance | 16/16	
Dato' Roslina binti Zainal[7]	100% Attendance | 5/5^	

Key Roles & Responsibilities

- To establish the framework of TNB's Procurement & Supply Chain Policy and Procedures.
- To advise the Board regarding the details and implementation of TNB's Procurement & Supply Chain Policy and Procedures framework.
- To assist the Board in ensuring that Top Management and Executive Directors comply with TNB's Procurement & Supply Chain Policy and Procedures.
- To ensure TNB complies with the applicable laws, regulations, rules and guidelines to achieve best business practices in its procurement of equipment, materials, works and services.

Notes

[1] *Appointed as President/Chief Executive Officer w.e.f. 1 March 2024.*

[2] *Appointed as Director w.e.f. 1 March 2024 and Chairman of BTC & Member of BNRC w.e.f. 26 March 2024.*

[3] *Ceased as Member of BAC w.e.f. 1 April 2024.*

[4] *Appointed as Chairman of BNRC w.e.f. 26 September 2024.*

[5] *Appointed as Director w.e.f. 1 April 2024 and Member of BAC, FIC & BSRC w.e.f. 1 April 2024.*

[6] *Appointed as Director w.e.f. 2 December 2024.*

[7] *Resigned as Director, Chairman of BNRC and Member of FIC and BTC w.e.f. 13 May 2024. Cessation as Member of BLTIP w.e.f. 26 March 2024.*

[8] *Cessation of Office as Director w.e.f. 29 February 2024.*

[9] *Resigned as Director, Chairman of BTC and Member of BNRC & BIC w.e.f. 12 January 2024.*

^ *Reflects the number of meetings attended during the time the Director held office/was Chairman/Member of Committee(s).*

* *Reflects the number of meetings since his/her respective appointment to the Board/relevant Board Committee(s).*

All Directors have complied with the minimum attendance as stipulated in the MMLR, of which being present not less than 50% of the total Board meetings held during the Financial Year.

AUDIT AND FINANCIAL GOVERNANCE

Internal Audit

External Audit

Financial Controls

APPROVAL COMMITTEES

DISCUSSION PLATFORM

BOARD RESERVED AUTHORITIES

DELEGATED AUTHORITY TO MANAGEMENT

GPC Group People Committee

GMTC Group Management Tender Committee

GLTC Green Lane Tender Committee

COMPEC Commodity Procurement Executive Committee

RC Regulatory Committee

TC Technology Committee

SETC Sustainability & Energy Transition Committee

GEMC Roundtable

Senior Independent Non-Executive Director (SID)

- Provides a sounding board for the Chairman.
- Acts, if necessary, as a focal point and intermediary for the other Directors.
- Ensures that any key issues not addressed by the Chairman or the Executive Management are taken up.
- Is available to shareholders should they have concerns.

Non-Executive Directors

- Constructively challenge the Management in all areas.
- Scrutinise Management's performance.
- Overseeing the Group strategic plan, monitoring its implementation and addressing the sustainability of the Group's business.
- Satisfy themselves on the integrity of financial information and on the effectiveness of financial controls and risk management systems.
- Determine appropriate level of remuneration for Senior Management.

Chief Financial Officer

- Responsible for day-to-day responsibility for the management of the finance function.
- Leads the Group's finance activities, risks and controls.
- Represents TNB externally to stakeholders, shareholders, customers, suppliers, regulatory and government authorities and the community.

Company Secretary

- Advises the Board on corporate disclosures and compliance with the Companies Act 2016, securities regulations and the MMLR.
- Together with the Chairman, ensure the effectiveness of the Company's and the Board's governance processes under review.
- Provides advice on corporate governance issues.
- Facilitates the onboarding of new Directors and assists the Directors' training and development.

Selvendran Katheerayson	Rohaya binti Mohammad Yusof[3]	Muazzam bin Mohamad	Ong Ai Lin	Juniwati Rahmat Hussin[4]
100% Attendance 19/19	100% Attendance 19/19	100% Attendance 19/19	95% Attendance 18/19	95% Attendance 18/19

Alan Hamzah Sendut[6]	Elaine Ong Yee Lynn *(Alternate Director to Selvendran Katheerayson)*	Dato' Roslina binti Zainal[7]	Dato' Seri Ir. Baharin bin Din[8]	Datin Rashidah binti Mohd Sies[9]
100% Attendance 1/1*	NA	100% Attendance 5/5^	100% Attendance 2/2^	*(No meeting held during her tenure/service)*

Board Nomination and Remuneration Committee (BNRC)

21 meeting hours

Chairman

Juniwati Rahmat Hussin[4]	100% Attendance	4/4*
Dato' Roslina binti Zainal[7]	100% Attendance	3/3^

Members

Ramzi bin Mansor[2]	100% Attendance	4/4*
Muazzam bin Mohamad	100% Attendance	7/7
Gopala Krishnan K.Sundaram	100% Attendance	7/7
Dato' Merina binti Abu Tahir	100% Attendance	7/7
Datin Rashidah binti Mohd Sies[9]	*No meeting held during her tenure/service*	

Key Roles & Responsibilities

- To identify and recommend new nominees to the Board, Board Committees and Boards of TNB Group.
- To consider/review the Executive Director and Top Management's succession planning.
- To review the Board's required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board.
- To implement the process formulated by the Board to assess the effectiveness of the Board, Board Committees, Self and Peers.
- To determine and recommend to the Board the remuneration packages of Non-Executive Directors/ Executive Directors/ Top Management.
- To align the Board and Top Management reward/remuneration with the Key Performance Indicators (KPIs).

Board Long Term Incentive Plan Committee (BLTIP)

2 meeting hours

Chairman

Gopala Krishnan K.Sundaram	100% Attendance	2/2

Members

Muazzam bin Mohamad	100% Attendance	2/2
Selvendran Katheerayson	100% Attendance	2/2
Rohaya binti Mohammad Yusof	100% Attendance	2/2
Dato' Roslina binti Zainal[7]	*No meeting held during her tenure/service*	

Key Roles & Responsibilities

- To oversee the administration of TNB LTIP and the shares granted (LTIP Shares) subject to the by-laws.
- To approve and determine the manner in which the LTIP Shares are granted and subsequently vested to the selected employees in accordance with the by-laws, including inter alia, the determination of eligibility, grant level, terms of acceptance of offers, terms of vesting of shares, performance conditions and any other terms and conditions imposed at the discretion of the BLTIP.

Board Sustainability and Risk Committee (BSRC)

41 meeting hours

Chairman

Ong Ai Lin	100% Attendance	12/12

Members

Selvendran Katheerayson	100% Attendance	12/12
Muazzam bin Mohamad	100% Attendance	12/12
Gopala Krishnan K.Sundaram	92% Attendance	11/12
Dato' Zulkifli bin Ibrahim[5]	100% Attendance	9/9*

The key roles & responsibilities of BSRC is on page 203 of BSRC Report.

Board Integrity Committee (BIC)

17 meeting hours

Chairman

Juniwati Rahmat Hussin	100% Attendance	7/7

Members

Muazzam bin Mohamad	100% Attendance	7/7
Ong Ai Lin	100% Attendance	7/7
Rohaya binti Mohammad Yusof	80% Attendance	4/5*
Datin Rashidah binti Mohd Sies[9]	*No meeting held during her tenure/service*	

Key Roles & Responsibilities

- To oversee and conduct disciplinary matters for TNB personnel, including acting on the advice of the Management, hearing and deciding on appeals and enforcing disciplinary proceedings against staff convicted of misconduct.
- To review and make recommendations to the Board of Directors on steps to be taken to establish a culture of integrity and honesty in all of the Company's business dealings.
- Ensure the Integrity Department (ID) effectively carries out its core responsibilities, including Complaint Management, Detection and Verification, and the strengthening of Integrity and Governance practices.
- Monitor the performance of the ID through regular reporting and provide guidance to ensure that the ID remains a relevant entity responsible for upholding integrity within the organisation.
- Enhance the integrity function by safeguarding the ID's objectivity, independence, and capacity, while offering a platform for discussions that remain separate from management influence.

PRESIDENT/CHIEF EXECUTIVE OFFICER (PRESIDENT/CEO)
GROUP EXECUTIVE MANAGEMENT COMMITTEE (GEMC)

IEC Investment Executive Committee
REBCC Renewable Energy Business Coordination Committee
DAIC Digital & AI Committee
ESC Energy Supply Committee
APGC ASEAN Power Grid Committee
EVC Electric Vehicle Committee
SMC Smart Meter Committee
HSEC Health, Safety & Environment Committee
IC Integrity Committee

Strategy
Sustainability
Integrity
Risk Management

BOARD LEADERSHIP & EFFECTIVENESS

TNB GOVERNANCE FRAMEWORK

THE TNB GOVERNANCE FRAMEWORK ENSURES ORDERLY AND EFFECTIVE DISCHARGE OF THE BOARD'S ROLES AND RESPONSIBILITIES WHERE POWERS OF THE BOARD ARE DELEGATED TO THE RELEVANT BOARD COMMITTEES, THE PRESIDENT/CEO AND MANAGEMENT COMMITTEES.

The Group prioritises good governance as fundamental to our long-term success, driven by our responsibility to shareholders and a broad group of stakeholders. The Board views corporate governance as a fundamental process contributing towards achieving long-term shareholders' value, taking into account the interests of all other stakeholders.

The Group believes therefore that a healthy corporate culture and robust governance framework ensures that the organisation continues to run smoothly and efficiently.

The TNB governance framework, its structure and processes, are built upon the Board's Charter, Terms of Reference (ToR) of the Board Committees which are complemented by Limits of Authority and supported by the various management committees, policies and procedures. These processes are monitored and oversee by the Internal and External Auditors.

The Framework ensures clarity of roles by clear demarcation of roles and accountabilities as well as recognises the independent roles and duties required to effectively govern the Company with specific powers of the Board delegated to the relevant Board Committees and the President/CEO.

The Board strives to ensure the Group's governance structure continues to remain appropriate and that it keeps abreast with relevant corporate governance and regulatory requirements. The structure and associated practices are reviewed when necessary to reflect the market and the communities within which the Group operate.

SUSTAINABILITY GOVERNANCE

In advancing our sustainability agenda and achieving our net zero objectives, a robust sustainability governance framework and strong leadership structure are paramount. Aligned with the tenets of the MCCG, our sustainability governance is deeply ingrained within TNB's Governance Model, serving as a cornerstone of our organisational principles.

Underlining the importance of a resilient sustainability governance framework, coupled with effective leadership, we uphold these elements as essential for informed and inclusive decision-making processes. Integrated seamlessly within the broader TNB Group Governance Platform, our sustainability governance framework is intricately linked with TNB's management committees and subcommittees, reinforcing its pivotal role within our corporate governance framework.

With the support of the BSRC, the Board assumes the responsibility for ensuring the robustness of our sustainability and risk management frameworks, as well as the effectiveness of their implementation in achieving strategic objectives and sustainability commitments.

The BAC shall provide assurance on sustainability-related matters that include ensuring the consistency and coherence of sustainability-related disclosures across financial reporting and other public disclosures, approving the assurance plan/ methodology on the Sustainability Statement and reviewing the results of assurance on the Sustainability Statement, culminating in the approval of the Statement of Assurance as part of the Sustainability Statement.

The Board, based on the recommendation by BSRC, on 29 April 2024 had approved TNB Sustainability Policy, TNB Sustainability Framework and TNB Sustainability Governance Document Approving Authority. The said policy encompasses TNB's commitment to achieve its sustainability and energy transition strategies, and the approach to propel TNB or towards its Environmental, Social and Governance (ESG) goals.

For more information, please refer to Sustainability Governance section of Sustainability Statement, which can be found on pages 61.

OPERATIONS OF THE BOARD

Prior to each scheduled Board meeting, comprehensive Chairman Reports from the respective Board Committees are distributed, ensuring Directors are thoroughly briefed on deliberations and recommendations made at the respective Board Committees. This process guarantees that each Director is well-informed about decisions made and viewpoints raised. Subsequently, the Chairman of each Board Committee presents the Committee's report to the Board, outlining recommendations for the Board's consideration and approval. This dynamic exchange allows the Board to offer insights on all Committee deliberations. All deliberations and recommendations are duly recorded, approved or endorsed by each Board Committee and subsequently affirmed by the Chairman during their respective Board Committee meetings.

Under the guidance of the Chairman, the Board engages in transparent discussions on all matters presented. Regular insights and counsel are sought from Senior Executives within the Group, as well as external advisers when necessary, facilitating the Board's decision-making process. Throughout the review period, the Board delved into a diverse array of topics, fulfilling its obligations with discussions spanning strategy, sustainability and the operations of the Group, including its principal operating subsidiaries. Financial aspects, legal considerations, compliance, governance and risk management were also meticulously scrutinised.

Additionally, Board and Board Committee meetings are strategically held at various business operating units or major/new project sites to provide the Board with firsthand assessment of progress and to address any pertinent issues raised.

During the Financial Year under review, the Board and its respective Board Committees visited the following business operations/ongoing projects/asset

1. 10 July 2024: Site Visit by BAC to Pencawang Masuk Utama 132/33kV Jesselton and Pencawang Elektrik (PE) Signal Hill, Kota Kinabalu, Sabah
2. 7 August 2024: Site Visit by the Board to Bomen Solar Farm, Wagga Wagga, New South Wales, Australia
3. 22-23 September 2024: Site Visit by BSRC to:
   - Stesen Janakuasa Sultan Azlan Shah, Manjung, Perak Darul Ridzuan
   - The Light Transmission Lines Project Site, Pulau Pinang
   - Stesen Janakuasa Perai, Pulau Pinang
4. 29 November 2024: Site Visit by the Board to Daintree Wind Farm, UK
5. 17 December 2024: Site Visit by the Board to PE Elmina No. 16, City of Elmina, Shah Alam, Selangor

BOARD COMPOSITION AND INDEPENDENCE

The Board has conducted a thorough review of the independence status of each Independent Non-Executive Director. Throughout the year, it was confirmed that none of the Independent Non-Executive Directors maintained significant business or other relationships with the Group. Moreover, no other factors were identified that could potentially compromise their independence of character and judgment, aligning with the guiding principles set forth in the MCCG and MMLR.

Recognising the paramount importance of independence characteristics delineated in the MCCG, the Board places significant emphasis on the duration of service when evaluating the independence of Independent Non-Executive Directors. As part of its governance framework, the Board strictly adheres to a tenure limit of nine (9) years for Independent Non-Executive Directors, without further extension, in accordance with Step Up 5.4 of the MCCG. Currently, none of the Independent Non-Executive Directors has exceeded the prescribed nine-year tenure.

During the Financial Year under review, a session was held on 16 December 2024 between the Senior Independent Director and the Independent Directors without the presence of the Management to address any concern or sensitive issue of the Board.

BOARD LEADERSHIP & EFFECTIVENESS

SUMMARY OF BOARD ACTIVITIES IN 2024

MATTERS DELIBERATED BY THE BOARD AND ITS COMMITTEES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The following list is not exhaustive and encompasses among others, Key Areas of Focus/Matters Deliberated by the Board and its Committees during the Financial Year:

BOARD

STRATEGY

- Reimagining TNB 2.0 (RT 2.0) Strategy Framework and Way Forward
- Proposed FY2025 KPIs for President/CEO
- TNB Roles in Supporting Malaysia Energy Transition Agenda Through Delivery of National Energy Transition Roadmap (NETR) Flagship Initiatives
- Approval/Status Update on TNB's potential investments/divestment projects
- Approval/Status Update/Issues on operational matters of TNB and its Group of Companies
- Regulatory Proposal Submission to Suruhanjaya Tenaga under the Incentive Based Regulation (IBR) for Regulatory Period 4
- Corporate Renewable Energy Supply Scheme

FINANCIAL

- Audited Financial Statements for Financial Year 2023
- Revenue, Operational and Capital Expenditure (CAPEX) Budget for Financial Year 2025
- Quarterly and Full Year Group Performance
- Quarterly Financial Results
- Interim and Final Dividends
- Proposed Funding Options and Plans for FY2024 and onwards
- TNB Equity Portfolio Performance Report for the period ended 31 December 2024
- Risk Adjusted Rate of Return expectation for new investments

SUSTAINABILITY

- TNB Sustainability Policy, Sustainability Framework & Sustainability Governance Document Approving Authority Structure
- TNB Sustainability Pathway 2050: Low Carbon Pathway and Key Action Items
- Corporate Social Responsibilities Proposals
- TNB Sustainability Implementation In 2024
- TNB Carbon Management Strategy & Emission Intensity Reduction Target

GOVERNANCE

- Appointment and Resignation of Directors
- 2024 Integrated Annual Report Statements & Corporate Governance Report
- Board Effectiveness Assessment (BEA) for Board of Directors, Board Committees, Self and Peer FY2024
- Notice of 35th AGM
- Succession Planning of Top Management including fit & proper assessment and proposed appointment & renewal of service contract
- Quarterly Report on Non-Audit Services
- Approval of Procurement within its Approving Authority

RISK MANAGEMENT

- Quarterly Risk Dashboard Report
- TNB Divisions/Departments Risk Profiles and Convergence Initiatives
- Quarterly Report on TNB's Litigation and Arbitration Cases

MATTERS DELIBERATED BY THE BOARD AND ITS COMMITTEES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)

FIC

- Potential Proposals of Local and International Investment with focus on Renewable Energy
- 2024 Review of TNB Risk Adjusted Rate of Return Framework
- Reviewed/Evaluated Investments in respective Subsidiaries and Associate Companies and Recommended Appropriate Proposals for Divestment/Liquidation
- Proposed capital structure and financing of TNB's wholly owned subsidiaries
- Investment Executive Committee (IEC) Status Report
- TNB Post Investment Review (PIR) Assessment of Commercialised Investments
- TNB Transition Finance Framework
- Major Projects' Updates

BTC

- Approval of Procurement within its Approving Authority
- Procurement Plan and Strategy
- Procurement Issues

BLTIP

- Approval on Vesting of Restricted and Performance Shares under the LTIP

BIC

- Bi-Annual Reporting to the Malaysian Anti-Corruption Commission
- Training and Communication Plan (TCP) and its Quarterly Updates
- Governing Body Review ISO37001 Anti-Bribery Management System FY2024
- Review of Whistleblowing process
- Integrity Department's Strategy Map
- Revised Conflicts Of Interest Policy And Guideline On Conflicts Of Interest Management For TNB Board Of Directors And Key Senior Management

BAC | BNRC | BSRC

Summaries of the activities of BAC, BNRC and BSRC are available in their respective reports in this Integrated Annual Report

BOARD LEADERSHIP & EFFECTIVENESS

SUMMARY OF BOARD ACTIVITIES IN 2024

Material Matters Reserved for the Board

Matters Considered by the Board

The Board assumes a critical role in overseeing the Company's strategic trajectory and sanctioning corporate strategic endeavours devised by the Management. Annually, the Board scrutinises the Company's strategic and business plan, including the proposed annual capital and revenue budget for the upcoming year, alongside the KPIs. This ensures that the KPIs align with the Company's annual strategic and business plan. The Board thoroughly evaluates and deliberates on the Management's perspectives and assumptions to ensure informed decisions are made, considering all relevant factors.

Additionally, an informal session known as the Board Breakout Session (BBO) serves as a platform for the Board and Management to exchange views and opinions, discuss strategic plans and address pertinent issues concerning the Group's direction and progress. Coordinated by the Company Secretary's Office, with input from respective Divisions, as required, the BBO facilitates strategic planning and progress reporting.

Throughout the Financial Year, the Board conducted two (2) BBOs:

- **On 31 May 2024: Deliberations on the way forward of Single Buyer.**
- **On 23 July 2024: RT2.0 strategy framework and target aspiration, update progress of RT2.0 delivery and setting RT2.0 way forward.**

After a series of syndication, the Board on 30 August 2024 had approved the RT2.0 strategy framework and way forward that were developed with the aim of enabling Malaysia's energy transition journey and achieving the 2030 EBIT and PAT target.

Based on the evaluation for the Financial Year under review, the Board collectively affirmed its thorough review of the Company's strategic and financial plans, including the monitoring of implementation and KPI alignment to achieve corporate objectives.

Material Matters Reserved for the Board

Matters Considered by the Board

The Board holds the responsibility of establishing and maintaining a robust reporting framework for internal controls and regulatory compliance across the Company.

Regular meetings were conducted to assess the effectiveness of the Company's internal control system, ensuring alignment with regulatory standards and best practices.

Following the evaluation of the Financial Year, the Board collectively affirmed its fulfilment of these responsibilities through the diligent efforts of the BAC and BSRC.

Matters Considered by the Board

The Board, through the BSRC, holds the mandate to oversee the strength of the Group's sustainability and risk management frameworks and the efficacy of their implementation to realise strategic objectives and sustainability commitments.

Throughout the Financial Year, the BSRC held 12 sittings, focusing on various aspects of sustainability and risk management. Deliberations included exposures on strategic business and sustainability risks monitored through forward-looking Key Risk Indicators that reflected the Group's risk appetite and key risks of TNB business entities, NETR projects, safety & health, legal, digitalisation and cyber security. With the BAC, the BSRC jointly endorsed the Statement on Risk Management and Internal Control, which encapsulates the Group's risk management practices and internal controls.

Through synergistic collaboration with business entities across the Group, the Chief Sustainability Officer and the Sustainability Division execute the Group's sustainability strategies and initiatives. The Chief Risk Officer leads the Risk Management Department and reports administratively to the Chief Sustainability Officer. This integration ensures alignment between risk management and sustainability efforts.

The Risk Management Department ensures the effective implementation of the TNB Risk Management Framework, aligned with ISO 31000:2018, to facilitate informed decision-making.

The BSRC remains committed in its oversight role, ensuring that risk management is seamlessly integrated into strategic planning and decision-making processes to drive the Group's strategic outcomes and long-term objectives.

Based on the evaluation for the Financial Year under review, the Board collectively agreed that it has discharged its roles in identifying principal risks and in ensuring that the Group has put in place an adequate risk management framework to effectively monitor and manage the risks of its operational businesses for the Company's sustainability.

Matters Considered by the Board

The President/CEO assumes the crucial role of overseeing the Company's day-to-day operations and executing Group strategies and policies approved by the Board. This responsibility is facilitated by the dedicated support of various Management Committees. Performance evaluations of Management are conducted, primarily assessing the quarterly Company's and Group's financial performance. The Board receives regular updates on the status of Company's strategic initiatives, key operational concerns and the Group's performance, all aligned with approved KPIs.

BOARD LEADERSHIP & EFFECTIVENESS

Material Matters Reserved for the Board

Matters Considered by the Board

The Board, assisted by the BNRC, is responsible for developing plans to identify the necessary and desirable competencies and skills of Directors and succession plans to ensure there is appropriate dynamics of skills competencies, experience, expertise and diversity on the Board. In addition, the Board/BNRC also oversees the appointment and succession planning of the Top Management.

The selection of candidates and appointment of Independent Non-Executive Director by the Board/BNRC are made with the assistance of independent consultant, whenever necessary.

During the Financial Year under review, there were several movements to the Board. This includes the resignation of Dato' Roslina binti Zainal as Independent Non-Executive Director, effective 13 May 2024. A new addition to the Board, Alan Hamzah Sendut, an Independent Non-Executive Director was appointed with effect from 2 December 2024, as approved by the Board on 28 November 2024. The appointment process was made with the assistance of an independent consultant.

With his breadth of knowledge and experience across multiple industries and companies which involved in motor and heavy equipment distribution, manufacturing, plantations, corporate services, corporate strategy, corporate finance, business development and mergers and acquisitions, will assist the Board in making informed decisions.

The BNRC, with the approval of the Board, had streamlined a structured appointment process for the Board during the Financial Year.

In this process, the BNRC develops and finalises the Key Success Profile for Director having considered the current Board Skills Matrix, the essential skills, experience, age, ethnicity, gender and other relevant criteria required to drive the strategic direction of the Company, with the aim of closing the gap and to further strengthen the Board's composition.

The BNRC identifies and reviews the potential candidates which are sourced internally and through external/independent sources with reference to the Key Success Profile. The suitability, availability, conflict & potential interest and fit and proper assessment of the potential candidates are also analysed by the BNRC. The BNRC then shortlists the candidates.

The BNRC conducts engagement sessions with the short-listed candidates prior to submitting its recommendation to the Board. The BNRC shall recommend to the Board the proposed appointment of the successful candidate. The Company Secretary, with the authorisation by the Board, will arrange the necessary with regards to the appointment accordingly.

During the Financial Year under review, several movements in the Top Management took place. The Board/BNRC deliberated on the succession planning for critical positions in TNB vigorously, intended to discover and manage the development of TNB's future leaders.

The Board at its meeting on 30 September 2024 had approved the appointment of Badrulhisyam bin Fauzi as the Chief Financial Officer to lead Group Finance Division with effect from 1 January 2025. The appointment was made due to the cessation of office of Nazmi bin Othman upon the expiry of his employment contract on 31 December 2024.

Datuk Ir. Azmi bin Md Yusof was appointed as Chief Global Business Solutions Officer with effect from 15 November 2024, replacing Datuk Ahmad Hushairi bin Ibrahim due to his retirement.

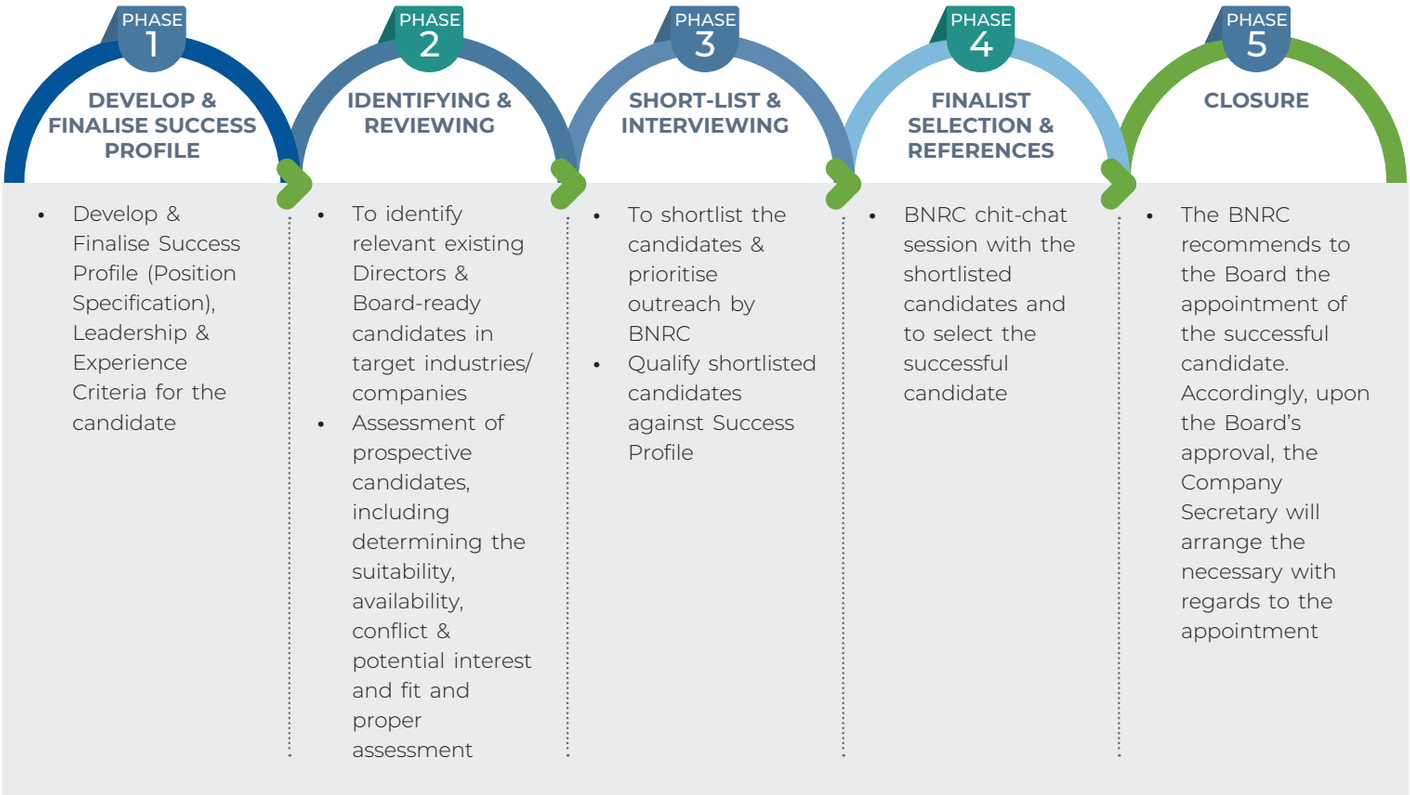
These appointments were made after intensive assessments and deliberations process as well as taking into account their qualifications, working experience, expertise, professionalism, knowledge of the Company and industry as well as assessment by an independent expert.

The Board is satisfied that the BNRC has efficiently discharged its duties pertaining to the nomination, remuneration and succession management functions as set out in its TOR.

The BNRC annually evaluates the performance of the President/CEO and Top Management, whose remunerations are directly linked to their respective KPIs. The President/CEO's remuneration package is reviewed by the BNRC to reflect the contributions made towards the Group's achievements for the year. The BNRC's views and recommendations on this are submitted to the Board for its deliberation/approval.

Based on the evaluation for the Financial Year under review, the Board collectively concurred that the succession planning for President/CEO and Top Management as well as for the Company's future leaders has been appropriately developed.

THE BOARD'S APPOINTMENT PROCESS



SUPPLY OF INFORMATION AND ACCESS TO ADVICE

Prior to each Board meeting, a Pre-Board session is convened to facilitate collaboration between Management and the Chairman, allowing for the exchange of insights regarding the upcoming agenda. This collaborative effort shapes the agenda for the Board meetings, ensuring alignment with strategic objectives. Utilising advanced meeting software, agenda and Board papers are securely circulated to Board Members within five (5) working days prior to each meeting, enabling thorough review and preparation.

In addition to the Board papers, Management presentations are provided to enhance Directors' understanding of the subject matter, allowing for informed discussions. Directors are encouraged to seek further clarification or information during the meeting, promoting an environment conducive to thoughtful decision-making. The core activities of the Board and its Committees are documented and planned on a forward agenda, with any matters arising tracked and addressed in subsequent sessions.

The Company Secretary plays a pivotal role in advising the Board on governance matters, facilitating smooth flow of information and ensuring compliance with relevant regulations and corporate governance practices. Effective collaboration with stakeholders across all Group functions, coupled with ongoing training and discussions on key issues, is paramount to maintaining governance standards.

Both the Board and Individual Directors have the autonomy to seek independent or professional advice at the Company's expense to facilitate well-informed decision-making. This may involve the attendance of external advisers at meetings or obtaining necessary information from within the Group's workforce.

BOARD OF DIRECTORS' FIT AND PROPER POLICY

The Board of Directors' Fit and Proper Policy outlines the criteria for the appointment and re-appointment of Directors within TNB and its subsidiaries. This policy is structured around three (3) key pillars: character and integrity, experience and competence, and time and commitment. It is accessible on the Company's official website at **www.tnb.com.my**.

BOARD LEADERSHIP & EFFECTIVENESS

DIVERSITY

The table below shows the gender diversity of the current Board and TNB workforce as at 31 December 2024:

	Gender				
Category	Male	%	Female	%	Total
TNB Board (Excluding Alternate Director)	8	67%	4	33%	12
Top Management (GEMC, C-Suite, Senior General Managers & General Managers)	292	74%	100	26%	392
Senior Managers	639	63%	375	37%	1,014
Managers	1,399	59%	959	41%	2,358
Executives	1,646	57%	1,247	43%	2,893
Non-Executives	17,044	86%	2,850	14%	19,894
Total	**21,028**	**79%**	**5,535**	**21%**	**26,563**

RE-ELECTION OF DIRECTORS

Clause 64(1) of the Company's Constitution provides, among others, that one-third (1/3) of the Directors at the time being of whom have been longest in office shall retire by rotation at the AGM of the Company and shall be eligible for re-election.

Clause 63(2) of the Company's Constitution provides, among others, that the Directors shall have the power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

Rohaya binti Mohammad Yusof, Juniwati Rahmat Hussin, Gopala Krishnan K.Sundaram and Dato' Merina binti Abu Tahir are retiring by rotation in accordance with Clause 64(1) of the Company's Constitution and being eligible, have offered themselves for re-election.

The Board recognises the Directors' performance are used as basis in recommending their re-election to the shareholders. This, in turn, is determined through their annual evaluation and independence assessment, which were assessed by the BNRC before any recommendation was made to the Board for deliberation and approval.

Based on the annual independence assessment undertaken by Juniwati Rahmat Hussin, Gopala Krishnan K.Sundaram and Dato' Merina binti Abu Tahir who are retiring at the coming AGM, the Board/BNRC are satisfied that these Independent Directors had complied with the independence criteria as prescribed by the MMLR and continued to bring independent and objective judgement to the Board.

They have exercised their duty of care and diligence as Directors in the best interest of the Company, its shareholders and stakeholders. Through the Board Effectiveness Assessment the retiring Directors (save for Alan Hamzah Sendut, who shall be evaluated in FY2025) on average, have received excellent rating, and have met the performance criteria required of an effective and high-performance Board.

Alan Hamzah Sendut, who was appointed to the Board during the Financial Year shall retire at the forthcoming AGM in accordance with Clause 63(2) of the Company's Constitution and being eligible, has offered himself for re-election.

Rohaya binti Mohammad Yusof is a Non-Independent Non-Executive Director who represents EPF on the Board.

Based on the declaration of COI by the retiring Directors, the respective Directors shall take necessary mitigation plan/ measures to address the COI including any interest in any competing business within the Company or its subsidiaries that could affect the execution of their roles as Company Directors. They will recuse themselves from participating in any discussions pertaining to the matters involving the interest of respective Companies with TNB Group and will abstain from deliberation and voting on such matters at the Board and Board Committee meetings.

Having considered their fit and proper assessment including declaration of conflict of interest, due diligence for the newly appointed Director, professionalism, vast experience, material relationship, competency, commitment and individuals' contributions in performing their respective duties, the Board and the BNRC are satisfied that all Directors who are standing for re-election at the 35th AGM have met the Board's expectation by continuously discharging their duties diligently as Company Directors.

With that, upon the BNRC's assessment, the Board resolved to support and recommend the re-election of each Director who is retiring at the upcoming 35th AGM.

DIRECTORS' DEVELOPMENT AND INDUCTIONS

In supporting the Board's responsibilities, a comprehensive training and development programme is extended to all Directors, with the assessment of training needs embedded within the Board evaluation process. This programme encompasses regular presentations from Management and informal meetings, fostering a profound understanding of the business, sector dynamics, and areas acknowledged for their technical complexity. The training initiatives aim to not only deepen comprehension but also endow Non-Executive Directors with insights into how TNB's practices compared with those of its peers.

A robust induction programme is crafted for all new Directors, featuring tailored components such as meetings with Top Management, site visits and briefings on key operational matters, Board procedures and governance practices.

During the Financial Year under review, the Directors' Induction Programmes were held for Alan Hamzah Sendut on 11 December 2024, 12 December 2024, 7 January 2025, 3 February 2025 and 5 February 2025 where the Top Management from respective Divisions, presented their businesses overview and functions/roles in TNB. He also attended the Board Site Visit to PE Elmina No. 16, City of Elmina, Shah Alam, Selangor on 17 December 2024.

The existing Directors, including Datuk Ir. Megat Jalaluddin bin Megat Hassan, Ramzi bin Mansor, Dato' Zulkifli bin Ibrahim and Alan Hamzah Sendut, had attended the Mandatory Accreditation Programme Part I (in relation to a Director's roles, duties and liabilities) (MAP Part I) and the Mandatory Accreditation Programme Part II in relation to sustainability and the related roles of a Director (MAP Part II).

Facilitating the Board in organising both internal and external programmes and seminars relevant to Directors' needs is a responsibility shouldered by the Company Secretary's Office. This includes the annual in-house Board Development Programme (BDP), an integral component of TNB's ongoing Board Continuing Development Programme.

As requested by the Board for clearer understanding of the COI Policy and Guideline, the Integrity Department, assisted by the Company Secretary's Office, organised a seminar "Managing Conflict of Interest" by Asia School of Business on 4 October 2024, at Leo Moggie Convention Centre, TNB Platinum, Bangsar, Kuala Lumpur, which was tailored to the revised TNB COI Policy and Guideline. It was attended by the TNB Board, Boards of TNB Subsidiaries and TNB Top Management.

The breakdown of conferences and professional trainings (by topics) attended by the Directors in the course of the Financial Year:

Trainings attended by the Company Secretary during the Financial Year under review:

1) TNB: Managing Conflict of Interest for Board of Directors and Senior Management
2) Reporting Framework for Beneficial Ownership
3) 2024 Company Secretary's Office Break-Out Session
4) MAICSA Annual Conference 2024: Sustainability Today for Tomorrow
5) SSM Annual Conference 2024: Enhancing Corporate Transparency. Building Resilience
6) MACS National Conference 2024: Empowering the Company Secretary: Digitalisation & Sustainability
7) 26th World Energy Congress 2024, Rotterdam, Netherlands

BOARD LEADERSHIP & EFFECTIVENESS

BOARD EVALUATION

Acknowledging the transformative potential of an objective and well-managed board evaluation process, the Board acknowledges its pivotal role in enhancing Board effectiveness, thereby delivering substantial benefits to the Company. This commitment is manifested through annual performance evaluations, thoughtfully designed induction programs for new Board members and a continuous stream of Board development activities.

TNB fully supports Practice 6.1 of MCCG whereby for Large Companies, the Board engages independent experts at least every three (3) years to facilitate objective and candid Board evaluations. The previous Board Effectiveness Assessment by an independent expert, was carried out in Financial Year 2023.

2024 BOARD EFFECTIVENESS ASSESSMENT (BEA) RESULTS

The 2024 BEA was conducted internally and facilitated by the Company Secretary through set of online questionnaires. Save for Alan Hamzah Sendut and the Alternate Director, 11 Directors participated in the 2024 BEA. Alan Hamzah Sendut was appointed to the Board on 2 December 2024 and shall be evaluated at the next BEA for the Financial Year ending 31 December 2025.

The questionnaires for the 2024 BEA comprised of Assessments of the Board, Chairman of the Board, each Board Committee and its Chairman, Individual Directors and Board Committee members' Self and Peer (SPA).

The effectiveness of the Board is assessed in the areas of Corporate Strategy and Direction Setting, Board Governance & Oversight, Board Committees' Relevance, Board Dynamics and Composition and Board Management & Operations as well as the Board's key priorities.

The effectiveness of each Board Committee is assessed in terms of its structure and processes, accountabilities and responsibilities and its dynamic/composition as well as the effectiveness of the Chairman of respective Board Committees. The SPA for the Board Committee members is similar to the Directors' SPA, which is intended to assess their contribution, performance, calibre and personality in relation to the skills, experience and other qualities they bring to the Board/Board Committees.

The feedback from the Top Management was also being sought through this exercise via online questionnaires. The Management's feedback on the Board's role and the extent of collaboration between the Board and Management in certain focus areas and in the review/decision-making process are useful for the Board's consideration in enhancing its overall effectiveness.

Based on the 2024 BEA results, the Board demonstrated solid performance with excellent rating on average across various effectiveness indicators, including Corporate Strategy & Direction Setting, Board Governance & Oversight, Board Composition, Boardroom Conduct & Dynamics, and Board Management & Operations.

While the SPA of the Directors further underscored the Directors' performance on average with excellent rating, indicating that each Director was generally effective in dispensing his/her responsibilities.

The respective Board Committees and its Chairmen overall scored excellent ratings on average indicating that the Members and Chairmen of standing Committees had effectively discharged their roles in accordance with the respective TORs and added significant value to the Board & Company as well as possessed the required qualification, skill sets, competencies, knowledge and expertise to contribute to the overall effectiveness of the respective Committees.

Building upon the insights from the 2023 BEA, the Board continued to showcase strong and effective leadership in 2024. It was highlighted by both the Board and Management that there was a clear distinction of roles and responsibilities of the Chairman and President/CEO, signalling robust and effective leadership in guiding the Company's direction. Tan Sri Abdul Razak bin Abdul Majid was rated as good and effective Chairman demonstrating decisiveness and an action-oriented approach while creating an open and consultative environment within the Board.

The Board was seen to be effective in ensuring the integrity of the Company is aligned with regulatory requirements, internal standards and best practices. The Board was committed to its fiduciary duties and assumed the core responsibilities of reviewing and monitoring the Group's strategic plan, overseeing and evaluating the conduct of the Group's business and establishing sound risk management and internal control frameworks for the Group.

Following the 2024 BEA outcome, action plans were identified by the BNRC and approved by the Board on 24 March 2025, whereby among others the Board shall continuously put its focus in term of oversight of the Company's strategic direction, to consider the enhancement of the respective Board Committees composition/scope and further improvement to be made regarding the Board management & operation. These will be addressed accordingly by the Board and Top Management to close the gap and to ensure the Board remains effective in discharging its roles and duties for the Company.

Responsibility and Conduct

- Business strategy and governance and implementation oversight
- Risk management and integrity
- Implementation oversight and monitoring of strategies and policies

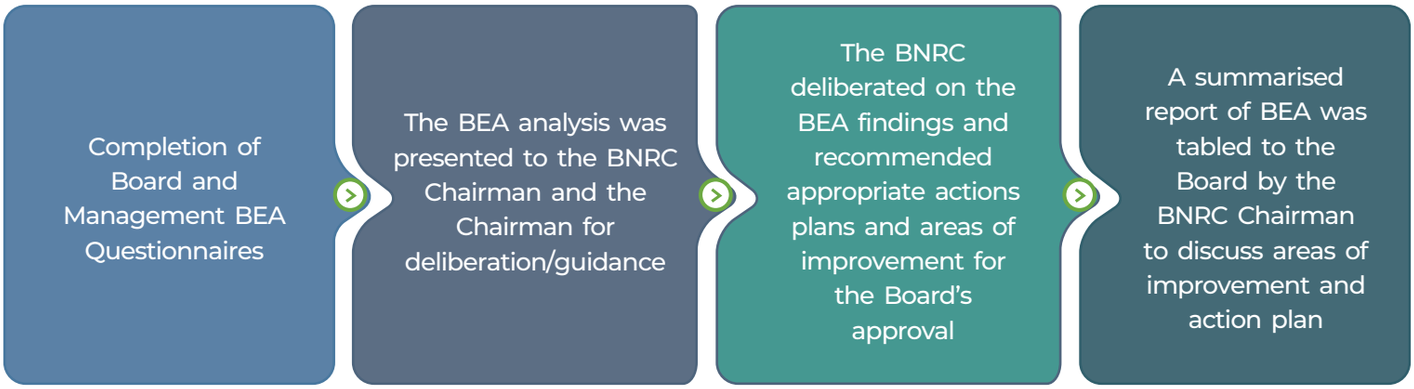
Process and Administration

- Board Charter and Committee TORs
- Agenda and frequency of meetings
- Sufficient information, availability and on a timely basis
- Culture and dynamics

Composition

- Diversity
- Competencies of the members
- Composition of Board and its Committees

This year's process



EXECUTIVE DIRECTOR AND TOP MANAGEMENT REMUNERATION

The compensation structure for the Executive Director is designed to correlate rewards with both corporate and individual performance. It encompasses salary, allowances, bonuses and customary benefits aligned with industry standards. A significant part of the Executive Director's compensation is variable and contingent upon annual performance against individual KPIs embedded in a scorecard aligned with Board-approved corporate objectives. Notably, the Executive Director shall abstain from participating in discussions and voting on his remuneration or rewards during Board meetings.

The BNRC conducts an annual review of the Executive Director's performance, submitting informed views and recommendations to the Board regarding potential adjustments in remuneration or rewards, reflecting the Executive Director's contributions to the Group's achievements for the year.

Top Management's remuneration package comprises three (3) distinct components: the base salary, fixed allowances and benefits, the Short Term Incentive (STI) and the Long Term Incentive Plan (LTIP). The base salary is set competitively, considering the scope of work, experience and anticipated performance. Fixed allowances are separate from the base salary and are granted for specific cash benefits.

The STI, contingent on annual performance, is disbursed as bonuses, contingent upon the Company's profitability and the performance of Top Management. Evaluation criteria include quantitative targets and qualitative alignment with the Company's values. The LTIP is designed to retain and reward Top Management, aligning their interests with the long-term success of the Company.

TNB places a strong emphasis on a performance-driven culture, where the remuneration policy aims to compensate competitively for sustained performance, aligning with shareholders' interests. The Company, in adherence to Practice 8.2 of the MCCG, opts not to disclose specific components of Top Management's remuneration, citing potential disadvantages to the Company's business interests. Further details can be found in the Corporate Governance Report.

BOARD LEADERSHIP & EFFECTIVENESS

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Directors receive remuneration in the form of fixed monthly fees, meeting allowances and benefits-in-kind, covering items among others, such as the reimbursement of medical, utilities bills, business peripherals, travelling and telecommunication.

The Non-Executive Directors' Remuneration is structured to reflect the complexity, responsibility and accountability of the Board's role in complying with increasing regulatory demands, to be competitive and to retain the required talent as well as recognising their skills that are highly sought after and to ensure it reflects the time and effort dedicated by the Chair and Directors as part of their roles on the Board and Board Committees. The remuneration structure takes into account the intricacies of the Company's operations and the industry at large. Notably, the remuneration and benefits for Non-Executive Directors was last reviewed in 2013.

The Board in 2023 had engaged an independent expert to conduct a holistic and independent review of the Non-Executive Directors' Remuneration with the view to determine its market competitiveness and alignment with the latest regulations/ corporate governance guidelines in Malaysia.

Based on the findings, the Board recommended the Director's fees of Non-Executive Chairman to be revised from RM30,000.00 per month to RM32,000.00 per month considering the importance of his roles and responsibilities that he carries for the operation and leadership of the Board in ensuring its effectiveness and in strengthening TNB's relationship with the stakeholders/shareholders. With that, the Non-Executive Chairman's fee competitiveness will sit between P25 and P50 mark of the peer group in the market.

In determining the estimated total amount of benefits payable, the Board had considered various factors including the meeting allowances based on the respective committees in term of responsibilities/accountabilities, the frequency of scheduled and special meetings for the Board, Board Committees and boards of subsidiaries along with the number of Non-Executive Directors involved.

Details of each Director's remuneration for the Financial Year ended 31 December 2024 is disclosed in the Corporate Governance Report 2024, which is available on the Company's website at www.tnb.com.my

The Directors' Remuneration Policy is shaped by the following underlying principles:

- Remuneration policy
- Fixed remuneration
- Benefits-in-kind

- Alignment with strategy and business objectives
- Alignment with shareholders' interest
- Long-term success of the Company
- Consistency and transparency
- Reward performance with competitive remuneration
- Alignment with market/industry practices
- Support Company values

BOARD NOMINATION AND REMUNERATION COMMITTEE REPORT

BOARD NOMINATION AND REMUNERATION COMMITTEE

Chairman

Juniwati Rahmat Hussin
Independent Non-Executive Director
(Appointed as Chairman w.e.f. 26 September 2024)

Dato' Roslina binti Zainal
Independent Non-Executive Director
(Ceased as Chairman w.e.f. 13 May 2024)

Members

Ramzi bin Mansor
Non-Independent Non-Executive Director
(Appointed as Member w.e.f. 26 March 2024)

Muazzam bin Mohamad
Non-Independent Non-Executive Director

Gopala Krishnan K.Sundaram
Independent Non-Executive Director

Dato' Merina binti Abu Tahir
Independent Non-Executive Director

Please refer to page 185, for the key roles and responsibilities of the Committee.

KEY ACTIVITIES OF THE COMMITTEE

During the Financial Year under review, the BNRC held seven (7) meetings. Following the resignation of Dato' Roslina binti Zainal where she concurrently relinquished her chairmanship in BNRC effective 13 May 2024 and prior to the appointment of Juniwati Rahmat Hussin as BNRC Chairman, as agreed by the Board, all BNRC matters were escalated to the Board for approval.

To date, the BNRC's key activities in discharging its dual roles, include the approval/deliberation of the following:

Nomination:

- Annual Independence Assessment of Independent Non-Executive Directors
- 2024 BEA of the Board of Directors, its Committees and each Individual Director
- Assessment of fit and proper and performance review of Directors for re-appointment/re-election
- Recommendation to the Board regarding Directors who sought re-election at the AGM
- Assessment of fit and proper of potential candidates and recommendation to the Board for proposed appointment as TNB Non-Executive Director, with assistance of an independent consultant
- Review of the composition of Board Committees upon appointment of Directors
- Review of composition of the Boards of TNB Power Generation Sdn. Bhd. and the respective TNB Group of Companies
- Assessment and recommendation to the Board on the appointment and renewal of service contract of Top Management
- TNB 35th AGM Notice
- Board succession planning
- Quarterly Progress Status of Succession Management for the Top Management
- Review of People Mobility Policy

Remuneration:

- TNB Non-Executive Directors Remuneration Review
- Review of Company Bonus and Salary Increment for TNB employees
- Proposed FY2025 KPI Planning for President/CEO
- Review of performance evaluation against assigned KPIs of President/CEO and Top Management and reward

FOCUS FOR 2024 AND BEYOND

Ongoing planning and management of board succession.	Ongoing monitoring and oversight of Top Management succession planning.

Effective Audit and Risk Management

BOARD AUDIT COMMITTEE REPORT

BOARD AUDIT COMMITTEE

Chairman

Dato' Merina binti Abu Tahir
Independent Non-Executive Director

Members

Ong Ai Lin
Senior Independent Non-Executive Director

Juniwati Rahmat Hussin
Independent Non-Executive Director

Dato' Zulkifli bin Ibrahim
Independent Non-Executive Director
(Appointed as Member w.e.f. 1 April 2024)

Rohaya binti Mohammad Yusof
Non-Independent Non-Executive Director
(Ceased as Member w.e.f. 1 April 2024)

Please refer to page 184, for the key roles and responsibilities of the Committee.

The Board Audit Committee (BAC) was established to assist the Board to carry out their oversight and fiduciary duties and responsibilities.

BAC's objectives, authorities and functions are governed by the Terms of Reference (ToR). The ToR was last reviewed in November 2023 and approved by TNB's Board in December 2023. The ToR is accessible on the Company's official website at **www.tnb.com.my.**

MEMBERSHIP AND MEETINGS

The BAC is chaired by Dato' Merina binti Abu Tahir effective 1 February 2022. The BAC remains committed in adhering to the practice outlined in the Malaysian Code on Corporate Governance 2021 (MCCG), whereby the BAC Chairman is not Chairman of the Board.

As of 31 December 2024, the BAC comprises four (4) Independent Directors, all of whom are Non-Executive Directors. This composition is aligned with Paragraph 15.09 (1) (a) and (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), which states that the Audit Committee must be composed of not fewer than three (3) members and all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors.

In FY2024, a total of 14 meetings were conducted, including 12 BAC meetings and two (2) joint BAC – Board Integrity Committee (BIC) meetings. Attendance at all meetings met the requisite quorum as stipulated in the BAC ToR.

The membership details and attendance records of the BAC members for FY2024 are as follows:

Name	Status of Directorship	Independent	No. of Meetings Attended
Dato' Merina binti Abu Tahir Chairman	Non-Executive Director	Yes	14/14
Ong Ai Lin Member	Non-Executive Director	Yes (Senior Independent)	14/14
Juniwati Rahmat Hussin Member	Non-Executive Director	Yes	14/14
Dato' Zulkifli bin Ibrahim Appointed as Member w.e.f. 1 April 2024	Non-Executive Director	Yes	11/11
Rohaya binti Mohammad Yusof Ceased as Member w.e.f. 1 April 2024	Non-Executive Director	No	3/3

The Company Secretary who acts as the Secretary to the BAC and the Chief Internal Auditor (CIA) were in attendance during the BAC meetings. The President/CEO and other officers were invited to the meetings to deliberate on matters within their purview.

The governance practices are further enhanced by the BAC's compliance with Paragraph 15.09 (1) (c) of the MMLR, which mandates that at least one (1) member of the Audit Committee must be a member of the Malaysian Institute of Accountants (MIA). Two (2) members of the BAC, Dato' Merina binti Abu Tahir and Ong Ai Lin, are members of MIA.

The BAC Chairman presents report on proceedings of the BAC meetings to the Board for information and attention. Matters reserved for the Board's approval are tabled at TNB's Board meetings. Action sheets are issued by the Company Secretary on the decisions made and actions required. These are circulated to Management and relevant parties for their actions.

MAIN ACTIVITIES OF THE BAC IN FY2024

The BAC executed the following activities in FY2024, to proficiently fulfil its duties and responsibilities as set forth in the BAC TOR.

Internal Audit

i. Deliberated the adequacy and effectiveness of governance, risk management and internal control system based on the audit engagements conducted by Group Internal Audit Department (GIA). The audit findings were presented and deliberated in BAC meetings and where relevant, BAC requested Management to rectify the weaknesses based on recommendations provided by GIA. GIA's areas of coverage for FY2024 are summarised in the Statement of Internal Audit Function.

ii. Deliberated the outcome of review performed bi-annually by GIA on TNB's Integrity and Governance Unit (IGU) Report prior to submission to Malaysian Anti-Corruption Commission.

iii. The BAC reviewed TNB's quarterly State of Internal Controls (SOIC), assessing the adequacy, effectiveness and reliability of internal control system based on the overall risks/areas covered, issues reported by GIA and subsidiaries' internal audit function, and the status of corrective actions implemented by Management, based on reports issued during the quarter.

iv. BAC reviewed TNB's FY2023 Integrated Assurance Report, which included assessments/reviews conducted by GIA and other assurance providers, such as the internal audit functions of subsidiaries, compliance functions across divisions, the Health, Safety and Environment Department, and the Risk Management Department. The report aimed to highlight the organisation's risk coverage, identify potential gaps and overlaps, and provide an overview of TNB's state of governance and internal controls.

v. Approved GIA's Annual Audit Plan and the methodology used to develop a risk-based audit plan, ensuring adequate audit scope and comprehensive coverage of the Group's activities. The Annual Audit Plan was reviewed quarterly to maintain agility in addressing emerging risks arising from changes in the business environment and to fulfil requests from BAC and Management. The BAC also approved the resource and budgetary requirements necessary for the successful execution of the audit plan.

vi. BAC evaluated GIA's effectiveness through quarterly performance reviews, covering aspects such as contribution to cost saving and process improvement, completion of audit plan, audit turnaround and BAC satisfaction index. The BAC also evaluated GIA's overall performance for FY2023.

vii. The BAC discussed the results of internal assessment conducted by GIA, proposed plans for external assessment in line with the adoption of GIAS, and status of initiatives outlined in GIA's Annual Operating Plan.

viii. Approved GIA's 5-Year Strategy and the Annual Operating Plan for FY2025, comprising initiatives designed to strengthen internal audit capabilities and support the organisation's strategic objectives.

ix. Reviewed GIA's organisational independence declaration for FY2023 to assist BAC in fulfilling necessary disclosures required by the MCCG regarding independence and objectivity of the internal audit function. GIA performed its responsibilities independently and objectively under the current reporting arrangements.

x. Endorsed matters pertaining to CIA's succession management, promotion and remuneration before recommending it to the Board for approval.

xi. The BAC convened one (1) private meeting with CIA, without the presence of Management and Executive Directors, to discuss issues and concerns relating to the internal audit activities.

xii. Approved GIA's Group Internal Audit Charter, involving updates to the mandate, organisational position, reporting relationships, scope of work and types of services in accordance with the GIAS issued by Institute of Internal Auditors.

xiii. Reviewed the use of data analytics in GIA's assurance and advisory services to enhance the quality of services delivered.

EFFECTIVE AUDIT AND RISK MANAGEMENT

External Audit

i. In assessing the suitability, objectivity, and independence of the External Auditor, the BAC reviewed and discussed the following:

- The overall performance and effectiveness of the External Auditor for FY2023. For this purpose, a survey was coordinated by GIA and assessments on the effectiveness of the External Auditor were performed by members of BAC and Management, addressing aspects of (1) quality of service, (2) sufficiency of resources, (3) communication and interaction, and (4) independence, objectivity, and professional scepticism.
- The audit fees for quarterly review of the unaudited consolidated results and annual statutory audit of TNB and its subsidiaries for Board's approval.
- The External Auditor's Audit Plan for FY2024 and quality management system as outlined in the Annual Transparency Report of the External Auditor.
- Non-audit services provided by the External Auditor to TNB and the Group. The fees associated with non-audit services performed by the External Auditor were within the permissible threshold set in TNB's Implementation Guideline on Provision of Services by External Auditors.

ii. Acknowledged TNB's Control Environment Report for FY2023, which offers status updates on internal control recommendations (ICR)s and areas of enhancement over financial reporting and information technology general control (ITGC).

iii. Two (2) meetings were held with the External Auditor without the presence of Management and Executive Directors to enable open discussion with the BAC and to reinforce independence of the external audit function of the Company.

Financial Reporting

The BAC reviewed and endorsed the following financial matters before recommending to Board for approval:

i. Unaudited quarterly results of the Group and the draft announcements with considerations on key developments during the period, significant accounting matters and other review matters.

ii. Issuance of Financial Support Letters to subsidiaries of TNB.

iii. Audited financial statement of the Group and of the Company for the Financial Year ended 31 December 2023 and agreed that the financial statements were prepared in accordance with the relevant standards and regulatory requirements as to give a true and fair view of the Group's financial performance.

Related Party Transactions and Conflict of Interest

i. In February 2024, BAC reviewed and recommended to the Board to approve the related party/recurrent related party transactions entered into by TNB Group for the financial year ended 31 December 2023.

ii. Following the amendments to MMLR in relation to enhanced conflict of interest disclosures, the BAC has reviewed the revised TNB's Conflicts of Interest Policy and proposed Guideline on Conflicts of Interest Management for Board of Directors and Key Senior Management of TNB, together with BIC. BAC continued to provide its oversight on the implementation of enhanced conflict of interest requirements through audit performed by GIA in December 2024. The BAC also reviewed the conflict of interest disclosures for FY2024 and concluded that no further action was required on the disclosures and mitigating actions taken by relevant authorities.

Annual Reporting

BAC recommended for Board's approval the reports to be incorporated in the Integrated Annual Report 2023 namely (i) Corporate Governance Overview Statement and Corporate Governance Report, (ii) BAC Report, (iii) Statement of Internal Audit Function, and (iv) Statement of Risk Management and Internal Control.

Sustainability and Other Matters

i. Reviewed the Statement of Assurance for TNB's FY2023 Sustainability Statement and deliberated the improvement opportunities and recommendations identified during the assurance process.

ii. Approved the methodology and scope of work for assurance on the FY2024 Sustainability Statement, to be conducted internally by GIA.

iii. Reviewed the proposed sustainability assurance journey outlining the assurance type from FY2025 to FY2029.

iv. Reviewed the proposal for vesting of performance shares as well as restricted shares under the LTIP for Board's approval.

v. Discussed on other key operational/strategic matters, amongst others on (i) summons/compounds imposed on TNB by regulatory authorities, (ii) status of action plan on ownership of substation land, (iii) collection and credit management, and (iv) management of deposit recovery from local authorities.

vi. BAC took note of the review results on whistleblowing management which assessed the effectiveness, adequacy and alignment of the whistleblowing framework with best practices.

vii. Discussed tax matters including e-invoicing, international tax reform, Tax Corporate Governance Framework, capital gains tax, and sales and services tax.

viii. Participated in technical visit to SESB i.e. PMU 132/33kV Jesselton Point and PE Signal Hill to gain insights on business operations and state of internal controls.

BOARD SUSTAINABILITY AND RISK COMMITTEE REPORT

BOARD SUSTAINABILITY & RISK COMMITTEE

Chairman

Ong Ai Lin
Senior Independent Non-Executive Director

Members

Selvendran Katheerayson
Non-Independent Non-Executive Director

Muazzam bin Mohamad
Non-Independent Non-Executive Director

Gopala Krishnan K.Sundaram
Independent Non-Executive Director

Dato' Zulkifli bin Ibrahim
Independent Non-Executive Director
(Appointed as Member w.e.f. 1 April 2024)

The objective of the Board Sustainability and Risk Committee (BSRC) is to assist the TNB Board of Directors (Board) in fulfilling its responsibilities by overseeing the robustness and effective implementation of the Group's sustainability and risk management framework, policy, strategy and initiatives to achieve business objectives and sustainability commitments.

KEY RESPONSIBILITIES

The BSRC is guided by its Terms of Reference in carrying out the following responsibilities:

- Deliberate and recommend the sustainability framework and policy for the Board's approval.
- Oversee on the implementation of the sustainability framework integration into the Group's culture, processes and structures.
- Deliberate on TNB's sustainability roadmap based on Board-approved sustainability strategies & targets and ensuring effective deployment across the Group.
- Oversee the Group's sustainability key performance indicators against approved strategies and targets.
- Review and recommend on the Group's sustainability disclosures required by Bursa Malaysia for the Board approval.
- Advise on TNB's sustainability report disclosures to external stakeholders prior to publication.
- Deliberate and recommend the risk management framework and policy for the Board's approval.
- Oversee the implementation of the risk management framework integration into the Group's culture, processes and structures.
- Deliberate on the Group's strategic, key operating risks and risk issues through timely and regular reports, ensuring the establishment of appropriate systems for risk management. This includes the authority to initiate special investigations, on behalf of the Board, into significant risk management activities when necessary.
- Approve the Group's risk appetite and ensure timely actions are taken when risks exceed acceptable ranges.
- Jointly review with the Board Audit Committee and recommend for the Board's approval on the Statement of Risk Management and Internal Control disclosure required by Bursa Malaysia.

EFFECTIVE AUDIT AND RISK MANAGEMENT

HOW THE COMMITTEE OPERATES

Throughout FY2024, 12 BSRC meetings were held. Ahead of each meeting, meeting schedules, agenda, papers approved for tabling and updates of outstanding matters from previous meetings were communicated to the BSRC members.

The President/CEO, Chief Sustainability Officer, Chief Risk Officer and the Company Secretary attended the meetings. Other attendees were invited to deliberate on matters within their purview. Decisions made during these sessions were documented in action sheets by the Company Secretary, outlining necessary action items for implementation. These action sheets were circulated to Management for further action. Furthermore, the Chairman's Reports from these BSRC meetings were presented at the Board meetings, facilitating deliberation of key sustainability and risk matters.

MAIN ACTIVITIES OF THE BSRC IN FY2024

In FY2024, the BSRC executed the following activities to meet its responsibilities set forth in its Terms of Reference:

RISK MANAGEMENT

TNB Risk Management Policy and Framework

The TNB Risk Management Policy and Framework endorsed by the BSRC and approved by TNB Board of Directors provides a structured and consistent approach to risk management across the Group. The implementation of the framework is governed through the TNB risk governance documents, which are guided documents for business entities across the Group to implement and integrate risk management into its business operations and decision-making.

TNB Risk Dashboard

The BSRC approved and monitored 11 Key Risk Indicators (KRIs) in 2024, measuring exposures to strategic business and sustainability risks and reflecting the Group's risk appetite. These are reported quarterly in the TNB Risk Dashboard with best- and worst-case projected outlooks and supported by resiliency indicators. KRIs that have surpassed thresholds are deliberated in detail and mitigations are further challenged to ensure the related risk exposures are addressed.

Key Business Risks

In addition to monitoring the above KRIs, the BSRC deliberated on the following key business risks:

- **Business Entities**

  The BSRC deliberated the risk profiles of 11 TNB business entities, namely Strategy & Ventures, TNB Power Generation Sdn. Bhd., Distribution Network, Retail, ICT, TNB Fuel Services Sdn. Bhd., Procurement & Supply Chain, New Energy, Group Legal, Group Finance and Subsidiary Management.

  The BSRC provided guidance on proactive risk management, including emerging risks. The BSRC also shared insights to address risk exposures and expediting mitigation efforts related to the unavailability of TNB Janamanjung Unit 4.

  The BSRC held a joint meeting with the Board Finance and Investment Committee (FIC) to deliberate on the risks at subsidiaries in the manufacturing, infrastructure and services sectors.

- **NETR Projects**

  Furthermore, the BSRC deliberated on the risk mitigations and progress of the six (6) National Energy Transition Roadmap (NETR) flagship projects championed by TNB, including those where TNB is a partner. The six (6) NETR projects are the Solar Park, Hybrid Hydro Floating Solar, Co-Firing of Hydrogen & Ammonia, Residential Solar, EV Charging Stations, Kasawari and Lang Lebah Carbon Capture System.

- **Investment Risk Methodology**

  The BSRC approved revisions to the risk parameters and thresholds in the TNB Investment Risk Methodology, defining the overall TNB risk appetite for investment opportunities.

- **Safety & Health**

  The BSRC exercised its oversight on safety and health risk exposures, including detailed deliberations on root causes, mitigations and consequence management related to fatalities.

- **Legal**

  The BSRC deliberated the Group's legal risk exposure, including the review of material litigations and measures undertaken to address areas for improvement.

- **Digitalisation and Cyber Security**

  Exposures related to digitalisation and cybersecurity were also deliberated to ensure emerging risks are effectively managed; among others, exposures related to digital transformation initiatives at business entities, requirements of the Malaysia Cyber Security Act 2024 and the Malaysia Personal Data Protection (Amendment) Bill 2024.

Statement on Risk Management & Internal Control

The Statement on Risk Management and Internal Control (SORMIC) disclosed in the TNB Integrated Annual Report serves an assurance on the Group's commitment to robust risk management and internal control system. It provides a transparent and structured disclosure of the Group's risk framework, internal control systems and compliance with regulatory requirements, ensuring stakeholders that risks are effectively managed and mitigated.

The SORMIC was jointly reviewed and endorsed by the BSRC with the Board Audit Committee, and was approved by the TNB Board of Directors.

SUSTAINABILITY

TNB Sustainability Policy and Framework

The BSRC endorsed the TNB Sustainability Policy and Framework, which was approved by the TNB Board of Directors. The Sustainability Policy addresses the Group's commitment to achieve sustainability and energy transition strategies to meet Environmental, Social and Governance (ESG) goals whilst the TNB Sustainability Framework facilitates the integration of sustainability into the strategies and operations of business entities across the Group.

In addition to the monitoring of sustainability related KRIs disclosed above, the BSRC also deliberated on the following:

- **TNB Carbon Management Strategy and Emission Reduction Target**

  The BSRC deliberated the Group's approach to carbon reduction and renewable energy growth that was detailed in the TNB Carbon Management Strategy and Emission Reduction Target. The strategy encompasses efforts to reduce, capture and offset emissions while simultaneously increasing renewable energy capacity, both locally and globally.

  The BSRC exercised its oversight on the status of the Group's carbon emission intensity with a target of 5% annual reduction starting 2024. This supports the Group's commitment to a 35% carbon emission intensity reduction by 2035 towards Net Zero 2050.

- **TNB Labour Rights Policy Statement**

  The BSRC deliberated on the TNB Labour Rights Policy Statement, which outlines the Group's commitment in safeguarding labour rights amongst employees and vendors. The policy statement outlines the ethical, responsible and sustainable labour rights practices in seven (7) areas, such as labour protection and welfare, freedom of association and diversity, inclusion and non-discriminatory practices.

- **Digitalisation of ESG Indicators**

  The BSRC discussed the approach, plan and progress of data transformation and digitalisation of a targeted 178 ESG indicators applicable to the Group with the purpose of reducing manual data collection and reporting, as well as creating visualisations to support decision making and disclosures.

TNB Sustainability Statement and Report

The BSRC reviewed the TNB Sustainability Statement FY2023, which was thereafter approved by the TNB Board of Directors for disclosure in the TNB Integrated Annual Report FY2023. The Sustainability Statement disclosed the Group's sustainability governance structure, narratives and performance metrics of 11 material matters. It was prepared in alignment with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Bursa Sustainability Reporting Guide (3rd Edition).

The TNB Sustainability Report FY2023 was published in mid-2024, which provided new and enhanced disclosures for each of the 11 material matters and the progress of initiatives as well as disclosure of 183 sustainability performance indicators.

TECHNICAL VISITS

In FY2024, the BSRC conducted technical visits to three (3) key assets, namely the Sultan Azlan Shah Power Station in Manjung, Perak, the Light Transmission Lines Project in Penang, and the Perai Power Station in Seberang Perai. These visits served as an opportunity for the BSRC to gain firsthand insights into the operational challenges, risk management strategies and sustainability measures adopted in both coal and gas power generation, as well as offshore transmission projects.

Through these site visits, the Management and operational teams received guidance from the BSRC towards enhancing operational resiliency and sustainability strategies.

Sultan Azlan Shah Power Station in Manjung, Perak

The Light Transmission Lines project site in Penang

Perai Power Station in Seberang Perai

CONCLUSION

The BSRC actively oversees the implementation of sustainability and risk management initiatives in the Group to drive business and sustainability performance for the achievement of objectives and targets.

This statement was made in accordance with the resolution of the Board of Directors dated 20 March 2025.

EFFECTIVE AUDIT AND RISK MANAGEMENT

STATEMENT OF INTERNAL AUDIT FUNCTION

The Group Internal Audit Department (GIA) of TNB is mandated to strengthen TNB's ability to create, protect, and sustain value by providing Board Audit Committee (BAC) and Management with independent, risk-based, and objective assurance, advice, insight, and foresight.

To uphold its independence and objectivity, GIA follows a dual reporting structure – reporting functionally to the BAC for oversight and assurance, and administratively to President/CEO for operational support; thereby ensuring the necessary authority to perform its duties effectively.

Since 1 April 2021, the Chief Internal Auditor (CIA), Lizah Abd Wahab has been spearheading GIA, bringing over 20 years of invaluable experience in internal auditing and leveraging her extensive knowledge to lead the department with expertise and vision. She holds a Bachelor of Accounting and Finance degree from Manchester Metropolitan University, United Kingdom and a Master of Business Administration from Universiti Tenaga Nasional, Malaysia and Graduate Certificate in Management from the University of Melbourne, Australia. Additionally, she is a Certified Internal Auditor and obtained a Certification of Risk Management Assurance from Institute of Internal Auditors (IIA).

GOVERNANCE FRAMEWORK

GIA adopts the following governance documents and frameworks in managing the internal audit activities:

- The Internal Audit Charter (the Charter) defines GIA's mandate, organisational position, reporting relationships, scope of work and types of services. To ensure alignment with the current business environment and its intended purpose, GIA reviews the Charter annually and presents it to the BAC for approval.

- The internal audit activities are foundationally guided by the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA) which comprises five (5) domains, 15 principles and 52 standards. Adopting a more stringent approach, GIA is required by the BAC to undergo an external assessment every three (3) years – in contrast to the GIAS requirement of every five (5) years; with results of the review to be reported to the BAC upon completion.

- The widely used Internal Control Framework of Committee of Sponsoring Organisation of the Treadway Commission (COSO) and Control Objectives for Information and Related Technology (COBIT) are adopted by GIA in assessing and reporting the adequacy and effectiveness of the design and implementation of the organisation's governance, risk management and control processes.

SCOPE AND COVERAGE

GIA undertakes a risk-based approach when developing its Annual Audit Plan, taking into accounts factors such as TNB's risk profile, business strategy, sustainability objectives, regulatory obligations as well as insights from the BAC and Senior Management.

The areas of review are classified into five (5) key audit hotspots, reflecting the current trend, change in risk environment and the dynamic roles of internal auditors. Some of the areas of review encompassed:

Audit Hotspots (HS)	Areas of Review	
HS1 Cybersecurity Management	▸ Intelligent Operation System ▸ Advance Data Management ▸ User Access Management	▸ Customer Care Management ▸ Business Continuity Management ▸ Operational Technology Security & Access Control
HS2 Reliable Power & Equitable Rates	▸ Net Energy Metering ▸ Billing & Collection ▸ Green Energy Tariff ▸ Project Management ▸ Operation & Maintenance	▸ Transmission System Reliability ▸ Breakdown Management ▸ System Planning
HS3 Environmental Sustainability	▸ National Energy Transition Roadmap ▸ Waste Management	▸ Sulfur Hexafluoride (SF6) & Transformer Oil
HS4 Social Responsibility	▸ Corporate Governance ▸ Management of Trustee ▸ Conflict of Interest ▸ Life Saving Rules ▸ External Workers Wellbeing	▸ Diversity & Inclusion ▸ Recruitment & Termination ▸ Breakdown Management
HS5 Long Term Business Resilience	▸ e-Invoice Implementation ▸ Green Lane Pathway ▸ Financial Management ▸ Bidding Process ▸ Warehouse Management	▸ Service Level Agreement ▸ Business Strategy & Performance*

Note: (*) Indicates thematic audits.

In FY2024, GIA conducted 73 audits comprising 70 planned audits – four (4) thematic and 66 non-thematic, two (2) additional audits and one (1) investigation. Additionally, GIA has also conducted other reviews which include assurance on TNB's Sustainability Statement, quality assurance review on compliance function and review of the Integrity and Governance Unit Report.

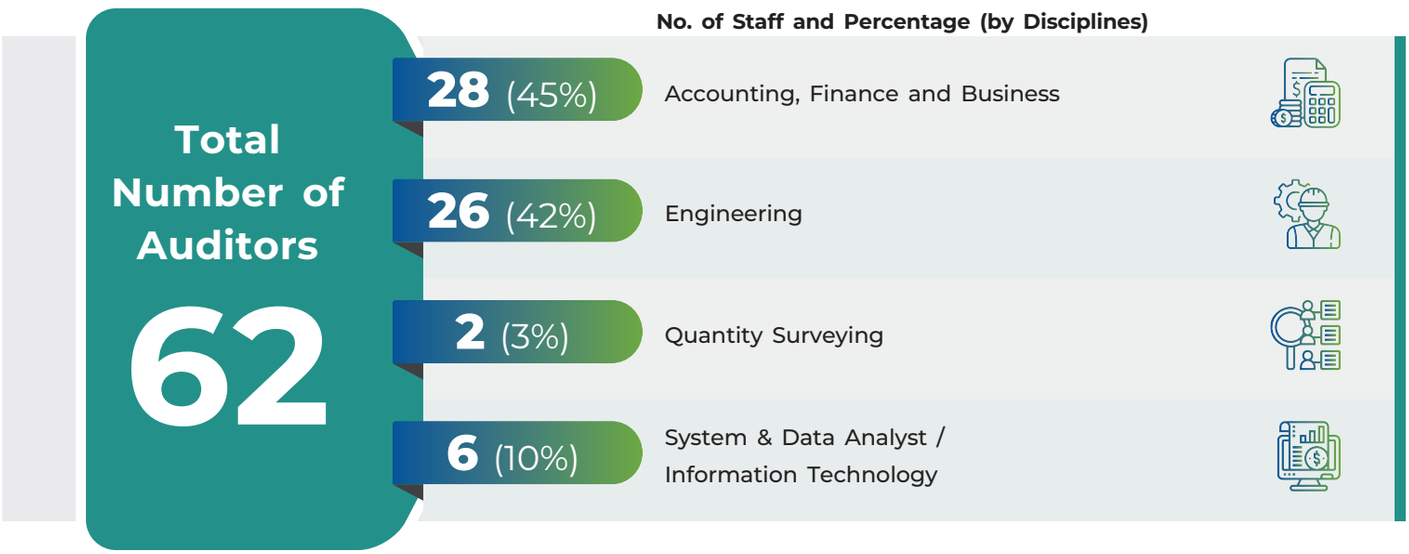
Audit findings were presented to the BAC for deliberation and where relevant, BAC requested Management to rectify the weaknesses based on recommendations provided by GIA. GIA oversees the execution of corrective actions and reports the status to BAC and Management on a quarterly basis.

To enhance the value delivered to the Company and ensure the efficiency of audit activities, the key performance indicators set for the internal auditors include value creation through cost savings/ recoveries and business process improvements implemented, completion of audit plan and audit turnaround time.

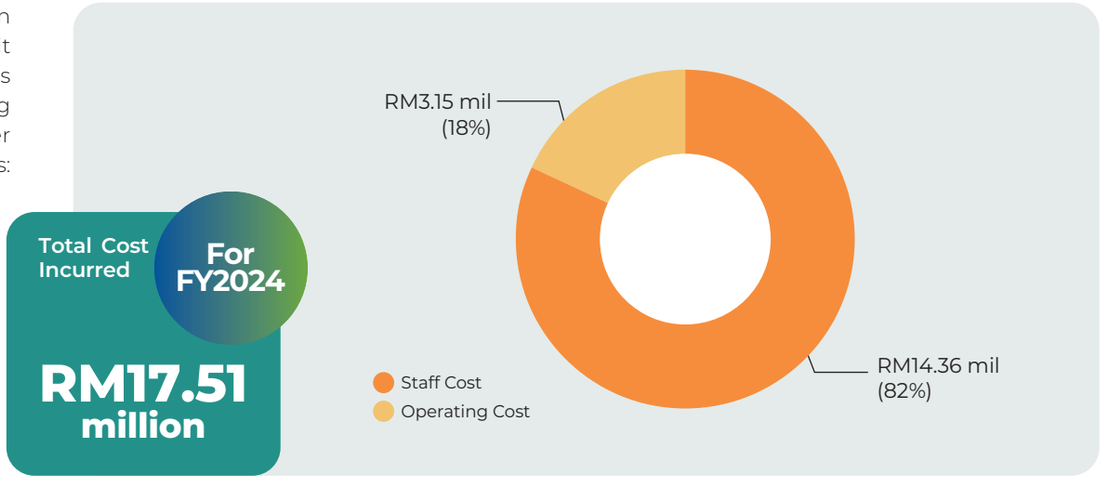
Additionally, to strengthen GIA's presence and reinforce its advisory roles, GIA regularly conducts knowledge sharing and facilitation sessions on matters related to governance, risk management and controls, as well as advise on implementation of new processes, policies and procedures at various levels within the Company. This also includes facilitation through data analytics on key areas identified to support organisational goals.

RESOURCES

In FY2024, the internal audit activities were supported by a team of 62 auditors from diverse disciplines, as summarised below:



The total cost incurred in managing the internal audit activities for FY2024 was RM17.51 million, comprising mainly staff costs and other operating expenses, as follows:



EFFECTIVE AUDIT AND RISK MANAGEMENT

PROFESSIONAL QUALIFICATION AND CONTINUOUS DEVELOPMENT

As of 31 December 2024, 31 auditors in GIA hold various professional certifications, as outlined below:

Certifications	No. of Certifications Obtained
Certified Internal Auditor (CIA)	14
Professional Technologist	12
Certification in Risk Management Assurance (CRMA)	4
Certified Information System Auditor (CISA)	4
Association of Chartered Certified Accountants (ACCA)	4
Chartered Accountant (Malaysia)	4
Certified COBIT 5	4
CISCO Certified Network Associate (CCNA)	3
Professional Engineer	3
Certified Fraud Examiner (CFE)	1
Chartered Institute of Management Accountants (CIMA)	1
Total	**54***

*Note: An individual auditor may possess one (1) or more certifications

In addition to the above, 26% (16 auditors) are actively embarking on pursuing professional certifications at various levels.

To ensure high level of proficiency and demonstration of due professional care when discharging duties, GIA fosters a culture of continuous learning and development among its internal auditors. These are accomplished through the following:

- Active participation of auditors in national conferences and trainings (both internally and externally) covering diverse areas such as auditing, strategic initiatives, leadership and communication, business acumen, data analytics and personal development.
- Involvement in training programs and certification focusing on ESG matters, aimed at acquiring a comprehensive understanding and insights into the fundamentals of ESG.
- Maintain corporate membership status in IIA Malaysia, ensuring internal auditors have continuous access to valuable resources such as trainings, reading materials and audit-related updates (including the new GIAS), fostering a well-informed and connected audit community.
- As of 31 December 2024, GIA invested a sum of RM375,219.00 on trainings and conferences as part of its commitment to continuous development.

SUMMARY OF GIA'S ACTIVITIES IN FY2024

The key activities undertaken by GIA in FY2024 are as follows:

- Provided independent and objective assurance on the internal controls implemented by Management in mitigating risk exposures and subsequently communicated results of audit engagements to respective client, Senior Management, and BAC comprising among others observations, root causes, recommendations, agreed corrective actions, deadlines and persons responsible and accountable for taking the appropriate actions.
- Presented to BAC the quarterly state of internal controls for TNB to provide insights on audit completion status, risks reviewed, results of internal control assessment, and status of corrective actions including aging for pending actions for audit reports issued in every quarter.
- Participated in periodic Management and Board breakouts, offering independent feedback on governance, risks, and controls. This involvement also served to gain insights into the Company's direction, allowing the provision of value-added assurance and advisory roles.
- Collaborated with Risk Management Department to discuss on Company's risk indicators, emerging risks and pertinent mitigation plans. Additionally, quarterly coordination meetings were held with the External Auditor to address audit scope/ issues, ensuring comprehensive coverage and minimising duplication of effort.
- Conducted syndication sessions with TNB's Senior Management to identify emerging risks and concerns facing TNB, ensuring these insights were incorporated during the development of Annual Audit Plan.
- Maintained a comprehensive Quality Assurance and Improvement Program (QAIP) covering all aspects of the internal audit activities. This program evaluates the adherence of audit activities to the principles and standards established in the GIAS.
- Organised mentoring and networking sessions that facilitated interaction with BAC members and TNB's Top Management, providing valuable opportunities for GIA auditors to receive guidance and build relationships.

  Conducted roadshow and series of webinars emphasising on fundamentals of governance, risks and internal controls.
- Organised the inaugural Integrated Assurance Forum, bringing together the BAC members and all assurance providers within the Company to foster strong collaboration and cultivate a shared understanding of the BAC's vision for a streamlined and objective approach.
- Participated and presented papers at the Head of ASEAN Power Utilities/Authorities (HAPUA) Internal Audit Summit in Indonesia, an event that brought together internal audit functions from Singapore, Thailand, Indonesia, Philippines, and Vietnam for knowledge sharing.
- Performed benchmarking exercises aimed at sharing internal audit best practices, fostering collaborative networking and strengthening GIA's presence among the internal audit functions in Malaysia.
- Enhanced staff development through a series of enrichment activities including formal training, internal and external attachment programs, guest auditor initiative, job rotations and technical visits.
- Continued the BAC meeting observer program, allowing audit personnel to participate as observers. This initiative offers valuable opportunity for practical learning and exposure amongst auditors.
- Demonstrated a strong commitment to ESG goals through GIA's corporate social responsibility (CSR) program and ecosystem preservation initiatives such as donation for orphanage home, donation of food items, Go Green Project at Zoo Negara, seeds planting and various recycling activities.
- Showcased dedication in nurturing future professionals by hosting the visits from various universities, offering real-life insights into the profession of internal audit.

EFFECTIVE AUDIT AND RISK MANAGEMENT

ETHICS, INTEGRITY & TRUST

IN 2017, TNB WAS ONE OF THE FIRST LISTED CORPORATION TO EMBARK ON THE ISO 37001:2016 ANTI-BRIBERY MANAGEMENT SYSTEM (ABMS) CERTIFICATION.

Towards achieving the certification, TNB launched the TNB Corporate Integrity Management System (TCIMS) to drive an integrity-based culture and a high level of compliance with local and international anti-bribery standards. On 15 November 2018, TNB was awarded with the ABMS Certification from SIRIM and to further reinforce this culture, launched the TCIMS Handbook. TNB has a well thought out set of Shared Values made publicly available and communicated to the workforce. First among the TNB Shared Values is Integrity. The three (3) behaviours of Integrity are:

The TCIMS covers four (4) main policies, namely the Anti-Bribery Policy; the Gifts, Hospitality and Related Benefits Policy; the Conflicts of Interest Policy; and the Whistleblowing Policy.

In 2022, TNB reviewed these four (4) main policies to align with current policies, circulars and practices. In 2024, the COI Policy was further reviewed to enhance the existing COI disclosures as required by the MMLR.

During the Financial Year under review, surveillance audits by SIRIM were conducted involving the Procurement & Supply Chain Division (P&SC) and four (4) wholly-owned subsidiaries of TNB, namely Malaysia Transformer Manufacturing Sdn. Bhd. (MTM), TNB Integrated Learning Solution Sdn. Bhd. (ILSAS), TNB Fuel Services Sdn. Bhd. (TNBF) and TNB Repair and Maintenance Sdn. Bhd. (TNB REMACO). There were two (2) recertification audits by SIRIM conducted for Retail Division and a subsidiary of TNB, Tenaga Cable Industries Sdn. Bhd. (TCI). All the entities successfully retained the ISO 37001 Anti-Bribery Management System certification by SIRIM.

In 2022, TNB signed a Memorandum of Understanding (MoU) with the Malaysian Anti-Corruption Commission (MACC) and signed the Corruption Free Pledge. This pledge emphasises the pledges and promises made by the leadership of TNB and its staff voluntarily in their capacity as an organisation to ensure that each of us will be more responsible in carrying out our duties and curbing corruption.

TNB has conducted the Integrity Health Survey (IHI) in 2024, where 28,451 staff participated in the survey. Based on the survey, TNB received a 91.89% score as opposed to 87.16% in 2023. TNB has also established a systematic approach through the Annual Training and Communication Plan (TCP) capitalising on 3Es (Education, Engagement and Enforcement) for the areas of improvement identified through the Integrity Health Survey conducted in 2023.

In 2024, all activities under the TCP were successfully completed including Seminar for Boards and Top Management. A series of trainings and awareness sessions were conducted by Integrity Department to better equip the Company in line with the implementation of Section 17A of the MACC Act 2009. These included the following:

- Related programs to Divisions/Departments and Subsidiaries
- Three (3) sessions of Fraud and Bribery Risk Management workshop
- All staff including Subsidiaries staff were required to complete Anti-Corruption training
- All staff are required to sign the integrity pledge, declare any conflicts of interest annually and specifically as and when a conflict arises
- Certified Integrity Officer (CeIO) Program was co-organised by TNB and MACC
- Joint integrity programs with MACC
- Published 14 Integrity bulletins and 12 e-posters

LIMITS OF AUTHORITY

The Limits of Authority lays down guiding principles governing decision-making throughout the Group, emphasising the escalation and reporting procedures to the Board. Delegating authority is a key aspect, with the Board entrusting the President/CEO and other Executives to oversee the Company's day-to-day activities. This delegation includes the responsibility to recommend and approve both monetary and non-monetary limits of authority for operational and management decisions before execution. The Limits of Authority strikes a balance between effective oversight and empowering the Management with appropriate accountability.

CODE OF ETHICS FOR DIRECTORS

The Board of Directors adheres to the Code of Ethics for Company Directors established by the Companies Commission of Malaysia. Each Non-Executive Director is equipped with the Non-Executive Directors' Handbook, serving as a reference for their professional responsibilities and the terms and conditions of their service. This handbook undergoes regular updates to reflect changes in applicable rules, regulations, and policies governing Directors' conduct.

CODE OF BUSINESS ETHICS (COBE)

The code ensures adherence to laws and regulations, promotes sound employment practices, upholds confidentiality and privacy, and addresses matters such as conflicts of interest, business courtesies and the proper use of TNB's assets. It also outlines how TNB engages with its shareholders, employees, customers, suppliers and the communities in which it operates, emphasizing general principles of business integrity. All employees are expected to conduct business in accordance with applicable laws and regulations, contributing to the enhancement and protection of TNB's reputation.

ORGANISATIONAL ANTI-CORRUPTION PLAN

Serving as a foundational document, this plan outlines a comprehensive strategy aimed at mitigating governance challenges and fortifying integrity within the Company. By proactively addressing potential corruption risks and promoting ethical conduct among employees, the plan seeks to uphold TNB's commitment to governance excellence.

SUSTAINABLE PROCUREMENT CODE OF CONDUCT

During the Financial Year under review, TNB Procurement Code of Conduct was enhanced with sustainability element and rebranded to Sustainable Procurement Code of Conduct (SPCC). The SPCC was approved by GEMC on 13 March 2024 and was enforced on mandatory basis in April 2024.

In line with TNB's ESG strategy, the Procurement & Supply Chain Division had developed the SPCC with the sub-element of ESG while maintaining the key elements of anti-corruption and abuse of power.

TNB is committed to ensuring responsible management of its procurement process. The SPCC outlines the practices and professional conduct expected of all Suppliers/Contractors of TNB towards upholding TNB's values of integrity, transparency and accountability. The SPCC applies to all employees, Seconded Employees, Directors and suppliers/contractors including their employees and directors.

The SPCC is guided by the core values of TNB namely integrity, collaborative, professionalism, customer centric, forward thinking and mindfulness and focuses on three (3) key elements of ethical conduct: (1) Zero tolerance on corruption; (2) No conflict of interest; and (3) Honest and accurate representation of capabilities.

Additionally, the Procurement & Supply Chain Policy and Procedures provide comprehensive guidance for executing procurement within TNB. This policy framework enables TNB to achieve optimal value, adopt leading business practices, prioritise business objectives, add value to customers and maintain high standards of corporate governance. TNB's COBE, SPCC and Organisational Anti-Corruption Plan are accessible on the respective sections of the Company's website at www.tnb.com.my.

EFFECTIVE AUDIT AND RISK MANAGEMENT

CONFLICTS OF INTEREST (COI)

In upholding principles of ethical and independent decision-making and the enhancement to the existing COI disclosures as required by the MMLR, the Directors and Top Management are required to disclose on the nature and extent of any COI or potential COI, including interest in any competing business that the person has with TNB and its subsidiaries.

Directors or Top Management with such interests are required to declare them immediately and at the respective meetings to be abstained from participating in the deliberations and voting, in ensuring impartial decision-making. Mitigation actions shall be taken upon any declaration of COI by the Directors or Top Management, with the concurrence of the President/CEO/Chairman/Senior Independent Non-Executive Director. In addition, TNB Directors, Top Management and its Boards of Subsidiaries are required to make COI declaration annually and on ad hoc basis.

To ensure the enhancement of the existing COI disclosures as prescribed by the MMLR, the TNB COI Policy was revised and approved by the TNB Board on 16 December 2024. Additionally, the Guideline on COI Management for the Board of Directors and Key Senior Management of TNB was developed and approved by the Board Integrity Committee on 20 November 2024.

The revised TNB COI Policy and Guideline were reviewed jointly by the Integrity Department, Company Secretary's Office, Group Legal Department, Group Internal Audit Department and the external legal advisor in ensuring the alignment with the MMLR on Guidance on COI.

In addition, the declaration of COI (if any) is included in the agenda of the respective TNB Board and Board Committees' meetings prior to the tabling of the papers.

The COI Policy is a live document which will be reviewed periodically, and as and when the need arises.

As practiced by the Procurement & Supply Chain Division in collaboration with the Integrity Department, each Director shall sign an Integrity Pledge during every BTC/Board meeting. This commitment entails a declaration of any interests related to procurement or matters on the meeting agenda, underscoring the Company's dedication to preventing corruption, mitigating conflicts of interest and safeguarding the confidentiality of information.

WHISTLEBLOWING PROCEDURE

The Whistleblowing Procedure underscores TNB's commitment to fostering an open working environment, where employees, contractors and members of the public can confidentially report instances of unethical, unlawful or undesirable conduct without fear of intimidation or reprisal. An independent investigation team examines all reported concerns and where applicable, offers feedback on the outcome of the investigation.

The objectives of the Whistleblowing Procedure are threefold:

- To identify and address unacceptable conduct.
- To cultivate a supportive working environment that empowers employees and contractors to raise legitimate concerns with both personal and organisational implications.
- To safeguard individuals who, in good faith, report unacceptable conduct from any adverse consequences.

Reporting channels are made easily accessible through the Online Whistleblowing Information System (WBIS) at http://wbis.tnb.com.my. Alternatively, reports can be submitted via email to the designated officers using the Whistleblowing Complaint Form, available in both Malay and English.

Name	Designation	Email Address
Ong Ai Lin	Senior Independent Non-Executive Director	ongailin.integrity@tnb.com.my
Ahmad Petra Firdaus bin Abdullah	Chief Integrity Development Officer	petrafirdaus.integrity@tnb.com.my
Hasbah binti Hasbullah	Senior Manager (Financial Integrity)	hasbahh.integrity@tnb.com.my

- Whistleblowing toll free number: 1-800-888-862

ANTI-BRIBERY POLICY

TNB is resolute in articulating its position on bribery and related matters, establishing essential pillars within its framework to fortify the Company against any manifestation of bribery. All forms of bribery related to TNB's activities are unequivocally prohibited. Upholding integrity is a collective responsibility that extends across all levels of personnel.

Guided by a stringent Gifts, Hospitality and Related Benefits Policy, TNB emphasises integrity through the regular signing of Integrity Pledges and the declaration of conflicts of interest by personnel. While certain exceptions may exist, TNB ensures that these policies are consistently adhered to. Prudent management of business associates acting on behalf of the Company further enhances TNB's commitment to ethical conduct.

The reporting of misconduct by personnel or third parties is not only encouraged but expected, with robust protection in place for those acting in good faith as whistleblowers. Enforcing its position on ethical standards, TNB entrusts the Integrity Department with the responsibility of upholding and reinforcing these principles.

The TCIMS undergoes periodic assessments and updates to ensure its continued effectiveness in upholding the Company's commitment to ethical business practices. This proactive approach reflects TNB's dedication to maintaining the highest standards of integrity in its operations.

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

ANNUAL GENERAL MEETING

WE VALUE AND FACILITATE A DIRECT, TWO-WAY DIALOGUE WITH THE SHAREHOLDERS AND INVESTORS. IT IS OUR TOP PRIORITY TO PROVIDE RELEVANT INFORMATION TO SHAREHOLDERS, LISTEN AND UNDERSTAND THEIR PERSPECTIVES AND RESPOND TO THEIR FEEDBACK.

Our AGM plays an important role in providing the shareholders with opportunity to communicate directly with the Chairman, the Board, President/CEO, Top Management and the External Auditors about the business, governance, financial performance and prospects of the Company.

The Board ensures the shareholders are given sufficient notice and time to consider the resolutions that will be tabled and discussed at the AGM. The AGM Notice includes explanatory notes that contain further information on the proposed resolutions.

TNB hosted its 34th AGM on 21 May 2024 virtually via Remote Participation and Voting (RPV) at Pusat Konvensyen Leo Moggie, TNB Platinum, No. 3, Jalan Bukit Pantai, Bangsar, 59100 Kuala Lumpur, Malaysia (the Broadcast Venue). A virtual AGM allows the shareholders to participate in the AGM regardless of their geographical differences.

TNB dispatched postcards with QR code to the shareholders, that consist of the 34th AGM Notice, Administrative Details of the 34th AGM, Integrated Annual Report 2024, Proxy Form and Requisition Form which were also available in the Company's website, within designated timeframe.

A total of 1,991 shareholders and proxies representing 3,375,758,718 ordinary shares participated online in TNB Virtual 34th AGM as per the Attendance Record issued by TNB Share Registrar. All Directors attended the 34th AGM, including the Chairmen of BAC, BSRC and BNRC. The Engagement Partner of PricewaterhouseCoopers PLT (PwC) was also in attendance at the AGM to answer shareholders' questions on the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of auditors in the audit process.

Shareholders were provided with similar opportunities online as they would have had attending the AGM in person. They were able to view presentation by the President/CEO with the highlights of TNB strategic initiatives to pursue business growth, the IBR RP4 proposal, TNB Energy Transition Plan as well as the recognition and appreciation to the former President/CEO, Warga TNB, customers, shareholders and community.

During the Meeting, the Chairman encouraged the shareholders to post questions to the Board and Management on the proposed resolutions tabled at the AGM. All questions submitted during the meeting were answered by the Chairman, President/CEO, Chief Financial Officer and Company Secretary accordingly.
.
The 34th AGM was conducted online via BoardRoom's LUMI AGM. Shareholders/proxies were able to view the live webcast of the AGM proceedings, post questions to the Board/Management and submit their votes in real-time whilst the meeting was in progress. The procedures for RPV facilities were explained in the Administrative Details of 34th AGM issued to the shareholders on 22 April 2024.

All resolutions of the 34th AGM were tabled and approved by the shareholders. All resolutions were voted through e-polling and the results were validated by Boardroom Corporate Services Sdn. Bhd., the independent scrutineer appointed by the Company. The outcomes of poll voting were announced to the market and posted on the Company's website on the same day of the 34th AGM.

The minutes of meeting was made available on TNB's website at **www.tnb.com.my** no later than 30 business days after the 34th AGM.

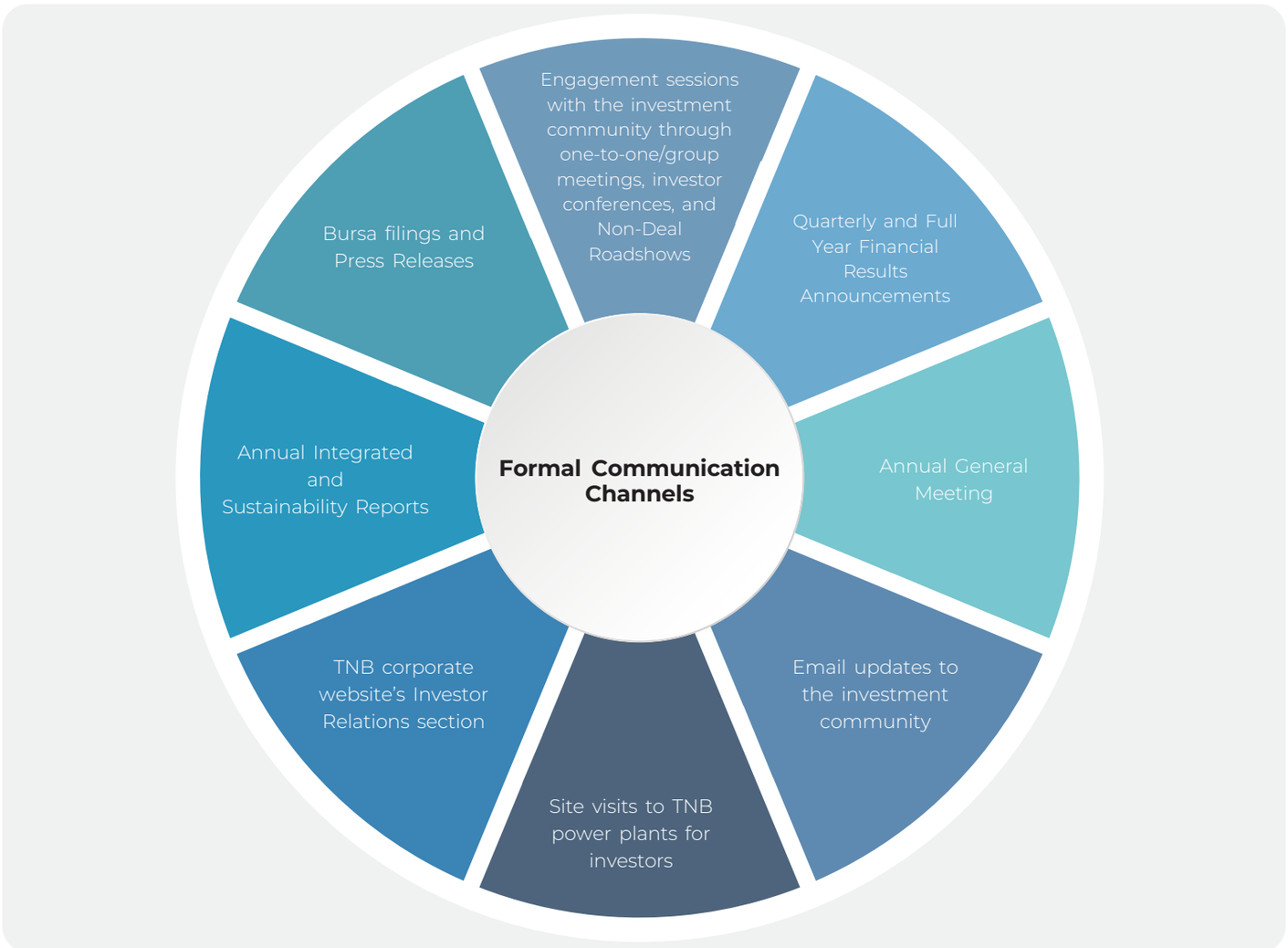
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

STRENGTHENING RELATIONSHIPS WITH THE INVESTMENT COMMUNITY THROUGH STRATEGIC ENGAGEMENT AND TRANSPARENT COMMUNICATION

The Group recognises that strategic engagement and transparent communication are essentials to fostering a strong relationship with the investment community. In 2024, with the shifting energy landscape, we continued to share our business growth strategy that underscores our commitment to sustainability, in supporting the nation's sustainability aspirations. We remain focused on critical matters such as strategic developments and financial performance, ensuring a fair and equitable dissemination of both financial and non-financial information.

In fostering a purposeful and strategic relationship with the investment community, our Investor Relations (IR) team facilitates seamless communication between Senior Management and the investment community, reinforcing transparency and instilling confidence in our business.

We leverage on a variety of formal communication channels, namely:



Active communication is crucial in keeping both existing and potential investors informed about our strategic developments, financial performance, technical achievements and other key priorities as detailed in the 'Investment Community Feedback' section.

The Investor Relations section on our corporate website at www.tnb.com.my, offers direct and comprehensive access to our financial data and investor presentations, keeping the investment community informed. Our Investor Relations team can also be reached at **tenaga_ird@tnb.com.my.**

ACTIVE ENGAGEMENT WITH THE INVESTMENT COMMUNITY

As a key beneficiary of the National Energy Transition Roadmap (NETR), coupled with the growing demand from data centres, the year 2024 has presented significant growth opportunities to TNB. Building on these promising developments, the Investor Relations team actively engaged with the investment community, ensuring they are kept well-informed of TNB's business strategies and its progress across various initiatives.

In 2024, we recorded a strong 853 engagements with analysts and investors through a range of Investor Relations activities, including conferences, roadshows, site visits, one-to-one/group meetings, analyst briefings and other communication platforms.

INVESTOR RELATIONS CALENDAR OF EVENTS FOR FY2024

4 January 2024	CGS-CIMB 16th Annual Malaysia Corporate Day
8-12 January 2024	Nomura Non-Deal Roadshow, Europe
16 January 2024	Nomura ASEAN Conference
6 February 2024	Hong Leong 2024 Corporate Day on Data Centres
6 March 2024	Site visit to TNB Sepang Solar
6-7 March 2024	Macquarie Non-Deal Roadshow and Invest ASEAN Conference, Australia
26 March 2024	Morgan Stanley Virtual Symposium: Sourcing the Power Required for GenAI
17 May 2024	Morgan Stanley ASEAN Conference: Powering GenAI
5-6 June 2024	Nomura Investment Forum Asia 2024, Singapore
1 July 2024	Technical Visit to Vantage RE Ltd, United Kingdom
5 & 8 July 2024	J.P. Morgan Non-Deal Roadshow, United Kingdom
11 July 2024	J.P. Morgan ASEAN Energy Forum
16 July 2024	UBS Malaysia Corporate Day, Singapore
24 July 2024	IR Programme in collaboration with Morgan Stanley
6 August 2024	CLSA Data Centre Access Day
15 August 2024	RHB Invest Johor
10-12 September 2024	31st CITIC CLSA Investors' Forum, Hong Kong
30 September – 3 October 2024	Morgan Stanley Non-Deal Roadshow, USA
15 October 2024	Kenanga Data Centre and Cloud Day
17 October 2024	Technical Visit to Chenderoh Hydro Power Station, Perak
3 December 2024	Royal Bank of Canada (RBC) Capital Markets – Data Centre Tour, Johor

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

INVESTMENT COMMUNITY FEEDBACK

Based on Investor Relations' engagement sessions with the investment community, the primary areas of interest include:-

Business strategy and performance

- Overall demand growth (including from data centres)
- Grid readiness to support demand growth and NETR
- TNB Power Generation Sdn. Bhd. (GenCo) business and operations

NETR

- Flagship catalyst projects
- Market Aggregator (ENEGEM) and Third-Party Access (TPA)
- Tariff Reform

Regulatory framework

- Incentive Based Regulation Regulatory Period 4 (IBR RP4)
- Imbalance Cost Pass-Through (ICPT) mechanism

Energy Transition (ET) Plan initiatives and progress

- Decarbonisation plan
- Renewable energy growth opportunities
- Capital expenditure plan for ET

Financial management

- Financial sustainability and return
- Fuel margin
- Working capital management initiatives
- Gearing and financial position
- Dividend

BUILDING LONG-TERM SHAREHOLDER VALUE

In 2024, TNB Board of Directors had approved a final single-tier dividend of 26.0 sen per share, raising the single-tier dividend total to 51.0 sen per share. This translated to a dividend payout ratio of 59.6% from the Group's Adjusted PATAMI, honouring the Company's 30% to 60% dividend policy consistently for the last eight (8) financial years.

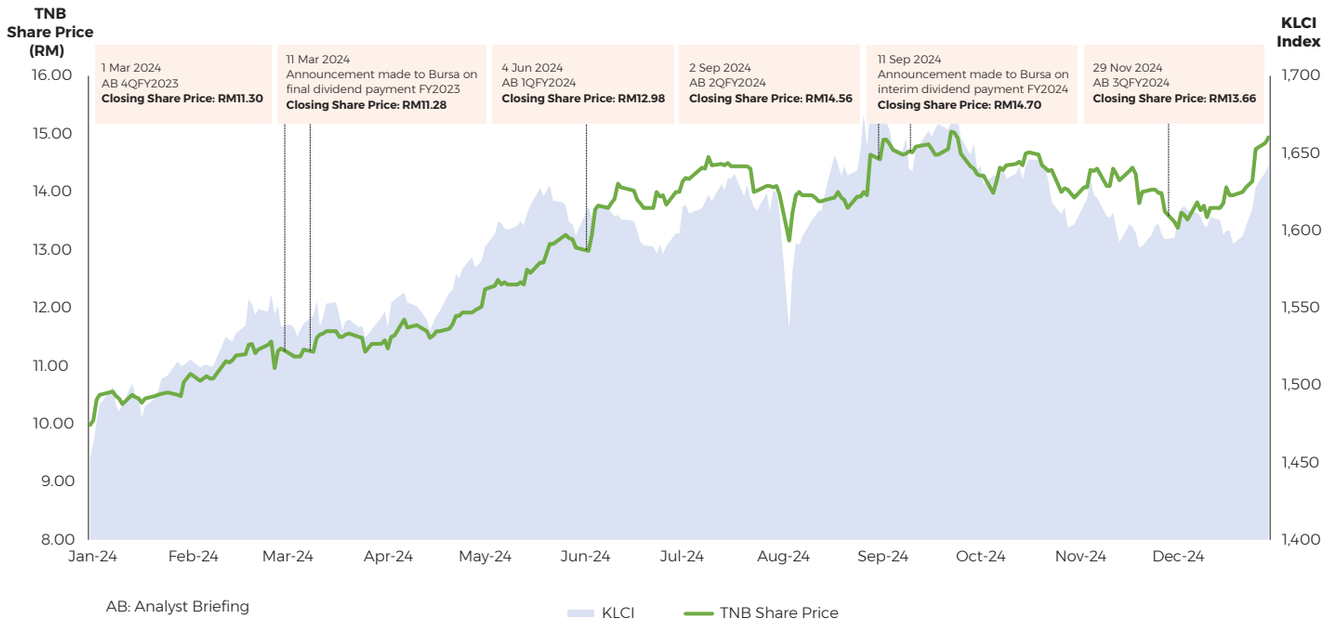
ANALYST COVERAGE

As one of the top companies on Bursa Malaysia by market capitalisation, our coverage has expanded to 22 leading sell-side firms, reflecting the strong confidence of the investment community in our business and growth potential. This extensive coverage enhances our visibility, boosts investor confidence and ensures fair market valuation. Furthermore, our foreign research houses coverage of 41% underscores our growing international recognition, reinforcing our position as a leading player in both local and global markets.

1. Affin Hwang Investment Bank
2. AmInvestment Bank
3. Apex Sercurities *(New)*
4. Bank Islam Malaysia Berhad
5. CGS International
6. CIMB Securities
7. Citi Research
8. CLSA
9. Hong Leong Investment Bank
10. HSBC Global Research *(New)*
11. J.P. Morgan
12. Kenanga Investment Bank
13. Macquarie Capital Securities
14. Maybank Investment Bank
15. MIDF Amanah Investment Bank
16. Morgan Stanley Research
17. Nomura
18. Public Investment Bank
19. RHB Investment Bank
20. TA Securities
21. UBS Global Research
22. UOB Kay Hian Securities

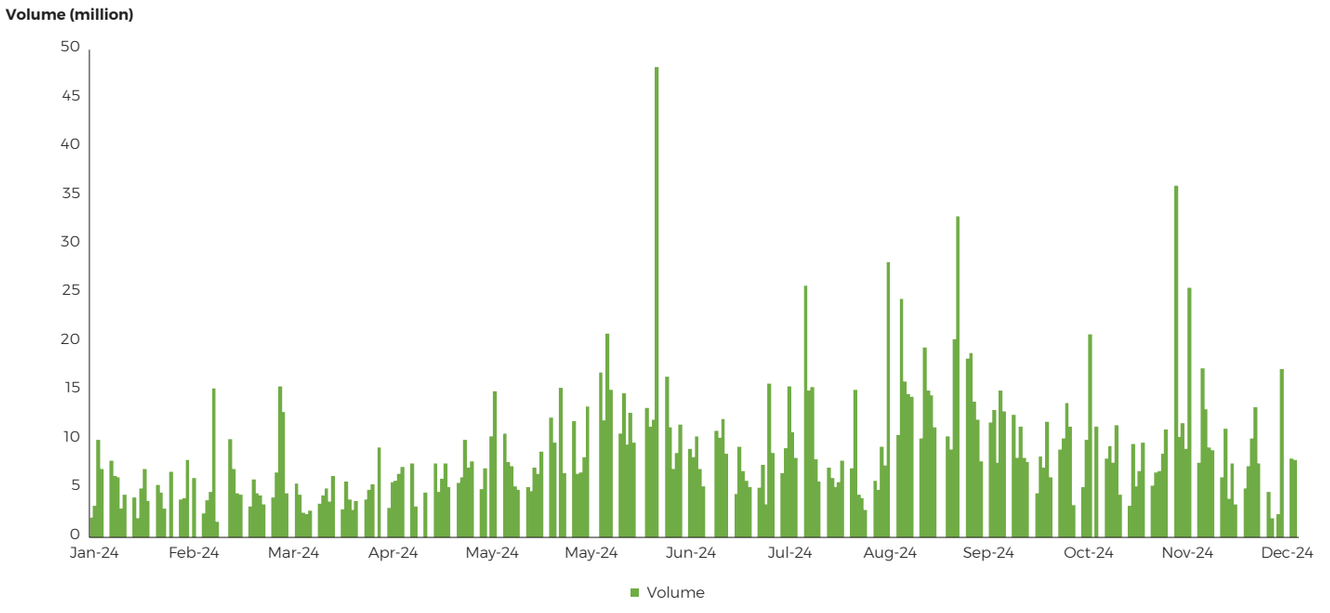
SHARE PRICE PERFORMANCE

TNB Share Price, FBM KLCI and Volume Traded in the Year 2024



AB: Analyst Briefing

Source: Bloomberg



Source: Bloomberg

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

RELATIONSHIP WITH EXTERNAL AUDITORS

The Board maintains an open and professional association with External Auditors and the BAC is entrusted with recommending their appointment or removal, approving their remuneration, and establishing the terms of engagement for Board approval.

Responsibilities of the Board and BAC include reviewing, assessing, and monitoring the performance, suitability and independence of External Auditors. A comprehensive policy outlines guidelines and procedures for the assessment and monitoring processes, covering aspects such as Selection and Appointment, Independence, Conflict of Interest, Non-Audit Services, Rotation of Audit Partner, Annual Reporting, Annual Assessment and Audit Fees.

The appointed Audit Partner undergoes rotation at least every seven (7) Financial Years, with a mandated five (5) year gap before returning as the Audit Partner for the engagement. While External Auditors may be engaged for non-audit services, their objectivity, judgment and independence must not be impaired. Written assurance of meeting independence requirements is obligatory for each non-audit service undertaken for the TNB Group.

Three (3) fundamental principles govern the prohibition of non-audit services: External Auditors cannot function in a management role, audit their own work or serve in an advocacy role for TNB Group. Compliance with the By-Laws of the Malaysian Institute of Accountants (MIA) concerning non-audit services is mandatory, with the application of safeguards if necessary.

TNB External Auditors Policy stipulates a three (3)-year cooling-off period for a former partner of TNB's External Auditors before being appointed as a BAC member in accordance with Practice 9.2 of the MCCG. Additionally, in alignment with Guidance 9.3 of the MCCG, the annual assessment of External Auditors incorporates information from the Annual Transparency Report of the audit firm.

The BAC, in evaluating the External Auditors' independence, had also considered the non-audit fees provided for services during the Financial Year. These fees should not compromise or impair the independence or objectivity of the External Auditors.

The amount of Audit and Non-Audit Fees paid or payable to PwC or its affiliates by the Company and TNB Group for the Financial Year ended 31 December 2024 is as follows:-

	Group (RM million)	Company (RM million)
Statutory Audit	5.1	1.6
Audit Related Services	1.9	1.3
Total	**7.0**	**2.9**
Non-Audit Services:		
- Tax Related Services	1.0	0
- Other Non-Audit Services	0.1	0.1
Total	**1.1**	**0.1**

The Non-Audit Fees did not exceed 50% of the Audit Fees for the Financial Year under review, in line with TNB's External Auditors Policy.

All services were procured competitively in accordance with TNB's Procurement & Supply Chain Policy and Procedures and External Auditors Policy. Non-audit services can be offered by the External Auditors of the Group if there are clear efficiencies and value added benefits to the Group.

Based on the External Auditors Assessment Results for the Financial Year 2024, overall, the Company was Completely Satisfied/Satisfied with the score of 96.9%, reflecting a consistently high level of satisfaction similar to the previous financial year. With the services provided by PwC in terms of quality, sufficiency of resources, communication and interaction and independence, objectivity and professional skepticism. All comments made were forwarded to PwC in order to further improve their services.

With that, the Board/BAC are satisfied with the quality of service, sufficiency of resources, communication and interaction and independence, objectivity and professional skepticism demonstrated by PwC in carrying out its duties as External Auditors.

Being satisfied with the External Auditors' performance, the Board recommends their re-appointment for shareholders' approval at the AGM.

INSIDER TRADING

TNB Directors and Top Management must not deal in the securities of the Company or of other listed issuers as long as he/she is in possession of price-sensitive information relating to such listed securities. This is in line with the MMLR and pertinent provisions of the Capital Markets & Services Act 2007. Notices delineating closed periods for trading in TNB's securities are disseminated on a quarterly basis, well in advance of each closed period. The Company Secretary shall made appropriate announcement upon receiving any notices of dealing in securities in line with Paragraphs 14.08 and 14.09 of the MMLR respectively.

RESPONSIBILITY STATEMENT IN RESPECT OF THE FINANCIAL YEAR UNDER REVIEW

The Board holds full responsibility for ensuring the preparation of Audited Financial Statements aligns with the Companies Act 2016 and the approved accounting standards set forth by the Malaysian Accounting Standards Board. This commitment is aimed at presenting an accurate portrayal of the Group's state of affairs, profit or loss and cash flow at the close of the accounting period. In the preparation of these financial statements, the Directors confirm compliance with applicable approved accounting standards in Malaysia, exercising reasonable and prudent judgements and estimates. Furthermore, the Audited Financial Statements are prepared on a going concern basis, as the Board, upon thorough inquiry, reasonably expects the Group to possess adequate resources for its operational continuity in the foreseeable future.

Statement on Risk Management and Internal Control

The Board of Directors (the Board) is pleased to present its Statement on Risk Management and Internal Control (SORMIC) for the financial year ended 31 December 2024. This statement, collaboratively developed and jointly endorsed by the Board Sustainability & Risk Committee (BSRC) and the Board Audit Committee (BAC), adheres to the stipulations set forth in paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa). Additionally, it is guided by the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers issued by Bursa.

The SORMIC delineates the nature and breadth of the risk management and internal control systems in TNB Group, including subsidiaries, throughout the reviewed fiscal year. It provides an overview of the framework, policy, process and measures adopted to mitigate risks and uphold operational integrity within TNB Group. The scope of this disclosure excludes associated companies and joint ventures.

The Board persistently upholds its overarching responsibility and remains dedicated to the establishment and continual upkeep of robust, efficient, and effective risk management and internal control systems. This commitment serves to safeguard shareholders' investments and the assets held by the Group. These systems are designed to manage rather than eliminate risks and therefore provide reasonable rather than absolute assurance against material losses, misstatements, or other significantly adverse consequences.

THE BOARD COMMITTEES

The Board acknowledges the pivotal role of maintaining robust risk management practices and establishing sound internal controls in upholding corporate governance standards. The following Board Committees have been established with clear mandates fostering a culture of structured oversight and operational excellence:

- Board Audit Committee
- Board Finance and Investment Committee
- Board Tender Committee
- Board Nomination and Remuneration Committee
- Board Sustainability and Risk Committee
- Board Long Term Incentive Plan Committee
- Board Integrity Committee

THE MANAGEMENT COMMITTEES

TNB Management is accountable to the Board to ensure effective implementation of the Group's risk management and internal controls. The Management is responsible for implementing the processes to assess, monitor and report risk exposures and ensuring effectiveness of internal controls, taking appropriate and timely action as required.

The following Management Committees are in place to implement and execute the Group's risk management and internal control systems for the achievement of short and long-term business objectives.

- Group Executive Management Committee
- Group People Committee
- Group Management Tender Committee
- Green Lane Tender Committee
- Commodity Procurement Executive Committee
- Investment Executive Committee
- Energy Supply Committee
- Information & Communication Technology Governance Committee
- Regulatory Committee
- Sustainability and Energy Transition Committee
- Electric Vehicle Committee
- Technology Committee
- Smart Meter Committee
- Health, Safety and Environment Committee
- Integrity Committee
- ASEAN Power Grid Committee
- Renewable Energy Business Coordination Committee

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

Risk Management Framework

Risk management in TNB is governed by the TNB Risk Management Framework, which adopts the principles and guidelines set out in ISO 31000:2018, 'Risk Management – Guidelines'. This framework, approved by TNB Board, provides a structured and consistent approach for risk management implementation across the Group. The purpose of risk management is to create and protect value and this is exemplified through each element in the TNB Risk Management Framework (Fig. 1).

The implementation of this framework is guided by our risk governance documents. The criteria and frequency of revision as well as approval levels for the risk governance documents are outlined in the TNB Risk Management Framework document. This ensures that the risk governance documents are robust and practical.

Following our annual review in 2024, the Group Risk Management Working Committee (GRMWC) has approved to streamline to four (4) risk governance documents, which are TNB Risk Management Framework, TNB Risk Management Policy, TNB Risk Assessment Process and Key Risk Indicator Guide (Fig. 2).

Fig. 1: TNB Risk Management Framework

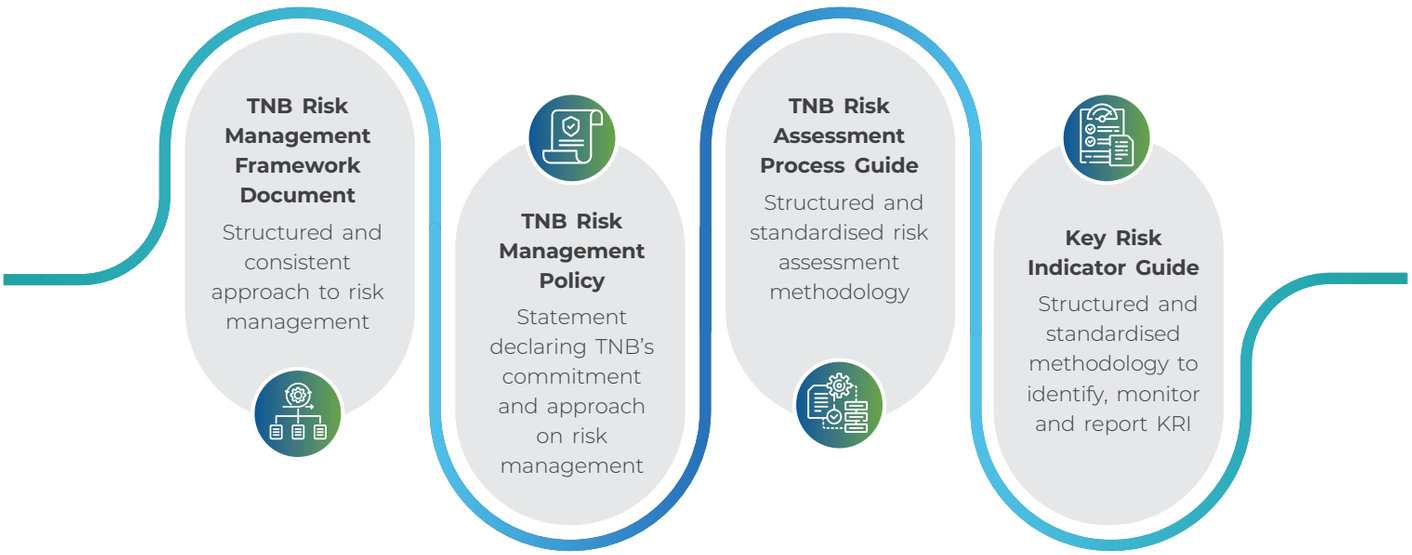


Fig. 2: TNB Risk Governance Documents

Risk Management Policy

The TNB Risk Management Policy is a statement of the overall intention and direction of the Group on risk management. It describes the commitment of the Group to assess risks in alignment to business objectives, integrating risk management in all decision-making processes, anticipating potential risks while identifying opportunities in response to changes in the internal and external environments and ensuring that risk information is communicated through a clear and robust monitoring and reporting structure.

The policy emphasises on the role of all TNB employees, who are responsible and accountable to manage risks by taking all reasonable care to minimise loss, maximise opportunity and ensure TNB's reputation is upheld.

Leadership and Commitment

The TNB Risk Management Structure (Fig. 3) depicts the leadership and commitment of Board and Management in the escalation and cascading of risk information across all levels.

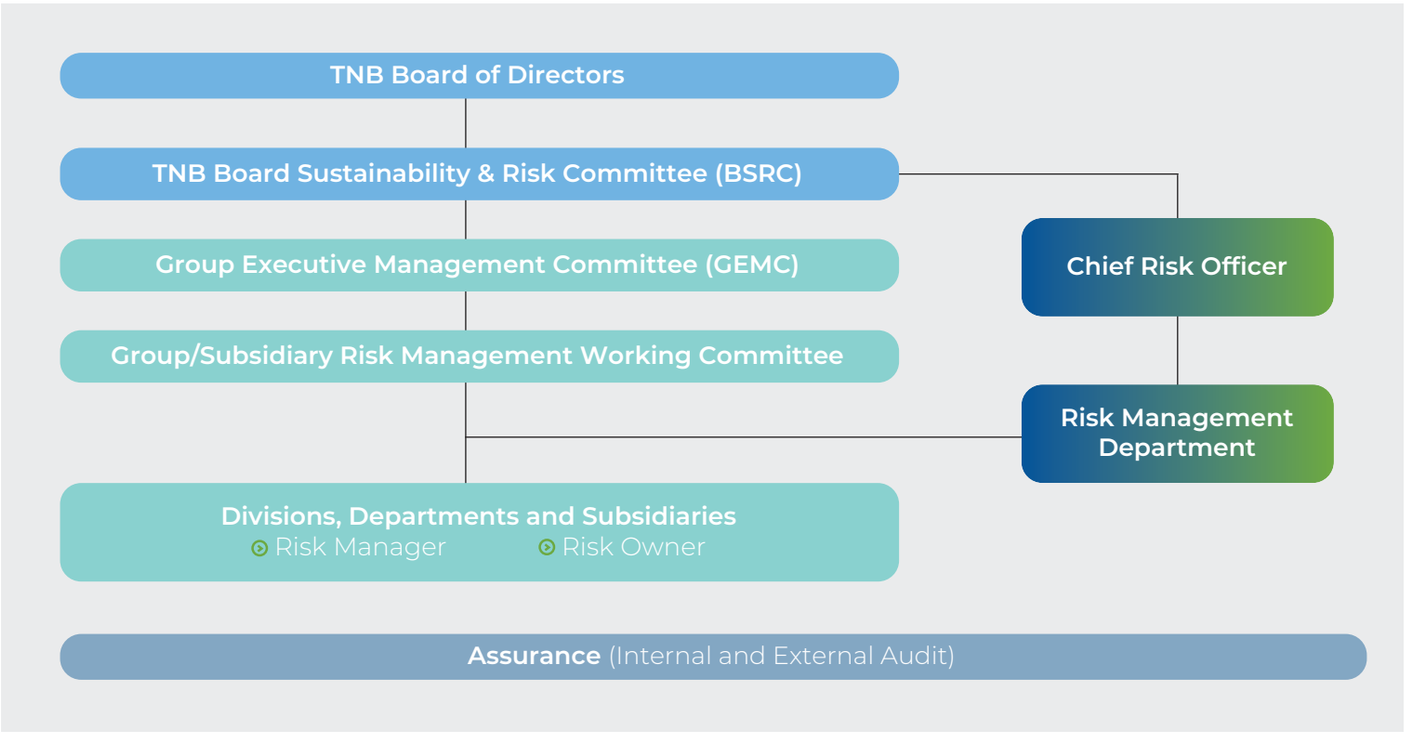


Fig. 3: TNB Risk Management Structure

The BSRC reaffirms the Board's commitment to ensure that the Group has in place a robust risk management framework and that such framework has been effectively implemented to enhance the Group's ability to achieve its strategic objectives.

The BSRC is supported by the Management, primarily through the Group Executive Management Committee chaired by the President/Chief Executive Officer. It is complemented by the cross-functional Group Risk Management Working Committee (GRMWC) and Subsidiaries Risk Management Working Committee (SRMWC).

The Risk Management Department (RMD) helmed by the Chief Risk Officer facilitates the implementation of the TNB Risk Management Framework.

In the year under review, the BSRC remained committed to diligent oversight, convening twelve (12) meetings to address various risks and opportunities related to strategic initiatives and operational dynamics. The BSRC also discussed the risk profiles of TNB business entities with in-depth deliberations on Key Risk Indicators (KRIs). Business entities provided assurances to the BSRC on robust risk management practices and internal controls, supporting the Board's decision-making to capitalise on opportunities and manage potential risks.

Furthermore, the BSRC endorsed the TNB Sustainability Framework and Policy that was approved by the Board, and the TNB Sustainability Statement and Sustainability Report FY2023 for public disclosure. Additionally, the BSRC approved revisions to the TNB Risk Dashboard for FY2024 reporting and improvements to the TNB Investment Risk Methodology, reflecting its risk appetite.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Assessment Process

TNB business entities are guided by the TNB Risk Assessment Process that provides a structured approach to identify, analyse, evaluate and treat risks. TNB business entities apply the process in a systematic, iterative and collaborative manner, drawing on the knowledge and views of stakeholders to develop and review their respective risk profiles.

The TNB Strategic Risks were assessed according to the process and anchored on the Group strategy as well as in consideration of internal and external factors. Below are the twelve (12) TNB Strategic Risks approved by the BSRC:

Category	No.	TNB Strategic Risk
External	1.	**Catastrophic disruptions from external factors** TNB faces the potential threat of unpredictable external events, which possess the capacity to significantly disrupt our business operations, profitability, and/or reputation. These events encompass various external factors, including but not limited to pandemics, cybersecurity attacks, economic collapses, and geopolitical risks. Although these occurrences have a low probability of transpiring, their unpredictability renders them capable of inflicting catastrophic impacts on our business operations.
Sustainability	2.	**Inability to keep pace with Environment, Social & Governance (ESG) developments and transitions globally** Corporations worldwide face increased risks in transitioning to a low-carbon and climate-resilient economy. It is vital that we align to global ESG commitments and frameworks given TNB's role as Malaysia's primary power utility. Failure to do so will impede our business growth in addition to eroding market confidence in TNB to be a utility that is able to provide sustainable energy solutions. This will adversely impact investors' confidence, stakeholder's trust and company reputation.
Regulatory	3.	**Unfavourable energy transition & climate change policies & regulations** Energy Transition regulatory risks pose significant challenges for power utilities. The shift towards renewable energy sources and decarbonisation initiatives may require costly infrastructure upgrades and technology investments. Evolving regulations can impact revenue streams and profitability, especially if incentives or subsidies change. Stricter emissions standards might necessitate the retirement of existing assets or impose penalties for non-compliance. Additionally, uncertainties in policy direction may hinder long-term planning and investments. Failure to address these risks adequately can undermine TNB's competitiveness and financial stability.
	4.	**Unfavourable Electricity Supply Industry (ESI) regulatory implementation and outcome** Globally, the electricity supply industry is highly regulated. Government regulations and policies control various aspects, including approving generation capacity and mix, setting limits for investment and operation costs of electricity networks, and determining electricity prices. Uncertainty surrounding future regulations may hinder long-term planning and investment decisions whilst non-compliance with regulations can result in penalties and reputational damage. Inability to shape and manage the outcome of these regulation and policies governing the Malaysian ESI would be key impediment impacting TNB ability to deliver its business aspiration.
	5.	**Regulatory Uncertainty** Due to the nature of our business, we are susceptible to the decisions by regulatory stakeholders at the federal, state and international levels. Business operations may be delayed or encumbered due to measures and decisions in relation to investment and divestment, use of natural resources and right-of-way.
Market	6.	**Unable to be competitive in non-regulated business (international & domestic)** Growing TNB's non-regulated business is a key strategy of TNB's future growth plans. Inability to be competitive would result in difficulty to attract new customers and potential partners leading to stagnant or decline in market share and potential revenue. Inadequate competitiveness may result in lower operational efficiencies and higher costs that may hamper our ability to access capital while reducing the overall returns.
Customer	7.	**Inability to remain as the electricity provider of choice by customers** TNB supplies electricity that is reliable and safe to retain the trust and confidence of customers. At the same time, we need to continue growing TNB's brand and reputation. Failure to do so may cause customer dissatisfaction and impact our sales, financial performance and reputation.
Finance	8.	**Ineffective capital allocation to maximise value creation** Management makes decisions on how to source and allocate funds effectively to maximise potential return. Failure to do so would have dire implications to TNB, including missed opportunities, reduced financial profits and market confidence.

Category	No.	TNB Strategic Risk
Capabilities	9.	**Gaps in workforce capabilities to deliver the Reimagining TNB strategy and sustainability aspiration** It is critical for TNB to focus on developing and deploying new institutional capabilities to the right areas. We also need to enhance workforce diversity in terms of skill sets and exposures that are in line with our aspiration to diversify internationally. Failure to close the capabilities gap would impact TNB's ability to achieve its RT strategy.
	10.	**Failure to ingrain TNB culture in employees' behaviour in supporting Reimagining TNB strategy and sustainability aspiration** Culture moulds the direction, beliefs and shared values that shapes employee (at all levels including the Board)'s perceptions, behaviours and understanding. Failure to ingrain our core values in the organisation and processes may result in lower productivity, fraud and bribery or silo mentality.
Physical Asset Risk	11.	**Failure to mitigate physical risks caused by climate change** Physical climate change risks pose significant challenges to TNB in the form of extreme weather events, rising sea levels, and changing precipitation patterns that can damage infrastructure, disrupt operations and impact power generation, transmission and distribution. Failure to manage these risks can result in prolonged outages, increased operation and repair costs, regulatory penalties, reputational damage and impede long-term business sustainability.
Supply Chain	12.	**Disruptions to supply chain** TNB's ability to ensure the security of supply depends on undisrupted procurement and distribution of resources needed to operate all its infrastructure. Delays or disruption resulting from supplier failure, transportation issues and geopolitical interventions may lead to delays in project delivery, prolonged electricity supply outages and increased costs.

Review, Monitor and Report

The BSRC approved the TNB 3-Year Cycle Risk Governance Plan for implementation from FY2022 to FY2024. The plan outlines three (3) risk governance activities, which are risk review, risk maturity assessment and desktop risk assessment. According to plan, RMD in collaboration with TNB business entities, conducted fifteen (15) risk reviews, five (5) risk maturity assessments and eight (8) desktop risk assessments in the year under review.

TNB business entities assess respective risks and register into the TNB Risk Information System (TRIS), a centralised online real-time tool and database, for monitoring and reporting. Risks are also reviewed annually by the business entities with participation and eventual approval from the risk owners.

Half-year risk reports are submitted by business entities to RMD for consolidation. Group-wide consolidated half-year risk reports, which include reports of emerging risks, are deliberated and endorsed by the GRMWC for onward internal dissemination.

Key Risk Indicators

Business entities have diligently identified relevant Key Risk Indicators (KRIs) that are developed in consideration of the risk appetite of the BSRC and Management. The status of KRIs is reported quarterly to the BSRC, GRMWC and SRMWC with mitigating measures extensively deliberated to address risk exposures from escalating beyond tolerable levels.

The BSRC monitors eleven (11) KRIs in the TNB Risk Dashboard with best- and worst-case projected outlooks and supported by resiliency indicators. Operational-level KRIs are deliberated by the GRMWC and SRMWC that are platforms for inter-business collaboration to mitigate risks from a group-wide perspective.

Annually, these KRIs undergo review to ensure relevance and adequacy, aligning with company strategy and considering changes in internal and external environments.

Communication & Integration

TNB business entities consistently engage in communication with both internal and external stakeholders, providing current and comprehensive risk information. Timely feedback is gathered and integrated to foster continual enhancements. The risk managers from various business entities across the Group forms the TNB Risk Manager Circle, which enables greater collaboration and exchange of knowledge on risk management best practices, emerging risks and opportunities. This integration ensures that risk management continues to be a shared responsibility, enhancing the overall resilience and adaptability of the Group.

To stay ahead of potential challenges, we closely monitor the evolving external landscape and bimonthly emerging risk insights are communicated to business entities, fostering a culture of proactive risk management. In the year under review, the RMD analysed and communicated risk insights to Management for anticipated events in the global arena, and domestically, risk exposures related to the anticipated Malaysian northeast monsoon and heatwave, and power system reliability during four (4) *Pilihan Raya Kecil* in Peninsular Malaysia.

RMD continues to collaborate with the TNB Integrated Learning Solution Sdn. Bhd., the centre for energy learning, advisory, services and consultancy, in building risk management competencies at fundamental and intermediate levels. In the year under review, a total of 96 TNB employees completed the fundamentals training module and 36 employees completed the intermediate training module.

The TNB Risk Management E-Learning Module has been incorporated as part of the learning journey of all TNB executives, whereby each TNB executive shall complete the online module every two (2) years. The purpose of the e-learning module is to enhance the risk management capabilities among TNB executives to make informed decisions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Culture

The risk culture delineated within the TNB Risk Management Framework harmonises seamlessly with the six (6) TNB core values and corresponding behaviours. The application of these core values and behaviours serves as a beacon, offering clear guidance and communicates the expected behaviour of employees. This alignment fortifies a cohesive understanding, establishing a framework for fostering and perpetuating a resilient and enduring risk culture essential for TNB's sustainable growth and resilience.

INTERNAL CONTROL

Group Policies and Procedures

The Board and Management have approved group-wide policies and procedures, embedding ethics and internal control principles and mechanisms within business operations. Regular review processes ensure the ongoing relevance and effectiveness of these policies and procedures.

Among others, the Group policies and procedures in place are:

- TNB Code of Ethics
- TNB Ethics & Integrity Policy
- TNB Whistleblowing Policy
- TNB Risk Management Policy
- TNB Sustainability Policy
- TNB Confidentiality Policy
- TNB Asset Management Policy
- TNB Limits of Authority
- TNB Procurement and Supply Chain Policy and Procedures
- TNB ICT Security Policy and ICT Codes of Practice
- TNB Safety & Health Policy
- TNB Labour Rights Policy
- TNB Environmental Policy
- TNB Security Policy
- TNB Communication Policy
- TNB Personal Data Protection Policy
- TNB Disciplinary Procedures
- TNB Conflict of Interest Policy and Guideline
- TNB Investment Process Control: Updated Investment Process and Investment Risk Methodology
- TNB Group Financial Policies and Procedures
- TNB Group Human Resource circulars and guidelines

Financial and Operational Control Framework

The TNB Group Financial Policies and Procedures stand as an imperative point of reference guiding the Group's financial and operational conduct. The Group has acted in accordance with generally accepted accounting principles and the International Financial Reporting Standards and Malaysian Financial Reporting Standards. Regular evaluations comparing actual performance against established budgets, targets, and historical benchmarks for key functions and strategic initiatives are carried out. Necessary mitigating measures and follow-up actions are promptly implemented.

The BAC reviews the Group's quarterly financial performance together with Management and these are subsequently reported to the Board. The quarterly reviews enable the BAC to deliberate and assess the Group's financial results and operational performance.

TNB continues to proactively engage with relevant stakeholders for smooth implementation of the Incentive-Based Regulations (IBR) framework. The performance of the regulated business is meticulously monitored through the IBR performance indicators and dashboards. These are reported regularly to relevant decision-making committees to ensure effective implementation of the IBR framework as well as to the Energy Commission in compliance with the IBR guidelines.

The procedures for critical functions and key activities are documented, communicated to employees and periodically reviewed. Relevant business entities have been consistently maintaining its certification in ISO 9001, ISO 14001, ISO 27001, ISO 37001, ISO 45001 and ISO 55001. Internal audits are conducted to ensure compliance with relevant standards and procedures.

Strategic Planning and Performance Management Cycle

A holistic strategic planning process is integral in providing focus and alignment between aspiration, strategies, performance management and the desired strategic outcomes. The Strategic Planning and Performance Management (SPPM) cycle approved by the Board depicts a 5-part cycle that integrates the capital and budget allocation process with the performance management cycle. It includes the identification of strategy driven Key Performance Indicators (KPI) based on long-term business plans and annual operating plans, which are thereafter cascaded to all levels of employees. The strategy driven KPI methodology is derived from the Balanced Scorecard concept that focuses on performance measures from four perspectives, which are financial, customer, internal process and learning and growth.

Human Resource Management and Development

The TNB Ways of Working (TWoW) that promotes flexible working arrangements seamlessly aligns with amendments in the Employment (Amendment) Act 2022, particularly in embracing and enacting flexible working arrangements. This way of working aims to inspire and add value to employees, create an agile workforce and foster a culture of wholehearted dedication, underpinned by the fundamental principles of trust, empowerment, and mindfulness.

Job descriptions and responsibilities of approved positions are clearly defined and communicated through the internal online platform, People Matters Better Brighter. Workforce requirement planning is carried out and led by the Group People Division, mirroring the budget planning cycle with the aim of optimising staffing levels and increasing productivity. Employee training needs are regularly assessed and various programmes are in place to address competency gaps.

Moreover, effective succession management improves organisational ability to maintain continuity of operations with minimal disruption and benefits both the employees by preparing them to be strong talents and the organisation by facilitating smooth transitions. The TNB Succession Management Framework ensures that the succession management strategy is agile and in line with current and projected business objectives by defining critical positions, nominating and evaluating talents, identifying development needs, and reviewing and adapting to business needs.

Healthcare & Wellness Management

TNB is committed towards elevating the standard of healthcare for its employees, retirees, and dependents. 1,329 panel hospitals and clinics are available nationwide for widespread accessibility to essential medical treatment and healthcare. Medication Delivery Services continues to facilitate seamless procurement and delivery of long-term or chronic medications right to the doorstep.

The TNB Total Wellness Programme aimed at educating and influencing employees towards a healthy lifestyle and work life balance continues to be implemented through the "Vibrant Living – Healthier. Together" initiative. This initiative focuses on six (6) scopes, which are healthy diet, no smoking/vaping, active lifestyle, weight management, basic health screening and mental wellbeing. Weekly "Wellness Wednesday" health talks and awareness sessions conducted online are open to all employees and retirees with the aim of increasing awareness on common health issues and encouraging healthier habits.

TNB Digital Strategy

TNB has undertaken significant digitalisation endeavours to embrace digital transformation as a key enabler of the RT strategy. These initiatives encompass data analytics, robotic process automation, and development of a visionary Network of the Future. These efforts empower TNB to achieve its strategic goals, positioning the organisation as an industry leader in the energy sector by delivering sustainable value to stakeholders while fostering innovation and resilience.

In the year under review, an in-house Artificial Intelligence (AI) platform called weKNOW has been introduced as a catalyst for Generative AI innovations tailored to TNB's needs. This platform ensures that sensitive information is maintained within TNB's controlled environment, safeguarding it against data leaks and reinforcing our commitment to data security.

Management Information Systems

Leveraging on information and communication technology is vital in promoting effective and efficient business operations as well as timely and accurate communication with internal and external stakeholders. Examples of key information systems utilised by the Group for that purpose are:

- Enterprise Resource Management System (ERMS)
- Enterprise Human Resources Management System (EHRMS)
- Supervisory Control and Data Acquisition System (SCADA)
- TNB Outage Management Systems (TOMS)
- Billing Customer Relationship Management (BCRM)
- Employee Self Service (ESS)

Super User Privilege Management and Governance, Risk and Compliance systems are implemented to control and govern access to core systems and servers. This ensures that access to critical information systems and confidential information is adequately monitored and controlled. Annual disaster recovery tests are carried out at our data centres and ICT security assessments are regularly carried out on systems at the business entities. In addition, various enhancements are implemented to strengthen cyber security for Information Technology and Operational Technology systems. In the event of system failure, various mitigations are in place to minimise disruption to operations.

Personal Data Protection

TNB is committed to safeguarding data subjects' personal data in accordance with the Personal Data Protection Act 2010 (PDPA). TNB was the lead and active contributor to the development of The Personal Data Protection Code of Practice for The Utilities Sector (Electricity) Version 2.0 (Code of Practice), which serves as a guideline for the processing and handling of data subjects' personal data.

Given the importance of data privacy, our Legal Services Department is committed to consistently educate and communicate with employees through various platforms such as in-person training sessions, e-learning, documented circulars and guidance notes, as well as conducting personal data protection observation audits to enhance awareness and instil a PDPA compliance culture. These initiatives are designed to enhance employees' understanding and compliance with data protection laws, ensuring TNB maintains the highest standards of data protection and privacy.

TNB Corporate Integrity Management System

TNB is certified with the ISO 37001:2016 Anti-Bribery Management Systems since 2018 and has put in place a TNB Corporate Integrity Management System (TCIMS) designed to help prevent, detect and respond to bribery as well as comply with anti-bribery laws and voluntary commitments applicable to our activities. The TCIMS is designed to foster an integrity-based culture across the Group by mitigating the risk of misconduct and corruption. The TCIMS allows both employees and external parties to report misconduct or illegal activities via the TNB Whistle Blowing Information System, whereby all concerns are independently investigated with actions taken accordingly.

Additionally, a comprehensive training plan on ethical behaviour is outlined in our annual Training & Communication Plan (TCP). The TCP is an important component in our strategy to foster a strong integrity culture. This comprehensive plan includes ethical standards training for the Board, employees, contractors, and vendors. The training elements in TCP among others includes integrity seminars tailored for the Board and Management, Integrity e-learning for all employees, contractors and vendors, and in-person awareness sessions with employees. The TCP also covers communication strategies such as publications of integrity bulletins and e-posters communicated through internal channels. These efforts align with the requirements outlined in the TRUST elements under Section 17A of the MACC Act 2009.

Tenaga Safety Culture

The Tenaga Safety Culture programme aims to inculcate safety as part of the everyday working culture, transforming it from a mere compliance activity. It is based on four core behaviours, which are 'Assess', 'Comply', 'Intervene' and 'Actively Caring'. Various initiatives have been implemented such as the TNB Life Saving Rules (LSR) that are intended to preserve the lives of employees and contractors, and mitigate the risk of serious injuries within the work environment. The LSR implementation includes consequence management as part of our internal control.

The Stop Work Intervention guideline empowers employees and contractors to assume responsibility for their safety and the safety of their peers. Any individual is authorised to activate a stop work intervention upon encountering unsafe conditions or observing unsafe acts within the workplace.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

We prioritise employee safety and well-being by mandating biennial safety and health training through the Tenaga Safety Passport module. We empower employees for greater self-regulation by providing relevant training, equipping them with the necessary skills to implement robust health and safety practices in their respective workplaces. This ensures that safety remains paramount in all our operations and is deeply ingrained in our corporate culture.

Customer Experience

TNB is committed to delivering exceptional customer experiences through our "Click, Call, Come Over, Go Over" strategy. Our strategy covers a wide range of touch points that enable quality solutions and services as well as continuous interaction options to enhance customer experience. Additionally, our innovative solutions, such as the myTNB app, empower customers with real-time energy insights and energy efficiency tips to support their energy journey. The myTNB app also allows customers to make express payment of electricity bills without needing to log in. Simultaneously, our Kedai Tenaga outlets offer personalised, in-person assistance for those who prefer face-to-face interactions.

By leveraging social media platforms, we actively engage with customers, sharing energy-saving tips, promoting renewable energy initiatives, and addressing customer concerns. Our subsidiary, GSPARX Sdn. Bhd., empowers consumers to become prosumers through zero-upfront-cost solar photovoltaics installations, enabling them to generate clean energy and reduce their carbon footprint.

Business Continuity Management

The TNB Business Continuity Management (BCM) Framework was developed in alignment with ISO 22301:2019 'Security and Resilience – Business Continuity Management Systems'. The framework provides a structured approach in managing business continuity in the Group that enables prompt, coordinated and effective response to a crisis and maintain continuity of essential activities as well as protecting human life, assets, reputation and the environment. The framework is the focal point of reference for TNB business entities to formulate and implement business continuity strategies tailored to respective business objectives and critical functions.

The robustness of the TNB Corporate Crisis Command Structure is tested through planned drills and is activated to manage potential or declared crises in accordance with the TNB Corporate BCM document. The Corporate Crisis Management Team (CMT), led by TNB President/Chief Executive Officer, also places importance on the management of pre-crisis incidents that may impact company reputation and customer experience. The Corporate CMT peruses daily dashboard reports of public, customer and regulatory sentiments related to our business operations and where necessary, additional mitigations are taken to prevent incidents from escalating to crisis.

To further strengthen prompt and coordinated response during crises that affect the nation, strategic engagements and drills are conducted with relevant government agencies such as the National Disaster Management Agency. Collaborations with the Malaysian Meteorological Department and Malaysia Space Agency are sought for early notification of climate related risk exposures and data analysis to enhance business continuity plans.

GROUP INTERNAL AUDIT

The Group Internal Audit (GIA) is set up by the Board to provide an independent and objective assurance on the effectiveness of governance, risk management processes and internal control systems in TNB Group. GIA maintains its independence by reporting functionally to the BAC and reports administratively to the President/Chief Executive Officer. GIA functions and activities are guided by its Internal Audit Charter approved by the BAC and is aligned with the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors.

GIA plans and undertakes regular reviews and assessments taking into consideration strategic and operational risks faced by the organisation as approved by the BAC. The reviews also include recommendations for improvement opportunities in areas with internal control lapses. The progress and closure of corrective actions arising from reviews are monitored through a dashboard and reported to management and BAC on a quarterly basis. Follow-up audits were also performed to ensure corrective actions were completed accordingly by management.

GIA reports the state of internal controls based on completed audits on a quarterly basis to the BAC.

CONCLUSION

The Board has obtained assurances from the President/Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects. Where areas of improvement have been identified, rectification steps have been taken for enhancement.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of approval of this statement for inclusion into the annual report, is adequate and effective to safeguard shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This statement is made in accordance with the resolution of the Board of Directors dated 20 March 2025.

Additional Compliance Information

(1) UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

No proceeds were raised as the Company did not undertake any corporate proposals in the Financial Year ended 31 December 2024.

(2) MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors or Major Shareholders, either still subsisting at the end of the Financial Year or, if not then subsisting, entered into since the end of the previous Financial Year.

(3) RELATED PARTY TRANSACTIONS

The Group has established appropriate procedures to ensure it complies with the MMLR with regards to related party transactions. All related party transactions are reviewed by the Group Internal Audit Department, following which a Group-Wide Report is submitted to the BAC on a quarterly basis for monitoring purposes. The Group did not seek any mandate from its shareholders pertaining to related party transactions during the Financial Year under review.

STATEMENT ON COMPLIANCE WITH THE REQUIREMENTS OF BURSA MALAYSIA IN RELATION TO APPLICATION OF PRINCIPLES AND ADOPTION OF BEST PRACTICES LAID DOWN IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 (PURSUANT TO PARAGRAPH 15.25 OF THE MMLR)

The Board has reviewed, deliberated and approved this Statement on 26 February 2025. The Board is pleased to report to its shareholders that to the best of its knowledge, the Company has complied with and shall remain committed to attaining the highest possible standards of corporate governance through the continuous adoption of the principles and best practices of the MCCG and all other applicable laws, save as disclosed in the Corporate Governance Overview Statement.

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Directors' Report

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Group and the Company are primarily involved in the business of the generation, transmission, distribution and sales of electricity and those tabulated in Note 48 to the financial statements, which has the details of the subsidiaries of the Group.

There have been no significant changes in these activities during the financial year.

FINANCIAL RESULTS

	Group RM'million	Company RM'million
Profit for the financial year attributable to:		
– Owners of the Company	4,698.6	4,136.5
– Non-controlling interests	31.0	0
Profit for the financial year	4,729.6	4,136.5

DIVIDENDS

The dividends paid or declared by the Company since the previous financial year ended 31 December 2023 were as follows:

	RM'million
In respect of the financial year ended 31 December 2023:	
Final single tier dividend of 28.0 sen per ordinary share, paid on 18 April 2024	1,620.5
In respect of the financial year ended 31 December 2024:	
Interim single tier dividend of 25.0 sen per ordinary share, paid on 17 October 2024	1,453.2

The Directors have approved a final single tier dividend of 26.0 sen per share on 5,812,948,071 ordinary shares in respect of the financial year ended 31 December 2024 amounting to a total of RM1,511.4 million. The dividends will be paid on 16 April 2025.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUE OF SHARES

During the financial year, the paid-up share capital of the Company increased due to the vesting of Long Term Incentive Plan ('LTIP') granted to eligible employees, details of which are disclosed in Note 34 to the financial statements. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

DIRECTORS' REPORT

TENAGA NASIONAL BERHAD'S LTIP

The Company implemented a LTIP on 30 April 2015 for a period of 10 years. The LTIP is governed by the by-laws, which were approved by the shareholders at an Extraordinary General Meeting on 18 December 2014.

During the financial year, TNB shares were issued following the fulfilment of the vesting conditions pursuant to the LTIP to eligible employees of the Company and its subsidiaries as detailed below:

Description	Listing date	Total TNB shares issued unit	Price at listing date per unit RM
Restricted Shares	28 June 2024	23,383,800	13.92
Performance Shares	28 June 2024	2,065,100	13.92
Restricted Shares	04 July 2024	167,300	14.00
Total		25,616,200	

There has been no further grant of new LTIP tranches during the financial year. The main features and details of the number of grants over the shares of the Company are set out in Note 34 to the financial statements.

DIRECTORS

The Directors who have held office during the financial year and during the period from the end of the financial year to the date of the report are:

Company

Tan Sri Abdul Razak bin Abdul Majid
Datuk Ir. Megat Jalaluddin bin Megat Hassan
Ramzi bin Mansor
Selvendran Katheerayson
Rohaya binti Mohammad Yusof
Muazzam bin Mohamad
Ong Ai Lin
Juniwati Rahmat Hussin
Gopala Krishnan K.Sundaram
Dato' Merina binti Abu Tahir
Dato' Zulkifli bin Ibrahim (Appointed w.e.f. 1 April 2024)
Alan Hamzah Sendut (Appointed w.e.f. 2 December 2024)
Elaine Ong Yee Lynn
(Alternate Director to Selvendran Katheerayson)
Dato' Roslina binti Zainal (Resigned w.e.f. 13 May 2024)

Subsidiaries

The Directors who have held office during the financial year and during the period from the end of the financial year to the date of the report are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof. The Company has been granted a relief by the Companies Commission of Malaysia ('CCM') via a letter dated 25 January 2025 pursuant to Section 255(1) of the Companies Act 2016 relieving the Company's Directors from full compliance to the requirements under Section 253(2) of the Companies Act 2016.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as disclosed in the Directors' interests in shares and debentures.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits shown under Directors' Remuneration below and in Note 33 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a partner, or with a company in which the Director has a substantial financial interest.

INDEMNITY AND INSURANCE COSTS

The Group and the Company have their own Directors and Officers Liability Insurance at a premium of RM518,750 (excluding Sales and Services Tax ('SST') and Stamp Duty) to cover the liability of Directors and Officers in discharging their duties for the period of 1 November 2024 until 31 October 2025.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares			
	As at 1.1.2024/ Date of Appointment	Vested/ Acquired	Disposed	As at 31.12.2024
Tan Sri Abdul Razak bin Abdul Majid	**26,562**	**0**	**0**	**26,562**
Datuk Ir. Megat Jalaluddin bin Megat Hassan	**40,000**	**79,600***	**(10,000)**	**109,600**

** Acquisition of 79,600 new TNB shares upon fulfilment of LTIP vesting conditions.*

Ordinary shares granted pursuant to the Company's LTIP granted to the Director during the financial year are as follows:

	As at 1.1.2024	Vested	Forfeited	As at 31.12.2024
Datuk Ir. Megat Jalaluddin bin Megat Hassan				
Performance Share Grant ('PS Grant')				
PS Grant 7	**54,700**	**(57,500)***	**0**	**0**
Restricted Share Grant ('RS Grant')				
RS Grant 7	**10,400**	**(10,400)**	**0**	**0**
RS Grant 8	**23,400**	**(11,700)**	**0**	**11,700****

** The 7th grant issued on 25 May 2021 whereby it was fully vested on 28 June 2024 upon fulfilment of vesting conditions. The final number of vested was higher than the original grant due to the PS multiplier pursuant to the LTIP vesting conditions.*

Note: The PS Grant 8 which was granted on 20 July 2022 is yet to be vested and subject to the performance criteria determine by LTIP Committee.

*** The balance of RS Grant 8 which has not yet vested.*

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-Executive Directors' fees	**2,634,194**	2,041,419	**2,414,194**	1,970,774
Non-Executive Directors' other emoluments	**1,390,161**	1,254,753	**1,361,161**	1,246,253
Executive Directors' remuneration and other emoluments	**6,576,567**	3,945,003	**6,576,567**	3,945,003
	10,600,922	7,241,175	**10,351,922**	7,162,030

In respect of the Directors or past Directors of the Company, there were benefits receivable by the Directors from the Company and its subsidiaries as Directors' other emoluments for their services. The estimated monetary value of benefits received by the Directors was RM607,661 (2023: RM588,150) for the Group and the Company.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen and would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report:

(i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

(f) In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Total fees for statutory audits and audit-related services provided by the auditors, PricewaterhouseCoopers PLT, and its member firms amounted to RM7.0 million (2023: RM12.2 million) for the Group and RM2.9 million (2023: RM2.9 million) for the Company, while total fees for assurance related and non-audit services amounted to RM1.1 million (2023: RM0.2 million) for the Group and RM0.1 million (2023: NIL) for the Company respectively. Non-audit services provided by the auditors and its member firms comprise tax related services and other advisory services.

Details of the auditors' remuneration are set out in Note 33 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 20 March 2025. Signed on behalf of the Board of Directors:

TAN SRI ABDUL RAZAK BIN ABDUL MAJID
CHAIRMAN

DATUK IR. MEGAT JALALUDDIN BIN MEGAT HASSAN
PRESIDENT/CHIEF EXECUTIVE OFFICER

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	Group 2024 RM'million	Group 2023 RM'million	Company 2024 RM'million	Company 2023 RM'million
NON-CURRENT ASSETS					
Property, plant and equipment ('PPE')	5	**125,611.1**	121,932.1	**81,907.3**	78,765.4
Right-of-use ('ROU') assets	6	**31,057.0**	34,106.8	**61,518.5**	65,457.0
Subsidiaries	7	**0**	0	**8,863.1**	8,027.6
Joint ventures	8	**203.4**	208.4	**0**	0
Associates	9	**1,284.1**	1,458.8	**75.7**	75.7
Intangible assets	10	**952.5**	1,270.5	**0**	0
Investment in unquoted debt security	11	**255.5**	259.3	**255.5**	259.3
Tax recoverable	4(c)	**3,522.4**	3,522.4	**3,522.4**	3,522.4
Deferred tax assets	12	**373.9**	379.3	**0**	0
Long term receivables	13	**913.8**	540.9	**859.4**	382.8
Amounts due from subsidiaries	14	**0**	0	**3,736.6**	4,885.5
Finance lease receivables	15	**4.7**	6.1	**0**	0
Financial assets at fair value through other comprehensive income ('FVOCI')	16	**81.2**	55.1	**80.5**	54.3
Contract cost assets	17	**8.9**	4.7	**0**	0
Financial assets at fair value through profit or loss ('FVTPL')	18	**19.2**	35.9	**16.9**	33.4
Derivative financial instruments	19	**137.6**	168.0	**0**	0
Employee benefits	24	**322.6**	147.1	**322.6**	147.1
		164,747.9	164,095.4	**161,158.5**	161,610.5
CURRENT ASSETS					
Inventories	20	**2,543.6**	2,758.0	**259.0**	278.7
Receivables, deposits and prepayments	21	**10,857.4**	10,408.2	**7,902.6**	7,707.7
Contract assets	17	**4,641.6**	4,446.8	**4,368.4**	4,226.9
Contract cost assets	17	**124.3**	99.5	**0**	0
Tax recoverable		**1,621.3**	1,519.0	**1,153.3**	1,097.3
Finance lease receivables	15	**1.3**	1.1	**0**	0
Amounts due from subsidiaries	14	**0**	0	**3,212.2**	3,092.1
Amounts due from joint ventures	8	**15.9**	22.7	**0**	0
Amounts due from associates	9	**420.2**	388.3	**13.6**	5.2
Derivative financial instruments	19	**35.6**	0	**35.6**	0
Financial assets at FVTPL	18	**445.9**	1,614.1	**90.5**	1,336.0
Deposits, bank and cash balances	22	**19,601.1**	19,390.5	**13,890.5**	13,326.6
		40,308.2	40,648.2	**30,925.7**	31,070.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Company	
		2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
CURRENT LIABILITIES					
Payables	23	**(14,215.4)**	(12,830.7)	**(9,733.2)**	(8,337.9)
Contract liabilities	17	**(460.2)**	(338.6)	**(258.9)**	(244.9)
Derivative financial instruments	19	**(2.8)**	(1.4)	**(2.8)**	(1.4)
Lease liabilities	15	**(3,140.1)**	(2,983.5)	**(5,168.2)**	(4,466.2)
Amounts due to subsidiaries	14	**0**	0	**(6,097.6)**	(6,944.0)
Amounts due to associates	9	**(476.9)**	(579.7)	**(466.7)**	(568.8)
Current tax liabilities		**(85.3)**	(108.2)	**(27.4)**	(24.1)
Employee benefits	24	**(645.5)**	(615.8)	**(616.2)**	(589.5)
Consumer deposits	25	**(8,666.3)**	(8,050.1)	**(8,258.3)**	(7,659.6)
Short term borrowings	26	**(6,275.6)**	(7,330.6)	**(3,336.9)**	(4,354.4)
		(33,968.1)	(32,838.6)	**(33,966.2)**	(33,190.8)
NET CURRENT ASSETS/(LIABILITIES)		**6,340.1**	7,809.6	**(3,040.5)**	(2,120.3)
TOTAL ASSETS LESS CURRENT LIABILITIES		**171,088.0**	171,905.0	**158,118.0**	159,490.2
NON-CURRENT LIABILITIES					
Borrowings	26	**(51,131.0)**	(54,439.6)	**(23,320.7)**	(25,323.7)
Derivative financial instruments	19	**(98.2)**	(10.5)	**0**	0
Contract liabilities	17	**(7,838.8)**	(5,449.7)	**(6,882.8)**	(4,651.3)
Government development grants	27	**(1,187.7)**	(922.8)	**0**	0
Lease liabilities	15	**(25,570.5)**	(27,877.4)	**(61,772.5)**	(64,820.4)
Deferred tax liabilities	12	**(9,263.6)**	(9,018.3)	**(6,676.4)**	(6,491.2)
Other liabilities	28	**(1,470.4)**	(1,348.7)	**(943.0)**	(764.4)
Employee benefits	24	**(11,958.1)**	(11,755.3)	**(11,184.8)**	(11,024.2)
		(108,518.3)	(110,822.3)	**(110,780.2)**	(113,075.2)
TOTAL NET ASSETS		**62,569.7**	61,082.7	**47,337.8**	46,415.0
EQUITY					
Share capital	29	**12,700.2**	12,499.5	**12,700.2**	12,499.5
Other reserves	30	**(6,962.9)**	(6,682.6)	**(6,502.5)**	(6,161.8)
Retained profits		**54,633.8**	53,008.9	**41,140.1**	40,077.3
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		**60,371.1**	58,825.8	**47,337.8**	46,415.0
NON-CONTROLLING INTERESTS ('NCI')	7(d)	**2,198.6**	2,256.9	**0**	0
TOTAL EQUITY		**62,569.7**	61,082.7	**47,337.8**	46,415.0

The notes set out on pages 245 to 389 form an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss

For The Financial Year Ended 31 December 2024

	Note	Group 2024 RM'million	Group 2023 RM'million	Company 2024 RM'million	Company 2023 RM'million
Revenue	31	**56,737.1**	53,066.9	**50,950.6**	48,456.7
Imbalance Cost Pass-Through ('ICPT') under recovery	32	**9,097.7**	10,598.2	**8,569.6**	10,213.4
Operating expenses	33	**(58,958.3)**	(57,371.1)	**(52,255.4)**	(51,543.4)
Net reversal on impairment of financial instruments	45	**789.1**	114.7	**662.7**	133.3
Other operating income	35	**1,054.5**	948.2	**955.8**	909.3
Operating profit		**8,720.1**	7,356.9	**8,883.3**	8,169.3
Foreign exchange gain/(loss)	36	**467.4**	(209.5)	**373.2**	(51.7)
Share of results of joint ventures	8	**23.2**	18.1	**0**	0
Share of results of associates	9	**84.3**	44.3	**0**	0
Profit before finance cost		**9,295.0**	7,209.8	**9,256.5**	8,117.6
Finance income	37	**628.7**	544.3	**806.4**	688.2
Finance cost	37	**(4,097.8)**	(4,331.1)	**(5,139.3)**	(5,468.7)
Fair value changes of financial instruments	37	**(11.1)**	(49.4)	**(169.2)**	(1.1)
Profit before taxation and zakat		**5,814.8**	3,373.6	**4,754.4**	3,336.0
Taxation and zakat	38	**(1,085.2)**	(770.0)	**(617.9)**	(381.0)
Profit for the financial year		**4,729.6**	2,603.6	**4,136.5**	2,955.0
Profit attributable to:					
– Owners of the Company		**4,698.6**	2,770.3	**4,136.5**	2,955.0
– Non-controlling interests		**31.0**	(166.7)	**0**	0
Profit for the financial year		**4,729.6**	2,603.6	**4,136.5**	2,955.0

		Sen	Sen
Earnings per share:			
– Basic	39	**81.00**	48.00
– Diluted	39	**80.82**	47.79

The notes set out on pages 245 to 389 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For The Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Profit for the financial year		**4,729.6**	2,603.6	**4,136.5**	2,955.0
Other comprehensive (expense)/income					
Items that will not be reclassified subsequently to profit or loss:					
Defined benefit plan actuarial loss		**(256.5)**	(658.6)	**(227.6)**	(585.3)
Fair value changes of financial assets at FVOCI		**26.1**	(15.6)	**26.2**	(15.7)
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		**(113.0)**	427.8	**0**	0
Share of other comprehensive income ('OCI') of associates accounted for using the equity method	9	**(17.6)**	133.0	**0**	0
Total other comprehensive expense		**(361.0)**	(113.4)	**(201.4)**	(601.0)
Total comprehensive income for the financial year		**4,368.6**	2,490.2	**3,935.1**	2,354.0
Attributable to:					
– Owners of the Company		**4,402.9**	2,658.4	**3,935.1**	2,354.0
– Non-controlling interests	7(d)	**(34.3)**	(168.2)	**0**	0
Total comprehensive income for the financial year		**4,368.6**	2,490.2	**3,935.1**	2,354.0

The notes set out on pages 245 to 389 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2024

	Note	Attributable to owners of the Company			Non-controlling interests RM'million	Total equity RM'million
		Ordinary shares RM'million	Other reserves RM'million	Retained profits RM'million		
Group						
At 1 January 2024		**12,499.5**	**(6,682.6)**	**53,008.9**	**2,256.9**	**61,082.7**
Defined benefit plan actuarial loss	30	**0**	**(197.6)**	**0**	**(58.9)**	**(256.5)**
Fair value changes of financial assets at FVOCI	30	**0**	**26.1**	**0**	**0**	**26.1**
Foreign currency translation differences	30	**0**	**(106.6)**	**0**	**(6.4)**	**(113.0)**
Profit for the financial year		**0**	**0**	**4,698.6**	**31.0**	**4,729.6**
Share of OCI of associates accounted for using the equity method	30	**0**	**(17.6)**	**0**	**0**	**(17.6)**
Total comprehensive (expense)/income for the financial year		**0**	**(295.7)**	**4,698.6**	**(34.3)**	**4,368.6**
LTIP:						
– Share-based payment expense		**0**	**74.7**	**0**	**0**	**74.7**
– Reversal of share-based payment expense		**0**	**(13.3)**	**0**	**0**	**(13.3)**
– Shares issued	29	**200.7**	**(200.7)**	**0**	**0**	**0**
Dividends paid:						
– Final dividend for FY2023	40	**0**	**0**	**(1,620.5)**	**0**	**(1,620.5)**
– Interim dividend for FY2024	40	**0**	**0**	**(1,453.2)**	**0**	**(1,453.2)**
Dividend paid to NCI	7(d)	**0**	**0**	**0**	**(0.6)**	**(0.6)**
Redemption of Redeemable Preference Shares by NCI	7(d)	**0**	**0**	**0**	**(2.8)**	**(2.8)**
Derecognition of subsidiary upon winding up	33	**0**	**154.7**	**0**	**(20.6)**	**134.1**
Total transactions with owners		**200.7**	**15.4**	**(3,073.7)**	**(24.0)**	**(2,881.6)**
At 31 December 2024		**12,700.2**	**(6,962.9)**	**54,633.8**	**2,198.6**	**62,569.7**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024

	Note	Attributable to owners of the Company			Non-controlling interests RM'million	Total equity RM'million
		Ordinary shares RM'million	Other reserves RM'million	Retained profits RM'million		
Group						
At 1 January 2023		12,204.3	(6,463.3)	52,776.1	2,449.1	60,966.2
Defined benefit plan actuarial loss	30	0	(645.6)	0	(13.0)	(658.6)
Fair value changes of financial assets at FVOCI	30	0	(15.6)	0	0	(15.6)
Foreign currency translation differences	30	0	416.3	0	11.5	427.8
Profit/(Loss) for the financial year		0	0	2,770.3	(166.7)	2,603.6
Share of OCI of associates accounted for using the equity method	30	0	133.0	0	0	133.0
Total comprehensive (expense)/income for the financial year		0	(111.9)	2,770.3	(168.2)	2,490.2
LTIP:						
– Share-based payment expense		0	221.0	0	0	221.0
– Reversal of share-based payment expense		0	(33.2)	0	0	(33.2)
– Shares issued	29	295.2	(295.2)	0	0	0
Dividends paid:						
– Final dividend for FY2022	40	0	0	(1,495.8)	0	(1,495.8)
– Interim dividend for FY2023	40	0	0	(1,041.7)	0	(1,041.7)
Redemption of Redeemable Preference Shares by NCI		0	0	0	(24.0)	(24.0)
Total transactions with owners		295.2	(107.4)	(2,537.5)	(24.0)	(2,373.7)
At 31 December 2023		12,499.5	(6,682.6)	53,008.9	2,256.9	61,082.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024

	Note	Attributable to owners of the Company			Total equity RM'million
		Ordinary shares RM'million	Other reserves RM'million	Retained profits RM'million	
Company					
At 1 January 2024		**12,499.5**	**(6,161.8)**	**40,077.3**	**46,415.0**
Defined benefit plan actuarial loss	30	**0**	**(227.6)**	**0**	**(227.6)**
Fair value changes of financial assets at FVOCI	30	**0**	**26.2**	**0**	**26.2**
Profit for the financial year		**0**	**0**	**4,136.5**	**4,136.5**
Total comprehensive (expense)/income for the financial year		**0**	**(201.4)**	**4,136.5**	**3,935.1**
LTIP:					
– Share-based payment expense		**0**	**74.7**	**0**	**74.7**
– Reversal of share-based payment expense		**0**	**(13.3)**	**0**	**(13.3)**
– Shares issued	29	**200.7**	**(200.7)**	**0**	**0**
Dividends paid:					
– Final dividend for FY2023	40	**0**	**0**	**(1,620.5)**	**(1,620.5)**
– Interim dividend for FY2024	40	**0**	**0**	**(1,453.2)**	**(1,453.2)**
Total transactions with owners		**200.7**	**(139.3)**	**(3,073.7)**	**(3,012.3)**
At 31 December 2024		**12,700.2**	**(6,502.5)**	**41,140.1**	**47,337.8**
At 1 January 2023		12,204.3	(5,453.4)	39,659.8	46,410.7
Defined benefit plan actuarial loss	30	0	(585.3)	0	(585.3)
Fair value changes of financial assets at FVOCI	30	0	(15.7)	0	(15.7)
Profit for the financial year		0	0	2,955.0	2,955.0
Total comprehensive (expense)/income for the financial year		0	(601.0)	2,955.0	2,354.0
LTIP:					
– Share-based payment expense		0	221.0	0	221.0
– Reversal of share-based payment expense		0	(33.2)	0	(33.2)
– Shares issued	29	295.2	(295.2)	0	0
Dividends paid:					
– Final dividend for FY2022	40	0	0	(1,495.8)	(1,495.8)
– Interim dividend for FY2023	40	0	0	(1,041.7)	(1,041.7)
Total transactions with owners		295.2	(107.4)	(2,537.5)	(2,349.7)
At 31 December 2023		12,499.5	(6,161.8)	40,077.3	46,415.0

The notes set out on pages 245 to 389 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For The Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the financial year	**4,729.6**	2,603.6	**4,136.5**	2,955.0
Adjustments for:				
Taxation and zakat	**1,085.2**	770.0	**617.9**	381.0
PPE:				
– Depreciation	**8,075.5**	7,783.7	**5,250.9**	5,060.3
– Written off/impairment	**142.9**	53.5	**64.4**	29.4
– Loss/(Gain) on disposals	**22.6**	(14.3)	**22.6**	(14.3)
ROU assets:				
– Depreciation	**3,156.9**	3,482.0	**5,417.3**	5,709.6
– Loss/(Gain) on disposals	**1.8**	(2.6)	**0**	(2.6)
Gain on sale and leaseback	**0**	0	**(8.8)**	0
Provision for post-employment benefits	**605.7**	670.4	**559.4**	620.8
LTIP:				
– Share-based payment expense	**74.7**	221.0	**51.6**	151.6
– Reversal of share-based payment expense	**(13.3)**	(33.2)	**(6.2)**	(20.9)
Foreign exchange translation (gain)/loss	**(492.2)**	290.6	**(395.5)**	143.8
Loss on winding up of a subsidiary	**134.1**	0	**0**	0
Gain on disposal of associate	**0**	(21.3)	**0**	0
Share of results of joint ventures	**(23.2)**	(18.1)	**0**	0
Share of results of associates	**(84.3)**	(44.3)	**0**	0
Dividend income	**(4.7)**	(0.9)	**(168.6)**	(81.0)
Finance income	**(628.7)**	(544.3)	**(806.4)**	(688.2)
Finance cost on:				
– Borrowings	**2,383.6**	2,499.4	**906.8**	1,094.2
– Lease liabilities	**1,508.6**	1,636.5	**3,873.0**	4,043.7
– Consumer deposits	**215.2**	197.0	**205.4**	187.7
– Others	**10.1**	16.5	**154.1**	143.1
Release of:				
– Customers' contributions	**(310.2)**	(286.1)	**(243.1)**	(233.4)
– Deferred income	**(147.8)**	(150.5)	**0**	0
Government development grants:				
– Other operating income	**(83.6)**	(72.5)	**0**	0
– Finance cost	**(19.7)**	(18.3)	**0**	0
Impairment losses on:				
– Receivables	**83.2**	116.9	**40.0**	94.6
– Contract assets	**13.9**	33.8	**12.7**	23.1
– Amounts due from subsidiaries	**0**	0	**240.4**	163.7
– Amounts due from joint ventures	**10.8**	7.8	**0**	0
– Amounts due from associates	**0.1**	0.1	**0.1**	0.1
– Financial guarantee contracts	**0**	1.5	**0**	4.2
– Investment in unquoted debt security	**0.3**	6.0	**0.3**	6.0

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Adjustments for: (continued)				
Reversal of impairment losses on:				
– Receivables	**(821.9)**	(254.9)	**(819.0)**	(239.7)
– Contract assets	**(48.5)**	(22.6)	**(42.7)**	(19.3)
– Amounts due from subsidiaries	**0**	0	**(79.3)**	(163.0)
– Amounts due from joint ventures	**(6.5)**	(0.3)	**0**	0
– Amounts due from associates	**(4.9)**	(0.1)	**0**	(0.1)
– Financial guarantee contracts	**(15.2)**	0	**(14.8)**	0
– Investment in unquoted debt security	**(0.4)**	(2.9)	**(0.4)**	(2.9)
Impairment losses on investment in:				
– Subsidiaries	**0**	0	**1.8**	15.2
– Joint ventures	**2.0**	1.3	**0**	0
– Associates	**30.2**	35.9	**0**	0
Reversal of impairment losses of investment in:				
– Subsidiaries	**0**	0	**(0.1)**	(137.7)
– Joint ventures	**(3.8)**	0	**0**	0
Impairment losses on intangible assets	**52.2**	123.6	**0**	0
Inventories:				
– Provision for obsolescence	**102.4**	59.0	**53.5**	50.0
– Write back of obsolescence	**(104.4)**	(93.4)	**(50.0)**	(64.8)
– Written off	**97.8**	98.7	**89.6**	89.4
Changes in fair value of financial instruments	**11.1**	49.4	**169.2**	1.1
Capacity charges differential	**131.2**	(136.5)	**(98.7)**	(507.8)
Cash from operations before working capital changes	**19,868.4**	19,041.1	**19,133.9**	18,791.9
Working capital changes:				
– Inventories	**118.6**	468.5	**(73.4)**	(22.3)
– Receivables	**(304.4)**	12,239.7	**(127.8)**	12,035.2
– Contract balances	**(189.1)**	(822.9)	**(111.5)**	(800.7)
– Payables	**1,504.3**	1,592.0	**1,434.1**	1,503.5
– Subsidiaries balances	**0**	0	**(336.2)**	1,881.5
– Associates balances	**(104.1)**	91.2	**(110.5)**	(196.7)
– Joint ventures balances	**2.5**	14.4	**0**	0
Cash generated from operations	**20,896.2**	32,624.0	**19,808.6**	33,192.4
Post-employment benefits paid	**(886.1)**	(871.9)	**(856.9)**	(841.3)
Contract liabilities received	**2,841.9**	1,121.8	**2,488.6**	852.8
Consumer deposits received	**401.0**	303.4	**393.3**	286.2
Net taxation and zakat paid	**(874.7)**	(933.9)	**(410.2)**	(622.1)
Net cash flows generated from operating activities	**22,378.3**	32,243.4	**21,423.4**	32,868.0

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
CASH FLOWS FROM INVESTING ACTIVITIES				
Net cash inflow from disposal of associate	**0**	133.0	**0**	0
Acquisition of subsidiaries net of cash and cash equivalents	**(1.6)**	(1,616.2)	**0**	0
Additional investments in:				
– Subsidiaries	**0**	0	**(31.7)**	0
– Financial assets at FVTPL	**(5,287.0)**	(30,500.6)	**(4,934.0)**	(26,381.0)
– Joint venture	**(0.5)**	0	**0**	0
– Associate	**(1.3)**	0	**0**	0
Proceeds from redemptions of:				
– Redeemable Preference Shares ('RPS') in a subsidiary	**0**	0	**137.8**	0
– Ordinary shares in a subsidiary	**0**	0	**0.8**	0
Disposals of financial assets at FVTPL	**6,504.2**	37,102.6	**6,219.9**	31,327.0
Dividend income received	**244.1**	205.2	**127.5**	65.0
Finance income received	**623.4**	488.5	**516.2**	359.6
PPE:				
– Additions	**(11,184.2)**	(10,599.2)	**(9,133.9)**	(8,421.0)
– Proceeds from disposals	**1.4**	10.7	**0.8**	34.7
Proceeds from disposals of ROU assets	**0**	4.9	**0**	4.9
Advances to subsidiaries:				
– Granted	**0**	0	**(115.7)**	(217.1)
– Repayment	**0**	0	**609.2**	1,048.7
Deposits maturing more than 90 days				
– Invested	**(7,204.6)**	(4,393.9)	**(4,039.4)**	(139.5)
– Matured	**4,968.7**	3,380.3	**1,578.9**	139.5
Net cash flows used in investing activities	**(11,337.4)**	(5,784.7)	**(9,063.6)**	(2,179.2)
CASH FLOWS FROM FINANCING ACTIVITIES				
Government development grants received	**7.5**	13.3	**0**	0
Long term borrowings:				
– Drawdowns	**705.1**	4,441.5	**0**	0
– Repayments	**(1,316.3)**	(1,205.7)	**(105.5)**	(105.5)
Short term borrowings:				
– Drawdowns	**2,197.0**	6,170.8	**1,505.0**	5,500.0
– Repayments	**(4,972.8)**	(12,980.0)	**(4,000.0)**	(12,235.0)
Finance cost paid	**(2,845.8)**	(2,860.4)	**(1,172.0)**	(1,386.6)
Repayments of lease obligations:				
– Principal	**(2,318.2)**	(2,375.7)	**(3,688.0)**	(3,258.1)
– Interest	**(1,488.7)**	(1,639.7)	**(3,786.3)**	(4,080.2)

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
CASH FLOWS FROM FINANCING ACTIVITIES (CONTINUED)				
Dividends paid to shareholders	**(3,073.7)**	(2,537.5)	**(3,073.7)**	(2,537.5)
Dividends paid to NCI	**(0.6)**	0	**0**	0
Redemption of RPS by NCI	**(2.8)**	(24.0)	**0**	0
Net increase in debt reserve accounts	**(19.7)**	(357.5)	**0**	0
Net decrease in cash at bank, held in trust	**33.2**	42.8	**0**	0
Net (increase)/decrease in restricted cash	**(0.6)**	0.3	**0**	0
Net cash flows used in financing activities	**(13,096.4)**	(13,311.8)	**(14,320.5)**	(18,102.9)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(2,055.5)**	13,146.9	**(1,960.7)**	12,585.9
EFFECTS OF CHANGES IN FOREIGN CURRENCIES	**43.1**	22.2	**64.1**	(7.5)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**17,225.2**	4,056.1	**13,326.6**	748.2
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (NOTE 22)	**15,212.8**	17,225.2	**11,430.0**	13,326.6

The changes in liabilities arising from financing activities have been disclosed in Notes 15, 26 and 27 respectively.

The notes set out on pages 245 to 389 form an integral part of these consolidated financial statements.

Notes to The Financial Statements

31 December 2024

1 GENERAL INFORMATION

The Group and the Company are primarily involved in the business of the generation, transmission, distribution and sales of electricity and those tabulated in Note 48 to these financial statements, which also includes the details of the subsidiaries of the Group.

There have been no significant changes in these activities of the Group and of the Company during the financial year.

The Group and the Company follow the Incentive Based Regulation ('IBR') framework for the regulated business in Peninsular Malaysia, Sabah and the Federal Territory of Labuan.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is Pejabat Setiausaha Syarikat, Tenaga Nasional Berhad ('TNB'), Tingkat 16, Tower A, TNB Platinum, No. 3, Jalan Bukit Pantai, Bangsar, 59100 Kuala Lumpur, Malaysia.

The financial statements of the Group and the Company have been approved for issuance in accordance with a resolution of Board of Directors on 20 March 2025.

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards ('IFRS') and the requirements of the Companies Act 2016 in Malaysia. The Directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared under the historical cost convention, except as disclosed in Note 3 and respective notes in the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(a) Amendments to published standards that are effective and applicable to the Group and the Company.

Effective for financial year beginning on 1 January 2024:

Amendments to MFRS 107 Cash Flow Statements and MFRS 7 Financial Instruments: Disclosures	Supplier Finance Arrangements
Amendments to MFRS 16 Leases	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101 Presentation of Financial Statements	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments to the published standards listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

2 BASIS OF PREPARATION (CONTINUED)

(b) New standard and amendments to the published standards that are applicable to the Group and the Company but not yet effective.

Effective for financial year beginning on 1 January 2025:

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates	Lack of Exchangeability

Effective for financial year beginning on 1 January 2026:

Amendments to MFRS 9 and MFRS 7 Financial Instruments: Disclosures	Classification and measurement of financial instruments

Effective for financial year beginning on 1 January 2027:

MFRS 18	Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though MFRS 18 will not impact the recognition or measurement of items in the financial statements, its effects on presentation and disclosure are expected to be pervasive, particularly those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The Group and the Company are currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

(i) Although the adoption of MFRS 18 will have no impact on the Group and the Company's net profit, the Group and the Company expect that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.

(ii) The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

(iii) The Group and the Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss - this break-down is only required for certain nature expenses; and
- for the first annual period of application of MFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying MFRS 18 and the amounts previously presented applying MFRS 101.

MFRS 18 will be applied retrospectively.

2 BASIS OF PREPARATION (CONTINUED)

(b) New standard and amendments to the published standards that are applicable to the Group and the Company but not yet effective. (continued)

Effective date deferred by Malaysian Accounting Standards Board:

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture

Other than MFRS 18, the amendments to published standards are not expected to have a material impact on the financial statements of the Group and the Company.

There are no other standards, amendments and improvements to published standards and interpretations to existing standards that are not effective that would be expected to have a material impact on the Group and the Company.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below and within the respective notes to the financial statements line items.

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when:

- exposed to, or has rights to, variable returns from its involvement with the entity;
- has the ability to affect those returns through its power to direct the relevant activities of the entity; and
- the existence and effect of potential voting rights are considered only when such rights are substantive when assessing control.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are included in the statement of profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The characteristics of those financial statements are:

- the financial statements of the subsidiaries are prepared for the same reporting date as the Company.
- subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.
- intragroup balances, transactions and unrealised gains or losses are eliminated in full.
- uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

The Group applies the acquisition method to account for business combinations. The consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Subsidiaries and basis of consolidation (continued)

(ii) Basis of consolidation (continued)

The excess of the consideration transferred, the amount of any NCI in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised in the statement of profit or loss. Refer to Note 10 for accounting policy on goodwill.

NCI is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any NCI in the acquiree either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets. At the end of the reporting period, NCI consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the NCI, even if the attribution of losses to the NCI results in a debit balance in the shareholders' equity.

(iii) Changes in ownership interest

When the Group ceases to consolidate because of loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to statement of profit or loss. Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(b) Transactions with NCI

Transactions with NCI that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and NCI to reflect their relative interests in the subsidiary. Any differences between the amount of the adjustment to NCI and any consideration paid or received are recognised in equity attributable to owners of the Group.

(c) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised in the statement of profit or loss for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell and its value in use ('VIU'). For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill previously impaired are reviewed for possible reversal of the impairment at each reporting date. Any subsequent increase in recoverable amount is recognised in the statement of profit or loss.

All other material accounting policies are disclosed in their respective notes.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equate to the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact on the Group's and the Company's results and financial positions are tested for sensitivity to changes in the underlying parameters.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Impairment of intangible assets

The Group tests intangible assets which include goodwill for impairment annually in accordance with its accounting policy and whenever events or change in circumstances indicate that this is necessary within the financial period. This requires an estimation of the VIU of the cash generating unit ('CGU') to which the goodwill is allocated. Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU to the Group and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The assumptions used, results and sensitivity of the impairment assessment of goodwill are disclosed in Note 10.

(b) Measurement of expected credit loss ('ECL') allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of key assumptions and inputs used are disclosed in Note 45.

(c) Estimation and judgement made for recognition of income taxes

(i) Income tax

Income tax is estimated based on the rules governed under the Income Tax Act, 1967.

Differences in determining the capital allowances, deductibility of certain expenses and subsequent utilisation of reinvestment allowance may arise during the estimation of the provision for income tax between tax calculated at the statement of financial position date, and the final submission to the tax authority as a result of obtaining further detailed information that may become available subsequent to the statement of financial position date.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions and deferred tax balance in the period in which such determination is made.

The Group and the Company have recorded tax recoverable for which the Group and the Company believe that it is probable to be recovered. Where the final tax outcome of this matter is different from the amount that was initially recorded, such difference may cause a material adjustment to the carrying amount of the tax recoverable balance recorded in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below: (continued)

(c) Estimation and judgement made for recognition of income taxes (continued)

(i) Income tax (continued)

Reinvestment allowance ('RIA') litigation

The Company and the Inland Revenue Board ('IRB') have entered into numerous litigation cases in respect of the Company's eligibility for RIA. The details of the cases are as disclosed in Note 42(a).

As at 31 December 2024, the Group and the Company recorded a tax recoverable of RM3,522.4 million from the IRB arising from:

- Resubmission of tax computations for the Years of Assessment ('YAs') 2003 to 2006 and 2008 to 2012 pursuant to the explicit approval given by the IRB on 21 January 2013 on the eligibility of the Company in claiming the RIA amounted to RM1,765.2 million; and
- The payment which had been made to IRB in December 2020 in respect of YAs 2016 and 2017 amounted to RM1,757.2 million which is disputed by IRB as detailed in Note 42(a).

The Group and the Company have not recorded the potential additional tax liability arising from the tax impact if the RIA claimed is disallowed and the Company loses its litigation. The realisation of this tax recoverable and the potential tax liability are dependent on the outcome of judgement on the RIA claims by the Special Commissioners of Income Tax ('SCIT') and by the Kuala Lumpur High Court and Court of Appeal, including the subsequent notice of appeal filed by IRB before the Federal Court.

The Directors have performed an assessment on the tax recoverable of RM3,522.4 million and the potential tax liability of RM6,810.7 million based on legal view obtained from external legal counsel and the facts surrounding its RIA claims as disclosed in Note 42. The Directors have exercised judgement that there is sufficient evidence and case law to support the Company's appeal against the Notices and no provisions to be recognised with regards to the potential tax liability.

(ii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised. This involves estimating the sufficiency of future taxable profits of the particular entity in which the deferred tax asset has been recognised, as disclosed in Note 12.

(d) Post-employment employee benefits

The Group and the Company provide both Retirement Benefit Plan and Post-Retirement Medical Plan for certain employees. The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using certain assumptions. The key assumptions used in determining the net cost/(income) for the employee benefits include discount rate, medical claim inflation rate and salary increment rate. Any changes in these assumptions will impact the carrying amount of employee benefits obligations, as disclosed in Note 24.

(i) Discount rate

The Group and the Company determine the appropriate discount rate at the end of each financial period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group and the Company consider the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related employee benefits obligations.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below: (continued)

(d) Post-employment employee benefits (continued)

(ii) Medical claim inflation rate

The medical claim inflation rate for general practitioner, hospitalisation, specialist and dialysis medical claims, as determined by the Group and the Company are based on the annualised increase in average claims over the past 7 years.

(iii) Salary increment rate

The salary increment rate for employees receiving the Retirement Benefit Plan as determined by the Group and the Company is based on the average salary increment rate for the past 15 years and considerations for price inflation, real salary increase, promotions and Collective Agreement ('CA') negotiation.

5 PROPERTY, PLANT AND EQUIPMENT ('PPE')

Accounting Policy

PPE are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the construction or acquisition of the items and bringing them to the location and condition so as to render them operational in the manner intended by the Group and the Company and allocated according to its components.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items can be measured reliably. The carrying amount of the replaced part is derecognised.

The cost of major overhaul/inspection is recognised in the asset's carrying amount as a replacement and the remaining carrying amount of the previous major overhaul/inspection is derecognised.

Major spare parts and standby equipment are recognised as assets when the Group and the Company expect to use for more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of PPE, they are accounted for as PPE.

Gains or losses on disposal of PPE are determined by reference to their carrying amount and are recognised in statement of profit or loss.

Freehold land and capital work-in-progress are not depreciated. Other PPE are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives, summarised as follows:

Buildings and civil works	10 – 100 years
Plant and machinery	3 – 50 years
Lines and distribution mains	10 – 50 years
Distribution services	25 years
Meters	10 – 20 years
Public lighting	15 – 25 years
Furniture, fittings and office equipment	3 – 15 years
Motor vehicles	5 – 20 years

Residual values and useful lives of assets are reviewed and adjusted if appropriate, on an annual basis.

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount (Note 3(c)).

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5 PPE (CONTINUED)

	As at 1.1.2024 RM'million	Effect of changes in foreign currencies RM'million	Adjustment to PPA RM'million	Additions RM'million	Disposals RM'million	Transfers/ Adjustments/ Reclassification/ Write offs RM'million	As at 31.12.2024 RM'million
2024							
Group							
Cost							
Freehold land	**3,702.0**	**0**	**0**	**77.5**	**(26.9)**	**(35.6)**	**3,717.0**
Buildings and civil works	**26,927.8**	**0**	**0**	**29.2**	**(0.8)**	**321.7**	**27,277.9**
	30,629.8	**0**	**0**	**106.7**	**(27.7)**	**286.1**	**30,994.9**
Plant and machinery	**103,733.7**	**(373.4)**	**85.4**	**728.1**	**(416.7)**	**3,105.1**	**106,862.2**
Lines and distribution mains	**60,311.8**	**0**	**0**	**78.4**	**(59.1)**	**3,863.3**	**64,194.4**
Distribution services	**5,965.4**	**0**	**0**	**25.3**	**(0.2)**	**396.7**	**6,387.2**
Meters	**4,608.1**	**0**	**0**	**6.5**	**(24.1)**	**361.6**	**4,952.1**
Public lighting	**2,411.5**	**0**	**0**	**0**	**0**	**184.4**	**2,595.9**
Furniture, fittings and office equipment	**4,527.0**	**0**	**0**	**342.0**	**(29.9)**	**27.6**	**4,866.7**
Motor vehicles	**879.8**	**0**	**0**	**153.0**	**(21.6)**	**2.3**	**1,013.5**
	213,067.1	**(373.4)**	**85.4**	**1,440.0**	**(579.3)**	**8,227.1**	**221,866.9**
Capital work-in-progress	**14,500.0**	**(14.6)**	**0**	**11,107.1**	**(40.9)**	**(8,513.5)**	**17,038.1**
	227,567.1	**(388.0)**	**85.4***	**12,547.1**	**(620.2)**	**(286.4)**	**238,905.0**

** It relates to the purchase price allocation ('PPA') finalisation of Dullarbtons Limited ('Dullarbtons') and Elipsgeen Limited ('Elipsgeen') as disclosed in Note 47.*

	As at 1.1.2024 RM'million	Effect of changes in foreign currencies RM'million	Charged for the financial year RM'million	Released on disposals/ Transfers/ Write offs/ Impairments RM'million	As at 31.12.2024 RM'million
2024					
Group					
Accumulated depreciation					
Buildings and civil works	**10,164.6**	**0**	**694.1**	**(8.5)**	**10,850.2**
Plant and machinery	**50,870.6**	**(49.1)**	**4,304.9**	**(254.8)**	**54,871.6**
Lines and distribution mains	**32,994.8**	**0**	**2,005.0**	**(36.7)**	**34,963.1**
Distribution services	**3,796.6**	**0**	**221.8**	**(0.1)**	**4,018.3**
Meters	**2,594.0**	**0**	**235.6**	**(20.1)**	**2,809.5**
Public lighting	**953.8**	**0**	**157.0**	**0**	**1,110.8**
Furniture, fittings and office equipment	**3,614.4**	**0**	**403.5**	**(26.9)**	**3,991.0**
Motor vehicles	**646.2**	**0**	**53.6**	**(20.4)**	**679.4**
	105,635.0	**(49.1)**	**8,075.5**	**(367.5)**	**113,293.9**

5 PPE (CONTINUED)

	As at 1.1.2023 RM'million	Effect of changes in foreign currencies RM'million	Acquisition of subsidiaries RM'million	Additions RM'million	Disposals RM'million	Transfers/ Adjustments/ Reclassification/ Write offs RM'million	As at 31.12.2023 RM'million
2023							
Group							
Cost							
Freehold land	3,387.8	0	0	234.5	(0.1)	79.8	3,702.0
Buildings and civil works	26,721.5	0	0	21.3	(0.5)	185.5	26,927.8
	30,109.3	0	0	255.8	(0.6)	265.3	30,629.8
Plant and machinery	98,243.9	531.5	1,489.7	517.2	(198.8)	3,150.2	103,733.7
Lines and distribution mains	56,866.5	0	0	301.1	(62.8)	3,207.0	60,311.8
Distribution services	5,612.1	0	0	14.2	0	339.1	5,965.4
Meters	4,320.9	0	0	6.5	(110.3)	391.0	4,608.1
Public lighting	2,215.4	0	0	0	0	196.1	2,411.5
Furniture, fittings and office equipment	4,265.4	0	0	311.8	(20.3)	(29.9)	4,527.0
Motor vehicles	865.4	0	0	37.3	(17.8)	(5.1)	879.8
	202,498.9	531.5	1,489.7	1,443.9	(410.6)	7,513.7	213,067.1
Capital work-in-progress	12,295.6	0	0	9,314.9	(10.2)	(7,100.3)	14,500.0
	214,794.5	531.5	1,489.7*	10,758.8	(420.8)	413.4	227,567.1

* *It relates to the acquisition of Spark Renewables Pty Ltd Group, Dullarbtons and Elipsgeen as subsidiaries of the Group as disclosed in Note 47.*

	As at 1.1.2023 RM'million	Effect of changes in foreign currencies RM'million	Charged for the financial year RM'million	Released on disposals/ Transfers/ Write offs/ Impairments RM'million	As at 31.12.2023 RM'million
2023					
Group					
Accumulated depreciation					
Buildings and civil works	9,490.6	0	678.8	(4.8)	10,164.6
Plant and machinery	46,848.2	65.4	4,165.9	(208.9)	50,870.6
Lines and distribution mains	31,125.6	0	1,917.4	(48.2)	32,994.8
Distribution services	3,590.0	0	206.7	(0.1)	3,796.6
Meters	2,468.7	0	232.2	(106.9)	2,594.0
Public lighting	809.0	0	144.8	0	953.8
Furniture, fittings and office equipment	3,263.7	0	393.7	(43.0)	3,614.4
Motor vehicles	621.6	0	44.2	(19.6)	646.2
	98,217.4	65.4	7,783.7	(431.5)	105,635.0

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5 PPE (CONTINUED)

	As at 1.1.2024 RM'million	Additions RM'million	Disposals RM'million	Transfers/ Adjustments/ Reclassification/ Write offs RM'million	As at 31.12.2024 RM'million
2024					
Company					
Cost					
Freehold land	**3,467.5**	**77.4**	**(35.0)**	**(35.6)**	**3,474.3**
Buildings and civil works	**17,243.8**	**0**	**(883.2)**	**235.7**	**16,596.3**
	20,711.3	**77.4**	**(918.2)**	**200.1**	**20,070.6**
Plant and machinery	**49,723.6**	**0**	**(164.6)**	**2,713.9**	**52,272.9**
Lines and distribution mains	**56,806.2**	**0**	**(58.4)**	**3,683.4**	**60,431.2**
Distribution services	**5,557.7**	**0**	**0**	**344.0**	**5,901.7**
Meters	**4,483.4**	**0**	**(23.0)**	**360.0**	**4,820.4**
Public lighting	**2,409.8**	**0**	**0**	**183.5**	**2,593.3**
Furniture, fittings and office equipment	**3,930.3**	**320.7**	**(38.6)**	**1.0**	**4,213.4**
Motor vehicles	**688.3**	**126.5**	**(16.2)**	**2.0**	**800.6**
	144,310.6	**524.6**	**(1,219.0)**	**7,487.9**	**151,104.1**
Capital work-in-progress	**9,979.0**	**8,827.7**	**(1.7)**	**(7,481.9)**	**11,323.1**
	154,289.6	**9,352.3**	**(1,220.7)**	**6.0**	**162,427.2**

	As at 1.1.2024 RM'million	Charged for the financial year RM'million	Released on disposals/ Transfers/ Write offs RM'million	As at 31.12.2024 RM'million
2024				
Company				
Accumulated depreciation				
Buildings and civil works	**5,929.4**	**388.3**	**(40.0)**	**6,277.7**
Plant and machinery	**27,569.2**	**2,044.5**	**(116.4)**	**29,497.3**
Lines and distribution mains	**31,464.2**	**1,844.9**	**(36.0)**	**33,273.1**
Distribution services	**3,528.2**	**191.6**	**0**	**3,719.8**
Meters	**2,501.8**	**229.5**	**(19.2)**	**2,712.1**
Public lighting	**952.5**	**156.8**	**0**	**1,109.3**
Furniture, fittings and office equipment	**3,093.0**	**357.2**	**(27.9)**	**3,422.3**
Motor vehicles	**485.9**	**38.1**	**(15.7)**	**508.3**
	75,524.2	**5,250.9**	**(255.2)**	**80,519.9**

5 PPE (CONTINUED)

	As at 1.1.2023 RM'million	Additions RM'million	Disposals RM'million	Transfers/ Adjustments/ Reclassification/ Write offs RM'million	As at 31.12.2023 RM'million
2023					
Company					
Cost					
Freehold land	3,235.1	234.5	(0.1)	(2.0)	3,467.5
Buildings and civil works	17,054.1	0	0	189.7	17,243.8
	20,289.2	234.5	(0.1)	187.7	20,711.3
Plant and machinery	47,265.4	0	(159.2)	2,617.4	49,723.6
Lines and distribution mains	53,688.1	0	(62.6)	3,180.7	56,806.2
Distribution services	5,242.3	0	0	315.4	5,557.7
Meters	4,201.5	0	(109.9)	391.8	4,483.4
Public lighting	2,213.6	0	0	196.2	2,409.8
Furniture, fittings and office equipment	3,668.9	275.6	(14.2)	0	3,930.3
Motor vehicles	678.2	25.8	(11.7)	(4.0)	688.3
	137,247.2	535.9	(357.7)	6,885.2	144,310.6
Capital work-in-progress	8,710.0	7,994.7	(6.2)	(6,719.5)	9,979.0
	145,957.2	8,530.6	(363.9)	165.7	154,289.6

	As at 1.1.2023 RM'million	Charged for the financial year RM'million	Released on disposals/ Transfers/ Write offs RM'million	As at 31.12.2023 RM'million
2023				
Company				
Accumulated depreciation				
Buildings and civil works	5,536.9	392.5	0	5,929.4
Plant and machinery	25,760.1	1,941.3	(132.2)	27,569.2
Lines and distribution mains	29,727.0	1,783.7	(46.5)	31,464.2
Distribution services	3,341.5	186.7	0	3,528.2
Meters	2,378.9	226.3	(103.4)	2,501.8
Public lighting	807.9	144.6	0	952.5
Furniture, fittings and office equipment	2,753.9	353.2	(14.1)	3,093.0
Motor vehicles	465.5	32.0	(11.6)	485.9
	70,771.7	5,060.3	(307.8)	75,524.2

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5 PPE (CONTINUED)

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Net book value				
Freehold land	**3,717.0**	3,702.0	**3,474.3**	3,467.5
Buildings and civil works	**16,427.7**	16,763.2	**10,318.6**	11,314.4
	20,144.7	20,465.2	**13,792.9**	14,781.9
Plant and machinery	**51,990.6**	52,863.1	**22,775.6**	22,154.4
Lines and distribution mains	**29,231.3**	27,317.0	**27,158.1**	25,342.0
Distribution services	**2,368.9**	2,168.8	**2,181.9**	2,029.5
Meters	**2,142.6**	2,014.1	**2,108.3**	1,981.6
Public lighting	**1,485.1**	1,457.7	**1,484.0**	1,457.3
Furniture, fittings and office equipment	**875.7**	912.6	**791.1**	837.3
Motor vehicles	**334.1**	233.6	**292.3**	202.4
	108,573.0	107,432.1	**70,584.2**	68,786.4
Capital work-in-progress	**17,038.1**	14,500.0	**11,323.1**	9,979.0
	125,611.1	121,932.1	**81,907.3**	78,765.4

The title deeds of certain lands are in the process of being registered in the name of the Company and certain subsidiaries.

Net book value of PPE pledged as security for borrowings are disclosed in Note 26.

Included in the capital work-in-progress is interest capitalised during the financial year for the Group and the Company of RM392.3 million (2023: RM377.5 million) and RM259.9 million (2023: RM275.0 million) respectively.

The capitalisation rate used to determine the amount of borrowing cost eligible for capitalisation is 5.4% (2023: 5.3%).

6 RIGHT-OF-USE ('ROU') ASSETS

Accounting Policy

A lease is a contract, or part of a contract, whereby the lessor conveys to the lessee the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier ('lessor') has a substantive substitution right, then the asset is not identified;
- The customer ('lessee') has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer ('lessee') has the right to direct the use of the asset. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer ('lessee') has the right to direct the use of the asset if either the customer ('lessee') has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

6 ROU ASSETS (CONTINUED)

Accounting Policy (continued)

The Group and the Company as lessees

The Group and the Company lease various buildings, plant and machinery, furniture and fittings, office equipment and motor vehicles. These leases have tenures between 1 and 25 years. Lease terms are generally negotiated on an individual basis. As for leasehold land, the remaining period of the respective leases ranges from 2 to 99 years.

(i) Initial recognition

The Group and the Company recognise a ROU asset and a lease liability for all leases conveying the right to control the use of an identified asset for a period of time.

The ROU assets recognised by the Group and the Company are initially recorded at cost, which comprise the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made on or before the commencement date of the lease, less any lease incentives received;
- Any initial direct costs incurred by the Group and the Company; and
- An estimate of costs to be incurred by the Group and the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

(ii) Subsequent measurement

After initial recognition, the Group and the Company measure ROU assets at cost:

- Less any accumulated depreciation;
- Less any accumulated impairment losses; and
- Adjusted for any remeasurement of the lease liabilities.

The Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessments or lease modifications. The interest on the lease liability is recognised as finance cost in the statement of profit or loss.

(iii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment of reasonable certainty is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

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6 ROU ASSETS (CONTINUED

Accounting Policy (continued)

The Group and the Company as lessees (continued)

The Group and the Company have elected not to recognise ROU assets and lease liabilities for leases of low-value assets.

If an arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

A ROU asset and its corresponding lease liability are recognised at the date the leased asset is available for used by the Group and the Company. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indication exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount (Note 3(c)).

	As at 1.1.2024 RM'million	Effect of changes in foreign currencies RM'million	Additions RM'million	Depreciation charged for the financial year RM'million	Adjustment to PPA RM'million	Transfers/ Adjustments/ Reclassification RM'million	As at 31.12.2024 RM'million
2024							
Group							
Leasehold land	**2,214.4**	**(21.8)**	**39.8**	**(54.0)**	**2.1**	**60.3**	**2,240.8**
Buildings	**29.5**	**0**	**11.3**	**(9.5)**	**0**	**(6.9)**	**24.4**
	2,243.9	**(21.8)**	**51.1**	**(63.5)**	**2.1**	**53.4**	**2,265.2**
Plant and machinery	**31,855.6**	**0**	**0**	**(3,081.3)**	**0**	**0**	**28,774.3**
Furniture, fittings and office equipment	**6.1**	**0**	**27.9**	**(10.8)**	**0**	**(6.3)**	**16.9**
Motor vehicles	**1.2**	**0**	**0.7**	**(1.3)**	**0**	**0**	**0.6**
	34,106.8	**(21.8)**	**79.7**	**(3,156.9)**	**2.1**	**47.1**	**31,057.0**

6 ROU ASSETS (CONTINUED)

	As at 1.1.2023 RM'million	Effect of changes in foreign currencies RM'million	Acquisition of subsidiaries RM'million	Additions RM'million	Depreciation charged for the financial year RM'million	Transfers/ Adjustments/ Reclassification RM'million	As at 31.12.2023 RM'million
2023							
Group							
Leasehold land	2,092.3	29.3	83.8	0	(46.9)	55.9	2,214.4
Buildings	35.4	0.1	0	13.1	(18.6)	(0.5)	29.5
	2,127.7	29.4	83.8	13.1	(65.5)	55.4	2,243.9
Plant and machinery	35,259.1	0	0	0	(3,403.5)	0	31,855.6
Furniture, fittings and office equipment	17.9	0	0	0.3	(12.2)	0.1	6.1
Motor vehicles	0.4	0	0	1.6	(0.8)	0	1.2
	37,405.1	29.4	83.8*	15.0	(3,482.0)	55.5	34,106.8

** It relates to the acquisition of Dullarbtons and Elipsgeen as subsidiaries as disclosed in Note 47.*

	As at 1.1.2024 RM'million	Additions RM'million	Depreciation charged for the financial year RM'million	Transfers/ Adjustments/ Reclassification RM'million	As at 31.12.2024 RM'million
2024					
Company					
Leasehold land	**897.7**	**1.1**	**(18.9)**	**35.9**	**915.8**
Buildings	**53.2**	**750.6***	**(56.7)**	**(0.1)**	**747.0**
	950.9	**751.7**	**(75.6)**	**35.8**	**1,662.8**
Plant and machinery	**64,503.1**	**0**	**(5,332.1)**	**663.4#**	**59,834.4**
Furniture, fittings and office equipment	**3.0**	**27.8**	**(9.6)**	**0.1**	**21.3**
	65,457.0	**779.5**	**(5,417.3)**	**699.3**	**61,518.5**

** It relates to the transfer of Platinum Building as disclosed in Note 15(b).*
 # It relates to the amendment of plant outage in a power plant as disclosed in Note 15(b).

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6 ROU ASSETS (CONTINUED)

	As at 1.1.2023 RM'million	Additions RM'million	Depreciation charged for the financial year RM'million	Transfers/ Adjustments/ Reclassification RM'million	As at 31.12.2023 RM'million
2023					
Company					
Leasehold land	912.2	0	(18.1)	3.6	897.7
Buildings	71.6	3.5	(21.9)	0	53.2
	983.8	3.5	(40.0)	3.6	950.9
Plant and machinery	70,881.5	0	(5,658.6)	(719.8)	64,503.1
Furniture, fittings and office equipment	13.8	0.2	(11.0)	0	3.0
	71,879.1	3.7	(5,709.6)	(716.2)	65,457.0

The title deeds of certain leasehold lands classified as ROU assets are in the process of being registered in the name of the Company and certain subsidiaries.

Net book value of ROU pledged as security for borrowings are disclosed in Note 26.

7 SUBSIDIARIES

	Note	Company 2024 RM'million	Company 2023 RM'million
At cost:			
Unquoted Ordinary Shares	(a)	**1,452.9**	1,571.8
Redeemable Preference Shares	(b)	**10,476.3**	9,654.1
Shares/Options granted to employees of subsidiaries		**463.0**	447.2
		12,392.2	11,673.1
Less: Accumulated impairment losses	(a)(c)	**(3,529.1)**	(3,645.5)
		8,863.1	8,027.6

The list of the Group subsidiaries is disclosed in Note 48. Capital and other commitments for the subsidiaries are disclosed in Note 41. Contingent liabilities for the subsidiaries are disclosed in Note 42.

(a) The Company wrote off its entire shareholding of 700,000 ordinary shares in Sepang Power Sdn. Bhd. ('SPSB') amounting to RM115.0 million as SPSB has been wound up. The write off was made against the accumulated impairment loss as the investment in SPSB was fully impaired in the previous financial years.

(b) Movement in redeemable preference shares ('RPS'):
- (i) On 2 February 2024, Power and Energy International (Mauritius) Ltd. ('PEIM') redeemed 300,000 unit of RPS from the Company for RM137.8 million (USD30.0 million).
- (ii) The Company subscribed to 928,258,791 new RPS issued by REVPH, by converting of amounts due from REVPH amounting to RM928.3 million on 1 March 2024 (RM914.0 million), 31 May 2024 (RM3.4 million) and 10 December 2024 (RM10.9 million).
- (iii) The Company subscribed to 31,731,127 new RPS issued by TNB Renewables Sdn. Bhd. ('TNBRE'), by cash amounting to RM31.7 million on 7 March 2024 (RM15.7 million) and 26 June 2024 (RM16.0 million).

(c) In the previous financial year, the Company had undertaken the impairment of its investment in PEIM. Based on the impairment assessment which estimates the cash flow available for distribution from PEIM divestment of its significant associate, GMR Energy Ltd, the recoverable amount of the Company's investment in PEIM exceeded its carrying amount, hence a reversal of impairment loss of RM137.7 million was recognised.

7 SUBSIDIARIES (CONTINUED)

(d) Non-controlling interests ('NCI')

The NCI is not material to the financial performance, financial position and cash flows of the Group. The NCI information for Sabah Electricity Sdn. Bhd. ('SESB'), Kapar Energy Ventures Sdn. Bhd. ('KEV') and Jimah East Power Sdn. Bhd. ('JEP'), which contribute to substantial portion of total NCI is set out below:

	SESB		KEV		JEP		Other individually immaterial NCI		Total	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Carrying amount of NCI	**342.6**	374.2	**619.3**	644.2	**791.5**	820.1	**445.2#**	418.4	**2,198.6**	2,256.9
Total comprehensive (expenses)/ income allocated to NCI	**(31.6)**	1.7	**(24.9)**	(127.3)	**(28.6)**	(48.8)	**50.8**	6.2	**(34.3)**	(168.2)

 # Included in the carrying amount of NCI in other individually immaterial NCI are the winding up of SPSB amounting to RM20.6 million, redemption of RPS in Southern Power Generation Sdn. Bhd. ('SPG') for RM2.8 million and dividend paid to NCI in Tenaga Switchgear Sdn. Bhd. ('TSG') amounting to RM0.6 million.

The summarised financial information of SESB, KEV and JEP before inter-company eliminations are as follows:

	SESB		KEV		JEP	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Summarised statement of financial position						
Non-current assets	**8,136.1**	7,986.3	**1,082.4**	1,281.7	**10,353.8**	10,564.5
Current assets	**2,195.3**	2,285.0	**1,776.9**	1,576.7	**1,527.0**	1,762.1
Non-current liabilities	**(6,799.6)**	(6,322.9)	**(165.1)**	(325.4)	**(8,076.8)**	(8,309.9)
Current liabilities	**(1,541.6)**	(2,204.8)	**(1,151.1)**	(927.6)	**(1,244.2)**	(1,361.0)
Net assets	**1,990.2**	1,743.6	**1,543.1**	1,605.4	**2,559.8**	2,655.7
Summarised statement of comprehensive income						
Revenue	**3,028.6**	2,766.3	**3,140.7**	3,066.3	**4,408.1**	4,511.2
Profit/(Loss) after tax	**272.8**	85.5	**(62.0)**	(318.3)	**(95.7)**	(162.7)
Other comprehensive expense	**(28.9)**	(75.6)	**0**	0	**0**	0
Total comprehensive income/(expense)	**243.9**	9.9	**(62.0)**	(318.3)	**(95.7)**	(162.7)
Summarised statement of cash flows						
Net cash flows generated from operating activities	**553.8**	855.0	**238.2**	53.3	**705.7**	755.3
Net cash flows (used in)/generated from investing activities	**(576.3)**	(191.9)	**(1.7)**	8.4	**(76.9)**	18.4
Net cash flows used in financing activities	**(111.9)**	(599.3)	**(204.9)**	(153.9)	**(602.1)**	(881.5)
Net (decrease)/increase in cash and cash equivalents	**(134.4)**	63.8	**31.6**	(92.2)	**26.7**	(107.8)

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8 JOINT ARRANGEMENTS

Accounting Policy

A joint arrangement is an arrangement over which there is contractually agreed sharing of control by the Group with one or more parties where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. Joint operations are joint arrangements whereby the Company has the rights to the assets and obligations for the liabilities. In respect of its interests in joint operations, the Company shall recognise in its financial statements the assets that it controls and the expenses and liabilities that it incurs and its share of the income that it earns from the sale of goods or services.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using the equity method of accounting.

Equity accounting involves recognising in the consolidated statement of profit or loss, consolidated statement of OCI and consolidated statement of changes in equity, the Group's share of profits less losses of the joint ventures based on the latest audited financial statements or management accounts of the joint ventures, made up to the financial year end of the Group. Where necessary, adjustments are made to the results and net assets of the joint ventures to ensure consistency of accounting policies with those of the Group. The Group's investments in joint ventures are recorded at cost inclusive of goodwill and adjusted thereafter for accumulated impairment losses and the post-acquisition change in the Group's share of net assets of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in joint ventures. Unrealised losses are also eliminated on the same basis but only to the extent of the costs that can be recovered, and the balances that provide evidence of reduction in net realisable value or an impairment of the asset transferred are recognised in the consolidated statement of profit or loss.

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Unquoted shares	**88.9**	88.4	**7.9**	7.9
Share of post-acquisition results and reserves	**124.7**	132.0	**0**	0
	213.6	220.4	**7.9**	7.9
Less: Accumulated impairment losses	**(10.2)**	(12.0)	**(7.9)**	(7.9)
	203.4	208.4	**0**	0
Share of net assets of joint ventures	**203.4**	208.4		

None of the joint ventures are individually material to the financial position, financial performance and cash flows of the Group.

8 JOINT ARRANGEMENTS (CONTINUED)

The aggregated financial information of the Group's joint ventures is as follows:

	2024 RM'million	2023 RM'million
Group's share of results:		
Profit after tax and total comprehensive income	**23.2**	18.1
Dividend received	**30.5**	57.9
Amounts due from joint ventures		
Amounts due from joint ventures*	**40.0**	42.5
Less: Loss allowances	**(24.1)**	(19.8)
	15.9	22.7

** The Group's credit policy provides amounts due from joint ventures with 30 days (2023: 30 days) credit period.*

The list of the Group's joint arrangements is disclosed in Note 49.

9 ASSOCIATES

Accounting Policy

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20.0% and 50.0% of the voting rights.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are initially recognised at cost. Equity accounting is discontinued when the Group ceases to have significant influence over the associates.

The Group's share of its associates' post-acquisition profits or losses are recognised in the statement of profit or loss, and its share of post-acquisition movements in OCI are recognised in OCI. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The Group's investments in associates include goodwill identified on acquisition, net of any accumulated impairment losses (Note 3(c)).

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only for the unrelated investor's interests in the associates. The accounting policies of associates are adjusted where necessary to ensure consistency with the policies adopted by the Group.

Dilution of gains and losses in associates are recognised in the consolidated statement of profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to statement of profit or loss where appropriate.

NOTES TO THE FINANCIAL STATEMENTS
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9 ASSOCIATES (CONTINUED)

	Note	Group 2024 RM'million	Group 2023 RM'million	Company 2024 RM'million	Company 2023 RM'million
Unquoted shares		**2,049.5**	2,048.2	**75.7**	75.7
Share of post-acquisition results and reserves		**(132.7)**	13.1	**0**	0
		1,916.8	2,061.3	**75.7**	75.7
Less: Accumulated impairment losses	(a)	**(632.7)**	(602.5)	**0**	0
		1,284.1	1,458.8	**75.7**	75.7
Share of net assets of associates		**1,284.1**	1,458.8		

The list of the Group's associates is disclosed in Note 50.

(a) (i) Impairment assessment for GB3 Sdn. Bhd. ('GB3') and Teknologi Tenaga Perlis Consortium Sdn. Bhd. ('TTPC')

2024

The Group had undertaken the impairment assessment of its investment in GB3 and TTPC. The assessments were triggered by the non-extension of power purchase agreement which raised uncertainty over the future profitability and ability of the associates to generate cash flows, leading to the expectation that the carrying amount of these investments would not be recoverable. Therefore, impairment loss of RM23.3 million and RM6.9 million was recognised for GB3 and TTPC respectively.

(ii) Impairment assessment for Blyth Offshore Demonstrator Limited ('BODL')

2024

The Group had reviewed the basis of impairment parameter updated based on 2024 data and concluded there was no impairment trigger. No further impairment assessment was performed.

2023

Due to adverse external market conditions, the Group had undertaken an impairment assessment of its investment in BODL in the current year. An impairment charge of RM31.2 million (GBP5.5 million) was recognised as its recoverable amount was lower than the carrying amount.

The recoverable amount of BODL was determined based on VIU calculations which applied a discounted free cash flow to equity model. The cash flow used are the most recent projections and sensitivity analysis was conducted to ensure the reliability of relevant variables.

Key assumptions used

	2023 %
Revenue growth rate	(5.2)
Discount rate	6.8

9 ASSOCIATES (CONTINUED)

(a) (ii) Impairment assessment for Blyth Offshore Demonstrator Limited ('BODL') (Continued)

The Group's review includes impact assessment of changes in key assumptions. The effects of the movement in the key assumptions to the recoverable amount are as follows:

	Changes in assumptions %	Impact on recoverable amount	
		Increase RM'million	Decrease RM'million
Revenue growth rate	1.0	44.3	(36.5)
Discount rate	1.0	(29.3)	32.2

The aggregated financial information of the Group's associates is as follows:

	2024 RM'million	2023 RM'million
Group's share of results:		
– Profit after tax	**84.3**	44.3
– Total other comprehensive (expense)/income	**(17.6)**	133.0
Dividends received	**190.4**	164.6
Effect of changes in foreign currencies	**(22.1)**	52.3

Amounts due from/(to) associates

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Amounts due from associates*	**422.7**	395.6	**13.8**	5.3
Less: Loss allowances	**(2.5)**	(7.3)	**(0.2)**	(0.1)
	420.2	388.3	**13.6**	5.2
Amounts due to associates^	**(476.9)**	(579.7)	**(466.7)**	(568.8)

** The Group's and the Company's credit policy provides amounts due from associates with a 30 days (2023: 30 days) credit period.*
^ Credit terms of amounts due to associates is 30 days (2023: 30 days) depending on the terms of the contracts.

The unrecognised cumulative losses of the Group's associate are as follows:

	Gama Enerji Anonîm Şîrketî	
	2024 RM'million	2023 RM'million
As at the beginning of the financial year	**(111.3)**	(25.4)
Arising in the financial year	**78.7**	(85.9)
As at the end of the financial year	**(32.6)**	(111.3)

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9 ASSOCIATES (CONTINUED)

The associates that are material to the Group are BODL, Jimah Energy Ventures Holdings Sdn. Bhd. ('JEV'), and Lumut Maritime Terminal Sdn. Bhd. ('LMT'). The following summarises the financial information of the associates and reconciled the information to the carrying amount of the Group's interest in those associates.

(i) The summarised statement of comprehensive income:

	BODL		JEV		LMT	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Revenue	**171.6**	164.6	**3,276.7**	3,332.2	**128.3**	136.5
Profit/(Loss) after tax	**35.5**	17.8	**106.0**	(77.4)	**9.4**	15.4
Other comprehensive (expense)/income	**(33.2)**	269.6	**0**	0	**0**	0
Total comprehensive income/(expense)	**2.3**	287.4	**106.0**	(77.4)	**9.4**	15.4

(ii) The summarised statement of financial position:

	BODL		JEV		LMT	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Non-current assets	**1,242.4**	1,258.3	**2,501.6**	2,646.2	**359.1**	324.6
Current assets	**101.9**	87.8	**1,239.2**	1,268.5	**188.6**	198.9
Non-current liabilities	**(177.2)**	(260.9)	**(1,608.3)**	(1,642.8)	**(44.9)**	(14.8)
Current liabilities	**(241.0)**	(55.2)	**(719.9)**	(765.4)	**(11.7)**	(16.9)
	926.1	1,030.0	**1,412.6**	1,506.5	**491.1**	491.8

(iii) Reconciliation of the summarised financial information:

	BODL		JEV		LMT	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Group's share of net assets	**453.8**	504.7	**353.1**	376.6	**245.6**	245.9
Goodwill	**91.9**	91.9	**0**	0	**37.8**	37.8
Less: Accumulated impairment losses	**(31.2)**	(31.2)	**0**	0	**(68.6)**	(68.6)
Transaction cost capitalised	**6.6**	6.9	**0**	0	**0**	0
Effect of changes in foreign currency	**(32.0)**	(0.9)	**0**	0	**0**	0
Carrying amount	**489.1**	571.4	**353.1**	376.6	**214.8**	215.1

Individually immaterial associates:

	2024 RM'million	2023 RM'million
Aggregate carrying amount of individually immaterial associates	**227.1**	295.7
Aggregate amounts of the Group's share of profit:		
– Profit after tax	**35.7**	47.3
– Other comprehensive (expense)/income	**(1.3)**	0.9

10 INTANGIBLE ASSETS

Accounting Policy

Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any NCI in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred is less than the fair value of the net identifiable assets of the acquire in the case of a bargain purchase, the resulting gain is recognised in statement of profit or loss.

Goodwill is recognised in the statement of financial position as non-current asset at cost less accumulated impairment losses and tested for impairment annually. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The carrying value of goodwill is compared to the recoverable amount, which is the higher of VIU and the fair value less costs of disposal. Any impairment is recognised immediately to the statement of profit or loss and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity disposed.

Project development portfolio

The project development portfolio consists of contractual rights acquired relating to early stage solar, wind and Battery Energy Storage System ('BESS') projects in Australia.

The project development portfolio is stated at cost less any accumulated amortisation and impairment losses. They are considered to have a finite life and are amortised on a straight-line basis over the period of expected future economic benefits of the asset with expected useful life of 5 years.

Amortisation of project development portfolio is recognised in profit or loss unless the economic benefits of the asset are directly attributable to the development of the assets. In such cases, the amortisation expense is capitalised as part of the cost of the development asset under property, plant and equipment.

The asset is reviewed annually for adjustments to the useful economic life and any indications of impairment. Impairment losses are recognised when the carrying value of the intangible asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its VIU.

Subsequent costs involved in renewing or maintaining the project development portfolio are charged to the statement of profit and loss as and when incurred.

	Goodwill RM'million	Project development portfolio RM'million	Total RM'million
2024			
Group			
As at the beginning of the financial year	**824.1**	**446.4**	**1,270.5**
Adjustment to PPA (Note 47)	**23.6**	**0**	**23.6**
Impairment	**(52.2)**	**0**	**(52.2)**
Effect of changes in foreign currencies	**(62.1)**	**(47.0)**	**(109.1)**
Amortisation charged to PPE	**0**	**(180.3)**	**(180.3)**
As at the end of the financial year	**733.4**	**219.1**	**952.5**

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10 INTANGIBLE ASSETS (CONTINUED)

	Goodwill RM'million	Rights to build RM'million	Project development portfolio RM'million	Total RM'million
2023				
Group				
As at the beginning of the financial year	421.4	172.2	0	593.6
Acquisition of subsidiaries*	491.1	0	429.3	920.4
Impairment	(123.6)	0	0	(123.6)
Effect of changes in foreign currencies	35.2	17.5	17.1	69.8
Transfer to PPE#	0	(189.7)	0	(189.7)
As at the end of the financial year	824.1	0	446.4	1,270.5

** Goodwill arising from the acquisition of Spark Renewables, Dullarbtons and Elipsgeen (Note 47). Project development portfolio arising from the acquisition of Spark Renewables (Note 47).*
 # Transfer to PPE upon commencement of the project.

	Group	
	2024 RM'million	2023 RM'million
Classification of goodwill by countries		
Malaysia	**211.0**	211.0
Foreign:		
– United Kingdom	**49.8**	108.7
– Australia	**305.4**	345.7
– Republic of Ireland~	**167.2**	158.7
	733.4	824.1

~ Change due to PPA finalisation.

10 INTANGIBLE ASSETS (CONTINUED)

Impairment assessment for goodwill

The carrying value of goodwill is allocated to the Group's CGUs. The recoverable amount of the CGU including goodwill, is determined based on the higher of its VIU and fair value. The VIU calculation applies a discounted cash flow model using cash flow projections based on forecast approved by management. The forecasts reflect management's expectations of revenue growth, operating costs and margins for the CGUs based on current assessment of market share, expectations of market and industry growth.

The discount rate applied to the cash flow forecast refers to the industry's pre-tax Weighted Average Cost of Capital ('WACC').

(a) Goodwill relating to operations in Malaysia

The discounted cash flow model used cash flow projections which covered a five-year period and cash flows beyond the projection years are extrapolated using an estimated terminal growth rate.

The following key assumptions have been applied in the VIU calculation:

	2024 %	2023 %
Revenue growth rate	**2.5**	2.1
Pre-tax discount rate	**8.9**	8.8
Terminal growth rate	**2.5**	1.9

Based on the Group's assessment, no impairment losses were required as at 31 December 2024 as the recoverable amount exceeded the carrying amount.

The Group's review includes an impact assessment of changes in key assumptions used. Based on the sensitivity analysis performed, it was concluded that no reasonable change in the base case assumptions would cause the carrying amount of the CGU to exceed its recoverable amount.

(b) Goodwill relating to operations in the United Kingdom

The Group has determined the recoverable amount of this CGU by assessing the VIU of the underlying assets. Based on the impairment assessment, the carrying value of the goodwill as at 31 December 2024 exceeded its recoverable amount by RM52.2 million (2023: RM123.6 million), mainly due to external market conditions affecting future cash flows.

The discounted cash flow model used cash flow projections which covered a 26-year period (2023: 27-year period).

The following key assumptions has been applied in the VIU calculation:

	2024 %	2023 %
Revenue growth rate	**(6.9)**	(3.5)
Pre-tax discount rate	**10.1**	8.4

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10 INTANGIBLE ASSETS (CONTINUED)

Impairment assessment for goodwill (continued)

(b) Goodwill relating to operations in the United Kingdom (continued)

The Group's review includes an impact assessment of changes in key assumptions used. The effects of the movement in the key assumptions to the recoverable amount are as follows:

	Changes in assumptions %	Impact on recoverable amount	
		Increase RM'million	Decrease RM'million
2024			
Revenue growth rate	**1.0**	**172.8**	**(155.9)**
Pre-tax discount rate	**1.0**	**(97.3)**	**106.4**
2023			
Revenue growth rate	1.0	285.8	(252.7)
Pre-tax discount rate	1.0	(143.2)	161.7

(c) Goodwill relating to operations in Australia

The goodwill is deemed to be attributable to Spark Renewable's future ability to develop and operate new renewable energy projects in Australia, as well as enhanced scale and operational diversity in its renewable projects portfolio.

The recoverable amount of the goodwill is determined based on its fair value less costs of disposal ('FVLCD') for its project development portfolio and operating asset.

The FVLCD of the project development portfolio is determined based on a market approach using observable risk-adjusted price per megawatt generation multiples for similar assets in the market, which is a Level 3 input.

The FVLCD of the operating asset is determined based on an income approach using a discounted cash flow projections, which covers a 36-year period.

The following key assumptions have been applied in the fair value income approach calculation:

	2024 %
Revenue growth rate	**2.9**
Pre-tax discount rate	**6.5**

Based on the Group's assessment, no impairment losses were required as at 31 December 2024 as the recoverable amount exceeded the carrying amount.

The Group's review includes an impact assessment of changes in key assumptions used. Based on the sensitivity analysis performed, it was concluded that no reasonable change in the base case assumptions would cause the carrying amount of the CGU to exceed its recoverable amount.

10 INTANGIBLE ASSETS (CONTINUED)

Impairment assessment for goodwill (continued)

(d) Goodwill relating to operations in the Republic of Ireland

The Group has determined the recoverable amount of this CGU by assessing the VIU of the underlying assets.

The goodwill consists of potential upsides from extension of lease terms and grid connection approvals up to 15 years.

The discounted cash flow model used cash flow projections which covered a 38-year period.

The following key assumptions have been applied in the VIU calculation:

	2024 %
Revenue growth rate	**(2.0)**
Pre-tax discount rate	**5.4**

Based on the Group's assessment, no impairment losses were required as at 31 December 2024 as the recoverable amount exceeded the carrying amount.

The Group's review includes an impact assessment of changes in key assumptions used. The effects of the movement in the key assumptions to the recoverable amount are as follows:

	Changes in assumptions %	Impact on recoverable amount	
		Increase RM'million	Decrease RM'million
Revenue growth rate	1.0	321.0	(261.4)
Pre-tax discount rate	1.0	(155.5)	191.9

11 INVESTMENT IN UNQUOTED DEBT SECURITY

Accounting Policy

Investment in unquoted debt security is a financial instrument and the accounting policy is disclosed in Note 45.

	Group and Company	
	2024 RM'million	2023 RM'million
Unsecured Loan Notes	**283.6**	287.5
Less: Loss allowance	**(28.1)**	(28.2)
	255.5	259.3

The Unsecured Loan Notes primarily relate to an Islamic Medium Term Notes ('IMTN') facility subscription with a maturity period of 14 years and matures on 5 May 2034.

Credit risk relating to debt instrument above is disclosed in Note 45(b) of the financial statements.

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12 DEFERRED TAXATION

Accounting Policy

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements including those arising from business combinations. Deferred tax is not recognised on goodwill and those arising from initial recognition of an asset or liability which at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unutilised tax credits can be utilised. Deferred tax is recognised on temporary differences arising on investment in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Tax benefit from reinvestment allowance is recognised when the tax credit is utilised and no deferred tax asset is recognised when the tax credit is receivable.

Deferred tax is measured at the tax rates (and laws) that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The Group and the Company will recognise a deferred tax asset and a deferred tax liability for any temporary differences arising on initial recognition of a lease transaction. Where applicable, a deferred tax asset is recognised as the Group and the Company is able to benefit from the tax deductions in the future. Any differences between the deferred tax asset and deferred tax liability will be recognised in the profit and loss. Upon adopting the amendments, the Group and the Company do not expect material adjustments to the retained earnings as the initial recognition of the lease transactions gave rise to equal and offsetting temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Deferred tax assets:				
– Deferred tax assets to be realised after more than 12 months	**299.6**	257.8	**0**	0
– Deferred tax assets to be realised within 12 months	**74.3**	121.5	**0**	0
	373.9	379.3	**0**	0
Deferred tax liabilities:				
– Deferred tax liabilities to be settled after more than 12 months	**(8,220.3)**	(8,119.2)	**(5,636.3)**	(5,600.3)
– Deferred tax liabilities to be settled within 12 months	**(1,043.3)**	(899.1)	**(1,040.1)**	(890.9)
	(9,263.6)	(9,018.3)	**(6,676.4)**	(6,491.2)
Net total	**(8,889.7)**	(8,639.0)	**(6,676.4)**	(6,491.2)

12 DEFERRED TAXATION (CONTINUED)

The movements during the financial year relating to deferred tax are as follows:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
As at the beginning of the financial year	**(8,639.0)**	(8,442.8)	**(6,491.2)**	(6,640.3)
Credited/(Charged) to statement of profit or loss: (Note 38)				
– PPE	**(1,210.2)**	109.8	**(302.0)**	(210.3)
– Post-employment benefits	**97.4**	(215.0)	**(69.8)**	(51.0)
– Tax losses and capital allowances	**766.8**	244.7	**0**	0
– Provisions and allowances	**(272.9)**	(33.9)	**(218.8)**	(47.0)
– Contract assets	**(145.0)**	(380.9)	**(26.8)**	(192.1)
– Lease liabilities	**(522.5)**	(573.5)	**(589.1)**	(1,073.2)
– ROU assets	**907.6**	689.9	**949.5**	1,537.9
	(378.8)	(158.9)	**(257.0)**	(35.7)
Credited to OCI:				
– Post-employment benefits	**80.9**	208.7	**71.8**	184.8
– Effect of changes in foreign currencies	**45.9**	(52.5)	**0**	0
Acquisition of subsidiaries (Note 47)	**0**	(193.5)	**0**	0
Adjustment to PPA (Note 47)	**1.3**	0	**0**	0
As at the end of the financial year	**(8,889.7)**	(8,639.0)	**(6,676.4)**	(6,491.2)
Subject to income tax				
Deferred tax assets (before offsetting):				
– Provisions and allowances	**1,023.3**	1,296.2	**562.7**	781.5
– Post-employment benefits	**2,938.2**	2,759.9	**2,750.4**	2,748.4
– Tax losses and capital allowances	**3,839.7**	3,072.9	**0**	0
– Lease liabilities	**6,755.3**	7,277.8	**15,750.4**	16,339.5
– PPE	**0.3**	62.6	**0**	0
Offsetting	**(14,182.9)**	(14,090.1)	**(19,063.5)**	(19,869.4)
Deferred tax assets (after offsetting)	**373.9**	379.3	**0**	0
Deferred tax liabilities (before offsetting):				
– PPE	**(14,173.3)**	(13,072.6)	**(10,144.8)**	(9,842.8)
– Contract assets	**(1,360.1)**	(1,215.1)	**(1,050.4)**	(1,023.6)
– ROU assets	**(7,913.1)**	(8,820.7)	**(14,544.7)**	(15,494.2)
Offsetting	**14,182.9**	14,090.1	**19,063.5**	19,869.4
Deferred tax liabilities (after offsetting)	**(9,263.6)**	(9,018.3)	**(6,676.4)**	(6,491.2)

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12 DEFERRED TAXATION (CONTINUED)

The amount of deductible temporary differences, unused tax losses, reinvestment allowance and investment tax allowance for which no deferred tax assets are recognised in the statement of financial position are as follows:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Deductible temporary differences	**403.3**	349.2	**0**	0
Unused tax losses*	**2,797.9**	2,481.2	**0**	0
Reinvestment allowance and investment tax allowance	**6,007.5**	5,993.8	**0**	123.7

No deferred tax assets are recognised from the deductible temporary differences and unused tax losses due to uncertainty of their recoverability. The unabsorbed capital allowances and investment tax allowance do not expire under current tax legislation.

** The unused tax losses arising from a year of assessment ('YA') are allowed to be carried forward for utilisation up to 10 consecutive YAs from that YA. The accumulated unabsorbed tax losses brought forward are expected to expire between YA 2028 to YA 2033.*

13 LONG TERM RECEIVABLES

Accounting Policy

The accounting policy for long term receivables is disclosed in Note 45.

	Note	Group		Company	
		2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Financial assets					
Trade receivable	(a)	**498.6**	0	**498.6**	0
Other receivables	(b)	**80.3**	61.2	**41.0**	35.0
		578.9	61.2	**539.6**	35.0
Loss allowances on:					
– Other receivables		**(24.5)**	(14.4)	**(14.8)**	(13.9)
		554.4	46.8	**524.8**	21.1
Non-financial assets	(c)	**359.4**	494.1	**334.6**	361.7
		913.8	540.9	**859.4**	382.8

(a) Trade receivable is in relation to amounts due from a trade debtor which is not expected to be received within 12 months from the reporting date.

(b) Included in the Group and the Company are advances given to staff and other non-trade receivables, which are not expected to be received within 12 months from the reporting date.

(c) Non-financial assets primarily relate to deposits which are not expected to be received within 12 months from the reporting date.

Credit risk for financial assets is disclosed in Note 45(b) to the financial statements.

14 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

Accounting Policy

The amounts due from/(to) subsidiaries are financial instruments and its accounting policy is as disclosed in Note 45.

	Note	Company 2024 RM'million	Company 2023 RM'million
Non-current			
Amounts due from subsidiaries		**4,143.4**	5,156.6
Less: Loss allowances		**(406.8)**	(271.1)
	(a)	**3,736.6**	4,885.5
Current			
Amounts due from subsidiaries		**3,538.6**	3,394.2
Less: Loss allowances		**(326.4)**	(302.1)
	(b)	**3,212.2**	3,092.1
Amounts due to subsidiaries	(b)	**(6,097.6)**	(6,944.0)

(a) The amounts due from subsidiaries are mainly in relation to shareholder loans to:

(i) TNB Power Generation Sdn. Bhd. ('TPGSB') amounting to RM1,977.9 million (2023: RM2,572.5 million), which is based on the Islamic financing structure, for a profit rate of 3.8% per annum repayable over 15 years.

(ii) TNB International Sdn. Bhd. ('TNBI') amounting to a total of RM915.8 million (2023: RM1,064.8 million), which consists of two loans amounting to RM842.8 million and RM73.0 million, with the interest rate of 6.7% and 9.2% per annum repayable over 10 and 15 years respectively.

(iii) Vantage RE Ltd. ('VRE') amounting to RM944.8 million (2023: RM884.3 million), which is based on the Islamic financing structure, for a profit rate of 6.9% (2023: 5.3%). This amount is not repayable in the next 12 months.

(b) Amounts due from/(to) subsidiaries classified as current are trade related, unsecured, interest free and repayable on demand.

Credit risk is disclosed in Note 45(b) to the financial statements.

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15 LEASES

Accounting Policy

The Group and the Company as lessors

When the Group and the Company act as lessors, they determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; otherwise, then it is an operating lease.

Operating leases

Leases where the Group and the Company retain substantially all of the risks and rewards of ownership of the leased assets are classified as operating leases. The Group and the Company recognise lease payments received under operating leases as operating income on a straight-line basis over the lease term.

Finance leases

If the Group and the Company transfer substantially all of the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases. The Group and the Company derecognise the leased assets and recognise the net investment in the lease as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

The Group and the Company as lessees

The accounting policy on ROU assets and lease liabilities for lessees are disclosed in Note 6.

(a) Finance lease receivables

The Group's finance lease receivables arise from Cooling Energy Supply Agreement ('CESA') which amounts to RM6.0 million (2023: RM7.2 million). The effective interest rate implicit in the finance lease is approximately 9.5% (2023: 9.5%). The carrying amount of the finance lease receivables approximately their fair values.

15 LEASES (CONTINUED)

(b) Lease liabilities

The Group's and the Company's obligations under lease liabilities arise predominantly from the power purchase agreements with several Independent Power Producers ('IPPs').

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Minimum lease payments:				
– Within 1 year	**4,534.2**	4,472.0	**8,804.1**	8,280.1
– After 1 year and not later than 2 years	**3,539.7**	3,767.5	**7,533.5**	7,510.4
– After 2 years and not later than 3 years	**3,392.8**	3,508.3	**7,262.4**	7,338.9
– After 3 years and not later than 4 years	**3,306.6**	3,383.5	**7,128.8**	7,190.9
– After 4 years and not later than 5 years	**3,190.3**	3,297.6	**7,258.2**	7,057.3
– After 5 years	**20,894.7**	23,991.5	**62,717.0**	69,137.6
	34,324.1	37,948.4	**91,899.9**	98,235.1
Total minimum lease payments	**38,858.3**	42,420.4	**100,704.0**	106,515.2
Future finance charges	**(10,147.7)**	(11,559.5)	**(33,763.3)**	(37,228.6)
	28,710.6	30,860.9	**66,940.7**	69,286.6
Amount payable under lease liabilities:				
– Within 1 year	**3,140.1**	2,983.5	**5,168.2**	4,466.2
– After 1 year and not later than 2 years	**2,261.4**	2,355.6	**4,027.4**	3,875.3
– After 2 years and not later than 3 years	**2,232.5**	2,235.3	**4,012.9**	3,911.4
– After 3 years and not later than 4 years	**2,264.5**	2,227.9	**4,099.6**	3,978.4
– After 4 years and not later than 5 years	**2,269.9**	2,259.9	**4,470.6**	4,063.1
– After 5 years	**16,542.2**	18,798.7	**45,162.0**	48,992.2
	25,570.5	27,877.4	**61,772.5**	64,820.4
	28,710.6	30,860.9	**66,940.7**	69,286.6

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15 LEASES (CONTINUED)

(b) Lease liabilities (continued)

The weighted average effective interest rate applicable to the lease liabilities as at the financial year end for the Group and the Company are 5.2% (2023: 5.2%) and 5.7% (2023: 5.7%) per annum respectively. The carrying amounts of the lease liabilities approximate their fair values.

The Company recognised additional lease liability for the asset transfer of Platinum building to REV Platinum Sdn. Bhd. ('REVP') via a sale and leaseback transaction. The lease amounting to RM778.1 million was for a period of 15 years and commenced in March 2024.

During the financial year, there was an amendment to the planned outages of a power plant of the Group which had an impact on the Company's lease payment schedule. As a result, the carrying values of the associated ROU asset and lease liability were remeasured.

Reconciliation of lease liabilities during the financial year is as follows:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
As at the beginning of the financial year	**30,860.9**	33,278.4	**69,286.6**	73,805.1
Cash flows	**(3,806.9)**	(4,015.4)	**(7,474.3)**	(7,338.3)
Non-cash changes				
– Additional lease	**79.7**	15.0	**807.5**	3.7
– Acquisition of subsidiaries (Note 47)	**0**	83.8	**0**	0
– Capacity payment differences	**131.2**	(137.4)	**(98.7)**	(507.8)
– Finance charges (Note 37(b))	**1,508.6**	1,636.5	**3,873.0**	4,043.7
– Remeasurement of lease (Note 6)	**0**	0	**663.4**	(719.8)
– Receivables	**(63.2)**	0	**(63.2)**	0
– Amount due to subsidiaries	**0**	0	**(53.6)**	0
– Adjustment to PPA (Note 47)	**0.3**	0	**0**	0
As at the end of the financial year	**28,710.6**	30,860.9	**66,940.7**	69,286.6

The statement of profit or loss includes the following amounts relating to leases:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Depreciation charge of ROU assets (Note 6)	**3,156.9**	3,482.0	**5,417.3**	5,709.6
Finance charges (Note 37 (b))	**1,508.6**	1,636.5	**3,873.0**	4,043.7
Expense relating to leases of low-value assets (Note 33)	**46.1**	39.6	**45.6**	39.3
Expense relating to variable lease payments not included in lease liabilities	**47.1**	81.8	**36.8**	337.4
Expenses relating to short term leases (Note 33)	**161.5**	23.8	**80.2**	0

16 FINANCIAL ASSETS AT FVOCI

Accounting Policy

Financial assets at FVOCI are financial instruments and the accounting policy is disclosed in Note 45.

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Financial assets at FVOCI	**81.2**	55.1	**80.5**	54.3

The Group and the Company have irrevocably elected non-trading equity securities above at initial recognition to present its fair value changes in OCI. The Group and the Company consider this classification to be more relevant as these instruments are strategic investments of the Group and of the Company and not held for trading purposes.

During the financial year, there were dividend income recognised and no investment was disposed. The details of the financial assets at FVOCI are as follows:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Labuan Reinsurance (L) Ltd.	**80.5**	54.3	**80.5**	54.3
Al-Imtiaz Operation and Maintenance Company Ltd.	**0.4**	0.5	**0**	0
Club Memberships	**0.3**	0.3	**0**	0

17 CONTRACT BALANCES

Accounting Policy

(a) Contract cost assets – Costs to fulfil a contract

The Group recognises a contract cost that relates directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group which will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the statement of profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(b) Trade contract assets

A trade contract asset is recognised when the Group's and the Company's rights to consideration are conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9 Financial Instruments (Note 45). Typically, the amount will be billed within 30 days of the supply of electricity for electricity customers and 60 to 180 days for satisfying the performance obligation for other revenue streams. An assessment of electricity supplied to customers between the date of the last meter reading and the financial year end of the Group and of the Company (unread and unbilled) was made and it is recognised as trade contract assets. Payment is expected within 30 days from the billing date for all trade receivables.

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17 CONTRACT BALANCES (CONTINUED)

Accounting Policy (continued)

(c) Trade contract liabilities

A trade contract liability represents the obligation of the Group and of the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

Trade contract liabilities primarily relate to contributions paid by electricity customers for the construction of electricity network assets. The customers' contributions are expected to be recognised as revenue over a period of 20 years, being the estimated average useful life of the electricity network assets used to connect the customers to the electricity supply.

Other trade contract liabilities within the Group are relating to students' fees. All other trade contract liabilities are expected to be recognised as revenue over the next 12 months.

The Group and the Company have recognised the following assets and liabilities related to contracts with customers:

	Note	Group		Company	
		2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Contract cost assets					
– Current		**124.3**	99.5	**0**	0
– Non-current		**8.9**	4.7	**0**	0
Contract assets					
– Trade	(a)	**4,641.6**	4,446.8	**4,368.4**	4,226.9
Contract liabilities					
– Current trade		**460.2**	338.6	**258.9**	244.9
– Non-current trade		**7,838.8**	5,449.7	**6,882.8**	4,651.3
	(b)	**8,299.0**	5,788.3	**7,141.7**	4,896.2

	Note	Group		Company	
		2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
(a) Trade contract assets	(i)				
As at the beginning of the financial year		**4,446.8**	3,586.0	**4,226.9**	3,430.0
Performance obligations completed		**4,787.1**	4,647.0	**4,376.6**	4,265.1
Transfer to receivables		**(4,578.7)**	(3,738.0)	**(4,226.9)**	(3,430.0)
Less: Loss allowances		**(13.6)**	(48.2)	**(8.2)**	(38.2)
As at the end of the financial year		**4,641.6**	4,446.8	**4,368.4**	4,226.9
(b) Trade contract liabilities	(i)(ii)(iii)				
As at the beginning of the financial year		**5,788.3**	5,103.1	**4,896.2**	4,276.8
Received during the financial year					
– Cash		**2,841.9**	1,121.8	**2,488.6**	852.8
– Asset		**126.8**	0	**0**	0
Release to statement of profit or loss:					
– Customers' contribution		**(310.2)**	(286.1)	**(243.1)**	(233.4)
– Deferred income		**(147.8)**	(150.5)	**0**	0
As at the end of the financial year		**8,299.0**	5,788.3	**7,141.7**	4,896.2

17 CONTRACT BALANCES (CONTINUED)

The Group and the Company have recognised the following assets and liabilities related to contracts with customers: (continued)

(i) Significant changes in trade contract assets and liabilities

Trade contract assets have increased as the Group and the Company have provided more services ahead of the agreed payment schedules for fixed-price contracts. The Group and the Company also recognised a loss allowance for trade contract assets.

Trade contract liabilities have increased for the Group and the Company due to larger prepayments or contributions received from customers.

(ii) Revenue recognised in relation to trade contract liabilities

The following table shows how much of the revenue recognised in the current financial year relates to carried-forward trade contract liabilities and how much relates to performance obligations that were satisfied in a prior financial year:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Revenue recognised, included in the trade contract liabilities balances in relation to preceding year	**(284.2)**	(234.6)	**(223.7)**	(218.4)
Revenue recognised, included in the trade contract liabilities balances in relation to current year	**(173.8)**	(202.0)	**(19.4)**	(15.0)
	(458.0)	(436.6)	**(243.1)**	(233.4)

(iii) Unsatisfied performance obligations in long term contracts

The following table shows unsatisfied performance obligations resulting from long term contracts:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied	**8,299.0**	5,788.3	**7,141.7**	4,896.2

Management expects 3.6% (2023: 5.0%) of the transaction price allocated to the unsatisfied contracts will be recognised as revenue during the next financial year. The remaining 96.4% (2023: 95.0%) will be recognised from financial years 2026 to 2043.

In respect of the supply of electricity, the Group and the Company applied the practical expedient to not disclose information related to the transaction price allocated to the remaining performance obligations, on the basis that revenue is recognised from the satisfaction of the performance obligations upon the consumption of electricity by the customers.

All contracts for period of one year or less are billed based on services provided. The transaction price allocated to these unsatisfied contracts is not disclosed.

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18 FINANCIAL ASSETS AT FVTPL

Accounting Policy

Financial assets at FVTPL are financial instruments and the accounting policy is disclosed in Note 45.

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Financial assets at FVTPL	**465.1**	1,650.0	**107.4**	1,369.4
Current	**445.9**	1,614.1	**90.5**	1,336.0
Non-current	**19.2**	35.9	**16.9**	33.4
	465.1	1,650.0	**107.4**	1,369.4

Financial assets at FVTPL mainly represent investments in unit trusts and students' loans.

Credit risk relating to financial assets at FVTPL is disclosed in Note 45(b) to the financial statements.

19 DERIVATIVE FINANCIAL INSTRUMENTS

Accounting Policy

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the statement of profit or loss when the changes arise.

	Note	Notional amount RM'million	Assets RM'million	Liabilities RM'million
Non-hedge accounting qualified derivative financial instruments:				
Group				
2024				
Current				
Forward foreign currency contracts	(a)	**965.9**	**35.6**	**(2.8)**
Non-current				
Interest rate swap contracts	(b)	**1,599.2**	**72.5**	**(0.5)**
Profit rate swap contracts	(c)	**284.5**	**3.5**	**(3.4)**
Power purchase agreements	(d)	**1,336.7**	**61.6**	**(94.3)**
		3,220.4	**137.6**	**(98.2)**

19 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Note	Notional amount RM'million	Assets RM'million	Liabilities RM'million
Non-hedge accounting qualified derivative financial instruments: (continued)				
Group				
2023				
Current				
Forward foreign currency contracts	(a)	256.8	0	(1.4)
Non-current				
Interest rate swap contracts	(b)	1,129.1	71.3	(7.3)
Profit rate swap contracts	(c)	304.1	4.9	(3.2)
Power purchase agreements	(d)	211.5	91.8	0
		1,644.7	168.0	(10.5)
Company				
2024				
Current				
Forward foreign currency contracts	(a)	**965.9**	**35.6**	**(2.8)**
2023				
Current				
Forward foreign currency contracts	(a)	256.8	0	(1.4)

(a) Forward foreign currency contracts

The Group and the Company entered into forward foreign currency contracts with forward rates of RM4.0585 to RM4.3456 (2023: RM4.5914 to RM4.6345) for 1 US Dollar and RM2.9315 to RM3.0558 (2023: NIL) for 100 Yen.

(b) Interest rate swap ('IRS') contracts

(i) IRS contracts – Tenaga Wind Ventures UK Ltd. ('TWV')

The Group entered into two IRS contracts on 28 March 2018 that entitled TWV to receive interest at floating rates and obliged to pay interest at fixed rates of 1.3% per annum and 1.7% per annum on aggregate notional principal of GBP30.7 million and GBP89.3 million respectively.

(ii) IRS contract – Vantage RE No. 1 Limited ('VRE1')

The Group entered into an IRS contract on 16 December 2022 that entitled VRE1 to receive interest at floating rates and obliged to pay interest at fixed rate of 3.8% per annum on aggregate notional principal of GBP50.8 million.

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19 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest rate swap ('IRS') contracts (continued)

(iii) IRS contracts – Dullarbtons and Elipsgeen

The Group entered into IRS contracts that entitled Dullarbtons, a wholly owned subsidiary of Vantage RE No. 3 Limited. ('VRE3') to receive interest at floating rates and obliged to pay interest at fixed rates of 1.0%, 0.5% and 1.0% on aggregate notional principal of EUR18.1 million, EUR13.8 million and EUR3.1 million respectively.

The Group entered into IRS contracts that entitled Elipsgeen, a wholly owned subsidiary of VRE3 to receive interest at floating rates and obliged to pay interest at fixed rates of 1.0%, 0.5% and 1.0% on aggregate notional principal of EUR7.8 million, EUR13.9 million and EUR3.7 million respectively.

(iv) IRS contracts – Stone BidCo Pty. Ltd. ('Stone BidCo')

The Group entered into IRS contracts on 27 December 2024 that entitled Stone Bidco, a wholly owned subsidiary of Spark Renewables to receive interest at floating rates and obliged to pay interest at fixed rate of 4.0% per annum on aggregate notional principal of AUD225.0 million.

(c) Profit rate swap ('PRS') contracts

(i) PRS contract – TNB Bukit Selambau Solar Sdn. Bhd. ('TBSS')

The Group entered into a PRS contract with effect from 29 March 2019 that entitled TBSS to receive profit at floating rates and obliged to pay profit at a fixed rate of 4.3% per annum on aggregate notional principal of RM134.7 million.

(ii) PRS contract – TNB Sepang Solar Sdn. Bhd. ('TSS')

The Group entered into a PRS contract with effect from 13 February 2020 that entitled TSS to receive profit at floating rates and obliged to pay profit at a fixed rate of 3.2% per annum on aggregate notional principal of RM236.2 million.

(d) Power purchase agreements

(i) Bomen Solar Farm Pty Ltd ('Bomen')

A subsidiary of Spark Renewables, Bomen has entered into:

- A power purchase agreement with a customer on 21 December 2018, whereby Bomen will deliver the agreed percentage of electricity output to the offtaker for 5 to 10 years at agreed prices, thereby mitigating exposure to variable market prices; and

- A 10-year power purchase agreement with a customer on 16 April 2019 for an annual contracted volume of 63 gigawatt hours ('GWh') at an agreed price, thereby mitigating exposure to variable market prices.

(ii) Dullarbtons and Elipsgeen

Subsidiaries of VRE3, Dullarbtons and Elipsgeen have each entered into a power purchase agreement with a customer on 21 July 2023, whereby both committed to deliver electricity output to the offtaker for 15 years at a contracted fixed floor price, thereby mitigating exposure to variable market prices.

Credit risk relating to derivative financial instruments is disclosed in Note 45(b) to the financial statements.

20 INVENTORIES

Accounting Policy

Inventories are stated at the lower of cost and net realisable value.

Cost of work-in-progress and finished goods comprise raw materials, direct labour and a proportion of the production overheads. Cost is determined on the weighted average basis and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Fuel and consumables	**2,510.7**	2,736.8	**259.0**	278.7
Work-in-progress	**25.6**	14.4	**0**	0
Finished goods	**7.3**	6.8	**0**	0
	2,543.6	2,758.0	**259.0**	278.7

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS

Accounting Policy

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value, which is the amount of consideration that is unconditional unless they contain significant financing components. The Group and the Company hold the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost less accumulated impairment losses. The impairment is determined based on the ECL model and is further disclosed in Note 45.

Insurance contracts

Reinsurance contracts – initial recognition

The Group applies the premium allocation approach ('PAA') to all the reinsurance contracts it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the Group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

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21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Accounting Policy (continued)

Insurance contracts (continued)

Reinsurance contracts – initial recognition (continued)

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition;
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed;
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows; and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

Reinsurance contracts – subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period;
- Minus insurance acquisition cash flows, with the exception of property insurance product line for which the Group chooses to expense insurance acquisition cash flows as they occur;
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group;
- Plus any adjustment to the financing component, where applicable;
- Minus the amount recognised as insurance revenue for the services provided in the period; and
- Minus any investment component paid or transferred to the liability for incurred claims.

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group, and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

Presentation

The Group has presented separately, in the statement of financial position, the carrying amounts of portfolios of reinsurance contracts issued that are assets in Note 21 and portfolios of reinsurance contracts held that are liabilities in Note 23.

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Trade receivables	**5,311.2**	6,588.2	**3,934.5**	5,321.2
Staff advances/loans	**50.3**	55.7	**31.6**	40.4
Deposits and prepayments	**437.1**	397.0	**54.9**	68.7
Other receivables*	**6,303.0**	5,699.1	**5,251.7**	4,729.4
Rechargeable job orders debtors	**267.5**	308.2	**252.3**	201.2
Insurance contract assets	**280.6**	134.0	**0**	0
Advance payment to contractors	**78.0**	97.1	**0.9**	1.2
	12,727.7	13,279.3	**9,525.9**	10,362.1
Impairment losses on:				
– Trade receivables	**(1,654.2)**	(2,666.7)	**(1,478.9)**	(2,515.3)
– Others	**(216.1)**	(204.4)	**(144.4)**	(139.1)
	(1,870.3)	(2,871.1)	**(1,623.3)**	(2,654.4)
	10,857.4	10,408.2	**7,902.6**	7,707.7

The Group's and the Company's credit policies provide trade receivables with a range between 30 days to 90 days (2023: 30 days to 90 days) credit period.

Credit risk relating to receivables is disclosed in Note 45(b) to the financial statements.

* *Included in other receivables of the Group and of the Company are amounts due from the Government amounting to RM5,560.4 million (2023: RM4,928.3 million) and RM5,149.6 million (2023: RM4,694.6 million) respectively, under the ICPT mechanism.*

22 DEPOSITS, BANK AND CASH BALANCES

Accounting Policy

Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions, other short term investments with original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities. For the purpose of the consolidated statement of cash flows, cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Cash in hand and at bank	**3,285.1**	3,548.8	**341.9**	323.5
Deposits with licensed banks and financial institution	**16,316.0**	15,841.7	**13,548.6**	13,003.1
	19,601.1	19,390.5	**13,890.5**	13,326.6

The interest rates per annum of bank balances and deposits with licensed banks that were effective as at the end of the reporting date were as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Bank balances	**0.1 – 2.9**	0.1 – 3.9	**0.1 – 2.9**	0.1 – 2.9
Deposits with licensed banks and financial institution	**2.7 – 5.5**	0.5 – 5.6	**2.8 – 5.5**	3.3 – 5.5

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22 DEPOSITS, BANK AND CASH BALANCES (CONTINUED)

Deposits with licensed banks have maturity periods ranging from 1 to 365 days (2023: 1 to 365 days) for the Group and 1 to 364 days (2023: 9 to 90 days) for the Company.

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Cash and cash equivalents comprise:				
– Cash in hand and at bank	**3,285.1**	3,548.8	**341.9**	323.5
– Deposits with licensed banks and financial institution	**16,316.0**	15,841.7	**13,548.6**	13,003.1
Deposits, bank and cash balances	**19,601.1**	19,390.5	**13,890.5**	13,326.6
Debt reserve account*	**(530.9)**	(511.2)	**0**	0
Cash at bank held in trust**	**(189.6)**	(222.8)	**0**	0
Restricted cash	**(8.8)**	(8.2)	**0**	0
Deposits with maturity of more than 90 days	**(3,659.0)**	(1,423.1)	**(2,460.5)**	0
Total cash and cash equivalents	**15,212.8**	17,225.2	**11,430.0**	13,326.6

** Debt reserve account relates to deposits placed with licensed financial institution as part of security obligations for bond financing.*
*** The cash at bank held in trust is in respect of grants received from Government by a subsidiary for designated capital projects.*

23 PAYABLES

Accounting Policy

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables generally arise from transactions outside the usual operating activities of the Group and the Company. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost, which is the fair value of the consideration to be paid in the future for the goods and services received.

Provisions

Provisions are recognised when the Group and the Company have present legal or constructive obligations as a result of past events, it is probable that an outflow of resources will be required to settle the obligations and reliable estimates of the amounts can be made. Where the Group and the Company expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Insurance contract liabilities

The accounting policy on insurance contract liabilities are disclosed in Note 21.

23 PAYABLES (CONTINUED)

	Note	Group		Company	
		2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Trade payables	(a)	**9,392.1**	8,888.4	**6,732.7**	5,615.0
Payroll liabilities		**1,527.4**	1,662.2	**1,259.7**	1,397.5
Provisions	(b)	**446.0**	342.1	**187.4**	169.1
Financial guarantee contracts		**296.9**	312.1	**301.6**	316.4
Insurance contract liabilities		**273.2**	136.2	**0**	0
Accruals		**903.7**	400.8	**166.8**	168.3
Other payables	(c)	**1,376.1**	1,088.9	**1,085.0**	671.6
		14,215.4	12,830.7	**9,733.2**	8,337.9

(a) Included in trade payables of the Group and the Company are obligations amounting to RM3,134.3 million (2023: RM1,970.2 million) relating to the Electricity Industry Fund under the IBR mechanism.

Credit terms of trade payables of the Group and of the Company vary from 30 to 60 days (2023: 30 to 60 days) depending on the terms of the contracts.

(b) The movements in provision during the financial year are as follows:

	CESS Fund* RM'million	Legal/ Disputes RM'million	Capital expenditure RM'million	Levy Tax RM'million	Services RM'million	Sea water charges RM'million	Others RM'million	Total RM'million
Group								
2024								
As at the beginning of the financial year	**150.5**	**21.1**	**25.9**	**47.4**	**70.6**	**0**	**26.6**	**342.1**
Provisions/(Reversal) during the financial year	**63.6**	**0**	**(15.6)**	**(5.9)**	**27.1**	**54.3**	**0**	**123.5**
Utilised during the financial year	**(18.3)**	**0**	**0**	**(1.3)**	**0**	**0**	**0**	**(19.6)**
As at the end of the financial year	**195.8**	**21.1**	**10.3**	**40.2**	**97.7**	**54.3**	**26.6**	**446.0**
2023								
As at the beginning of the financial year	166.6	25.6	34.0	45.7	0	0	26.6	298.5
Provisions/(Reversal) during the financial year	48.1	(4.5)	(8.1)	1.7	70.6	0	0	107.8
Utilised during the financial year	(64.2)	0	0	0	0	0	0	(64.2)
As at the end of the financial year	150.5	21.1	25.9	47.4	70.6	0	26.6	342.1

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23 PAYABLES (CONTINUED)

(b) The movements in provision during the financial year are as follows: (continued)

	CESS Fund* RM'million	Legal/ Disputes RM'million	Capital expenditure RM'million	Services RM'million	Others RM'million	Total RM'million
Company						
2024						
As at the beginning of the financial year	**33.6**	**12.4**	**25.9**	**70.6**	**26.6**	**169.1**
Provisions/(Reversal) during the financial year	**6.8**	**0**	**(15.6)**	**27.1**	**0**	**18.3**
As at the end of the financial year	**40.4**	**12.4**	**10.3**	**97.7**	**26.6**	**187.4**
2023						
As at the beginning of the financial year	29.0	12.2	34.0	0	26.6	101.8
Provisions/(Reversal) during the financial year	4.6	0.2	(8.1)	70.6	0	67.3
As at the end of the financial year	33.6	12.4	25.9	70.6	26.6	169.1

** Central Excise and Service Tax ('CESS') Fund is relating to contribution for Electricity Supplies Industry Trust Account ('AAIBE').*

(c) Included in other payables of the Group and the Company is amount payable to Government under Green Electricity Tariff ('GET') program amounting RM727.5 million (2023: RM353.8 million).

24 EMPLOYEE BENEFITS

Accounting Policy

The Group and the Company have various post-employment benefit schemes which are either defined contribution or defined benefit plans. A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and the Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee services in the current and prior periods.

Defined contribution plans

The Group's and the Company's contributions to the defined contribution plans are charged to the statement of profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Defined benefit plans

The Group and the Company make contributions to the Group's and Company's Retirement Benefit Plan, a defined benefit plan and an approved fund independent of the Group's and Company's finances. A book provision is also provided by the Group and the Company as the contribution rate required to fund the benefits under the said plan is in excess of the Inland Revenue maximum limit. The Group and the Company also provided for a Post-Retirement Medical Plan for certain employees, which is unfunded.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the statement of financial position date minus the fair value of plan assets. The Group and the Company determine the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting date.

24 EMPLOYEE BENEFITS (CONTINUED)

Accounting Policy (continued)

Defined benefit plans (continued)

The defined benefit obligation, calculated using the Projected Unit Credit Method, is determined by an independent actuarial firm, considering the estimated future cash outflows using market yields at the statement of financial position date of high-quality corporate bonds which have currency and terms to maturity approximating the terms of the related liability.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee services in the current year. It is recognised in the statement of profit or loss as employee benefits expense.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefits obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly to the OCI in the period in which they arise. The actuarial gains and losses are not subsequently reclassified to the statement of profit or loss.

(i) Retirement Benefit Trust Fund ('RBTF')

The Group and the Company operate a final salary defined benefit plan. The benefit is made as lump sum payment at retirement or earlier exits due to death and early retirement. Currently, there is no minimum funding requirement under the law.

The RBTF exposes the Group and the Company to risks from interest rates from defined benefit being greater than expected due to assumptions such as salary increment or turnover rates not being borne out. The RBTF is also exposed to investment risks in relation to the assets of the plan. Any surplus in RBTF is only recognised to the extent that it may be used to reduce any future contributions to be paid by the Group and the Company, with remeasurement gains or losses to be recognised to the OCI as a gain or loss on asset ceiling.

The funding of the RBTF is based on recommendation of the actuary and approved by the Group and the Company. The employees are not required to contribute to the plan.

The Group expects to contribute 7.0% (2023: 6.0%) of the annual basic salaries of members to the plan in the next financial year. As the fund is in a surplus, the Company is in the process of stopping contributions to the plan.

(ii) Post-Retirement Medical Benefit Scheme ('PRMBS')

The Group and the Company operate a post-retirement medical benefits plan in Malaysia. The PRMBS is closed to new entrants effective on 1 September 1998 and 1 September 1990 for the Group and the Company, respectively. There is no minimum funding requirement under the current law. The PRMBS is unfunded.

The PRMBS exposes the Group and the Company to risks from interest rates and from defined benefits being greater than expected due to assumptions such as projection of medical benefit costs and mortality not being borne out.

There has not been any settlement or curtailment during the current financial year.

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24 EMPLOYEE BENEFITS (CONTINUED)

The movements in the financial statements are as follows:

	RBTF			PRMBS	Total
	Defined benefit obligation RM'million	Fair value of plan asset RM'million	Net defined benefit liability RM'million	RM'million	RM'million
Group					
At 1 January 2024	**1,656.2**	**(1,782.1)**	**(125.9)**	**12,349.9**	**12,224.0**
Included in profit or loss					
Current service costs	**60.3**	**0**	**60.3**	**0**	**60.3**
Interest cost/(income)	**68.5**	**(77.9)**	**(9.4)**	**554.8**	**545.4**
	128.8	**(77.9)**	**50.9**	**554.8**	**605.7**
Included in OCI					
Remeasurement of loss (Note 38):					
– Actuarial (gain)/loss arising from:					
– financial assumptions	**(77.4)**	**0**	**(77.4)**	**338.5**	**261.1**
– experience assumptions	**86.5**	**0**	**86.5**	**31.9**	**118.4**
– Return on plan assets excluding interest income	**0**	**(115.5)**	**(115.5)**	**0**	**(115.5)**
– Loss on asset ceiling	**0**	**73.4**	**73.4**	**0**	**73.4**
	9.1	**(42.1)**	**(33.0)**	**370.4**	**337.4**
Others					
Contribution paid by the employer	**0**	**(191.0)**	**(191.0)**	**0**	**(191.0)**
Benefits paid	**(235.0)**	**233.1**	**(1.9)**	**(693.2)**	**(695.1)**
	(97.1)	**(77.9)**	**(175.0)**	**232.0**	**57.0**
At 31 December 2024	**1,559.1**	**(1,860.0)**	**(300.9)**	**12,581.9**	**12,281.0**
Non-current assets			**(322.6)**	**0**	**(322.6)**
Current liabilities			**0.5**	**645.0**	**645.5**
Non-current liabilities			**21.2**	**11,936.9**	**11,958.1**
			(300.9)	**12,581.9**	**12,281.0**

24 EMPLOYEE BENEFITS (CONTINUED)

The movements in the financial statements are as follows: (continued)

	RBTF			PRMBS	Total
	Defined benefit obligation RM'million	Fair value of plan asset RM'million	Net defined benefit liability RM'million	RM'million	RM'million
Group					
At 1 January 2023	1,920.1	(1,854.3)	65.8	11,492.4	11,558.2
Included in profit or loss					
Current service costs	67.9	0	67.9	0	67.9
Interest cost/(income)	90.7	(93.5)	(2.8)	605.3	602.5
	158.6	(93.5)	65.1	605.3	670.4
Included in OCI					
Remeasurement of loss (Note 38):					
– Actuarial loss/(gain) arising from:					
– financial assumptions	60.5	0	60.5	960.5	1,021.0
– experience assumptions	(173.0)	0	(173.0)	(64.5)	(237.5)
– demographic assumptions	0	0	0	(2.7)	(2.7)
– Return on plan assets excluding interest income	0	86.5	86.5	0	86.5
	(112.5)	86.5	(26.0)	893.3	867.3
Others					
Contribution paid by the employer	0	(229.1)	(229.1)	0	(229.1)
Benefits paid	(310.0)	308.3	(1.7)	(641.1)	(642.8)
	(263.9)	72.2	(191.7)	857.5	665.8
At 31 December 2023	1,656.2	(1,782.1)	(125.9)	12,349.9	12,224.0
Non-current assets			(147.1)	0	(147.1)
Current liabilities			0.5	615.3	615.8
Non-current liabilities			20.7	11,734.6	11,755.3
			(125.9)	12,349.9	12,224.0

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24 EMPLOYEE BENEFITS (CONTINUED)

The movements in the financial statements are as follows: (continued)

	RBTF			PRMBS	Total
	Defined benefit obligation RM'million	Fair value of plan asset RM'million	Net defined benefit liability RM'million	RM'million	RM'million
Company					
At 1 January 2024	**1,632.6**	**(1,779.7)**	**(147.1)**	**11,613.7**	**11,466.6**
Included in profit or loss					
Current service costs	**49.0**	**0**	**49.0**	**0**	**49.0**
Interest cost/(income)	**67.5**	**(77.9)**	**(10.4)**	**520.8**	**510.4**
	116.5	**(77.9)**	**38.6**	**520.8**	**559.4**
Charged to subsidiaries	**9.9**	**0**	**9.9**	**0**	**9.9**
	126.4	**(77.9)**	**48.5**	**520.8**	**569.3**
Included in OCI					
Remeasurement of loss (Note 38):					
– Actuarial (gain)/loss arising from:					
– financial assumptions	**(77.4)**	**0**	**(77.4)**	**307.1**	**229.7**
– experience assumptions	**86.5**	**0**	**86.5**	**25.3**	**111.8**
– Return on plan assets excluding interest income	**0**	**(115.5)**	**(115.5)**	**0**	**(115.5)**
– Loss on asset ceiling	**0**	**73.4**	**73.4**	**0**	**73.4**
	9.1	**(42.1)**	**(33.0)**	**332.4**	**299.4**
Others					
Contribution paid by the employer	**0**	**(191.0)**	**(191.0)**	**0**	**(191.0)**
Benefits paid	**(233.1)**	**233.1**	**0**	**(665.9)**	**(665.9)**
	(97.6)	**(77.9)**	**(175.5)**	**187.3**	**11.8**
At 31 December 2024	**1,535.0**	**(1,857.6)**	**(322.6)**	**11,801.0**	**11,478.4**
Non-current assets			**(322.6)**	**0**	**(322.6)**
Current liabilities			**0**	**616.2**	**616.2**
Non-current liabilities			**0**	**11,184.8**	**11,184.8**
			(322.6)	**11,801.0**	**11,478.4**

24 EMPLOYEE BENEFITS (CONTINUED)

The movements in the financial statements are as follows: (continued)

	RBTF			PRMBS	Total
	Defined benefit obligation RM'million	Fair value of plan asset RM'million	Net defined benefit liability RM'million	RM'million	RM'million
Company					
At 1 January 2023	1,895.3	(1,851.9)	43.4	10,860.7	10,904.1
Included in profit or loss					
Current service costs	53.3	0	53.3	0	53.3
Interest cost/(income)	89.7	(93.5)	(3.8)	571.3	567.5
	143.0	(93.5)	49.5	571.3	620.8
Charged to subsidiaries	12.9	0	12.9	0	12.9
	155.9	(93.5)	62.4	571.3	633.7
Included in OCI					
Remeasurement of loss (Note 38):					
– Actuarial loss/(gain) arising from:					
– financial assumptions	61.9	0	61.9	867.8	929.7
– experience assumptions	(172.2)	0	(172.2)	(73.9)	(246.1)
– Return on plan assets excluding	0	86.5	86.5	0	86.5
	(110.3)	86.5	(23.8)	793.9	770.1
Others					
Contribution paid by the employer	0	(229.1)	(229.1)	0	(229.1)
Benefits paid	(308.3)	308.3	0	(612.2)	(612.2)
	(262.7)	72.2	(190.5)	753.0	562.5
At 31 December 2023	1,632.6	(1,779.7)	(147.1)	11,613.7	11,466.6
Non-current assets			(147.1)	0	(147.1)
Current liabilities			0	589.5	589.5
Non-current liabilities			0	11,024.2	11,024.2
			(147.1)	11,613.7	11,466.6

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

24 EMPLOYEE BENEFITS (CONTINUED)

The latest actuarial revaluation for RBTF and PRMBS was carried out in February 2025. The principal actuarial assumptions used in respect of defined benefit plans are as follows:

	Group		Company	
	RBTF %	PRMBS %	RBTF %	PRMBS %
2024				
Discount rates	**4.2 – 5.4**	**4.4**	**4.2**	**4.4**
Salary increment rate	**4.0 – 6.0**	**N/A**	**5.0**	**N/A**
Medical cost inflation rate:				
– Inpatient	**N/A**	**5.5**	**N/A**	**5.5**
– Outpatient	**N/A**	**4.5**	**N/A**	**4.5**
– Specialist	**N/A**	**4.5**	**N/A**	**4.5**
– Dialysis	**N/A**	**5.5**	**N/A**	**5.5**
2023				
Discount rates	4.4 – 5.4	4.6 – 4.7	4.4	4.6
Salary increment rate	4.0 – 6.0	N/A	6.0	N/A
Medical cost inflation rate:				
– Inpatient	N/A	5.5	N/A	5.5
– Outpatient	N/A	4.5	N/A	4.5
– Specialist	N/A	4.5	N/A	4.5
– Dialysis	N/A	5.5	N/A	5.5

The effect of a 1.0% movement in the key assumptions to the defined benefit obligation balances are as follows:

	RBTF		PRMBS	
	Increase RM'million	Decrease RM'million	Increase RM'million	Decrease RM'million
Group				
2024				
Medical cost inflation rate	**N/A**	**N/A**	**1,483.3**	**(1,263.6)**
Discount rate	**(77.4)**	**84.7**	**(1,306.5)**	**1,568.3**
Salary increment rate	**105.3**	**(97.6)**	**N/A**	**N/A**
2023				
Medical cost inflation rate	N/A	N/A	1,490.8	(1,266.0)
Discount rate	(89.2)	98.1	(1,305.6)	1,571.6
Salary increment rate	117.7	(109.0)	N/A	N/A

24 EMPLOYEE BENEFITS (CONTINUED)

The effect of a 1.0% movement in the key assumptions to the defined benefit obligation balances are as follows: (continued)

	RBTF		PRMBS	
	Increase RM'million	Decrease RM'million	Increase RM'million	Decrease RM'million
Company				
2024				
Medical cost inflation rate	**N/A**	**N/A**	**1,368.1**	**(1,168.6)**
Discount rate	**(75.5)**	**82.6**	**(1,209.1)**	**1,447.4**
Salary increment rate	**103.0**	**(95.5)**	**N/A**	**N/A**
2023				
Medical cost inflation rate	N/A	N/A	1,380.6	(1,175.3)
Discount rate	(87.3)	96.0	(1,212.8)	1,456.4
Salary increment rate	115.8	(106.8)	N/A	N/A

The sensitivity analysis has been provided based on membership data as at 31 December 2024 and considered a change of each principal assumption in isolation. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the Group's and of the Company's liabilities are estimated at approximately 7 and 15 years for RBTF and PRMBS respectively.

Plan assets for RBTF comprise:

	Group and Company	
	2024 %	2023 %
Equity instruments – Quoted	**49.5**	43.7
Debt instruments – Quoted	**19.5**	19.5
– Unquoted	**23.5**	23.8
Others	**7.5**	13.0
	100.0	100.0

The plan assets for RBTF did not include any ordinary share of the Company.

The Group's and the Company's RBTF are conditional on future employment of the members of the plan. The Group's and the Company's PRMBS are not conditional on future employment and have been fully vested as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
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25 CONSUMER DEPOSITS

Consumers served by TNB in Peninsular Malaysia and SESB in Sabah and the Federal Territory of Labuan are required to deposit a sum sufficient to cover charges for two months' supply of electricity as allowed under the regulation of the Licensee Supply (Amendment) Regulations 2002 (with the exception of employees, government departments/agencies and recipients of government assistance program for eKasih Group). In default of payment of the deposit within the time specified, the supply to the consumer's installation may be disconnected, subject to certain conditions laid out in the regulations.

An interest of 2.5% per annum is credited to the consumer's cash deposit.

Consumer deposits are classified as current liabilities as the amounts shall be refunded within 30 days upon request for termination of electricity supply by the consumer.

26 BORROWINGS

Accounting Policy

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method, any differences between proceeds (net of transaction costs) and the redemption value are recognised in the statement of profit or loss over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Where the terms of a financial liability are renegotiated and the Group issues equity instruments to a debt holder to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in statement of profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued, if any.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawdown. The transaction costs are amortised over the tenure of the loan and recognised in the statement of profit or loss.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

Government loans, where the interest rate is below the market interest rate, the differential between the initial carrying value of the loan based on market rate and the Government rate is recognised as a deferred income and is credited to the statement of profit or loss over the period necessary to match the interest costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

26 BORROWINGS (CONTINUED)

	Note	Group 2024 RM'million	Group 2023 RM'million	Company 2024 RM'million	Company 2023 RM'million
Current					
Secured:					
– Short term loans		**372.7**	392.6	**0**	0
– Term loans	(a)	**492.5**	1,031.0	**0**	0
– Bonds	(b)	**1,223.0**	1,130.3	**0**	0
Unsecured:					
– Short term loans	(a)	**1,666.4**	4,266.7	**1,518.5**	4,019.1
– Bankers' acceptances		**39.5**	55.2	**0**	0
– Term loans	(a)(c)	**728.2**	192.8	**94.8**	107.9
– Bonds*		**1,753.3**	262.0	**1,723.6**	227.4
Total short term borrowings		**6,275.6**	7,330.6	**3,336.9**	4,354.4
Non-current					
Secured:					
– Term loans	(a)	**5,484.1**	5,539.1	**0**	0
– Bonds	(b)	**15,629.4**	16,651.3	**0**	0
Unsecured:					
– Term loans	(a)(c)	**3,487.0**	3,992.3	**1,280.2**	1,556.8
– Bonds*	(b)	**26,530.5**	28,256.9	**22,040.5**	23,766.9
Total long term borrowings		**51,131.0**	54,439.6	**23,320.7**	25,323.7
Total borrowings		**57,406.6**	61,770.2	**26,657.6**	29,678.1

** Included in the bonds are borrowings taken up by a subsidiary for the Company:*

	Company 2024 RM'million	Company 2023 RM'million
Current	**48.9**	50.2
Non-current	**6,700.4**	6,880.3
	6,749.3	6,930.5

The short term borrowings carry interest at rates ranging from 0.8% to 8.0% (2023: 0.8% to 8.0%) per annum for the Group and from 0.8% to 7.7% (2023: 0.8% to 7.7%) per annum for the Company.

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26 BORROWINGS (CONTINUED)

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Borrowings repayable:				
– Within 1 year	**6,275.6**	7,330.6	**3,336.9**	4,354.4
– After 1 and up to 2 years	**5,621.9**	3,344.3	**3,442.4**	1,641.0
– After 2 and up to 5 years	**12,600.8**	12,598.6	**5,043.7**	7,491.7
– After 5 and up to 10 years	**16,977.7**	11,699.6	**3,307.2**	4,488.9
– After 10 and up to 20 years	**13,478.7**	22,258.0	**9,987.3**	10,152.8
– After 20 and up to 30 years	**1,956.5**	4,102.3	**1,200.0**	1,200.0
– After 30 years	**495.4**	436.8	**340.1**	349.3
	51,131.0	54,439.6	**23,320.7**	25,323.7
Total borrowings	**57,406.6**	61,770.2	**26,657.6**	29,678.1

	Group	
	2024 RM'million	2023 RM'million
Net book values of assets pledged as security for borrowings:		
Machinery, lines and equipment	**28,439.4**	29,442.4
Buildings	**3,026.5**	3,161.0
Land	**479.9**	481.8
Derivatives	**61.6**	0
	32,007.4	33,085.2

(a) Term loans

(i) Revolving Synthetic Foreign Currency Financing-i ('RSFC-i')

On 2 October 2024, the Company obtained an unsecured USD350.0 million financing facility which includes a Commodity Murabahah Financing with an embedded currency exchange arrangement. The facility is to finance working capital and general corporate purposes excluding coal-related activities. The profit rate is at 3.98% per annum. The financing facility is required to be settled in Ringgit Malaysia ('RM') and the prevailing currency exchange rate was at RM4.2998 per USD1.0 on the disbursement date. The loan will mature on 10 October 2025.

(ii) Term Loans – Japan Bank for International Cooperation

On 4 March 1999, the Company obtained an unsecured JPY49.1 billion term loan at fixed interest rate of 0.8% per annum. The facility will mature on 20 March 2039 with 40 years tenure. The facility was used to finance the implementation of the Port Dickson (Tuanku Jaafar) Power Station Rehabilitation Project. The term loan is guaranteed by the Government of Malaysia.

On 31 March 2000, the Company obtained an unsecured JPY53.8 billion term loan at fixed interest rate of 1.0% per annum. The facility will mature on 20 March 2040 with 40 years tenure. The facility was used to finance the implementation of the Port Dickson (Tuanku Jaafar) Power Station Rehabilitation Project (II). The term loan is guaranteed by the Government of Malaysia.

26 BORROWINGS (CONTINUED)

(a) Term loans (continued)

(iii) Term Loans – SESB Federal Government Loans

The Federal Government provided RM2,028.1 million loans to SESB from 6 January 2003 to 11 April 2016 to finance the development project under the Malaysia Plan and electricity infrastructure development and upgrading projects in the state of Sabah. These loans have tenures ranging from 20 to 25 years, bearing applicable fixed interest rates of between 0% to 4.0% per annum.

The loans are secured by the following:

(a) A debenture creating:
- a first fixed charge over all present and future freehold and leasehold properties including all buildings and fixtures; and
- a first floating charge over all present and future assets of SESB not effectively charged by way of the fixed charge.

(b) A deed of assignment transferring all SESB's present and future rights and interests in all sales proceeds or revenue derived from the sale of electricity generated from the projects funded.

(c) A deed of assignment transferring all SESB's present and future rights and interests in the bank accounts in which the loan proceeds are credited.

Restructuring of Ninth Malaysia Plan loan

On 10 January 2024, the lender agreed with SESB to restructure the loan by extending the loan tenure by an additional 13 years. The revised loan schedule incorporated the capitalisation of accrued interest and late payment penalties up to 1 November 2023.

On 23 December 2024, SESB signed the restructured loan agreement with the lender under the revised terms and accounted for the transaction as an extinguishment of financial liabilities. The derecognition of the existing loan and the recognition of a new loan resulted in a gain on extinguishment loan of RM123.4 million. SESB also assessed the impact on the government development grant which represents the interest rate differential between the market and the Government loan rate, resulting in a loss on restructuring of RM49.2 million, as disclosed in Note 27. The new financing facility, amounting to RM1.4 billion, carries a fixed profit rate of 4.0% and matures on 31 March 2044.

Loan moratorium

On 18 December 2024, SESB received an approval in principle from the lender for a moratorium on the repayment of nine loan instalments that were due in December 2024. Pursuant to the moratorium being granted, the Group continued to classify these borrowings in accordance with the existing repayment schedules, which remained effective until revised repayment schedule for the remainder of the loan facilities are agreed.

(iv) Term Loan – TSS

On 19 July 2017, TSS entered into a 20-year secured Istisna' Term Financing-i for a maximum principal of RM280.0 million to finance the construction of a 50MW solar power plant in Kuala Langat. The profit rate is based on Kuala Lumpur Interbank Offered Rate ('KLIBOR') plus a prevailing margin per annum. The financing is secured over the cash flows generated from the power plant and has a maturity date of 30 June 2037.

The term loan requires TSS to maintain certain financial covenants.

(v) Term Loan – TBSS

On 13 December 2018, TBSS secured a RM135.0 million Islamic Facility Agreement from MUFG Bank (Malaysia) Berhad to finance the construction of a 30MW solar power plant in Bukit Selambau, Kedah. The agreement's tenure is up to 20 years, with a profit rate at KLIBOR plus a prevailing margin per annum. The financing is secured over the cash flows generated from the power plant and has a maturity date of 10 December 2038.

The term loan requires TBSS to maintain certain financial covenants.

NOTES TO THE FINANCIAL STATEMENTS
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26 BORROWINGS (CONTINUED)

(a) Term loans (continued)

(vi) Term Loan – Cooling Energy Supply Sdn. Bhd. ('CES')

On 29 June 2022, CES obtained a 15-year RM147.0 million Tawarruq Term Financing-i ('TF-i') to part finance 80.0% of the total project cost, relating to the concession to operate, maintain and upgrade an existing district cooling co-generation plant and supply electricity and chilled water to Kuala Lumpur International Airport ('KLIA') with a floating rate at the prevailing KLIBOR plus 0.5% per annum with a maximum capping of 12.0% per annum. The TF-i facility will mature on 29 June 2037.

The term loan is secured by the following:

(a) Deed of Assignment of CES' proceeds, rights, title, profits/interests and benefits in respect of the Concession Agreement, the Cooling Energy Supply Agreements and the Electricity Supply Agreement;
(b) Assignment of relevant Takaful Contracts in relation to the Project;
(c) Debenture comprising fixed and floating charges over all present and future assets of CES; and
(d) Charge over the Designated Accounts (i.e. the Revenue Account and the Operating Account).

(vii) Term Loan – TNB Bukit Selambau Solar Dua Sdn. Bhd. ('TBSS2')

On 30 September 2022, TBSS2 secured a Term Financing-i Facility from CIMB Islamic Bank Berhad, amounting up to RM185.0 million. This financing is for the construction of a 50MW solar power plant in Bukit Selambau, Kedah. The financing facility's tenure is up to 21 years, with a profit rate based on KLIBOR plus a prevailing margin per annum. The profit period is up to 6 months, with a grace period of up to 15 months. The financing facility is required to be settled in full by the final maturity date of 21 December 2043, 21 years from the first disbursement of the financing facility.

The term loan requires TBSS2 to maintain certain financial covenants.

(viii) Term Loan – GSPARX Sdn. Bhd. ('GSPARX')

On 30 December 2024, GSPARX entered into a 7-year unsecured Green Financing-i via Commodity Murabahah Term Financing-i facility for RM650.0 million for general corporate purpose and finance investment in renewable energy assets. The profit rate is based on KLIBOR plus 0.7% profit margin per annum. The final maturity is set on 23 December 2031. As at 31 December 2024, GSPARX has drawn down RM350.0 million from the facility.

(ix) Term Loan – Norman 1985 Limited ('Norman')

The GBP63.5 million term loan was obtained on 25 July 2019 and secured against Norman's tangible fixed assets to finance its portfolio of wind farm assets. The loan bears a fixed interest rate of 2.8% per annum and will mature in March 2037.

(x) Term Loans – Dullarbtons and Elipsgeen

On 9 July 2021, both Dullarbtons and Elipsgeen, the wholly owned subsidiaries of Vantage RE No 3 Ltd., obtained secured facilities of EUR73.7 million and EUR73.0 million respectively. The facilities are secured against Dullarbtons' and Elipsgeen's tangible fixed assets to finance the construction of its solar portfolio. It includes three term facilities and a Value Added Tax ('VAT') facility issued under one facility agreement. The three term facilities are as below:

(a) Kreditanstalt für Wiederaufbau ('KfW') 17 years facility with the maturity on 31 December 2037. The facility bears a floating rate of Euro Interbank Offered Rate ('EURIBOR') plus 0.9% margin.
(b) KfW 20 years facility with the maturity on 30 June 2041. The facility bears a floating rate of EURIBOR plus 0.9% margin.
(c) Commercial Term Facility 20 years facility with the maturity on 30 June 2041. The facility bears a floating rate of EURIBOR plus 1.5% to 1.6% margin.

As Dullarbtons' debt service coverage ratio was below the required financial condition level as at 31 December 2024, Dullarbtons exercised its contractual right for an equity cure that was active at the year end. The equity cure was successfully implemented by February 2025 and hence Dullarbtons is not in breach of its financial covenant.

26 BORROWINGS (CONTINUED)

(a) Term loans (continued)

(xi) Term Loan – Vantage Solar UK Limited ('VSUK')

In February 2022, VSUK has refinanced the previous facility with a new external loan from non-banking institutions to replace the existing lenders. The new financing facility amounted to GBP274.9 million, with a fixed interest rate at 2.8% maturing on 31 March 2035. The facility is secured against VSUK's assets, i.e. machinery, buildings, and land.

(xii) Term Loan – VRE1

On 20 December 2022, VRE1 obtained an unsecured 15-year debt facility of GBP72.3 million for the purpose of refinancing the shareholder's loan provided by the ultimate holding company for the acquisition of 49.0% shareholding in BODL in 2021. The facility bears interest at a rate per annum equal to Sterling Overnight Index Average ('SONIA') plus an applicable margin of 1.4% to 1.5% and will mature on 30 September 2037. The facility is secured by a fixed and floating charge over the assets of VRE1, as well as over Vantage RE Limited's shares in VRE1.

(xiii) Term Loan – TWV

On 28 March 2018, TWV obtained a secured debt facility of GBP120.0 million for the purpose of refinancing the senior debt facility held by GVO Wind Limited ('GVO') and Bluemerang Capital Limited ('BCL'), the wholly owned subsidiaries of TWV. The debt facility is secured against TWV's assets, i.e. machinery, buildings and land. Following the London Interbank Offered Rate ('LIBOR') transition exercise, TWV entered into an addendum agreement in 2021 to reflect the new financing reference rate of SONIA plus an applicable margin which took effect from January 2022. The loan will mature on 30 September 2033.

(xiv) Term Loan – Clean Energy and Infrastructure UK Wind Limited ('CEI UK Wind')

The GBP73.1 million loan was obtained over 5 tranches and secured against CEI UK's tangible fixed assets, to finance its portfolio of wind farm assets. The loan bears a combination of fixed interest rate of 2.2% per annum and variable interest rate based on the Retail Price Index ('RPI') and will mature in June 2032.

(xv) Term Loans – VRE

(a) Term Loan – acquisition of JBM Solar Projects 23 Limited and JBM Solar Projects 18 Limited

On 21 March 2023, VRE entered into an unsecured 2-year financing facility with Sumitomo Mitsui Banking Corporation ('SMBC'), totalling GBP101.7 million, with an accordion facility of GBP45.1 million. The facility, for the purpose of acquiring and constructing a solar portfolio of 102MW RTB consisting of two sites, carries a variable interest rate based on SONIA plus a margin of 0.7%. It matures on 21 March 2025, with repayment in full on the maturity date. As of 31 December 2024, the full facility amount of GBP101.7 million has been fully utilised. On 19 March 2025, VRE and SMBC signed an amendment to the loan agreement to extend the facilities for a further 2 years.

(b) Term Loan – acquisition of solar portfolio in the Republic of Ireland

On 1 December 2023, VRE obtained an unsecured 5-year acquisition financing facility with MUFG Bank, Ltd. ('MUFG') of EUR99.5 million for the purpose of acquiring the operational solar portfolio in the Republic of Ireland as disclosed in Note 47. The facility interest rate is equal to EURIBOR plus an applicable margin of 1.3% per annum. The principal amount will be fully repaid on its maturity date on 1 December 2028.

(xvi) Term Loan – Stone BidCo

On 27 September 2023, Stone BidCo, a wholly owned subsidiary of TNBI, obtained an unsecured 5-year debt facility of up to AUD450.0 million for the purpose of the acquisition of 100% shareholding in Spark Renewables and to fund its development activities. The facility bears interest at a rate per annum equal to Bank Bill Swap Bid Rate ('BBSY') plus 1.4% per annum an applicable margin. The loan will mature on 27 September 2028. As at 31 December 2024, Stone BidCo has fully drawn down the facility.

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26 BORROWINGS (CONTINUED)

(a) Term loans (continued)

(xvii) Term Loan – Bomen SF FinCo Pty Ltd

On 16 October 2024, Bomen SF Finco Pty Ltd, an indirect wholly owned subsidiary of Spark Renewables, secured a 5-year mini-perm project finance loan of up to AUD55.0 million with a notional tenure up to 2045. This facility is to refinance the equity and/or shareholder loans originally used to fund the construction and development of the 120 MWp Bomen Solar Farm. The loan facility will be refinanced on every fifth anniversary of the loan. The facility currently carries an interest rate comprising the BBSY plus an applicable margin of 1.6% per annum. As at 31 December 2024, Bomen SF Finco Pty Ltd has drawn down AUD27.5 million from the facility.

(b) Bonds or Sukuk

(i) Debentures – USD350M @ 7.5% Due 2025

On 31 October 1995, the Company obtained an unsecured USD350.0 million debentures at fixed interest rate of 7.5% per annum. The debentures will mature on 1 November 2025 with 30 years tenure. The proceeds were used to fund the Company's capital expenditures.

(ii) Debentures – USD150M @ 7.5% Due 2096

On 16 January 1996, the Company obtained an unsecured USD150.0 million debentures at fixed interest rate of 7.5% per annum. The debentures will mature on 15 January 2096 with 100 years tenure. The proceeds were used to fund the Company's capital expenditures.

(iii) Sukuk – Islamic Medium Term Note Sukuk Wakalah (RM5.0 billion)

On 6 July 2017, the Company established unsecured RM5.0 billion Islamic Medium Term Note Sukuk Wakalah. The Sukuk Programme is to finance capital expenditure, investment, general corporate purpose, working capital requirements and/or refinance any existing financing facilities of the issuer and/or its subsidiaries and to defray any fees and expenses of the Sukuk Programme.

On 3 August 2017, the Company issued RM2.0 billion Sukuk Wakalah which comprised RM500.0 million with 15 years tenure and RM1.5 billion with 20 years tenure, with profit rates of 5.0% and 5.2% respectively.

On 29 August 2018, the Company issued RM3.0 billion Sukuk Wakalah which comprised RM1.0 billion with 15 years tenure and RM2.0 billion with 20 years tenure, with profit rates of 4.8% and 5.0% per annum respectively.

(iv) Sukuk – Islamic Medium Term Note Sukuk Wakalah (RM10.0 billion)

On 30 June 2020, the Company established unsecured RM10.0 billion Islamic Medium Term Note Sukuk Wakalah. The Sukuk Programme is to finance capital expenditure, investment, general corporate purposes, working capital requirement and/or refinance any existing financing facilities of the Company and/or subsidiaries and to defray any fees and expenses of Sukuk Wakalah Programme.

On 12 August 2020, the Company issued RM3.0 billion Sukuk Wakalah which comprised RM750.0 million with 10 years tenure, RM750.0 million with 15 years tenure and RM1.5 billion with 20 years tenure, with profit rates of 2.9%, 3.3% and 3.6% per annum respectively.

On 25 November 2021, the Company issued RM3.0 billion Sukuk Wakalah which comprised RM300.0 million with 7 years tenure, RM300.0 million with 10 years tenure, RM1.2 billion with 15 years tenure and RM1.2 billion with 20 years tenure, with profit rates of 3.9%, 4.1%, 4.5% and 4.7% per annum respectively.

On 30 June 2022, the Company issued RM4.0 billion Sukuk Wakalah which comprised RM1.12 billion with 7 years tenure, RM300.0 million with 10 years tenure, RM880.0 million with 15 years tenure, RM500.0 million with 20 years tenure and RM1.2 billion with 25 years tenure, with profit rates of 4.7%, 4.8%, 5.2%, 5.4% and 5.6% per annum respectively.

26 BORROWINGS (CONTINUED)

(b) Bonds or Sukuk (continued)

(v) Sukuk – TNB Janamanjung Sdn. Bhd. ('TNBJ')

On 25 November 2011, TNBJ through a special purpose entity, established a RM4.9 billion Islamic Securities Programme to finance the construction of 1,010MW coal-fired power plant. The tenure of the Islamic Securities Programme ranges from 5 to 20 years with a profit rate between 3.8% and 4.9% per annum.

The Islamic Securities were issued by Manjung Island Energy Berhad ('MIEB'), a special purpose vehicle company incorporated in Malaysia with a paid up capital of RM2.00 ordinary share. All of the issued shares of MIEB are held by Equity Trust (Malaysia) Berhad as share trustee for the benefit of certain specified charities, under the terms of a declaration of trust.

The Sukuk issued from the Islamic Securities Programme consists of 2 series and the details of the series are as follows:

(a) Series 1 consists of 15 tranches, with tenures ranging from 5 to 19 years.
(b) Series 2 consists of 1 tranche, with tenure of 20 years.

The Islamic Securities Programme Series 1 is secured by the followings:

(a) a first ranking assignment of all the TNBJ's rights, interest, titles and benefits under PPA 1 (Manjung 1, 2 & 3) and PPA 2 (Manjung 4), inclusive of the proceeds therefrom; and
(b) a first ranking assignment of all designated accounts and the related credit balances.

The carrying amounts of total assets pledged as security for borrowings are as disclosed.

The Islamic Securities Programme Series 2 is unsecured and has the benefit of unconditional and irrevocable guarantee from the Company, to meet the payment obligations of TNBJ.

The Sukuk requires TNBJ to maintain certain financial covenants.

(vi) Sukuk – TNB Northern Energy Berhad ('TNEB')

On 22 May 2013, TNEB entered into a RM1.6 billion Sukuk facility agreement to finance the construction of a 1,071MW gas-fired power plant. The tenure of the Sukuk is 23 years with profit rates between 3.6% and 4.8% per annum. The Sukuk facility agreement consists of 39 tranches with tenures ranging from 4 to 23 years with the final maturity date in March 2036. The Sukuk facility agreement is secured over the cash flows generated from the power plant.

(vii) Sukuk – Kapar Energy Ventures Sdn. Bhd. ('KEV')

On 5 July 2013, KEV issued a Sukuk based on the Shariah principles of Ijarah ('Sukuk Ijarah') of RM2.0 billion in nominal value. The tenures ranging from 1 to 13 years with profit rates of 3.8% to 5.0% per annum. The Sukuk proceeds were utilised for Shariah-compliant purposes, which include refinancing the outstanding Bai' Bithaman Ajil Islamic Debt Securities ('BaIDS'), payment of fees and expenses in relation to the Sukuk Ijarah facility and to meet the general working capital purposes of KEV. The Sukuk facility agreement is secured over the cash flows generated from the power plant.

The Sukuk requires KEV to maintain certain financial covenants.

(viii) Sukuk – TNB Western Energy Berhad ('TNBWE')

On 24 January 2014, TNBWE executed a RM3.7 billion Sukuk facility agreement to finance the construction of a 1,000MW coal-fired power plant. The tenure of the Facility Agreement is 23 years with a periodic distribution rate between 5.1% to 5.8% per annum. The Sukuk facility agreement is secured over cash flows generated from the power plant.

The Sukuk requires TNBWE to maintain certain financial covenants.

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26 BORROWINGS (CONTINUED)

(b) Bonds or Sukuk (continued)

(ix) Sukuk – JEP

On 4 December 2015, JEP issued a Sukuk Murabahah of RM9.0 billion in nominal value. The proceeds from the Sukuk Murabahah were utilised by JEP for shariah-compliant purposes in connection with the financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of a 2,000MW coal-fired power plant and associated facilities, including the transmission line and interconnection facilities. The tenure of the facility agreement is 23 years with profit rates between 5.0% and 6.8% per annum. The Sukuk facility agreement consists of 36 tranches with tenures ranging from 6 to 23 years.

The Sukuk Murabahah is secured by the following securities:

(a) a charge over the Power Plant Land, the sub-lease of the Power Plant Land, and the lease of the Jetty Lands;
(b) fixed and floating charges over all present and future assets of JEP excluding the certain bank accounts and all credit balances therein and any rights, interest, titles and benefits under the Offset Agreement and Offset Management Services Agreement;
(c) assignment of all JEP's rights, titles, interest and benefits under the project documents and the proceeds therefrom (including the power purchase agreemeent and revenues thereunder) but excluding the generation licence, Offset Agreement and Offset Management Services Agreement; and
(d) a charge over certain designated bank accounts.

The Sukuk Murabahah requires JEP to maintain certain financial covenants.

(x) Multi-currency Sukuk – TNB Global Ventures Capital Berhad ('TGVC')

On 4 October 2016, TGVC established a USD2.5 billion Multi-Currency Medium Term Note Sukuk Programme ('Sukuk Programme') to provide flexibility to the Group's fund raising exercise for its future investments. The Sukuk Programme is unsecured and has the benefit of an unconditional and irrevocable guarantee from the Company, to meet the payment obligations to the Sukukholders.

On 19 October 2016, TGVC issued USD750.0 million under this Sukuk Programme for a tenure of 10 years with profit rate of 3.2% per annum. Subsequently, on 1 November 2018, TGVC had a second issuance of USD750.0 million for a tenure of 10 years with a profit rate of 4.9%. Both issuances were listed and quoted on Bursa Malaysia Securities Trading (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited at its respective issuance date.

The proceeds from the issuances of the Sukuk Programme above were transferred by TGVC to the Company under the same terms as the Sukuk Programme.

(xi) Sukuk – SPG

On 31 October 2017, SPG issued a Sukuk Wakalah of RM3.7 billion in nominal value. The proceeds from the Sukuk Wakalah shall be utilised following shariah-compliant purposes, in connection with the financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of a 1,440MW Combine Cycle Gas-Fired Power Plant and associated facilities, including the transmission line and interconnection facilities.

The tenure of the facility agreement is 18 years with a periodic profit distribution rates between 4.7% and 5.6% per annum. The Sukuk facility agreement consists of 28 tranches with tenures ranging from 4.5 years to 18 years.

The Sukuk Wakalah is secured by the following securities:

(a) all property, plant and equipment including the plant, machinery, motor vehicle, furniture, fittings and other equipment of SPG.
(b) all shares, bonds and securities whether marketable or otherwise and all other interests including but not limited loan capital.

The Sukuk requires SPG to maintain certain financial covenants.

26 BORROWINGS (CONTINUED)

(b) Bonds or Sukuk (continued)

(xii) Sukuk – TNB Power Generation Sdn. Bhd. ('TPGSB')

On 2 June 2022, TPGSB issued unsecured Sustainability Sukuk Wakalah of RM1.5 billion (1st issuance) under an Islamic Medium Term Notes Programme of up to RM10.0 billion in nominal value ('Sukuk Wakalah Programme') which comprised RM150.0 million with 10 years tenure, RM750.0 million with 15 years tenure and RM600.0 million with 20 years tenure, with profit rates of 4.7%, 5.1% and 5.2% per annum respectively.

On 29 March 2023, TPGSB issued unsecured Sustainability Sukuk Wakalah of RM2.0 billion (2nd issuance) under the same Sukuk Wakalah Programme which comprised RM200.0 million with 7 years tenure, RM600.0 million with 10 years tenure, RM300.0 million with 15 years tenure and RM900.0 million with 20 years tenure, with profit rates of 4.3%, 4.6%, 4.7% and 4.8% per annum respectively.

The proceeds from these issuances of Sustainability Sukuk Wakalah under the Sukuk Wakalah Programme have been and shall be utilised by TPGSB to finance and/or refinance loans obtained to finance the development costs related to the planning, design, engineering, and construction of Nenggiri Hydroelectric Power Plant Project (Project Nenggiri) to be undertaken by TNBPG Hydro Nenggiri Sdn. Bhd. ('THNSB'), a special purpose vehicle set up to solely undertake Project Nenggiri.

(c) Preferred Equity Certificates ('PEC')

On 22 December 2017, Kumpulan Wang Persaraan ('KWAP') had provided a shareholder loan of GBP46.2 million to Vantage Solar Investments S.A.R.L ('VSI') through the subscription of PEC. The financial instrument bears a fixed interest rate of 8.0% per annum and will mature in 2047.

Reconciliation of borrowings from financing activities during the financial year is as follows:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
As at the beginning of the financial year	**61,770.2**	63,882.2	**29,678.1**	36,231.9
Cash flows:				
– Drawdowns	**2,902.1**	10,612.3	**1,505.0**	5,500.0
– Repayments	**(6,289.1)**	(14,185.7)	**(4,105.5)**	(12,340.5)
– Finance cost paid	**(2,845.8)**	(2,860.4)	**(1,172.0)**	(1,386.6)
Non-cash changes:				
– Finance cost (Note 37(b))	**2,851.4**	2,947.4	**1,166.7**	1,369.2
– Translation (gain)/loss – foreign term loans (Note 36)	**(414.7)**	304.1	**(414.7)**	304.1
– Changes in fair value	**20.6**	3.3	**0**	0
– Effect of changes in foreign currencies	**(464.7)**	365.6	**0**	0
– Acquisition of subsidiaries (Note 47)	**0**	701.4	**0**	0
– Modification gain on SESB Federal Government loan (Note 26(a)(iii))	**(123.4)**	0	**0**	0
As at the end of the financial year	**57,406.6**	61,770.2	**26,657.6**	29,678.1

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27 GOVERNMENT DEVELOPMENT GRANTS

Accounting Policy

Grants from the government are recognised at their fair values where there is a reasonable assurance that the grants will be received and the Group will comply with all its corresponding terms and conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to construction of PPE are included in non-current liabilities as deferred income and are credited to the statement of profit or loss on the straight-line method over the expected lives of the related assets.

A subsidiary of the Group obtained Government loans where the interest rate is below the market rate of interest. The differential between the initial carrying value of the loan based on market rate and the Government rate is recognised as a deferred income and is credited to the statement of profit or loss over the period necessary to match the interest costs.

Reconciliation of government development grants from financing activities during the financial year is as follows:

	Group	
	2024 RM'million	**2023 RM'million**
As at the beginning of the financial year	**922.8**	875.4
Received during the financial year:		
– Cash	**7.5**	13.3
– Assets	**311.5**	124.9
Released to statement of profit or loss:		
– Other operating income (Note 35)	**(83.6)**	(72.5)
– Finance cost (Note 37(b))	**(19.7)**	(18.3)
– Loss on loan restructuring (Note 26(a)(iii))	**49.2**	0
As at the end of the financial year	**1,187.7**	922.8

The government development grants are provided by the Government mainly for the construction of PPE of RM1,022.3 million (2023: RM777.9 million) and the Government loans below market interest rate are RM153.5 million (2023: RM124.0 million).

28 OTHER LIABILITIES

	Note	Group		Company	
		2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Retention monies	(a)	**877.7**	742.1	**859.3**	738.6
Provision for restoration costs	(b)	**473.3**	498.2	**0**	0
Contingent considerations	(c)	**6.3**	39.1	**0**	0
Others	(d)	**113.1**	69.3	**83.7**	25.8
		1,470.4	1,348.7	**943.0**	764.4

(a) Retention monies primarily relate to the vendor retention monies for projects with completion period of more than 12 months.

28 OTHER LIABILITIES (CONTINUED)

(b) Provision for restoration cost for certain assets for which there is an obligation to dismantle, remove and restore the sites at the end of their useful lives, discounted at the range of 2.9% to 5.1% (2023: 2.0% to 4.1%).

The movements in provision for restoration costs during the financial year are as follows:

	2024 RM'million	2023 RM'million
Group		
As at the beginning of the financial year	**498.2**	426.6
Acquisition of subsidiaries	**0**	5.0
Additions	**1.0**	38.1
Unwinding on discount	**18.1**	31.9
Change in estimates	**(32.4)**	(22.7)
Effect of changes in exchange rate	**(11.6)**	19.3
As at the end of the financial year	**473.3**	498.2

(c) The contingent considerations are arising from the acquisition of assets which are expected to be settled by 2029 and discounted at 6.1%.

(d) Mainly relates to the long-term contract arrangement with vendor and amount due to government for the Twelfth Malaysia Plan.

29 SHARE CAPITAL

Accounting Policy

Classification

Ordinary shares and non-redeemable preference shares with dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

Share issue costs

Incremental external costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends to shareholders of the Company

Dividends are recognised as liability in the period in which they are declared.

	Note	Group and Company	
		2024	2023
Issued and fully paid:			
Ordinary Shares		**5,812,948,071**	5,787,331,871
Special Rights Redeemable Preference Share	(a)	**1**	1
Total share capital issued and fully paid		**5,812,948,072**	5,787,331,872

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29 SHARE CAPITAL (CONTINUED)

	Note	Group and Company			
		Number of shares 2024 Million	Amount 2024 RM'million	Number of shares 2023 Million	Amount 2023 RM'million
Issued and fully paid:					
Ordinary Shares					
As at the beginning of the financial year		**5,787.3**	**12,499.5**	5,753.1	12,204.3
LTIP shares issued during the financial year	(b)	**25.6**	**200.7**	34.2	295.2
As at the end of the financial year		**5,812.9**	**12,700.2**	5,787.3	12,499.5

(a) Special Rights Redeemable Preference Share ('Special Share')

(i) The Special Share would enable the Government through the Minister of Finance Incorporated ('MOF Incorporated') to ensure that certain major decisions affecting the operations of the Company are consistent with the Government's policies. The Special Shareholder, which may only be the Government or any representative or person acting on its behalf, is entitled to receive notices of meetings but not to vote at such meetings of the Company. However, the Special Shareholder is entitled to attend and speak at such meetings.

The Special Shareholder has the right to appoint any person, but not more than six at any time, to be a member of the Board of Directors of the Company.

(ii) Certain matters, in particular the alteration of the Articles of Association of the Company relating to the rights of the Special Shareholder, creation and issue of additional shares which carry different voting rights, the dissolution of the Company, substantial disposal of assets, amalgamations, merger and takeover, require the prior consent of the Special Shareholder.

(iii) The Special Shareholder does not have any right to participate in the capital or profits of the Company.

(iv) The Special Shareholder has the right to require the Company to redeem the Special Share, at par, at any time.

(b) The Company issued and allotted ordinary shares of 25,448,900 on 28 June 2024 and 167,300 on 4 July 2024 to eligible employees, pursuant to the letter of offer dated 25 May 2021 and 20 July 2022 respectively in accordance with the by-laws of the LTIP scheme of the Company during the financial year ended 31 December 2024.

30 OTHER RESERVES

The Group's and the Company's other reserves comprise:

Nature	Description
LTIP reserve	Arising from the corresponding increase in equity from expenses recognised in the statement of profit or loss over the vesting period of the equity-settled shares based compensation plan for the Group's and the Company's employees as disclosed in Note 34.
Employee benefits reserve	Arising from the remeasurements of the net defined employee benefit liability.
Foreign currency translation reserve	Arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
FVOCI reserve	Arising from changes in fair value of financial assets at FVOCI.

30 OTHER RESERVES (CONTINUED)

The movements in each category of reserves are as follows:

	LTIP reserve RM'million	Employee benefits reserve RM'million	Foreign currency translation reserve RM'million	FVOCI reserve RM'million	Total RM'million
Group					
2024					
As at the beginning of the financial year	**237.0**	**(6,758.7)**	**(178.0)**	**17.1**	**(6,682.6)**
Arising in the financial year	**(139.3)**	**(197.6)**	**30.5**	**26.1**	**(280.3)**
As at the end of the financial year	**97.7**	**(6,956.3)**	**(147.5)**	**43.2**	**(6,962.9)**
2023					
As at the beginning of the financial year	344.4	(6,113.1)	(727.3)	32.7	(6,463.3)
Arising in the financial year	(107.4)	(645.6)	549.3	(15.6)	(219.3)
As at the end of the financial year	237.0	(6,758.7)	(178.0)	17.1	(6,682.6)

	LTIP reserve RM'million	Employee benefits reserve RM'million	FVOCI reserve RM'million	Total RM'million
Company				
2024				
As at the beginning of the financial year	**237.0**	**(6,415.1)**	**16.3**	**(6,161.8)**
Arising in the financial year	**(139.3)**	**(227.6)**	**26.2**	**(340.7)**
As at the end of the financial year	**97.7**	**(6,642.7)**	**42.5**	**(6,502.5)**
2023				
As at the beginning of the financial year	344.4	(5,829.8)	32.0	(5,453.4)
Arising in the financial year	(107.4)	(585.3)	(15.7)	(708.4)
As at the end of the financial year	237.0	(6,415.1)	16.3	(6,161.8)

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31 REVENUE

Accounting Policy

Revenue which represents income arising in the course of the Group's and the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contracts with customers. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or services promised in the contract. Depending on the substance of the respective contract with the customer, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company do not expect any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group and the Company do not adjust any of the transaction prices for the time value of money.

(a) Electricity revenue

Revenue from the supply of electricity in Peninsular Malaysia (since 2014), Sabah and the Federal Territory of Labuan (since 2022) is regulated based on certain formulae and parameters as set out in the regulatory implementation guidance under the IBR framework and as agreed with the regulators. The allowed revenue in each year is calculated as the sum of actual revenue earned and any applicable adjustments, such as those related to the Annual Regulatory Adjustment ('ARA'), allowance or top-up by the Government and other income adjustment mechanisms as described in the Guidelines on Electricity Tariff Determination.

The contract with customers is for the supply of electricity based on tariff rates as set out in the provision of the Electricity Supply Act 1990. Collection of the contract consideration from customers is considered probable.

The promise to supply electricity represents a promise to transfer a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. The performance obligation to deliver electricity is satisfied over time as the customers simultaneously received and consumed the benefits provided by the Group's and the Company's performance. Hence, electricity revenue is recognised over time by the Group and the Company when electricity is consumed by customers.

Generally, customers are billed monthly. As the amount at which the Group and the Company have a right to invoice corresponds directly with the value to the customer, the revenue from electricity sales is also recognised monthly. Payment should be made by customers within 30 days from the date the bill is issued. An interest charge will be imposed if payment is made later than 30 days after the bill date.

Electricity revenue includes an estimated value of the electricity consumed by customers from the date of their last meter reading and the reporting period end. Accrued unbilled revenues recognised as contract assets are reversed in the following month when actual billings occur.

Other income which is earned from services not directly related to electricity supply but are provided using the assets and/or staff of a licensee is deducted from the revenues to be earned from regulated tariffs.

(b) Goods and services

(i) Sale of goods

Sale of goods is recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been transported to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

31 REVENUE (CONTINUED)

Accounting Policy (continued)

(b) Goods and services (continued)

(i) Sale of goods (continued)

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a credit term of an average between 30 to 60 days, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Rendering of services

Revenue from providing services is recognised over the period in which the services are rendered. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer received and uses the benefits simultaneously.

In cases of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes hourly fees, revenue is recognised at the amount to which the Group has a right to invoice. The amounts are billed within 60 to 180 days from satisfying the performance obligations and payment is expected within 30 days from the billing date.

(c) Construction contracts

Revenue from construction contracts is recognised over time or at a point in time in accordance with performance obligations being satisfied. Where revenue is recognised over time, the satisfaction of performance obligation is by reference to the stage of completion which is assessed by reference to the contract costs incurred over the total estimated costs for each contract as at the reporting date. Otherwise, revenue is recognised at a point in time when the customer obtains control of the assets. The related costs are recognised in the statement of profit or loss when they are incurred.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include sale of goods as a separate performance obligation, revenue from this sale is recognised at a point in time when the goods are delivered, the legal title has passed and the customer has accepted the goods.

When the consideration of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the statement of profit or loss.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the statement of profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The amounts will be billed within 60 to 180 days from satisfying the performance obligations and payment is expected within 30 days from billing date. Advances received are included in contract liabilities.

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31 REVENUE (CONTINUED)

Accounting Policy (continued)

(d) Customers' contributions

Contributions received from customers in the form of cash and/or PPE in respect of capital contributions for the construction of assets, used to connect the customers to a network or to provide them with the service, is included in the revenue.

The customers' contributions are viewed as indirectly related to the promise of providing supply of electricity to the customers. Supply of electricity and customers' contributions are not distinct because the customers cannot benefit from these two services on their own. The connection infrastructures are to fulfil the obligation to supply electricity to the customers. Both the supply of electricity and customers' contributions are substantially the same, and have the same pattern of transfer to the customers.

Therefore, connection and the supply of electricity are one performance obligation. It is considered as part of the transaction price for the overall service provided to the customers and is recognised over time. The customers' contributions are deferred and recognised over the period the constructed assets are used to provide electricity to the customers. The contributions are recognised as contract liabilities and amortised over 20 years, being the estimated average useful life of the assets.

(e) Insurance contract revenue

Insurance revenue is recognised based on the expected premium receipts and the passage of time over the coverage period of a group of contracts unless the release of risk differs significantly from the passage of time, in which case insurance revenue is recognised based on the release of risk.

Disaggregation of revenue for the Group and the Company are categorised as follows:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Sales:				
– Electricity*	**54,545.7**	51,713.2	**50,707.5**	48,223.3
– Goods and services	**1,366.8**	731.1	**0**	0
Construction contracts	**124.7**	151.1	**0**	0
Customers' contributions	**310.2**	286.1	**243.1**	233.4
Revenue from contracts with customers	**56,347.4**	52,881.5	**50,950.6**	48,456.7
Insurance contract revenue	**389.7**	185.4	**0**	0
Total revenue	**56,737.1**	53,066.9	**50,950.6**	48,456.7
Over time	**55,203.7**	51,863.8	**50,950.6**	48,456.7
At a point in time	**1,143.7**	1,017.7	**0**	0
	56,347.4	52,881.5	**50,950.6**	48,456.7

* *Included in the sales of electricity of the Group and the Company are other regulatory adjustments of RM2,119.9 million (2023: RM1,243.9 million) and RM2,136.7 million (2023: RM1,272.2 million) respectively.*

The disaggregation of the revenue of the Group and of the Company by location is disclosed in Note 44.

32 IMBALANCE COST PASS-THROUGH ('ICPT') UNDER RECOVERY

Accounting Policy

ICPT, a mechanism established under the IBR framework allows the Group and the Company to pass through the volatility in fuel and other generation specific costs (termed as the 'Single Buyer Generation Cost') to the customers, such that the Group and the Company remain financially neutral. The Group's and the Company's claims and undertakings under the ICPT mechanism are such that any over or under recovery of these costs would be payable to or reimbursable from the Government. Upon approval by the Government, the agreed over or under recovery of these costs will be adjusted in the billing to customers, as ICPT rebate or surcharge or reimbursable by Government. Actual base tariff billed to the customers remains unchanged.

The ICPT over or under recovery is recognised in the statement of profit or loss, presented separately from revenue.

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
ICPT under recovery	**9,097.7**	10,598.2	**8,569.6**	10,213.4

33 OPERATING EXPENSES

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Cost of sales:				
– Energy cost	**40,683.7**	40,844.1	**39,362.1**	39,329.0
– Transmission cost	**2,191.4**	2,090.9	**2,006.4**	1,922.7
– Distribution cost	**8,755.0**	8,055.1	**8,222.4**	7,656.7
	51,630.1	50,990.1	**49,590.9**	48,908.4
Administrative expenses	**2,814.6**	3,083.8	**1,695.6**	1,833.7
Other operating expenses	**4,513.6***	3,297.2*	**968.9**	801.3
	58,958.3	57,371.1	**52,255.4**	51,543.4

** Other operating expenses include the cost of providing goods and services amounting to RM1,020.4 million (2023: RM624.0 million).*

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33 OPERATING EXPENSES (CONTINUED)

Operating expenses include the following items:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Purchases from Independent Power Producers ('IPPs')	**16,348.2**	15,498.4	**30,131.9**	31,283.8
Fuel costs	**18,738.7**	19,452.3	**3,517.6**	1,688.0
Non-Executive Directors' remuneration:				
– Fees and allowances	**3.4**	2.7	**3.2**	2.6
– Other emoluments	**0.6**	0.6	**0.6**	0.6
Auditors' remuneration:				
– PricewaterhouseCoopers PLT, Malaysia				
– Statutory audit	**4.7**	4.4	**1.6**	1.6
– Audit related services	**1.8**	1.9	**1.3**	1.3
– Non-audit services	**0.1**	0	**0.1**	0
– Member firm of PricewaterhouseCoopers International Limited				
– Statutory audit	**0.4**	5.9	**0**	0
– Audit related services	**0.1**	0	**0**	0
– Non-audit services	**1.0**	0.2	**0**	0
– Other auditors				
– Statutory audit	**6.0**	0.1	**0**	0
Staff costs (Note 34)*	**3,719.5**	3,885.8	**2,487.0**	2,670.1
PPE:				
– Depreciation	**8,075.5**	7,783.7	**5,250.9**	5,060.3
– Written off/Impairment	**142.9**	53.5	**64.4**	29.4
ROU assets:				
– Depreciation	**3,156.9**	3,482.0	**5,417.3**	5,709.6
Impairment losses on investments in:				
– Subsidiaries	**0**	0	**1.8**	15.2
– Joint ventures	**2.0**	1.3	**0**	0
– Associates	**30.2**	35.9	**0**	0
Reversal of impairment losses on investment in:				
– Subsidiaries	**0**	0	**(0.1)**	(137.7)
– Joint ventures	**(3.8)**	0	**0**	0
Impairment losses on intangible assets	**52.2**	123.6	**0**	0
Inventories:				
– Provision for obsolescence	**102.4**	59.0	**53.5**	50.0
– Write back of obsolescence	**(104.4)**	(93.4)	**(50.0)**	(64.8)
– Written off	**97.8**	98.7	**89.6**	89.4
Expenses arising from leases:				
– Low-value assets (Note 15)	**46.1**	39.6	**45.6**	39.3
– Short term lease (Note 15)	**161.5**	23.8	**80.2**	0
Research and development expenses	**181.8**	121.8	**96.9**	105.7
Loss on winding up of a subsidiary#	**134.1**	0	**0**	0

* *Staff costs include the remuneration of the Executive Director amounted to RM6.6 million (2023: RM3.9 million) for the Group and the Company.*

\# *During the year, the Group completed the winding-up of SPSB, leading to the derecognition of its reserves and NCI from the consolidated financial statements.*

The estimated monetary value of benefits received by the Directors was RM607,661 (2023: RM588,150) for the Group and the Company.

All non-audit services were procured competitively in accordance with TNB Procurement Policies and Procedures. Non-audit services can be offered by the external auditors of the Group if there are clear efficiencies and value added benefits to the Group.

34 STAFF COST

Accounting Policy

Short Term Employee Benefits

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Wages, salaries and bonuses	**2,171.7**	2,187.9	**1,199.4**	1,279.2
Defined contribution retirement plan	**460.7**	442.8	**344.6**	333.4
LTIP	**61.4**	187.8	**45.4**	130.7
Retirement Benefit Trust Fund	**50.9**	65.1	**38.6**	49.5
Post-Retirement Medical Benefit Scheme	**554.8**	605.3	**520.8**	571.3
Other employee benefits	**420.0**	396.9	**338.2**	306.0
	3,719.5	3,885.8	**2,487.0**	2,670.1

Details of the retirement benefit trust fund and post-retirement medical benefit scheme of the Group and of the Company are set out in Note 24.

LTIP

The Group and the Company operate an equity-settled share-based compensation plan under which the entity receives services from employees as consideration for equity instruments of the Group.

The fair value of the employee services received in exchange for the grant of the Company's shares is recognised as an expense in the statement of profit or loss over the vesting period of the grant, with a corresponding increase in share-based payment reserve in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted.

Non-market vesting conditions are included in the assumptions to arrive at the number of shares that are expected to vest. At the end of the reporting period, the Company revises its estimates of the number of shares that are expected to be vested. The impact of the revision of original estimates, if any, is recognised in the statement of profit or loss, with a corresponding adjustment to share-based payment reserve in equity.

The fair value of shares granted to employees of subsidiaries is allocated to the subsidiaries.

The Company implemented a LTIP on 30 April 2015 for a period of 10 years. The LTIP is governed by the by-laws, which was approved by the shareholders at an Extraordinary General Meeting on 18 December 2014. LTIP is intended to allow the Company to award the grant of new shares to be vested to selected employees for the attainment of identified performance objectives.

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34 STAFF COST (CONTINUED)

LTIP (continued)

(a) The main features of the LTIP

The LTIP comprises a Restricted Share Grant ('RS Grant') and a Performance Share Grant ('PS Grant'). The main difference in the features of the RS Grant and the PS Grant is the eligibility of the selected employees in terms of their job grades in the Group and the performance targets and/or performance conditions to be met prior to the offer and vesting of the grant to the selected employees.

The details of the grant are as follows:

(i) RS Grant

The RS Grant is a restricted share grant for all eligible employees selected on a basis designated by the LTIP Committee. The RS Grant will be awarded annually to the selected employees to be vested over a period of 3 years on a pro-rata basis and after fulfilment of individual performance targets based on the Group's performance management system (such as individual performance rating) and certain performance conditions (such as financial targets) as determined by the LTIP Committee from time to time at its discretion in accordance with the terms and conditions of the LTIP.

(ii) PS Grant

The PS Grant is a performance share grant for senior executives of the Group and the Executive Director as well as key employees of the Group selected on a basis designated by the LTIP Committee. The PS Grant will be awarded annually to the selected employees to be vested at the end of the 3-year period and after fulfilment of certain performance targets and/or conditions at the time of grant and vesting, which may include, among other factors, total shareholders' return and the long term financial performance targets/ratios of the Group as determined by the LTIP Committee from time to time at its discretion in accordance with the terms and conditions of the LTIP. At the point of vesting, the final award of the PS Grant is based on a multiple of the initial grant whereby the multiple is determined according to the performance targets and/or conditions. In the event the performance targets and/or conditions are not met by the selected employees, the grant will not be vested to them at the end of the performance period.

The new ordinary shares to be allotted and issued upon the vesting of the ordinary shares pursuant to the RS Grant and PS Grant will not be subjected to any retention period or restriction on transfer.

In implementing the LTIP, the grant will be satisfied by way of allotment and issuance of new ordinary shares to the respective RS and PS grantees upon vesting of the grant.

The LTIP Committee shall decide from time to time at its discretion to determine or vary the terms and conditions of the offer, such as the eligibility criteria and allocation in each grant, the timing and frequency of the award of the grant, the performance targets and/or performance conditions to be met prior to the offer and vesting of the grant and the vesting period.

(b) Maximum number of new ordinary shares available under the LTIP

The maximum number of new ordinary shares which may be made available under the LTIP and/or allotted and issued upon vesting of the new ordinary shares under the LTIP shall not be more than 10.0% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) at any point in time during the duration of the LTIP.

34 STAFF COST (CONTINUED)

LTIP (continued)

(c) Basis of allocation and maximum allowable allotment

The total number of new ordinary shares that may be offered to any one of the selected employees and/or to be vested in any one of the grantees under the LTIP at any time shall be at the discretion of the LTIP Committee (subject to the by-laws and any applicable law).

(d) Eligibility

Employees of the Group and of the Company (including the Executive Director) who meet the following criteria as at the date of offer shall be eligible to be considered as an eligible employee to participate in the LTIP:

(i) Has attained the age of 18 years;
(ii) Has entered into a full-time or fixed-term contract of employment with, and is on the payroll of any company within the Group and has not served a notice of resignation or received a notice of termination;
(iii) Whose service/employment has been confirmed in writing;
(iv) Is not a non-executive or independent director of the Company; and
(v) Has fulfilled any other eligibility criteria which has been determined by the LTIP Committee at its discretion from time to time, as the case may be.

The LTIP Committee may determine any other eligibility criteria for the purpose of selecting an eligible employee at any time and from time to time, at its discretion.

(e) Ranking of the new ordinary shares

The new ordinary shares to be allotted and issued pursuant to the LTIP shall, upon allotment and issuance, rank equally in all respects with the then existing issued ordinary shares.

The new ordinary shares to be allotted and issued pursuant to the vesting of the grant under the LTIP shall not be entitled to any dividends, rights, allotments and/or any other distributions, for which the entitlement date is prior to the date on which the new ordinary shares are credited into the Central Depository System ('CDS') accounts of the respective grantees upon vesting of the grant under the LTIP.

(f) Alteration of share capital and adjustment

If the LTIP Committee so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the duration of LTIP, which expires on 29 April 2025, such corresponding alterations (if any) may be made to the LTIP in:

(i) The number of unvested new ordinary shares comprised in a grant; and/or
(ii) The method and/or manner in the vesting of the new ordinary shares comprised in a grant.

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34 STAFF COST (CONTINUED)

LTIP (continued)

The movement in the total number of share grants during the financial year is as follows:

	At 1.1.2024 '000	Additional* '000	Forfeited '000	Vested '000	At 31.12.2024 '000
2024					
Group					
LTIP 7	**10,096.1**	**0**	**(591.0)**	**(9,505.1)**	**0**
RS Grant	**2,316.3**	**109.0**	**(260.5)**	**(2,164.8)**	**0**
PS Grant					
LTIP 8					
RS Grant	**28,847.9**	**0**	**(1,632.6)**	**(13,946.3)**	**13,269.0**
PS Grant	**3,677.1**	**0**	**(669.0)**	**0**	**3,008.1**
Company					
LTIP 7					
RS Grant	**6,954.9**	**0**	**(256.9)**	**(6,698.0)**	**0**
PS Grant	**1,714.6**	**78.2**	**(216.0)**	**(1,576.8)**	**0**
LTIP 8					
RS Grant	**19,502.6**	**0**	**(840.1)**	**(9,717.5)**	**8,945.0**
PS Grant	**2,625.6**	**0**	**(350.4)**	**0**	**2,275.2**

** The final amount of vesting under PS Grant 7 is in accordance with terms and condition approved by the Board Nomination and Remuneration Committee ('BNRC') as stated in Note 34(a)(ii) above.*

34 STAFF COST (CONTINUED)

LTIP (continued)

The movement in the total number of share grants during the financial year is as follows: (continued)

	At 1.1.2023 '000	Forfeited '000	Vested '000	At 31.12.2023 '000
2023				
Group				
LTIP 6				
RS Grant	7,726.7	(349.7)	(7,377.0)	0
PS Grant	2,152.9	(2,152.9)	0	0
LTIP 7				
RS Grant	22,015.4	(1,064.5)	(10,854.8)	10,096.1
PS Grant	2,832.9	(516.6)	0	2,316.3
LTIP 8				
RS Grant	47,126.3	(2,255.7)	(16,022.7)	28,847.9
PS Grant	4,370.2	(693.1)	0	3,677.1
Company				
LTIP 6				
RS Grant	5,232.5	(166.5)	(5,066.0)	0
PS Grant	1,555.5	(1,555.5)	0	0
LTIP 7				
RS Grant	15,065.8	(617.6)	(7,493.3)	6,954.9
PS Grant	2,021.6	(307.0)	0	1,714.6
LTIP 8				
RS Grant	31,920.4	(1,338.0)	(11,079.8)	19,502.6
PS Grant	3,047.5	(421.9)	0	2,625.6

The fair value of the share granted is estimated using the Monte Carlo Simulation Model with the following inputs:

	Group and Company					
	LTIP 6		LTIP 7		LTIP 8	
	RS Grant	PS Grant	RS Grant	PS Grant	RS Grant	PS Grant
Fair value at grant date	RM10.08 – RM10.99	RM9.08^	RM8.78 – RM9.60	RM7.90^	RM6.88 – RM7.55	RM6.46^
Share price at grant date	RM11.34	RM11.34	RM9.93	RM9.93	RM7.93	RM7.93
Expected volatility*	19.5%	19.5%	22.5%	22.5%	21.0%	21.0%
Expected dividend yield	4.5%	4.5%	4.0%	4.0%	5.3%	5.3%
Risk-free interest rate**	1.7%	2.1%	2.1%	2.6%	3.2%	3.5%
Grant date	27 July 2020	27 July 2020	25 May 2021	25 May 2021	20 July 2022	20 July 2022
Vesting date		28 April 2023		28 June 2024		29 April 2025
– Tranche 1	27 May 2021	N/A	18 July 2022	N/A	15 June 2023	N/A
– Tranche 2	18 July 2022	N/A	15 June 2023	N/A	28 June 2024	N/A
– Tranche 3	15 June 2023	N/A	28 June 2024	N/A	29 April 2025	N/A

^ Market considerations have been included in the consideration of fair value.
** Expected volatility is based on TNB's 3-year average daily historical volatility.*
*** Risk-free interest is based on Malaysian Government Securities yield.*

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35 OTHER OPERATING INCOME

Accounting Policy

Other operating income are the non-core revenue received for sales of goods and services rendered by the Group and the Company. Leasing income is accrued, unless collectability is in doubt. Dividend income is recognised when the shareholders' rights to receive payment is established. Interest on late payments is the 1.0% late payment interest charge imposed if payment of electricity bill is made later than 30 days after the bill date in accordance with the Licensee Supply Regulations 1990. Accounting policy on gain on disposals of PPE are disclosed in Note 5. All others are recognised upon completion of the rendering of services or sales of goods not in the ordinary course of the Group's and of the Company's business.

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Dividend income from:				
– Quoted shares	**1.2**	0.8	**1.2**	0.8
– Unquoted shares	**3.5**	0.1	**3.5**	0
– Subsidiaries	**0**	0	**80.0**	7.4
– Associates	**0**	0	**83.9**	72.8
Leasing income	**39.7**	40.0	**77.8**	79.9
Release of government development grants (Note 27)	**83.6**	72.5	**0**	0
(Loss)/gain on disposals of PPE	**(22.6)**	14.3	**(22.6)**	14.3
(Loss)/gain on disposals of ROU	**(1.8)**	2.6	**0**	2.6
Gain on sale and leaseback	**0**	0	**8.8**	0
Interest on late payments	**193.5**	234.0	**180.8**	223.9
Other electricity income	**64.1**	74.0	**108.4**	108.1
Theft of electricity	**128.0**	149.8	**128.0**	149.8
Liquidated damages	**173.0**	62.2	**7.4**	11.1
Gain on disposal of an associate	**0**	21.3	**0**	0
Insurance recoveries	**15.3**	72.9	**14.0**	2.7
Corporate joint income	**0**	0	**140.2**	151.6
Operation and maintenance claims	**37.9**	36.4	**0**	0
Sales of scrap	**111.5**	44.4	**34.4**	10.0
Other income	**227.6**	122.9	**110.0**	74.3
	1,054.5	948.2	**955.8**	909.3

Other income comprises primarily income from rechargeable works.

36 FOREIGN EXCHANGE GAIN/(LOSS)

Accounting Policy

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Ringgit Malaysia ('RM'), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. However, exchange differences are deferred in OCI when they are attributable to items that form part of the net investment in a foreign operation.

(c) Group companies

The results and financial positions of the Group's entities that have functional currencies which are different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) Income and expenses for each statement of profit or loss and OCI are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising on these items are recognised in OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), the cumulative amount of the exchange differences relating to that foreign operation recognised in OCI, and accumulated in the separate component of equity, are reclassified from equity to statement of profit or loss, as part of the gain or loss on disposal.

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Foreign exchange gain/(loss) comprises:				
Translation gain/(loss) – foreign term loans	**414.7**	(304.1)	**414.7**	(304.1)
Translation gain/(loss) – others	**77.5**	13.5	**(19.2)**	160.3
Total foreign exchange translation gain/(loss)	**492.2**	(290.6)	**395.5**	(143.8)
Transaction gain – foreign term loans	**9.6**	1.3	**9.6**	1.3
Transaction (loss)/gain – others	**(34.4)**	79.8	**(31.9)**	90.8
	467.4	(209.5)	**373.2**	(51.7)

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37 FINANCE INCOME/COST AND FAIR VALUE CHANGES OF FINANCIAL INSTRUMENTS

Accounting Policy

Finance income are interests received from investments or financial instruments.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Finance income is calculated by applying the effective interest method to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowances).

The accounting policy on fair value changes are as per disclosed in Note 45.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily takes substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

Accounting policy on finance charges for lease liabilities and government grants are disclosed in Note 15 and Note 27, respectively.

	Group		Company	
	2024 RM'million	2023 RM'million	**2024 RM'million**	2023 RM'million
(a) Finance income:				
Interest from subsidiaries	**0**	0	**272.4**	258.9
Interest from deposits, staff loans and associates	**704.2**	614.8	**534.0**	429.3
Less: Amount capitalised into PPE	**(75.5)**	(70.5)	**0**	0
	628.7	544.3	**806.4**	688.2
(b) Finance cost:				
Finance cost on:				
– Borrowings (Note 26)	**2,851.4**	2,947.4	**1,166.7**	1,369.2
– Lease liabilities (Note 15)	**1,508.6**	1,636.5	**3,873.0**	4,043.7
– Consumer deposits	**215.2**	197.0	**205.4**	187.7
– Others	**10.1**	16.5	**154.1**	143.1
Release of government grants (Note 27)	**(19.7)**	(18.3)	**0**	0
Less: Amount capitalised into PPE	**(467.8)**	(448.0)	**(259.9)**	(275.0)
	4,097.8	4,331.1	**5,139.3**	5,468.7
(c) Fair value changes of financial instruments:				
(Loss)/Gain on changes in fair value of financial assets	**(166.9)**	(46.8)	**(172.1)**	(3.1)
Gain/(Loss) on changes in fair value of financial liabilities	**155.8**	(2.6)	**2.9**	2.0
	(11.1)	(49.4)	**(169.2)**	(1.1)

38 TAXATION AND ZAKAT

Accounting Policy

(a) Income tax

Current tax expense is determined by the expected income taxes payable in respect of the taxable profit for the financial year and is measured using the applicable tax rates according to the tax laws enacted or substantively enacted at the end of the reporting period in the countries in which the Company and its subsidiaries operate and generate the taxable profits.

Management periodically evaluates the positions taken in its tax returns with respect to situations in which applicable tax regulations are subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in OCI. In this case, the item is recognised in OCI, net of tax.

The Group and the Company recognise non-current tax recoverable on an undiscounted basis.

International Tax Reform (Pillar 2 Model Rules)

The Group adopted the 'International Tax Reform – Pillar Two Model Rules (amendments to MFRS 112)'. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately and require new disclosures about the Pillar Two exposure.

Pillar Two legislation has been enacted or substantively enacted in a number of locations where the Group operates including the United Kingdom, Republic of Ireland, Australia and Luxembourg. These legislations were effective for the Group's financial year beginning 1 January 2024. Pillar Two legislation has also been enacted in Malaysia, but these rules will only be effective from 1 January 2025.

The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes, based on the most recent historical information available regarding the financial performance of the Group, as if Pillar Two rules were effective in 2024 for all jurisdictions in which the Group operates. Based on the assessment performed, the Group met the transitional safe harbour relief for all jurisdictions in which the Group operates. Consequently, the Group does not estimate a material exposure derived from the new Pillar Two rules, without prejudice to the relevant administrative burdens that will entail its implementation and numerous areas of uncertainty in the interpretation of the Pillar Two rules.

(b) Zakat

The Group and the Company recognise its obligation towards the payment of zakat on business income in the statement of profit or loss. Zakat payment is an obligation and is accrued based on 2.5% of profit before tax and determined according to the percentage of Muslim shareholding in the Company.

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38 TAXATION AND ZAKAT (CONTINUED)

The taxation and zakat for the Group and the Company comprise:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Current tax:				
– Malaysian corporate income tax	**662.7**	572.2	**324.0**	317.9
Deferred tax (Note 12)	**378.8**	158.9	**257.0**	35.7
Tax expense	**1,041.5**	731.1	**581.0**	353.6
Zakat	**43.7**	38.9	**36.9**	27.4
	1,085.2	770.0	**617.9**	381.0
The analysis of the tax expense is as follows:				
Current tax:				
– Current financial year	**690.9**	599.4	**338.2**	352.8
– Over accrual in prior financial years	**(28.2)**	(27.2)	**(14.2)**	(34.9)
	662.7	572.2	**324.0**	317.9
Deferred tax:				
– Origination and reversal of temporary differences (Note 12)	**378.8**	158.9	**257.0**	35.7
	1,041.5	731.1	**581.0**	353.6

The explanation of the relationship between tax expense and profit before taxation and zakat is as follows:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Profit before taxation and zakat	**5,814.8**	3,373.6	**4,754.4**	3,336.0
Tax calculated at the Malaysian corporate income tax rate of 24% (2023: 24%)	**1,395.6**	809.7	**1,141.1**	800.6
Tax effects of:				
– Share of results of associates and joint ventures	**(25.8)**	(15.0)	**0**	0
– Income not subject to tax	**(403.0)**	(266.3)	**(398.0)**	(210.7)
– Expenses not deductible for tax purposes	**799.6**	943.4	**572.7**	545.2
– Expenses qualifying for double deduction	**(9.8)**	(4.9)	**(9.1)**	(2.6)
– Current financial year unrecognised temporary differences, unused tax losses and reinvestment allowance	**139.3**	31.5	**0**	29.7
– Foreign jurisdictions	**(8.7)**	(3.6)	**0**	0
– Over accrual of tax in prior financial years	**(28.2)**	(27.2)	**(14.2)**	(34.9)
– Recognition and utilisation of previously unrecognised temporary differences	**(135.7)**	(129.2)	**(29.7)**	(169.5)
– Zakat	**43.7**	38.9	**36.9**	27.4
– Utilisation of reinvestment allowance*	**(681.8)**	(607.3)	**(681.8)**	(604.2)
Tax and zakat charge	**1,085.2**	770.0	**617.9**	381.0
Average effective tax rate (%)	**18.7**	22.8	**13.0**	11.4

** The reinvestment allowance incentive was enacted by the Government through the Finance Act 2020 for YA 2020 to YA 2022 and subsequently extended to YA 2024 under the Finance Act 2021.*

38 TAXATION AND ZAKAT (CONTINUED)

The tax charge relating to components of OCI is as follows:

	2024			2023		
	Before tax RM'million	Tax charged RM'million	After tax RM'million	Before tax RM'million	Tax charged RM'million	After tax RM'million
Group						
Defined benefit plan actuarial (loss)/gain (Note 24)	**(337.4)**	**80.9**	**(256.5)**	(867.3)	208.7	(658.6)
Effect of changes in foreign currencies	**(113.0)**	**0**	**(113.0)**	427.8	0	427.8
Fair value changes of financial assets at FVOCI	**26.1**	**0**	**26.1**	(15.6)	0	(15.6)
Share of OCI of associates accounted for using the equity method	**(17.6)**	**0**	**(17.6)**	133.0	0	133.0
	(441.9)	**80.9**	**(361.0)**	(322.1)	208.7	(113.4)
Company						
Defined benefit plan actuarial (loss)/gain (Note 24)	**(299.4)**	**71.8**	**(227.6)**	(770.1)	184.8	(585.3)
Fair value changes of financial assets at FVOCI	**26.2**	**0**	**26.2**	(15.7)	0	(15.7)
	(273.2)	**71.8**	**(201.4)**	(785.8)	184.8	(601.0)

39 EARNINGS PER SHARE ('EPS')

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares issued during the financial year.

	Group	
	2024	2023
Profit attributable to owners of the Company (RM'million)	**4,698.6**	2,770.3
Weighted average number of ordinary shares in issues ('000)	**5,800,417**	5,771,843
Basic earnings per share (sen)	**81.00**	48.00

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit attributable to owners of the Company for the financial year and the weighted average number of ordinary shares issued during the financial year has been adjusted for the dilutive effects of all potential ordinary shares such as the LTIP granted to employees.

	Group	
	2024	2023
Profit attributable to owners of the Company (RM'million)	**4,698.6**	2,770.3
Weighted average number of ordinary shares in issue ('000)	**5,800,417**	5,771,843
Adjustment for LTIP ('000)	**13,269**	25,008
Weighted average number of ordinary shares for diluted earnings per share ('000)	**5,813,686**	5,796,851
Diluted earnings per share (sen)	**80.82**	47.79

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40 DIVIDENDS

	Group and Company	
	2024 RM'million	2023 RM'million
Interim single tier dividend for the financial year 2024 of 25.0 sen per share on 5,812,948,071 ordinary shares (2023: interim single tier dividend of 18.0 sen per share on 5,787,331,871 ordinary shares)	**1,453.2**	1,041.7
Approved final single tier dividend for the financial year 2024 of 26.0 sen per share on 5,812,948,071 ordinary shares (2023: final single tier dividend of 28.0 sen per share on 5,787,331,871 ordinary shares)	**1,511.4**	1,620.5
	2,964.6	2,662.2

Interim dividends are paid and accounted for in shareholders' equity as an appropriation of retained profits in the financial year.

The Directors have approved a final single tier dividend of 26.0 sen per share on 5,812,948,071 ordinary shares in respect of the financial year ended 31 December 2024 amounting to a total of RM1,511.4 million. The dividends will be paid on 16 April 2025.

41 COMMITMENTS

(a) Capital commitments for 5 years

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Authorised capital expenditure not provided in the financial statements:				
PPE				
– Contracted	**282.8**	741.5	**282.8**	576.4
– Not contracted	**98,640.9**	99,054.3	**58,049.2**	69,942.5
	98,923.7	99,795.8	**58,332.0**	70,518.9

(b) Operating lease commitments – as lessor

The Group and the Company lease out its PPE under non-cancellable operating leases. The lessees are required to pay absolute fixed lease payments during the lease period. Total future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Receivable not later than 1 year	**28.8**	25.8	**88.4**	83.2
Receivable later than 1 year and not later than 2 years	**5.5**	2.8	**49.7**	59.4
Receivable later than 2 years and not later than 3 years	**1.4**	1.0	**22.9**	42.6
Receivable later than 3 years and not later than 4 years	**0.1**	0.1	**19.5**	19.9
Receivable later than 4 years and not later than 5 years	**0.0**	0.0	**15.1**	18.4
Receivable more than 5 years	**0.5**	0.5	**57.5**	47.1
	36.3	30.2	**253.1**	270.6

42 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS

Accounting Policy

The Group and the Company do not recognise contingent assets and liabilities other than those arising from business combinations but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and of the Company. The Group and the Company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not certain.

Determination of the treatment of contingent liabilities is based on the Group's and the Company's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group and the Company for matters in the ordinary course of business.

Contingent liabilities

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Claims by third parties:				
– Contractors	**181.6**	82.1	**105.8**	82.1
– Customers	**11.8**	14.5	**11.8**	14.5
– Others	**189.7**	185.7	**16.8**	21.2
	383.1	282.3	**134.4**	117.8

All third party claims are being resolved and the Directors are of the opinion that their outcomes will not have a material adverse effect on the financial positions of both the Group and the Company.

Claims by third parties include claims by contractors, consumers and statutory body. These claims are being addressed and the Directors are of the opinion that their ultimate resolution will not have a material effect on the financial position of the Group and the Company.

Material litigations

(a) Reinvestment allowance ('RIA')

On 7 December 2016, the Company and the Inland Revenue Board of Malaysia ('IRB') entered into a consent judgement before the Kuala Lumpur High Court to substitute judicial review proceedings for notices of additional assessment dated 23 November 2015 for Years of Assessment ('YA') 2013 and 2014 amounting to RM2,068.2 million (referred to as 'Notices 1') arising from the disallowance of the Company's RIA claims. The consent judgement also stipulates that the IRB will not commence any proceedings relating to the Notices 1 until the matter is determined by the Special Commissioners of Income Tax ('SCIT') and the High Court, if there is a subsequent appeal by either party. On 15 December 2016, the Company filed appeals against the Notices 1 to the SCIT according to Section 99(1) of the Income Tax Act 1967, which have since been registered before the SCIT. However, the trial at SCIT is adjourned, pending the Federal Court's decision in relation to the notice of additional assessment for YA 2018.

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42 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

Material litigations (continued)

(a) RIA (continued)

Meanwhile, for the notices of additional assessment issued for YAs 2015, 2016, and 2017 amounting to RM3,977.9 million (referred to as 'Notices 2'), both the Company and the IRB recorded a consent order for judicial review application before the High Court on 30 December 2020. On 22 August 2023, the High Court allowed the Company's judicial review application to set aside the Notices 2. The High Court agreed that the Company is in the business of manufacturing electricity and as such, the Company is entitled to claim RIA on the capital expenditures which were incurred in YAs 2015, 2016 and 2017 in the course of expanding, modernising and automating its business. In response, on 25 August 2023, the IRB filed a notice of appeal against the High Court's decision. However, the hearing before the Court of Appeal is adjourned, pending the Federal Court's decision in relation to the notice of additional assessment for YA 2018.

With regards to the notice of additional assessment for YA 2018 amounting to RM1,812.5 million (referred to as 'Notice 3'), both the Company and the IRB recorded a consent order for judicial review application before the High Court on 21 January 2021. On 8 February 2022, the High Court allowed with cost, the Company's judicial review application to set aside the Notice 3. Separately, on 8 February 2022, the IRB filed a notice of appeal against the High Court decision. On 16 May 2024, the Court of Appeal dismissed the IRB's appeal against the decision of the High Court in allowing the Company's judicial review application to set aside the Notice 3. Both courts agreed that the Company is in the business of manufacturing electricity and as such, the Company is entitled to claim RIA on the capital expenditure which was incurred in YA 2018 in the course of expanding, modernising, and automating its business. IRB filled a Notice of Appeal on 12 September 2024, and the Federal Court has fixed the hearing date for the appeal on 4 February 2025. Pursuant to the hearing held, the Court, after considering the submissions of the parties, has reserved its judgement to a later date. The date of the judgement will be duly communicated to the Company in due course.

On 19 August 2024, the Company received notices of additional assessment for YAs 2020 and 2021 (referred to as 'Notices 4') amounting to RM1,391.0 million that are similar in nature to the above-mentioned Notices 1, 2, and 3. The Company has filed the judicial review application on 5 September 2024 before the High Court. Separately, on 25 September 2024, the High Court has fixed the hearing date on 29 April 2025.

Notwithstanding the outcome of the court proceedings, IRB had agreed to remit all penalties imposed for YAs 2013 to 2018, totalling RM2,438.9 million, in accordance with the signed consent orders in respect of the judicial review proceedings for YAs 2015 to 2017 and YA 2018. The potential tax liability was RM6,810.7 million after the remission of penalties. Nonetheless, the total net cash outflow exposure is estimated at RM5,053.5 million after taking into account the amount paid to IRB in December 2020 of RM1,757.2 million in relation to YAs 2016 and 2017.

The Company has obtained legal advice from its tax solicitors on the merits of the cases mentioned above and on this basis, the Directors are of the opinion that there is no provision is required in the financial statements for the potential tax liability up to the reporting date. Notwithstanding with the above, the Company continued to claim the RIA for YAs 2022, 2023 and will claim in 2024 as permitted by the law.

(b) SPG

On 26 May 2023, the IRB issued notices of assessment for YAs 2017, 2018, 2019, 2020 and 2021 amounting in aggregate to RM78.5 million to SPG.

On 6 June 2023, SPG filed a judicial review against the IRB at the High Court to challenge the matters arising from the above-mentioned notices. Subsequently, on 14 September 2023, the High Court granted leave to SPG to commence judicial review against the IRB and granted an interim stay of all further proceedings including the enforcement until the substantive hearing on 11 January 2024. Due to an ongoing discussion with a view to a proposed settlement with the IRB, the substantive hearing was vacated. The IRB has stated that they have no objection to the interim stay being granted and the Court allowed for the adjournment. The High Court proceeded to fix a new case management date on 21 March 2025 to fix a hearing date and update in the extension of interim stay.

Based on the legal advice obtained from its tax solicitors on the merits of the case, SPG is of the view that no provision is required for the potential tax liability up to the reporting date.

42 CONTINGENT LIABILITIES AND MATERIAL LITIGATIONS (CONTINUED)

Material litigations (continued)

(c) TNBWE

TNBWE, an indirect wholly owned subsidiary of the Company, via TNB Manjung Five Sdn. Bhd., a wholly owned subsidiary of TNB Power Generation Sdn. Bhd. has received a notice of assessment for the YA 2018, dated 10 December 2024, from the IRB, amounting to RM291.6 million.

On 31 December 2024, TNBWE filed a judicial review application at the High Court to challenge matters arising from the above-mentioned notice. On 9 January 2025, the High Court granted an interim stay on all further proceedings, including the enforcement, until the full and final disposal of the judicial review leave application. The High Court has scheduled the leave hearing on 14 April 2025. Based on the legal advice obtained from its tax solicitors on the merits of the case, TNBWE is of the view that no provision is required for the potential tax liability up to the reporting date.

There is no other pending material litigation other than those announced to Bursa Malaysia since the date of the last audited financial statements.

43 SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence.

The related parties of the Group and of the Company are:

(a) Subsidiary companies

Details of the subsidiary companies are shown in Note 48.

(b) Associate companies

Associate companies are those entities in which the Group has significant influence but not control as disclosed in Note 50.

(c) Key Management Personnel ('KMP')

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The KMP of the Group or of the Company includes Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Company.

Whenever exist, related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any KMP or their close family members.

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43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(d) Government-related entities

Government-linked corporations are related to the Group and the Company by virtue of the substantial shareholdings of Khazanah Nasional Berhad ('KNB'), with 22.4% (2023: 22.4%) equity interest. KNB is a wholly owned entity of MOF Incorporated which is in turn owned by the Ministry of Finance. KNB and entities directly controlled by the Government are collectively referred to as government-related entities to the Group and the Company.

The Government and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Group and of the Company. The Group and the Company enter into transactions with many of these bodies, which include but are not limited to purchasing of goods, including use of public utilities and amenities, and the placing of bank deposits.

All the transactions entered into by the Group and the Company with the government-related entities are conducted in the ordinary course of the Group's and of the Company's businesses on negotiated terms or terms comparable to those with other entities that are not government-related, except otherwise disclosed elsewhere in the financial statements.

The Group and the Company are principally involved in the provision of electricity as part of their ordinary operations. These services are carried out generally on commercial terms that are consistently applied to all customers. These transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Apart from the individually significant transactions and balances as disclosed elsewhere in the financial statements, the Group and the Company have collectively, but not individually significant transactions with related parties.

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with the following related parties based on agreed terms during the financial year:

	Associate companies		KMP	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Group				
Income:				
– Interest income	**57.4**	64.0	**0**	0
– Dividend income	**191.8**	164.8	**0**	0
– Leasing income	**17.7**	18.3	**0**	0
– Other income	**3.7**	11.8	**0**	0
Expenses:				
– Purchase of electricity	**(3,421.0)**	(3,794.8)	**0**	0
– Finance cost on lease liabilities	**(194.6)**	(224.2)	**0**	0
– Key management compensations:				
– Salaries, allowances and bonuses	**0**	0	**(19.6)**	(21.8)
– Benefits-in-kind	**0**	0	**(0.6)**	(0.4)
– Defined contribution retirement plan	**0**	0	**(3.0)**	(3.5)
– Other staff benefits	**0**	0	**(6.6)**	(2.9)
– LTIP expense	**0**	0	**(1.6)**	(3.7)
Amounts due from	**420.2**	388.3		
Amounts due to	**(476.9)**	(579.7)		
Investment in unquoted debt security	**255.5**	259.3		
Lease liabilities	**(3,647.0)**	(4,110.8)		

43 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with the following related parties based on agreed terms during the financial year: (continued)

	Subsidiary companies		Associate companies		KMP	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Company						
Income:						
– Interest income	**272.4**	258.9	**57.4**	64.0	**0**	0
– Corporate joint income	**140.2**	151.6	**0**	0	**0**	0
– Dividend income	**80.1**	7.4	**83.9**	72.8	**0**	0
– Leasing income	**54.1**	46.4	**17.7**	18.3	**0**	0
– Other income	**64.6**	59.9	**3.7**	11.8	**0**	0
Expenses:						
– Purchase of electricity	**(19,382.9)**	(20,702.9)	**(3,421.0)**	(3,794.8)	**0**	0
– Purchase of goods/services	**(1,194.0)**	(1,048.5)	**0**	0	**0**	0
– Training fees	**(68.8)**	(72.6)	**0**	0	**0**	0
– Finance cost on:						
– Lease liabilities	**(2,555.0)**	(2,603.4)	**(194.6)**	(224.2)	**0**	0
– Borrowings	**(275.9)**	(281.5)	**0**	0	**0**	0
– Key management compensations:						
– Salaries, allowances and bonuses	**0**	0	**0**	0	**(19.4)**	(21.8)
– Benefits-in-kind	**0**	0	**0**	0	**(0.6)**	(0.4)
– Defined contribution retirement plan	**0**	0	**0**	0	**(3.0)**	(3.5)
– Other staff benefits	**0**	0	**0**	0	**(6.6)**	(2.9)
– LTIP expenses	**0**	0	**0**	0	**(1.6)**	(3.7)
Repayment of advances from	**609.2**	1,048.7	**0**	0		
Advances granted to	**(115.7)**	(217.1)	**0**	0		
Amounts due from	**6,948.8**	7,977.6	**13.6**	5.2		
Amounts due to	**(6,097.6)**	(6,944.0)	**(466.7)**	(568.8)		
Investment in unquoted debt security	**0**	0	**255.5**	259.3		
Lease liabilities	**(41,344.6)**	(41,581.8)	**(3,647.0)**	(4,110.8)		
Repayment of interest	**(277.3)**	(279.5)	**0**	0		

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44 SEGMENTAL REPORTING

Operating Segment

Operating segment is not presented as the Group is principally engaged in the generation, transmission, distribution and sales of electricity and the provision of other related services, which are substantially within a single business segment and this is consistent with the current practice of internal reporting.

Geographical information

The Group operates in a few countries as disclosed in Note 48. Accordingly, the Group's operations by geographical location is segmented into Malaysia, United Kingdom, Kuwait, Republic of Ireland, Australia and other countries. The other countries operation is not further segregated as no individual overseas country contributed more than 10.0% of the consolidated operating revenue or assets.

Revenue by location of the Group's operation is analysed as follows:

	Group	
	2024 RM'million	**2023 RM'million**
Malaysia	**55,205.8**	52,145.2
United Kingdom	**740.7**	769.0
Kuwait	**595.4**	88.1
Republic of Ireland	**112.3**	0.4
Australia	**23.7**	7.0
Other countries	**59.2**	57.2
	56,737.1	53,066.9

Non-current assets other than financial instruments, employee benefits and deferred tax assets by location of the Group's operations are analysed as follows:

	Group	
	2024 RM'million	**2023 RM'million**
Malaysia	**155,301.9**	154,306.5
United Kingdom	**5,687.9**	6,000.8
Kuwait	**0.2**	0.4
Republic of Ireland	**1,206.7**	1,221.2
Australia	**1,197.1**	1,331.7
Other countries	**164.1**	190.1
	163,557.9	163,050.7

45 FINANCIAL INSTRUMENTS

Accounting Policy

Financial instruments comprise financial assets and financial liabilities as below:

Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following categories: at amortised cost ('AC'), at FVOCI or FVTPL. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(i) Financial assets at AC:

- The asset is held within a business model whose objective is to collect the contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

(ii) Financial assets at FVOCI:

- Equity securities which are not held for trading, and which the Group and the Company have irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group and the Company consider this classification to be more relevant; and
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's and of the Company's business model is achieved both by collecting cash flows and selling financial assets.

(iii) Financial assets at FVTPL:

- Debt instruments that do not qualify for measurement at either AC or FVOCI;
- Equity instruments that are held for trading; and
- Equity instruments for which the Group and the Company have not elected to recognise fair value gains and losses through OCI.

The Group and the Company reclassify debt instruments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group and the Company commit to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(c) Measurement

(i) Initial recognition

On initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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45 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting Policy (continued)

Financial instruments comprise financial assets and financial liabilities as below: (continued)

Financial assets (continued)

(c) Measurement (continued)

(ii) Subsequent measurement

- Debt instruments

  Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify its debt instruments:

  – AC: Interest income from financial assets at AC is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the statement of profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

  – FVOCI: Movements in the carrying amount of debt instruments classified under FVOCI are taken through OCI. Upon derecognition of the assets, the cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit or loss. The interest income from these financial assets is included in the finance income using the effective interest rate method. The foreign exchange gains and losses and impairment expenses are presented as a separate line item in the statement of profit or loss.

  – FVTPL: Financial assets that do not meet the criteria for AC or FVOCI are measured at FVTPL. A gain or loss on debt instruments which are measured at FVTPL are recognised in the statement of profit or loss.

- Equity instruments

  The Group and the Company have elected to present fair value gains and losses on equity instruments in OCI. The fair value gains and losses of these instruments will not be reclassified subsequently to the statement of profit or loss. Dividends from such investments are recognised in the statement of profit or loss as other income. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVOCI are also reported as other changes in fair value.

(d) Impairment

The Group and the Company assess on a forward looking basis the expected credit losses associated with its debt instruments carried at AC and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have the following financial instruments that are subject to the ECL model:

(i) Trade receivables
(ii) Trade contract assets
(iii) Non-trade receivables:
- intercompany balances
- amounts due from associates/joint ventures
- rechargeable job orders ('RJO') debtors
- sundry deposits for rental spaces
- rental receivables
- staff loans/advances
- investment in unquoted debt securities

(iv) Financial guarantee contracts issued

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss is immaterial.

45 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting Policy (continued)

Financial instruments comprise financial assets and financial liabilities as below: (continued)

Financial assets (continued)

(d) Impairment (continued)

ECL represents a probability-weighted estimate of the difference between the present value of the cash flows according to the contract and present value of the cash flows the Group and the Company are expected to receive, over the remaining life of the financial instruments. For financial guarantee contracts, the ECL is the difference between the expected payments to be reimbursed to the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

(i) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(ii) The time value of money; and
(iii) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For trade receivables, trade contract assets and lease receivables, the Group and the Company apply the MFRS 9 simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables, except for those which are in default or credit impaired are assessed individually.

For non-trade receivables, at each reporting date the Group and the Company measure ECL through a loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

The Group and the Company use the three-stage approach for non-trade receivables which reflect their credit risk and how the loss allowances are determined for each of those stages. Summary of the assumptions underpinning the Group's and the Company's ECL model for non-trade receivables are as follows:

Types of non-trade receivables	Stage 1 Low credit risk (12 months ECL Model)	Stage 2 Significant increase in credit risk (Lifetime ECL Model)	Stage 3 Credit impaired (Lifetime ECL Model)
· Intercompany balances	Positive operating cash flows/ Net assets (Total Assets – Total Liabilities)/ Subsidiaries with assets under construction having guaranteed long term revenue contract and agents	Negative operating cash flows and net liabilities (Total Assets – Total Liabilities)/ without defaulting on loan repayments	Dormant/History of default
· Amounts due from associates/joint ventures/investment in unquoted debt security	Positive operating cash flows/Net assets (Total Assets – Total Liabilities)	Negative operating cash flows and net liabilities (Total Assets – Total Liabilities)/No current default	History of default and currently defaulted
· RJO debtors	Covered by indent/ downpayment/Letter of Undertaking ('LOU')	No indent/downpayment/LOU	Accident cases
· Sundry deposits for rental spaces	Active contracts	Inactive contracts and amounts outstanding less or equal to 12 months	Inactive contracts and amounts outstanding more than 12 months

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45 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting Policy (continued)

Financial instruments comprise financial assets and financial liabilities as below: (continued)

Financial assets (continued)

(d) Impairment (continued)

The Group and the Company use the three-stage approach for non-trade receivables which reflect their credit risk and how the loss allowances are determined for each of those stages. Summary of the assumptions underpinning the Group's and the Company's ECL model for non-trade receivables are as follows: (continued)

Types of non-trade receivables	Stage 1 Low credit risk (12 months ECL Model)	Stage 2 Significant increase in credit risk (Lifetime ECL Model)	Stage 3 Credit impaired (Lifetime ECL Model)
· Rental receivables (net deposits)	Active contracts and amounts outstanding less or equal to 3 months	Active contracts and amounts outstanding more than 3 months	Inactive contracts
· Staff loans/advances	Current employees	Ex-employees with no default in payment	Ex-employees with default in payment

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment including forward looking information, where available.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when either the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery of amounts due.

Financial liabilities

The Group and the Company classify its financial liabilities at AC or at FVTPL.

Offsetting financial instruments

Financial assets and liabilities are offsetted and the net amounts are presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

45 FINANCIAL INSTRUMENTS (CONTINUED)

Accounting Policy (continued)

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of;

(i) The amount determined in accordance with the ECL model; and
(ii) The amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(a) Categories of financial instruments

The financial instruments are categorised as follows:

(i) Financial assets and financial liabilities at AC;
(ii) Financial assets and financial liabilities at FVTPL; and
(iii) Financial assets at FVOCI.

	Carrying amount RM'million	AC RM'million	FVTPL RM'million	FVOCI RM'million
Financial assets				
2024				
Group				
Investment in unquoted debt security	**255.5**	**255.5**	**0**	**0**
Financial lease receivables	**6.0**	**6.0**	**0**	**0**
Financial assets at FVOCI	**81.2**	**0**	**0**	**81.2**
Trade receivables	**4,155.6**	**4,155.6**	**0**	**0**
Other non-trade receivables	**912.4**	**912.4**	**0**	**0**
Contract assets	**4,641.6**	**4,641.6**	**0**	**0**
Amounts due from joint ventures	**15.9**	**15.9**	**0**	**0**
Amounts due from associates	**420.2**	**420.2**	**0**	**0**
Derivative financial instruments	**173.2**	**0**	**173.2**	**0**
Financial assets at FVTPL	**465.1**	**0**	**465.1**	**0**
Deposits, bank and cash balances	**19,601.1**	**19,601.1**	**0**	**0**
	30,727.8	**30,008.3**	**638.3**	**81.2**

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45 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Carrying amount RM'million	AC RM'million	FVTPL RM'million	FVOCI RM'million
Financial assets				
2024				
Company				
Investment in unquoted debt security	**255.5**	**255.5**	**0**	**0**
Financial assets at FVOCI	**80.5**	**0**	**0**	**80.5**
Trade receivables	**2,954.2**	**2,954.2**	**0**	**0**
Other non-trade receivables	**280.3**	**280.3**	**0**	**0**
Contract assets	**4,368.4**	**4,368.4**	**0**	**0**
Amounts due from subsidiaries	**6,948.8**	**6,948.8**	**0**	**0**
Amounts due from associates	**13.6**	**13.6**	**0**	**0**
Derivatives of financial instruments	**35.6**	**0**	**35.6**	**0**
Financial assets at FVTPL	**107.4**	**0**	**107.4**	**0**
Deposits, bank and cash balances	**13,890.5**	**13,890.5**	**0**	**0**
	28,934.8	**28,711.3**	**143.0**	**80.5**

	Carrying amount RM'million	AC RM'million	FVTPL RM'million
Financial liabilities			
2024			
Group			
Payables	**8,506.0**	**8,506.0**	**0**
Financial guarantee contracts	**296.9**	**296.9**	**0**
Lease liabilities	**28,710.6**	**28,710.6**	**0**
Amounts due to associates	**476.9**	**476.9**	**0**
Borrowings	**57,406.6**	**57,406.6**	**0**
Derivative financial instruments	**101.0**	**0**	**101.0**
Other liabilities	**997.1**	**997.1**	**0**
	96,495.1	**96,394.1**	**101.0**
Company			
Payables	**4,818.6**	**4,818.6**	**0**
Financial guarantee contracts	**301.6**	**301.6**	**0**
Lease liabilities	**66,940.7**	**66,940.7**	**0**
Amounts due to subsidiaries	**6,097.6**	**6,097.6**	**0**
Amounts due to associates	**466.7**	**466.7**	**0**
Borrowings	**26,657.6**	**26,657.6**	**0**
Derivative financial instruments	**2.8**	**0**	**2.8**
Other liabilities	**943.0**	**943.0**	**0**
	106,228.6	**106,225.8**	**2.8**

45 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Carrying amount RM'million	AC RM'million	FVTPL RM'million	FVOCI RM'million
Financial assets				
2023				
Group				
Investment in unquoted debt security	259.3	259.3	0	0
Long term receivables	46.8	46.8	0	0
Financial lease receivables	7.2	7.2	0	0
Derivative financial instruments	168.0	0	168.0	0
Financial assets at FVOCI	55.1	0	0	55.1
Trade receivables	3,921.5	3,921.5	0	0
Other non-trade receivables	806.0	806.0	0	0
Contract assets	4,446.8	4,446.8	0	0
Amounts due from joint ventures	22.7	22.7	0	0
Amounts due from associates	388.3	388.3	0	0
Financial assets at FVTPL	1,650.0	0	1,650.0	0
Deposits, bank and cash balances	19,390.5	19,390.5	0	0
	31,162.2	29,289.1	1,818.0	55.1
Company				
Investment in unquoted debt security	259.3	259.3	0	0
Long term receivables	21.1	21.1	0	0
Financial assets at FVOCI	54.3	0	0	54.3
Trade receivables	2,805.9	2,805.9	0	0
Other non-trade receivables	152.3	152.3	0	0
Contract assets	4,226.9	4,226.9	0	0
Amounts due from subsidiaries	7,977.6	7,977.6	0	0
Amounts due from associates	5.2	5.2	0	0
Financial assets at FVTPL	1,369.4	0	1,369.4	0
Deposits, bank and cash balances	13,326.6	13,326.6	0	0
	30,198.6	28,774.9	1,369.4	54.3

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45 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

	Carrying amount RM'million	AC RM'million	FVTPL RM'million
Financial liabilities			
2023			
Group			
Payables	8,340.4	8,340.4	0
Financial guarantee contracts	312.1	312.1	0
Lease liabilities	30,860.9	30,860.9	0
Amounts due to associates	579.7	579.7	0
Borrowings	61,770.2	61,770.2	0
Derivative financial instruments	11.9	0	11.9
Other liabilities	850.5	850.5	0
	102,725.7	102,713.8	11.9
Company			
Payables	4,466.8	4,466.8	0
Financial guarantee contracts	316.4	316.4	0
Lease liabilities	69,286.6	69,286.6	0
Amounts due to subsidiaries	6,944.0	6,944.0	0
Amounts due to associates	568.8	568.8	0
Borrowings	29,678.1	29,678.1	0
Derivative financial instruments	1.4	0	1.4
Other liabilities	764.4	764.4	0
	112,026.5	112,025.1	1.4

(b) Financial risk management

The Group and the Company have exposures to the following risks embedded in its financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposures to credit risk arise principally from its receivables from customers, investment in unquoted debt security, deposits, bank and cash balances and derivative financial instruments. In addition, the Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks in respect of banking facilities granted to certain subsidiaries and an associate.

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

Net reversal/(losses) on impairment of financial instruments are mainly from:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Net reversal/(losses) on:				
Trade receivables				
– recognised in profit or loss	**(52.5)**	(105.1)	**(25.2)**	(93.7)
– reversed	**813.0**	240.2	**810.2**	232.4
Trade contract assets				
– recognised in profit or loss	**(13.9)**	(33.8)	**(12.7)**	(23.1)
– reversed	**48.5**	22.6	**42.7**	19.3
Investment in unquoted debt security				
– recognised in profit or loss	**(0.3)**	(6.0)	**(0.3)**	(6.0)
– reversed	**0.4**	2.9	**0.4**	2.9
Intercompany balances				
– recognised in profit or loss	**0**	0	**(240.4)**	(163.7)
– reversed	**0**	0	**79.3**	163.0
Other non–trade receivables				
– recognised in profit or loss	**(30.7)**	(11.8)	**(14.8)**	(0.9)
– reversed	**8.9**	14.7	**8.8**	7.3
Amounts due from associates				
– recognised in profit or loss	**(0.1)**	(0.1)	**(0.1)**	(0.1)
– reversed	**4.9**	0.1	**0**	0.1
Amounts due from joint ventures				
– recognised in profit or loss	**(10.8)**	(7.8)	**0**	0
– reversed	**6.5**	0.3	**0**	0
Financial guarantee contracts				
– recognised in profit or loss	**0**	(1.5)	**0**	(4.2)
– reversed	**15.2**	0	**14.8**	0
	789.1	114.7	**662.7**	133.3

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45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(i) Trade receivables and trade contract assets

Risk management objectives, policies and processes for managing the risk

The Group and the Company have a credit policy in place and the exposures to credit risk are monitored on an ongoing basis. Normally, financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

The Group's and the Company's credit policy provide trade receivables with a 30 to 90 days (2023: 30 to 90 days) credit period. The Group and the Company have no major significant concentration of credit risk due to their diverse customer base. An impairment has been made for estimated unrecoverable amounts, determined by reference to past default experience of individual debtors and collection portfolios.

The total trade receivables and trade contract assets and the impairment provided are as follows:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Trade receivables	**5,809.8**	6,588.2	**4,433.1**	5,321.2
Less: Loss allowances	**(1,654.2)**	(2,666.7)	**(1,478.9)**	(2,515.3)
	4,155.6	3,921.5	**2,954.2**	2,805.9
Trade contract assets	**4,655.2**	4,495.0	**4,376.6**	4,265.1
Less: Loss allowances	**(13.6)**	(48.2)	**(8.2)**	(38.2)
	4,641.6	4,446.8	**4,368.4**	4,226.9

The Group and the Company have other financial assets which are lease receivables, investment in unquoted debt security and others.

Given the varied nature of the Group's and of the Company's customer base, the following analysis of trade receivables by type of customer is considered the most appropriate disclosure of credit concentration.

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(i) Trade receivables and trade contract assets (continued)

Given the varied nature of the Group's and of the Company's customer base, the following analysis of trade receivables by type of customer is considered the most appropriate disclosure of credit concentration.

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Industrial	**1,210.4**	1,477.8	**1,199.0**	1,465.3
Commercial	**1,540.2**	2,026.3	**1,470.8**	1,953.4
Domestic	**1,854.4**	1,979.4	**1,711.2**	1,830.0
Specific agriculture	**10.7**	12.3	**10.7**	12.3
Mining	**2.2**	2.5	**2.2**	2.5
Public lighting	**44.5**	61.9	**39.2**	57.7
IPP	**674.6**	675.7	**0**	0
Others	**472.8**	352.3	**0**	0
Trade receivables	**5,809.8**	6,588.2	**4,433.1**	5,321.2
Trade contract assets	**4,655.2**	4,495.0	**4,376.6**	4,265.1

Impairment losses

The loss allowance for the trade receivables and the trade contract assets are as follows:

	Gross RM'million	Individual impairment RM'million	Expected loss rate %	Collective impairment RM'million	Net RM'million
2024					
Group					
Not past due	**2,606.4**	**(0.7)**	**0.3**	**(9.1)**	**2,596.6**
Past due 0-30 days	**420.3**	**(0.1)**	**3.1**	**(13.0)**	**407.2**
Past due 31-120 days	**647.0**	**(0.5)**	**10.4**	**(67.3)**	**579.2**
Past due 121-240 days	**349.3**	**(6.4)**	**31.0**	**(106.3)**	**236.6**
Past due 241-365 days	**200.9**	**(13.0)**	**57.8**	**(108.7)**	**79.2**
Past due more than 365 days	**1,585.9**	**(682.0)**	**71.6**	**(647.1)**	**256.8**
Trade receivables	**5,809.8**	**(702.7)**		**(951.5)**	**4,155.6**
Trade contract assets	**4,655.2**	**0**	**0.3**	**(13.6)**	**4,641.6**

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45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(i) Trade receivables and trade contract assets (continued)

Impairment losses (continued)

The loss allowance for the trade receivables and the trade contract assets are as follows: (continued)

	Gross RM'million	Individual impairment RM'million	Expected loss rate %	Collective impairment RM'million	Net RM'million
2024					
Company					
Not past due	**2,016.2**	**(0.2)**	**0.2**	**(3.8)**	**2,012.2**
Past due 0-30 days	**294.3**	**0**	**3.4**	**(10.1)**	**284.2**
Past due 31-120 days	**450.8**	**(0.4)**	**12.3**	**(55.4)**	**395.0**
Past due 121-240 days	**274.3**	**(6.4)**	**32.2**	**(86.3)**	**181.6**
Past due 241-365 days	**149.5**	**(12.9)**	**65.7**	**(89.7)**	**46.9**
Past due more than 365 days	**1,248.0**	**(680.5)**	**94.0**	**(533.2)**	**34.3**
Trade receivables	**4,433.1**	**(700.4)**		**(778.5)**	**2,954.2**
Trade contract assets	**4,376.6**	**0**	**0.2**	**(8.2)**	**4,368.4**

	Gross RM'million	Individual impairment RM'million	Expected loss rate %	Collective impairment RM'million	Net RM'million
2023					
Group					
Not past due	1,813.5	(1.8)	0.6	(10.8)	1,800.9
Past due 0-30 days	419.8	(0.2)	3.8	(16.1)	403.5
Past due 31-120 days	692.0	(4.0)	12.0	(82.4)	605.6
Past due 121-240 days	397.9	(11.6)	33.7	(130.0)	256.3
Past due 241-365 days	279.0	(38.0)	53.6	(129.2)	111.8
Past due more than 365 days	2,986.0	(1,592.9)	46.6	(649.7)	743.4
Trade receivables	6,588.2	(1,648.5)		(1,018.2)	3,921.5
Trade contract assets	4,495.0	(0.8)	1.1	(47.4)	4,446.8

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(i) Trade receivables and trade contract assets (continued)

Impairment losses (continued)

The loss allowance for the trade receivables and the trade contract assets are as follows: (continued)

	Gross RM'million	Individual impairment RM'million	Expected loss rate %	Collective impairment RM'million	Net RM'million
2023					
Company					
Not past due	1,414.1	(1.4)	0.4	(5.5)	1,407.2
Past due 0-30 days	316.9	(0.1)	4.3	(13.5)	303.3
Past due 31-120 days	550.7	(4.0)	13.1	(71.4)	475.3
Past due 121-240 days	326.0	(11.6)	35.7	(112.1)	202.3
Past due 241-365 days	230.5	(37.9)	59.2	(114.0)	78.6
Past due more than 365 days	2,483.0	(1,587.0)	62.8	(556.8)	339.2
Trade receivables	5,321.2	(1,642.0)		(873.3)	2,805.9
Trade contract assets	4,265.1	(0.8)	0.9	(37.4)	4,226.9

The Group and the Company apply MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and trade contract assets.

For certain large customers with high risk of default, the Group and the Company assessed the risk of loss for each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable.

To measure the expected credit losses, trade receivables and trade contract assets are grouped based on shared credit risk characteristics and the days past due. The trade contract assets that relate to unbilled customers have substantial same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates of the trade contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 14 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company have identified growth rates of real Gross Domestic Product ('GDP') of Malaysia to be the most relevant factor, and accordingly, adjusts the historical loss rates based on the expected changes in this factor. As at 31 December 2024, for non-government customers, a combination of growth rates of real GDP and inflation rates were identified as the most relevant factors.

On that basis, the loss allowance was determined for both trade receivables and trade contract assets as reflected in the earlier tables.

During the financial year, the collection trends of the Group's and the Company's trade receivables continued to improve. The Group and the Company revised the expected cash flows from their trade receivables which resulted in a reversal of impairment loss.

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45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(i) Trade receivables and trade contract assets (continued)

Impairment losses (continued)

During the financial year, there has been a reversal of loss allowances due to debt restructuring of amount due from a trade debtor to long term as a result of improved cash flows by the trade debtor. The revised carrying amount and the loss on restructuring are as disclosed in Note 13(a) and 37(c) respectively.

The Group and the Company also written off the inactive trade receivables which had been fully impaired in the previous financial years, therefore there was no impact to the net trade receivables.

The opening loss allowances for trade receivables and trade contract assets reconciled to the closing loss allowances are as follows:

- Trade receivables

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
As at the beginning of the financial year	**(2,666.7)**	(3,002.6)	**(2,515.3)**	(2,854.8)
Impairment loss recognised	**(52.5)**	(105.1)	**(25.2)**	(93.7)
Impairment loss reversed	**813.0**	240.2	**810.2**	232.4
Impairment written off	**252.0**	200.8	**251.4**	200.8
As at the end of the financial year (Note 21)	**(1,654.2)**	(2,666.7)	**(1,478.9)**	(2,515.3)

- Trade contract assets

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
As at the beginning of the financial year	**(48.2)**	(37.0)	**(38.2)**	(34.4)
Impairment loss recognised	**(13.9)**	(33.8)	**(12.7)**	(23.1)
Impairment loss reversed	**48.5**	22.6	**42.7**	19.3
As at the end of the financial year (Note 17(a))	**(13.6)**	(48.2)	**(8.2)**	(38.2)

Trade receivables are secured by deposits in the form of cash and bank guarantees. ECL is not provided on receivable balances fully secured by deposits. The deposit amounts are reviewed on an individual basis periodically.

Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly.

Impairment losses on trade receivables and trade contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(ii) Investment in unquoted debt security, deposits, bank and cash balances, derivative financial instruments and financial assets at FVTPL

Risk management objectives, policies and processes for managing the risk

Investments, deposits, bank and cash balances, derivative financial instruments and financial assets measured at FVTPL are liquid security and mainly with reputable financial institutions and electricity retailers.

Investment in unquoted debt security are investment in an associate's financial instruments. The credit risk of this associate is monitored on a quarterly basis and the loss allowances are provided for accordingly.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts in the SOFP.

In view of the sound credit rating of counterparties, the Group and the Company do not expect any counterparty to fail to meet its obligations. The Group and the Company do not have overdue investments that have not been impaired.

The investments, deposits, cash and bank balances and derivative financial instruments are unsecured.

Bank and cash balances are held with banks and financial institutions which have lower credit risks. In addition, some of the bank balances are insured by Government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

The total investment in unquoted debt security and the impairment provided are as follows:

	Group and Company	
	2024 RM'million	**2023 RM'million**
Investment in unquoted debt security	**283.6**	287.5
Less: Loss allowances	**(28.1)**	(28.2)
	255.5	259.3

Impairment losses

The impairment for the remaining investment in unquoted debt security, deposits, bank and cash balances, derivative financial instruments and financial assets at FVTPL during the financial year and previous financial year was insignificant.

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45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(ii) Investment in unquoted debt security, deposits, bank and cash balances, derivative financial instruments and financial assets at FVTPL (continued)

Impairment losses (continued)

The impairment loss for the investment in unquoted debt security for the Group and the Company are in Stage 1.

The movement in the loss allowance for investment in unquoted debt security during the financial year was:

	Group and Company	
	2024 RM'million	**2023 RM'million**
As at the beginning of the financial year	**(28.2)**	(25.1)
Impairment loss recognised	**(0.3)**	(6.0)
Impairment loss reversed	**0.4**	2.9
As at the end of the financial year	**(28.1)**	(28.2)

(iii) Non-trade receivables

- Intercompany balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

At the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the SOFP.

The total amounts due from subsidiaries and impairment provided are as follows:

	Company	
	2024 RM'million	**2023 RM'million**
Amounts due from subsidiaries	**7,682.0**	8,550.8
Less: Loss allowances	**(733.2)**	(573.2)
	6,948.8	7,977.6

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iii) Non-trade receivables (continued)

- Intercompany balances (continued)

Impairment losses

Generally, the Company considers loans and advances to subsidiaries having low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly based on stages determined in the accounting policy part (d) of this note. As the Company is able to determine the timing of payments of the subsidiaries' balances when they are payable, the Company considers the amount payable to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's balances to be impaired when the subsidiary is:

- unlikely to repay its payables to the Company in full;
- having prolonged negative operating cash flows and is in net tangible liabilities position; or
- a dormant entity or has a history of default.

At the end of the financial year, there was no indication that the amounts due from the subsidiaries are not recoverable other than those which have already been impaired. The Company does not specifically monitor the ageing of advances to the subsidiaries.

During the financial year, there has been reversal of loss allowances due to repayments received from subsidiaries.

The loss allowances for intercompany balances using the general 3-stage approach reconciled to the opening loss allowances for that provision are as follows:

	Stage 1 RM'million	Stage 2 RM'million	Stage 3 RM'million	Total RM'million
2024				
As at the beginning of the financial year	**(230.8)**	**(208.3)**	**(134.1)**	**(573.2)**
Impairment loss recognised	**(18.8)**	**(202.3)**	**(19.3)**	**(240.4)**
Impairment loss reversed	**79.3**	**0**	**0**	**79.3**
Impairment written off	**1.1**	**0**	**0**	**1.1**
As at the end of the financial year	**(169.2)**	**(410.6)**	**(153.4)**	**(733.2)**
2023				
As at the beginning of the financial year	(327.9)	(129.8)	(116.2)	(573.9)
Impairment loss recognised	(53.0)	(90.3)	(20.4)	(163.7)
Impairment loss reversed	150.1	11.8	1.1	163.0
Impairment written off	0	0	1.4	1.4
As at the end of the financial year	(230.8)	(208.3)	(134.1)	(573.2)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iii) Non-trade receivables (continued)

- Intercompany balances (continued)

Impairment losses (continued)

The impact on the carrying value of the intercompany balances presented by the stages are as follows:

	Stage 1 RM'million	Stage 2 RM'million	Stage 3 RM'million	Total RM'million
2024				
Gross carrying amount	**6,454.2**	**1,074.4**	**153.4**	**7,682.0**
Less: Loss allowances	**(169.2)**	**(410.6)**	**(153.4)**	**(733.2)**
Net carrying amount	**6,285.0**	**663.8**	**0**	**6,948.8**
2023				
Gross carrying amount	8,203.1	213.6	134.1	8,550.8
Less: Loss allowances	(230.8)	(208.3)	(134.1)	(573.2)
Net carrying amount	7,972.3	5.3	0	7,977.6

- Other non-trade receivables

Risk management objectives, policies and processes for managing the risk

Credit risk on other non-trade receivables are mainly arising from RJO debtors which are receivables from specific works requested by customers.

Credit risk also arises from sundry deposits for rental of office spaces from third parties and rental receivables. The Company manages the credit risk together with the specific leasing arrangements.

Staff advances and staff loans have low credit risk as these are mostly provided to existing staff. These balances are managed on a monthly basis.

Exposure to credit risk, credit quality and collateral

At the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the SOFP.

The Company receives down payments, LOUs or indents for RJO debtors where works are requested by customers. In cases of RJO debtors arising from accidental damages to the Company's assets whereby the third party is identifiable, these amounts are fully impaired as there is very low prospect of recovery.

The Company receives deposits from third parties for rental of office spaces.

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iii) Non-trade receivables (continued)

- Other non-trade receivables (continued)

Exposure to credit risk, credit quality and collateral (continued)

For staff loans and staff advances, any repayment is done through monthly payroll deductions.

The total other non-trade receivables is as follows:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Other non-trade receivables	**1,153.0**	1,071.6	**439.5**	326.4
Less: Loss allowances	**(240.6)**	(218.8)	**(159.2)**	(153.0)
	912.4	852.8	**280.3**	173.4

Impairment losses

Generally, the Group and the Company consider other non-trade receivables as having low credit risk. The Group and the Company assume that there is a significant increase in credit risk when there is a history of default in payments.

The loss allowances for other non-trade receivables using the general 3-stage approach reconciled to the opening loss allowances for that provision are as follows:

	Stage 1 RM'million	Stage 2 RM'million	Stage 3 RM'million	Total RM'million
Group				
2024				
As at the beginning of the financial year	**(27.8)**	**(1.2)**	**(189.8)**	**(218.8)**
Impairment loss recognised	**(3.9)**	**(0.2)**	**(26.6)**	**(30.7)**
Impairment loss reversed	**1.1**	**0**	**7.8**	**8.9**
As at the end of the financial year	**(30.6)**	**(1.4)**	**(208.6)**	**(240.6)**
2023				
As at the beginning of the financial year	(28.2)	(1.2)	(192.3)	(221.7)
Impairment loss recognised	(1.5)	(0.1)	(10.2)	(11.8)
Impairment loss reversed	1.9	0.1	12.7	14.7
As at the end of the financial year	(27.8)	(1.2)	(189.8)	(218.8)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iii) Non-trade receivables (continued)

- Other non-trade receivables (continued)

The loss allowances for other non-trade receivables using the general 3-stage approach reconciled to the opening loss allowances for that provision are as follows: (continued)

	Stage 1 RM'million	Stage 2 RM'million	Stage 3 RM'million	Total RM'million
Company				
2024				
As at the beginning of the financial year	**(19.5)**	**(0.8)**	**(132.7)**	**(153.0)**
Impairment loss recognised	**(1.9)**	**(0.1)**	**(12.8)**	**(14.8)**
Impairment loss reversed	**1.1**	**0**	**7.7**	**8.8**
Impairment write back	**0**	**0**	**(0.2)**	**(0.2)**
As at the end of the financial year	**(20.3)**	**(0.9)**	**(138.0)**	**(159.2)**
2023				
As at the beginning of the financial year	(20.3)	(0.8)	(138.3)	(159.4)
Impairment loss recognised	(0.1)	0	(0.8)	(0.9)
Impairment loss reversed	0.9	0	6.4	7.3
As at the end of the financial year	(19.5)	(0.8)	(132.7)	(153.0)

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iii) Non-trade receivables (continued)

- Other non-trade receivables (continued)

The impact on the carrying value of other non-trade receivables presented by the stages are as follows:

	Stage 1 RM'million	Stage 2 RM'million	Stage 3 RM'million	Total RM'million
Group				
2024				
Gross carrying amount	**904.0**	**63.9**	**185.1**	**1,153.0**
Less: Loss allowances	**(30.6)**	**(1.4)**	**(208.6)**	**(240.6)**
Net carrying amount	**873.4**	**62.5**	**(23.5)**	**912.4**
2023				
Gross carrying amount	840.3	59.4	171.9	1,071.6
Less: Loss allowances	(27.8)	(1.2)	(189.8)	(218.8)
Net carrying amount	812.5	58.2	(17.9)	852.8
Company				
2024				
Gross carrying amount	**124.1**	**144.3**	**171.1**	**439.5**
Less: Loss allowances	**(20.3)**	**(0.9)**	**(138.0)**	**(159.2)**
Net carrying amount	**103.8**	**143.4**	**33.1**	**280.3**
2023				
Gross carrying amount	28.2	145.3	152.9	326.4
Less: Loss allowances	(19.5)	(0.8)	(132.7)	(153.0)
Net carrying amount	8.7	144.5	20.2	173.4

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iii) Non-trade receivables (continued)

- Amounts due from associates

Risk management objectives, policies and processes for managing the risk

Amounts due from associates are mostly due to transactions within the Group and have a low credit risk. These balances are managed on a monthly basis.

Exposure to credit risk, credit quality and collateral

At the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the SOFP.

The total amounts due from associates and impairments provided are as follows:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Amounts due from associates	**422.7**	395.6	**13.8**	5.3
Less: Loss allowances	**(2.5)**	(7.3)	**(0.2)**	(0.1)
	420.2	388.3	**13.6**	5.2

Impairment losses

The impairment loss for the amount due from associates for the Group and the Company are in Stage 1.

The movement in the loss allowance for amount due from associates during the financial year was:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
As at the beginning of the financial year	**(7.3)**	(7.3)	**(0.1)**	(0.1)
Impairment loss recognised	**(0.1)**	(0.1)	**(0.1)**	(0.1)
Impairment loss reversed	**4.9**	0.1	**0**	0.1
As at the end of the financial year	**(2.5)**	(7.3)	**(0.2)**	(0.1)

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iii) Non-trade receivables (continued)

- Amounts due from joint ventures

Risk management objectives, policies and processes for managing the risk

Amounts due from joint ventures are mostly due to transactions within the Group and have a low credit risk. These balances are managed on a monthly basis.

Exposure to credit risk, credit quality and collateral

At the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the SOFP.

The total amounts due from joint ventures and impairments provided are as follows:

	Group	
	2024 RM'million	**2023 RM'million**
Amounts due from joint ventures	**40.0**	42.5
Less: Loss allowances	**(24.1)**	(19.8)
	15.9	22.7

Impairment losses

The impairment loss for the amount due from joint ventures for the Group are in Stage 1.

The movement in the loss allowance for amount due from joint ventures during the financial year was:

	Group	
	2024 RM'million	**2023 RM'million**
As at the beginning of the financial year	**(19.8)**	(12.3)
Impairment loss recognised	**(10.8)**	(7.8)
Impairment loss reversed	**6.5**	0.3
As at the end of the financial year (Note 21)	**(24.1)**	(19.8)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iv) Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and an associate. The Company monitors the ability of the subsidiaries and the associate to service their loans on an individual basis annually.

Exposure to credit risk, credit quality and collateral

The maximum exposure to the Group and the Company amounts to RM296.9 million (2023: RM312.1 million) and RM11,713.9 million (2023: RM11,534.8 million) respectively, representing banking facilities utilised by the subsidiaries and an associate as at the end of the financial year.

The financial guarantees are provided as credit enhancements to the subsidiaries' and associate's secured loans.

The total financial guarantees and loss allowances provided are as follows:

	Group		Company	
	2024 RM'million	**2023 RM'million**	**2024 RM'million**	**2023 RM'million**
Financial guarantees	**296.9**	312.1	**11,713.9**	11,534.8
Less: Loss allowances	**(296.9)**	(312.1)	**(301.6)**	(316.4)
	0	0	**11,412.3**	11,218.4

Impairment losses

The Company assumes that there is a significant increase in credit risk when a subsidiary or associate has indication of defaulting on its banking facilities. The Company considers a financial guarantee to be credit impaired when the subsidiary or associate is unlikely to repay its credit obligation to the bank in full.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

Loss allowance has been recognised mainly arising from the financial guarantee provided by the Group in 2016 to support the loan facility offered to İç Anadolu Doğalgaz Elektrik Üretim ve Ticaret A.Ş. ('ICAN'), a subsidiary of Gama Enerji Anonîm Şîrketî ('Gama Enerji'). The ECL is determined based on an internal assessment of Gama Enerji debt servicing ability taking into account of the current adverse macroeconomic conditions in Türkiye. The impairment loss for financial guarantees for the Group and the Company are in Stage 3.

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Credit risk (continued)

(iv) Financial guarantees (continued)

Impairment losses (continued)

The movement in the loss allowances of financial guarantees during the financial year was:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
As at the beginning of the financial year	**(312.1)**	(310.6)	**(316.4)**	(312.2)
Impairment loss recognised	**0**	(1.5)	**0**	(4.2)
Impairment loss reversed	**15.2**	0	**14.8**	0
As at the end of the financial year (Note 23)	**(296.9)**	(312.1)	**(301.6)**	(316.4)

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposures to liquidity risk arise principally from its various payables, loans and borrowings. The Group and the Company monitor rolling forecasts of the Group's and of the Company's liquidity requirements.

As of 31 December 2024, the Company's current liabilities exceeded their current assets by RM3,040.5 million (2023: RM2,120.3 million), mainly due to consumer deposits amounting to RM8,258.3 million (2023: RM7,659.6 million).

The Company's cash flow forecast for the next 12 months takes into account the expected revenue growth rates, customer collection trends, low rate of termination of electricity account that would crystallise the entire consumer deposits above and one-off transactions. The Company expects to be able to generate sufficient internal cash flows from operations for the next 12 months from the reporting date to meet operational and financing needs as and when they fall due.

In addition, as at 31 December 2024, the Company have undrawn borrowing facilities amounting to RM19,313.9 million (2023: RM14,011.4 million) to support any cash shortfall while maintaining sufficient headroom on its undrawn borrowing facilities at all times to ensure the Company have the financial flexibility.

Surplus cash of the Group and of the Company is invested in profit bearing current accounts, money market deposits and other instruments with appropriate maturities and sufficient liquidity level to provide sufficient headroom as determined by the cash flow forecasts and to enable the Group and the Company to discharge liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Liquidity risk (continued)

The table below summarises the maturity profiles of the Group's and of the Company's financial liabilities as at the end of the financial year based on the undiscounted contractual payments:

	Carrying amount RM'million	Contractual cash flows RM'million	Below 1 year RM'million	1-2 years RM'million	3-5 years RM'million	More than 5 years RM'million
2024						
Group						
Non-derivative financial liabilities						
Payables	**8,506.0**	**8,506.0**	**8,506.0**	**0**	**0**	**0**
Lease liabilities*	**28,710.6**	**38,858.3**	**4,534.2**	**3,539.7**	**9,889.7**	**20,894.7**
Amounts due to associates	**476.9**	**476.9**	**476.9**	**0**	**0**	**0**
Borrowings*	**57,406.6**	**78,391.6**	**7,857.9**	**7,031.2**	**17,651.4**	**45,851.1**
Financial guarantee contracts	**296.9**	**296.9**	**296.9**	**0**	**0**	**0**
Other financial liabilities at AC	**997.1**	**1,022.3**	**435.2**	**444.7**	**28.1**	**114.3**
	96,394.1	**127,552.0**	**22,107.1**	**11,015.6**	**27,569.2**	**66,860.1**
Derivative financial liabilities						
Interest rate swaps	**0.5**	**11.3**	**2.4**	**3.5**	**5.4**	**0**
Profit rate swap contracts	**3.4**	**3.6**	**0.5**	**0.5**	**1.2**	**1.4**
Forward exchange contracts (gross settled):	**2.8**					
– Outflows		**(110.3)**	**(110.3)**	**0**	**0**	**0**
– Inflows		**107.5**	**107.5**	**0**	**0**	**0**
Power purchase agreements	**94.3**	**114.9**	**3.3**	**3.2**	**15.6**	**92.8**
	96,495.1	**127,679.0**	**22,110.5**	**11,022.8**	**27,591.4**	**66,954.3**
Company						
Non-derivative financial liabilities						
Payables	**4,818.6**	**4,818.6**	**4,818.6**	**0**	**0**	**0**
Lease liabilities*	**66,940.7**	**100,704.0**	**8,804.1**	**7,533.5**	**21,649.4**	**62,717.0**
Amounts due to subsidiaries	**6,097.6**	**6,097.6**	**6,097.6**	**0**	**0**	**0**
Amounts due to associates	**466.7**	**466.7**	**466.7**	**0**	**0**	**0**
Borrowings*	**26,657.6**	**38,036.1**	**4,092.8**	**4,377.0**	**7,680.2**	**21,886.1**
Financial guarantee contracts	**301.6**	**11,713.9**	**11,713.9**	**0**	**0**	**0**
Other financial liabilities at AC	**943.0**	**968.3**	**426.3**	**435.7**	**21.4**	**84.9**
	106,225.8	**162,805.2**	**36,420.0**	**12,346.2**	**29,351.0**	**84,688.0**
Derivative financial liability						
Forward exchange contracts (gross settled):	**2.8**					
– Outflows		**(110.3)**	**(110.3)**	**0**	**0**	**0**
– Inflows		**107.5**	**107.5**	**0**	**0**	**0**
	106,228.6	**162,802.4**	**36,417.2**	**12,346.2**	**29,351.0**	**84,688.0**

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Liquidity risk (continued)

The table below summarises the maturity profiles of the Group's and of the Company's financial liabilities as at the end of the financial year based on the undiscounted contractual payments: (continued)

	Carrying amount RM'million	Contractual cash flows RM'million	Below 1 year RM'million	1-2 years RM'million	3-5 years RM'million	More than 5 years RM'million
2023						
Group						
Non-derivative financial liabilities						
Payables	8,340.4	8,340.4	8,340.4	0	0	0
Lease liabilities*	30,860.9	42,420.4	4,472.0	3,767.5	10,189.4	23,991.5
Amounts due to associates	579.7	579.7	579.7	0	0	0
Borrowings*	61,770.2	80,854.2	9,277.6	5,207.2	17,707.3	48,662.1
Financial guarantee contracts	312.1	312.1	312.1	0	0	0
Other financial liabilities at AC	850.5	846.0	359.3	363.5	13.8	109.4
	102,713.8	133,352.8	23,341.1	9,338.2	27,910.5	72,763.0
Derivative financial liabilities						
Interest rate swaps	7.3	1,129.1	0	0	1,129.1	0
Profit rate swap contracts	3.2	304.1	0	0	304.1	0
Forward exchange contracts (gross settled):						
– Outflows	1.4	256.8	256.8	0	0	0
	102,725.7	135,042.8	23,597.9	9,338.2	29,343.7	72,763.0
Company						
Non-derivative financial liabilities						
Payables	4,466.8	4,466.8	4,466.8	0	0	0
Lease liabilities*	69,286.6	106,515.2	8,280.1	7,510.4	21,587.1	69,137.6
Amounts due to subsidiaries	6,944.0	6,944.0	6,944.0	0	0	0
Amounts due to associates	568.8	568.8	568.8	0	0	0
Borrowings*	29,678.1	42,459.2	5,258.6	2,751.9	10,478.6	23,970.1
Financial guarantee contracts	316.4	11,534.8	11,534.8	0	0	0
Other financial liabilities at AC	764.4	759.9	370.2	374.5	14.2	1.0
	112,025.1	173,248.7	37,423.3	10,636.8	32,079.9	93,108.7
Derivative financial liability						
Forward exchange contracts (gross settled):						
– Outflows	1.4	256.8	256.8	0	0	0
	112,026.5	173,505.5	37,680.1	10,636.8	32,079.9	93,108.7

** Refer to Note 15 and Note 26 for the average remaining period.*

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31 December 2024

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's and the Company's financial positions or cash flows.

(i) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group and of the Company. The currencies giving rise to this risk are primarily USD, JPY and GBP.

Risk management objectives, policies and processes for managing the risk

The Group and the Company are required to hedge a minimum of 50.0% of TNB's known foreign currency exposure up to 12 months period. The Group and the Company use forward exchange contracts and maintain foreign currency floats to hedge its foreign currency risk.

Exposure to foreign currency risk

The currency exposure of financial assets and financial liabilities of the Group and of the Company at the end of the financial year, expressed in MYR (if not defined, Malaysian Ringgit) currency units, are as follows:

	USD RM'million	JPY RM'million	GBP RM'million	EUR RM'million	Others RM'million
2024					
Group					
Financial assets					
Financial assets at FVOCI	**0**	**0**	**0**	**0**	**0.4**
Receivables	**5.9**	**0**	**0**	**0**	**4.5**
Deposits, bank and cash balances	**1,752.9**	**0**	**1,027.9**	**1.0**	**1.0**
	1,758.8	**0**	**1,027.9**	**1.0**	**5.9**
Financial liabilities					
Payables	**11.9**	**0**	**0**	**22.0**	**7.8**
Borrowings	**8,618.4**	**1,375.1**	**0**	**462.4**	**0**
	8,630.3	**1,375.1**	**0**	**484.4**	**7.8**

	USD RM'million	JPY RM'million	GBP RM'million	EUR RM'million	Others RM'million
2024					
Company					
Financial assets					
Amounts due from subsidiaries	**0**	**0**	**906.5**	**0**	**0**
Deposits, bank and cash balances	**1,751.4**	**0**	**802.5**	**1.0**	**1.0**
	1,751.4	**0**	**1,709.0**	**1.0**	**1.0**
Financial liabilities					
Borrowings	**8,618.4**	**1,375.1**	**0**	**0**	**0**

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Exposure to foreign currency risk (continued)

The currency exposure of financial assets and financial liabilities of the Group and of the Company at the end of the financial year, expressed in MYR (if not defined, Malaysian Ringgit) currency units, are as follows: (continued)

	USD RM'million	JPY RM'million	GBP RM'million	EUR RM'million	Others RM'million
2023					
Group					
Financial assets					
Financial assets at FVOCI	0	0	0	0	0.5
Receivables	1.2	0	0	0	3.4
Deposits, bank and cash balances	7.3	0	1,077.4	1.1	0
	8.5	0	1,077.4	1.1	3.9
Financial liabilities					
Payables	28.8	0	0	9.6	0
Borrowings	8,848.8	1,664.7	0	1,171.5	0
	8,877.6	1,664.7	0	1,181.1	0

	USD RM'million	JPY RM'million	GBP RM'million	EUR RM'million
2023				
Company				
Financial assets				
Amounts due from subsidiaries	9.7	0	884.0	0
Deposits, bank and cash balances	4.8	0	732.8	1.1
	14.5	0	1,616.8	1.1
Financial liabilities				
Borrowings	8,848.8	1,664.7	0	0

Currency risk sensitivity analysis

A 10.0% strengthening of the foreign currencies against RM at the end of the financial year would have decreased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

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45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Market risk (continued)

(i) Foreign currency risk (continued)

Currency risk sensitivity analysis (continued)

	Profit or loss/equity	
	2024 RM'million	2023 RM'million
Group		
USD	**(522.2)**	(669.6)
JPY	**(104.5)**	(126.2)
GBP	**78.1**	81.9
EUR	**(36.7)**	(92.5)
Company		
USD	**(521.9)**	(667.0)
JPY	**(104.5)**	(126.2)
GBP	**129.9**	122.9

A 10.0% weakening of the foreign currencies against RM at the end of the financial year would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Foreign currency risk for the Group and the Company which have a functional currency other than USD, JPY, EUR and GBP are not material and hence, sensitivity analysis is not presented.

(ii) Interest rate risk

The Group's and the Company's investments in fixed rate debt security and its fixed rate borrowings are not exposed to a significant risk of change in their fair values due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investment in equity security and short term receivables and payables are not significantly exposed to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial year were:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Fixed rate instruments:				
Financial assets	**16,659.6**	16,182.5	**13,842.0**	13,297.2
Financial liabilities	**81,725.4**	88,498.4	**93,598.3**	98,964.7
Floating rate instrument:				
Financial liabilities	**4,391.8**	4,132.7	**0**	0

The financial assets are not sensitive to interest rate changes.

A 5.0% change in the interest rates of the financial liabilities with floating interest rates at the end of the financial year would have affected the Group's and the Company's profit or loss and equity by RM1.0 million (2023: RM0.7 million). This analysis assumes that all other variables, in particular foreign currency rates remained constant.

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Market risk (continued)

(iii) Other price risk

Other price risk arises from the Group's and the Company's investments in equity security, debt security and unit trust funds.

Risk management objectives, policies and processes for managing the risk

The Group and the Company are exposed to price risk because the investments held are classified on the statement of financial position as FVOCI and FVTPL. The Group and the Company mainly invest in money market placement and unit trust funds, primarily in short term deposits as underlying instruments with minimal price risk.

Fair value of financial instruments

The carrying amounts of deposits, bank and cash balances, short term receivables and payables, short term borrowings, short term amount due from/(to) subsidiaries and short term derivative financial instruments approximate their fair values and are equivalent to nominal values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

The classifications in the fair value hierarchy of the Group's and of the Company's assets and liabilities measured at fair value are summarised in the table below:

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'million	Level 2 RM'million	Level 3 RM'million	Total RM'million	Level 1 RM'million	Level 2 RM'million	Level 3 RM'million	Total RM'million	RM'million	RM'million
2024										
Group										
Financial assets										
Investment in unquoted debt security	0	0	0	0	0	0	255.5	255.5	255.5	255.5
Long term receivables	0	0	0	0	0	0	498.6	498.6	498.6	498.6
Other non-trade receivables	0	0	0	0	0	35.0	0	35.0	35.0	55.8
Derivative financial instruments	0	111.6	61.6	173.2	0	0	0	0	173.2	173.2
Financial assets at FVOCI	0	0	81.2	81.2	0	0	0	0	81.2	81.2
Financial assets at FVTPL	416.6	48.5	0	465.1	0	0	0	0	465.1	465.1
	416.6	160.1	142.8	719.5	0	35.0	754.1	789.1	1,508.6	1,529.4
Financial liabilities										
Borrowings	0	0	0	0	47,602.0	12,277.9	0	59,879.9	59,879.9	57,406.6
Other financial liabilities at AC	0	0	0	0	0	986.3	0	986.3	986.3	997.1
Derivative financial instruments	0	6.8	94.3	101.1	0	0	0	0	101.1	101.1
	0	6.8	94.3	101.1	47,602.0	13,264.2	0	60,866.2	60,967.3	58,504.8

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45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Fair value of financial instruments (continued)

The classifications in the fair value hierarchy of the Group's and of the Company's assets and liabilities measured at fair value are summarised in the table below: (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'million	Level 2 RM'million	Level 3 RM'million	Total RM'million	Level 1 RM'million	Level 2 RM'million	Level 3 RM'million	Total RM'million	RM'million	RM'million
2024										
Company										
Financial assets										
Investment in unquoted debt security	0	0	0	0	0	0	255.5	255.5	255.5	255.5
Long term receivables	0	0	0	0	0	0	498.6	498.6	498.6	498.6
Other non-trade receivables	0	0	0	0	0	35.0	0	35.0	35.0	26.2
Financial assets at FVOCI	0	0	80.5	80.5	0	0	0	0	80.5	80.5
Amounts due from subsidiaries	0	0	0	0	0	3,694.5	0	3,694.5	3,694.5	3,736.6
Derivative financial instruments	0	35.6	0	35.6	0	0	0	0	35.6	35.6
Financial assets at FVTPL	58.9	48.5	0	107.4	0	0	0	0	107.4	107.4
	58.9	84.1	80.5	223.5	0	3,729.5	754.1	4,483.6	4,707.1	4,740.4
Financial liabilities										
Borrowings	0	0	0	0	24,415.4	2,857.8	0	27,273.2	27,273.2	26,657.6
Other financial liabilities at AC	0	0	0	0	0	937.7	0	937.7	937.7	943.0
Derivative financial instruments	0	2.8	0	2.8	0	0	0	0	2.8	2.8
	0	2.8	0	2.8	24,415.4	3,795.5	0	28,210.9	28,213.7	27,603.4

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Fair value of financial instruments (continued)

The classifications in the fair value hierarchy of the Group's and of the Company's assets and liabilities measured at fair value are summarised in the table below: (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'million	Level 2 RM'million	Level 3 RM'million	Total RM'million	Level 1 RM'million	Level 2 RM'million	Level 3 RM'million	Total RM'million	RM'million	RM'million
2023										
Group										
Financial assets										
Investment in unquoted debt security	0	0	0	0	0	0	259.3	259.3	259.3	259.3
Long term receivables	0	0	0	0	0	32.3	0	32.3	32.3	46.8
Derivative financial instruments	0	76.2	91.8	168.0	0	0	0	0	168.0	168.0
Financial assets at FVOCI	0	0	55.1	55.1	0	0	0	0	55.1	55.1
Financial assets at FVTPL	1,583.9	66.1	0	1,650.0	0	0	0	0	1,650.0	1,650.0
	1,583.9	142.3	146.9	1,873.1	0	32.3	259.3	291.6	2,164.7	2,179.2
Financial liabilities										
Borrowings	0	0	0	0	48,068.9	15,070.3	0	63,139.2	63,139.2	61,770.2
Other financial liabilities at AC	0	0	0	0	0	896.9	0	896.9	896.9	850.5
Derivative financial instruments	0	11.9	0	11.9	0	0	0	0	11.9	11.9
	0	11.9	0	11.9	48,068.9	15,967.2	0	64,036.1	64,048.0	62,632.6
Company										
Financial assets										
Investment in unquoted debt security	0	0	0	0	0	0	259.3	259.3	259.3	259.3
Long term receivables	0	0	0	0	0	32.3	0	32.3	32.3	21.1
Financial assets at FVOCI	0	0	54.3	54.3	0	0	0	0	54.3	54.3
Amounts due from subsidiaries	0	0	0	0	0	4,381.6	0	4,381.6	4,381.6	4,885.5
Financial assets at FVTPL	1,303.3	66.1	0	1,369.4	0	0	0	0	1,369.4	1,369.4
	1,303.3	66.1	54.3	1,423.7	0	4,413.9	259.3	4,673.2	6,096.9	6,589.6
Financial liabilities										
Borrowings	0	0	0	0	24,469.3	5,667.8	0	30,137.1	30,137.1	29,678.1
Other financial liabilities at AC	0	0	0	0	0	743.1	0	743.1	743.1	764.4
Derivative financial instruments	0	1.4	0	1.4	0	0	0	0	1.4	1.4
	0	1.4	0	1.4	24,469.3	6,410.9	0	30,880.2	30,881.6	30,443.9

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31 December 2024

45 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

Fair value of financial instruments (continued)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during the financial year.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Derivative financial instruments

The fair value is estimated by the difference between the contractual forward price and the current forward price for the residual maturity of the contract.

Non-derivative financial instruments

Fair value, which is determined for disclosure purpose, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

(v) Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, when applicable, ranging between 0.8% to 8.0% (2023: 0.8% to 8.0%).

Although the Group and the Company believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recalibrating the model values using expected cash flows and risk-adjusted discount rates based on the probability weighted average of the Group's and of the Company's ranges of possible outcomes.

45 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Offsetting of financial assets and financial liabilities

The following financial assets and financial liabilities are subject to offsetting arrangements based on Group policies and procedures:

	Company		
	Gross amounts recognised RM'million	Gross amounts set-off in the SOFP RM'million	Net amounts presented in the SOFP RM'million
Financial assets			
2024			
Amounts due from subsidiaries	**10,307.6**	**(3,358.8)**	**6,948.8**
2023			
Amounts due from subsidiaries	11,033.6	(3,056.0)	7,977.6
Financial liabilities			
2024			
Amounts due to subsidiaries	**(9,456.4)**	**3,358.8**	**(6,097.6)**
2023			
Amounts due to subsidiaries	(10,000.0)	3,056.0	(6,944.0)

46 CAPITAL RISK MANAGEMENT

The Group's and the Company's main objective of capital management is to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group and the Company will also strive to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of sustaining or changing the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders.

In order to be consistent with industry norms, the Group and the Company monitor its capital structure on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by capital employed. Total borrowings include non-current borrowings and current borrowings as shown in the consolidated statement of financial position. Capital employed is the summation of total equity and total borrowings.

The gearing ratios are as follows:

	Group		Company	
	2024 RM'million	2023 RM'million	2024 RM'million	2023 RM'million
Total borrowings (Note 26)	**57,406.6**	61,770.2	**26,657.6**	29,678.1
Total equity	**62,569.7**	61,082.7	**47,337.8**	46,415.0
Total capital employed	**119,976.3**	122,852.9	**73,995.4**	76,093.1
Gearing ratios	**0.48**	0.50	**0.36**	0.39

The Group and the Company have met all externally imposed capital requirements.

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47 SIGNIFICANT ACQUISITIONS DURING PRECEDING FINANCIAL YEAR

Acquisitions during the preceding financial year

Subsidiaries acquired by the Group during the financial year ended 31 December 2023 were as follows:

Name of subsidiaries	Note	Purchase consideration RM'million	Group's effective interest acquired	Effective acquisition date
Spark Renewables	(i)	1,184.9	100.0%	20 September 2023
Dullarbtons and Elipsgeen	(ii)	494.0	100.0%	20 December 2023

(i) Spark Renewables

Stone HoldCo Pty Ltd and Stone BidCo, newly incorporated wholly owned subsidiaries of TNBI in Australia have completed its acquisition of Spark Renewables for a purchase consideration of AUD392.3 million in cash. Refer to Note 48 for the principal activities of these companies.

The Group's profit after tax for the financial year ended 31 December 2023 would have been estimated at RM2,624.8 million if Spark Renewables has been consolidated from the beginning of the financial year. From the acquisition date up to 31 December 2023, Spark Renewables contributed a loss after tax of RM5.6 million. The transaction costs incurred for this acquisition was RM52.5 million.

The PPA is finalised during the financial year and there was no adjustment to the goodwill recognised.

Details of the assets, liabilities and net cash outflow as at the date of the acquisition of this subsidiary by the Group during the financial year ended 31 December 2023 are as follows:

	Spark Renewables	
	Book value RM'million	Fair value RM'million
Recognised amounts of identifiable assets acquired and liabilities assumed:		
– PPE (Note 5)	476.6	514.3
– Intangible assets (Note 10)	2.4	429.3
– Derivative financial instruments	88.2	88.2
– Receivables, deposits and prepayments	7.4	7.4
– Deposits, bank and cash balances	3.0	3.0
– Other liabilities	(5.1)	(5.1)
– Deferred tax liabilities (Note 12)	(45.2)	(184.6)
Total identifiable net assets	527.3	852.5
Goodwill (Note 10)		332.4
Total		1,184.9
Cash consideration paid		1,184.9
Cash and cash equivalents assumed		(3.0)
Net cash outflow on acquisition		1,181.9

The goodwill was deemed to be attributable to Spark Renewable's ability to develop and operate new renewable energy projects in Australia, as well as enhanced scale and operational diversity in its renewable projects portfolio.

47 SIGNIFICANT ACQUISITIONS DURING PRECEDING FINANCIAL YEAR (CONTINUED)

Acquisitions during the preceding financial year (continued)

Subsidiaries acquired by the Group during the financial year ended 31 December 2023 were as follows: (continued)

(ii) Dullarbtons and Elipsgeen

VRE3, a newly incorporated wholly owned subsidiary of TNBI, completed its acquisition of Dullarbtons and Elipsgeen for a purchase consideration of EUR97.5 million in cash. Refer to Note 48 for the principal activities of these companies.

The Group's profit after tax for the financial year ended 31 December 2023 would have been estimated at RM2,641.5 million if Dullarbtons and Elipsgeen have been consolidated from the beginning of the financial year. From the acquisiton date up to 31 December 2023, Dullarbtons and Elipsgeen contributed a loss after tax of RM4.3 million. The transaction costs incurred for this acquisition were RM8.0 million.

The net identifiable assets and goodwill disclosed in the consolidated financial statements for the financial year ended 31 December 2023 were based on provisional figures which were expected to be finalised within 12 months from the acquisition date.

After PPA finalisation, during the financial year, the goodwill amount is revised to RM182.3 million (EUR36.0 million), an increase of RM23.6 million from the provisional goodwill of RM158.7 million (EUR31.3 million). The change in goodwill is mainly due to the recognition of derivative financial liabilities on power purchase agreements in accordance with the requirements of MFRS 9 'Financial Instruments' and adjustment to the fair value of PPE. The cash consideration paid has also increased by RM1.6 million during the financial year due to finalisation of working capital adjustment.

Effects of the acquisition based on finalised fair value are as follows:

	Dullarbtons and Elipsgeen	
	Book value RM'million	Fair value RM'million
Recognised amounts of identifiable assets acquired and liabilities assumed:		
– PPE (Note 5)	875.9	1,060.8
– ROU assets (Note 6)	83.8	85.9
– Deferred tax assets (Note 12)	3.5	15.2
– Long term receivables	2.6	2.6
– Derivative financial instruments	20.8	(92.1)
– Receivables, deposits and prepayments	12.7	10.9
– Deposits, bank and cash balances	47.9	47.9
– Payables	(8.9)	(4.7)
– Lease liabilities (Note 15)	(83.8)	(84.1)
– Borrowings	(701.4)	(701.4)
– Deferred tax liabilities (Note 12)	0	(22.8)
– Other liabilities	(2.4)	(4.9)
Total identifiable net assets	250.7	313.3
Goodwill (Note 10)		182.3
Total		495.6
Cash consideration paid		483.8
Contingent consideration		11.8
Total purchase consideration		495.6
Cash consideration paid		483.8
Cash and cash equivalents assumed		(47.9)
Net cash outflow on acquisition		435.9

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48 LIST OF SUBSIDIARIES

The list of subsidiaries of the Group is as follows:

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Allo Technology Sdn. Bhd.	**100%**	100%	Information technology related services	Malaysia
Malaysia Transformer Manufacturing Sdn. Bhd.	**100%**	100%	Principally engaged in the business of manufacturing, selling and repairing distribution, power and earthing transformers	Malaysia
TNB Engineers Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
TNB Fuel Services Sdn. Bhd.	**100%**	100%	Supplying fuel and coal for power generation	Malaysia
TNB Generation Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
TNB Global Captive (L) Ltd.	**100%**	100%	Insurance and reinsurance related business	Malaysia
TNB Global Ventures Capital Berhad	**100%**	100%	Special Purpose Vehicle company to raise Islamic Securities under the Islamic Securities Programme	Malaysia
TNB Hidro Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
TNB Integrated Learning Solution Sdn. Bhd.	**100%**	100%	Providing training courses	Malaysia
TNB Risk Management Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
TNB Topaz Energy Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
TNB Transmission Network Sdn. Bhd. (In members' voluntary winding up)	**100%**	100%	Dormant	Malaysia
TNB-IT Sdn. Bhd.	**100%**	100%	Provision of telecommunication and IT infrastructure solutions and operation and maintenance services on the telecommunication equipment and data centre	Malaysia
Yayasan Tenaga Nasional	**–**	–	A trust established under the provision of Trustees (Incorporation) Act 1952 (Act 258), for promotion and advancement of education and for charitable purposes	Malaysia
Aruna Servicios Integrales S.L.U.*	**100%**	100%	Investment holding	Spain
Subsidiary of Aruna Servicios Integrales S.L.U.				
Global Power Enerjî Sanayî Ve Tîcaret Anonîm Şîrketî*	**100%**	100%	To engage in activities related to building and operating electricity production facilities, producing electricity and/or capacity and distributing the generated electricity and/or capacity to customers and/or to legal entities with wholesale trade licences or retail sale licences and to free consumers	Türkiye
Power and Energy International (Mauritius) Ltd.*	**100%**	100%	Investment holding	Mauritius

48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiary of Power and Energy International (Mauritius) Ltd.				
Independent Power International Ltd.*	**100%**	100%	Investment holding	Mauritius
REV Property Holdings Sdn. Bhd.	**100%**	100%	Investment holding company, property asset management and property facility management	Malaysia
Subsidiaries of REV Property Holdings Sdn. Bhd.				
REV Horizon Sdn. Bhd.	**100%**	100%	Property asset management, property project management and property facility management	Malaysia
REV Kapar Sdn. Bhd.	**100%**	100%	Property investment, property development, project management, asset management, and facility management	Malaysia
REV Perai Sdn. Bhd.	**100%**	100%	Property investment, property development, project management, asset management, and facility management	Malaysia
REV Platinum Sdn. Bhd.	**100%**	100%	Property investment, property management, asset management, and facility management	Malaysia
REV Zenith Sdn. Bhd.	**100%**	100%	Property investment, property development, project management, asset management, and facility management	Malaysia
Sabah Electricity Sdn. Bhd.	**83%**	83%	Business of generation, transmission, distribution and sales of electricity and services in Sabah and the Federal Territory of Labuan	Malaysia
Subsidiary of Sabah Electricity Sdn. Bhd.				
Elopura Power Sdn. Bhd.	**83%**	83%	Dormant	Malaysia
Tenaga Switchgear Sdn. Bhd.	**60%**	60%	Principally engaged in the business of assembling and manufacturing of high voltage switchgears and contracting of turnkey transmission substations	Malaysia
Subsidiaries of Tenaga Switchgear Sdn. Bhd.				
PT. Tenaga Nusa Bakti*	**57%**	57%	Dormant	Indonesia
TSG Ormazabal Sdn. Bhd.	**36%**	36%	Assembling, manufacture, test, reconditioning, distribution and other sources of medium voltage switchgear and control gear for transmission and distribution of electric power	Malaysia
TNB Energy Services Sdn. Bhd.	**100%**	100%	Generating, distributing, supplying, dealing, selling of different kinds of energy sources and related technical services	Malaysia

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48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of TNB Energy Services Sdn. Bhd.				
MAEVI Sdn. Bhd.	**70%**	70%	Dormant	Malaysia
Tenaga E Mobility Solutions Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
TNB Engineering Corporation Sdn. Bhd.	**100%**	100%	Principally engaged as turnkey contractors, energy project development specialising in district cooling system and co-generation including operation and maintenance works	Malaysia
Subsidiaries of TNB Engineering Corporation Sdn. Bhd.				
Bangsar Energy Systems Sdn. Bhd.	**100%**	100%	Operating an integrated district cooling system for air conditioning systems of office buildings	Malaysia
Subsidiary of Bangsar Energy Systems Sdn. Bhd.				
Selesa Energy Systems Sdn. Bhd.	**70%**	70%	Dormant	Malaysia
Subsidiaries of TNB Engineering Corporation Sdn. Bhd. (continued)				
Cooling Energy Supply Sdn. Bhd.	**70%**	70%	Operation of the concession to operate, maintain and upgrade an existing district cooling co-generation plant and to supply electricity and chilled water to customer	Malaysia
TNEC Construction Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
TNEC Operations and Maintenance Sdn. Bhd.	**100%**	100%	Investment holding company	Malaysia
Subsidiary of TNEC Operations and Maintenance Sdn. Bhd.				
Tomest Energy Management Sdn. Bhd.* (In members' voluntary winding up)	**51%**	51%	Dormant	Malaysia
TNB International Sdn. Bhd.	**100%**	100%	Investment holding company	Malaysia
Subsidiaries of TNB International Sdn. Bhd.				
Stone HoldCo Pty Ltd*	**100%**	100%	Investment holding company	Australia
Subsidiary of Stone HoldCo Pty Ltd				
Stone BidCo Pty Ltd*	**100%**	100%	Investment holding company	Australia
Subsidiary of Stone BidCo Pty Ltd				
Spark Renewables Pty Ltd*	**100%**	100%	Investment holding company	Australia

48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of Spark Renewables Pty Ltd				
Renewables ServiceCo Pty Ltd*	**100%**	100%	Investment holding company	Australia
Bomen SF HoldCo Pty Ltd*	**100%**	100%	Investment holding company	Australia
Subsidiary of Bomen SF HoldCo Pty Ltd				
Bomen Solar Farm Pty Ltd*	**100%**	100%	Operation of solar assets for the generation and sale of electricity	Australia
Subsidiaries of Spark Renewables Pty Ltd (continued)				
Bomen SF Hold Trust*	**100%**	100%	Investment holding entity (trust)	Australia
Subsidiary of Bomen SF Hold Trust				
Bomen SF Trust*	**100%**	100%	Investment holding entity (trust)	Australia
Subsidiary of Bomen SF Trust				
Bomen SF Finco Pty Ltd*	**100%**	100%	Investment holding company	Australia
Subsidiaries of Spark Renewables Pty Ltd (continued)				
Mates Gully Solar Farm Pty Ltd*	**100%**	100%	Investment holding company	Australia
Mallee Wind Pty Ltd*	**100%**	100%	Investment holding company	Australia
Yorke Peninsula Wind Farm Project Pty Ltd*	**100%**	100%	Investment holding company	Australia
Wattle Creek Energy Hub Pty Ltd*	**100%**	100%	Investment holding company	Australia
Wattle Creek Energy Hub Trust*	**100%**	100%	Investment holding entity (trust)	Australia
Dinawan Energy Hub Pty Ltd*	**100%**	100%	Investment holding company	Australia
Dinawan Energy Hub Trust*	**100%**	100%	Investment holding entity (trust)	Australia
Subsidiaries of TNB International Sdn. Bhd. (continued)				
Vantage RE Ltd.*	**100%**	100%	Investment holding company	United Kingdom
Subsidiaries of Vantage RE Ltd.				
Clean Energy and Infrastructure UK Limited*	**100%**	100%	Investment holding company	United Kingdom
Subsidiaries of Clean Energy and Infrastructure UK Limited				
Clean Energy and Infrastructure UK Wind Limited*	**100%**	100%	Investment holding company	United Kingdom

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48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of Clean Energy and Infrastructure UK Wind Limited				
Daintree Wind Farm Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Dunmore Wind Farm Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
East Youlstone Wind Farm Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Falkirk Tod Hill Wind Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Garlenick Wind Farm Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Harthill Wind Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Mossmorran Wind Farm Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Potato Pot Wind Farm Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Wythegill Wind Farm Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Ysgellog Wind Farm Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Subsidiaries of Clean Energy and Infrastructure UK Limited (continued)				
Clean Energy and Infrastructure UK Wind 2 Limited*	**100%**	100%	Investment holding company	United Kingdom
Subsidiary of Clean Energy and Infrastructure UK Wind 2 Limited				
Norman 1985 Limited*	**100%**	100%	Investment holding company	United Kingdom
Subsidiary of Norman 1985 Limited				
Whiteside Hill Windfarm (Scotland) Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Subsidiaries of Vantage RE Ltd. (continued)				
JBM Solar Projects 18 Limited*	**100%**	100%	Operation of solar assets for the generation and sale of electricity	United Kingdom
JBM Solar Projects 23 Limited*	**100%**	100%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Tenaga Wind Ventures UK Ltd.*	**100%**	100%	Investment holding company	United Kingdom

48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of Tenaga Wind Ventures UK Ltd.				
Bluemerang Capital Ltd.*	**100%**	100%	Investment holding company	United Kingdom
Subsidiaries of Bluemerang Capital Ltd.				
BCL Castlerigg Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
BCL Gwynt Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
BCL Harmeston Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
BCL Murex Bennacott Ltd.*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
BCL Hunday Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Ili (Wellgreen) Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
LE18 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
LE19 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Murex Bennacott Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Subsidiaries of Tenaga Wind Ventures UK Ltd. (continued)				
GVO Wind Limited*	**100%**	100%	Investment holding company	United Kingdom
Subsidiaries of GVO Wind Limited				
Boghead WT Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Durpley WT Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind F-1 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 1 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 2 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 3 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom

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48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of GVO Wind Limited (continued)				
GVO Wind No. 4 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 5 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 6 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 7 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 9 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 10 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 11 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 12 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 13 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 14 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 16 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 20 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 21 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 22 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 23 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 24 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 25 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 27 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 28 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 29 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom

48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of GVO Wind Limited (continued)				
GVO Wind No. 30 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 31 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 32 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 35 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 36 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 39 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 40 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 41 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 42 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 43 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO Wind No. 44 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO/CME Wind No. 17 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
GVO/CME Wind No. 18 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
OGPW No.1 Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Warren WT Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Weston Town WT Limited*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Subsidiaries of Vantage RE Ltd. (continued)				
TWV No. 1 Ltd.*	**100%**	100%	Operation of wind assets for the generation and sale of electricity	United Kingdom
Vantage RE No. 1 Limited*	**100%**	100%	Investment holding company	United Kingdom
Vantage Solar Investments S.A.R.L.*	**55%**	55%	Investment holding company	Luxembourg

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48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiary of Vantage Solar Investments S.A.R.L.				
Vantage Solar UK4 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiary of Vantage Solar UK4 Limited				
Vantage Solar UK3 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiary of Vantage Solar UK3 Limited				
Vantage Solar UK2 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiary of Vantage Solar UK2 Limited				
Vantage Solar UK Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiary of Vantage Solar UK Limited				
TerraForm UK2 Intermediate Holdings, Ltd.*	**55%**	55%	Investment holding company	United Kingdom
Subsidiary of TerraForm UK2 Intermediate Holdings, Ltd.				
TerraForm UK3 Intermediate Holdings Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited				
Cambridge Solar Power Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
SunE Green Holdco2 Ltd.*	**55%**	55%	Investment holding company	United Kingdom
Subsidiaries of SunE Green Holdco2 Ltd.				
AEE Renewables UK 31 Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
SunE Project1 Ltd.*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited (continued)				
SunE Green Holdco3 Limited*	**55%**	55%	Investment holding company	United Kingdom

48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of SunE Green Holdco3 Limited				
Sunsave 10 (Fareham) Ltd.*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Sunsave 15 (Westwood) Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Sunsave 20 (Knowlton) Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited (continued)				
SunE Green Holdco4 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiaries of SunE Green Holdco4 Limited				
Boyton Solar Park Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
KS SPV 24 Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Sunsave 6 (Manston) Ltd.*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited (continued)				
SunE Green Holdco5 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiaries of SunE Green Holdco5 Limited				
MSP Fairwind Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Sunsave 14 (Fenton) Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited (continued)				
SunE Green Holdco7 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiaries of SunE Green Holdco7 Limited				
Brynteg Solar Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Daisy No. 1 Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom

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48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of SunE Green Holdco7 Limited (continued)				
SE Bury Lane Solar Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
SunE Green Energy Ltd.*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
SunE Green Holdco6 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiary of SunE Green Holdco6 Limited				
Sunsave 43 (Epwell) Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited (continued)				
SunE Green Holdco9 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiaries of SunE Green Holdco9 Limited				
SunE Burthy Farm Solar Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
SunE Little Neath Solar Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited (continued)				
SunE Green Holdco13 Limited*	**55%**	55%	Investment holding company	United Kingdom
Subsidiary of SunE Green Holdco13 Limited				
SunE Prestop Park Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited (continued)				
SunE Hill Farm Solar Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
SunE Sundorne Grove Solar Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Sunsave 11 (Wrockwardine Farm) Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom

48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of TerraForm UK3 Intermediate Holdings Limited (continued)				
Sunsave 17 (Castle Combe) Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Sunsave 31 (Horam) Limited*	**55%**	55%	Operation of solar assets for the generation and sale of electricity	United Kingdom
Subsidiaries of Vantage RE Ltd. (continued)				
Vantage RE No. 2 Limited*	**100%**	100%	Investment holding company	United Kingdom
Vantage RE No. 3 Limited*	**100%**	100%	Investment holding company	United Kingdom
Subsidiaries of Vantage RE No. 3 Limited				
Elipsgeen Limited*	**100%**	100%	Operation of solar assets for the generation and sale of electricity	Republic of Ireland
Dullarbtons Limited*	**100%**	100%	Operation of solar assets for the generation and sale of electricity	Republic of Ireland
TNB Power Generation Sdn. Bhd.	**100%**	100%	Ownership, management and operation of the domestic power plants, renewable energy generation business, power plant operation and maintenance business and dry bulk terminal operation business	Malaysia
Subsidiaries of TNB Power Generation Sdn. Bhd.				
Chenderoh Solar Terapung Satu Sdn. Bhd.	**100%**	-	Responsible for the domestic power generation assets, with fully integrated end-to-end capabilities	Malaysia
Integrax Berhad	**100%**	100%	Investment holding company	Malaysia
Subsidiaries of Integrax Berhad				
Integrax Maritime Services Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
Pelabuhan Lumut Sdn. Bhd.	**100%**	100%	Investment holding company	Malaysia
Subsidiary of Pelabuhan Lumut Sdn. Bhd.				
Lekir Bulk Terminal Sdn. Bhd.	**100%**	100%	Development, ownership and management of a dry bulk terminal	Malaysia
Subsidiaries of TNB Power Generation Sdn. Bhd. (continued)				
Jimah East Power Sdn. Bhd.	**70%**	70%	Generate and deliver electricity energy and maintain generating capacity to TNB	Malaysia
Kapar Energy Ventures Sdn. Bhd.	**60%**	60%	Generate and deliver electricity energy and maintain generating capacity to TNB	Malaysia

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48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiaries of TNB Power Generation Sdn. Bhd. (continued)				
Manjung Island Energy Berhad	–	–	Special purpose company to raise Islamic securities under the Islamic Securities Programme	Malaysia
Southern Power Generation Sdn. Bhd.	**70%**	70%	Generate and deliver electricity energy and maintain generating capacity to TNB	Malaysia
TNB Connaught Bridge Sdn. Bhd.	**100%**	100%	Generate and deliver electricity energy and maintain generating capacity to TNB	Malaysia
TNB Janamanjung Sdn. Bhd.	**100%**	100%	Generate and deliver electricity energy and maintain generating capacity to TNB	Malaysia
TNB Manjung Five Sdn. Bhd.	**100%**	100%	Generate and deliver electricity energy and maintain generating capacity to TNB	Malaysia
Subsidiary of TNB Manjung Five Sdn. Bhd.				
TNB Western Energy Berhad	**100%**	100%	Principally engaged in the construction of 1,000MW coal-fired power plant in Lumut, Perak, Malaysia	Malaysia
Subsidiaries of TNB Power Generation Sdn. Bhd. (continued)				
TNB Pasir Gudang Energy Sdn. Bhd.	**100%**	100%	Carry business of any matter relating to electricity especially the business of generation and supply of electricity for any purpose in Malaysia	Malaysia
TNB Prai Sdn. Bhd.	**100%**	100%	Generate and deliver electricity energy and maintain generating capacity to TNB	Malaysia
Subsidiary of TNB Prai Sdn. Bhd.				
TNB Northern Energy Berhad	**100%**	100%	Principally to construct a 1,071MW gas-fired power plant in Seberang Perai Tengah, Seberang Perai, Pulau Pinang, Malaysia	Malaysia
Subsidiaries of TNB Power Generation Sdn. Bhd. (continued)				
TNB Repair And Maintenance Sdn. Bhd.	**100%**	100%	Providing repair and maintenance services to heavy industries and other related services	Malaysia
Subsidiaries of TNB Repair And Maintenance Sdn. Bhd.				
Tenaga WHR 1 Sdn. Bhd.	**100%**	100%	To carry on the business of establishing, constructing, commissioning, setting up, operating and maintaining electric power generation systems, transmission systems/networks, power systems, generating stations/plants based on waste heat recovery and/or power efficiency technology	Malaysia
TNB Operations & Maintenance International Ltd.	**100%**	100%	Investment holding company	Mauritius

48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Subsidiary of TNB Operations & Maintenance International Ltd.				
Oasis Parade Sdn. Bhd.	**100%**	100%	Investment holding company	Malaysia
Subsidiaries of TNB Repair And Maintenance Sdn. Bhd. (continued)				
TNB REMACO Pakistan (Private) Limited#	**100%**	100%	Providing repair and maintenance services to heavy industries and other related services	Pakistan
Trichy Energy Limited* (In members' voluntary winding up)	**100%**	100%	Dormant	India
Trichy Power Limited* (In members' voluntary winding up)	**100%**	100%	Dormant	India
Subsidiaries of TNB Power Generation Sdn. Bhd. (continued)				
TNBPG Hydro Nenggiri Sdn. Bhd.	**100%**	100%	Responsible for the domestic power generation assets, with fully integrated end-to-end capabilities	Malaysia
TNBPG Hydro Sungai Perak Sdn. Bhd.	**100%**	100%	Responsible for the domestic power generation assets, with fully integrated end-to-end capabilities	Malaysia
TNB Properties Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
Subsidiary of TNB Properties Sdn. Bhd.				
TNP Construction Sdn. Bhd.	**100%**	100%	Dormant	Malaysia
TNB Renewables Sdn. Bhd.	**100%**	100%	Investment holding company	Malaysia
Subsidiaries of TNB Renewables Sdn. Bhd.				
TNB Bukit Selambau Solar Sdn. Bhd.	**100%**	100%	Operation of generation facilities that produce electric energy	Malaysia
TNB Bukit Selambau Solar Dua Sdn. Bhd.	**100%**	100%	Operation of generation facilities that produce electric energy	Malaysia
TNB Bukit Sidim Kulim Solar Sdn. Bhd.	**100%**	100%	Operation of generation facilities that produce electric energy	Malaysia
TNB Sepang Solar Sdn. Bhd.	**100%**	100%	Operation of generation facilities that produce electric energy	Malaysia
TNB Research Sdn. Bhd.	**100%**	100%	Research and development, consultancy and other services	Malaysia
Subsidiary of TNB Research Sdn. Bhd.				
TNB Labs Sdn. Bhd.	**100%**	100%	Technical and laboratory services, consultancy and other services	Malaysia

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48 LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group is as follows: (continued)

Name of subsidiary	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
TNB Retail Sdn. Bhd.	**100%**	100%	Managing customer relationships and responsible for sale of electricity and beyond	Malaysia
Subsidiaries of TNB Retail Sdn. Bhd.				
GSPARX Sdn. Bhd.	**100%**	100%	Invest and develop renewable energy projects for self-consumption/self-generation and its related business	Malaysia
TNBX Sdn. Bhd.	**100%**	100%	To act as the single-fronting Malaysia entity for customers to purchase/obtain solutions beyond the meter. The solutions comprise non-regulated products and services such as energy efficiency, renewable energy and smart cities	Malaysia
TNB Ventures Sdn. Bhd.	**100%**	100%	Investment holding company	Malaysia
Subsidiary of TNB Ventures Sdn. Bhd.				
Tenaga Cable Industries Sdn. Bhd.	**76%**	76%	Manufacturing and distribution of power and general cables, aluminium rods and related activities	Malaysia
Universiti Tenaga Nasional Sdn. Bhd.	**100%**	100%	Providing higher education	Malaysia
Subsidiaries of Universiti Tenaga Nasional Sdn. Bhd.				
UNITEN R&D Sdn. Bhd.	**100%**	100%	Providing research and development in areas related to engineering, information technology, business, accountancy, liberal studies and other services	Malaysia
Yayasan Canselor Universiti Tenaga Nasional	**–**	–	A trust established under the provision of Trustees (Incorporation) Act 1952 (Act 258) to receive and administer funds for educational and charitable purposes	Malaysia

[#] *Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PwC, Malaysia.*

[*] *Not audited by PwC.*

The subsidiaries' principal place of business is situated in the country of incorporation.

49 LIST OF JOINT ARRANGEMENTS

The list of joint arrangements of the Group is as follows:

Name of joint arrangement	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Joint ventures				
Seatrac Sdn. Bhd.* (In members' voluntary winding up)	**50%**	50%	Dormant	Malaysia
Joint venture of GSPARX Sdn. Bhd.				
Sime Darby Property (Rooftop Solar Solutions) Sdn. Bhd.	**49%**	–	Operation of generation facilities that produce electric energy	Malaysia
Joint ventures of TNB Energy Services Sdn. Bhd.				
FTJ Bio Power Sdn. Bhd.	**40%**	40%	Generation and distribution of electricity using palm empty fruit bunches as its main fuel source	Malaysia
Metrosphere Hydro Tersat Sdn. Bhd.*	**49%**	49%	Business related in hydro power plant and general trading	Malaysia
Joint venture of TNB Engineering Corporation Sdn. Bhd.				
Airport Cooling Energy Supply Sdn. Bhd.	**77%**	77%	To develop, design, engineer, procure, construct and finance district cooling projects in the airport sector, to undertake the comprehensive operational and maintenance of district cooling projects in the airport sector and to carry on the business of producing, distributing, applying, dealing and selling of chilled water	Malaysia
Joint ventures of TNB Renewables Sdn. Bhd.				
Selarong Pertama Energy Sdn. Bhd.*	**30%**	–	Provision of engineering, procurement construction and commissioning for solar photovoltaic system and investment in solar plant	Malaysia
Setia Kawan Energy Sdn. Bhd.*	**30%**	–	Provision of engineering procurement construction and commissioning for solar photovoltaic system and investment in solar plant	Malaysia
Joint venture of TNB Repair And Maintenance Sdn. Bhd.				
GMR Tenaga Operations And Maintenance Private Limited*	**50%**	50%	Operation and maintenance of power plants	India
Joint operations				
Joint operation of TNB Engineering Corporation Sdn. Bhd.				
TNB Engineering Corporation Sdn. Bhd. & ERS Energy Sdn. Bhd. ('TNEC-ERS')	**60%**	60%	Project Large Scale Solar Photovoltaic Plant at Kuala Muda, Kedah	Malaysia

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49 LIST OF JOINT ARRANGEMENTS (CONTINUED)

The list of joint arrangements of the Group is as follows: (continued)

Name of joint arrangement	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Joint operations (continued)				
Joint operations of TNB Repair And Maintenance Sdn. Bhd.				
TNB Repair And Maintenance Sdn. Bhd. & Al-Dhow Engineering ('TNB REMACO & Al-Dhow JV')#	**50%**	50%	Maintenance works for instrumental and control systems and mechanical equipment services	Kuwait
TNB Repair And Maintenance Sdn. Bhd. & Kharafi National ('TNB REMACO & KN JV')#	**50%**	50%	Operation and maintenance services to heavy industries and other related services	Kuwait

 # Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PwC, Malaysia.
** Not audited by PwC.*

The joint arrangements' principal place of business is situated in the country of incorporation.

50 LIST OF ASSOCIATES

The list of associates of the Group is as follows:

Name of associate	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Fibrecomm Network (M) Sdn. Bhd.*	**49%**	49%	Provision of fibre optic transmission network services	Malaysia
GB3 Sdn. Bhd.*	**20%**	20%	Design, construction, operation and maintenance of a combined cycle power plant, generation and sale of electrical energy and generating capacity of the power plant	Malaysia
Jimah Energy Ventures Holdings Sdn. Bhd.*	**25%**	25%	Investment holding	Malaysia
Teknologi Tenaga Perlis Consortium Sdn. Bhd.*	**20%**	20%	Operating and maintaining an electricity generating plant owned by the Company	Malaysia
Associate of Elopura Power Sdn. Bhd.				
Oriole Hydro Padas Sdn. Bhd.*	**17%**	17%	Power generation utilising hydroelectric power plant	Malaysia
Associate of Global Power Enerjî Sanayî Ve Tîcaret Anonîm Şîrketî				
Gama Enerji Anonîm Şîrketî#	**30%**	30%	To enter into commitments related to energy investments and to carry out industrial, commercial and business activities	Türkiye
Associate of Independent Power International Ltd.				
Malaysian Shoaiba Consortium Sdn. Bhd.*	**20%**	20%	Acquiring and hold for investment, shares, stocks, debentures in Malaysia or elsewhere	Malaysia

50 LIST OF ASSOCIATES (CONTINUED)

The list of associates of the Group is as follows: (continued)

Name of associate	Group's effective interest 2024	Group's effective interest 2023	Principal activities	Country of incorporation
Associate of Oasis Parade Sdn. Bhd.				
Saudi Malaysia Operation & Maintenance Services Company Limited*	**30%**	30%	Operation and maintenance of electricity generation stations and water desalination plants	Kingdom of Saudi Arabia
Associate of Pelabuhan Lumut Sdn. Bhd.				
Lumut Maritime Terminal Sdn. Bhd.*	**50% less 1 share**	50% less 1 share	Operations of multi-purpose port facilities, operation and maintenance of a bulk terminal, sales and rental of port related land and other ancillary activities	Malaysia
Associate of TNB Energy Services Sdn. Bhd.				
Jana Landfill Sdn. Bhd.*	**20%**	20%	Generation and distribution of heat and electricity using methane gas from landfill sites	Malaysia
Associate of TNB Engineering Corporation Sdn. Bhd.				
Abraj Cooling LLC*	**49%**	49%	Contracting works for the construction of district cooling plants	United Arab Emirates
Associate of TNB Renewables Sdn. Bhd.				
SD Guthrie TNB Renewables Sdn. Bhd. (Formerly known as SD Plantation TNB Renewables Sdn. Bhd.)	**49%**	49%	To develop, set up, construct, install, operate and maintain renewable energy or biogas power plant which uses the palm oil mill effluent as its main source of fuel	Malaysia
Associate of TNB Properties Sdn. Bhd.				
KM Metro-TNB Properties Sdn. Bhd.*	**40%**	40%	Dormant	Malaysia
Associate of TNB Research Sdn. Bhd.				
Gunung Tenaga Sdn. Bhd.*	**40%**	40%	Dormant	Malaysia
Associate of Vantage RE No. 1 Limited				
Blyth Offshore Demonstrator Limited*	**49%**	49%	Ownership, construction and operation of a 42MW offshore wind farm	United Kingdom

Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PwC, Malaysia.
* *Not audited by PwC.*

The associates' principal place of business is situated in the country of incorporation.

51 EVENT AFTER REPORTING PERIOD

The Group entered into power purchase agreement with Pulau Indah Power Plant in the previous financial year for the purchase of 1.2GW low carbon electricity. The agreement has taken effect on 1 March 2025 for a period of 21 years upon commissioning of the power plant. The expected lease liabilities and its corresponding ROU assets arising from the agreement amounting to RM4.5 billion.

The Group considered this as a non-adjusting event with no adjustment to the financial statements for the financial year ended 31 December 2024.

Statement By Directors

Pursuant To Section 251(2) of The Companies Act 2016

We, Tan Sri Abdul Razak bin Abdul Majid and Datuk Ir. Megat Jalaluddin bin Megat Hassan, the Directors of Tenaga Nasional Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 234 to 389 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and financial performance of the Group and of the Company for the financial year ended 31 December 2024 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors, in accordance with a resolution dated 20 March 2025.

TAN SRI ABDUL RAZAK BIN ABDUL MAJID
CHAIRMAN

DATUK IR. MEGAT JALALUDDIN BIN MEGAT HASSAN
PRESIDENT/CHIEF EXECUTIVE OFFICER

Statutory Declaration

Pursuant To Section 251(1) of The Companies Act 2016

I, Badrulhisyam bin Fauzi, the Officer primarily responsible for the financial management of Tenaga Nasional Berhad, do solemnly and sincerely declare that the financial statements set out on pages 234 to 389 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

BADRULHISYAM BIN FAUZI
MIA MEMBERSHIP NO. 43753

Subscribed and solemnly declared by the abovenamed Badrulhisyam bin Fauzi at Kuala Lumpur, Malaysia on 20 March 2025, before me.

220, JALAN TUN SAMBANTHAN
50470 KUALA LUMPUR

COMMISSIONER FOR OATH

Independent Auditors' Report

To The Members of Tenaga Nasional Berhad (Incorporated in Malaysia) Registration No. 199001009294 (200866-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Tenaga Nasional Berhad (the Company) and its subsidiaries (the Group) give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 234 to 389.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (By-Laws) and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To The Members of Tenaga Nasional Berhad (Incorporated in Malaysia) Registration No. 199001009294 (200866-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Revenue recognition for sales of electricity *Refer to Note 31 – Revenue* Sales of electricity of RM54,545.7 million and RM50,707.5 million is the most significant component of the Group's and the Company's revenue, respectively, for the financial year ended 31 December 2024. Revenue from sales of electricity is based on the end customers' consumption and the related tariff rates, which are governed by the Incentive Based Regulations imposed by the Energy Commission. We focused on the revenue recognition for sales of electricity as it involves the use of complex billing and accounting systems to process large volumes of data with different tariffs based on respective customer categories and consumption.	We performed the following audit procedures: · Tested the overall information technology general controls of the billing and accounting systems recording the revenue transactions; · Tested the application controls within the billing systems over the following: – maintenance of tariff rates in the billing systems; – accuracy of calculation of amounts billed to customers; and – recording of revenue transactions. · Tested the billings and revenue adjustments on a sampling basis to assess whether the revenue recognised and revenue adjustments are valid and recorded accurately; and · Examined the correspondence with the Energy Commission and assessed whether there were any material matters that would affect revenue recognition. Based on the above procedures performed, we did not find any material exceptions.
Reinvestment allowance ('RIA') claims *Refer to Note 4 – Critical Accounting Estimates and Judgements and Note 42 – Contingent Liabilities and Material Litigations* The Inland Revenue Board ('IRB') had disallowed the Company's RIA claims for the Years of Assessment ('YAs') 2013, 2014, 2015, 2016, 2017, 2018, 2020 and 2021 and had issued notices of additional assessments ('Notices') to the Company, amounting in aggregate to RM9,249.6 million. As at 31 December 2024, the Group and Company recorded a tax recoverable of RM3,522.4 million and have not recorded the potential tax liability of RM6,810.7 million arising from the tax impact if the RIA claims are disallowed and the Company loses its appeal. Based on the legal advice obtained from its tax solicitors on the merits of the cases, the Directors are of the opinion that no provision is required in the financial statements for the potential tax liability up to the reporting date. We focused on this area due to the inherent uncertainties involved in the outcome of judgement on the RIA by the Special Commissioners of Income Tax and by the Courts of Malaysia.	We performed the following audit procedures: · Evaluated the Directors' assessment on the basis of recoverability of the tax recoverable of RM3,522.4 million in respect of RIA and the potential tax liability of RM6,810.7 million in respect of RIA by the IRB by assessing the independent legal confirmations obtained from management's external legal counsel; and · Examined the correspondence between the Company and the tax authority and assessed the matters in dispute based on advice from our tax experts to review the basis of applying the relevant tax laws. Based on the procedures performed above, we did not find any material exceptions to the Directors' judgement in the treatment of the tax recoverable balance and the potential tax liability.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Assessment on carrying value of post-employment benefits *Refer to Note 4 – Critical Accounting Estimates and Judgements and Note 24 – Employee Benefits* As at 31 December 2024, the Group recorded post-employment benefits assets of RM322.6 million and liabilities of RM12,603.6 million while the Company recorded post-employment benefits assets of RM322.6 million and liabilities of RM11,801.0 million. Management assessed the present value of post-employment benefit plans by relying on the actuarial valuation reports from an actuary. The actuarial valuation reports estimated the present value of post-employment benefit plans based on key assumptions that comprised expected rate of salary increases, medical cost inflation and discount rates. We focused on this area because of the significant estimates made by management in determining the present value of post-employment benefit plans.	We performed the following audit procedures: · Obtained an understanding of the terms and conditions of the post-employment benefit plans; and · Tested the present value of post-employment benefit plans based on the actuarial valuation reports by performing the following: – Discussed with the actuary on the valuation method used and checked that the valuation method is acceptable in accordance with MFRS 119 "Employee Benefits"; – Discussed with the actuary on the key assumptions used in the actuarial valuation and checked the reasonableness by comparing to historical data; – Checked the reasonableness of the discount rates with the assistance of our valuation experts by comparing to market yields of high quality government securities at the reporting date; – Checked the membership data used in the actuarial models through inspection of payroll personnel files and other supporting documents; and – Compared the fair value of plan assets based on the actuary report against the trustee's report. Based on the procedures performed above, we did not find any material exceptions to the Directors' estimates of the post-employment benefits carrying value.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and the Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections of TNB Integrated Annual Report 2024, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

To The Members of Tenaga Nasional Berhad (Incorporated in Malaysia) Registration No. 199001009294 (200866-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 48 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
20 March 2025

PAULINE HO
02684/11/2025 J
Chartered Accountant

Statistics of Shareholdings

As at 12 March 2025

SHARE CAPITAL

Issued Shares : 5,812,948,071
One (1) Special Rights Redeemable Preference Share

Voting Right : One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		Total No. of Shareholders		No. of Issued Shares		Total No. of Issued Shares	
	Malaysian	Foreigner	No.	%	Malaysian	Foreigner	No.	%
1 – 99	2,993	51	3,044	3.36	75,872	1,473	77,345	0.00
100 – 1,000	39,542	380	39,922	44.06	22,332,889	191,410	22,524,299	0.40
1,001 – 10,000	40,407	476	40,883	45.12	130,218,991	1,933,790	132,152,781	2.27
10,001 – 100,000	5,174	398	5,572	6.15	126,835,222	16,309,287	143,144,509	2.46
100,001 – less than 5% of issued shares	618	569	1,187	1.31	1,812,744,056	961,349,373	2,774,093,429	47.72
5% and above of issued shares	4	0	4	0.00	2,740,955,708	0	2,740,955,708	47.15
Total	**88,738**	**1,874**	**90,612**	**100.00**	**4,833,162,738**	**979,785,333**	**5,812,948,071**	**100.00**

ANALYSIS OF EQUITY STRUCTURE

No.	Category of Shareholders	No. of Shareholders		No. of Issued Shares		% of Issued Shares	
		Malaysian	Foreigner	Malaysian	Foreigner	Malaysian	Foreigner
1.	Individuals	68,608	566	236,845,552	12,469,240	4.07	0.22
2.	Body Corporate						
	a. Banks/Finance Companies	138	7	1,542,346,964	1,795,700	26.53	0.03
	b. Investments Trusts/Foundation/Charities	35	0	526,619	0	0.01	0.00
	c. Industrial and Commercial Companies	567	13	42,592,928	9,425,462	0.73	0.16
3.	Government Agencies/Institutions	16	0	1,192,620,161	0	20.52	0.00
4.	Nominees	19,372	1,288	1,818,227,387	956,094,931	31.28	16.45
5.	Others	2	0	3,127	0	0.00	0.00
	Total	**88,738**	**1,874**	**4,833,162,738**	**979,785,333**	**83.14**	**16.86**

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares		
		Direct Interest	Deemed Interest	%
1.	Tan Sri Abdul Razak bin Abdul Majid	26,562	3,700	0.00
2.	Datuk Ir. Megat Jalaluddin bin Megat Hassan	99,600	0	0.00
3.	Ramzi bin Mansor	0	0	0.00
4.	Selvendran Katheerayson	0	0	0.00
5.	Rohaya binti Mohammad Yusof	0	0	0.00
6.	Muazzam bin Mohamad	0	0	0.00
7.	Ong Ai Lin	0	0	0.00
8.	Juniwati Rahmat Hussin	0	0	0.00
9.	Gopala Krishnan K.Sundaram	0	0	0.00
10.	Dato' Merina binti Abu Tahir	0	0	0.00
11.	Dato' Zulkifli bin Ibrahim *(Appointed w.e.f. 1 April 2024)*	0	0	0.00
12.	Alan Hamzah Sendut *(Appointed w.e.f. 2 December 2024)*	0	0	0.00
13.	Elaine Ong Yee Lynn *(Alternate Director to Selvendran Katheerayson)*	0	0	0.00

SENIOR MANAGEMENT

No.	Name of Senior Management	Balance as at 01.01.2024	Vested Date 28.06.2024	Disposed	No. of Shares			
					Direct Interest	%	Deemed Interest	%
1.	Dato' Ir. Muhamad Nazri bin Pazil	29,500	24,500	46,000	8,000	0.00	0	0.00
2.	Hasmarizal bin Hassan	0	17,900	17,900	0	0.00	300	0.00
3.	Ir. Mahathir Nor bin Ismail	0	18,100	10,100	8,000	0.00	0	0.00
4.	Kamal Arifin bin A. Rahman	18,200	25,800	24,000	20,000	0.00	0	0.00
5.	Badrulhisyam bin Fauzi	0	0	0	0	0.00	0	0.00
6.	Feldatun binti Sharif	14,000	22,900	29,000	7,900	0.00	30,400	0.00
7.	Mohd Zarihi bin Mohd Hashim	0	0	0	0	0.00	0	0.00
8.	Datuk Ir. Ts. Shamsul bin Ahmad	30,000	43,100	43,100	30,000	0.00	0	0.00
9.	Leo Pui Yong	20,000	17,400	17,400	20,000	0.00	0	0.00
10.	Azlan bin Ahmad	19,900	26,500	18,000	28,400	0.00	0	0.00
11.	Amir Mahmod bin Abdullah	75,100	66,100	66,100	75,100	0.00	5,600	0.00
12.	Datuk Ir. Azmi bin Md Yusof	76,700	25,600	102,300	0	0.00	0	0.00
13.	Ali Munawar bin Haji Salim	0	7,600	1,600	6,000	0.00	0	0.00

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares	%
1.	Khazanah Nasional Berhad*	1,187,174,104	20.42
2.	Employees Provident Fund Board**	1,143,116,445	19.67
3.	Amanah Saham Bumiputera***	427,891,400	7.36
4.	Kumpulan Wang Persaraan (Diperbadankan)****	404,140,508	6.95
	Total	**3,162,322,457**	**54.40**

Notes:-

* *Khazanah Nasional Berhad*
– Registered with Citigroup Nominees (Tempatan) Sdn. Bhd. (4,465,290)
– Registered with CGS-International Nominees Malaysia (Tempatan) Sdn. Bhd. (4,911,590)

** *Registered with Citigroup Nominees (Tempatan) Sdn. Bhd.*

*** *Registered with AmanahRaya Trustees Berhad*

**** *Kumpulan Wang Persaraan (Diperbadankan)*
– Registered with Citigroup Nominees (Tempatan) Sdn. Bhd. (26,697,400)
– Registered with Cartaban Nominees (Tempatan) Sdn. Bhd. (39,900)

TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	Khazanah Nasional Berhad	1,177,797,224	20.26
2.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board*	757,863,876	13.04
3.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	427,891,400	7.36
4.	Kumpulan Wang Persaraan (Diperbadankan)	377,403,208	6.49
5.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (Islamic)*	238,670,294	4.11
6.	Permodalan Nasional Berhad	133,968,500	2.30
7.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 2 - Wawasan*	98,527,300	1.69

STATISTICS OF SHAREHOLDINGS

As at 12 March 2025

No.	Name of Shareholders	No. of Shares	%
8.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia*	84,863,900	1.46
9.	Lembaga Tabung Haji	69,618,300	1.20
10.	HSBC Nominees (Asing) Sdn. Bhd. *JPMCB NA For Vanguard Total International Stock Index Fund*	64,578,550	1.11
11.	HSBC Nominees (Asing) Sdn. Bhd. *JPMCB NA For Vanguard Emerging Markets Stock Index Fund*	59,130,051	1.02
12.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. *Exempt AN For State Street Bank & Trust Company (West CLT OD67)*	57,664,962	0.99
13.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Exempt AN For AIA Bhd.*	56,254,900	0.97
14.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera 2*	41,704,900	0.72
15.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PAMB For Prulink Equity Fund*	40,707,300	0.70
16.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (Nomura)*	38,229,600	0.66
17.	Cartaban Nominees (Tempatan) Sdn. Bhd. *Prudential Assurance Malaysia Berhad For Prulink Strategic Fund*	35,466,100	0.61
18.	HSBC Nominees (Asing) Sdn. Bhd. *JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II*	33,388,600	0.57
19.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera 3 - Didik*	33,028,692	0.57
20.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 3*	32,746,900	0.56
21.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Employees Provident Fund Board (CGS CIMB)*	28,936,000	0.50
22.	AmanahRaya Trustees Berhad *Public Ittikal Sequel Fund*	28,873,900	0.50
23.	Maybank Nominees (Tempatan) Sdn. Bhd. *Maybank Trustees Berhad For Public Ittikal Fund (N14011970240)*	28,500,300	0.49
24.	Citigroup Nominees (Asing) Sdn. Bhd. *CB Spore GW For Government Of Singapore (GIC C)*	27,879,505	0.48
25.	AmanahRaya Trustees Berhad *Public Islamic Dividend Fund*	25,349,775	0.44
26.	HSBC Nominees (Asing) Sdn. Bhd. *JPMCB NA For Blackrock Institutional Trust Company, N.A Investment Funds For Employee Benefit Trusts*	24,004,625	0.41
27.	Cartaban Nominees (Asing) Sdn. Bhd. *BNYM SA/NV For People's Bank Of China (SICL ASIA EM)*	22,827,000	0.39
28.	Maybank Nominees (Tempatan) Sdn. Bhd. *Maybank Trustees Berhad For Public Regular Savings Fund (N14011940100)*	20,000,000	0.34
29.	Cartaban Nominees (Tempatan) Sdn. Bhd. *PBTB For Takafulink Dana Ekuiti*	19,764,650	0.34
30.	Citigroup Nominees (Tempatan) Sdn. Bhd. *Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)*	19,132,525	0.33
	Total	**4,104,772,837**	**70.61**

Net Book Value of Land and Buildings

As at 31 December 2024

Property List / Location	LAND									BUILDINGS		
	Leasehold			Freehold			Total					
	No. of Lots (1)	Area (sq M) (2)	NBV (RM'000) (3)	No. of Lots (4)	Area (sq M) (5)	NBV (RM'000) (6)	No. of Lots (1 +4)	Area (sq M) (2+5)	NBV (RM'000) (3+6)	No. (7)	Built-Up Area (sq M) (8)	Total NBV (RM'000) (9)
Perlis	52	182,513	4,911	403	98,183	10,609	455	280,696	15,520	68	9,754	184,559
Kedah	312	5,119,888	45,073	774	3,413,296	219,115	1,086	8,533,184	264,188	375	111,500	311,110
Pulau Pinang	208	694,719	83,078	706	1,038,679	123,820	914	1,733,398	206,898	400	162,484	681,826
Perak	789	6,244,039	437,583	696	10,317,254	430,922	1,485	16,561,293	868,505	1,047	699,929	2,235,090
Selangor	1,043	14,547,816	411,018	1,600	5,776,247	1,099,773	2,643	20,324,063	1,510,791	1,863	917,034	1,568,166
W.Persekutuan	384	304,749	59,796	522	2,908,595	246,264	906	3,213,344	306,060	921	379,016	1,576,866
Putrajaya/Cyberjaya	10	783,284	12,949	17	28,504	16,526	27	811,788	29,475	125	39,598	329,590
N.Sembilan	293	1,823,022	124,127	616	1,235,409	233,926	909	3,058,431	358,053	278	402,261	938,607
Melaka	373	743,299	23,909	453	195,718	358,381	826	939,017	382,290	109	167,200	260,255
Johor	1,004	3,727,276	440,462	1,273	1,317,079	465,086	2,277	5,044,355	905,548	593	236,099	1,319,265
Pahang	414	3,253,003	49,183	735	646,984	326,513	1,149	3,899,987	375,696	458	389,176	4,126,499
Terengganu	370	6,989,915	42,426	402	11,355,720	114,847	772	18,345,635	157,273	290	519,826	1,663,230
Kelantan	361	1,292,470	7,182	361	2,442,114	35,653	722	3,734,584	42,835	356	351,163	793,785
Sabah	356	6,264,600	77,687	60	4,501,754	35,524	416	10,766,354	113,211	2,897	652,827	463,170
Kuwait	0	0	0	0	0	0	0	0	0	3	1,000	20
United Kingdom	93	17,452,150	421,416	0	0	0	93	17,452,150	421,416	0	0	0
Total	**6,062**	**69,422,743**	**2,240,800**	**8,618**	**45,275,536**	**3,716,959**	**14,680**	**114,698,279**	**5,957,759**	**9,783**	**5,038,867**	**16,452,038**

The land and buildings comprise power stations, mini hydros, jetties, dams, substations, residential houses, apartments, holiday bungalows, office buildings, warehouses, stores and workshops.

Notice of the 35th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty Fifth Annual General Meeting (35th AGM) of Tenaga Nasional Berhad (TNB or the Company) will be held at **Pusat Konvensyen Leo Moggie, TNB Platinum, No. 3, Jalan Bukit Pantai, Bangsar, 59100 Kuala Lumpur, Malaysia (Meeting Venue) and will be broadcasted live from the Meeting Venue** on **Thursday, 22 May 2025** at **10.00 a.m.**, to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the Financial Year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note (a)

2. To re-elect the following Directors who retire by rotation in accordance with Clause 64(1) of the Company's Constitution and being eligible, offer themselves for re-election:

   (i) Rohaya binti Mohammad Yusof — **Ordinary Resolution 1**

   (ii) Juniwati Rahmat Hussin — **Ordinary Resolution 2**

   (iii) Gopala Krishnan K.Sundaram — **Ordinary Resolution 3**

   (iv) Dato' Merina binti Abu Tahir — **Ordinary Resolution 4**

   Please refer to Explanatory Note (b)

3. To re-elect Alan Hamzah Sendut who was appointed to the Board and retires in accordance with Clause 63(2) of the Company's Constitution and being eligible, offers himself for re-election. — **Ordinary Resolution 5**
   Please refer to Explanatory Note (b)

4. To approve the payment of the following Non-Executive Directors' fees from the 35th AGM until the next Annual General Meeting (AGM) of the Company:

   (i) Director's fee of RM32,000.00 per month to Tan Sri Abdul Razak bin Abdul Majid, Non-Executive Chairman

   (ii) Director's fees of RM7,000.00 and RM5,000.00 per month for TNB Subsidiaries Category II and III respectively to Tan Sri Abdul Razak bin Abdul Majid, Non-Executive Chairman — **Ordinary Resolution 6**

   (iii) Director's fee of RM20,000.00 per month for the following Non-Executive Directors:

   a. Ramzi bin Mansor — **Ordinary Resolution 7**

   b. Rohaya binti Mohammad Yusof — **Ordinary Resolution 8**

   c. Muazzam bin Mohamad — **Ordinary Resolution 9**

   d. Ong Ai Lin — **Ordinary Resolution 10**

   e. Juniwati Rahmat Hussin — **Ordinary Resolution 11**

   f. Gopala Krishnan K.Sundaram — **Ordinary Resolution 12**

   g. Dato' Merina binti Abu Tahir — **Ordinary Resolution 13**

   h. Dato' Zulkifli bin Ibrahim — **Ordinary Resolution 14**

   i. Alan Hamzah Sendut — **Ordinary Resolution 15**

   Please refer to Explanatory Note (c)

5. To approve the payment of benefits payable to the Non-Executive Directors (excluding Non-Executive Directors' fees) amounting to RM1,769,350.00 from the 35th AGM until the next AGM of the Company.
Please refer to Explanatory Note (c)

Ordinary Resolution 16

6. To approve the payment of Director's fee of RM20,000.00 per month and benefits payable to Alan Hamzah Sendut, Non-Executive Director from the date of his appointment until the 35th AGM of the Company.
Please refer to Explanatory Note (c)

Ordinary Resolution 17

7. To re-appoint Messrs PricewaterhouseCoopers PLT, having consented to act, as Auditors of the Company, to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.
Please refer to Explanatory Note (d)

Ordinary Resolution 18

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 (Act).

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. (Bursa Depository) in accordance with Clause 45(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA) to issue a General Meeting Record of Depositors (ROD) as at 15 May 2025. Only a depositor whose name appears on the ROD as at 15 May 2025 shall be entitled to attend the said Meeting or appoint proxy/proxies to attend and/or vote on his/her behalf.

BY ORDER OF THE BOARD

ALI MUNAWAR BIN HAJI SALIM
(MAICSA 7021901)
(SSM Practicing Certificate No. 201908002911)
Company Secretary

Kuala Lumpur
23 April 2025

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY BUSINESSES:

(a) **Agenda No. 1** is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require shareholders' approval for the Audited Financial Statements. As such, it is not put forward for voting.

(b) **Ordinary Resolutions 1 to 5 – Proposed Re-election of Directors in accordance with Clauses 64(1) and 63(2) of the Company's Constitution**

Clause 64(1) of the Company's Constitution provides among others, that one-third (1/3) of the Directors at the time being of whom have been longest in office shall retire by rotation at the AGM of the Company and shall be eligible for re-election.

Clause 63(2) of the Company's Constitution provides among others, that the Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

The Board with the assistance of the Board Nomination and Remuneration Committee (BNRC) conducted an independence assessment of all Independent Directors including Juniwati Rahmat Hussin, Gopala Krishnan K.Sundaram, Dato' Merina binti Abu Tahir and Alan Hamzah Sendut and are satisfied that they have complied with the independence criteria as required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and continued to bring independent and objective judgment to the Board deliberations.

The BNRC and Board also considered the Board Effectiveness Assessment including the Self and Peer Assessment results of Rohaya binti Mohammad Yusof, Juniwati Rahmat Hussin, Gopala Krishnan K.Sundaram and Dato' Merina binti Abu Tahir and agreed that they have met the Board's expectation in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuously performing their duties diligently as Company Directors.

The retiring Directors who are standing for re-election have fulfilled the fit and proper assessment that comprises character & integrity, experience & competence and time & commitment.

The Board on 28 November 2024 had approved the appointment of Alan Hamzah Sendut as Independent Non-Executive Director with effect from 2 December 2024.

The BNRC and Board hereby recommend for the re-election of each Director who is retiring at the 35th AGM.

Any Director referred to in Ordinary Resolutions 1 to 5, who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 35th AGM.

(c) **Ordinary Resolutions 6 to 17 – Non-Executive Directors' Remuneration**

Section 230(1) of the Act stipulates among others that the fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. As agreed by the Board, the shareholders' approval shall be sought at the 35th AGM pertaining to the Non-Executive Directors' remuneration of the Company and TNB Subsidiaries Category II and III through separate resolutions as follows:

(i) **Ordinary Resolutions 6 to 15** on the payment of Non-Executive Directors' fees for the Non-Executive Chairman and each Non-Executive Director separately from the 35th AGM until the next AGM of the Company.

(ii) **Ordinary Resolution 16** on the payment of benefits payable (excluding Non-Executive Directors' fees) to the Non-Executive Directors from the 35th AGM until the next AGM of the Company.

(iii) **Ordinary Resolution 17** on the payment of Non-Executive Director's fee and benefits for Alan Hamzah Sendut, from the date of his appointment on 2 December 2024 until the 35th AGM of the Company.

The last review of the Non-Executive Directors' remuneration/benefits payable was made in 2013. The Board in 2023 had engaged an independent expert to conduct a holistic and independent review of the Non-Executive Directors' Remuneration with the view to determine its market competitiveness and alignment with the latest regulations/corporate governance guidelines in Malaysia.

Based on the findings, the Board recommended for the Director's fee of Non-Executive Chairman to be revised from RM30,000.00 per month to RM32,000.00 per month considering the importance of his roles and the responsibilities he carries for the operation and leadership of the Board in ensuring its effectiveness and in strengthening TNB's relationship with the stakeholders/shareholders. With that, the Non-Executive Chairman's fee competitiveness will sit between P25 and P50 mark of the peer group in the market.

The Non-Executive Directors' Remuneration is structured to reflect the complexity, responsibility and accountability of the Board's role in complying with increasing regulatory demands, to be competitive and to retain the required talent as well as recognising their skills that are highly sought after and to ensure the remuneration reflects the time and effort dedicated by the Chair and Directors as part of their roles on the Board and Board Committees.

In determining the estimated total amount of benefits payable, the Board had considered various factors including the meeting allowances based on the respective Committees in terms of responsibilities/accountabilities, the number of scheduled and special meetings for the Board, Board Committees and boards of subsidiaries along with the number of Non-Executive Directors involved.

The proposed Ordinary Resolutions 6 to 15 and Ordinary Resolution 16 for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company from the 35th AGM until the conclusion of the next AGM are tabled herewith in line with the provision of the Act and Guidance 7.2 of the Malaysian Code on Corporate Governance 2021 to ensure full disclosure.

Payment of Non-Executive Directors' benefits will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred, provided that the proposed Ordinary Resolution 16 be passed at the 35th AGM. The Board is of the view that it is fair and justifiable for the payment of benefits to the Non-Executive Directors be made as and when incurred, after the Non-Executive Directors have discharged their responsibilities and rendered their services to the Company.

For the proposed Ordinary Resolution 17, Alan Hamzah Sendut, an Independent Non-Executive Director was appointed with effect from 2 December 2024 which is after the 34th AGM. Therefore, the approval of the payment of director's fees and benefits since his appointment until the 35th AGM will be sought at this AGM.

(d) **Ordinary Resolution 18 – Re-appointment of Auditors**

Based on the External Auditors Assessment Result for the Financial Year under review, the Board and Board Audit Committee are satisfied with the quality of service, adequacy of resources provided, communication, independence, objectivity and professionalism demonstrated by the External Auditors in carrying out their duties. Being satisfied with the External Auditors' performance, the Board recommends their re-appointment for shareholders' approval at the 35th AGM.

NOTICE OF THE 35TH ANNUAL GENERAL MEETING

NOTES:

1. The 35th AGM of TNB will be held on a **hybrid mode** whereby the shareholders shall have the option, either:

   (i) to attend physically at the Meeting Venue (Physical Attendance); or

   (ii) to attend virtually via the Remote Participation and Electronic Voting (RPEV) facilities to be provided by Boardroom Share Registrars Sdn. Bhd. (Virtual Attendance).

   Meeting Participation:

   - Physical Attendance – All shareholder(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 35th AGM physically are required to register for the meeting at the Meeting Venue.
   - Virtual Attendance – The RPEV facilities will be opened for registration from Wednesday, 23 April 2025 onwards.

   All member, shareholder(s), proxy(ies), corporate representative(s) or attorney(s) attending physically or virtually are required to pre-register their attendance via Boardroom Smart Investor Portal (BSIP) at https://investor.boardroomlimited.com. This is to enable the Company to ascertain their eligibility to participate in the AGM based on General Meeting Record of Depositors as at 15 May 2025 and to enable the Company to make the necessary preparations for the AGM, particularly at the Meeting Venue.

   Please follow the procedures provided in the Administrative Details of the 35th AGM, which is available on the Company's website at www.tnb.com.my.

2. A member of a Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, in accordance with Section 334(1) of the Act.

3. Where a member is an authorised nominee as defined in accordance with the provisions of the SICDA, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.

4. A member entitled to participate and vote at the Meeting is entitled to appoint not more than two (2) proxies to participate and vote on his/her behalf. Where a member appoints two (2) proxies, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.

5. The instrument appointing a proxy/Proxy Form shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. Where the instrument appointing a proxy/Proxy Form is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly appointed under a power of attorney.

6. A corporation which is a member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Clause 51 of the Company's Constitution.

7. The Proxy Form may be downloaded from the website at www.tnb.com.my. Duly completed Proxy Form must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for the taking of the poll or **no later than 20 May 2025 at 12.00 p.m.**

8. Alternatively, you may lodge the Proxy Form online via the BSIP at https://investor.boardroomlimited.com before the abovementioned cut-off time. For further details on proxy lodgement, kindly refer to the Administrative Details of 35th AGM.

9. Pursuant to Paragraph 8.29A of the MMLR, voting at the Meeting will be conducted by poll.

Statement Accompanying Notice of The 35th Annual General Meeting

(Pursuant to Paragraph 8.27(2) and Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The Directors who are retiring by rotation in accordance with Clause 64(1) of the Company's Constitution and seeking for re-election:

(i) Rohaya binti Mohammad Yusof
(ii) Juniwati Rahmat Hussin
(iii) Gopala Krishnan K.Sundaram
(iv) Dato' Merina binti Abu Tahir

The Director who was appointed to the Board and is retiring in accordance with Clause 63(2) of the Company's Constitution and seeking for re-election:

(i) Alan Hamzah Sendut

The profiles of the retiring Directors, including their declarations of conflict of interest are set out in the Board of Directors' Profile on pages 158 to 171 of this Integrated Annual Report.

None of the above Directors has any interest in the securities of the Company or its Subsidiaries.

Administrative Details of the 35th Annual General Meeting (35th AGM)

A. MODE OF MEETING

The 35th AGM of Tenaga Nasional Berhad (TNB or the Company) will be held on a **hybrid mode** in accordance with paragraph 8.27A of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad and Principle C of the Malaysian Code on Corporate Governance (MCCG) whereby listed issuers are encouraged to leverage technology in conducting general meetings to facilitate voting and remote shareholders' participation.

The date, time and venue of the 35th AGM are as follows:

Date : Thursday, 22 May 2025
Time : 10.00 a.m.
Venue : **(a) Meeting Venue**
Pusat Konvensyen Leo Moggie
TNB Platinum
No. 3, Jalan Bukit Pantai
Bangsar, 59100 Kuala Lumpur
Malaysia

(b) Online Platform
Virtually by way of electronic means via the Boardroom Smart Investor Portal (BSIP) at https://investor.boardroomlimited.com

Shareholders shall have the option to attend the hybrid 35th AGM either physically at the Meeting Venue (Physical Attendance) or virtually via the Remote Participation and Electronic Voting (RPEV) facilities to be provided by Boardroom Share Registrars Sdn. Bhd. (Boardroom), the appointed share registrar for this AGM (Virtual Attendance). The Meeting Venue is in Malaysia where the Chairman of the meeting will be physically present in accordance with Section 327(2) of the Companies Act 2016 (CA2016).

B. ENTITLEMENT TO PARTICIPATE AND VOTE

For the purpose of determining a shareholder who shall be entitled to attend the 35th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 15 May 2025. Only a depositor whose name appears therein shall be entitled to attend the 35th AGM or appoint a proxy(ies) to attend, participate and vote on his/her behalf.

If you are unable to participate at the 35th AGM, you may:

i. Appoint proxy/proxies to participate and vote on your behalf; or
ii. Appoint the Chairman as your proxy to vote on your behalf

and indicate your voting instructions in the Proxy Form.

If you wish to participate at the 35th AGM, you must not submit any Proxy Form. You will not be allowed to participate in the meeting together with proxy/proxies appointed by your good self.

*[Please refer to **Section (E)** below for further information in relation to the appointment of proxy.]*

C. MEETING PARTICIPATION

- **Physical Attendance**

  All Shareholder(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 35th AGM physically are required to register for the meeting at the Meeting Venue.

  Please refer to Section I(3)(d) below for other information in relation to Physical Attendance at the 35th AGM.

- **Virtual Attendance**

  The RPEV facilities will open for registration from Wednesday, 23 April 2025 onwards.

(i) REGISTER ONLINE WITH BSIP (for first time registration only)

[Note: You are not required to register again if you have already signed up with BSIP]

Please refer to the steps below on how to register for a BSIP account. Kindly follow the steps below for Individual or Corporate account.

- Open an internet browser. The latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- Go to the BSIP website at https://investor.boardroomlimited.com.

Individual Account (For Shareholder & Proxy)	Corporate Account (For Representative of Corporate Holder or Authorised Nominees)
Click **"Register"** to sign up for a user account and select the correct account type "Sign up as Individual". Complete the registration with all required information. Upload and attach your MyKad (front and back) or Passport in JPEG, PNG or PDF format. Click **"Sign Up".** *[Note: Please ensure that you sign up for Individual Account if you are an appointed proxy to attend the meeting]*	Click **"Register"** to sign up for a user account and select the correct account type "**Sign up as Corporate Holder".** Complete the registration with all required information. Upload and attach your MyKad (front and back) or Passport in JPEG, PNG or PDF format, along with the completed authorisation letter. Click **"Sign Up".** *[Note: If you are appointed as the authorised representative for more than one (1) company, click the home button and select "Edit Profile" in order to add your representation after your BSIP account has been approved.]*

- You will receive an e-mail from BSIP for e-mail address verification. Click **"Verify E-mail Address"** from the e-mail received to proceed with the registration.

- Once your email address is verified, you will be re-directed to BSIP for verification of your mobile number. Click **"Request OTP Code"** and an OTP Code will be sent to the registered mobile number. You will need to enter the OTP Code and click **"Enter"** to complete the process.

- Once your mobile number is successfully verified, registration of your new BSIP account will be pending for final verification.

- An e-mail will be sent to you within one (1) business day informing on the approval of your BSIP account registration. Once the registration is completed, you can login at BSIP website at https://investor.boardroomlimited.com with the email address and password that you provided during registration to proceed with the next step.

ADMINISTRATIVE DETAILS OF THE
35th Annual General Meeting (35th AGM)

(ii) REGISTER YOUR ATTENDANCE FOR THE 35TH AGM:

Physical Attendance	Virtual Attendance
◉ Go to the BSIP website at https://investor.boardroomlimited.com. ◉ Login your BSIP account with your registered email address and password. *[Note: If you do not have an account with BSIP, please sign-up/register with BSIP for free - refer to process "REGISTER ONLINE WITH BSIP" under item (i) above.]* ◉ Click **"Meeting Event".** ◉ Go to "**TENAGA NASIONAL BERHAD (35th) ANNUAL GENERAL MEETING"** and click **"Enter"**. ◉ Go to **"VIRTUAL"**, click **"Register for RPEV"**. ◉ Enter your nine (9) digits CDS account number. ◉ Read and check the box to accept the Terms & Conditions, then click **"Register".** ◉ You will receive a notification confirming that your pre-registration has been received. ◉ You will receive a notification that your registration has been received and pending verification. ◉ Upon system verifcation against the General Meeting ROD as at 15 May 2025 you will receive an email from Boardroom on 20 May 2025 notifying you whether your registration has been approved or rejected.	◉ Go to the BSIP website at https://investor.boardroomlimited.com. ◉ Login your BSIP account with your registered email address and password. *[Note: If you do not have an account with BSIP, please sign-up/register with BSIP for free – refer to process "REGISTER ONLINE WITH BSIP" under item (i) above.]* ◉ Click **"Meeting Event".** ◉ Go to "**TENAGA NASIONAL BERHAD (35th) ANNUAL GENERAL MEETING"** and click **"Enter"**. ◉ Go to **"VIRTUAL"** and click **"Register for RPEV".** ◉ Check the box to register for RPEV and enter your nine (9) digits CDS account number. ◉ Read and check the box to accept the Terms & Conditions, then click **"Register".** ◉ You will receive a notification that your RPEV registration has been received and pending verification. ◉ Upon system verification against the General Meeting ROD as at 15 May 2025 you should receive an email from Boardroom on 20 May 2025 notifying you whether your registration has been approved or rejected.

All Member, Shareholder(s), proxy(ies), corporate representative(s) or attorney(s) attending physically or virtually are required to **pre-register** your attendance via BSIP at https://investor.boardroomlimited.com. This is to enable the Company to ascertain your eligibility to participate in the AGM based on General Meeting Record of Depositors as at 15 May 2025 and to enable the Company to make the necessary preparations for the AGM, particularly at the Meeting Venue.

(iii) JOINING THE VIRTUAL MEETING (RPEV)

Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.

Via BSIP
◉ Go to the BSIP website at https://investor.boardroomlimited.com ◉ Login your BSIP account with your registered email address and password. *[Note: If you do not have an account with BSIP, please sign up/register with BSIP for free – refer to "REGISTER ONLINE WITH BSIP" under item (ii) above.]* ◉ Click "Meeting Event" and go to **"TENAGA NASIONAL BERHAD (35th) ANNUAL GENERAL MEETING"** and then click **"Join Live Meeting"** to join the proceedings of the 35th AGM remotely.

- Meeting platform will open for login starting from 9.00 a.m. on Thursday, 22 May 2025 i.e. one (1) hour before the commencement of the 35th AGM.

- Important Notes:
  - The quality of the connectivity to the virtual meeting platform for live webcast as well as for remote online voting is dependent on the bandwidth and the stability of the internet connection available at the location of the remote users.
  - Recommended requirement for live webcast:
    a) Browser: Latest versions of Chrome, Firefox, Edge, Safari or Opera
    b) Bandwidth: Minimum nine (9) Mbps stable speed for High Definition (HD) High Quality video quality or 12 Mbps for Extra HD (EHD) video quality
    c) Device with working and good quality speakers.
  - You may not be able to gain access to the 35th AGM via the RPEV facilities if your connecting device is on network with firewall and other security filtration.

D. POLL VOTING

The voting at the 35th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the MMLR of Bursa Malaysia. The Company has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic voting and Boardroom Corporate Services Sdn. Bhd. as the Scrutineers to verify the poll results.

Shareholders/proxies/corporate representatives/attorneys may proceed to vote on the resolutions from the commencement of the 35th AGM at 10.00 a.m. on Thursday, 22 May 2025 (for both Physical and Virtual Attendance) until the end of the voting session which will be announced by the Chairman. Upon completion of the voting session, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

Steps to vote:

Virtual Attendance	Physical Attendance
1. Once the voting is open, click on the voting icon. The resolutions and voting choices will be displayed. 2. To vote, please select your voting options shown on screen. A confirmation message will appear indicating that your votes have been received. 3. To change your vote, re-select another voting option. If you wish to cancel your vote, please click "Cancel". 4. Upon completion of the vote casting, you may click the video button to continue to view the live webcast for the announcement of the poll results by the Chairman.	1. Please vote using your smartphone/tablet with the QR code which will be provided upon registration on the day of the meeting. 2. Alternatively, you may submit your vote at the polling kiosks provided by the Poll Administrator.

E. PROXY FORM

The appointment of proxy/proxies may be submitted in hard copy form or electronically via BSIP at https://investor.boardroomlimited.com. The hard copy of Proxy Form must be deposited at the office of Boardroom at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via email at bsr.helpdesk@boardroomlimited.com.

If you wish to submit your Proxy Form electronically, please refer to the procedures for electronic lodgment of Proxy Form as set out below.

- Open an internet browser. The latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- Go to the BSIP website at https://investor.boardroomlimited.com.
- Login your BSIP account with your registered email address and password.
  [Note: If you do not have an account with BSIP, please sign-up/register with BSIP for free - refer to process "REGISTER ONLINE WITH BSIP" under item C(i) above.]
- Click "Meeting Event(s)".
- Go to **"TENAGA NASIONAL BERHAD (35th) ANNUAL GENERAL MEETING"** and click **"Enter".**

ADMINISTRATIVE DETAILS OF THE

35th Annual General Meeting (35th AGM)

By Shareholder and Corporate Holder	By Nominees Company
◉ Select the Company that you are representing - for ***Corporate Account user only***. ◉ Go to "**PROXY**" and click "**Submit eProxy Form**". ◉ Click "**Submit eProxy Form**" ◉ Enter your nine (9) digits CDS account number and number of securities held. ◉ Select your proxy/proxies appointment – either the Chairman of the meeting or individual named proxy/proxies. ◉ Read and accept the Terms and Conditions and click "**Next**". ◉ Enter the required particulars of your proxy/proxies. ◉ Indicate your voting instructions for each Resolution – **FOR, AGAINST, ABSTAIN or DISCRETIONARY**. If **DISCRETIONARY** is selected, your proxy/proxies will decide on your votes during poll at the meeting. ◉ Review and confirm your proxy/proxies appointment. Click **"Submit"**. ◉ Download or print the eProxy Form as acknowledgement.	◉ Select the Nominees Company that you are representing. ◉ Go to **"PROXY**" and click "**Submit eProxy Form".** ◉ Click **"Download Excel Template**" to download. ◉ Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded excel file template. Ensure inserted data is correct and tidy. ◉ Proceed to upload the duly completed excel file. ◉ Review and confirm your proxy/proxies appointment and click **"Submit".** ◉ Download or print the eProxy Form as acknowledgement.

The proxy forms and/or documents relating to the appointment of proxy for the 35th AGM shall be deposited or submitted in the following manner not less than 48 hours before the time for holding the 35th AGM or no later than Tuesday, 20 May 2025 at 12.00 p.m.

F. REVOCATION OF PROXY

If you have submitted your proxy form prior to the 35th AGM and subsequently decide to appoint another person or if you wish to participate at the 35th AGM yourself, please revoke the appointment of proxy/proxies at least 48 hours before the 35th AGM. Please find below the steps for revocation of the eProxy Form or hard copy Proxy Form:

eProxy Form	Hard copy Proxy Form
◉ Click **"Meeting Event"** and Enter "**TENAGA NASIONAL BERHAD (35th) ANNUAL GENERAL MEETING"** ◉ Go to "**Submitted eProxy Form list"** and click **"View"** for the eProxy Form. ◉ Click **"Cancel/Revoke"** at the bottom of the eProxy Form. ◉ Click **"Proceed"** to confirm.	Please write in to bsr.helpdesk@boardroomlimited.com to revoke the appointment of proxy/proxies.

Upon revocation, proxy/proxies appointed earlier will not be allowed to participate at the 35th AGM. In such event, you should advise your proxy/proxies accordingly.

G. SUBMISSION OF QUESTIONS

Virtual Attendance	Physical Attendance
Before Meeting Day You may submit your questions before the meeting via BSIP website at https://investor.boardroomlimited.com. Login to your BSIP account and click **"Meeting Event"** and go to **"TENAGA NASIONAL BERHAD (35th) ANNUAL GENERAL MEETING"** and click **"Enter".** Thereafter, select **"SUBMIT QUESTION"** to pose your questions. Please submit your questions no later than 12.00 p.m. on Tuesday, 20 May 2025. **Meeting Day** You may use the Messaging window facility to submit your questions. The Messaging window facility will open one (1) hour before the 35th AGM which is from **9.00 a.m. on Thursday, 22 May 2025.**	⊙ You may submit your questions via the QR Code which will be provided upon registration on the day of the meeting. ⊙ Click on the Messaging window facility to submit your questions. The Messaging window facility will open one (1) hour before the 35th AGM which is from 9.00 a.m. on Thursday, 22 May 2025. ⊙ You may also speak or raise questions during the meeting.

We will endeavour to respond to the questions during the meeting or by email or by posting our response on our corporate website after the meeting.

H. INTEGRATED ANNUAL REPORT 2024

In line with the on-going Group's commitment to the environment, in promoting sustainable practice as well as to achieve greater cost efficiencies, TNB encourages its shareholders to go paperless and access the digital copy of TNB Integrated Annual Report 2024 for perusal by downloading it from the Company's website at www.tnb.com.my.

I. REFRESHMENT AND COMPLIMENTARY E-VOUCHER/VOUCHER

(1) Light refreshments will be provided for the shareholders/proxies attending the AGM. Please proceed to the refreshment counter/area as indicated by the signages.

(2) E-voucher/Voucher will be provided to shareholders/proxies in the following manner:

(a) One (1) e-voucher/voucher for one (1) shareholder either attend via physical or virtual.
(b) For a shareholder who has been appointed as a proxy by another shareholder, he/she is only entitled to one (1) e-voucher/voucher.
(c) For a shareholder who appoints more than one (1) proxy, e-voucher/voucher will only be provided to the first proxy which stated in the Proxy Form.
(d) Where a proxy represents multiple shareholders, the proxy shall be entitled to ONLY one (1) e-voucher/voucher.

(3) PROCEDURE OF THE 35th AGM

(a) Registration shall commence at **7.00 a.m. on Thursday, 22 May 2025** at the Meeting Venue and will end at a time as announced by the Chairman of the Meeting. You are encouraged to be punctual.
(b) Please present your original MYKAD or passport (foreigner) at the self-registration counters for registration together with the QR code received from BSIP. Please refer to Section C(ii) on Physical Attendance above.
(c) No person will be allowed to register on behalf of the registered shareholder/proxy.
(d) Corporate Representatives are required to present an authorisation letter along with personal identification per item (b) above.
(e) If you are attending the 35th AGM as shareholder as well as proxy, you will be registered once and will be given only one (1) identification wristband.
(f) You will not be allowed to register on behalf of another person.
(g) Upon registration, you will be given a **Wristband**. No person will be allowed to enter the meeting room without wearing the wristband. The registration counters shall only manage verification of shareholdings and registration matters.

ADMINISTRATIVE DETAILS OF THE
35th Annual General Meeting (35th AGM)

(4) VOTING PROCEDURE

The voting at the 35th AGM will be conducted via e-polling. Boardroom Share Registrars Sdn. Bhd. has been appointed as Poll Administrator to conduct the polling process. An Independent Scrutineer will verify the result of the poll. Please follow the instructions given during the AGM for the e-polling process.

(5) FIRST AID

Please refer to any our staff/First Aiders should any assistance be required.

(6) PERSONAL BELONGINGS

Please take care of your own personal belongings. TNB will not be held responsible/liable for any lost items.

(7) HEALTH AND SAFETY MEASURES

All physical attendees at the Meeting Venue must be medically fit to attend the 35th AGM. If you have symptoms of being unwell, you are encouraged to keep your mask on during the meeting.

The Company will take the necessary measures against any of the attendees who does not meet the foregoing health protocols.

(8) NO SMOKING POLICY

TNB enforces a no smoking policy at all TNB premises and therefore, smoking is strictly prohibited. Your co-operation is much appreciated.

(9) PARKING AREA

You may park your vehicle at the designated parking areas near the TNB Headquarters (TNB HQ) Futsal Court. Kindly proceed to enter TNB HQ via Jalan Bukit Pantai (Gate B) or Jalan Bangsar (Gate C). Shuttle Service is readily available at the designated drop off/pick up points.

(10) MOBILE DEVICES

Please ensure that all mobile devices i.e. phones/pagers/other sound emitting devices are put on silent mode during the AGM to ensure smooth and uninterrupted proceedings. Any recording of the proceedings, either vocal or audio visual is strictly prohibited.

(11) HELP DESK

Please proceed to the Help Desk which is located within the registration area should you have inquiry pertaining to the shareholdings and/or registration matters.

(12) PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the Meeting Venue and Online Platform of the 35th AGM and/or any adjournment thereof, a shareholder of the Company:

(a) consents to the processing of the shareholder's personal data by the Company for:
- processing and administration of proxies and representatives appointed for the 35th AGM;
- preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and
- the Company's compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes").

(b) have the right to access, object to the processing, and request rectification or deletion of the personal data.
(c) undertakes and warrants that he or she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes.
(d) agrees to fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the shareholder's failure to provide accurate and correct information of the personal data.

(Note: the term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act 2010)

(13) ENQUIRIES FOR 35TH AGM

If you have any enquiry relating to the 35th AGM, please contact Boardroom's Helpdesk from Mondays to Fridays (except Public Holidays) between 8.30 a.m. to 5.30 p.m.:

General Line : +603 7890 4700
Email : bsr.helpdesk@boardroomlimited.com

HOW TO GET TO TNB HQ

By Train

Take the Light Rail Transit (LRT) to Abdullah Hukum Station;

Or

- Take the KL Monorail Line to KL Sentral and thereafter change to LRT to Abdullah Hukum Station;
- Take the Mass Rapid Transit (MRT) Sungai Buloh-Kajang Line to Pasar Seni Station and thereafter change to LRT to Abdullah Hukum Station;
- Shareholders will need to use the Pedestrian Pedestal at Abdullah Hukum LRT to enter TNB HQ via Gate A or Gate C where the Shuttle Service will be readily available.

By Bus

Take the Rapid KL Bus No. 751, 772, 780, 782 and 821 from Pasar Seni, KL Sentral to Abdullah Hukum;

- Shareholders will need to use the Pedestrian Pedestal at Abdullah Hukum LRT to enter TNB HQ via Gate A or Gate C where the Shuttle Service will be readily available.

By Car, Grab or Taxi

Shareholders/Proxies may use Gate B or Gate C to enter TNB HQ;

- Gate B of TNB HQ is opposite Selangor Water Supply Company (Air Selangor) and also near Pantai Medical Centre;
- Gate C of TNB HQ is opposite LRT Abdullah Hukum Station. You may take Jalan Bangsar to enter Gate C;
- Catch a Taxi/Grab from anywhere in Kuala Lumpur or Selangor and request for a drop-off at Multipurpose Hall TNB HQ;
- Taxis or Airport Limos are also available from Kuala Lumpur International Airport (KLIA) to TNB HQ and the drive to TNB HQ takes approximately an hour;
- Accessible Expressways/Highways and major roads that conveniently direct shareholders/proxies to TNB HQ are as follows: i. Federal Highway, ii. New Pantai Expressway (NPE), iii. Kerinchi Link/SPRINT Highway, iv. Jalan Bangsar, v. Jalan Bukit Pantai, vi. Jalan Pantai Baru;
- Alternatively, kindly use the GPS or Waze navigation to get to the meeting venue, Pusat Konvensyen Leo Moggie, TNB Platinum.

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Proxy Form

35th Annual General Meeting

(Before completing the form, please refer to the notes overleaf)

TENAGA NASIONAL
199001009294 (200866-W)

NUMBER OF ORDINARY SHARE(S) HELD	CDS ACCOUNT NO.																
				–				–									

I/We, _____

(FULL NAME OF SHAREHOLDER AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

NRIC No./Passport No./Company No. _____ of _____

(FULL ADDRESS)

_____

(FULL ADDRESS)

Telephone No. and Email Address _____ being a Member of Tenaga Nasional Berhad, hereby appoint:

FULL NAME OF PROXY AS PER NRIC IN CAPITAL LETTERS		NO. OF SHARES	PERCENTAGE (%)	
Proxy 1				or failing him/her
	NRIC No./Passport No.:			
	Telephone No.:			
	Email Address:			
Proxy 2				or failing him/her
	NRIC No./Passport No.:			
	Telephone No.:			
	Email Address:			
		TOTAL	**100%**	

*the Chairman of the Meeting, as my/our proxy, to attend and vote for me/us and on my/our behalf at the **35TH ANNUAL GENERAL MEETING (35th AGM)** of **TENAGA NASIONAL BERHAD (TNB or the Company)** to be held at Pusat Konvensyen Leo Moggie, TNB Platinum, No. 3, Jalan Bukit Pantai, Bangsar, 59100 Kuala Lumpur, Malaysia (Meeting Venue) and will be broadcasted live from the Meeting Venue on **THURSDAY, 22 MAY 2025** at **10.00 a.m.**, and/or at any adjournment thereof.

My/Our proxy is to vote as indicated below:

NO.	RESOLUTIONS		FOR	AGAINST
ORDINARY BUSINESS				
Re-election of the following Directors who retire in accordance with Clause 64(1) of the Company's Constitution:				
1.	Rohaya binti Mohammad Yusof	**ORDINARY RESOLUTION 1**		
2.	Juniwati Rahmat Hussin	**ORDINARY RESOLUTION 2**		
3.	Gopala Krishnan K.Sundaram	**ORDINARY RESOLUTION 3**		
4.	Dato' Merina binti Abu Tahir	**ORDINARY RESOLUTION 4**		
Re-election of the following Director who retires in accordance with Clause 63(2) of the Company's Constitution:				
5.	Alan Hamzah Sendut	**ORDINARY RESOLUTION 5**		
Approval for payment of the following Non-Executive Directors' fees from the 35th AGM until the next Annual General Meeting (AGM) of the Company:				
6.	(i) Director's fee of RM32,000.00 per month to Tan Sri Abdul Razak bin Abdul Majid, Non-Executive Chairman (ii) Director's fees of RM7,000.00 and RM5,000.00 per month for TNB Subsidiaries Category II and III respectively to Tan Sri Abdul Razak bin Abdul Majid, Non-Executive Chairman	**ORDINARY RESOLUTION 6**		
7.	(iii) Director's fee of RM20,000.00 per month for the following Non-Executive Directors: a. Ramzi bin Mansor b. Rohaya binti Mohammad Yusof c. Muazzam bin Mohamad d. Ong Ai Lin e. Juniwati Rahmat Hussin f. Gopala Krishnan K.Sundaram g. Dato' Merina binti Abu Tahir h. Dato' Zulkifli bin Ibrahim i. Alan Hamzah Sendut	**ORDINARY RESOLUTION 7** **ORDINARY RESOLUTION 8** **ORDINARY RESOLUTION 9** **ORDINARY RESOLUTION 10** **ORDINARY RESOLUTION 11** **ORDINARY RESOLUTION 12** **ORDINARY RESOLUTION 13** **ORDINARY RESOLUTION 14** **ORDINARY RESOLUTION 15**		
8.	Approval for payment of benefits payable to the Non-Executive Directors (excluding Non-Executive Directors' fees) from the 35th AGM until the next AGM of the Company	**ORDINARY RESOLUTION 16**		
9.	Approval for payment of Director's fee of RM20,000.00 per month and benefits payable to Alan Hamzah Sendut, Non-Executive Director from the date of his appointment until the 35th AGM of the Company	**ORDINARY RESOLUTION 17**		
10.	Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	**ORDINARY RESOLUTION 18**		

Please indicate with an "X" in the box provided for each Resolution as how you wish your votes to be cast. If no voting instruction is given, the proxy(ies) is/are hereby authorised to vote or abstain from voting at his/her/their discretion.

*If you do not wish to appoint the Chairman of the Meeting as your proxy/one (1) of your proxies, please strike out the word "the Chairman of the Meeting" and insert the name(s) of the proxy(ies) you wish to appoint in the blank spaces provided.

Dated this _____ day of _____, 2025

_____

Signature(s) or Common Seal of Member(s)

NOTES:

1. A member of a Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, in accordance with Section 334(1) of the Companies Act 2016.
2. Only members whose names appear in the General Meeting Record of Depositors as at 15 May 2025 shall be entitled to attend the Meeting or appoint proxy(ies) to attend and/or vote on their behalf.
3. Where a member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act 1991, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
4. A member entitled to participate and vote at the Meeting is entitled to appoint not more than two (2) proxies to participate and vote on his/her behalf. Where a member appoints two (2) proxies, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified.
5. The instrument appointing a proxy/Proxy Form shall be in writing under the hand of the appointer or of his attorney duly appointed under a power of attorney. Where the instrument appointing a proxy/Proxy Form is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly appointed under a power of attorney.
6. A corporation which is a member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Clause 51 of the Company's Constitution.
7. The Proxy Form may be downloaded from the website at www.tnb.com.my. Duly completed Proxy Form must be deposited to the Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for the taking of the poll or **no later than 20 May 2025 at 12.00 p.m.**
8. Alternatively, you may lodge the Proxy Form online via the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the abovementioned cut-off time. For further details on proxy lodgement, kindly refer to the Administrative Details of the 35th AGM.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the Meeting will be conducted by poll.

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AFFIX
STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

2. Fold Here To Seal

TENAGA NASIONAL
Better. Brighter.

TENAGA NASIONAL BERHAD
199001009294 (200866-W)

TNB Platinum, No. 3, Jalan Bukit Pantai, Bangsar, 59100 Kuala Lumpur
Tel: +603-2108 3594/3765/3766/3574 Fax: +603-2283 3686 Email: cosec@tnb.com.my

www.tnb.com.my

FSC
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