



PRESS STATEMENT

S.A. 2021/05/76 (HQ)

TNB AFFIRMS ITS COMMITMENT TO FACILITATE ECONOMIC RECOVERY

- Financial performance remains robust throughout challenging year to deliver commendable results
- Investing larger CAPEX to enhance the grid to support energy transition

Tenaga Nasional Berhad (TNB) remains steadfast in continuing its investments towards the ongoing energy transition in support of the government's efforts to rebuild the economy affected by the COVID-19 pandemic.

TNB Chairman, Dato' Seri Mahdzir Khalid said measures taken by the government as well as the roll out of vaccines offered a sense of optimism that the economy will pick up compared to 2020, thus increasing the demand for electricity.

"TNB is also looking to further improve industry efficiencies and enhance customer experience, while continuing to promote the use of sustainable energy as we balance the grid system's security and affordability," he said at the company's 31st Annual General Meeting at its Headquarters in Bangsar, Kuala Lumpur, today.

The AGM was conducted online to ensure the safety and health of its shareholders in light of the ongoing COVID-19 pandemic. Also participating in the online AGM were TNB President and Chief Executive Officer, Datuk Ir. Baharin Din, other board members of TNB and TNB top management.

Describing 2020 as possibly the most challenging since the 2008 Financial Crisis, he said "TNB has proven not only our resilience but also our deep-rooted ethos of service, and of serving the nation. In these unusual and difficult times, our priority has been to serve the nation and rakyat, while ensuring the safety and well-being of our employees."

Mahdzir also said in line with the contraction in the GDP, electricity demand and sales in peninsular Malaysia decreased last year. However, the Group's performance was still sufficiently robust to continue to honour its dividend policy of 30% to 60% payout based on our adjusted profit after tax, and minority interests (PATAMI).

On top of the interim dividend of 22 sen per share, the Board has approved a final single-tier dividend of 18 sen per share and a special dividend of 40 sen per share. This translates into a total dividend of 80 sen per share, amounting to RM4.56 billion payout.

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President and Chief Executive Officer, Datuk Ir. Baharin Din meanwhile said amid the difficulties in 2020, TNB has continued to uphold good service, bring value to shareholders and serve the nation.

“Despite these challenges, our performance was commendable. It was supported by an agile strategy which was critical during the pandemic where we strived to provide safe and reliable electricity supply, in an environmentally sustainable manner, at a cost that is equitable for all stakeholders. This will be our focus going forward,” he said.

TNB continued to maintain world-class operations in 2020. The Group achieved a System Average Interruption Duration Index (SAIDI) of 44.95 minutes per customer per year, compared to 48.13 minutes in 2019. System Minutes meanwhile, improved to 0.0806, 70.2% better than 0.2707 minutes in 2019.

“Our performance this year has been the best to date. Achieving this during a global pandemic, reflects the commitment and dedication of our employees,” added Baharin.

He pointed out that as a company that places its shareholders’ interests as one of its top priority, it is critical for TNB to remain financially and technically resilient with a solid strategy in place.

“The year 2020 represented the mid-point of our Reimagining TNB (2016-2025) strategic journey. With the acceleration of the energy transition globally, we studied how TNB can further strengthen our position within the future energy landscape and refreshed our strategy accordingly.

“In accordance with this renewed aspiration, our achievements so far prove our commitment towards becoming a leading provider of sustainable energy solutions.”

TNB has adopted emerging RE technologies of solar, wind, biomass and biogas which translated into generation capacity of 713.2 MW. Smart meter installation at premises across peninsular Malaysia has reached 1.1 million as of March 2021, as TNB continues to enhance the electricity infrastructure to accommodate the integration of disruptive technologies.

Enterprising endeavour by TNB’s wholly owned subsidiary, GSPARX Sdn. Bhd., meanwhile has resulted in 689 new solar panel installation contracts, contributing to a total capacity of 85 MWp of green energy.

“We have set the target of increasing our RE capacity to 8,300MW by 2025, driven by both domestic and international initiatives. As of March 2021, we had achieved 3,402MW of RE capacity, of which 2,736MW is within Malaysia and 666MW from international.

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“Complementing this target, our revenue from RE is expected to continuously grow to 10% in 2025 from 4% in 2020. We also expect our revenue from our investments in energy transition (ET)-related initiatives to grow from 4% to 9% in 2025,” added Baharin.

He emphasised that TNB is investing an increasingly larger portion of the Group’s capital expenditure (CAPEX) on further enhancements of its grid, which plays an essential role in supporting Malaysia’s energy transition.

“Under our Grid of the Future initiative, we are increasing our capital expenditure (CAPEX) to further enhance our infrastructure in supporting Malaysia’s energy transition.

“Our regulated CAPEX related to enabling the energy transition is expected to increase from 12.3% to 19.3% through our proposed RP3 initiatives. These investments will allow more RE integration into the system,” he added.

TNB closed the 2020 Financial Year with Group profit after tax (PAT) of RM3.6 billion, compared to RM4.45 billion in the previous year.

At the AGM, the company’s shareholders approved all resolutions proposed by the Board.

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Tenaga Nasional Berhad (TNB) conducted its 31st Annual General Meeting online on 10 May 2021 at TNB Jalan Bangsar Headquarters.

Present during the meeting, TNB Chairman Dato' Seri Mahdzir Khalid (front row, middle), TNB President and Chief Executive Officer Datuk Ir. Baharin Din (front row, third from left), Board members and TNB Top Management.



TNB Chairman, Dato' Seri Mahdzir Khalid (centre); President and Chief Executive Officer, Datuk Ir. Baharin Din and Chief Financial Officer, Nazmi Othman looking at TNB's Integrated Annual Report with the theme 'Energising a Sustainable Tomorrow' during its 31st Annual General Meeting at its headquarters in Bangsar, Kuala Lumpur, today.