

PRESS RELEASE

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TNB SUPPORTS TARGETED SUBSIDIES TO HELP THE RAKYAT IN NEED

- To balance the need for affordable tariffs for low-income groups and economic growth

Tenaga Nasional Berhad (TNB) supports the provision of targeted subsidies, to help maintain the country's economic growth and to help lighten cost pressures on low-income groups, said its Chairman, Dato' Abdul Razak Abdul Majid.

"With higher inflation affecting households and businesses, in late 2022 the government announced the implementation of a targeted electricity subsidy scheme for domestic users to continue enjoying tariff rebates on their electricity bills and did not increase the surcharge on tariffs for a select group of small businesses and industries.

"We will continue to support the government's continuous effort to manage the tariff within the framework of the Imbalance Cost Pass Through (ICPT) mechanism, while balancing the need for affordable tariffs for the rakyat and economic growth. As a caring corporate entity, TNB understands the need to help the low-income groups in Malaysia to cope with ever-increasing cost pressures. At the same time, we continue the efforts to give back to the communities through impactful educational and socio-economic initiatives," he said in a statement issued in conjunction with TNB's 33rd Annual General Meeting today.

Abdul Razak said that amidst the high fuel prices seen from 2022 and Malaysia's buoyant economic recovery, TNB remained steadfast in its commitment to meeting the energy needs of industrial, commercial, and residential customers while helping to steer Malaysia's journey toward responsible energy transition. "The significant investments we made over the years to diversify energy sources as well as grow our renewable energy portfolio enabled us to continue providing sustainable and reliable energy. Our efforts were recognised by our customers as shown by consistent performance for two consecutive years in our Customer Satisfaction Index scores of 87% in 2022.

TNB President and Chief Executive Officer, Dato' Indera Ir. Baharin Din said at the peak of the global energy crisis last year, coal and gas prices reached multi-year highs -- increasing by 83% and 11% year-on-year, respectively. "Domestically, Malaysia was not spared from the higher prices of fuel, which had a significant impact on the cost of generating electricity.

He said while the energy crisis had impacted the nation's system energy costs over the past two years, it had strengthened TNB's resolve to accelerate and implement a pathway to a cleaner generation mix by 2050. This means shifting away from the high dependence of electricity generation in Peninsular Malaysia from fossil fuel sources with fuel costs

contributing more than 70% to generation costs. “Despite this, we continued to fulfil our obligations by providing a reliable, secure, and affordable supply of power to the nation.”

“In managing the higher fuel costs, we have continued to work with the government in the implementation of the ICPT mechanism. Under this mechanism, the government has provided subsidies for the rakyat to offset the higher fuel costs for generating electricity. This, in addition to the prudent management of our working capital, has helped TNB to alleviate the pressure from high fuel prices.”

Operational-wise, Baharin said TNB has successfully maintained world-class standards with its power plants recording an availability factor of 83.2% while Transmission System Minutes, which is a benchmark for the minutes of interruption caused by transmission, was 0.2 minutes in 2022. The System Average Interruption Duration Index (SAIDI) was 45.1 minutes. “The results we have seen in this area is a clear demonstration of the efforts put in by our workforce to operate and maintain our electricity supply infrastructure to the highest of standards.”

Baharin also said that 2022 saw TNB set a firmer trajectory to becoming a leading provider of sustainable energy solutions in Malaysia and internationally with the announcement of the TNB Energy Transition (ET) Plan. “As a commitment to our ET Plan, while driving Malaysia's energy transition, TNB will set aside significant CAPEX for initiatives to fast-track TNB's transition to net zero emissions by 2050. Ultimately, we have an eye on the longer-term future of TNB and these investments will gradually shift our existing portfolios to greener ones, for more sustainable business growth of TNB while creating long-term value for shareholders.”

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TNB Chairman, Dato' Abdul Razak Abdul Majid (centre) with TNB President and Chief Executive Officer, Dato' Indera Ir. Baharin Din (left, front row) and TNB Company Secretary, Norazni Mohd Isa (right, front row) at TNB's 33rd Annual General Meeting at Leo Moggie Convention Centre, TNB Platinum, Bangsar.



TNB Chairman, Dato' Abdul Razak Abdul Majid (centre) with TNB President and Chief Executive Officer, Dato' Indera Ir. Baharin Din (right) and TNB Chief Financial Officer, Nazmi Othman viewing the TNB's Annual Report at TNB's 33rd Annual General Meeting at Leo Moggie Convention Centre, TNB Platinum, Bangsar.