

The Board of Directors is pleased to announce the following:

**A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025**
(Amounts in RM million unless otherwise stated)

	Individual		Cumulative	
	Current quarter ended 31.12.2025	Corresponding quarter ended 31.12.2024 (Restated)	Current year ended 31.12.2025	Preceding year ended 31.12.2024 (Restated)
Revenue	17,599.7	14,378.3	67,723.1	56,737.1
Imbalance Cost Pass-Through (over recovery)/under recovery*	(920.2)	1,726.1	(2,738.6)	9,097.7
Operating expenses	(15,294.3)	(14,397.4)	(57,702.9)	(58,958.3)
Net reversal on impairment of financial instruments	323.5	771.3	32.9	789.1
Other operating income	573.3	363.4	1,217.6	1,054.5
Operating profit	2,282.0	2,841.7	8,532.1	8,720.1
Foreign exchange				
- Translation gain/(loss)	301.3	(553.8)	651.5	492.2
- Transaction gain/(loss)	16.7	(50.7)	51.1	(24.8)
Share of results of joint ventures	10.9	8.9	23.8	23.2
Share of results of associates	29.5	(202.2)	64.0	84.3
Profit before finance cost	2,640.4	2,043.9	9,322.5	9,295.0
Finance income	134.0	183.3	631.4	628.7
Finance cost	(1,002.6)	(1,078.4)	(3,994.5)	(4,097.8)
Fair value changes of financial instruments	44.2	(6.1)	217.2	(11.1)
Profit before taxation and zakat	1,816.0	1,142.7	6,176.6	5,814.8
Taxation and zakat	(163.9)	(547.1)	(1,406.8)	(1,805.6)
Profit for the period	1,652.1	595.6	4,769.8	4,009.2
Profit attributable to:				
- Owners of the Company	1,675.1	642.3	4,768.1	3,978.2
- Non-controlling interests	(23.0)	(46.7)	1.7	31.0
Profit for the period	1,652.1	595.6	4,769.8	4,009.2
Earnings per share attributable to the owners of the Company				
	Sen	Sen	Sen	Sen
Basic	28.76	11.07	81.86	68.58
Diluted	28.76	11.05	81.86	68.43

*This includes Automatic Fuel Adjustment ('AFA').

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

**A. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025**

(Amounts in RM million unless otherwise stated)

	Individual		Cumulative	
	Current quarter ended 31.12.2025	Corresponding quarter ended 31.12.2024 (Restated)	Current year ended 31.12.2025	Preceding year ended 31.12.2024 (Restated)
Profit for the period	1,652.1	595.6	4,769.8	4,009.2
Other comprehensive (expense)/income				
Items that will not be reclassified subsequently to profit or loss:				
Defined benefit plan actuarial (loss)/gain	(126.1)	172.6	(666.8)	(256.5)
Fair value changes of financial assets at fair value through other comprehensive income ('FVOCI')	(2.5)	7.1	0.4	26.1
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(178.7)	(60.5)	(160.4)	(113.0)
Share of other comprehensive income/(expense) of associates accounted for using the equity method	3.7	9.3	(10.3)	(17.6)
Total other comprehensive (expense)/income	(303.6)	128.5	(837.1)	(361.0)
Total comprehensive income for the period	1,348.5	724.1	3,932.7	3,648.2
Attributable to:				
- Owners of the Company	1,374.0	761.9	3,936.9	3,682.5
- Non-controlling interests	(25.5)	(37.8)	(4.2)	(34.3)
Total comprehensive income for the period	1,348.5	724.1	3,932.7	3,648.2

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

B. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(Amounts in RM million unless otherwise stated)

	31.12.2025	31.12.2024 (Restated)	01.01.2024 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	132,884.8	125,611.1	121,932.1
Right-of-use assets	32,586.5	31,057.0	34,106.8
Investment property	524.5	-	-
Joint ventures	245.8	203.4	208.4
Associates	1,037.2	1,284.1	1,458.8
Intangible assets	732.2	952.5	1,270.5
Investment in unquoted debt security	262.2	255.5	259.3
Deferred tax assets	315.3	373.9	379.3
Long term receivables	972.4	913.8	540.9
Finance lease receivables	4.2	4.7	6.1
Financial assets at FVOCI	81.3	81.2	55.1
Contract cost assets	9.5	8.9	4.7
Contract Asset	62.7	-	-
Financial assets at fair value through profit or loss ('FVTPL')	14.9	19.2	35.9
Derivative financial instruments	104.5	137.6	168.0
Employee benefits	-	322.6	147.1
	<u>169,838.0</u>	<u>161,225.5</u>	<u>160,573.0</u>
CURRENT ASSETS			
Inventories	2,561.8	2,543.6	2,758.0
Receivables, deposits and prepayments	6,689.7	10,857.4	10,408.2
Contract assets	4,263.6	4,641.6	4,446.8
Contract cost assets	189.7	124.3	99.5
Tax recoverable	1,210.0	468.0	421.7
Finance lease receivables	0.3	1.3	1.1
Amounts due from joint ventures	16.5	15.9	22.7
Amounts due from associates	338.9	420.2	388.3
Derivative financial instruments	-	35.6	-
Financial assets at FVTPL	135.8	445.9	1,614.1
Deposits, bank and cash balances	12,866.7	19,601.1	19,390.5
Asset classified as held for sale	243.5	-	-
	<u>28,516.5</u>	<u>39,154.9</u>	<u>39,550.9</u>
CURRENT LIABILITIES			
Payables	(11,011.0)	(14,215.4)	(12,830.7)
Contract liabilities	(474.3)	(460.2)	(338.6)
Derivative financial instruments	(0.7)	(2.8)	(1.4)
Lease liabilities	(2,772.0)	(3,140.1)	(2,983.5)
Amounts due to associates	(83.3)	(476.9)	(579.7)
Current tax liabilities	(91.2)	(5,922.8)	(5,326.5)
Employee benefits	(743.3)	(645.5)	(615.8)
Consumer deposits	(9,353.2)	(8,666.3)	(8,050.1)
Short term borrowings	(11,951.7)	(6,275.6)	(7,330.6)
Government development grants	(107.2)	-	-
	<u>(36,587.9)</u>	<u>(39,805.6)</u>	<u>(38,056.9)</u>
NET CURRENT (LIABILITIES)/ASSETS	(8,071.4)	(650.7)	1,494.0
NON-CURRENT LIABILITIES			
Borrowings	(47,134.0)	(51,131.0)	(54,439.6)
Derivative financial instruments	(72.1)	(98.2)	(10.5)
Contract liabilities	(8,719.5)	(7,838.8)	(5,449.7)
Government development grants	(1,300.2)	(1,187.7)	(922.8)
Lease liabilities	(27,904.8)	(25,570.5)	(27,877.4)
Deferred tax liabilities	(9,267.6)	(9,308.8)	(9,018.3)
Other liabilities	(1,807.4)	(1,470.4)	(1,348.7)
Employee benefits	(12,587.0)	(11,958.1)	(11,755.3)
	<u>(108,792.6)</u>	<u>(108,563.5)</u>	<u>(110,822.3)</u>
TOTAL NET ASSETS	52,974.0	52,011.3	51,244.7
EQUITY			
Share capital	12,810.1	12,700.2	12,499.5
Other reserves	(7,891.8)	(6,962.9)	(6,682.6)
Retained profits	45,871.2	44,075.4	43,170.9
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY	50,789.5	49,812.7	48,987.8
NON-CONTROLLING INTERESTS ('NCI')	2,184.5	2,198.6	2,256.9
TOTAL EQUITY	52,974.0	52,011.3	51,244.7

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

C. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025

(Amounts in RM million unless otherwise stated)

	Attributable to owners of the Company			Non- controlling interest	Total equity
	Ordinary shares	Other reserves	Retained profits		
At 1 January 2025 (as previously reported)	12,700.2	(6,962.9)	54,633.8	2,198.6	62,569.7
Effect of prior year adjustments	-	-	(10,558.4)	-	(10,558.4)
At 1 January 2025 (Restated)	12,700.2	(6,962.9)	44,075.4	2,198.6	52,011.3
Defined benefit plan actuarial loss	-	(665.1)	-	(1.7)	(666.8)
Fair value changes of financial assets at FVOCI	-	0.4	-	-	0.4
Foreign currency translation differences	-	(156.2)	-	(4.2)	(160.4)
Profit for the financial year	-	-	4,768.1	1.7	4,769.8
Share of OCI of associates accounted for using the equity method	-	(10.3)	-	-	(10.3)
Total comprehensive (expense)/income	-	(831.2)	4,768.1	(4.2)	3,932.7
Long Term Incentive Plan ("LTIP"):					
- Share-based payment expense	-	28.3	-	-	28.3
- Reversal of share-based payment expense	-	(16.1)	-	-	(16.1)
- Shares issued	109.9	(109.9)	-	-	-
Dividends:					
- Final dividend paid for FY2024	-	-	(1,511.4)	-	(1,511.4)
- Interim dividend paid for FY2025	-	-	(1,457.3)	-	(1,457.3)
Dividend paid to NCI	-	-	-	(0.8)	(0.8)
Redemption of Redeemable Preference Shares by NCI	-	-	-	(12.7)	(12.7)
Acquisition of shares from NCI	-	-	(3.6)	3.6	-
Total transactions with owners	109.9	(97.7)	(2,972.3)	(9.9)	(2,970.0)
At 31 December 2025	12,810.1	(7,891.8)	45,871.2	2,184.5	52,974.0
At 1 January 2024 (as previously reported)	12,499.5	(6,682.6)	53,008.9	2,256.9	61,082.7
Effect of prior year adjustments	-	-	(9,838.0)	-	(9,838.0)
At 1 January 2024 (Restated)	12,499.5	(6,682.6)	43,170.9	2,256.9	51,244.7
Defined benefit plan actuarial loss	-	(197.6)	-	(58.9)	(256.5)
Fair value changes of financial assets at FVOCI	-	26.1	-	-	26.1
Foreign currency translation differences	-	(106.6)	-	(6.4)	(113.0)
Profit for the financial year (Restated)	-	-	3,978.2	31.0	4,009.2
Share of OCI of associates accounted for using the equity method	-	(17.6)	-	-	(17.6)
Total comprehensive (expense)/income (Restated)	-	(295.7)	3,978.2	(34.3)	3,648.2
LTIP:					
- Share-based payment expense	-	74.7	-	-	74.7
- Reversal of share-based payment expense	-	(13.3)	-	-	(13.3)
- Shares issued	200.7	(200.7)	-	-	-
Dividends:					
- Final dividend paid for FY2023	-	-	(1,620.5)	-	(1,620.5)
- Interim dividend paid for FY2024	-	-	(1,453.2)	-	(1,453.2)
Dividend paid to NCI	-	-	-	(0.6)	(0.6)
Redemption of Redeemable Preference Shares by NCI	-	-	-	(2.8)	(2.8)
Derecognition of subsidiary upon winding up	-	154.7	-	(20.6)	134.1
Total transactions with owners	200.7	15.4	(3,073.7)	(24.0)	(2,881.6)
At 31 December 2024 (Restated)	12,700.2	(6,962.9)	44,075.4	2,198.6	52,011.3

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

**D. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025**
(Amounts in RM million unless otherwise stated)

	FY2025 ended 31.12.2025	FY2024 ended 31.12.2024
Cash flows from operating activities		
Cash generated from operations	21,908.6	20,896.2
Post-employment benefits paid	(798.0)	(886.1)
Contract liabilities received	1,740.9	2,841.9
Consumer deposits received	460.6	401.0
Net taxation and zakat paid	(7,741.8)	(874.7)
Net cash flows generated from operating activities	<u>15,570.3</u>	<u>22,378.3</u>
Cash flows from investing activities		
Acquisition of subsidiaries net of cash and cash equivalent	-	(1.6)
Additional investments in:		
- Financial assets at FVTPL	(0.8)	(5,287.0)
- Joint ventures	(18.6)	(0.5)
- Associate	(31.1)	(1.3)
Disposals of financial assets at FVTPL	291.8	6,504.2
Dividend income received	101.7	244.1
Finance income received	635.0	623.4
Property, plant and equipment:		
- Additions	(16,245.6)	(11,184.2)
- Proceeds from disposals	4.6	1.4
Right-of-use assets:		
- Proceeds from disposals	0.4	-
Deposits maturing more than 90 days		
- Invested	(3,928.7)	(7,204.6)
- Matured	5,998.9	4,968.7
Net cash flows used in investing activities	<u>(13,192.4)</u>	<u>(11,337.4)</u>
Cash flows from financing activities		
Government development grants received	9.0	7.5
Borrowings:		
- Drawdowns	7,692.2	2,902.1
- Repayments	(5,047.9)	(6,289.1)
Finance cost paid	(2,730.6)	(2,845.8)
Repayments of lease obligations:		
- Principal	(2,321.1)	(2,318.2)
- Interest	(1,576.6)	(1,488.7)
Dividends paid to shareholders	(2,968.7)	(3,073.7)
Dividends paid to NCI	(0.8)	(0.6)
Redemption of Redeemable Preference Shares by NCI	(12.7)	(2.8)
Net increase in debt reserve accounts	(50.4)	(19.7)
Net decrease in cash at bank, held in trust	11.9	33.2
Net decrease/(increase) in restricted cash	2.1	(0.6)
Net cash flows used in financing activities	<u>(6,993.6)</u>	<u>(13,096.4)</u>
Net decrease in cash and cash equivalents	(4,615.7)	(2,055.5)
Effects of changes in foreign currency	(84.9)	43.1
Cash and cash equivalents at the beginning of the financial year	<u>15,212.8</u>	<u>17,225.2</u>
Cash and cash equivalents at the end of the financial year	<u>10,512.2</u>	<u>15,212.8</u>
Deposit, bank and cash balances at the end of the financial year		
Debt reserve accounts ¹	12,866.7	19,601.1
Cash at bank, held in trust ²	(581.3)	(530.9)
Restricted cash	(177.7)	(189.6)
Deposits maturing more than 90 days	(6.7)	(8.8)
Cash and cash equivalents at the end of the financial year	<u>10,512.2</u>	<u>15,212.8</u>

¹ Debt reserve accounts relate to deposits placed with licensed financial institution as part of security obligations for bond financing.

² The cash at bank held in trust is in respect of grants received from the Government by a subsidiary for designated capital projects.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024.

E. EXPLANATORY NOTES

(Amounts in RM million unless otherwise stated)

1) BASIS OF PREPARATION

These condensed interim financial statements of the Group have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standards ('MFRS') 134 'Interim Financial Reporting', International Accounting Standards ('IAS') 34 'Interim Financial Reporting' and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2024.

2) AUDIT QUALIFICATION

The audited financial statements for the financial year ended 31 December 2024 was not subject to any qualification.

3) CHANGES IN ACCOUNTING POLICIES

The accounting policies applied are consistent with those adopted for the financial statements for the financial year ended 31 December 2024.

The amendment to the standard that is applicable and effective for the Group beginning 1 January 2025 is the amendment to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability.

The adoption of the amendments to the standards do not have any significant impact to the unaudited Condensed Consolidated Financial Statements upon their initial application.

4) REVENUE

The disaggregation of revenue is as follows:

	Individual		Cumulative
	Current	Corresponding	Current
	quarter	quarter	year
	ended	ended	ended
	31.12.2025	31.12.2024	31.12.2025
			Preceding
			year
			ended
			31.12.2024
Sales:			
- Electricity	16,880.6	13,710.8	65,426.7
- Goods and services	440.9	454.9	1,368.7
Construction contracts	31.6	31.9	157.4
Customers' contributions	122.6	90.6	381.6
Revenue from contracts with customers	17,475.7	14,288.2	67,334.4
Insurance contract	124.0	90.1	388.7
Total revenue	17,599.7	14,378.3	67,723.1
			56,737.1

5) SEASONAL OR CYCLICAL FACTORS

The businesses of the Group are not subject to material seasonal or cyclical fluctuations.

6) UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

On 2 July 2025, the Federal Court held that Tenaga Nasional Berhad ('TNB') is a utility company under the Income Tax Act 1967 ('ITA') and therefore must come within the confines of Schedule 7B. However, in its judgement, the Federal Court acknowledged that TNB cannot be blamed for claiming Reinvestment Allowance ('RIA') under Schedule 7A prior to its decision.

In accordance with this decision, TNB has recognised a one-off provision in prior year FY2003 to FY2024 which has been reflected in the financial results starting from Q3 FY2025. The corresponding tax balances were adjusted, amounting to RM10,558.4 million, which also resulted in a decrease in the Group's retained earnings. Further details of the prior year adjustments are disclosed in Note 28.

Arising from this, the Group's current liabilities as at 31 December 2025 exceeded its current assets by RM8,071.4 million due to reduction in deposits, bank and cash balances by RM6,734.4 million for the payment of RIA amounting of RM6,994.5 million. Nevertheless, the recognition of this one-off payments does not have any immediate impact on TNB's liquidity position. As of 31 December 2025, TNB maintains an undrawn borrowing facility of RM14,959.9 million, providing sufficient headroom to meet any operational and financing needs.

Following the Federal Court ruling, on 23 July 2025, TNB submitted an application under Schedule 7B for Years of Assessment ('YAs') 2003 to 2024 to the Ministry of Finance ('MoF'). On 26 November 2025, TNB received a letter from the MoF granting approval for Investment Allowance in respect of capital expenditure which will be deducted from future income. As of 31 December 2025, TNB has utilised the tax allowance relating to FY2025 pursuant to the approval received as disclosed in Note 21.

7) MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no material changes in the estimates of the amounts reported in the previous financial period that have a material effect on the results of the current reporting year.

8) DEBT AND EQUITY SECURITIES

Except for those disclosed in Note 23, there were no other material transactions relating to debts and equity securities during the quarter under review.

9) DIVIDENDS

The final single-tier dividend for Financial Year 2024 was paid on 16 April 2025 totalling RM1,511.4 million.

The interim dividend for Financial Year 2025 was paid on 16 October 2025 totalling RM1,457.3 million.

The Board of Directors has approved a final single tier dividend of 28.0 sen per ordinary share, in respect of the financial year ended 31 December 2025, totalling to approximately RM1,632.2 million (based on 5,829,142,171 paid-up share capital).

The books closure and payment dates will be announced in due course.

10) 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. 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 are analysed as follows:

	Current year ended 31.12.2025	Preceding year ended 31.12.2024
Malaysia	66,380.4	55,205.8
United Kingdom	701.4	740.7
Kuwait	432.2	595.4
Republic of Ireland	108.8	112.3
Australia	20.1	23.7
Other countries	80.2	59.2
	<u>67,723.1</u>	<u>56,737.1</u>

Non-current assets other than financial instruments, employee benefits and deferred tax assets by location of the Group's operations are analysed as follows:

	As at 31.12.2025	As at 31.12.2024 (Restated)
Malaysia	161,333.0	151,779.5
United Kingdom	5,329.8	5,687.9
Kuwait	0.1	0.2
Republic of Ireland	1,118.2	1,206.7
Australia	1,112.6	1,197.1
Other countries	166.1	164.1
	<u>169,059.8</u>	<u>160,035.5</u>

11) VALUATION OF PROPERTY, PLANT & EQUIPMENT

The Group does not adopt a revaluation policy on its property, plant and equipment.

12) MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to the end of the reporting period.

13) CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes to the composition of the Group during the quarter under review.

14) CONTINGENT LIABILITIES

Contingent liabilities of the Group include the following:

	As at 31.12.2025	As at 31.12.2024
Claims by third parties	<u>429.2</u>	<u>383.1</u>

Claims by third parties include claims by statutory body, contractors and consumers. 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.

15) CAPITAL COMMITMENTS

	As at 31.12.2025	As at 31.12.2024
Authorised capital expenditure for 5 years not provided in the financial statements		
- Contracted	242.8	282.8
- Not contracted	<u>114,207.2</u>	<u>98,640.9</u>
Total capital commitments	<u>114,450.0</u>	<u>98,923.7</u>

F. ADDITIONAL INFORMATION AS REQUIRED BY PART A OF APPENDIX 9B OF THE BURSA MALAYSIA LISTING REQUIREMENTS

16) REVIEW OF PERFORMANCE

- (a) Performance of the current year ended 31 December 2025 against the corresponding year ended 31 December 2024 (restated):

Electricity sales increased by 19.9% or RM10,881.0 million, driving a 19.4% growth or RM10,986.0 million in the Group's revenue primarily driven by Regulatory Period 4 ('RP4') implementation. Demand growth rose by 2.6% primarily from the commercial sector. The Imbalance Cost Pass-Through/Automatic Fuel Adjustments recorded an over-recovery of RM2,738.6 million, compared to an under-recovery of RM9,097.7 million in the last corresponding year due to lower fuel costs.

Operating profit decreased by 2.2%, or RM188.0 million, mainly due to a lower net reversal of impairment of financial instruments, partially offset by higher other operating income.

Profit after tax increased to RM4,769.8 million from RM4,009.2 million in the corresponding year, representing an increase of 19.0% or RM760.6 million, this was primarily due to higher foreign exchange gains and lower taxation.

- (b) Performance of the current fourth quarter (three months) FY2025 against the corresponding fourth quarter (three months) FY2024 (restated):

Revenue for the quarter under review increased from RM14,378.3 million to RM17,599.7 million, resulted from higher sales of electricity by 23.1% or RM3,169.8 million. Demand growth rose by 4.8%, primarily from the commercial sector.

Operating profit for the current quarter decreased by 19.7% or RM559.7 million primarily arising from higher operating expenses and lower net reversal of impairment of financial instruments and partially offset by the higher other operating income.

Profit after taxation for the current quarter increased by RM1,056.5 million to RM1,652.1 million from RM595.6 million in the corresponding quarter, mainly due to higher foreign exchange gains.

17) MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE PRECEDING QUARTER

- Performance of the current quarter (Fourth Quarter FY2025) against the preceding quarter (Third Quarter FY2025):

The Group recorded profit after tax of RM1,652.1 million in the current quarter as compared to RM903.5 million in the preceding quarter, an increase of RM748.6 million. The increase was mainly due to higher foreign exchange gains and lower taxation.

18) PROSPECTS

For the financial year 2025, the Group delivered a resilient performance, supported by stable electricity demand growth of 2.3%, underpinned by Malaysia's strong Gross Domestic Product ('GDP') growth of 5.2%*. The sustained strength of the regulated business, coupled with disciplined capital management, has further reinforced the Group's financial fundamentals.

Looking ahead to 2026, with the Incentive-Based Regulation ('IBR') framework firmly upheld and Malaysia's economy projected to grow between 4.0% and 4.5%*, the Group is well-positioned to sustain stable earnings performance. In pursuing business growth, the Group will continue to take prudent operational and financial measures to remain resilient while remaining cautious of challenges including geopolitical uncertainties.

The Group remains committed to supporting the National Energy Transition Roadmap ('NETR') while advancing sustainable business growth and delivering long-term value creation for stakeholders.

**Source: Bank Negara Malaysia (13 February 2026)*

19) PROFIT FROM OPERATIONS

The following items have been charged in arising at the profit from operations:

	Individual Current quarter ended 31.12.2025	Cumulative Current year ended 31.12.2025
Property, plant and equipment:		
- Depreciation	(2,325.1)	(8,708.0)
- Written off	(110.2)	(116.2)
- Loss on disposals	(1.3)	(3.5)
- Abandoned projects	(6.3)	(6.9)
Right-of-use assets:		
- Depreciation	(819.7)	(3,272.3)
- Gain on disposals	0.4	0.4
Investment property:		
- Depreciation	(2.7)	(5.3)
Receivables:		
- Impairment losses	(11.8)	(337.9)
- Reversal of impairment losses	99.0	118.4
Contract assets:		
- Impairment losses	(0.4)	(3.0)
- Reversal of impairment losses	5.9	7.3
Amounts due from joint ventures:		
- Impairment losses	(3.9)	(10.4)
- Reversal of impairment losses	4.7	10.9
Amounts due from associates:		
- Impairment losses	-	(0.1)
- Reversal of impairment losses	0.6	0.8
Investment in unquoted debt security		
- Impairment losses	-	(0.7)
Financial Guarantee:		
- Impairment losses	-	(0.1)
- Reversal of impairment losses	229.4	247.7
Inventories:		
- Provision for obsolescence	(11.8)	(73.8)
- Write back of obsolescence	2.5	59.4
- Written off	(49.5)	(128.1)
Intangible assets		
- Impairment losses	(166.8)	(166.8)
Investment in associate		
- Impairment losses	(5.9)	-
- Reversal of impairment losses	3.0	24.4

Other than the items highlighted above, there were no material disposal of quoted investment and impairment of property, plant and equipment during the quarter under review.

20) VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

This note is not applicable, as the Group did not publish any profit forecast.

21) TAXATION AND ZAKAT

Taxation and zakat for the reporting period comprised the following:

	Current quarter ended 31.12.2025	Individual Corresponding quarter ended 31.12.2024 (Restated)	Current year ended 31.12.2025	Cumulative Preceding year ended 31.12.2024 (Restated)
Income tax:				
Current tax and zakat	41.6	(126.8)	(1,187.1)	(1,381.6)
Deferred tax (net):				
Relating to origination and reversal of temporary differences	(205.5)	(420.3)	(219.7)	(424.0)
Total taxation and zakat	(163.9)	(547.1)	(1,406.8)	(1,805.6)

For the reporting period ended 31 December 2025, the Group recorded a 22.8% effective tax rate, which was lower than the statutory tax rate of 24.0%. The lower effective tax rate is mainly due to the utilisation of the Investment Allowance.

22) STATUS OF CORPORATE PROPOSALS

There were no material corporate proposals entered into during the reporting period other than those announced to Bursa Malaysia since the date of the last audited financial statements.

23) GROUP BORROWINGS

(a) The analysis of Group borrowings classified under current and non-current categories are as follows:

	As at 31.12.2025	As at 31.12.2024
Short term - secured	2,235.1	2,088.2
- unsecured	9,716.6	4,187.4
Sub-total	11,951.7	6,275.6
Long term - secured	19,776.7	21,113.5
- unsecured	27,357.3	30,017.5
Sub-total	47,134.0	51,131.0
Total	59,085.7	57,406.6

(b) Currency denominations:

	As at 31.12.2025	As at 31.12.2024
United States Dollar (USD)	6,445.3	8,618.4
Great Britain Pound (GBP)	3,134.6	3,459.0
Japanese Yen (JPY)	1,162.3	1,375.1
Australian Dollar (AUD)	1,360.3	1,313.4
Euro (EUR)	961.5	1,002.5
Total Ringgit equivalent of foreign currency borrowings	13,064.0	15,768.4
Ringgit borrowings	46,021.7	41,638.2
Total	59,085.7	57,406.6

(c) Effective average cost of borrowing based on exposure as at 31 December 2025 was 4.63% (31 December 2024: 4.83%).

(d) Repayments of debts during the reporting period were as follows:
 (i) Foreign currency denominated loans of RM1,848.3 million; and
 (ii) Ringgit denominated loans of RM3,199.6 million.

(e) Drawdowns of debts during the reporting period were as follows:
 (i) Foreign currency denominated loans of RM113.9 million; and
 (ii) Ringgit denominated loans of RM7,578.3 million.

24) DERIVATIVE FINANCIAL INSTRUMENTS

Type of Derivatives	As at 31.12.2025	
	Notional Amount	Fair value Amount
Foreign Currency Contracts		
- Forward less than 1 year	75.4	(0.7)
Interest Rate Swap Contracts ('IRS')		
- More than 3 years	1,603.2	61.2
Profit Rate Swap Contracts ('PRS')		
- More than 3 years	264.9	(2.6)
Power Purchase Agreement ('PPA')		
- More than 3 years	1,296.5	(26.2)
Total	3,240.0	31.7

The notional amount and fair value of all forward contracts are disclosed on a net basis. There is no change to the cash requirements of the derivatives, risks associated with the derivatives and policies to mitigate those risks since the last financial year.

IRS and PRS entered into by subsidiaries are to effectively fix the interest and profit rate payable on the term loans.

TNB Group entered into PPA which entitled them to sell the electricity output at an agreed price for five to fifteen years, thereby mitigating exposure to variable market prices.

25) MATERIAL LITIGATIONS

(a) Southern Power Generation Sdn Bhd ('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. Reference is also made to the announcements dated 22 June 2023, 14 September 2023, 12 January 2024, 29 March 2024, 30 May 2024, 29 July 2024, 18 November 2024, 17 April 2025, and 8 September 2025.

The High Court on 1 October 2025 allowed SPG's judicial review application to set aside the notices. The High Court agreed with the submission of SPG's legal counsel that the IRB had no basis in law to issue the notices.

On 27 October 2025, the IRB filed a notice of appeal to the Court of Appeal against the High Court's decision allowing SPG's judicial review application. Pursuant to the notice of appeal, the Court of Appeal has fixed the hearing of the appeal on 9 September 2026.

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.

(b) TNB Western Energy Berhad ('TNBWE')

TNBWE, an indirect wholly owned subsidiary of TNB, 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 for 14 April 2025. On 11 April 2025, the High Court vacated the leave hearing scheduled for 14 April 2025 and rescheduled the leave hearing for 30 June 2025.

The High Court vacated the leave hearing on 30 June 2025 and requested for the parties to attend a clarification on 22 July 2025. The interim stay shall remain in effect until the full and final disposal of the judicial review leave application, including all further proceedings and any enforcement of the notice.

On 22 July 2025, the High Court granted leave to TNB Western Energy Berhad to commence judicial review against the IRB and granted an interim stay of all further proceedings, including the enforcement of the Notice, until the disposal of the substantive hearing. The High Court has vacated the clarification hearing previously scheduled for 13 January 2026 in respect of the substantive judicial review application and has also vacated the case management previously scheduled for 12 February 2026. The High Court has instead fixed a case management on 30 March 2026.

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.

26) EARNINGS PER SHARE

	Current quarter ended 31.12.2025	Individual Corresponding quarter ended 31.12.2024 (Restated)	Current year ended 31.12.2025	Cumulative Preceding year ended 31.12.2024 (Restated)
Profit attributable to owners of the Company	1,675.1	642.3	4,768.1	3,978.2
Weighted average number of ordinary shares in issue ('000)	5,824,394	5,800,417	5,824,394	5,800,417
Basic earnings per share (sen)	28.76	11.07	81.86	68.58
Weighted average number of ordinary shares in issue ('000)	5,824,394	5,800,417	5,824,394	5,800,417
Adjustments for LTIP ('000)	-	13,269	-	13,269
Weighted average number of diluted ordinary shares ('000)	5,824,394	5,813,686	5,824,394	5,813,686
Diluted earnings per share (sen)	28.76	11.05	81.86	68.43

27) EXCEPTIONAL ITEMS

There were no exceptional items incurred during the year.

28) PRIOR YEAR ADJUSTMENTS ('PYA')

Reinvestment Allowance – PYA in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

On 2 July 2025, the Federal Court ruled that TNB should have claimed Investment Allowance ('IA') under Schedule 7B of the Income Tax Act 1967 ('ITA'), instead of Reinvestment Allowance ('RIA') under Schedule 7A in respect of YA 2018. The ruling clarified that TNB's activities qualify as an investment project under Schedule 7B (Utility) rather than as a manufacturing activity under Schedule 7A.

Following this decision, TNB reviewed its previous tax positions and determined that the RIA claims under Schedule 7A from YA 2003 to YA 2023 had been made based on legal references and judicial precedents that supported its classification as a manufacturing entity, without considering Schedule 7B. The prior claims under Schedule 7A were largely driven by case law interpretation unrelated to the Income Tax Act, rather than a full assessment of the clear, reliable, and reasonable legislative distinction between manufacturing (Schedule 7A) and utility activities (Schedule 7B).

The nature of TNB's activities clearly qualifies it for incentives under Schedule 7B rather than Schedule 7A. Unlike manufacturing operations, these utility activities fall within the scope of investment projects eligible for Schedule 7B relief, reflecting the legislative intent to target incentives based on the type of economic activity rather than solely on precedent or interpretation.

Accordingly, the RIA were incorrectly claimed in prior years and consequently this was reflected in the financial results starting Q3 FY2025 and financial positions as at 1 January 2024 and 31 December 2024 have been restated to correct the tax treatment retrospectively. The effect of the restatements on the relevant line items is as shown in the next few pages.

28) PRIOR YEAR ADJUSTMENTS ('PYA') (CONTINUATION)

**Condensed Consolidated Statement of Financial Position as at 1 January 2024
(Restated)**

	As previously reported as at 1 January 2024	Prior Year Adjustments	Restated as at 1 January 2024
NON-CURRENT ASSETS			
Tax recoverable	3,522.4	(3,522.4)	-
CURRENT ASSETS			
Tax recoverable	1,519.0	(1,097.3)	421.7
CURRENT LIABILITIES			
Current tax liabilities	(108.2)	(5,218.3)	(5,326.5)
NET CURRENT (LIABILITIES)/ASSETS	7,809.6	(6,315.6)	1,494.0
TOTAL NET ASSETS	61,082.7	(9,838.0)	51,244.7
EQUITY			
Retained profits	53,008.9	(9,838.0)	43,170.9
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY	58,825.8	(9,838.0)	48,987.8
TOTAL EQUITY	61,082.7	(9,838.0)	51,244.7

**Condensed Consolidated Statement Of Financial Position as at 31 December 2024
(Restated)**

	As previously reported as at 31 December 2024	Prior Year Adjustments	Restated as at 31 December 2024
NON-CURRENT ASSETS			
Tax recoverable	3,522.4	(3,522.4)	-
CURRENT ASSETS			
Tax recoverable	1,621.3	(1,153.3)	468.0
CURRENT LIABILITIES			
Current tax liabilities	(85.3)	(5,837.5)	(5,922.8)
NET CURRENT (LIABILITIES)/ASSETS	6,340.1	(6,990.8)	(650.7)
NON-CURRENT LIABILITIES			
Deferred tax liabilities	(9,263.6)	(45.2)	(9,308.8)
TOTAL NET ASSETS	62,569.7	(10,558.4)	52,011.3
EQUITY			
Retained profits	54,633.8	(10,558.4)	44,075.4
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY	60,371.1	(10,558.4)	49,812.7
TOTAL EQUITY	62,569.7	(10,558.4)	52,011.3

28) PRIOR YEAR ADJUSTMENTS ('PYA') (CONTINUATION)

Condensed Consolidated Statement Of Profit or Loss for the Fourth Quarter Ended 31 December 2024 (Restated)

	Individual		
	As previously reported as at 31 December 2024	Prior Year Adjustments	Restated as at 31 December 2024
Taxation and zakat	(234.9)	(312.2)	(547.1)
Profit for the period	907.8	(312.2)	595.6
Profit attributable to:			
- Owners of the Company	954.5	(312.2)	642.3
Profit for the period	907.8	(312.2)	595.6
Earnings per share attributable to the owners of the Company			
	Sen		Sen
Basic	16.46		11.07
Diluted	16.42		11.05

Condensed Consolidated Statement Of Comprehensive Income for the Fourth Quarter Ended 31 December 2024 (Restated)

	Individual		
	As previously reported as at 31 December 2024	Prior Year Adjustments	Restated as at 31 December 2024
Profit for the period	907.8	(312.2)	595.6
Total comprehensive income for the period	1,036.3	(312.2)	724.1
Attributable to:			
- Owners of the Company	1,074.1	(312.2)	761.9
Total comprehensive income for the period	1,036.3	(312.2)	724.1

28) PRIOR YEAR ADJUSTMENTS ('PYA') (CONTINUATION)

Condensed Consolidated Statement Of Profit or Loss for the Fourth Quarter Ended 31 December 2024 (Restated)

	Cumulative		
	As previously reported as at 31 December 2024	Prior Year Adjustments	Restated as at 31 December 2024
Taxation and zakat	(1,085.2)	(720.4)	(1,805.6)
Profit for the period	4,729.6	(720.4)	4,009.2
Profit attributable to:			
- Owners of the Company	4,698.6	(720.4)	3,978.2
Profit for the period	4,729.6	(720.4)	4,009.2
Earnings per share attributable to the owners of the Company			
	Sen		Sen
Basic	81.00		68.58
Diluted	80.82		68.43

28) PRIOR YEAR ADJUSTMENTS ('PYA') (CONTINUATION)

Condensed Consolidated Statement Of Comprehensive Income for the Fourth Quarter Ended 31 December 2024 (Restated)

	Cumulative		
	As previously reported as at 31 December 2024	Prior Year Adjustments	Restated as at 31 December 2024
Profit for the period	4,729.6	(720.4)	4,009.2
Total comprehensive income for the period	4,368.6	(720.4)	3,648.2
Attributable to:			
- Owners of the Company	4,402.9	(720.4)	3,682.5
Total comprehensive income for the period	4,368.6	(720.4)	3,648.2

By Order of the Board



ALI MUNAWAR BIN SALIM
COMPANY SECRETARY
MAICSA 7021901
SSM PRACTICING CERTIFICATE NO.: 201908002911

Kuala Lumpur
26 February 2026