



**NEWS RELEASE
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MALAKOFF REGISTERS A LOSS IN Q4 FY2023 DESPITE A REVENUE OF RM2,262.4 MILLION

Affected by Impairment Loss of a Foreign Associate Notwithstanding the Positive Fuel Margin Impact

KUALA LUMPUR, Malaysia – 23 February 2024: Malakoff Corporation Berhad (“Malakoff” or “the Group”) recorded a revenue of RM2,262.4 million for the quarter ended 31 December 2023 (“Q4 FY2023”), a decrease of 23.9% from RM2,972.7 million reported in the corresponding quarter ended 31 December 2022 (“Q4 FY2022”). The decline was primarily due to lower energy payment recorded from Tanjung Bin Power Sdn Bhd (“TBP”) impacted by the decline in Applicable Coal Price (“ACP”) and the absence of revenue contribution from GB3 Sdn Bhd (“GB3”) following the expiry of its Power Purchase Agreement (“PPA”) on 30 December 2022. However, these were partially moderated by higher energy payment and capacity income recorded from Tanjung Bin Energy Sdn Bhd (“TBE”) given the higher despatch factor and shorter duration of plant outage.

The Group posted a Loss after Tax and Minority Interests (“LATMI”) of RM357.1 million for Q4 FY2023 versus RM41.9 million of Profit after Tax and Minority Interests (“PATMI”) in the previous corresponding quarter, primarily due to a substantial share of loss from its 40% foreign associate in Bahrain – Al-Hidd Independent Water and Power Producer (“IWPP”), and further impairment loss on the Group’s carrying value of investment in Al-Hidd IWPP. Excluding the substantial share of loss from Al-Hidd IWPP and impairment loss on the Group’s carrying value of investment in Al-Hidd IWPP, the Group recorded a PATMI of RM72.0 million in Q4 FY2023.

For the quarter under review, Alam Flora Sdn Bhd (“Alam Flora”) posted a PATMI of RM23.7 million against RM0.7 million reported in the previous corresponding quarter. On the operational front, Alam Flora’s total waste collected decreased from 531,700 MT in Q4 FY2022 to 304,100 MT in Q4 FY2023, representing a 43% decline. This was mainly due to the expiry of the Kepong Transfer Station and Cameron Highlands Mini Incinerator. Notwithstanding this, recyclable material collected increased by 14.6% in the period under review, testament to the positive impact of the Group’s efforts towards circular economy.

Malakoff’s Managing Director & Group Chief Executive Officer (“MD & GCEO”), Encik Anwar Syahrin Abdul Ajib, expressed how he is looking forward to 2024 and believes in the Group’s commitment. Despite encountering challenges, he underscored the successful execution of Malakoff’s strategic initiatives aimed at advancing Malaysia’s transition to a greener future while steadfastly maintaining energy security. This achievement reflects Malakoff’s dedication to corporate responsibility and sustainable practices in the face of adversities.

“This past year, we faced challenges mainly due to fluctuating coal prices. As the leading independent power producer (“IPP”), we understand the impact of financial uncertainties on our operations due to the rising fuel costs which caused setbacks in our fuel margins. The ACP

added to the challenges, and as it decreased, we had to use coal at rates higher than the average, significantly affecting our financial performance.”

“However, even in a challenging business environment, we accomplished a significant feat domestically, generating almost 30 TWh of electricity in FY2023. This marks a noteworthy increase of 6.98% compared to FY2022, despite the absence of contribution from our expired GB3 gas plant. Furthermore, we have been making great progress in expanding our RE portfolio. We successfully achieved financial close for RP Small Hydro Kelantan in July 2023 and secured a total of 18.2 MW of rooftop solar projects throughout 2023. In December 2023, we signed an agreement with Abu Dhabi Future Energy Company PJSC-Masdar (“MASDAR”) to explore opportunities and initiate solar photovoltaic power plant projects with a targeted total capacity of up to 1,000 MW. In addition, we launched our Electric Vehicle (“EV”) charging infrastructure services in partnership with Gas Malaysia, marking our entry into this domain.”

“On the environmental solutions front, we established the Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (“RISE@KL”) at Batu Caves, Gombak in September 2023. We have also made significant progress in securing a Waste-to-Energy (“WTE”) plant, which will help reduce reliance on landfills, divert waste for RE generation and decrease GHG emissions significantly compared to traditional incineration. At Johor Port, we have completed 80% of the foundation work for Port Recovery Facilities (“PRF”). Moreover, we acquired a 49% stake in E-Idaman Sdn Bhd, enabling us to provide solid waste collection and public cleansing management services for Kedah and Perlis in Peninsular Malaysia.”

“As we strive to integrate non-renewable sources with renewable sources, fostering a harmonious interdependence of both energies, we are championing biomass co-firing at our Tanjung Bin coal plant. This initiative holds significance as it plays as a key component within the framework of the National Energy Transition Roadmap (“NETR”).”

“Looking ahead, we aim to expand our presence both locally and internationally by leveraging on our technical expertise. We are actively participating in competitive bids for solar projects initiated by the Malaysian Government. Additionally, we are open to potential mergers and acquisitions (“M&As”) in the waste management and environmental solutions sector. Our commitment extends to continually exploring and implementing viable green technologies for the advancement of Malakoff.”

For more details on Malakoff, please visit www.malakoff.com.my

ABOUT MALAKOFF CORPORATION BERHAD

A sustainably-driven multinational energy generation and environmental solutions company, Malakoff is committed to enhancing lives and enriching communities. It is Malaysia’s largest Independent Power Producer (“IPP”) with a generating capacity of 6,953 MW through domestic thermal plants. The Group’s Renewable Energy portfolio stands at 153 MW, mainly comprising large-scale solar, rooftop solar and small hydro projects. Through its subsidiary, Alam Flora Sdn Bhd, Malakoff is also one of the country’s leading environmental services companies, managing waste volume of 5,748 tonnes per day.

Malakoff has established an international footprint of innovative solutions, notably through its power generation and water desalination ventures in Saudi Arabia, Bahrain, and Oman.

Currently in its next transformational stage, Malakoff is driving change to realise the Nation’s ambitions of carbon neutrality and a circular economy through its three core entities; Malakoff Green Solutions for renewables through solar, small hydro, biogas, biomass and carbon-free mobility infrastructure; Malakoff Environmental Solutions for solid waste management and public cleansing, infrastructure cleaning and waste solutions, integrated facility management, recycling, marine and hazardous waste solutions, water desalination and Waste-to-Energy projects; and Malakoff Energy for thermal power generation assets, operations and maintenance, electricity distribution and district cooling system.

In its pursuit of a cleaner and greener world, Malakoff is dedicated towards fostering collaboration, sharing of knowledge, and leveraging collective expertise to create a more sustainable and resilient future for all. For more information about Malakoff, please visit www.malakoff.com.my.

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