



**NEWS RELEASE
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MALAKOFF REGISTERS A NET LOSS OF RM75.7 MILLION IN Q1 FY2023 DESPITE INCREASE IN REVENUE

Impacted by Higher Weighted Average Fuel Costs at TBP and Reduced Profits from Foreign Associates

KUALA LUMPUR, Malaysia – 26 May 2023: Malakoff Corporation Berhad (“Malakoff” or “the Group”) recorded a revenue of RM2,285.1 million in the quarter ended 31 March 2023 (“Q1 FY2023”), an increase of 21.3% from RM1,883.8 million reported in the corresponding quarter ended 31 March 2022 (“Q1 FY2022”). The increase in revenue was primarily due to higher energy payments recorded from Tanjung Bin Power Sdn Bhd (“TBP”) and Tanjung Bin Energy Sdn Bhd (“TBE”) on the back of the higher Applicable Coal Price (“ACP”).

However, the Group posted a Loss after Tax and Minority Interests of RM75.7 million for Q1 FY2023 versus RM50.9 million of Profit after Tax and Minority Interests (“PATMI”) in the corresponding quarter. The significant reduction was mainly attributable to the higher weighted average fuel costs that resulted in a negative fuel margin for TBP and TBE. Benchmark coal prices experienced a decline during the period under review due to slowing regional demand which is now heading towards more stable and sustainable coal prices. In the second half of 2022, coal prices experienced a significant increase particularly due to the growing demand in China and Europe, which was aggravated by the Russia-Ukraine conflict. Currently, we are also seeing developments in the Renewable Energy (“RE”) transition amid the global energy crisis. In addition, the Group’s profits were also impacted by lower share of profit from associates and joint ventures, and higher operating insurance costs.

For the quarter under review, Alam Flora Sdn Bhd (“Alam Flora”) reported a PATMI of RM21.1 million against RM26.5 million in the previous corresponding quarter. The 20.4% year-on-year (“YoY”) decline in profits were mainly due to higher outsourcing costs (private contractors) and other operating expenses. On the operational front, Alam Flora’s total waste collected/handled increased from 513,577 MT in Q1 FY2022 to 524,534 MT in Q1 FY2023, representing a 2.1% YoY increase.

Notwithstanding the challenging business conditions, Encik Anwar Syahrin Abdul Ajib, Managing Director/Chief Executive Officer (“MD/CEO”) of Malakoff is confident of Malakoff’s transformation journey to be at the forefront of Environmental, Social and Governance (“ESG”) movement which will enable the Group’s low-carbon and resource-efficient agenda into action and ultimately transform Malaysia into a carbon neutral country by 2050.

On the Environmental Solutions front, the Group has expanded its Facility Management, Infrastructure Cleaning and Waste Solution services to introduce a new cleaning service, ‘Fasilita’, for the communities within the Klang Valley area through its subsidiary, Alam Flora Environmental Solutions (“AFES”).

In the green energy sector, the Group will further expand its RE businesses with a more aggressive approach while maintaining operational efficiencies of its thermal assets to enhance reliability and

availability to address the impact of reduced fuel margin and manage the impact of global coal prices as it transitions towards a low-carbon system.

“On 21 March 2023, the Group entered into a Heads of Agreement with Rising Promenade Sdn Bhd, RP Hydro (Kelantan) Sdn Bhd and Rising O&M Engineering Services Sdn Bhd to develop, own, operate and maintain three small hydropower plants in Kuala Krai, Kelantan, with a total installed capacity of 84 MW. It is a well-documented fact that small-hydro projects are considered to be the cleanest energy form as the Greenhouse Gas emitted is far lower than other energy systems and this project is expected to offset 272,424 tonnes of CO₂ emissions annually.”

“We have also been awarded 14 new rooftop solar projects since 2022 to date, totalling 11.1 MWp. This is testament to the trust our clients have placed on us as the partner of choice in embarking towards cleaner energy sources. Aside from growing our RE portfolio through Solar Power Purchase Agreements (“SPPAs”) and Virtual PPAs, we will also be exploring the Battery Energy Storage System (“BESS”) and carbon-free mobility infrastructure segments through the installation of Electric Vehicle (“EV”) charging stations,” he added.

Malakoff’s diversified portfolio will continue to drive the Group’s growth as it champions the transition to clean energy while delivering innovative environmental solutions to create a sustainable future.

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

ABOUT MALAKOFF CORPORATION BERHAD

A leading energy generation and environmental solutions player that shapes a better future through innovation and sustainability best practices, Malakoff is the country’s largest Independent Power Producer (“IPP”) with an effective generating capacity of 5,342 MW and, effective renewable energy with generating capacity of 40 MW. Through its subsidiary, Alam Flora Sdn Bhd, Malakoff is also one of the country’s largest environmental services company, managing solid waste volume of 5,748 tonnes per day.

As a multinational power, water and environmental solutions group with core focus in thermal power generation, renewable energy, environmental solutions and water desalination, Malakoff’s international assets include power and water ventures in Saudi Arabia, Bahrain and Oman, with an effective power generation capacity of 588 MW and water desalination capacity of 472,975 m³/day.

Through its wholly owned subsidiary, Malakoff Technical Solutions Sdn Bhd, Malakoff has involvements in O&M services locally and in Saudi Arabia, Oman and Indonesia.

Malakoff believes in working together with all stakeholders in productive partnerships and takes pride in being a responsible corporate citizen. For more information about Malakoff, please visit www.malakoff.com.my.

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