

How We Create Value

VALUE CREATION MODEL

VISION

To be a **leading global energy generation and environmental solutions player, shaping a greener future through innovation and sustainability best practices**

VALUES

Integrity Teamwork Innovation Excellence Harmony

OUR CAPITALS...

... ENABLE VALUE-ADDING

INPUTS

FINANCIAL CAPITAL

- Secured RM975 million via the ASEAN Green SRI Sukuk Wakalah Issuance for Hydro project
- Cash Balance: RM3.06 billion
- Total Assets: RM20.30 billion
- Total Borrowings: RM8.81 billion

MANUFACTURED CAPITAL

- Total RE generating capacity: 153 MW
- Operated 11 Rooftop Solar PV facilities
- Total thermal installed capacity: 5,930 MW
 - Domestic: 5,342 MW
 - International: 588 MW
- Total capacity of Inert Waste Management facility in Kuantan: 120-170 tonnes per day
- Total capacity of mini-incinerators: 60 tonnes per day

HUMAN CAPITAL

- Total number of Employees: 4,319
 - 84% Male | 16% Female
 - Malaysians: 4,036
 - Permanent Employees: 3,294
 - Non Permanent Employees: 1,025
 - RM1.46 million invested in employee training

INTELLECTUAL CAPITAL

- Licensed to distribute up to 153.0 MW of electricity in KL Sentral
- Total of 10,290.1 MW Renewable Energy Certificates issued
- Established brand equity over the past 49 years
- Credible list of institutional investors including Permodalan Nasional Berhad (PNB), the Employees Provident Fund (EPF) and Retirement Fund (Incorporated) or KWAP

SOCIAL & RELATIONSHIP CAPITAL

- Total No. of suppliers: 3,559
 - Local: 93.5% (Malakoff) | 100% (Alam Flora)
- Total Customers:
 - MUSB: 3,500 customers
 - AFES: 124 customers
- Embracing sustainable development as well as responsible ESG practices

NATURAL CAPITAL

- Electricity consumption across operations: 105,691.06 MW
- 6,108.9 tonnes of recyclable materials collected
- Supplied 21% of national electricity demand
- 6.7% increased in electricity export to the National Grid despite expiry of GB3 Power Plant
- Water consumption across operations: 2,532,082.45 m³

MALAKOFF 2.0 STRATEGIC TRANSFORMATION PLAN

5 Key Strategic Growth Pillars

Key Enablers

| | |
|--------------------------|-------------------------------|
| Thermal Power Generation | International Expansion |
| Renewable Energy | Operational Excellence |
| Environmental Solutions | Sustainability Initiatives |
| Water Desalination | Organisational Transformation |
| Strategic Bets | Digitalisation |

KEY RISKS

SUSTAINABILITY AGENDA

Environmental

Transitioning to a Cleaner Energy and Circular Economy Future

| | |
|------------------------|-----------------------|
| M1 Renewable Energy | M4 Water Management |
| M2 Biodiversity Impact | M5 Energy Consumption |
| M3 Waste Management | |

Social

Empowering Our People and Supporting Our Communities

| | |
|---------------------------------------|---------------------------------------|
| M6 Occupational Safety and Health | M9 Talent Management |
| M7 Employee Engagement and Well-being | M10 Human Rights and Labour Relations |
| M8 Community Development | |

Governance

Embedding Sustainable, Innovative Business Practices and Acting with Integrity

| | |
|--------------------------------------|-------------------------------|
| M11 Governance, Ethics and Integrity | M14 Supply Chain Management |
| M12 Regulatory Compliance | M15 Data Privacy and Security |
| M13 Economic Performance | |



MARKET TRENDS

Underpinned By

OUR OVERARCHING GOVERNANCE

MISSION

- We aspire to become the preferred employer
- We deliver superior shareholder value
- We are sought after as a partner of choice
- We sustain best-in-class operating discipline
- We earn respect as a good corporate citizen

ACTIVITIES THAT CREATE...

... VALUE FOR OUR STAKEHOLDERS

| OUTPUTS | OUTCOMES | STAKEHOLDERS |
|--|---|---|
| <p>R1 R2 R3 R4 R5 R6 R7 R8</p> <p>Please refer to pages 66 to 70 for more information.</p> | <p>29,988,531.46 MWh of total energy generated from our thermal plants</p> | <p>S1</p> <p>S2</p> <p>S3</p> <p>S4</p> <p>S5</p> <p>S6</p> <p>S7</p> <p>S8</p> |
| <p>Thermal Power Generation</p> <p>Operation and Maintenance (O&M)</p> <p>Project Management Services</p> <p>Electricity Distribution (ED) and District Cooling System (DCS)</p> | <p>2,501 MWh of total energy generated from our solar power</p> | |
| <p>Environmental Solutions</p> <p>Water Desalination</p> | <p>International Power Generated: 12,257,021 MWh</p> | |
| <p>Renewable Energy</p> | <p>Total waste managed by Alam Flora and AFES: 1,600,843.57 tonnes</p> | |
| <ul style="list-style-type: none"> • Volatility in Energy Commodity Prices • Addressing Climate Change • Demand For Renewable Energy • Workforce Challenges • Regulatory and Compliance Landscape • Digitalisation and Technological Development • Strengthening Infra and Security | <p>23 MW rooftop solar PV capacity commissioned in 2023</p> | |
| | <p>Total GHG emissions based on equity approach for assets owned & operated by Malakoff in Malaysia (Scope 1 and Scope 2): 16.48 million tCO₂e inclusive of Alam Flora's fuel and electricity consumption</p> | |
| | <p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> • Revenue: RM9,067.0 million (2022: RM10,355.2 million) • LATMI: (837.2) million (2022: PATMI of RM302.2 million) • EBITDA: RM664.1 million (2022: RM2,561.4 million) • (Loss)/Earnings Per Share: (18.10) sen (2022: 5.22 sen) • Net Assets Per Share: RM 0.92 (2022: RM1.14) • Dividend Per Share: 3.00 sen (2022: 5.25 sen) | |
| | <p>MANUFACTURED CAPITAL</p> <ul style="list-style-type: none"> • Net Energy Sold inclusive of chilled water supply by MUSB <ul style="list-style-type: none"> - ED: 220,640.69 MWh (2022: 205,405.96 MWh) - DCS: 88,022.97 MWh (2022: 88,280.64 MWh) • Supplies 472,975 m³/day in the desalinated water Middle East <ul style="list-style-type: none"> - Shuaibah Phase 3 IWPP is one of the Largest IWPP projects in the MENA region and first IWPP in Saudi Arabia - Al-Ghubrah IWP is Oman's fourth largest water desalination plant <p>IWPP - Independent Water and Power Producer IWP - Independent Water Producer</p> | |
| | <p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> • Lost Time Incident Rate (LTIR) Malakoff: 0.73 Alam Flora: 0.86 • Total Training Hours: 32,468 hours • Employee attrition rate: 11.56% • Employees that received EDGILE core skills training: 529 | |
| | <p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> • Increased partnerships and collaborations with clients transitioning to cleaner energy sources. • Maintained 99% availability of our critical systems and recorded zero major cybersecurity incident • ISO Certifications Achieved: <ul style="list-style-type: none"> - 9001: Quality - 14001: Environmental - 45001: OHSMS - 37001: ABMS - 27001: ISMS | |
| | <p>SOCIAL & RELATIONSHIP CAPITAL</p> <ul style="list-style-type: none"> • Contribution to educational institutions: RM131,000 (2022: RM107,400) • Community investment and development: RM109,500 (2022: RM437,575 including Wakalah Zakat) | |
| | <p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> • 2.07% reduction for Scope 1 and Scope 2 absolute carbon emissions (2022: 5.36% average reduction) • 2,501 MWh of clean energy generated, reducing carbon emissions by 14,632 tCO₂e from the operation of 23 MW rooftop solar PV facilities | |

► Premised on the Shariah Principles, we commit to uphold the highest level of integrity in our everyday decisions and actions, in our efforts to uplift our communities and our nation.