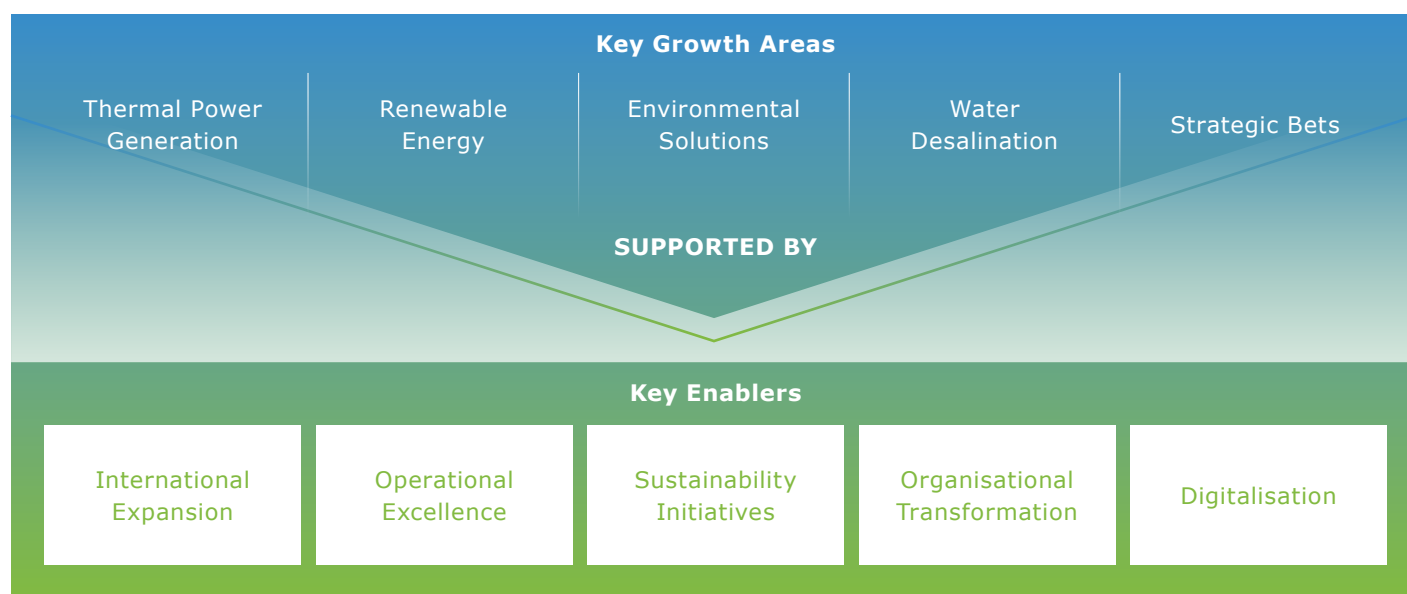


How We Create Value


OUR STRATEGY





The Malakoff 2.0 Strategic Transformation launched in 2021 continues to guide the Group in integrating Environmental, Social and Governance (ESG) best practices into our business operations. As part of the strategy, we embraced a revitalised purpose of “Enhancing Life, Enriching Communities”, which centres on diversifying and expanding our business portfolio, prioritising ESG materialities and yielding sustainable returns. Our primary objective is to generate positive ESG outcomes from current operations while concurrently developing an ESG-focused portfolio. This involves strategic investments in Renewable Energy (RE), environmental solutions and other financially viable green ventures.

The Malakoff 2.0 Strategic Transformation encompasses five key growth areas supported by key enablers:



Our progress and achievements in 2023 for all five focus areas are reflected in the following table:

STRATEGIC PILLAR/ FOCUS AREA	2023 INITIATIVES	2023 ACHIEVEMENTS	2024 OUTLOOK AND PRIORITIES
 <p>Thermal Power Generation</p>	<ul style="list-style-type: none"> • Securing new greenfield Combined-Cycle Gas Turbine (CCGT) power plants • Implementing effort to extend Power Purchase Agreements (PPAs) • Engaging in efforts to decrease greenhouse gas (GHG) from thermal power plants 	<ul style="list-style-type: none"> • Launched the Biomass co-firing initiatives and being identified as a flagship activity under National Energy Transition Roadmap (NETR) • Diverted ~344,278 MT of fly ash from being dumped into our existing ash pond and secured additional value from fly ash disposal 	<ul style="list-style-type: none"> • Drive aggressive efforts to secure the new CCGT projects • Utilise our technical expertise to broaden our presence locally and internationally • Continuously striving for operational excellence and value optimisation

STRATEGIC PILLAR/ FOCUS AREA	2023 INITIATIVES	2023 ACHIEVEMENTS	2024 OUTLOOK AND PRIORITIES
 <p>Renewable Energy</p>	<ul style="list-style-type: none"> • Growing presence in solar, Small Hydropower Plant (SHP) and Waste-to-Energy (WTE) • Securing rooftop solar (RTS) contracts that are currently in the pipeline • Focusing on the new development, policies, and merger and acquisition (M&A) for renewable energy (RE) local utilities scale projects 	<ul style="list-style-type: none"> • Secured SHP projects in Kelantan with total capacity of 84 MW, namely Kemubu SHP (29 MW), Kuala Geris SHP (25 MW) and Serasa SHP (30 MW) via acquisition of 70% equity in RP Hydro (Kelantan) Sdn Bhd (RPHK), and successfully achieved Financial Close (FC) for these projects in July 2023 • Signed 27 Solar Power Purchase Agreements (SPPAs) for 12.8 MW of RTS projects as of 2023 • Signed a Heads of Agreement (HoA) with Abu Dhabi Future Energy Company PJSC-Masdar (Masdar) to collaboratively develop solar photovoltaic (PV) power project with an aggregate capacity of up to 1,000 MW and explore other potential RE projects across Peninsular Malaysia 	<ul style="list-style-type: none"> • Materialise the possibility of exporting energy to neighbouring countries • Involve in the competitive bidding process for solar projects [Large Scale Solar (LSS)/ Corporate Green Power Programme (CGPP)] by the Malaysian Government • Acquire operating or secure greenfield opportunities in LSS projects
 <p>Environmental Solutions</p>	<ul style="list-style-type: none"> • Growing our concession and non-concession businesses • Participating in WTE tenders 	<ul style="list-style-type: none"> • Established Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE@KL) at Batu Caves, Gombak • Achieved significant progress in securing a WTE plant • Completed 80% of the foundation work for Port Recovery Facilities (PRF) at Johor Port • Entered into a conditional Share Sales and Purchase Agreement (SSPA) dated 27 October 2023 between Metacorp Berhad and Tuah Utama Sdn Bhd in relation to the proposed acquisition of 49% equity interest in E-Idaman Sdn Bhd 	<ul style="list-style-type: none"> • Explore potential M&A opportunities in waste management and environmental solutions • Continue to expand our non-concession businesses • Continue to expand our concession business
 <p>Water Desalination</p>	<ul style="list-style-type: none"> • Pursuing strategic brownfield (acquisition) and greenfield opportunities • Exploring strategic partnership 	<ul style="list-style-type: none"> • Recorded exceptional plant availability performance across all water desalination assets in the Middle East and North Africa (MENA) region • Concluded the arbitration case on our Algeria's investment positively to Malakoff in FY2023 	<ul style="list-style-type: none"> • Continue to deliver reliable plant availability performance • Pursue growth in desalination portfolio by actively exploring M&A opportunities and greenfield projects • Pursue opportunities in Reverse Osmosis (RO) based desalination projects globally
 <p>Strategic Bets</p>	<ul style="list-style-type: none"> • Offering sustainable green solutions to the market 	<ul style="list-style-type: none"> • Launched our Electric Vehicle (EV) charging infrastructure offerings to our clients and potential clients 	<ul style="list-style-type: none"> • Continue to explore and deploy potentially viable green technologies for Malakoff