

**NEWS RELEASE
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MALAKOFF CORPORATION BERHAD ACHIEVES FINANCIAL CLOSE FOR THE DEVELOPMENT OF 3 SMALL HYDROPOWER PLANTS IN KELANTAN WITH A TOTAL INSTALLED CAPACITY OF 84 MW

Kuala Lumpur, Malaysia – 14 July 2023: Malakoff Corporation Berhad ("Malakoff") has achieved financial close in relation to RP Hydro (Kelantan) Sdn Bhd ("RP Hydro")'s RM975.0 million in nominal value ASEAN Green SRI Sukuk Wakalah issuance ("ASEAN Green SRI Sukuk Wakalah"). The ASEAN Green SRI Sukuk Wakalah will be used to part finance a project with an aggregate installed capacity of 84 MW to be developed along Sungai Galas in the District of Kuala Krai, Kelantan (the "Project"). The Project will be financed through a combination of ASEAN Green SRI Sukuk Wakalah and shareholders' equity contribution based on a Finance-to-Equity Ratio ("FE Ratio") of up to 80:20. CIMB Investment Bank Berhad is the appointed Sole Financial Advisor, Sole Principal Adviser, Sole Lead Arranger and Sole Lead Manager for the ASEAN Green SRI Sukuk Wakalah.

On 21 March 2023, Malakoff announced that it had entered into Definitive Agreements with Rising Promenade Sdn Bhd and RP Hydro for the development, ownership and operation & maintenance of 3 run-of-river small hydropower plants namely Kemubu Small Hydropower Plant ("SHP"), Kuala Geris SHP and Serasa SHP with an installed capacity of 29 MW, 25 MW and 30 MW respectively, totalling 84 MW located in the District of Kuala Krai, Kelantan.

"Malakoff continues to support the Government's Renewable Energy ("RE") aspirations by accelerating the growth of its RE portfolio, in line with the raised national RE capacity target of 70% by 2050. Under the Group's Sustainability Framework, Malakoff has set a long-term target of achieving an RE capacity of 1,400 MW by 2031 with key focus in the solar, small hydro and Waste-to-Energy ("WTE") segments. This is part of our efforts to advance the energy transition to a low-carbon economy, as we embark towards Net Zero Emissions by 2050. Hydropower generation will be crucial to leverage the country's numerous river basins with excellent hydrogeological conditions, which will contribute significantly to the reduction of greenhouse gas ("GHG") emissions," said Malakoff's Managing Director/Chief Executive Officer Encik Anwar Syahrin Abdul Ajib.

"With the successful achievement of financial close, we can now fully commence construction works of the small hydro projects. This is certainly a significant achievement given the prevailing market conditions. Through Malakoff's newly established business pillar, Malakoff Green Solutions where we focus on the expansion of RE, this project is testament to our commitment in expanding our presence in clean energy generation space as hydropower plants have been proven to be the cleanest low-carbon alternative, offering the lowest GHG emissions per unit of electricity generated. It requires little to no water storage as such run-of-the-river plants simply depend on the flow of the river and the course of the river is not altered in any way. In addition to being the most cost-effective energy source for off-grid power generation, it is also non-intrusive in terms of building space".

The Project will mark Malakoff's entry into the hydropower generation business and is in line with its strategic transformation initiatives where small hydro has been identified as a key growth area within its RE portfolio. The project is also aligned with the Malaysia Renewable Energy Roadmap ("MyRER"), which aims to realise the full potential of hydropower as one of the technology-specific pillars towards achieving a low carbon economy.

In our pursuit of a cleaner and greener world, the Project is part of Malakoff's commitment towards *UN Sustainable Development Goal No. 7 – Affordable and Clean Energy* which focuses on ensuring access to affordable, reliable and sustainable energy for all.

For more details, 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 an effective generating capacity of 5,342 MW and effective Renewable Energy ("RE") capacity of 40 MW. 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 & 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 & 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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