



Powering A Sustainable Energy Transition

Integrated Annual Report 2023

Inside This Report

Inside This Report

Malakoff Corporation Berhad

Integrated Annual Report 2023

18th Annual General Meeting

- Date**
25 April 2024 (Thursday)
- Time**
10.00 A.M
- Boardroom Venue**
The Boardroom, Level 7, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia.

Powering A Sustainable Energy Transition

Cover Rationale

The cover adopts a globe-shaped concept, serving as a compelling visual representation of Malakoff's dedication to sustainable energy transition. The globe is encompassed by vector graphics representing the company's diverse business ventures. This rendition adeptly captures Malakoff's energy generation activities, its environmental solutions initiatives, and the resulting vision of a cleaner, greener future for communities worldwide. The tagline, 'Powering A Sustainable Energy Transition,' concisely captures the essence of Malakoff's mission as a unifying force. Through this design, we convey the global impact of Malakoff's contributions, showcasing its leadership in driving innovation within the power sector and spearheading environmental solutions. Ultimately, this visual narrative communicates Malakoff's commitment to effecting positive transformations for communities across the globe.

Feedback

We welcome all inquiries, comments and feedback on our Integrated Annual Report in order to clarify issues and to further improve our reporting. Please communicate with us through:

Tel : +603 2263 3388
Email: cacomm@malakoff.com.my

Scan here for IAR 2023



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Basis of This Report

Basis of This Report

Malakoff Corporation Berhad

Integrated Annual Report 2023

Welcome to the third integrated report of Malakoff Corporation Berhad (Malakoff or the Group). This report aligns with the principles of the Integrated Reporting Framework under the guidance of the International Financial Reporting Standards (IFRS) Foundation. Its purpose is to present a balanced and accurate overview of Malakoff's performance and future prospects, taking into account the strategy, challenges and key risks posed by the operating environment. While the primary audience for this report is capital providers, it is also pertinent to all stakeholders seeking insights into how we aim to generate value in the short, medium, and long term by adhering to good governance practices, balancing our vision for growth and responsibility towards environmental and social considerations.

Reporting Framework

Our integrated reporting process, as well as the contents of this report adheres to the principles and requirements of the Integrated Reporting <IR> Framework, the Main Market Listing Requirements (MMLR) of Bursa Malaysia, the Corporate Governance Guide (Fourth Edition) issued by Bursa Malaysia, the Companies Act 2016 (CA 2016), the Malaysian Code on Corporate Governance (MCCG) 2021, the Malaysian Financial Reporting Standards (MFRS), and the International Accounting Standards (IFRS Accounting Standards).

Our Sustainability Statement has been prepared in line with the Global Reporting Initiative (GRI) Standards, Bursa Malaysia's Sustainability Reporting Guide (Second Edition) and the United Nations' Sustainable Development Goals (UN SDGs).

Scope and Boundary

This report covers the financial period from 1 January 2023 to 31 December 2023, taking into consideration the activities, initiatives and key events that took place during the financial year, unless stated otherwise. The report encompasses all companies within the Group in which we have a majority shareholding and substantial influence, including our operations in Saudi Arabia, Bahrain and Oman.

Materiality

This report outlines our approach to managing the identified material matters, which are areas that guide our long-term business strategies, goals and direction.

Combined Assurance

We are continuously enhancing the quality of our report by providing relevant assurance to ensure balanced and accurate disclosure. The contents of this report have been reviewed and approved by the Management and the Board of Directors. Financial statements presented within this report have been audited by Messrs. KPMG PLT (KPMG). Selected parts of the Sustainability report have been subjected to an internal review by the Company's internal auditors.

Forward-Looking Statements

This report includes forward-looking statements regarding future performance. These statements are based on current assumptions and circumstances, and due to the inherent uncertainty in these factors, they may be subject to change. It also involves risks, uncertainties and other factors which may cause future performance, outcomes and results to differ materially from those expressed or implied in such forward-looking statements. Changes may be made to ensure alignment with the evolving macroeconomic and operating environment as we move forward on our strategies.

Directors' Responsibility Statement

The Board of Directors of Malakoff takes responsibility for safeguarding the integrity of Malakoff's Integrated Annual Report 2023. In our assessment, the report provides a fair evaluation of the Group's performance and adequately addresses all key matters that hold significance for our ability to generate value.

The preparation of this report adheres to the <IR> Framework and has received official authorisation for release by the Board on 13 March 2024.

Sustainable Development Goals

Environmental



Social



Governance



Navigating This Report

OUR CAPITALS

- Financial Capital
- Manufactured Capital
- Human Capital
- Intellectual Capital
- Social and Relationship Capital
- Natural Capital

OUR STAKEHOLDERS

- | | |
|---|---|
| S1 Employees | S5 Government |
| S2 Communities/General Public | S6 Rating Agencies and Financial Institutions |
| S3 Shareholders/Analysts/Investment Community | S7 Contractors and Vendors |
| S4 Customers/Clients | S8 Media |

OUR STRATEGIC PILLARS

- Thermal Power Generation
- Renewable Energy
- Environmental Solutions
- Water Desalination
- Strategic Bets

KEY RISKS

- | | | |
|----------------------|---|--|
| R1 Health and Safety | R4 Policies and Regulations | R7 Challenges in Getting New Business |
| R2 Talent Management | R5 Environmental, Social and Governance (ESG) | R8 Fraudulent, Illegal or Unethical Acts |
| R3 Cybersecurity | R6 Emergence of New Technologies | |

MATERIAL MATTERS

Environmental

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

Social

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

Governance

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



Overview of Malakoff

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Overview of Malakoff

Malakoff Corporation Berhad

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2023 KEY HIGHLIGHTS

Financial Highlights

Revenue
RM9.07 Billion

(2022: RM10.36 Billion)

EBITDA
RM0.66 Billion

(2022: RM2.56 Billion)

Dividend Per Share
3.00 Sen

(2022: 5.25 Sen)

Dividend Payment
RM146.6 Million

- Successfully launched **Malakoff's new and innovative brand identity** on 31 May 2023
- Entered into **27 Solar Power Purchase Agreements (SPPAs)** to develop and operate rooftop solar with a total capacity of **12.8 MW**
- Signed a Heads of Agreement (HoA) with Abu Dhabi Future Energy Company PJSC-Masdar (Masdar) to collaboratively develop **solar PV power projects** with an aggregate capacity of up to **1,000 MW** and explore other potential RE projects across Peninsular Malaysia

- Signed an MoU with ports under the MMC Group of Companies (MMC Ports) to **explore various green power initiatives** (CGPP, SelCo, cold ironing, EV charging stations and more)
- Secured Small Hydropower Plant (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

- Launched **RISE@KL**, an eco-facility that addresses dry waste in Klang Valley, managing a **daily capacity of 50 tonnes** and enhances landfill waste diversion
- Signed an MoU with Malaysian Nuclear Agency for the use of **Radiation Assisted Pyrolysis (RAP) to convert plastic waste into valuable fuel**
- Launched the Biomass co-firing** initiative which has been identified as a **flagship catalyst project under the National Energy Transition Roadmap (NETR)**

Business Highlights

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2023 KEY HIGHLIGHTS

Environmental

- 2.07% YoY reduction for Scope 1 and Scope 2 total absolute GHG emissions
- 11.00% YoY reduction in Scope 2 absolute GHG emissions
- 2.02% YoY reduction in Scope 1 absolute GHG emissions
- 21.76% reduction in absolute GHG Emissions (versus baseline year of 2019)
- Due to the success of the trial run, we are set to scale our biomass co-firing initiatives up to 2% in the first quarter of 2024, with the ultimate goal of **reaching 15% by 2027**
- Collected **41,444.5 kg** of recyclables
- Introduced **Drive-Thru Recycling Centre (DTRC)** via collaboration with various retail grocery stores
- Successfully increased our **RE capacity to 153 MW**
- Achieved **18.9% Recycling Rate** from waste collected by Alam Flora

Social

- Contributed **RM240,500** to educational institutions and community enrichment initiatives, impacting over **4,000 beneficiaries**
- Employees received an average of **29.33 training hours**
- No cases of discrimination** were reported in FY2023
- Malakoff achieved **Zero LTI** cases for Projects

Governance

- Zero** Bribery Cases and **Zero** Non-Compliance
- Zero** number of confirmed incidents of corruption reported
- 85%** of our employees received information and attended training related to anti-corruption
- 100%** of operations assessed for corruption-related risks
- Established and convened the Group's first ever **Management Sustainability Committee (MSC)**

Awards & Recognition

- 1 Independent Power Producer of the Year**
by Enlit Asia Award 2023
- 2 Company of the Year (Energy) and (Waste Management) for Sustainable Leadership Award**
by Sustainability and CSR Malaysia Awards 2023
- 3 Renewable Energy in Off Grid Merit Award**
by National Energy Awards
- 4 Exceptional Achievement Award for Environmental Performance (Project FIKS)**
by Prime Minister Hibiscus Awards 2021/2022
- 5 Gold Award at the Integrity, Governance and Anti-Corruption Awards (AIGA 2023)**
by Malaysian Institute of Integrity (MIM)



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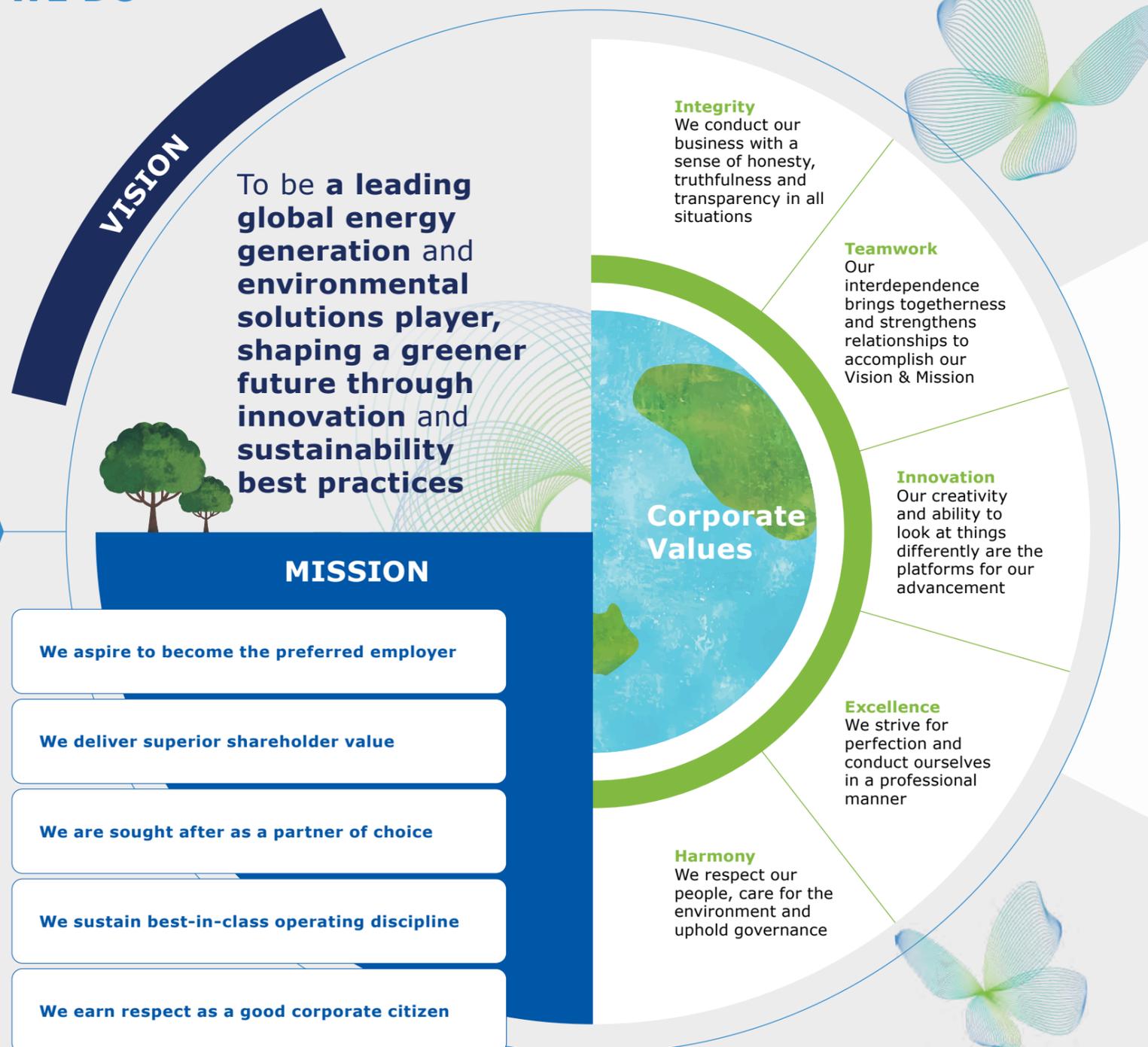
WHO WE ARE & WHAT WE DO

A Leading Global Energy Generation and Environmental Solutions Company

Malakoff Corporation Berhad (Malakoff or the Group) stands as a dynamic, sustainably-driven multinational energy generation and environmental solutions company, dedicated to improving lives and communities. As Malaysia's largest Independent Power Producer (IPP), we boast an effective generating capacity of 5,342 MW and an impressive Renewable Energy (RE) capacity of 153 MW. Our commitment extends beyond power generation, with Alam Flora Sdn Bhd (Alam Flora), our subsidiary, leading the charge as one of Malaysia's foremost environmental services companies, managing a substantial waste volume of 4,386 tonnes per day.

With a global footprint, Malakoff has introduced innovative solutions through power generation and water desalination ventures in Saudi Arabia, Bahrain, and Oman. In our current transformative stage, we are actively driving change to align with the Nation's aspirations for carbon neutrality and a circular economy.

Malakoff's pursuit of a cleaner and greener world is underpinned by a dedication to collaboration, knowledge-sharing, and leveraging collective expertise for a sustainable and resilient future.



Market Capitalisation
RM3.10 Billion
(as at 29 December 2023)



Total Assets
RM20.30 Billion



Total Employees
4,319

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WHO WE ARE & WHAT WE DO

Three Business Pillars

Malakoff's strategic focus is structured around three pillars:



Malakoff is focused on providing innovative and sustainable green energy solutions to become the Nation's leading sustainable energy provider, ensuring a greener future.



Malakoff Green Solutions

Malakoff is at the forefront of renewable energy (RE), leading the charge towards a sustainable future. Under the banner of Malakoff Green Solutions, we specialise in harnessing the power of renewables through **solar, small hydropower, biogas, biomass, RE certificates, battery energy storage systems (BESS) and the development of carbon-free mobility infrastructure.** Our commitment to environmental stewardship is unwavering, as we actively contribute to reducing the carbon footprint and advancing clean energy alternatives.

[Read more on pages 78 to 85.](#)



Malakoff is dedicated to being a leading waste management provider, helping communities reduce waste with minimal environmental impact and supporting the circular economy.



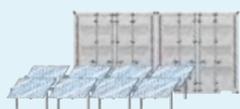
Malakoff Environmental Solutions

As a responsible corporate citizen, we play a pivotal role in environmental management through Malakoff Environmental Solutions. Our comprehensive services span from **waste solutions to integrated facility management, recycling, marine and hazardous waste solutions, water desalination, and innovative waste-to-energy projects.** Through Alam Flora Sdn Bhd and Alam Flora Environmental Solutions, we are a leading force in Malaysia's environmental services sector, managing waste and providing sustainable solutions.

[Read more on pages 86 to 97.](#)



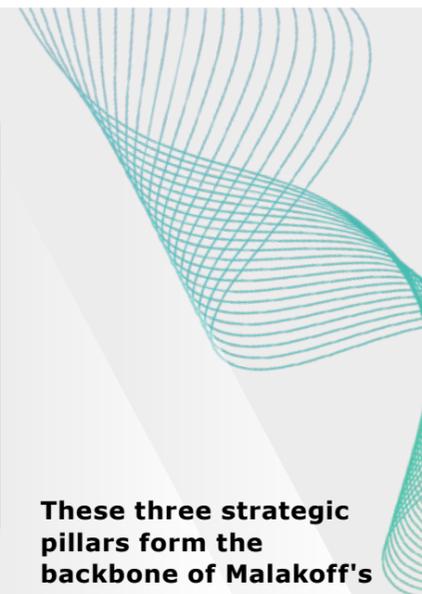
Malakoff guarantees dependable and cost-effective energy supply through quality energy management services, while also promoting energy conservation and effectiveness.



Malakoff Energy

Under the banner of Malakoff Energy, we continue to be a major player in the **thermal power generation sector.** Our extensive portfolio includes fully or partly owned power plants in Malaysia, including Segari, Kapar, Prai, Tanjung Bin and Tanjung Bin Energy Power Plants. Additionally, our international ventures in Saudi Arabia, Bahrain and Oman contribute significantly to our effective power generation capacity. Malakoff Energy covers **operation and maintenance, electricity distribution and district cooling system.** We also operate in Kuala Lumpur Sentral, holding an exclusive license for electricity distribution to premises within the 72-acre area. These operations ensure the reliable and efficient delivery of power to meet the growing demands of the regions we serve.

[Read more on pages 98 to 109.](#)



These three strategic pillars form the backbone of Malakoff's operations, driving our commitment to sustainability, innovation and excellence. Through Malakoff Green Solutions, Malakoff Environmental Solutions and Malakoff Energy, we are actively shaping a more sustainable future for generations to come.



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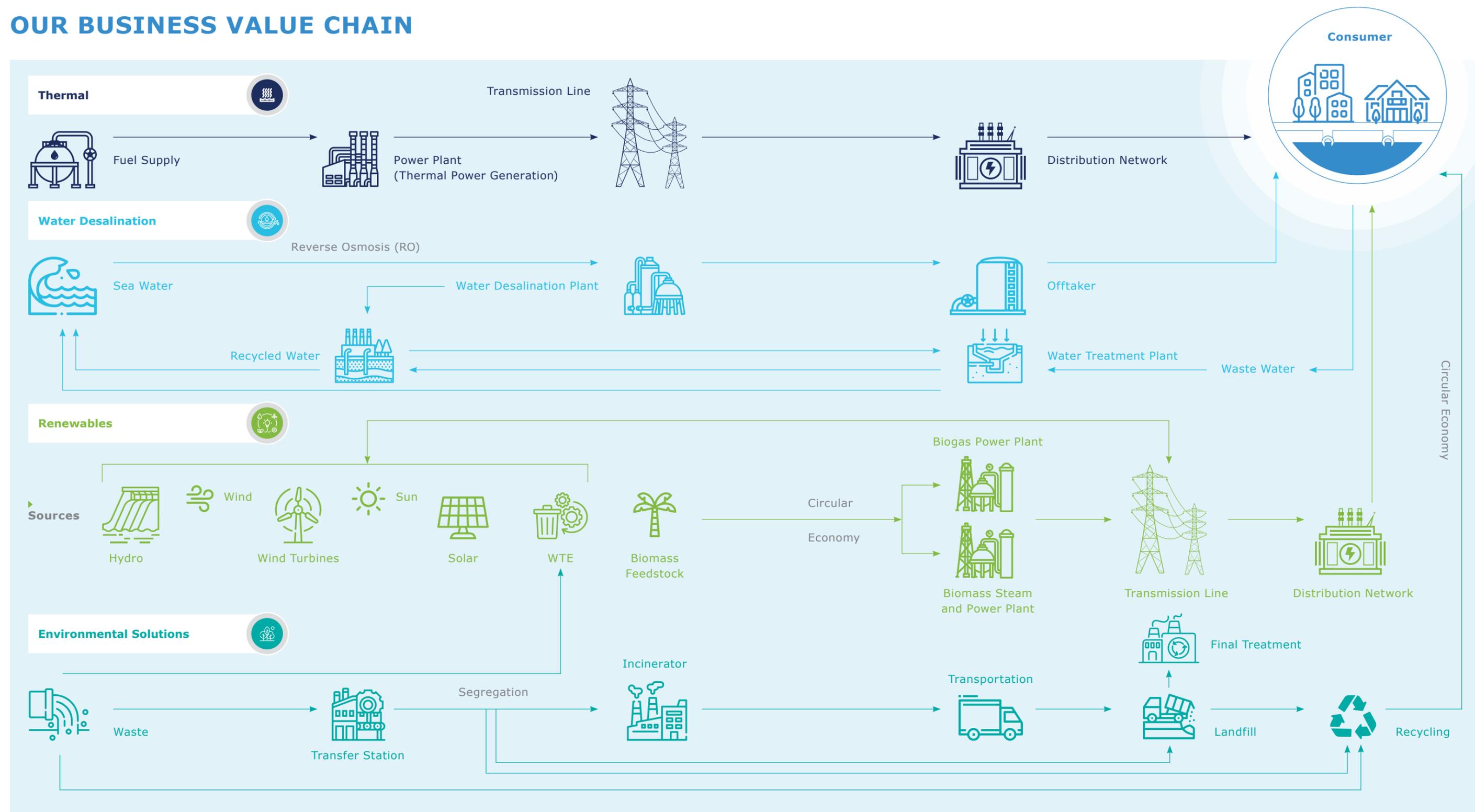
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OUR BUSINESS VALUE CHAIN



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OUR PRESENCE

153 MW
Renewable Energy
Generating Capacity

2 units
EV Charger Station

421,398 MT/year
Total CO₂ Avoidance

113 MW
Renewable Energy
Effective Capacity

Equivalent to

🌳 Carbon sequestration of **10 million** matured trees

🚗 **91,000** passenger cars

5,342 MW

Total Effective Thermal
Power Generation Capacity

1 Saudi Arabia
Shuaibah Phase 3 Independent Water & Power Plant
216 MW
211,200 m³/day

Shuaibah Phase 3 Expansion IWP
35,700 m³/day

One of the **Largest IWPP projects** in the MENA region & **First IWPP** in Saudi Arabia

2 Bahrain
Al-Hidd Independent Water & Power Plant
372 MW
164,000 m³/day

Malakoff's **Largest Overseas Investment** in Power & Water Desalination

3 Oman
Al-Ghubrah Independent Water Plant
62,075 m³/day

Oman's **Fourth Largest** Water Desalination Plant

4 Penang
Prai Power Plant
350 MW

One of the **Most Efficient Gas-Fuelled Power Plants** in Malaysia

5 Perak
SEV Power Plant
1,222 MW

The **Second Largest IPP-owned Combined-Cycle Gas Turbine (CCGT) plant** in Malaysia

Notes:
IWP – Independent Water Producer
IWPP – Independent Water and Power Producer
LSS – Large Scale Solar
RTS – Rooftop Solar

MALAKOFF operates in **4 COUNTRIES** around the world



4,386 tonnes/day
Total Solid Waste
Management Volume¹

472,975 m³/day
Total Effective Water
Production Capacity

6 Selangor
Kapar Power Plant
880 MW

The **First and Only Triple Fuel Firing Power Plant** in Malaysia (Gas, Oil, Coal)

7 Kuala Lumpur
Environmental Solutions
2,127 tonnes/day

8 Putrajaya
Environmental Solutions
128 tonnes/day

9 Pahang
Environmental Solutions
876 tonnes/day

Alam Flora (Overall)
Non-Concession Areas: **1,238 tonnes/day**
Recyclable Material: **17 tonnes/day**

10 Johor
Tanjung Bin Power Plant: **1,890 MW**
Tanjung Bin Energy Power Plant: **1,000 MW**

The **First Private Coal-Fired Plant** in Malaysia and one of the **Biggest Coal-Fired IPPs** in South East Asia

Notes:
¹ Inclusive of concession and non-concession areas

Overview of Malakoff

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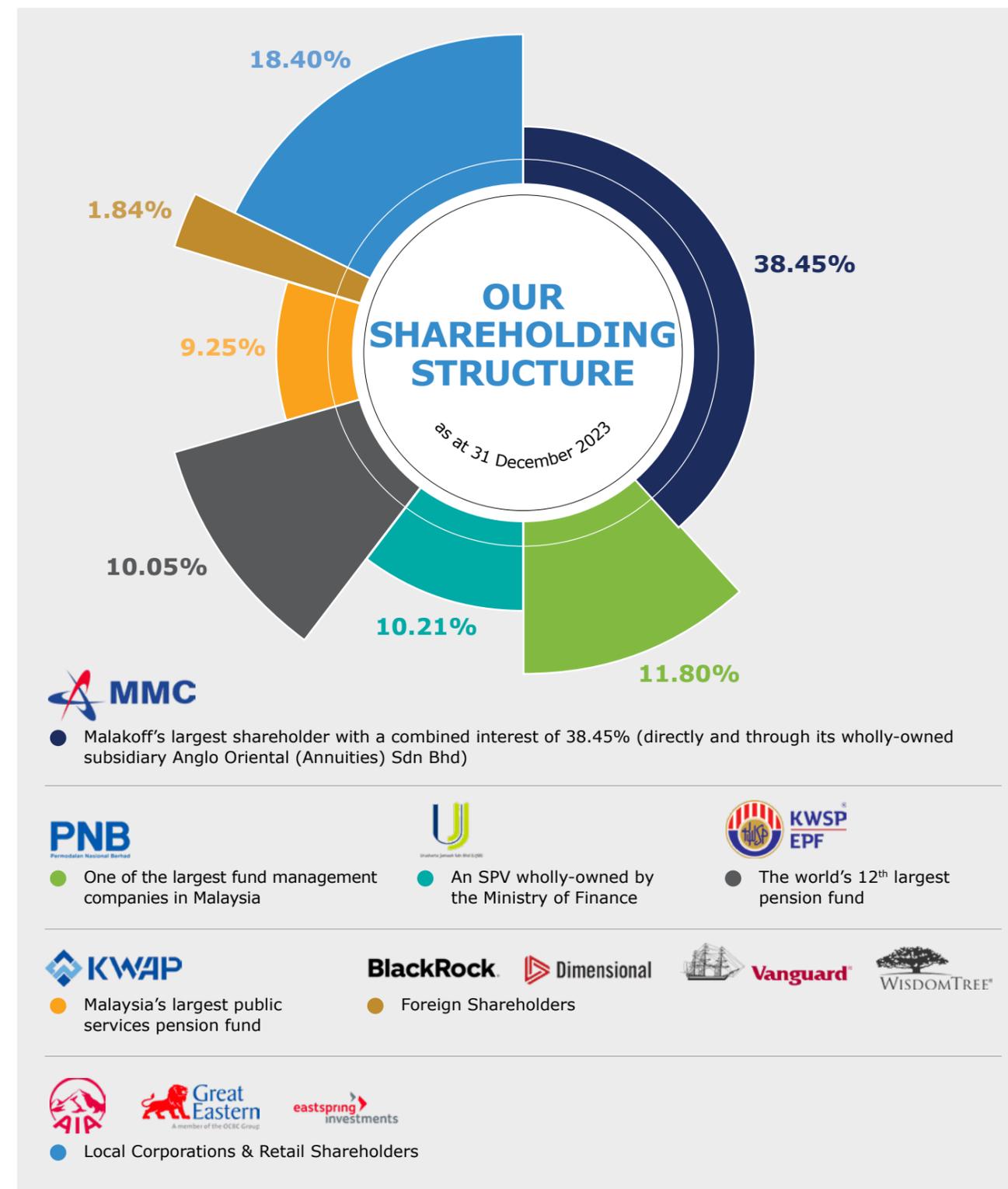
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OUR COMPETITIVE STRENGTHS

- 1 **Sustainability roadmap to become a low-carbon** and resource-efficient organisation that respects human rights and is supported by good governance.
- 2 **Strong Board composition** with majority of Directors being Independent.
- 3 **Diversified portfolio of businesses** providing essential services such as thermal power generation, innovative RE solutions, integrated waste management and environmental solutions and water desalination.
- 4 **Geographically diversified** with operations in Malaysia, Saudi Arabia, Bahrain and Oman.
- 5 **Strong balance sheet** with stable returns and reliable cash flows supported by long-term concessions and high credit quality counterparties.
- 6 **Aggressively venturing into high-growth sectors** such as RE and sustainable environmental solutions including the conversion of waste to energy.
- 7 **Established, extensive and successful track record** in both greenfield and brownfield projects.
- 8 **Experienced team** with solid execution capabilities, supported by strong strategic partnerships.
- 9 **Credible list of institutional investors** including Permodalan Nasional Berhad (PNB), the Employees Provident Fund (EPF) and Retirement Fund (Incorporated) or KWAP.
- 10 **High dividend yields** with payout no less than 70% of Net Profit.



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OUR CREDIT RATINGS

1	LONG TERM	MALAKOFF POWER BERHAD BY MARC	AA _{-IS} /STABLE
2	LONG TERM	TANJUNG BIN O&M BERHAD BY MARC	AA _{-IS} /STABLE
3	LONG TERM	TANJUNG BIN POWER BY RAM	AA2/STABLE
4	LONG TERM	TANJUNG BIN ENERGY BY RAM	AA3/STABLE
5	LONG TERM	ALAM FLORA SDN BHD BY MARC	AA _{IS} /STABLE
6	SHORT TERM	ALAM FLORA SDN BHD BY MARC	MARC-1 _{IS} /STABLE
7	LONG TERM	RP HYDRO (KELANTAN) SDN BHD BY RAM	AA3/STABLE

Notes:
MARC – Malaysian Rating Corporation Berhad
RAM – Rating Agency Malaysia



**Greening Our Core:
Malakoff's Sustainable
Transformation
Journey**

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OUR APPROACH TO SUSTAINABILITY

At Malakoff, we have consistently challenged ourselves to enhance lives by creating economic, environmental and social value while upholding robust governance practices. As leaders in the energy and environmental solutions sector, sustainability is not only viewed as a business necessity but has emerged as our competitive advantage. It has become an important component in our journey towards becoming a profitable organisation that leaves a lasting impact on Malaysia and global communities.

Therefore, we are changing our mindset to think beyond established norms, practices and limitations. In 2023, we materialised our commitment through a transformative rebranding effort. Embracing green considerations, we established three business pillars that aligned with the Malakoff 2.0 Strategic Transformation plan. We are no longer solely enhancing energy and waste management efficiencies, but instead, we are greening our core businesses. This involves accelerating our RE ventures, diversifying into sustainable environmental solutions that support a circular economy and decarbonising power generation.

While we move forward on our business and sustainability goals, we continued to support our workforce by creating a safe, productive and inclusive workplace that recognises high-performance. We continue to partner with communities to deliver lasting positive impact. We did this without compromising our stand on good corporate governance practices where sustainability, integrity and transparency have been integrated in the way we conduct our business, as outlined by the Malaysian Code on Corporate Governance (MCCG) and the Main Market Listing Requirements (MMLR) issued by Bursa Malaysia Berhad.

We acknowledge that our ability to accelerate the green transition depends not on setting goals, but on continuously having sustainable practices embedded into our working model. We understand that while we have made progress, there is still a lot more to be done. That is why we remain committed to making Environmental, Social and Governance (ESG) a cornerstone of our operations, as we believe that it is not just about being responsible, but it is the right thing to do.

The content below illustrates the alignment of our sustainability commitments with both material matters and 13 UN SDGs, demonstrating our efforts in creating substantial impact.

Our ESG strategy

Environmental



Social



Governance



Commitment

We are committed to act on climate change by reducing our carbon emissions and advancing the transition to a cleaner energy and circular economy future.

We will enrich communities and cultivate an inclusive culture within an agile organisation offering equal opportunities for all our people to grow professionally within a safe and healthy work environment.

We will enforce and observe the highest corporate compliance standards in all units and activities of the Group.

Material Matters

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Renewable Energy • Energy Consumption • Biodiversity Impact • Waste Management • Water Management | <ul style="list-style-type: none"> • Occupational Safety and Health • Employee Engagement and Well-being • Community Development • Talent Management • Human Rights and Labour Relations | <ul style="list-style-type: none"> • Governance, Ethics and Integrity • Regulatory Compliance • Economic Performance • Supply Chain Management • Data Privacy and Security |
|---|---|---|

Related SDGs



Malakoff's Sustainability Targets

1 Carbon Emissions

- Achieve Net Zero Emissions by 2050, in line with the 1.5°C scenario analysis based on SBTi Sectoral Decarbonisation Approach*
- Reduce our greenhouse gas (GHG) emissions intensity by 30% by 2031 from a 2019 baseline
- No new coal investments

2 Renewable Energy

- Achieve an RE capacity of 1,400 MW by 2031
- Increase revenue contribution from RE & Environmental Solutions to at least 50% in the next 10 years

3 Waste Management

- Collect, handle and manage waste volume of 10,000 tonnes per day by 2031
- Achieve 15% - 20% recycling rate by 2025, from waste collected by Alam Flora
- Towards achieving a Zero Waste Circular Economy goal

* Science Based Target initiative (SBTi) refers to emissions reduction in line with the Paris Agreement goal of limiting global warming to 1.5°C

Our approach to sustainability is shaped by the imperatives set forth in frameworks such as the United Nations' Sustainable Development Goals (UN SDGs), which are in sync with the expectations of our diverse stakeholders and addresses potential organisational risks. A thorough materiality assessment was then undertaken, taking into consideration these factors to identify key concerns that influence the direction of our sustainability initiatives and commitments.

More details on our 15 Material Matters can be found on pages 56 to 61 of this Integrated Annual Report

OUR SUSTAINABILITY COMMITMENT

Overview of Malakoff

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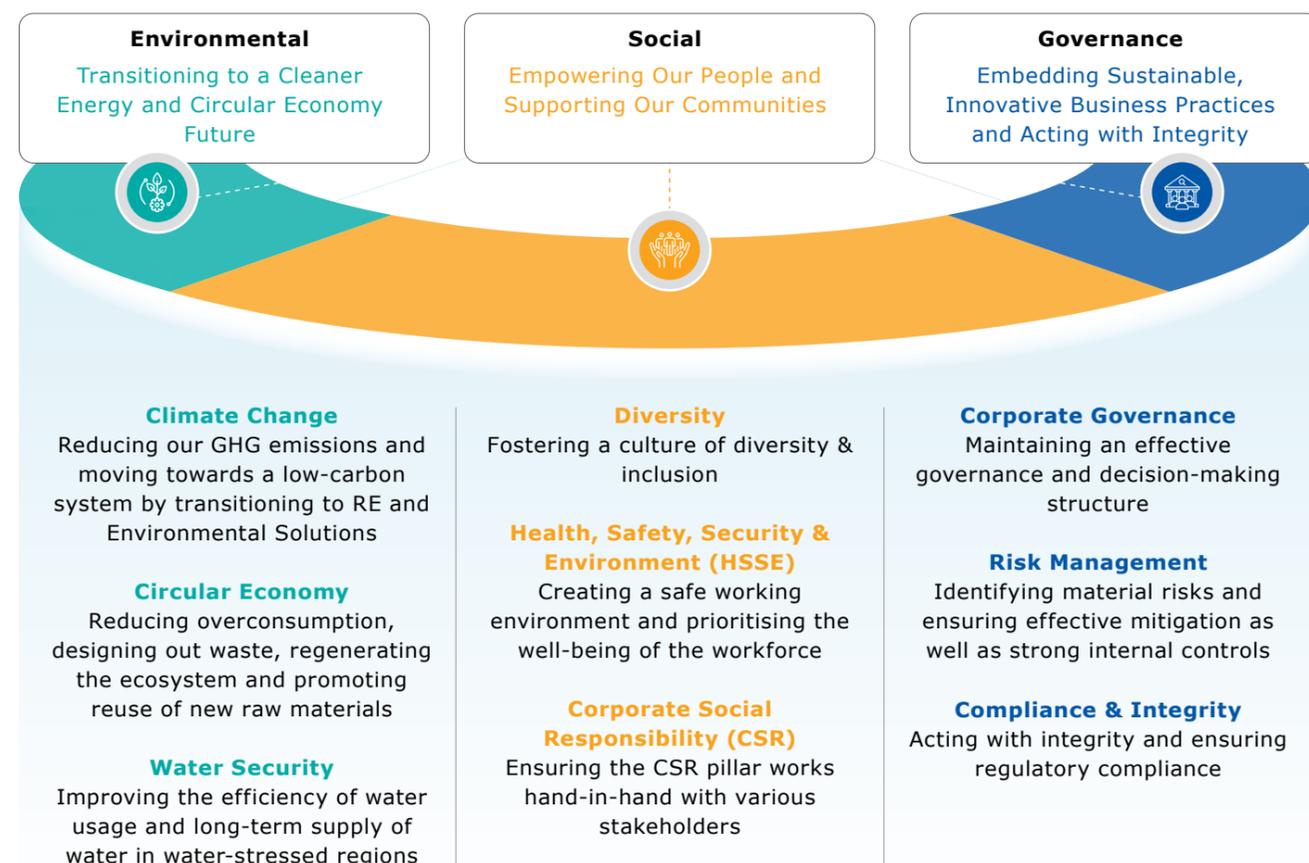
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OUR APPROACH TO SUSTAINABILITY

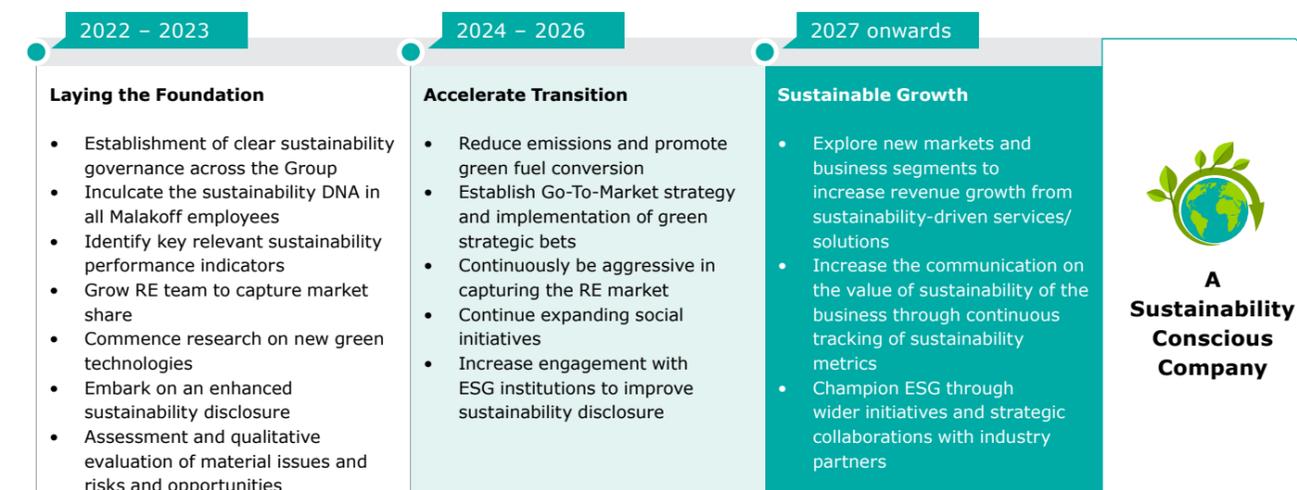
Sustainability Framework

Malakoff's Sustainability Framework was first introduced in 2022, as part of the Malakoff 2.0 Strategic Transformation. This further illustrated our dedication towards realising our sustainability goals to achieve lasting environmental and social impact.

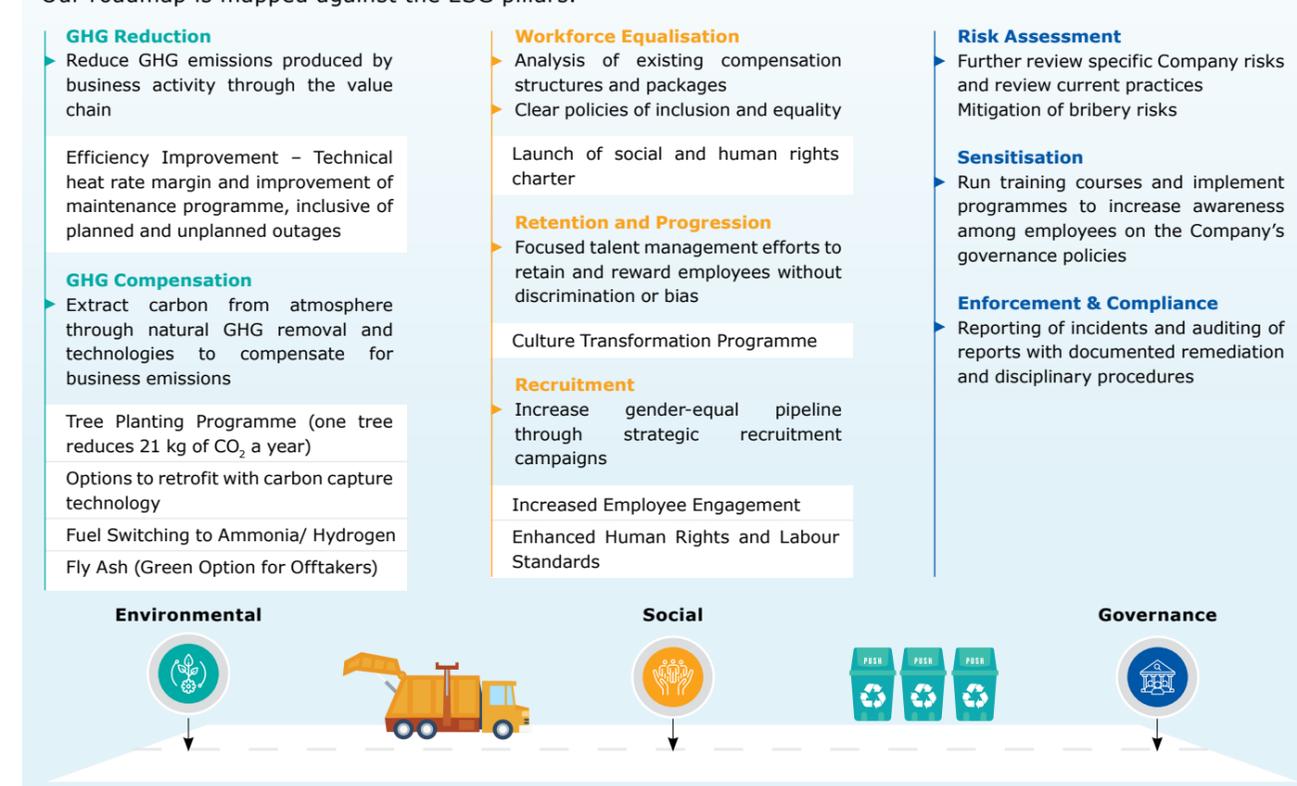


Our ESG Roadmap

Complementing our Sustainability Framework is a carefully crafted roadmap that has been designed based on our gradual evolution into a sustainability conscious organisation. This strategic roadmap delineates key milestones, propelling us step by step closer towards fulfilling our sustainability objectives. It also plays an important role in accelerating the adoption of a low-carbon, circular economy within the country.



Our roadmap is mapped against the ESG pillars.



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OUR APPROACH TO SUSTAINABILITY

Sustainability Advocacy

As part of the Group's ESG Roadmap, Malakoff has intensified its efforts to practice sustainable actions and raise awareness on the company's decarbonisation efforts. This includes participating in key sustainability platforms and ESG conferences to mobilise, engage and empower key stakeholders and the general public to address sustainability issues, particularly on climate change.

This forms a critical part of delivering against our Net Zero Roadmap, helping to create the right frameworks and policies in a multi-stakeholder environment to ensure all sectors move towards the transition to a low-carbon future.

On 30 October 2023, Malakoff officially joined the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative for the development, implementation and disclosure of responsible business practices. By joining the UNGC, Malakoff has affirmed its commitment to upholding the ten universally accepted principles of the UNGC in the areas of environment, human rights, labour standards and anti-corruption. As the country's first independent power producer to join the UNGC, Malakoff is dedicated towards advancing the transition to a clean energy future.

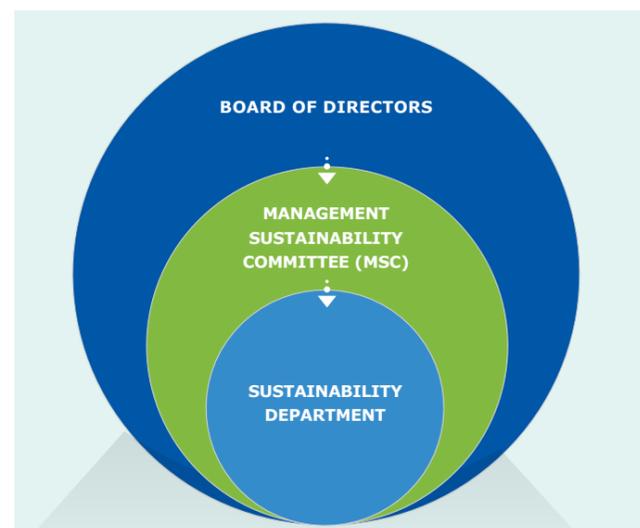


Sustainability Governance

Malakoff's Board of Directors has ultimate oversight on corporate governance and shareholder value creation. The Board is backed by a specialised Sustainability Department which reports to both the Management and the Board.

Based on our Terms of Reference (TOR) established in 2022, a Management Sustainability Committee (MSC) was introduced with the primary aim of steering the formulation of the Group's strategy, ensuring alignment with our corporate vision, goals and values. Taking on a leadership role, the MSC strives to foster a sustainability culture throughout the organisation.

Recognising the integral role of every individual in achieving optimal Environmental, Social and Governance (ESG) outcomes, we initiated roadshows to engage with senior management, Heads of Departments and key operational personnel at Malakoff, sharing insights into our sustainability journey and emphasising the importance of each person's contribution towards our corporate goals.



Roles

Responsibilities

BOARD OF DIRECTORS

The Board holds the collective responsibility for overseeing the governance of sustainability within the Company. This involves establishing the Company's sustainability strategies, priorities, and targets. Sustainability considerations are integrated into the Board's decision-making processes, informing its duties such as the formulation and execution of the Group's strategies, business plans, major action plans and risk management initiatives.

MANAGEMENT SUSTAINABILITY COMMITTEE (MSC)

The MSC, chaired by the MD & GCEO, is tasked with the primary objective of overseeing, evaluating and resolving matters pertaining to the Group's sustainability strategy and initiatives, embracing ESG aspects while integrating sustainability practices throughout the Company and its subsidiaries.

The MSC plays an essential role in supporting the Board in fulfilling its statutory and fiduciary duties concerning sustainability matters, in accordance with the MMLR of Bursa Securities.

The key sustainability areas under the purview of the MSC are as follows:

- Climate change mitigation and adaptation;
- Energy transition initiatives;
- Sustainability-oriented research and innovation;
- Resource use and efficiency, including energy and water;
- Fair employment and labour rights;
- Safety, health, employment practices, community relations; and
- Other areas deemed material from time to time.

SUSTAINABILITY DEPARTMENT

The Sustainability Department, led by the Head of Sustainability, Research & Investor Relations, is dedicated to implementing sustainability strategies and projects, serving as the central hub for driving and managing critical sustainability matters on a day-to-day basis. With a proactive approach and steadfast dedication, the Sustainability Department plays a vital role in translating sustainability principles into actionable initiatives, ensuring the Company's alignment with ESG objectives. The key responsibilities are as follows:

- Develops and executes sustainability strategies, policies and roadmaps in line with the Group's Sustainability Framework
- Drives decarbonisation initiatives outlined in the ESG Roadmap to achieve Net Zero Emissions by 2050, monitoring progress using performance indicators
- Ensures compliance with ESG regulations, laws and international standards including climate, environmental, human rights, safety and supply chain matters
- Engages in Sustainability Advocacy with shareholders and stakeholders on ESG issues
- Manages sustainability reporting, focusing on carbon accounting Group-wide
- Oversees processes for identifying and managing ESG risks and opportunities aligned with the Group's commitment to sustainability and UN SDGs

Overview of Malakoff

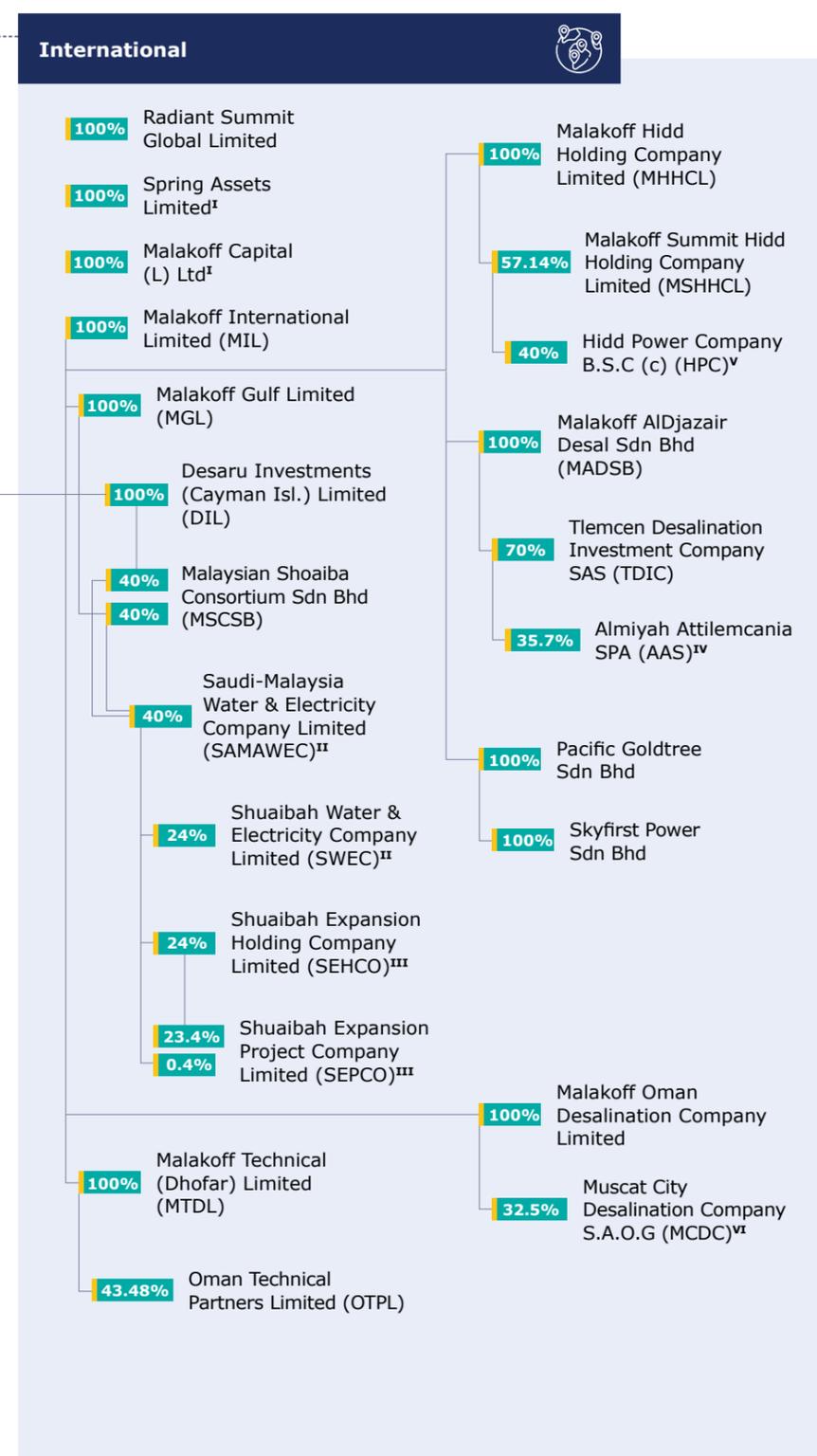
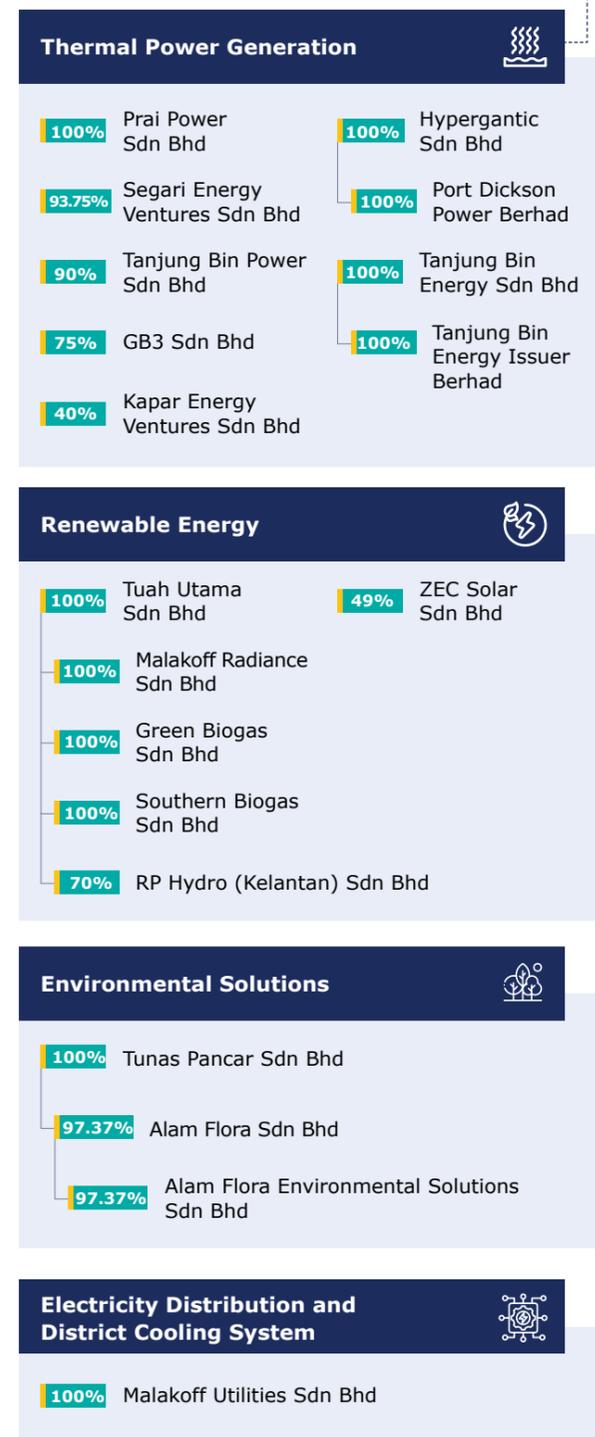
SECTION 01:

Overview of Malakoff

Malakoff Corporation Berhad

Integrated Annual Report 2023

GROUP STRUCTURE AS AT 15 FEBRUARY 2024



The percentage of shareholdings in the diagram represents effective equity interest of Malakoff in the respective companies.

- I. Dormant
- II. Malakoff's effective equity interest of 40% and 24% in SAMAWEC and SWEC respectively is held via MGL and DIL, which respectively hold 40% equity interest in MSCSB, which in turn holds 50% equity interest in SAMAWEC. SAMAWEC holds 60% equity interest in SWEC.
- III. Malakoff's effective equity interest of 23.8% in SEPCO is held via MGL and DIL, which respectively hold 40% equity interest in MSCSB, which in turn holds 50% equity interest in SAMAWEC. SAMAWEC holds 60% equity interest in SEHCO, which in turn holds 97.5% equity interest in SEPCO. SAMAWEC also holds a direct shareholding of 1% in SEPCO.
- IV. Malakoff's effective equity interest of 35.7% in AAS is held via MADSB, which holds 70% equity interest in TDIC, which in turn holds 51% equity interest in AAS.
- V. Malakoff's effective interest of 40% in HPC is held via MHHCL, which holds 57.14% equity interest in MSHHCL, which in turn holds 70% equity interest in HPC.
- VI. MCDC is a company listed on the Muscat Stock Exchange since 2 January 2018.

From Our Leadership

SECTION 02:

From Our Leadership

Malakoff Corporation Berhad

Integrated Annual Report 2023

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to present Malakoff Corporation Berhad (Malakoff or the Group)'s Integrated Annual Report 2023.

Recent global shifts have underscored the undeniable interconnectedness of our world, with geopolitical tensions and economic disruptions creating ripple effects worldwide. In 2023, the Malaysian economy reported a normalised 3.7% GDP growth, from the 8.7% reported in the previous year, mainly due to weak external demand.

Nevertheless, 2023 proved to be a challenging year for the power generation industry following the sharp decline in global coal prices from the highs in 2022. The weakened coal prices negatively impacted Malakoff due to negative fuel margins. We also faced escalating business costs and heightened competition in the renewable energy (RE) sector.

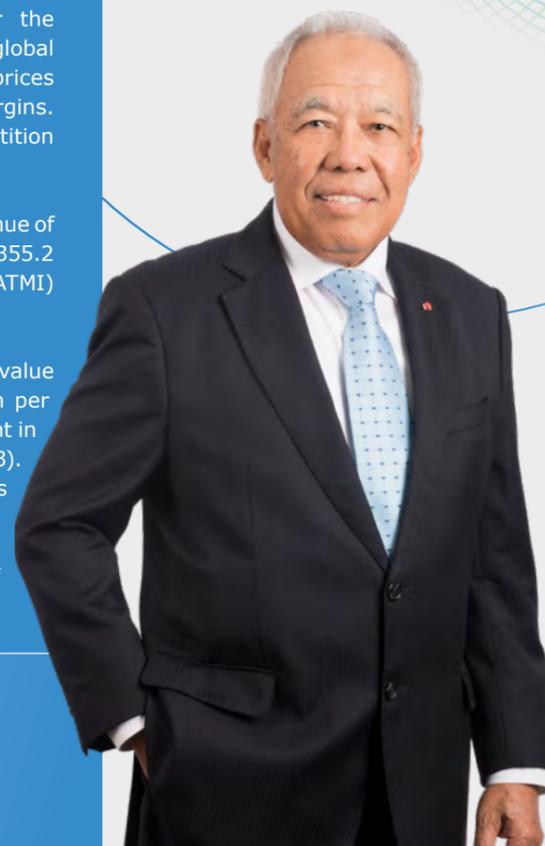
For the year ended 31 December 2023, Malakoff recorded a revenue of RM9,067.0 million, a 12.4% year-on-year decrease from RM10,355.2 million in 2022, and a Loss After Tax and Minority Interests (LATMI) of RM837.2 million from RM302.2 million of PATMI in 2022.

Nevertheless, given our firm commitment to shareholder value creation, the Board approved an interim dividend of 1.50 sen per ordinary share, during the second quarter results announcement in respect of the financial year ended 31 December 2023 (FY2023). This translates into approximately RM73.3 million and was subsequently paid in October 2023, reflecting our dedication to deliver value despite the challenges we faced. In addition, the Board approved a final dividend in respect of FY2023 of 1.50 sen per ordinary share, which will be paid in May 2024.



Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali

Chairman



Revenue
RM9,067.0 million

EBITDA
RM664.1 million

Dividend Per Share
3.00 sen

Leading Malaysia's New Energy Future

Amidst rapid changes in the business environment, the energy crisis and increasing climate-related events have heightened the urgency to transition towards clean energy and sustainability.

Through the Malakoff 2.0 Strategic Transformation, we realigned our portfolio and established three new business pillars - Malakoff Green Solutions, Malakoff Environmental Solutions and Malakoff Energy - with sustainability at its core. This proved to be a defining moment for Malakoff as it represented a significant shift in expanding our Green Solutions and Environmental Solutions businesses while maintaining a balanced approach to drive growth in Malakoff Energy. To position ourselves ahead of the curve, we focused on operational excellence, harnessing our asset base and competencies of our workforce to achieve our Net Zero goals by 2050.

Growing our renewable and environmental solutions portfolio remained at the core of our strategy in 2023. We focused on building the RE segment, successfully secured an RM975 million to partly finance Rising Promenade (RP) Hydro's Sungai Galas Project via the ASEAN Green SRI Sukuk Wakalah Issuance, and explored energy export potential to neighbouring countries to expand our market reach. We entered into several landmark partnerships, whereby our

total RE generating capacity stood at 153 MW at the end of 2023. We also partnered with the Abu Dhabi Future Energy Company PJSC-Masdar (Masdar) - a clean energy pioneer and powerhouse to explore more RE projects. In strengthening our position as an environmental solutions player, we successfully entered into a conditional Share Sales and Purchase Agreement (SSPA) in October with Metacorp Berhad through our subsidiary, Tuah Utama Sdn Bhd, in relation to the proposed acquisition of 49% equity interest in E-Idaman Sdn Bhd where we will be expanding our waste management services in the northern part of Peninsular Malaysia. The launch of the Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE@KL), aligned with the Government's vision to increase the National recycling rate to 40% by 2050.

As a testament to our proactive approach to fostering environmental responsibility and sustainability, Malakoff emerged as the sole non-government-linked company that was identified under the National Energy Transition Roadmap (NETR) to champion a co-firing of biomass initiative. While we have completed the trial phase, our aim is to achieve up to 15% of biomass capacity by 2027. Concurrently, we will also focus on diversifying into Waste-to-Energy under our Environmental Solutions business pillar, creating synergy between our waste portfolio and power business.

From Our Leadership

SECTION 02:

From Our Leadership

Malakoff Corporation Berhad

Integrated Annual Report 2023

CHAIRMAN'S MESSAGE

Sustainability

Aligned with our new positioning, we are focused on becoming a sustainably conscious organisation, committed to work towards a world of clean energy, environmental conservation and thriving communities. We have set ambitious sustainability goals, including a 30% reduction in greenhouse gas (GHG) emissions intensity by 2031 and to increase revenue contribution from RE and environmental solutions to at least 50% over the next decade, all of which are aligned towards Malaysia's environmental aspirations. Please refer to page 21 for the information on our sustainability goals.

In 2023, Phase 1 of our Sustainability Roadmap commenced with the establishment of our Sustainability Financing Framework and Management Sustainable Committee. Enhancing our thought leadership in the industry, our sustainability team contributed valuable insights to the community report 'Mobilising Investments for Clean Energy in Malaysia' during engagement sessions with the World Economic Forum and Khazanah Nasional Berhad. Currently in the hands of the Government, this report will not only shape future policy considerations but will also serve as a dynamic platform for learning and advancing investments in clean energy.

On the Environmental Solutions front, Alam Flora Sdn Bhd (Alam Flora) conducted 86 programmes through its 3R on Wheels platform, collecting 41,444.5 kg of recyclables. Simultaneously, 85 activities were held at Fasiliti Inovasi Kitar Semula (FIKS) which reached 1,878 visitors, enhancing awareness and education on proper waste management and recycling practices.

Through Alam Flora's subsidiary, Alam Flora Environmental Solutions (AFES), our kerbside recycling programme with Nestlé Malaysia continued to thrive. Additionally, impactful initiatives such as Waste Is Amazing 2023, Sustainability Hunt 2023, Cyber Eco Hunt 2023 and Karnival Saya Sayang Bumi 2023, led by Alam Flora and AFES, further reinforced our commitment to driving recycling awareness. Our strategic partnership with Agensi Nuklear Malaysia yielded a successful Proof of Concept for plastic waste recycling through radiation pyrolysis, culminating in our groundbreaking product, Radiolysis Assisted Pyrolysis (RAP) Oil.

These collective efforts, including exploring innovative ways to manage waste, significantly contribute to realising the Government's target of achieving a 40% recycling rate.

Alam Flora garnered notable recognition as it was honoured with the Company of the Year (Waste Management) for Excellence in Community Support Initiatives at the Sustainability & CSR Malaysia Awards 2023. It went on to win the Exceptional Achievement Award for Environmental Performance for its FIKS Project at the Prime Minister's Hibiscus Awards 2021/2022. Additionally, AFES's dedication to effective waste management solutions was further acknowledged as it received the Technological Advancement and Innovation Awards at the Waste Management Association Award 2023, as well as Renewable Energy in Off-Grid (Thermal) Merit Winner for Production of Biogas from food waste through Anaerobic Digester at the National Energy Awards 2023, spearheaded by the Ministry of Energy Transition and Water Transformation.



Corporate Governance

At Malakoff, corporate governance is a fundamental element in guiding our business and sustainability commitments. The dynamic macro-economic landscape and global market interdependencies have reinforced the need to practice strong ethics, transparency and accountability in executing our strategies. Therefore, robust corporate governance practices remain as a cornerstone in ensuring we operate sustainably and deliver consistent shareholder returns. We also remain committed to aligning our standards seamlessly with international best practices.

We are proud to announce that Malakoff has won Gold at the 2023 Integrity, Governance and Anti-Corruption Awards (AIGA 2023) for our outstanding adherence and commitment to governance and integrity policies within the organisation. This recognition from the Malaysian Institute of Integrity (MIM) underscores Malakoff's excellence in upholding governance standards and signifies our dedication to ethical business practices.

Outlook

In 2024, global GDP growth is expected to slow down to 2.4% due to mounting geopolitical tensions, slugging global trade and tightening of monetary policies in specific markets. In contrast, Malaysia's economy is projected to grow between 4% to 5% in 2024, driven by continued expansion in domestic demand and improved external demand.

While we are mindful of ongoing market volatility, we remain steadfast in realising our strategic transformation. The initiatives undertaken in 2023 have established significant growth options, focusing on operational excellence across our three new business pillars to achieve growth and sustainability goals. Our ongoing focus on amplifying RE growth is essential for fostering a resilient energy mix and ensuring energy security over the long-term. This sets a solid foundation to navigate challenges in 2024 and unlock as much value as we can from our core business to emerge stronger.

Acknowledgements

I would like to take this opportunity to extend my thanks and gratitude to my fellow Board members for your support, guidance and unwavering trust. It is with great appreciation that I commend the Management Team, led by our Managing Director & Group Chief Executive Officer (MD & GCEO) Anwar Syahrin Abdul Ajib for their consistent dedication, perseverance and leadership in steering us towards achieving our corporate and sustainability goals. Meanwhile, I warmly welcome Datuk Prakash Chandran Madhu Sudanan and Datuk Wira Roslan AB Rahman, as Independent Non-Executive Directors, who joined us on 1 March and 1 June, respectively.

We would also like to express our sincere appreciation for the Malaysian government for their support in building a supportive ecosystem. Additionally, gratitude is extended to governments and regulators in countries where we operate as your continuous efforts in establishing and driving robust regulatory environments for power and environmental management players have been crucial to our success. Recognition is also due to our business partners, vendors, investors and shareholders for your continued loyalty, having stood by us through this difficult year. To our dedicated employees, I am truly grateful for your passion, dedication and energy in helping us realise our Malakoff 2.0 Strategic Transformation.

While 2023 has been a challenging year on many fronts, it has demonstrated our collective ability to thrive in difficult times, while building our business for a stronger future. There is still a lot of work to be done and we remain committed to meeting our targets in 2024.

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali
Chairman

From Our Leadership

SECTION 02:

From Our Leadership

Malakoff Corporation Berhad

Integrated Annual Report 2023

MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholders,

The events that carried us through 2023 illustrated the vital role of being adaptable and agile in the face of uncertainties.

We refined the Malakoff 2.0 Strategic Transformation, unlocking new opportunities in sustainability and green energy. Though it was a challenging year, we stayed focused on delivering our strategy, leveraging on our strong track record, innovative thinking and operational excellence.



Anwar Syahrin Abdul Ajib

Managing Director & Group Chief Executive Officer (MD & GCEO)

Q The year 2023 was a transformative one for Malakoff. Beginning in plantations, to being an Independent Power Producer (IPP) and now, into renewable energy (RE). How would you best describe the year for Malakoff?

★  **28.2 TWh of electricity exported to the National Grid, compared to 26.3 TWh in 2022**

★  **67.6 MWh generated from our RE assets throughout the year**

“Despite these challenges, 2023 emerged as a pivotal year for ushering a new era of growth where we reshaped and redefined Malakoff's future trajectory.**”**



Looking back at the unprecedented twists and turns of 2023, the year unfolded against a backdrop of navigating through stringent monetary policies, global trade disruptions and heightened geopolitical tensions stemming from conflicts such as the Russia-Ukraine and Middle East disputes. Persistent inflation, supply chain disruptions and climate-related disasters further compounded the complexities within the market.

For us at Malakoff, these challenges manifested through coal prices, revealing that IPPs are not immune to financial uncertainties. The element of risk lay embedded in the cost of fuel, resulting in a fuel margin setback during the initial two quarters. This setback, linked to pre-ordered coal at predetermined terms, known as the Applicable Coal Price (ACP), significantly impacted our financial performance as the ACP declined, and we had no choice but to use the coal at terms higher than the weighted average.

Despite these challenges, 2023 emerged as a pivotal year for ushering in a new era of growth where we reshaped and redefined Malakoff's future trajectory. In the face of adversity, operational performance was commendable, exporting 28.2 TWh of electricity to the National Grid, compared to 26.3 TWh in 2022. The increase, despite the expiry of the GB3 Power Plant in December 2022 was due to higher grid demand and lower outages throughout the year.

We moved forward aggressively on the RE front as we transitioned towards an ESG-focused organisation. Malakoff generated a total of 67.6 MWh from our RE assets throughout the year, with expectations that this will increase given the number of upcoming projects. In environmental solutions, Alam Flora collected and managed 1.6 million tonnes of waste as compared to 2.0 million tonnes of waste in the previous year. The reduction was mainly due to the

expiry of the Kepong Transfer Station and the Cameron Highlands mini incinerator. Recyclable materials collected during the year increased by 14.7% year-on-year due to higher domestic waste collected in the concession areas and the implementation of a new buy-back centre in Pahang. Our water desalination projects, which is one of the largest in the Middle East was able to consistently meet the production demands of the region.

Throughout 2023, our steadfast focus on responsible growth remained the cornerstone of our strategic initiatives. Aligned with our aspiration to transform into a sustainably conscious organisation, we focused on expanding our RE and environmental solutions business through continuous collaboration and partnerships. We also dedicated efforts to instilling circular economy awareness among Malaysians.



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Malakoff Corporation Berhad

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MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Q Could you elaborate on the rebranding carried out as part of the Malakoff 2.0 Strategic Transformation in 2023, and explain the rationale behind it?

“It is our promise towards shaping a sustainable legacy and fostering responsible business practices.**”**

Reviewing Malakoff's journey, historically, we have been Malaysia's largest IPP with a stellar track record of profitability. The acquisition of Alam Flora in 2019 propelled us to become the country's largest environmental service providers, with the ability to manage more than 4,386 tonnes of waste daily.

As our Power Purchase Agreements (PPAs) for coal-based power plants approach expiration over the next 17 years, accompanied by concluding agreements for international investments, we found ourselves in a pivotal juncture. While power generation was our forte, Alam Flora was a vital component of our portfolio, prompting the need to re-strategise and consider the direction of our company.

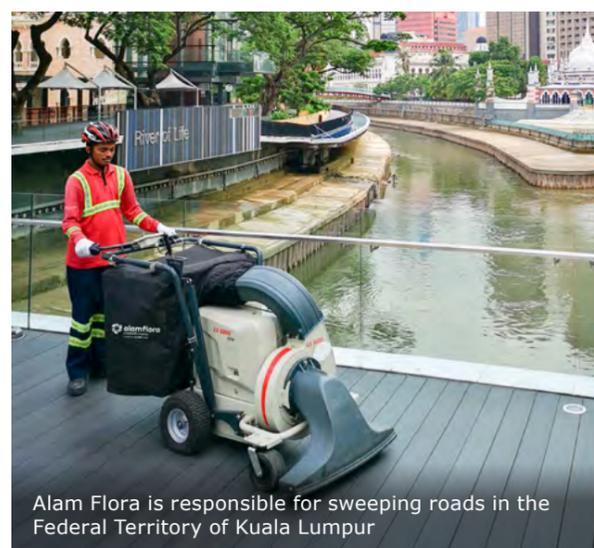
Recognising the significance of sustaining our contribution to Malaysia's economic growth and ensuring energy security, especially with our 21% share of the generation capacity in Peninsular Malaysia, a decisive move was made. To remain relevant in the power business, we committed to neutralising and transitioning into renewables, responding to the growing emphasis on sustainability and ESG principles. This would also help us plug the earnings gaps, given the challenges faced in 2023.

We undertook a rebranding exercise in 2023, a transformative effort that initiated this strategic shift towards RE and environmental solutions, forming the foundation of Malakoff 2.0 Strategic Transformation. Comprising three business pillars – Malakoff Green Solutions, Malakoff Environmental Solutions and Malakoff Energy – this strategy reflects our decision to foster a sustainable future through innovative,

environmentally-friendly energy solutions. This transformation is not just a facelift but a strategic necessity. It is our promise towards shaping a sustainable legacy and fostering responsible business practices.

Through this strategic pivot, we adeptly navigated challenges arising from reduced fuel margins and the impact of fluctuating global coal prices, aligning with our transition towards a low-carbon future.

As part of the Malakoff 2.0 Strategic Transformation, we established clear goals – to reach an RE capacity of 1,400 MW by 2031 and achieve 15% to 20% recycling rate by 2025 from waste collected by our subsidiary, Alam Flora Sdn Bhd.



Alam Flora is responsible for sweeping roads in the Federal Territory of Kuala Lumpur

Q How have you progressed on your new business pillars, especially given the unfavourable market conditions in 2023? As you are also a new player in RE, what are you doing to strengthen your position in this sector?

“Throughout the year, we made steady progress in growing the RE portfolio.**”**

Embedded in our transformative journey are three core business pillars, which represent our determination in driving growth from our RE, environmental solutions and energy businesses.

On the frontlines of Malakoff Green Solutions, we intensified efforts to expand the RE portfolio and strengthen our foothold in the clean energy space. We zeroed in on Rooftop Solar (RTS), Large Scale Solar (LSS) and Small Hydropower Plant (SHP), strategically positioning Malakoff in this highly competitive industry.

Yet, our path to sustainable growth requires constant rebalancing between expansion and stakeholder expectations and maintaining our position in high growth sectors. As a new entrant into the green energy landscape, we faced intricate challenges with no easy solutions. Undeterred, we adhered to our core strategy, making green energy our new north star and the most viable option for Malakoff. This represented our ambition and drive in tackling global environmental concerns.

★ **RM975 million secured via the ASEAN Green SRI Sukuk Wakalah Issuance**

Throughout the year, we made steady progress in growing the RE portfolio. We marked our venture into hydropower generation by adding three SHPs in Kelantan, namely Kemubu SHP, Kuala Geris SHP and Serasa SHP. As part of this project, we will develop, own, operate and maintain these three run-of-the-river SHPs. To partly finance Rising Promenade (RP) Hydro's Sungai Galas project, we secured RM975 million via the ASEAN Green SRI Sukuk Wakalah Issuance.

In expanding our footprint in solar, Solar Power Purchase Agreements (SPPAs) were inked with DRB-HICOM Group of Companies, spanning 7 locations

across four states - Selangor, Perak, Negeri Sembilan and Pahang. Subsequently, we entered into another SPPA with UMW Group of Companies to provide RTS PV systems at 3 locations. We have installed Electric Vehicle (EV) charging stations at Gas Malaysia headquarters and office in Jalan Gurney, Kuala Lumpur. Collaborations with Railway Assets Corporation and Keretapi Tanah Melayu Berhad (KTMB) facilitated the harnessing of solar power at railway stations, depots and one park-and-ride terminal across five states.

Leveraging the introduction of the Corporate Green Power Programme (CGPP), we embarked on a strategic partnership with MMC Ports, paving the way to develop 500 MW solar projects within the Albukhary Group of Companies. This alliance has also uncovered opportunities for LSS, cold ironing and other green power programmes.



AEON Taman Maluri Shopping Centre

With the growing interest in RE among businesses and individuals, we joined forces with Bank Muamalat Malaysia to offer RE financing programmes, specifically for solar PV systems, Battery Energy Storage System (BESS) and EV chargers. This initiative promotes environmental awareness and enhances accessibility to RE for consumers and businesses, fostering a just transition.

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Malakoff Corporation Berhad

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MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Our relentless pursuit of RE expansion garnered global recognition through a Heads of Agreement (HoA) with Abu Dhabi Future Energy Company PJSC-Masdar (Masdar), a pioneer and leader in clean energy from United Arab Emirates. This landmark collaboration focused on the development of a solar PV power plant project in Peninsular Malaysia with an aggregate capacity of up to 1,000 MW. We will also be exploring other RE projects such as floating solar, leveraging on Malakoff's extensive land bank.



13 tonnes per day (TPD) of daily capacity in solid waste management

We elevated our dedication to environmental solutions business to aggressively tackle Malaysia's methane and carbon emissions through innovative solid waste management solutions. Our three Port Recovery Facilities (PRFs) projects – PRF Penang Port, PRF Johor Port and PRF Pelabuhan Tanjung Pelepas – showcased a daily capacity of 13 TPD. The conditional Share Sales and Purchase Agreement (SSPA) that was entered in October between Metacorp Berhad and our subsidiary, Tuah Utama Sdn Bhd, in relation to the proposed acquisition of a 49% equity interest in E-Idaman Sdn Bhd fortified our waste management expansion into the northern region and enhanced Malakoff's future earnings.

The launch of the Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE@KL) proved to be a game changer. Beyond being a recycling facility, it represented a strategic move to address waste disposal while serving as an educational hub to promote recycling best practices. With an anticipated daily intake of 65 tonnes of recyclable waste per day from Kuala Lumpur and its surrounding areas within in the next five years, this will reduce the amount of waste that ends up in a landfill, aligning with Malakoff's sustainability target to achieve 15% to 20% recycling rate by 2025.

In driving circular economy, we ventured into Waste-to-Energy (WTE) projects in Malaysia through a consortium led by our member company, Alam Flora Environmental Solutions (AFES). This strategic move diversifies our non-concession business, creating synergy between our waste portfolio and our power business to address sustainability challenges.

Please let me reiterate that our shift to renewables does not signal an end for our thermal plants, but our way of adapting to changes. Fluctuating grid demand, declining power generation and rising coal prices prompted the pivot towards more cost-effective energy sources. Through proactive engagement, we secured a flagship project under the National Energy Transition Roadmap (NETR), enabling us to lead Biomass co-firing at our Tanjung Bin Power Plant (TBP) with a targeted 15% biomass capacity by 2027. This dual strategy, combining RE expansion and thermal power aims for a 10,000 MW power generation capacity by 2031, which ensures a resilient energy mix and supports the Nation's long-term energy security. Leveraging our history, experience, disciplined approach, superior Engineering, Procurement, Construction and Commissioning (EPC) capabilities and strong financial support, Malakoff is ready for scalable growth and sustained success in the energy sector.

Q What challenges did you encounter during the process of transforming your business?

“With change, there will always be challenges. That is the only way to grow and emerge stronger.”

Embarking on this green journey, Malakoff encountered substantial challenges within the RE sector. In line with the Government's ambitious targets, we found ourselves navigating a complex landscape marked by the lack of well-defined policies and mechanisms, along with challenging conditions and administrative complexities. These factors could impede our progress in meeting the established targets. With change, there will always be challenges. That is the only way to grow and emerge stronger.

As a nascent player in the RE sector, we leverage our capabilities, financial backing and economies of scale to negotiate the best prices. It is crucial to note that, our projects are merely an investment as we are actively involved in executing projects and such involvement comes with inherent risks. Moreover, we are also faced with conditions set by financial institutions providing the necessary backing. So, there is a lot at stake when it comes to undertaking big projects.

However, the absence of adequate project categorisation, in addition to informal processes may have adverse effects over the longer term. The situation raises concerns as not all companies may have

the necessary bandwidth or capabilities to complete projects, ultimately affecting project quality and on a bigger scale, and the reputation of our country in this space. Additionally, we are also seeking clarity on the structure of the RE exchange to facilitate RE exports. This is critical as we continue to grapple with domestic constraints that impose limitations on growth.

Concurrently, we are advocating for policies that strengthen waste management, continue to push for the implementation of Extended Producer Responsibility (EPR) and Polluter Pays Principle (PPP) to reduce waste generation.

Compounding our challenges is the impending expiration of our PPAs that are looming close. Ensuring the relevance of these plants is imperative, given the average power demand fluctuating between 16,000 to 17,000 MW throughout the day. Maintaining base load consistency is critical for ensuring stability in power supply and any lapse in this regard could pose risks to energy security in the future.

Hence, we are hoping for meaningful interventions and greater clarity by the relevant authorities on these areas moving forward.



Integrated Recycling Facility (IRF) in Putrajaya

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MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Q With your focus on RE, environmental solutions and energy, you will need fresh talent to drive these businesses. You will require talent that not only understands but is able to adapt to new technologies and market innovations. What is Malakoff's position on this?

“Looking ahead, our priority will be investing in people and driving effective communication.”



In steering Malakoff's transformative journey, the paramount role of nurturing our workforce to achieve our goals cannot be overstated. To usher in new ways of working and thinking, we're committed to building a diverse and skilled human capital, equipped with varied talents, passion and a shared dedication to our journey.

Given Malakoff's new business direction, cultivating a skilled workforce, especially in green solutions, has become essential as it represents a shift from our traditional business focus. With our move into these three key areas, we will intensify our focus on improving communication, focus on flexibility to adapt to changes swiftly and channel their efforts into tangible results. Our success hinges on turning our workforce into change agents, collectively leveraging their different skill sets and passion to assist us on this journey. This means we will have to work together to establish an exceptional talent pool, marked by excellence and accountability.

Let me give you an example. Our move into RE has prompted a change in work methodologies, requiring new skills to accelerate growth. Therefore, our people must reinvent themselves to remain relevant. To help them adapt, we have invested in training programmes that enhance their knowledge and broaden their competencies, including soft skills. We will also place

greater emphasis on teamwork and cross-collaboration, which will be crucial for achieving our goals.

Looking ahead, our priority will be investing in people and driving effective communication. Among some of our initiatives is the launch of a comprehensive Competency Dictionary, which clearly outlines the roles and requisite skills across Malakoff. We will also be initiating collaborations with local institutions. I hope to establish a co-working space for open discussions to provide a neutral ground for idea generation in addressing sustainability issues. Efforts will also be made to build a competent sales team that will be able to reach out to all industries to talk about RE, waste solutions and how these elements contribute to our business and the Nation's overall sustainability agenda.

Our people are the heart and soul of our transformative journey. We understand that changing established habits and instilling new working and thinking methods will take time. Therefore, I am committed to nurturing talent through open discussions as well as initiatives to empower Team Malakoff to constantly innovate and thrive. As I continue to work with the different teams across Malakoff, I am inspired by their exceptional capabilities. I firmly believe in the potential of our teams to be among the best in the country.

Q With sustainability ingrained into your core business pillars, how has Malakoff performed in championing sustainability?

“At Malakoff, sustainability is not merely integrated into our core business pillars; it is a fundamental component of the Malakoff 2.0 Strategic Transformation.”

Examining the proximity of the targets set, it is evident that we are less than a decade away from them. To meet these goals, we must take decisive and impactful measures to expedite progress or face dire consequences. In fact, recent events around the world have demonstrated many facets that challenge us in our daily lives, ranging from climate change to energy security concerns. This has further underscored our ambition to Enhancing Life, Enriching Communities.

At Malakoff, sustainability is not merely integrated into our core business pillars, it is a fundamental component of the Malakoff 2.0 Strategic Transformation. Aligned with the United Nations' Sustainable Development Goals (UN SDGs), our Sustainability Framework takes a holistic approach, considering the Government's commitment to reducing carbon intensity against GDP by 45% by 2030, achieving a RE installed capacity of 70% by 2050 and attaining a national recycling rate of 40% by 2025. It ensures we are not only building a strong business, but also supporting our communities, caring for the environment and overall well-being of our employees.

compared to the previous year, driven by increased efficiencies resulting in lower emissions. Currently, our RE capacity stands at 153 MW, and we are actively pursuing strategic projects in the SHP, LSS and WTE segments to expand our clean and green energy portfolio.

Throughout 2023, we made good progress in heightening awareness on circular economy in the communities we serve via RISE@KL, where we continuously emphasise the principles of reduce, reuse, and recycle. This concerted effort has empowered communities to manage their waste effectively, promoting recycling or repurposing to prevent waste from burdening landfills.

RM240,500
contributed to the community



4,000 individuals
impacted through various activities



★ **2.1%**
reduction in our operational Scope 1 and 2 GHG emissions as compared to the previous year



As we journey towards realising our Net Zero Emissions goal by 2050, our renewables business, recycling focus and co-firing initiatives have helped us bridge the transition. We achieved a 2.1% reduction in our operational Scope 1 and 2 GHG emissions as

As we transitioned into clean energy and introduced our three new business pillars, it is crucial to ensure that this approach is cascaded into the way we engage with communities and protect the environment. We continue to play our part in narrowing social inequities through our community outreach programmes. In 2023 alone, our contributions exceeded RM240,500, positively impacting nearly 4,000 individuals through various activities.

From Our Leadership

SECTION 02:

From Our Leadership

Malakoff Corporation Berhad

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MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Q What are the global trends shaping 2024? What are Malakoff's plans for 2024?

“For us, it’s a matter of looking at those businesses – taking up these unpolished diamonds and refining them into substantial assets.”

Moving into 2024, we anticipate a landscape characterised by intensified global market competition and cost-cutting trends globally, influenced by unfavourable economic data from China and uncertainties surrounding the US interest rate regime. Balancing the imperative for heightened cost efficiency with our determination to uphold our service quality, especially rising innovation, addressing environmental challenges are important. Nevertheless, our commitment to a Net Zero future and sustainable innovation remains resolute amid the evolving landscape.

In embracing market dynamics, we remain open to strategic mergers and acquisitions (M&As) across the green and environmental solutions and the energy sectors. By collaborating with local and international partners, these alliances will not only enhance our expertise and facilitate technology transfer but also create investment opportunities in Malaysia. Focusing on countries where we possess familiarity including Malaysia, Saudi Arabia, Bahrain and Oman, we aim to leverage our established partnerships and in-depth understanding of the respective business landscapes.

Nevertheless, we will take a prudent approach to M&A activities, ensuring a balance between aggressiveness and selectivity. Armed with substantial reserves and a robust war chest, we have positioned ourselves to weather potential downturns, allowing us to acquire assets at favourable rates from sellers. Based on our current research, we have found that despite the current market stability, there still exists a certain amount of reluctance among potential sellers, such as LSS players, to part with their assets, even when presented with lucrative opportunities for monetisation. So, we will take a cautious approach moving forward.

In advancing RE, our focus is on delivering what we initiated. Following our agreement with Masdar and the three SHPs, a dedicated team has been established to pursue new business avenues. Aligning with the Government's Net Zero vision and our ownership of the Prai Power Plant, we strategically position ourselves in the gas industry where gas is used as a transitional fuel. We are also actively participating in competitive bidding for solar projects in Malaysia, emphasising LSS, CGPP and expansion into the SHP space. This ensures a continuous supply of electricity to off-grid homes and plantations. We are also considering potential acquisitions in operational greenfield ventures, particularly LSS projects and exploring opportunities in waste management and environmental solutions.

Our waste management and environmental solutions portfolio is one of our key areas of growth, given that we have been addressing the country's escalating waste over the last decade. We will look at innovation, improving recycling and expanding our business to other states. There are a lot of opportunities to be derived from this portfolio. There were also successes in non-concession businesses, such as PRFs and non-segregated waste facilities. Additionally, we are exploring collaborations with retail shopping centres to identify more Drive-Thru Recycling Centre (DTRC) locations. There are also opportunities in plastics, beginning with waste segregation, where some can be utilised for recycling and even composting purposes. We will also be looking at expanding WTE, as this aligns our waste business with our power business in addressing the country's sustainability, waste management and energy needs.

We are also actively pursuing a new Combined-Cycle Gas Turbine (CCGT) projects while exploring energy export opportunities to neighbouring countries.

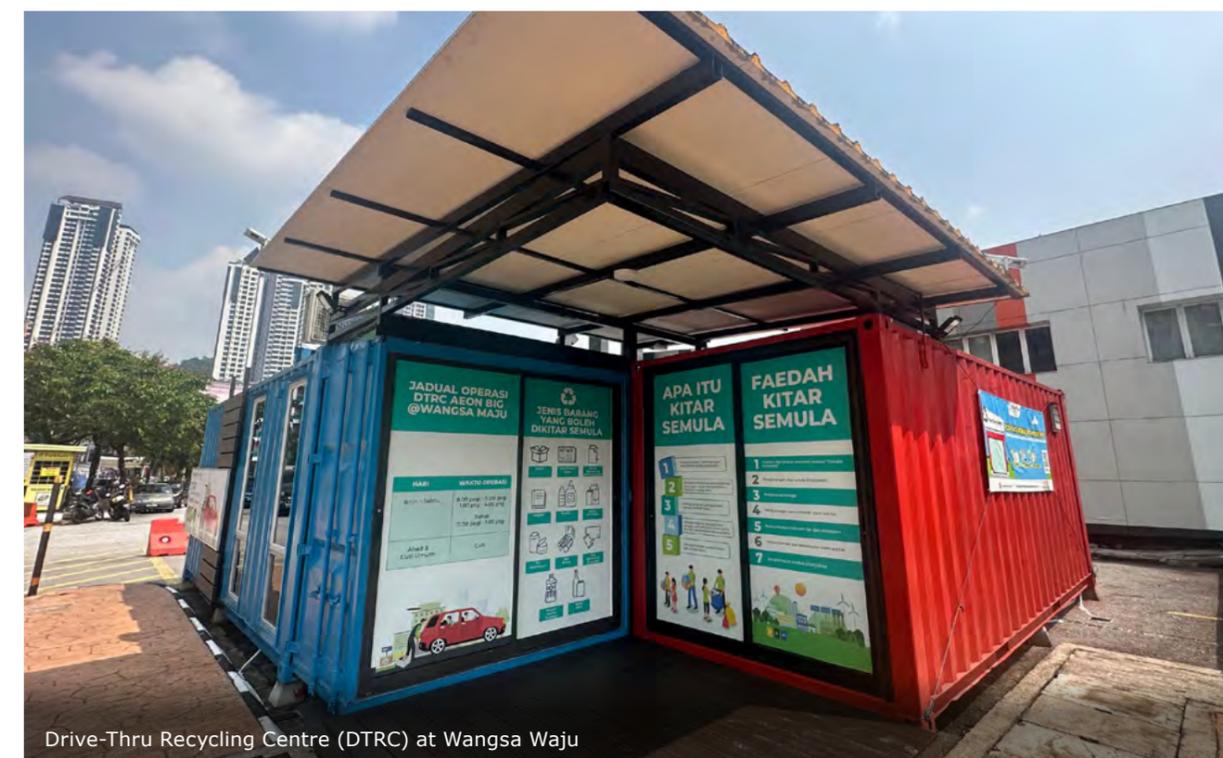
The Biomass co-firing project is advancing well and in 2024, we intend to invest in expanding the proportion of biomass co-fired with coal. Presently, the co-firing rate is at 0.5% with encouraging initial results. From here, we will gradually increase this to 2% and execute progressively to safeguard the integrity of our equipment and machines.

Operational excellence will be fundamental to business success. Our focus will be on optimising and streamlining operations across all plants. At Malakoff, we take pride in our exceptional Operation and Maintenance (O&M) teams, positioning ourselves as leaders in the country,

if not the region. We are diligently working to solidify that reputation. We believe there will always be room for improvement, so we have focused on achieving 5%, 10% or even 20% enhancements in operations by 2024.

There is an undeniable sense of momentum throughout Malakoff. We have made significant progress over the past year, given our relentless drive and single-mindedness. While cautiously optimistic about the future, we acknowledge the exciting times ahead. For us, it's a matter of looking at those businesses – taking up these unpolished diamonds and refining them into substantial assets.

Anwar Syahrin Abdul Ajib
Managing Director & Group Chief Executive Officer



Drive-Thru Recycling Centre (DTRC) at Wangsa Waju

How We Create Value

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OPERATING LANDSCAPE

VOLATILITY IN ENERGY COMMODITY PRICES

IMPACT

In 2023, the global coal market saw a notable decline in prices, with Indonesian sub-bituminous and Newcastle benchmark coal prices dropping by 31% and 65%, respectively. This trend significantly impacted Malakoff, particularly given the organisation's reliance on coal for a substantial portion of its power generation capacity. The volatility in coal prices led to negative fuel margins for Malakoff, as the organisation grappled with higher weighted average fuel costs than the market prices.

One of the critical factors exacerbating the impact of coal price volatility on Malakoff is the quarterly update mechanism of the Applicable Coal Price (ACP) in Malaysia. This system creates a lag effect, whereby the ACP which Malakoff and other power producers reference for financial and operational planning can only be updated months after actual market price changes. This delay in adjusting to real-time market prices poses challenges in managing fuel costs effectively.

Moreover, Malakoff's contractual obligations to maintain extra coal stock further complicated its ability to swiftly adjust to price fluctuations. These stockpiling requirements, intended to ensure uninterrupted power supply, mean that Malakoff must purchase and store coal in advance, often at prices that do not reflect subsequent market declines, thereby impacting the organisation's fuel margin and overall financial performance.

In terms of natural gas, the expected average of the Henry Hub natural gas spot price in 2023 indicated a decrease by more than 50% from the previous year, presenting a mixed scenario for gas-fired power generation costs.

OUR RESPONSE

In response to these challenges, Malakoff has engaged in frequent discussions with stakeholders, including authorities and regulators to navigate the volatile energy commodity market. The organisation's strategic focus on optimising plant operational efficiencies and exploring RE opportunities reflects its adaptive measures to mitigate the adverse effects of fuel price fluctuations. To drive the industry forward, we conducted regular interactions with key stakeholders, particularly authorities and regulators

overseeing the fuel supply to the power sector, with the aim of elevating the effective management of sustainable energy consumption. Additionally, we proactively identified and evaluated new investment prospects, aligning them with targeted dispatch strategies to optimise revenue generation amid volatile fuel prices. Our key focus was to ensure that our business assets and operations were ready for deployment to meet the requirements of a single buyer as we adapted to evolving dispatch patterns.

OUTLOOK

Looking ahead, Malakoff's commitment to diversifying its energy production portfolio, including investments in RE sources, positions the organisation to better withstand the uncertainties of the global energy market. The continued volatility in energy commodity prices underscores the importance of strategic planning, operational flexibility and the pursuit of sustainable energy solutions in navigating the complexities of the energy sector.

ADDRESSING CLIMATE CHANGE

IMPACT

In 2023, Malaysia's climate change initiatives have been significantly shaped by the National Energy Transition Roadmap (NETR), aiming for a sustainable energy transition. The NETR's launch highlights a strategic move towards reducing greenhouse gas (GHG) emissions and enhancing renewable energy (RE) usage, aligning with global efforts to combat climate change.

OUR RESPONSE

Malakoff is actively expanding its RE portfolio, focusing on solar and Small Hydropower Plant (SHP) projects, as part of its Strategic Transformation 2.0. This strategy aims to significantly increase the organisation's RE capacity and support Malaysia's commitment to a low-carbon future, highlighting Malakoff's proactive efforts in contributing to a sustainable energy ecosystem.

In our thermal business, we focused on increasing our co-firing biomass capacity. Through continuous evaluations of alternative biomass fuels, our aim was to elevate the co-firing ratios gradually in the subsequent phases, striving to achieve the minimum 15% co-firing readiness by 2027. Strengthening the operational reliability of our plants remained a priority, and we did this by implementing rigorous due diligence measures and planned maintenance outages to strengthen the operational reliability of our plants. This commitment did not only improve the overall stability of our facilities but also ensured uninterrupted supply of electricity for the Nation.

On the sustainability front, we systematically monitored our plants and facilities for carbon emissions and non-GHG emissions such as sulphur and nitrogen oxides. We have been tracking and disclosing both Scope 1 and Scope 2 metrics since 2021. In 2023, our reporting scope expanded to include Scope 1 emissions from our fleet fuel usage and Scope 2 emissions attributed to imported power utilised in Alam Flora's business operations. As part of our efforts to refine our reporting methodologies, we will be adopting a carbon accounting platform to automate GHG emissions tracking across the Group's operations. Further to this, we are also currently undergoing a thorough carbon emission data assurance process, adhering to ISO 14064 standards.

OUTLOOK

The future appears promising as Malaysia progresses towards its Net Zero Emissions target as early as 2050, with the NETR leading the way. At Malakoff, we are guided by our sustainability targets, including reducing our GHG emissions intensity by 30% by 2031 from our 2019 baseline, achieving 15% to 20% recycling rate by 2025 from waste collected by Alam Flora, and striving towards a zero-waste circular economy goal. Our overarching aim is to achieve our Net Zero Emissions target by 2050, which we believe will contribute to national and global goals.

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OPERATING LANDSCAPE

DEMAND FOR RENEWABLE ENERGY

IMPACT

Malaysia's commitment to RE is underscored by the NETR, aiming to transform the economy and create business opportunities within the energy sector. The roadmap introduces ten flagship catalyst initiatives designed to reduce CO₂ emissions by over 10 million tonnes annually, showcasing the Government's dedication to a sustainable and inclusive energy system.

By 2025, RE is expected to provide 31% (13 gigawatts) of the Nation's energy needs, escalating to 40% (18 gigawatts) by 2035. Further, the Government aims to increase RE capacity to 70% by 2050, aligning with its aspiration to achieve Net Zero Emissions as early as possible within the same timeframe. This demonstrates a significant commitment to green growth areas, including hydrogen technology, bio-energy and electric mobility, which are crucial for green adoption and future economic engines.

OUR RESPONSE

Malakoff has set ambitious targets to expand its RE capacity, aiming to reach 1,400 MW by 2031. This expansion is in response to the increasing demand for cleaner energy sources and aligns with Malaysia's strategic direction towards enhancing RE's share in the total primary energy supply. Investments into various RE segments, including solar, SHP, biogas, biomass, and Waste-to-Energy (WTE), are critical components of Malakoff's strategy to diversify its energy portfolio.

We took a multifaceted approach in strengthening our position in the RE sector. We diligently tracked energy policies on both local and global scales, employing comprehensive market research and maintaining regular engagement with relevant stakeholders and authorities. Where our stakeholders are concerned, we continued to facilitate discussions and dialogues.

To strengthen our competitive advantage, we forged strategic partnerships with competitors and at the same time, fortified our internal capabilities to drive resilience in the face of changing market conditions. We actively championed market liberalisation to disrupt monopolistic practices as this will encourage the development of a more competitive and innovative industry landscape. In addition to embracing innovation to adapt seamlessly to evolving trends, we expanded our focus into new markets and regions as this would help in improving our growth performance. As part of this expansion, we enhanced our exposure into established regions such as the UK, Australia, and Singapore. This reflected our commitment to deepening our understanding of merchant markets and positioning ourselves strategically in these influential economic landscapes.

OUTLOOK

The outlook for RE in Malaysia is increasingly positive, with the implementation of the NETR and the country taking proactive steps towards a sustainable energy future. Aligned with one of our sustainability targets which is to achieve an RE capacity of 1,400 MW by 2031, Malakoff has established several strategic initiatives to expand its clean energy footprint as well as explore opportunities in waste management and environmental solutions.



EFB Pellets

WORKFORCE CHALLENGES

IMPACT

The amendments to Malaysia's Employment Act 1955, which came into force on 1 January 2023, are part of the broader context affecting corporations and the labour supply. These amendments aim to elevate employment standards to meet International Labour Organization standards and includes significant changes such as the expansion of the Act's applicability, reduction of normal work hours, introduction of paternity leave and increased maternity leave. In addition, unemployment remains low and competition for talent in our industry remains challenging amid the tight employment market.

OUR RESPONSE

In order to optimise our position in the talent market, we explored the feasibility of service contracts in lieu of service-for contracts, conducted a comprehensive review of employee benefits and salary packages as well as invested in the digitisation of training programmes.

We also implemented initiatives to strengthen our brand name as an employer of choice. To attract and retain our high-performing talent, we strengthened pull-factors by introducing competitive incentives and cultivating a conducive work environment.

OUTLOOK

Malakoff remains unwavering in its commitment to upholding human rights and labour management throughout our business and operations. We will continue to create a workplace that encourages open dialogue, treating our respect, dignity and equality. Our ongoing efforts is aimed at creating a conducive and inclusive workplace for employees.

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OPERATING LANDSCAPE

REGULATORY AND COMPLIANCE LANDSCAPE

IMPACT

In 2023, Malaysia's regulatory and compliance landscape continues to evolve, with a significant focus on sustainable development and environmental stewardship. The NETR underscores the Government's commitment to transitioning towards RE and reducing carbon emissions, aligning with global sustainability targets.

It also outlines ambitious plans for increasing the share of RE in the national energy mix, aiming to ensure energy security, affordability and sustainability. This includes specific targets for RE capacity, energy efficiency measures and the reduction of carbon intensity in the energy sector.

Businesses, particularly in the energy, manufacturing and industrial sectors, are expected to adapt to these new regulations by investing in cleaner technologies, enhancing energy efficiency and participating in carbon reduction initiatives.

Furthermore, the carving out of the energy transition portfolio to the new Ministry of Energy Transition and Water Transformation, as well as the Ministry of Finance's consideration of a carbon tax regime, reflects the Government's clear intent towards meeting Malaysia's own emissions targets. The launch of a voluntary carbon market exchange by Bursa Malaysia in December 2022 enables organisations to purchase carbon credits, facilitating compliance with internal carbon reduction targets and contributing to the national carbon neutrality objectives.

OUR RESPONSE

Continuing our commitment to sustainable practices, we actively pursued financing options tied to sustainability and explored green bond opportunities for upcoming projects that aligned with our ESG framework. At the same time, we continued to progressively transition towards revenue sources that prioritise the environment, thereby reducing dependency on coal-generated income. To advance our environmental objectives, we conducted

feasibility studies and initiated pilot projects aimed at minimising net emissions from our coal plants while concurrently expanding our portfolio of green solutions. We also collaborated with off-takers and industry experts to develop circular economy solutions, fostering a comprehensive and forward-thinking approach to environmental sustainability.

OUTLOOK

Moving forward, Malakoff remains focused on aligning with the government sustainability goals as this ensures business resilience and growth. Despite the evolving landscape, we will navigate the regulatory complexities while preserving our competitive edge. By minimising our environmental impact and optimising resource efficiency, we aim to lead Malaysia's transition toward a more sustainable future.

DIGITALISATION AND TECHNOLOGICAL DEVELOPMENT

IMPACT

Organisations that have invested in driving digitalisation stand to gain from more efficient processes, increased cost-effectiveness and improved operational efficiency, including improved communication and stakeholder engagement. However, this creates a gap between organisations that have digitalised their business and those that are slow to adapt, leading to a widening gap in terms of business performance and future outlook. Therefore, the ongoing progress of digital technologies stresses the divide between digitally adept and non-digitalised organisations. This is why it is important to remain informed about technological advancements to ensure ongoing competitiveness and sustained growth.

While digitalisation takes off, we are cognisant of the rise of cyberattacks, presenting a multifaceted threat involving potential financial, reputational, operational and legal repercussions for organisations. Towards this end, the allocation of substantial investments in robust cybersecurity measures proactively implementing strategies to prevent and mitigate cyber threats is imperative. Such initiatives are pivotal not only for ensuring business continuity but also for safeguarding valuable assets. According to IBM Data Breach Report, up to 83% of organisations experienced multiple data breaches in 2022, resulting in significant financial repercussions such as a decline in share prices and long-term costs associated with rectifying these breaches.

OUR RESPONSE

In line with our Digital Blueprint and Roadmap 2023 - 2028, we initiated a series of strategic initiatives aimed at strengthening our digital infrastructure. This includes a comprehensive update of our Digital/IT governance policies to enhance cybersecurity, efficiency and agility. Simultaneously, we intensified efforts in selecting and planning the implementation of an Enterprise Resource Planning (ERP) platform, which serves as the backbone for automating and digitalising Malakoff's core business processes. We have successfully brought several Minimal Viable Products (MVPs) for analytics solutions to fruition, leveraging the speed of insights to drive strategic actions. Automation processes were deployed for ESG tracking and reporting, aligning our operations with sustainability

practices. Additionally, we integrated data and digital elements, including the adoption of mobility and agile approaches into our organisational DNA.

To fortify security measures, the establishment of the Security Operation Centre (SOC) functions as a centralised hub, utilising people, processes and technology to continually monitor and enhance Malakoff's security posture. Additional security measures, including multi-factor authentication, have been implemented to mitigate the risk of account takeovers. Ongoing training and simulation initiatives were conducted to deepen employees' awareness and ability to mitigate cyberattack risks, ensuring preparedness to respond to cybersecurity incidents.

OUTLOOK

We are committed to continuously strengthening our Digital Blueprint and Roadmap in line with the changing dynamics of Malakoff's growth. These efforts are aimed at enhancing productivity, efficiency and profitability including facilitating market expansion. Additionally, we will continue to accelerate digital adoption while concurrently safeguarding our business operations from potential cyber threats.

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STAKEHOLDER ENGAGEMENT

At Malakoff, we recognise our key stakeholders as those who have an impact on or are impacted by our activities. We actively seek to understand their expectations and address their concerns as this is fundamental to our process of value creation.

FREQUENCY OF ENGAGEMENT

A Annually
 P Periodically
 Q Quarterly
 R On Request
 O Ongoing

EMPLOYEES S1

<p>Why We Engage</p> <ul style="list-style-type: none"> To understand the workplace environment and sentiment, and identify opportunities for improvement To ensure we have the right compensation and benefit structures to attract, maintain and retain the best talents To clarify expectations, set objectives, identify goals and provide feedback To foster a culture of recognition and appreciation where achievements are acknowledged, boosting morale To promote collaboration and teamwork towards shared objectives and exchange ideas seamlessly 	<p>How We Engage</p> <ul style="list-style-type: none"> Townhalls HR2U Day Intranet Newsletter Performance Appraisals Malakoff Talent Pulse Survey Employee Engagement Survey Hari Raya Gathering Long Service Award
<p>Value Created for Employees</p> <ul style="list-style-type: none"> Competitive remuneration – salary and benefits Continuously enhance rewards programmes Periodic performance feedback through Balanced Scorecard approach Ability for career progression in rewarding, meritocratic work environment Promotion of collaboration fosters a cohesive work environment where employees work towards shared goals Employees receive clear expectations, objectives and constructive feedback on their performance A culture of recognition boosts employee morale by acknowledging and appreciating their contributions and achievements 	<p>Value Created for Malakoff</p> <ul style="list-style-type: none"> Creation of an energised and innovative work culture, reducing staff turnover and increasing productivity Better employee relationships, better profits Engaged employees make valuable contributions to deliver on business strategy Creation of a diverse and inclusive employee profile
<p>Key Concerns Raised</p> <ul style="list-style-type: none"> Competitive pay and benefits Recognition and rewards besides remuneration to encourage good performance Understanding the performance appraisal process <p>Risks</p> <ul style="list-style-type: none"> Non-engagement or non-performance impacting Malakoff's deliverables Dissatisfaction leading to staff attrition Inability to meet high expectations of people-centred brand promise Losing track of new expectations from the younger generation and changing dynamics of the workforce 	<p>Our Responses</p> <ul style="list-style-type: none"> Implement strategies and policies to reward people fairly, equitably and consistently in line with their value to the Group Ensure the right compensation and benefit structures to attract, maintain and retain the best talent Track employees' performance consistently and reward contributions towards organisational growth Clarify expectations, objectives and goals by providing feedback to ensure performance is fairly evaluated Recognise employees for their excellent performance Achieve leadership excellence through world-class talent and succession management programmes <p>Opportunities</p> <ul style="list-style-type: none"> Embrace technology, communication channels and change management programmes to stay ahead of the curve Increase the skills and experience of our employees to remain relevant

COMMUNITIES/GENERAL PUBLIC S2

Why We Engage

- To build trust, public buy-in and support
- Gain higher rates of public participation in community programmes
- Increase visibility and understanding of the Group's businesses and its positive socioeconomic impact
- Ensure the welfare of local communities is taken care of
- Address growing awareness on green consumerism

How We Engage

- Engagement sessions with local communities
- Corporate Social Responsibility (CSR) programmes
- Mainstream print and electronic media (Facebook, Instagram, LinkedIn, YouTube and company website)
- Social media – Facebook, Instagram, YouTube, LinkedIn and company website
- Awareness/educational programmes related to Environmental, Social and Governance (ESG), energy and environmental solutions

Value Created for Communities/General Public

- Greater awareness on environmental issues and initiatives
- Provision for a sustainable and safe environment
- Incentives for recycling through reward points and cash

Value Created for Malakoff

- Positive public and brand image
- Increased awareness on Malakoff's sustainability initiatives and moving forward plan
- Increased public awareness on sustainability and environmental impact
- Increased recycling rate and recyclable tonnage

Key Concerns Raised

- Environmental impact on our operations
- Quality of services provided
- Employment opportunities

- Promote recycling centre to raise awareness on recycling and waste recovery activities
- Provide continuous operational improvement programmes and activities
- Adoption of green initiatives such as green machinery such as electric vehicles and equipment and the use of bio-degradable products
- Communicate sustainability initiatives being undertaken e.g. green initiatives, recycling and waste management
- Provide employment opportunities for local communities

Risks

- Community complaints and negative media coverage
- Wrong information provided to the public
- Losing Government concessions due to failure in meeting Key Performance Indicators (KPIs)

Our Responses

- Organise environmental programmes for public participation
- Organise community engagement programmes to strengthen bond and build community trust

Opportunities

- New developments in green initiatives, recycling and sustainable waste solutions
- Growth within a controlled environment due to being a concession business

How We Create Value

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STAKEHOLDER ENGAGEMENT

SHAREHOLDERS/ANALYSTS/INVESTMENT COMMUNITY S3

Why We Engage

- To share the latest company updates and projects/roadmap to achieve sustainable growth
- To effectively deliver a fair valuation of the company and maintain a resilient shareholder base
- To communicate the Group's Sustainability Commitments

How We Engage

- Analyst briefings
- Financial reports
- Site visits
- Group/One-to-one meetings with analysts/fund managers
- Annual General Meetings (AGMs)

S3

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Q
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Value Created for Shareholders/Analysts/Investment Community

- Timely reporting to facilitate informed investment decisions
- Enhance long-term investment value with transparent disclosures

Value Created for Malakoff

- Promote healthy and transparent two-way communication between the company and the investment community
- Board and Management are kept apprised of investment community sentiment

Key Concerns Raised

- Malakoff's growth prospects and initiatives to secure new projects
- Fuel margin impact on Malakoff's earnings, given the volatility in benchmark coal prices
- Dividend payout ratio as shareholders expect high yields
- Long and short-term mileposts to achieve Net Zero Emissions by 2050

Our Responses

- Malakoff is aggressively pursuing Merger and Acquisition (M&A) opportunities in the Renewable Energy (RE) space
- Stringent monitoring of coal inventories and continuous engagement with key stakeholders
- We continue to commit to pay out a dividend of at least 70% of Profit After Tax and Minority Interests (PATMI)
- Consistent communication of the Group's progress in its ESG Roadmap against set targets and enhanced advocacy on the Company's sustainability commitments.

Risks

- Inaccurate financial analyses and forecasts by analysts may impact investment decisions
- Incorrect valuation of the company
- Insufficient communication on the company's growth prospects

Opportunities

- Greater scope and transparency of disclosure for stakeholders including Environmental, Social and Governance (ESG) aspects
- More direct engagement with the investment community

CUSTOMERS/CLIENTS S4

Why We Engage

- To build and maintain relationships with clients/partners, and to encourage loyalty and trust in the Malakoff brand and services provided
- To boost sales and revenue
- To improve operational deliverables
- To tailor strategies in addressing clients' requirements or challenges faced effectively

How We Engage

- Communication with sales personnel
- Site visits
- Sustainability collaboration
- Memorandum of Understanding (MoU) signings
- Launches and informal events
- Company website
- Local and international conferences

S4

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Value Created for Customers/Clients

- Provision for sustainable services using green equipment and Internet of Things (IoT)
- Technical experience and expertise
- High level of customer/client experience

Value Created for Malakoff

- Enhance brand and sales success
- Increase in customer/clients' loyalty and trust
- Valuable feedback and testimony on our services

Key Concerns Raised

- Customer/Client experience
- Sustainability initiatives
- Health, Safety and Environment (HSE)

Our Responses

- Established strategic partnerships with various companies to enhance kerbside recycling and manage plastic and food waste as well as to streamline public recycling efforts and promoting waste reduction
- Explored diverse green power initiatives, including solar programs such as Corporate Green Power Programme (CGPP) and Self-Consumption (SelCo), alongside EV charging stations

Risks

- Legal and political forces can change regulations, which affects marketing efforts
- Post-pandemic inflation
- Misunderstanding or misinterpretation of the company's vision and values
- Receiving inaccurate information about our initiatives/projects, potentially leading to a breakdown of trust

Opportunities

- Modern digitalisation enables monitoring of site activities remotely
- New developments for recycling and sustainable waste solutions
- Leverage environmentally-friendly solutions and electric equipment to conduct services
- Expanding RE portfolio is crucial as we strive to meet the escalating demand for sustainable energy solutions

How We Create Value

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STAKEHOLDER ENGAGEMENT

GOVERNMENT 55

Why We Engage

- To forge stronger ties with key Government and regulatory agencies
- To keep updated on and gain greater insights into new regulations
- Enhance public-private partnership

How We Engage

- On-ground collaborations
- Face-to-face meetings
- Participation in Government/public programmes
- Corporate events

Value Created for Government

- Better understanding of the Company's value proposition and contribution to the country's economy
- Ability to leverage the corporate sector to support key national targets
- Security and reliability of electricity supply and effective waste management

Value Created for Malakoff

- Increased customer loyalty and trust
- Valuable feedback and testimony on our services

Key Concerns Raised

- Post-pandemic stability and business continuity
- Sustainability of our operations
- Compliance with laws and regulations
- Management of environmental issues

Risks

- Being unprepared for changes in Government policy
- Unexpected increase in costs due to post-pandemic inflation

Our Responses

- Compliance with laws and regulations set by the Government
- Steadfast support towards the Government's national-level Sustainability Targets
- Collaborations through various recycling awareness programmes

Opportunities

- Contribution to nation-building and enhancing the quality of life through dependable energy and integrated waste management
- Invest in areas that support Government's sustainability goals

RATING AGENCIES AND FINANCIAL INSTITUTIONS 56

Why We Engage

- To secure financing for working capital expenditure (CAPEX) requirements, business expansion and future growth
- To obtain best possible ratings for new sukuk issuance and maintain ratings for existing sukus

How We Engage

- Virtual and physical meetings
- Engagement sessions with rating agencies & financial institutions
- Surveys/Questionnaires on credit rating

Value Created for Rating Agencies and Financial Institutions

- Ability to always meet our obligations to repay our loans/borrowings (principal and interest) as well as compliance with other covenants
- ESG compliance imposed for green/ sustainability linked financing

Value Created for Malakoff

- Ability to raise financing from financial institutions for business expansion and CAPEX requirements
- Obtained desired ratings for issuance of new sukuk while able to maintain ratings for existing sukus
- Improved market perception towards the Company with ESG aspirations

Key Concerns Raised

- Damaged turbine blade at Tanjung Bin Energy Power Plant (TBE) causing major outage and raising concerns on financial performance, insurance claim, Applicable Coal Price (ACP) losses, repair works and ability to maintain credit rating
- Ability to meet sukuk covenants [Finance Service Reserve Account (FSRA) balances, Finance Service Cover Ratio (FSCR) ratio, etc]
- Cash flow management and projections
- ESG initiatives undertaken towards meeting Net Zero Emissions by 2050
- Future business direction in view of expiring Power Purchase Agreements (PPAs)

Risks

- Non-compliance with financial institution covenants and failure to repay borrowings on time
- Sukuk ratings not being maintained

Our Responses

- Our plant managed to comply with financial covenants, hence, maintaining its credit rating
- Ability to meet our short-term obligations
- Business expansion into RE and environmental solutions to replace future income losses from expiring PPAs
- Malakoff is on track to meet with ESG aspirations

Opportunities

- Further improve our ESG agenda to enhance the perception of Malakoff, thereby facilitating the securing of new financing/refinancing with better rates

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STAKEHOLDER ENGAGEMENT

CONTRACTORS & VENDORS S7

Why We Engage

- Business continuity and competitive terms in supply chain involve numerous Contractors and Vendors in making sure our operations are not disrupted
- Mitigate risk and enhance visibility to effectively reduce the risks associated with contractors and vendors

How We Engage

- Efficient procurement process
- Vendor engagement sessions
- Face-to-face and online meetings
- Site visits
- Advertisements

Value Created for Contractors/Vendors

- High standards of corporate governance, integrity and ethics
- Awareness sessions on latest company policy and sharing from authorities e.g. Malaysian Anti-Corruption Commission (MACC)
- Fair, transparent and confidential dealings

Value Created for Malakoff

- Credible Contractors and Vendors coming onboard to maintain quality, safety, sustainable and cost effective operations
- Enhance management of intricate business alliances

Key Concerns Raised

- Supply chain disruptions
- Integrity and ethics in ensuring impartial and transparent procurement practices
- Increased cost of operations due to increased procurement costs
- Sourcing strategy and network enhancement

Our Responses

- Vendor performance assessment
- Enforcement of Anti-Bribery Management Systems (ABMS) and Vendor Code of Conduct in procurement
- Yearly vendor awareness event for knowledge sharing and feedback
- Pre-qualification assessment

Risks

- Disruption to business due to non-performance of vendors
- Lack of updated vendor information could lead to disruption in communication processes
- Adverse impact on the Company's image and reputation

Opportunities

- Best industry solutions provided by vendors will improve operations e.g. servicing, maintenance and design while reducing operational expenditure
- Organisational stability and global expansion

MEDIA S8

Why We Engage

- Media plays a crucial role in the dissemination of precise and correct information to stakeholders and the public
- Media can enhance Malakoff's brand visibility and reputation
- Media can strengthen Malakoff's values and credibility among shareholders, stakeholders and the public

How We Engage

- Media engagement/networking sessions
- CSR collaboration programmes
- Festival wishes
- Media events (casual and sporting events)
- Media advertorial and news coverage spots
- Awareness programme - Malakoff Amazing Hunt

Value Created for Media

- Transparency in our financial and non-financial reporting
- Concerns are addressed transparently
- Correct information shared with shareholders, stakeholders and the public

Value Created for Malakoff

- Increase publicity and visibility
- Enhance brand value and reputation
- Effective public relations and communication strategy

Key Concerns Raised

- Update on business portfolio/strategies
- ESG concerns
- Governance
- Leadership
- Business partnerships
- Financial performance

Our Responses

- Transparent information shared with shareholders, stakeholders and the public
- Fact sheets, statements, press conferences and media briefings
- Share current updates on business strategies, financial and non-financial achievements and collaborative initiatives via press releases

Risks

- Information shared with the public could be ruined by negative or inaccurate media coverage
- Negative social media coverage/comments may hurt public image

Opportunities

- Enhance relationships with key media members will assist in channelling updated and accurate information to shareholders, stakeholders and the public
- Attend to media inquiries on related topics for media input

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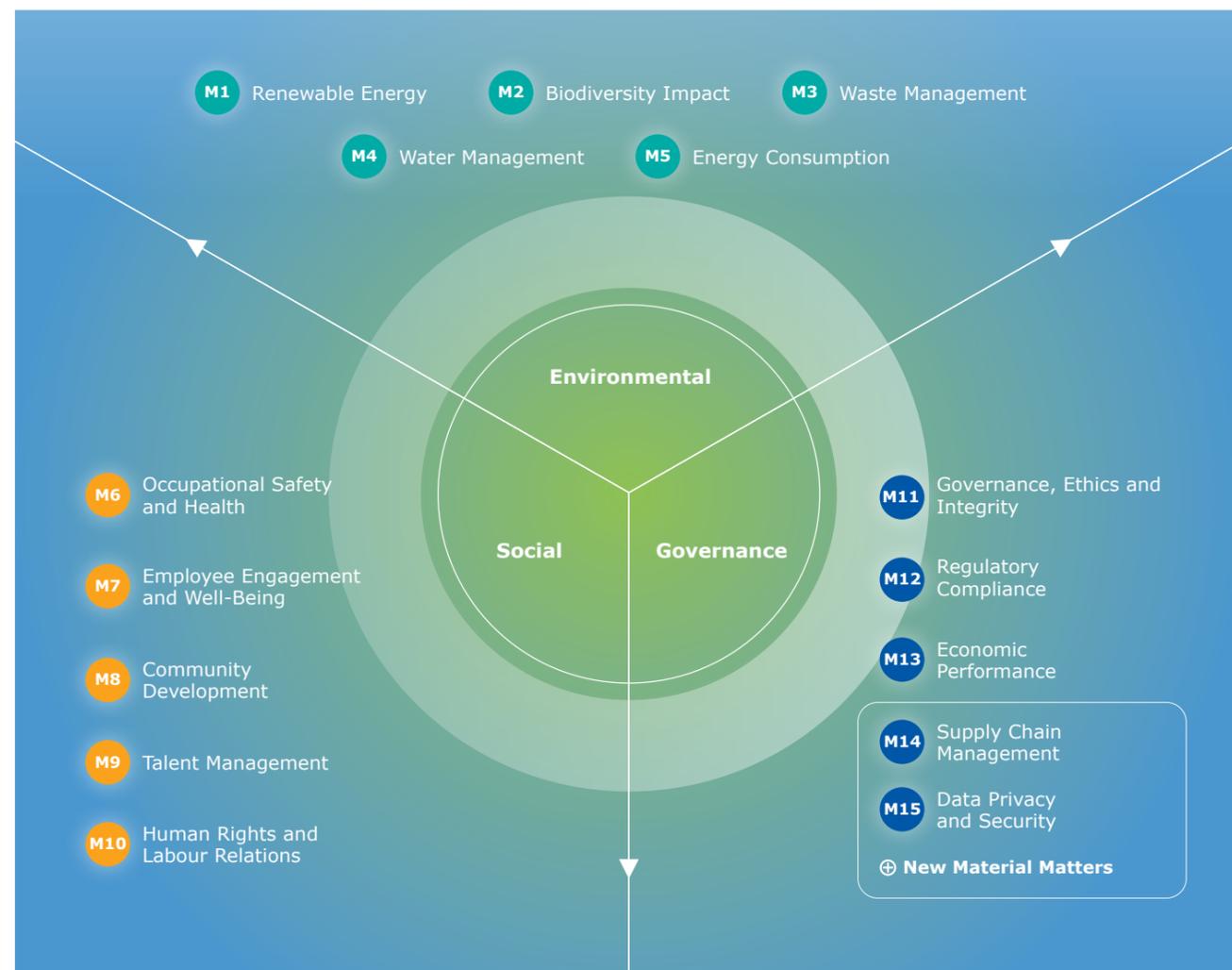
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MATERIAL MATTERS

Material matters are issues that are considered significant to our stakeholders and relevant to how Malakoff creates long-term value. Understanding these matters are crucial as they direct our focus towards issues critical to the sustainability of our external environment while aligning with our corporate objectives.

In 2023, we conducted a validation exercise based on a comprehensive assessment executed in 2021, to ensure the ongoing relevance of our material matters to stakeholder needs and to streamline our focus for more effective management and reporting. Consequently, we have refined our list to encompass 15 material matters across Environmental, Social and Governance (ESG) categories. To align with current market trends, we have added Supply Chain Management and Data Privacy & Security to our Governance pillar. The following is the list of material matters in FY2023.



RENEWABLE ENERGY

- **Risk**
Neglecting renewable energy (RE) in our fuel mix would lead to decreased interest from ESG-focused investors and challenges in obtaining financing from banks aiming to expand their ESG portfolios. Our reputation would also suffer as a significant carbon emitter.
- **Opportunities**
 - Swift advancement of new technologies such as battery energy storage system (BESS), carbon-free fuel (e.g. hydrogen/ammonia) and Electric Vehicle (EV) chargers
 - There is an increasing demand for RE across commercial, industrial and residential sectors
 - The range of financing options for green or sustainability-linked infrastructure or projects is expanding
- **Our Commitment**
Please refer to pages 111 to 112 for more information.

Stakeholder Groups Affected



UN SDGs



BIODIVERSITY IMPACT

- **Risk**
Apart from biodiversity loss, Malakoff's environmental negligence could damage our reputation, increase insurance premiums as a high polluter and result in the loss of funding from investors due to environmentally irresponsible practices.
- **Opportunities**
 - Partner with environmental experts to explore preservation methods
 - Allocate resources to research and develop innovative technologies for improved waste management
 - Initiate environmental preservation projects at our operational sites
- **Our Commitment**
Please refer to pages 123 to 124 for more information.

Stakeholder Groups Affected



UN SDGs



WASTE MANAGEMENT

- **Risk**
Poor management of scheduled waste from plants or business sectors can lead to environmental pollution and harm the company's reputation.
- **Opportunities**
 - Embrace circular economy to minimise waste and explore alternative raw materials
 - Efforts to enhance resource efficiency and minimise waste generation will lead to lower operational costs
- **Our Commitment**
Please refer to pages 117 to 120 for more information.

Stakeholder Groups Affected



UN SDGs



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MATERIAL MATTERS

WATER MANAGEMENT

- **Risk**
Ineffective water management could raise our operational expenses and any water pollution from our effluents could lead to environmental fines and consequently damage our reputation.
- **Opportunities**
 - Implement cutting-edge technologies to decrease water usage and enhance equipment efficiency while meeting production demands
 - Regularly monitor water consumption and seek opportunities to improve efficiency
 - Monitor effluent levels consistently to ensure they meet the Department of Environment (DOE) standards and requirements for quality
- **Our Commitment**
Please refer to pages 121 to 122 for more information.

Stakeholder Groups Affected

S2 S3 S4 S5 S6 S8

UN SDGs

ENERGY CONSUMPTION

- **Risk**
Excessive energy consumption not only drives up costs but also amplifies our carbon footprint, hindering our progress towards becoming a low-energy organisation.
- **Opportunities**
 - Invest in innovative technologies to lower emissions as part of our journey towards achieving Net Zero Emissions status by 2050, in alignment with the national agenda
 - Explore avenues for selling Renewable Energy Certificates (RECs) to assist other companies in reaching their goal of Net Zero Emissions
- **Our Commitment**
Please refer to pages 113 to 116 for more information.

Stakeholder Groups Affected

S2 S3 S4 S5 S6 S8

UN SDGs

OCCUPATIONAL SAFETY & HEALTH

- **Risk**
Accidents or health and safety incidents could result in Lost Time Injuries (LTI) or even fatalities, which could incur significant costs to Malakoff, impacting our reputation and hampering productivity.
- **Opportunities**
 - Collaborate with the Department of Occupational Safety & Health (DOSH), BOMBA (Emergency Response Team and First Aider trainings) and safety experts to conduct safety training and other programmes
 - Foster a safety-centric behavioural culture where every individual takes ownership of their safety and that of colleagues
 - Regularly communicate messages highlighting individual responsibility for safety
- **Our Commitment**
Please refer to pages 126 to 130 for more information.

Stakeholder Groups Affected

S1 S3 S5 S7

UN SDGs

EMPLOYEE ENGAGEMENT & WELL-BEING

- **Risk**
Decreased employee engagement can lead to a rise in attrition rates, diminished morale and reduced staff productivity.
- **Opportunities**
 - Increase leadership engagement with employees to communicate the Company's values, strategies and goals
 - Ensure employees are informed about improvements to the work environment based on feedback from the Employee Engagement Survey (EES)
 - Continuously improve Malakoff's employee value proposition by understanding and meeting employee expectations
 - Cultivate an engaging corporate culture that fosters a sense of connection with Malakoff and empowers employees
- **Our Commitment**
Please refer to pages 131 to 132 for more information.

Stakeholder Groups Affected

S1

UN SDGs

COMMUNITY DEVELOPMENT

- **Risk**
Underserved or marginalised communities present potential risks of social instability. Malakoff's inability to demonstrate its contribution to these communities could adversely impact the company's reputation.
- **Opportunities**
 - Ensure the sustainability of concession-based business by addressing and prioritising local concerns
 - Lower operational expenses by increasing the participation of local vendors in procurement processes
 - Enhance Malakoff's reputation as a pioneer in responsible waste management and environmental protection through robust environmental solutions and effective CSR initiatives
- **Our Commitment**
Please refer to pages 133 to 135 for more information.

Stakeholder Groups Affected

S2 S3 S8

UN SDGs

TALENT MANAGEMENT

- **Risk**
The departure of essential talent from Malakoff would adversely impact our business operations and the continuity of strategies to meet our corporate objectives.
- **Opportunities**
 - Cultivate a high-performance work culture by attracting top-tier talent through a compelling employee value proposition
 - Maintain valuable talent by offering enticing career development opportunities and fostering employee engagement
 - Strengthen succession planning efforts to ensure the continuity of programmes and strategies
- **Our Commitment**
Please refer to pages 136 to 142 for more information.

Stakeholder Groups Affected

S1

UN SDGs

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MATERIAL MATTERS

HUMAN RIGHTS AND LABOUR RELATIONS

- **Risk**
Engaging in unethical or unjust treatment of employees or contract workers could result in legal consequences and damage Malakoff's reputation as an employer.
- **Opportunities**
 - Foster a culture that prioritises human rights through ongoing awareness initiatives
 - Position Malakoff as an ethical organisation to ensure a sustainable workforce of employees and contract workers
- **Our Commitment**
Please refer to pages 143 to 148 for more information.

Stakeholder Groups Affected



UN SDGs



SUPPLY CHAIN MANAGEMENT

- **Risk**
Relying heavily on a small number of key suppliers for critical resources or components presents risks, leaving Malakoff vulnerable to supplier-specific challenges, potential shortages and reduced bargaining power. Moreover, the risk of failing to comply with evolving global and local regulations concerning supply chain practices could lead to fines, legal issues, reputational harm and potential disruptions in operations.
- **Opportunities**
 - Identifying and integrating alternative suppliers for vital resources or components can bolster resilience, lessen reliance and boost negotiation power
 - Adopting cutting-edge technologies for enhanced supply chain visibility and efficiency can streamline operations, enhance risk management and elevate overall supply chain performance
 - Embracing sustainable and ethical sourcing practices can cultivate a favourable brand image, meet stakeholder expectations and mitigate environmental and social risks
- **Our Commitment**
Please refer to page 155 for more information.

Stakeholder Groups Affected



UN SDGs



GOVERNANCE, ETHICS AND INTEGRITY

- **Risk**
Bribery and corruption frequently result in financial and reputational damage, with lasting implications for business and investment opportunities, as well as the company's ability to attract top talent.
- **Opportunities**
 - Foster a culture of integrity by consistently reinforcing governance communication
 - Leadership sets the example by demonstrating Zero Tolerance for unethical behaviour
 - Host talks and events that emphasise the importance of integrity
- **Our Commitment**
Please refer to pages 150 to 151 for more information.

Stakeholder Groups Affected



UN SDGs



DATA PRIVACY AND SECURITY

- **Risk**
Data breaches which involve unauthorised access or theft of sensitive company or customer data, presents significant threats such as financial losses, reputational damage, legal repercussions and loss of customer trust. Non-compliance with data protection regulations and privacy laws could result in fines, legal consequences and damage to the company's reputation. Third-party risks with vendors or partners handling sensitive data may result in data exposure, loss of control and legal consequences.
- **Opportunities**
 - By investing in cutting-edge cybersecurity technologies and protocols, we can bolster resilience against cyber threats, thereby safeguarding sensitive data
 - Regular training programmes aimed at educating employees on data security best practices can mitigate the risks of human error and enhance overall security measures
 - Implementing continuous monitoring systems to maintain compliance with data protection regulations can lessen legal risks, improve data governance and foster trust among stakeholders
- **Our Commitment**
Please refer to pages 156 to 157 for more information.

Stakeholder Groups Affected



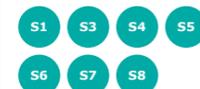
UN SDGs



ECONOMIC PERFORMANCE

- **Risk**
Failing to achieve our financial goals would lead to an inability to honour commitments to stakeholders, a decline in share price and damage to our reputation among investors, business partners, suppliers and employees.
- **Opportunities**
 - Establish models to generate profitable ventures from emerging clean energy sources, including REC, BESS, hydrogen, ammonia and Waste-to-Energy (WTE)
 - Investigate offsetting mechanisms such as RECs and carbon credits, which encompass reforestation and conservation efforts
 - Invest in advanced, more efficient technologies for waste management
 - Maintain an optimal capital structure and robust financial position to secure ample funds for business development, growth and shareholder rewards
- **Our Commitment**
Please refer to page 154 for more information.

Stakeholder Groups Affected



UN SDGs



REGULATORY COMPLIANCE

- **Risk**
Failure to comply with local regulatory requirements may lead to fines, stop work orders or even the revocation of our licence to operate.
- **Opportunities**
 - Foster stronger relationships with authorities or regulators to stay informed about the regulatory landscape
 - Boost productivity through enhancements in labour, health and safety and quality procedures
- **Our Commitment**
Please refer to pages 152 to 153 for more information.

Stakeholder Groups Affected



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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
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MISSION

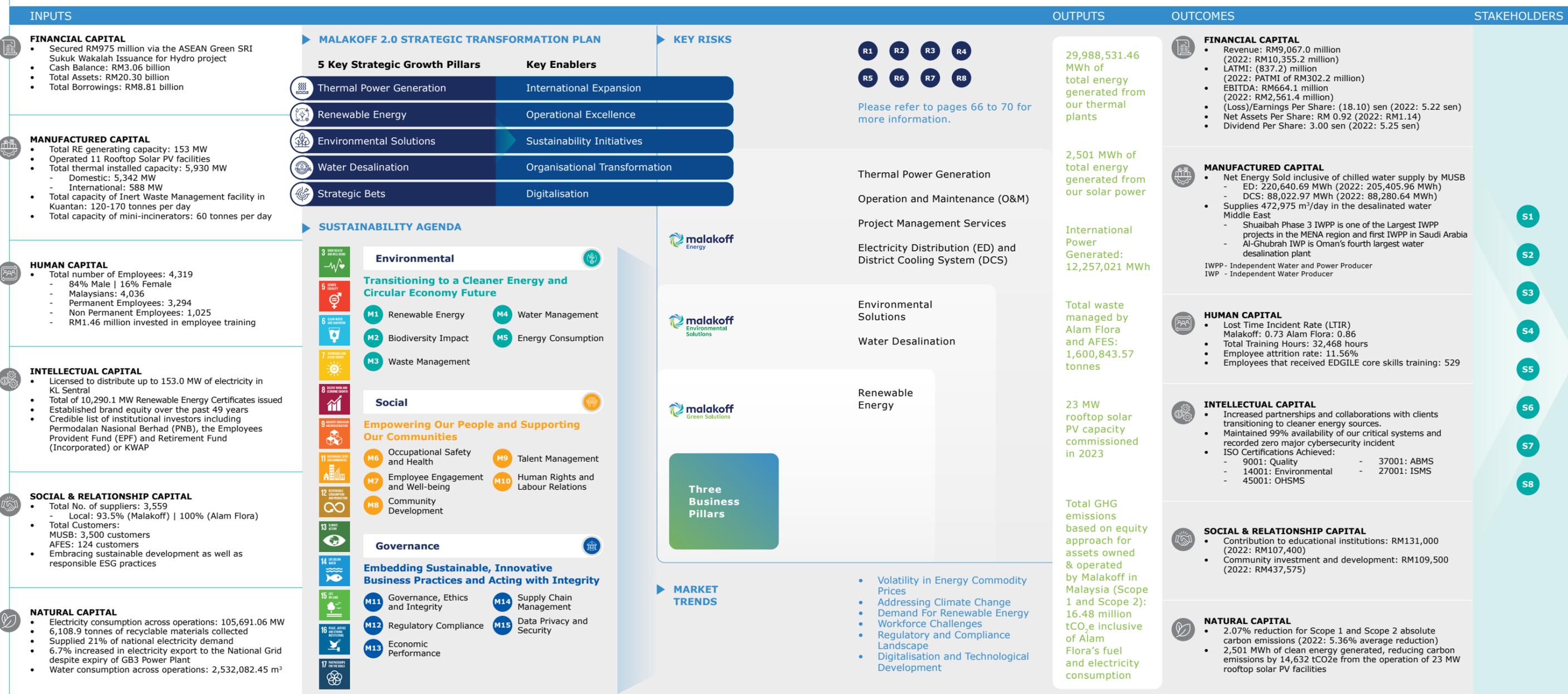
- We aspire to become the preferred employer
- We deliver superior shareholder value
- We are sought after as a partner of choice
- We sustain best-in-class operating discipline
- We earn respect as a good corporate citizen

OUR CAPITALS...

... ENABLE VALUE-ADDING

ACTIVITIES THAT CREATE...

... VALUE FOR OUR STAKEHOLDERS



Underpinned By

OUR OVERARCHING GOVERNANCE

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.

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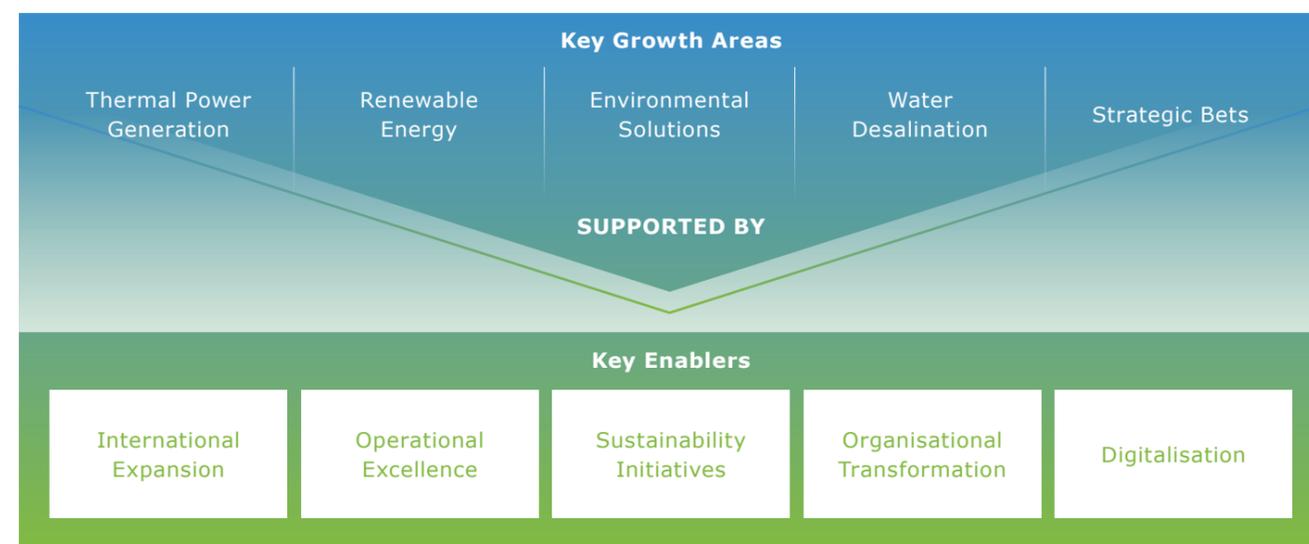
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OUR STRATEGY

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
Thermal Power Generation	<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
Renewable Energy	<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
Environmental Solutions	<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
Water Desalination	<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
Strategic Bets	<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

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KEY RISKS AND MITIGATION

The industries in which Malakoff and our Group of Companies operate generate permanent risks. We acknowledge that while it may not be feasible to prevent and eradicate all these risks, we are committed to managing them in order to safeguard our business and continue creating value for our stakeholders. Our approach and initiatives in mitigating and resolving risks are described in the following pages.

For more detailed information on Malakoff's risk management, refer to the Risk Management and Internal Control section on pages 223 to 229.



Likelihood/Impact	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	6	7	8	9	10
Likely	5	6	7	8	9
Possible	4	5	6	7	8
Unlikely	3	4	5	6	7
Rare	2	3	4	5	6

Table 1: Risk Matrix

Terminate	Opting to not engage in and steering clear of activities that are likely to pose risks
Reduce	Implementing and executing action plans that can control or minimise the significance of risks
Accept	Capitalising on the Group's resources to strategically accept risks and gain a competitive advantage over competitors
Pass	Shifting the impacts of risks to external entities such as insurance or hedging
Spread	Reducing the occurrence of risks by collaborating with third-parties through efforts such as outsourcing or partnerships

Table 2: Risk Treatment

RISK TREND
 + INCREASED - DECREASED
 ● STABLE

RISK IMPACT
 ■ INSIGNIFICANT ■ MINOR ■ MODERATE ■ MAJOR ■ CATASTROPHIC

HEALTH & SAFETY – OPERATIONAL RISK R1

Description and Implication on Value Creation
 Occupational hazards associated with an unsafe working environment may result in employees' injuries or, in extreme cases, fatalities during operational activities. Additionally, employees are exposed to the risks of communicable diseases which may require long recovery periods. These risks affect our business performance, value chain and reputation.

Response and Mitigation Actions

- Complied with local health and safety regulations by enforcing proper safety protocols
- Conducted regular risk assessments to identify, evaluate and mitigate workplace hazards
- Implemented employee wellness programmes to encourage healthy lifestyles, manage stress and provide mental health support

Opportunities Arising from this Risk

- Healthier and safer workplaces often result in higher employee productivity, fewer disruptions, and reduced absenteeism
- Comply with health and safety regulations to not only mitigate legal risks but also enhance the organisation's reputation as a responsible and ethical employer
- Invest in advanced digital systems that will help to reduce health and safety risks

Material Issue
M6

Capitals

Stakeholders
S1, S3, S6, S7

Risk Trend and Impact on Malakoff: ● STABLE ■ MAJOR

TALENT MANAGEMENT – OPERATIONAL RISK R2

Description and Implication on Value Creation
 Inadequate talent management processes may lead to risks and potential challenges that can affect business growth and performance. Employees who lack commitment to the Company or fail to align with our values often result in diminished productivity, lower-quality services and unsatisfactory outputs. This will adversely affect our reputation.

Response and Mitigation Actions

- Maintained competitive salary packages
- Conducted talent retention programmes
- Implemented various development programmes for all levels of employees

Opportunities Arising from this Risk

- Regularly review and adjust compensation packages to remain competitive within the industry
- Implement a robust hiring process that identifies candidates with the right skills, culture fit, and potential for growth potential within the organisation
- Offer continuous learning and development opportunities to employees

Material Issue
M7, M9

Capitals

Stakeholders
S1

Risk Trend and Impact on Malakoff: ● STABLE ■ MODERATE

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KEY RISKS AND MITIGATION

CYBERSECURITY – OPERATIONAL RISK R3

Description and Implication on Value Creation

A robust digital infrastructure is needed to prevent and safeguard the company against potential cyberattacks that can cause damage to our systems. These damages can range from loss or corruption of data, which negatively affects our financial performance and reputation.

Response and Mitigation Actions

- Implemented comprehensive cybersecurity protocols and intrusion detection systems
- Ensured all software and systems are up-to-date with the latest security patches
- Implemented strict access control measures to limit access to sensitive data and systems only to authorised personnel

Opportunities Arising from this Risk

- Enhance the organisation's reputation as a secure and reliable entity
- Effective cybersecurity measures to streamline operations by reducing downtime caused by cyber incidents, thus increasing overall efficiency and productivity
- Mitigation of cybersecurity risks allows organisations to negotiate favourable terms for cyber insurance, providing financial protection in case of cyber incidents

Risk Trend and Impact on Malakoff: ● STABLE ▬ MODERATE

Material Issue

M15

Capitals



Stakeholders

S1 S3 S4 S5 S6 S7

POLICIES AND REGULATIONS – OPERATIONAL RISK R4

Description and Implication on Value Creation

The various aspects of our business including energy production, waste management, human capital, employee health and safety, data security, carbon emissions, corporate governance, disclosure, tax payments and more are governed by respective policies and regulations. Non-compliance with regulations and laws will lead to legal proceedings which pose reputational risks and negatively impact our business operations and financial performance.

Response and Mitigation Actions

- Conducted regular audits to ensure that the organisation adheres to relevant laws, regulations and internal policies
- Established processes to monitor legislative updates and assess their impact on the organisation's policies and operations
- Conducted risk assessments to identify areas where there may be potential non-compliances to policies and regulations

Opportunities Arising from this Risk

- Understand and adhere to regulations to open entries into new markets and business opportunities
- Compliance reduces penalties, fines and legal issues resulting from non-compliance, protecting the organisation from financial and reputational damage
- Encourages the organisation to develop more efficient practices and technologies that comply with regulations while enhancing productivity

Risk Trend and Impact on Malakoff: + INCREASED ▬ MAJOR

Material Issue

M1 M2 M3 M4 M5 M6

M10 M12 M14 M15

Capitals



Stakeholders

S1 S2 S3 S4 S5 S6

S7 S8 S9

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISK – REPUTATIONAL & SUSTAINABILITY RISK R5

Description and Implication on Value Creation

Failure to embed proper ESG practices in the Company can affect our reputation, business operations and financial standing. Currently, the primary environmental risks include 1) climate change, which involves the escalating pressure on energy producers to transition to more sustainable fuel sources, and 2) environmental degradation resulting from ineffective waste management practices.

Response and Mitigation Actions

- Engaged with stakeholders, including investors, customers, employees, communities and regulators to understand their expectations and concerns regarding ESG issues
- Developed programmes that support social causes such as diversity, equity and inclusion, fair labour practices, employee well-being, community engagement and philanthropic activities
- Integrated ESG considerations into the organisation's overall strategy, ensuring alignment with environmental stewardship, social responsibility and strong governance practices

Opportunities Arising from this Risk

- ESG performance can enhance our brand reputation and perception among consumers, investors and the public
- Establish Malakoff as a leader in waste reduction and segregation by enhancing our waste initiatives
- Set and meet our own carbon neutral and net zero carbon targets, thus contributing significantly towards Malaysia achieving its Net Zero Emissions target by 2050

Risk Trend and Impact on Malakoff: + INCREASED ▬ MAJOR

Material Issue

M1 M2 M3 M4 M5 M6

M10 M11 M12

Capitals



Stakeholders

S1 S2 S3 S4 S5 S6

S7 S8 S9

EMERGENCE OF NEW TECHNOLOGIES – OPERATIONAL RISK R6

Description and Implication on Value Creation

With the emergence of digitalisation, new technologies are rapidly being introduced in the market. While this is beneficial to our business, the company can also be at risk if we are not able to keep pace with transformations and its threats.

Response and Mitigation Actions

- Regularly monitored technological advancements and assessed their potential impact on the industry and the organisation
- Collaborated with technology experts, industry peers and stakeholders to gain insights, share best practices and collectively mitigate risks associated with new technology adoption
- Continuously invested in new technologies within the market/industry

Opportunities Arising from this Risk

- Utilise collaborative tools and remote work technologies to enhance communication and flexibility among teams, enabling efficient collaboration and improving productivity regardless of physical location
- Adoption of eco-friendly and sustainable technologies not only aligns with environmental goals but also enhances the Company's reputation by demonstrating a commitment to sustainability
- Leverage on advanced analytics and data-driven technologies allows Malakoff to gather actionable insights, enabling informed decision-making and strategy development for better business outcomes

Risk Trend and Impact on Malakoff: ● STABLE ▬ MODERATE

Material Issue

M1 M3 M4 M5 M15

Capitals



Stakeholders

S1 S2 S3 S4 S7

How We Create Value

KEY RISKS AND MITIGATION

CHALLENGES IN GETTING NEW BUSINESS – SUSTAINABILITY RISK R7

Description and Implication on Value Creation

Business resilience and adaptability is crucial for the company, enabling us to withstand and counter disruptions. The ability to overcome challenges also allows us to uphold business continuity and safeguard our people, assets and equity.

Response and Mitigation Actions

- Conducted comprehensive market research to understand customer needs, preferences and market trends
- Developed targeted marketing strategies to reach potential customers effectively
- Continuously monitored the potential of exporting our expertise to countries in the Middle East, where we have a presence; as well as in ASEAN, where we have a good understanding of local cultures

Opportunities Arising from this Risk

- Ensure sustainable returns for stakeholders, enhancing investor confidence, potentially attracting more investments and securing future growth opportunities
- Strengthen stakeholders relationship, especially with existing customers can foster loyalty, open opportunities for additional business leads and enhance customer retention
- Spearhead cleaner energy initiatives to elevate Malakoff's reputation, attract partnerships, customers and investors seeking sustainable energy solutions

Risk Trend and Impact on Malakoff: + INCREASED MAJOR

Material Issue

M1 M3 M4 M5

Capitals



Stakeholders

S1 S2 S3 S4 S7

FRAUDULENT, ILLEGAL OR UNETHICAL ACTS – REPUTATIONAL AND BRIBERY RISK R8

Description and Implication on Value Creation

Managing and mitigating risks related to unethical acts such as soliciting, giving and receiving gratification through the exchange of monetary, services or goods. Engaging in these activities poses a significant risk to the company's reputation, increases the likelihood of bribery-related issues and erodes ethical standards and integrity.

Response and Mitigation Actions

- Conducted regular training and awareness sessions to educate employees about ethical practices and company policies on fraudulent, illegal and unethical acts
- Developed and enforced robust policies, procedures and controls
- Established a confidential reporting system to protect whistleblowers

Opportunities Arising from this Risk

- Cement Malakoff's reputation as an organisation dedicated to transparency and accountability
- Create robust and efficient anti-corruption initiatives to safeguard the company's integrity
- Implement systems and protocols to facilitate ongoing risk monitoring for fraud and corruption, ensuring early detection and timely intervention against corruption risks

Risk Trend and Impact on Malakoff: ● STABLE MODERATE

Material Issue

M11 M12

Capitals



Stakeholders

S1 S7

FINANCIAL REVIEW

Our Performance

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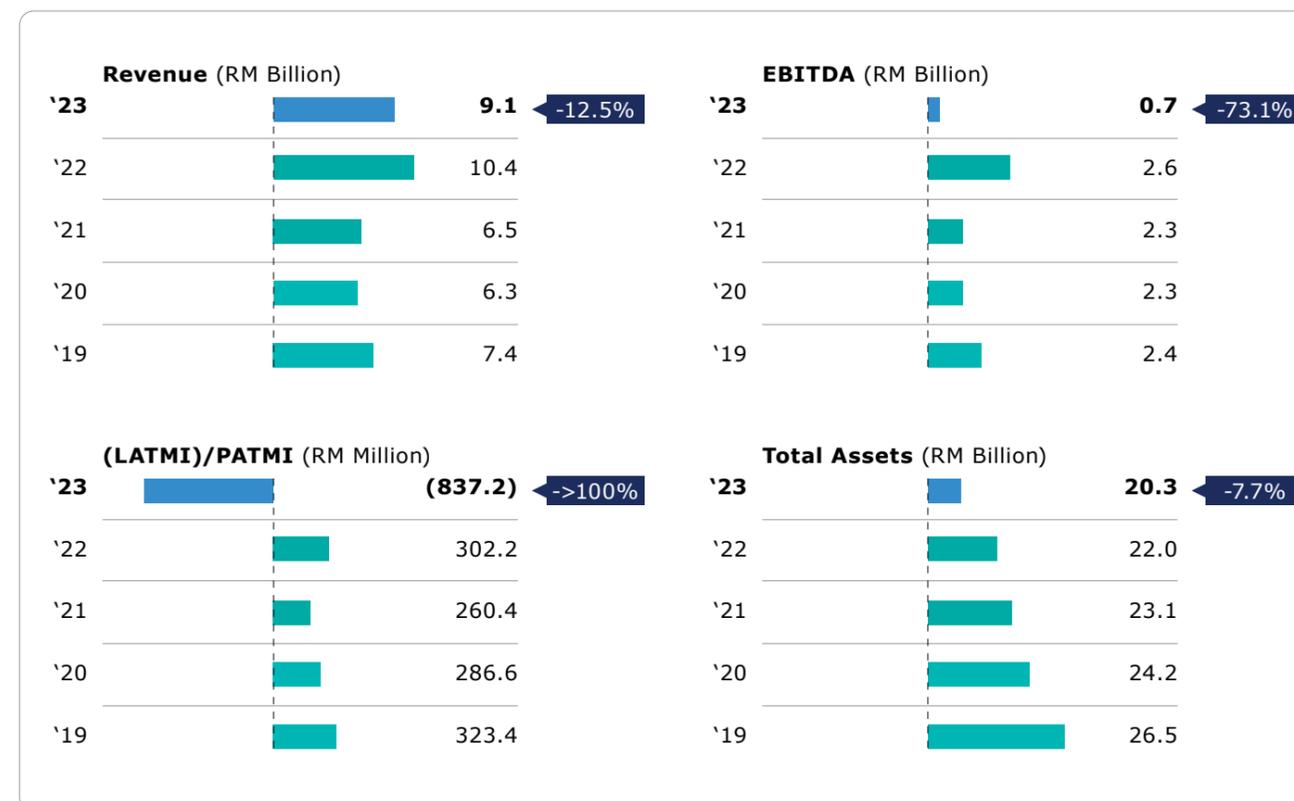
5-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL STATISTICS

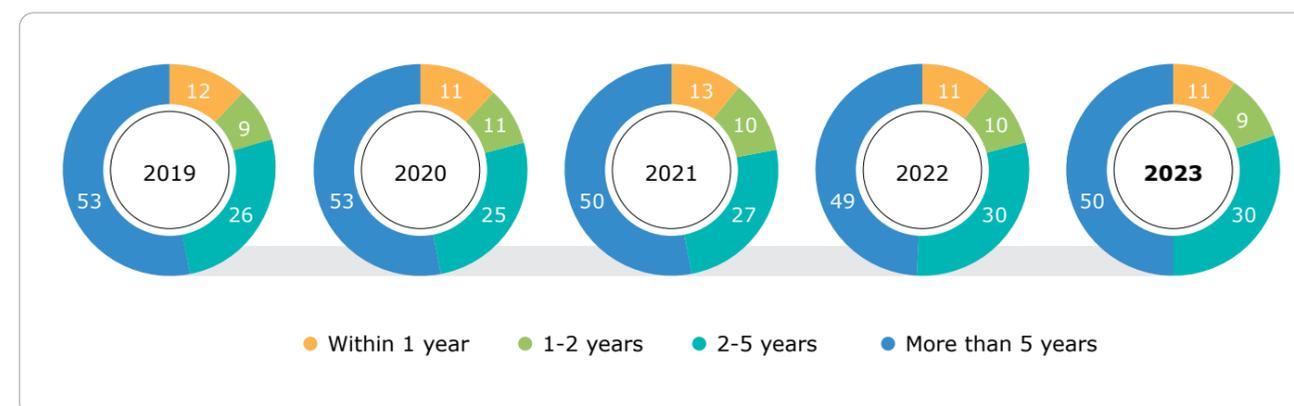
	Group				
	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
KEY OPERATING RESULTS					
Revenue	9,066,954	10,355,150	6,463,084	6,276,308	7,422,272
Results from Operating Activities	(97,285)	982,973	848,012	853,995	1,246,585
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	664,079	2,561,353	2,315,282	2,266,557	2,415,655
(Loss)/Profit Before Tax (LBT)/PBT	(954,917)	736,771	469,567	444,599	534,047
Net (Loss)/Profit Attributable to Equity Holders of the Company (LATMI)/PATMI	(837,160)	302,225	260,416	286,581	323,396
KEY BALANCE SHEET ITEMS					
Property, Plant and Equipment	10,454,238	10,956,764	11,555,382	12,391,428	12,881,334
Cash and Cash Equivalents	2,571,016	1,539,630	1,568,819	1,062,600	2,745,389
Other Investments (Deposit Placements with More Than 3 Months Maturity)	485,596	692,740	2,617,093	3,378,157	2,509,476
Total Assets	20,300,650	21,983,829	23,082,674	24,188,723	26,538,975
Total Borrowings	8,805,079	8,743,408	9,845,768	10,882,094	12,398,145
Total Liabilities	14,753,803	15,288,011	16,575,948	17,744,012	19,863,728
Share Capital	5,693,055	5,693,055	5,693,055	5,693,055	5,693,055
Accumulated Losses	(1,438,891)	(358,471)	(399,172)	(348,468)	(237,857)
Shareholders' Equity	4,489,745	5,561,073	5,395,038	5,307,909	5,509,731
SHARES INFORMATION					
Basic/Diluted (Loss)/Earnings Per Share (sen) ¹	(18.10)	5.22	4.36	4.90	5.65
Dividend Per Share (sen)	3.00²	5.25	5.10	5.10	6.55
Net Assets Per Share (RM) ³	0.92	1.14	1.10	1.09	1.13
FINANCIAL RATIOS					
Return On Assets (%)	(4.12)	1.37	1.13	1.18	1.22
Return On Equity (%)	(18.65)	5.43	4.83	5.40	5.87
EBITDA Margin (%)	7.32	24.74	35.82	36.11	32.55
Gearing (X)	1.59	1.31	1.51	1.69	1.86
Net Gearing (X)	1.04	0.97	0.87	1.00	1.07

Notes:

- The calculation of basic/diluted (loss)/earnings per ordinary share is based on the (loss)/profit attributable to equity holders after distribution on perpetual sukuk and a weighted average number of ordinary shares outstanding.
- Based on interim dividend paid of 1.50 sen and final dividend of 1.50 sen in respect of the financial year ended 31 December 2023.
- Based on 4,886,961,300 ordinary shares in issue (2019 - 2023).



DEBT MATURITY (%)



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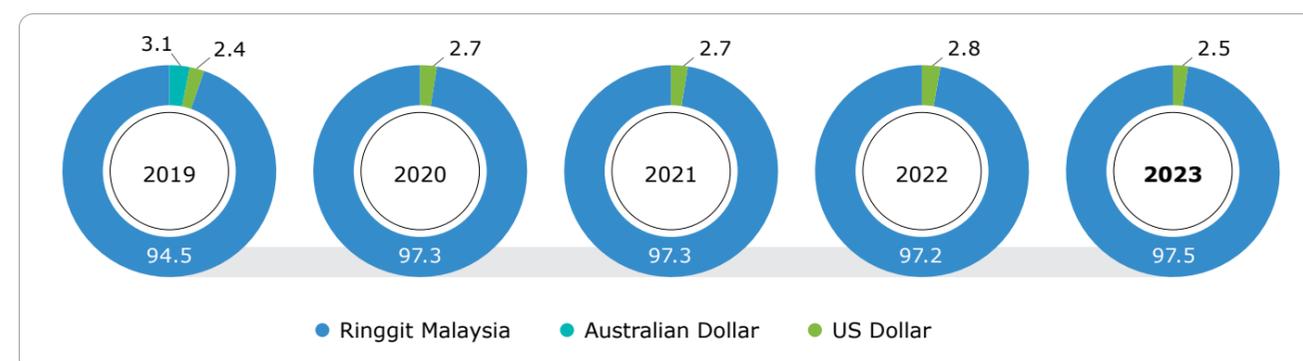
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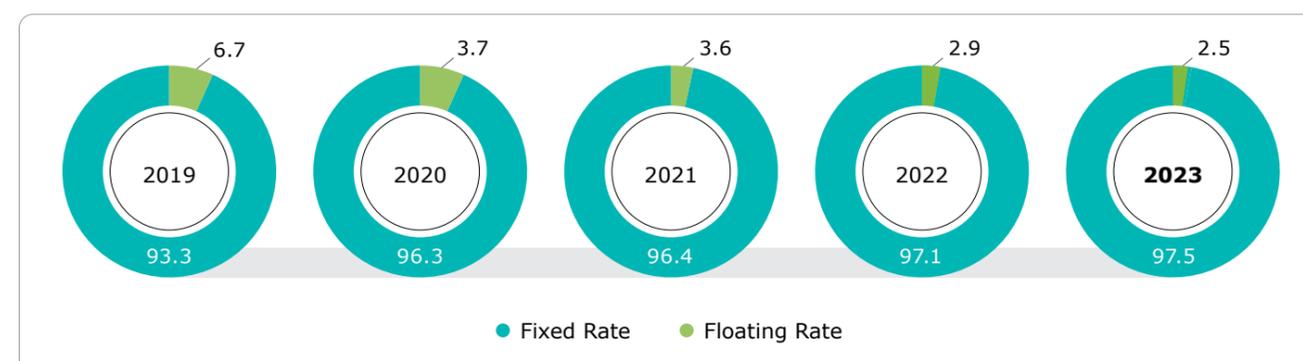
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5-YEAR FINANCIAL HIGHLIGHTS

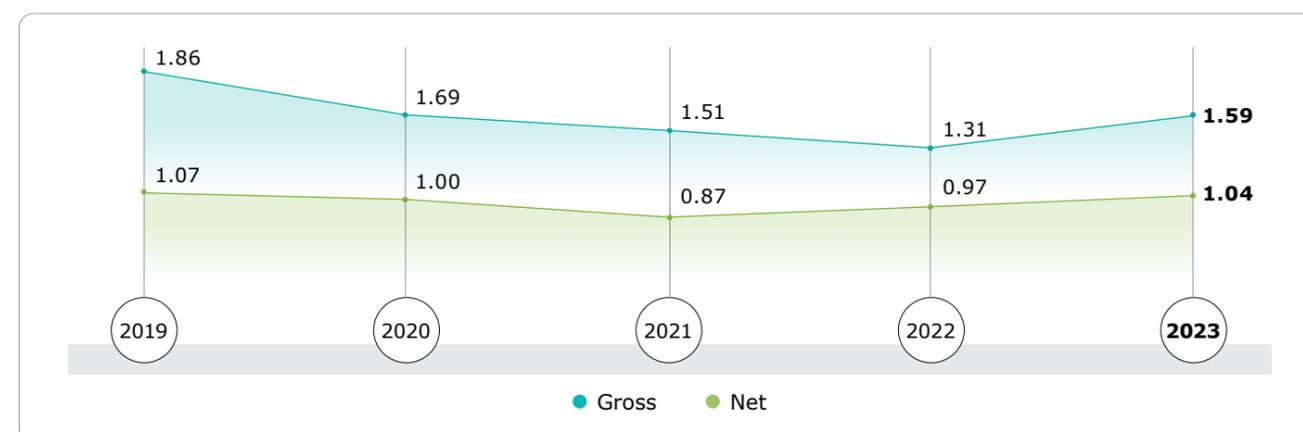
DEBT PROFILE BY CURRENCY (%)



DEBT PROFILE BY INTEREST RATE TERMS (%)



GEARING RATIO (X)



GROUP QUARTERLY FINANCIAL PERFORMANCE

	FY2023				
	Q1 RM'000	Q2 RM'000	Q3 RM'000	Q4 RM'000	Year RM'000
Revenue	2,285,148	2,364,894	2,154,493	2,262,419	9,066,954
Results From Operating Activities	19,462	(359,000)	(21,573)	263,826	(97,285)
Loss Before Tax (LBT)	(84,437)	(453,739)	(106,955)	(309,786)	(954,917)
Net Loss Attributable To Equity Holders Of The Company (LATMI)	(75,689)	(318,727)	(85,623)	(357,121)	(837,160)
Basic/Diluted Loss Per Share (sen)	(2.03)	(6.52)	(2.24)	(7.31)	(18.10)
Dividend Per Share (sen)	-	1.50	-	1.50*	3.00

* Subsequent to the end of the current financial year, the Board of Directors has approved a final dividend of 1.50 sen per ordinary share on 4,886,961,300 ordinary shares in issue for the financial year ended 31 December 2023.

	FY2022				
	Q1 RM'000	Q2 RM'000	Q3 RM'000	Q4 RM'000	Year RM'000
Revenue	1,883,774	2,318,476	3,180,178	2,972,722	10,355,150
Results From Operating Activities	184,244	273,425	357,173	168,131	982,973
Profit Before Tax (PBT)	98,181	196,608	280,650	161,332	736,771
Net Profit Attributable To Equity Holders Of The Company (PATMI)	50,881	119,145	90,335	41,864	302,225
Basic/Diluted Earnings Per Share (sen)	0.56	2.44	1.36	0.86	5.22
Dividend Per Share (sen)	-	2.80	-	2.45	5.25

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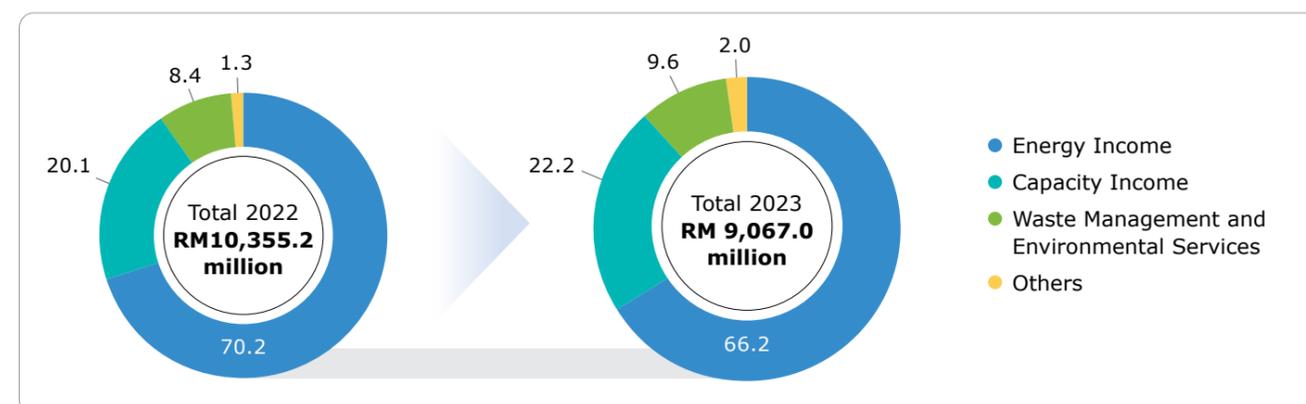
Our Performance

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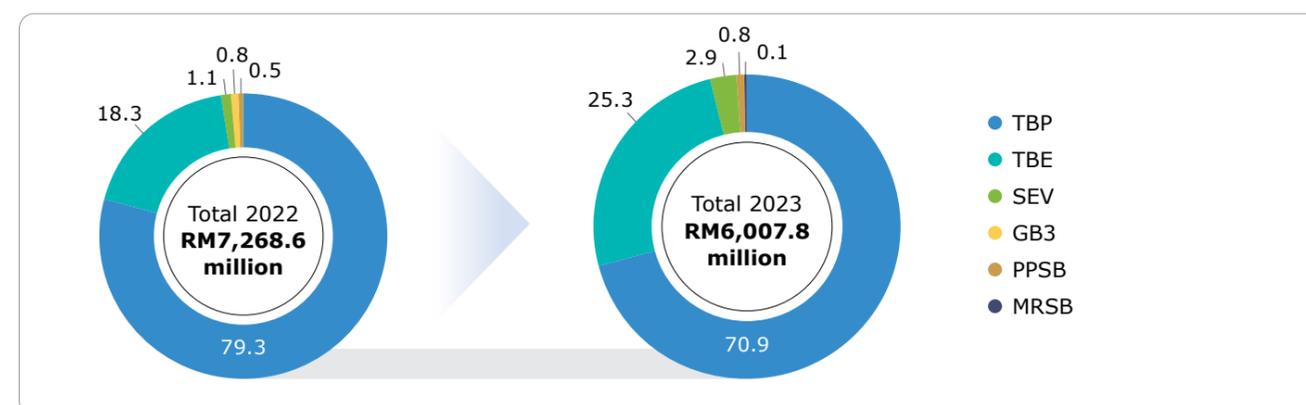
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REVENUE MIX

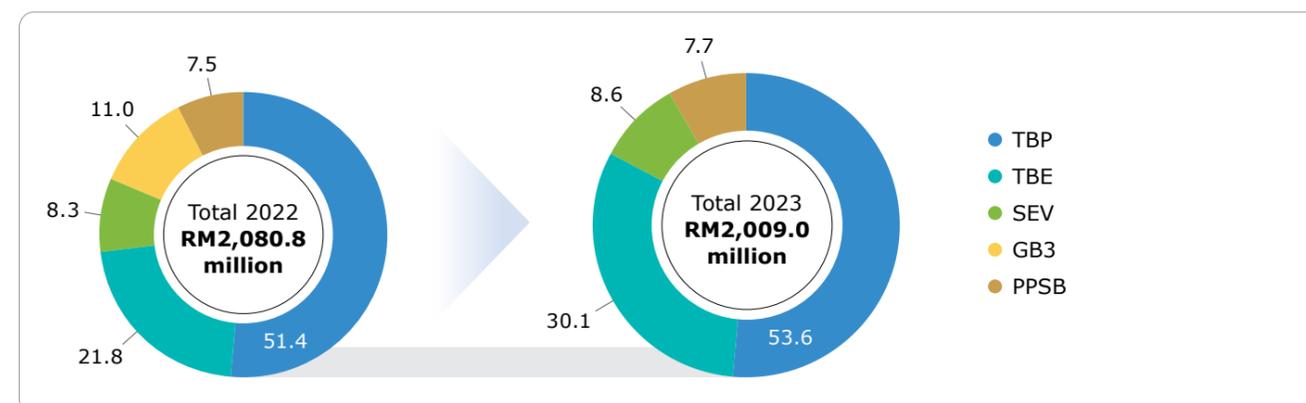
TOTAL REVENUE (%)



ENERGY INCOME (%)

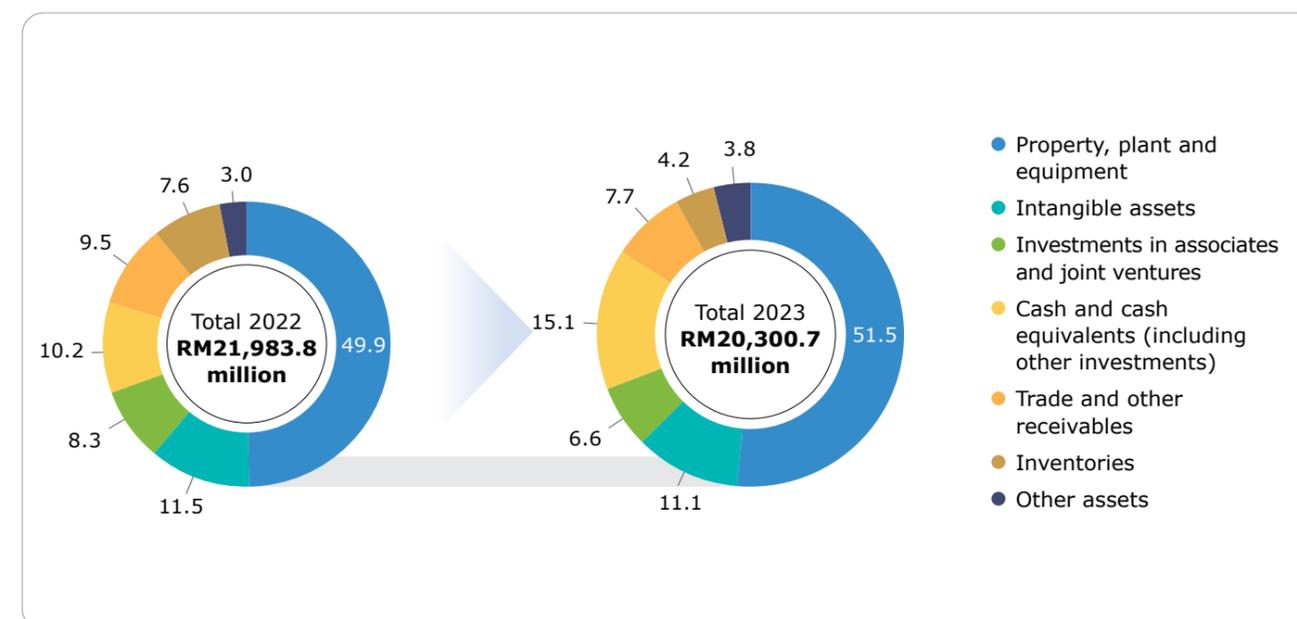


CAPACITY INCOME (%)

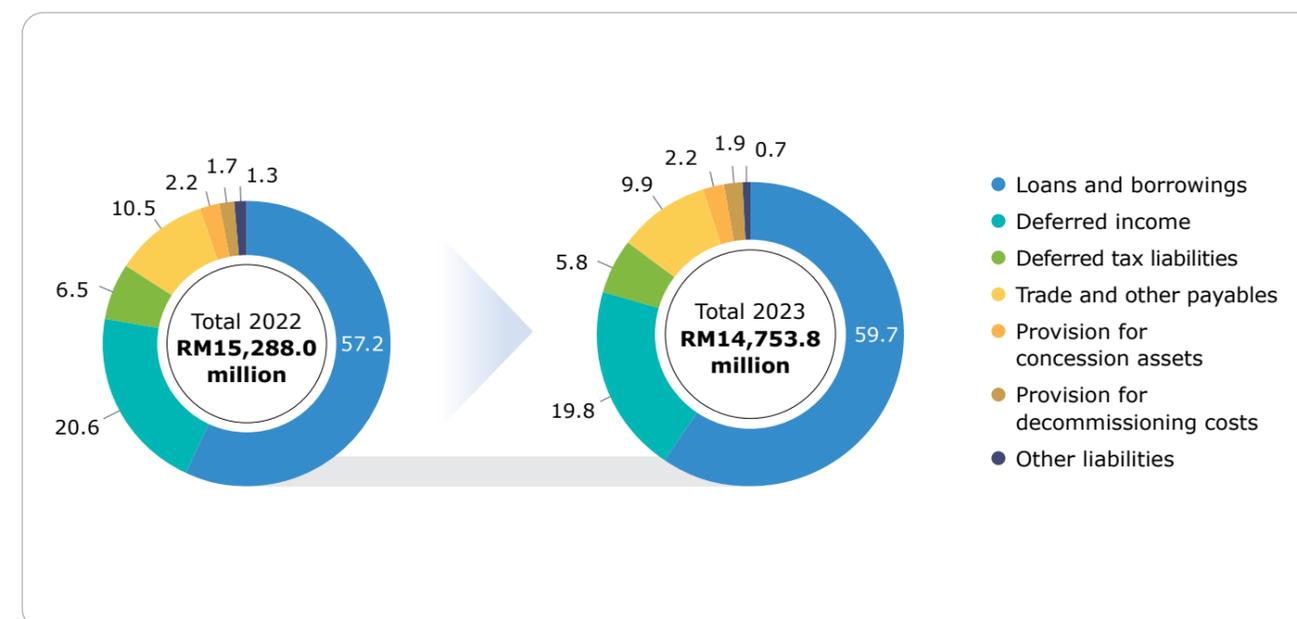


SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

TOTAL ASSETS (%)



TOTAL LIABILITIES (%)



BUSINESS REVIEW



Renewable Energy

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Renewable Energy



WHO WE ARE AND WHAT WE DO

Malakoff's commitment to renewable energy (RE) is embodied in Malakoff Green Solutions, a business pillar introduced under the Malakoff 2.0 Strategic Transformation. Spearheading our RE expansion is Malakoff Radiance Sdn Bhd (MRSB). Malakoff also holds a 49% investment in ZEC Solar Sdn Bhd, operating and maintaining the 29 MW Kota Tinggi Large Scale Solar (LSS) project under a 21-year contract, effective December 2018, further reinforcing our focus in growing this sector.

One of Malakoff's main RE focus is in the solar photovoltaic segment, given its long-term potential. Malakoff is actively engaging in rooftop solar (RTS) projects with Commercial and Industrial (C&I) companies, as well as LSS initiatives. In 2023, we successfully expanded our partnership base to include DRB-HICOM, MMC Group, UMW Group, Railway Asset Corporation (RAC) Keretapi Tanah Melayu Berhad (KTMB) and Bank Muamalat. We also formed a collaboration with the Abu Dhabi Future Energy Company PJSC-Masdar (Masdar), a clean energy pioneer and powerhouse that has been at the forefront of the global energy transition with investments in RE projects, especially solar photovoltaic, across 40 countries.

As of end December 2023, our total portfolio stood at 153 MW, comprising projects acquired under LSS, RTS and small hydropower generation. We also secured 13.7 MW from RTS projects for commercial and industrial projects, which include both signed Solar Power Purchase Agreements (SPPAs) and Letter of Award (LoA).



BUSINESS ENVIRONMENT

In July 2023, Malaysia launched the National Energy Transition Roadmap (NETR) to increase RE capacity from 40% to 70% by 2050. The 10 flagship catalyst projects identified under the NETR include a pilot RE zone, 100 MW centralised LSS parks, exploration of 2,500 MW hybrid hydro floating solar (HHFS) potential and utility-scale energy storage systems. Key NETR initiatives include the implementation of an RE third-party access framework, an RE exchange hub for cross-border trading and enhanced interconnections with neighbouring countries to unlock economic opportunities, promote self-contained RE systems, facilitate solar photovoltaic (PV) installations and cross-border RE trading.

The Government has also eased conditions under the Net Energy Metering (NEM) and Self Consumption (SelCo) for solar PV installations, raising capacity allowances from 75% to 85% for both programmes. Meanwhile, the Corporate Green Power Programme (CGPP) revisions include 200 MW quota expansion to 800 MW and eligibility for non-solar RE resource developers.

The second part of NETR was introduced a month later, focusing on Responsible Transition (RT), which essentially addresses the impact of energy trilemma challenges and expanded on the six energy transition levels, namely energy efficiency, RE, hydrogen, bioenergy, green mobility and carbon capture, utilisation and storage. The report also outlined five enablers, namely financing and investments, human capital and capabilities, policy and regulation, technology and infrastructure and governance. Following this, several key initiatives are expected to be implemented, including the upcoming launch of the national energy transition facility with an initial seed fund amounting to RM2 billion, carbon pricing mechanisms, policies and regulations, natural gas roadmap, among others.

KEY FOCUS AREAS

Rooftop Solar for Commercial and Industrial (C&I)

Large Scale Solar (LSS)

Renewable Energy Certificates (REC)

Small Hydropower Plant (SHP)

Battery Energy Storage System (BESS)

Biogas

Biomass

Carbon-Free Mobility Infrastructure

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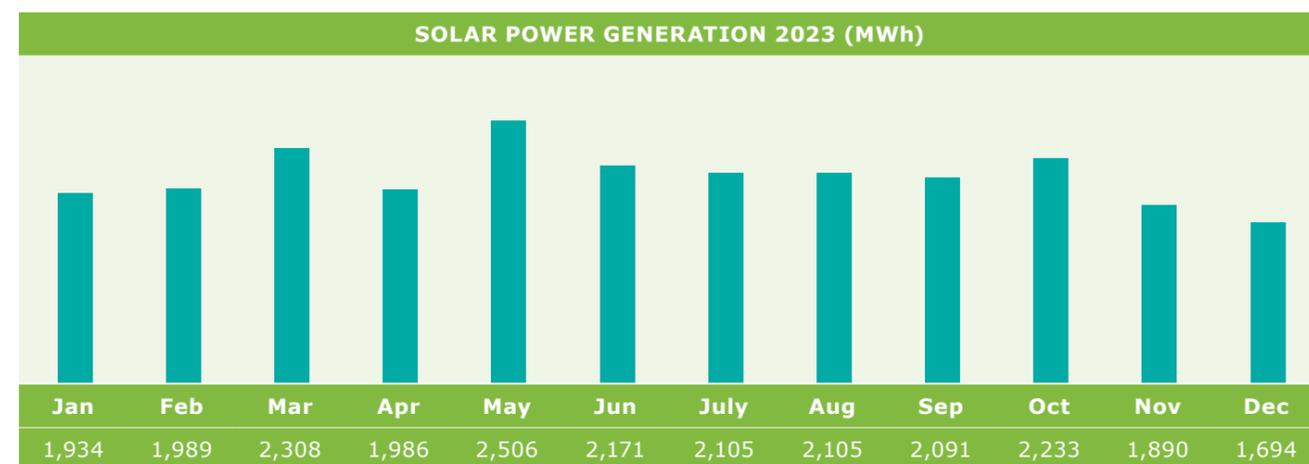
Malakoff Corporation Berhad

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Renewable Energy



Through the operation of 23 MW rooftop solar PV facilities, a remarkable 2,501 MWh of clean energy was generated, leading to a substantial reduction of 14,632 tCO₂e in carbon emissions.



PERFORMANCE REVIEW		
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Revenue Enhancement	<ul style="list-style-type: none"> Identified strategic RE partnerships, focusing on rooftop solar installations. Secured new RE projects, including solar and hydro. 	<ul style="list-style-type: none"> Signed MoUs with: <ul style="list-style-type: none"> Ports under the MMC Group of Companies (MMC Ports), namely Northport (Malaysia) Bhd, Johor Port Berhad, Tanjung Pelepas Sdn Bhd and Penang Port Sdn Bhd to explore various green power initiatives (CGPP, SelCo, cold ironing, EV charging stations and more). Gas Malaysia to develop, maintain and operate solar PV systems at three Gas Malaysia sites and to install electric vehicle (EV) charging stations at two Gas Malaysia sites. Kumpulan Melaka Berhad to invest in and/or develop solar PV and other RE projects aimed at improving clean energy in Melaka. 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 SPPAs with: <ul style="list-style-type: none"> DRB-Hicom to develop, operate and maintain solar PV systems at 7 locations in Selangor, Perak, Kedah, Negeri Sembilan and Pahang. RAC and KTMB to develop, operate and maintain car park and RTS systems at 15 stations and depot in Perak, Penang, Selangor, Johor and Negeri Sembilan. Signed a Heads of Agreement (HoA) with Masdar to collaboratively develop a solar PV power project with an aggregate capacity of up to 1,000 MW and explore other potential RE projects across Peninsular Malaysia.
Product/Solutions Innovation	<ul style="list-style-type: none"> Introduced innovative financing solutions to encourage RE adoption. Invested in new sustainable energy solutions. 	<ul style="list-style-type: none"> Engaged in partnership with Bank Muamalat to provide innovative financing options for businesses and individuals keen to adopt RE. Continued to explore and invest in new ventures such as BESS and expanded solar business model internationally. Completed preliminary feasibility study on the utilisation of hydrogen/ ammonia with ITOCHU, while other potential opportunities will continue to be explored.
Delivery of Operational Excellence	<ul style="list-style-type: none"> Ensured projects were delivered on time, meeting quality specifications. 	<ul style="list-style-type: none"> Delivered all projects on time, with zero Liquidated and Ascertained Damages (LAD).

FINANCIAL PERFORMANCE

In 2023, MRSB achieved a revenue of RM4.9 million, an increase of 44% from RM3.4 million registered in 2022. This was mainly attributed to the completion of 11 rooftop solar projects with a total capacity of 23.0 MW secured between 2020 and 2022. MRSB has further been awarded (signed SPPAs) with 27 rooftop solar projects with a total capacity of 12.8 MW, which are expected to be completed by 2024.

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Renewable Energy



CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Uncertainties due to changes in energy policies	<ul style="list-style-type: none"> Continuously monitored energy policies (local and global) via market research and frequent engagement with the relevant stakeholders/authorities to identify future opportunities.
Increasing market competition	<ul style="list-style-type: none"> Progressively enhanced internal capabilities and competitive edge. Advocated market liberalisation to disrupt monopolistic practices. Embraced innovation to remain resilient towards changing trends. Forged partnerships with competitors to strengthen competitive advantage.
Delays in project delivery	<ul style="list-style-type: none"> Employed measures to analyse potential project risks before committing to project delivery timelines.
Inability to meet forecasted revenue targets	<ul style="list-style-type: none"> Reevaluated Minimum Energy Output (MEO) based on the current on-site conditions. Enhanced power generation through power factor corrections. Sustained inverter availability at a minimum of 99%. Safeguarded power generation against external factors.
Emergence of new technology disrupting market forces	<ul style="list-style-type: none"> Embraced disruptive trends to identify new opportunities. Formed strategic alliances.
Emerging political and market risks in countries related to merchant markets	<ul style="list-style-type: none"> Enhanced exposure to established regions (UK, Australia and Singapore) to deepen understanding of merchant markets. Facilitated active discussions and forums with stakeholders. Expanded focus to new countries/regions to improve returns.
Heightened challenges in penetrating new energy markets for greenfield development, particularly in Southeast Asia markets (Vietnam and Indonesia)	<ul style="list-style-type: none"> Adopted a long-term business plan encompassing investment and pre-development expenses for five years. Continuously monitored energy policies, opportunities and requirements of the respective countries.
Highly competitive tariff/price for greenfield or M&A projects	<ul style="list-style-type: none"> Explored innovative Engineering, Procurement Construction and Commissioning (EPCC) and financing strategy/structure. Established partnerships with strong international/local players. Actively engaged with local and international financial institutions, including Export Credit Agencies (ECAs).
Complex regulations may hinder timely acquisition of necessary licenses and approvals	<ul style="list-style-type: none"> Collected and addressed queries received to prevent future issues. Ensured close collaboration with designated individuals to minimise queries/rejections.



ACHIEVEMENTS

- Secured RM975.00 million via the ASEAN Green SRI Sukuk Wakalah Issuance to partly finance RP hydro project with an aggregate installed capacity of 84 MW along Sungai Galas, Kelantan
- Secured 33 new rooftop solar projects with a total capacity of 13.17 MW (inclusive of SPPAs and LOAs), targeted for delivery in 2024
- Formed a collaboration with Masdar, a leading global clean energy company to develop a solar PV plant and identify other RE opportunities
- Partnered with MMC Ports to spearhead the development of 500 MW solar projects
- Issued 10,290.1 MW RECs

OUTLOOK

We are committed to achieve a net-zero future via cutting-edge innovations in clean energy. Additionally, we will be participating in competitive bidding for solar projects in Malaysia, focusing on LSS, RTS and the CGPP. Our strategic expansion includes entering the SHP space for uninterrupted electricity to off-grid homes and communities residing in rural areas. We are also considering potential acquisitions in operational greenfield ventures, particularly large-scale solar projects while exploring opportunities in waste management and environmental solutions/services.



BUSINESS REVIEW



Environmental
Solutions

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Water Desalination
Solutions

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Environmental Solutions



WHO WE ARE AND WHAT WE DO

Alam Flora Sdn Bhd (AFSB) and its subsidiary, Alam Flora Environmental Solutions Sdn Bhd (AFES), are leaders in environmental solutions for commercial and residential clients in Malaysia. AFSB holds the concession to collect waste and provide public cleansing services in Kuala Lumpur, Putrajaya and Pahang. Our operational assets include a landfill and two incinerators. We also run leachate treatment plants, a Material Recovery Facility (MRF), buy-back centres and an anaerobic digester. Presently, Alam Flora manages 4,386 tonnes of waste daily across its three operational areas and non-concession areas, including recyclables that were collected.

In 2013, AFSB established a wholly-owned subsidiary known as AFES. This allows us to provide comprehensive environmental solutions, spanning from Asset Facility Management (AFM), Waste Management Facilities (WMF) & Infrastructure Cleansing and Waste Solutions (ICWS) catering to diverse corporations, government agencies and institutions nationwide in our non-concession business. We expanded our services to include energy audits and consultancy in 2019. Our operational portfolio comprises a landfill, two incinerators located on Pulau Pangkor and in Cameron Highlands, five leachate treatment plants, two recently established MRFs, which are Fasiliti Inovasi Kitar Semula (FIKS) Putrajaya and Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE@KL), ten buy-back centres (BBC) and an anaerobic digester.

Our target is to collect, handle and manage waste volume of 10,000 tonnes per day by 2031, achieving a recycling rate of 15% to 20%. This reflects our commitment to driving responsible waste management and environmental stewardship in Malaysia.

KEY FOCUS AREAS



BUSINESS ENVIRONMENT

Demand for waste management services continues to remain robust due to increased consumption and increased waste generation. In 2023, it was estimated that Malaysia generated over 40,000 tonnes of waste per day, equivalent to 1.2 kg per person. Aside from solid waste collection, demand for recycling, upcycling and WTE conversion is anticipated to grow further, primarily driven by heightened consumer awareness of environmental issues and the imperative to reduce landfill waste. In 2023, domestic waste in Kuala Lumpur, Pahang and Putrajaya increased by 2.2% to 12 million metric tonnes while recyclable material collected increased by 14.7%, mainly due to the higher waste collected and the implementation of a new buyback centre in Pahang. This further strengthens our commitment to meet the rising demand for sustainable waste management practices, aligning with global requirements.

Recognising the challenges involving cost in doing business today, including labour intensive operations and high fleet maintenance cost of aging vehicles, Alam Flora implemented operational initiatives such as resource rationalisation as well as mechanisation and automation of operations to minimise the impact.

OPERATIONAL RESULTS

Plant	2023 '000 Mt	2022 '000 Mt	2021 '000 Mt
Domestic Waste Collected	1,142.6	1,118.3	1,132.77
Recycling Tonnage for Kuala Lumpur, Putrajaya and Pahang	6,108.9	5,324.1	4,593.49
Total Waste Handled	452.2	924.2	889.10

Note:
The total waste handled in 2022 and 2021 included Eco Green/Green Waste.

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Environmental Solutions



Plant	2023 Mt	2022 Mt	2021 Mt
KLTS (Contract expired on 14 June 2023)	372,830.59	798,309.70	771,273.30
Landfill	67,989.22	85,002.80	79,242.82
Cameron Highlands Incinerator (Contract expired on 23 July 2023. Incoming waste stopped entering from 15 March 2023 until end of contract with government)	3,424.51	16,069.20	14,355.35
Pulau Pangkor Incinerator	5,107.92	4,938.10	4,230.39
Port Reception Facilities	2,803.88	3,527.90	2,509.72

NON-INDUSTRIAL MATERIALS – RECYCLABLE ITEMS COLLECTED			
Items	2023 Mt	2022 Mt	2021 Mt
Paper	4,096.4	3,607.18	3,240.21
Aluminium	22.9	26.82	20.88
Metal	454.8	391.16	319.96
Plastic	811.0	662.40	535.68
Beverage Carton	20.9	18.94	6.68
E-Waste	31.8	32.89	11.52
Used Cooking Oil	229.7	149.30	155.60
Other	441.4	435.48	303.04
Total (tonne)	6,108.9	5,324.17	4,593.57

PERFORMANCE REVIEW		
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Business Expansion	Promoted programmes that contributed to a circular economy	<ul style="list-style-type: none"> Operated ten BBCs (three in Putrajaya, five in Kuala Lumpur and two in Pahang). Distributed WarOnWaste (WOW) Boxes to five locations and collected 6,420 points in total. Launched RISE@KL, Batu Caves, Selangor.
	Developed MRFs and pursued collaborations with businesses	<ul style="list-style-type: none"> Continued to partner with Nestlé via the joint kerbside recycling programme to increase the recovery of packaging materials. Partnered with Technip Energies to promote recycling and sustainability.
	Community engagement	<ul style="list-style-type: none"> Involved communities in recycling awareness activities, including visits to RISE@KL and FIKS. Conducted briefings to communities on recycling and its importance to the environment.

PERFORMANCE REVIEW		
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
	Technological applications	<ul style="list-style-type: none"> Implemented a waste sorting line, plastic shredder and press machine to optimise the efficiency of existing recycling processes.
Enhance Sustainable Waste Management	Implemented the circular economy concept	<ul style="list-style-type: none"> Developed and operated RISE@KL and FIKS Putrajaya. Introduced Drive-Thru Recycling Centre (DTRC) via our collaboration with a large number of retail grocery outlets.
	Implemented digital transformation initiatives	<ul style="list-style-type: none"> Introduced an automatic vehicle location system to monitor and report waste collection in real time.
	Made steady progress in the development of the Group's first WTE Project	<ul style="list-style-type: none"> Pursuing discussions with the Ministry of Local Government Development (KPKT) and the Solid Waste Management and Public Cleansing Corporation (SWCorp) to develop a WTE project. Targeted commencement of operations in 2028.
	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"> The parties involved are in the process of fulfilling the conditions precedent under the SSPA.
Strengthen Energy Audit Portfolio	Engage with potential customers to drive new contracts	<ul style="list-style-type: none"> Conducted two electrical Energy Audits for PETRONAS Dagangan Berhad and one for Lumut Power Plant. Facilitated EMEER 2008 Regulations Consultation with POS Mel Nasional in Shah Alam and Senai International Airport. <ul style="list-style-type: none"> Implemented energy monitoring and saving measures through the EMIS system, ensuring compliance with standards and submission of reports every six months.

FINANCIAL PERFORMANCE

Alam Flora's revenue grew slightly in 2023, attributed to the increase in the cleansing services and the collection of solid waste activities under the concession business. Alam Flora's revenue and profitability for 2023 are within Malakoff's group expectations.

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Environmental Solutions



CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Lack of vehicles may hamper waste collection	<ul style="list-style-type: none"> Introduced the Fleet Recovery Programme to extend the life span of vehicles, optimise operational costs and ensure daily availability of vehicles to improve collection performance.
Limited public awareness on responsible waste management led to inadequate feedstock received at RISE@KL	<ul style="list-style-type: none"> Implemented Communication, Education and Public Announcement (CEPA) initiatives while supporting CEPA programmes by the government agencies such as SWCorp, JPSPN, DBKL, Perbadanan Putrajaya and local municipalities. Established a collaborative partnership with leading consumer packaged goods enterprises like Nestlé to execute the kerbside recycling initiative within Scheme 11 to boost the volume of recyclables for Separation @ Source (S@S). This collaborative effort incorporates Nestlé's recyclable waste, if any, during the collection phase for S@S from 10,000 designated households in Kuala Lumpur. This initiative supports Nestlé's target of zero waste going into landfills.
Lack of waste segregation practices by the public leads to waste that cannot be burned	<ul style="list-style-type: none"> Continued public education initiatives on separation at source to encourage waste segregation.



Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE@KL)

ACHIEVEMENTS

- Waste Management Association of Malaysia
 - Technological Advancement and Innovation Awards 2023
 - Notable Achievement on Waste Reduction and Circularity Award 2023
- National Energy Awards 2023
 - Renewable Energy in Off-Grid (Thermal) Merit Winner for Production of Biogas from food waste through Anaerobic Digester
- Malaysia Society for Occupational Safety and Health
 - Gold 2 Class Award for Belenggu Halt Sanitary Landfill
- UN Global Compact Network Malaysia and Brunei
 - Forward Faster Sustainability Awards for Partnership for the Goals Recognition category
- Human Resource Development Awards 2022
 - Human Resource Minister Award - Large Employers' category
- GeoInnovation Awards 2023
 - Esri Malaysia GeoInnovation Award for geospatial platform, GeoFlora
- Prime Minister Hibiscus Award 2021/2022
 - Exceptional Achievement Award for Environmental Performance (FIKS Project)
- Sustainability and CSR Malaysia Award 2023
 - Company of the Year (Waste Management) for Excellence in Community Support Initiatives

OUTLOOK

Currently, Malaysians produce up to 38,142 MT waste per day while the government's recycling target is to achieve a recycling rate of 40% by 2025. This is in line with our 'beyond waste management' approach as it places emphasis on recycling and waste diversion initiatives.

In driving sustainable waste management, Malakoff's forthcoming WTE plant is poised to deliver substantial benefits to the community. By converting waste into energy, it is positioned to enhance waste management efficiency, curb dependence on open landfills and mitigate environmental impact. However, achieving full operational status for Malakoff's WTE plant will take four years as it involves at least a year to obtain the necessary regulatory permits and completion of construction. Once operational, the plant will emerge as a reliable and sustainable source of renewable energy for the area. Moving forward, Malakoff remains steadfast in its commitment to pursue more WTE projects, reinforcing its dedication to the community's sustainability efforts. This strategic initiative represents a positive step towards fostering a cleaner and more environmentally conscious future.

Moving into 2024, Alam Flora is poised to expand its business into Wilayah Persekutuan Labuan, Terengganu and Kelantan. Towards this end, a series of meetings with local authorities and the federal government are being conducted, including due diligence exercises to re-assess the latest expenses on the solid waste management of each state and acceptance of Act 672 by these states, an important step in expanding our business to these regions.

Our Performance

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Water Desalination

WHO WE ARE AND WHAT WE DO

Malakoff's International Assets and Investment Development department oversees the Group's investments in an Independent Water Producer (IWP) and Independent Water and Power Producers (IWPPs) in Saudi Arabia, Bahrain and Oman. With a total effective capacity of 472,975 m³ a day, these ventures play a significant role in our portfolio. We contribute to Malakoff's business growth through strategic acquisitions and greenfield development.

Name	Location	Gross Capacity (m ³ /day)
Shuaibah Phase 3 IWPP (SIWPP)	Saudi Arabia	880,000
Shuaibah Phase 3 Expansion IWP (SIWEP)	Saudi Arabia	150,000
Al-Hidd IWPP	Bahrain	410,000
Al-Ghubrah IWP	Oman	191,000



KEY FOCUS AREAS

Explore Merger and Acquisitions (M&A) opportunities and greenfield projects to drive growth in the desalination portfolio to replace expiring Power/Water Purchase Agreements (P/WPAs)

Pursue international expansion through renewable energy (RE) based desalination projects

Forge strategic partnerships in the Middle East and North Africa (MENA) region to enhance operational capabilities in water and power market

BUSINESS ENVIRONMENT

The desalination market is poised for continuous growth until 2030, primarily driven by the MENA region, accounting for 60% of global market expansion. We anticipate key projects in the Middle East, sub-Saharan Africa, North America and Latin America in 2024. Demand for desalination services remains in high water-stressed regions, where seawater desalination is crucial to meet local population needs.

To minimise the water sector's carbon footprint, upcoming projects involving private-sector collaboration will focus on leveraging technology and innovations. This includes constructing greenfield seawater reverse osmosis (SWRO) plants and repurposing old thermal desalination plants into SWRO, and implementing digital twins and solar photovoltaic (PV) power plants to decrease reliance on the electricity grid. As P/WPAs approach expiration, extension negotiations are underway and new contracts in the MENA region are being explored. Additionally, efforts are being made to extend our services to markets beyond the MENA region to mitigate our geographic concentration risk.

OPERATIONAL RESULTS

Plant	TOTAL WATER PRODUCTION (m ³ /day)			EQUIVALENT AVAILABILITY FACTOR (%)			CAPACITY FACTOR (%)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Shuaibah Phase 3 IWPP	301,730,066	295,350,580	289,330,153	93.94	92.00	90.00	93.93	92.00	90.00
Shuaibah Phase 3 Expansion*	45,112,253	51,771,706	52,436,720	96.83	96.00	95.00	82.40	96.00	95.00
Al-Hidd IWPP Bahrain**	99,505,502	117,848,255	135,062,459	90.10	96.00	95.00	66.63	79.00	90.00
Al-Ghubrah IWP Oman	66,577,497	66,926,208	66,188,226	95.18	97.00	95.00	95.54	96.00	95.00

Notes:

* Lower dispatch instruction by offtaker
 ** Phase 1 seawater pump header pipe breakdown

Our Performance

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Water Desalination



PERFORMANCE REVIEW		
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Business Expansion	<ul style="list-style-type: none"> Pursued strategic brownfield (acquisition) and greenfield opportunities. Explored strategic partnerships. 	<ul style="list-style-type: none"> Prequalified for competitive bidding for the following projects: <ul style="list-style-type: none"> - Kuwait Al Khairan Phase 1 IWPP - Kuwait Az-Zour North Phase 2 and Phase 3 IWPP - UAE Hamriyah IWP Forged strategic alliances with global industry players for collaboration on upcoming power and water projects.
Contract Renewals	<ul style="list-style-type: none"> Explored contract extensions for existing assets. 	<ul style="list-style-type: none"> Engaged in continuous discussions with clients on potential contract extensions.
Cost Management	<ul style="list-style-type: none"> Evaluated cost-effective financing alternatives. Increased operational efficiencies. 	<ul style="list-style-type: none"> Successfully completed Shuaibah Phase 3 IWPP refinancing exercise. Consistently looked into strategies to optimise scheduled outages. Optimised approach on CAPEX projects and systematic inventory reduction based on utilisation.

FINANCIAL PERFORMANCE

- In 2023, both SIWPP and SIWEP plants recorded higher net profits, contributed by improvements in plant performance, leading to an increase in Availability and Capacity Factor.
- Al-Hidd IWPP recorded a significant net loss in 2023, primarily impacted by assets impairment as the Power and Water Purchase Agreement (PWPA) extension is projected on a short-term basis after expiry.
- Meanwhile, Al-Ghubrah IWP saw its net profit reduced by 6% in 2023, mainly due to plant outages caused by the cleaning of the seawater intake chamber, equipment replacements, and the upgrading of the plant automation system.

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Intense competition from major utilities, global trading firms and new players	<ul style="list-style-type: none"> Pursued strategic alliances with qualified partners to boost our competitive advantage. Proactively engaged with domestic and international financial institutions and export credit agencies.
Increased regulatory and governmental scrutiny on SWRO energy consumption and its effect on the marine environment	<ul style="list-style-type: none"> Consistently strengthened internal capabilities to foster innovation and resilience to effectively adapt to major trends.
Faced obstacles in entering new markets, encompassing factors such as political risks, changes in policies and market risks in the respective country/region	<ul style="list-style-type: none"> Rigorously tracked energy policies and opportunities in diverse markets. Engaged in active discussions/forums with stakeholders. Prioritised key countries/regions, strategically assessing risks against returns.

ACHIEVEMENTS

- Recorded zero Lost Time Injuries (LTI) or Lost Time Accidents (LTA) for Shuaibah Phase 3 IWPP, Shuaibah Phase 3 Expansion and Al-Ghubrah IWP
- Shuaibah IWPP
 - Successfully produced seedlings from the plant nursery under the Shuaibah Phase 3 IWPP Green Initiative Programme and distributed them to government agencies (MEWA, Taif National Park, Jeddah University)
 - Attained the ISO/IEC 17025:(2017) certification for Shuaibah Phase 3 IWPP
- Al-Hidd IWPP
 - Obtained the ISO 14001 and ISO 18001 recertification.
 - Received the Royal Society for the Prevention of Accidents (ROSPA) Gold Medal Award for the ninth consecutive year
 - Completed the transition from the London Inter-Bank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR)
- Al-Ghubrah IWP
 - Completed the transition from LIBOR to SOFR for Al-Ghubrah IWP
 - Awarded the Corporate Excellence Award 2023 to Muscat City Desalination Company (MCDC) under the Small-Cap companies category by Oman Economic Review (OER) Magazine based on Moore Global's Survey.
 - Obtained the ISO 14001:2015 (previously known as ISO 14001:2004) and ISO 45001:2018 recertification

OUTLOOK

Despite the subdued global economic outlook due to geopolitical uncertainties and fiscal challenges post the Covid-19 recovery period, the demand for potable water via desalination in the MENA region has been increasing steadily and is expected to persist through the coming years. The underlying driver for this trend is the growing concern over water scarcity, which may hinder long-term economic plans, causing it to emerge as an investment catalyst for improving the sector's capacity and efficiency.

Desalination projects in the MENA region are experiencing remarkable expansion in response to the challenges of prolonged water scarcity. Numerous countries in the region are confronted with the complex task of ensuring a reliable water supply in the face of arid climates, population growth and escalating water demands.

Subsequently, demand for the services provided by our IWPs and IWPPs are likely to remain constant, if not increase due to the abovementioned factors. In 2024, our focus is directed towards sustaining efforts in exploring potential greenfield projects that align with Malakoff's commercial and growth requirements while improving operations at the existing facilities within our portfolio.



BUSINESS REVIEW



—
Thermal Power
Generation

Read more on pages
100 to 103.

—
Operation and
Maintenance
(O&M)

Read more on pages
104 to 105.

—
Project
Management
Services

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106 to 107.

—
Electricity
Distribution and
District Cooling
System

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108 to 109.

Our Performance

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Thermal Power Generation

WHO WE ARE AND WHAT WE DO

We operate five thermal power plants in Malaysia, collectively generating 5,342 MW of electricity. All our plants supply energy to Tenaga Nasional Berhad (TNB) through individual Power Purchase Agreements (PPAs). We also have international assets, namely the Shuaibah Phase 3 Independent Water and Power Producer (IWPP) in Saudi Arabia and Al-Hidd Independent Power Producer (IPP) in Bahrain.



KEY FOCUS AREAS

Strategic planning, cost optimisation, risk management and failure prevention to achieve our performance targets

Continuous process improvements to enhance the power plants' operational performance

Collaboration with local and international entities to explore new technologies to further enhance plant operations



BUSINESS ENVIRONMENT

Reduced grid demand, stemming from slow post-pandemic recovery, resulted in heightened commercial and industrial activities. Despite gas plant availability, year-on-year power generation declined. The Tanjung Bin Power Plant experienced stagnation offtake since 2021 due to rising coal prices, prompting a shift towards more cost-effective energy sources. The overall Capacity Factor was affected by several factors such as scheduled plant outages and changes in the plant dispatch pattern by the Grid System Operator (GSO).

On the international front, the MENA power market exhibited consistent growth in recent years and this trend is expected to continue in the foreseeable future. Saudi Arabia, a key player in power project ventures, is enhancing its electricity grid to meet the rising demand and accommodate expanding renewable energy capacity outlined in Vision 2030 during the execution phase.

Details of these power plants are as follows:

Plant	Location	Plant Type	Fuel Type	PPA Expiration	Generating Capacity (MW)	Effective Equity Participation	Effective Capacity (MW)
Prai Power Plant (Prai)	Penang	Combined-Cycle Gas Turbine (CCGT)	Gas	2024	350	100.00%	350
SEV Power Plant (SEV)	Perak	CCGT	Gas	2027	1,303	93.75%	1,222
Kapar Power Plant (Kapar)	Selangor	Multi-Fuel	Gas/Coal/Oil	2029	2,200	40.00%	880
Tanjung Bin Power Plant (TBP)	Johor	Coal	Coal	2031	2,100	90.00%	1,890
Tanjung Bin Energy Power Plant (TBE)	Johor	Coal	Coal	2041	1,000	100.00%	1,000
Shuaibah Phase 3 IWPP	Saudi Arabia	Fuel	Light crude oil	2030	900	24.00%	216
Al-Hidd IWPP Bahrain	Bahrain	Open Cycle Gas Turbine (OCGT)/CCGT	Natural gas	2027	929	40.00%	372
Total Effective Power Generation Capacity (MW)					8,782		5,930

OPERATIONAL RESULTS

Capacity Factor, CF (%)

Plant	Capacity Factor, CF (%)					Availability Factor, AF (%)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
TBP	70.61	67.29	72.19	86.36	80.5	88.31	86.69	93.92	94.63	83.82
TBE	73.76	62.74	66.2	80.54	67.99	80.54	84.93	90.41	97.54	78.04
SEV	4.59	1.82	2.23	7.68	36.37	97.81	94.37	94.82	95.51	87.63
GB3	-	4.73	6.49	9.63	32.25	-	96.16	94.46	95.90	97.20
Prai	18.01	17.21	12.43	19.62	62.55	93.60	95.33	92.73	80.34	95.15
Kapar	42.25	42.13	34.08	56.55	45.37	83.27	86.68	78.85	94.67	90.03
Shuaibah IWPP	94.20	93.00	88.00	88.00	-	93.70	92.00	88.00	89.00	-
Al-Hidd IWPP	59.40	70.00	72.00	71.00	-	86.70	94.00	93.00	94.00	-

Electricity Sold and Generated

Plant	Power Generated (GWh)					Electricity Sold (GWh)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
TBP	13,693	13,118	14,104	16,767	15,593	12,990	12,424	13,279	15,931	14,808
TBE	6,766	5,486	6,117	7,460	6,244	6,462	5,192	5,800	7,074	5,956
SEV	535	217	263	905	4,191	524	211	257	879	4,151
GB3	-	277	376	559	1,846	-	268	364	542	1,808
Prai	576	537	390	614	1,934	563	525	381	603	1,901
Kapar	8,418	8,395	6,609	10,852	9,676	7,676	7,629	6,150	10,193	10,193
Shuaibah IWPP	7,425	7,315	6,925	6,924	-	7,425	7,315	6,925	6,924	-
Al-Hidd IWPP	4,832	5,708	5,850	5,775	-	4,832	5,708	5,850	5,775	-

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Thermal Power Generation



PERFORMANCE REVIEW

Throughout FY2023, the Group's gas-fired power plants demonstrated robust performance, achieving generally high availability of 95.71% due to lower unplanned outages against 95.29% in 2022, except Kapar Energy Ventures (KEV). KEV recorded a decline in availability, registering 83.27% in FY2023 compared to 86.68% in FY2022.

Our coal-fired power plants continue to provide reliable and sustainable income with a steady availability factor. Tanjung Bin Power Plant (TBP) recorded an availability factor of 88.31% in FY2023, higher than the 86.69% recorded in FY2022, albeit with key planned maintenance activities conducted during the year.

However, Tanjung Bin Energy Plant (TBE) experienced a slight decline in availability factor, decreasing from 84.93% in FY2022 to 80.54% in FY2023. This reduction is attributed to an additional scheduled outage completed in the fourth quarter of 2023 for the replacement of key components at the plant, following recommendations from General Electric (GE).

In FY2023, our domestic electricity generation reached 29,988 GWh, an increase of 6.98% compared to FY2022 of 28,030 GWh, despite absence of contribution from GB3 Power Plant.

This growth trend in electricity generated has persisted since FY2021, when electricity generation was 26,231 GWh.

Demonstrating our commitment to reducing Greenhouse Gas (GHG) emissions and coupled with Malakoff's technical prowess in power generation, Malakoff has been recognised as the champion to lead a flagship initiative under the National Energy Transition Roadmap (NETR). This flagship initiative involves co-firing up to 15% of biomass with coal at TBP by 2027. Having successfully completed our trial run of up to 0.5% biomass co-firing in December 2022, we are set to scale up to 2% in the first quarter of 2024, increasing it further to 3% to 5% in 2025 with the ultimate goal of reaching 15% by 2027. This strategic initiative ensures that the reliability and performance of TBP remain uncompromised. Additionally, we have also completed preliminary feasibility study on the utilisation of hydrogen/ammonia, and we continue to explore other potential opportunities in this area.

Under Malakoff 2.0 Strategic Transformation, we continue to dive operational excellence while maximising returns without compromising our assets. Collaborating with the GSO, Single Buyer, third-party contractors and internal employees, we optimised the time spent on all planned scheduled outages in FY2023. Additionally, we continue to engage subject matter experts from industries and educational institutions to enhance the performance of our assets.

FINANCIAL PERFORMANCE

Despite improvement in performance capacity factor and efficiency at TBP and TBE's plants, rising from 67% and 63% in 2022 to 71% and 74% in 2023, respectively, both plants recorded substantial negative fuel margins for the first nine months of 2023. This was due to the higher weighted average coal costs recognised following a significant decline in global coal price which subsequently had a material adverse effect on the Malakoff Group's income statement for the financial year ended 31 December 2023. Nevertheless, TBP and TBE's financial performance improved in the fourth quarter of 2023, attributed to the recovery in fuel margin as global coal price began to stabilise, together with steady plant operations.

ACHIEVEMENTS

- Identified as co-champions alongside Ministry of Plantation and Commodities (KPK) under NETR to lead the Biomass co-firing initiatives at the 2,100 MW TBP, a key venture among NETR's Flagship Catalyst Projects
- Successfully initiated phased approach to achieve technical readiness of at least 15% Biomass co-firing capacity by 2027

OUTLOOK

In 2024, we anticipate a slightly improved outlook and are actively pursuing initiatives aligned with sustainable practices. Our focus includes harnessing bioenergy for circular economy benefits, optimising biogas plants for power generation in line with the NETR and exploring the potential of combined-cycle gas turbine (CCGT) and solar PV plants in Tanjung Bin for cross-border export of cleaner energy to neighbouring countries.

Additionally, we aim to increase our Biomass co-firing capacity by conducting ongoing assessments on other types of biomass fuels and possibility of higher co-firing ratios in the future to achieve at least 15% co-firing readiness by 2027. To ensure operational reliability, we have implemented strong due diligence and scheduled maintenance outages, enhancing the overall stability of our plants and their contribution to a reliable electricity supply for the country.

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Optimise value through the closure of Prai assets	<ul style="list-style-type: none"> • Optimised employee planning and relocation. • Implemented strategies for pre-PPA expiry operations and maintenance. • Explored alternatives for selling or leasing surplus assets and inventories. • Established a specialised task force for efficient asset and inventory disposal.
Ensure timely completion of all scheduled outages	<ul style="list-style-type: none"> • Engaged with GSO and relevant stakeholders to ensure efficient management of planned outages. • Strategically planned tasks for scheduled outages. • Conducted daily meetings for swift issue resolution and escalation, when necessary.

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Operation and Maintenance (O&M)



WHO WE ARE AND WHAT WE DO

Malakoff Technical Solutions Sdn Bhd (MTSSB), serves as the operations backbone of Malakoff, specialising in delivering comprehensive operation and maintenance services to the power plant industry since 1993. Over the years, we have expanded our client base, comprising subsidiaries within Malakoff and external corporations across diverse industries. With a proven track record since inception, we have solidified our business footprint, operating seamlessly in both local and international markets.

KEY FOCUS AREAS

Broaden our client base to strengthen business stability

Diversify our business portfolio by exploring new services

Forge strategic alliances to elevate competitiveness and optimise business performance

Implement long-term contracts to drive consistent income stream

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES

MITIGATING ACTIONS

Low market visibility

- Identified potential clients and conducted roadshows to showcase MTSSB's offerings.

Limited marketing funds

- Obtained assistance from the Malakoff representative at industry events to drive new business opportunities.

Labour shortage

- Engaged Malakoff personnel to execute MTSSB services at competitive rates.

BUSINESS ENVIRONMENT

In Peninsular Malaysia, the predominant operational framework for thermal power plants is the owner-operator model. Through this approach, plant owners manage operations, which in turn limits potential opportunities in the industry. To capture more opportunities, we have adopted a strategic approach, which is to expand our footprint beyond thermal power plants. We have since entered the renewable energy (RE) segment and intensified efforts outside Peninsular Malaysia.

PERFORMANCE REVIEW

OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Operational Efficiencies	<ul style="list-style-type: none"> • Focus and strengthen core businesses. • Strong client engagement. 	<ul style="list-style-type: none"> • Successfully sustained high service quality. The average satisfaction rate for O&M and the Maintenance Repair Overhaul (MRO) segment is 84%. • Secured 35 purchase orders in the MRO segment, following a recurring stream of client inquiries and service orders.
Business Expansion	<ul style="list-style-type: none"> • Diversify service offerings and client base. • Establish strategic partnerships with key players to maintain business relevance. • Continuously engage with potential clients to pursue new business opportunity. 	<ul style="list-style-type: none"> • Penetrated a new O&M segment by conducting a plant technical assessment for an existing power plant in East Malaysia. • Pursued O&M services for a gas turbine power plant in East Malaysia. • Strengthened our footprint in the oil and gas industry through the acquisition of the Non-Destructive Testing (NDT) services contract. • Finalising the terms and conditions to supply key O&M personnel to operate and maintain a Combined-Cycle Gas Turbine (CCGT) power plant in Bangladesh.



ACHIEVEMENTS

- Awarded a RM1.738 million contract to execute NDT services in the oil and gas industry
- Successfully entered into Sabah's market by conducting a plant technical assessment for an existing gas power plant
- At the phase of concluding the terms and conditions for the supply of key O&M personnel to operate and maintain a CCGT power plant in Bangladesh

OUTLOOK

In 2024, we will aggressively pursue O&M opportunities in both traditional thermal power plants and RE sectors, not only in Malaysia but also internationally. Despite challenges in Peninsular Malaysia's thermal power prospects, we have taken a proactive approach to identify strategic opportunities elsewhere.

In the MRO segment, we aim to shift our focus towards external corporations and continue to increase sales of existing services for both the power plant and oil and gas industries. We expect to progressively increase our order book in the future.

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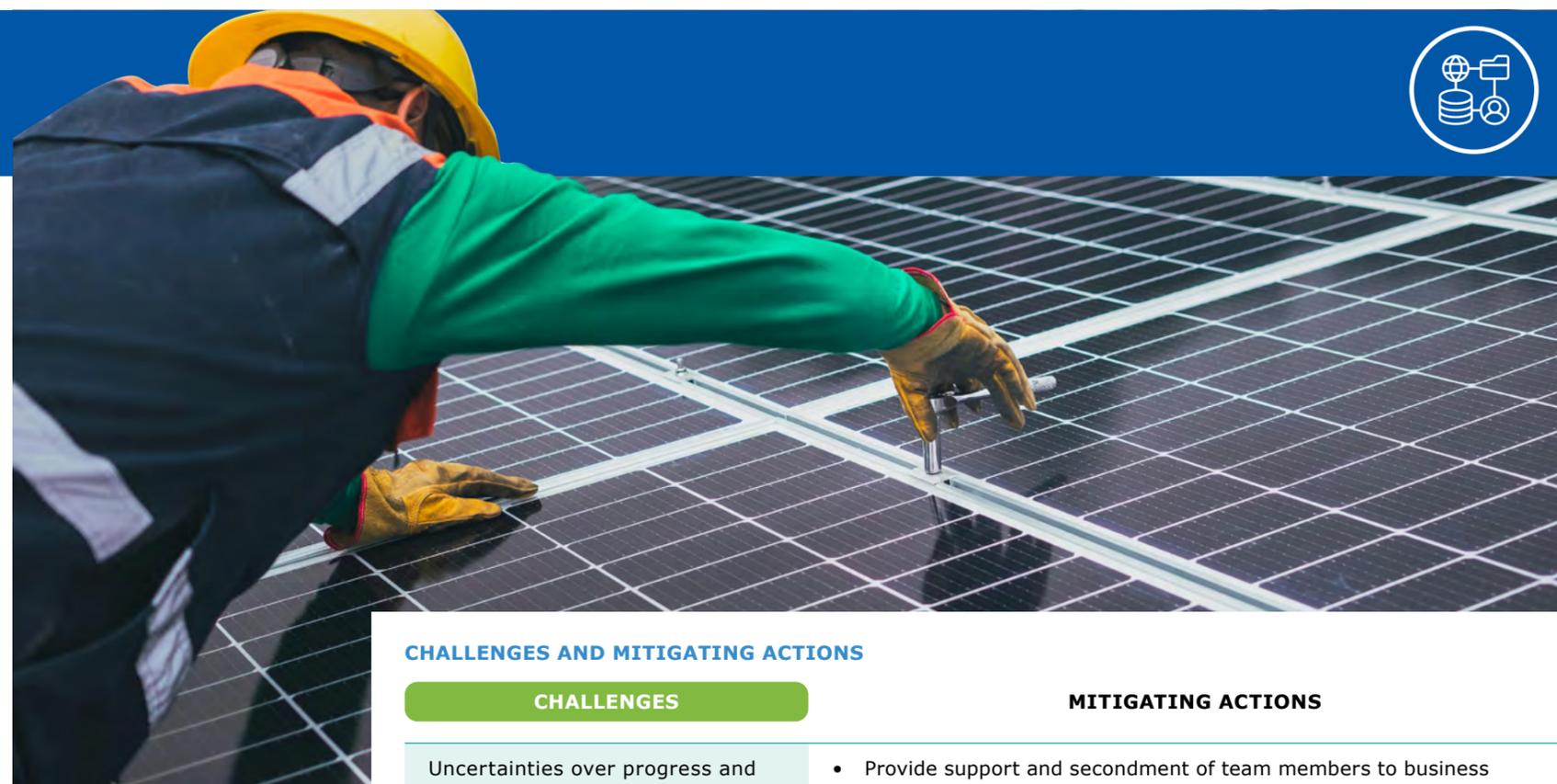
Project Management Services

WHO WE ARE AND WHAT WE DO

Malakoff Engineering Sdn Bhd (MESB), our Project Management Services department, offers project management services for in-house projects. With over 24 years of experience and a proven track record in thermal plant development, construction and commissioning, the installation of Large Scale Solar (LSS), Rooftop Solar (RTS) and plant demolition projects, we are now broadening our range of capabilities to encompass Waste-to-Energy (WTE) and Biomass co-firing projects.

KEY FOCUS AREAS

- Development of a WTE project in Melaka
- Open Cycle Gas Turbine (OCGT) and Combined-Cycle Gas Turbine (CCGT) plant decommissioning and demolition
- Implementation and execution of RTS projects
- Implementation and execution of Biomass co-firing projects



BUSINESS ENVIRONMENT

During the year under review, MESB was involved in the demolition of an OCGT plant, site preparation for a new thermal plant project, execution of RTS projects and the development of a Biomass co-firing pilot project.

In terms of challenges, plant demolition encountered delays attributed to prolonged approval process by local authorities. The absence of detailed engineering design data regarding bridges by the authorities hindered the smooth transportation (via land) of very heavy equipment from the plant to designated delivery locations. For RTS projects, contract agreements did not encompass new and additional requirements outlined by the building owners, leading to potential delays to the timely completion of the RTS projects and necessitated commercial variations to the Engineering, Procurement, Construction and Commissioning (EPCC) agreement.

PERFORMANCE REVIEW

INITIATIVES	PROGRESS/OUTCOMES
Timely completion of RTS projects by Malakoff Radiance Sdn Bhd (MRSB)	<ul style="list-style-type: none"> Continued to provide project management support for MRSB on RTS projects. Secured two new Project Management Agreements (PMAs) for RTS projects at Toyota Assembly Services Sdn Bhd in Bukit Raja, Selangor and Senai Airport Terminal in Senai, Johor.
Timely completion of demolition of Port Dickson Power Plant	<ul style="list-style-type: none"> Commenced the demolition of the Port Dickson Power Plant on 1 August 2023, and this was scheduled for completion by 31 July 2024. Previously, MESB provided project management services to Port Dickson Power on asset dismantling and sales.

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Uncertainties over progress and commencement of mega power plant projects	<ul style="list-style-type: none"> Provide support and secondment of team members to business development activities, specifically the WTE project.
Decrease in new PMAs and manpower services	<ul style="list-style-type: none"> Deliver manpower support to Tanjung Bin Power Plant (TBP) and Tanjung Bin Energy Power Plant (TBE) O&M team during outages. Provide manpower and technical support to TBP for Biomass co-firing project, as well as identified CAPEX for New Lab and Coal Workshop project.

ACHIEVEMENTS

- Timely completion of the physical installation works for the RTS Project at Northport, Klang, with zero Lost Time Incidents (LTI)

OUTLOOK

We will ensure the provision of both skilled personnel and technical assistance for the identified in-house projects through the execution of Project Management Agreements and/or Manpower Service Agreements.

Our Performance

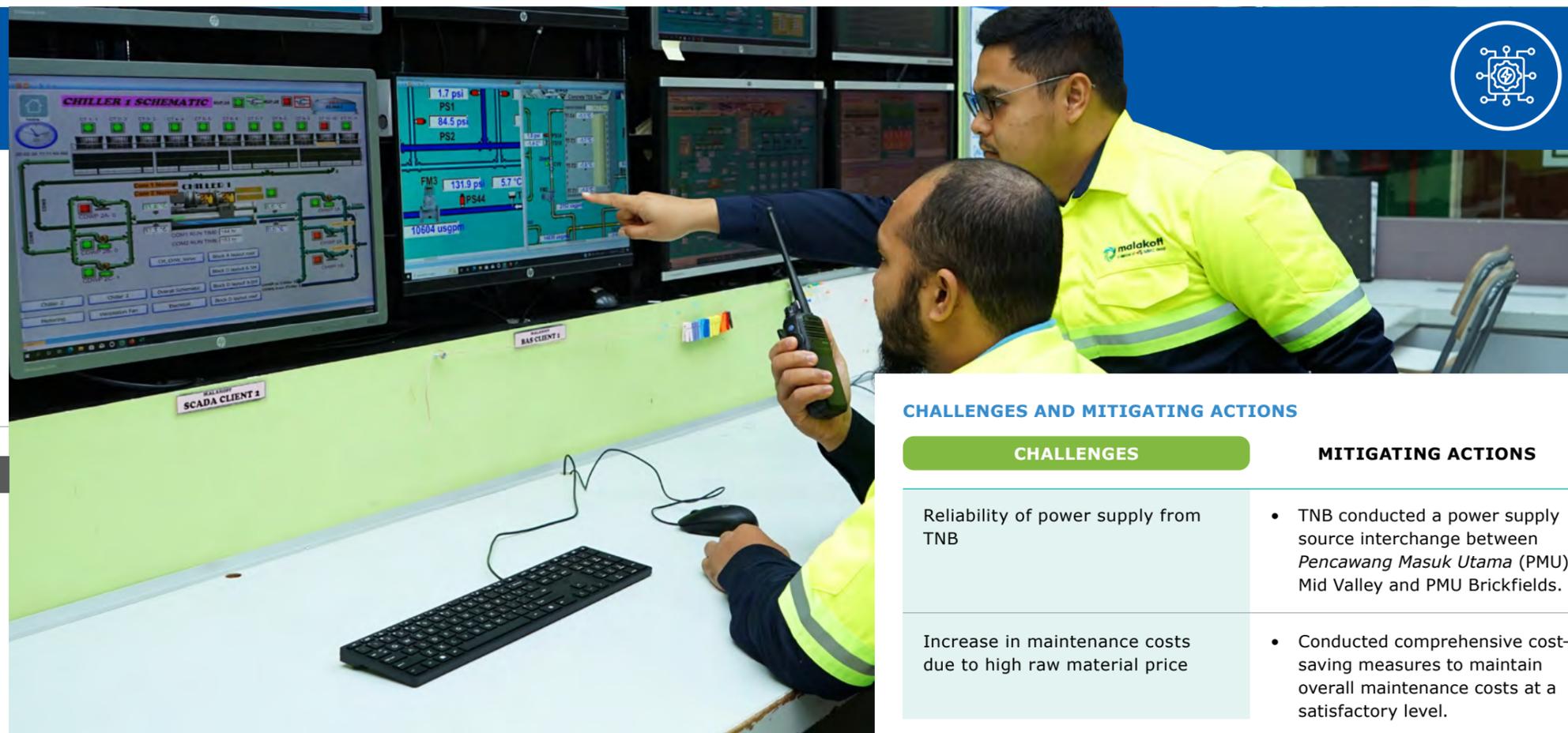
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Electricity Distribution and District Cooling System



WHO WE ARE AND WHAT WE DO

Malakoff Utilities Sdn Bhd (MUSB), a wholly-owned Malakoff subsidiary, is a key player in electricity distribution and district cooling infrastructure in Malaysia. We exclusively distribute power in the 72-acre Kuala Lumpur Sentral, with a robust capacity of up to 153 MW. We also own and manage a district cooling plant within KL Sentral, providing chilled water for the air conditioning needs of 10 buildings within the commercial and residential transit hub.

KEY FOCUS AREAS

Strengthen the overall reliability of our Electricity Distribution System (EDS)

Streamline payment collection process for increased efficiency

Continuously enhance our Conditions of Supply agreement and customer charter

CHALLENGES AND MITIGATING ACTIONS

CHALLENGES	MITIGATING ACTIONS
Reliability of power supply from TNB	<ul style="list-style-type: none"> TNB conducted a power supply source interchange between <i>Pencawang Masuk Utama (PMU) Mid Valley</i> and <i>PMU Brickfields</i>.
Increase in maintenance costs due to high raw material price	<ul style="list-style-type: none"> Conducted comprehensive cost-saving measures to maintain overall maintenance costs at a satisfactory level.

BUSINESS ENVIRONMENT

In 2023, electricity demand experienced a 7% improvement compared to the previous year, while demand for chilled water remained steady. However, the overall consumption for 2023 has yet to reach the pre-pandemic level in 2019.

PERFORMANCE REVIEW

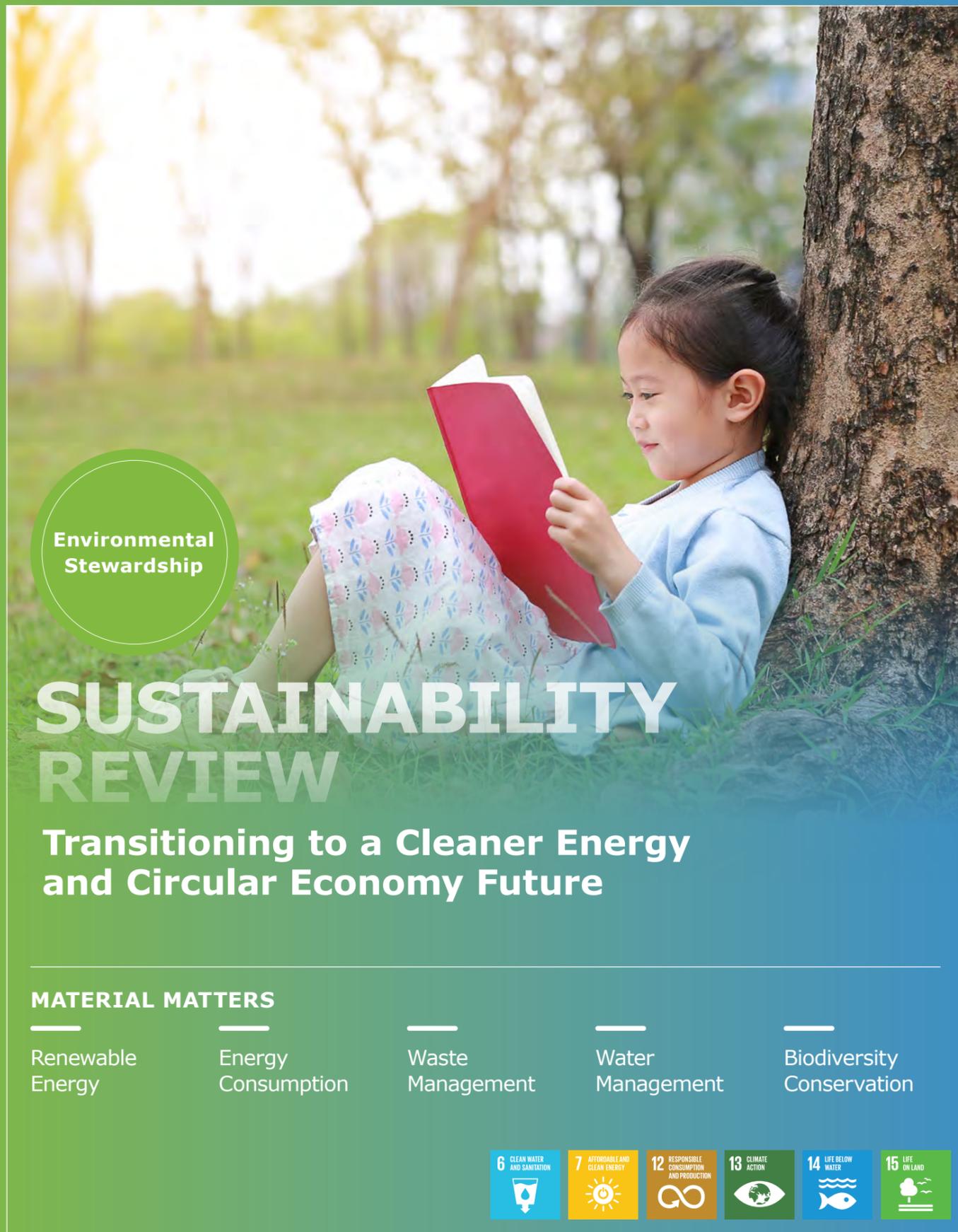
OBJECTIVES	INITIATIVES	PROGRESS/OUTCOMES
Operational Efficiencies	Improved EDS reliability.	<ul style="list-style-type: none"> Carried out modifications in the power supply from TNB within the KL Sentral area. Currently in progress of providing an additional 33 kW power cable into the KL Sentral area.
Billing and Credit Control	Enhanced efficiency of payment collection.	<ul style="list-style-type: none"> Introduced cashless payment collection for electricity bills, effective 1 November 2023.

ACHIEVEMENTS

- Achieved exceptional operational performance and reliability in providing electricity and chilled water supply, with zero major breakdowns in plant equipment
- Attained 98% in Customer Satisfaction Index

OUTLOOK

Given the post-Covid-19 market trends, we project an increase in demand for utilities within KL Sentral in 2024. In response to this, we will enhance the efficiency of the District Cooling Plant while ensuring reliable electricity supply to customers. On the customer service front, we will be enhancing our smart app to facilitate cashless payments and streamline communications for the convenience of all our customers.



Environmental Stewardship

SUSTAINABILITY REVIEW

Transitioning to a Cleaner Energy and Circular Economy Future

MATERIAL MATTERS

Renewable Energy

Energy Consumption

Waste Management

Water Management

Biodiversity Conservation



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RENEWABLE ENERGY

Why It Is Important

Climate change and waste management are two pressing issues that are threatening the environment and the overall well-being of people. Since these two issues are also closely related to Malakoff's core business, it is imperative for us to prioritise sustainable operations. Our waste management initiatives extend beyond plastics as we embrace the concept of 5R for all solid waste types and we actively explore innovative technologies through research and development to minimise waste-to-landfill.

Our Approach

Malakoff's Environmental Policy, which is aligned with the Malaysian Environmental Quality Act 1974 and other relevant regulations and adheres to the ISO 140001 standards, continues to guide us in our operations. The Policy is accessible to all employees on our intranet and MaCNet and is also made available to new recruits.

The Local Generation Division (LGD), responsible for the majority of the Group's carbon emissions, holds ISO 14001:2015 certification, affirming the implementation of processes and procedures for operational and environmental integrity. Our environmental performance is monitored by the Environmental Management Committee (EMC), which includes the Environmental Performance Monitoring Committee (EPMC) and the Environmental Regulatory Compliance Monitoring Committee (ERCMC).

Key Initiatives

For FY2023, our achievements include:

 <p>Secured 33 new solar PV installation projects with a total capacity of 13.17 MW</p>	 <p>Achieved financial close for three Small Hydropower Plants (SHP) in Kelantan, with a total capacity of 84 MW</p>	 <p>Successfully commissioned 23 rooftop solar PV projects in 2023</p>
 <p>Signed 27 Solar Power Purchase Agreements (SPPAs) to develop and operate solar PV facilities with a total capacity of 12.8 MW</p>	 <p>Kick-started decarbonisation efforts of our 2,100 MW thermal plant through a successful pilot run of up to 0.5% biomass co-firing and set to scale up to 2% in the first quarter of 2024</p>	 <p>Completed preliminary feasibility study on the utilisation of hydrogen/ammonia with ITOCHU, while we continue to explore other potential opportunities</p>

Our Performance

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RENEWABLE ENERGY

Impact Story

Our Sustainability Team was part of the working group that provided input for the World Economic Forum (WEF) Community Report entitled Mobilising Investments for Clean Energy in Malaysia via various engagement sessions with the WEF.

The Report, in collaboration with Khazanah Nasional Berhad and Accenture, has been submitted to the Malaysian government for further consideration and action for future policies. This initiative comes as part of our efforts to position Malakoff as a key opinion leader in the industry and simultaneously, we have also leveraged the platform to learn from industry players of their challenges and issues in accelerating clean energy investments.



Highlight

For our continuous efforts in progressing towards low-carbon development, our subsidiary, Alam Flora Environmental Solutions Sdn Bhd (AFES) has been awarded:

- National Energy Awards 2023 – Renewable Energy in Off-Grid (Thermal) Merit Winner for Production of Biogas from food waste through Anaerobic Digester

This recognition enhances AFES's commitment towards sustainability and technological innovation.

▶▶ Going Forward

We have set a bold target to increase our renewable energy (RE) capacity to 1,400 MW by 2031, a significant leap from our current capacity of 153 MW. Despite this considerable growth, we are confident in achieving our goal through active participation in competitive bidding for solar projects in Malaysia, with a focus on Large Scale Solar (LSS) initiatives and the Corporate Green Power Programme (CGPP). In addition to this, we plan to enter the Small Hydropower Plant (SHP) sector to provide uninterrupted electricity to off-grid homes and rural communities.

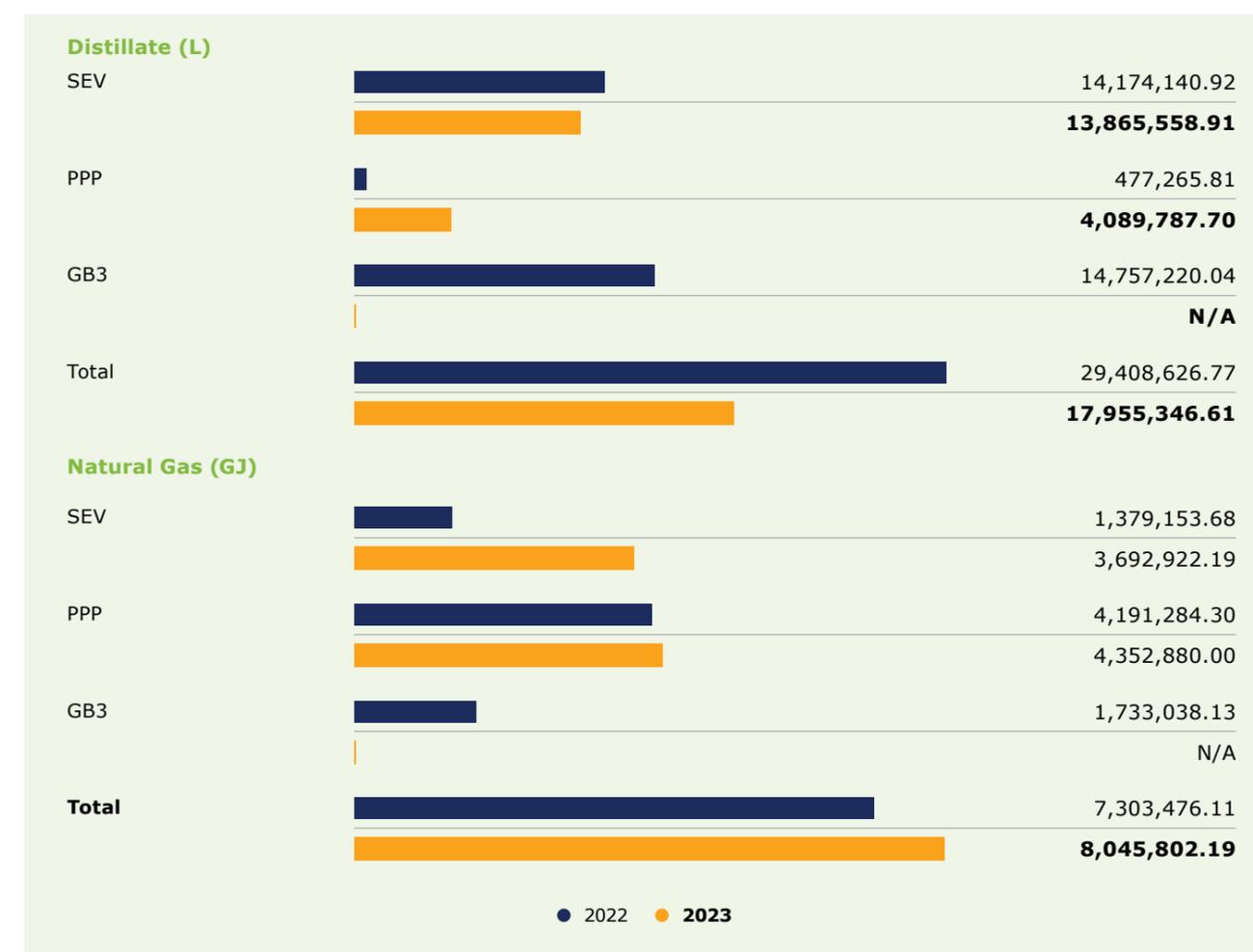
We are also exploring opportunities for potential acquisitions in operational greenfield ventures, particularly in LSS projects. Concurrently, we are evaluating prospects in waste management and environmental solutions, aligning with our commitment to sustainable growth and environmental stewardship.

ENERGY CONSUMPTION

Sustainable energy consumption is paramount in the way we generate and use energy, emphasising responsible and eco-friendly practices that mitigate environmental impact. This transformative concept not only addresses the urgent need to combat climate change but also promotes environmental stewardship and resilience. As the largest Independent Power Producer (IPP) and environmental management company in Malaysia, Malakoff ensures that our operations seek ways to reduce our carbon footprint through efficient conversion rates at our plants and higher energy-efficient systems in our offices.

Our energy consumption is mainly for primary fuels, which are natural gas and coal, and secondary fuels, namely diesel and light fuel oil (LFO), for power generation.

We have recorded the following for our energy consumption at our plants, facilities and HQ:



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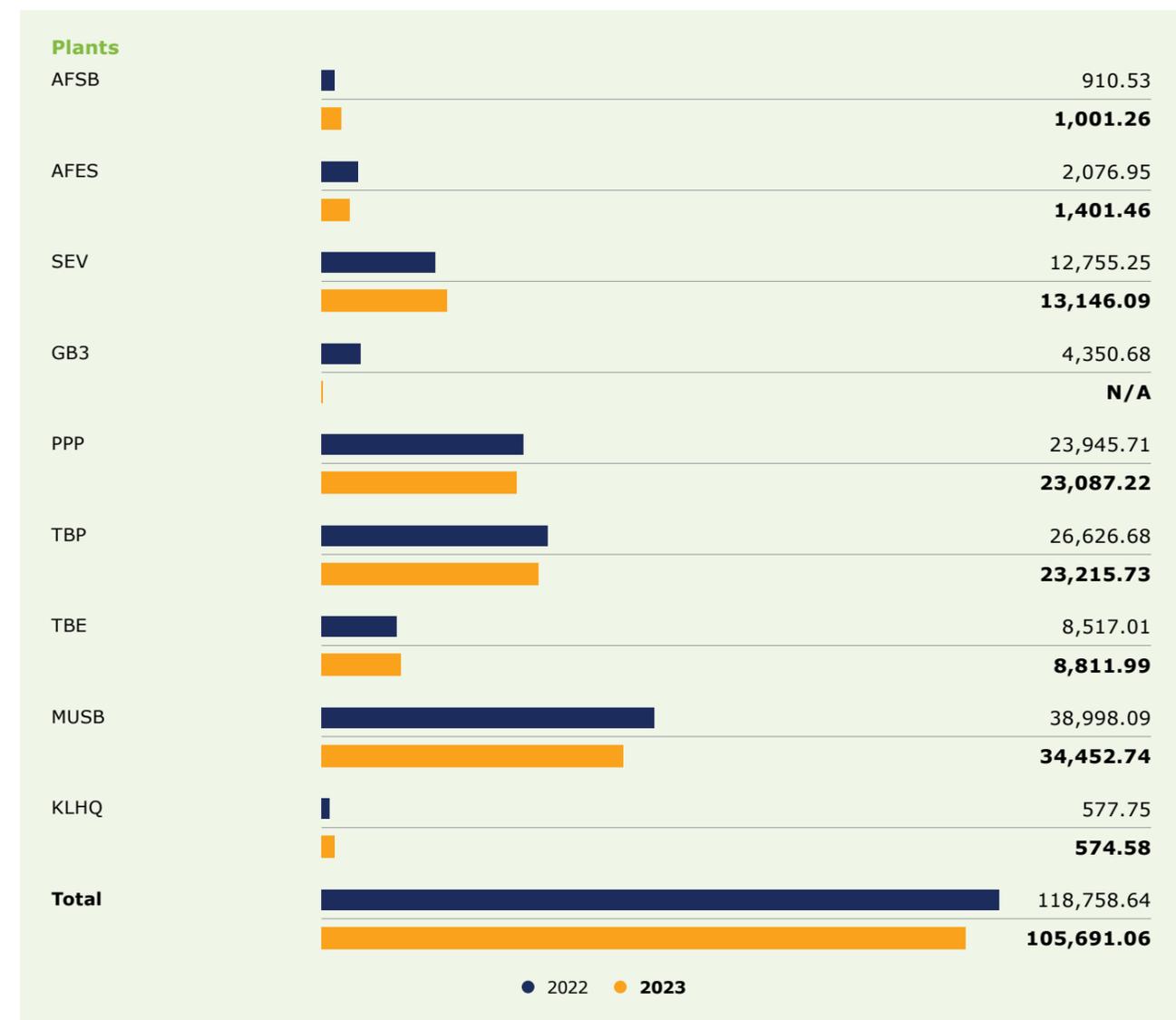
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ENERGY CONSUMPTION



Meanwhile, the following shows electricity consumption at our plants, facilities and HQ (MW):



AFSB – Alam Flora Sdn Bhd
 AFES – Alam Flora Environmental Solutions
 SEV – Segari Energy Ventures
 GB3 – GB3 Sdn Bhd

PPP – Prai Power Plant
 TBP – Tanjung Bin Power Plant
 TBE – Tanjung Bin Energy Plant
 MUSB – Malakoff Utilities Sdn Bhd
 KLHQ – Kuala Lumpur Head Quarters

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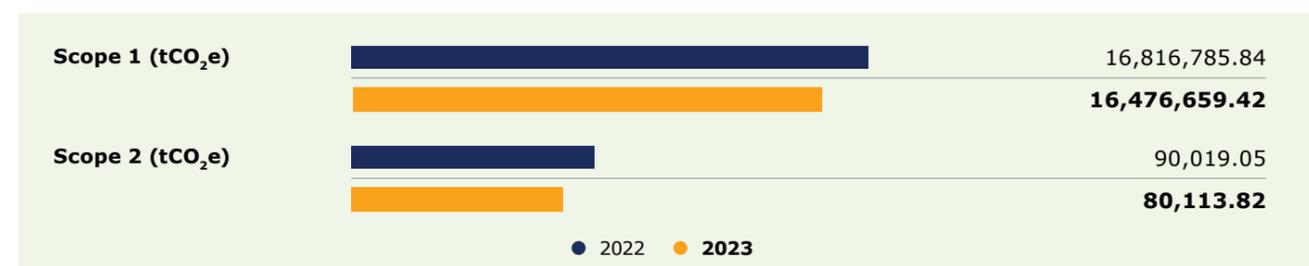
Integrated Annual Report 2023

ENERGY CONSUMPTION

Carbon Emissions

Our carbon and non-greenhouse gas (GHG) emissions such as sulphur and nitrogen oxides are monitored from our plants and facilities. Since 2021, we have tracked and disclosed our Scope 1 (direct emissions from operations) and Scope 2 (indirect emissions from purchased electricity) emissions. This year, we have extended our reporting to encompass Scope 1 emissions from our fleet fuel usage and Scope 2 emissions from imported power used in Alam Flora's business.

In improving our reporting, we are utilising an online carbon accounting platform with real-time data to enhance coverage of Alam Flora's operations, including incinerators and its avoided emissions through anaerobic digesters (AD) and recycling. Additionally, we are currently undergoing carbon emissions data assurance in accordance with ISO 14064. It's significant to highlight that our Scope 1 emissions experienced a reduction of 2.02%, while our Scope 2 emissions decreased by an impressive 10.99% than in 2022, underscoring our steadfast commitment to reducing our carbon footprint and contributing to sustainability efforts.



- Note:**
- Covers all assets operated and maintained by Malakoff and its subsidiaries, including Alam Flora's fleet and electricity consumption, based on equity approach
 - Excludes offsets generated from our business activities

Non-GHG emissions, in mg/m³

Year	Plant	SEV						PPP	TBP			
		Unit 11	Unit 12	Unit 13	Unit 21	Unit 22	Unit 23		U10	U20	U30	TBE
2021	SOx	0.00	0.00	0.00	2.58	0.00	0.00	4.81	286.66	294.20	262.68	176.18
	NOx	0.00	0.00	0.00	0.02	0.00	0.00	17.99	262.19	278.66	249.05	163.70
2022	SOx	0.00	0.00	0.00	3.42	0.00	0.00	5.75	186.88	281.35	291.89	193.92
	NOx	0.31	0.00	0.75	0.38	0.00	0.60	21.29	196.45	208.97	280.32	128.55
2023	SOx	0.00	0.00	0.00	0.79	0.00	0.00	1.79	270.71	366.67	155.39	247.58
	NOx	7.59	1.14	7.46	2.08	0.74	1.95	14.28	276.71	412.13	150.00	169.99

Note:
All data are daily averages for the year, and all limits are within the allowable emissions limits.

▶▶ Going Forward

In advancing the industry, we will hold frequent engagements with our stakeholders, especially the authorities and regulators that supply fuel for the power sector, for better management of sustainable energy consumption. We will also explore new investment opportunities and prepare them in accordance with targeted dispatch, in view of fuel prices to maximise generation revenue. It is also important for us to focus on ensuring that our business assets and operations are prepared to be dispatched to meet the demand by Single Buyer in line with the changing dispatch patterns.

WASTE MANAGEMENT

The expansion of Malakoff Environmental Solutions' core business in waste management is crucial as effective waste management not only supports the growth of the Company but also plays a vital role in minimising pollution, safeguarding human health and preserving biodiversity. In managing waste generated from our operations, we adhere to the Solid Waste and Public Cleansing Management Act 2007, the Environmental Quality Act 1974 and the Alam Flora Environment Policy.

Additionally, our approach to waste management is enhancing the efficiencies of our Alam Flora and AFES subsidiaries as part of our efforts to increase the recycling rate in Malaysia. Our approach is aligned with the government's recycling agenda and the target of achieving a 40% national recycling rate by 2025. Apart from supporting the agenda, we also ensure that we responsibly execute our waste management services as toxic waste pollutants may lead to negative health impacts within the community and subsequently cause environmental degradation.

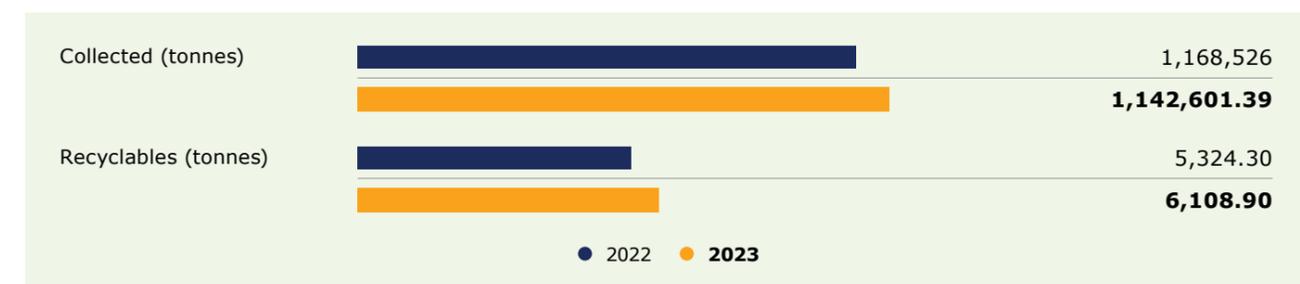
We will continue to strengthen our relationships with stakeholders and develop more business opportunities to achieve carbon neutrality and provide access to a clean and healthy environment for our stakeholders.

Key Initiatives

Waste Collection by Alam Flora

Alam Flora, serving as the concessionaire for solid waste collection and public cleansing services in Kuala Lumpur, Putrajaya and Pahang, is responsible for directly engaging with a significant number of households. As we acknowledge our extensive reach, Alam Flora embraces the task of fostering mindset change among Malaysians, gradually shifting waste disposal habits by encouraging separation at the source and enhancing recycling efficiencies.

In FY2023, we collected and recycled:



Our Communications, Education and Public Awareness (CEPA) initiatives during the year under review included:

WASTE IS AMAZING 2023 FASHION DESIGN COMPETITION

The campaign promoted the 3R concept of Reduce, Reuse and Recycle through fashion design. This year, the theme 'Met Gala: Romantic and Glamorous Hollywood Design' marked Alam Flora's 10 years of championing sustainability.

Accomplishments

The competition witnessed the participation of 100 designers and produced 10 finalists who turned their designs into 3R Couture.

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WASTE MANAGEMENT

SUSTAINABILITY HUNT 2023

Held for the second consecutive year, the event aimed to foster community participation and cultivate environmental awareness through education. Participants had to write an article or caption related to the sustainability task given at five checkpoints. To create awareness, they were required to upload photos or videos on their respective social media platforms with hashtags including #AlamFloraSustainabilityHunt2023, #WorldEnvironmentDay, #JomRawatBumi, and #EnhancingLifeEnrichingCommunities.

Accomplishments

The participation of 35 local celebrities, media representatives, bloggers, key opinion leaders (KOLs) and influencers and members of the public in the event helped to create more awareness about proper waste management and waste diversion initiatives.

CYBER ECO HUNT 2023

Themed 'Towards Sustainable Cities', the annual Cyber Eco Hunt 2023 had an objective similar to the Sustainability Hunt. The event's innovative approach to tackling operational challenges and advocating essential waste management practices made a substantial contribution to a cleaner and more environmentally friendly future.

Accomplishments

Twenty-six Key Opinion Leaders, influencers, bloggers and a local celebrity participated in the event, which successfully engaged the online community, the majority of which are youths.

KARNIVAL SAYA SAYANG BUMI

The event aimed to create awareness and acted as a reminder of our responsibilities towards the environment. The activities lined up in the carnival included a competition to create music instruments from waste and other upcycling competitions.

Accomplishments

More than 2,000 people from the local community in Kuantan, Pahang attended the half-day carnival where various 3R-related activities were conducted.

RECYCLING AWARENESS PROGRAMMES

We conducted recycling awareness programmes through talks, workshops, webinars, recyclable collection and school engagements.

Accomplishments

A total of 83 programmes were organised, and through our activities, we collected 41,444.5 kg of recyclables in 2023.

FASILITI INOVASI KITAR SEMULA (FIKS) VISIT

We continued to organise visits to our FIKS to educate and create awareness on recycling and proper waste management.

Accomplishments

Conducted a total of 85 activities at FIKS, clocking in 1,878 visitors.

We continue to work towards achieving a zero-waste circular economy goal through various initiatives including the following:

In September 2023, AFES launched RISE@KL at Batu Caves, an innovative recycling facility that doubles as an education centre to promote best practices and knowledge for recycling and waste segregation. This initiative came after the crucial need to address the increasing waste disposal issue in Kuala Lumpur.

RISE@KL has the capacity to manage 50 tonnes of waste in a day, optimising recyclable material capacity and machinery operations productivity. The facility is slated to assist AFES in producing 65 tonnes of recyclable waste from KL and its surrounding areas in the next five years.

The facility first started as a manual recycling facility and gradually transitioned into a semi-automated process, evolving from either a single-stream or dual-stream source. It was fully operational by January 2022.

PARTNERSHIP WITH NESTLÉ

We continued our kerbside recycling with Nestlé Malaysia for the second year to drive plastic waste collection and recycling.

Accomplishments

Upon renewing our partnership, we recorded 968,955 kg of total plastic waste collected.

PRESERVE NATURE FOR FUTURE, AN ENVIRONMENTAL-FOCUSED EVENT

The event was organised for our internal employees, held at the Malakoff Academy of Excellence (MAX). Staff were educated by various speakers on the importance of recycling for a greener and more sustainable future, especially on replacing single-use plastics. The event engaged employees via fun activities and interactive booths.

Accomplishments

The event was attended by more than 100 employees and they shared their thoughts about the importance of recycling and imparted their knowledge to others, essentially acting as 3R ambassadors for Malakoff.

Waste Management at Plants

At our plants, we produce a substantial amount of both scheduled and unscheduled waste. In managing our waste, we have implemented policies and procedures to ensure the responsible treatment in compliance with the Department of Environment (DoE) regulations and the Environmental Quality Act (Scheduled Waste) Regulations 2005.

It is crucial for us to treat our waste responsibly. Otherwise, when improperly treated waste reaches downstream, the excessive release of methane gas and exposure to landfill burning will pose serious risks to human health. Additionally, improper leachate management can lead to leakage into the soil, which will eventually flow into the main water stream.

In managing our generated waste, we continuously engage with the authorities in charge of landfill operations and incinerators to manage gas emission release and leachate emissions. We collect and analyse our waste for Board reporting and the data is collected at service areas and monitored by the DoE through the eSWIS system.

Scheduled Waste

We manage our scheduled waste, including fly ash, bottom ash, used oil, and chemicals from the power plant and incinerators, in accordance with our Scheduled Waste Management Policy. This policy establishes clear procedures for consistent Group-wide practices. Additionally, we also ensure our scheduled waste is appropriately stored at maintenance sites before an appointed licensed contractor collects and disposes the waste, complying with the DoE regulations.

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WASTE MANAGEMENT

The plants at TBE and TBP employ the Life Cycle Assessment, a tool for analysing and evaluating potential alternatives to reduce, reuse and recycle (3R) waste. Internally generated scheduled waste, including used lube oil, distillates and contaminated solid waste, is collected by licensed domestic contractors and directed to either landfills or incinerators.

Unscheduled Waste

Our plants produce metal and rubber waste, which are gathered in scrapyards and are responsibly disposed of by licensed contractors. In our offices, we encourage recycling among employees by strategically placing recycling bins.

▶▶ Going Forward

We strive towards progressing in our waste management by ensuring robust facilities development. We will continue to identify, source and implement the best technologies for waste management treatment and improve:

- our Sustainable Facility & Eco-Park Centre (SAFE) Perak and SAFE Terengganu for scheduled and clinical waste
- the production of biomass pellet plant for alternative fuels and reducing our dependency on coal
- continuous research and innovation on the treatment of plastic-to-fuel

Advancing our recycling efforts, AFES has signed an MoU with the Malaysian Nuclear Agency (MNA) to explore the concept of recycling plastic waste using radiation pyrolysis. AFES will take charge of collecting and sorting recyclable waste, while MNA will utilise its innovative expertise to convert these sorted materials into fuel and create new value-added products more efficiently at a lower cost.

Awards

As a result of our efforts in safeguarding the environment, Alam Flora Group has been recognised with several accolades throughout the year. This year, we were award recipients of:



Waste Management Achievement Award 2023 for the categories of:

- Technological Advancement & Innovation Award - Large Enterprise Category
- Notable Achievement on Waste Reduction and Circularity Award



Prime Minister Hibiscus Awards 2021/2022

- Exceptional Achievement Award for Environmental Performance (FIKS Project)



Sustainability & CSR Malaysia Award 2023

- Company of the Year (Waste Management) for Excellence in Community Support Initiatives



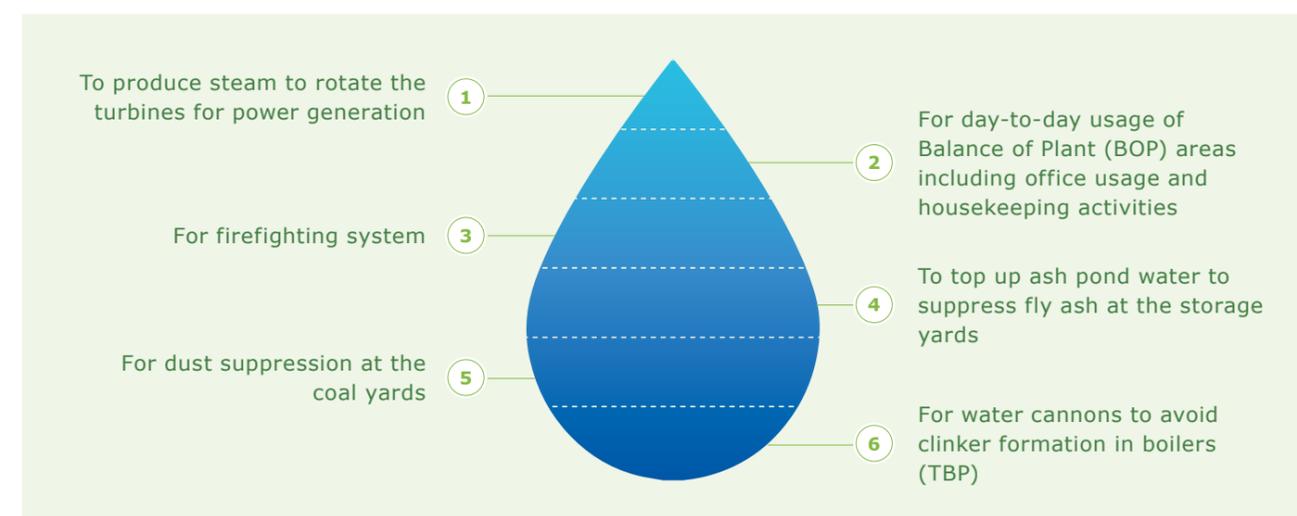
National Energy Awards 2023

- Renewable Energy in Off-Grid (Thermal) Merit Winner for the Production of Biogas from Food Waste through Anaerobic Digester

WATER MANAGEMENT

In 2023, UNESCO, on behalf of UN-Water reported that two billion people do not have access to safe drinking water while 3.6 billion lack access to safely managed sanitation. At least for a month in a year, two to three billion people experience water shortages which adversely impact their livelihood via food security. Additionally, climate change, which has caused extreme natural disasters such as prolonged droughts, is also stressing the ecosystem. As water scarcity is a global phenomenon, Malaysia will eventually be affected if we continue with our consumption patterns, lack of efficient amenities and conservation awareness.

Water plays an important role in Malakoff's core business as we use water intensively in our power generation, waste management and district cooling system:



Our power plants utilise seawater for cooling purposes and raw water for general administrative and process needs. Meanwhile, raw water is primarily employed in the electricity generation process to replenish water and steam losses to the environment during operations. We source raw water from supply companies such as Pembekalan Air Pulau Pinang (PBAPP), Syarikat Air Johor (SAJ) and Lembaga Air Perak (LAP).

In 2023, we utilised a total of 2,532,082.45 m³ of water.

Key Initiatives

To foster sustainable practices and minimise water consumption across our operations and office premises, we have implemented various initiatives, including:

Incorporating rainwater harvesting systems for housekeeping and landscaping purposes

Implementing leachate water treatment methods to reduce raw water consumption in incinerators for temperature control

Conducting studies on consumption patterns at TBP to optimise water usage efficiency

Our Performance

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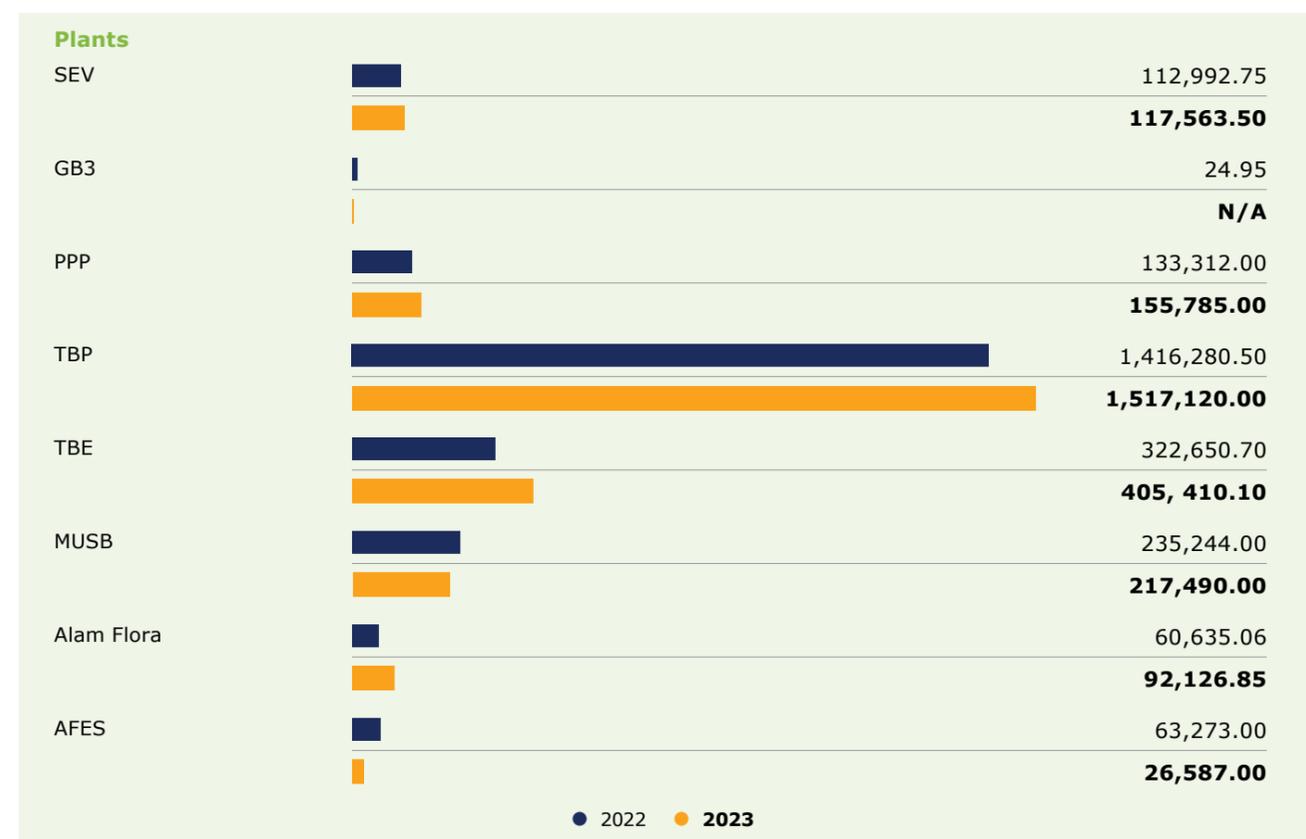
Our Performance

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WATER MANAGEMENT

Raw Water Consumption at Our Plants and Operations (m³)



▶▶ Going Forward

Our strategic focus remains on exploring brownfield and greenfield opportunities aligned with Malakoff's growth objectives while enhancing operational efficiencies across our existing portfolio. Notably, the global water crisis, as highlighted by UNESCO and UN-Water, underscores the urgency for sustainable water management practices. As Malaysia faces potential impacts from global water scarcity trends, Malakoff is committed to integrating water conservation measures into its core business operations, leveraging initiatives such as rainwater harvesting, leachate water treatment, and consumption pattern optimisation to promote sustainability and mitigate water consumption across its power generation, waste management, and district cooling systems. Through strategic partnerships and proactive measures, Malakoff aims to navigate the evolving landscape of water scarcity while reinforcing its commitment to sustainable development.

BIODIVERSITY CONSERVATION

Biodiversity conservation is crucial for preserving the balance of the environment. Acknowledging the potential impact of our business operations on local ecosystems, we are committed to minimising our negative impacts. We ensure that our efforts in safeguarding marine biodiversity are aligned with our business operations, which use seawater as a cooling agent for our plants.

Key Initiatives

Impact Story

Save Our Sea Campaign – Kenali Penyu, Sayangi Penyu Initiative

Partnering with the Perak State Fisheries Department (JPNP) and Jabatan Taman Laut Malaysia for our Save Our Sea programme since 2011, we have been conducting activities such as beach cleanups and coral conservation. Local communities, authorities and tertiary students participate in these activities to improve the marine biodiversity in the surrounding areas.

This year, we organised our seventh instalment of the turtle conservation programme known as the Kenali Penyu, Sayangi Penyu initiative at the Turtle Conservation and Information Centre Pasir Panjang (PKPPP) at Segari in Lumut, Perak. The event aimed to create awareness on the importance of safeguarding endangered species and actively work towards the expansion of the turtle population. Various attendees were at the event including local communities of Kampung Segari, students from the Kolej Perikanan Sultan Nazri Muizzuddin Shah, the Perak Fisheries Department and the Lumut Power Plant (LPP) staff.

As part of the programme, our volunteers took part in different activities such as the planting of "ambong-ambong" trees, which are crucial for helping endangered turtles. These trees function as protection for the turtles against bright lights and land erosion, making it easier for them to build nests and hatch their eggs safely. Apart from tree planting, volunteers also cleaned up the area around the centre. Another team of volunteers had the special job of cleaning the turtle ponds, allowing the volunteers to understand these incredible creatures up close through direct interaction.

We also contributed to the centre's main information board by adding the latest information and its new logo, replacing the old board from 2012. Additionally, we presented two motor pumps to PKPPP which will be used for the centre's daily operations. The eventful activity is a strong testament of our ongoing commitment to caring for the environment and staying connected with our community.



Our Performance

BIODIVERSITY CONSERVATION



International Coastal Cleanup Day

In collaboration with the Department of Fisheries of Johor, we organised a beach cleanup activity at Pulau Tinggi, Mersing, Johor. We ensured all trash and recyclables were removed from the site, collecting tonnes of waste at the end of the session. The initiative also doubled as an opportunity to introduce and promote reusable bags as a replacement for single-use plastic which has detrimental effects on the environment, especially the marine ecosystems. Malakoff employees, the Department of Fisheries and the Johor State Education Department Co-curriculum Centre participated in the activity.

To commemorate this ongoing initiative, an official installation of a Malakoff signboard and its officiation by the Pulau Besar Village Head was held at the Pulau Besar public jetty before proceeding with an educational visit to the Marine Park Information Centre in Pulau Tinggi. While on Pulau Tinggi, Director of the Department of Fisheries Johor Puan Nur Afifah binti A. Rahman hosted an informative session dedicated to marine life, with a particular emphasis on the department's ongoing turtle conservation initiatives. We also distributed reusable bags to the island community.

▶▶ Going Forward

We will continue to nurture strong relationships with the local communities in our operational areas via outreach programmes that emphasis environmental consciousness. Simultaneously, we believe that it is also important to inculcate the values of biodiversity preservation as everyone can play a role in contributing towards a resilient and sustainable environment.



Mangrove Planting and National Environment Day 2023 Celebration

We continued our long-standing mangrove conservation programme in 2023 by planting 2,000 mangrove trees along the Sungai Pulai Mukim, Sungai Karang, bridge in Pontian, Johor. The initiative is our contribution towards 'The Planting of 181,000 Mangrove Trees in One Day Programme' organised by the Pontian District Office, Johor. The programme was held in conjunction with the National Environment Day which falls on the 21 October annually.

The event is also part of our efforts in supporting the Malaysian government's goal of planting 100 million trees from 2020-2025.

Monitoring Seawater at Intake and Release Points

We regularly check the water temperature at both the intake and release points in our plants, ensuring it stays below 40°C to avoid disturbances to marine life. Additionally, our team conducts weekly monitoring of water discharge to uphold its quality, with external parties verifying the collected data.

Nurturing
Our
Community

SUSTAINABILITY REVIEW

Empowering Our People and Supporting Our Communities

MATERIAL MATTERS

Occupational
Safety & Health

Employee
Engagement &
Well-Being

Community
Investment &
Development

Talent
Management

Human Rights &
Labour Relations



Our Performance

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OCCUPATIONAL SAFETY & HEALTH

Why It Is Important

We are committed to protecting the health and safety of all stakeholders, including our employees, contractors, workers and the communities in areas where we operate. Our business thrives on robust safety measures designed to protect our people and assets. Our endeavours in occupational safety and health (OSH) enable us to achieve our sustainability objectives and help us to meet the requirements and needs of our customers. This, in turn, builds trust with partners, suppliers, communities, investors and the government. To this end, we continue to invest efforts to improve safety, protect everyone within our premises, sustain business growth, and gain support and confidence of our stakeholders.

Our Approach

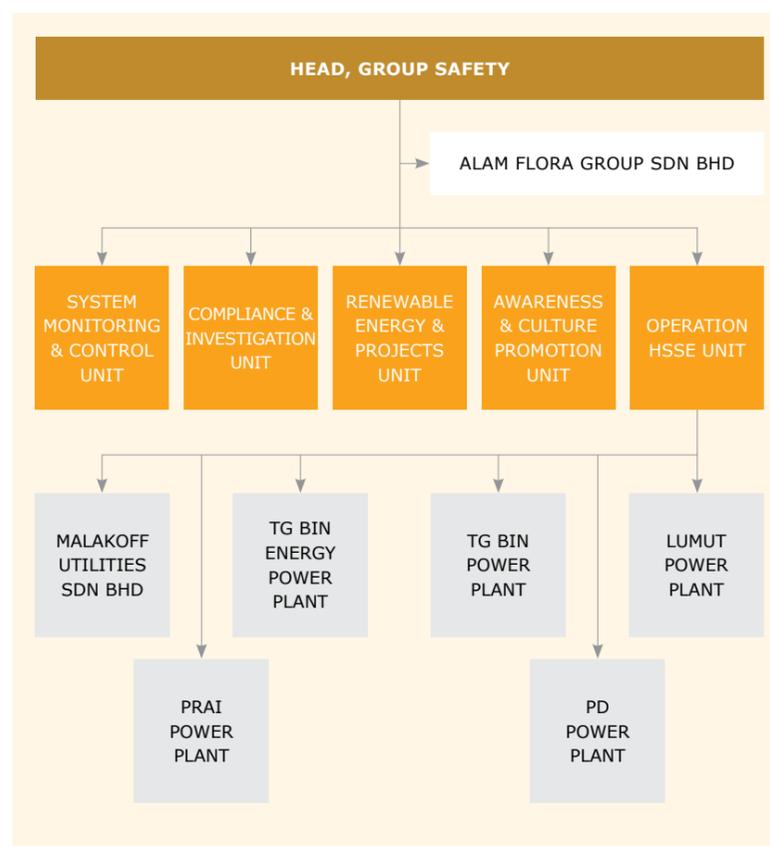
Our management of OSH is guided by the Occupational Safety and Health Act 1994 (Act 514) and the Occupational Safety and Health (Amendment) Act 2022. As we are accredited with the ISO 45001:2018 Occupational Health and Safety Management System, we continue to ensure that our operations conform to these standards. This framework enables us to enhance our OSH performance, prevent work-related injuries and provide a safe workplace for employees, workers and contractors.

OSH Management System

We have in place an OSH management system that adheres to the Occupational Safety and Health Act 1994 (Act 514) and the Occupational Safety and Health (Amendment) Act 2022. Our implementation and management of Health, Safety, Sustainability and Environment (HSSE) are based on Hazard Identification, Risk Assessment and Risk Control (HIRARC) and ISO 45001:2018 OHSMS requirements.

Our OSH management system covers all staff and contractors, in line with Part IV of the Occupational Safety and Health Act 1994 (section 24), which emphasises that our employees are 'to take reasonable care for safety and health for oneself and others'. The ISO 45001:2018 also features clause 5.3 on Organisational Roles and Responsibilities, which requires companies to develop an organisational chart with clearly defined authorities, roles and responsibilities, along with processes and procedures to manage health and safety, and communication strategies to enhance safety awareness.

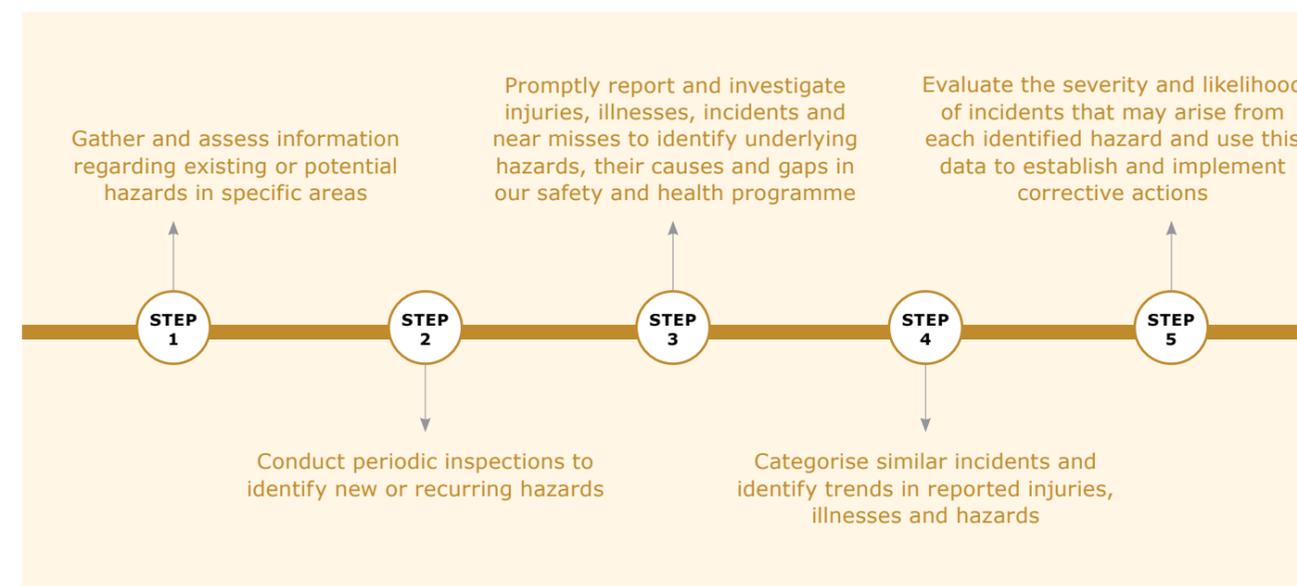
Our safety committee consists of management and non-management representatives who convene quarterly to discuss safety issues.



Hazard Identification, Risk Assessment and Risk Control

All health and safety activities begin with the identification of specific processes and relevant hazards. This is followed by implementing HIRARC, encompassing elimination, substitution, implementation of engineering controls and adopting the use of personal protective equipment. Special precautions are taken particularly for activities involving working at heights and heavy lifting.

In the event of a work-related safety incident, an investigation committee will be established to investigate the likely root cause of the incident. This committee will conduct a comprehensive root cause analysis, engaging in brainstorming sessions to identify all potential corrective actions and improvements that need to be implemented. To identify and evaluate hazards in our operations, the operations team and HSE will undertake these steps:



To ensure that these processes are implemented effectively, the Corporate HSSE Department conducts inspections and audits. Training is also continuously provided to staff conducting HIRARC to ensure that they remain competent. Additionally, internal controls are implemented to ensure the efficacy of our HIRARC measures, which include incident investigations, safety and health committee meetings, and conducting continuous safety audits and inspections throughout our entire operations. Additionally, HIRARC review workshops

are conducted periodically to evaluate the effectiveness of measures taken and to improve hazard control measures.

We also have in place a HOPE card system which serves as a platform for workers, employees and contractors to provide feedback on safety concerns, especially those related to identified hazards. This system categorises input into leading indicators or positive reporting, which represent the proactive measures taken by both contractors and staff.

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OCCUPATIONAL SAFETY & HEALTH

In the event of an incident that could lead to injury or ill health, our management is guided by the Safety and Health Policy which commits to the following:

Providing a safe and healthy working environment, focusing on preventing injuries and illnesses resulting from exposure to hazards	Mitigating hazards and risks associated with our operations and maintenance activities
Establishing OSH objectives, defining targets and implementing relevant programmes	Complying to all relevant regulatory requirements on OSH and electrical safety, adopting the best industry practices when feasible
Fostering awareness on OSH, enhancing employee knowledge through diverse activities, training and educational programmes	Prioritising employee participation in OSH programmes and activities
Ensuring the continuous improvement of processes and practices related to OSH management and performance	Embracing a caring organisational ethos to all stakeholders including communities in areas where we operate
	Contributing to nation-building

This policy is embedded in our company's work culture and upheld by every member of our organisation, underscoring our commitment to societal well-being.

Our Initiatives

During the year under review, we implemented the following initiatives:

<p>HSSE Implementation Units</p> <p>In 2023, the Corporate Group Safety office established five distinct implementation units to ensure the effective implementation of our OSH management throughout our operational sites. Each Group Safety implementation unit is dedicated to addressing specific key areas such as System Monitoring and Control, Compliance and Investigation, Communication and Promotion, Operations HSSE and Security Management.</p>	<p>Medical Health Surveillance Programmes</p> <p>To prevent and mitigate OSH impacts, we also conducted Medical Health Surveillance Programmes at our Tanjung Bin Power Plant (TBP) and Tanjung Bin Energy Power Plant (TBE), which included audiometric tests, urine tests and continuous programmes to enhance workers' health and safety.</p>	<p>HSSE Programmes</p> <ul style="list-style-type: none"> Wellness Centre Open Day Preserve Nature for Future Mental Health Day Health Surveillance Test Malakoff Safety Passport Training for In-House Contractors Toolbox Talk Ergonomic Assessment and Awareness HIRARC Refresher Training Management Walkdown AESP Refresher and New Training Contractors' Forum HSSE Week Day Hazard Hunt (Safety Campaign)
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41st Malaysian Society for Occupational Safety and Health (MSOSH) Award 2023

In November 2023, we were awarded the following:

 <p>Gold 1 Class Award: TBEP</p>	 <p>Gold 2 Class Award: Belenggu Halt Sanitary Landfill</p>	 <p>Recognition for Alam Flora Environmental Solutions (AFES) for outstanding performance</p>
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OSH Training

As we believe that safety is a collective responsibility, we strive to foster a culture where each employee takes ownership of their own safety and those around them. To achieve this, we actively collaborate with our partners to organise training and awareness sessions for our employees and third-party workers engaged in our site operations.

We also conduct internal and external audits and inspections to ensure that our operations adhere to safety principles. In 2023, we conducted external training sessions for over 120 employees, workers and contractors, encompassing ERT training, ASEP training, Basic First Aid and CPR, HIRARC training, and Fire and Safety awareness.

Training Programmes	No. of Participants
Authorised Entrant and Standby Person (AESP) for Confined Space	5
Authorised Entrant and Standby Person (AESPR) for Confined Space Refresher	1
Authorised Gas Tester and Entry Supervisor for Confined Space Refresher (AGTESR)	6
Authorised Gas Tester and Entry Supervisor for Confined Space (AGTES)	7
Basic Safe Handling of Forklift Truck Training	1
Plant Safety Training (PST)	18
Emergency Response Team (ERT) Training	33
Fire Safety Training	1
HIRARC and Ergonomics Safety Training	58
Emergency Response Planning	1
Safety and Health Committee Training	18
Basic Occupational First Aid, CPR & AED Training	19
Seminars	
Noise Hazards at the Workplace Seminar	2
Guidelines on Medical Surveillance Programme at the Workplace Seminar	1

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OCCUPATIONAL SAFETY & HEALTH

Health & Safety Performance

The majority of our work-related hazards are associated with working at heights, heavy lifting operations and coal-handling. To manage these hazards, we gathered input based on reported incidents and conducted safety and health committee meetings, inspections and audits. We aim to establish proper method statements, HIRARC, Permit to Work (PTW) and implement on-site internal controls to mitigate these hazards at our operating sites. Additionally, we will organise safety awareness and improvement programmes to eliminate other work-related hazards and ensure the safety of our personnel.

In the year under review, there was one non-employee fatality which was recorded as a result of a work-related injury. This was due to an unsafe act by a contractor. Immediate control measures were taken, including enhancement of communication, revision of SOP and Hazard Identification, Risk Assessment and Risk Control documents. Furthermore, a total of 14 work-related injuries were recorded among

both employees and non-employees due to incidents caused by unsafe acts. In 2023, our employees collectively worked 6,983,212 hours, resulting in a Lost Time Incident Rate (LTIR) of 0.73.

In relation to work-related ill health, no fatalities were reported among employees. We continually pursue our health promotion programmes through our regular medical surveillance, health bulletins and physical awareness programmes such as mental health talks, health clinical checks, and promotions by medical professionals. In order to ensure, as far as practicable, the optimum safety and health performance for the company, we continue to apply HIRARC controls, including elimination and substitution of risks, implementation of engineering and administrative controls, and the enforcement of the use of PPEs.

All employees and contractors are covered by our OHS (Occupational Health and Safety) management system, as well as all workers whose work is controlled by the organisation but who are not employees.

Work-Related Injuries

Malakoff

Safety Performance Indicators	2022	2023
Total Manhours Worked	7,130,563	6,983,212
Number of Incidents Recorded	9	35¹
Number of LTI Cases (Operations)	2	4
Number of LTI Cases (Projects)	0	0
Lost Time Injury Frequency Rate (LTIFR) – Operations	0.29	0.73
Lost Time Injury Frequency Rate (LTIFR) – Projects	0.00	0.00
Legal Compliance	0	2²

¹ Includes near miss incidents

² Notice of prohibition and notice of improvement for fatality incident on 18 October 2023 at Tanjung Bin Energy Power Plant

Alam Flora

Safety Performance Indicators	2022	2023
Total Manhours Worked	36,822,718 ¹	46,466,129
Lost Time Injury Frequency Rate (LTIFR)	0.68	0.86

¹ Figures have been restated to reflect data up to December 2022.

AFES

Safety Performance Indicators	2022	2023
Total Manhours Worked	1,626,521	12,048,476
Lost Time Injury Frequency Rate (LTIFR)	1.84	0.50

▶▶ Going Forward

We are committed to continuously enhancing our OSH management and we will actively encourage participation from all stakeholders to optimise our safety performance.

EMPLOYEE ENGAGEMENT & WELL-BEING

Why It Is Important

The commitment of our employees and their overall well-being are fundamental to the triumphs of Malakoff, as they have a substantial influence on the levels of productivity, innovative capabilities and the general efficacy of the organisation. An energised and healthy workforce is the bedrock of a thriving corporate culture and the linchpin of enduring business prosperity.

Employees who are both engaged and in good health are typically more industrious, creative and dedicated. Such employees are the driving force behind a constructive work atmosphere and the collective achievements of the organisation.

In recognition of our employees' value and to boost their performance, we are dedicated to creating a work environment that is engaging, stimulating and inclusive. This environment is designed to enable our employees to unleash their full potential.

Our Approach

For Malakoff, our dedication is unwavering when it comes to ensuring employees can effectively balance their professional and personal lives. We prioritise robust health and safety protocols, actively provide support for mental well-being, and offer ongoing opportunities for professional training and development. Such commitments are integral to our corporate values.

These priorities are deeply integrated into the objectives and performance indicators of our People Division. It plays a crucial role in the operationalisation of these significant matters, reflecting our holistic approach to employee welfare and our strategic focus on nurturing a supportive and progressive workplace.

Our Initiatives

At Malakoff, our engagement initiatives are designed to support the holistic well-being and professional growth of our employees. These initiatives encompass wellness programmes that cater to both physical and mental health, adaptable work schedules to ensure a better work-life balance and a range of professional development opportunities that encourage continuous learning and skill enhancement.

We have established various channels for employee feedback, such as the Employee Engagement Survey (EES), town hall meetings and our HR2U Day to maintain open lines of communication and address employee concerns promptly. Cultural and community-building events, like the Hari Raya gathering reinforces our commitment to inclusivity and diversity within the workplace. Recognition of service is celebrated through our Long Service Award, honouring the dedication of our long-standing team members.

To raise awareness and provide support for mental health, we run targeted campaigns and offer comprehensive health insurance plans to ensure our employees have access to the necessary healthcare services. Furthermore, we engage our workforce with quarterly activities aimed at strengthening team cohesion and we host an Annual Wellness Programme to promote health and fitness across the company.



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EMPLOYEE ENGAGEMENT & WELL-BEING

Employee Welfare

To secure the best talent, we go beyond the provision of competitive remuneration and benefits. Our approach encompasses a comprehensive employee value proposition that nurtures their physical, emotional and mental well-being. Our direction in this endeavour is steered by our Employee Welfare Procedures, which align with industry-leading best practices.

Medical (Outpatient & Inpatient) - covers dependants	Maternity Benefits & Maternity Leave	Paternity Leave
Compassionate Leave due to Death of family member, Marriage Leave and Natural Disaster Leave	Group Personal Accident and Term Life Insurance	Training and Development
Hajj/Umrah Benefits	Welfare Benefits (Newborn & Get Well Gifts)	Dental Benefits

In 2023, Human Resources launched a revised salary framework and conducted a comprehensive salary reassessment throughout the Group, effective 1 January 2023, to ensure competitive standing within the industry. Additionally, we now offer 98 days of maternity leave to female employees, facilitating adequate recovery time post-childbirth, bonding with the infant and acclimation to the new responsibilities of motherhood. Furthermore, male employees are granted seven days of paternity leave, enabling fathers to play an active role in the initial phase of their child's life, share caregiving duties and foster a nurturing family setting.

▶▶ Going Forward

At Malakoff, our commitment to excellence and employee satisfaction is ever ongoing. We consistently evaluate and enhance our policies to remain in step with the latest and most effective industry practices. Our aim is to ensure that our operational standards reflect contemporary benchmarks of excellence.

Understanding the critical importance of employee well-being, we are dedicated to broadening the scope of our wellness programmes. This includes comprehensive mental health support, recognising that a healthy workforce is vital to our company's success.

Investment in our employees' professional journeys is a cornerstone of our strategy. We are focused on providing substantial opportunities for development and career progression, ensuring that our team members have the pathways and resources to grow within Malakoff.

Furthermore, we are proactive in seeking and valuing our employees' perspectives through regular surveys. This feedback is crucial, enabling us to tailor our strategies to meet their needs and expectations better. By adjusting our approach based on direct input from our staff, we reinforce a culture of mutual respect and continuous improvement.

COMMUNITY INVESTMENT & DEVELOPMENT

Why It Is Important

Community investment and development are vital for us, as they cultivate social responsibility, boost our reputation, strengthen stakeholder relations, mitigate risks and drive the long-term sustainability of our business operations. Through active engagement in the community development, we can fulfil our social responsibility by providing multifaceted support to foster economic growth and enhance the overall well-being of society, giving back to the communities that support us.

Our commitment to serving communities by managing waste responsibly with minimal impact on the environment is reflected through our subsidiary, Alam Flora Sdn Bhd. Social responsibility and environmental stewardship serve as its social compass, which guides the leading waste management company in the country to create a sustainable living environment and leave a clean legacy for future generations.

Our Approach

In our commitment to contribute to the well-being of our local communities, we strive to provide support and aid to the underprivileged and underserved through diverse outreach initiatives aimed at reducing socioeconomic gaps. We are guided by our ESG strategy, sustainability framework, and CSR pillars, which ensure that we support our communities in meaningful ways. Our programmes focus on critical areas such as providing educational support, skills development, disaster relief and community enrichment.

In line with our commitment to fostering a sustainable society, we constantly engage with stakeholders, as evident at Alam Flora, which employs Communication, Education, and Public Awareness (CEPA) as part of its strategy to nurture a society that supports sustainable living and makes recycling a culture. Through our subsidiary, we continue to carry out environmental conservation and social development initiatives to achieve the United Nations' Sustainable Development Goals by 2030.

Our Initiatives

In the year under review, we invested RM240,500.00 in sustainability programmes, focusing on education and community enrichment initiatives. These programmes, which included initiatives such as buka puasa events and zakat contributions, impacted over 4,000 beneficiaries. As part of our commitment to giving back to the communities around us, we conducted the following programmes in 2023:

Malakoff's Educational Programmes

- Zakat Handover Ceremony for IPT Students in Kampung Segari, Perak
- MPH Book Donations for Adopted Schools in Segari
- MPH Book Donations for Adopted Schools in Prai
- Zakat Handover Ceremony for IPT Students in Mukim Serkat
- 'Jom Ke Sekolah' Programme with Adopted Schools in Mukim Serkat
- School Fees Handover Ceremony for Children in Kawasan 1, Mukim Serkat
- Motivational Camp for Adopted Schools, Mukim Serkat



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COMMUNITY INVESTMENT & DEVELOPMENT

Malakoff's Community Enrichment Programmes

- "Jom Kitar Semula" Collection Day, Mukim Serkat
- Ceramah Perdana Segari by Ustaz Harryanto Rizal Rokman
- Majlis Berbuka Puasa & Penyerahan Zakat Asnaf Mukim Serkat
- Majlis Berbuka Puasa & Penyerahan Zakat Asnaf Kampung Segari
- Iftar with JPKK Mukim Serkat
- Majlis Penyerahan Lembu Korban Aidiladha 2023 (Prai)
- Majlis Penyerahan Lembu Korban Aidiladha 2023 (Mukim Serkat)
- Majlis Penyerahan Lembu Korban Aidiladha 2023 (Segari)
- Financial Aid for Accident Victim (Adik Rayyan)
- Jemputan Majlis Maulidur Rasul 1445H/2023M Masjid Al-Amin Kampung Sungai Dinar, Mukim Serkat, Pontian
- Majlis Sambutan Maulidur Rasul & Ceramah Perdana Mukim Serkat
- Sports Carnival Mukim Serkat
- Community Engagement Programme with Kampung Semangat Residents Association, Segari, Perak
- Sports Carnival Segari



Alam Flora's Educational Programmes

- Recycling Awareness Exhibition & Recycling Collection at DECTAR Universiti Kebangsaan Malaysia (Climate Action Festival @ UKM YSD)
- Recycling Awareness Talk at SMK Seri Hartamas
- Recycling Awareness Talk and booth exhibition at IIUM Gombak
- Recycling Awareness Exhibition Booth at British International School KL.
- Upcycle Activity - FIKS Visit by the Japanese School of Kuala Lumpur
- Recycling Awareness Talk at SJKC Foon Yew 2
- Recycling Awareness Talk at SMK Putri Titiwangsa
- Recycling Awareness Talk at SK Seri Pandan
- Pameran di Karnival Minggu Sains Negara dan Malaysia Techlympics 2023
- Recycling Awareness Talk at Kiaramas Kuala Lumpur
- Recycling Awareness Talk with Politeknik Ungku Omar
- Recycling Awareness Talk with SMK Raja Perempuan, Ipoh
- Recycling Awareness Talk with UNITEN
- Recycling Awareness Talk with Ican College Kuala Lumpur



Alam Flora's Community Enrichment Programmes

- Program Perasmian dan Penyampaian Hadiah Grand 1 Skim 1 Transformasi 1S1T
- Opening Ceremony of the Drive-Thru Recycling Centre (DTRC) by the SWCorp Wilayah Persekutuan Director
- Majlis Pelancaran Bawa Pulang Sampah Anda oleh Naib Presiden Perkhidmatan Bandar, Perbadanan Putrajaya
- Agihan Bubur Lambuk oleh Naib Presiden Perkhidmatan Bandar, Perbadanan Putrajaya
- Sustainability Hunt Programme 2023
- Soft Launch of Housing Bin by YBrs. Dr. Mohd Helmi Bin Abdul Hamid, Director of Environmental Health Putrajaya
- Programme Cyber Eco Hunt 2023
- Karnival Saya Sayang Bumi 2023
- Waste is Amazing Hunt 2023



During the year, Malakoff organised two key community development programmes:

Inspiring Young Minds Through Malakoff's Motivational Camp

Malakoff held a three-day motivational camp at D'Bemban Camp and Eco Resort in Kulai, Johor, from 7 to 9 December 2023. The camp engaged with 140 students and 14 teachers from seven adopted primary schools in Mukim Serkat. While promoting academic awareness and responsibility, the camp also strengthened relationships among participants to nurture a love for nature. The programme included an exciting lineup of activities, such as teamwork workshops, survival training, cultural performances and an exploratory race, emphasising skills development and camaraderie. This initiative is aligned with Malakoff's CSR focus on community enrichment, which underscores the company's commitment to fostering relationships and giving back to society.

Community Fun with 'Karnival Sukan Rakyat'

As part of its ongoing commitment to local communities, Malakoff hosted a 'Karnival Sukan Rakyat' on 19 November 2023 at Kompleks Penghulu Mukim Serkat in Pontian and on 2 December 2023 at Sekolah Kebangsaan Segari in Lumut. The event aims to enhance community engagement by bringing Malakoff and the communities closer together in an informal event. Aside from the competition in sports activities, we also take the opportunity to raise awareness with information booths on health and environmental awareness for participants.

At Alam Flora, CEPA programmes were conducted in FY2023 to increase public awareness of our recycling and waste diversion initiatives, strengthening our efforts to promote a circular economy. An example is organising and hosting educational and awareness visits at our Fasiliti Inovasi Kitar Semula (FIKS), the country's first integrated recycling and awareness facility. Since its opening in 2020, FIKS has received over 11,000 visitors of all ages and backgrounds.

▶▶ Going Forward

We will explore other meaningful ways of improving our engagement with communities in areas where we operate. In our commitment to driving community development, we strive to create lasting changes that positively impact lives and ensure our communities thrive sustainably.

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TALENT MANAGEMENT

Why It Is Important

Our workforce is our most valuable asset. They are the key drivers of our daily operations and are essential in achieving Malakoff's corporate goals. Now, more than ever, it's crucial that our employees are aligned with our vision of transforming Malakoff into a company centred on ESG principles, with a focus on clean/renewable energy and environmental solutions.

Our Approach

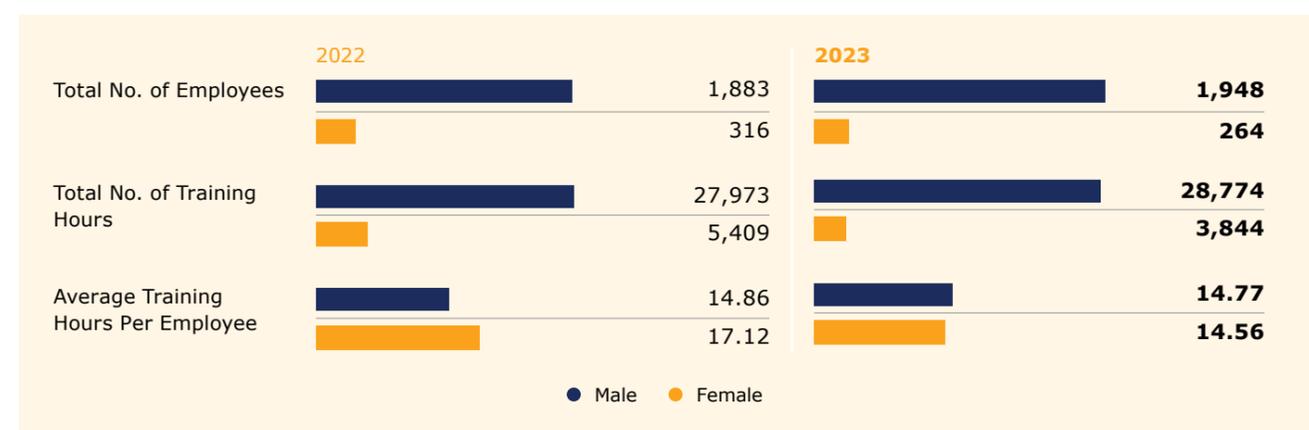
Integral to this is our approach to talent management, which is crucial for Malakoff's success. It encompasses acquiring, developing and retaining skilled and motivated employees. Talent management influences our capacity to innovate, remain competitive, and achieve sustainability objectives. By investing in our employees' growth, we enhance their abilities and ensure the continued progress and success of Malakoff as a whole.

Our Initiatives

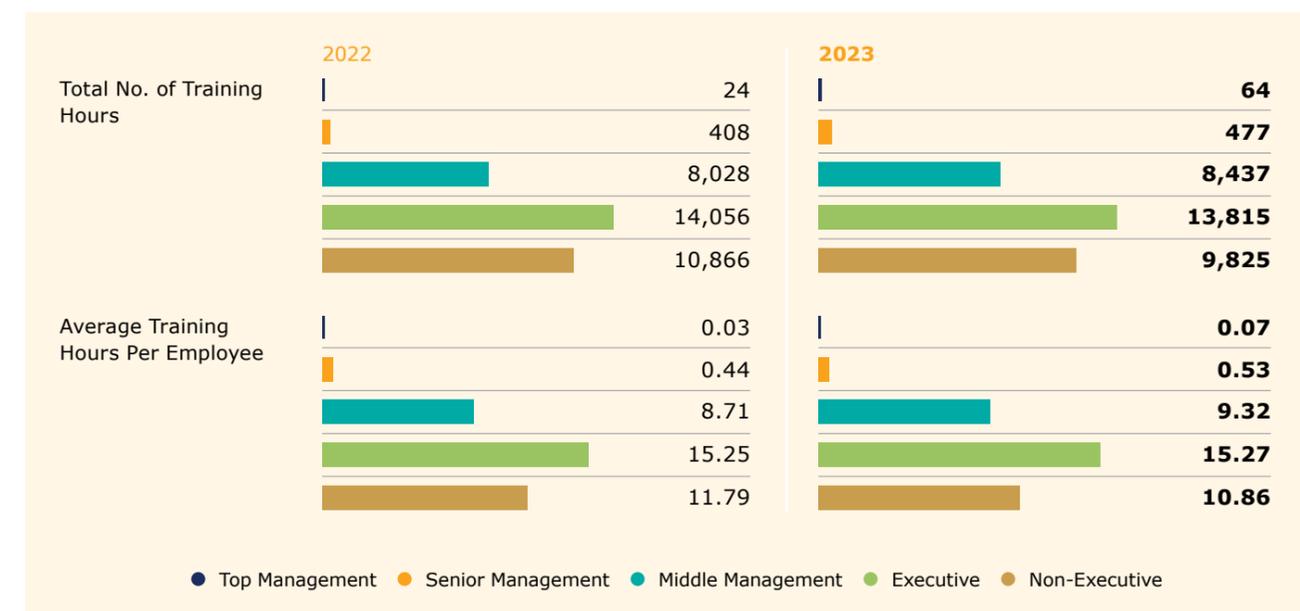
Training and Development

We invest in continuous training and development to empower our workforce and enable them to reach their full potential. Our goal is to ensure our employees are adaptable in rapidly changing industries. The People Division identifies skill gaps within the Group. It organises tailored training programmes to address these gaps, encompassing both soft skills and technical capabilities. We invested RM1.46 million in employee training programmes in the year under review, providing 32,468 training hours.

Total Training Hours by Gender and Age Group



Total Training Hours by Employee Category



Malakoff has launched various initiatives, including the establishment of a structured leadership development programme for its future leaders and talents, alongside encouraging ongoing learning for its employees through in-person and online training platforms, such as "EDGILE".

Name of Programme	Objective	No. of Participants
Training Workshop	Facilitate the development and enhancement of specialised technical, interpersonal or leadership competencies needed for employees' specific roles	1,498
EDGILE Online Learning	Motivate Malakoff employees to undertake and complete essential monthly courses, demonstrating their dedication to lifelong learning	529
Leadership Development Programme for Managers (six months programme)	Provide Malakoff's emerging talents with the essential skills and knowledge required for effective leadership within the organisation	25
Leadership Development Programme for Executives (six months programme)	Offer Malakoff's executives the requisite skills and understanding needed to steer the organisation successfully	25
Leadership Development Programme for Malakoff's Successor	Prepare Malakoff's future leaders with the critical skills, capabilities, and insight necessary for assuming senior positions within the organisation	17 successors

Our Performance

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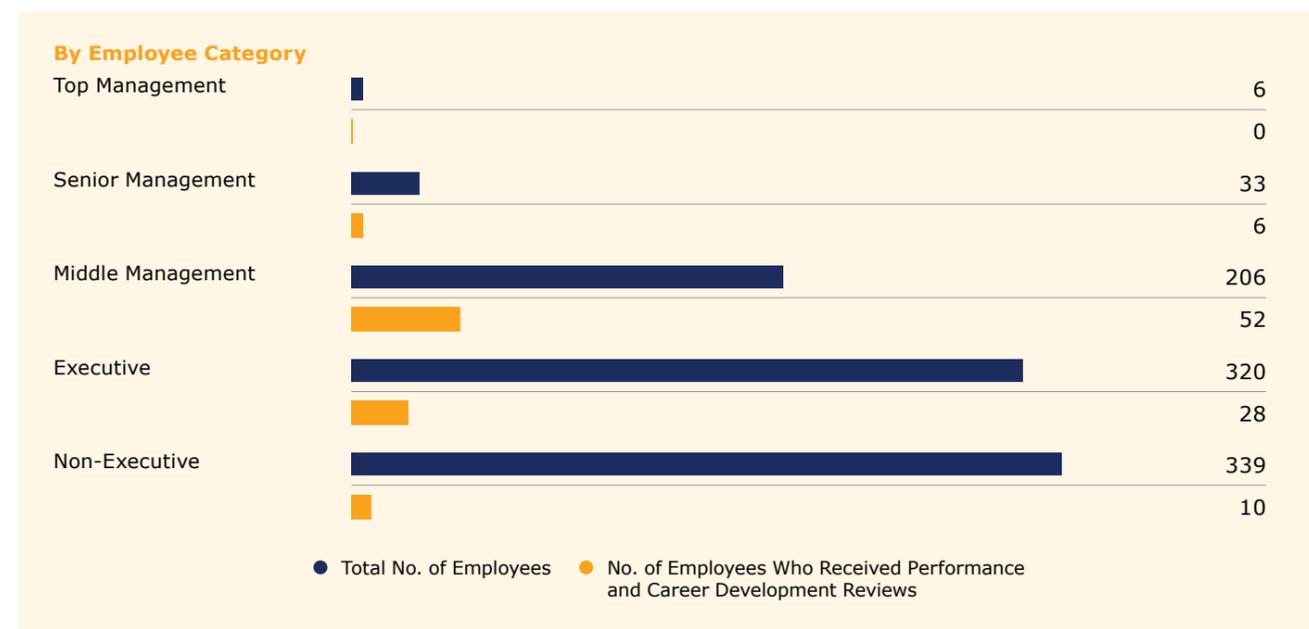
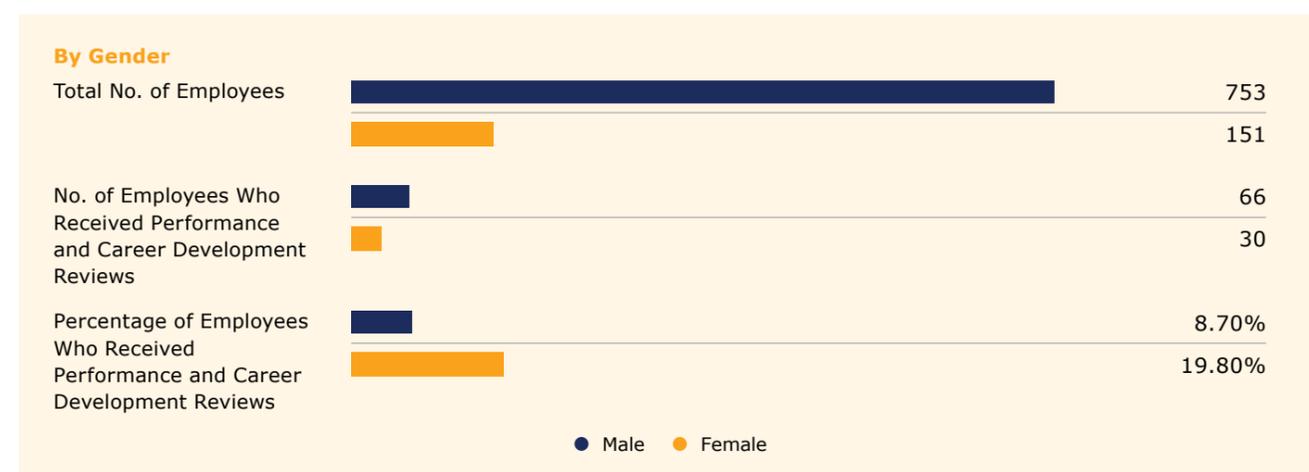
Malakoff Corporation Berhad

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TALENT MANAGEMENT

We acknowledge the significance of employees being aware of what is expected from them. Concurrently, we need to grasp their career ambitions to assist their professional development. These conversations typically occur in the annual appraisal sessions conducted for all staff members. These appraisals involve private discussions between employees and their direct supervisors, where they openly discuss performance and career objectives. In 2023, 28.5% of our employees underwent performance and career development reviews.

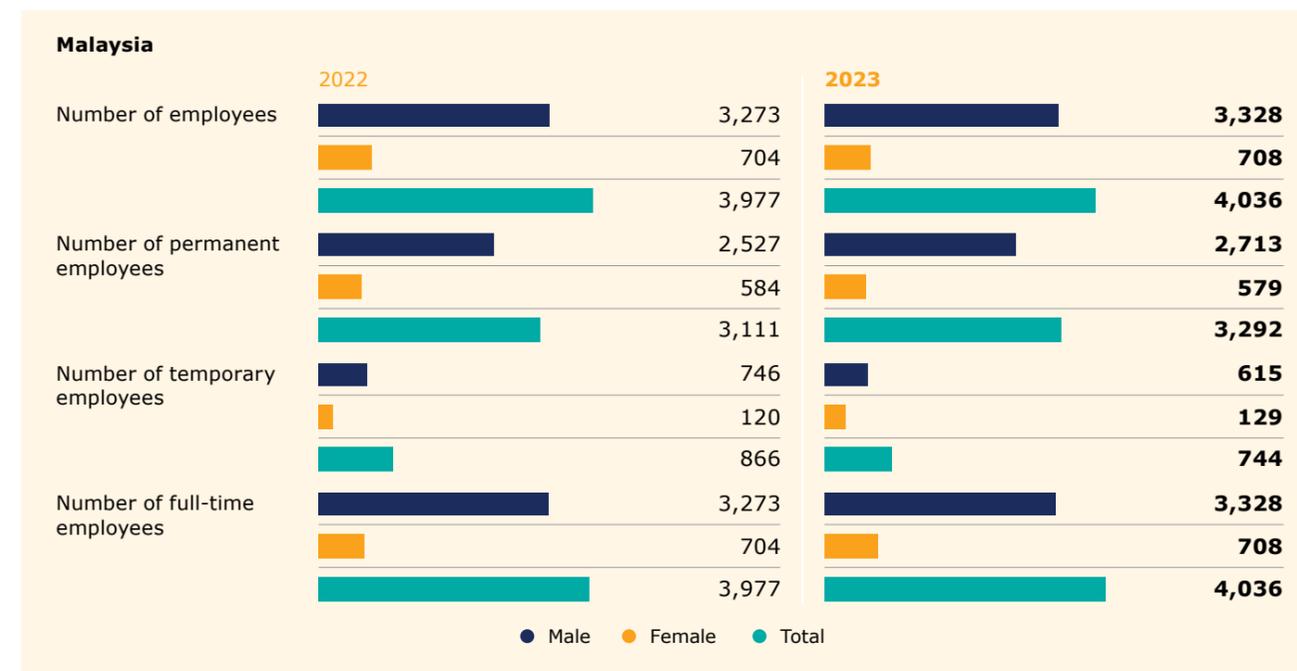
Percentage of Employees Receiving Regular Performance and Career Development Reviews



Total Employees by Gender (headcount/FTE)



Employees by Region (headcount/FTE)



Our Performance

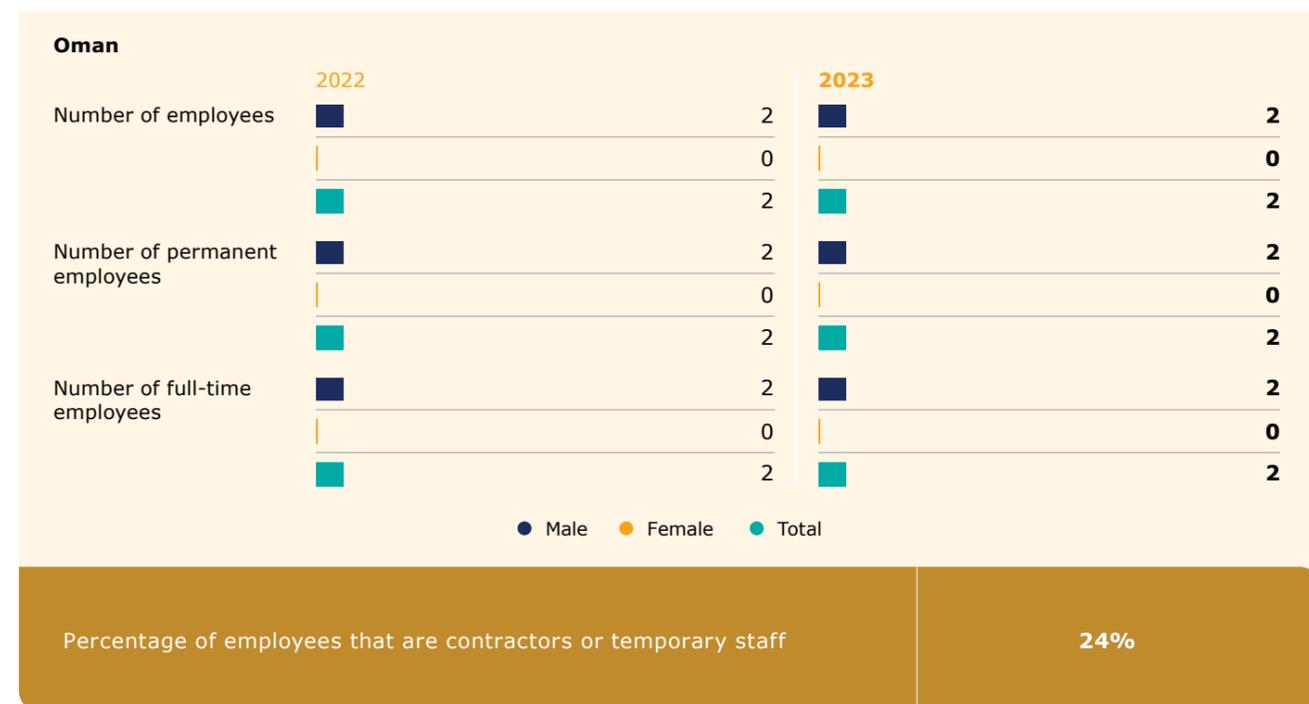
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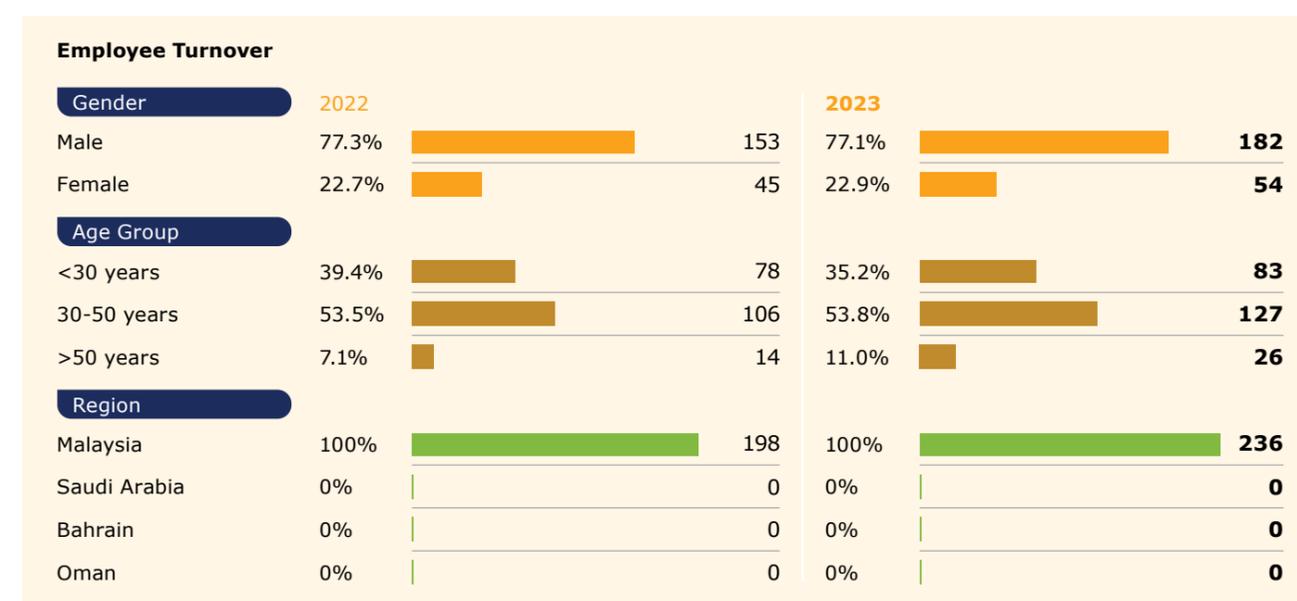
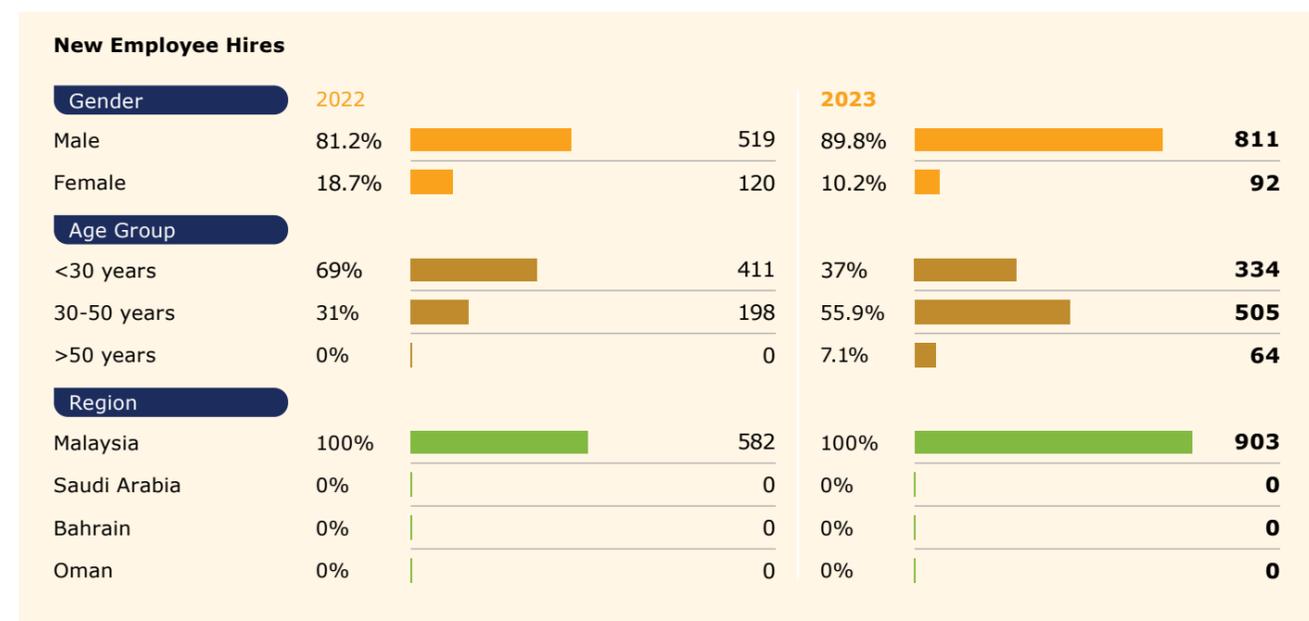
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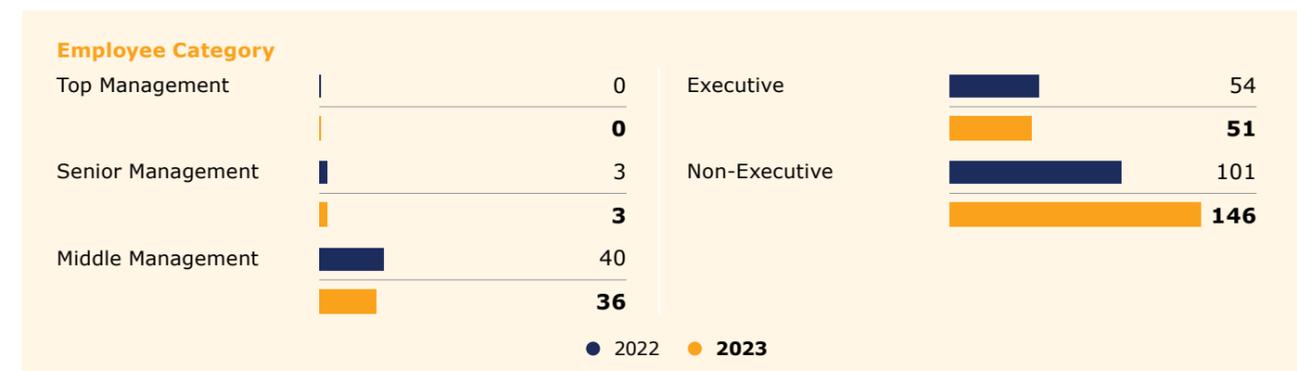
TALENT MANAGEMENT



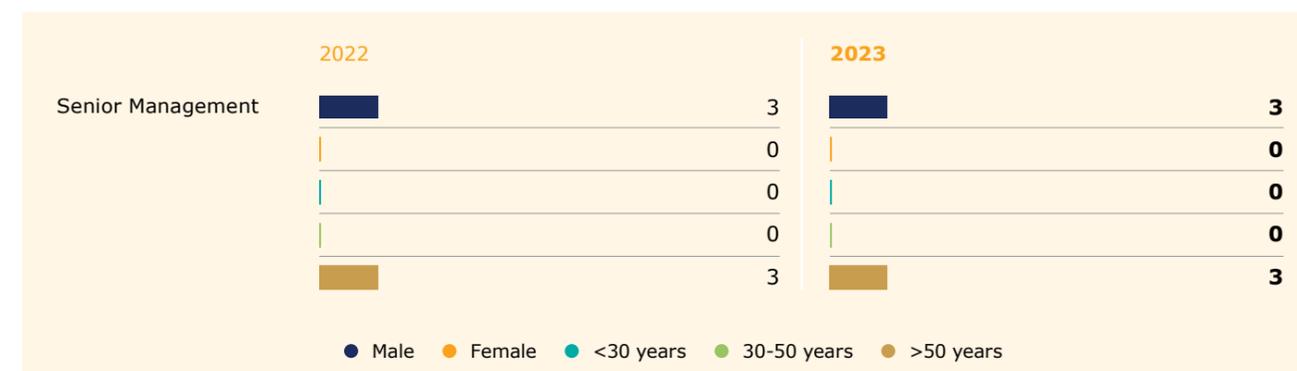
New Employee Hires and Employee Turnover



Employee Turnover by Employee Category



Employee Turnover by Age Group and Gender



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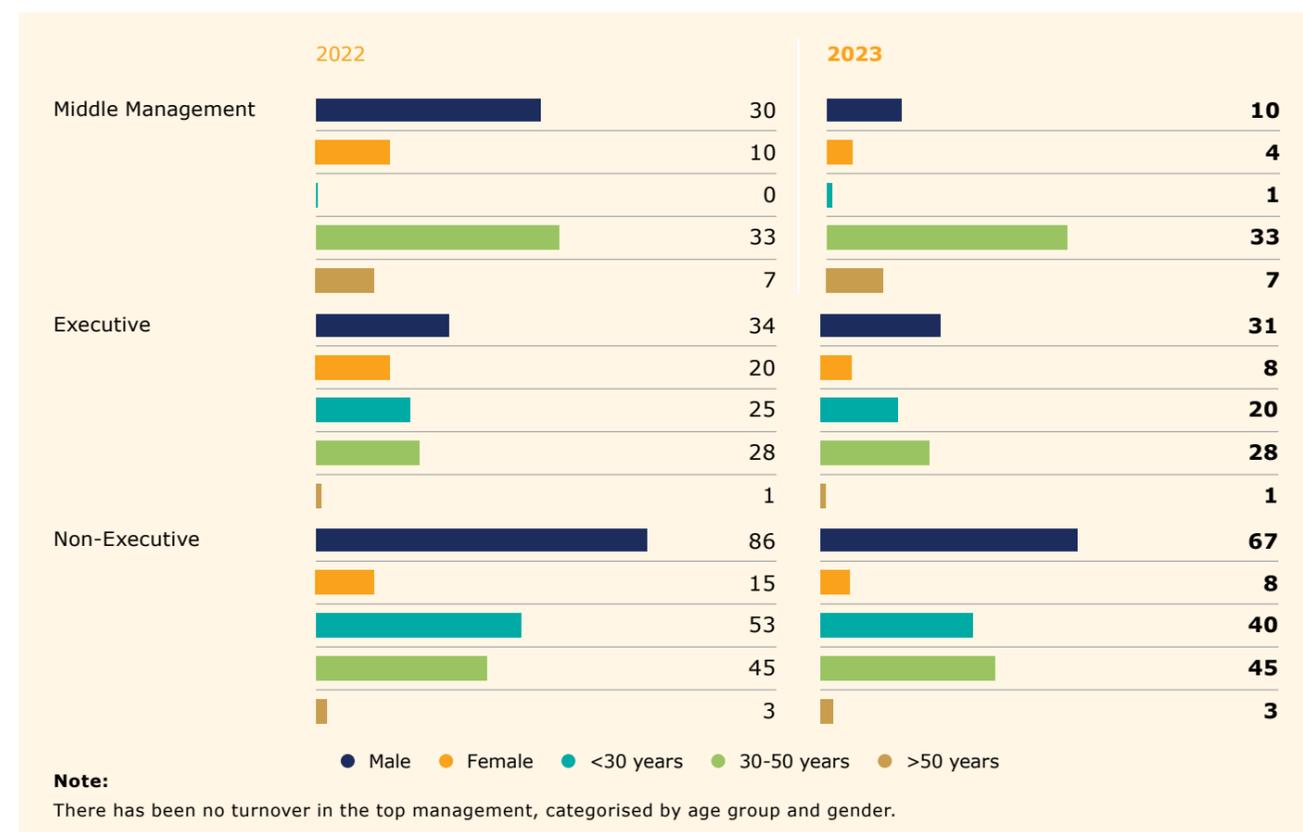
Our Performance

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TALENT MANAGEMENT

Employee Turnover by Age Group and Gender



▶▶ Going Forward

It is essential to continuously refine our talent management strategies as we aim to stay ahead of industry standards. This involves developing robust policies and ensuring their effective implementation, as well as our unwavering commitment to owning the process. We recognise that talent acquisition, development and retention are vital pillars of our success, and we are dedicated to optimising these areas to benefit the company.

We prioritise the professional growth of our employees by significantly increasing funding for development programmes and training opportunities. These initiatives aim to enrich their current skill sets while also preparing them for future challenges and roles within the industry. By investing in our people, we aim to address both present and future needs, ensuring that our workforce remains competent with no shortages in talent or capabilities.

In addition, we are proactively implementing diversity and inclusion programmes to cultivate a workforce that reflects a rich tapestry of backgrounds and perspectives. This diversity is integral to driving innovation and reflecting the communities we serve.

We are also dedicated to regularly evaluating and improving employee satisfaction and engagement. By actively seeking and responding to employee feedback, we can create a more dynamic, responsive, and fulfilling workplace that encourages loyalty, productivity, and collective success.

HUMAN RIGHTS & LABOUR RELATIONS

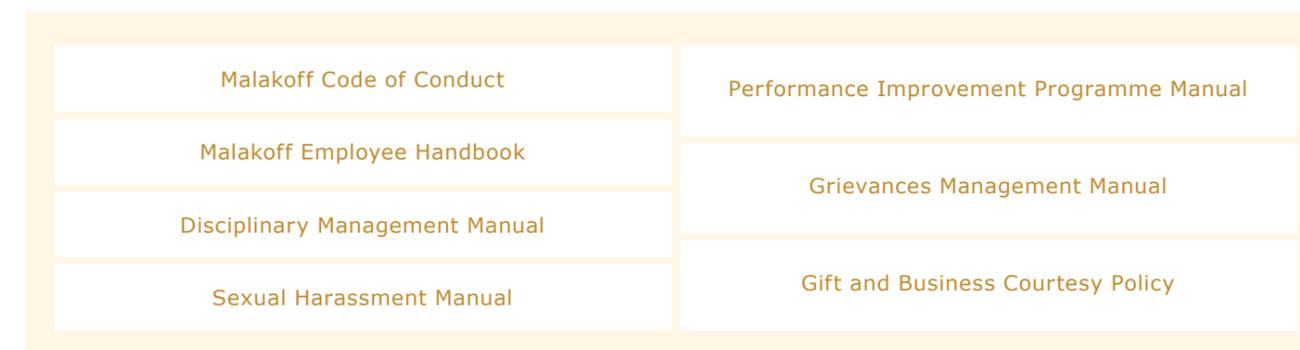
Why It Is Important

Effective labour relations are crucial for organisational well-being, impacting various aspects of the workplace. Enhancing labour relations contributes to a harmonious work environment, increasing job satisfaction and boosting productivity. It also plays a crucial role in resolving conflicts, minimising disruptions to business operations and ensuring a stable work environment. Our commitment to adhering to labour laws builds trust with employees and drives our organisation's long-term sustainability.

At Malakoff, we strive to create a culture of collaboration, innovation and adaptability, engaging with employees constantly to ensure a healthy and productive work environment. We believe in treating all stakeholders, including workers and contractors, with dignity and respect, regardless of their background, identity or personal characteristics. We are committed to keeping our operations free from issues such as forced labour, child labour, discrimination, harassment and unfair labour practices. As a responsible employer, we prioritise upholding human rights to protect our employees' well-being and safeguard our organisation from legal, financial and reputational risks.

Our Approach

Several frameworks ensure we uphold human rights and labour relations across our operations. Our management of human rights and labour relations is guided by the following:



Child Labour, Forced Labour and Compulsory Labour

We are committed to eliminating child labour, forced labour and compulsory labour, aligning with international standards, ethical principles and guidelines, such as the International Labor Organization's (ILO) Forced Labour Conventions and the Protocol of 2014. We also comply with the Employment Act 1955 and Industrial Relations Act 1967, which prohibits such labour practices, imposing penalties and providing robust reporting mechanisms. We conduct supply chain due diligence, audit our suppliers and address instances of forced labour. Our workers are also educated on recognising and reporting coercion and exploitation at our operational sites. We strive to inculcate ethical recruitment practices to prevent unfair

hiring processes and by conducting rigorous monitoring to identify and mitigate any violations of human rights and labour relations.

Additionally, we are establishing mechanisms for due process and remediation to resolve issues of workers who have experienced forced labour. We are committed to providing transparent reporting, such as in our annual reports, to build trust and accountability with stakeholders. We also conduct and participate in awareness campaigns to disseminate knowledge on forced labour risks and advocate for ethical practices.

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HUMAN RIGHTS & LABOUR RELATIONS

Minimum Notice on Operational Changes

We strive to provide employees with advance notice of changes to their work location, roles or other employment-related matters throughout all operating sites. Operational changes undergo deliberation and negotiation between employee unions and management. The effective date is determined upon reaching a mutual agreement on

these changes. With Collective Agreements, the period for consultation and negotiation is six months. The notice period and provisions for consultation and negotiation are outlined in Article 5: Date and Duration of Collective Agreement and Article 15: Notice of Termination of Service.

Collective Bargaining

We allow our employees the freedom to participate in labour unions and collective bargaining, under local regulations. In 2023, 32% of our employees were covered by collective bargaining agreements. For employees who

are not covered by collective bargaining agreements, working conditions and employment terms are determined by the organisation.

Our Initiatives

Enhancing Labour Relations

In the year under review, we have implemented a comprehensive set of measures to effectively manage labour relations through various channels, including quarterly town hall meetings, newsletters and internet platforms. These channels were established to facilitate open and transparent dialogue between management and employees, keeping everyone informed on our organisational updates and decisions. We also have a "The Tarik Session with CEO," a monthly breakfast gathering with the Managing Director or Group CEO to encourage meaningful interaction and sharing of experiences and challenges in the workplace. This initiative aims to promote transparency, collaboration and strengthen the bond between leadership and staff in a relaxed setting.

We have also established a fair and transparent performance evaluation system with regular feedback sessions. This is complemented by recognition programmes and initiatives to reward long-term employee achievements. At Malakoff, we promote work-life balance by introducing flexible work arrangements and scheduling. We encourage our employees to fully utilise their leave, and our policies discourage excessive overtime.

In addition, to resolve conflicts, we have clear and effective processes, such as our grievance mechanism, mediation services and training programmes for supervisors and managers to enhance their knowledge of addressing issues and preventing escalation. We prioritise workplace safety through health and safety programmes, communicating and enforcing safety policies and procedures to protect our employees. To support the holistic well-being of our employees, we implemented wellness initiatives focusing on physical and mental health, encompassing aspects such as stress management, counselling services, and other related programmes. There were no substantiated complaints concerning human rights violations.

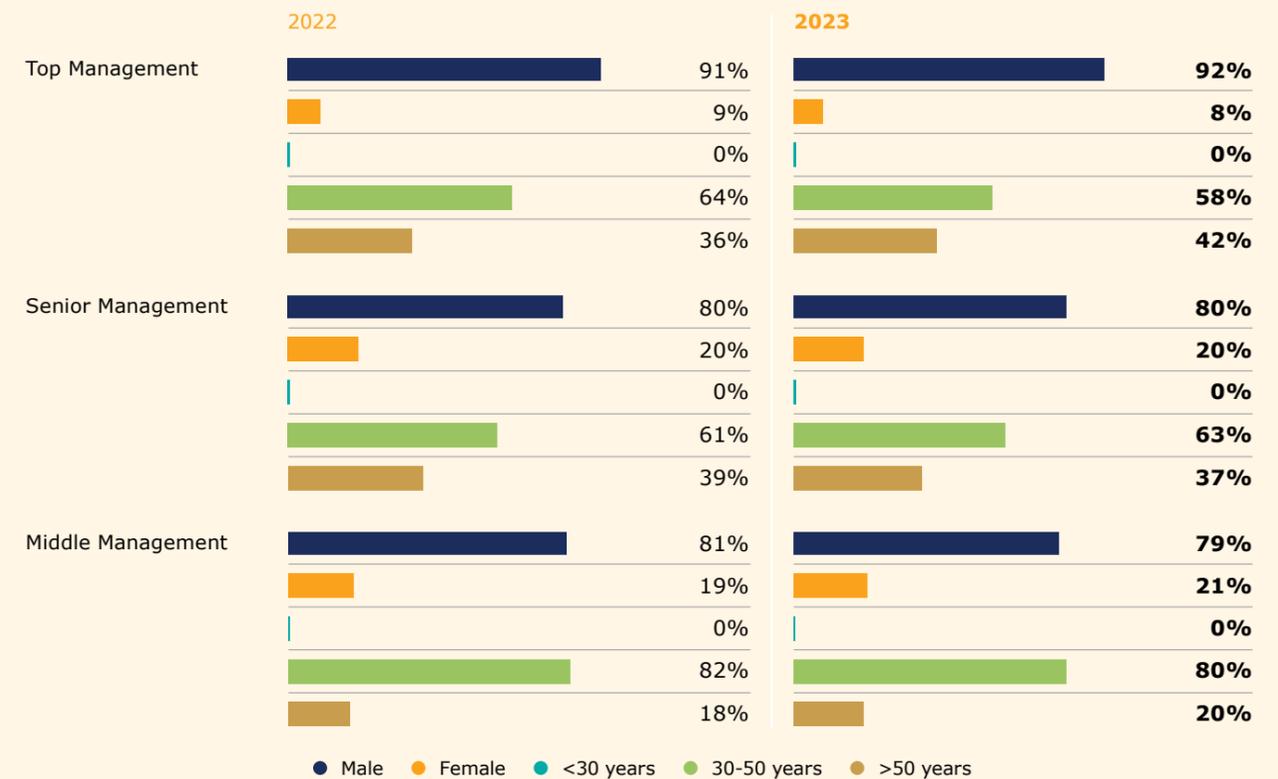
In relation to training and development, we offer programmes to enhance communication skills, conflict resolution and leadership capabilities, demonstrating a commitment to empowering employee growth through continuous professional development opportunities. To ensure fair compensation and benefits to employees, we conduct regular reviews of our compensation structure, benchmarked against industry standards. We believe that offering a comprehensive benefits package, including healthcare, retirement plans and other advantages, enhances employee satisfaction.

Promoting Diversity and Equal Opportunity

At Malakoff, diversity and equal opportunity is crucial for creating an inclusive and vibrant work culture. With a diverse workforce, we benefit from various perspectives, backgrounds and experiences, enriching our creativity, innovation and problem-solving capabilities, and contributing to a more dynamic and resilient talent pool. We gain access to a wider talent pool and attract a broader customer base through diversity and equal

opportunity. To this end, we are committed to providing equal opportunities, ensuring individuals are judged based on their skills, abilities and potential, and emphasising merits. This commitment boosts employee morale and strengthens our reputation as an employer. Our focus on diversity and equal opportunity is a strategic approach that drives our business's success, innovation and sustainable growth in the modern era.

Employees by Management Category, Gender and Age Group



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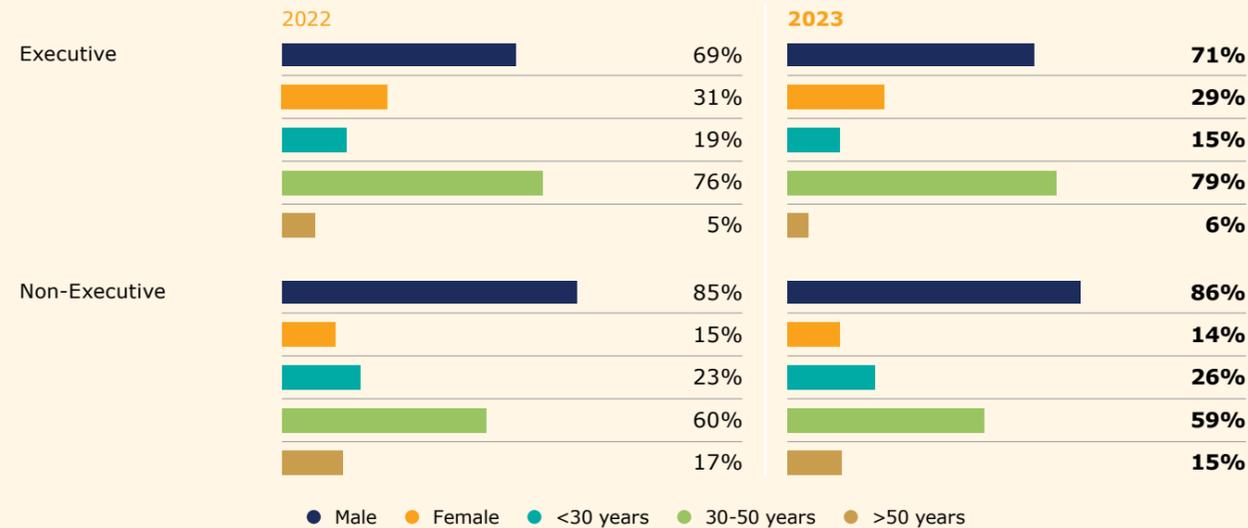
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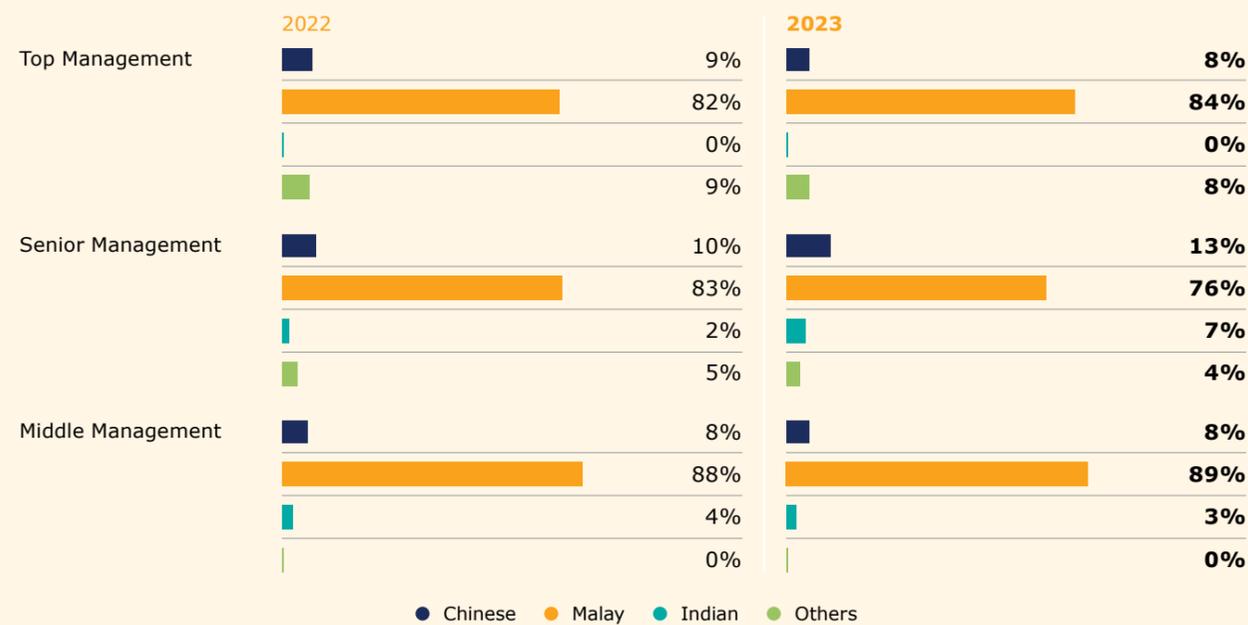
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HUMAN RIGHTS & LABOUR RELATIONS

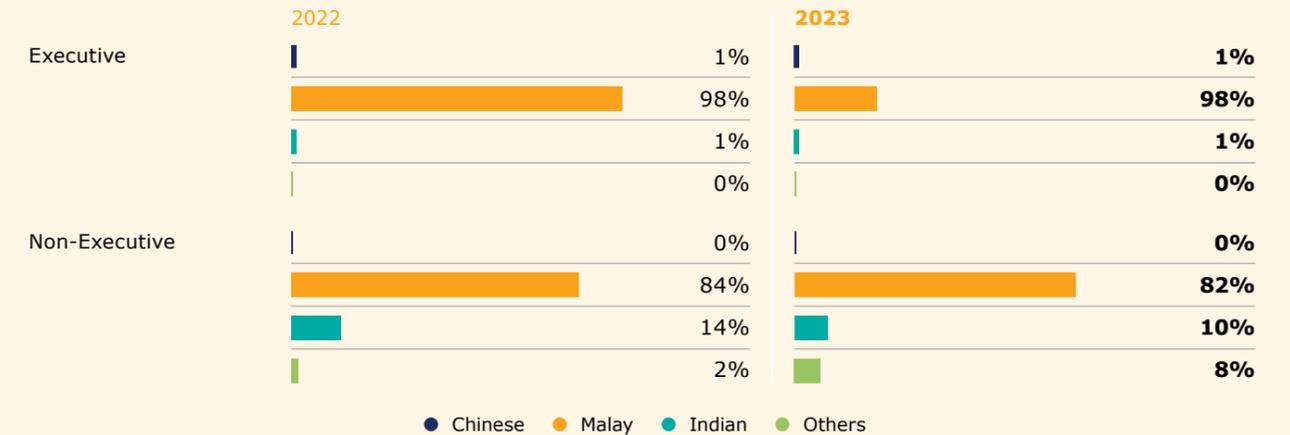
Employees by Management Category, Gender and Age Group



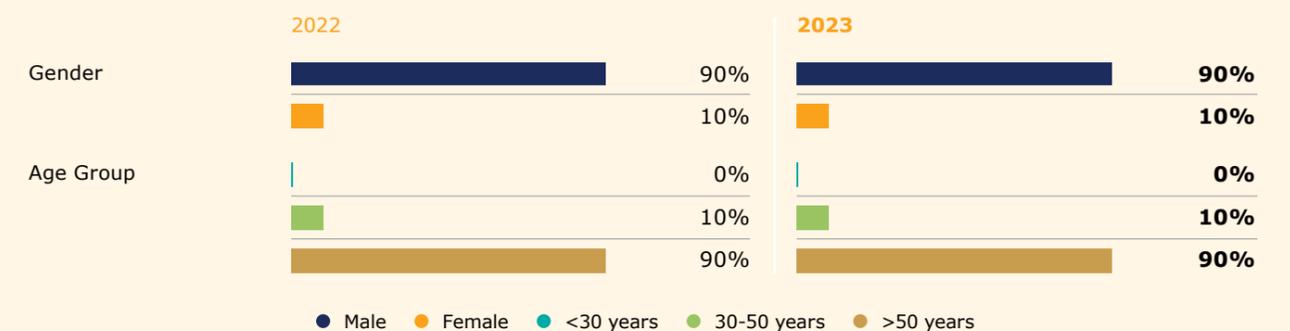
Employees by Management Category and Ethnicity



Employees by Management Category and Ethnicity



Board Members Diversity by Gender and Age Group



Our Performance

HUMAN RIGHTS & LABOUR RELATIONS

Ratio of Basic Salary and Remuneration of Women to Men

	Ratio 2023
Top Management	
Basic salary	0
Remuneration	0
Senior Management	
Basic salary	0.15
Remuneration	0.19
Middle Management	
Basic salary	0.2
Remuneration	0.14
Executive	
Basic salary	0.23
Remuneration	0.09
Non-Executive	
Basic salary	0.12
Remuneration	0.04

In Alam Flora, our employees are compensated by wages subject to minimum wage rules at a ratio of 1:4. In addition, employees across all genders and work categories who work beyond the regular working hours are entitled to overtime pay, enabling them to earn more than the minimum wage. The minimum entry-level wage at Alam Flora is RM7.89 per hour or RM1,500 a month.

No cases of discrimination were reported in the year under review.

▶▶ Going Forward

To address the potential challenges in labour relations, Malakoff will implement strategic action plans to foster communication and transparency. We will continue establishing channels for open dialogue, organising employee engagement initiatives and providing comprehensive training, wellness, and health and safety programmes. We aim to continuously improve our human rights and labour management efforts through regular assessments, gathering employee feedback and adapting to business landscape challenges. This will help us to instil a culture of collaboration, fairness and holistic well-being among employees.

Upholding Ethical Leadership

SUSTAINABILITY REVIEW

Embedding Sustainable, Innovative Business Practices and Acting with Integrity

MATERIAL MATTERS

Governance, Ethics and Integrity

Regulatory Compliance

Economic Performance

Data Privacy and Security



Our Performance

SECTION 04:

Our Performance

Malakoff Corporation Berhad

Integrated Annual Report 2023

GOVERNANCE, ETHICS AND INTEGRITY

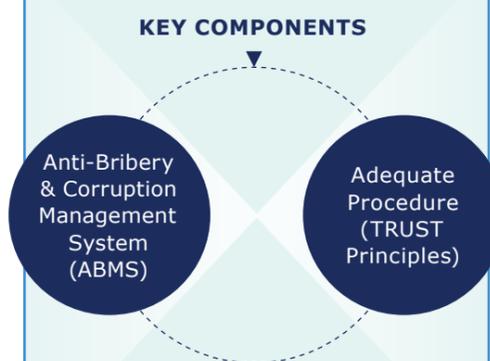
Why It Is Important

Governance, ethics, and integrity are fundamental pillars of Malakoff's success. These pillars establish trust with stakeholders, mitigate risks, ensure compliance, safeguard reputation and drive sustainable growth. By adhering to ethical standards and governance principles, we demonstrate accountability, foster a positive work culture and attract stakeholders who value integrity. Ultimately, prioritising governance, ethics and integrity is essential for building a resilient and reputable organisation capable of thriving in today's dynamic business landscape.

Our Approach

Our approach to governance, ethics, and integrity is deeply embedded in our organisational culture, guided by a comprehensive set of policies, frameworks, and guidelines. These serve as the cornerstone of our organisational culture, ensuring transparency, accountability, and adherence to ethical principles. Key components of our approach include:

Aligned with the ISO 37001 standard, our ABMS framework is robust and proactive. We have implemented a suite of policies designed to uphold good governance practices. These include the Anti-Bribery and Anti-Corruption (ABAC) Policy, Corruption Risk Assessment, Internal Compliance Audit Protocol, Gift Policy and Whistleblowing Policy. Each policy plays a vital role in managing bribery risks effectively, thereby safeguarding the integrity of our operations.



In compliance with Section 17A of the MACC Act, our Adequate Procedure framework is founded on the TRUST Principles. These principles incorporate Top Management Commitment, rigorous Risk Assessment, implementation of Control Measures systematic Review mechanisms and continuous Training initiatives. By adhering to these principles, we ensure a proactive approach to mitigating corruption risks, fostering a culture of integrity and accountability at every level of our organisation.



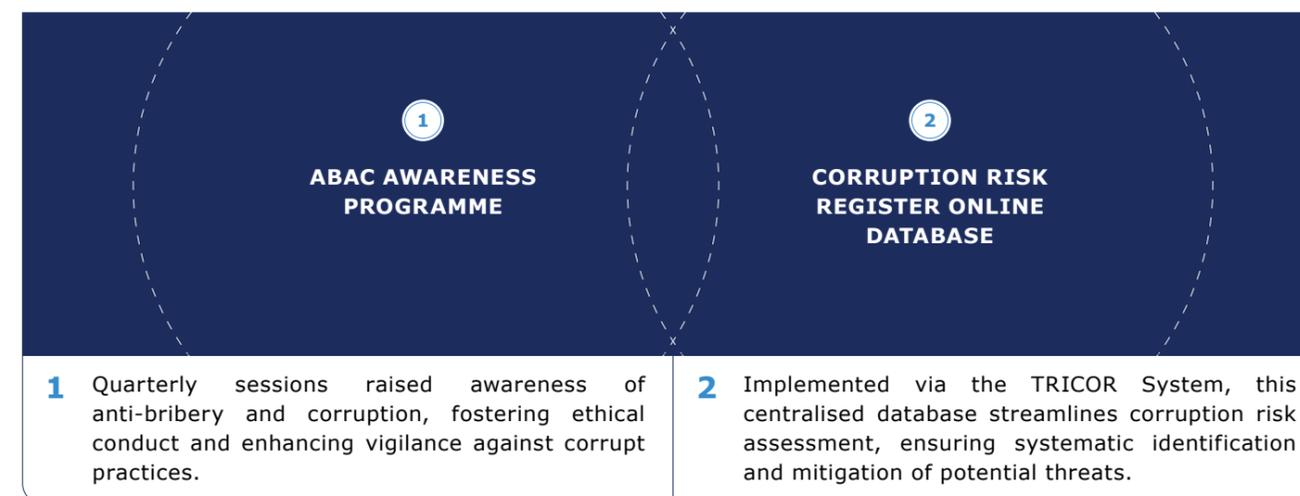
AIGA 2023 Gold Award for Excellence in Governance and Integrity

We proudly received the Gold Award at the 2023 Integrity, Governance and Anti-Corruption Awards (AIGA 2023), hosted by the esteemed Malaysian Institute of Integrity (MIM). This remarkable achievement underscores Malakoff's unyielding dedication to governance and integrity, setting a shining example in shaping Malaysia's global integrity landscape.

Our journey to excellence is illuminated by our steadfast adherence to rigorous standards like the ISO37001 Anti-Bribery Management System (ABMS) and ISO31000 Enterprise Risk Management Guideline certification. Moreover, we have consistently raised the bar for integrity, seamlessly aligning with the National Anti-Corruption Plan, led and guided by our Integrity and Governance Unit.

Our Initiatives

During the year under review, we successfully implemented the following initiatives:



Going Forward

Continuing our commitment to integrity and governance enhancement, we are dedicated to developing of the Malakoff Organisational Anti-Corruption Plan (OACP). This document serves as a cornerstone in our ongoing efforts to address governance challenges and foster a culture of transparency and accountability within our organisation. Aligned with the National Anti-Corruption Plan 2019 – 2023, the OACP outlines comprehensive strategies and measures to combat corruption effectively. By implementing this proactive framework, we aim to strengthen our resilience against corrupt practices, uphold ethical standards, and promote a culture of integrity across all aspects of our operations.

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REGULATORY COMPLIANCE

Why It Is Important

We strongly emphasise regulatory compliance, recognising its significance in driving success in our organisation. Adhering to laws and regulations minimises risks, ensures legal compliance and protects our reputation. Furthermore, through a commitment to regulatory compliance, Malakoff demonstrates its dedication to ethical conduct and builds trust with stakeholders, paving the way for sustainable growth in the current regulatory landscape.

Our Approach

In our dedication to regulatory compliance, we have established and followed a robust set of policies, frameworks and guidelines, such as:

Audit and Verification Programmes

Our Anti-Bribery & Corruption Policy highlights our dedication to continually enhancing governance at Malakoff Group. In 2023, we conducted three distinct audit programmes to uphold this commitment:

Third-Party Surveillance Audit

Internal Compliance Audit

Group Internal Audit

These initiatives, guided by our policies and guidelines, enable us to proactively manage regulatory compliance and strengthen our governance structures, fostering trust and transparency in all our operations.

Our Initiatives

During the year under review, we implemented the following initiatives:

Employees who have received training on anti-corruption by employee category

In the year under review, 85% of our 941 Malakoff employees received information and attended training related to anti-corruption.

Employee category	No. of employees who received training on anti-corruption	Percentage of employees who received training on anti-corruption	Initiatives or programmes implemented for anti-corruption training (e.g.: e-module on anti-corruption)
Top Management	4	1%	Anti-Corruption Training Module
Senior Management	30	3%	
Middle Management	203	22%	
Executive	312	33%	
Non-Executive	249	26%	

Communication and training about anti-corruption policies and procedures

We disseminated our anti-corruption policies and procedures to our Board of Directors, employees, and business partners such as suppliers and vendors through various channels, including awareness sessions, posters, banners, and email communications. These efforts aimed to ensure comprehensive understanding and adherence to the company's commitment to combating corruption across all levels and stakeholders within the organisation and its external partnerships.

Management, Middle Management, Executives, and Non-Executive Employees are 100% thoroughly informed about the anti-corruption policies and procedures through various channels such as policy statements, email communication, and the company's intranet. Additionally, all 49% of our business partners have been informed about the anti-corruption policies and procedures through Vendor Day Awareness Sessions. One member of the Board of Directors has received formal training on anti-corruption, representing 11%, which was conducted as part of the On-Boarding Programme.

All relevant stakeholders within the organisation, including the Board of Directors, Top Management, Senior

Operations assessed for risks related to corruption

We assess operations for Malakoff's risks related to corruption by conducting a comprehensive examination of operational activities to identify and mitigate potential corruption risks.

Indicators	2023
Total number of operations	218
Total number of operations assessed for corruption-related risks	218
Percentage of operations assessed for corruption-related risks (%)	100

Confirmed incidents of corruption and actions taken

In 2023, there has been zero number of confirmed incidents of corruption reported within our organisation.

▶▶ Going Forward

We are committed to strengthening our verification, awareness, and enforcement mechanisms to ensure robust adherence to regulatory standards. By prioritising continuous improvement and investing in resources dedicated to compliance, we aim to meet and exceed regulatory expectations, safeguarding our reputation and ensuring sustainable business practices for the future.

Our Performance

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ECONOMIC PERFORMANCE

Why It Is Important

Our commitment to driving economic performance is grounded in its power to stimulate innovation, attract investment, and foster job creation—critical drivers of overall economic growth. We actively prioritise value creation for our stakeholders and underscore local procurement practices’ importance, ensuring prosperity resonates within the communities we serve. Furthermore, we recognise that a resilient economy depends on the seamless flow of essential goods and services. Central to our operational ethos is an unwavering commitment to transparency and ethical conduct in all our vendor interactions. Through these principles, we aim to cultivate strong, mutually beneficial relationships and facilitate equitable processes that benefit all parties involved.

Our Approach

Our Procurement Policy is a robust framework designed to uphold integrity across all our processes. At its core, we prioritise trust-building with our vendors through equitable and transparent subcontracting and procurement methods. We ensure that every transaction is conducted with the utmost integrity. Central to our approach is the steadfast commitment to patronise local suppliers whenever viable, recognising our role as catalysts for sustainable national development. By fostering strong partnerships within our local ecosystem, we bolster the regional economy champion but also ethical business practices on a broader scale.

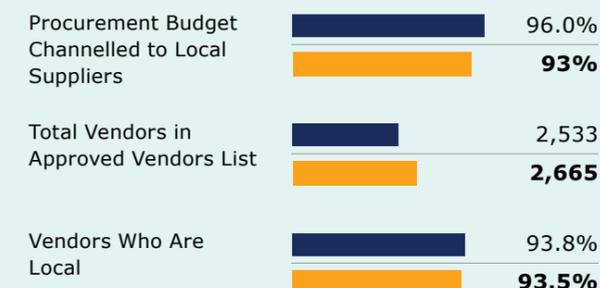
Our Initiatives

Value Creation For Our Stakeholders (RM0'000)



Supporting Local Vendors

Malakoff Corporation



Alam Flora



● 2022 ● 2023

* Restated to reflect vendors who have completed the approval process in iValua registered in Approved Vendor List (AVL).

Supplier Environmental And Social Assessment

In 2023, our commitment to sustainability and integrity extends to our assessment of suppliers’ environmental and social practices, as shown below.

Environmental Assessment

We are cognisant of the importance of environmental assessment for suppliers in ensuring they are integral to the sustainability of our business. We acknowledge the importance of environmental assessment of our suppliers and ensuring the expected deliverables are met. Towards this end, we will continue our effort to further enhance our requirements and incorporate them into our procurement process with our suppliers.

Social Assessment

All of our suppliers are required to comply with our MCB Group’s Code of Conduct. We are cognisant of the importance of social assessment for suppliers in making sure integral to the sustainability of our business. We are committed to Social sustainability efforts, particularly integrity, in all business dealings and stakeholder relationships. Suppliers are required to comply with MCB Group Vendor Code of Conduct, which consists of integrity requirements.

▶▶ Going Forward

We are committed to ongoing assessments and enhancements of our procurement protocols to ensure optimal outcomes. Additionally, we are dedicated to fostering sustainability and adhering to ESG principles. To support this, in November 2023, a Vendors Day event was held to brief our vendors to help them navigate and adapt to the increasing ESG awareness and preparedness to our requirements.

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DATA PRIVACY AND SECURITY

Why It Is Important

Data privacy and security are fundamental for Malakoff, to comply with regulatory frameworks like the Personal Data Protection Act (PDPA) in Malaysia and safeguard sensitive information about our business and stakeholders. Ensuring the confidentiality, integrity, and availability of data is essential for maintaining business continuity and safeguarding our reputation in the industry.

Our Approach

Malakoff adopts a proactive approach towards data privacy and security. We regularly conduct comprehensive risk assessments to identify potential vulnerabilities and threats to our information assets. These assessments enable us to prioritise risks and allocate necessary resources effectively. Our approach is centred around continuous improvement, striving to enhance our controls and mitigate risks to an acceptable level.

Our Initiatives

To address data privacy and security concerns effectively, Malakoff has implemented several key initiatives:



- 1 This platform enables us to manage and secure mobile devices, applications, and data to prevent unauthorised access and ensure compliance with security policies.
- 2 We conduct regular training sessions and awareness programmes to educate our employees about cybersecurity best practices, including identifying phishing attempts, safeguarding sensitive information, and recognising potential security threats.
- 3 This initiative adds an additional layer of security by alerting employees about emails from external senders, reducing the risk of falling victim to email-based attacks.
- 4 We conduct regular vulnerability assessments and penetration tests to identify and remediate potential security weaknesses in our systems and infrastructure. This ensures robust protection against cyber threats.
- 5 Malakoff's Information Security Policy defines the security controls that must be implemented to protect our information assets from unauthorised access, disclosure, alteration, and destruction. This policy is a foundation for our data privacy and security initiatives, ensuring consistency and adherence to best practices.

In 2023, we have had no substantiated complaints concerning breaches of customer privacy or losses of customer data. This achievement reflects our commitment to maintaining high standards of data privacy and security across all aspects of our operations.

Malakoff remains steadfast in its commitment to ensuring the confidentiality, integrity, and availability of data through proactive measures, continuous improvement, and robust initiatives aimed at mitigating risks and safeguarding our stakeholders' interests.

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SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
Environmental				
Energy Consumption				
Scope 1: Direct Emissions	tCO ₂ e	17,786,050.04	16,816,785.84	16,476,659.42
Scope 2: Indirect Emissions	tCO ₂ e	77,666.14	90,019.05	80,113.82
Total Scope 1 & 2	tCO ₂ e	17,863,716.18	16,906,804.89	16,556,773.24
Total energy consumption	MW	102,461.93	118,758.64	105,691.06
Total volume of water used	m ³	2,469,311.49	2,344,412.96	2,532,082.45
Social				
Occupational Safety & Health				
Total Manhours Worked	Hour	39,694,190	45,579,802	65,497,817
Number of work-related fatalities	Number	2	0	1
Lost Time Incident Rate (LTIR) - Projects	Rate	4.75	0.00	0.00
Lost Time Incident Rate (LTIR) - Operations	Rate	0.16	0.29	0.73
Number of employees trained on health and safety standards	Number	-	-	1,626
Community Investment & Development				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	148,240	544,975	240,500
Total number of beneficiaries of the investment in communities	Number	2,666	2,324	4,000
Talent Management				
Total number of employees by Gender				
Employee - Male	Number	3,271	3,275	3,611
Employee - Female	Number	650	704	708
Permanent Employee - Male	Number	1,075	2,529	2,715
Permanent Employee - Female	Number	1,794	584	579
Temporary Permanent Employee - Male	Number	943	746	896
Temporary Permanent Employee - Female	Number	109	120	129

Indicator	Measurement Unit	2021	2022	2023
Non-guaranteed hours Employee - Male	Number	0	0	0
Non-guaranteed hours Employee - Female	Number	0	0	0
Full-time Employee - Male	Number	3,271	3,275	3,611
Full-time Employee - Female	Number	650	704	708
Part-time Employee - Male	Number	0	0	0
Part-time Employee - Female	Number	0	0	0
Percentage of employees that are contractors or temporary staff	Percentage	27	22	24
Total number of new employee hires by gender and age group				
Male	Number	501	519	811
Female	Number	92	120	92
Below 30	Number	412	441	334
Between 30 - 50	Number	176	198	505
Above 50	Number	5	0	64
Total number of employee turnover by employee category				
Top Management	Number	0	0	0
Senior Management	Number	3	3	3
Middle Management	Number	14	40	36
Executive	Number	39	54	51
Non-Executive	Number	76	101	146
Total training hours by employee category and age group				
Top Management	Hours	49	24	64
Senior Management	Hours	60	408	477
Middle Management	Hours	4,069	8,028	8,437
Executive	Hours	2,240	14,056	13,815
Non-Executive	Hours	324	10,866	9,825
Average training hours per employee by category				
Top Management	Hours	0.05	0.03	0.07
Senior Management	Hours	0.06	0.44	0.53
Middle Management	Hours	4.29	8.71	9.32
Executive	Hours	2.36	15.25	15.27
Non-Executive	Hours	0.34	11.79	10.86

Our Performance

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SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
Percentage of employee who received performance and career development review by gender				
Male	Percentage	-	-	8.7
Female	Percentage	-	-	19.8
Human Rights & Labour Relations				
Percentage of employees by gender and age group by employee category				
Gender group by employee category				
Top Management – Male	Percentage	100	91	92
Top Management – Female	Percentage	0	9	8
Senior Management – Male	Percentage	79	80	80
Senior Management – Female	Percentage	21	20	20
Middle Management – Male	Percentage	82	81	79
Middle Management – Female	Percentage	18	19	21
Executive – Male	Percentage	70	69	71
Executive – Female	Percentage	30	31	29
Non-Executive – Male	Percentage	86	85	86
Non-Executive – Female	Percentage	14	15	14
Age group by employee category				
Top Management – Below 30	Percentage	0	0	0
Top Management – Between 30 – 50	Percentage	67	64	58
Top Management – Above 50	Percentage	33	36	42
Senior Management – Below 30	Percentage	0	0	0
Senior Management – Between 30 – 50	Percentage	59	61	63
Senior Management – Above 50	Percentage	41	39	37
Middle Management – Below 30	Percentage	0	0	0
Middle Management – Between 30 – 50	Percentage	81	82	80
Middle Management – Above 50	Percentage	19	18	20
Executive – Below 30	Percentage	18	19	15
Executive – Between 30 – 50	Percentage	77	76	79
Executive – Above 50	Percentage	5	5	6

Indicator	Measurement Unit	2021	2022	2023
Non-Executive – Below 30	Percentage	22	23	26
Non-Executive – Between 30 – 50	Percentage	61	60	59
Non-Executive – Above 50	Percentage	17	17	15
Percentage of employees by category and ethnicity				
Top Management - Malay	Percentage	78	82	84
Top Management - Chinese	Percentage	11	9	8
Top Management - Indian	Percentage	0	0	0
Top Management - Others	Percentage	11	9	8
Senior Management - Malay	Percentage	79	83	76
Senior Management - Chinese	Percentage	10	10	13
Senior Management - Indian	Percentage	3	2	7
Senior Management - Others	Percentage	8	5	4
Middle Management - Malay	Percentage	87	88	89
Middle Management - Chinese	Percentage	8	8	8
Middle Management - Indian	Percentage	5	4	3
Middle Management - Others	Percentage	0	0	0
Executive - Malay	Percentage	98	98	98
Executive - Chinese	Percentage	1	1	1
Executive - Indian	Percentage	1	1	1
Executive - Others	Percentage	0	0	0
Non-Executive - Malay	Percentage	83	84	82
Non-Executive - Chinese	Percentage	0	0	0
Non-Executive - Indian	Percentage	15	14	10
Non-Executive - Others	Percentage	2	2	8
Percentage of directors by gender and age group				
Male	Percentage	100	90	90
Female	Percentage	0	10	10
Below 30	Percentage	0	0	0
Between 30 – 50	Percentage	10	10	10
Above 50	Percentage	90	90	90
Ratio of Basic Salary and Remuneration of Women to Men				
Basic Salary				
Top Management	Ratio	0.00	0.00	0.00
Senior Management	Ratio	0.09	0.10	0.15
Middle Management	Ratio	0.20	0.19	0.20
Executive	Ratio	0.22	0.25	0.23

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SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
Non-Executive Remuneration	Ratio	0.11	0.12	0.12
Top Management	Ratio	0.00	0.00	0.00
Senior Management	Ratio	0.10	0.10	0.19
Middle Management	Ratio	0.19	0.19	0.14
Executive	Ratio	0.19	0.23	0.09
Non-Executive	Ratio	0.09	0.10	0.04
Number of cases reported under Whistleblowing Policy, Harassment Policy and Grievance Procedures	Number	-	-	0
Number of substantiated complaints concerning human rights violations	Number	0	0	0
Governance				
Regulatory Compliance				
Percentage of employees who have received training on anti-corruption by employee category				
Top Management	Percentage	-	0.11	0.43
Senior Management	Percentage	-	1.84	3.19
Middle Management	Percentage	-	14.53	21.57
Executive	Percentage	-	19.20	33.16
Non-Executive	Percentage	-	9.44	26.46
Total	Percentage	-	45.12	84.80
Percentage of operations assessed for corruption-related risks	Percentage	-	-	100
Confirmed incidents of corruption and action taken	Number	-	0	0
Data Privacy and Security				
Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0
Supply Chain Management				
Proportion of spending on local suppliers	Percentage	Malakoff: 98 Alam Flora: 100	Malakoff: 96 Alam Flora: 100	Malakoff: 93 Alam Flora: 100

ASSURANCE STATEMENT

Assurance Undertaken

In strengthening the credibility of the sustainability reporting, selected aspects/parts of this report has been subjected to an internal review by the Company's internal auditors.

Subject Matter

The subject matters covered by the internal review include the following indicators:

Material Matters	Indicator
Energy Management	Energy consumption within the organisation
Health and Safety	<ul style="list-style-type: none"> Number of employees trained on health and safety standards Number of work-related fatalities Lost Time Incident Rate
Anti-corruption	<ul style="list-style-type: none"> Percentage of operations assessed for corruption related risks Percentage of employees who have received training on anti-corruption by employee category Total number and nature of confirmed incidents of corruption

Scope

The boundary of the internal review includes the Group's operations and activities in Kuala Lumpur, Johor, Perak, Putrajaya and Pahang. The internal review was with respect to the year ended 31 December 2023 information and does not include earlier periods.

Procedures Performed

The internal review includes the following:

- i. Verification and validation of underlying records, information and data.
- ii. Inquiries and interview of relevant key personnel in charge of the subject matter data collection, collation and reporting.

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BURSA MALAYSIA INDICATORS

Indicator	Measurement Unit	2021	2022	2023
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	102,461.93	118,758.64	105,691.06
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	2,469.310000	2,344.410000	2,532.080000
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	2	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.16	0.29	0.73
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	1,626
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	148,240.00	544,975.00	240,500.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2,666	2,324	4,000
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Top Management	Hours	49	24	64
Senior Management	Hours	60	408	477
Middle Management	Hours	4,069	8,028	8,437
Executive	Hours	2,240	14,056	13,815
Non-Executive	Hours	324	10,866	9,825
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	27.00	22.00	24.00
Bursa C6(c) Total number of employee turnover by employee category				
Top Management	Number	0	0	0
Senior Management	Number	3	3	3
Middle Management	Number	14	40	36
Executive	Number	39	54	51
Non-Executive	Number	76	101	146
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Top Management Under 30	Percentage	0.00	0.00	0.00
Top Management Between 30-50	Percentage	67.00	64.00	58.00
Top Management Above 50	Percentage	33.00	36.00	42.00
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	59.00	61.00	63.00
Senior Management Above 50	Percentage	41.00	39.00	37.00
Middle Management Under 30	Percentage	0.00	0.00	0.00
Middle Management Between 30-50	Percentage	81.00	82.00	80.00
Middle Management Above 50	Percentage	19.00	18.00	20.00
Executive Under 30	Percentage	18.00	19.00	15.00
Executive Between 30-50	Percentage	77.00	76.00	79.00
Executive Above 50	Percentage	5.00	5.00	6.00
Non-Executive Under 30	Percentage	22.00	23.00	26.00
Non-Executive Between 30-50	Percentage	61.00	60.00	59.00
Non-Executive Above 50	Percentage	17.00	17.00	15.00

Internal assurance External assurance No assurance

(*)Restated

Indicator	Measurement Unit	2021	2022	2023
Gender Group by Employee Category				
Top Management Male	Percentage	100.00	91.00	92.00
Top Management Female	Percentage	0.00	9.00	8.00
Senior Management Male	Percentage	79.00	80.00	80.00
Senior Management Female	Percentage	21.00	20.00	20.00
Middle Management Male	Percentage	82.00	81.00	79.00
Middle Management Female	Percentage	18.00	19.00	21.00
Executive Male	Percentage	70.00	69.00	71.00
Executive Female	Percentage	30.00	31.00	29.00
Non-Executive Male	Percentage	86.00	85.00	86.00
Non-Executive Female	Percentage	14.00	15.00	14.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	100.00	90.00	90.00
Female	Percentage	0.00	10.00	10.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	10.00	10.00	10.00
Above 50	Percentage	90.00	90.00	90.00
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Top Management	Percentage	-	0.11	0.43
Senior Management	Percentage	-	1.84	3.19
Middle Management	Percentage	-	14.53	21.57
Executive	Percentage	-	19.20	33.16
Non-Executive	Percentage	-	9.44	26.46
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00	96.00	93.00

Internal assurance External assurance No assurance

(*)Restated

Commitment to Strong Governance

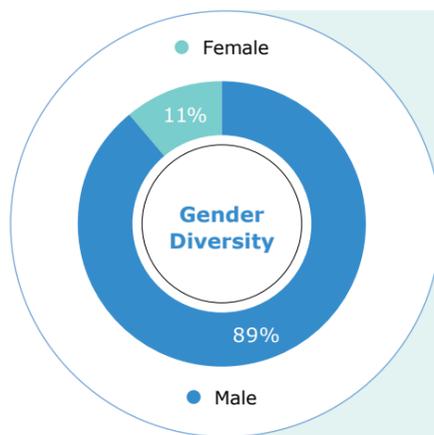
SECTION 05:

Commitment to Strong Governance

Malakoff Corporation Berhad

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BOARD AT A GLANCE



Board Composition



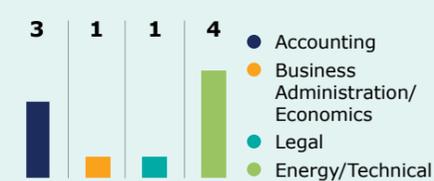
Board Tenure



Age Diversity



Skills and Experience



- 1 **Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali**
Independent Non-Executive Chairman
- 2 **Tan Sri Che Khalib Mohamad Noh**
Executive Vice Chairman
- 3 **Anwar Syahrin Abdul Ajib**
Managing Director & Group Chief Executive Officer (MD & GCEO)
- 4 **Datuk Ooi Teik Huat**
Non-Independent Non-Executive Director
- 5 **Dato' Mohd Naim Daruwish**
Non-Independent Non-Executive Director
- 6 **Datuk Rozimi Remeli**
Independent Non-Executive Director
- 7 **Dr. Norida Abdul Rahman**
Independent Non-Executive Director
- 8 **Datuk Prakash Chandran Madhu Sudanan**
Independent Non-Executive Director
- 9 **Datuk Wira Roslan Ab Rahman**
Independent Non-Executive Director



Commitment to Strong Governance

SECTION 05:

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Malakoff Corporation Berhad

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BOARD OF DIRECTORS' PROFILE



Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali

Independent Non-Executive Chairman

Gender	Age	Nationality
Male	76	Malaysian

Attended Board Meetings

9/9

Date of Appointment

1 January 2022

Membership of Board Committee(s)

BNRC (Chairman)

Academic/Professional Qualifications

- Registered Professional Engineer with the Board of Engineers Malaysia (P.Eng).
- First Class Honours in Mechanical Engineering from King's College, University of London in 1973.
- Doctorate in Nuclear Engineering from Queen Mary College, University of London in 1977.
- Completed his post-doctoral work in nuclear engineering at Oregon State University (1977) and at Pennsylvania State University (1978).
- Recipient of the Order of The Rising Sun award from the Government of Japan for his contribution towards enhancing exports of Malaysian products and promoting economic relations between Japan and Malaysia.

Past Appointments/Experiences

- He had served as the Director-General of Standards and Industrial Research Institute of Malaysia (SIRIM), then as the Chairman and Chief Executive of Tenaga Nasional Berhad (TNB).
- He was the Chairman of the Energy Commission of Malaysia, Construction Industry Development Board of Malaysia (CIDB) and the President of the Academy of Sciences Malaysia.
- In the private sector, he had also served as the Chairman of Gas Malaysia Sdn Bhd, UEM Group Berhad, UEM Sunrise Berhad (UEM Sunrise), PLUS Expressways International Berhad, Zelan Berhad, Tricubes Berhad, Opus Group Berhad, Opus International Limited and Sime Engineering Services Berhad.
- Previously, he was also a director of Sime Darby Berhad.
- Tan Sri Datuk Dr. Ir. Tajuddin has been actively involved in several companies and statutory bodies in various capacities.

Other Current Appointments

- Chairman of ITMAX System Berhad, Linde Malaysia Holdings Berhad, Plytec Holding Berhad and Directors of several private limited companies.
- Board member of the Malaysian Institute of Integrity (IIM) and Joint-Chairman (Industry) of the Malaysian Industry-Government Group for High Technology (MIGHT), a government-industry think-tank that promotes High Technology investments in Malaysia.
- Member of the Northern Corridor Implementation Authority (NCIA) and Advisory Council of Federation of Malaysian Manufacturers (FMM), member of the Board of Trustees of Tropical Science Foundation (formerly known as Board of Trustees of Mahathir Science Award Foundation) and Board of Governors of The Malay College Kuala Kangsar.
- In academic sector, he is the Pro-Chancellor of Universiti Tenaga Nasional (UNITEN).

Note

Tan Sri Datuk Dr. Ir. Tajuddin holds 50,000 ordinary shares in the Company and none in the Company's subsidiaries.



Tan Sri Che Khalib Mohamad Noh

Executive Vice Chairman

Gender	Age	Nationality
Male	59	Malaysian

Attended Board Meetings

9/9

Date of Appointment

1 July 2013

Membership of Board Committee(s)

Nil

Academic/Professional Qualifications

- Member of the Malaysian Institute of Accountants (CA, M).
- Fellow Member of the Association of Chartered Certified Accountants (FCCA, UK), United Kingdom.

Past Appointments/Experiences

- Started his career with Messrs. Ernst & Young in 1989 and later joined Bumiputra Merchant Bankers Berhad.
- Between 1992 and 1999, he served in several companies within the Renong Group.
- In June 1999, Tan Sri Che Khalib joined Ranhill Utilities Berhad as Chief Executive Officer.
- Assumed the position of Managing Director and Chief Executive Officer of KUB Malaysia Berhad.
- Appointed as the President/Chief Executive Officer of TNB on 1 July 2004 where he served eight years until the completion of his contract.
- Joined DRB-HICOM Berhad (DRB-HICOM) as the Chief Operating Officer of Finance, Strategy and Planning in July 2012.
- Previously a member of the Board and the Executive Committee of Khazanah Nasional Berhad between 2000 and 2004.
- Served as a Board member within the United Engineers Malaysia Group of Companies and Bank Industri & Teknologi Malaysia Berhad.
- Tan Sri Che Khalib was the Non-Independent Non-Executive Director of Malakoff since 9 December 2014 before being redesignated as Executive Vice Chairman on 1 July 2023. Prior to that, he was the Managing Director of Malakoff from 1 July 2013 to 9 December 2014.

Other Current Appointments

- Group Managing Director of MMC Corporation Berhad (MMC).
- Board member of Gas Malaysia Berhad (Gas Malaysia), Johor Port Berhad (Johor Port), MMC Engineering Group Berhad, Aliran Ihsan Resources Berhad, Bank Muamalat Malaysia Berhad, NCB Holdings Berhad, Kontena Nasional Berhad, Northport (Malaysia) Bhd, Universiti Sultan Zainal Abidin and several private limited companies.

Note

Tan Sri Che Khalib holds 420,000 ordinary shares in the Company and none in the Company's subsidiaries.

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BOARD OF DIRECTORS' PROFILE



Anwar Syahrin Abdul Ajib

Managing Director & Group Chief Executive Officer (MD & GCEO)

Gender	Age	Nationality
Male	51	Malaysian

Attended Board Meetings

8/9

Date of Appointment

1 December 2020

Membership of Board Committee(s)

Nil

Academic/Professional Qualifications

- Master in Business Administration from University of Salford, United Kingdom.
- Bachelor of Engineering in Mechanical Engineering from Imperial College of Science, Technology and Medicine, London, United Kingdom.
- Fellow Chartered Accountant of the Institute of Chartered Accountants England and Wales, United Kingdom.
- Member of Malaysian Institute of Accountants.
- Completed the Leadership at the Peak Program held at Arosa, Switzerland organised by the Center for Creative Leadership and the CFO Senior Leadership Executive Education Program at The Wharton School, University of Pennsylvania, US.

Past Appointments/Experiences

- Started his career with Shell Malaysia Trading Sdn Bhd in 1996 as an executive in Fleet Distribution where he gained considerable experience in transport and logistics.
- Subsequent thereto, he assumed a position of Senior Associate (Assurance and Business Advisory) in Arthur Andersen Manchester, United Kingdom from 1998 to 2001.
- Joined Arthur Andersen/Ernst & Young Kuala Lumpur as Senior Associate/Chartered Accountant (Assurance and Business Advisory) in 2002.
- Became the MD/Consultant of Business Associates Consulting Sdn Bhd providing strategy and management consulting services from December 2002 to March 2006.
- Appointed as the Chief Financial Officer (CFO) of Pelabuhan Tanjung Pelepas Sdn Bhd from April 2006 until May 2008.
- Appointed as Director, Finance/Group CFO of MMC in June 2008.
- Assumed the position of Group Head, Ports and Logistics Division of MMC from January to August 2014.
- Prior to joining Malakoff, he was the MD/CEO of UEM Sunrise from 1 September 2014 until 30 October 2020.
- Served as a board member of the key subsidiaries of UEM Sunrise, amongst others, UEM Land Berhad and Sunrise Berhad.
- He was awarded as the Outstanding Property CEO of the Year by The Edge Malaysia in 2018.
- He was the MD/CEO of Malakoff and had been redesignated as MD & GCEO on 1 December 2023.

Other Current Appointments

- Board member of Universiti Teknologi MARA (UiTM) and the Chairman of the Rector Selection Committee of UiTM.
- Board member of Alam Flora Sdn Bhd, Malakoff Power Berhad and several other subsidiaries and associate companies under the Malakoff Group.
- Deputy Chairman of Muscat City Desalination Company S.A.O.G., an associate company of Malakoff which is listed on the Muscat Stock Exchange.

Note

Anwar Syahrin does not hold any interest in the securities of the Company or its subsidiaries.



Datuk Ooi Teik Huat

Non-Independent Non-Executive Director

Gender	Age	Nationality
Male	64	Malaysian

Attended Board Meetings

8/9

Date of Appointment

1 January 2012

Membership of Board Committee(s)

BPC (Chairman)
BAC (Member)

Academic/Professional Qualifications

- Bachelor's Degree in Economics from Monash University, Melbourne, Australia in 1984.
- Member of the Malaysian Institute of Accountants and CPA Australia.

Past Appointments/Experiences

- Began his career with Messrs. Hew & Co., Chartered Accountants in 1984.
- Joined Malaysian International Merchant Bankers Berhad from June 1989 until August 1993.
- Joined Pengkalan Securities Sdn Bhd in August 1993 as Head of Corporate Finance, before leaving in September 1996 to set up Meridian Solutions Sdn Bhd where he is presently a director.

Other Current Appointments

Board member of MMC, DRB-HICOM, Johor Port, Gas Malaysia and several private limited companies.

Note

Datuk Ooi holds 420,000 ordinary shares in the Company and none in the Company's subsidiaries.

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BOARD OF DIRECTORS' PROFILE



Datuk Rozimi Remeli

Independent Non-Executive Director

Gender	Age	Nationality
Male	67	Malaysian

Attended Board Meetings

9/9

Date of Appointment

16 October 2017

Academic/Professional Qualifications

- Diploma in Electrical Engineering from Universiti Teknologi Malaysia in 1979.
- Bachelor in Engineering from Northrop University, USA in 1984.
- Master in Business Administration (MBA) from Universiti Sains Malaysia in 1996.

Past Appointments/Experiences

- Began his career with TNB since 1979, holding various positions until his retirement in January 2016.
- In 2006, he was appointed as a General Manager in the Asset Maintenance Department, Transmission Division.
- In 2007, he was promoted to Senior General Manager where he was primarily responsible for effectively managing transmission project management to ensure adherence to contractual specifications, costing and timely completion.
- In 2010, he was promoted to Vice President (Transmission) where he was entrusted with the overall performance of TNB transmission business which focuses on transporting electricity, managing the division's assets and operating and maintaining the transmission network.

Other Current Appointments

Nil

Membership of Board Committee(s)

BAC (Chairman)
BRIC (Chairman)
BPC (Member)

Note

Datuk Rozimi does not hold any interest in the securities of the Company or its subsidiaries.



Dato' Mohd Naim Daruwish

Non-Independent Non-Executive Director

Gender	Age	Nationality
Male	64	Malaysian

Attended Board Meetings

9/9

Date of Appointment

29 April 2021

Academic/Professional Qualifications

- Bachelor of Law (LLB), from Universiti Malaya.

Past Appointments/Experiences

- Started his career in the Judicial and Legal Service as a Magistrate from 1985 to 1992.
- Joined Employees Provident Fund (EPF) in 1992 and has held several positions, including as Head of the Enforcement Department, the Legal Department and the Contribution Department.
- Seconded to the Companies Commission of Malaysia as Chief Executive Officer from December 2011 to September 2014.
- Resumed service with EPF as Deputy Chief Executive Officer (Operations), a position he held since 1 October 2014 until his retirement on 16 October 2021.

Other Current Appointments

Nil

Membership of Board Committee(s)

BRIC (Member)
BPC (Member)

Note

Dato' Mohd Naim does not hold any interest in the securities of the Company or its subsidiaries.

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BOARD OF DIRECTORS' PROFILE



Dr. Norida Abdul Rahman

Independent
Non-Executive Director

Gender	Age	Nationality
Female	62	Malaysian

Attended Board Meetings

9/9

Date of Appointment

1 August 2022

Academic/Professional Qualifications

- PhD in Mechanical Engineering from UiTM in technology management.
- Master in Business Administration (MBA) from University of Strathclyde, United Kingdom.
- Bachelor's Degree in Economics from University of Winnipeg, Canada.
- Completed the Senior Leadership Management Program on CFO at The Wharton School, University of Pennsylvania, USA and the Imperial College Executive Program on Mergers and Acquisition.

Past Appointments/Experiences

- Began her career with the Kota Setar Municipal Council as Head of Valuation in 1984. Joined the Kedah State Economic Development Corporation in Industry Division in 1985 and later Kulim Technology Park Corporation as General Manager Corporate in 1994.
- Joined the MIGHT as Senior Vice President and Chief Operating Officer in 1999 until 2023 where she had spearheaded various high impact national initiatives in strategic sectors in the areas of automotive, bio-based and biotechnology industries, emerging industry and renewables.
- Assumed the position of Managing Director of VentureTECH, a strategic investment company with focus in technology sectors from 2016 until her retirement in February 2023.
- Served as Chairman of VentureTECH SBI Sdn Bhd, a joint-venture Fund Management company with a regional private equity, and its Board Investment Committee.
- Executive Director of the Malaysia Automotive Institute, Chairman of MYBiomass Sdn Bhd and a Board member of the Melaka Biotechnology Corporation.
- Member of the University Malaya Research Advisory Council (UMRAC) and the National Science and Research Council (NSRC) Sub-Committee Task Force.
- A member of the Bumiputera Agenda Special Committee related to GLC/GLIC on Investment for the National Shared Prosperity Council.

Other Current Appointments

Board member of Alam Flora Sdn Bhd, a subsidiary of Malakoff.

Note

Dr. Norida does not hold any interest in the securities of the Company or its subsidiaries.



Datuk Prakash Chandran Madhu Sudanan

Independent
Non-Executive Director

Gender	Age	Nationality
Male	61	Indian

Attended Board Meetings

8/8

Date of Appointment

1 March 2023

Academic/Professional Qualifications

- Bachelor of Technology in Electrical Engineering from University of Kerala, India in 1985.
- Certified as a Professional Electrical Engineer in Australia by ENGINEERS Australia.
- In 2017, admitted into the Court of Emeritus Fellows of the Malaysian Institute of Management (MIM).

Past Appointments/Experiences

- Began his career as a Project Engineer in Crompton Greaves Ltd, India in 1986.
- Joined ABB Industrial & Building Systems Sdn Bhd in Malaysia as General Manager and held various roles from 1990 to 1996.
- Joined Siemens Malaysia Sdn Bhd (Siemens Malaysia) as Senior Vice President, Power Transmission & Distribution (PTD) and held various positions in PTD from 1996 to 2008.
- He was the Executive Vice President and Head of Siemens Energy Sector, ASEAN from August 2008 to July 2011.
- In 2009, he was the first Asian to take over as the President & CEO of Siemens Malaysia, a role he kept till January 2018.
- Assumed the position of President Director & CEO of PT. Siemens Indonesia from October 2017 to September 2021.
- Datuk Prakash was a director of Siemens Limited Thailand from 2009 to 2012 and a member of the Board of Commissioners of PT. Java Power Indonesia and PT. Siemens Mobility Indonesia during his stint in Indonesia.
- Received the Malaysian Leadership Excellence Award from MIM in 2016 and was awarded the BrandLaureate Brand ICON Leadership Award as 'Transformational Corporate Leader' in 2014 as well as the 'Life at Work' Organisational Award from Talent Corporation Malaysia in 2014.

Other Current Appointments

Nil

Note

Datuk Prakash does not hold any interest in the securities of the Company or its subsidiaries.

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BOARD OF DIRECTORS' PROFILE



Datuk Wira Roslan Ab Rahman

Independent Non-Executive Director

Gender	Age	Nationality
Male	67	Malaysian

Attended Board Meetings

5/6

Date of Appointment

1 June 2023

Membership of Board Committee(s)

BAC (Member)
BRIC (Member)
BNRC (Member)

Academic/Professional Qualifications

- Ordinary National Diploma in Engineering from Brighton Technical College, England in 1977.
- Bachelor of Science in Electrical Engineering from University of Southampton, England in 1980.

Past Appointments/Experiences

- Began his career with Lembaga Letrik Negara (now known as Tenaga Nasional Berhad) in 1980 and served the company in various management capacities for over 42 years, contributing to the transformation and modernisation of the electricity supply industry before his retirement in December 2022.
- He was responsible for the planning, construction, operations and maintenance of the distribution network for east of Pahang, which include Temerloh, Maran and Jerantut.
- Led the conversion of more than 50 villages from 12 hours diesel supply to 24 hours grid connected supply under the Rural Electrification Program.
- Spokesperson for the company as Chief Corporate Officer, advising the CEO and Board of Directors on corporate communication matters.
- Represented the company internationally in various capacities, including as Country Coordinator in Head of ASEAN Power Utility (HAPUA) and Association of Energy Supply Industry of East Asia and Asia Pacific (AESIEAP).
- Last position was Chief Regulatory and Stakeholder Management Officer, working closely with Ministry of Energy and Natural Resources and Energy Commission on issues pertaining to energy for the benefit of the country.

Other Current Appointments

Board member of Varia Berhad (formerly known as Stella Holdings Berhad) and BM Greentech Berhad (formerly known as Boilermech Holdings Berhad).

Note

Datuk Wira Roslan does not hold any interest in the securities of the Company or its subsidiaries.

Legend

- BAC** Board Audit Committee
- BNRC** Board Nomination and Remuneration Committee
- BRIC** Board Risk and Investment Committee
- BPC** Board Procurement Committee

Additional information in relation to the Board of Directors

- None of the Directors has any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.
- Other than traffic offences, none of the Directors has been convicted for any offences within the past five years nor has been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

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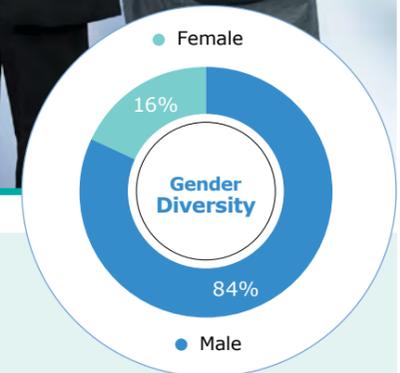
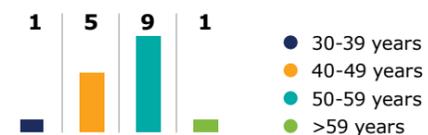
Malakoff Corporation Berhad

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EXECUTIVE LEADERSHIP AT A GLANCE



Age Diversity



1 Anwar Syahrin Abdul Ajib
Managing Director & Group Chief Executive Officer (MD & GCEO)

5 Mohammed Azmil Ismail
Senior Vice President, Local Generation Division Management Committee

9 Saravanan Desigamanie
Head, Sustainability, Research & Investor Relations Ex Officio

13 Khairul Falah Zaharin
Head, Strategy & Transformation Ex Officio

14 Mohd Hadi Mohamed Anuar
Chief Internal Auditor, Group Internal Audit

2 Clive Anthony Smith
Chief Operating Officer Management Committee

6 Subrina Thiagarajah
Head, Operations & Project Management Services Division Ex Officio

10 Arnie Azlina Omar
Head, Solar Ex Officio

3 Mohd Nazersham Mansor
Chief Financial Officer Management Committee

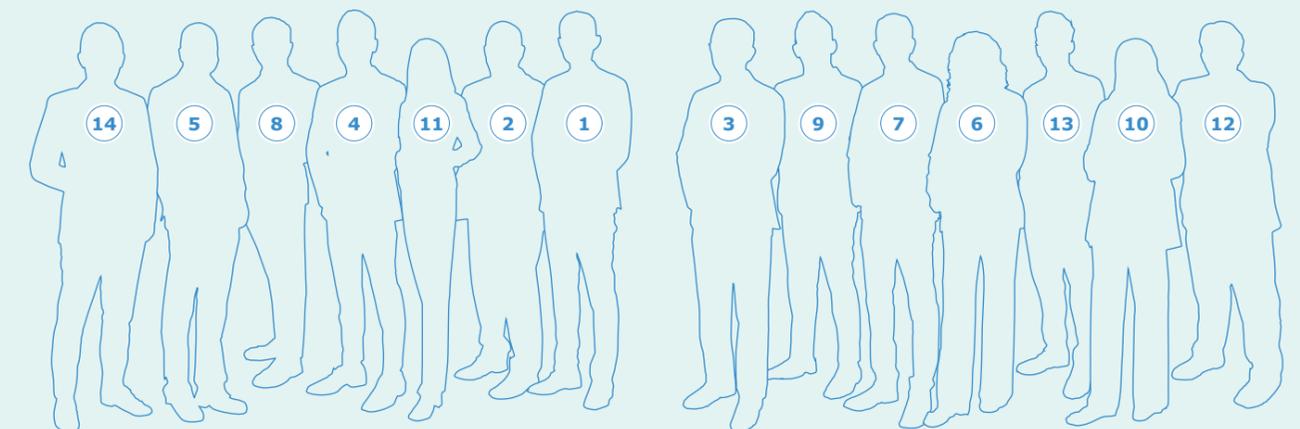
7 Raja Iskandar Raja Mukhtaruddin
Head, People Division Ex Officio

11 Suriati Mohammad Mokhtar
Head of Group Communications & Branding Ex Officio

4 Vincent Yap Leng Khim
Senior Vice President, Corporate Services & Integrity Division Management Committee

8 Shajaratuddur Mohd Ibrahim
Head, Business Development Ex Officio

12 Adi Faimi Mohamed Haneef
Head, Risk Process Improvement and Integrity Ex Officio



Commitment to Strong Governance

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Malakoff Corporation Berhad

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EXECUTIVE LEADERSHIP'S PROFILE

Anwar Syahrin Abdul Ajib
Managing Director & Group
Chief Executive Officer (MD & GCEO)



Gender
Male

Age
51

Nationality
Malaysian

Date of Joining: 1 December 2020

Academic/Professional Qualifications

- Master in Business Administration from University of Salford, United Kingdom.
- Bachelor of Engineering in Mechanical Engineering from Imperial College of Science, Technology and Medicine, London, United Kingdom.
- Fellow Chartered Accountant of the Institute of Chartered Accountants England and Wales, United Kingdom.
- Member of Malaysian Institute of Accountants.
- Completed the Leadership at the Peak Program held at Arosa, Switzerland organised by the Center for Creative Leadership and the CFO Senior Leadership Executive Education Program at The Wharton School, University of Pennsylvania, US.

Past Appointments/Experiences

- Started his career with Shell Malaysia Trading Sdn Bhd in 1996 as an executive in Fleet Distribution where he gained considerable experience in transport and logistics.
- Subsequent thereto, he assumed a position of Senior Associate (Assurance and Business Advisory) in Arthur Andersen Manchester, United Kingdom from 1998 to 2001.
- Joined Arthur Andersen/Ernst & Young Kuala Lumpur as Senior Associate/Chartered Accountant (Assurance and Business Advisory) in 2002.
- Became the MD/Consultant of Business Associates Consulting Sdn Bhd providing strategy and management consulting services from December 2002 to March 2006.
- Appointed as the Chief Financial Officer (CFO) of Pelabuhan Tanjung Pelepas Sdn Bhd from April 2006 until May 2008.
- Appointed as Director, Finance/Group CFO of MMC in June 2008.
- Assumed the position of Group Head, Ports and Logistics Division of MMC from January to August 2014.
- Prior to joining Malakoff, he was the MD/CEO of UEM Sunrise from 1 September 2014 until 30 October 2020.
- Served as a board member of the key subsidiaries of UEM Sunrise, amongst others, UEM Land Berhad and Sunrise Berhad.
- He was awarded as the Outstanding Property CEO of the Year by The Edge Malaysia in 2018.
- He was the MD/CEO of Malakoff and had been redesignated as MD & GCEO on 1 December 2023.

Note

- Anwar Syahrin does not hold any interest in the securities of the Company or its subsidiaries.

Clive Anthony Smith
Chief Operating Officer
Management Committee



Gender
Male

Age
60

Nationality
British

Date of Joining: 16 September 2020

Academic/Professional Qualifications

- Bachelor of Science (Hons) in Electrical/Electronic Engineering, The Open University, United Kingdom.
- Higher Diploma in Industrial Instrumentation and Control, United Kingdom.
- Chartered Engineer and Fellow of the Institution of Engineering and Technology.

Past Appointments/Experiences

- Started his career as an Instrumentation trainee with the Central Electricity Generating board at Aberthaw Coal Fired Power Station, Wales, United Kingdom and has more than 42 years of working experience in the power industry, both in the UK and overseas.
- Following the completion of his traineeship, he progressed through various Engineering, Operational and Maintenance positions at numerous power plants and Headquarter based within the United Kingdom and abroad.
- Appointed as Plant Manager at the age of 36 at a modern CCGT Power Plant North of England, United Kingdom.
- Held numerous Power Plant Manager positions within the United Kingdom, employed by CEGB Successor Companies, National Power, Innogy N Power and RWE.
- Assumed the position of Group Manager of an 8,000 MW portfolio of Power Plant within the United Kingdom.
- Appointed as Plant Manager at Malakoff's Tanjung Bin Power Plant for a period of 30 months, leading on Strategic challenges and improving overall business performance.
- Prior to re-joining Malakoff in 2020, he was the Executive Director of O&M (Coal Business Unit) at Aboitiz Power Corporation, in the Philippines.
- As the COO, he plays a key role in ensuring that the Group achieves its strategic objectives and results from both the operational and financial perspectives.

Note

- Clive does not hold any interest in the securities of the Company.

Mohd Nazersham Mansor
Chief Financial Officer
Management Committee



Gender
Male

Age
50

Nationality
Malaysian

Date of Joining: 1 December 2017

Academic/Professional Qualifications

- Degree in Accounting & Finance, De Montfort University, United Kingdom.
- Fellow of the Association of the Chartered Certified Accountants (FCCA), United Kingdom.
- Member of Malaysian Institute of Accountants.
- ASEAN Senior Management Development Program, Harvard Business School.

Past Appointments/Experiences

- Began his career with KPMG, Malaysia in 1997 as an auditor and later joined MMC in the year 2000 as Group Accountant.
- Between 2004 and 2012, he served Sapura Group of Companies and was the General Manager, Corporate Strategy & Development, his last position before he joined Petra Energy Berhad.
- Assumed the position of General Manager of MMC Group from 2014 to 2016 and was previously the CFO for MMC Port Holdings Sdn Bhd.
- Covered the provision of services for accounting, financial management, taxation, treasury and corporate finance in his over 20 years of experience.
- Currently sits on the board of key subsidiary and associate companies under Malakoff Corporation Berhad.

Note

- Mohd Nazersham holds 16,000 ordinary shares in the Company.

Vincent Yap Leng Khim
Senior Vice President, Corporate Services & Integrity
Division, Management Committee



Gender
Male

Age
50

Nationality
Malaysian

Date of Joining: 1 December 2017

Academic/Professional Qualifications

- Bachelor of Laws (Hons), University of Nottingham, United Kingdom.
- Barrister-at-Law, Lincoln's Inn, United Kingdom.
- Advocate & Solicitor, High Court of Malaya.

Past Appointments/Experiences

- Started his career in the legal profession as an Advocate & Solicitor at Chooi & Company in 1998, focusing on capital market, initial public offerings and corporate exercises. He was a key member of the legal team undertaking a series of mergers and acquisitions of banks and financial institutions during the late 1990s after the Asian financial crisis.
- Admitted as a Partner of Chor Pee Anwarul & Company, Advocates & Solicitors, in 2004, where he acted in debt restructuring schemes and regularisation plans of several public listed conglomerates.
- Admitted as a Partner of Albar & Partners, Advocates & Solicitors, in 2006, where he focused on joint ventures, corporate restructuring, reverse take-overs of public listed companies, debt capital market, structured finance and asset backed securitisation.
- Joined Zelan Berhad as Head of Group Legal in 2009 and appointed as Director of Corporate Services in 2011. He was extensively involved in the conclusion of two concession agreements with Government of Malaysia, for a new integrated transport terminal and a public university. He was instrumental in driving the completion and commercial operation of a 2x300 MW coal-fired power plant in Central Java, Indonesia for PT PLN (Persero) and the successful claim against the project owner of an AED1 billion development project in Abu Dhabi, United Arab Emirates through ICC arbitration.
- At Malakoff, he spearheaded the completion of significant transactions, including the sale of Macarthur Wind Farm to an Australian investment fund, sale of Lekir Bulk Terminal, acquisition of Khazanah Nasional Berhad's entire equity interest in Shuaibah III IWPP and acquisition of Alam Flora Sdn Bhd. In addition, he has been playing a key role in strategising and managing both local and international legal disputes, notably the ICC arbitration in relation to a seawater desalination project in North Africa, SIAC arbitration with the OEM for a CCGT power plant, AIAC arbitration pertaining to district cooling services, judicial review against IRB tax assessment at the High Court of Malaya, appeal against an interim ICC jurisdictional award at the Paris Court of Appeal and appeal against a custom penalty at the Supreme Court of Algeria.
- Currently sits on the board of key subsidiaries/associate companies under Malakoff Corporation Berhad.

Note

- Vincent does not hold any interest in the securities of the Company.

Commitment to Strong Governance

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Malakoff Corporation Berhad

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EXECUTIVE LEADERSHIP'S PROFILE

Mohammed Azmil Ismail
Senior Vice President, Local Generation Division
Management Committee



Gender
Male

Age
54

Nationality
Malaysian

Date of Joining: 1 November 1994

Academic/Professional Qualifications

- Bachelor of Science in Mechanical Engineering, The George Washington University, Washington D.C., United States of America.
- Senior Management Development Programme, Harvard Business School.

Past Appointments/Experiences

- Started his career as a Gas Turbine Maintenance Engineer with Tenaga Nasional Berhad (TNB) in September 1992.
- Joined Malakoff and held various positions at Lumut Power Plant (LPP), with the last being the Head of Maintenance & Engineering prior to his appointment as the Plant Manager of Prai Power Plant in 2008.
- Assigned to an Operations and Maintenance (O&M) project in Kuwait as the Plant Manager of Azzour EPP Plant from 2008 to 2013 and Plant Manager of Azzour CCGT2 Plant, Kuwait from 2013 to 2015.
- Appointed as the Plant Manager of LPP from 2015 to 2016 upon his return to Malaysia.
- Appointed as the Head of Engineering, Local Generation Division in 2016 and assumed his current role as Senior Vice President of Local Generation Division in February 2019.
- Currently sits on the board of key subsidiaries/associate companies under Malakoff Corporation Berhad.

Note

- Mohammed Azmil holds 68,000 ordinary shares in the Company.

Subrina Thiagarajah
Head, Operations & Project Management Services Division
Ex Officio



Gender
Female

Age
53

Nationality
Malaysian

Date of Joining: 27 June 1994

Academic/Professional Qualifications

- Bachelor of Engineering (Chemical) (Hons), University Technology of Malaysia (UTM).

Past Appointments/Experiences

- Started her career with Malakoff in 1994, as a Project Executive in Technical Services & QA department.
- During her 27-year career in Malakoff, she gained vast experience and leadership skills in the power and water industry both in Malaysia and internationally.
- Prior to being seconded to a Malakoff associated company in Oman, she was the Vice President of Commercial, Asset Management Division. Her duties mainly focused on asset management, commercial negotiations and contractual management of the key project agreements with the relevant utilities, Government authorities and Operations and Maintenance contractors, where Malakoff's operating assets were located.
- Thereafter, she was involved in the commercial review and negotiations for Malakoff's business development initiatives in power and water projects in South East Asia, South Asia and the Middle East, with her latest achievement being the Project Director of the winning bid for the Ghubrah Independent Water Plant in Oman in 2012.
- Seconded to Muscat City Desalination Company (MCDC) in Muscat, Oman as its Chief Executive Officer for a period of five years until 31 October 2020.
- At MCDC, she led the successful Initial Public Offering of the company on the Muscat Securities Market in 2018.
- After her stint in Oman, she has now returned to the Company as the Head of Operations & Project Management Services Division commencing from 1 November 2020.

Note

- Subrina does not hold any interest in the securities of the Company.

Raja Iskandar Raja Mukhtaruddin
Head, People Division
Ex Officio



Gender
Male

Age
58

Nationality
Malaysian

Date of Joining: 1 February 2021

Academic/Professional Qualifications

- Bachelor of Science in Business Administration (Management), California State University, Sacramento, USA.
- Management Development Programme, Asian Institute of Management in Manila, the Philippines.

Past Appointments/Experiences

- Started his career with Mobil Oil Corporation in 1988 as a sales representative under its graduate scheme programme. He later joined Malaysia Tourism Promotion Board from December 1989 until May 1995 as an Assistant Director based in Kuala Lumpur and later at its regional office in London, United Kingdom.
- Pursued a new career in Gas Malaysia Berhad in August 1997, and later served in various capacities within the company.
- In 2020, he was made Director of Human Resource and Administration in Gas Malaysia Berhad during the Government's eventual push for the liberalisation of Malaysia's natural gas industry which led to the implementation of the Third Party Access regime. He was tasked with the reorganisation of Gas Malaysia Berhad's structure which, upon approval from the Energy Commission, led to the successful formation of Gas Malaysia Distribution Sdn Bhd and Gas Malaysia Energy and Services Sdn Bhd, re-deploying over 500 employees into various companies within Gas Malaysia Group.
- Joined Malakoff Corporation Bhd in February 2021 as Head of Human Capital Division and started the People Transformation Plan for Malakoff Group which involves amongst others, Organisation Restructuring for Malakoff 2.0 Strategic Transformation, Job Evaluation, Leadership Assessment program and Talent Management.
- Currently a Fellow at the Malaysian Institute of Management and has also been appointed as the External Advisory Member and a part-time lecturer in Human Resource Management at Sunway University Business School.

Note

- Raja Iskandar does not hold any interest in the securities of the Company.

Shajaratuddur Mohd Ibrahim
Head, Business Development
Ex Officio



Gender
Male

Age
49

Nationality
Malaysian

Date of Joining: 1 October 2012

Academic/Professional Qualifications

- Bachelor of Laws (Hons), University of Nottingham, United Kingdom.

Past Appointments/Experiences

- Started his career with Tenaga Nasional Berhad (TNB) in September 1997, as a legal executive, handling projects and business development matters.
- During his 16-year tenure in TNB, he was instrumental in various key projects and ventures, including TNB's tariff reviews and Power Purchase Agreements (PPA) renegotiation exercises, privatisation of Lembaga Letrik Sabah, investments of TNB's local power plants and coal mine in Indonesia.
- His last position in TNB was as a General Manager in the President's/CEO's Office, before leaving for the role of Senior Vice President of Investment at Khazanah Nasional in February 2010, to oversee the power sector and Iskandar Development Region.
- Joined Malakoff in October 2012, as an Assistant Vice President of Special Projects. Since joining Malakoff, he had led a number of corporate and investment exercises leading to the successful bid for PD Power's extension of PPA concession, acquisition of interest in a large scale solar project in Johor, winning bids for the development of two small hydropower projects in Pahang with total capacity of 55 MW and two (2) biogas projects in Johor. The most recent corporate exercise that he has steered is the completion of the acquisition of 97.37% equity interest in Alam Flora Sdn Bhd from DRBHICOM Group.
- One of the key team members in formulating the current Malakoff's investment policy and strategic plan.
- In his capacity and current role as the Head of Business Development Department in Malakoff, he will continue to explore and pursue potential investments or growth opportunities for the company, locally and internationally.
- He is also currently spearheading the decarbonisation initiatives involving Malakoff's thermal plants, in collaboration with Itochu and METI of Japan.
- Currently sits on the board of key subsidiaries/associate companies under Malakoff Corporation Berhad.

Note

- Shajaratuddur holds 26,000 ordinary shares in the Company.

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Malakoff Corporation Berhad

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EXECUTIVE LEADERSHIP'S PROFILE

Saravanan Desigamanie
Head, Sustainability, Research & Investor Relations
Ex Officio



Gender
Male

Age
41

Nationality
Malaysian

Date of Joining: 1 June 2018

Academic/Professional Qualifications

- Master of Business Administration (Finance) and Bachelor of Information Technology (Hons) (Software Engineering), Multimedia University (MMU), Malaysia.
- Certificate in Investor Relations (CIR) of the Investor Relations (IR) Society (United Kingdom).

Past Appointments/Experiences

- A recipient of the Sime Darby Foundation Scholarship award, he began his career with Sime Darby Berhad in 2004 and was appointed to the role of Special Officer to the Executive Vice President, Group Strategy & Business Development.
- He was then assigned as the Special Officer to the MD of Sime Darby Energy & Utilities, while serving under the MD's Office as well as the Program Management Office (PMO) in 2010.
- Appointed as Assistant Vice President, IR in 2012. As part of the IR unit of Sime Darby, he was a key pioneering member who was instrumental in leading the Group's engagement with ESG investors, particularly in Europe.
- Assumed the role of Strategy & Innovation Manager of Sime Darby Plantation Berhad in 2017, working closely with the Chief Strategy & Innovation Officer to build innovation culture and carry out innovation capability building programmes across the corporation.
- Throughout his 14-year tenure with Sime Darby, he has worked in various capacities within the plantation, property, industrial, motors, energy & utilities and healthcare divisions.
- Joined Malakoff in June 2018 as the Head of IR, spearheading the Group's engagement with the investment community.
- Appointed as the Head of Strategy & Communication Division in February 2020 and later as the Head of Investor Relations & Corporate Communications Department, overseeing the Group's corporate strategy, investor relations, corporate communications and stakeholder management units.
- Saravanan now leads the newly created Sustainability, Research and IR portfolio, overseeing and driving the Company's sustainability strategy as well as the execution of Malakoff's ESG Roadmap towards achieving Net Zero Emissions by 2050.
- Currently sits on the board of key subsidiaries under Malakoff Corporation Berhad.

Note

- Saravanan does not hold any interest in the securities of the Company.

Arnie Azlina Omar
Head, Solar
Ex Officio



Gender
Female

Age
45

Nationality
Malaysian

Date of Joining: 27 July 2021

Academic/Professional Qualifications

- Master in Engineering Management, University Tenaga Nasional (UNITEN), Malaysia.
- Bachelor of Electrical Power Engineering, University Tenaga Nasional (UNITEN), Malaysia.
- Completed GE RISE Leadership Program.

Past Appointments/Experiences

- Started her career with Tenaga Nasional Berhad (TNB) in February 2001 as a Project Engineer, pioneering the RE initiatives in Malaysia, particularly on Solar PV-Battery Hybrid System, Solar PV-Wind-Battery Hybrid System for off-grid application, and Oil Palm Biomass Power Plant.
- Seconded to Ministry of Energy, Green Technology & Water, to represent TNB and be part of working group to develop Malaysia Green Technology Policy 2010 between 2008 to 2010.
- During her 11-years tenure at TNB, she was instrumental for the growth of TNB Energy Services, a wholly owned subsidiary of TNB. Her last position at TNB was an RE Project Development Manager.
- Joined General Electric Inc. as Lead Engineer for GE Energy Storage to lead technical service for energy storage (Durathon® Sodium Nickel Battery) in South East Asia region in 2011.
- Joined MYBiomass Sdn Bhd, a company established by Malaysian Industry- Government Group for High Technology (MIGHT), FGV Holdings and Sime Darby Plantation, as the Head of Business Development to lead the bio-refinery project, producing green chemicals from oil palm empty fruit bunch in 2015.
- Joined UiTM Energy and Facilities Management as Project Director for UiTM Solar Power to lead the development of 50 MWac and 25 MWac Large Scale Solar Photovoltaic Project in Gampang, Pahang and Pasir Gudang, Johor respectively in 2017. She was part of the core team that successfully achieved financial close via Green SRI Sukuk, amounting RM222 million in April 2018.
- Joined Malaysian Solar Resources Sdn Bhd as General Manager (Project) to lead the project execution of 30 MWac Large Scale Solar (LSS) Photovoltaic (PV) project in Gebeng, Pahang and bidding of 100 MWac LSS PV project under Energy Commission of Malaysia in 2019.
- Joined PETRONAS New Energy as Project Manager to lead the development of 40 MW LSS PV and more than 20 MW grid-connected rooftop solar PV projects for PETRONAS group of companies in Malaysia in January 2020.
- Currently, as Head of Solar for Malakoff Corporation Berhad, she leads the development of solar PV business for local and international market. She also spearheads the development of strategic projects such as EV Charger and energy storage for future sustainable growth.

Note

- Arnie Azlina does not hold any interest in the securities of the Company.

Suriati Mohammad Mokhtar
Head of Group Communications & Branding
Ex Officio



Gender
Female

Age
47

Nationality
Malaysian

Date of Joining: 1 December 2017

Academic/Professional Qualifications

- Master of Business Administration (MBA) in Marketing and MIS, University of Missouri, Kansas City, USA.
- Bachelor of Business Administration, University of Missouri, Kansas City, USA.

Past Appointments/Experiences

- With over 25 years of experience (from 1999 to present) in corporate communications, marketing and branding, she has worked across various industries, including environmental solutions, IT, Telecommunications, R&D, and FMCG.
- She acquired valuable international project management and communication skills and experience while collaborating with renowned organisations such as the World Association of Industrial and Technological Research Organizations (WAITRO), the United Nations Industrial Development Organization (UNIDO), the United Nations Development Programme (UNDP), the Japan International Cooperation Agency (JICA), and the Fraunhofer Society (Fraunhofer-Gesellschaft) during her time at SIRIM Berhad.
- During her tenure at DiGi Telecommunications, Suriati played a pivotal role in spearheading the company's innovative marketing initiatives in emerging markets, as well as loyalty and affinity programmes.
- Before her current role at Malakoff, Suriati was the Head of Corporate Communications & Branding at Alam Flora Sdn Bhd, a subsidiary of Malakoff, from 2018 to 2023. This tenure followed her transition from Alam Flora Environmental Solutions (AFES), where she excelled herself as the Head of Corporate Planning in 2017.
- Suriati is now the Head of Group Communications & Branding at Malakoff where she is responsible for devising and executing strategic corporate communications, corporate branding and corporate affairs initiatives for Malakoff and Alam Flora. Her primary focus is to position Malakoff as a leading player in energy generation, environment, and waste management sectors.

Note

- Suriati does not hold any interest in the securities of the Company.

Adi Faimi Mohamed Haneef
Head, Risk Process Improvement and Integrity
Ex Officio



Gender
Male

Age
48

Nationality
Malaysian

Date of Joining: 5 October 2015

Academic/Professional Qualifications

- Bachelor of Applied Science (Hons) with Major in Entomology and Minor in Management, Universiti Sains Malaysia (USM).
- Safety and Health Officer Certificate, National Institute of Safety & Health (NIOSH).
- Professional Business Continuity Management Certificate, Disaster Recovery Institute International (DRII).
- ISO31000 Risk Manager Certificate, Professional Evaluation and Certification Body (PECB).
- Certified Lean Six Sigma Black Belt.
- Integrated ISO Lead Assessor, SIRIM.
- Lead Auditor ISO37001 Anti-Bribery Management System (SIRIM).

Past Appointments/Experiences

- Started his career as a Technical Executive at Toyochem Corporation Berhad in 2000 and spent the next 5 years in the servicing, packaging and coating industries.
- Switched career to oil and gas downstream integrated services by joining Orogenic Resources Sdn Bhd in 2006.
- Joined Malaysian International Shipping Corporation Berhad (MISC) as the QHSSE Manager in 2010 and spent close to 2 years managing FPSO's RLEC and EPCIC projects at MMHE specialising in project QHSSE and Risk.
- He then joined the Chemical Company of Malaysia as the Head of Group HSSE in 2012.
- Joined Malakoff as the Head, Group Corporate HSSE in 2015 and was reassigned as the Head, Business Process Improvement in 2018. He is now the Head of Risk, Process Improvement and Integrity Department.

Note

- Adi Faimi Mohamed Haneef does not hold any interest in the Company.

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EXECUTIVE LEADERSHIP'S PROFILE

Khairul Falah Zaharin
Head, Strategy & Transformation
Ex Officio



Gender
Male

Age
36

Nationality
Malaysian

Date of Joining: 16 August 2021

Academic/Professional Qualifications

- B.A. (Hons) Accounting and Finance, Liverpool John Moore's University
- Fellow of the Association of Chartered Certified Accountants (FCCA), Malaysia
- Chartered Accountant with the Malaysian Institute of Accountants

Past Appointments/Experiences

- He has over 15 years of experience in the services, oil and gas and property development industries.
- He started his career as a trainee accountant in Dublin, Ireland where he gained considerable experience in statutory reporting and compliance before returning to Malaysia in 2010
- He has served local and multi-national companies, such as Schlumberger, Petronas, Sapura Energy Berhad and UEM Sunrise Berhad.
- His experience covers the fields of strategy, performance delivery, business finance and control, investment monitoring, cost optimisation programs, statutory finance and risk management.
- Prior to joining Malakoff, he has held several positions, namely Lead, Performance Delivery for UEM Sunrise Berhad, Head of Business Finance & Control for Sapura Energy Berhad and Management Accountant for Schlumberger, Malaysia.

Note

- Falah does not hold any interest in the Company.

Mohd Hadi Mohamed Anuar
Chief Internal Auditor, Group Internal Audit



Gender
Male

Age
46

Nationality
Malaysian

Date of Joining: 25 February 2016

Academic/Professional Qualifications

- Bachelor of Arts (Hons) in Accounting and Finance, Manchester Metropolitan University, United Kingdom.
- Associate Member of the Association of Certified Fraud Examiners and the Institute of Internal Auditors Malaysia (AIIA).

Past Appointments/Experiences

- More than 20 years of audit experience and currently leads the Group Internal Audit of Malakoff which is responsible to support the Board of the Company through the Board Audit Committee in discharging its duties and governance responsibilities of maintaining a sound internal control system within the organisation.
- Started his career as an auditor with Arthur Andersen/Ernst & Young from 2000 to 2004.
- Subsequent thereto, he joined Petroliam Nasional Berhad (PETRONAS) in 2005 until 2011 where he assumed the role of Audit Manager in the Group Internal Audit Division of PETRONAS.
- During his tenure with PETRONAS, he was also assigned to KLCC Holdings Berhad (KLCC) to set up and lead the Group Internal Audit Division of KLCC Group and was the acting Head of the Division for almost 2 years before returning to PETRONAS.
- Prior to joining Malakoff, he was the Head of Joint Venture Audit Department of PETRONAS Carigali Sdn Bhd from 2012 to 2016 and was responsible to oversee all joint venture audits on the company's joint ventures in the upstream business with other oil and gas companies/partners in Malaysia and international operations.

Note

- Mohd Hadi holds 42,400 ordinary shares in the Company.

Additional information in relation to the Management Committee Members and Chief Internal Auditor

- i) None of the Management Committee Members and Chief Internal Auditor has any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.
- ii) Other than traffic offences, none of the Management Committee Members and Chief Internal Auditor has been convicted for any offences within the past five (5) years nor has been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

Implementing robust corporate governance practices is essential for enhancing shareholders' value, fostering business integrity, building investors' confidence, and achieving the corporate objectives and vision of Malakoff Corporation Berhad (Malakoff or Company) and its subsidiaries (collectively known as the Malakoff Group or Group).

The Board is fully committed to ensuring that the Group's Corporate Governance Framework aligns with the requirements and guidelines set forth in the Companies Act 2016 (Act), the Malaysian Code on Corporate Governance 2021 (MCCG 2021), and the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).

With oversight over management's functions, the Board consistently strives to enhance the Group's long-term interests by upholding its four core corporate governance pillars: ethical behaviour, accountability, transparency and sustainability. This commitment reflects the Board's dedication to maintaining the highest possible standard of corporate governance.

The Board is pleased to present this Corporate Governance (CG) Overview Statement for the financial year ended 31 December 2023 based on the following principles of MCCG 2021:

Principle

A BOARD LEADERSHIP & EFFECTIVENESS

B EFFECTIVE AUDIT & RISK MANAGEMENT

C INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The CG Overview Statement shall be read together with the CG Report 2023, available on the Company's website at www.malakoff.com.my.

CORPORATE GOVERNANCE FRAMEWORK

The Board is firmly committed to upholding the highest standards of corporate governance across the Group's systems, procedures and practices. Demonstrating effective leadership, the Board ensures adherence to elevated ethical standards in its decision-making processes.

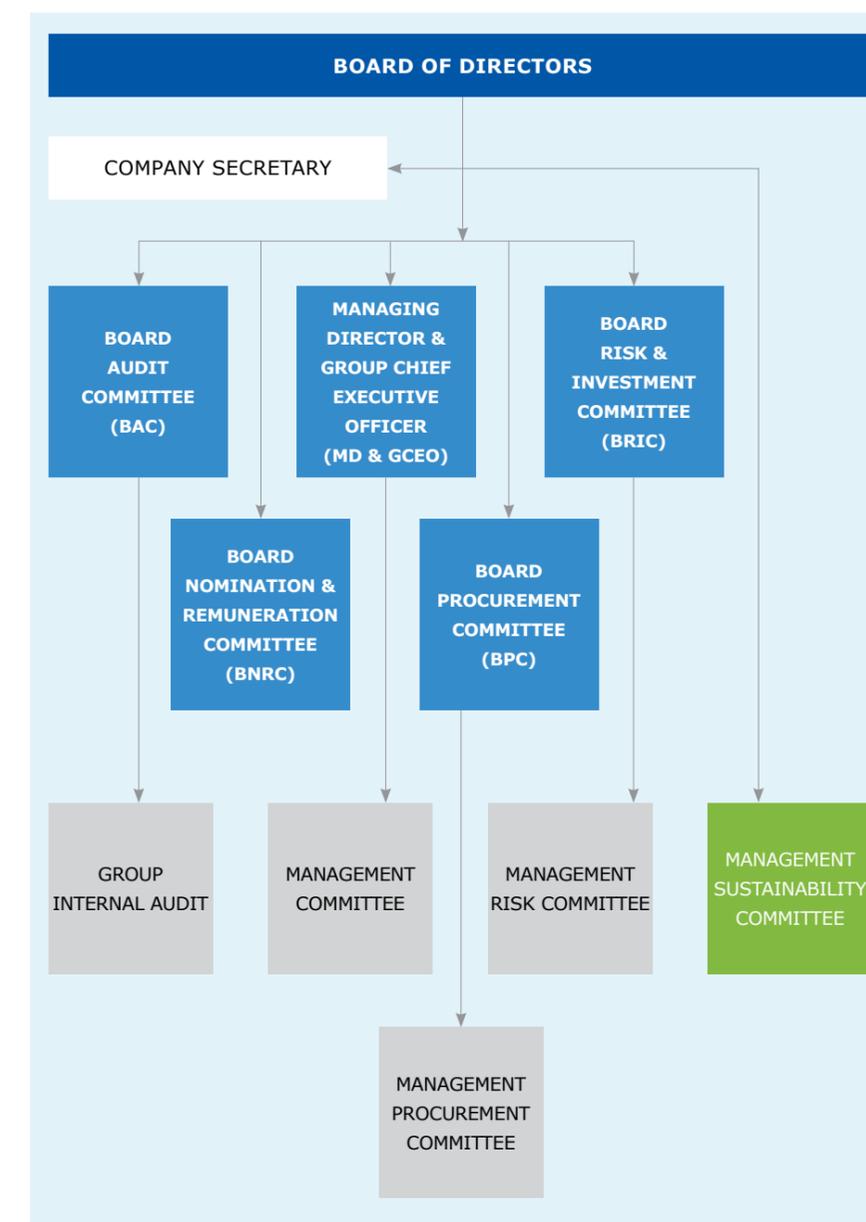
Recognising that sound corporate governance practices are pivotal for the smooth, effective, and transparent operation of Malakoff, the Board emphasises its role in garnering investor confidence, protecting shareholders' rights, and unlocking shareholder value. Transparency and accountability are championed in the boardroom and throughout the entirety of Malakoff.

Malakoff boasts a well-defined and meticulously structured corporate governance framework, aligning with the Board's overarching goal of achieving long-term and sustainable value. This framework fosters a corporate culture that places a premium on ethical behaviour, integrity and accountability.

The Board executes its responsibilities within this clearly outlined governance framework, supported by robust mechanisms. Retaining ultimate accountability over the Company's performance and affairs, the Board ensures the Group's adherence to ethical standards. Malakoff's governance structure guarantees role clarity, delineating responsibilities and recognising the independent roles necessary for effective governance. This structure strives to promote

strategic alignment across the Group and facilitate sound decision-making, showcasing the governance oversight role of the Board and the collaborative flow between various governance components.

The following describes Malakoff's governance structure, an overview of the key committees of the Board and other management committees.



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CORPORATE GOVERNANCE OVERVIEW STATEMENT

A BOARD LEADERSHIP & EFFECTIVENESS

Board Responsibilities and Charter

The Board assumes its responsibility to promote the success of the Group by directing and supervising the affairs of the Group in a responsible and effective manner. As the main role of the Board, it has always placed its focus on directing and overseeing the management of Malakoff's business and affairs with the goal of achieving long-term success and delivering sustainable value to its stakeholders. This includes setting the Company's strategic direction, monitoring Management's strategies execution and financial performance, and making major policy decisions.

The duties and responsibilities of the Board are as follows:

- review and adopt the overall strategic plans and programmes for the Company and the Group;
- oversee and evaluate the conduct of business of the Company and the Group;
- review and ensure that any transaction entered into with a related party is fair, reasonable and not to the detriment of minority shareholders;
- identify principal risks and ensure implementation of a proper risk management system to manage such risks;
- establish a succession plan;
- develop and implement shareholders communication policy for the Company;
- review the adequacy and the integrity of the management information and internal control system of the Company and the Group; and
- promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.

All directors are collectively responsible for creating and delivering long-term sustainable value for the business. A pivotal responsibility of the Board is to balance the interests of the Group and its stakeholders including employees and the communities it serves. The Board also takes cognisance of sustainability best practices within which the Company's Environmental, Social and Governance (ESG) issues will be considered in making decisions.

Good corporate governance is crucial to keep the Group moving through the changing regulatory and market environment and maintaining sustainability in the long term. The Board views corporate governance as an integral part of the Group's business strategy. Through prudent and effective controls, the Board continuously assesses and manages emerging risks and opportunities in ensuring long-term sustainable development and growth.

The Directors are aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated. The Board is satisfied that it has continuously fulfilled these duties and obligations during the year under review of which each Director has devoted sufficient time to effectively discharge his/her responsibilities.

The current composition of the Board has a blend of skills, experience and knowledge enabling them to provide effective oversight, strategic guidance and constructive challenge in examining, reviewing and deciding on Management's proposals. The MD & GCEO of the Company is empowered to implement strategies approved by the Board.

The Board is governed by a Board Charter that defines its roles and responsibilities, the principles for Board's operation, Board's evaluation and remuneration, code of conduct and ethics and matters reserved for the Board. The Board reviews the Board Charter as required to ensure its relevance to the Company's operating environment and compliance with prevailing rules and regulations.

In addition to the Board Charter, the Company had adopted a Fit and Proper Policy in 2022 which enhances Board quality in the appointment and re-election of Directors of the Company. The Board Charter and Fit and Proper Policy are accessible through the Company's website at <https://www.malakoff.com.my/corporate-governance>.

Being a key policy of the Group, Limits of Authority (LOA) specifies the authority limits for the Board, Board Committees, Management Committee, MD & GCEO and Senior Management to facilitate compliance with good corporate governance principles. The Board retains the overall management and control of the Group's business and affairs. The Board may, if necessary, revise the LOA to reflect the changes in the Group's operating environment. Since the last update in November 2018, the Management is reviewing the LOA to ascertain any revision required to reflect the recent changes.

Code of Conduct and Ethics

The Board establishes a code of conduct and ethics for the Group with the aim to ensure high standard of professionalism and ethics in the conduct of our business.

The Code of Conduct of Malakoff is published on the Company's website at <https://www.malakoff.com.my/corporate-governance>.

Whistleblowing Policy

The Company's Whistleblowing Policy provides employees and third parties with proper avenue and procedures to disclose cases of improper conduct without fear of reprisal.

A whistle-blower is assured confidentiality of identity and this includes protecting the whistle-blowers from detrimental actions within the Company, to the extent that is reasonably practicable, that may result from the disclosure of improper conduct, provided that the disclosure is made in good faith. The Whistleblowing Policy is also to ensure that fair treatment is provided to both the whistle-blower and the alleged wrongdoer upon disclosure of improper conduct.

Disclosure of improper conduct can be made verbally or in writing to the Chairman of the Board Audit Committee and the Chief Internal Auditor via a letter or e-mail to whistleblowing@malakoff.com.my.

The salient terms of the Whistleblowing Policy are available on the Company's website at <https://www.malakoff.com.my/corporate-governance>.

Roles and Responsibilities between the Chairman and the MD & GCEO

The Company maintains clear split of roles and responsibilities of the Chairman and MD & GCEO as clearly defined in the Board Charter. The Chairman is in charge of the Board's leadership and is instrumental in creating the necessary conditions for open communication/discussion or information sharing both inside and outside the boardroom. The Chairman promotes and supervises the highest levels of corporate governance within the Board and the Company.

The MD & GCEO is in charge of the day-to-day operations of the Company in line with the Board's approved strategies and objectives.

During the year under review, the Board had approved the redesignation of a non-executive director as Executive Vice Chairman (EVC) of the Company to assist the Board in charting the Group's strategic direction aligns with current operational and competitive business environment. This provides additional strategic guidance to Malakoff while facilitating effective decision-making at Board level.

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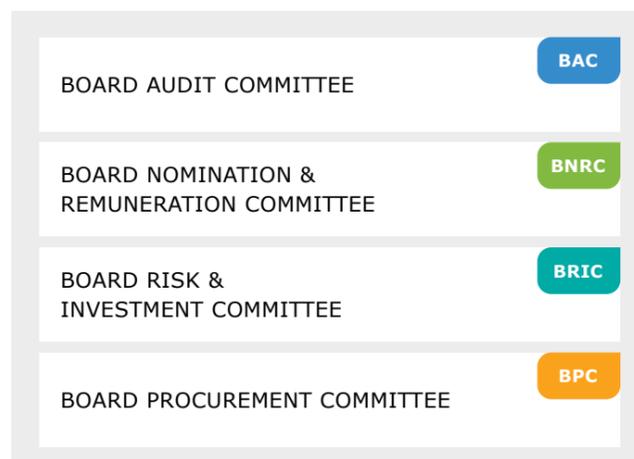
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CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees

Four Board Committees established by the Board worked within their respective functions and authorities as stated in the relevant terms of reference (TOR) of the Board Committees that are available at www.malakoff.com.my. All deliberations, discussions and outcomes of the committee meetings are reported by the Chairman of the respective Board Committee to the Board at the next available meeting.

This enables the Board members to spend time efficiently deliberating specific issues after the Board Committees' review. In delegating its authority to Board Committees, the Board does not abdicate its responsibility and has exercised collective oversight at all times. The Board further ensures that its delegation does not hinder or reduce its ability to discharge its functions.



Board Audit Committee

The BAC assists the Board in carrying out its statutory and fiduciary responsibilities with regards to the monitoring and management of financial risk processes, accounting practices, internal control system, and the Group's management and financial reporting practices. To accomplish this, the BAC oversees the reports of external and internal auditors, protects the integrity of financial reporting and ensures a sound system of internal controls to protect and enhance the Company's value.

Details of BAC activities are reported in the BAC Report on pages 218 to 221.

Board Nomination & Remuneration Committee

The BNRC is responsible for the following activities within its defined TOR:

overseeing the nomination and selection of Board members and Senior Management	assessing and monitoring the Board's composition and effectiveness	undertaking development needs and succession planning initiatives	recommending and reviewing policies, remuneration structure for the Board and the Group as a whole.
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The BNRC reviews the composition of the Board periodically especially on the application of best practices under MCCG 2021. The tenure of each director is reviewed by BNRC and annual re-election of director(s) is contingent upon satisfactory evaluation of the directors' performance and contribution to the Board. As for the remuneration structure and review of the Board and Senior Management, a detailed description is provided in the "Remuneration Section" of this CG Overview Statement.

Board Risk & Investment Committee

The BRIC assists the Board in ensuring the implementation of effective risk management processes to manage the overall risk exposure for the Group. It is also responsible to review and recommend to the Board any major investments, which may include the acquisition and divestment of businesses, companies, land and buildings, bidding for binding tenders and contracts for new power generation, water desalination and waste management services projects, and assessing the key associated risks. This includes funding options and costs as well as the investment returns to the Company/Group.

Board Procurement Committee

The BPC functions within its delegated authority and TOR, assists the Board in reviewing the Group's procurement proposals and tenders to ensure that due attention is given in screening through the procurement proposals and the processes/procedures before the award of contract is recommended or approved for the Management's action.

Company Secretaries

The Board is supported by the Company Secretaries qualified under the Act, whose advice and service are available to the Board at any time and without restriction. The Company Secretaries assist the Board in its leadership role, fiduciary duties and governance stewardship. They advise the Board on corporate governance related matters, the Board's policies and procedures and ensure the Board complies with the relevant rules and regulatory requirements as well as updates issued by the relevant regulatory authorities from time to time.

Board Meetings

The Board practices a culture of open debate and raises challenging questions at meetings. Directors are impartial in their views, with the Company's and stakeholders' best interests at the forefront of every major decision. The robust and vigorous deliberations at Board and Board Committee meetings provide opportunities to all Directors to participate and contribute to the decision-making process as well as to ensure that the process of constructive and healthy dialogue is achieved.

Directors are aware of their obligations to immediately declare their interests in any transaction to be entered directly or indirectly with the Company. They disclose the extent and nature of their interests in the transaction(s) at a Board meeting or as soon as the Directors become aware of the conflict of interest. The interested Directors shall abstain from participating in the deliberation and Board decision on the matter.

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Meeting Attendance

The Board is satisfied that each director has devoted sufficient time to effectively discharge his/her responsibilities given their commitment to make themselves available at all Board and Board Committee meetings, barring any unavoidable circumstances or where directors are the interested parties to abstain from attending the meetings.

During the financial year under review, the Board met nine times, five of which are scheduled meetings and remaining four are on ad hoc basis to consider urgent matters or proposals. Details of the Board members' attendance are summarised below:

Directors	Designation	Total Meetings Attended
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali	Independent Non-Executive Chairman	9/9
Tan Sri Che Khalib Mohamad Noh	Executive Vice Chairman	9/9
Anwar Syahrin Abdul Ajib	Managing Director & Group Chief Executive Officer	8/9
Datuk Ooi Teik Huat	Non-Independent Non-Executive Director	8/9
Datuk Rozimi Remeli	Independent Non-Executive Director	9/9
Dato' Mohd Naim Daruwish	Non-Independent Non-Executive Director	9/9
Dr. Norida Abdul Rahman	Independent Non-Executive Director	9/9
Datuk Prakash Chandran Madhu Sudanan (appointed on 1 March 2023)	Independent Non-Executive Director	8/8
Datuk Wira Roslan Ab Rahman (appointed on 1 June 2023)	Independent Non-Executive Director	5/6

All Directors fulfilled the minimum attendance requirement of at least 50% of the Board meetings pursuant to Paragraph 15.05(3)(c) of the MMLR of Bursa Malaysia.

The Board is committed to meet at least four times a year after the end of each financial quarter where the unaudited quarterly results would be reviewed and approved before being released to Bursa Malaysia. Meeting dates for the whole year are scheduled in advance and the calendar for the Board and Board Committees' meetings is circulated to the Directors before the commencement of each financial year to enable the Directors to plan their schedule in advance.

Supply and Access to Information

Board papers are circulated to all Directors via a collaborative meeting software which allows the Board to securely access, read and review the Board/Committees documents. In addition, the usage of software eases the process of distribution of Board papers physically. Every effort is made to ensure timely circulation of notices, agenda and meeting materials to the Board to enable the Directors to have sufficient time to prepare themselves for Board meetings and to facilitate effective Board discussion.

The Directors have direct access to the Management and unrestricted access to any information relating to the Group to enable them to discharge their duties. The Directors also have direct access to the advice and services of the Company Secretaries. The Directors, whether collectively as a Board or in their individual capacity, may seek independent professional advice at Malakoff's expense in the discharge of their duties.

The Management ensures that the presentations of proposals or updates to the Board are delivered in a manner with clear and adequate understanding of the subject matter. If there is any urgent matter or additional document not delivered within the reasonable timeframe, Management will explain the subject matter at the meeting.

All deliberations and decisions of the Board, including any dissenting views and Directors' interests in any transaction with the Group who have abstained from deliberating and voting on a particular matter, are clearly recorded in the minutes of meeting. The minutes of meetings are circulated to the Board for review before the same are confirmed at the next Board meeting.

The Board's 2023 Key Focus Areas and Priorities

The key areas of focus for the Board which appear as items on the agenda of the Board meetings during the year under review are tabulated below:

Strategy

- attended the annual strategy engagement session with Management for the Group's 5-year business plan from 2024 to 2028.
- quarterly update on business development initiatives approved under the business plan, its progress and challenges.

Financial oversight & reporting

- annual budget and capital/operation expenditure plan of the Group for financial year 2024.
- the Group's quarterly interim financial results.
- the Group's tenders and procurements in accordance with LOA and internal policies and procedures of the Group.

Risk, Compliance and Oversight

- action plans to mitigate significant strategic and operational risks faced by the Group on quarterly basis.
- quarterly reports of the Group's safety performance for the Group's local operating assets.
- internal audit reports from the BAC.
- quarterly reports of the related party transactions and recurrent related party transactions (RRPTs) to ensure that the transactions entered by Malakoff Group with related parties are fair, reasonable and not detrimental to the minority shareholders' interest.
- renewal of shareholders' mandate for RRPTs of a revenue or trading nature.
- the adequacy and the integrity of the Management information and internal control systems of the Company and the Group.
- the Group's compliance with the relevant laws and regulation as well as Malakoff's internal policies and procedures including the Companies' Constitution.

Board performance and composition

- annual Board assessment to evaluate the performance of the Board, Board Committees and the individual directors.
- monitored the attendance of Directors for trainings, seminars and workshops to keep themselves abreast with recent development of laws, regulations and the industry.
- reviewed the composition of the Board and Board Committees and key subsidiaries.

Leadership evaluation & selection

- setting of Corporate Key Performance Indicators (KPIs) upon the approval of the business plan for 2024.
- achievement of the Corporate KPIs for the performance against KPIs for 2023.
- proposal on bonus and salary increment for the MD & GCEO and Senior Management team.

Succession planning

- succession planning for the MD & GCEO, Senior Management team and other key positions of the Company and key subsidiaries.
- reviewed and evaluated the calibre and suitability of candidate(s) to be nominated to the Board of the Company, key subsidiaries and associate companies.
- reviewed Talent Management and Development initiatives.

Sustainability and Environmental, Social & Governance

- reviewed Environmental, Social and Governance matters.
- reviewed and monitored the Group's corporate social responsibilities (CSR) and related activities to promote CSR.
- reviewed and considered the social and environmental impact of the Group's activities and operations and monitor the compliance with the Group's sustainability responsibilities and the relevant regulatory requirements.

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Sustainability

The Board together with Management are responsible for the governance of sustainability in the Company including setting the Company's sustainability strategies, priorities and targets. The Board has considered sustainability matters when exercising its duties including, among others, the development and implementation of the Group's strategies, business plans, major action plan and risk management.

Strategic management of material sustainability matters are being driven and managed on a day-to-day basis by the Senior Management.

The Board has formulated a plan in communicating the Group's sustainability strategies, priorities and targets as well as performance against these targets to its internal and external stakeholders. This plan includes annual disclosures

of material sustainability matters which is included in pages 56 to 61 of this Integrated Annual Report.

The Group has also established the Management Sustainability Committee (MSC) to oversee, review and implement matters in relation to the Company's ESG strategy and initiatives, as well as embedding sustainability practices into the Company and its subsidiaries. The MSC reports directly to the Board and supports the Board in fulfilling its statutory and fiduciary responsibilities in relation to sustainability matters based on regulatory requirements.

The Board recognises the importance of sustainability and has taken action to improve its sustainability framework. At this point of time, the Board is initiating the following improvement plan for the following CG practices:

Practice No.	MCCG Practice Description	Malakoff Group's Actions
4.3	The Board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.	To ensure the Board is equipped and ready to execute its role, the Board will identify the professional development needs concerning sustainability and ensure these are addressed. The Board is evaluating its composition and its skills matrix to strengthen board leadership and oversight of sustainability issues.
4.4	Performance evaluations of the Board and senior management include a review of the performance of the Board and senior management in addressing the company's material sustainability risks and opportunities.	Malakoff's Corporate KPIs include key Environmental, Social & Governance (ESG) metrics since 2022. We have further enhanced our ESG metrics to include emissions intensity reduction, carbon avoidance, recycling rate, Lost Time Injury Frequency Rate (LTIFR), statutory & regulatory compliance and anti-bribery awareness. The Group has established a Sustainability Framework and frequently communicates on the progress of its ESG roadmap through sustainability advocacy. The Company also constantly monitor sustainability risks and opportunities, reporting to the Board on a quarterly basis.

The Group's business and sustainability goals are aligned through our Sustainability Framework, for sharper focus to create value for critical areas involving our stakeholders and business. The sustainability goals will drive Malakoff's sustainability performance throughout our business and strengthen the Group's commitment to creating long-term value for our stakeholders.

We incorporate environmental considerations in the Group's business strategy to maintain the Group's long-term competitive performance while safeguarding the environment and related communities. Integrating these considerations implies the Group's operation in an ethical and responsible

manner that provides reasonable assurance of its long-term financial viability.

As a sustainably conscious organisation, Malakoff takes a three-pronged holistic approach towards sustainability. Our approach of embedding the triple bottom line into business operations, objectives and goals ensures that the Group will remain relevant in the longer term.

The heightened materiality of sustainability to the business requires the Board to factor in sustainability components, risks and opportunities into its strategies at all times. The Board together with Management take responsibility in

the establishment of the Company's sustainability agenda and road map. Robust processes, controls and governance are in place to ensure transparent disclosures. There is greater Board oversight of ESG issues and greater accountability on matters pertaining to ESG.

The strategy and long-term vision are underpinned by the Company's commitment to contribute to the greater good of our people and planet through responsible business practices and 13 out of 17 Sustainable Development Goals (SDGs) of the 2030 Agenda. As a leading player in the power and environmental services sector, the Group will continue to support the government's initiatives in achieving the Nationally Determined Contributions (NDCs) submitted to the United Nations Framework Convention on Climate Change (UNFCCC) and towards being a carbon-neutral nation by 2050.

The Sustainability Framework defines primarily, the implementation of our sustainability strategy across the Group's business and our commitment to environmental responsibility with carefully considered goals, programmes and business partners. Integrating ESG impacts involve amongst others, mitigating climate change risks, managing

our facilities and conducting our business activities to minimise environmental impact.

The Board acknowledges that the Company's financial outcomes are linked to our ability to manage ESG risks and opportunities as much as we recognise that an inclusive society build on human dignity and the responsible use of human capital is essential for all of us to thrive.

The well-being of customers, employees and other stakeholders as well as the environment is crucial to sustaining the Company's long-term performance and continued relevance. The Board considers the integration of ESG factors as a component of the Board's fiduciary responsibility and accountable therefore to the oversight and management of sustainability.

The Sustainability Statement for 2023 sets out Malakoff's commitment to improving the Group's sustainability practices so that we are more competitive, resilient and adaptable to change. The Report details the scope of our sustainability reporting and sustainability framework for the year under review.

Board Composition

Independent Non-Executive Directors

INED

There are nine directors on the Board comprising seven non-executive directors (NED) and two executive directors who are the EVC and the MD & GCEO of the Company. Five out of the seven NEDs are INED and the remaining two are non-independent non-executive directors (NINED). With the retirement of two INEDs during the year, two new INEDs joined the Company on 1 March 2023 and 1 June 2023 respectively. In this respect, the Company fulfilled Practice 5.2 of MCCG 2021 for Large Companies to have a majority of independent directors (ID). With the current Board composition of more than 50% IDs on the Board, it has also met the requirement of MMLR of Bursa Malaysia.

The Board composition includes directors with various backgrounds, credentials, experience, knowledge and skills. This enables the Board to provide insights, perspectives and independent judgement to lead and steer the Group's business.

Whilst it is important to promote diversity, the normal selection criteria of a director based on an effective blend of competencies, skills, experience and knowledge in areas identified by the Board remain a priority. The Board is committed to ensure that its composition not only reflects diversity, but will also have the right mix of skills and balance to contribute to the achievement of the Company's goals and objectives. The Board believes that the Board size is optimal in

terms of number, diversity and length of service/experience. This Board composition is able to support objective and independent deliberation, review and decision-making to allow for a more effective oversight of Management.

The Board acknowledges that NEDs may hold external directorships and other business interests. The Board reviews the declarations made by Directors on the number and nature of their external directorships. The Board has in place a set of procedures for Directors' compliance/declaration of their potential external Board appointment to ensure that there is no potential conflict in the pending appointment.

The Board recognises the important contributions that INEDs for good corporate governance. Board decisions are made taking into account the views of the INEDs as they carry substantial weight in ensuring that strategies proposed by Management are deliberated and examined for the best interests of the shareholders and stakeholders.

The Board, save for the INEDs, has determined that the IDs have fulfilled the criteria under the definition of an ID as stated in the MMLR of Bursa Malaysia and are able to maintain their independent and objective judgements, and contribute positively to the business strategies, operations and corporate governance of the Company and the Group.

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Tenure of Independent Directors

ID

Under the Company's Policy on INED Tenure, the tenure of IDs is limited to nine years with a provision for re-appointment subject to annual shareholders' approval up to twelve years of service. Based on the Board assessment carried out for 2023, the Board was satisfied that the length of service of IDs does not impair independent and objective judgement to be exercised by the IDs and for them to discharge their fiduciary duties in the best interests of the Company and the Group.

The cumulative term of service of each ID for FY2023 is summarised below:

Name of Independent Directors	Year(s) of Service (Approximate)
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali	2
Datuk Rozimi Remeli	6
Dr. Norida Abdul Rahman	1.4
Datuk Prakash Chandran Madhu Sudanan*	0.8
Datuk Wira Roslan Ab Rahman*	0.6

* Two INEDs of the Company were appointed during the year under review.

Boardroom Diversity

Malakoff recognises the importance of diverse background, experience, age, gender and race of its Directors that would reinforce the Company in maintaining its competitive advantage. These divergences allow for difference in opinion and perspectives and offer all options to be deliberated before decisions are made. These distinctions are considered when deciding on the Board composition. The Company's Board Diversity Policy outlines the approach to diversity on the Board including gender, age and ethnic diversity.

The criteria, process and requirements to be observed by the BNRC and the Board in carrying out their responsibilities on nomination, assessment and re-election of Director(s) are outlined in the TOR of BNRC. The BNRC continues with its efforts to identify and assess suitable woman candidate to be appointed on the Board. Currently, there is one woman director on the Board where the Company had complied with the MMLR of Bursa Malaysia requiring at least one woman director to be appointed for the Company.

A summary of Board composition by category, age, gender and race/ethnicity together with the relevant statistics of Senior Management are provided below:

Skill and Experience

Accounting		3
Business Administration/Economics		1
Legal		1
Energy/Technical		4

Gender of Director

Male	89%		8
Female	11%		1

Age of Director

50-59 years	22%		2
>59 years	78%		7

Race and Ethnicity

Director		Management (including MD & GCEO)	
Malay	78%  7	Malay	75%  12
Chinese	11%  1	Chinese	6%  1
Indian	11%  1	Indian	13%  2
others	0% 0	others	6%  1

Gender of Management (including MD & GCEO)

Male	81%		13
Female	19%		3

Age of Management (including MD & GCEO)

30-39 years	6%		1
40-49 years	31%		5
50-59 years	57%		9
>59 years	6%		1

The Board discloses in its Board Charter on gender diversity for the Board and gender diversity for Senior Management in this Integrated Annual Report.

The Board Diversity Policy of Malakoff is also made available at <https://www.malakoff.com.my/corporate-governance>.

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Appointment of Directors

Appointment of directors and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Board will review the existing Board positions held by a director, including on board of non-listed companies to ensure the director could devote sufficient time to serve the Board effectively.

In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing directors, management or major shareholders. The Board will utilise independent sources to identify suitably qualified candidates as and when requires. If the

selection of candidates is based on recommendations made by existing directors, management or major shareholders, the BNRC would assess and provide justification on the merit of the recommendation.

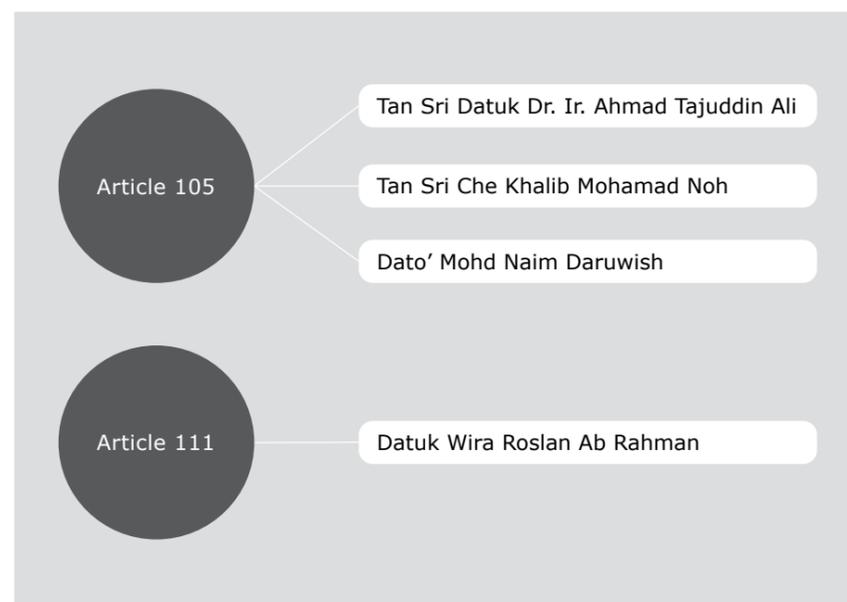
The Board ensures shareholders have the information they require to make an informed decision on the re-election and re-appointment of director(s). This includes details of any interest, position or relationship that might influence or reasonably be perceived to influence, in a material respect of their capacity to bring an independent judgement to bear on issues before the Board, and to act in the best interests of the Company as a whole.

Re-election and Re-appointment of Directors

In accordance with Article 105 of the Company's Constitution, one-third of the Directors for the time being shall retire by rotation at an annual general meeting (AGM) of the Company provided always that all Directors shall retire from office at least once every three years and be eligible for re-election at the AGM. A Director retiring at the AGM shall retain office until the close of the meeting whether adjourned or not.

In accordance with Article 111 of the Company's Constitution, Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office until the conclusion of the next AGM and be eligible for re-election.

The Board at its meeting held on 13 March 2024 endorsed the recommendation of the BNRC for the following Directors to be considered for re-election pursuant to the relevant Articles of the Constitution at the Company's forthcoming 18th AGM. All Directors stated herein have offered themselves for re-election at the said AGM:



In assessing Directors' eligibility for re-election and re-appointment, the BNRC considers their competencies, commitment, contribution and performance based on the Board's annual evaluation, fit and proper assessment on the directors within the scope of the Company's Fit and Proper Policy, and their ability to act in the best interest of Malakoff. The Directors' rotation list was presented to the BNRC for endorsement prior to its recommendation to the Board for approval.

Fit and Proper Policy (F&P Policy)

Pursuant to the F&P Policy adopted by Malakoff on 30 June 2022 that sets out the fit and proper criteria and due diligence process for appointment and re-election of directors, the directors standing for re-election at the forthcoming 18th AGM had completed the Fit & Proper Declaration Form for review by the BNRC and Board. It serves as a guide for the BNRC and Board in evaluating the director for re-election to the Board.

Other than new appointment and re-election of directors, the fit and proper assessment on a director may also be conducted at any time the Company becomes aware of information that may materially compromise a director's fitness and propriety.

Annual Evaluation

The Board conducts an evaluation on the effectiveness of the Board, Board Committees and each individual director annually. For the financial year under review, the Board and Directors' evaluation was conducted by the Corporate Secretarial team.

The Board evaluation focuses on the following six key parameters:



A set of questionnaires was circulated for the Board and Board Committees evaluation. The results of evaluations were summarised and presented to the Board on 13 March 2024. As a whole, the evaluation results for the financial year under review demonstrated that the Board met the performance criteria required for an effective and committed Board.

Based on the results of the annual evaluation of the Board, Board Committees and individual Directors for the year under review, the Board is able to gauge and put in place appropriate actions to address areas for improvement. The evaluation confirmed the strength of the Board and the high performing boardroom culture. Priority areas and key findings have since been incorporated in the action plans that would further improve the Board performance in the new financial year.

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Directors' Training

The Board recognises the importance of continuous training for Directors and encourages all Directors to attend appropriate programmes, courses and seminars to stay abreast on the relevant business development and industry outlook. This is to ensure Directors are equipped with the necessary skills and knowledge to perform their duties and responsibilities. In addition, the Company organises an induction programme and orientation for new Directors on board.

With the launch of Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (MAP II) under the Securities Commission Malaysia's Corporate Governance Strategic Priorities 2021-2023, four directors of Malakoff had attended MAP II in 2023. This aims to provide the directors with the foundation to address sustainability risks and opportunities effectively and have better oversight over the company's material sustainability matters. The Company continues to monitor the attendance of other Directors for MAP II within the stipulated timeframe as provided in the MMLR of Bursa Malaysia.

During the financial year under review, all Directors attended at least one training/seminar/workshop and the summary of which is provided in the table below:

Name	Trainings
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali	<ul style="list-style-type: none"> Energy Transition Townhall with YB Minister of NRECC Talk Series on "How Nations Succeed: Perspective of Development and Industrialisation" Science Roundtable: Climate Change-Technology and Ethics ASEAN Science & Technology in Society Forum Leader Talk: Striking the Balance Forum on Leadership in 21st Century: the need for purposeful & principled leaders Talk on Chat GPT IdeaXchange: Dialogue Session on pulling Malaysia out of the middle-income trap: how to achieve critical mass in the National Science, Technology, Innovation and Economy (SITE) Ecosystem? The Energy Transition Conference & National Energy Transition Roadmap (NETR) Part 2 Envisioning Malaysia MADANI through the SITE Perspective Majlis Amanat Perdana Integriti (MAP-i) World Digital Economy & Technology Summit Science & Technology in Society Forum Innovation for Cool Earth Forum (ICEF) What amounts to a Conflict of Interest by Directors Mandatory Accreditation Programme Part II World Cities Day "Urban Ecosystem Management in the Tropics" ICDM Power Talk: Climate Change & Carbon Footprint – Getting the Right Financial Risk & Reporting Perspectives
Tan Sri Che Khalib Mohamad Noh	<ul style="list-style-type: none"> Board Chairperson Leadership for Sustainability Actions – Roundtable discussion on how Chairpersons can help Board to make value-based decisions that accelerate sustainability World Power Plant Innovation Conference 2023 Panel Speaker at Johor Business and Investment Forum – Transforming Johor in the New Normal: What are the new Growth Drivers? What are the New Opportunities? Generative Artificial Intelligence fundamental introduction session Cybersecurity Awareness – Cybersecurity Strategic Leadership

Name	Trainings
Anwar Syahrin Abdul Ajib	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II Energy Asia-Charting Pathways for a Sustainable Asia Khazanah Mega Trends Forum 2023 What amounts to a Conflict of Interest by Directors
Datuk Ooi Teik Huat	<ul style="list-style-type: none"> Digitisation and Digitalisation of Corporate Companies Supply Chain ESG: The Imperative Matters Macro and Market Updates: Navigating Through Growth Uncertainties and Market Volatility Malaysia Electric Vehicle Outlook and Key Unlocks Manufacturing & Engineering Landscape and Potential Opportunities Generative Artificial Intelligence fundamental introduction session Awareness on ESG and Board's role Organisational Culture Change Charting Transformation Horizons by Navigating the Boardroom's Leadership and Organisational Culture Postal & Courier Industry Insights Banking Industry and Macroeconomic Outlook
Datuk Rozimi Remeli	<ul style="list-style-type: none"> Management of Cyber Risk
Dato' Mohd Naim Daruwish	<ul style="list-style-type: none"> Generative Artificial Intelligence fundamental introduction session Neuroscience Development Programme for Effective Business Leaders Management of Cyber Risk Mandatory Accreditation Programme Part II
Dr. Norida Abdul Rahman	<ul style="list-style-type: none"> Board NRC Dialogue & Networking: NRC's role in Championing a Future-Focused Talent Agenda Mandatory Accreditation Programme Part II Imperial College Executive Education Program on Mergers and Acquisition Global Investors' Symposium: A View from the Top: <ul style="list-style-type: none"> Leaders on Energy and the Environment Leaders on the Roles and Goals of Corporate Board in 2023 Global Investors' Symposium: The Race for Global Green Energy Ecosperity Week 2023: "Breakthroughs for Net-Zero" The Hasanah Forum 2023 and AVPN 2023 Global Conference: "Fostering Justice-based Philanthropy – Shifting the Narrative to Action" ICDM PowerTalk: Generative AI- An Opportunity or Risk?
Datuk Prakash Chandran Madhu Sudanan	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Audit Committee Conference 2023 What Amounts to a Conflict of Interest by Directors
Datuk Wira Roslan Ab Rahman	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I Generative Artificial Intelligence fundamental introduction session

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Board Remuneration

The Board remuneration has been designed to align with industry practices, taking into account the appropriate calibre of each Director whilst upholding the shareholders' interests. This is to ensure the remuneration package is able to attract, retain and motivate capable directors.

The Board remuneration will be reviewed by the BNRC before proposing to the Board for consideration. The BNRC is made up of the following NEDs:

Name of Directors	Designation
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (Chairman)	Independent Non-Executive Chairman
Dr. Norida Abdul Rahman	Independent Non-Executive Director
Datuk Wira Roslan Ab Rahman	Independent Non-Executive Director

Remuneration Policy

The Board has remuneration policies and procedures to determine the remuneration of directors and senior management, considering the demands, complexities and performance of the Company as well as skills and experience required. The policies ensure remuneration level is sufficient to attract, retain and motivate high calibre individuals with the required credentials, skills, talent and experience in the Board and Board Committees.

The remuneration policies and practices reflect the different roles and responsibilities of NEDs, executive directors and Senior Management. These policies and procedures are periodically reviewed by the BNRC.

The remuneration recommendation to the Board for the Company's Directors and Senior Management shall be based on the following considerations:

levels of remuneration structure are sufficient to attract and retain the individuals needed to run the Company successfully at the Board as well as senior management level

links rewards to both the Company and individual performances, responsibilities, expertise and complexity of the Company's activities

aligns the interests of directors, senior management and our stakeholders with the business strategy and long-term objectives of our Company

information obtained from independent remuneration sources within similar industry

Directors' Remuneration

Remuneration of the Executive Director(s) and Chief Executive Officer (CEO)

The remuneration package for the executive director and CEO is structured to link rewards with corporate and individual performance. The BNRC is assigned with the duty to review and recommend Remuneration Policy and Framework as well as the remuneration package for the EVC and MD & GCEO to the Board. The Board has overall responsibility to approve the remuneration for these positions.

Remuneration of the NEDs

The remuneration package for NEDs reflects the individual's merits, valuable contribution and level of responsibilities. The fees payable to NEDs are reviewed and determined by the Board with the recommendation of the BNRC. Individual director(s) who have shareholding in the Company will abstain from voting on his/her own fees at the general meetings.

Remuneration of the Group's Senior Management (excluding CEO)

The Company's remuneration policy takes into account the various levels of Senior Management based on job grade structure, roles and responsibilities and levels of accountability. This ensures that remuneration packages are just and fair. All bonuses are determined by the Board on the recommendation of the BNRC after reviewing the individual performance appraisals and achievements.

The details of the aggregate remuneration received by the EVC, MD & GCEO and NEDs for the financial year ended 31 December 2023 are set out in the table below:

Name of Directors	Salary, Bonus and Defined Contribution* (RM)	Board Committee/ Subsidiary Monthly Allowances (RM)		Meeting Allowances of Board and Board Committees (RM)		Other Allowances/ Emoluments (RM)*	Monetary Value of Benefits-in-Kind (BIK)* (RM)	Total (RM)	
		Company	Subsidiaries	Company	Subsidiaries			Company	Subsidiaries
		Tan Sri Che Khalib Mohamad Noh (from 1 July 2023 to 31 December 2023)	333,000.00	-	30,000.00**			-	2,000.00**
Anwar Syahrin Abdul Ajib	2,568,268.00	-	-	-	15,500.00***	-	89,535.16	2,657,803.16	15,500.00
Sub-total for ED	2,901,268.00	-	30,000.00	-	17,500.00	15,320.10	89,535.16	3,006,123.26	47,500.00

* The said amounts are paid to the EVC and MD & GCEO as per their employment remuneration packages.

** Director's monthly allowances and meeting allowances for Board meetings payable by the subsidiary of Malakoff, Alam Flora Sdn Bhd (AFSB), are shared on an equal basis between MMC Corporation Berhad (MMC) and the EVC who is nominated by MMC.

*** Meeting allowances for Board meetings payable by the subsidiaries of Malakoff, Malaysian Shoaiba Consortium Sdn Bhd (MSCSB) and AFSB are shared on an equal basis between Malakoff and the MD & GCEO.

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NED									
Name of Directors	Directors' fees (RM)	Board Committee/ Subsidiary Monthly Allowances (RM)		Meeting Allowances (RM)		Other Allowances (a) (RM)	Monetary Value of BIK (RM)	Total (RM)	
		Company	Subsidiaries	Company	Subsidiaries			Company	Subsidiaries
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali	360,000.00	36,000.00	-	33,000.00	12,000.00 ^(b)	24,977.00	31,786.81 ^(g)	485,763.81	12,000.00
Tan Sri Che Khalib Mohamad Noh ^(c) (from 1 January 2023 to 30 June 2023)	54,000.00	12,000.00	30,000.00 ^(d)	21,000.00	1,500.00 ^(d)	2,743.00	-	89,743.00	31,500.00
Datuk Ooi Teik Huat	108,000.00	30,000.00	-	62,500.00	-	25,000.00	-	225,500.00	-
Datuk Rozimi Remeli	108,000.00	71,500.00	-	73,000.00	-	-	-	252,500.00	-
Dato' Mohd Naim Daruwish	108,000.00	24,000.00	-	43,000.00	-	18,976.53 ^(e)	-	193,976.53	-
Dr. Norida Abdul Rahman	108,000.00	14,000.00	60,000.00 ^(d)	45,000.00	3,500.00 ^(d)	40,000.00 ^(f)	-	207,000.00	63,500.00
Datuk Prakash Chandan Madhu Sudanan	90,000.00	31,500.00	-	39,000.00	-	25,000.00	-	185,500.00	-
Datuk Wira Roslan Ab Rahman	63,000.00	43,500.00	-	28,500.00	-	25,000.00	-	160,000.00	-
Retired during FY2023									
Datuk Dr. Syed Muhamad Syed Abdul Kadir	39,193.55	34,838.71	-	18,500.00	-	-	-	92,532.26	-
Datuk Idris Abdullah	39,193.55	32,661.30	25,000.00 ^(d)	18,500.00	2,500.00 ^(d)	-	-	90,354.85	27,500.00
Sub-total for NED	1,077,387.10	330,000.01	115,000.00	382,000.00	19,500.00	161,696.53	31,786.81	1,982,870.45	134,500.00
Total (ED & NEDs)	3,978,655.10	330,000.01	145,000.00	382,000.00	37,000.00	177,016.63	121,321.97	4,988,993.71	182,000.00
Total remuneration at Group level	3,978,655.10	475,000.01	-	419,000.00	-	177,016.63	121,321.97	5,170,993.71	-

Notes:

- a. Other allowances paid by Malakoff to the NEDs comprising annual leave passage and annual supplemental fees.
- b. Meeting allowances for Board meetings payable by the subsidiary of Malakoff, MSCSB.
- c. Directors' remuneration received during his tenure as NED is shared on an equal basis between MMC Corporation Berhad (MMC) and the NED who is nominated by MMC.
- d. Monthly allowances and meeting allowances payable by the subsidiary of Malakoff, AFSB.
- e. Annual leave passage & supplemental fees claimed for year 2021 and 2023.
- f. Annual leave passage & supplemental fees claimed for year 2022 and 2023.
- g. Benefits-in-kind paid to the Chairman of Malakoff comprising company car and reimbursement of petrol.

B EFFECTIVE AUDIT & RISK MANAGEMENT

Board Audit Committee

The BAC assists the Board in carrying out its oversight responsibilities by reviewing financial information and providing an unbiased review on the effectiveness and efficiency of the Group's internal controls.

The BAC is made up of four members, out of whom, three members are IDs. The BAC is chaired by an INED who does not hold chairmanship on the Board. The BAC members possess extensive experience in finance and energy industry who could effectively contribute to business strategy and corporate governance discussions with shrewd business acumen.

Name of BAC Members	Designation
Datuk Rozimi Remeli (Chairman)	Independent Non-Executive Director
Datuk Ooi Teik Huat	Non-Independent Non-Executive Director
Datuk Prakash Chandran Madhu Sudanan	Independent Non-Executive Director
Datuk Wira Roslan Ab Rahman	Independent Non-Executive Director

All BAC members are financially literate and have sufficient understanding of the Group's business. This enables them to continuously apply a critical and probing view on the Group's financial reporting process, transactions and other financial information, and effectively challenge Management's assertions on the Company's financials.

The roles and responsibilities of BAC are:

assist the Board in fulfilling its statutory and fiduciary responsibilities in examining and monitoring the Company and its subsidiaries' management of business, financial risk processes, accounting and financial reporting practices

determine the adequacy and effectiveness of the administrative, operational and internal accounting controls of the Group and to ensure that the Group is operating in accordance with the prescribed procedures, code of conduct and applicable legal and regulatory requirements

serve as an independent and objective party from management in the review of the financial information of the Company and Group presented by management for circulation to shareholders and the general public

provide direction and oversight of the internal and external auditors of the Company to ensure their independence from management

evaluate the quality of audits conducted by the internal and external auditors on the Company and Group

With the enhancements to conflict of interest (COI) disclosure for listed companies as mandated by Bursa Malaysia, the role of BAC is expanded to review and report to the Board, any COI situation together with the measures taken to resolve, eliminate or mitigate such conflicts.

The Company has a policy that requires a former partner of Malakoff's external auditors to observe a cooling-off period of at least three years before his/her appointment as a member of the BAC. This requirement is included in the TOR of BAC. To date, none of the BAC members has been a former key audit partner of the Company.

The BAC report for the financial year 2023 has been reviewed by the BAC to ensure its compliance with the relevant regulatory requirements and guidelines.

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Review of External Auditors

The BAC has policies and procedures to assess the suitability, objectivity and independence of the external auditors to safeguard the quality and reliability of audited financial statements.

External audit firms are evaluated based on their experiences, capabilities, audit approach and independence prior to recommending their appointment or re-appointment to the shareholders for approval. The evaluation includes review on the auditors' service levels and any significant changes to their scope of work to address new business developments, for recommendation of their re-appointment to the BAC.

External auditors are evaluated on their objectivity and independence, technical competency and ability, understanding of the Group's businesses and industries,

resources assigned and capability of the engagement team as well as making recommendations in areas in need of improvement.

The BAC considers the information presented in the Annual Transparency Report of the audit firm on matters covered therein including the audit firm's governance, leadership structure and measures undertaken by the audit firm to uphold audit quality and manage risks.

Policies are in place for any non-audit services proposal by external auditors to be presented to the BAC to ensure the auditors' independence is maintained.

For more detailed explanation on BAC, please refer to the BAC Report section in this Integrated Annual Report.

Internal Audit

The Group Internal Audit (GIA) supports the Board through the BAC in discharging its duties and governance responsibilities of maintaining a sound internal control system within the organisation. The internal audit function is considered an integral part of the assurance framework and GIA's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. At the same time, GIA also assists the BAC and Management to achieve the Company's goals and objectives by bringing a systematic and disciplined approach in evaluating and improving the effectiveness of internal control, risk management, whistleblowing and governance processes within the Group.

With its independent status within the Group, GIA reports directly and functionally to the BAC and administratively to the MD & GCEO. GIA is also independent of the activities and functions that it audits and performs its duties in accordance with the Internal Audit Charter, as approved

by the BAC, which establishes the framework for the effective and efficient functioning of GIA. The BAC also reviews and approves the appointment and removal of the Chief Internal Auditor, the performance evaluation, Annual Internal Audit Plan, budget and organisation structure of GIA to ensure that it is adequately resourced with competent staff to perform its role and function effectively.

The standards and practices adopted by GIA are aligned with the International Professional Practices Framework issued by the Institute of Internal Auditors. As at 31 December 2023, the total number of personnel in GIA was eleven including the Chief Internal Auditor. The name, credential and work experience of the Chief Internal Auditor of GIA are disclosed on page 186 of this Integrated Annual Report.

Details of the internal audit function and activities are presented in the BAC Report on pages 220 to 222 of this Integrated Annual Report.

Financial Reporting

Financial procedures and standards have been put in place to assist the Board in discharging its duty of ensuring that Malakoff maintains adequate and accurate records for purposes of timely reporting of its financial statements. This results in better stakeholder communication enabling them to have informed assessment of Malakoff's performance and future prospects.

For the year under review, no accounting irregularities were reported by either internal or external auditors.

Risk Management and Internal Control

The Board has established BRIC to oversee the Group's overall risk management and integrity policies and frameworks, and to assess major investments by the Group. The BRIC consists of four members with three members who are INED with diverse backgrounds. Each BRIC member has vast management experience, in-depth knowledge of the industry and integrity. The composition of BRIC is as follows:

Name of Directors	Designation
Datuk Rozimi Remeli (Chairman)	Independent Non-Executive Director
Dato' Mohd Naim Daruwish	Non-Independent Non-Executive Director
Datuk Prakash Chandran Madhu Sudanan	Independent Non-Executive Director
Datuk Wira Roslan Ab Rahman	Independent Non-Executive Director

In the discharge of its responsibility to effectively manage enterprise and integrity risks across Malakoff, the Board reviews its risk management processes and internal control procedures to ensure a sound risk management and internal control system to safeguard shareholders' investments and the assets of Malakoff.

The Management is accountable to the Board to ensure the effective implementation of risk and integrity management and internal control system. The Management formulates and endorses the risk and integrity management policies, frameworks and guidelines including their implementation across the Group. The identified risks are reviewed quarterly (or as required) and appropriate control measures are applied to mitigate the identified risks. The Management also assigns accountabilities and responsibilities at appropriate levels within Malakoff and ensures that all the necessary resources are efficiently allocated to manage these risks.

Further details on the Group's risk management and internal control frameworks are described and explained in the Statement of Risk Management and Internal Control section of this Integrated Annual Report.

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INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Group acknowledges the importance of timely and effective communication with stakeholders to keep them up to date on the Group's latest financial performance and business matters affecting the Group. Financial and non-financial information on the development of the Group has constantly been communicated to the stakeholders through various means including:

- Corporate Website - provides an essential platform for investors and other stakeholders to access information periodically through the Investor Relations section at www.malakoff.com.my
- Annual/Extraordinary General Meetings - offer an opportunity to our shareholders to raise their questions and concerns on the Group's performance directly to our Board and Management
- One-on-One and Group Meetings/Investor Conferences/Roadshows/Site Visits - throughout the year, we held meetings with key shareholders, major institutional investors, individual shareholder groups and financial analysts to share and discuss the Group's business performance and its strategic plan
- Annual Report - our Annual Report provides a comprehensive report on the Group's financial results, business operations and strategic direction
- Sustainability Advocacy – panel talks, national/regional publications, conferences to keep key stakeholders abreast of the Company's ESG initiatives

Regular communication and engagement with stakeholders are critical for the sustainable growth of the Group's business as this gives stakeholders better insight of Malakoff and facilitates mutual understanding of each other's expectations. The Company deems that an open dialogue with relevant stakeholder groups such as regulatory agencies, employees, shareholders, investors and the general public as necessary.

Accordingly, the protection of shareholders' and stakeholders' interests both in the short and long-term is central to the way the Board operates. The Board acknowledges that effective engagement is crucial in understanding the views of the Company's stakeholders in order to make an informed decision.

The information published in the Investors Relations section at <https://ir2.chartnexus.com/malakoff/v2/index.php>.

Investor Relations Activities

During the year under review, we escalated our engagements with the investment community, conducting more than 50 one-to-one and group meetings, both physically and virtually. During these engagements, the Group would address their concerns, wherever possible, to deliver sustainable value to our shareholders. In 2023, there were increased engagements with the Company's key

shareholders and the ESG investors due to the higher focus on sustainability matters. Additionally, we have been actively engaged with other investor relations (IR) stakeholders such as Bursa Malaysia, Malaysia Investor Relations Association (MIRA), the Securities Commission and other IR service providers to ensure the Group practices the highest standards of transparency and disclosure.

IR Engagement Audiences

Sell-side and Buy-side Analysts	Fund Managers	Major Shareholders	Potential New Investors
Institutional Investors	Financial/Business Media	Fixed Income Analysts	ESG Analysts

Key IR Engagement Channels

Annual/Extraordinary General Meeting	Quarterly Analyst Briefings	Group/One-on-One Meetings/ Investor Conferences (Physical/Virtual)
Site Visits	Corporate Website and Email Updates	Integrated Annual Report

Investment Community's Feedback	Malakoff's Response
Fuel Margin	In 2023, the fuel margin movement was unprecedented, with the global benchmark coal price retreating by over 60%. This led the Group to record a significant negative fuel margin, resulting in a loss for the year. The Group anticipates the stabilisation of coal prices in 2024, with the expectation that fuel margins will be normalised.
Income Gap for expiring PPAs	The Group has been actively pursuing projects to address the income gap. In July 2023, the Group successfully achieved financial closure for a small hydropower project in collaboration with RP Hydro Kelantan Sdn Bhd. Furthermore, in October 2023, the Group entered into a conditional share sale and purchase agreement with Metacorp Bhd for the proposed acquisition of a 49% equity interest in E-Idaman Sdn Bhd. The acquisition is expected to be completed by Q1 2024 and will extend the Group's municipal waste concession area to Kedah and Perlis.
Prospects in the renewable energy projects to achieve 1,400 MW target by 2031	The Group currently has several pipeline projects underway. Notably, the recent Heads of Agreement signed with Abu Dhabi Future Energy Company PJSC-Masdar (Masdar) in December 2023 is worth highlighting. This agreement aims to identify potential business opportunities through investment and the development of solar photovoltaic power plant projects with a targeted aggregate capacity of up to 1,000 MW. It also involves exploring other potential Renewable Energy (RE) projects located in Peninsular Malaysia. Furthermore, the Group is actively pursuing the Waste-to-Energy (WTE) project in Malacca. Additionally, the Group is fostering collaborations with corporates for rooftop solar projects. The Group has signed Solar Power Purchase Agreements (SPPA) for 26 rooftop solar projects, totaling 12.23 MWp in 2023.

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Quarterly Analyst Briefings

Our Quarterly Analyst Briefings have been conducted virtually throughout 2023:

4Q FY2022	24 February 2023
1Q FY2023	29 May 2023
2Q FY2023	29 August 2023
3Q FY2023	27 November 2023
4Q FY2023	26 February 2024

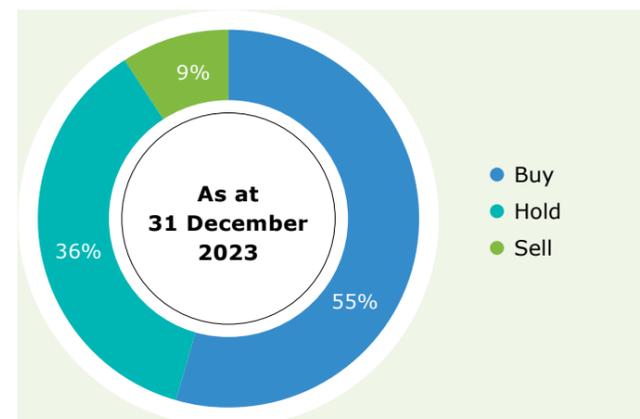
The briefings included the market prospect as well as the financial results of that particular quarter, including a Question & Answer session for the investment community.

Analyst Coverage

No. Research House

- Affin Hwang Investment Bank Berhad
- AmInvestment Bank Berhad
- BIMB Securities Sdn Bhd
- CGS-CIMB Securities Sdn Bhd
- KAF Equities Sdn Bhd
- Kenanga Investment Bank Berhad
- Maybank Investment Bank Berhad
- Public Investment Bank Berhad
- RHB Investment Bank Berhad
- TA Securities Holdings Berhad
- UOB Kay Hian Securities (M) Sdn Bhd

Summary of Analyst Recommendations



Share Price Movement

Month/2023	RM /Share		RM /Share	Million
	Highest Share Price	Lowest Share Price	Average Share Price	Volume
Jan	0.690	0.660	0.677	12.57
Feb	0.700	0.675	0.686	20.55
Mar	0.730	0.655	0.690	53.02
Apr	0.740	0.680	0.699	61.89
May	0.695	0.605	0.668	27.15
Jun	0.615	0.570	0.588	41.73
Jul	0.645	0.595	0.611	18.60
Aug	0.655	0.585	0.635	35.96
Sep	0.620	0.590	0.599	29.23
Oct	0.620	0.585	0.601	29.67
Nov	0.675	0.595	0.633	60.38
Dec	0.640	0.605	0.627	28.20



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Financial Calendar

Announcement of Consolidated Results

23 February 2023 Unaudited consolidated results for the fourth (4 th) quarter ended 31 December 2022	26 May 2023 Unaudited consolidated results for the first (1 st) quarter ended 31 March 2023	28 August 2023 Unaudited consolidated results for the second (2 nd) quarter ended 30 June 2023	24 November 2023 Unaudited consolidated results for the third (3 rd) quarter ended 30 September 2023	23 February 2024 Unaudited consolidated results for the fourth (4 th) quarter ended 31 December 2023
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Dividends

Final Single-Tier Dividend of 2.45 sen per ordinary share for the Financial Year ended 31 December 2022 28 April 2023 Entitlement Date	Interim Single-Tier Dividend of 1.50 sen per ordinary share for the Financial Year ended 31 December 2023 29 September 2023 Entitlement Date
26 May 2023 Payment Date	27 October 2023 Payment Date

Annual General Meetings

11 April 2023 Notice of 17 th Annual General Meeting and Issuance of Integrated Annual Report for the Financial Year ended 31 December 2022 11 May 2023 17 th Annual General Meeting	26 March 2024 Notice of 18 th Annual General Meeting and Issuance of Integrated Annual Report for the Financial Year ended 31 December 2023 25 April 2024 18 th Annual General Meeting
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Conduct of General Meetings

The Board and Management implement several measures to ensure shareholders are able to participate, engage the Board and Senior Management effectively, and make an informed voting decisions at general meetings. The Board, with the assistance of the Company Secretary, has provided shareholders with sufficient notice and time to consider the resolutions that will be discussed and decided at the AGM by issuing the notice for AGM at least 28 days before the meeting.

The 17th AGM was held virtually through live streaming and using Remote Participation and Voting (RPV) facilities. During the virtual AGM, shareholders and proxies were given the opportunity to engage with the Board and Senior Management via RPV facilities which had enhanced the quality of engagement with shareholders and facilitate participation by shareholders at the AGM from remote locations. All resolutions were passed by the shareholders via RPV platform.

Notice for the 17th AGM held on 11 May 2023 was sent to shareholders on 11 April 2023. The notice includes details of the resolutions to be tabled and explanations on the resolutions. Details of the resolutions proposed along with background information and reports or recommendations that are relevant were also provided in the Notice of AGM.

The minutes of meeting was made available on Malakoff's website at www.malakoff.com.my within 30 business days after the AGM.

Key Focus Areas and Future Priorities

The industry is evolving with the growth of ethical or responsible investing with a set of standards to evaluate how the companies operate in respect to the world around them, the people they deal with and whether the companies govern themselves in a responsible manner. There is increasing investment industry perception that companies that fit ESG criteria are well-equipped to manage risk and operate in a sustainable manner in the future.

Hence, the Company always bears in mind in achieving higher corporate governance standards. In accomplishing this goal, the Management provides its annual update and highlight to the Board on the Company's journey of governance. With this continuous effort by the Board and Management, the Board has viewed the key focus areas and future priorities in corporate governance practices as follows:

The Board will look into the possibility to increase disclosure of sustainability targets, initiatives and performance through improved engagement with key sustainability bodies to encourage transparent reporting and tracking.

The Board remains committed to actively work towards having more women directors on the Board, depending on the availability of qualified candidates and the Board's skill requirements.

On business strategies and plans for the Group, Malakoff continues to strive for growth in its key growth areas i.e. traditional power generation, renewable energy (RE), environmental solutions, water and strategic bets, underpinned by ESG, materiality and returns. The Group has expanded the environmental solutions sector through its Port Recovery Facilities, expansion of services in the concession areas and the launch of Recovery Initiative Sustainable Eco-Facility Kuala Lumpur (RISE@KL), to increase the recycling rate and tonnage in the surrounding area of Kuala Lumpur.

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Key Focus Areas and Future Priorities (continued)

Under the RE portfolio, the Group has also engaged in various solar power generation projects including rooftop solar installation in line with its objective of securing new growth businesses for the Group. The Group has secured 84 MW of small hydropower plants in Kelantan, solidifying our effort to increase the Group's RE generation. Within the RE portfolio as well, the Group is also exploring opportunities in the biogas, biomass, mini-hydro and Waste-to-Energy segments. As part of its efforts to drive the transition towards low-carbon systems, the Group is exploring the viability of green mobility infrastructure.

In view of reducing carbon emissions at the Company's coal plants and ensuring the availability and stability of energy into the grid, Malakoff has secured a flagship project under the National Energy Transition Roadmap (NETR) to champion an initiative to Biomass co-firing at the Company's Tanjung Bin Power Plant with a targeted 15% Biomass capacity by 2027.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

(Pursuant to paragraph 15.26(a) of the MMLR of Bursa Malaysia)

The Board has given its assurance that the financial statements are prepared in accordance with the Act and the applicable approved accounting standards for each financial year which gives a true and fair view of the state of affairs of the Group and the Company in a transparent manner at the end of the financial year and of the results and cash flows for the financial year.

The Directors' Report for the audited financial statements of the Company and the Group is outlined on pages 235 to 240 of this Integrated Annual Report together with the details of the Company and the Group financial statements for the financial year ended 31 December 2023 which are set out on pages 235 to 372 of this Integrated Annual Report.

COMPLIANCE STATEMENT BY THE BOARD ON THE CORPORATE GOVERNANCE OVERVIEW STATEMENT

This statement on the Company's corporate governance practices is made in compliance with paragraphs 15.25 and 15.08A of the MMLR of Bursa Malaysia.

Having reviewed and deliberated this statement, the Board is satisfied that to the best of its knowledge, the Company is substantially in compliance with the principles and practices set out in the MCCG 2021 as well as the relevant paragraphs under the MMLR of Bursa Malaysia for the financial year under review. Any practices in the MCCG 2021 which have not been implemented during the financial year would be reviewed by the Board and be implemented where practical and relevant to the Group's business.

This statement has been presented and approved by the Board at its meeting held on 13 March 2024.

BOARD AUDIT COMMITTEE REPORT

The Board of Directors (Board) of Malakoff Corporation Berhad (Malakoff or Company) is pleased to present the Board Audit Committee (BAC or Committee) Report for the financial year 2023 (FY2023).

COMPOSITION AND ATTENDANCE

The BAC comprises four (4) members as follows, all of whom are Non-Executive Directors (NEDs); three (3) being Independent NEDs and one (1) Non-Independent NED. This meets the requirements of paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).

Chairman	No. of Meetings Attended
Datuk Rozimi Remeli Chairman/Independent Non-Executive Director (Redesignated as Chairman of BAC on 1 June 2023)	8/8
Members of BAC	No. of Meetings Attended
Datuk Ooi Teik Huat Member/Non-Independent Non-Executive Director (Member of the Malaysian Institute of Accountants)	8/8
Datuk Prakash Chandran Madhu Sudanan Member/Independent Non-Executive Director (Appointed on 1 June 2023)	5/5
Datuk Wira Roslan Ab Rahman Member/Independent Non-Executive Director (Appointed on 1 June 2023)	4/5
Datuk Dr. Syed Muhamad Syed Abdul Kadir Chairman/Independent Non-Executive Director (Ceased on 11 May 2023)	2/2
Datuk Idris Abdullah Member/Independent Non-Executive Director (Ceased on 11 May 2023)	2/2

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BOARD AUDIT COMMITTEE REPORT

MEETINGS

The BAC met eight (8) times during the FY2023. The BAC also met with the External Auditors and Chief Internal Auditor separately on two (2) occasions each, without Management's presence and had accordingly complied with the frequency of meeting requirement under its Terms of Reference (TOR).

The Managing Director & Group Chief Executive Officer (MD & GCEO), Chief Operating Officer, Chief Financial Officer and Chief Internal Auditor were invited to attend all BAC meetings. The involvement of senior management in the BAC meetings enabled direct communications and discussions between the BAC members and senior management so that matters pertaining to the Company's and its subsidiaries' (collectively, the Group) financial results, operational issues, internal control, governance and internal audit matters are better appreciated by the BAC.

The External Auditors were engaged to conduct a review on the Group's interim half-year financial results. The review provided assurance to the BAC on the reliability and consistency of the Group's interim financial results announced to Bursa Malaysia as well as compliance with applicable Financial Reporting Standards. Representatives of the External Auditors were also invited to attend the BAC meetings, as and when the BAC considered appropriate.

The Company Secretaries act as the Secretaries of the BAC. The Chairman of the BAC reports the key matters discussed at each BAC meeting to the Board.

ANNUAL PERFORMANCE ASSESSMENT OF BAC

The performance and effectiveness of the BAC and its members are assessed annually through the Board Committee effectiveness evaluation. The Board is satisfied that the BAC and its members have been able to discharge their functions, duties and responsibilities in accordance with the BAC's TOR in supporting the Board in ensuring that the Group upholds appropriate Corporate Governance standards. The TOR of the BAC is available for reference under the "Corporate Governance" section of the Company's website at www.malakoff.com.my.

SUMMARY OF ACTIVITIES FOR THE FY2023

(i) Financial Reporting

The BAC reviewed all four (4) quarterly financial statements of the Company with Management before making recommendation to the Board for its consideration and approval to release the same to Bursa Malaysia.

The BAC also reviewed the consolidated annual audited financial statements of the Company for the FY2023, any audit issues and reservations arising from the statutory audit with the External Auditors, prior to making recommendation to the Board for its consideration and approval.

The quarterly financial statements were prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) 134, *Interim Financial Reporting* and Appendix 9B (Part A) of the MMLR of Bursa Malaysia while the consolidated annual audited financial statements were prepared in accordance with MFRS, International Financial Reporting Standards and the requirements under the Companies Act 2016.

During the review of the financial statements, the following tasks were carried out by the BAC:

- (a) Discussed and reviewed with Management and External Auditors, where applicable, the accounting policies adopted and applied by the Group to ensure compliance with the applicable approved accounting standards, including the appropriateness of the accounting provisions and compliance with other statutory and regulatory requirements;

- (b) Reviewed the declaration of the dividends of the Company, including the solvency test required under the Companies Act 2016 ensuring that the Company has adequate resources to continue in operation for the next 12 months, before such declaration of dividends were recommended to the Board for approval;
- (c) Reviewed the key audit matters and their implications to the Group, and how these matters were addressed in the audit, going concern considerations and the Auditors' Report that were included in the Company's Integrated Annual Report;
- (d) Reviewed the BAC Report to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval; and
- (e) Discussed, on half-yearly basis, any corrected material misstatements in the accounts and reviewed the summary of uncorrected audit misstatements for the Group.

(ii) External Audit

Where applicable, at the meetings of the BAC during FY2023, the following were reviewed and discussed with the BAC by the External Auditors, Messrs. KPMG PLT (KPMG):

- (a) Reviewed the report on new and recurring significant audit findings including financial reporting issues, significant judgements made by Management and unusual events or transactions. The report includes Management's responses to the findings and their action plans to address the issues raised by the External Auditors, for BAC's notation and feedback, where necessary;
- (b) Reviewed and monitored the nature and extent of the non-audit services provided by the External Auditors in accordance with the policy on non-audit services to ensure that the independence and objectivity of KPMG in performing their duties as the Group's External Auditors are safeguarded and any potential conflict of interest is being managed;
- (c) Reviewed the External Auditors' 2023 Audit Plan prior to the commencement of the statutory audit for FY2023, highlighting amongst others, the engagement team involved in the statutory audit, audit timeline, scope and nature of the audit and audit focus areas, including key audit matters for the statutory audit;
- (d) Discussed and recommended the proposed fees for the statutory audit for the Board's approval;
- (e) Discussed and reviewed the results of the annual assessment evaluated by the BAC and Management in respect of the quality of audit, covering the External Auditors' performance, suitability and its independence as the Company's External Auditors for FY2023. The results of the assessment for FY2023 were noted by the BAC and KPMG was recommended for re-appointment as the External Auditors of the Company for FY2024. The Board at its meeting held on 13 March 2024 approved the BAC's recommendation for re-appointment of KPMG, subject to the shareholders' approval being obtained at the forthcoming 18th Annual General Meeting (AGM) of the Company; and
- (f) Held two (2) private sessions with the External Auditors in February and November 2023, without the presence of the Management. The meetings provided an open and unrestricted forum for the External Auditors to discuss with the BAC the areas of concern and findings related to the Group's financial statements for the attention of BAC.

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The fee for non-audit services provided by KPMG for FY2023 amounted to RM49,747 which was approved by the Chief Financial Officer in line with Clause 7.4.1 of the non-audit services policy of the Company. The non-audit services were mainly related to tax compliance services and agreed-upon procedures to verify compliance of financial covenants by certain subsidiaries of the Group.

KPMG also, pursuant to the Company's policy on non-audit services, had undertaken the necessary measures to ensure that each non-audit service engagement would not result in conflict of interest nor impair their independence and objectivity. Management had also ensured that necessary safeguards were in place when engaging KPMG to carry out non-audit services for the Group. With the measures taken by KPMG and Management, the BAC was satisfied that the non-audit services provided during the FY2023 complied with applicable rules and standards of independence for auditors, as well as the provisions stipulated in the non-audit services policy.

KPMG had provided a written assurance to the BAC that they had implemented a number of firm wide ethics and independence systems to monitor compliance with their policies in relation to independence and ethics and had been independent throughout the audit engagement for FY2023.

(iii) Internal Audit (IA)

During the year 2023, the BAC had carried out the following:

- (a) Reviewed and approved the Annual IA Plan for FY2024 to ensure adequacy of audit scope, coverage, budget, resources and authority for Group Internal Audit (GIA) to carry out its work effectively and independently;
- (b) Reviewed and deliberated on the IA reports tabled during the year by GIA, which highlighted key control issues together with audit recommendations for improvement and Management's action plans to address the control deficiencies;
- (c) Reviewed and deliberated on the follow-up audit reports tabled during the year by GIA on the adequacy and effectiveness of the action plans or corrective actions undertaken by Management in addressing audit issues or control deficiencies highlighted from past audit reports to ensure non-recurrence;
- (d) Reviewed and deliberated on the results from ad-hoc special review assignments or audit investigations performed by GIA based on Management's request or complaints received through whistleblowing channels and recommended appropriate remedial actions/measures to be taken;
- (e) Reviewed and monitored the progress and status of action plans or corrective actions undertaken by Management to ensure audit issues or control deficiencies highlighted by GIA are being addressed and rectified in a timely manner;
- (f) Reviewed and assessed the effectiveness and performance of the IA function in respect of audit quality, scope, adequacy of resources and competency; and
- (g) Held two (2) private sessions with the Chief Internal Auditor in February and November 2023 without the presence of the Management to ensure that there was no restriction on GIA's scope of work and to discuss any other matters that GIA wishes to escalate to the BAC.

(iv) Related Party Transactions (RPTs)

The BAC had reviewed and recommended related party transactions (RPTs) and recurrent related party transactions (RRPTs) entered into with the Company's related parties in accordance with the policies and procedures of the Company, for the Board's approval, to ensure that the transactions were fair and reasonable, undertaken in the Company's best interest and on normal commercial terms as well as not detrimental to the interest of the minority shareholders.

The Group's RPTs and RRPTs for the preceding 12 months up to each reporting quarter as well as the forecasted RPTs and RRPTs for the next 12 months period from the quarterly reporting period were also reported to the BAC and the Board on a quarterly basis. The reporting of these transactions by the Group was coordinated through the Corporate Secretarial Department with all the respective subsidiaries, departments and business units within the Group, before the same were collated and presented to the BAC and the Board. The threshold limits of the RPTs and RRPTs were also monitored accordingly to ensure compliance with the MMLR.

The GIA also assists the BAC by conducting reviews of the Group's RPTs and RRPTs to provide assurance that the transactions reported to the BAC were accurate, complete, in compliance with the MMLR and undertaken on arm's length basis and on normal commercial terms.

INTERNAL AUDIT FUNCTION

The GIA was established to support the Board through the BAC in discharging its duties and governance responsibilities of maintaining a sound internal control system within the organisation.

The IA function is considered an integral part of the assurance framework and GIA's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. At the same time, GIA also assists the BAC and Management to achieve the Company's goals by bringing an objective and disciplined approach in evaluating and improving the effectiveness of internal control, risk management, whistleblowing and governance processes within the Group. This function serves as an important source of support for the BAC in identifying weaknesses or deficiencies in internal processes and to facilitate appropriate remedial measures to be taken by the Company.

The purpose, authority, responsibility, independence and objectivity of GIA are formally defined in the IA Charter, as approved by the BAC, which establishes the framework for the effective and efficient functioning of GIA. The standards and practices adopted by GIA are aligned with the International Professional Practices Framework issued by the Institute of Internal Auditors.

GIA has an independent status within the Group and is independent of the activities and functions that it audits. GIA reports directly and functionally to the BAC and administratively to the MD & GCEO. The BAC also reviews and approves the appointment and removal of the Chief Internal Auditor, performance evaluation, Annual IA Plan, budget and organisational structure of GIA to ensure that it is adequately resourced with competent staff to perform its role and function effectively and independently.

Amongst the roles and responsibilities of GIA are as follows:

- (a) Provide an independent and objective assessment and assurance to the BAC and Management on the adequacy and effectiveness of key internal control system, risk management, whistleblowing and governance processes of the organisation;
- (b) Develop an Annual IA Plan that is aligned with the Company's strategic objectives and takes into consideration of past audit history, criticality, inputs and feedback on any risk and control concerns from the BAC and Management;

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BOARD AUDIT COMMITTEE REPORT

- (c) Carry out IA assignments in accordance with the approved Annual IA Plan and report to the BAC on key control issues together with audit recommendations for improvement, Management's responses and agreed action plans to address the control deficiencies;
- (d) Perform follow-up audits to determine whether the agreed action plans or corrective actions undertaken by Management in addressing audit issues or control deficiencies highlighted from past audit reports have been correctly implemented and adhered to consistently;
- (e) Undertake ad-hoc IA assignments, special reviews or audit investigations as requested by the BAC or Management and present the results to the BAC and Management;
- (f) Monitor the progress of Management's agreed action plans or corrective actions in addressing audit issues or control deficiencies highlighted by GIA; and
- (g) Maintain professional audit staff with sufficient knowledge, experience and skills.

In addition, GIA is also responsible for the administration and implementation of the Group's Whistleblowing Policy which provides an avenue for employees and third parties dealing with the Company to disclose cases of improper conduct such as criminal offences, fraud, corruption, non-compliance to laws and regulations, breach of policies and procedures or other malpractices to the Company. Any disclosure of improper conduct can be made verbally or in writing to the Chairman of the BAC and Chief Internal Auditor via letter or e-mail to [\[whistleblowing@malakoff.com.my\]](mailto:whistleblowing@malakoff.com.my).

For FY2023, GIA had performed eight (8) audits which include full audits, follow-up audits, special review assignments and investigation covering the areas of operation, maintenance, finance, procurement, inventory management, and health, safety, security and environment.

The IA reports were tabled and presented to the BAC for deliberation, highlighting key control issues together with audit recommendations for improvement, Management's responses and agreed action plans to be implemented. The progress of these action plans is monitored by GIA and reported to the BAC on a quarterly basis.

As at 31 December 2023, the total number of personnel in GIA was eleven (11) including the Chief Internal Auditor. The name, credential and work experience of the Chief Internal Auditor of GIA are disclosed on page 186 of the Integrated Annual Report 2023.

The GIA has a sufficient mix of internal auditors with various knowledge, skills and competencies to perform its function and GIA is committed to equip its auditors with adequate knowledge and proficiencies to discharge their duties and responsibilities effectively. The Company is also a corporate member of the Institute of Internal Auditors Malaysia, which enables the internal auditors in GIA to keep abreast of the latest developments in the IA practices and attend relevant trainings organised by the Institute of Internal Auditors Malaysia. The total cost incurred by GIA for FY2023 was RM2.7 million.

This BAC Report is made in accordance with the resolution of the Board duly passed on 13 March 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (**Board**) of Malakoff Corporation Berhad is committed to maintaining an effective risk management and internal control system at Malakoff Corporation Berhad and its subsidiaries (**Group**).

The Statement on Risk Management and Internal Control is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and the revised guidelines on the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers. This is also in line with the Malaysian Code on Corporate Governance (MCCG) 2021, which requires public listed companies to maintain a sound system of risk management and internal controls to provide assurance and safeguard shareholders' investments, customers' interests and company's assets.

MANAGEMENT'S & BOARD'S RESPONSIBILITY

The Management is accountable to the Board to ensure effective implementation of risk management and internal controls. The Management formulates and oversees the risk management policy, frameworks and guidelines, including their implementation across the Group. The risks are reviewed and actions to mitigate the identified risks are then recommended. The Management also assigns accountabilities and responsibilities at appropriate levels within the Group as well as ensuring that all the necessary resources are allocated to manage those risks.

The Board is responsible for the overall tone and culture towards an effective risk management and internal control system in the Group. The Board is also responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control processes. The Group's risk management process is designed such that all key risk areas are effectively managed to enable the Group to achieve its business objectives. The Board is aware that the risk management and internal control systems can only provide reasonable and not absolute assurance against the risk of material loss or the occurrence of unforeseeable circumstances.

MANAGING RISK

The Board acknowledges that risk management is fundamental in protecting and safeguarding the interests of the Group and its shareholders to ensure sustainable growth to the Group. The Group's risk management process is guided by the Enterprise Risk Management Policy and Framework (ERMPF) and ISO 31000:2018 Risk Management Guidelines.

The Board Risk and Investment Committee (BRIC) oversees the Group's risk oversight responsibilities and the overall risk management across the Group. At the management level, the Management Risk Committee (MRC) supports the BRIC in integrating risk management strategies as well as reviewing the application of risk management process across Malakoff Corporation Berhad, in accordance with the ERMPF. At the operational level, risks are managed at the respective power plants through the Plant Risk Committee (PRC). The ERMPF has been revised in 2020 to reflect the changes from the updated version of ISO 31000:2018 Risk Management Guidelines.

The risk management process can be summarised below:

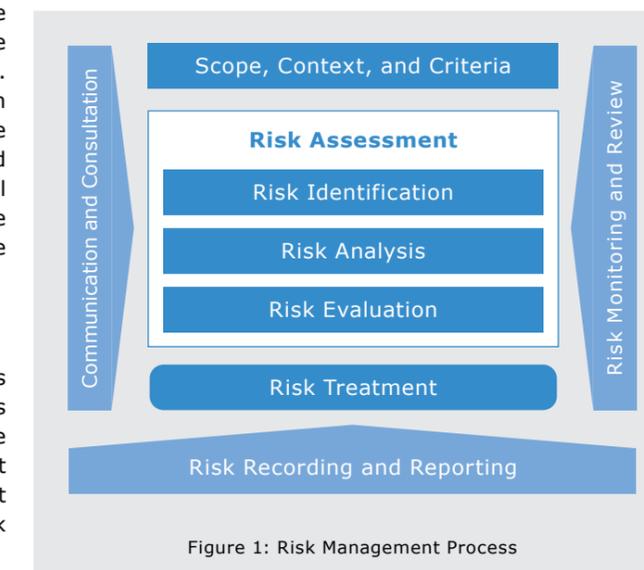


Figure 1: Risk Management Process

Commitment to Strong Governance

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Commitment to Strong Governance

Malakoff Corporation Berhad

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group defines risk as events that could affect the achievement of its objectives. It is measured by the likelihood of the risk occurring and the impact if the risk occurs. The ERMPF ensures that the risk assessment process of identifying, analysing, evaluating, risk treatment and risk mitigation are in place to protect the Group from material losses. It will assist the Group in making decisions and prioritising the implementation of the risk mitigation plan.

The risk matrix below depicts the likelihood and impact parameters used to measure and assess the Group's risk level:

Likelihood/Impact	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	6	7	8	9	10
Likely	5	6	7	8	9
Possible	4	5	6	7	8
Unlikely	3	4	5	6	7
Rare	2	3	4	5	6

Figure 2: Risk Matrix

Risk Management Process

A Corporate Digital Assurance module is used in the Enterprise Risk Management System (ERMS) to enhance the Group's risk management implementation. The scorecard owners, risk owners, control owners and action plan owners are required to provide assurances with respect to the status of all material risks, controls and management actions on a quarterly basis.

The assurances serve as proof that the owners have reviewed the registered controls and updated the Corporate Risk Scorecard System with the status of all material risks, controls and management actions.

In relation to the risk management process, the owners also certify that:

The risks, controls and management actions information within the Corporate Risk Scorecard are accurate and up-to-date.

Where exposure is considered acceptable, they have documented and validated that the controls are in place and effective.

Where risks are assessed as unacceptable, management actions have been identified, including the owners and due dates to address the risks.

To the extent that risks are perceived to be not within their control (either directly or as delegated to the immediate Management team), it will be documented and escalated to the appropriate level of Management within the Group.

In addition, the owners also confirm that the risk management process has been complied with and the information for which they are responsible for under the Corporate Risk Scorecard fairly reflects the position of the Group.

Risk Governance

On a quarterly basis, the identified risks are presented and deliberated at the MRC meeting chaired by the Managing Director and Group Chief Executive Officer (MD & Group CEO). The report is subsequently tabled to the BRIC for deliberation and recommendations to the Board. The Board notes the report on the risks and the actions taken by the Management to mitigate the risks. The overview of the Group's risk reporting structure is set out below:

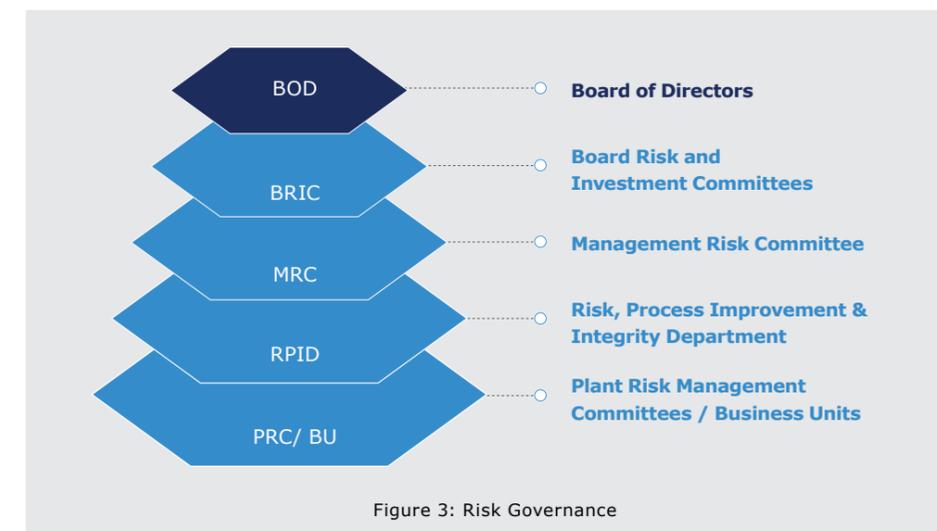


Figure 3: Risk Governance

Risk management is integrated into the Group's day-to-day business activities, while risk-based evaluation is incorporated into its decision-making process. This demonstrates the emphasis placed by the Board on the risk management agenda and underlines the importance of a well-managed risk management program. In line with this, the MRC continues to reinforce risk management importance among employees to ensure continuous improvement at all levels.

Emerging Risks

Based on Global Risks Report 2023 published by World Economic Forum, issues such as the Covid-19 pandemic, ESG requirements and cybersecurity concerns have triggered organisations to strategise and put more emphasis on these topics. In view of this, the risks related to these issues have been deliberated in the risk management process through the MRC and BRIC. In addition to this, the Group has implemented several measures in line with the ERMPF regarding its operations which can be summarised as follows:

Implementation of guidelines and procedures to manage risks relating to the Covid-19 pandemic.

Dissemination of Covid-19 and related information to employees.

Monitoring of information and operational technology system, cybersecurity and threat.

Monitoring of integrity and anti-bribery issues by BRIC.

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Malakoff Corporation Berhad

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Anti-Bribery and Corruption Assurance

The Group has zero tolerance towards bribery and corruption and has accordingly put in place the ISO 37001:2016 Anti-Bribery Management System (ABMS) to ensure that risks related to bribery and corruption are systematically managed.

The objective of the system is to assist the Group in mitigating the risks of involvement in bribery whilst promoting trust and confidence in business dealings, as well as enhancing integrity among all employees. The Group's ABMS has been audited and certified to ISO 37001:2016 by SIRIM QAS International Sdn Bhd since 2020. One of the key components in the system is the development of the bribery risk register to evaluate the adequacy and effectiveness of the Group's

current controls to mitigate bribery issues. Amongst the controls that have been established are the Whistleblowing Policy, Group Code of Conduct and Limits of Authority.

The Group has established a structure which details the roles and responsibilities under the ABMS framework as described in figure 4 below. In addition to this, all employees within the Group are required to understand and comply with the ABMS requirements at all times.

Our ABMS also serves as part of compliance to Adequate Procedure requirements under Section 17A of Malaysian Anti-Corruption Commission Act 2009 as stipulated in MACC Act (Amendment) 2018.

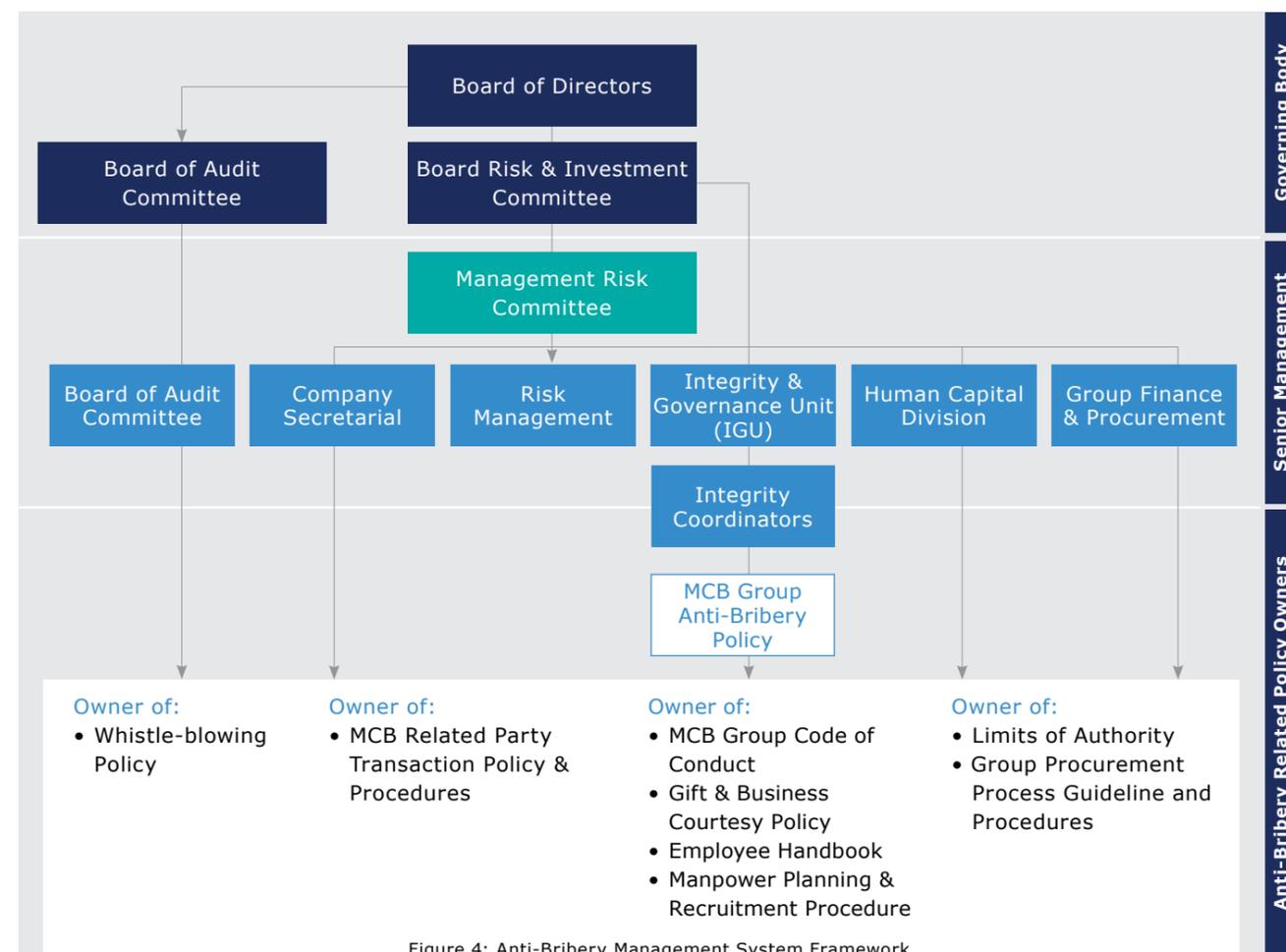


Figure 4: Anti-Bribery Management System Framework

INTERNAL CONTROL SYSTEM

The key features of the Group's control structure that provide reasonable assurance against the occurrence of events that could prevent the achievement of business objectives are as follows:

The Board

The Board of Malakoff Corporation Berhad provides direction and oversight on internal controls. The terms of reference and responsibilities are defined together with the Board Charter. The specific lines of responsibility, accountability and delegation of authority as approved by the Board to facilitate the Group's operations are the obligations of the MD & Group CEO and MRC.

Business Plan, Budget and Reporting

Malakoff Corporation Berhad develops annual business plans and budgets prepared by the Management and approved by the Board before the commencement of the new financial year.

The Board reviews the actual results against budget on a quarterly basis in conjunction with the public announcement of the Group's quarterly financial results under the Main Market Listing Requirements of Bursa Securities.

The Board is also updated with the latest sustainability trends, progress of the Group's ESG roadmap, key sustainability achievements and new developments within the sustainability space, covering material risks and opportunities, through annual ESG reporting from the Management.

Policies and Procedures

Documented internal policies and procedures are in place to ensure compliance with internal controls and the relevant rules and regulations. They are reviewed regularly to ensure that any gaps in controls are addressed and where required, policies and procedures are revised to align with the prevailing business conditions.

Limits of Authority

The Limits of Authority set out the level of authority under key business areas (financial and non-financial) of the Group. The authority limits in respect of organisational requirements such as procuring goods and services, cash transactions and contracting are clearly defined and documented. The limits are reviewed and updated regularly to reflect the current business environment, operational and structural changes, if any, of the Group.

Internal Audit

The Group Internal Audit (GIA) provides assurance on the existence, adequacy and effectiveness of internal control, risk management, whistleblowing and governance processes designed to improve and add value to the Group. This function serves as an important source of support for the Board Audit Committee (BAC) in identifying weaknesses or deficiencies in internal processes and facilitating appropriate remedial measures to be taken by the Group.

GIA reports directly and functionally to the BAC and administratively to the MD & Group CEO. GIA is independent from the functions and activities that it audits and performs its duties in accordance with the Internal Audit Charter as approved by the BAC and the International Professional Practices Framework by the Institute of Internal Auditors.

Details of the internal audit function and activities are presented in the BAC Report on pages 217 to 222 of this Annual Report.

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Malakoff Corporation Berhad

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Whistleblowing

The Group's Whistleblowing Policy sets out avenues for employees and third parties dealing with the Group with proper procedures to disclose cases of improper conduct such as criminal offences, fraud, corruption, breach of Group policies and Code of Conduct, or other malpractices.

A whistleblower is assured confidentiality of identity to the extent reasonably practicable. This includes protecting the whistleblowers from detrimental actions within the Group that may result from the disclosure of improper conduct, provided that the disclosure is made in good faith. The Whistleblowing Policy is also to ensure that fair treatment is provided to both the whistleblower and the alleged wrongdoer when a disclosure of improper conduct is made.

Disclosure of improper conduct can be made verbally or in writing to the Chairman of the BAC and the Chief Internal Auditor via letter or e-mail to whistleblowing@malakoff.com.my.

The Chief Internal Auditor is responsible for the administration and implementation of the Whistleblowing Policy and any amendments to the policy shall be effected by the Chief Internal Auditor, subject to recommendation by the BAC and the approval by the Board.

Anti-Bribery and Corruption Policy

The 'Anti-Bribery Policy' was initially approved and adopted on 3 October 2019. Subsequently, the policy underwent a review and revision to include the term 'Anti-Corruption,' resulting in the updated policy named 'Anti-Bribery and Anti-Corruption Policy.' This revised policy was approved on 28 August 2023 to align with the requirements of ISO 37001:2016.

The implementation of the policy will further strengthen the Group's corporate governance and ensure commitment from all stakeholders to uphold the highest standards of ethical conduct, integrity and accountability in all business activities and operations of the Group. This is also in line with Section 17A of the MACC Act 2009 (Amendment) 2018 (the Act), which requires commercial organisations to establish adequate procedures to avert corruption.

Joint Ventures and Associates

Malakoff Corporation Berhad ensures that investment and interest in material joint ventures and/or associates are protected by having board representation at the respective joint ventures and/or associates. The management of the joint ventures and/or associates are also responsible for overseeing the operations and performance of the joint ventures and/or associates.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM EFFECTIVENESS

The Board reviews the effectiveness of the risk management and internal control system through the following monitoring and assessment mechanisms:

- A quarterly review of the Group's actual financial and operational performance against planned performance and other key financial and operational performance indicators.
- The Risk, Process Improvement & Integrity Department presents the Risk Management Report to BRIC every quarter to provide an overview of the Group's key risks and action plans for mitigating the risks. The BRIC provides its views, which are then communicated to the respective risk owners by the Risk, Process Improvement & Integrity Department. The report is then escalated to the Board upon deliberation by BRIC.
- BAC deliberates and discusses reports issued by the Group Internal Audit and external auditors pertaining to financial, operational, governance, risk management and internal control matters. The status of preventive and corrective actions for issues discussed are also updated in BAC to enable monitoring of the actions.

COMMENTARY ON ADEQUACY AND EFFECTIVENESS

The risk management and internal controls defined above have been in place for the year under review and up to the date of approval of this statement for inclusion in the annual report.

In making this statement, the Board had received assurance from the MD & Group CEO, Chief Financial Officer, Senior Vice President of Corporate Services & Integrity Division, Head of Risk, Process Improvement & Integrity Department and Head of Group Internal Audit that the risk management and internal control processes are operating adequately and effectively in all material aspects for the reporting period.

The Board is of the opinion that risk management and internal control are adequate and effective in providing reasonable assurance for the year under review.

There was no major internal control weakness identified during the year under review that may result in any material loss that would require disclosure in this statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (AAPG 3), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the annual report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This statement is made in accordance with the resolution of the Board dated 13 March 2024.

Commitment to Strong Governance

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ADDITIONAL COMPLIANCE INFORMATION

AUDIT FEES AND NON-AUDIT FEES

The fees paid/payable to the external auditor, KPMG PLT and its affiliates (KPMG) in relation to the audit and non-audit services to the Group and the Company for the financial year ended 31 December 2023 are as follows:

	Group 2023 RM'000	Company 2023 RM'000
Audit fees	1,163	255
Non-audit fees	345	200

MATERIAL CONTRACTS

a) Sale and Purchase Agreement dated 8 August 2022 between MCB and Alam Flora Environmental Solutions Sdn Bhd in relation to the proposed sale of three (3) pieces of freehold lands collectively measuring approximately 239.74 acres (97.02 hectares) held under individual titles (i) GRN 49012 Lot No. 5408, (ii) GRN 66619 Lot No. 2790 and (iii) GRN 155631 Lot No. 130393, all in Mukim Batu Kurau, District of Larut & Matang, Perak

On 8 August 2022, MCB had entered into a Sale and Purchase Agreement (SPA) with Alam Flora Environmental Solutions Sdn Bhd (AFES), a wholly-owned subsidiary of AFSB, for the sale of three (3) pieces of freehold lands held under individual titles (i) GRN 49012 Lot No. 5408, (ii) GRN 66619 Lot No. 2790 and (iii) GRN 155631 Lot No. 130393, all in Mukim Batu Kurau, District of Larut & Matang, in the State of Perak for a purchase consideration of Ringgit Malaysia Nineteen Million (RM19,000,000.00) (Purchase Price) subject to the terms and conditions as stipulated in the SPA.

AFES is in the process of fulfilling the conditions precedent as provided in the SPA.

b) Definitive Agreements dated 21 March 2023 between Rising Promenade Sdn Bhd, RP Hydro (Kelantan) Sdn Bhd, Rising O&M Engineering Services Sdn Bhd, Malakoff Corporation Berhad, Tuah Utama Sdn Bhd and Malakoff Technical Solutions Sdn Bhd in relation to the proposed development of three (3) small hydropower plants in Kelantan

On 21 March 2023, Malakoff Corporation Berhad (MCB) together with its wholly-owned subsidiaries, Tuah Utama Sdn Bhd (TUSB) and Malakoff Technical Solutions Sdn Bhd (MTSSB), entered into a Heads of Agreement with Rising Promenade Sdn Bhd (RPSB), RP Hydro (Kelantan) Sdn Bhd (RPHK or Project Company) and Rising O&M Engineering Services Sdn Bhd (ROMES) which sets out the principal parameters between the parties in relation to their respective participation in the development, design, financing, insurance, procurement, construction, installation, testing, commissioning, ownership, operation, management and maintenance of three (3) hydroelectric renewable energy plants, namely Kemubu Small Hydropower Plant (SHP), Kuala Geris SHP and Serasa SHP with the installed capacity of 29.0 MW, 25.0 MW and 30.0 MW respectively, all located in the District of Kuala Krai, State of Kelantan (Project).

MCB's participation in the Project is by way of:

- (a) the purchase of 70% ordinary shares in the Project Company, RPHK, from RPSB through its wholly-owned subsidiary, TUSB, with a purchase consideration of Ringgit Malaysia Twenty Million and Twenty Thousand (RM20,020,000.00) (Purchase of RPHK Shares);
- (b) the subscription of up to 250,000,000 preference shares in RPHK through its wholly-owned subsidiary, TUSB (Subscription of RPHK Preference Shares), at a subscription price of Ringgit Malaysia One (RM1.00) for every one share; and
- (c) the purchase of 70% ordinary shares in the operation and maintenance (O&M) company, ROMES, from RPSB through its wholly-owned subsidiary, MTSSB, with a purchase consideration of Ringgit Malaysia Seven Hundred Thousand (RM700,000.00) (Purchase of ROMES Shares).

Further thereto, the following definitive agreements have been signed on 21 March 2023:

- (i) Heads of Agreement between MCB, TUSB, MTSSB, RPSB, RPHK and ROMES (HOA);
- (ii) Share Subscription Agreement between RPHK, TUSB and MCB (Share Subscription Agreement);
- (iii) Share Sale and Purchase Agreement between TUSB and RPSB (SSPA RPHK);
- (iv) Shareholders' Agreement between TUSB and RPSB (SHA RPHK);
- (v) Share Sale and Purchase Agreement between MTSSB and RPSB (SSPA ROMES); and
- (vi) Shareholders' Agreement between MTSSB and RPSB (SHA ROMES).

The Purchase of RPHK Shares and Purchase of ROMES Shares was completed on 7 September 2023 in accordance with the terms and conditions of the SSPA RPHK and SSPA ROMES respectively while the Subscription of RPHK Preference Shares is in the process of being undertaken in accordance with the terms and conditions of the Share Subscription Agreement. On 14 July 2023, the Project successfully achieved financial close.

c) Share Sale and Purchase Agreement dated 27 October 2023 between Metacorp Berhad and Tuah Utama Sdn Bhd in relation to the proposed acquisition of 49,000 ordinary shares representing 49% equity interest in E-Idaman Sdn Bhd

On 27 October 2023, Tuah Utama Sdn Bhd (TUSB or Purchaser), a wholly-owned subsidiary of MCB, entered into a conditional Share Sale and Purchase Agreement (SSPA) with Metacorp Berhad for the proposed acquisition of 49,000 ordinary shares representing 49% equity interest in E-Idaman Sdn Bhd by TUSB (Proposed Acquisition) for a purchase consideration of Ringgit Malaysia One Hundred Thirty Three Million and Two Hundred Thousand (RM133,200,000.00) (Purchase Price), subject to the terms and conditions as provided in the SSPA.

Parties are in the process of fulfilling the conditions precedents under the SSPA.

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ADDITIONAL COMPLIANCE INFORMATION

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (RRPT)

Malakoff Corporation Berhad (**Malakoff** or **the Company**) had at its 17th Annual General Meeting (**AGM**) held on 11 May 2023 obtained the shareholders' mandate to allow Malakoff Group to enter into RRPT with related parties that are necessary for the day-to-day operations of the Group. The RRPT mandate is valid until the conclusion of the forthcoming 18th AGM of the Company.

In accordance with Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements (**MMLR**) of Bursa Malaysia Securities Berhad, the details of the RRPT conducted during the financial year ended 31 December 2023 pursuant to the said shareholders' mandate are as follows:

No.	Malakoff and/or its subsidiary companies	Transacting related parties	Nature of relationship	Nature of transactions	Value of transaction from 1 January 2023 to 31 December 2023 (RM'000)
Expenses to Malakoff Group					
1	Alam Flora Sdn Bhd (AFSB) Group	DRB-HICOM Berhad (DRB) Group	DRB is a 55.92%-owned subsidiary of Etika Strategi Sdn Bhd (ESSB), a company in which Tan Sri Dato' Seri Syed Mokhtar Shah Syed Nor (TSSM) is a major shareholder	Provision of motor vehicle maintenance services by DRB Group	3,260
				Supply of scrap materials/ any assets (i.e. bins, automotive, scrap loose ferrous, etc) by DRB Group	4,974
				Payment of utilities and logistics cost and/or miscellaneous expenses to DRB Group	127
				Payment of rental services (i.e. buildings, building service charges, motor vehicle, etc) to DRB Group	3,050
				Purchase of machineries, motor vehicles and bins	766
2	AFSB Group	MMC Corporation Berhad (MMC) Group	MMC is a major shareholder of Malakoff	Payment of utilities cost and/or miscellaneous expenses to MMC Group	624
				Supply of scrap materials/ any assets by MMC Group	1,382
Total					14,183

No.	Malakoff and/or its subsidiary companies	Transacting related parties	Nature of relationship	Nature of transactions	Value of transaction from 1 January 2023 to 31 December 2023 (RM'000)
Revenue to Malakoff Group					
3	Tuah Utama Sdn Bhd (TUSB) Group	Syed Kechik Holdings Group	Puan Sri Sharifah Zarah binti Syed Kechik, the spouse of TSSM, is a major shareholder of Syed Kechik Holdings Group	Development of rooftop solar photovoltaic project at customers' premises within Syed Kechik Holdings Group	0
4	TUSB Group	MMC Group	MMC is a major shareholder of Malakoff	Development of rooftop solar photovoltaic project at customers' premises within MMC Group	872
5	TUSB Group	DRB Group	DRB is a 55.92%-owned subsidiary of ESSB, a company in which TSSM is a major shareholder	Development of rooftop solar photovoltaic project at customers' premises within DRB Group	2,846
6	AFSB Group	DRB Group	DRB is a 55.92%-owned subsidiary of ESSB, a company in which TSSM is a major shareholder	Provision of building maintenance services to DRB Group	12,231
				Provision of all kinds of services related to cleaning, collection and cleansing to DRB Group	8,866
7	AFSB Group	MMC Group	MMC is a major shareholder of Malakoff	Provision of all kinds of services related to cleaning, collection, cleansing and landscaping to MMC Group	5,110
				Provision of building maintenance services to MMC Group	67
Total					29,992

Notwithstanding the related party disclosures already presented in the audited financial statements in accordance with Malaysian Financial Reporting Standard 124, Related Party Disclosures (**MFRS 124**), the above disclosures are made in order to comply with Paragraph 10.09 of the MMLR with regard to the value of RRPT conducted in accordance with the shareholders' mandate during the financial year, as the scope of related party relationships and disclosures contemplated by the MMLR are, to a certain extent, different from those of MFRS 124.

The shareholdings of the respective interested major shareholders as shown above are based on information disclosed in the Circular to Shareholders dated 11 April 2023 in relation to the proposed shareholders' mandate for RRPT.



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Financial Statements

Malakoff Corporation Berhad

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

Results

	Group RM'000	Company RM'000
(Loss)/Profit for the year attributable to:		
Equity holders of the Company	(837,160)	66,384
Non-controlling interests	(24,773)	-
	(861,933)	66,384

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

- a final dividend of 2.45 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM119,730,552 in respect of the financial year ended 31 December 2022 on 26 May 2023.
- an interim dividend of 1.50 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM73,304,420 in respect of the financial year ended 31 December 2023 on 27 October 2023.

Subsequent to the end of the current financial year, the Board of Directors has approved a final dividend of 1.50 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM73,304,420, in respect of the financial year ended 31 December 2023.

The final dividend will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 31 December 2024.

Financial Statements

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Financial Statements

Malakoff Corporation Berhad

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 DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

 DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Directors of the Company

Directors who served during the financial year until the date of this report are:

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali (Chairman)
 Tan Sri Che Khalib bin Mohamad Noh (Executive Vice Chairman)
 Anwar Syahrin bin Abdul Ajib
 Datuk Ooi Teik Huat
 Datuk Rozimi bin Remeli
 Dato' Mohd Naim bin Daruwish
 Dr. Norida binti Abdul Rahman
 Datuk Prakash Chandran Madhu Sudanan
 Datuk Wira Roslan bin Ab Rahman (Appointed on 1 June 2023)
 Datuk Idris bin Abdullah (Retired on 11 May 2023)
 Datuk Dr. Syed Muhamad bin Syed Abdul Kadir (Retired on 11 May 2023)

Directors of the subsidiaries

The following is a list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report:

Mohd Nazersham bin Mansor
 Mohammed Azmil bin Ismail
 Yap Leng Khim
 Mohd Helmy bin Ibrahim
 Mohamad Lutfi bin Samsudin
 Saravanan A/L Desigamanie
 Saiful Azlan bin Mahmud
 Shajaratuddur bin Mohd Ibrahim
 Dato' Mohamad bin Saif @ Saib
 Tan Sri Abu Kassim bin Mohamed
 Dato' Sri Mohd Zakaria bin Ahmad
 Hafiz bin Ismail (Alternate Director to Muhammad Nazri bin Pazil)
 Harun bin Halim Rasip
 Ahmad Afzainizam bin Mokhtar
 Siti Norbaya binti Dinyati
 Nagulusamy Rajendran
 James Philips Morsen
 Datuk Idris bin Abdullah
 Datuk Dr. Syed Muhamad bin Syed Abdul Kadir (Appointed on 1 June 2023)
 Noor Aini Adilah binti Muhamad (Appointed on 20 March 2023)
 Muhammad Nazri bin Pazil (Appointed on 10 August 2023)
 Dato' Farisah binti Mohd Farid
 Norzihan bin Mohamad
 Lt Gen Dato' Sri Wan Normazlan bin Che Jaafar
 Dato' Zainuddin bin Yahya
 Dato' Abd Rashid bin Jabir
 Noorihan binti Ali Yusoff
 Dato' Mohd Zain bin Hassan (Resigned on 20 February 2024)
 Aliyah Hanim binti Abd Halim (Resigned on 21 March 2023)
 Dato' Nor Azman bin Mufti @ Jaafar (Resigned on 10 August 2023)

Directors' interests in shares

The interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Direct interests in the Company:				
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	50,000	-	-	50,000
Tan Sri Che Khalib bin Mohamad Noh	420,000	-	-	420,000
Datuk Ooi Teik Huat	420,000	-	-	420,000

None of the other Directors holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

The interests in the shares of the Company and of its related corporations of those who were Directors of the subsidiaries of the Company at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2023/ date of appointment	Bought	Sold	At 31.12.2023
Direct interests in the Company:				
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir	150,000	-	-	150,000
Mohd Nazersham bin Mansor	16,000	-	-	16,000
Mohammed Azmil bin Ismail	68,000	-	-	68,000
Mohamad Lutfi bin Samsudin	38,000	-	-	38,000
Saiful Azlan bin Mahmud	32,900	-	-	32,900
Shajaratuddur bin Mohd Ibrahim	26,000	-	-	26,000
Noor Aini Adilah binti Muhamad	5,000	-	-	5,000

None of the other Directors of the subsidiaries holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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Malakoff Corporation Berhad

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' benefits (continued)

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Salary, bonus and defined contribution	2,901	-
Fees	1,077	-
Meeting allowances	382	37
Other allowances	177	-
Other remuneration	330	145
Estimated money value of benefits-in-kind	121	-
	4,988	182

There was no arrangement during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Issue of shares

At the Seventeenth Annual General Meeting ("AGM") of the Company held on 11 May 2023, the Company had obtained its shareholders' approval for the renewal of share buy-back authority for the Company to purchase up to ten percent (10%) of its total number of issued shares. In accordance with Section 127 of the Companies Act 2016, all repurchased shares are held as treasury shares. During the financial year, the Company did not repurchase any ordinary shares from the open market and none of its existing treasury shares have been cancelled. As at 31 December 2023, the total number of treasury shares held is 2.26% of the total number of issued shares of the Company.

There was no change in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

The total amount of insurance costs effected for Directors and Officers of the Group during the financial year is RM85,600.

There was no indemnity given to or insurance effected for the auditors of the Company.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or in the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for impairment loss on investments in subsidiaries amounting to RM654,000,000 as disclosed in Note 29 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

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 DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

Significant events

On 7 September 2023, the Group through its wholly-owned subsidiaries, Tuah Utama Sdn. Bhd. and Malakoff Technical Solutions Sdn. Bhd. completed the acquisitions of 70% equity interests in RP Hydro (Kelantan) Sdn. Bhd. and Rising O&M Engineering Services Sdn. Bhd. for a total cash consideration of RM35.0 million and RM0.7 million, respectively.

On 27 October 2023, TUSB entered into a conditional Share Sale and Purchase agreement ("SSPA") with Metacorp Berhad for the proposed acquisition of 49% equity interest in E-Idaman Sdn. Bhd. for a purchase consideration in cash of RM133.2 million ("Proposed Acquisition"). The Proposed Acquisition is subject to the fulfilment of the conditions precedent in the SSPA which have not been fulfilled as of the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remunerations of the Group and of the Company during the year are as follows:

	Group RM'000	Company RM'000
Auditors' remunerations:		
Audit fees		
- KPMG PLT	1,078	255
- Overseas affiliate of KPMG PLT	85	-
- Other audit firms	19	-
Non-audit fees		
- KPMG PLT	214	185
- Local affiliate of KPMG PLT	15	15
- Overseas affiliate of KPMG PLT	80	-
- Member firm of KPMG International Limited	36	-
- Other audit firms	1,554	1,494

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali
 Chairman

.....
Anwar Syahrin bin Abdul Ajib
 Managing Director

Kuala Lumpur
 13 March 2024

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Property, plant and equipment	3	10,454,238	10,956,764	24,843	25,073
Right-of-use assets	4	104,002	89,001	8,261	12,982
Investment properties	5	16,400	15,600	-	-
Concession assets	6	122,831	134,629	-	-
Intangible assets	7	2,260,095	2,527,206	-	-
Investments in subsidiaries	8	-	-	6,561,040	7,215,040
Investments in associates	9	586,110	991,707	215,353	215,353
Investments in joint ventures	10	745,099	835,907	21,515	21,515
Other investments	15	2,484	2,484	2,484	2,484
Derivative financial assets	11	24,309	74,275	-	-
Trade and other receivables	12	9,081	11,435	-	-
Deferred tax assets	13	275,475	234,291	-	-
Total non-current assets		14,600,124	15,873,299	6,833,496	7,492,447
Derivative financial assets	11	69,991	46,558	-	-
Trade and other receivables	12	1,563,347	2,086,908	1,288,837	1,227,920
Inventories	14	846,937	1,681,346	-	-
Current tax assets		163,639	63,348	9,171	11,803
Other investments	15	485,596	692,740	-	-
Cash and cash equivalents	16	2,571,016	1,539,630	59,843	155,564
Total current assets		5,700,526	6,110,530	1,357,851	1,395,287
Total assets		20,300,650	21,983,829	8,191,347	8,887,734
Equity					
Share capital	17	5,693,055	5,693,055	5,693,055	5,693,055
Treasury shares	17	(98,647)	(98,647)	(98,647)	(98,647)
Reserves	17	334,228	325,136	-	-
(Accumulated losses)/Retained earnings		(1,438,891)	(358,471)	1,662,693	1,790,286
Equity attributable to owners of the Company		4,489,745	5,561,073	7,257,101	7,384,694
Perpetual sukuk	18	800,000	800,000	-	-
Non-controlling interests		257,102	334,745	-	-
Total equity		5,546,847	6,695,818	7,257,101	7,384,694

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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Liabilities					
Loans and borrowings	19	7,878,379	7,771,205	-	-
Lease liabilities		11,511	13,032	1,766	4,480
Employee benefits	20	88,065	78,766	13,354	13,540
Provision for decommissioning costs	21	227,080	207,846	-	-
Provision for concession assets	22	126,851	186,984	-	-
Deferred income	23	2,604,748	2,825,693	-	-
Deferred tax liabilities	13	849,949	996,502	1,102	945
Total non-current liabilities		11,786,583	12,080,028	16,222	18,965
Trade and other payables	24	1,453,572	1,599,445	912,246	1,478,651
Current tax liabilities		10,633	99,229	-	-
Loans and borrowings	19	926,700	972,203	-	-
Lease liabilities		4,520	7,998	2,689	4,671
Provision for decommissioning costs	21	52,735	53,001	-	-
Provision for concession assets	22	202,447	143,775	-	-
Employee benefits	20	7,329	8,713	3,089	753
Deferred income	23	309,284	323,513	-	-
Derivative financial liabilities	11	-	106	-	-
Total current liabilities		2,967,220	3,207,983	918,024	1,484,075
Total liabilities		14,753,803	15,288,011	934,246	1,503,040
Total equity and liabilities		20,300,650	21,983,829	8,191,347	8,887,734

The notes on pages 251 to 365 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	25	9,066,954	10,355,150	784,161	449,016
Cost of sales		(8,860,102)	(8,663,764)	-	-
Gross profit		206,852	1,691,386	784,161	449,016
Other income		95,768	126,412	2,222	2,631
Administrative expenses		(259,442)	(264,530)	(77,657)	(75,826)
Impairment loss on investments in subsidiaries	29	-	-	(654,000)	(337,000)
Net reversal/(loss) on impairment of investments in associates	29	66,338	(398,272)	-	-
Net reversal/(loss) on impairment of financial instruments	29	148	(12,072)	3,298	(12,196)
Other operating expenses		(206,949)	(159,951)	-	-
Results from operating activities		(97,285)	982,973	58,024	26,625
Finance income	26	72,776	85,312	47,770	58,148
Finance costs	27	(566,874)	(607,932)	(32,565)	(46,651)
Net finance (costs)/income		(494,098)	(522,620)	15,205	11,497
Share of (loss)/profit of equity-accounted associates and joint ventures, net of tax		(363,534)	276,418	-	-
(Loss)/Profit before tax		(954,917)	736,771	73,229	38,122
Tax benefit/(expense)	28	92,984	(350,868)	(6,845)	(6,409)
(Loss)/Profit for the year	29	(861,933)	385,903	66,384	31,713
Other comprehensive income/(expense), net of tax					
Item that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit liabilities	30	(3,025)	20,252	(942)	967
Items that are or may be reclassified subsequently to profit or loss					
Cash flow hedge	30	(2,976)	2,584	-	-
Share of (loss)/gain on hedging reserve of equity-accounted associates and joint ventures	30	(13,894)	106,296	-	-
Foreign currency translation differences for foreign operations	30	25,962	16,454	-	-
Other comprehensive income/(expense) for the year		6,067	145,586	(942)	967
Total comprehensive (expense)/income for the year		(855,866)	531,489	65,442	32,680

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STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit attributable to:					
Equity holders of the Company		(837,160)	302,225	66,384	31,713
Non-controlling interests		(24,773)	83,678	-	-
(Loss)/Profit for the year		(861,933)	385,903	66,384	31,713
Total comprehensive (expense)/income attributable to:					
Equity holders of the Company		(831,093)	447,811	65,442	32,680
Non-controlling interests		(24,773)	83,678	-	-
Total comprehensive (expense)/income for the year		(855,866)	531,489	65,442	32,680
(Loss)/Earnings per ordinary share (sen)					
Basic/Diluted	31	(18.10)	5.22		

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the Company									
		Share capital RM'000	Treasury shares RM'000	Translation RM'000	Hedging RM'000	Accumulated losses RM'000	Total RM'000	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000	Reserves
At 1 January 2022		5,693,055	(98,647)	(5,975)	205,777	(399,172)	5,395,038	800,000	311,688	6,506,726	
Remeasurement of defined benefit liabilities	30	-	-	-	-	20,252	20,252	-	-	20,252	
Foreign currency translation differences for foreign operations	30	-	-	16,454	-	-	16,454	-	-	16,454	
Cash flow hedge	30	-	-	-	2,584	-	2,584	-	-	2,584	
Share of gain on hedging reserve of equity-accounted associates and joint ventures	30	-	-	-	106,296	-	106,296	-	-	106,296	
Other comprehensive income for the year		-	-	16,454	108,880	20,252	145,586	-	-	145,586	
Profit for the year		-	-	-	-	302,225	302,225	-	83,678	385,903	
Total comprehensive income for the year		-	-	16,454	108,880	322,477	447,811	-	83,678	531,489	
Distribution paid to perpetual sukuk holder		-	-	-	-	(47,200)	(47,200)	-	-	(47,200)	
Dividends to owners of the Company	32	-	-	-	-	(234,576)	(234,576)	-	-	(234,576)	
Dividends to non-controlling interests	8	-	-	-	-	-	-	-	(58,195)	(58,195)	
Redemption of preference shares by non-controlling interests		-	-	-	-	-	-	-	(2,426)	(2,426)	
Total distributions to owners and non-controlling interests		-	-	-	-	(234,576)	(234,576)	-	(60,621)	(295,197)	
At 31 December 2022		5,693,055	(98,647)	10,479	314,657	(358,471)	5,561,073	800,000	334,745	6,695,818	

The notes on pages 251 to 365 are an integral part of these financial statements.

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STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the Company					Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000	
		Share capital RM'000	Treasury shares RM'000	Translation RM'000	Hedging RM'000	Accumulated losses RM'000				Total RM'000
At 1 January 2023		5,693,055	(98,647)	10,479	314,657	(358,471)	5,561,073	800,000	334,745	6,695,818
Remeasurement of defined benefit liabilities	30	-	-	-	-	(3,025)	(3,025)	-	-	(3,025)
Foreign currency translation differences for foreign operations	30	-	-	25,962	-	-	25,962	-	-	25,962
Cash flow hedge	30	-	-	-	(2,976)	-	(2,976)	-	-	(2,976)
Share of loss on hedging reserve of equity-accounted associates and joint ventures	30	-	-	-	(13,894)	-	(13,894)	-	-	(13,894)
Other comprehensive income/(expense) for the year		-	-	25,962	(16,870)	(3,025)	6,067	-	-	6,067
Loss for the year		-	-	-	-	(837,160)	(837,160)	-	(24,773)	(861,933)
Total comprehensive (expense)/income for the year		-	-	25,962	(16,870)	(840,185)	(831,093)	-	(24,773)	(855,866)
Distribution paid to perpetual sukuk holder		-	-	-	-	(47,200)	(47,200)	-	-	(47,200)
Acquisitions of subsidiaries	39.1	-	-	-	-	-	-	-	8,775	8,775
Dividends to owners of the Company	32	-	-	-	-	(193,035)	(193,035)	-	-	(193,035)
Dividends to non-controlling interests	8	-	-	-	-	-	-	-	(61,645)	(61,645)
Total distributions to owners and non-controlling interests		-	-	-	-	-	-	-	(61,645)	(61,645)
At 31 December 2023		5,693,055	(98,647)	36,441	297,787	(1,438,891)	4,489,745	800,000	257,102	5,546,847

The notes on pages 251 to 365 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

Company	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2022		5,693,055	(98,647)	1,992,182	7,586,590
Remeasurement of defined benefit liabilities	30	-	-	967	967
Other comprehensive income for the year		-	-	967	967
Profit for the year		-	-	31,713	31,713
Total comprehensive income for the year		-	-	32,680	32,680
Dividends to owners of the Company	32	-	-	(234,576)	(234,576)
At 31 December 2022/1 January 2023		5,693,055	(98,647)	1,790,286	7,384,694
Remeasurement of defined benefit liabilities	30	-	-	(942)	(942)
Other comprehensive expense for the year		-	-	(942)	(942)
Profit for the year		-	-	66,384	66,384
Total comprehensive income for the year		-	-	65,442	65,442
Dividends to owners of the Company	32	-	-	(193,035)	(193,035)
At 31 December 2023		5,693,055	(98,647)	1,662,693	7,257,101

The notes on pages 251 to 365 are an integral part of these financial statements.

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STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities				
(Loss)/Profit before tax	(954,917)	736,771	73,229	38,122
<i>Adjustments for:</i>				
(Reversal)/Allowance for diminution in value of consumables	(7,343)	4,739	-	-
Amortisation of intangible assets	294,001	320,038	-	-
Amortisation of transaction costs of hedging instruments	6,755	38,150	-	-
Amortisation of concession assets	13,326	15,008	-	-
Depreciation of property, plant and equipment	795,319	912,636	2,276	3,502
Depreciation of right-of-use assets	15,497	16,130	4,721	4,668
Expenses related to retirement benefit plans	7,318	9,055	1,408	1,815
Dividend income	-	-	(754,063)	(415,215)
Finance income	(72,776)	(85,312)	(47,770)	(58,148)
Finance costs	566,004	606,697	32,279	46,315
Finance costs on lease liabilities	870	1,235	286	336
Gain arising from change in fair value of investment properties	(800)	(300)	-	-
Impairment loss on concession assets	-	425	-	-
Net (reversal)/loss on impairment of financial instruments	(148)	12,072	(3,298)	12,196
Net (reversal)/loss on impairment of investments in associates	(66,338)	398,272	-	-
Impairment loss on investments in subsidiaries	-	-	654,000	337,000
Net gain on derecognition of lease	(430)	-	-	-
Loss/(Gain) on disposal of property, plant and equipment	19,187	117	(4)	(4)
Net (reversal)/impairment loss on property, plant and equipment	(404)	23	-	-
Net unrealised foreign exchange (gain)/loss	(1,233)	2,376	-	-
Property, plant and equipment written off	27,812	15,392	144	-
Share of loss/(profit) of equity-accounted associates and joint ventures, net of tax	363,534	(276,418)	-	-
Operating profit/(loss) before changes in working capital	1,005,234	2,727,106	(36,792)	(29,413)

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities (continued)				
Operating profit/(loss) before changes in working capital	1,005,234	2,727,106	(36,792)	(29,413)
Net change in deferred income	(235,174)	(300,238)	-	-
Net change in derivatives	63	163,431	-	-
Net change in employee benefits	597	(31,907)	(201)	(2,689)
Net change in inventories	841,752	(772,293)	-	-
Net change in provision for decommissioning costs	(266)	(472)	-	-
Net change in provision for concession assets	(1,461)	3,397	-	-
Net change in trade and other receivables	523,545	(1,296,148)	(15,489)	(97,048)
Net change in trade and other payables	(115,005)	(35,389)	(436,559)	(33,249)
Cash generated from/(used in) operations	2,019,285	457,487	(489,041)	(162,399)
Tax paid	(299,993)	(397,950)	(5,454)	(2,170)
Tax refunded	17,236	25	1,398	-
Net cash from/(used in) operating activities	1,736,528	59,562	(493,097)	(164,569)
Cash flows from investing activities				
Additional investments in joint ventures	-	(1,030)	-	-
Change in investments in subsidiaries	-	-	-	(23,801)
Change in other investments	207,144	1,924,353	-	-
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	39.1 913,106	-	-	-
Dividends received from subsidiaries	-	-	754,063	415,215
Dividends received from associates	2,781	11,775	-	-
Dividends received from joint ventures	188,275	92,733	-	-
Interest received	68,648	84,535	5,640	5,630
Purchase of property, plant and equipment	(274,112)	(300,807)	(2,191)	(605)
Purchase of concession assets	(1,528)	(404)	-	-
Proceeds from disposal of property, plant and equipment	175	24	5	4
Acquisition of leasehold land	(25,984)	-	-	-
Net cash from investing activities	1,078,505	1,811,179	757,517	396,443

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STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from financing activities					
Distribution to perpetual sukuk holder		(47,200)	(47,200)	-	-
Dividends paid to owners of the Company	32	(193,035)	(234,576)	(193,035)	(234,576)
Dividends paid to non-controlling interests		(61,645)	(58,195)	-	-
Redemption of preference shares to non-controlling interests		-	(2,426)	-	-
Interest paid		(567,138)	(549,848)	(162,410)	(336)
Proceeds from borrowings		1,000	710,000	-	-
Repayment of borrowings		(906,546)	(1,707,818)	-	-
Payment of lease liabilities		(9,083)	(9,867)	(4,696)	(4,647)
Net cash used in financing activities		(1,783,647)	(1,899,930)	(360,141)	(239,559)
Net increase/(decrease) in cash and cash equivalents					
		1,031,386	(29,189)	(95,721)	(7,685)
Cash and cash equivalents at 1 January		1,539,630	1,568,819	155,564	163,249
Cash and cash equivalents at 31 December	16	2,571,016	1,539,630	59,843	155,564

Cash outflows for leases as a lessee

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	29	(10,052)	(7,207)	-	-
Payment relating to leases of low-value assets	29	(238)	(259)	-	-
Payment relating to variable lease payments not included in the measurement of lease liabilities	29	(6,195)	(13,758)	-	-
Included in net cash used in financing activities					
Interest paid in relation to lease liabilities	27	(870)	(1,235)	(286)	(336)
Payment of lease liabilities		(9,083)	(9,867)	(4,696)	(4,647)
Total cash outflows for leases		(26,438)	(32,326)	(4,982)	(4,983)

The notes on pages 251 to 365 are an integral part of these financial statements.

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Malakoff Corporation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Principal place of business and registered office

Level 12, Block 4
Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates and joint ventures.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 8 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 13 March 2024.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

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NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2024 for those amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for those amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Derivative financial instruments	Fair value
Non-derivative financial instruments at fair value through profit or loss ("FVTPL")	Fair value
Investment properties	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less the present value of the defined benefit obligation

1. Basis of preparation (continued)

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:

(i) Residual values of power plant and machinery

a) Gas-fired power plant

Estimating the residual values of power plant and machinery involves significant judgements, selection of variety of methods and assumptions that are normally based on market conditions existing at the balance sheet date. The actual residual values of the power plant and machinery however, may be different from expected. The Group's subsidiaries considered and determined recoverable values of the power plant and machinery based on the valuations derived by the independent professional valuer using the significant assumptions as disclosed in Note 3.2.

b) Coal-fired power plant

Estimating the residual values of the power plant and machinery involves significant judgements, selection of variety of methods and assumptions that are normally based on market conditions existing at the balance sheet date. The actual residual values of the power plant and machinery however, may be different from expected. The Group's subsidiaries considered and determined the recoverable values of the power plant and machinery based on the expected discounted cash flows derived using the significant assumptions as disclosed in Note 3.2.

(ii) Intangible assets and investment in associate

Measurement of recoverable amounts of cash-generating units is derived based on value in use of the cash-generating units. The significant assumptions used to derive value in use are as disclosed in Note 7.

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NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(iii) Provision for decommissioning costs

Estimating the provision for decommissioning costs involves significant judgements and assumptions. The actual costs, however, may be different from expected. The Group's subsidiaries considered and determined the provision for decommissioning costs based on the valuations derived by the independent professional valuer using the significant assumptions as disclosed in Note 21.

(iv) Provision for concession assets

Estimating the provision for concession assets involves significant judgements, selection of variety of methods and assumptions that are normally based on past costs incurred. The actual costs, however, may be different from expected. The significant assumptions used to estimate the provision are as disclosed in Note 22.

2. Changes in material accounting policies

2.1 Global minimum top-up tax

The Group has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure (see Note 13).

The temporary mandatory relief applies retrospectively. However, there was no new legislation enacted or substantively enacted to implement the top-up tax at 31 December 2022 in the jurisdictions in which the Group operates. The retrospective application has no impact on the Group's consolidated financial statements.

2.2 Material accounting policy information

The Group also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

3. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Construction RM'000	Asset under construction RM'000	Power plants RM'000	Inspection costs RM'000	Plant and machinery RM'000	Office equipment and furniture RM'000	Motor vehicles RM'000	Computers RM'000	Total RM'000
At 1 January 2022	285,004	36,890	25,839	19,048,856	2,334,664	142,788	168,811	17,971	119,369	22,180,192	
Additions	-	-	3,999	30,354	244,571	7,569	8,165	875	5,274	300,807	
Change in estimates of decommissioning costs (Note 21)	-	-	-	68,280	-	-	-	-	-	-	68,280
Disposals	-	-	-	-	(39,513)	(405)	(679)	(96)	(502)	(41,195)	
Write-off	-	-	-	(40,689)	(2,334)	-	(340)	(6)	(475)	(43,844)	
At 31 December 2022/1 January 2023	285,004	36,890	29,838	19,106,801	2,537,388	149,952	175,957	18,744	123,666	22,464,240	
Additions	-	235	36,285	9,465	181,755	27,630	12,478	1,724	4,540	274,112	
Change in estimates of decommissioning costs (Note 21)	-	-	-	9,208	-	-	-	-	-	-	9,208
Disposals	-	-	-	-	(20,321)	(472)	(193)	-	-	(548)	(21,534)
Write-off	-	-	-	(6,179)	(20,637)	(7,062)	(371)	-	-	(354)	(34,603)
Acquisitions through business combinations (Note 39.1)	-	-	39,896	-	-	-	-	148	-	-	40,044
Net borrowing costs capitalised at 1.99% to 3.05% per annum	-	-	16,199	-	-	-	-	-	-	-	16,199
At 31 December 2023	285,004	37,125	122,218	19,119,295	2,678,185	170,048	187,871	20,616	127,304	22,747,666	

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NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group	Freehold land		Buildings		Asset under construction		Power plants		Inspection costs		Plant and machinery		Office equipment and furniture		Motor vehicles		Computers		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	-	34,699	-	8,433,700	1,771,577	92,170	152,929	14,013	105,983	10,605,071										
	-	-	-	19,309	-	419	-	9	2	19,739										
	-	34,699	-	8,453,009	1,771,577	92,589	152,929	14,022	105,985	10,624,810										
	-	1,161	-	751,855	132,509	10,819	7,297	880	8,115	912,636										
	-	-	-	-	-	(394)	(612)	(33)	(502)	(1,541)										
	-	-	-	(27,467)	(164)	-	(340)	(6)	(475)	(28,452)										
	-	-	-	-	-	-	4	-	30	34										
	-	-	-	-	-	(11)	-	-	-	(11)										
At 31 December 2022/1 January 2023																				
	-	35,860	-	9,177,397	1,903,922	102,595	159,274	14,854	113,121	11,507,023										
	-	-	-	-	-	408	4	9	32	453										
	-	35,860	-	9,177,397	1,903,922	103,003	159,278	14,863	113,153	11,507,476										
	-	1,036	-	616,850	131,924	30,123	7,883	872	6,631	795,319										
	-	-	-	-	(1,072)	(373)	(181)	-	(546)	(2,172)										
	-	-	-	(1,199)	-	(5,012)	(363)	-	(217)	(6,791)										
	-	-	-	-	-	141	51	-	10	202										
	-	-	-	-	-	(548)	(25)	(1)	(32)	(606)										
At 31 December 2023																				
	-	36,896	-	9,793,048	2,034,774	127,333	166,613	15,726	118,989	12,293,379										
	-	-	-	-	-	1	30	8	10	49										
	-	36,896	-	9,793,048	2,034,774	127,334	166,643	15,734	118,999	12,293,428										
Carrying amounts																				
At 1 January 2022	285,004	2,191	25,839	10,595,847	563,087	50,199	15,882	3,949	13,384	11,555,382										
At 31 December 2022/1 January 2023	285,004	1,030	29,838	9,929,404	633,466	46,949	16,679	3,881	10,513	10,956,764										
At 31 December 2023	285,004	229	122,218	9,326,247	643,411	42,714	21,228	4,882	8,305	10,454,238										

3. Property, plant and equipment (continued)

Company	Freehold land		Buildings		Plant and machinery		Office equipment and furniture		Motor vehicles		Computers		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Cost														
At 1 January 2022	21,516	17,055	154	18,461	1,448	29,146	87,780							
Additions	-	-	-	42	-	563	605							
Disposals	-	-	-	-	-	(42)	(42)							
At 31 December 2022/1 January 2023														
Additions	21,516	17,055	154	18,503	1,448	29,667	88,343							
Disposals	-	-	-	492	-	1,699	2,191							
Write-off	-	-	-	-	-	(24)	(24)							
At 31 December 2023														
	21,516	17,055	154	18,988	1,448	30,993	90,154							
Accumulated depreciation														
At 1 January 2022	-	15,201	154	18,292	695	25,468	59,810							
Depreciation for the year	-	801	-	71	183	2,447	3,502							
Disposals	-	-	-	-	-	(42)	(42)							
At 31 December 2022/1 January 2023														
	-	16,002	154	18,363	878	27,873	63,270							
Depreciation for the year	-	383	-	118	183	1,592	2,276							
Disposals	-	-	-	-	-	(23)	(23)							
Write-off	-	-	-	-	-	(212)	(212)							
At 31 December 2023														
	-	16,385	154	18,481	1,061	29,230	65,311							
Carrying amounts														
At 1 January 2022	21,516	1,854	-	169	753	3,678	27,970							
At 31 December 2022/1 January 2023	21,516	1,053	-	140	570	1,794	25,073							
At 31 December 2023	21,516	670	-	507	387	1,763	24,843							

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NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

3. Property, plant and equipment (continued)

3.1 Securities

At 31 December 2023, certain property, plant and equipment of the Group with a total carrying amount of RM8,589,997,000 (2022: RM8,997,745,000) were charged as securities for debt securities issued by subsidiaries (see Note 19).

3.2 Residual values (continued)

In assessing the appropriateness of the residual values adopted, management considered the recoverable values of the power plant and machinery based on the following methods:

3.2 Residual values

Estimating the residual values of power plant and machinery involves significant judgements, selection of variety of methods and assumptions that are normally based on market conditions existing at the balance sheet date. The actual residual values of the power plant and machinery, however, may be different from expected.

a) Valuation by an independent professional valuer for gas-fired power plant

During the financial year, the residual values of the gas-fired power plants were reassessed based on valuation reports prepared by an independent professional valuer in December 2023. Based on the valuation reports, the previous residual values remain appropriate. The valuation by the independent professional valuer was derived using the following critical assumptions:

The residual values of power plant and machinery are as below:

Power Purchase Agreement ("PPA") Owner	Year of expiry	Residual values	
		RM' million 2023	RM' million 2022
Gas-fired power plant			
GB3 Sdn. Bhd.	2022	90.0	90.0
Prai Power Sdn. Bhd.	2024	50.0	50.0
Segari Energy Ventures Sdn. Bhd.	2027	170.0	170.0
		310.0	310.0
Coal-fired power plant			
Tanjung Bin Power Sdn. Bhd.	2031	1,924.0	1,924.0
Tanjung Bin Energy Sdn. Bhd.	2041	1,433.0	1,433.0
		3,357.0	3,357.0

- 1) The plant and machinery will continue in its present use in the business over the economic life of the assets;
- 2) Adequate potential profitability of the business, or continuing viability of the operation; and
- 3) The dismantling and removal of all equipment from the site at the end of the economic life of the assets will be the responsibility of the buyer.

Any change to the key assumptions will result in a different residual value recognised.

b) The discounted cash flow method for coal-fired power plant

The discounted cash flows were derived using the following critical assumptions:

- 1) The power plants will be able to operate for another ten (10) years at the end of the concession period, in view of:
 - i) the expected useful life of a coal-fired power plant;
 - ii) continuous stable demand for power;
 - iii) cheaper rate as compared to other power alternatives; and
 - iv) Tenaga Nasional Berhad's continued reliance on Independent Power Producers.
- 2) An estimated tariff rate during the extension period which management deems to be reasonable based on the expected demand and the tariff rate at the end of the current PPAs;
- 3) Average despatch factors of 83% to 86% to reflect the future demand for power; and
- 4) The pre-tax discount rate of 17% per annum.

Any change to the key assumptions will result in a different residual value recognised.

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NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

3.3 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. All spare parts which are expected to be used for more than one period are classified under inspection costs within property, plant and equipment. Spare parts will be depreciated from the date that they are used.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	5 – 20 years
• Inspection costs	1.5 – 10 years
• Power plant and machinery	5 – 31 years
• Office equipment and furniture	3 – 10 years
• Motor vehicles	5 – 10 years
• Computers	3 – 5 years

4. Right-of-use assets

Group	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Office equipment RM'000	Total RM'000
At 1 January 2022	72,747	25,156	159	32	98,094
Additions	-	1,387	1,462	-	2,849
Derecognition	-	(14)	-	-	(14)
Remeasurement of lease liabilities	374	3,828	-	-	4,202
Depreciation for the year	(6,018)	(8,977)	(1,111)	(24)	(16,130)
At 31 December 2022/ 1 January 2023	67,103	21,380	510	8	89,001
Additions	25,984	620	168	-	26,772
Derecognition	-	(387)	(104)	-	(491)
Remeasurement of lease liabilities	-	4,127	-	90	4,217
Depreciation for the year	(6,001)	(8,958)	(516)	(22)	(15,497)
At 31 December 2023	87,086	16,782	58	76	104,002

Company	Leasehold land RM'000	Buildings RM'000	Total RM'000
At 1 January 2022	4,112	10,732	14,844
Remeasurement of lease liabilities	-	2,806	2,806
Depreciation for the year	(58)	(4,610)	(4,668)
At 31 December 2022/1 January 2023	4,054	8,928	12,982
Depreciation for the year	(58)	(4,663)	(4,721)
At 31 December 2023	3,996	4,265	8,261

The Group leases a number of buildings, plant and machinery and office equipment that run between one year and six years, with an option to renew these leases after that date, whereas the Company leases a number of buildings that run at three years, with an option to renew these leases after that date.

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4. Right-of-use assets (continued)

4. Right-of-use assets (continued)

4.1 Extension options

Some leases of buildings contain extension options exercisable by the Group and the Company up to three years before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and the Company and not by the lessors. The Group and the Company assess at lease commencement whether they are reasonably certain to exercise the extension options. The Group and the Company reassess whether they are reasonably certain to exercise the options if there is a significant event or significant change in circumstances within their control.

The extension options of all lease are currently included in the lease terms as the Group and the Company assessed that they are reasonably certain to exercise the extension options, which is supported by the high historical rate of extensions exercised by the Group and the Company. Hence, as at 31 December 2023 and 31 December 2022, there were no potential future lease payments not included in lease liabilities.

4.2 Judgements and assumptions in relation to leases

The Group and the Company assess at lease commencement by applying judgement whether they are reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken to help them determine the lease term.

The Group and the Company also applied judgements and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Securities

At 31 December 2023, certain right-of-use assets of the Group with a total carrying amount of RM34,557,000 (2022: RM38,674,000) were charged as securities for debt securities issued by subsidiaries (see Note 19).

4.4 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group or the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(c) Recognition exemption

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. Investment properties

	Group	
	2023 RM'000	2022 RM'000
At fair value		
At 1 January	15,600	15,300
Change in fair value recognised in profit or loss	800	300
At 31 December	16,400	15,600

5.1 Nature of leasing activities

Investment properties consist of land and buildings that are leased to third parties.

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NOTES TO THE FINANCIAL STATEMENTS

5. Investment properties (continued)

5.2 Other income/expenses recognised in profit or loss in relation to investment properties

	Group	
	2023 RM'000	2022 RM'000
Lease income	821	398
Direct operating expenses:		
- income generating investment properties	17	23
- non-income generating investment properties	-	56

The maturity analysis of operating lease payments is not disclosed as it is not material in the context of consolidated financial statements.

5.3 Fair value information

Fair value of investment properties is categorised as follows:

	Group Level 2	
	2023 RM'000	2022 RM'000
Land and buildings	16,400	15,600

Fair value of investment properties is based on valuations by an independent qualified valuer and derived using the market comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

5.4 Material accounting policy information

Investment properties are measured subsequently at fair value, representing open-market values determined annually by independent qualified valuer with any changes therein recognised in profit or loss for the period in which they arise.

6. Concession assets

	Note	Group	
		2023 RM'000	2022 RM'000
Cost			
At 1 January		295,271	294,867
Additions		1,528	404
Write-off		(11,801)	-
At 31 December		284,998	295,271
Amortisation and impairment loss			
At 1 January			
Accumulated amortisation		152,043	137,035
Accumulated impairment loss		8,599	8,174
		160,642	145,209
Amortisation for the year		13,326	15,008
Impairment loss for the year	6.1	-	425
Write-off		(11,801)	-
At 31 December			
Accumulated amortisation		155,403	152,043
Accumulated impairment loss		6,764	8,599
		162,167	160,642
Carrying amounts			
At 1 January		134,629	149,658
At 31 December		122,831	134,629

6.1 Concession assets – Alam Flora Sdn. Bhd. ("AFSB")

AFSB, a subsidiary of the Group, entered into a Service Concession Agreement with the Federal Government of Malaysia ("Government") and Solid Waste and Public Cleansing Management Corporation ("Corporation") to undertake the Collection Services and Public Cleansing Management Services in the states of Pahang, Federal Territories of Kuala Lumpur and Putrajaya for a period of 22 years commencing from 1 September 2011.

Under the Service Concession Agreement, the Corporation shall pay AFSB monthly payment of agreed fees in consideration of AFSB's obligations of which the fees are subject to review on the seventh (7th) year anniversary and thereafter on the fourteenth (14th) year anniversary of the concession.

Upon expiry of the concession period, AFSB shall hand over all assets as required by the Corporation in operational conditions specified under the Service Concession Agreement.

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6. Concession assets (continued)

6.2 Concession assets – Alam Flora Environmental Solutions Sdn. Bhd. (“AFES”)

AFES, a subsidiary of the Group, entered into an agreement with the Government and Corporation to undertake the refurbishment, operation and maintenance of incinerators built by the Government in Pulau Pangkor and Cameron Highlands for a period of 6 years commencing from 6 April 2017 and 21 September 2017, respectively. Under this agreement, the Government shall, through the Corporation pay AFES monthly payment fees based on the total tonnage of waste received at the plant. The agreement for the Pulau Pangkor incinerator has been extended in year 2022 for an additional three (3) years, expiring on 7 December 2025.

In the previous financial year, consequent to impairment assessment performed on the incinerators, the Group had recognised an impairment loss of RM425,000 in cost of sales based on the value in use. Subsequent to the expiry of the agreement of Cameron Highlands incinerator on 23 July 2023, the Group wrote off the Cameron Highlands incinerator during the current financial year.

6.3 Material accounting policy information

Subsequent costs and expenditures relate to infrastructure and equipment costs arising from the commitment to the concession contract and are capitalised only when it is probable that the future economic benefits of these costs and expenditures will flow to the Group. All other repair and maintenance expenses that are routine in nature, are expensed and recognised in the profit or loss as incurred.

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7. Intangible assets

Group	Note	Goodwill – Alam Flora Sdn. Bhd. RM'000	Goodwill – Others RM'000	Interest over Service Concession Agreement RM'000	Interest over Power Purchase and Operation and Maintenance Agreements RM'000	Total RM'000
At 1 January 2022/31 December 2022						
At 1 January 2023		152,784	8,232	501,776	7,752,609	8,415,401
Acquisitions through business combinations	39.1	-	15,244	-	-	15,244
At 31 December 2023		152,784	23,476	501,776	7,752,609	8,430,645
Accumulated amortisation and impairment loss						
At 1 January 2022		-	8,232	76,462	5,495,110	5,579,804
Accumulated amortisation		-	-	76,462	5,495,110	5,571,572
Accumulated impairment loss		-	8,232	-	-	8,232
Amortisation for the year		-	-	36,462	271,929	308,391
At 31 December 2022/1 January 2023		-	8,232	112,924	5,767,039	5,888,195
Accumulated amortisation		-	-	112,924	5,767,039	5,879,963
Accumulated impairment loss		-	8,232	-	-	8,232
Amortisation for the year		-	-	36,421	245,934	282,355
At 31 December 2023		-	8,232	149,345	6,012,973	6,170,550
Accumulated amortisation		-	-	149,345	6,012,973	6,162,318
Accumulated impairment loss		-	8,232	-	-	8,232
Carrying amounts						
At 1 January 2022		152,784	-	425,314	2,257,499	2,835,597
At 31 December 2022/1 January 2023		152,784	-	388,852	1,985,570	2,527,206
At 31 December 2023		152,784	15,244	352,431	1,739,636	2,260,095

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7. Intangible assets (continued)

Intangible assets including goodwill arising from interest over Service Concession Agreement

Initial measurement

The Group generates revenue from the integrated solid waste collection and cleansing public management services in the states of Pahang, Federal Territory of Kuala Lumpur and Putrajaya under the Service Concession Agreement ("SCA") held by AFSB, the concession assets holder (see Note 6).

The fair values of the Intangible Assets arising from the SCA were measured using the Multi-Period Excess Earnings Method ("MEEM") under the income method. The underlying rationale in the MEEM was that the fair values of Intangible Assets represent the present value of the net income after taxes attributable to the Intangible Assets. The net income attributable to the Intangible Assets was the excess income after charging a fair return on all the assets that are necessary (contributory assets) to realise the net income. The contributory asset charges ("CAC") were based on the fair value of each contributory asset and represent the return on the assets. The assumption in calculating the CAC was that the owner of the Intangible Asset "rents" or "leases" the contributory assets from a hypothetical third party in an arm's length transaction in order to be able to derive income from the Intangible Assets. The present value of the expected income attributable to the Intangible Assets less CAC and taxes represents the value of the Intangible Assets.

Management had applied the following key assumptions in deriving the present value of the net income after taxes attributable to the Intangible Assets at the acquisition date:

- Remaining useful life of SCA 13.75 years (in accordance with the SCA)
- Revenue Projected tariff rate revisions with an annualised growth rate of 2%
- Cost of sales Projected private contractor costs based on past experience
- Capital expenditures ("CAPEX") Expenses on concession assets replacement costs for existing SCA business
- Pre-tax discount rate 18.65%

In applying the MEEM valuation methodology, the expected cash flows were discounted to their present value equivalent using a rate of return that reflects the relative risk of the cash flows, as well as the time value of money. This was calculated by weighing the required returns on debt and equity in proportion to their assumed percentages.

7. Intangible assets (continued)

Intangible assets including goodwill arising from interest over Service Concession Agreement (continued)

Impairment testing for cash-generating unit containing goodwill

Goodwill was allocated to AFSB following the completion of the acquisition of AFSB by the Group. The goodwill represents the cash-generating unit ("CGU") within the Group at which the goodwill was monitored for internal management purposes. The CGU relates to collection and cleansing management services. The Group has exercised significant judgement in assessing the CGU's recoverable amount using value in use.

The impairment test of the above CGU was based on its value in use, determined by discounting future cash flows to their present values equivalent using a rate of return that reflects the relative risk of the cash flows, as well as the time value of money. This is calculated by weighing the required returns on debt and equity in proportion to its assumed percentages. The discount rate reflected the current market assessment of the time value of money and was based on the estimated cost of capital.

The following table shows the valuation techniques used in the determination of value in use, as well as the significant assumptions used in the valuation model.

- Remaining useful life of SCA 9.75 years (in accordance with the SCA)
- Revenue Projected tariff rate revision with an annualised growth rate of 2%
- Cost of sales Projected private contractor costs based on past experience
- CAPEX Expenses on concession assets replacement costs for existing SCA business
- Pre-tax discount rate 15%

The values assigned to the key assumptions represent management's assessment of future trends in the solid waste management industry and were based on external sources and internal sources (historical data).

The estimated recoverable amount of RM742,500,000 exceeds the carrying amount of the above CGU of RM398,712,000 and no impairment loss was recognised.

The above estimate is not particularly sensitive to changes in any of the key assumptions.

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7. Intangible assets (continued)

Intangible assets arising from interest over Power Purchase (subsidiaries and associate), Power and Water Purchase (associate and joint venture), Water Purchase (joint venture) and Operation and Maintenance (subsidiaries) Agreements

The Group's revenue is substantially derived from the generation and sale of electricity energy and generating capacity in Malaysia, which is governed by the Power Purchase Agreements ("PPAs") (together with the Independent Power Producer Licences ("IPP Licences") issued by the Ministry of Energy, Water and Communications), Power and Water Purchase Agreements ("PWPAs") and Water Purchase Agreement ("WPA") held by the subsidiaries, associate and joint venture. The Operation and Maintenance Agreements ("OMAs") held by certain subsidiaries engaged in operation and maintenance are associated with the Independent Power Producers within the Group.

Upon acquisition of the subsidiaries, associates and joint venture, the Group has determined the expected cash flows to be generated from the PPAs, OMAs (together with the IPP Licences), PWPAs and WPA.

The PPAs and OMAs held by subsidiaries in Malaysia are recognised as a single asset in accordance with MFRS 138, *Intangible Assets*, in view that they are required for the generation, operation and maintenance, sale of electricity energy and generating capacity in Malaysia.

As at 31 December 2023, there are four (4) PPAs (together with the respective IPP Licences) held by the Group's power producing subsidiaries, namely Segari Energy Ventures Sdn. Bhd. ("SEV"), Prai Power Sdn. Bhd. ("PPSB"), Tanjung Bin Power Sdn. Bhd. ("TBP") and an associate, Kapar Energy Ventures Sdn. Bhd. ("KEV") as well as four (4) OMAs held by the Group's operation and maintenance subsidiaries, namely Malakoff Power Berhad ("MPB") and Tanjung Bin O&M Berhad ("TBOM").

The PWPAs and WPA held by associate and joint venture are recognised as part of the carrying amount in the investments in associates and joint venture.

As at 31 December 2023, Hidd Power Company B.S.C. (c) ("HPC"), an associate holds one (1) PWPA and Saudi-Malaysia Water & Electricity Company Limited ("SAMAWEC"), an indirect joint venture holds one (1) PWPA and one (1) WPA.

The PPAs, PWPAs, WPA and OMAs are the key documents that govern the underlying strength of the Group's cash flows, which provide for, *inter alia*, the electricity tariff, supply, operations and maintenance and all other terms to be met by the subsidiaries, associates and joint venture.

7. Intangible assets (continued)

Intangible assets arising from interest over Power Purchase (subsidiaries and associate), Power and Water Purchase (associate) and Operation and Maintenance (subsidiaries) Agreements

Initial measurement

The fair values of the Intangible Assets arising from the PPAs, PWPA, and OMAs were measured using the Multi-Period Excess Earnings Method ("MEEM") under the income method. The underlying rationale in the MEEM was that the fair values of Intangible Assets represent the present value of the net income after taxes attributable to the Intangible Assets. The net income attributable to the Intangible Assets was the excess income after charging a fair return on all the assets that are necessary (contributory assets) to realise the net income. The CAC were based on the fair value of each contributory asset and represent the return on the assets. The assumption in calculating the CAC was that the owner of the Intangible Asset "rents" or "leases" the contributory assets from a hypothetical third party in an arm's length transaction in order to be able to derive income from the Intangible Assets. The present value of the expected income attributable to the Intangible Assets less CAC and taxes represents the value of the Intangible Assets.

Management had applied the following key assumptions in deriving the present value of the net income after taxes attributable to the Intangible Assets at the acquisition date:

• Remaining useful life of PPAs/PWPA/OMAs	2 – 25 years (in accordance with the respective PPAs, PWPA and OMAs)
• Dependable Capacity ("DC"):	
- Power	350 MW – 2,420 MW
- Water	17,047 m ³ /hour
• Capacity Factor:	
- Power	10% – 75% of DC
- Water	91% – 99% of DC
• Net Output:	
- Electrical (million kW/hour)	213 – 11,197
- Water (thousand m ³)	67,370 – 73,771
• Capacity Rate:	
- Power (RM/kW/month)	11.35 – 50.00
- Water (RM/m ³ /month)	1,222 – 1,339
• Fixed Operating Rate under Revenue (RM/kW/month)	4.00 – 10.50
• Variable Operating Rate under Revenue:	
- Power (RM/kW/month)	0.013 – 4.775
- Water (RM/m ³ /month)	58.20 – 116.40
• Fuel price (RM/mmBtu)	4.60 – 13.70
• CAC	17.77% – 28.00% of revenue

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7. Intangible assets (continued)

Interest over Power and Water Purchase Agreement and Water Purchase Agreement in SAMAWEC (joint venture)

Interest over PWPA and WPA in SAMAWEC has finite useful lives and is subject to impairment assessment only if there is an indication of impairment. There is no indication of impairment during the financial year.

7.1 Material accounting policy information

(a) Recognition and measurement

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

Amortisation is recognised in profit or loss based on straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

• Interest over Power Purchase Agreements	2 - 25 years
• Interest over Power and Water Purchase and Water Purchase Agreements	10 - 15 years
• Interest over Operation and Maintenance Agreements	2 - 25 years
• Interest over Service Concession Agreement	13.75 years

8. Investments in subsidiaries

	Note	Company	
		2023 RM'000	2022 RM'000
At cost			
Unquoted shares		8,134,741	8,134,741
Unquoted preference shares		880,453	880,453
Amount due from a subsidiary	8.1	109,355	109,355
Capital contribution to subsidiaries	8.2	3,793	3,793
Less: Accumulated impairment losses	8.3	(2,567,302)	(1,913,302)
		6,561,040	7,215,040

8.1 Amount due from a subsidiary is non-trade in nature, unsecured and non-interest bearing. The amount has no fixed payment date and the subsidiary has the right to defer the payment.

8.2 Capital contribution to subsidiaries is considered as a long-term source of capital to its subsidiaries, of which any repayment of the amount is solely at the discretion of the subsidiaries. These contributions are accounted for as the Company's net shareholders' investments in its subsidiaries and are stated at cost.

8.3 During the financial year, the Company continued to assess the recoverability of its investments in subsidiaries which have 10 years or less in the remaining tenure of their PPAs based on fair value less costs of disposal estimated using the market approach. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation techniques used.

Consequent to the impairment tests carried out, the total carrying amount of certain investments in subsidiaries of RM7,215,000,000 (2022: RM7,552,000,000) exceeded the recoverable amount of RM6,561,000,000 (2022: RM7,215,000,000). As a result, the Company recognised an impairment loss amounting to RM654,000,000 (2022: RM337,000,000) in profit or loss.

8.4 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investments are classified as held for sale or distribution.

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8. Investments in subsidiaries (continued)

Details of subsidiaries are as follows:

No.	Name of entities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest (%)		Principal activities
			2023	2022	
Direct subsidiaries					
1.	Segari Energy Ventures Sdn. Bhd.	Malaysia	93.75	93.75	Design, construction, operation and maintenance of a combined cycle power plant, generation and sale of electrical energy and generating capacity of the power plant
2.	GB3 Sdn. Bhd.	Malaysia	75	75	Design, construction, operation and maintenance of a combined cycle power plant, generation and sale of electrical energy and generating capacity of the power plant
3.	Prai Power Sdn. Bhd.	Malaysia	100	100	Design, construction, operation and maintenance of a combined cycle power plant, generation and sale of electrical energy and generating capacity of the power plant
4.	Tanjung Bin Power Sdn. Bhd.	Malaysia	90	90	Design, engineering, procurement, construction, installation and commissioning, testing, operation and maintenance of a 2,100 MW coal-fired electricity generating facility and sale of electrical energy and generating capacity of the power plant
5.	Hypergantic Sdn. Bhd.	Malaysia	100	100	Investment holding
6.	Tanjung Bin Energy Sdn. Bhd.	Malaysia	100	100	Design, engineering, procurement, construction, installation and commissioning, testing, operation and maintenance of a 1,000 MW coal-fired electricity generating facility
7.	Malakoff Technical Solutions Sdn. Bhd.	Malaysia	100	100	Investment holding company and provision of operation and maintenance and any related services
8.	Malakoff Utilities Sdn. Bhd.	Malaysia	100	100	Build, own and operate an electricity distribution system and a centralised chilled water plant system
9.	Malakoff Engineering Sdn. Bhd.	Malaysia	100	100	Provision of engineering and project management services
10.	Spring Assets Limited	British Virgin Islands	100	100	Dormant

8. Investments in subsidiaries (continued)

Details of subsidiaries are as follows (continued):

No.	Name of entities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest (%)		Principal activities
			2023	2022	
Direct subsidiaries (continued)					
11.	Malakoff Capital (L) Limited	Federal Territory of Labuan, Malaysia	100	100	Dormant
12.	Malakoff International Limited	Cayman Islands	100	100	Offshore – Investment holding
13.	Tuah Utama Sdn. Bhd.	Malaysia	100	100	Investment holding
14.	Desa Kilat Sdn. Bhd.	Malaysia	54	54	Land reclamation, development and/or sale of reclaimed land
15.	Malakoff Power Berhad	Malaysia	100	100	Operation and maintenance of power plants
16.	Malakoff R&D Sdn. Bhd.	Malaysia	100	100	Promoting, developing, acquiring and enhancing the Group's capacity and innovation in the energy business
17.	Tunas Pancar Sdn. Bhd.	Malaysia	100	100	Investment holding
18.	Malakoff Solar Sdn. Bhd.	Malaysia	100	100	Developing, operating and maintaining solar photovoltaic projects
19.	Radiant Summit Global Limited	British Virgin Islands	100	100	Investment holding
20.	Yan Energy Ventures Sdn. Bhd.	Malaysia	100	100	Developing, financing, constructing, operating and maintaining power plant project(s)
Indirect subsidiaries					
Held through Tanjung Bin Energy Sdn. Bhd.					
21.	Tanjung Bin Energy Issuer Berhad	Malaysia	100	100	Administer and manage the development of a 1,000 MW coal-fired electricity generating facility
Held through Malakoff Technical Solutions Sdn. Bhd.					
22.	Natural Analysis Sdn. Bhd. ^o	Malaysia	100	100	Dormant

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8. Investments in subsidiaries (continued)

Details of subsidiaries are as follows (continued):

No.	Name of entities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest (%)		Principal activities
			2023	2022	
Indirect subsidiaries (continued)					
Held through Malakoff Technical Solutions Sdn. Bhd. (continued)					
23.	TJSB Services Sdn. Bhd.	Malaysia	100	100	Provision of maintenance, repair and overhaul and any related services to power plants and any other plants of similar main and auxiliary operating systems
24.	TJSB International Limited	Cayman Islands	100	100	Offshore – Investment holding
25.	TJSB Global Sdn. Bhd.	Malaysia	100	100	Investment holding
26.	PT. Teknik Janakuasa [^]	Indonesia	95	95	Provision of operation and maintenance services to power plant and/or other utility plants
27.	Rising O&M Engineering Services Sdn. Bhd. [#]	Malaysia	70	-	Provision of operations and maintenance services to renewable energy producer and developer and its related activities
Held through TJSB International Limited					
28.	TJSB International (Shoaiba) Limited	British Virgin Islands	100	100	Offshore – Investment holding
29.	TJSB Middle East Limited	British Virgin Islands	100	100	Operation and maintenance services for power plants
Held through Malakoff Engineering Sdn. Bhd.					
30.	MESB Project Management Sdn. Bhd. ^{oo}	Malaysia	100	100	Dormant

8. Investments in subsidiaries (continued)

Details of subsidiaries are as follows (continued):

No.	Name of entities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest (%)		Principal activities
			2023	2022	
Indirect subsidiaries (continued)					
Held through Malakoff International Limited					
31.	Malakoff Gulf Limited	British Virgin Islands	100	100	Offshore – Investment holding
32.	Malakoff Technical (Dhofar) Limited	British Virgin Islands	100	100	Offshore – Investment holding
33.	Malakoff AIDjazair Desal Sdn. Bhd.	Malaysia	100	100	Investment holding
34.	Malakoff Oman Desalination Company Limited	British Virgin Islands	100	100	Offshore – Investment holding
35.	Malakoff Hidd Holding Company Limited	Guernsey	100	100	Asset, property, investment, intellectual property and other holding companies
36.	Pacific Goldtree Sdn. Bhd.	Malaysia	100	100	Investment holding
Held through Tuah Utama Sdn. Bhd.					
37.	Green Biogas Sdn. Bhd.	Malaysia	100	100	Developing, operating and maintaining biogas power plant project
38.	Malakoff Radiance Sdn. Bhd.	Malaysia	100	100	Developing, operating and maintaining rooftop solar projects
39.	Southern Biogas Sdn. Bhd.	Malaysia	100	100	Developing, operating and maintaining biogas power plant project
40.	RP Hydro (Kelantan) Sdn. Bhd. [#]	Malaysia	70	-	Developing, financing, operating and maintaining of hydropower and renewable energy projects
Held through Malakoff AIDjazair Desal Sdn. Bhd.					
41.	Tlemcen Desalination Investment Company SAS ^{oo}	France	70	70	Offshore – Investment holding

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8. Investments in subsidiaries (continued)

Details of subsidiaries are as follows (continued):

No.	Name of entities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest (%)		Principal activities
			2023	2022	
Indirect subsidiaries (continued)					
Held through Malakoff Hidd Holding Company Limited					
42.	Malakoff Summit Hidd Holding Company Limited	Guernsey	57.14	57.14	Asset, property, investment, intellectual property and other holding companies
Held through Malakoff Power Berhad					
43.	Tanjung Bin O&M Berhad	Malaysia	100	100	Operation and maintenance of power plant
44.	PDP O&M Sdn. Bhd. [∞]	Malaysia	100	100	Operation and maintenance of power plant
Held through Hypergantic Sdn. Bhd.					
45.	Port Dickson Power Berhad	Malaysia	100	100	Independent power producer licensed by the Government to supply electricity exclusively to Tenaga Nasional Berhad
Held through Pacific Goldtree Sdn. Bhd.					
46.	Skyfirst Power Sdn. Bhd.	Malaysia	100	100	Investment holding
Held through Tunas Pancar Sdn. Bhd.					
47.	Alam Flora Sdn. Bhd.	Malaysia	97.37	97.37	Provision of integrated solid waste collection and public cleansing management services
Held through Alam Flora Sdn. Bhd.					
48.	Alam Flora Environmental Solutions Sdn. Bhd.	Malaysia	97.37	97.37	Provision of integrated solid waste management services, recycling and integrated facility management services
Held through Malakoff Gulf Limited					
49.	Desaru Investments (Cayman Isl.) Limited [∞]	Cayman Islands	100	100	Offshore – Investment holding
50.	Malaysian Shoaiba Consortium Sdn. Bhd.	Malaysia	80⁺	80 ⁺	Investment holding

[^] Not audited by member firms of KPMG International

[∞] No requirement to be audited

⁺ Represents 40% interest held through Malakoff Gulf Limited and 40% interest held through Desaru Investments (Cayman Isl.) Limited, a wholly-owned subsidiary of Malakoff Gulf Limited

[#] On 7 September 2023, the Group through its wholly-owned subsidiaries, Tuah Utama Sdn. Bhd. and Malakoff Technical Solutions Sdn. Bhd., completed the acquisitions of 70% equity interests in RP Hydro (Kelantan) Sdn. Bhd. and Rising O&M Engineering Services Sdn. Bhd. for a total cash consideration of RM35.0 million and RM0.7 million, respectively (refer Note 39.1)

8. Investments in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

Group 2023	Tanjung Bin Power Sdn. Bhd.	Malaysian Shoaiba Consortium Sdn. Bhd.	Other subsidiaries with immaterial NCI	Total
	RM'000	RM'000	RM'000	
NCI percentage of ownership interest and voting interest	10%	20%		
Carrying amount of NCI	111,940	86,317	58,845	257,102
Loss allocated to NCI	(17,592)	(1,528)	(5,653)	(24,773)
Summarised financial information before intra-group eliminations				
As at 31 December				
Non-current assets	4,039,941	454,845		
Current assets	2,647,972	151,953		
Non-current liabilities	(3,899,378)	-		
Current liabilities	(1,669,139)	(33)		
Net assets	1,119,396	606,765		
Year ended 31 December				
Revenue	5,337,999	159,521		
(Loss)/Profit for the year	(169,493)	151,880		
Total comprehensive (expense)/income	(169,493)	151,880		
Cash flows from/(used in) operating activities	834,139	(8,720)		
Cash flows from investing activities	226,003	158,771		
Cash flows used in financing activities	(767,056)	(73,500)		
Net increase in cash and cash equivalents	293,086	76,551		
Dividends paid to NCI	(30,000)	(14,700)	(16,945)	(61,645)

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8. Investments in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows (continued):

Group 2022	Tanjung Bin Power Sdn. Bhd.	Malaysian Shoaiba Consortium Sdn. Bhd.	Other subsidiaries with immaterial NCI	Total
	RM'000	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest	10%	20%		
Carrying amount of NCI	159,532	102,545	72,668	334,745
Profit/(Loss) allocated to NCI	83,854	(55)	(121)	83,678
Summarised financial information before intra-group eliminations				
As at 31 December				
Non-current assets	4,228,224	454,845		
Current assets	3,959,785	74,263		
Non-current liabilities	(4,836,894)	-		
Current liabilities	(1,755,796)	(723)		
Net assets	1,595,319	528,385		
Year ended 31 December				
Revenue	6,835,709	92,518		
Profit for the year	838,542	92,246		
Total comprehensive income	838,542	92,246		
Cash flows (used in)/from operating activities	(379,684)	1,419		
Cash flows from investing activities	1,032,694	91,784		
Cash flows used in financing activities	(761,576)	(29,261)		
Net (decrease)/increase in cash and cash equivalents	(108,566)	63,942		
Dividends paid to NCI	(30,000)	(3,243)	(24,952)	(58,195)
Redemption of Preference Shares to NCI	-	(2,426)	-	(2,426)

9. Investments in associates

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At cost				
Quoted shares:				
- outside Malaysia	67,048	67,048	-	-
Unquoted shares:				
- in Malaysia	471,258	471,258	1,112,228	1,112,228
- outside Malaysia	553	553	-	-
Redeemable preference shares	307,430	307,430	307,430	307,430
Capital contribution	215,353	215,353	215,353	215,353
Pre-acquisition reserves	100,592	100,592	-	-
Share of post-acquisition reserves	(90,568)	393,515	-	-
	1,071,666	1,555,749	1,635,011	1,635,011
Add: Intangible assets				
Goodwill	399,045	381,658	-	-
Interest over PPA and PWPA	939,073	939,073	-	-
	1,338,118	1,320,731	-	-
Less: Amortisation of intangible assets				
At 1 January	(399,078)	(393,838)	-	-
Amortisation for the year	(5,239)	(5,240)	-	-
At 31 December	(404,317)	(399,078)	-	-
Less: Accumulated impairment loss				
At 1 January	(1,485,695)	(1,087,423)	(1,419,658)	(1,419,658)
Impairment loss for the year	(96,065)	(398,272)	-	-
Reversal of impairment loss during the year	162,403	-	-	-
	66,338	(398,272)	-	-
At 31 December	(1,419,357)	(1,485,695)	(1,419,658)	(1,419,658)
	586,110	991,707	215,353	215,353
Fair value of quoted shares				
Level 1	47,070	56,687	-	-

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9. Investments in associates (continued)

9.1 Capital contribution to an associate is considered as a long-term source of capital to the associate, in which any repayment of the amount is solely at the discretion of the associate. These contributions are accounted for as the Group and the Company's net shareholders' investments in its associate and are stated at cost less impairment loss, if any.

9.2 During the financial year, the Group recognised an impairment loss on its investment in HPC of RM96,065,000 (2022: RM304,400,000) in profit or loss (see Note 7).

During the financial year, the Group recorded a reversal of impairment loss on its investment in KEV of RM162,403,000. The Group had in previous years recorded an impairment in KEV and carried the investment at RM215,353,000. Based on further assessment during the current financial year, the recoverable amount based on its value in use remained at RM215,353,000. Hence, the share of losses amounting to RM162,403,000 arising from the investment in KEV resulted in a corresponding reversal of impairment loss.

9.3 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

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9. Investments in associates (continued)

Details of associates are as follows:

No.	Name of entities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest (%)		Principal activities
			2023	2022	
Direct associate					
1.	Kapar Energy Ventures Sdn. Bhd.	Malaysia	40	40	Generation and sale of electricity
Indirect associates					
2.	Oman Technical Partners Limited	British Virgin Islands	43.48	43.48	Offshore - Investment holding
3.	Salalah Power Holdings Limited	Bermuda	-*	43.48	Dormant
4.	Al-Imtiaz Operation and Maintenance Company Limited	Kingdom of Saudi Arabia	40	40	Implementation of operation and maintenance contracts for stations of electrical power generation and water desalination
5.	Hyflux-TJSB Algeria SPA	Algeria	49	49	Operation and maintenance of water desalination plant
6.	Hidd Power Company B.S.C. (c)	Bahrain	40	40	Building, operation and maintenance of power and water stations for special purposes (specific supply only)
7.	Muscat City Desalination Company S.A.O.G	Sultanate of Oman	32.5	32.5	Generation and sale of desalination of water
8.	Saudi-Malaysia Operation & Maintenance Services Company Limited	Kingdom of Saudi Arabia	20	20	Operation and maintenance of power and water desalination plant

* Liquidated on 14 February 2023

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9. Investments in associates (continued)

Nature of relationship with the Group

The associates provide the Group with strategic access to power generation and water desalination industry in Malaysia, the Middle East and North Africa region.

Summarised financial information

The following table summarises the information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interests in the associates.

Group 2023	Kapar Energy Ventures Sdn. Bhd. 40% RM'000	Hidd Power Company B.S.C. (c) 40% RM'000	Muscat City Desalination Company S.A.O.G 32.5% RM'000
Summarised financial information			
As at 31 December			
Non-current assets	1,253,620	2,121,998	978,398
Current assets	1,567,965	331,480	44,598
Non-current liabilities	(358,505)	(1,079,056)	(676,472)
Current liabilities	(936,448)	(329,490)	(76,642)
Net assets	1,526,632	1,044,932	269,882
Year ended 31 December			
(Loss)/Profit for the year	(406,009)	(832,301)	29,154
Other comprehensive income/(expense)	-	14,663	(4,042)
Total comprehensive (expense)/income	(406,009)	(817,638)	25,112
Included in the total comprehensive (expense)/income are:			
Revenue	3,060,771	1,813,058	219,944
Depreciation and amortisation	(1,304,114)	(291,300)	(29,917)
Finance costs	(43,945)	(94,456)	(33,247)
Tax benefit/(expense)	4,843	-	(5,498)

9. Investments in associates (continued)

The following table summarises the information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interests in the associates (continued).

Group 2023	Kapar Energy Ventures Sdn. Bhd. RM'000	Hidd Power Company B.S.C. (c) RM'000	Muscat City Desalination Company S.A.O.G RM'000	Other individually immaterial associates RM'000	Total RM'000
Reconciliation of net assets to carrying amount					
As at 31 December					
Group's share of net assets, after consolidation adjustments	1,234,245	705,956	71,474	(6,208)	2,005,467
Less: Accumulated impairment loss	(1,018,892)	(400,465)	-	-	(1,419,357)
Carrying amount in the statements of financial position	215,353	305,491	71,474	(6,208)	586,110
Group's share of results, after consolidation adjustments					
Year ended 31 December					
Group's share of (loss)/profit for the year	(162,403)	(332,921)	9,471	-	(485,853)
Group's share of other comprehensive income/(expense)	-	5,865	(1,314)	-	4,551
Group's share of total comprehensive (expense)/income	(162,403)	(327,056)	8,157	-	(481,302)
Other information					
Dividends received	-	-	(1,869)	(912)	(2,781)

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9. Investments in associates (continued)

The following table summarises the information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interests in the associates (continued).

	Kapar Energy Ventures Sdn. Bhd. 40% RM'000	Hidd Power Company B.S.C. (c) 40% RM'000	Muscat City Desalination Company S.A.O.G 32.5% RM'000
Group 2022			
Summarised financial information			
As at 31 December			
Non-current assets	1,421,757	2,983,953	971,398
Current assets	2,520,498	579,572	47,858
Non-current liabilities	(521,246)	(1,628,282)	(681,884)
Current liabilities	(1,469,079)	(150,637)	(90,647)
Net assets	1,951,930	1,784,606	246,725
Year ended 31 December			
Profit for the year	270,363	184,270	25,839
Other comprehensive income	-	113,480	58,528
Total comprehensive income	270,363	297,750	84,367
Included in the total comprehensive income are:			
Revenue	4,328,590	1,969,754	213,063
Depreciation and amortisation	(1,268,561)	(270,785)	(28,570)
Finance costs	(48,226)	(103,602)	(31,141)
Tax benefit/(expense)	165,457	-	(5,805)

9. Investments in associates (continued)

The following table summarises the information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interests in the associates (continued).

	Kapar Energy Ventures Sdn. Bhd. RM'000	Hidd Power Company B.S.C. (c) RM'000	Muscat City Desalination Company S.A.O.G RM'000	Other individually immaterial associates RM'000	Total RM'000
Group 2022					
Reconciliation of net assets to carrying amount					
As at 31 December					
Group's share of net assets, after consolidation adjustments	1,396,648	1,020,864	65,186	(5,296)	2,477,402
Less: Accumulated impairment loss	(1,181,295)	(304,400)	-	-	(1,485,695)
Carrying amount in the statements of financial position	215,353	716,464	65,186	(5,296)	991,707
Group's share of results, after consolidation adjustments					
Year ended 31 December					
Group's share of profit for the year	108,144	73,709	8,398	-	190,251
Less: Previously unrecognised share of losses	(14,272)	-	-	-	(14,272)
Group's share of other comprehensive income	-	45,392	19,022	-	64,414
Group's share of total comprehensive income	93,872	119,101	27,420	-	240,393
Other information					
Dividends received	-	-	(10,972)	(803)	(11,775)

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10. Investments in joint ventures

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At cost				
Unquoted shares:				
- in Malaysia	22,586	22,586	21,515	21,515
- outside Malaysia	432,466	432,466	-	-
Pre-acquisition reserves	317,731	317,731	-	-
Share of post-acquisition reserves	(66,383)	18,018	-	-
	706,400	790,801	21,515	21,515
Add: Intangible assets				
At 1 January/31 December	66,500	66,500	-	-
Less: Amortisation of intangible assets				
At 1 January	(21,394)	(14,987)	-	-
Amortisation for the year	(6,407)	(6,407)	-	-
At 31 December	(27,801)	(21,394)	-	-
	745,099	835,907	21,515	21,515

10.1 Material accounting policy information

Investments in joint ventures are measured in the Company's statement of financial position at cost less any impairment losses.

10. Investments in joint ventures (continued)

Details of joint ventures are as follows:

No.	Name of entities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest (%)		Principal activities
			2023	2022	
Direct joint venture					
1.	ZEC Solar Sdn. Bhd.	Malaysia	49	49	Installation of non-electric solar energy collections wholesale of a variety of goods without any particular specialisation
Indirect joint ventures					
2.	Malakoff Gas Malaysia Cogen O&M Sdn. Bhd. ("MGMC")	Malaysia	51	51	Developing, marketing, and providing operation and maintenance services for cogeneration plants in Malaysia
3.	Almiyah Attilemcania SPA	Algeria	35.7	35.7	Construction, operation and maintenance of a desalination plant and marketing of desalinated water produced
4.	Saudi-Malaysia Water & Electricity Company Limited ("SAMAWEC")	Kingdom of Saudi Arabia	40	40	Offshore – Investment holding
5.	Muscat City Desalination Operation and Maintenance Company LLC ("MCDOMC")	Sultanate of Oman	50	50	Operation and maintenance of pump stations and pipelines, installation and repair of electric power and transformer plants and telecommunications and radar plants, export and import offices, and laying and maintenance of all kinds of pipes, business agencies (excluding portfolio and securities) and wholesale of industrial chemicals
6.	TJZ Suria Sdn. Bhd. ("TJZ Suria")	Malaysia	51	51	Provision of operation, maintenance and repair services of the solar photovoltaic energy generating facility ("Facility") and the associated transmission line and facilities for the development and operation of the Facility

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10. Investments in joint ventures (continued)

Details of joint ventures are as follows (continued):

No.	Name of entities	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest (%)		Principal activities
			2023	2022	
Associates held by SAMAWEC					
7.	Shuaibah Water & Electricity Company Limited ("SWEC")	Kingdom of Saudi Arabia	24	24	Design, construction, commissioning, testing, possession, operation and maintenance of crude oil fired power generation and water desalination plant
8.	Shuaibah Expansion Holding Company Limited ("SEHCO")	Kingdom of Saudi Arabia	24	24	Development, construction, ownership, operation and maintenance of the Shuaibah Phase 3 Expansion IWP, transport and sale of water and undertake all works and activities related thereto, directly or through another company holding most of its shares or stock
9.	Shuaibah Expansion Project Company Limited ("SEPCO")	Kingdom of Saudi Arabia	23.8	23.8	Development, construction, possession, operation and maintenance of the Shuaibah Phase 3 Expansion IWP, transfer and sell water and all relevant works and activities

10. Investments in joint ventures (continued)

Nature of relationship with the Group

The joint ventures provide the Group with strategic access to renewable energy, power generation and water desalination industry in Malaysia, the Middle East and North Africa region.

Although the Group does not hold 50% of effective ownership interest and voting interest in most of the joint ventures, the Group has accounted for the investments in these entities as joint ventures because based on the joint venture agreements, the key decisions related to these entities require unanimous consent from all shareholders.

Summarised financial information

The following table summarises the information of the Group's material joint ventures, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interests in the joint ventures.

	SAMAWEC	
	2023 RM'000	2022 RM'000
Summarised financial information		
As at 31 December		
Non-current assets	6,186,289	6,528,306
Current assets	727,346	900,446
Non-current liabilities	(2,667,928)	(2,933,024)
Current liabilities	(795,578)	(1,062,228)
Net assets	3,450,129	3,433,500
Cash and cash equivalents	410,938	586,889
Non-current financial liabilities (excluding trade and other payables and provisions)	(2,601,718)	(2,870,705)
Current financial liabilities (excluding trade and other payables and provisions)	(594,567)	(850,034)
Year ended 31 December		
Profit for the year	379,524	441,762
Other comprehensive (expense)/income	(8,415)	174,764
Total comprehensive income	371,109	616,526
Included in the total comprehensive income are:		
Revenue	899,094	1,153,100
Depreciation and amortisation	(35,871)	(202,679)
Interest expense	(204,186)	(236,940)
Income tax expense	(24,464)	(39,852)

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10. Investments in joint ventures (continued)

The following table summarises the information of the Group's material joint ventures, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interests in the joint ventures (continued).

Group 2023	SAMAWEC RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
Reconciliation of net assets to carrying amount			
As at 31 December			
Group's share of net assets, after consolidation adjustments	718,603	26,496	745,099
Carrying amount in the statements of financial position	718,603	26,496	745,099
Group's share of results, after consolidation adjustments			
Year ended 31 December			
Group's share of profit for the year	112,140	10,179	122,319
Group's share of other comprehensive expense	(18,445)	-	(18,445)
Group's share of total comprehensive income	93,695	10,179	103,874
Other information			
Dividends received	(159,520)	(28,755)	(188,275)
2022			
Reconciliation of net assets to carrying amount			
As at 31 December			
Group's share of net assets, after consolidation adjustments	790,835	45,072	835,907
Carrying amount in the statements of financial position	790,835	45,072	835,907
Group's share of results, after consolidation adjustments			
Year ended 31 December			
Group's share of profit for the year	91,755	8,684	100,439
Group's share of other comprehensive income	41,882	-	41,882
Group's share of total comprehensive income	133,637	8,684	142,321
Other information			
Dividends received	(92,518)	(215)	(92,733)

11. Derivative financial assets/(liabilities)

	2023			2022		
	Nominal value RM'000	Assets RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000	Liabilities RM'000
Group						
Non-current						
Derivatives used for hedging						
- Cross currency interest rate swaps	58,494	24,309	-	209,191	74,275	-
Current						
Derivatives used for hedging						
- Interest rate swap	-	-	-	48,681	-	(106)
- Cross currency interest rate swaps	150,697	69,991	-	105,855	46,558	-
	150,697	69,991	-	154,536	46,558	(106)
	209,191	94,300	-	363,727	120,833	(106)

Interest rate and cross currency interest rate swaps are used to achieve an appropriate mix of fixed and floating interest rates exposure within the Group's policy. The Group entered into interest rate and cross currency interest rate swaps, to hedge its interest rate and foreign exchange risks. The interest rate and cross currency interest rate swaps were entered into for a period of 12 years and 15 years, respectively.

In the previous financial year, the interest rate and cross currency interest rate swaps have been partially terminated following the partial repayment of a subsidiary's senior loans facilities. Subsequent to the partial termination, the remaining tenure of the interest rate and cross currency interest rate swaps was reduced to a period of 1 to 3 years. The interest rate swap has lapsed during the year.

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12. Trade and other receivables

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current					
Other receivables	12.1	1,025	2,779	-	-
Deferred expenses	12.2	8,006	8,606	-	-
Other assets		50	50	-	-
		9,081	11,435	-	-
Current					
Trade					
Trade receivables		1,306,013	1,828,129	-	-
Non-trade					
Deferred expenses	12.2	600	600	-	-
Amounts due from subsidiaries	12.3	-	-	1,282,116	1,222,074
Amounts due from associates	12.3	50,388	48,631	82	82
Amounts due from related parties	12.3	14,897	9,470	612	88
Amounts due from joint ventures	12.3	512	4,025	-	-
Amounts due from related companies	12.3	-	-	709	666
Other receivables		70,024	84,208	1,449	1,387
Deposits and prepayments		120,913	111,845	3,869	3,623
		257,334	258,779	1,288,837	1,227,920
		1,563,347	2,086,908	1,288,837	1,227,920
		1,572,428	2,098,343	1,288,837	1,227,920

12.1 Other receivables – non-current

Other receivables represent transaction costs arising from derivative instruments which will be amortised over the tenure of the hedged item.

12.2 Deferred expenses

Deferred expenses comprise the difference between capacity payments received from Tenaga Nasional Berhad and capacity payments recognised in profit or loss in relation to the PPA. The amount is recognised in profit or loss on a straight-line basis over the term of the PPA.

12. Trade and other receivables (continued)

12.3 Amounts due from subsidiaries, associates, related parties, joint ventures and related companies

Amounts due from subsidiaries, associates, related parties, joint ventures and related companies are unsecured, interest free and repayable on demand, except for the following balances which are subject to interest:

	2023 RM'000	2022 RM'000
Group		
Amounts due from associates	46,254	48,114
Interest rate per annum	2%	2%
Company		
Amounts due from subsidiaries	800,664	702,031
Interest rate per annum	4.97% - 5.9%	3.4% - 5.9%

12.4 Offsetting of financial assets and financial liabilities

The following table provides information of financial assets and liabilities that have been set off for presentation purpose:

	Note	Gross amount RM'000	Balances that are set off RM'000	Net carrying amount in the statements of financial position RM'000
Company				
2023				
Amounts due from subsidiaries		1,532,409	(250,293)	1,282,116
Amounts due to subsidiaries	24	(1,151,143)	250,293	(900,850)
2022				
Amounts due from subsidiaries		1,458,386	(236,312)	1,222,074
Amounts due to subsidiaries	24	(1,702,006)	236,312	(1,465,694)

The Company's amounts due from and due to subsidiaries are set off for presentation purposes because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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13. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Group						
Property, plant and equipment	-	-	(2,132,984)	(2,244,312)	(2,132,984)	(2,244,312)
Lease liabilities	4,494	5,772	-	-	4,494	5,772
Right-of-use assets	-	-	(10,835)	(11,335)	(10,835)	(11,335)
Investment properties	-	-	(315)	(234)	(315)	(234)
Concession assets	1,580	-	(27,448)	(28,721)	(25,868)	(28,721)
Provisions	130,087	132,153	-	-	130,087	132,153
Intangible assets	-	-	(450,311)	(511,546)	(450,311)	(511,546)
Unutilised tax losses	103,528	27,617	-	-	103,528	27,617
Unutilised capital allowances	1,110,247	1,114,615	-	-	1,110,247	1,114,615
Deferred income	697,303	753,600	-	-	697,303	753,600
Others	180	180	-	-	180	180
Tax assets/(liabilities)	2,047,419	2,033,937	(2,621,893)	(2,796,148)	(574,474)	(762,211)
Set-off of tax	(1,771,944)	(1,799,646)	1,771,944	1,799,646	-	-
Net tax assets/(liabilities)	275,475	234,291	(849,949)	(996,502)	(574,474)	(762,211)
Company						
Property, plant and equipment	-	-	(1,147)	(998)	(1,147)	(998)
Right-of-use assets	-	-	(1,024)	(2,143)	(1,024)	(2,143)
Lease liabilities	1,069	2,196	-	-	1,069	2,196
Tax assets/(liabilities)	1,069	2,196	(2,171)	(3,141)	(1,102)	(945)
Set-off of tax	(1,069)	(2,196)	1,069	2,196	-	-
Net tax liabilities	-	-	(1,102)	(945)	(1,102)	(945)

13. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year

	Recognised in profit or loss		Recognised in other comprehensive income		Recognised in profit or loss		Recognised in other comprehensive income	
	At 1.1.2022 RM'000	(Note 28) RM'000	At 31.12.2022/ RM'000	(Note 30) RM'000	At 1.1.2023 RM'000	(Note 28) RM'000	(Note 30) RM'000	At 31.12.2023 RM'000
Group								
Property, plant and equipment	(2,360,924)	116,612	-	(2,244,312)	111,328	-	-	(2,132,984)
Lease liabilities	6,765	(993)	-	5,772	(1,278)	-	-	4,494
Right-of-use assets	(11,328)	(7)	-	(11,335)	500	-	-	(10,835)
Investment properties	(204)	(30)	-	(234)	(81)	-	-	(315)
Concession assets	(31,105)	2,384	-	(28,721)	2,853	-	-	(25,868)
Provisions	168,561	(30,013)	(6,395)	132,153	(2,949)	883	-	130,087
Intangible assets	(578,999)	67,453	-	(511,546)	61,235	-	-	(450,311)
Unutilised tax losses	23,197	4,420	-	27,617	75,911	-	-	103,528
Unutilised capital allowances	1,104,386	10,229	-	1,114,615	(4,368)	-	-	1,110,247
Deferred income	825,513	(71,913)	-	753,600	(56,297)	-	-	697,303
Others	-	180	-	180	-	-	-	180
Net tax liabilities	(854,138)	98,322	(6,395)	(762,211)	186,854	883	-	(574,474)
Company								
Property, plant and equipment	(779)	(219)	-	(998)	(149)	-	-	(1,147)
Right-of-use assets	(2,575)	432	-	(2,143)	1,119	-	-	(1,024)
Lease liabilities	2,638	(442)	-	2,196	(1,127)	-	-	1,069
Net tax liabilities	(716)	(229)	-	(945)	(157)	-	-	(1,102)

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13. Deferred tax assets/(liabilities) (continued)

13.1 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2023 RM'000	2022 RM'000
Unutilised tax losses	400,730	137,626
Other deductible temporary differences	279,815	260,847
	680,545	398,473
Tax at 24% (2022: 24%)	163,331	95,634

In accordance with the provision of the Finance Act 2021, the unutilised tax losses are available for utilisation in the next ten (10) years, for which, any excess at the end of the tenth (10th) year, will be disregarded. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits.

Tax losses for which no deferred tax asset was recognised expire as follows:

	Group	
	2023 RM'000	2022 RM'000
Expiring in		
Year of assessment 2028	121,926	121,926
Year of assessment 2029	10,511	10,511
Year of assessment 2030	434	434
Year of assessment 2031	4,755	4,755
Year of assessment 2033	263,104	-
	400,730	137,626

13. Deferred tax assets/(liabilities) (continued)

13.2 Global minimum top-up tax

As at 31 December 2023, the government of Malaysia ("MY") has enacted new legislation to implement the global minimum top-up tax. The Group does not expect to be subjected to any material top-up tax in relation to its foreign operations. However, since the newly enacted tax legislation in MY will only come into effect in year 2025, there is no current tax impact for the year ended 31 December 2023.

The Group is currently performing a detailed assessment of the financial impact that may arise from the implementation of the global minimum top-up tax.

13.3 Temporary mandatory relief from deferred tax accounting

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

13.4 Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

14. Inventories

	Group	
	2023 RM'000	2022 RM'000
Consumables	432,263	396,457
Coal	336,942	1,198,365
Diesel fuel	77,732	86,524
	846,937	1,681,346
Recognised in profit or loss:		
Inventories recognised as cost of sales	6,554,012	6,369,657
(Reversal)/Allowance for diminution in value of consumables*	(7,343)	4,739

* The reversal and allowance for diminution in value of consumables are included in cost of sales.

14.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

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15. Other investments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Investment in Redeemable Cumulative Convertible Preference Shares ("RCCPS")	2,484	2,484	2,484	2,484
Current				
Deposits with licensed banks and other licensed corporations with maturity more than 3 months				
– amortised cost	310,303	163,451	-	-
– fair value through profit or loss	175,293	529,289	-	-
	485,596	692,740	-	-
	488,080	695,224	2,484	2,484

Included in other investments of the Group is an amount of RM36,450,000 (2022: RM24,208,000) placed with a licensed bank and a licensed corporation which are related parties of the Group.

15.1 Material accounting policy information

Deposits with licensed banks and other licensed corporations

The Group classifies deposits with licensed banks and licensed corporations not held for working capital purposes that has a maturity of more than three (3) months as other investments.

16. Cash and cash equivalents

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks and other licensed corporations with maturity less than 3 months	1,289,541	923,362	38,119	125,197
Cash and bank balances	1,281,475	616,268	21,724	30,367
	2,571,016	1,539,630	59,843	155,564

Included in cash and cash equivalents of the Group are RM1,749,788,000 (2022: RM648,863,000) that are placed in the designated accounts which are jointly operated with Securities Trustees in accordance with the trust deed of the Islamic financing facilities entered by the Group (see Note 19).

Included in cash and cash equivalents of the Group and of the Company are RM435,753,000 (2022: RM32,979,000) and RM1,037,000 (2022: RM1,666,000), respectively placed with a licensed bank and a licensed corporation which are related parties of the Group.

17. Capital and reserves

Share capital

	Number of shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Group and Company				
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January/31 December	5,000,000	5,000,000	5,693,055	5,693,055

17.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

17.2 Treasury shares

In accordance with Section 127 of the Companies Act 2016, all repurchased shares of the Company are held as treasury shares. During the financial year, the Company did not repurchase any ordinary shares from the open market and none of its existing treasury shares have been cancelled. As at 31 December 2023, the total number of treasury shares held is 2.26% of the total number of issued shares of the Company.

	Number of shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Group and Company				
Treasury shares				
At 1 January/31 December	113,039	113,039	98,647	98,647

17.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

17.4 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

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18. Perpetual sukuk

Group	2023 RM'000	2022 RM'000
Nominal value		
At 1 January/31 December	800,000	800,000

In 2017, Tanjung Bin Energy Sdn. Bhd., a wholly-owned subsidiary of the Company had issued unrated perpetual sukuk of RM800 million in nominal value in accordance with Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah") with an unconditional and irrevocable subordinated cash deficiency support from the Company.

Details of the Sukuk Wakalah are as follows:

- The perpetual sukuk has no fixed redemption date and the subsidiary has an option to redeem all or part of the perpetual sukuk at the end of the seventh year from date of issuance and thereafter on each subsequent periodic distribution date;
- The perpetual sukuk is unsecured and carries a periodic distribution rate of 5.9% per annum, payable semi-annually from year 1 to year 7. Thereon, the periodic distribution rate shall be 1% above the prevailing periodic distribution rate;
- The subsidiary has the right to defer the payment of the periodic distribution amount by giving the required deferral notice. Deferred periodic distribution, if any, will be cumulative but will not earn additional profits thus, there will be no compounding effect; and
- The holder of perpetual sukuk shall have no voting rights at any general meeting of the shareholders of the subsidiary.

Based on the underlying issuing terms, the perpetual sukuk has been classified as equity in the financial statements.

18.1 Material accounting policy information

Perpetual sukuk is classified as equity as there is no contractual obligation to redeem the instrument. The perpetual sukuk is redeemable only at the option of the Company's subsidiary. Profit distribution on perpetual sukuk is recognised in the consolidated statement of changes in equity in the period in which it is declared.

19. Loans and borrowings

	Note	Group	
		2023 RM'000	2022 RM'000
Non-current			
Secured			
Sukuk Ijarah medium-term notes	19.1	1,644,355	1,952,987
Sukuk medium-term notes	19.2	1,431,089	1,627,622
Sukuk Wakalah	19.3.1	165,000	165,000
Sukuk Wakalah	19.3.2	955,690	-
Sukuk Murabahah	19.4	3,410,000	3,535,000
Senior USD term loan	19.6	84,055	279,876
USD term loan	19.7	188,190	210,720
		7,878,379	7,771,205
Current			
Secured			
Sukuk Ijarah medium-term notes	19.1	340,000	320,000
Sukuk medium-term notes	19.2	190,000	320,000
Sukuk Wakalah	19.3.1	-	15,000
Sukuk Murabahah	19.4	125,000	65,000
Senior RM term loan	19.5	-	63,636
Senior USD term loan	19.6	208,570	127,837
USD term loan	19.7	32,130	30,730
Islamic medium-term notes	19.8	1,000	-
Unsecured			
Redeemable Preference Shares	19.9	30,000	30,000
		926,700	972,203
		8,805,079	8,743,408

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19. Loans and borrowings (continued)

19.1 Sukuk Ijarah medium-term notes issued by Tanjung Bin Power Sdn. Bhd. ("TBP")

Security

The Sukuk Ijarah medium-term notes are secured over TBP's property, plant and equipment and right-of-use assets with a carrying amount of RM3,720,013,000 (2022: RM3,933,908,000) and RM29,803,000 (2022: RM33,643,000), respectively.

Significant covenant

TBP is required to maintain a debt-to-equity ratio of not more than 80:20 and a finance service cover ratio of at least 1.25 times.

19.2 Sukuk medium-term notes issued by Malakoff Power Berhad ("MPB")

Security

The Sukuk medium-term notes are secured over an irrevocable and unconditional guarantee under the principle of Kafalah from the Company, an assignment and charge over MPB's designated accounts and a third party assignment and charge over the Company's disposal proceeds account.

Significant covenant

The Company and MPB are required to maintain an aggregated debt-to-equity ratio of not more than 1:1 and a Group debt-to-equity ratio of not more than 5.5:1.

19.3 Sukuk Wakalah issued by subsidiaries of the Company

19.3.1 Sukuk Wakalah issued by Tanjung Bin O&M Berhad ("TBOM")

Security

The Sukuk Wakalah is secured over the Operation and Maintenance Agreement, Sub Operation and Maintenance Agreement and Asset Sales Agreement held by TBOM and all the balances in TBOM's designated accounts.

Significant covenant

TBOM is required to maintain a debt-to-equity ratio of not more than 80:20 and a finance service cover ratio of at least 1.25 times.

19. Loans and borrowings (continued)

19.3 Sukuk Wakalah issued by subsidiaries of the Company (continued)

19.3.2 Sukuk Wakalah issued by RP Hydro (Kelantan) Sdn. Bhd. ("RPHK")

Security

The Sukuk Wakalah is secured over all the balances in RPHK's designated accounts.

Significant covenant

RPHK is required to maintain a finance-to-equity ratio of not more than 80:20 and a finance service cover ratio of at least 1.25 times.

19.4 Sukuk Murabahah issued by Tanjung Bin Energy Sdn. Bhd. ("TBE")

Security

The Sukuk Murabahah is secured over TBE's property, plant and equipment and right-of-use assets with a carrying amount of RM4,869,984,000 (2022: RM5,063,837,000) and RM4,754,000 (2022: RM5,031,000), respectively.

Significant covenant

TBE is required to maintain a debt-to-equity ratio of not more than 80:20 and a finance service cover ratio of not less than 1.25:1.

19.5 Senior RM term loan drawdown by TBEI

Security

The Senior RM term loan is secured over TBE's property, plant and equipment and right-of-use assets as disclosed in Note 19.4.

Significant covenant

TBEI is required to maintain a debt-to-equity ratio of not more than 80:20 and a finance service cover ratio of not less than 1.25:1.

19.6 Senior USD term loan drawdown by TBEI

Security

The Senior USD term loan is secured over TBE's property, plant and equipment and right-of-use assets as disclosed in Note 19.4.

Significant covenant

TBEI is required to maintain a debt-to-equity ratio of not more than 80:20 and a finance service cover ratio of not less than 1.25:1.

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19. Loans and borrowings (continued)

19.7 USD term loan drawdown by Malakoff International Limited ("MIL")

Security

The USD term loan is secured over a guarantee provided by the Company, MIL's designated account and MIL's investment in a subsidiary.

Significant covenant

The Guarantor (the Company) is required to maintain a debt-to-equity ratio of not more than 1:1 and a Group debt-to-equity ratio of not more than 5.5:1.

19.8 Islamic medium-term notes issued by Alam Flora Sdn. Bhd. ("AFSB")

Security

The Islamic medium-term notes are secured over an assignment and charge over AFSB's designated account.

Significant covenant

AFSB together with its subsidiary, AFES, are required to maintain a consolidated debt-to-equity ratio of not more than 1.25 times and a finance service over ratio of not less than 1.25 times.

19.9 Redeemable Preference Shares issued by TBP

In 2018, TBP had converted its subordinated loan notes of RM30,000,000 into Redeemable Preference Shares ("RPS").

The features of the RPS are as follows:

(i) Dividend

- (a) Holders of the RPS shall be entitled to receive an annual fixed dividend of 7.5% per annum.
- (b) Dividends on the RPS shall be non-cumulative.
- (c) Dividends on the RPS shall be payable on the date that the dividends are paid on ordinary shares issued by the issuer.

(ii) Redemption of RPS

The holders have the discretion to redeem the RPS at any time from the Issue Date up to the Maturity Date, subject to issuer meeting the requirements stated under the Companies Act.

(iii) Voting

The RPS shall carry no right to vote at any general meeting of the issuer except on a resolution for the winding up and on any resolutions that may affect the rights and privileges of the RPS holders.

19. Loans and borrowings (continued)

19.10 Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1.1.2023 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease and remeasurement of lease liabilities RM'000	Changes arising from acquisitions of subsidiaries RM'000	Foreign exchange movements RM'000	Others RM'000	At 31.12.2023 RM'000
Group							
Sukuk Ijarah medium-term notes	2,272,987	(320,000)	-	-	-	31,368	1,984,355
Sukuk medium-term notes	1,947,622	(320,000)	-	-	-	(6,533)	1,621,089
Sukuk Wakalah	180,000	(15,000)	-	-	-	-	165,000
Sukuk Wakalah	-	-	-	955,164	-	526	955,690
Sukuk Murabahah	3,600,000	(65,000)	-	-	-	-	3,535,000
Senior RM term loan	63,636	(63,636)	-	-	-	-	-
Senior USD term loan	407,713	(91,700)	-	-	(23,388)	-	292,625
USD term loan	241,450	(31,210)	-	-	10,080	-	220,320
Islamic medium-term notes	-	1,000	-	-	-	-	1,000
Redeemable Preference Shares	30,000	-	-	-	-	-	30,000
Lease liabilities	21,030	(9,083)	4,084	-	-	-	16,031
	8,764,438	(914,629)	4,084	955,164	(13,308)	25,361	8,821,110
Company							
Lease liabilities	9,151	(4,696)	-	-	-	-	4,455

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19. Loans and borrowings (continued)

19.10 Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	At	Net changes	Acquisition of	Foreign	Others	At
	1.1.2022	from	new lease and	exchange		31.12.2022
	RM'000	cash flows	remeasurement	movements	RM'000	RM'000
		RM'000	of			
			lease liabilities			
			RM'000	RM'000		
Group						
Sukuk Ijarah medium-term notes	2,538,590	(300,000)	-	-	34,397	2,272,987
Sukuk medium-term notes	2,257,190	(340,000)	-	-	30,432	1,947,622
Sukuk Wakalah	235,000	(55,000)	-	-	-	180,000
Sukuk Murabahah	2,935,000	665,000	-	-	-	3,600,000
Senior RM term loan	353,920	(290,284)	-	-	-	63,636
Senior USD term loan	1,225,343	(633,979)	-	(183,651)	-	407,713
USD term loan	270,725	(43,555)	-	14,280	-	241,450
Redeemable Preference Shares	30,000	-	-	-	-	30,000
Lease liabilities	24,096	(9,867)	6,801	-	-	21,030
	9,869,864	(1,007,685)	6,801	(169,371)	64,829	8,764,438
Company						
Lease liabilities	10,992	(4,647)	2,806	-	-	9,151

20. Employee benefits

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Defined benefit obligations	97,024	89,552	17,965	16,236
Fair value of plan assets	(1,630)	(2,073)	(1,522)	(1,943)
Net defined benefit liabilities	95,394	87,479	16,443	14,293
Non-current	88,065	78,766	13,354	13,540
Current	7,329	8,713	3,089	753
	95,394	87,479	16,443	14,293

The Group's Staff Retirement Benefits Scheme ("the Scheme") provides pension benefits for eligible employees upon retirement. Malakoff Corporation Berhad, Malakoff Technical Solutions Sdn. Bhd., Malakoff Utilities Sdn. Bhd., Malakoff Engineering Sdn. Bhd. and Malakoff Power Berhad (collectively referred to as "employer") participate and contribute to the Scheme.

The following table shows a reconciliation from the opening balance to the closing balance for the net defined benefit liabilities and its components:

Movements in defined benefit obligations

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Defined benefit obligations at 1 January	89,552	112,311	16,236	16,784
Included in profit or loss				
Current service costs	3,192	5,020	849	1,258
Interest costs	4,344	4,114	766	590
	7,536	9,134	1,615	1,848
Included in other comprehensive expense/ (income)				
Actuarial (gain)/loss arising from:				
- Demographic assumptions	-	(18)	-	(2)
- Financial assumptions	3,576	(17,105)	643	(2,472)
- Experience assumptions	-	(9,714)	-	2,607
	3,576	(26,837)	643	133
Others				
Benefits paid directly by the employer	(464)	(433)	-	-
Benefits paid by the plan	(3,176)	(4,623)	(3,176)	(4,623)
Intercompany benefits transfer	-	-	3,176	2,969
Intercompany staff transfer	-	-	(529)	(875)
	(3,640)	(5,056)	(529)	(2,529)
Defined benefit obligations at 31 December	97,024	89,552	17,965	16,236

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20. Employee benefits (continued)

Movements in fair value of plan assets

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Plan assets at 1 January	(2,073)	(1,980)	(1,943)	(649)
Included in profit or loss				
Interest income	(218)	(79)	(207)	(33)
	(218)	(79)	(207)	(33)
Included in other comprehensive expense/ (income)				
Loss/(Gain) on asset valuation	332	190	299	(1,100)
	332	190	299	(1,100)
Others				
Benefits paid by the plan	3,176	4,623	3,176	4,623
Employer contributions	(2,847)	(4,827)	(2,847)	(4,784)
	329	(204)	329	(161)
Plan assets at 31 December	(1,630)	(2,073)	(1,522)	(1,943)

20. Employee benefits (continued)

Movements in net defined benefit liabilities

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net defined benefit liabilities at 1 January	87,479	110,331	14,293	16,135
Included in profit or loss				
Current service costs	3,192	5,020	849	1,258
Interest costs	4,126	4,035	559	557
	7,318	9,055	1,408	1,815
Included in other comprehensive expense/ (income)				
Actuarial gain arising from:				
- Demographic assumptions	-	(18)	-	(2)
- Financial assumptions	3,576	(17,105)	643	(2,472)
- Experience assumptions	-	(9,714)	-	2,607
Loss/(Gain) on asset valuation	332	190	299	(1,100)
	3,908	(26,647)	942	(967)
Others				
Benefits paid directly by the employer	(464)	(433)	-	-
Employer contributions	(2,847)	(4,827)	(2,847)	(4,784)
Intercompany benefits transfer	-	-	3,176	2,969
Intercompany staff transfer	-	-	(529)	(875)
	(3,311)	(5,260)	(200)	(2,690)
Net defined benefit liabilities at 31 December	95,394	87,479	16,443	14,293

The Group expects to pay RM3,427,000 (2022: RM3,500,000) in contributions to the plan assets in 2024.

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20. Employee benefits (continued)

Plan assets

The major categories of plan assets are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Equity instruments	-	890	-	833
Malaysian government securities	502	511	468	480
Foreign investments	-	362	-	338
Cash and cash equivalents	1,128	310	1,054	292
	1,630	2,073	1,522	1,943

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	Group		Company	
	2023	2022	2023	2022
Discount rate	4.20%	5.00%	4.20%	5.00%
Salary inflation	5.33%	5.33%	5.33%	5.33%

As at 31 December 2023, the weighted average duration of the Scheme is approximately 7 years (2022: 8 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to the significant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Group		Company	
	RM'000 Increase	RM'000 Decrease	RM'000 Increase	RM'000 Decrease
Discount rate (1% movement)				
2023	(5,922)	6,647	(796)	902
2022	(5,647)	6,328	(838)	924
Salary inflation (1% movement)				
2023	7,584	(6,838)	1,073	(939)
2022	6,601	(5,975)	961	(881)

21. Provision for decommissioning costs

	Note	Group	
		2023 RM'000	2022 RM'000
At 1 January		260,847	183,346
Provision made during the year	3	9,208	68,280
Provision used during the year		(266)	(472)
Unwinding of discount		10,026	9,693
At 31 December		279,815	260,847
Non-current		227,080	207,846
Current		52,735	53,001
		279,815	260,847

Provision for decommissioning costs is the estimated costs that the Group will have to incur in removing or dismantling the power plants at the end of their respective PPA terms. The present value is derived by discounting the decommissioning costs over the remaining useful lives of the power plants based on the appropriate discount rates.

21.1 Coal-fired power plants

During the financial year, the provision for decommissioning costs for the coal-fired power plants was reassessed based on valuation reports prepared by an independent professional valuer in December 2023, with the following significant assumptions:

- All storage tanks will be emptied by the most economical means prior to the commencement of the decommissioning;
- All building contents, plant and equipment will be removed; and
- Pre-tax discount rates of 5.12% to 5.71% per annum.

The Group recognised an increase of RM9,208,000 in the estimated provision for decommissioning costs for the coal-fired power plants based on the values stated in the latest valuation reports.

21.2 Gas-fired power plants

The provision for decommissioning costs for the gas-fired power plants was based on valuation reports prepared by an independent professional valuer in previous years. The decommissioning costs of gas-fired power plants estimated were derived using the following significant assumptions:

- All building contents, plant and equipment will be removed;
- All buildings and structures will be removed, including pile caps. Piles will be left on site; and
- Pre-tax discount rate of 3.87% per annum.

During the current financial year, the Group has assessed and determined that the provision for decommissioning costs for gas-fired power plants remains appropriate.

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21. Provision for decommissioning costs (continued)

21.3 Material accounting policy information

Provision for decommissioning costs which arises principally in connection with the power plants is measured by independent professional valuers, whereby the present value is calculated using amounts discounted over the existing PPAs. The liability is recognised (together with a corresponding amount as part of the power plants) once an obligation crystallises in the period when a reasonable estimate can be made. The unwinding of the discount is recognised as part of "cost of sales".

22. Provision for concession assets

	Group	
	2023 RM'000	2022 RM'000
At 1 January	330,759	327,362
Provision made during the year	5,756	6,490
Provision used during the year	(9,106)	(5,046)
Unwinding of discount	1,889	1,953
At 31 December	329,298	330,759
Non-current	126,851	186,984
Current	202,447	143,775
	329,298	330,759

The Group has contractual obligations to maintain the assets required to provide collection services and public cleansing services to a specified standard under the Service Concession Agreement (see Note 7). The provision has been made based on expected replacement costs at appropriate intervals, and was derived using the following significant assumptions:

- Equipment is due for replacement every 4 years;
- Bins and vehicles are due for replacement every 9 years;
- The model of certain vehicles will be standardised during the replacement; and
- Pre-tax discount rate of 5.93% per annum.

22.1 Material accounting policy information

A provision is recognised based on the contractual obligations that the Group must fulfill as a condition of the Group's licence to maintain the infrastructure to a specified standard and to restore the infrastructure which has deteriorated below specific conditions as stated under Service Concession Agreement. The liability is recognised once an obligation crystallises in the period when a reasonable estimate can be made. The unwinding of the discount is recognised as part of "cost of sales".

23. Deferred income

	Group	
	2023 RM'000	2022 RM'000
At 1 January	3,149,206	3,449,444
Additions	88,339	88,720
Recognised in profit or loss	(323,513)	(388,958)
At 31 December	2,914,032	3,149,206
Non-current	2,604,748	2,825,693
Current	309,284	323,513
	2,914,032	3,149,206

Deferred income comprises the difference between capacity payments received from Tenaga Nasional Berhad and capacity payments recognised in profit or loss in relation to the PPAs. The amount is recognised in profit or loss on a straight-line basis over the terms of the respective PPAs.

24. Trade and other payables

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade					
Trade payables		914,974	1,107,583	-	-
Non-trade					
Other payables		124,911	91,908	2,816	4,704
Accrued expenses	24.1	407,670	397,117	7,896	7,591
Amounts due to subsidiaries	24.2	-	-	900,850	1,465,694
Amounts due to related parties	24.2	6,017	2,837	684	662
		538,598	491,862	912,246	1,478,651
		1,453,572	1,599,445	912,246	1,478,651

24.1 Accrued expenses

As at 31 December 2023, included in accrued expenses of the Group are interest expense payable on loans and borrowings of RM116,099,000 (2022: RM99,691,000) and provision for cess fund of RM60,781,000 (2022: RM40,787,000).

24.2 Amounts due to subsidiaries and related parties

Amounts due to subsidiaries and related parties are unsecured, interest free and repayable on demand, except for amounts due to subsidiaries of RM500,000,000 (2022: RM620,274,000), which are subject to an interest rate of 5.50% (2022: 5.50% - 6.90%) per annum.

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25. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers	7,055,051	8,267,575	27,337	27,295
Other revenue				
- Capacity income	2,009,004	2,080,796	-	-
- Rental income from estate	612	5,178	612	5,178
- Dividends from subsidiaries	-	-	754,063	415,215
- Others	2,287	1,601	2,149	1,328
	2,011,903	2,087,575	756,824	421,721
Total revenue	9,066,954	10,355,150	784,161	449,016

25.1 Disaggregation of revenue

Revenue from contracts with customers of the Company represents management fee income received/receivable from certain subsidiaries based in Malaysia which is recognised in profit or loss over time when services are rendered. The payment term is generally a credit period of 30 days from invoice date.

Group	2023 RM'000	2022 RM'000
Major products and service		
Energy income	6,007,815	7,268,638
Electricity distribution	172,439	124,561
Operation and maintenance fees	2,465	1,564
Concession business	677,783	769,600
Solid waste tipping fees and recycling	162,029	76,084
Integrated facility management	32,520	27,128
	7,055,051	8,267,575
Timing and recognition		
Over time	6,215,239	7,421,891
At a point in time	839,812	845,684
	7,055,051	8,267,575
Primary geographical market		
Malaysia	7,055,051	8,267,575
Revenue from contracts with customers	7,055,051	8,267,575
Other revenue	2,011,903	2,087,575
Total revenue	9,066,954	10,355,150

25. Revenue (continued)

25.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods and services	Timing of revenue recognition or method used to recognise revenue	Significant payment terms
Energy income	Revenue is recognised over time as the customer simultaneously receives and consumes the electricity provided by the entity.	Credit period of 30 days from invoice date.
Electricity distribution	Revenue is recognised over time as the customer simultaneously receives and consumes the electricity provided by the entity.	Credit period of 30 days from invoice date.
Operation and maintenance fees	Revenue is recognised over time as and when the operation and maintenance services are performed by the entity.	Credit period of 30 days from invoice date.
Concession business	Revenue is recognised at a point in time when the services are performed by the entity.	Credit period of 30 to 60 days from invoice date.
Solid waste, tipping fees and recycling	Revenue is recognised at a point in time when the services are performed by the entity.	Credit period of 30 to 60 days from invoice date.
Integrated facility management	Revenue is recognised over time as the customer simultaneously receives and consumes the services provided by the entity.	Credit period of 30 to 60 days from invoice date.
Capacity income	Revenue is recognised on a straight-line basis where the PPAs are considered to be or to contain an operating lease.	Credit period of 30 days from invoice date.

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26. Finance income

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets calculated using the effective interest method that are at amortised cost	69,906	67,741	47,770	58,148
Interest income of financial assets that are measured at fair value through profit or loss	13,369	17,571	-	-
	83,275	85,312	47,770	58,148
Recognised in profit or loss	72,776	85,312	47,770	58,148
Capitalised into qualifying assets as a reduction of borrowing costs:				
- Property, plant and equipment	10,499	-	-	-
	83,275	85,312	47,770	58,148

27. Finance costs

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	582,676	597,004	32,279	46,315
Interest expense on lease liabilities	870	1,235	286	336
Other finance costs	10,026	9,693	-	-
	593,572	607,932	32,565	46,651
Recognised in profit or loss	566,874	607,932	32,565	46,651
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets				
- Property, plant and equipment	26,698	-	-	-
	593,572	607,932	32,565	46,651

28. Tax (benefit)/expense

Recognised in profit or loss

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense					
Current year		90,792	446,130	5,376	7,904
Under/(Over) provision in prior year		3,078	3,060	1,312	(1,724)
		93,870	449,190	6,688	6,180
Deferred tax expense					
Origination and reversal of temporary differences		(183,983)	(95,451)	157	88
(Over)/Under provision in prior year		(2,871)	(2,871)	-	141
	13	(186,854)	(98,322)	157	229
Total tax (benefit)/expense		(92,984)	350,868	6,845	6,409
Reconciliation of tax expense					
(Loss)/Profit for the year		(861,933)	385,903	66,384	31,713
Total tax (benefit)/expense		(92,984)	350,868	6,845	6,409
(Loss)/Profit before tax		(954,917)	736,771	73,229	38,122
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)		(229,180)	176,825	17,575	9,149
Non-taxable income		(31,661)	(11,328)	(170,417)	(87,198)
Non-deductible expenses		12,705	143,523	158,375	86,041
Effect of deferred tax assets not recognised		67,697	18,685	-	-
Effect of tax charged at different rate	(i)	-	89,314	-	-
Effect of share of results of associates and joint ventures		87,248	(66,340)	-	-
Under/(Over) provision in prior year					
- current tax		3,078	3,060	1,312	(1,724)
- deferred tax		(2,871)	(2,871)	-	141
		(92,984)	350,868	6,845	6,409

(i) The Finance Act 2021 gazetted on 31 December 2021 enacted that the Prosperity Tax on companies with chargeable income up to first RM100 million to be taxed at 24%, and the remaining chargeable income to be taxed at a one-off rate of 33%. This was only applicable for the Year of Assessment 2022.

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29. (Loss)/Profit for the year

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit for the year is arrived at after charging/(crediting):				
Auditors' remunerations:				
Audit fees:				
- KPMG PLT	1,078	1,078	255	255
- Overseas affiliate of KPMG PLT	85	87	-	-
- Other audit firms	19	71	-	51
Non-audit fees:				
- KPMG PLT*	214	212	185	185
- Local affiliate of KPMG PLT	15	12	15	16
- Overseas affiliate of KPMG PLT	80	23	-	-
- Member firm of KPMG International Limited	36	30	-	-
- Other audit firms	1,554	755	1,494	738
Material expenses/(income)				
(Reversal)/Allowance for diminution in value of consumables	(7,343)	4,739	-	-
Amortisation of intangible assets	294,001	320,038	-	-
Amortisation of transaction costs of hedging instruments	6,755	38,150	-	-
Amortisation of concession assets	13,326	15,008	-	-
Compensation from insurance claims	-	(103,713)	-	-
Contribution and corporate social responsibility	21,615	36,019	2,414	4,239
Depreciation of property, plant and equipment	795,319	912,636	2,276	3,502
Depreciation of right-of-use assets	15,497	16,130	4,721	4,668
Loss/(Gain) on disposal of property, plant and equipment	19,187	117	(4)	(4)
Impairment loss on concession assets	-	425	-	-
Net (reversal)/loss on impairment of investments in associates	(66,338)	398,272	-	-
Impairment loss on investments in subsidiaries	-	-	654,000	337,000

29. (Loss)/Profit for the year (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit for the year is arrived at after charging/(crediting) (continued):				
Material expenses/(income) (continued)				
Personnel expenses (including key management personnel):				
- Contribution to Employees Provident Fund	35,254	34,782	5,814	5,153
- Expenses related to retirement benefit plans	7,318	9,055	1,408	1,815
- Wages, salaries and others	294,371	275,879	36,439	31,497
Property, plant and equipment written off	27,812	15,392	144	-
Realised foreign exchange loss/(gain)	7,697	(94)	(2)	3
Unrealised foreign exchange (gain)/loss	(1,233)	2,376	-	-
Zakat expenses	6,548	6,255	1,076	1,070
Expenses arising from leases				
Expenses relating to short-term leases [^]	10,052	7,207	-	-
Expenses relating to leases of low-value assets [^]	238	259	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities [®]	6,195	13,758	-	-
Net (reversal)/loss on impairment of financial instruments				
Financial assets at amortised cost	(148)	12,072	(3,298)	12,196

* The non-audit fees paid/payable for the current and previous financial years are mainly related to limited review of interim financial information and agreed-upon procedures to verify the compliance of financial covenants by certain subsidiaries of the Group in accordance with the requirements of the lenders.

[^] The Group leases a number of properties, machineries and motor vehicles with contract terms not more than one year. These leases are short-term. The Group also leases a number of office equipment with contract terms of 1 year to 5 years. These leases are low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

[®] The Group leases a number of machineries which are charged based on per trip basis (usage) and accounted for as variable lease payments that do not depend on an index or rate. No lease liability has been recognised at the lease commencement date.

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30. Other comprehensive income

Group	Before tax RM'000	Tax benefit/ (expense) RM'000	Net of tax RM'000
2023			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liabilities	(3,908)	883	(3,025)
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedge - Loss arising during the year	(2,976)	-	(2,976)
Share of loss on hedging reserve of equity-accounted associates and joint ventures	(13,894)	-	(13,894)
Foreign currency translation differences for foreign operations - Gains arising during the year	25,962	-	25,962
	9,092	-	9,092
	5,184	883	6,067
2022			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liabilities	26,647	(6,395)	20,252
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedge - Gains arising during the year	2,584	-	2,584
Share of gain on hedging reserve of equity-accounted associates and joint ventures	106,296	-	106,296
Foreign currency translation differences for foreign operations - Gains arising during the year	16,454	-	16,454
	125,334	-	125,334
	151,981	(6,395)	145,586
Company			
2023			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liabilities	(942)	-	(942)
2022			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liabilities	967	-	967

31. (Loss)/Earnings per ordinary share

Basic/Diluted (loss)/earnings per ordinary share

The calculation of basic/diluted (loss)/earnings per ordinary share is based on the (loss)/profit attributable to equity holders after distribution on perpetual sukuk and a weighted average number of ordinary shares outstanding, calculated as follows:

Group	2023	2022
(Loss)/Profit attributable to equity holders (RM'000)	(837,160)	302,225
Distribution to perpetual sukuk holder, net of tax (RM'000)	(47,200)	(47,200)
(Loss)/Profit attributable to ordinary shareholders (RM'000)	(884,360)	255,025
Weighted average number of ordinary shares at 31 December ('000)	4,886,961	4,886,961
Basic/Diluted (loss)/earnings per ordinary share (sen)	(18.10)	5.22

There is no dilution in (loss)/earnings per ordinary share as the Group has no shares and/or other instruments with potential dilutive effects as at 31 December 2023 and 31 December 2022.

32. Dividends

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
2023			
Final 2022 ordinary share	2.45	119,731	26 May 2023
Interim 2023 ordinary share	1.50	73,304	27 October 2023
Total amount		193,035	
2022			
Final 2021 ordinary share	2.00	97,740	2 June 2022
Interim 2022 ordinary share	2.80	136,836	27 October 2022
Total amount		234,576	

Subsequent to the end of the current financial year, the Board of Directors has approved a final dividend of 1.50 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM73,304,420 in respect of the financial year ended 31 December 2023.

The final dividend will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 31 December 2024.

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33. Operating segments

As the Group continues to explore and diversify its portfolio of assets both domestically and internationally, Management, for the purpose of making informed decisions, monitors and reports the operating results, of which the Managing Director/Group Chief Executive Officer (“the chief operating decision-maker”) regularly reviews and analyses the operating results of local and foreign segments in a manner consistent with the Group’s internal reporting.

The following summary describes the operations in each of the Group’s reportable segments:

- **Power generation** Includes power generation business and water desalination services.
- **Waste management and environmental services** Includes waste management services and environmental services.

Other non-reportable segments comprise operations related to renewable energy business, operation and maintenance services, rental of investment property and investment holding. None of these segments met the quantitative thresholds for reporting segments in 2023 and 2022.

Segment assets

The segment assets consist of property, plant and equipment, investment properties, concession assets, intangible assets, other investments, derivative financial assets, trade and other receivables, deferred tax assets, inventories, current tax assets, cash and cash equivalents of the segment. Investments in associates and joint ventures are excluded from the segment assets. The segment assets are presented in a manner that is consistent with the internal reporting provided to Management for the allocation of resource and assessment of segment performance.

Segment liabilities

The segment liabilities consist of loans and borrowings, lease liabilities, employee benefits, provision for decommissioning costs, provision for concession assets, deferred income, derivative financial liabilities, deferred tax liabilities, trade and other payables and current tax liabilities of the segment. The segment liabilities are presented in a manner that is consistent with the internal reporting provided to Management for the allocation of resource and assessment of segment performance.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and right-of-use assets.

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33. Operating segments (continued)

	Power generation		Waste Management and Environmental Services		Others		Elimination ^(A)		Consolidated	
	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023										
Revenue from external customers	8,011,898	-	872,332	872,332	182,724	-	-	-	9,066,954	-
Inter-segment revenue	-	-	-	1,478,762	1,728,619	(1,478,762)	(249,857)	(249,857)	-	-
Total segment revenue	8,011,898	-	872,332	1,661,486	1,911,343	(1,478,762)	(249,857)	(1,728,619)	9,066,954	-
Loss after tax	(472,705)	(211,310)	112,633	710,559	233,801	(974,011)	(260,900)	(1,234,911)	(623,524)	(238,409)
2022										
Revenue from external customers	9,346,037	-	872,812	136,301	136,301	-	-	-	10,355,150	-
Inter-segment revenue	-	-	-	1,291,400	1,408,665	(1,291,400)	(117,265)	(117,265)	-	-
Total segment revenue	9,346,037	-	872,812	1,427,701	1,544,966	(1,291,400)	(117,265)	(1,408,665)	10,355,150	-
Profit after tax	844,933	173,861	103,337	153,200	64,636	(564,339)	(389,725)	(954,064)	537,131	(151,228)

(A) Inter-segment transactions are eliminated on consolidation.

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33. Operating segments (continued)

	Power generation			Waste Management and Environmental Services			Others			Elimination			Consolidated		
	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000
At 31 December 2023															
Segment assets	15,840,733	-	15,840,733	763,263	12,831,832	2,144,700	14,976,532	(12,611,087)	18,969,441						
Investments in associates	-	-	-	-	215,353	49,917	265,270	320,840	586,110						
Investments in joint ventures	-	-	-	-	22,586	485,005	507,591	237,508	745,099						
	15,840,733	-	15,840,733	763,263	13,069,771	2,679,622	15,749,393	(12,052,739)	20,300,650						
Segment liabilities	13,918,993	-	13,918,993	514,526	4,241,517	1,078,818	5,320,335	(5,000,051)	14,753,803						
Capital expenditure	239,305	-	239,305	40,124	21,441	-	21,441	14	300,884						
At 31 December 2022															
Segment assets	16,787,233	-	16,787,233	735,004	13,324,106	2,057,602	15,381,708	(12,747,730)	20,156,215						
Investments in associates	-	-	-	-	215,353	49,917	265,270	726,437	991,707						
Investments in joint ventures	-	-	-	-	22,586	485,005	507,591	328,316	835,907						
	16,787,233	-	16,787,233	735,004	13,562,045	2,592,524	16,154,569	(11,692,977)	21,983,829						
Segment liabilities	14,144,135	-	14,144,135	524,990	4,859,967	1,165,951	6,025,918	(5,407,032)	15,288,011						
Capital expenditure	258,812	-	258,812	18,461	28,062	-	28,062	(1,679)	303,656						

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33. Operating segments (continued)

	Power generation			Waste Management and Environmental Services			Others			Consolidated		
	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000	Local RM'000	Foreign RM'000	Total RM'000
As at 31 December 2023												
Reversal of allowance for diminution in value of consumables	(4,646)	-	(4,646)	(66)	12,055	12,055	7,343	-	7,343			
Amortisation of intangible assets	(156,024)	(11,646)	(167,670)	(36,421)	(89,910)	(89,910)	(282,355)	(11,646)	(294,001)			
Amortisation of transaction costs of hedging instruments	(6,755)	-	(6,755)	-	-	-	(6,755)	-	(6,755)			
Amortisation of concession assets	-	-	-	(13,326)	-	-	(13,326)	-	(13,326)			
Depreciation of property, plant and equipment	(772,178)	-	(772,178)	(10,750)	(12,391)	(12,391)	(795,319)	-	(795,319)			
Depreciation of right-of-use assets	(5,148)	-	(5,148)	(5,085)	(5,085)	(5,085)	(15,497)	-	(15,497)			
Loss on disposal of property, plant and equipment	(19,249)	-	(19,249)	(110)	172	172	(19,187)	-	(19,187)			
Expenses related to retirement benefit plans	-	-	-	-	(7,318)	(7,318)	(7,318)	-	(7,318)			
Net reversal of impairment loss on financial instruments	-	-	-	148	-	-	148	-	148			
Net reversal of impairment loss on property, plant and equipment	-	-	-	4	400	400	404	-	404			
Property, plant and equipment written off	(25,617)	-	(25,617)	-	(2,195)	(2,195)	(27,812)	-	(27,812)			
Net unrealised foreign exchange gain	-	-	-	-	(384)	(384)	(384)	1,617	1,233	(384)	1,617	1,233
	(989,617)	(11,646)	(1,001,263)	(65,785)	(104,656)	(104,656)	(1,160,058)	(10,029)	(1,170,087)			

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33. Operating segments (continued)

	Power generation			Waste Management and Environmental Services			Others			Consolidated		
	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2022												
Allowance for diminution in value of consumables	3,041	-	3,041	(28)	-	(28)	(7,752)	-	(7,752)	(4,739)	-	(4,739)
Amortisation of intangible assets	(182,021)	(11,647)	(193,668)	(36,462)	-	(36,462)	(89,908)	-	(89,908)	(308,391)	(11,647)	(320,038)
Amortisation of transaction costs of hedging instruments	(38,150)	-	(38,150)	-	-	-	-	-	-	(38,150)	-	(38,150)
Amortisation of concession assets	-	-	-	(15,008)	-	(15,008)	-	-	-	(15,008)	-	(15,008)
Depreciation of property, plant and equipment	(887,425)	-	(887,425)	(10,697)	-	(10,697)	(14,514)	-	(14,514)	(912,636)	-	(912,636)
Depreciation of right-of-use assets	(5,073)	-	(5,073)	(6,716)	-	(6,716)	(4,341)	-	(4,341)	(16,130)	-	(16,130)
Loss on disposal of property, plant and equipment	-	-	-	(21)	-	(21)	(96)	-	(96)	(117)	-	(117)
Expenses related to retirement benefit plans	-	-	-	-	-	-	(9,055)	-	(9,055)	(9,055)	-	(9,055)
Impairment loss on concession assets	-	-	-	(425)	-	(425)	-	-	-	(425)	-	(425)
Net impairment loss on financial instruments	-	-	-	124	-	124	(12,196)	-	(12,196)	(12,072)	-	(12,072)
Impairment loss on property, plant and equipment	-	-	-	(23)	-	(23)	-	-	-	(23)	-	(23)
Property, plant and equipment written off	(15,392)	-	(15,392)	-	-	-	-	-	-	(15,392)	-	(15,392)
Net unrealised foreign exchange loss	-	-	-	-	-	-	41	(2,417)	(2,376)	41	(2,417)	(2,376)
	(1,125,020)	(11,647)	(1,136,667)	(69,256)	(2,417)	(71,673)	(137,821)	(2,417)	(140,238)	(1,332,097)	(14,064)	(1,346,161)

33. Operating segments (continued)

Geographical information

The local and foreign segments are managed on a worldwide basis, with operating facilities in Malaysia, Indonesia and Middle East.

Geographic revenue information is based on geographical location of the customers, which are solely derived from Malaysia (see Note 25). Geographic non-current assets are based on the geographical location of the assets, which are solely derived from Malaysia. The amounts of non-current assets do not include investments in associates and joint ventures, and deferred tax assets.

Major customers

The following is a major customer with revenue equal or more than 10% of the Group's total revenue:

Group	Revenue	
	2023 RM'000	2022 RM'000
Tenaga Nasional Berhad	8,011,898	9,346,037

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34. Financial instruments

34. Financial instruments (continued)

34.1 Categories of financial instruments

34.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as follows:

- a) Amortised cost ("AC")
- b) Fair value through profit or loss ("FVTPL")
 - Mandatorily required by MFRS 9
- c) Derivatives used for hedging

Group	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
2023				
Financial assets				
Trade and other receivables*	1,443,867	1,443,867	-	-
Other investments	488,080	310,303	177,777	-
Cash and cash equivalents	2,571,016	2,571,016	-	-
Derivative financial assets	94,300	-	-	94,300
	4,597,263	4,325,186	177,777	94,300
Financial liabilities				
Loans and borrowings	(8,805,079)	(8,805,079)	-	-
Trade and other payables*	(1,449,391)	(1,449,391)	-	-
	(10,254,470)	(10,254,470)	-	-

Company	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2023			
Financial assets			
Trade and other receivables*	1,287,531	1,287,531	-
Other investments	2,484	-	2,484
Cash and cash equivalents	59,843	59,843	-
	1,349,858	1,347,374	2,484
Financial liabilities			
Trade and other payables	(912,246)	(912,246)	-

* Excludes non-financial instruments

Group	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	Derivatives used for hedging RM'000
2022				
Financial assets				
Trade and other receivables*	1,972,981	1,972,981	-	-
Other investments	695,224	163,451	531,773	-
Cash and cash equivalents	1,539,630	1,539,630	-	-
Derivative financial assets	120,833	-	-	120,833
	4,328,668	3,676,062	531,773	120,833
Financial liabilities				
Loans and borrowings	(8,743,408)	(8,743,408)	-	-
Trade and other payables*	(1,595,578)	(1,595,578)	-	-
Derivative financial liabilities	(106)	-	-	(106)
	(10,339,092)	(10,338,986)	-	(106)

Company	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2022			
Financial assets			
Trade and other receivables*	1,226,823	1,226,823	-
Other investments	2,484	-	2,484
Cash and cash equivalents	155,564	155,564	-
	1,384,871	1,382,387	2,484
Financial liabilities			
Trade and other payables	(1,478,651)	(1,478,651)	-

* Excludes non-financial instruments

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34. Financial instruments (continued)

34. Financial instruments (continued)

34.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net (losses)/gains on:				
Financial assets measured at amortised cost	53,091	53,387	44,472	45,952
Financial liabilities measured at amortised cost	(555,978)	(597,004)	(32,562)	(46,318)
Financial assets measured at fair value through profit or loss mandatorily required by MFRS 9	16,586	17,786	-	149
Derivatives used for hedging				
- Recognised in other comprehensive income	(2,976)	2,584	-	-
	(489,277)	(523,247)	11,910	(217)

34.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

34.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

34.4 Credit risk (continued)

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of the receivables ageing. Credit evaluations are performed on significant customers requiring credit over a certain amount. The Group does not require collateral in respect of trade receivables.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to the enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

At the end of the reporting period, the Group has a concentration of credit risk in the form of trade debts due from Tenaga Nasional Berhad and Solid Waste and Public Cleansing Management Corporation, representing approximately 87% (2022: 91%) of the total receivables of the Group.

The exposure of credit risk for trade receivables as at the end of the current and previous reporting periods by geographic region was solely domestic.

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34. Financial instruments (continued)

34. Financial instruments (continued)

34.4 Credit risk (continued)

34.4 Credit risk (continued)

Trade receivables (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses

Recognition and measurement of impairment losses (continued)

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is as follows:

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below:

- Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the commercial team; and
- Above 90 days past due, the Group will initiate a legal proceeding against the customer.

Group	Lifetime ECL RM'000
At 1 January 2022	3,150
Net remeasurement of loss allowance	(124)
At 31 December 2022/1 January 2023	3,026
Net remeasurement of loss allowance	(148)
At 31 December 2023	2,878

The Group uses an allowance matrix to measure Expected Credit Losses ("ECLs") of trade receivables.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are not significant for the purpose of impairment calculation for the year.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is probable, the amount considered irrecoverable is written off against the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Not past due	1,292,556	(132)	1,292,424
Past due 1 – 30 days	5,983	(559)	5,424
Past due 31 – 120 days	2,891	(264)	2,627
Past due more than 120 days	7,461	(1,923)	5,538
	1,308,891	(2,878)	1,306,013
2022			
Not past due	1,786,902	(160)	1,786,742
Past due 1 – 30 days	9,078	(548)	8,530
Past due 31 – 120 days	11,079	(248)	10,831
Past due more than 120 days	24,096	(2,070)	22,026
	1,831,155	(3,026)	1,828,129

Cash and cash equivalents and deposits with licensed banks and other licensed corporations

The cash and cash equivalents and deposits are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material.

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34. Financial instruments (continued)

34. Financial instruments (continued)

34.4 Credit risk (continued)

Other receivables

Credit risk on other receivables is mainly arising from interest receivables, deposits paid for office buildings and fixtures rented. These deposits will be received at the end of each lease term. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Interest receivables are due from banks and financial institutions that have a low credit risk. In addition, some of the bank balances are insured by government agencies. Consequently, the Group is of the view that the loss allowance is not material.

The movements in the allowance for impairment in respect of other receivables during the financial year are shown below:

	Group RM'000	Company RM'000
Lifetime ECL		
At 1 January 2022/31 December 2022/ 1 January 2023/31 December 2023	12,681	5,516

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM1,841,409,000 (2022: RM2,189,072,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

34.4 Credit risk (continued)

Financial guarantees (continued)

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Related company loans and advances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide loans and advances to related companies. The Group and the Company monitor the results of the related companies regularly, as well as their ability to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Related company loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

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34. Financial instruments (continued)

34. Financial instruments (continued)

34.4 Credit risk (continued)

34.4 Credit risk (continued)

Related company loans and advances (continued)

Related company loans and advances (continued)

Recognition and measurement of impairment loss

Recognition and measurement of impairment loss (continued)

Generally, the Group and the Company consider related company loans and advances to have low credit risk. It is assumed that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Group and the Company are able to determine the timing of payments of the related company's loans and advances when they are payable, loans and advances are considered to be in default when the related companies are not able to pay when demanded. A related company's loans and advances are considered to be credit impaired when:

The movements in the allowance for impairment in respect of related companies' loans and advances during the financial year are as follows:

- the related company is unlikely to repay its loans or advances to the Company in full;
- the related company's loans and advances are overdue for more than 365 days; or
- the related company is continuously loss making and has a deficit in shareholders' fund.

	Group RM'000	Company RM'000
Lifetime ECL		
At 1 January 2022		
Net remeasurement of loss allowance	(56,486)	(124,172)
Impairment on amount due from associate waived following conversion as capital contribution to an associate	(12,196)	(12,196)
	68,682	68,682
At 31 December 2022/1 January 2023	-	(67,686)
Net remeasurement of loss allowance	-	3,298
At 31 December 2023	-	(64,388)

The Group and the Company determine the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for related companies' loans and advances.

Group	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
2023			
Low credit risk	65,797	-	65,797
2022			
Low credit risk	62,126	-	62,126
Company			
2023			
Low credit risk	1,186,617	-	1,186,617
Significant increase in credit risk	161,290	(64,388)	96,902
	1,347,907	(64,388)	1,283,519
2022			
Low credit risk	1,217,843	-	1,217,843
Significant increase in credit risk	72,753	(67,686)	5,067
	1,290,596	(67,686)	1,222,910

34.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis in relation to the Group's and the Company's financial liabilities could occur significantly earlier, or at significantly different amounts.

There was no loss allowance made on the Group's related companies' loans and advances during the financial year (2022: Nil).

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34. Financial instruments (continued)

34.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	2023	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Financial liabilities Secured								
Sukuk Ijarah medium-term notes	1,984,355	5.01 – 5.45	2,461,029	449,174	451,842	1,243,663	316,350	
Sukuk medium-term notes	1,621,089	5.55 – 6.25	2,335,467	295,775	235,230	696,634	1,107,828	
Sukuk Wakalah	165,000	5.27 – 5.60	200,939	8,856	8,881	167,371	15,831	
Sukuk Wakalah	955,690	5.09 – 6.15	1,729,943	56,222	55,762	192,900	1,425,059	
Sukuk Murabahah	3,535,000	5.40 – 6.31	4,842,277	333,098	438,331	1,437,323	2,633,525	
Senior USD term loan	292,625	5.80 SOFR + margin	305,037	219,781	85,256	-	-	
USD term loan Islamic medium-term notes	220,320	2.00	249,193	41,824	40,333	167,036	-	
	1,000	4.60	1,000	1,000	-	-	-	
	8,775,079		12,124,885	1,405,730	1,315,635	3,904,927	5,498,593	
Unsecured								
Redeemable Preference Shares	30,000	7.50	30,000	30,000	-	-	-	
Trade and other payables [^]	1,449,391	-	1,449,391	1,449,391	-	-	-	
Lease liabilities	16,031	3.88 – 5.73	19,679	6,535	4,190	4,760	4,194	
	10,270,501		13,623,955	2,891,656	1,319,825	3,909,687	5,502,787	

34. Financial instruments (continued)

34.5 Liquidity risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (continued):

Group	2022	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Financial liabilities Secured								
Sukuk Ijarah medium-term notes	2,272,987	4.90 – 5.45	2,905,585	444,556	449,174	1,299,834	712,021	
Sukuk medium-term notes	1,947,622	5.45 – 6.25	2,778,364	442,540	296,065	584,695	1,455,064	
Sukuk Wakalah	180,000	5.00 – 5.60	225,616	24,677	8,856	138,480	53,603	
Sukuk Murabahah	3,600,000	5.30 – 6.31	5,120,734	278,457	333,098	1,377,250	3,131,929	
Senior RM term loan	63,636	5.01 – 5.80	64,712	64,712	-	-	-	
Senior USD term loan	407,713	5.80 SOFR + margin	439,270	147,525	210,204	81,541	-	
USD term loan	241,450	2.00	276,878	38,543	40,001	198,334	-	
	8,713,408		11,811,159	1,441,010	1,337,398	3,680,134	5,352,617	
Unsecured								
Redeemable Preference Shares	30,000	7.50	30,000	30,000	-	-	-	
Trade and other payables [^]	1,595,578	-	1,595,578	1,595,578	-	-	-	
Lease liabilities	21,030	3.88 – 5.73	24,089	9,404	6,416	3,596	4,673	
	10,360,016		13,460,826	3,075,992	1,343,814	3,683,730	5,357,290	

[^] Excludes non-financial instruments

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34. Financial instruments (continued)

34.5 Liquidity risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (continued):

Company	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000
2023						
Financial liabilities						
Unsecured						
Other payables and accruals	11,396	-	11,396	11,396	-	-
Amounts due to subsidiaries	500,000	5.50	527,500	527,500	-	-
Amounts due to subsidiaries	400,850	-	400,850	400,850	-	-
Lease liabilities	4,455	3.88 - 5.50	4,713	2,809	635	1,269
Financial guarantees	-	-	1,841,409	1,841,409	-	-
	916,701		2,785,868	2,783,964	635	1,269
2022						
Financial liabilities						
Unsecured						
Other payables and accruals	12,957	-	12,957	12,957	-	-
Amounts due to subsidiaries	620,274	5.50 - 6.90	656,072	656,072	-	-
Amounts due to subsidiaries	845,420	-	845,420	845,420	-	-
Lease liabilities	9,151	3.88 - 5.50	9,695	4,982	2,809	1,904
Financial guarantees	-	-	2,189,072	2,189,072	-	-
	1,487,802		3,713,216	3,708,503	2,809	1,904

34. Financial instruments (continued)

34.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are Indonesian Rupiah ("IDR"), US Dollar ("USD") and Australian Dollar ("AUD").

Risk management objectives, policies and processes for managing the risk

The Group hedges certain of its foreign currency denominated loans and borrowings. The Group uses cross currency interest rate swaps to hedge its foreign currency risk. The cross currency interest rate swaps have maturities of less than two years after the end of the reporting period.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period is as follows:

	IDR RM'000	USD RM'000	AUD RM'000
2023			
Deposits with licensed banks	-	89,923	-
Cash and bank balances	7,974	34,063	-
Loans and borrowings	-	(220,320)	-
Trade and other receivables	-	21,283	17,833
Trade and other payables	-	(73,231)	-
Net exposure	7,974	(148,282)	17,833
2022			
Deposits with licensed banks	-	206	-
Cash and bank balances	7,510	148,022	-
Loans and borrowings	-	(241,450)	-
Trade and other receivables	-	48,356	-
Net exposure	7,510	(44,866)	-

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34. Financial instruments (continued)

34. Financial instruments (continued)

34.6 Market risk (continued)

34.6 Market risk (continued)

Currency risk (continued)

Interest rate risk (continued)

Currency risk sensitivity analysis

Exposure to interest rate risk

Foreign currency risk arises from Group entities which have functional currencies other than Ringgit Malaysia ("RM"). A 10% (2022: 10%) strengthening of the RM against the following currencies would have increased/(decreased) post-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:

	Profit or loss	
	2023 RM'000	2022 RM'000
Group		
IDR	(606)	(571)
USD	11,269	3,410
AUD	(1,355)	-
	9,308	2,839

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments				
- Financial assets	1,862,053	1,783,441	854,932	848,008
- Financial liabilities	(8,600,790)	(8,507,079)	(504,455)	(629,908)
Floating rate instruments				
- Financial liabilities	(220,320)	(257,359)	-	-

A 10% (2022: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk sensitivity analysis

Interest rate risk

Fair value sensitivity analysis for fixed rate instruments

The Group's fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The Group and the Company do not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model.

Risk management objectives, policies and processes for managing the risk

At the reporting date, if the fixed rate financial assets classified as fair value through profit or loss have been 1% (2022: 1%) higher/lower, with all other variables held constant, the Group's profit or loss would have increased/(decreased) by RM1,753,000 (2022: RM5,293,000) arising as a result of changes in the fair value of the financial assets classified as fair value through profit or loss.

In managing interest rate risk, the Group maintains a balanced portfolio consisting mainly fixed rate instruments. All interest rate exposures are monitored and managed proactively by the Group's management. The Group has also entered into interest rate swap and cross currency interest rate swaps in order to hedge against the floating rate exposure. At 31 December 2023, the swaps mature over the next 2 years, matching the maturity of the floating rate bank loans.

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34. Financial instruments (continued)

34. Financial instruments (continued)

34.6 Market risk (continued)

34.7 Hedging activities

Interest rate risk (continued)

Currency risk – Transactions in foreign currency

Interest rate risk sensitivity analysis (continued)

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of the Group. The functional currency of Group companies is primarily the Ringgit Malaysia ("RM"). The currency in which these transactions are primarily denominated is the US Dollar ("USD").

Cash flow sensitivity analysis for variable rate instruments

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

A change of 100 basis points ("bps") in interest rates at the end of the reporting period would have increased/ (decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Profit or loss		Equity	
	100 bps increase RM'000	100 bps decrease RM'000	100 bps increase RM'000	100 bps decrease RM'000
2023				
Floating rate instruments	(2,203)	2,203	-	-
Cross currency interest rate swaps	-	-	(1,186)	1,186
Cash flow sensitivity (net)	(2,203)	2,203	(1,186)	1,186
2022				
Floating rate instruments	(2,574)	2,574	-	-
Interest rate swap	-	-	26	(26)
Cross currency interest rate swaps	-	-	(3,481)	3,481
Cash flow sensitivity (net)	(2,574)	2,574	(3,455)	3,455

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

Interest rate risk

To manage interest rate risk exposure, the Group partly enters into fixed-rate instruments and partly borrows at a floating rate and uses interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

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34. Financial instruments (continued)

34. Financial instruments (continued)

34.7 Hedging activities (continued)

34.7 Hedging activities (continued)

Cash flow hedge

Cash flow hedge (continued)

The Group applied the requirements of MFRS 9, *Financial Instruments* for hedge accounting. The Group has elected to account for the entire swap as a hedging instrument in its entirety. The forward element of these swaps is not separately accounted for from its spot element. Accordingly, the change in fair value of the entire swap is recognised in the hedging reserve in equity.

The amounts at the reporting date relating to items designated as hedged items were as follows:

The Group entered into various interest rate swap ("IRS") and cross currency interest rate swaps ("CCIRS") to hedge the interest rate risk and foreign exchange risk in relation to the variability in cash flows on the floating rate RM and USD loans.

	Change in value used for calculation of hedge ineffectiveness RM'000	Cash flow hedge reserve RM'000
Group		
2023		
Foreign currency and interest rate risks		
Cross currency interest rate swaps	(478)	(2,668)
Interest rate risk		
Interest rate swap	415	(308)
2022		
Foreign currency and interest rate risks		
Cross currency interest rate swaps	7,438	8,367
Interest rate risk		
Interest rate swap	12,783	(5,783)

The Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

The amounts at the reporting date relating to items designated as hedged instruments were as follows:

Group	Maturity		
	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000
2023			
Foreign currency and interest rate risks			
Cross currency interest rate swaps			
Net exposure	150,697	58,494	-
Fixed interest rate	5.80%	5.80%	-
Fixed foreign exchange rate (RM/USD)	3.149	3.149	-
2022			
Foreign currency and interest rate risks			
Cross currency interest rate swaps			
Net exposure	105,855	150,697	58,494
Fixed interest rate	5.80%	5.80%	5.80%
Fixed foreign exchange rate (RM/USD)	3.149	3.149	3.149
Interest rate risk			
Interest rate swap			
Net exposure	48,681	-	-
Fixed interest rate	5.80%	-	-

Group	Carrying amount			Line item in the statement of financial position where the hedging instrument is included
	Nominal amount RM'000	Assets RM'000	Liabilities RM'000	
2023				
Foreign currency and interest rate risks				
Cross currency interest rate swaps	(209,191)	94,300	-	Derivative financial assets
2022				
Foreign currency and interest rate risks				
Cross currency interest rate swaps	(315,046)	120,833	-	Derivative financial assets
Interest rate risk				
Interest rate swap	(48,681)	-	(106)	Derivative financial liabilities

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34. Financial instruments (continued)

34.7 Hedging activities (continued)

Cash flow hedge (continued)

The amounts at the reporting date relating to items designated as hedged items were as follows:

Group	Changes in the value of hedging instrument recognised in comprehensive income RM'000	Hedge ineffectiveness recognised in profit or loss RM'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedge reserve to profit or loss RM'000	Line item in profit or loss affected by the reclassification
2023					
Foreign currency and interest rate risks					
Cross currency interest rate swaps	(26,055)	(478)	Other operating expenses	23,387	Other operating expenses
Interest rate risk					
Interest rate swap	(308)	415	Other operating expenses	-	Other operating expenses
2022					
Foreign currency and interest rate risks					
Cross currency interest rate swaps	(175,286)	7,438	Other operating expenses	183,653	Other operating expenses
Interest rate risk					
Interest rate swap	(5,783)	12,783	Other operating expenses	-	Other operating expenses

34. Financial instruments (continued)

34.7 Hedging activities (continued)

Cash flow hedge (continued)

The following table provides reconciliation by risk category of components of equity and analysis of other comprehensive income items, net of tax, resulting from cash flow hedge accounting.

Group	Hedging reserve	
	2023 RM'000	2022 RM'000
At 1 January	314,657	205,777
<i>Changes in fair value:</i>		
Cross currency interest rate swaps	(26,055)	(175,286)
Interest rate swap	(308)	(5,783)
<i>Amount reclassified to profit or loss:</i>		
Cross currency interest rate swaps	23,387	183,653
Share of hedging reserve of equity-accounted associates and joint ventures	(13,894)	106,296
At 31 December	297,787	314,657

34.8 Fair value information

The carrying amounts of cash and cash equivalents, deposits with licensed banks, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

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34. Financial instruments (continued)

34.8 Fair value information (continued)

The table below analyses financial instruments carried at fair value.

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2023								
Non-current Financial assets								
Derivative financial assets:								
Cross currency interest rate swaps	-	94,300	-	-	-	-	94,300	94,300
Other investments:								
Investment in RCCPS	-	-	2,484	-	-	-	2,484	2,484
Other investments	-	175,293	-	-	-	-	175,293	175,293
	-	269,593	2,484	-	-	-	272,077	272,077
Financial liabilities								
Loans and borrowings								
Secured:								
Sukuk Ijarah medium-term notes	-	-	-	-	(2,148,602)	-	(2,148,602)	(1,984,355)
Sukuk medium-term notes	-	-	-	-	(1,905,548)	-	(1,905,548)	(1,621,089)
Sukuk Wakalah	-	-	-	-	(171,153)	-	(171,153)	(165,000)
Sukuk Wakalah	-	-	-	-	(1,065,799)	-	(1,065,799)	(955,690)
Sukuk	-	-	-	-	(3,815,526)	-	(3,815,526)	(3,535,000)
Murabahah	-	-	-	-	-	-	-	-
Senior USD term loan	-	-	-	-	(287,303)	(287,303)	(287,303)	(292,625)
USD term loan	-	-	-	-	(221,748)	(221,748)	(221,748)	(220,320)
	-	-	-	-	(9,106,628)	(509,051)	(9,615,679)	(8,774,079)

34. Financial instruments (continued)

34.8 Fair value information (continued)

The table below analyses financial instruments carried at fair value (continued):

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2022								
Non-current Financial assets								
Derivative financial assets:								
Cross currency interest rate swaps	-	120,833	-	-	-	-	120,833	120,833
Other investments:								
Investment in RCCPS	-	-	2,484	-	-	-	2,484	2,484
Other investments	-	529,289	-	-	-	-	529,289	529,289
	-	650,122	2,484	-	-	-	652,606	652,606
Financial liabilities								
Derivative financial liabilities:								
Interest rate swap	-	(106)	-	-	-	-	(106)	(106)
Loans and borrowings								
Secured:								
Sukuk Ijarah medium-term notes	-	-	-	-	(2,442,262)	-	(2,442,262)	(2,272,987)
Sukuk medium-term notes	-	-	-	-	(2,178,219)	-	(2,178,219)	(1,947,622)
Sukuk Wakalah	-	-	-	-	(183,079)	-	(183,079)	(180,000)
Sukuk Murabahah	-	-	-	-	(3,760,447)	-	(3,760,447)	(3,600,000)
Senior RM term loan	-	-	-	-	(62,432)	(62,432)	(62,432)	(63,636)
Senior USD term loan	-	-	-	-	(398,522)	(398,522)	(398,522)	(407,713)
USD term loan	-	-	-	-	(239,858)	(239,858)	(239,858)	(241,450)
	-	(106)	-	-	(8,564,007)	(700,812)	(9,264,819)	(8,713,514)

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34. Financial instruments (continued)

34. Financial instruments (continued)

34.8 Fair value information (continued)

34.8 Fair value information (continued)

Level 2 fair value

Valuation process applied by the Group for Level 3 fair value

Derivatives

The IRS and CCIRS instruments entered by a subsidiary in Malaysia are not actively traded therefore market-based prices are not readily available. The fair values of the instruments are calculated based on the present value of future principal and interest cash flows. The spot rates, forward rates and foreign exchange rates used to calculate present value are directly observable from the market.

The Group has an established control framework with respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Other investments

Fair value of other investments is determined by reference to statements provided by the respective financial institutions, with which the placements were entered into.

34.9 Material accounting policy information

The Group applies settlement date accounting for regular way purchase or sale of financial assets.

Non-derivative financial liabilities

Fair value of the long-term borrowings which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

35. Capital management

The Group's objectives when managing capital are to maintain a strong capital base and to safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2022: no transfer in either directions).

35.1 The Company's debt-to-equity ratio is applied to the following loans and borrowings:

a) Sukuk medium-term notes issued by Malakoff Power Berhad ("MPB")

For Sukuk medium-term notes issued by MPB, the Company and MPB are required to maintain an aggregated debt-to-equity ratio of not more than 1:1.

The aggregated debt-to-equity ratios were as follows:

	2023	2022
Aggregated debt-to-equity ratio of the Company and MPB	0.34:1	0.34:1

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Loans and borrowings	Discounted cash flows using applicable and prevailing rates at the reporting date

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35. Capital management (continued)

35.1 The Company's debt-to-equity ratio is applied to the following loans and borrowings (continued):

b) USD term loan drawdown by Malakoff International Limited ("MIL")

For USD term loan, drawdown by MIL, the Company is required to maintain a debt-to-equity ratio of not more than 1:1.

The debt-to-equity ratios were as follows:

	2023	2022
Company debt-to-equity ratio	0.33:1	0.33:1

35.2 The Group's debt-to-equity ratio is applied to the following loans and borrowings:

a) Sukuk medium-term notes issued by MPB

b) USD term loan drawdown by MIL

For Sukuk medium-term notes issued and drawdown by MPB and USD term loan held by MIL, the Group is required to maintain its debt-to-equity ratio of not more than 5.5:1.

The debt-to-equity ratios were as follows:

	2023	2022
Group debt-to-equity ratio	1.60:1	1.41:1

Debt covenants in relation to subsidiaries are disclosed in Note 19.

There were no changes in the Group's approach to capital management during the financial year.

36. Capital and other commitments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Plant and equipment				
Contracted but not provided for	510,327	58,094	722	72

37. Contingencies

Provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Contingent liabilities not considered remote

Litigations

(i) Proceedings by the Public Prosecutor of Algeria against Almiyah Attilemcania SpA ("AAS")

On 22 June 2023, the Supreme Court of Algeria had delivered its judgement, dismissing the appeal filed by AAS against the decision by the Court of Appeal of Tlemcen in respect of alleged breach of foreign exchange regulations and the penalty of Algerian Dinar ("DZD") 3,929,038,115.36.

Based on the legal advice of MCB's solicitors in Algeria, as the judgement is against AAS only, it should not have any direct impact on MCB. The Group's carrying amount of investment in AAS had been fully provided for in financial year 2016.

(ii) International Chamber of Commerce International Court of Arbitration ("ICC") Arbitration No. 24250/DDA between Algerian Energy Company SPA ("AEC") and (1) Tlemcen Desalination Investment Company SAS ("TDIC"), (2) Hyflux Limited ("Hyflux") and (3) Malakoff Corporation Berhad ("MCB") in relation to Souk Tleta Seawater Desalination Plant in Tlemcen, Algeria

On 19 March 2019, AEC had initiated the arbitration at ICC, Paris, against TDIC, an indirect 70%-owned subsidiary of the Group, Hyflux and MCB (collectively "Respondents") in relation to the Water Purchase Agreement dated 9 December 2007, Framework Agreement dated 9 December 2007 ("Framework Agreement"), Joint Venture Agreement dated 28 March 2007 ("JVA") and Dispute Resolution Protocol dated 9 December 2007.

On 2 August 2021, AEC filed its Statement of Claim, seeking, inter alia, (a) damages of USD288.4 million as compensation for its loss in respect of the alleged breaches under the JVA, and (b) transfer of TDIC's shares in Almiyah Attilemcania SpA ("AAS"), the project company, for the sum of DZD1 only.

In response, MCB and TDIC filed their Statement of Defence together with technical, quantum/financial and legal expert reports, refuting AEC's claims, on 17 December 2021.

On 19 April 2022, AEC filed its Statement of Reply, increasing its claim to USD401.8 million (principal) or USD378.3 million (alternative). On 29 July 2022, MCB and TDIC filed their Rejoinder, in response to AEC's Statement of Reply.

The Arbitral Tribunal conducted the arbitration hearing in Paris on 21 November 2022 to 24 November 2022.

Pursuant to the Arbitral Tribunal's directions, AEC, MCB and TDIC had submitted their respective Post-Hearing Briefs on 15 March 2023 and Statements of Costs on 14 April 2023.

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37. Contingencies (continued)

Contingent liabilities not considered remote (continued)

Litigations (continued)

(ii) *International Chamber of Commerce International Court of Arbitration ("ICC") Arbitration No. 24250/DDA between Algerian Energy Company SPA ("AEC") and (1) Tlemcen Desalination Investment Company SAS ("TDIC"), (2) Hyflux Limited ("Hyflux") and (3) Malakoff Corporation Berhad ("MCB") in relation to Souk Tleta Seawater Desalination Plant in Tlemcen, Algeria (continued)*

On 18 July 2023, the Arbitral Tribunal declared the proceedings closed with respect to the matters to be decided in the arbitration.

On 27 September 2023, the Arbitral Tribunal rendered the Final Award, deciding inter alia as follows:

- (a) MCB and Hyflux did not breach any of the provisions under the JVA as alleged by AEC;
- (b) All of AEC's claims for damages against MCB and Hyflux are dismissed;
- (c) TDIC is ordered to transfer its shares in AAS to AEC for an amount of DZD1 in accordance with the Framework Agreement;
- (d) The Respondents shall bear their own legal costs;
- (e) TDIC shall bear in full the costs of the arbitration, comprising the Arbitral Tribunal's fees and expenses and the ICC's administrative expenses, as determined by ICC. In this regard, TDIC is ordered to reimburse AEC the sum of USD882,569.67 towards the said costs of the arbitration;
- (f) TDIC is ordered to reimburse AEC the sum of EUR1,822,085.97, being 50% of AEC's legal costs; and
- (g) All other claims and submissions are dismissed.

[The sums stated in items (e) and (f) above are subject to default interest equivalent to the bank interest rate for short-term loans applicable in Algeria plus 2% of the amount of interest per month of late payment from the date of the Final Award until full payment by TDIC.]

The Group has provided for these costs arising from the Final Award in the current financial year.

37. Contingencies (continued)

Contingent liabilities not considered remote (continued)

Litigations (continued)

(iii) *Singapore International Arbitration Centre Arbitration No. 278 of 2018 Claim 1 (formerly Main Action) between Prai Power Sdn Bhd ("PPSB") (as Claimant) and (1) GE Energy Parts, Inc ("GE Energy Parts"), (2) GE Power Systems (Malaysia) Sdn Bhd ("GE Power Systems"), (3) General Electric International, Inc ("GE International"), and (4) General Electric Company ("GE") (collectively "GE Entities") (as Respondents); and Claim 2 (formerly Third Party Claim) between GE Entities (as Claimants) and (1) Malakoff Power Berhad ("MPB"), and (2) Malakoff Corporation Berhad ("MCB") (collectively "Malakoff Entities") (as Respondents), in relation to Prai Power Plant*

On 24 September 2018, Allianz General Insurance Company (Malaysia) Berhad initiated the arbitration as a subrogated action, in the name of PPSB, against GE Entities, in relation to an incident on or about 18 July 2015 ("2015 Incident") which resulted in damage to a gas turbine at PPSB's 350MW Combined Cycle Gas Turbine Power Plant situated in Prai, Penang ("Prai Power Plant").

PPSB alleged that GE Entities breached the duty to exercise reasonable care and skill to properly design, manufacture, supply and install a GE 109FA single shaft gas turbine at the Prai Power Plant. By reason of the alleged breach, PPSB claims for, among others, loss and damages in the sum of RM72,094,050 from GE Entities.

In addition to filing their Defence on 22 April 2019, GE Entities filed a Counterclaim against PPSB alleging breach of:

- a) the Settlement and Release Agreement dated 12 December 2012 ("SRA") in relation to two incidents at the Prai Power Plant in 2006 and 2009; and
- b) the agreement dated 19 December 2000 ("PPSB Agreement") in relation to a Long-Term Service Agreement between MPB, GE Energy Parts and GE Power System.

On 9 August 2019, GE Entities filed a Joinder Application, seeking to join Malakoff Entities as parties to GE Entities' Counterclaim, alleging that:

- a) the commencement of the arbitration constitutes a breach of the SRA, in respect of which Malakoff Entities are liable;
- b) Malakoff Entities are liable to indemnify GE Entities against any liability under the arbitration; and
- c) if GE Entities are found liable for the 2015 Incident, MPB is liable for contributory negligence as the operator of the Prai Power Plant.

On 20 June 2020, the Arbitral Tribunal granted the Joinder Application to join Malakoff Entities as the Respondents in Claim 2 of GE Entities.

Following the passing of a member of the Arbitral Tribunal on 29 January 2023 and the consequential appointment of the substitute co-arbitrator on 17 March 2023, the hearing had been rescheduled to take place from 7 March 2024 to 20 March 2024.

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37. Contingencies (continued)

Contingent liabilities not considered remote (continued)

Litigations (continued)

(iii) Singapore International Arbitration Centre Arbitration No. 278 of 2018 Claim 1 (formerly Main Action) between Prai Power Sdn Bhd ("PPSB") (as Claimant) and (1) GE Energy Parts, Inc ("GE Energy Parts"), (2) GE Power Systems (Malaysia) Sdn Bhd ("GE Power Systems"), (3) General Electric International, Inc ("GE International"), and (4) General Electric Company ("GE") (collectively "GE Entities") (as Respondents); and Claim 2 (formerly Third Party Claim) between GE Entities (as Claimants) and (1) Malakoff Power Berhad ("MPB"), and (2) Malakoff Corporation Berhad ("MCB") (collectively "Malakoff Entities") (as Respondents), in relation to Prai Power Plant (continued)

On 10 January 2024, one of the members of the Arbitral Tribunal had decided to withdraw himself as a co-arbitrator due to unexpected health complications. On 22 January 2024, the Arbitral Tribunal confirmed that the previously scheduled hearing dates from 7 March 2024 to 20 March 2024 are now vacated. The substitute co-arbitrator is in the process of being appointed.

The Group is of the view that it is premature to form a definite view on the outcome of this case. Accordingly, provisions are not required in respect of this matter, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

38. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the following transactions are shown in Notes 12, 15, 16 and 24.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
i. Associates				
Interest income on unsecured subordinated loan notes	-	12,196	-	12,196
Dividends	2,781	11,775	-	-
ii. Joint ventures				
Dividends	188,275	92,733	-	149

38. Related parties (continued)

Significant related party transactions (continued)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
iii. Subsidiaries				
Management fees	-	-	27,337	27,295
Dividends	-	-	754,063	415,215
Interest income on advances to subsidiaries	-	-	42,130	40,282
Interest expense on advances from subsidiaries	-	-	(32,279)	(46,315)
iv. Other related parties				
Sales	26,273	22,595	-	-
Purchases	(14,298)	(13,505)	-	-
Purchases of assets	(766)	(1,427)	-	-
Interest received	7,937	6,714	-	-
Brokerage fees on insurance policies	(4,240)	(3,709)	-	-
Rental income from estate	612	5,178	612	5,178
v. Key management personnel				
Directors of the Company				
- Salary, bonus and defined contribution	2,901	2,338	2,901	2,338
- Fees	1,077	1,053	1,077	1,053
- Meeting allowances	419	470	382	437
- Other allowances	177	301	177	301
- Other remuneration	475	479	330	354
- Estimated monetary value of benefits-in-kind	121	121	121	121
	5,170	4,762	4,988	4,604
Directors of the subsidiaries				
- Meeting allowances	36	26	-	-
- Other remuneration	370	300	-	-
	406	326	-	-
Other key management personnel				
- Salary, bonus and defined contribution	3,878	3,482	3,878	3,482
	9,454	8,570	8,866	8,086

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

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Malakoff Corporation Berhad

Integrated Annual Report 2023

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

39. Significant events

39. Significant events (continued)

39.1 Acquisitions of subsidiaries

On 7 September 2023, Tuah Utama Sdn. Bhd. ("TUSB") and Malakoff Technical Solutions Sdn. Bhd. ("MTSSB"), wholly-owned subsidiaries of the Company completed the acquisitions of 70% equity interests in RP Hydro (Kelantan) Sdn. Bhd. ("RPHK") and Rising O&M Engineering Services Sdn. Bhd. ("ROMES") for a total cash consideration of RM35.0 million and RM0.7 million, respectively. In the 4 months to 31 December 2023, the subsidiaries contributed loss of RM158,000 with no revenue derived. If the acquisition had occurred on 1 January 2023, management estimates the consolidated loss for the financial year would have been RM862,516,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2023.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired, and liabilities assumed at the acquisition date:

Fair value of consideration transferred

	Group 2023 RM'000
Cash and cash equivalents	35,720

Identifiable assets acquired and liabilities assumed

	Note	Group 2023 RM'000
Property, plant and equipment	3	40,044
Other receivables		992
Cash and cash equivalents		948,826
Other payables		(5,447)
Borrowings	19.3	(955,164)
Total identifiable net assets		29,251

Net cash inflow arising from acquisitions of subsidiaries

	Group 2023 RM'000
Purchase consideration settled in cash and cash equivalents	(35,720)
Cash and cash equivalents acquired	948,826
	913,106

39.1 Acquisitions of subsidiaries (continued)

Goodwill

Goodwill was recognised as a result of the acquisitions as follows:

	Group 2023 RM'000
Total consideration transferred	35,720
Fair value of identifiable net assets	(29,251)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquirees	8,775
Goodwill	15,244

Acquisition-related costs

The Group incurred acquisition-related costs for RM943,000 related to external legal fees and due diligence costs. The acquisition-related costs have been included in other expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

39.1.1 Material accounting policy information

The Group elects to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

39.2 Proposed acquisition

On 27 October 2023, TUSB entered into a conditional Share Sale and Purchase agreement ("SSPA") with Metacorp Berhad for the proposed acquisition of 49% equity interest in E-Idaman Sdn. Bhd. ("E-Idaman") for a purchase consideration in cash of RM133,200,000 ("Proposed Acquisition"). The principal activities of E-Idaman are that of investment holding and the provision of project management, consultancy and contracting services in the field of solid waste management. E-Idaman through its wholly-owned subsidiary, Environment Idaman Sdn. Bhd., provides waste collection and disposal services for municipal wastes under a 22-year concession granted by the Government of Malaysia for the provision of solid waste collection and public cleansing management services in Kedah and Perlis. The Proposed Acquisition is subject to the fulfilment of the conditions precedent in the SSPA which have not been fulfilled as of the date of this report.

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STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 241 to 365 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali
Chairman

.....
Anwar Syahrin bin Abdul Ajib
Managing Director

Kuala Lumpur

13 March 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Mohd Nazersham bin Mansor**, the officer primarily responsible for the financial management of Malakoff Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 241 to 365 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Mohd Nazersham bin Mansor, NRIC: 730416-14-5671, MIA CA34453, at Kuala Lumpur in the Federal Territory on 13 March 2024.

.....
Mohd Nazersham bin Mansor

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAKOFF CORPORATION BERHAD

(REGISTRATION NO. 200601011818 (731568-V))
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Malakoff Corporation Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 241 to 365.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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INDEPENDENT AUDITORS' REPORT
 TO THE MEMBERS OF MALAKOFF CORPORATION BERHAD
 (REGISTRATION NO. 200601011818 (731568-V))
 (INCORPORATED IN MALAYSIA)

INDEPENDENT AUDITORS' REPORT
 TO THE MEMBERS OF MALAKOFF CORPORATION BERHAD
 (REGISTRATION NO. 200601011818 (731568-V))
 (INCORPORATED IN MALAYSIA)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. The matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group	
Valuation of goodwill of Alam Flora Sdn. Bhd.	
Refer to Note 7 – Intangible assets	
The key audit matter	How the matter was addressed in our audit
<p>The Group has goodwill amounting to RM153 million as at 31 December 2023 arising from the acquisition of Alam Flora Sdn. Bhd. ("AFSB").</p> <p>We focused on goodwill arising from the acquisition of AFSB as the carrying amount is material and the impairment test is sensitive to a possible change in assumptions.</p> <p>There are significant judgements involved in forecasting and discounting of future cash flows, which is the basis of assessment of impairment over goodwill.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> We evaluated the Group's cash flow projections and the process by which they were developed. We compared the projections to business plans approved by the Board of Directors and also compared previous projections to actual results to assess the performance of the business and the accuracy of the forecasting; We obtained confirmation that the key assumptions were subject to oversight from the Directors; We evaluated and challenged the following key assumptions used in the cash flows projections: <ul style="list-style-type: none"> Revenue – we assessed the reasonableness of the estimated revenue in the projections based on past actual revenue recorded and read the clauses in the service concession agreement governing tariff rate revisions; Cost of sales – we assessed the reasonableness of private contractor costs used in the projections based on past actual costs incurred; Capital expenditures ("CAPEX") – we compared CAPEX assumptions in the cash flows to the budget approved by the Directors; and Discount rate – our own valuation specialist compared the discount rate used against other industry players and external sources. We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill.

Key Audit Matters (continued)

Group	
Valuation of investment in an associate – Hidd Power Company B.S.C (c)	
Refer to Note 7 – Intangible assets and Note 9 – Investments in associates	
The key audit matter	How the matter was addressed in our audit
<p>During the financial year, in the view that Hidd Power Company B.S.C (c) ("HPC")'s Power and Water Purchase Agreement ("PWPA") is approaching expiry in year 2027 with a shorter extension period expected based on latest assessment performed by the Group, an impairment assessment was carried out on the recoverable amount of its investment in HPC using value in use. As a result, the Group recorded an impairment loss with regards to the investment in HPC amounting to RM96,065,000.</p> <p>We focused on the valuation of the investment in HPC as there are significant judgements and uncertainties involved to arrive at assumptions made in determining the recoverable amount of the investment in HPC.</p> <p>In addition, HPC operates in Bahrain and is audited by a foreign component auditor, which led to increased complexity to the group audit. Additional effort and time, as well as involvement of senior members of the group audit team are required to direct, supervise and review the works of the component auditor.</p>	<p>We requested the component auditor of HPC to perform the following procedures, among others:</p> <ul style="list-style-type: none"> Evaluated the indicators of impairment in respect of HPC's business operation; Evaluated HPC's cash flows projections and the process by which it was developed, including assessing the method used to calculate the impairment and recoverable amount. The component auditors compared the projections to business plans approved by the Board of Directors of the associate and past actual results to assess the performance of the business and the accuracy of the projections; Evaluated and challenged the following key assumptions used in the cash flow projections: <ul style="list-style-type: none"> Remaining useful life of PWPA – assessed based on country outlook, industry outlook and availability of alternative plant; Residual value of the plant – agreed the residual value used to independent expert's valuation report and assessed the competency, experience and qualification of the expert used; Discount rate – component auditor's valuation specialist compared the discount rate used against other industry players and external sources. Assessed the arithmetic accuracy of the impairment assessment prepared by management of HPC and recalculated the recoverable amount of the associate and impairment loss recognised for the year. <p>We also further performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> We communicated with the component auditor throughout the audit and assessed the adequacy of work performed by the component auditor; We assessed the consistency of basis and assumptions applied in the impairment assessment with that used by the Group; We involved our own valuation specialist to compare the discount rate used against other industry players and external sources; and We assessed whether the Group's disclosures of the key assumptions used and the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of investment in the associate.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT
 TO THE MEMBERS OF MALAKOFF CORPORATION BERHAD
 (REGISTRATION NO. 200601011818 (731568-V))
 (INCORPORATED IN MALAYSIA)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Malakoff Corporation Berhad

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MALAKOFF CORPORATION BERHAD
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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Eric Kuo Sze-Wei
Approval Number: 03473/11/2025 J
Chartered Accountant

Petaling Jaya

13 March 2024

CORPORATE INFORMATION

INDEPENDENT NON-EXECUTIVE CHAIRMAN
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali

EXECUTIVE VICE CHAIRMAN
Tan Sri Che Khalib Mohamad Noh

MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER (MD & GCEO)
Anwar Syahrin Abdul Ajib

NON-EXECUTIVE DIRECTORS

Datuk Ooi Teik Huat
Non-Independent Non-Executive Director

Dr. Norida Abdul Rahman
Independent Non-Executive Director

Datuk Rozimi bin Remeli
Independent Non-Executive Director

Datuk Prakash Chandran Madhu Sudanan
Independent Non-Executive Director

Dato' Mohd Naim Daruwish
Non-Independent Non-Executive Director

Datuk Wira Roslan Ab Rahman
Independent Non-Executive Director

COMPANY SECRETARIES

Noor Raniz Mat Nor
(MAICSA 7061903)
(SSM Practicing Certificate No. 201908001542)

Zaidatul Neezma Zainal Abidin
(MACS 01677)
(SSM Practicing Certificate No. 202208000740)

BOARD AUDIT COMMITTEE

Datuk Rozimi Remeli
Independent Non-Executive Director (Chairman)

Datuk Ooi Teik Huat
Non-Independent Non-Executive Director

Datuk Prakash Chandran Madhu Sudanan
Independent Non-Executive Director

Datuk Wira Roslan Ab Rahman
Independent Non-Executive Director

BOARD NOMINATION AND REMUNERATION COMMITTEE

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali
Independent Non-Executive Chairman (Chairman)

Dr. Norida Abdul Rahman
Independent Non-Executive Director

Datuk Wira Roslan Ab Rahman
Independent Non-Executive Director

BOARD RISK AND INVESTMENT COMMITTEE

Datuk Rozimi Remeli
Independent Non-Executive Director (Chairman)

Dato' Mohd Naim Daruwish
Non-Independent Non-Executive Director

Datuk Prakash Chandran Madhu Sudanan
Independent Non-Executive Director

Datuk Wira Roslan Ab Rahman
Independent Non-Executive Director

BOARD PROCUREMENT COMMITTEE

Datuk Ooi Teik Huat
Non-Independent Non-Executive Director (Chairman)

Datuk Rozimi Remeli
Independent Non-Executive Director

Dato' Mohd Naim Daruwish
Non-Independent Non-Executive Director

Dr. Norida Abdul Rahman
Independent Non-Executive Director

AUDITORS

KPMG PLT
Level 10, KPMG Tower
No. 8, First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor Darul Ehsan

PRINCIPAL BANKERS

Malayan Banking Berhad
RHB Bank Berhad
Bank Muamalat Malaysia Berhad
AmBank (M) Berhad
Bank Kerjasama Rakyat Malaysia Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
Registration No: 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7890 4700
Fax : +603-7890 4670

COMPANY ADDRESS

Level 7, Block 4, Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur
Tel : +603-2263 3388
Fax : +603-2263 3333
Website: www.malakoff.com.my

REGISTERED OFFICE

Level 12, Block 4, Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur
Tel : +603-2263 3388
Fax : +603-2263 3333

Additional Information

SECTION 07:

Additional Information

Malakoff Corporation Berhad

Integrated Annual Report 2023

SHAREHOLDINGS STATISTICS

AS AT 15 FEBRUARY 2024

Class of Securities	: Ordinary shares
Issued and Paid-up Share Capital	: RM5,693,055,098 with total number of issued shares of 5,000,000,000 ordinary shares (Inclusive of treasury shares of 113,038,700)
Voting Rights	: One vote per ordinary share
Number of Shareholders	: 21,185

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	251	1.18	2,758	0.00
100 to 1,000	3,088	14.58	1,784,916	0.03
1,001 to 10,000	10,098	47.67	54,078,161	1.11
10,001 to 100,000	6,687	31.56	217,470,729	4.45
100,001 to less than 5% of issued shares	1,055	4.98	976,859,479	19.99
5% and above of issued shares	6	0.03	3,636,765,257	74.42
TOTAL	21,185	100.00	4,886,961,300*	100.00

* Excluding treasury shares of 113,038,700

DIRECTORS' INTERESTS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Directors' Interest in the Company

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali	50,000	0.00	-	-
Tan Sri Che Khalib Mohamad Noh	420,000	0.01	-	-
Anwar Syahrin Abdul Ajib	-	-	-	-
Datuk Ooi Teik Huat	420,000	0.01	-	-
Datuk Rozimi Remeli	-	-	-	-
Dato' Mohd Naim Daruwish	-	-	-	-
Dr. Norida Abdul Rahman	-	-	-	-
Datuk Prakash Chandran Madhu Sudanan	-	-	-	-
Datuk Wira Roslan Ab Rahman	-	-	-	-

SHAREHOLDINGS STATISTICS

AS AT 15 FEBRUARY 2024

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct		Indirect	
		No. of shares	%	No. of shares	%
1	Anglo-Oriental (Annuities) Sdn Bhd ("AOA") ⁽¹⁾	981,341,460	20.08	-	-
2	MMC Corporation Berhad ("MMC")	897,695,630	18.37	981,341,460 ⁽²⁾	20.08
3	Urusharta Jamaah Sdn Bhd ⁽³⁾	499,000,000	10.21	-	-
4	Employees Provident Fund Board ⁽⁴⁾	491,156,833	10.05	-	-
5	Kumpulan Wang Persaraan (Diperbadankan) ⁽⁵⁾	454,059,434	9.29	-	-
6	Amanah Saham Bumiputera ⁽⁶⁾	313,511,900	6.42	-	-
7	Seaport Terminal (Johore) Sdn Bhd ("Seaport") ⁽⁷⁾	-	-	1,879,037,090	38.45
8	Indra Cita Sdn Bhd ("ICSB") ⁽⁸⁾	-	-	1,879,037,090	38.45
9	Tan Sri Dato' Seri Syed Mokhtar Shah Syed Nor ⁽⁹⁾	-	-	1,879,037,090	38.45

Notes:

- (1) Of which 981,341,460 shares held through Bank Muamalat Malaysia Berhad.
- (2) Deemed interested in 981,341,460 shares held by AOA in Malakoff by virtue of its 100% direct shareholding in AOA.
- (3) Of which 499,000,000 shares held through Citigroup Nominees (Tempatan) Sdn. Bhd.
- (4) Of which 491,156,833 shares held through various accounts under Citigroup Nominees (Tempatan) Sdn. Bhd.
- (5) Of which 427,856,534 shares held through its own account and 26,202,900 shares held through various accounts under Citigroup Nominees (Tempatan) Sdn Bhd.
- (6) Of which 313,511,900 shares held through Amanahraya Trustees Berhad.
- (7) Deemed interested by virtue of its direct major shareholdings in MMC.
- (8) Deemed interested through Seaport.
- (9) Deemed interested through ICSB.

Additional Information

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Malakoff Corporation Berhad

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SHAREHOLDINGS STATISTICS AS AT 15 FEBRUARY 2024

SHAREHOLDINGS STATISTICS AS AT 15 FEBRUARY 2024

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% of Issued Share Capital
1	BANK MUAMALAT MALAYSIA BERHAD PLEDGED SECURITIES ACCOUNT FOR ANGLO-ORIENTAL (ANNUITIES) SDN BHD	981,341,460	20.08
2	MMC CORPORATION BERHAD	897,695,630	18.37
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (1)	499,000,000	10.21
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	427,856,534	8.76
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	329,721,983	6.75
6	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	313,511,900	6.42
7	LEMBAGA TABUNG HAJI	150,349,000	3.08
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	143,346,650	2.93
9	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 – WAWASAN	111,235,600	2.28
10	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	73,977,500	1.51
11	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	26,261,800	0.54
12	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 – DIDIK	24,567,400	0.50
13	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	20,473,600	0.42
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA FAMILY TAKAFUL BERHAD (FAMILY)	19,936,600	0.41
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (PRINCIPAL EQITS)	16,372,800	0.34
16	SERAIMAS BINA SDN BHD	14,753,300	0.30
17	LEMBAGA TABUNG ANGKATAN TENTERA	14,116,500	0.29
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	12,217,000	0.25

30 LARGEST SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares	% of Issued Share Capital
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA GENERAL TAKAFUL BERHAD (SHAREHOLDERS FUND - EQ)	11,842,700	0.24
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (LIFE PAR)	9,942,900	0.20
21	NEOH CHOO EE & COMPANY, SDN. BERHAD	9,000,000	0.18
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	8,216,700	0.17
23	WENDY LAU SIE SIE	8,000,000	0.16
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA GENERAL TAKAFUL BHD (GENERAL 2)	7,496,500	0.15
25	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX NONLENDABLE FUND	6,509,200	0.13
26	AMANAHRAYA TRUSTEES BERHAD ASN IMBANG (MIXED ASSET BALANCED) 1	6,450,000	0.13
27	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ABU DHABI INVESTMENT AUTHORITY(INSESC)	6,222,100	0.13
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA GENERAL INSURANCE BERHAD (GENERAL)	5,960,600	0.12
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	5,871,200	0.12
30	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR HSBC PRIVATE BANK (SUISSE) SA (CLIENT ASSETS)	5,758,000	0.12
TOTAL		4,168,005,157	85.29

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PROPERTIES OWNED BY MALAKOFF CORPORATION BERHAD'S GROUP

The details of lands and buildings owned by us are set out below:

No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
1.	Malakoff PN 356979 Lot 12248, Mukim of Pengkalan Baharu, District of Manjung, Perak Darul Ridzuan, Malaysia Persiaran Segari Off Highway 60, Daerah Manjung, 32200 Segari, Perak Darul Ridzuan, Malaysia Leasehold for a period of 99 years, expiring on 30 July 2096	Industrial land/ The land is currently tenanted by Digi Telecommunications Sdn Bhd and is used as at base transceiver station for the operation of Digi Telecommunications Sdn Bhd's cellular telephone network.	N/A	480 sq metre/ 14.5 Ha	The land cannot be transferred, charged, leased without prior approval of the Menteri Besar of Perak.	3,997,446 Refer to note (2)
2.	Malakoff Refer to note (3) Windsor Estate, Ulu Sepetang 34010 Taiping, Perak Darul Ridzuan, Malaysia Freehold	Refer to note (3)/The lands are currently used for oil palm cultivation.	N/A	N/A/ 734.1 Ha	Nil	21,516,000 Refer to note (2)
3.	Malakoff Parcel no. 2A-8-1, 2A-8-2, 2A-9-1 and 2A-9-2, Plaza Sentral Level 8 and Level 9, Block 2A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia Freehold Refer to note (4)	Four office units on the 8th and 9th floor of a commercial building/ Currently are vacant.	22	1,228 sq metre	N/A	673,519

No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
4.	Malakoff Parcel no. CS/3B/12-3, CS/3B/12-3A, CS/3B/12-5, CS/3B/12-6, CS/3B/12-7, CS/3B/13-3, CS/3B/13-3A, CS/3B/13-5, CS/3B/13-6 and CS/3B/13-7, Plaza Sentral Level 12 and Level 13, Block 3B, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia Freehold Refer to note (4)	Ten office units on the 12th and 13th floor of a commercial building/ Currently are tenanted.	22	1,986 sq metre	N/A	-
5.	SEV HSD 29841 PT 6325, Mukim of Pengkalan Baharu, District of Manjung, Perak Darul Ridzuan, Malaysia Lumut Power Plant, Persiaran Segari Off Highway 60, Daerah Manjung, 32200 Segari, Perak Darul Ridzuan, Malaysia Leasehold for a period of 99 years, expiring on 12 January 2094	Industrial land/The land is currently used for the SEV Power Plant, which includes an administration building, a single-storey simulator training building, a single-storey clubhouse, a guard house, a gas turbine building, a steam turbine building, a fuel oil tank farm, a warehouse and a black start diesel generator building.	28	26,787 sq metre/ 148,400 sq metre	The land cannot be transferred, charged, leased without prior approval of the Menteri Besar of Perak.	3,692,539 Refer to note (2)
6.	GB3 HSD 29843 PT 6327, Mukim of Pengkalan Baharu, District of Manjung, Perak Darul Ridzuan, Malaysia Lumut Power Plant, Persiaran Segari Off Highway 60, Daerah Manjung, 32200 Segari, Perak Darul Ridzuan, Malaysia Leasehold for a period of 99 years, expiring on 12 January 2094	Industrial land/The land is currently used for the GB3 Power Plant which includes an administration building, ten units of cooling tower, workshop building and a gas and steam turbine building.	22	12,384 sq metre/ 111,600 sq metre	The land cannot be transferred, charged, leased without prior approval of the Menteri Besar of Perak.	Refer to notes (2) and (5)

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No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
7.	GB3 HSD 29845 PT 6329, Mukim of Pengkalan Baharu, District of Manjung, Perak Darul Ridzuan, Malaysia Lumut Power Plant, Persiaran Segari Off Highway 60, Daerah Manjung, 32200 Segari, Perak Darul Ridzuan, Malaysia Leasehold for a period of 99 years, expiring on 12 January 2094	Industrial land/The land is currently used for the Lumut Power Plant, which includes the PETRONAS Energy & Gas Trading Sdn Bhd gas metering equipment station. It also has the interconnection facilities such as gas pipelines and venting equipment to supply gas to the Lumut Power Plant.	22	N/A/ 12,100 sq metre	The land cannot be transferred, charged, leased without prior approval of the Menteri Besar of Perak.	Refer to notes (2) and (5)
8.	GB3 PN 356978 Lot 12247, Mukim of Pengkalan Baharu, District of Manjung, Perak Darul Ridzuan, Malaysia GB3 Sdn Bhd, Lumut Power Plant, Persiaran Segari Off Highway 60, Daerah Manjung, 32200 Segari, Perak Darul Ridzuan, Malaysia Leasehold for a period of 99 years, expiring on 30 July 2096	Industrial land/The land is currently used for storage of diesel tanks and erected with a chemical storage building and a fuel oil pump station used by the GB3 Power Plant.	22	1,095 sq metre/ 1.69 Ha	The land cannot be transferred, charged, leased without prior approval of the Menteri Besar of Perak.	Refer to notes (2) and (5)
9.	PD Power GRN 237771 Lot 13409, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Commercial or industrial land for power plant.	29	5,560 sq metre/ 94,210 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)

LIST OF PROPERTIES

No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
10.	PD Power GRN 237773 Lot 13411, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Commercial or industrial land for electrical substation/The land is currently used for TNB switch yard and transmission for interconnection facilities.	29	N/A/ 5,459 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)
11.	PD Power GRN 237774 Lot 13412, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Building land for office building/The land is currently used for double-storey administration office building for the PDP Plant.	29	510 sq metre/ 4,654 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)
12.	PD Power GRN 237776 Lot 13415, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Commercial or industrial land for gas station/ The land is currently used for PETRONAS Energy & Gas Trading Sdn Bhd gas metering equipment station and interconnection facilities.	29	N/A/ 7,392 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)

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No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
13.	PD Power GRN 237768 Lot 13406, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Building land for residential/Vacant land.	29	N/A/1,684 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)
14.	PD Power GRN 237769 Lot 13407, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Building land for residential/Vacant land.	29	N/A/6,143 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)
15.	PD Power GRN 237770 Lot 13408, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Agriculture land/Vacant land and pond.	29	N/A/6.641 Ha	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)

No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
16.	PD Power GRN 237775 Lot 13414, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Building land for kids' playground/The land is currently used for public children playground.	29	N/A/5,345 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)
17.	PD Power GRN 237777 Lot 13416, Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Building land for residential/The land is currently used for single-storey guard house building for the PDP Plant.	29	42 sq metre/ 3,225 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (6)
18.	PD Power HSD 21135 Lot 484, Mukim and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Building land for multipurpose hall/The land is currently used for multipurpose public hall.	29	760 sq metre/ 0.554 Ha	Nil	Refer to note (6)

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No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
19.	PD Power HSD 21134 Lot 483, Mukim and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Batu 2, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Building land for recreational field/The land is currently used for public football field and multipurpose court.	29	N/A/1.897 Ha	Nil	Refer to note (8)
20.	PD Power 23 parcels of land held under GRN 35822 Lot 6976 to GRN 35830 Lot 6984, GRN 35832 Lot 6986 to GRN 35837 Lot 6991 and GRN 35884 Lot 7041 to GRN 35891 Lot 7048, all located at Pekan and District of Port Dickson, Negeri Sembilan Darul Khusus, Malaysia No. 1 to 9, No. 11 to 16, No. 117 to 124, Jalan Tun Sambanthan, Taman NLFCS, Tg. Gemuk, 71000 Port Dickson, Negeri Sembilan Darul Khusus, Malaysia Freehold	Building lands for low cost residential/The land is currently erected with 23 units of low cost houses which are currently tenanted.	29	65 sq metre for each house/ 213 sq metre for GRN 35884 and 111 sq metre for each of the other lot.	Nil	Nil
21.	TJSB Parcel no. CS/3B/13A-3, CS/3B/13A-4, CS/3B/13A-5, CS/3B/13A-6 and CS/3B/13A-7, Plaza Sentral Level 13A, Block 3B, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia Freehold Refer to note (7)	Five office units on the 13Ath floor of a commercial building. Currently are vacant.	22	975 sq metre/ N/A	N/A	Nil

No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
22.	M Utilities Level no. Minus 9M, Building no. 4, Plaza Sentral Suite 4-G-A, Ground Floor, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia Freehold Refer to note (9)	The underground level of a commercial building/ Currently used for district cooling plant/system (pumping room).	22	2,507 sq metre/ N/A	N/A	Refer to note (8)
23.	M Utilities Level no. 0M, Building no. 4, Plaza Sentral Suite 4-G-A, Ground Floor, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia Freehold Refer to note (9)	The ground level of a commercial building/ Currently is tenant for training and office spares.	22	970 sq metre/ N/A	N/A	Refer to note (8)
24.	M Utilities Level no. 5.4M and 4.7M, Building no. 4, Plaza Sentral Suite 4-G-A, Ground Floor, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia Freehold Refer to note (9)	The lower ground level of a commercial building/ Currently is use for main distribution substation/ system (switchgear room).	22	983 sq metre/ N/A	N/A	Refer to note (8)
25.	M Utilities Level Minus 6.5M, Building no. 4, Plaza Sentral Suite 4-G-A, Ground Floor, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia Freehold Refer to note (9)	The underground level of a commercial building/ Currently used as the central control room and centralised chilled water plant room.	22	272 sq metre	N/A	Refer to note (8)

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No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
26.	DKSB HSD 30118 PT 34621, Mukim of Sitiawan, Perak Darul Ridzuan, Malaysia Near Jalan Teluk Rubiah, 32040 Seri Manjung, Perak, Malaysia Leasehold for a period of 99 years, expiring on 17 January 2109	Building land for residential/Vacant land.	N/A	N/A/ 11,684 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (10)
27.	TBE HSD 14674 PTD 2263, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Energy T4, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia Leasehold for a period of 60 years, expiring on 17 September 2077	Industrial land for permanent jetty and any structure related thereto.	5	N/A/ 0.9454 Ha	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (11)
28.	TBE HSD 14673 PTD 2264, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Energy T4, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia Leasehold for a period of 60 years, expiring on 17 September 2077	Industrial land for permanent jetty and any structure related thereto.	5	N/A/ 0.3753 Ha	The land cannot be transferred, charged, leased without prior approval of the State Authority.	Refer to note (12)

LIST OF PROPERTIES

No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
29.	AFSB HSD 51058 Lot PT No. 6108, Mukim of Sungai Buloh, District of Petaling, Selangor Darul Ehsan, Malaysia No. 74, Jalan SS21/39, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia Freehold	Industrial land/The land is erected with one (1) unit of 3 ½ storey intermediate terrace shop office storey building for commercial building and curenly is tenanted.	33	153.29 sq metre	N/A	5,500,000 Refer to note (13)
30.	AFSB Pajakan Negeri 17254, Lot 40326, Mukim of Sungai Buloh, District of Petaling, Selangor Darul Ehsan; Lot 40326, Section U5 Shah Alam, Selangor Darul Ehsan, Malaysia No. 2, Jalan Utarid U5/18A, Mutiara Subang, Section U5, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia Leasehold for a period of 80 years expiring on 11 December 2096	Industrial land Depot for AFSB Wilayah Persekutuan Kuala Lumpur Service Area.	N/A	N/A/ 15,506 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	17,148,572
31.	AFSB HSD 4497, PT 26, District of Pekan, Pahang Darul Makmur, Malaysia Lot No. G-02, First Floor, Bangunan UMNO Pekan, Jalan Teng Que, 26600 Pekan, Pahang Darul Makmur, Malaysia Leasehold for a period of 99 years expiring on 6 September 2097	1st floor of a commercial building for administration and operation office for AFSB Pahang Service Area.	15	309.34 sq metre	N/A	1,439,333

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No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
32.	AFSB HSM 16205, No. PT 22739, Mukim of Sungai Karang, District of Kuantan, Pahang Darul Makmur, Malaysia Leasehold for a period of 99 years expiring on 23 August 2115	Industrial land Depot for AFSB Kuantan Service Area.	N/A	N/A/ 36,420 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	1,526,741
33.	AFSB Lot 2619, 2622, 215, 961, 1272, 1273, 1602 & 1791 in Mukim of Bentong, District of Bentong, Pahang Darul Makmur, Malaysia Freehold	Vacant agricultural land.	N/A	N/A/ 52.22 acres	N/A	15,000,000
34.	AFSB Lot Type C, No 90 Rompin, Held Under Individual Title HSM 943, PT No. 1460, Mukim of Bebar, District of Rompin, Muadzam Shah, Pahang Darul Makmur, Malaysia No. 3, Jalan Makmur 7, Presint Niaga, Bandar Satelit Muadzam Shah, 26700 Muadzam Shah, Pahang Darul Makmur, Malaysia Leasehold for a period of 99 years expiring on 7 November 2111	Double-storey building for office use.	12	133 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority.	442,633
35.	AFES Title No. Pajakan Negeri 2879, Lot 95, Mukim Ulu Telom, District of Cameron Highlands, Pahang Darul Makmur, Malaysia Leasehold for a period of 99 years expiring on 13 September 2039	Vacant land.	N/A	N/A/ 3,968 sq metre	N/A	85,334

No.	Name of registered owner / (Beneficial owner, if applicable) / Lot. no./Postal address/Tenure	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Restriction in interest/encumbrances	Audited Net book value as at 31 December 2023 RM
36.	AFES Title No. GM 2289, Lot 2901 and Title No. GM 2335, Lot 2950 both at Mukim 06, District Seberang Perai Tengah, Pulau Pinang, Malaysia No. 1, Jalan Nagasari 4, Taman Nagasari, 13600 Prai, Pulau Pinang, Malaysia Freehold	Industrial land/The land is erected with one and a half (1½) storey semidetached factory which is currently tenanted.	12	1,375 sq metre	N/A	2,900,000 Refer to note (13)
37.	AFES Title No. HSD 493845 PTD 76034 of Mukim Tebrau, District of Johor Bahru, Johor Darul Takzim, Malaysia No. 7, Jalan Firma 3/1, Lot PLO 255, Kawasan Perindustrian Tebrau IV, 81200 Johor Bahru, Johor Darul Takzim, Malaysia Freehold	Industrial land/The land is erected with a three (3) storey office building with an annexed single storey warehouse building which is currently tenanted.	8	4,903.4 sq metre/ 9,995.7 sq metre	The land cannot be transferred, charged, leased without prior approval of the State Authority	8,000,000 Refer to note (13)
38.	AFES Title No. HS(D) 116410 PT 237 of Bandar Sultan Sulaiman, District of Klang, Selangor Darul Ehsan, Malaysia Lot 33, Lebuhr Sultan Mohamed 1, Kawasan Perindustrian Bandar Sulaiman, 42000 Port Klang, Selangor Darul Ehsan, Malaysia Leasehold for a period of 99 years expiring on 30 June 2105"	Single storey detached factory which is currently vacant.	17	23,370 sq metre	N/A	25,773,176
39.	MRAD Title No. GRN 57532 of Mukim Pulau Sebang, District of Alor Gajah, Melaka, Malaysia Lot 16277, Mukim Pulau Sebang, Alor Gajah, Melaka, Malaysia Freehold	Freehold agriculture land together with oil palm cultivation.	N/A	N/A/ 71.44 Ha	N/A	154,468,588

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PROPERTIES OWNED BY OUR GROUP (CONTINUED)

The details of lands and buildings owned by us are set out below (continued):

Notes:

- 1) These industrial lands are occupied by third parties.
- 2) Excluding buildings and fixtures on the land.
- 3) Malakoff is the registered proprietor of 42 parcels of land ("Windsor Lands") which are collectively known as the Windsor Estate. The Windsor Estate is managed by Tradewinds Plantech Sdn. Bhd. for the provision of palm oil plantation, operation and management services. The said lands are used as agricultural land for commercial planting - oil palm, which are consistent with the express conditions in their respective issue document of title:

No. Land titles no

GM 297 Lot 4615, GM 7229 Lot 4309, GRN 49012 Lot 5408[^], GRN 53898 Lot 5538, GRN 53899 Lot 5539, GRN 59198 Lot 2665, GRN 66379 Lot 4136, GRN 66619 Lot 2790[^], GRN 154270 Lot 130401^{*}, GRN 154271 Lot 130402, GRN 154272 Lot 130403, GRN 154273 Lot 130405, GRN 155631 Lot 130393[^], GRN 155632 Lot 130394 and GRN 155633 Lot 130409

- i. All lands are located at Mukim of Batu Kurau, Districts of Larut and Matang, Perak Darul Ridzuan, Malaysia

No. Land titles no

GM 445 Lot 315, GM 446 Lot 332, GM 448 Lot 317, GM 451 Lot 316, GM 454 Lot 364^{*}, GM 459 Lot 359, GM 460 Lot 361, GM 507 Lot 421, GM 511 Lot 437, GM 512 Lot 440, GM 516 Lot 473, GM 517 Lot 474, GM 518 Lot 475, GM 519 Lot 476, GM 520 Lot 477, GM 521 Lot 480, GM 522 Lot 481, GM 523 Lot 490, GM 549 Lot 629^{*}, GRN 45878 Lot 462^{*}, GRN 45879 Lot 690^{*}, GRN 45880 Lot 691, GRN 60574 Lot 504^{*}, GRN 62453 Lot 502, GRN 65982 Lot 408, GRN 59203 Lot 446^{*} and GRN 154269 Lot 20926^{*}

- ii. All lands are located at Mukim of Kamunting, Districts of Larut and Matang, Perak Darul Ridzuan, Malaysia

* Certain areas of Windsor Lands parcels were subjected to the Government of Malaysia compulsory land acquisition pursuant to notice under Section 10 of the Land Acquisition Act 1960 ("Land Acquisition Act") issued by Pejabat Pengarah Tanah dan Galian Negeri Perak ("Land Office") dated 31 October 2023. A hearing session was held by the Land Office to determine the compensation amount to be awarded to Malakoff. Subsequently, Form H: Notis Award dan Tawaran Pampasan under Section 16 of the Land Acquisition Act dated 10 January 2024 had been issued by the Land Office of which Malakoff had accepted the offer on 19 February 2024.

[^] Malakoff is currently in the process of disposing Lot 5408, Lot 2790 and Lot 130393 to AFES, a subsidiary of Malakoff. The disposal is subject to the fulfillment of the conditions precedent in the Sales and Purchase Agreement which have not been fulfilled as of the date of this report.

- 4) Pursuant to the sale and purchase agreements dated 3 December 1999 and 21 June 2005 between Kuala Lumpur Sentral Sdn Bhd and Malakoff, respectively, the parcels identified above are held under the master title GRN 46226, Lot 78 Section 0070, Town of Kuala Lumpur and currently pending issuance of strata titles.

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PROPERTIES OWNED BY OUR GROUP (CONTINUED)

The details of lands and buildings owned by us are set out below (continued):

Notes (continued):

- 5) The audited NBV as at 31 December 2023 of the properties under items no. 6 to 8 stood at RM1,729,816. These properties were not audited on an individual basis.
- 6) The audited NBV as at 31 December 2023 of the properties under items no. 9 to 19 stood at RM12,896,000. These properties were not audited on an individual basis.
- 7) Pursuant to the sale and purchase agreement dated 17 December 1996 between Kuala Lumpur Sentral Sdn Bhd and TJSB, the parcel identified above is held under the master title GRN 46226, Lot 78 Section 0070, Town of Kuala Lumpur and currently pending issuance of strata titles.
- 8) The audited NBV as at 31 December 2023 of the properties under items no. 22 to 25 stood are at RM16,000. These properties were not audited on an individual basis.
- 9) Pursuant to the sale and purchase agreement dated 14 April 2005 between Kuala Lumpur Sentral Sdn Bhd and M Utilities, the parcels identified above are held under the master title GRN 46226, Lot 78 Section 0070, Town of Kuala Lumpur and currently pending issuance of strata titles.
- 10) The audited NBV of the property under item no. 26 as at 31 December 2023 is RM1, as the cost of the land was charged out as part of project expense.
- 11) The NBV of the property under item no. 27 as at 31 December 2023 is RM571,120. The land was recognised as part of Jetty asset and was not audited on an individual basis.
- 12) The NBV of the property under item no. 28 as at 31 December 2023 is RM306,872. The land was recognised as part of Jetty asset and was not audited on an individual basis.
- 13) The values of properties under items no. 29, 36 and 37 as at 31 December 2023 were based on valuation reports.

None of the properties disclosed above are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said properties.

Additional Information

SECTION 07:

Additional Information

Malakoff Corporation Berhad

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LIST OF PROPERTIES

LIST OF PROPERTIES

No.	Name of lessor/lessee or landlord/ tenant or grantor/ grantee/ Lot. no./ Postal address	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Tenure/ Date of expiry	Rental RM
1.	TNB (as lessor)/PPSB (as lessee) HSD 50349 PT 10 and HSD 55959 PT 13, Bandar Prai, District of Seberang Perai Tengah, Pulau Pinang, Malaysia Prai Power Plant, Prai Power Station, Jalan Perusahaan, 13600 Prai, Pulau Pinang, Malaysia	Industrial land for power station/The land is currently used for the Prai Power Plant complex which includes turbine building, demineralisation plant, chemical lab, pump room, chlorination room, guard house, hydrogen cylinder store, H-boiler pump power station, fuel gas station, fuel oil pump house, foam station, programmable logic controller, building and electric fuel gas, inflammable material store, administration building and sheds and IPP pumphouse for Jetty area. Land of approximately 2,088.706 sq metre is sub-leased to PETRONAS as per Sub Lease Agreement dated 5 July 2006.	21	6,954 sq metre/ 46.168 acres	A lease for a period of 24 years, expiring on 7 November 2024	Lump sum payment of 16,000,000
2.	Seaport (as lessor)/TBP (as lessee) HSD 11438 PTD 1859, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Power Plant, Lot 1769 & Lot 1770, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia	Industrial land for heavy industries of power station only/The land is currently used for the TBPP complex and other related purpose.	18	238,716 sq metre/ 69.963 Ha	A lease for a period of 45 years, expiring on 31 January 2048	Refer to note (1)
3.	Seaport (as lessor)/TBP (as lessee) HSD 10927 PTD 1773, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Power Plant, Lot 1769 & Lot 1770, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia	Building land for coal ash disposal pond/Vacant land with mudflat area.	18	N/A/ 156.533 Ha	A lease for a period of 45 years, expiring on 31 January 2048	Refer to note (1)

No.	Name of lessor/lessee or landlord/ tenant or grantor/ grantee/ Lot. no./ Postal address	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Tenure/ Date of expiry	Rental RM
4.	Seaport (as lessor)/TBP (as lessee) HSD 10924 PTD 1771, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Power Plant, Lot 1769 & Lot 1770, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia	Commercial or industrial land for permanent jetty and any structure related thereto/The land is currently erected with a permanent jetty and the structures related thereto including conveyor belt and coal unloaders.	18	N/A/ 1.730 Ha	A lease for a period of 45 years, expiring on 31 January 2048	Refer to note (1)
5.	Seaport (as lessor)/TBP (as lessee) HSD 13031 PTD 2098, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Power Plant, Lot 1769 & Lot 1770, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia	Industrial land for coal ash disposal pond/The land is currently used as ash pond for the TBPP.	18	N/A/ 91.024 Ha	A lease for a period of 45 years, expiring on 31 January 2048	Refer to note (1)
6.	Seaport (as lessor)/TBP (as lessee) HSD 13032 PTD 2099, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Power Plant, Lot 1769 & Lot 1770, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia	Industrial land for coal ash disposal pond/The land is currently used as ash pond for the TBPP.	18	N/A/ 0.597 Ha	A lease for a period of 45 years, expiring on 31 January 2048	Refer to note (1)
7.	Seaport (as lessor)/TBE (as lessee) HSD 13028 PTD 2095, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Energy T4, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia	Industrial land for power station and other related purposes only/ The land is currently used for the TBE Power Plant.	8	N/A/ 8.118 Ha	A lease for a period of 45 years, expiring on 31 January 2048 Refer to note (2)	Refer to note (1) plus a nominal value of 10
8.	Seaport (as lessor)/TBE (as lessee) HSD 13029 PTD 2096, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Energy T4, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia	Industrial land for coal yard/ The land is currently used for the coal yard of the TBE Power Plant.	8	N/A/ 21.996 Ha	A lease for a period of 45 years, expiring on 31 January 2048 Refer to note (2)	Refer to note (1) plus a nominal value of 10

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Malakoff Corporation Berhad

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LIST OF PROPERTIES

No.	Name of lessor/lessee or landlord/ tenant or grantor/ grantee/ Lot. no./ Postal address	Description of property/Existing use	Approximate age of buildings (years)	Built-up area/Land area	Tenure/ Date of expiry	Rental RM
9.	SWW (as lessor)/TBE (as lessee) HSD 13393 PTD 2150, Mukim of Serkat, District of Pontian, Johor Darul Takzim, Malaysia Tanjung Bin Energy T4, Tanjung Bin, Serkat 82030 Pontian, Johor Darul Takzim, Malaysia	Industrial land for the petrochemical centre and the maritime industry/The land will be used for any other contingency to the TBE Power Plant.	8	N/A/ 0.444 Ha	A lease commencing from 7 March 2012 to the day before 21 March 2041 Refer to note (3)	Nil Refer to note (3)
10.	Lembaga Tabung Haji (as landlord)/ Malakoff (as tenant) Part of GRN 46226, Lot 78 Section 0070, Town of Kuala Lumpur, Level 7 to Level 13, Building no. 4, Plaza Sentral, Brickfields, Kuala Lumpur, Malaysia Level 7, 8, 10, 11, 12 and 13, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia	Six office units each on the 7th, 8th, 10th, 11th, 12th and 13th floor of a commercial building/ Currently used as office space by Malakoff.	22	6,732 sq metre/ N/A	Period of tenancy from 1 July 2021 until 30 June 2024	362,310 per month
11.	Lembaga Tabung Haji (as landlord)/ M Utilities (as tenant) Part of GRN 46226, Lot 78 Section 0070, Town of Kuala Lumpur, Level Ground, Building no. 4, Plaza Sentral, Brickfields, Kuala Lumpur, Malaysia Suite 4-G-A, Ground Floor, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia	The ground level of a commercial building/ Currently used as office space and as a Customer Service Center by M Utilities.	22	222 sq metre/ N/A	Period of tenancy from 1 July 2021 until 30 June 2024	20,332 per month

Notes:

- 1) Pursuant to the lease agreement dated 18 February 2003 and its supplemental agreements dated 1 October 2003 and 19 August 2014, respectively, between Seaport and TBP, the total rental of the lease for all four lots (and a parcel of land held under PTD 1858, which has been transferred to and registered with TNB in 2006 pursuant to the terms of the TBP PPA and is currently erected with a switchyard used for the Tanjung Bin Power Plant) is RM102,050,000 and has been paid by TBP in the manner as set out in the said agreements, with the final payment made on 14 March 2005 (i.e. prior to the registration of the lease). A portion of land title no. HSD 11438 PTD 1859 is sub-leased to TBE pursuant to a sub-lease agreement dated 29 February 2012 between TBP and TBE.

- 2) A presentation for registration of lease in favour of TBE and creation of charge over the lease in favour of TBE's financing parties for Lot PTD 2095 and PTD 2096 have been made to the Johor Land Office on 11 February 2015. The issuance of the new document of titles to TBE was completed on 12 March 2015.
- 3) Pursuant to the land lease agreement entered into between TBE and SWW dated 6 January 2016, a presentation for registration of lease in favour of TBE and creation of charge over the lease in favour of TBE's financing parties for Lot PTD 2150 have been made to the Johor Land Office on 16 February 2016. The issuance of new document of title to TBE was completed on 16 March 2016. The consideration for the lease of RM1,194,794 has been paid by TBE to SWW.

Save as disclosed above, where an application has been made to change the conditions of the land use, none of the properties disclosed above are in breach of any land use conditions and/or are in non-compliance with current statutory requirements, land rules or building regulations which will have a material adverse impact on our operations or the utilisation of our assets on the said properties.

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Malakoff Corporation Berhad

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GRI CONTENT INDEX

GRI CONTENT INDEX

Statement of use : Malakoff Corporation Berhad has reported in reference with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

GRI 1 used : GRI 1: Foundation 2021

GRI Standard	Disclosure	Page Reference
GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	The organisation and its reporting practices	
2-1	Organisational details	12 - 15, 26 - 27, 373
2-2	Entities included in the organisation's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	130, 155
2-5	External assurance	2
Activities and workers		
2-6	Activities, value chain and other business relationships	10 - 13
2-7	Employees	139 - 140
2-8	Workers who are not employees	139 - 140
Governance		
2-9	Governance structure and composition	166 - 167, 189, 197 - 198
2-10	Nomination and selection of the highest governance body	198 - 203
2-11	Chair of the highest governance body	190 - 194
2-12	Role of the highest governance body in overseeing the management of impacts	24 - 25
2-13	Delegation of responsibility for managing impacts	24 - 25
2-14	Role of the highest governance body in sustainability reporting	24 - 25
2-15	Conflicts of interest	207
2-16	Communication of critical concerns	190
2-17	Collective knowledge of the highest governance body	202 - 203
2-18	Evaluation of the performance of the highest governance body	201
2-19	Remuneration policies	204
2-20	Process to determine remuneration	204
2-21	Annual total compensation ratio	N/A
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	20 - 23
2-23	Policy commitments	111, 117, 128, 143, 150, 154
2-24	Embedding policy commitments	150
2-25	Processes to remediate negative impacts	143 - 144
2-26	Mechanisms for seeking advice and raising concerns	143 - 144
2-27	Compliance with laws and regulations	153
2-28	Membership associations	24

GRI Standard	Disclosure	Page Reference
MATERIAL TOPICS		
Stakeholder engagement		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	48 - 55
	2-30 Collective bargaining agreements	144
GRI 3: Material Topics 2021	3-1 Process to determine material topics	56
	3-2 List of material topics	56 - 61
ENVIRONMENTAL		
Energy Consumption		
GRI 3: Material Topics 2021	3-3 Management of material topics	113
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	115
	302-2 Energy consumption outside of the organisation	
	302-4 Reduction of energy consumption	115
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	116
	305-2 Energy indirect (Scope 2) GHG emissions	116
	305-5 Reduction of GHG emissions	116
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	116
Water Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	121
GRI 303: Water and Effluents	303-5 Water consumption	121 -122
Biodiversity Conservation		
GRI 3: Material Topics 2021	3-3 Management of material topics	123
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	123 - 124
	304-2 Significant impacts of activities, products and services on biodiversity	
	304-3 Habitats protected or restored	

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GRI Standard	Disclosure	Page Reference
SOCIAL		
Occupational Safety and Health		
GRI 3: Material Topics 2021	3-3 Management of material topics	126
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	126 - 132
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
Community Investment and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	133
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	133 - 135
	413-2 Operations with significant actual and potential negative impacts on local communities	
Talent Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	136
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	140 - 141
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	131 - 132
	401-3 Parental leave	132
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	137
	404-2 Programs for upgrading employee skills and transition assistance programs	137
	404-3 Percentage of employees receiving regular performance and career development reviews	138

GRI Standard	Disclosure	Page Reference
Human Rights and Labour Relations		
GRI 3: Material Topics 2021	3-3 Management of material topics	143
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	147
	405-2 Ratio of basic salary and remuneration of women to men	148
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	148
GOVERNANCE		
Regulatory Compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	152
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	153
	205-2 Communication and training about anti-corruption policies and procedures	152
	205-3 Confirmed incidents of corruption and actions taken	153
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	154
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	154
Supply Chain Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	154
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	155
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	
	308-2 Negative environmental impacts in the supply chain and actions taken	155
Data Privacy and Security		
GRI 3: Material Topics 2021	3-3 Management of material topics	156
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	157

NOTICE OF 18TH ANNUAL GENERAL MEETING

NOTICE OF 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting (**AGM**) of Malakoff Corporation Berhad (**Company**) will be held on a fully virtual basis from the broadcast venue at The Boardroom, Level 7, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia on **Thursday, 25 April 2024 at 10.00 a.m.** for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY BUSINESS

1. **“THAT** the Audited Financial Statements of the Company for the financial year ended 31 December 2023 and the Directors’ Report and Auditors’ Report thereon be and are hereby received.”

(Please refer to Explanatory Note 1)

2. **“THAT** the following Directors who retire in accordance with Article 105 of the Company’s Constitution be and are hereby re-elected as the Directors of the Company:

- (i) Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali
- (ii) Tan Sri Che Khalib Mohamad Noh
- (iii) Dato’ Mohd Naim Daruwish”

Resolution 1
Resolution 2
Resolution 3

(Please refer to Explanatory Note 2)

3. **“THAT** Datuk Wira Roslan Ab Rahman who retires in accordance with Article 111 of the Company’s Constitution be and is hereby re-elected as the Director of the Company.” **Resolution 4**

(Please refer to Explanatory Note 2)

4. **“THAT** the payment of Directors’ fees up to an amount of RM1,250,000 to the Non-Executive Directors (**NED**) with effect from the conclusion of the 18th AGM until the next AGM of the Company be and is hereby approved.” **Resolution 5**

(Please refer to Explanatory Note 3)

5. **“THAT** the payment of the following Directors’ benefits with effect from the conclusion of the 18th AGM until the next AGM of the Company be and is hereby approved:

- (i) Directors’ benefits up to an amount of RM1,350,000 to all NEDs by the Company; and
- (ii) Directors’ benefits up to an amount of RM260,000 by the subsidiaries of the Company to the Directors.”

Resolution 6
Resolution 7

(Please refer to Explanatory Note 3)

6. **“THAT** Messrs. KPMG PLT, who are eligible and have given their consent for re-appointment, be and are hereby re-appointed as Auditors of the Company until the conclusion of the next AGM, AND THAT the remuneration to be paid to them be fixed by the Board of Directors.” **Resolution 8**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution with or without modifications:

7. **Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders’ Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature (Proposed Shareholders’ Mandate)** **Resolution 9**

“THAT, subject to Paragraph 10.09 of the Main Market Listing Requirements (**MMLR**) of Bursa Malaysia Securities Berhad (**Bursa Malaysia**), the Company and its subsidiaries (**Group**) be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 2.4 of the Circular to Shareholders dated 26 March 2024, PROVIDED THAT such transactions are necessary for the Group’s day-to-day operations and are in the ordinary course of business of the Group and at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

THAT such approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority conferred by this resolution is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (**Act**) (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier;

AND THAT the Directors of the Company and its subsidiaries be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders’ Mandate as authorised by this Ordinary Resolution.”

(Please refer to Explanatory Note 4)

8. To transact any other business of which due notice shall have been given in accordance with the Act and the Company’s Constitution.

BY ORDER OF THE BOARD

Noor Raniz Mat Nor (MAICSA 7061903/SSM Practising Certificate No. 201908001542)
Zaidatul Neezma Zainal Abidin (MACS 01677/SSM Practising Certificate No. 202208000740)
 Company Secretaries

Kuala Lumpur
 26 March 2024

NOTICE OF 18TH ANNUAL GENERAL MEETING

Notes:

As a shareholder, you are encouraged to leverage on the Remote Participation and Voting Facilities to participate and vote remotely at the Company's 18th AGM to be held virtually without a physical meeting venue.

1. The broadcast venue is strictly for the compliance with Section 327(2) of the Companies Act 2016 that requires the Chairman of the meeting to be present at the main venue of the meeting. **No** member and proxy from the public should be physically present nor admitted at the broadcast venue on the day of the meeting.
2. Members and proxies are encouraged to go online, participate and vote at the 18th AGM using the Remote Participation and Electronic Voting (RPEV) facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my>. Members are advised to read the Administrative Details on the procedures to participate in this 18th AGM remotely.
3. Only depositors whose names appear on the Record of Depositors as at **18 April 2024** shall be entitled to register and participate in the meeting or appoint proxies to participate and/or vote on their behalf.
4. A member of the Company entitled to participate and vote at this meeting is entitled to appoint a proxy or proxies or attorney or other duly authorised representative to participate and vote at his stead. A member of the Company may appoint up to two (2) proxies to participate at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
5. In case of a corporation, the proxy form should be under its common seal or under the hand of an officer or attorney duly authorised on its behalf. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
6. In the case of joint holders, the signature of any one of them will suffice.
7. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless it specifies the proportion of its shareholding to be represented by each proxy.
8. Unless voting instructions are indicated in the spaces provided in the proxy form, the proxy may vote as he/she thinks fit.
9. The proxy form, to be valid, must be deposited at the office of Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for the meeting or any adjournment thereof. Alternatively, the proxy form can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> before the proxy form lodgment cut-off time as mentioned above.
10. Members'/proxies' login to the virtual meeting portal will commence at 9.00 a.m. on the day of the meeting and shall remain open until the conclusion of the 18th AGM or such time as may be determined by the Chairman of the meeting.

Explanatory Notes on Ordinary Business:
**1. Explanatory Note 1
Audited Financial Statements for the financial year ended 31 December 2023**

This agenda item is meant for discussion only as provided under Section 340(1) of the Act and the Company's Constitution. The Audited Financial Statements do not require the shareholders' approval and hence, the matter will not be put forward for voting.

 NOTICE OF 18TH ANNUAL GENERAL MEETING

**2. Explanatory Note 2
Re-election of Directors retiring in accordance with Articles 105 and 111 of the Company's Constitution**

The proposed ordinary resolutions 1 to 3 under Agenda 2 and ordinary resolution 4 under Agenda 3 of the 18th AGM are to seek the shareholders' approval on the re-election of the Directors standing for re-election in accordance with the Company's Constitution, who being eligible, have offered themselves for re-election.

i) Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali, Tan Sri Che Khalib Mohamad Noh and Dato' Mohd Naim Daruwish who retire in accordance with Article 105

In deliberating the eligibility of the Directors standing for re-election at the 18th AGM, the Board Nomination and Remuneration Committee (**BNRC**) had taken into consideration the performance and contribution of each Director based on the outcome of the annual Board assessment conducted for the financial year 2023, the criteria prescribed by Paragraph 2.20A of MMLR of Bursa Malaysia on the qualification of Directors, fit and propriety as well as their active participation on the Board deliberations. The retiring Directors met the performance criteria required for an effective and committed Board.

Based on the outcome of the self-independent assessment, the BNRC is satisfied that Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali has complied with the independence criteria as required by the MMLR of Bursa Malaysia and continues to bring independent and objective judgment to the Board deliberations.

ii) Datuk Wira Roslan Ab Rahman who retires in accordance with Article 111

Datuk Wira Roslan was appointed as an Independent Non-Executive Director of the Company on 1 June 2023. The BNRC's recommendation to re-elect Datuk Wira Roslan was supported by his extensive experience in the electricity supply industry that could bring new insight to the Board discussion on the development in the utilities market.

Having served more than 42 years in various management capacities in Tenaga Nasional Berhad (**TNB**), Datuk Wira Roslan has gained extensive knowledge of the industry, strength in industrial relations and exposure in customer services and commercial aspect in facilitating the supply of electricity for big investments and Foreign Direct Investment. With his last position as the Chief Regulatory and Stakeholder Management Officer of TNB, Datuk Wira Roslan had been working closely with the Ministry of Energy and Natural Resources (**KETSA**) and Energy Commission (**EC**) on issues pertaining to energy for the benefit of the country.

Given his invaluable exposure and experiences, Datuk Wira Roslan is able to complement the Board in deliberating the Group's business directions/strategies.

The Board, after having considered the recommendations of the BNRC, is recommending the re-election of the abovementioned Directors for the shareholders' approval.

**3. Explanatory Note 3
Directors' Remuneration**

Section 230(1) of the Act stipulates that the fees and any benefits payable to the directors of a listed company and its subsidiaries shall be tabled at a general meeting for the shareholders' approval.

NOTICE OF 18TH ANNUAL GENERAL MEETING

The proposed ordinary resolutions 5, 6 and 7, if passed, will allow the payment of the following Directors' remuneration to the Directors on a monthly basis and/or as and when incurred within the approval period after the Directors have discharged their responsibilities and rendered their services to the Company and the subsidiaries.

- (i) Directors' remuneration payable by the Company to all NEDs comprises the following:
 - a) Directors' fees; and
 - b) Benefits such as Board Committee allowances, meeting allowances, annual leave passage and/or annual supplemental fees, including benefits-in-kind to the Chairman;

The current Directors' remuneration payable to the NEDs are summarised in the table below:

Board/Board Committees	Directors' fees/allowances (per member)		Meeting Allowances (per member)	
	Non-Executive Chairman (NEC)/ per month (RM)	NED/per month (RM)	NEC/per meeting (RM)	NED/per meeting (RM)
i) Board	30,000	9,000	2,500	2,500
ii) Board Audit Committee	4,000	2,500	2,500	2,500
iii) Board Nomination & Remuneration Committee	3,000	2,000	2,000	2,000
iv) Board Risk & Investment Committee	3,000	2,000	2,000	2,000
v) Board Procurement Committee	N/A	N/A	3,000	2,000

Items	Other benefits	
	NEC (RM)	Per NED (RM)
i) Annual leave passage & annual supplemental fees	25,000 per annum	25,000 per annum
ii) Benefits-in-kind (Board only)	up to 3,500 per month (as claimed)	N/A

(Note: each of the foregoing payments being exclusive of the others)

- (ii) Directors' benefits payable by the subsidiaries of the Company to the Directors, comprising fixed allowances, meeting allowances or any other benefits.

The details of the Directors' fees and benefits paid to each Director for the financial year 2023 are disclosed in the Corporate Governance Overview Statement in the Integrated Annual Report 2023.

NOTICE OF 18TH ANNUAL GENERAL MEETING

Explanatory Notes on Special Business:

4. Explanatory Note 4 Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (RRPTs)

The proposed resolution 9, if passed, will empower the Group to enter into RRPTs with the related parties as set out in Section 2.4 of the Circular to Shareholders dated 26 March 2024 which are necessary for the Group's day-to-day operations and/or in the ordinary course of business of the Group on normal commercial terms and to facilitate the conduct of the Group's business in a timely manner.

The proposal includes the proposed renewal of the existing shareholders' mandate for RRPTs that was approved by the shareholders at the 17th AGM.

Details of the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 26 March 2024 which is circulated together with the Integrated Annual Report 2023 of the Company.

5. Abstention from Voting

The Directors who are shareholders of the Company shall abstain from voting on the resolution in respect of their own re-election, resolutions concerning remuneration of the Directors and the Proposed Shareholders' Mandate (applicable to interested directors only), at the 18th AGM.

NOTICE OF BOOK CLOSURE AND NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT shareholders who are registered in the Record of Depositors at the close of business on 30 April 2024 shall be entitled to the final dividend which will be paid on 29 May 2024.

A depositor shall qualify for dividend entitlement only in respect of:

- a) Shares transferred into the Depositor's securities account before 4.30 p.m. on 30 April 2024 in respect of ordinary transfers; and
- b) Shares bought on Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

STATEMENT ACCOMPANYING NOTICE OF THE 18TH AGM

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

The Directors retiring in accordance with the Company's Constitution and seeking for re-election are as follows:

Pursuant to Article 105 of the Company's Constitution

1. Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali
2. Tan Sri Che Khalib Mohamad Noh
3. Dato' Mohd Naim Daruwish

Pursuant to Article 111 of the Company's Constitution

1. Datuk Wira Roslan Ab Rahman

The profiles of the abovenamed Directors are stated in the Directors' Profile on pages 168 to 176 of the Integrated Annual Report 2023.

ADMINISTRATIVE DETAILS

Administrative details for the 18th Annual General Meeting (**AGM**) of Malakoff Corporation Berhad (**Company**) to be held on a fully virtual basis from the broadcast venue at The Boardroom, Level 7, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur on **Thursday, 25 April 2024 at 10.00 A.M.**

1. Remote Participation and Voting at the Company's 18th AGM

The 18th AGM of the Company will be conducted virtually through live streaming from the broadcast venue on **25 April 2024**. The broadcast venue is for the purpose of compliance with Section 327(2) of the Companies Act 2016 (**Act**), which requires the Chairman to be present at the main venue of the AGM. **Shareholder/proxy/corporate representative from the public are not allowed to physically present nor admitted at the broadcast venue on the day of the meeting.**

The shareholders are strongly encouraged to participate in the 18th AGM using the Remote Participation and Electronic Voting (**RPEV**) Facilities. Please register and sign up as a user at <https://investor.boardroomlimited.com>. Upon registration, the shareholders may exercise the rights to participate, pose questions (in the form of real time submission of typed texts) and vote at the general meeting from different locations without physically present at the meeting venue.

The closing time to submit your request to access the RPEV webcast is at **10.00 a.m. on 23 April 2024** (48 hours before the 18th AGM).

Barring any unforeseen circumstances under the current situation, the Company may change the arrangements of its 18th AGM with short notice. The latest update on the 18th AGM (if any) will be made available at the Company's website or by announcement of the Company. The Company continues to observe the guidelines or new procedures as may be issued by the Government from time to time.

2. General Meeting Record of Depositors (ROD)

Only depositors whose names appear on the ROD as at **18 April 2024** shall be entitled to participate in the 18th AGM or appoint proxies to register and vote on their behalf.

3. Proxy

If an individual shareholder is unable to attend the 18th AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form (**Proxy Form**) in accordance with the notes and instructions stated therein.

For the shareholders who have submitted Proxy Forms appointing their proxies, you may register your intention to participate via <https://investor.boardroomlimited.com>. The proxy appointment will be deemed revoked upon your registration to personally participate remotely in the meeting.

Corporate shareholders that wish to appoint a representative to participate and vote remotely at the 18th AGM may refer to details set out under item 6 or contact the share registrars, Boardroom Share Registrars Sdn Bhd (**Boardroom**), with the details set out under item 9 below for assistance not later than **Tuesday, 23 April 2024 at 10.00 a.m.**

The corporate shareholder (through corporate representative(s) or appointed proxy(ies)), who is unable to attend the 18th AGM, is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions stated therein.

ADMINISTRATIVE DETAILS

ADMINISTRATIVE DETAILS

4. Shareholders' Right to Speak

The shareholders may use the query box facility on the RPEV webcast to transmit your question to the Chairman/Board. The Chairman/Board will address and answer the relevant questions during the Questions and Answers session.

5. Poll Voting

The voting at the 18th AGM will be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company's share registrars/poll administrator, Boardroom, will assist to conduct the poll by way of electronic voting and the independent scrutineers will verify and validate the poll results. Upon the completion of the voting session for the 18th AGM, the scrutineers will verify the poll results followed by the Chairman's announcement on the resolutions put forth at the meeting.

6. RPEV Facilities

Please note that this option is available to **(i) individual shareholders; (ii) corporate shareholders; (iii) Authorised Nominee; and (iv) Exempt Authorised Nominee.**

If you choose to participate in the meeting online, you will be able to view live webcast of the meeting, submit questions to the Chairman and submit your votes in real time whilst the meeting is in progress.

Kindly follow the steps below to request for login ID and password.

Procedure	Action
i. Register Online with BoardRoom Smart Investor Portal (BSIP)	<i>(Note: If you have already signed up with BoardRoom Smart Investor Portal (BSIP), you are not required to register again. You may proceed to Step (ii), submit a request for Remote Participation user ID and password.)</i>
(for first time registration only)	<ul style="list-style-type: none"> a) Access website https://investor.boardroomlimited.com b) Click <<Register>> to sign up as a user. c) Please select the correct account type i.e. sign up as "Shareholder" or "Corporate Holder". d) Complete the registration with all required information. Upload a softcopy of your or representative's MyKAD/Identification Card (front and back) or Passport. e) For Corporate Holder, kindly upload the authorisation letter (template available on BSIP) and click "Sign Up". f) You will receive an e-mail from BSIP for e-mail address verification. Click on "Verify E-mail Address" from the e-mail received to continue with the registration. g) Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click on "Request OTP Code" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click "Enter" to complete the process. h) Your registration will be verified and approved within one (1) business day and an email notification will be provided. You can login to the BSIP at https://investor.boardroomlimited.com with the email address and password that you have provided during the registration to proceed with the next step.

ii. Submit request for remote participation *(Note: Registration for remote access will be opened on **26 March 2024** up to **23 April 2024** at **10.00 a.m.**)*

(User ID and Password) Shareholders

- a) Login to <https://investor.boardroomlimited.com> using your user ID and password created with BSIP from Step i above.
- b) Select "**MALAKOFF CORPORATION BERHAD 18TH ANNUAL GENERAL MEETING**" from the list of Meeting Event and click "**Enter**".
- c) Click "**Register for RPEV**"
- d) Enter your CDS account number.
- e) Read and agree to the Terms & Conditions by clicking "**Next**" to submit your request for RPEV.

Appointment of Proxy

- a) Login to <https://investor.boardroomlimited.com> using your user ID and password from Step i above.
- b) Select "**MALAKOFF CORPORATION BERHAD 18TH ANNUAL GENERAL MEETING**" from the list of Meeting Event and click "**Enter**".
- c) Go to "**Proxy**" and click on "**Submit eProxy Form**".
- d) Enter your 9-digit CDS Account Number and number of securities held.
- e) Select your proxy – either the Chairman of the meeting or individual named proxy(ies).
- f) Read and accept the Terms and Conditions and click "**Next**".
- g) Enter the required particulars of your proxy/ proxies.
- h) Indicate your voting instructions – **FOR** or **AGAINST**, otherwise your proxy will decide your vote.
- i) Review and confirm your proxy appointment and click "**Submit**".
- j) Download or print the e-Proxy form as acknowledgement.

*Note for Corporate Shareholders:
If you wish to appoint more than one (1) company, kindly click the home button and select "**Edit Profile**" in order to add company name.*

Authorised Nominee and Exempt Authorised Nominee

Via BSIP

- Login to <https://investor.boardroomlimited.com> using your User ID and Password from Step i above.
- Select "**MALAKOFF CORPORATION BERHAD 18TH ANNUAL GENERAL MEETING**" from the list of Meeting Event and click "**Enter**".
- Go to "**Proxy**" and click on "**Submit eProxy Form**".
- Select the company you would like to be represented (if more than one).
- Proceed to download the file format for "**Submission of Proxy Form**".

ADMINISTRATIVE DETAILS

ADMINISTRATIVE DETAILS

	<ul style="list-style-type: none"> - Prepare the file for the appointment of proxies by inserting the required data. - Proceed to upload the duly completed Proxy Appointment file. - Review and confirm your proxy appointment and click "Submit". - Download or print the eProxy form as acknowledgement. <p>Via email</p> <ul style="list-style-type: none"> - Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Shareholders and CDS Account Number accompanied with the Form of Proxy to submit the request. <p><i>Note:</i> <i>If you wish to appoint more than one (1) company, kindly click the home button and select "Edit Profile" in order to add company name.</i></p> <ol style="list-style-type: none"> You will receive a notification from Boardroom that your request has been received and is being verified. Upon system verification against the AGM's Record of Depositories, you will receive an email from Boardroom either approving or rejecting your registration for remote participation. You will also receive your remote access user ID and password along with an email from Boardroom if your registration is approved. You are encouraged to submit your request at least forty-eight (48) hours before the commencement of the Virtual AGM i.e. by 10.00 a.m. on 23 April 2024 to avoid any delay in the registration process.
iii Login to Virtual Meeting Platform	<p><i>(Please note that the quality of the connectivity to Virtual Meeting Portal for live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.)</i></p> <p><i>(Registration for remote access will be opened on 26 March 2024 up to 23 April 2024 at 10.00 a.m.)</i></p> <ol style="list-style-type: none"> The Virtual Meeting Platform will be opened for login one (1) hour before the commencement of the AGM at 9.00 a.m. on 25 April 2024, which can be accessed via one of the following methods: <ul style="list-style-type: none"> • Launch Lumi AGM by scanning the QR Code provided in the email notification; or • Access to Lumi AGM platform via website at https://meeting.boardroomlimited.my. Insert the Meeting ID No. and sign in with the user ID and password provided to you via the email notification in Step (ii) above.

iv Participate	<p><i>(Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition)</i></p> <ol style="list-style-type: none"> If you would like to view the live webcast, select the broadcast icon. 📺 If you would like to ask a question during the AGM, select the messaging icon. 💬 Type your message within the chat box, once completed click the send button.
v Voting	<ol style="list-style-type: none"> Once the Meeting is opened for voting, the polling icon 🗳️ will appear with the resolutions and your voting choices. To vote, please select your voting direction from the options provided. A confirmation message will appear to show your vote has been received. To change your vote, re-select another voting direction. If you wish to cancel your vote, please press "CANCEL".
vi End of Participation	<ol style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the AGM, the live webcast will end and the messaging window will be disabled. You can now logout from the virtual meeting platform.

7. F&B & Door Gift

There will be **NO distribution of food voucher or door gift** to shareholders.

8. Integrated Annual Report 2023 and Other Documents for AGM

The Notice of 18th AGM, Proxy Form, administrative details and request form for hard copy of the following documents (**Request Form**) can be downloaded by scanning the QR code printed on the notification card which will be sent by ordinary post to the shareholders. The same are also available on the Company's website at www.malakoff.com.my together with the following documents:

- The Company's Integrated Annual Report 2023 (incorporated with Notice of 18th AGM, Proxy Form and administrative details); and
- Circular to Shareholders in relation to Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (**Circular**).

Should you require a printed copy of item (i) and/or (ii) stated above, please send the completed Request Form to Boardroom or contact the personnel as stated in item 9 for assistance.

9. Enquiry

If you have any enquiry prior to the 18th AGM, please contact the following officer during office hours from Monday to Friday, 8.30 a.m. to 5.30 p.m. (except for public holidays):

Boardroom Share Registrars Sdn Bhd
(Registration No. 199601006647/378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

General Line : +603-7890 4700
Officer : Encik Zulkernaen Abd Samad
+603-7890 4741 (Zulkernaen.Samad@boardroomlimited.com)

PROXY FORM
Malakoff Corporation Berhad
(Registration No. 200601011818/731568-V)

No. of Ordinary Share(s) Held	
CDS Account No.	

 I/We _____ NRIC/Passport No.: _____
 (Full name in block letters)

 of _____ Tel No: _____
 (Address in full)

being a member/members of Malakoff Corporation Berhad, hereby appoint

Full Name (in Block):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Telephone/ Mobile Phone No.:			

and/or

Full Name (in Block):	NRIC/Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			
Telephone/ Mobile Phone No.:			

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting (**AGM**) of the Company to be held on a fully virtual basis from the broadcast venue at The Boardroom, Level 7, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia on Thursday, 25 April 2024 at 10.00 a.m. and at any adjournments thereof, on the following resolutions referred to in the Notice of the 18th AGM:

(Please indicate with an "X" in the space provided below how you wish your votes to be cast on the resolutions specified in the notice of meeting. If you do not do so, the proxy/proxies will vote or abstain from voting on the resolutions as he/they may think fit)

1.	To receive the Audited Financial Statements of the Company for the Financial Year Ended 31 December 2023 and the Directors' Report and Auditors' Report thereon		
ORDINARY BUSINESS		For	Against
2.	Re-election of Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali who retires in accordance with Article 105 of the Company's Constitution (Resolution 1)		
3.	Re-election of Tan Sri Che Khalib Mohamad Noh who retires in accordance with Article 105 of the Company's Constitution (Resolution 2)		
4.	Re-election of Dato' Mohd Naim Daruwish who retires in accordance with Article 105 of the Company's Constitution (Resolution 3)		
5.	Re-election of Datuk Wira Roslan Ab Rahman who retires in accordance with Article 111 of the Company's Constitution (Resolution 4)		
6.	Payment of Directors' fees to the Non-Executive Directors with effect from the conclusion of the 18 th AGM until the next AGM of the Company (Resolution 5)		
7.	Payment of Directors' benefits to the Non-Executive Directors with effect from the conclusion of the 18 th AGM until the next AGM of the Company (Resolution 6)		
8.	Payment of Directors' benefits by the subsidiaries to the Directors with effect from the conclusion of the 18 th AGM until the next AGM of the Company (Resolution 7)		
9.	Re-appointment of Messrs. KPMG PLT as Auditors of the Company (Resolution 8)		
SPECIAL BUSINESS			
10.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (RRPTs) and Proposed New Shareholders' Mandate for Additional RRPTs (Resolution 9)		

Signed this _____ day of _____ 2024

 Signature of member/Common Seal

Notes:

As a shareholder, you are encouraged to leverage on the Remote Participation and Voting Facilities to participate and vote remotely at the Company's 18th AGM to be held virtually without a physical meeting venue.

- The broadcast venue is strictly for the compliance with Section 327(2) of the Companies Act 2016 that requires for the Chairman of the meeting to be present at the main venue of the meeting. **No** member and proxy from the public should be physically present nor admitted at the broadcast venue on the day of the AGM.
- Members and proxies are encouraged to go online, participate and vote at the AGM using the Remote Participation and Electronic Voting (**RPEV**) facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my>. Members are advised to read the Administrative Details on the procedures to participate in this AGM remotely.
- Only depositors whose names appear on the Record of Depositors as at **18 April 2024** shall be entitled to participate in the AGM or appoint proxies to participate and/or vote on their behalf.
- A member of the Company entitled to participate and vote at this meeting is entitled to appoint a proxy or proxies or attorney or other duly authorised representative to participate and vote at his stead. A member of the Company may appoint up to two (2) proxies to participate at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

- In case of a corporation, the proxy form should be under its common seal or under the hand of an officer or attorney duly authorised on its behalf. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- In the case of joint holders, the signature of any one of them will suffice.
- Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless it specifies the proportion of its shareholding to be represented by each proxy.
- Unless voting instructions are indicated in the spaces provided in the proxy form, the proxy may vote as he/she thinks fit.
- The proxy form, to be valid, must be deposited at the office of Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for the meeting or any adjournment thereof. Alternatively, the proxy form can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> before the proxy form lodgement cut-off time as mentioned above.
- Members'/proxies' login to the virtual meeting portal will commence at 9.00 a.m. on the day of the meeting and shall remain open until the conclusion of the AGM or such time as may be determined by the Chairman of the meeting.

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 Malakoff Corporation Berhad
 18th Annual General Meeting

Stamp

 To: Boardroom Share Registrars Sdn Bhd
 (Registration No. 199601006647/378993-D)
 11th Floor, Menara Symphony,
 No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
 46200 Petaling Jaya, Selangor Darul Ehsan,
 Malaysia

Please fold here



Malakoff Corporation Berhad

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