

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Period Ended 30 June 2025

	3 months ended 30.06.2025 RM'000 (Unaudited)	3 months ended 30.06.2024 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2025 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2024 RM'000 (Unaudited)
Revenue	2,019,765	2,307,786	4,047,649	4,587,899
Cost of sales	(1,798,036)	(2,008,240)	(3,537,181)	(3,949,621)
Gross profit	221,729	299,546	510,468	638,278
Other income	7,813	29,008	16,405	36,852
Administrative expenses	(60,773)	(60,365)	(123,086)	(117,711)
Other operating expenses	(9,115)	(35,879)	(104,980)	(115,635)
Results from operating activities	159,654	232,310	298,807	441,784
Finance income	16,454	15,933	31,486	35,492
Finance costs	(117,483)	(126,611)	(234,889)	(257,862)
Net finance costs	(101,029)	(110,678)	(203,403)	(222,370)
Share of profit of equity-accounted associates and joint ventures, net of tax	26,363	17,861	48,038	39,857
Profit before tax	84,988	139,493	143,442	259,271
Tax expense	(14,067)	(36,410)	(30,017)	(77,827)
Profit for the period	70,921	103,083	113,425	181,444
Other comprehensive (expense)/income, net of tax				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liabilities	(28)	2,527	(1,158)	-
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	-	(546)	(238)	(856)
Share of loss on hedging reserve of equity-accounted associates and joint ventures	(1,223)	(1,425)	(4,554)	642
Foreign currency translation differences for foreign operations	(8,413)	(5,674)	(10,005)	3,509
	(9,636)	(7,645)	(14,797)	3,295
Other comprehensive (expense)/income for the period	(9,664)	(5,118)	(15,955)	3,295
Total comprehensive income for the period	61,257	97,965	97,470	184,739

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	3 months ended 30.06.2025 RM'000 (Unaudited)	3 months ended 30.06.2024 RM'000 (Unaudited)	6 months ended 30.06.2025 RM'000 (Unaudited)	6 months ended 30.06.2024 RM'000 (Unaudited)
Profit attributable to:				
Equity holders of the Company	62,827	93,575	96,818	155,775
Non-controlling interests	8,094	9,508	16,607	25,669
Profit for the period	70,921	103,083	113,425	181,444
Total comprehensive income attributable to:				
Equity holders of the Company	53,163	88,457	80,863	159,070
Non-controlling interests	8,094	9,508	16,607	25,669
Total comprehensive income for the period	61,257	97,965	97,470	184,739
Earnings per ordinary share (sen)				
Basic	1.29	1.92	1.42	2.71

Condensed Consolidated Statements Of Financial Position
As at 30 June 2025

	As at 30.06.2025 RM'000 (Unaudited)	As at 31.12.2024 RM'000 (Audited)
Assets		
Property, plant and equipment	9,888,300	10,136,491
Right-of-use assets	102,498	106,947
Investment properties	16,300	16,300
Concession assets	109,279	113,203
Intangible assets	1,986,937	1,978,993
Investments in associates	699,147	593,388
Investments in joint ventures	701,117	709,111
Trade and other receivables	5,529	5,829
Deferred tax assets	299,108	287,982
Total non-current assets	13,808,215	13,948,244
Derivative financial assets	-	24,493
Trade and other receivables	1,485,139	1,536,173
Inventories	979,718	1,037,529
Current tax assets	134,888	173,653
Other investments	1,550,622	831,192
Cash and cash equivalents	915,286	1,375,368
Assets classified as held for sale	86,035	86,035
Total current assets	5,151,688	5,064,443
Total assets	18,959,903	19,012,687
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(98,647)	(98,647)
Reserves	301,257	316,054
Accumulated losses	(1,442,677)	(1,404,914)
Equity attributable to owners of the Company	4,452,988	4,505,548
Perpetual sukuk	800,000	800,000
Non-controlling interests	241,216	238,289
Total equity	5,494,204	5,543,837
Liabilities		
Loans and borrowings	7,127,936	7,016,119
Lease liabilities	18,826	16,646
Employee benefits	86,316	86,187
Provision for decommissioning costs	242,771	237,541
Provision for concession assets	111,125	180,151
Deferred income	2,213,080	2,401,935
Deferred tax liabilities	847,413	892,622
Total non-current liabilities	10,647,467	10,831,201

Condensed Consolidated Statements Of Financial Position
As at 30 June 2025

	As at 30.06.2025 RM'000 (Unaudited)	As at 31.12.2024 RM'000 (Audited)
Trade and other payables	1,465,046	1,363,471
Current tax liabilities	6,437	5,697
Loans and borrowings	739,447	752,055
Lease liabilities	8,339	7,215
Provision for decommissioning costs	28,600	29,265
Provision for concession assets	132,353	132,353
Employee benefits	14,930	13,660
Deferred income	384,223	295,076
Liabilities classified as held for sale	38,857	38,857
Total current liabilities	<u>2,818,232</u>	<u>2,637,649</u>
Total liabilities	<u>13,465,699</u>	<u>13,468,850</u>
Total equity and liabilities	<u>18,959,903</u>	<u>19,012,687</u>
 Net assets per share attributable to ordinary equity holders of the parent (RM)	 0.91	 0.92

Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 June 2025

	/----- Attributable to owners of the Company -----/								
	/----- Non-distributable -----/				Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Reserves		Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
			Translation RM'000	Hedging RM'000					
At 1 January 2025	5,693,055	(98,647)	22,194	293,860	(1,404,914)	4,505,548	800,000	238,289	5,543,837
Remeasurement of defined benefit liability	-	-	-	-	(1,158)	(1,158)	-	-	(1,158)
Foreign currency translation differences for foreign operations	-	-	(10,005)	-	-	(10,005)	-	-	(10,005)
Cash flow hedge	-	-	-	(238)	-	(238)	-	-	(238)
Share of loss on hedging reserve of equity-accounted associates and joint ventures	-	-	-	(4,554)	-	(4,554)	-	-	(4,554)
Other comprehensive expense for the period	-	-	(10,005)	(4,792)	(1,158)	(15,955)	-	-	(15,955)
Profit for the period	-	-	-	-	96,818	96,818	-	16,607	113,425
Comprehensive income/(expense) for the period	-	-	(10,005)	(4,792)	95,660	80,863	-	16,607	97,470
Distribution to holder of perpetual sukuk	-	-	-	-	(27,373)	(27,373)	-	-	(27,373)
Dividends to owners of the Company	-	-	-	-	(106,050)	(106,050)	-	-	(106,050)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(13,680)	(13,680)
Total distribution to owners	-	-	-	-	(106,050)	(106,050)	-	(13,680)	(119,730)
At 30 June 2025	5,693,055	(98,647)	12,189	289,068	(1,442,677)	4,452,988	800,000	241,216	5,494,204

Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 June 2025

	/----- Attributable to owners of the Company -----/								
	/----- Non-distributable -----/		Distributable						
	Share Capital RM'000	Treasury Shares RM'000	Reserves		Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
			Translation RM'000	Hedging RM'000					
At 1 January 2024	5,693,055	(98,647)	36,441	297,787	(1,438,891)	4,489,745	800,000	257,102	5,546,847
Remeasurement of defined benefit liabilities	-	-	-	-	-	-	-	-	-
Foreign currency translation									
differences for foreign operations	-	-	3,509	-	-	3,509	-	-	3,509
Cash flow hedge	-	-	-	(856)	-	(856)	-	-	(856)
Share of gain on hedging reserve of equity-accounted associates and joint ventures	-	-	-	642	-	642	-	-	642
Other comprehensive income/(expense) for the period	-	-	3,509	(214)	-	3,295	-	-	3,295
Profit for the period	-	-	-	-	155,775	155,775	-	25,669	181,444
Comprehensive income for the period	-	-	3,509	(214)	155,775	159,070	-	25,669	184,739
Distribution to holder of perpetual sukuk	-	-	-	-	(23,535)	(23,535)	-	-	(23,535)
Dividends to owners of the Company	-	-	-	-	(73,305)	(73,305)	-	-	(73,305)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(38,013)	(38,013)
Total distribution to owners	-	-	-	-	(73,305)	(73,305)	-	(38,013)	(111,318)
At 30 June 2024	5,693,055	(98,647)	39,950	297,573	(1,379,956)	4,551,975	800,000	244,758	5,596,733

Condensed Consolidated Statements Of Cash Flows
For the Period Ended 30 June 2025

	6 months ended 30.06.2025 RM'000 (Unaudited)	6 months ended 30.06.2024 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before tax	143,442	259,271
Adjustments for :		
Non cash-items	543,468	553,116
Finance costs	234,889	257,862
Finance income	(31,486)	(35,492)
Share of profit of equity-accounted associates and joint ventures, net of tax	(48,038)	(39,857)
Operating profit before changes in working capital	<u>842,275</u>	<u>994,900</u>
<i>Changes in working capital:</i>		
Net change in current assets	(5,689)	(278,684)
Net change in current liabilities	121,313	10,900
Net change in non-current liabilities	(164,169)	(115,127)
Cash generated from operations	<u>793,730</u>	<u>611,989</u>
Tax paid, net	(46,609)	(50,662)
Net cash from operating activities	<u>747,121</u>	<u>561,327</u>
Cash flows from investing activities		
Additional investments in an associate	(118,200)	-
Change in other investments	(719,430)	(187,548)
Interest received	16,926	31,948
Purchase of property, plant and equipment	(157,762)	(191,630)
Net cash used in investing activities	<u>(921,928)</u>	<u>(270,197)</u>
Cash flows from financing activities		
Distribution to perpetual sukuk holder	(27,373)	(23,535)
Dividends paid to the owners of the Company	(106,050)	(73,305)
Interest paid	(148,055)	(198,390)
Repayment of borrowings	(231,602)	(286,996)
Payment of lease liabilities	(8,515)	(6,039)
Net cash used in financing activities	<u>(285,275)</u>	<u>(626,278)</u>

Condensed Consolidated Statements Of Cash Flows
For the Period Ended 30 June 2025

	6 months ended 30.06.2025 RM'000 (Unaudited)	6 months ended 30.06.2024 RM'000 (Unaudited)
Net decrease in cash and cash equivalents	(460,082)	(335,148)
Cash and cash equivalents at beginning of the period	1,375,368	2,571,016
Cash and cash equivalents at end of the period	915,286	2,235,868
Cash and cash equivalents comprise :		
Cash and bank balances	120,882	1,142,798
Deposits with licensed banks and other licensed corporations	794,404	1,093,070
	915,286	2,235,868

Notes to the interim financial statements**1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, *Interim Financial Reporting* and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

The audited financial statements of the Group for the financial year ended 31 December 2024 were prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The significant accounting policies adopted in these interim financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2024, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025 as follows:

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

The adoption of the above did not have any material impact on the financial statements of the Group.

2. Audit qualification

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2024 was not subject to any qualification.

3. Seasonal or cyclical factors

The Group's operations have not been affected by seasonal or cyclical factors.

4. Unusual items

There was no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review because of its nature, size and incidence.

5. Changes in estimates

There was no material change in financial estimates made in prior financial year that could materially affect the current interim results.

6. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter except for the scheduled repayment of Tanjung Bin Energy Sdn. Bhd. (“TBE”) sukuk programme of RM105.0 million.

7. Dividends paid

On 29 May 2025, the Company paid a final dividend of 2.17 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM106,047,060 in respect of the financial year ended 31 December 2024.

8. Segment reporting

The Group's segmental reporting for the financial period ended 30 June 2025 is as follows:

	<u>Power generation</u>			Waste Management and Environmental Services	<u>Others</u>			<u>Elimination</u>			<u>Total</u>		
	Local	Foreign	Total	Local	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	RM'000
Revenue from external customers	3,569,151	-	3,569,151	451,576	26,922	-	26,922	-	-	-	4,047,649	-	4,047,649
Inter-segment revenue	-	-	-	70,047	488,553	50,265	538,818	(558,600)	(50,265)	(608,865)	-	-	-
Total segment revenue	3,569,151	-	3,569,151	521,623	515,475	50,265	565,740	(558,600)	(50,265)	(608,865)	4,047,649	-	4,047,649
Profit/(Loss) after tax	123,123	39,008	162,131	65,379	111,276	55,726	167,002	(223,108)	(57,979)	(281,087)	76,670	36,755	113,425

The Group's segmental reporting for the financial period ended 30 June 2024 was as follows:

	<u>Power generation</u>			<u>Waste Management and Environmental Services</u>	<u>Others</u>			<u>Elimination</u>			<u>Total</u>		
	Local	Foreign	Total	Local	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	RM'000
Revenue from external customers	4,056,947	-	4,056,947	439,816	91,136	-	91,136	-	-	-	4,587,899	-	4,587,899
Inter-segment revenue	-	-	-	-	498,917	183,436	682,353	(498,917)	(183,436)	(682,353)	-	-	-
Total segment revenue	4,056,947	-	4,056,947	439,816	590,053	183,436	773,489	(498,917)	(183,436)	(682,353)	4,587,899	-	4,587,899
Profit/(Loss) after tax	207,233	38,569	245,802	61,311	100,827	181,014	281,841	(217,363)	(190,147)	(407,510)	152,008	29,436	181,444

9. Property, plant and equipment

There was no revaluation of property, plant and equipment during the current quarter ended 30 June 2025 except for the amounts carried forward pertaining to certain Group properties that had been revalued in the past.

10. Events subsequent to the end of the current interim period

There was no material event subsequent to the end of the current quarter ended 30 June 2025.

11. Changes in composition of the Group

There was no change in the composition of the Group during the current quarter ended 30 June 2025.

12. Asset classified as held for saleProposed Disposal of a subsidiary

On 17 October 2024, the Directors had approved the proposed disposal of its electricity distribution and district cooling business, Malakoff Utilities Sdn. Bhd. (“MUSB”), a wholly-owned subsidiary of the Company. On 3 February 2025, the Company entered into a conditional Sale and Purchase Agreement (“SPA”) with KJ Technical Services Sdn. Bhd., a wholly-owned subsidiary of KJTS Group Berhad for the proposed disposal of its entire 100% equity interest in MUSB for a total cash consideration of RM65,500,000.

In relation thereto, the assets and liabilities of MUSB have been presented as a disposal group held for sale in accordance with MFRS 5, *Non-Current Assets Held for Sale and Discontinued Operation*.

13. Changes in contingent liabilities or contingent assets

There was no change in contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2024 except for the following bank guarantees issued to third parties:

	30.06.2025 RM'mil	31.12.2024 RM'mil
Company and subsidiaries	<u>855.1</u>	<u>837.2</u>

These guarantees mainly consist of performance bonds and security deposits for projects.

14. Capital commitments

Capital commitments of the Group not provided for in the interim financial report are as follows:

	30.06.2025 RM'mil	31.12.2024 RM'mil
Property, plant and equipment:		
Authorised and contracted for	776.5	1,067.4
Authorised but not contracted for	<u>648.1</u>	<u>506.6</u>
	<u>1,424.6</u>	<u>1,574.0</u>

Additional information required by the Bursa Securities Listing Requirements**15. Review of performance****Quarter 2, 2025 vs Quarter 2, 2024**

For the quarter ended 30 June 2025, the Group recorded RM2,019.8 million in revenue, a decrease of RM288.0 million or 12.5% from the RM2,307.8 million reported in the corresponding quarter ended 30 June 2024, primarily due to lower energy payment recorded from Tanjung Bin Power Sdn. Bhd. (“TBP”) and Tanjung Bin Energy Sdn. Bhd. (“TBE”) in line with the decline in applicable coal price (“ACP”) as well as lower energy payment recorded from Segari Energy Ventures Sdn. Bhd. (“SEV”) given the decrease in despatch factor.

As a result, the Group recorded lower profit before taxation of RM85.0 million in the current quarter, a RM54.5 million reduction of RM139.5 million as reported in the corresponding quarter ended 30 June 2024. This was primarily due to negative fuel margin recorded at TBP largely affected by the decline in ACP and the one-off gain from compensation for compulsory land acquisition recognised in the corresponding quarter of 2024. However, these were partially offset by the reversal of net realisable value (“NRV”) provision for coal inventories at TBP following favourable development in coal price in expectations of a gradual increase in global coal demand through 2025.

Year-to-date, 2025 vs Year-to-date, 2024

For the period ended 30 June 2025, the Group recorded RM4,047.6 million in revenue, a decrease of RM540.3 million or 11.8% from RM4,587.9 million as reported in the corresponding period ended 30 June 2024, primarily due to lower energy payment recorded from TBP and TBE in line with the decline in ACP as well as lower energy payment recorded from SEV given the decrease in despatch factor.

The Group recorded profit before taxation of RM143.4 million, a decrease of RM115.9 million from profit before taxation of the RM259.3 million reported in the corresponding period ended 30 June 2024, primarily due to negative fuel margin recorded at TBP which was significantly affected by the decline in ACP as well as the one-off gain from compensation for compulsory land acquisition recognised in the corresponding period of 2024. However, these were partially offset by the reversal of NRV provision for coal inventories at TBP following favourable development in coal price, higher contribution from investments in associates as well as lower net finance costs in line with the scheduled repayment of borrowings.

16. Variation of results against immediate preceding quarter**Quarter 2, 2025 vs Quarter 1, 2025**

The Group recorded higher profit before taxation of RM85.0 million in the current quarter as compared with RM58.5 million reported in the immediate preceding quarter, primarily due to the reversal of NRV provision for coal inventories at TBP following favourable development in coal price, partially offset by the negative fuel margin recorded from both coal plants adversely affected by the decline in ACP.

17. Current prospects

The Malaysia's Gross Domestic Product ("GDP") expanded by 4.4% in the second quarter of 2025, sustaining the same growth rate recorded in the first quarter of 2025, primarily driven by higher growth in household spending, stronger investment activities and continued demand for Electrical and Electronics (E&E) exports and tourism activity (*source: Bank Negara Malaysia ("BNM")'s Economic & Financial Developments Report as at 15 August 2025*). Despite the tariff challenges and uncertainty, BNM maintains its 2025 GDP forecast of between 4.0% and 4.8%, supported by domestic consumptions and investments.

According to the International Energy Agency (IEA) report, the global coal demand is expected to improve gradually by 0.2% in 2025 after declining by less than 1% in the first half mainly driven by continued output growth in China and India, which rely on coal as their predominant power source. The Group, following development in coal price, has made a reversal of the net realisable value ("NRV") provision for coal inventories in the second quarter of 2025.

On 19 June 2025, Malakoff Corporation Berhad ("MCB") through its subsidiary, Sungai Udang WTE Sdn. Bhd. ("SUWTE") entered into a concession agreement ("CA") on a public-private partnership basis with the Housing and Local Government Ministry ("KPKT") and Solid Waste and Public Cleansing Management Corporation ("SWCorp") for the design, construction, finance, operation, maintenance and closure of a Waste-to-Energy facility at the Sungai Udang, Melaka ("WTE Facility" or "Project"). The WTE facility is expected to process up to 1,056 tonnes of solid waste per day and generate approximately 22 MW of gross renewable energy under a Power Purchase Agreement to be entered into by Tenaga Nasional Berhad ("TNB"). The Project signifies the Group's continuous effort to become a key driver in transforming the national solid waste management system.

On 15 July 2025, MCB formalised its collaboration with Evergreen Earth Sdn. Bhd. ("EESB") through the exchange of a Memorandum of Understanding ("MOU") to explore investment opportunities in the development of greenfield solar photovoltaic ("PV") power plants and other potential renewable energy ("RE") initiatives, collectively known as the "Green Power Projects," in Sarawak. This development represents a significant step forward in accelerating Malaysia's energy transition and is expected to deliver strong economic value through job creation, upskilling of local talent, and the development of rural infrastructure.

On 31 July 2025, MCB participated in a Request for Proposal (RFP) for the development of a Battery Energy Storage System ("BESS") with a capacity of 100 MW/400 MWh. The BESS program which is expected to operate for a period of 15 years, commencing in 2027 will support the national sustainability agendas by facilitating the integration of intermittent renewable energy, enhancing grid stability and enabling decarbonisation in the power and transport sectors.

Based on the foregoing, the Group expects its overall performance to remain satisfactory for the financial year ending 31 December 2025.

18. Profit before tax

Profit before tax is stated after (crediting)/charging the following items:

	3 months ended 30.06.2025	3 months ended 30.06.2024	Cumulative 6 months ended 30.06.2025	Cumulative 6 months ended 30.06.2024
	RM'mil	RM'mil	RM'mil	RM'mil
Finance income	(16.5)	(15.9)	(31.5)	(35.5)
Finance costs	117.5	126.6	234.9	257.9
Depreciation	208.8	207.0	410.0	407.2
Amortisation of intangibles assets	55.4	77.4	138.3	150.0
Property, plant and equipment written off	3.4	-	3.4	-
Net foreign exchange loss/(gain)	0.5	(4.5)	0.7	(4.4)

19. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter ended 30 June 2025.

20. Tax expense

	3 months ended 30.06.2025	3 months ended 30.06.2024	Cumulative 6 months ended 30.06.2025	Cumulative 6 months ended 30.06.2024
	RM'mil	RM'mil	RM'mil	RM'mil
Current tax expense	41.2	28.3	86.1	49.6
Deferred tax expense	(27.1)	8.1	(56.1)	28.2
Total tax expense	14.1	36.4	30.0	77.8

The Group's effective tax rate for the current period under review was lower than the statutory income tax rate primarily due to the under provision of deferred tax assets in the prior year.

21. Status of corporate proposal announced

On 3 February 2025, the Company entered into a conditional Sale and Purchase Agreement (“SPA”) with KJ Technical Services Sdn. Bhd., a wholly-owned subsidiary of KJTS Group Berhad for the proposed disposal of its entire 100% equity interest in Malakoff Utilities Sdn. Bhd., a wholly-owned subsidiary of the Company for a total cash consideration of RM65,500,000.

As at reporting date, both parties have agreed to extend the Long Stop Date further from 2 August 2025 to 3 November 2025 to fulfil the outstanding Conditions Precedent under the SPA.

Saved for the above, there was no corporate proposal announced and/or pending completion as at the date of this announcement.

22. Borrowings

	30.06.2025 RM'mil	31.12.2024 RM'mil
Current		
- Secured	709.5	722.1
- Unsecured	30.0	30.0
	<u>739.5</u>	<u>752.1</u>
Non-current		
- Secured	7,127.9	7,016.1
	<u>7,867.4</u>	<u>7,768.2</u>

The breakdown of Group borrowings by currency is as follows:

	30.06.2025 RM'mil	31.12.2024 RM'mil
Functional currency		
- RM	7,867.4	7,686.2
- USD	-	82.0
	<u>7,867.4</u>	<u>7,768.2</u>

23. Changes in material litigation

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, which was novated from Natural Analysis Sdn Bhd/PPSB to MPB in the Novation Agreement dated 18 January 2013.

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 Settlement and Release Agreement (“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.

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 have been vacated.

On 26 February 2024, the SIAC appointed a substitute co-arbitrator.

On 28 February 2024, the Presiding Arbitrator requested the parties' counsel to propose alternate sets of hearing dates for the Arbitral Tribunal's consideration.

On 13 May 2024, the Arbitral Tribunal confirmed that the arbitration hearing has been scheduled to be held from 23 July 2025 to 8 August 2025.

On 18 June 2025, Malakoff Entities informed the Arbitral Tribunal of an unexpected medical circumstance faced by the lead counsel for Malakoff Entities and requested a postponement of the July-August Hearing to the first quarter of 2026.

On 20 June 2025, GE Entities proposed to the Arbitral Tribunal a bifurcation of the Merits Hearing, i.e. a proposal that the July-August Hearing proceeds in respect of Claim 1 only (involving only PPSB and GE Entities), allowing GE Entities a short time after the Arbitral Tribunal's determination of Claim 1 to decide if GE Entities would proceed with Claim 2 against Malakoff Entities.

On 28 June 2025, after consideration of the matters raised by PPSB and GE Entities in relation to bifurcation, the Arbitral Tribunal directed that:

- (a) the July-August Hearing would proceed in respect of Claim 1 only, which solely involves PPSB and GE Entities; and
- (b) the Arbitral Tribunal would decide at the conclusion of the hearing on Claim 1 whether to decide and issue its award on Claim 1 or defer it until Claim 2 (of which Malakoff Entities are involved) is heard.

Save as disclosed above, there has been no other significant change in material litigation, including the status of the pending material litigation in respect of the Company and its subsidiaries during the current quarter under review.

24. Dividend Payable

The Directors recommend the payment of an interim dividend of 1.50 sen per ordinary share in respect of the financial year ending 31 December 2025. The interim dividend will be paid on 27 October 2025 to shareholders registered on the Company's Register of Members at the close of business on 29 September 2025.

In the corresponding quarter ended 30 June 2024, the Directors recommended the payment of an interim dividend of 2.23 sen per ordinary share in respect of the financial year ended 31 December 2024. The interim dividend was paid on 25 October 2024.

25. Earnings per ordinary share

	3 months ended 30.06.2025	3 months ended 30.06.2024	Cumulative 6 months ended 30.06.2025	Cumulative 6 months ended 30.06.2024
Basic Earnings per Ordinary Share				
Profit for the period attributable to equity holders (RM mil)	62.8	93.6	96.8	155.8
Distribution to perpetual sukuk holder (RM mil) [#]	-	-	(27.4)	(23.5)
Profit for the period attributable to ordinary shareholders (RM mil)	62.8	93.6	69.4	132.3
Weighted average number of ordinary shares (mil)	4,887.0	4,887.0	4,887.0	4,887.0
Basic earnings per ordinary share (sen)	1.29	1.92	1.42	2.71

Note[#] - The distribution to perpetual sukuk holder is classified as equity in the financial statements based on the underlying of issuing terms of the sukuk program.

26. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 27 August 2025.

By Order of the Board
 Noor Raniz bin Mat Nor (MAICSA No.7061903)
 Zaidatul Neezma binti Zainal Abidin (MACS 01677)
 Secretaries
 Kuala Lumpur
 27 August 2025