MALAKOFF

CORPORATE UPDATES

CIMB 8th ANNUAL MALAYSIA CORPORATE DAY (Kuala Lumpur)

6 January 2016

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Experienced, skilled and qualified management team with proven execution capabilities

Senior Management

Habib Husin,
Acting CEO
Executive Vice President, Operations

- c.30 years of industry experience
- c.16 years with Malakoff

Shaharul Farez
Executive Vice President, Corporate

- c.22 years in accounting, corporate finance and business development

Ruswati Othman,
Chief Financial Officer

- c.25 years in accounting, corporate finance and risk management
- c.20 years with Malakoff

Azhari Sulaiman,
Senior Vice President,
Ventures Division

- Responsible for project development
- c.31 years of industry experience
- c.10 years with Malakoff

Nordin Kasim,
Senior Vice President,
O&M Division

- c.30 years of industry experience
- c.15 years with Malakoff

Mohd Shokri Daud,
Senior Vice President,
Asset Management Division

- c.22 years of industry experience
- c.19 years with Malakoff

Stock information

Top 10 Shareholding Position as at 30 Sept 2015

No.	Shareholders	No. of shares (million)	%
1	Anglo Oriental	981.3	19.6%
2	Malaysian Employees Provident Fund	941.3	18.8%*
3	MMC Corporation Berhad	897.7	18.0%
4	Lembaga Tabung Haji	502.9	10.1%*
5	Kumpulan Wang Persaraan	332.7	6.7%*
6	Standard Chartered	206.9	4.1%**
7	Seasaf Power Sdn Bhd	79.6	1.6%**
8	Eastspring	66.7	1.3%
9	CIMB Islamic	41.1	0.8%
10	Macquarie Asia	31.7	0.6%
		4,083.6	**81.7%**
	Others	**916.4**	**18.3%**
	Total	**5,000.0**	**100.00%**

Shareholding breakdown	30 June 2015	At IPO	Changes
Malaysian	**90.45%**	**90.1%**	***+0.4***
Non-Malaysian	**9.55%**	**9.9%**	**-0.4**
Total	100%	100%	

**As at 31 December 2015*
*** Fully disposed on 25 November 2015*

Share Information as at 4 January 2016

Item	
Bursa Stock Code 5264 Malakof	
Bloomberg Ticker MLK MK	
Share price as at 4 Jan 2016	MYR1.60
Market Capitalization	MYR8.0 billion
Securities Commission Shariah Stock	

Share price chart

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FINANCIAL SUMMARY

Key Financial Parameters

	YTD 3Q FY2015 (RM million)	YTD 3Q FY2014 (RM million)	*Change*
Revenue	3,926	4,112	*-5%*
Profit from operating activities	1,006	891	*+13%*
PBT	532	394	*+35%*
PATMI	346	229	*+51%*
EBITDA	1,847	1,785	*+3%*
EPS	7.91 sen	6.39 sen	*+24%*

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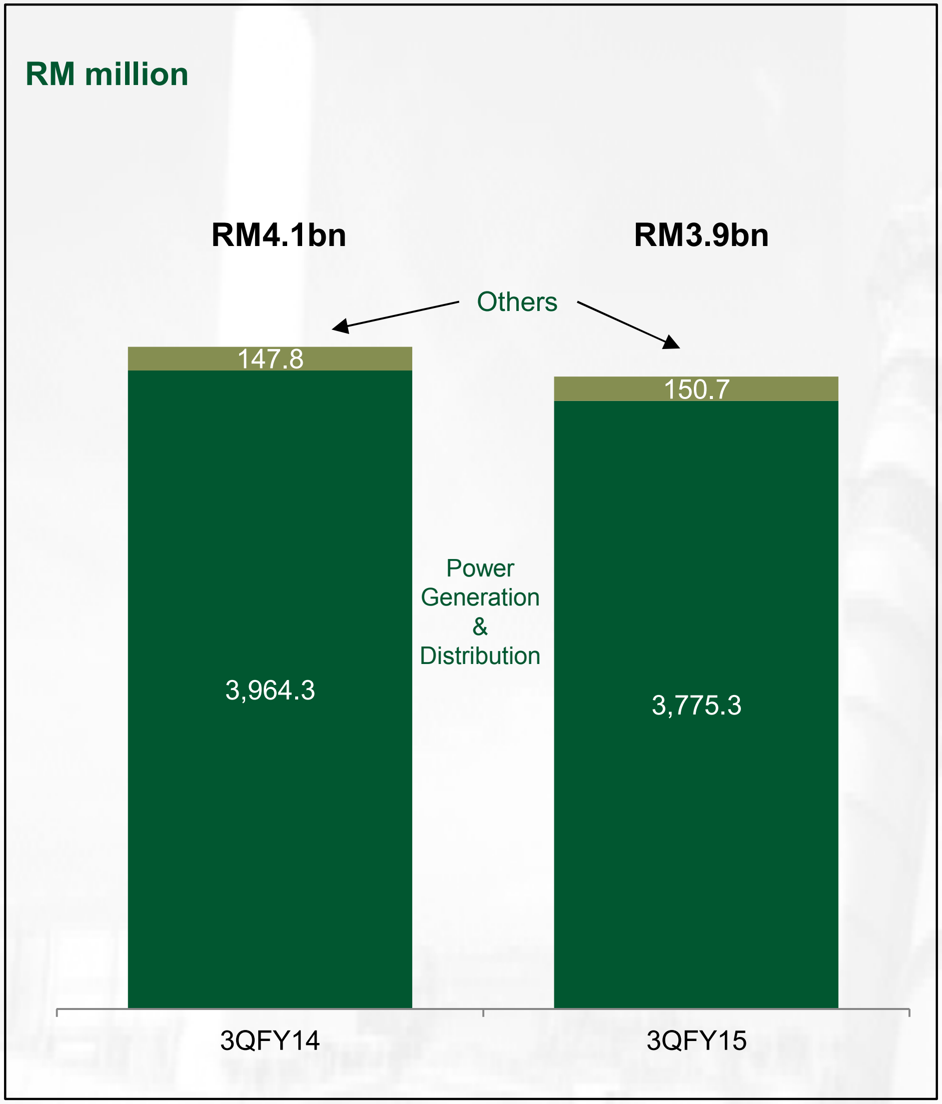
Financial Results

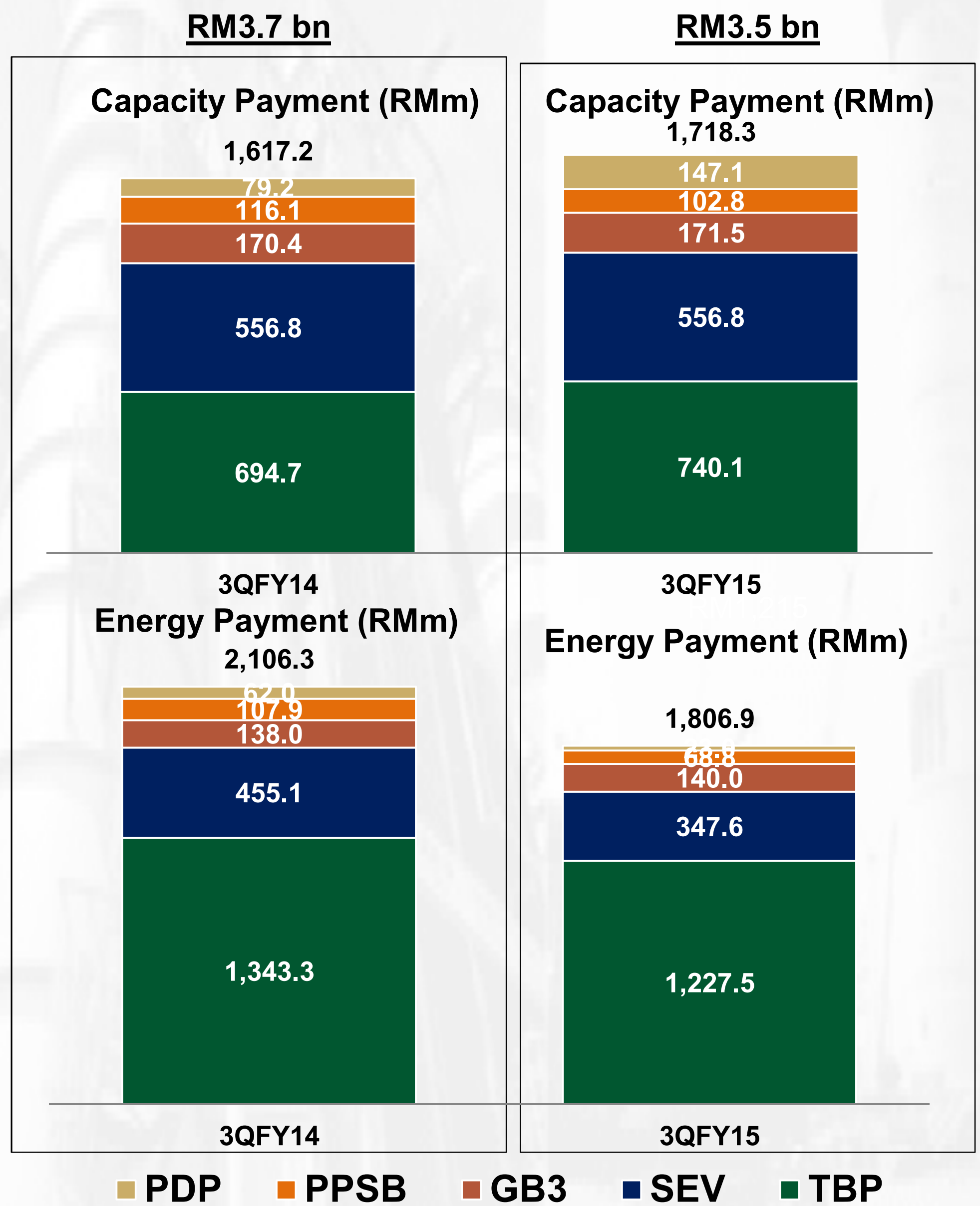
YTD 3QFY14 Actual (Jan – Sep 2014) RMm	3QFY14 Actual (Jul–Sep 2014) RMm		3QFY15 Actual (Jul – Sep 2015) RMm	2QFY15 Actual (Apr – June 2015) RMm	YTD 3QFY15 Actual (Jan – Sep 2015) RMm	YoY Chg YTD 3Q15 vs YTD 3Q14	YoY Chg 3Q15 vs 3Q14	QtQ Chg 3Q15 vs 2Q15
4,112	1,408	Revenue	1,284	1,296	3,926	*-5%*	*-9%*	*-1%*
(2,905)	(988)	Cost of sales	(903)	(909)	(2,711)	*7%*	*-8%*	*-1%*
1,207	421	Gross profit	380	387	1,215	*1%*	*-10%*	*-2%*
24	17	Other income	13	17	39	*63%*	*-24%*	*-24%*
(166)	(45)	Administrative expenses	(30)	(28)	(139)	*-16%*	*-33%*	*7%*
(174)	(36)	Operating expenses	(29)	(39)	(109)	*-37%*	*-22%*	*-26%*
891	357	Profit from operations	334	337	1,006	*13%*	*-6%*	*-1%*
84	3	Interest income	47	48	141	*68%*	*->100%*	*-2%*
(684)	(227)	Finance costs	(186)	(202)	(603)	*-12%*	*-18%*	*-8%*
61	2	Other non-operating income	-	-	-	*N.A.*	*-88%*	*-119%*
41	40	Share of profit of associates and JV, net of tax	5	(26)	(12)	*->100%*	*14%*	*27%*
394	**175**	**Profit before taxation**	**199**	**157**	**532**	*35%*	*-36%*	*-50%*
(114)	(47)	Income tax expenses	(30)	(60)	(144)	*-26%*	*32%*	*74%*
280	**128**	**Profit for the period**	**169**	**97**	**388**	*39%*		
		Profit attributable to:					*44%*	*81%*
229	108	Owners of the Company	156	86	346	*51%*	*-35%*	*18%*
51	20	Non-controlling interests	13	11	42	*-18%*	*3%*	*64%*
6.39	3.02	Basic EPS for profit attributable to the owners (sen)	3.12	1.90	7.91	*24%*	*-9%*	*-1%*

Revenue Mix

Total revenue

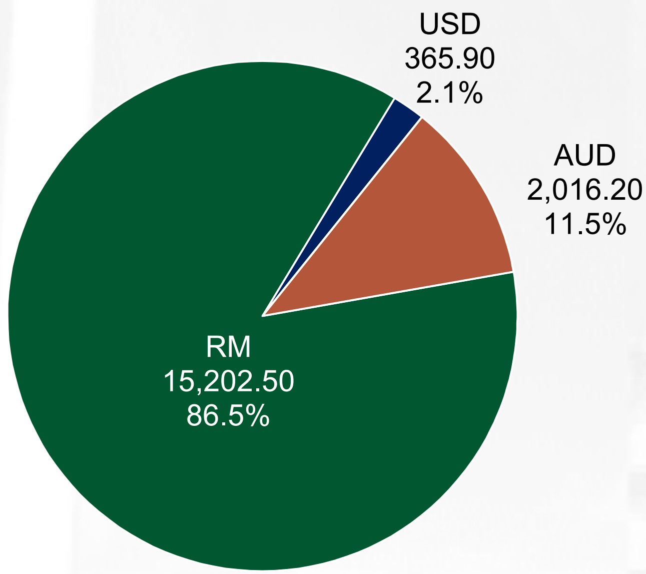


Power generation revenue includes:

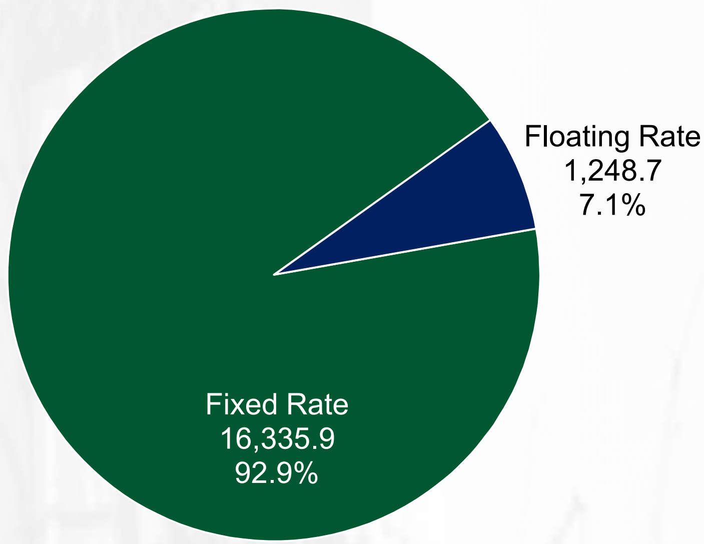


Debt Analysis

Debt profile by foreign currency ('million)



Debt profile by interest rate terms



As at End	1Q FY2015	2Q FY2015	3QFY2015
Gearing Ratio	4.4x	2.9x	2.9x
Net Gearing Ratio	3.6x	2.3x	2.3X
Weighted Average Cost of Debt	5.51%	5.43%	5.18%

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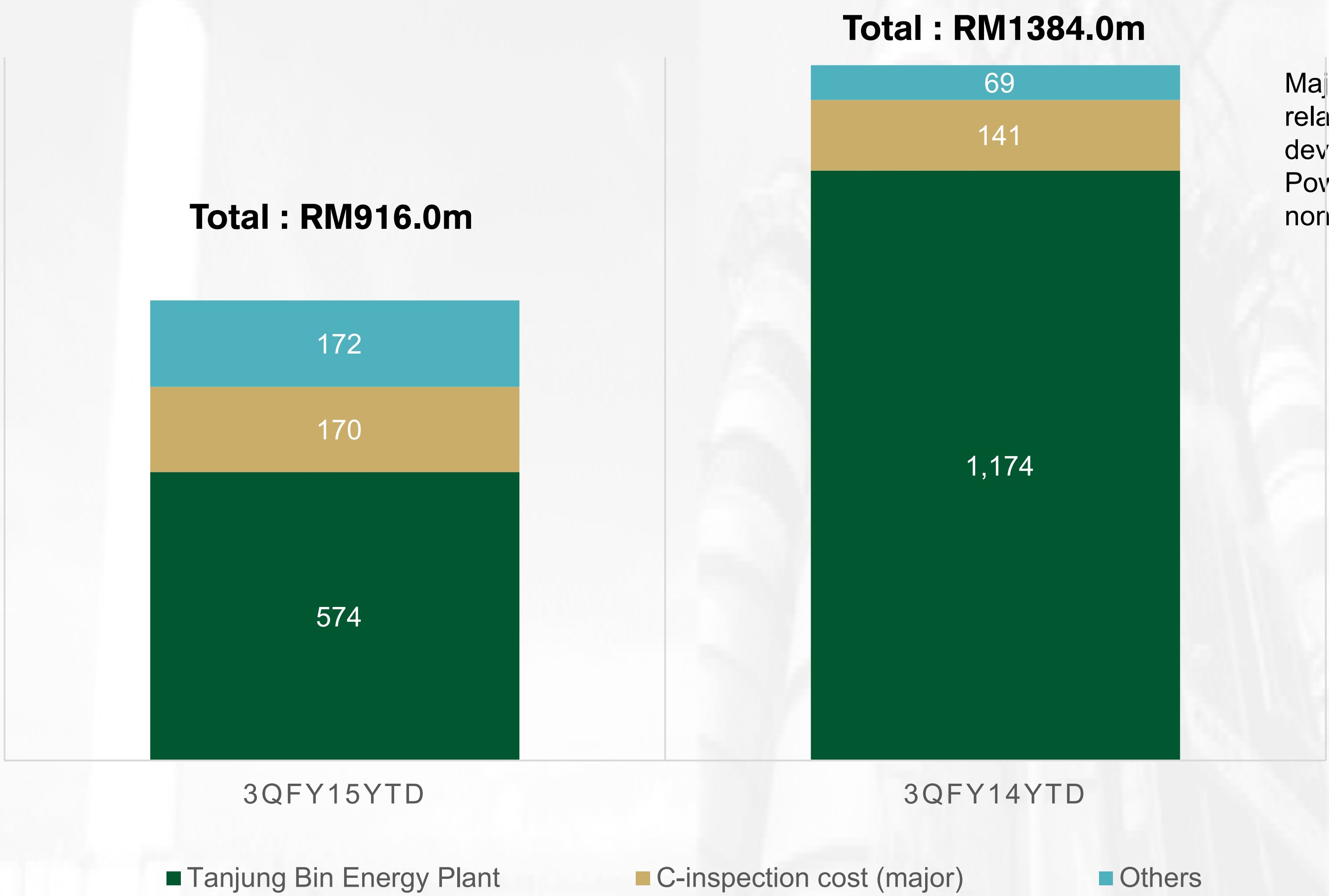
Capital Expenditure (RMmillion)



Majority of the capital expenditure were related to the construction and development of the Tanjung Bin Energy Power Plant which is mostly funded by non-recourse borrowings.

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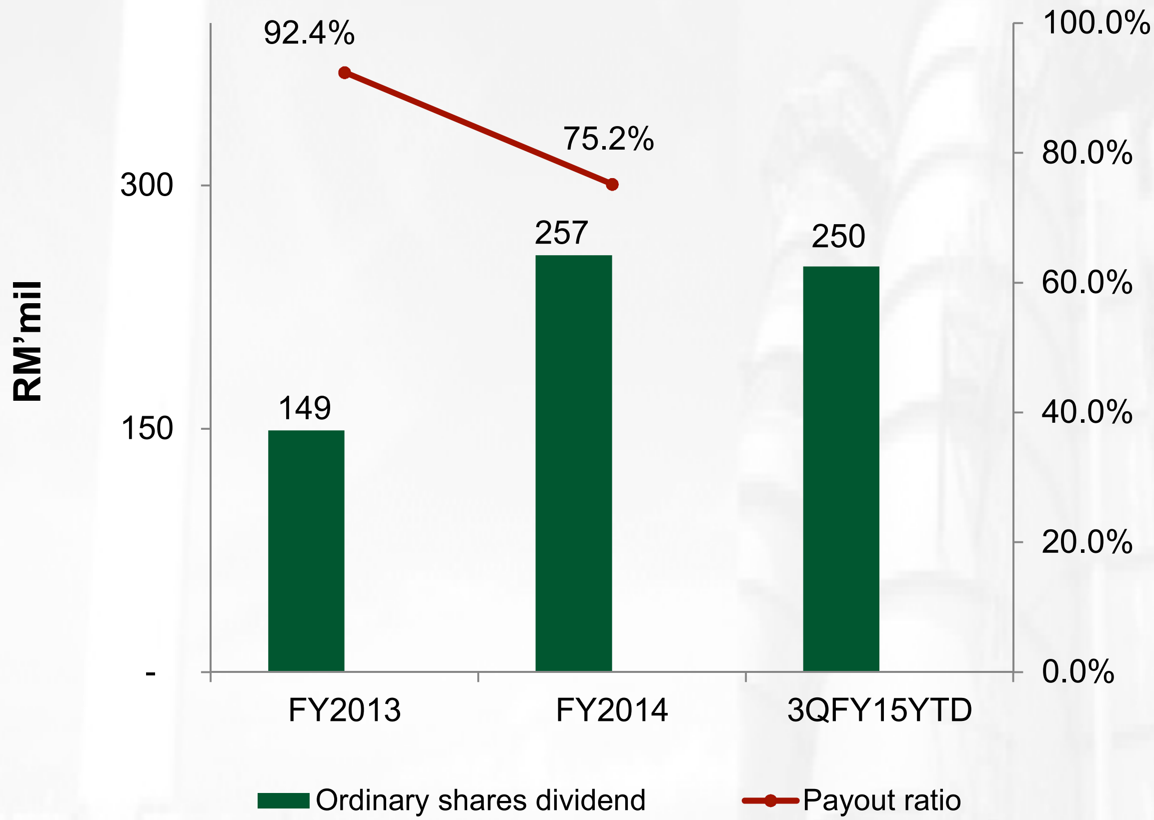
Dividend of 2 sen per share declared bringing year-to-date total of RM250m

Dividend Payout



Target FY2015: -

- **Dividend payout ratio of not less than 70% of consolidated profit to shareholders**

Dividend Payout Ratio is calculated by dividing total ordinary dividends declared in respect of the financial year by the profit attributable to the owners of our Company of the respective financial years. 2014 consolidated profit is higher, hence the drop in %

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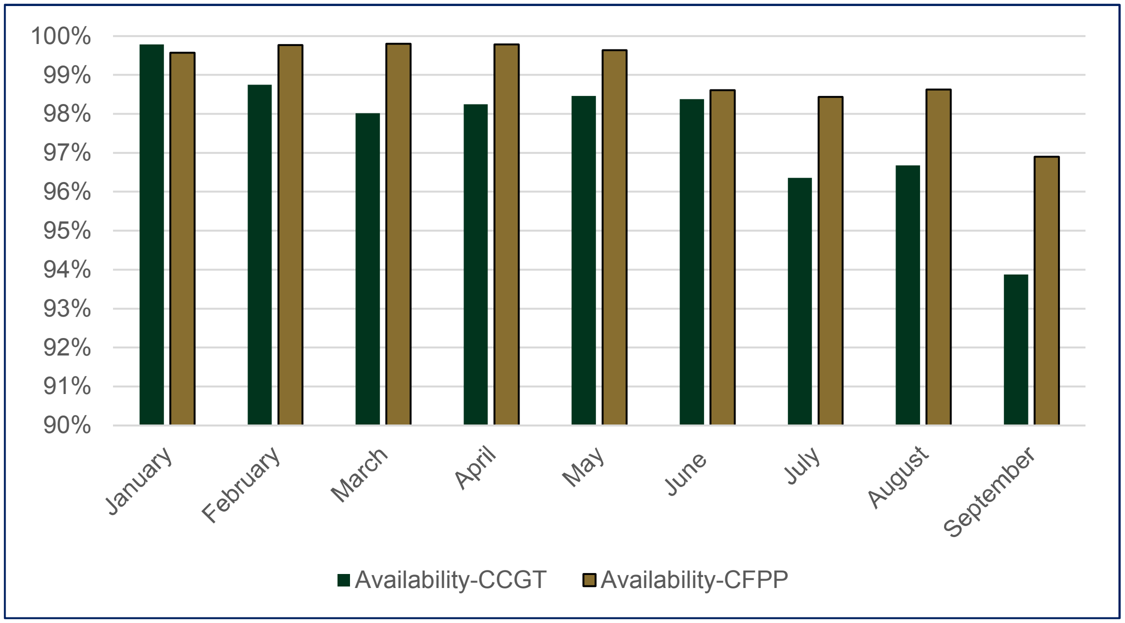
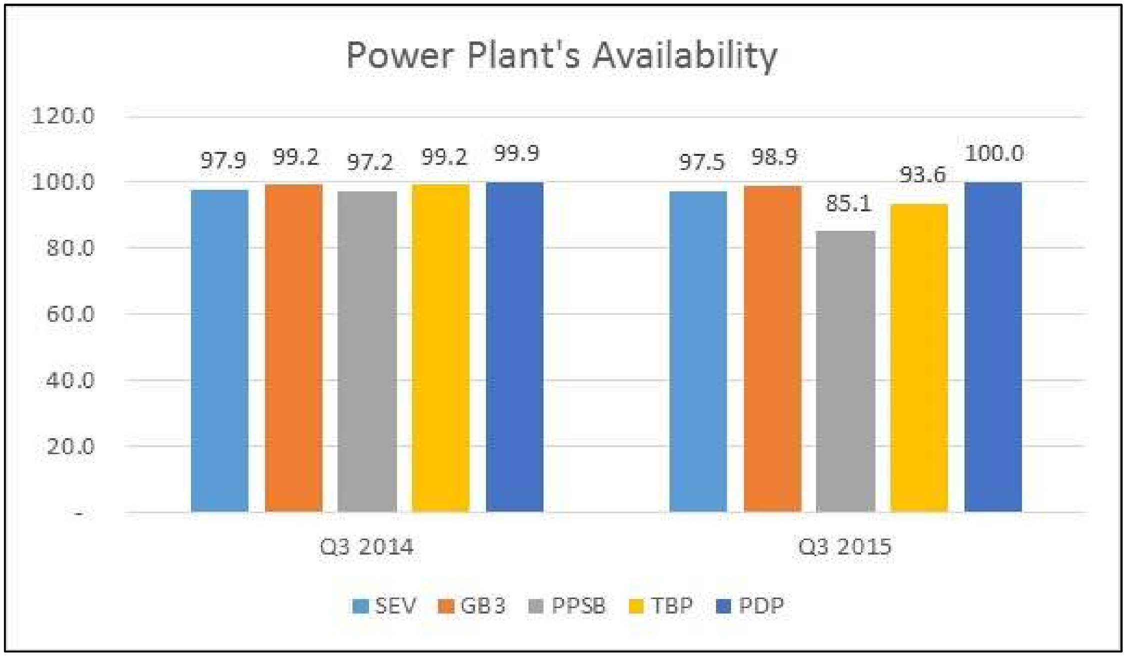
OVERVIEW OF OPERATIONS

Lower availability in 3Q15 due to maintenance and repair





- Prai's Availability Factor is lower during the period mainly due to the gas turbine compressor rectification work.
- TBP's Availability is lower during the period mainly due to scheduled outages for U10 and U30. Additional impact from U20 outage in Sep.

Note:-
- Availability:- computed as 1 – Unplanned outage rate
- Gas plant UOR allowance-4%
- Coal plant's UOR allowance -6%
- Within the allowance, company will get 100% capacity payment

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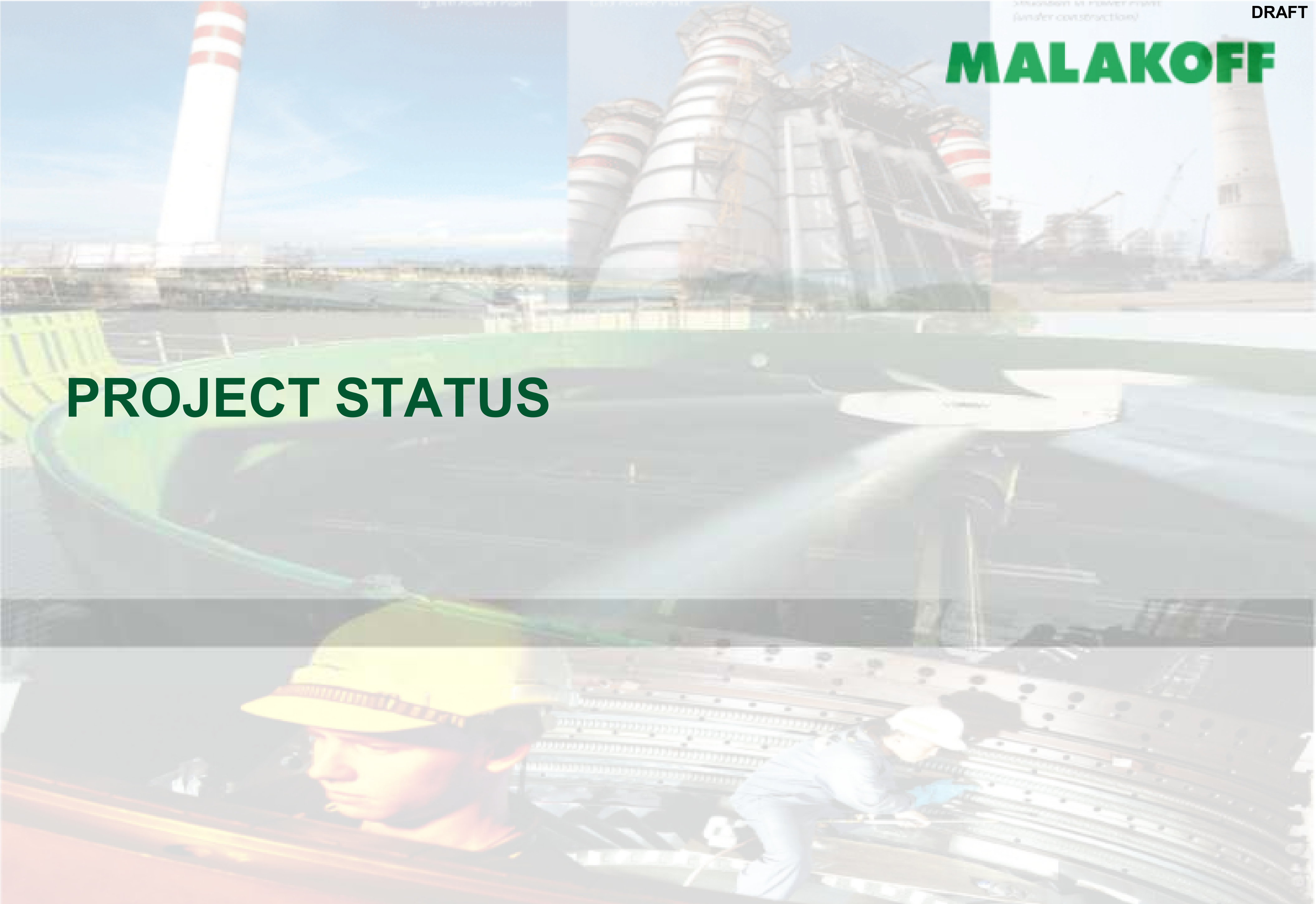

PROJECT STATUS

Progress of Tanjung Bin Energy Plant

Overview

- Commercial operations are expected to commence in 2016
- Supercritical coal-fired thermal power plant
- Power generated is expected to be sold to TNB under a 25-year PPA
- PPA expected to expire in February 2041

Competitive Advantage

- Ready access to requisite land, existing coal handling and transmission infrastructure at our existing Tanjung Bin site that can be utilised for further capacity expansion

Current Status

- As at October 2015 actual physical completion stood at 98.10% versus the scheduled completion of 99.63% (variance 1.53%)
- Remaining mechanical and electrical erection continues at accelerated pace.
- Hot commissioning works are progressing
- First firing of the boiler on coal carried out on 26 August 2015
- First Grid Code compliance test (off line) completed on 8 September 2015
- First synchronization to the national grid achieved on 15 October 2015

Key Milestones

2011 → 2012 → 2013 → 2014 → 2015 → 2016

- 2011: Signs PPA and CSTA for the Tanjung Bin Energy Power Plant
- 2015: EPC contractors reported actual physical completion of the plant at 97.26% as at September 2015
- 2016: **Expected completion date**

Key Highlights

Fuel Type	Coal
Project Cost	RM6.7bil (successfully secured project financing of approximately RM5.2bil) ▪ RM6.1bil expected to be spent up until Dec 2015 ▪ Remaining RM0.6bil to be incurred in 2016.
Financing	80:20 debt to equity
O&M	Malakoff Power Berhad
EPC	Consortium consists of:- ▪ Alstom Power Systems SA ▪ Alstom Services Sdn Bhd ▪ Shin Eversendai Engineering (M) Sdn Bhd ▪ Mudajaya Corporation Berhad

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Tanjung Bin Energy Progress

Power Block (view from East)

Power Block (view from West)

Cooling Water Intake Area

Coal Yard (view from South)

Kapar Energy Ventures

Overview

- A 2,420 MW power plant that has multi-fuel power Generating Facilities.
- The 600MW Phase 1 commenced operation in Oct 1985 and Aug 1986.
- The 600MW Phase 2 commenced operation in Dec 1988 and July 1989.
- The 1000MW Phase 3 commenced operation in Apr 2001 and June 2001.
- The 220MW Phase 4 commenced operation in Dec 1995 and Jan 1996.
- Power generated from Phase 1, 2 and 3 is sold to TNB under a 25 years PPA terms and power generated from Phase 4 is sold under a 15 years term.
- PPA terms are expiring in July 2029 for the first three phases and July 2019 for the fourth phase.

Competitive Advantage

- 40% of KEV's shares are owned by Malakoff while the other 60% is owned by TNB, who also operates and manages the power plant.

Current Status

- An Executive Committee was established on 29th June 2010 as an operating committee to oversee the business operations and plans.
- On Feb 2015, the KEV Board has granted approval for the engagement of RWE as part of the turnaround plan.
- Some of the challenges that the plant experiencing are generally aging, siltation at the seawater intake, defective infrastructure, boiler tube leaks and limitation of Ash Pond area (foreseen to arise in 2019)

History/Milestone

1990	1995	2000	2001	2004	2005	2010	2015
Phase 1 & 2 Operation.	Phase 4 Operation.	PPA signed	Phase 3 Operation	MCB Acquisition		EXCOMM Formation	Feb 2015 – Engagement of RWE for the Period of 2 years

Kapar Energy Ventures

Key Highlights

Fuel Type	Natural Gas, Coal, Medium Fuel Oil, Distillate oil
Asset Value	RM 4.2 billion
O&M	Kapar Energy Venture
Major OEM	a. Phase 1 – Riley Mitsui (Boiler); MHI (Turbine) b. Phase 2 – IHI (Boiler); MHI (Turbine) c. Phase 3 – IHI (Boiler); GE (Turbine) d. Phase 4 – Nuovo Pignone
EPC	Consortium consists of:- a. Rasma Corporation Sdn Bhd b. Sapura Business Systems Sdn Bhd c. Projass Mudajaya Joint Venture d. Ishikawajima Harima Heavy Industries e. General Electric Company f. EPDC International Limited g. Ho Hup – PNSB – Ballast Nedam Joint Venture h. Bureau Veritas (M) Sdn Bhd

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EXPANSION PLANS - UPDATE

Domestic & International Opportunities

1	**RAPID project, Pengerang Integrated Complex, Johor**	▪ In discussions with PETRONAS to participate in a 1,300 MW co-generation power plant ▪ 6,242-acre site, and will consist of 300,000 barrels per day refinery and a petrochemical complex ▪ Combined capacity of producing 7.7 million tonnes per annum of various grades of products ▪ Development of associated facilities including raw water supply facility, power co-generation plant, LNG regasification terminal and other ancillary facilities ▪ Expected refinery start-up by early 2019	Discussion still ongoing
2	**1,000 MW coal-fired plant, Tanjung Bin site to export power to Singapore (feasibility study)**	▪ Currently exploring possibility of new coal-fired plant at Tanjung Bin site to export power to Singapore ▪ Well positioned to capture opportunity as Tanjung Bin site is close to Singapore border	Subject to G-to-G process
3	**1,000 MW coal-fired power plant, North Peninsular Malaysia to export power to Thailand (feasibility study)**	▪ Capitalise on the substantial energy demand-supply gap in Thailand, coupled with the shortfall in domestic investments in the energy sector, to export power ▪ Maximise geographic proximity to export power to Thailand	Subject to G-to-G process

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THANK YOU

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