



***News Release
For Immediate Publication***

MALAKOFF RECORDS RM143.1 MILLION PROFIT BEFORE TAX IN 3Q16

For Nine Months Ended 30 September 2016 the Group Generated RM1.7 Billion Net Cash from Operations

KUALA LUMPUR, Malaysia - 21 November 2016: Malakoff Corporation Berhad (“Malakoff” or “Group”), the largest Independent Power Producer (“IPP”) in Malaysia and South East Asia in terms of total generation capacity, recorded an 18% revenue growth for its third quarter ended 30 September 2016 (“3Q16”). The increase is mainly due to the revenue contribution by Tanjung Bin Energy Sdn Bhd which entered into commercial operation on 21 March 2016.

The Group’s PBT of RM143.1 million recorded in 3Q16 is however lower than the RM199.0 million recorded in 3Q15. The decrease in PBT is mainly attributable to the additional depreciation brought about by the change in the estimate of residual values of gas-fired power plants, lower contribution from Port Dickson Power Berhad and higher maintenance costs, despite higher profits from associate companies.

The change in estimate of the residual value starting FY2016 is needed based on the changing landscape of the domestic power generation industry wherein the dependency on gas in future generation mix will be less than coal. According to the “Peninsular Malaysia Electricity Supply Industry Outlook 2016” published by the Energy Commission, “Future trend shows a reducing dependency on natural gas, primarily due

to the retirement of gas turbine units as well as new developments of coal power plants.” On that basis, the previous assumption that the Group’s current portfolio of gas-fired power plants will be able to operate beyond their respective Power Purchase Agreements (PPAs) tenures is no longer applicable.

Datuk Wira Azhar Abdul Hamid, Group Managing Director of Malakoff, said “The change in the residual value estimate reinforces Malakoff’s prudent accounting practice. Although it impacted the Group’s profit and loss statement, it has not affected the company’s strong operating cash flow. For the nine months period ended 30 September 2016, Malakoff generated a net cash of RM1.679 billion from its operating activities.”

The Group recorded a Profit after Tax and Minority Interests (“PATMI”) of RM51.5 million in 3Q2016 compared to RM156 million from the corresponding quarter of the previous year leading to a basic earnings per share (“EPS”) of 1.03 sen from 3.12 sen, respectively.

Datuk Wira Azhar Abdul Hamid added that “Malakoff will continue to embark on strategic initiatives to grow the Company in the near future and at the same time it will also continue to focus on enhancing operational efficiencies to ensure that the Group’s performance will remain positive and sustainable.”

ABOUT MALAKOFF CORPORATION BERHAD

Malakoff is an independent Water and Power Producer (“IWPP”) with core focus on power generation, water desalination and operation & maintenance services. In Malaysia, Malakoff is the largest IPP with a net generating capacity of 6,346 MW from its seven power plants.

International assets include power and water ventures in Saudi Arabia, Algeria, Bahrain, Oman and Australia, with an effective capacity of 690 MW of power and 444,800 m3/day of water desalination. Malakoff is also actively looking to venture further in the fast growing Middle East and North Africa region as well as the South-East Asian markets. Through its wholly-owned subsidiary, Teknik Janakuasa Sdn Bhd, Malakoff has involvements in operation & maintenance services in Saudi Arabia, Algeria, Kuwait, Oman and Indonesia.

Malakoff believes in working together with all stakeholders in productive partnerships. As such, the Company takes pride in being a responsible operator and a good corporate citizen in all communities where it operates.

Malakoff Corporation Berhad is a member of the MMC Group.

Contact:

Yusop Abdul Rashid

Email: yusop.rashid@malakoff.com.my

Mobile: +6012 340 1082

Malakoff Corporation Berhad

Level 10, Block 4, Plaza Sentral

Jalan Stesen Sentral 5

50470 Kuala Lumpur, Malaysia

Tel: +603 2263 3388

Fax: +603 2263 3322

Website: www.malakoff.com.my