

MALAKOFF CORPORATION BERHAD

Annual Report **2016**

POWERING TODAY PROTECTING TOMORROW

Malakoff continues to grow from strength to strength helping power Malaysia's progress as the nation's largest IPP. With our Tanjung Bin Energy Power Plant having come online to strengthen the Tanjung Bin complex portfolio, our privately owned coal-fired power plants now account for some 38 percent of Peninsular Malaysia's total installed coal-fired generation capacity.

Moving forward, Malakoff continues to leverage on a business model that is designed to ensure sustainable growth well into the future. We are working to ensure our growth aspirations align with the country's energy needs. By diversifying our earnings base and exploring new but related areas of business such as renewable energy, water production, electricity and chilled water distribution, as well as Operation & Maintenance services opportunities, we are laying strong foundations for a brighter tomorrow for ourselves and our nation.

MALAKOFF CORPORATION BERHAD 11TH ANNUAL GENERAL MEETING



Mahkota II, Hotel Istana 73, Jalan Raja Chulan, 50200 Kuala Lumpur



WEDNESDAY



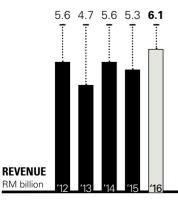
DATE **19 APRIL 2017**



TIME **10.30 A.M.**

34 CHAIRMAN'S STATEMENT

12 FINANCIAL STATISTICS



92 SUSTAINABILITY STATEMENT

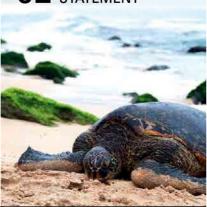


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Proxy Form

GOAL

TO BE A PREMIER GLOBAL POWER AND WATER COMPANY

CORE BUSINESSES



POWER GENERATION



WATER DESALINATION

CRITICAL STRENGTHS

- PROJECT DEVELOPMENT & EXECUTION
- LICENSE TO OPERATE POWER PLANT
- FINANCIAL DISCIPLINE
- STRONG GOVERNANCE STRUCTURE

MISSION

- ASPIRING TO BECOME THE PREFERRED EMPLOYER OF CHOICE
 - DELIVER SUPERIOR SHAREHOLDER VALUE
 - SOUGHT AFTER AS A PARTNER
 - SUSTAINING BEST IN CLASS OPERATING DISCIPLINE
 - EARNING RESPECT AS A GOOD CORPORATE CITIZEN

CORPORATE VALUES



Integrity



Teamwork



Innovation



Excellence



Harmony



GOAL

TO BE A PREMIER GLOBAL POWER AND WATER COMPANY

CORE BUSINESSES



POWER GENERATION



WATER DESALINATION

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CORPORATE VALUES



Integrity



Teamwork



Innovation



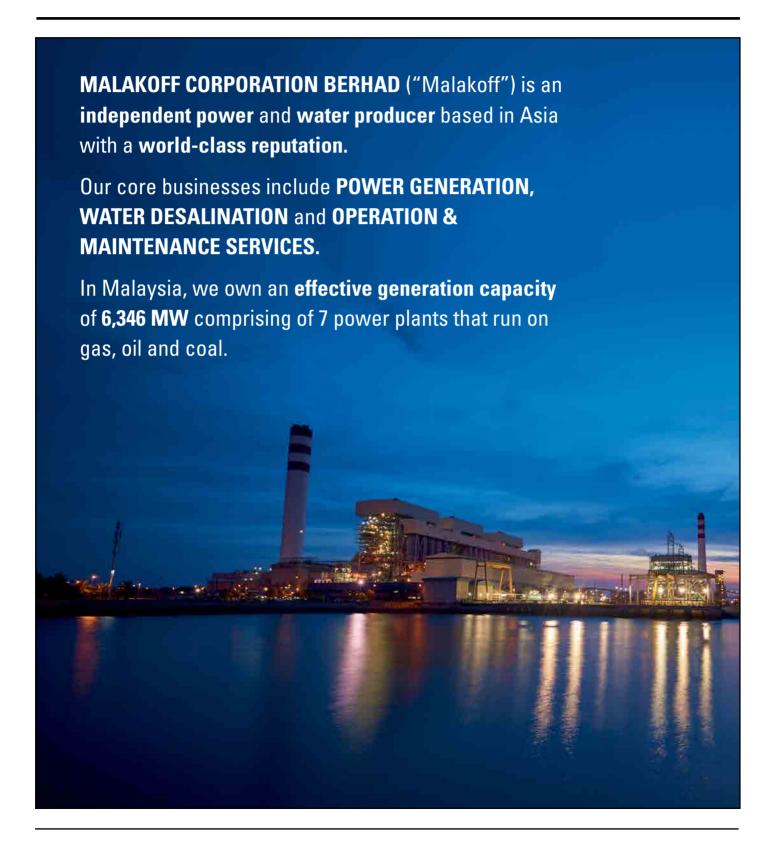
Excellence



Harmony



CORPORATE OVERVIEW



CORPORATE OVERVIEW

MALAKOFF'S
MALAYSIAN POWER
GENERATION ASSETS
WITH TOTAL EFFECTIVE
CAPACITY OF

6,346 NV

are held through a number of subsidiaries and an associate company:

TANJUNG BIN ENERGY POWER PLANT

100%

equity interest in Tanjung Bin Energy Sdn Bhd 1.000 MW Power Plant PORT DICKSON POWER PLANT

100%

equity interest in Port Dickson Power Berhad, via its wholly-owned subsidiary Hypergantic Sdn Bhd 436 MW Power Plant PRAI POWER PLANT

100%

equity interest via its wholly-owned subsidiary Prai Power Sdn Bhd 350 MW Power Plant

SEV POWER PLANT

93.75%

equity interest in Segari Energy Ventures Sdn Bhd

1,303 MW Power Plant

TANJUNG BIN POWER PLANT

90%

equity interest in Tanjung Bin Power Sdn Bhd

2,100 MW Power Plant

GB3 POWER PLANT

75%

equity interest in GB3 Sdn Bhd 640 MW Power Plant KAPAR POWER PLANT

40%

equity interest in Kapar Energy Ventures Sdn Bhd

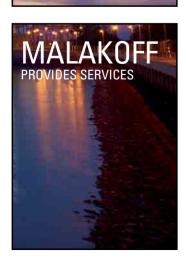
2,420 MW Power Plant

ON THE INTERNATIONAL FRONT,
WE OWN AN EFFECTIVE CAPACITY OF

690 MW OF POWER AND

444,800 M³/DAY
OF WATER DESALINATION

THESE ASSETS
ARE LOCATED IN
AUSTRALIA,
SAUDI ARABIA,
BAHRAIN,
OMAN AND ALGERIA.



- Operation and maintenance services through wholly-owned **Malakoff Power Berhad** and **Teknik**Janakuasa Sdn Bhd:
- Electricity distribution activities through Malakoff Utilities Sdn Bhd, a wholly-owned subsidiary, that currently supplies centralised chilled water and distributes electricity to the landmark Kuala Lumpur Sentral development; and
- Project management services for in-house and external projects through Malakoff Engineering, a wholly-owned subsidiary of Malakoff.

At Malakoff, we aim to work together with all stakeholders for productive partnerships. We believe that long-term partnerships re-enforce our success. As an asset-centered organisation, we maximise the value of assets we manage for our shareholders and partners. We do this by fully understanding the elements of cost, risk and performance unique to the environment in which we operate.

Malakoff's 2Q net profit up 50.2%, pays 3.5 sen dividend

KUALA LUMPUR: Malakoff Corp Bhd's net profit rose 50.2% to RM129.63 million or 2.59 sen a share for the second quarter ended June 30, 2016 (2QFY16), from RM86.29 million or 1.9 sen a share a year ago, mainly due to insurance claims on rotor re-placement and lower losses from its associates, offset by higher

Revenue for 2QFY16 grew 17.8% to RM1.53 billion, from RM1.3 billion in 2QFY15, main eration of Tanjung Bin Energy Sdn Bhd on March 21.

Sdn Bhd on March 21.

The group declared an interim in dividend of 3.5 sen per share for FY16, payable on Oct 4.

For the first-half period on

(1HFY16), Ma (1HFY16), Malakoff saw its net terday, with a market capitalisa-profit grow 12.4% to RM213.73 tion of RM8.5 billion.

million or 4.27 sen a share, from RM190.2 million or 4.69 sen a share in 1HFY15, while revenue

dium term.

dium term.

"Given this challenging sce-nario, the group has embarked on strategic initiatives to continue to be in a position to secure growth opportunities for the future.

"In addition, the group has focused on enhancing efficien-cies throughout its operations and hence expects the results to

Operasi TBE lonjak penguasaan Malakoff



mu Pengurus Tanjung Bin Power Plant, Mohd Saliehuddin Johor. (POTO HARRIT, ANUAR RAHIM BH) TRE di Pontian. John

» Loji jana kuasa baharu penuhi keperluan tenaga bagi dua juta pengguna

Oleh Zuraidah Mohamed zmohamed@bh.com.my

dukannya sebagai pengeluar tenaga bebas (IPP) utama

menerusi pengoperasian Loji Janakuasa Tanjung Bin Energy (TBE) yang bernilal RMS-7 bilon di Pontian, Johor, semalaun.

TBE yang berkapasti 1,000 mepawati (MW) itu dibangunkan di kawasasi selua 65 hektar di Kompieles Janakuasa Tanjung Bin, dan ia dijangka manpu memenuhi keperluan tenaga bagi kira-kira dua jutu pengguna.

Penolong Pengarah Projek Tanjung Bin Energy Sdn Bhd, Mohd Syahrul Izwan Ismali, berkata pengoperasian loji jana kuasa terbaru itu dijangka ta meningkalkan penguassan

bagai Malakoff di Semenanjung kepada 29 peratus daripada 24 peratus ketika ini. Katanya, ia juga mampu meningkatkan pembekatan kapasiti bersih kumpulan dari 5,346W kepada 6,340W menerusi enam koji jana kuasa yang dikendalikan pada masa ini.

Sedia kapasiti tambahan

'TBE yang dijana menerusi
GE Steam Power Systems itu
menyediakan kapasiti tambahan 1,000MV bagi Grid Nasional
yang mampu membekalkan
tenaga kepada hampir dua juta

On prospects, Malakoff anticipates the challenging environment to persist over the me-

and hence expects the results to remain positive for FY16," it said in a filing with Bursa Malaysia yesterday. Malakoff shares closed down

e sen or 0.58% at RM1.70 yes-

"Pengoperasian TBE ini memadahan satu lagi kejayaan kepada dalakoff, sekali gus mengukuhkan kedudukan kumpulan sebagai antara syarikat pengeluar tenaga bebas (IPP) utama di negara ini, katanya kepada pemberita selepas program taklimat dan lawatan bersama media di logi berkenaan di Pontian, Johor.
Pada masa ini, jumlah kapet dalako dalak

Bhd (TNB) dan IPP.

Perjanjian bedi
tenaga 25 tahun
Mohd Syahrul Izwan, berkata
TBF, yang akan membekaikan
kapasiti tenaga kepada TNB
menerusi perjanjian pembelian
tenaga selama 25 tahun, menjadi projek IPP pertama negarijadi projek IPP pertama negaripada projek IPP pertama negaripada projek IPP pertama negaripada projek IPP pertama negariproses pembelaan.
Beliau berkata, TBE tertetak bersebelahan dengan
Loji Janakuása Arang Batu
Tanjung Bin (TBPP) sedia ada
dengan kapasiti 2,100MV, yang
berkongsi infrastruktur asas
seperti kemudahan pengendatian arang batu, pemindahan
tenaga serta pengambilan air
batu, berita wasebe itu.

teniaga serta pengambian air laut.
Katanya, ketika projek itu dilaksanakan ia menyediakan pembangunan sosiaekonomi yang posilif, termasuk menyediakan peluang pekerjanakan pekerjanakan pekerjanakan kepulangkutan.
TBE dijangka menyumbang dan meningkatkan keuntungan kumpulan itu bagi tahun kewangan berakhir 31 Disember 2016 dan pada tahun akan datang.

MALAKOFF Corp. Bld's LDOOW Tanjung Bin Energy (TBS) power plant, also known as Ta. commenced operations yesterday following its suc-cessful phases of construction, testing and commissioning. TBE was given the Notice to Proceed in March 2012 and achieved its first synchronisa-tion with a construction.

Malakoff's T4 power plant now operational

TBI i Malayda's hat PP project that:

CSTA will ensure the Evendy
and quality supply of cool to be
used by the power plant.

"During treating and commissioning, we demonstrated
day and night and this again
demonstrates our commissioned
to reliably deliver the 1,000MPV
capacity of electricity to the
national grid," added Habbb.
GE Steam Power Systems is
the engineering, procurement
and construction contractor
together with its consortium
partners Mudajaya Corp Bhd
and Shin Pressondal Engineering
Sdin Bhd.
GE CIO Andreas Cusch Said
GE CIO Andreas Cusch Said
GE TEID sanders commitment to

"TEE is Malaysia's first IP? (independent power produce), project that was awarded by the Energy Commission (6C), via a competitive bidding pro-cess. During its development, we challenged ourselves to deliver an affordable electricity tariff to the efficience, Teenga National Bhd (ThE), and ulti-mately to the consumers at larger's said Hubb. large," said Habib.
Alongside the Fower Pur-chase Agreement (FFA) signed with TNB, a Coal Supply and Transportation. Agreement (CSTA) between TBE and TNB Fuel Services Sdn Bhd was also

TBE is another commitment to the region's development and the need for energy mix diver-sification especially on coal sceled. TBE makes its generating capacity available to TNB under a 25-year FPA while the

He said the highly efficient ultra-supercritical power plant will provide an additional especiely of 1,000MW for Ferning and the providing energy equivalent to almost two million people. "During its construction, the project provided significant positive socio-economic development Impact to the survolunding communities and the country as a whole. At its peak, more than \$200 direct his power contend," he said. TEE is located on 65th of and adjacent to Malikoffis existing 2,000MW coul-fixed language in power plants. Both power plants share consmon infrastructure such as could-handing facilities, power sould-mailing facilities, power

common infrastructure such so coal-handling facilities, power evacuation, sea-water intake and other access facilities.

whicking process, myribbile.

The operator of TBE is Malakef Flower Bid.

TBE is financed via Malakef Server Bid.

TBE is financed via Malakefekt mit. Inange fin Energy Boson Bid. viith a combination of service and junior dest feelings comprising Bidmine bonds and looms denominated in ringed and Schollans, as well as internally generated funds.

The successful commissioning of TBE marks another significant milestone for Mislakef, increasing its multifuled portfolia pre generating or pacity in Perinsular Malaysia from 5.346MW to from approximately 24% to 25% market share respectively.

The further real-firms Malacet's position as the leading and some pages of the proposition as the leading and some pages of the proposition as the leading and some pages of the proposition as the leading and propositions are propositions and propositions are propositions as the propositions are propositions and propositions are propositions as the propositions are propositions as the propositions are propositions and propositions are propositions as the propositions are propositions as the propositions are propositions and propositions are propositions and propositions are propositions as the propositions are propositions and propositions are propositions are propositions a

koff's position as the leading IPP in Maleysia," said Habib, —by R KAMALAVACINI

IN THE NEWS

Warta undang-undang pulihara penyu

tion to the national grid on Oc

15 last year. To date, it has completed all the required tests necessary for sale and reliable energy generation, said acting CEO Habib Husin in a statement

"TBE is Malaysia's first IPP



Malakoff's Tanjung Bin Energy plant achieves commercial operation

KUALA LIMPUR: Malakoff Corp Bhd's),000NW ulea-supercritical, cool-lined power plant (12 Hand), becased in Tanjung Bin, Malkim Serkar, Johoc, achieved its commercial of power plant (12 Hand). The cased in Tanjung Bin, Malkim Serkar, Johoc, achieved its commercial of power plant (12 Hand) and the CDD of the 17 Hand. The will complete the total net effective generation capacity of the Malakoff for the financial year (500 you fin Malaysia has increased and examents a the reading flow of the Malakoff for the financial year (500 you fin Malaysia has increased and examine the freedom of the Malakoff for the financial year (500 you fin Malaysia has increased and examine the first control of the Malakoff for the financial year (500 you fin Malaysia has increased and the first control of the financial year (500 you find Malaysia has increased and the first control of the financial year (500 you find Malaysia has increased and the first control of the financial year (500 you find Malaysia has increased the first control of the financial year (500 you find Malaysia has increased the first control of the financial year (500 you find Malaysia has increased the first control of the financial year (500 you find Malaysia has increased the first control of the financial year (500 you find Malaysia has increased the first control of the financial year (500 you find Malaysia has increased the first control of the financial year (500 you find Malaysia has increased you find Malaysia has increased the first control of the financial year (500 you find Malaysia has increased you find the financial year (500 you find Malaysia has increased you find Malaysia has increased you find the financial year (500 you find Malaysia has increased you find the financial year (500 you find Malaysi

generation capacity of the Malak-off group in Malaysia has increased from 5,346MW to 6,346 MW, said Malakoff in a bourne filing.

added Malakoff.

In a separate statement, Malakoff
said TBE is Malayain finet independant power producer (IPP) project
awarded by the Energy Commission
with a compositive bidding process.

and construction of the plant which
a compositive bidding process.

commenced construction in March

"Alongside the FPA signed with TNB, a coal supply and transporta-tion agreement (CSTA) between TBE and TNB Fuel Services Sdn Hhd was and TNB Foel Services Sdn Hhd was also sealed. TBE has made its gen-erating capacity available under the 25-year PPA, whilst the CSTA will ensure the steady and quality supply of coal to be used by the power plant," sald Malakoff acting chief executive

2012 and was completed on schedule in four years, together with its consortium pathens Mudajaya Corp Bid and Shin Fevenenda Enginering (M) Sdn Bhd. in a contract worth sjobally over 61 billion.

To is located on a 65th a plot stijacent to Atalshoff sestiming 2, 100xW coal-fired Tanjung Bin Energy Power Plant. Both power plants share cornmon infrastructure, such as coal barding facilities, prouse returnation, seedware frinzle and other access facilities. Malakoff, with core focusee on power generation, water dessilina-



Malakoff sets aside RM900m capex for

capacity expansion

The Window Balance Bal

Azhar Abdul Hamid is Malakoff's new group MD

BY CHEN SHAUA FUI

KUALA LUMPUR: Malakoff Corp Bhd, a subsidiary of MMC Corp Bhd, announced that Datuk Wira Azhar Abdul Hamid had been appointed its new group managing director (MD), effective yesterday. The appointment follows the resignation of Datuk Seri Syed Faisal Albar

as chief executive in December 2015. Azhar is now the chairman of

Tradewinds Corp Bhd, after he relinguished his position as the president/group MD, Malakoff said in a statement. Prior to that, he was with Mass Rapid Transit Corp Sdn Bhd as its chief executive officer from

Currently, he also holds director-

ships in ICON Offshore Bhd, Hume Industries Bhd, Hong Leong Bank Bhd and Tradewinds. Azhar is also a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

Malakoff closed flat at RM1.64 yesterday, with a market capitalisation of RM8,2 billion.

马拉卡 T4 发电厂投运 可供电国能 200 万用户



STESEN jana kuasa TBE terletak ber Tanjung Bin 2,100 MW di Pontian, Jo

PONTIAN - Malakoff Corporation Bhd. (Malakoff) dijangku meningkatkan penguasaan pasaran kapasiti penjanaan bersih port-folio pelbagai bahan apinya di Semenanjung Malaysia kepada 29

jung Malaysia kepada 29
peratus serbanding 24 peratus
sekarang.
Ia dicapai menerusi pentauliahan stesso tenaga Tanjung
Bin Enengy Sdn. Bid. (TBE),
yang mula beroperasi pada
tengah malam kehumin.
Penolong Pengarah Projek
TBE, Mohd. Syahrul Jawan Ismali (gambar keeli) berkata,
pelaksanaan stesen bernilai
RMG7 bilion itu akan meningkatkan kapasili penjanaan
bersili syarikat daripada 5,346
megawatt (MW) kepada 6,346
megawatt (MW) kepada 6,346
megawatt (anga stim in me"Stesson yang dikucashan
menerusi tenaga stim in meregelalaen kapasili tambahan
1,000MW bagi grid nasional

yang mampu membekalkan tenaga kepada kira-kira dua juta peragguna di Semenanjung Malaysia, kutanya. Beliau berkata demikan kepada pemberita selepas la-watan media ke TBE di sini semulare.

watan media ke TBE di sini semalam. Pada ketika ini, jumlah kapa-siti penjanaan bersih bagi se-luruh Semenanjung Malaysia adalah kira-kira 22,500 MW yang dihasilkan Tenaga Na-sional Bbd. (TNB) dan penge-luar tenaga bebas (IPP).

Mohd. Syahrul berkata, TBE yang akan menyerahkan kapasiti penjanaan kepada TNB di bawah perjanjian belian tendaga selaima 25 tahun, adalab projek penganga dianugerahkan Strahanjaya Tennga mehluli proses pernbidaan yang kompetitif. Stesen jana kuasat tenaga tersebut terfetak di atas tanah sebasa 65 bektar dan bersebelahan dengan Stesen Tenaga Tanjung Bin 2,100 MW yang dijana arang batu.

Penyu mendarat di Segari Pusat Konservasi dan Penerangan Penyu diwujudkan bagi

FUSAT KONSERVASI dan Per

Bush Lameren dan Percengan

servan dan P Leikask Pysiti
 Korpervisi den
 Promongan Po
 Pontasi Pasir
 Panjang, Seper

Pusat semakin dikenali Mohd khali berkata ika dahah pusat

Kenn Commissi Pengarakan Samber Penkan Perlaman, Penik, Kadan Tasar berbasa Penkal Pentang itu menjadi lelah piliban pengananak mendaran dan berbah Jerom behavior story and second small small be-



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Malakoff terima projek Loji Solar Fotovoltaik

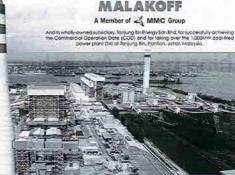
Stesen TBE tambah kapasiti 1,000MW ke sistem grid nasional

KUALA LUMPUR 21 Dia. Malakoff Corporation Bibd. (MCIDServices Min. Bibd. (DEES) menerima surat hawam daripada
kerajaan unnuk mengambil aith
pembinain dan pembangunan
projek 10/5 Solat Roocetalia ReeMAID dalam Malan teresbut dan mengammalin Perak.
MCI dalam kenyataannya kepada Biare Malayia memberitalah, pembangunan di kawassas
selua kira-kira 18.6% bekarisortium santara MCII dan DIESS
dergan pegangan ekuti masignmasing 51 dan 49 perahan.
Pelastoya, konordium fersebut
tehah melalan prosès pembidasatehah melalan prosès









CONGRATULATIONS

EVERSENDAI

Pendapatan suku ketiga Malakoff RM1.51 bilion

 Peningkatan 18 peratus disumbang perolehan Tanjung Bin Energy

Malakoff tubuh konsortium dengan DHES

KUALA LUMPUR - Malakoff
Corporation Bhd. (Malakoff) dan
DRB-Hicom Erwironmental Services
Sdn. Bhd. (CHES) memperation
projek kerajaan bag pembinaan
dan pembangunan toj janakusas
fotovoitan solar 50 megawatt (MW) di
Tonjung Malim, Perak.
Projek itu sedang didaksanakan
menerusi sebuah konsorbumyang
melibatkan Malakoff dan CHES
dengan masng-masng memegang

dengan masing-masing memegang kepentingan 51 peratus dan 49

Malakoff dalam kenyatsan kepada

Malakoff dalam kenyabaan kepada Bursa Malaysia berkata, jangkaan tarikh operasi komersal projek itu adalah pada 1 Julia 2018 di bawah penganjan pembelan kuasa selama 21 tahun, katanya di sini semalam Menuntiraya, projek itu tidak dijangka memberi kesan ketara kepada pendapatan dan aset bersih Kumpulan atau Malakoff Corporation Bid. bagi tahun kewangan yang berahir pada 31 Disember 2016 - Bernama

Malakoff keen on renewable energy

AWARDS AND ACCOLADES





CORPORATE INFORMATION

DIRECTORS

Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL

Independent Non-Executive Chairman

DATUK WIRA AZHAR BIN ABDUL HAMID

Group Managing Director

DATO' SRI CHE KHALIB BIN MOHAMAD NOH

Non-Independent Non-Executive Director

DATUK MUHAMAD NOOR BIN HAMID

Non-Independent Non-Executive Director

CINDY TAN LER CHIN

Non-Independent Non-Executive Director

DATO' WAN KAMARUZAMAN BIN WAN AHMAD

Non-Independent Non-Executive Director

DATUK OOI TEIK HUAT

Non-Independent Non-Executive Director

TAN SRI DATO' SERI ALAUDDIN BIN DATO' MD SHERIFF

Independent Non-Executive Director

DATUK IDRIS BIN ABDULLAH

Independent Non-Executive Director

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR

Independent Non-Executive Director

KOHEI HIRAO

Non-Independent Non-Executive Director

ZALMAN BIN ISMAIL

Alternate to Dato' Wan Kamaruzaman bin Wan Ahmad

COMPANY SECRETARIES

YEOH SOO MEI (MAICSA 7032259) NISHAM @ ABU BAKAR BIN AHMAD (MAICSA 7043879)

BOARD AUDIT COMMITTEE MEMBERS

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR Chairman

DATUK IDRIS BIN ABDULLAH

TAN SRI DATO' SERI ALAUDDIN BIN DATO' MD SHERIFF

DATUK OOI TEIK HUAT

BOARD NOMINATION AND REMUNERATION COMMITTEE MEMBERS

Y.A.M TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL

Chairman

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR

DATUK IDRIS BIN ABDULLAH
DATUK MUHAMAD NOOR BIN HAMID

BOARD RISK AND INVESTMENT COMMITTEE MEMBERS

DATUK IDRIS BIN ABDULLAH Chairman

DATUK MUHAMAD NOOR BIN HAMID DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR CINDY TAN LER CHIN

BOARD PROCUREMENT COMMITTEE MEMBERS

DATUK MUHAMAD NOOR BIN HAMID Chairman

TAN SRI DATO' SERI ALAUDDIN BIN DATO' MD SHERIFF DATUK OOI TEIK HUAT CINDY TAN LER CHIN

REGISTERED OFFICE

Level 12, Block 4, Plaza Sentral Jalan Stesen Sentral 5 50470 Kuala Lumpur

Tel: +603-2263 3388 Fax: +603-2263 3333

AUDITORS

KPMG PIT

(converted from a conventional partnership, KPMG, on 27 December 2016)

Level 10, KPMG Tower No. 8, First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan

SHARE REGISTRARS

SYMPHONY SHARE REGISTRARS SDN BHD Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan

Tel: +603-7849 0777 Fax: +603-7841 8151/52

THE ADMINISTRATION AND POLLING AGENT

BOARDROOM CORPORATE SERVICES (KL) SDN BHD

Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan Tel: +603-7720 1188

Tel: +603-7720 1188 Fax: +603-7720 1111

PRINCIPAL BANKS

CIMB BANK BERHAD

MALAYAN BANKING BERHAD

RHB BANK BERHAD

MIZUHO BANK, LTD.

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. SUMITOMO MITSUI BANKING CORPORATION

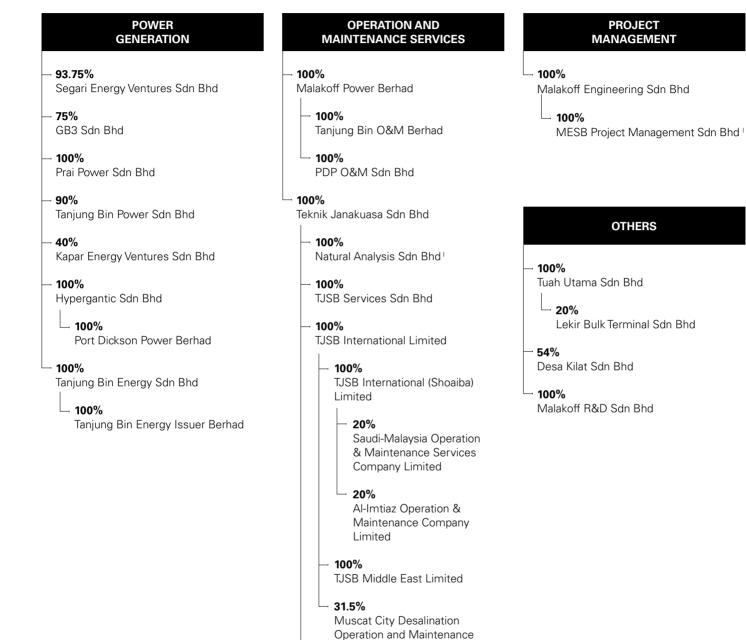
COMPANY ADDRESS

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

MALAKOFF'S STRUCTURE

AS AT 23 FEBRUARY 2017



Company LLC

TJSB Global Sdn Bhd

PT. Teknik Janakuasa

Hyflux-TJSB Algeria SPA

100%

95%

MALAKOFF'S STRUCTURE AS AT 23 FEBRUARY 2017

ELECTRICITY Dormant **OFFSHORE** DISTRIBUTION Malakoff's effective equity interest of 20 percent and 12 percent in 100% 100% SAMAWEC and SWEC respectively Malakoff Utilities Sdn Bhd Spring Assets Limited 1 is held via MGL which holds 40 percent equity interest in MSCSB 100% which in turn holds 50 percent Malakoff Capital (L) Ltd1 equity interest in SAMAWEC. SAMAWEC holds 60 percent equity 100% interest in SWEC. Malakoff International Limited ("MIL") Malakoff's effective equity interest 100% of 11.9 percent in SEPCO is held via 100% Malakoff Gulf Limited ("MGL") Malakoff Hidd Holding Company Limited VI MGL which holds 40 percent equity interest in MSCSB which in turn holds 50 percent equity interest in Malakoff Summit Hidd Holding Malaysian Shoaiba Consortium SAMAWEC. SAMAWEC holds 60 Company Limited VI Sdn Bhd ("MSCSB") percent in SEHCO which in turn holds 97.5 percent equity interest 40% 20% in SEPCO. SAMAWEC also holds a Hidd Power Company B.S.C (c) direct equity interest of 1 percent in ("HPC")^{∨I} Saudi-Malaysia Water & SEPCO. **Electricity Company Limited** ("SAMAWEC") || Malakoff AlDjazair Desal Sdn Bhd IV Malakoff's effective equity interest ("MADSB") of 43.48 percent in SPHL is held via 12% Malakoff Technical (Dhofar) Limited Shuaibah Water & **- 70%** which holds a direct 43.48 percent Tlemcen Desalination Investment **Electricity Company** equity interest in OTPL which in turn Company SAS ("TDIC") Limited ("SWEC")" holds 100 percent equity interest in SPHL. 35.7% Almiyah Attilemcania SPA ("AAS") V Shuaibah Expansion Malakoff's effective equity interest Holding Company Limited 100% of 35.7 percent in AAS is held via Pacific Goldtree Sdn Bhd ("SEHCO") ||| MADSB which holds 70 percent equity interest in TDIC which in turn 100% 11.7% holds 51 percent equity interest in Skyfirst Power Sdn Bhd Shuaibah Expansion AAS. 0.2% Project Company 100% Limited ("SEPCO") ||| VI Malakoff's effective interest of 40 Wind Macarthur Holdings (T) Pty. percent in HPC is held via MHHCL Limited 100% which holds 57.14 percent equity 100% interest in MSHHCL which in turn Malakoff Technical (Dhofar) Limited Wind Macarthur (T) Pty. Limited holds 70 percent equity interest in HPC. 43.48% 100% Oman Technical Partners Limited Wind Macarthur Finco VII MWM holds 50 percent participating Pty. Limited ("OTPL") ^Ⅳ interest in the unincorporated joint venture of the Macarthur Wind 43.48% Malakoff Australia Pty. Ltd. Farm Salalah Power Holdings 100% Limited ("SPHL") ^{IV} Malakoff Holdings Pty. Ltd. 100% Malakoff Oman Desalination Malakoff Wind Macarthur Company Limited Holdings Pty. Limited 100% Malakoff Wind Muscat City Desalination Macarthur Pty. Limited Company S.A.O.C ("MWM") VI

FINANCIAL STATISTICS

	Group		Company	
	2016 RM ′000	2015 RM ′000	2016 RM ′000	2015 RM ′000
Operating Results				
Revenue	6,098,420	5,301,987	362,136	286,231
Earnings before interest, taxes, depreciation and amortisation	2,871,278	2,480,115	272,716	200,147
Profit before tax	637,541	701,191	263,041	178,096
Net profit attributable to owners of the company (PATMI)	355,463	452,385	248,458	159,194
Key Balance Sheet Items				
Property, plant and equipment	14,604,469	15,059,639	39,254	43,168
Cash and cash equivalents	3,006,802	2,853,346	320,490	313,135
Other investments (deposit placements with more than three months maturity)	1,403,801	629,241	-	-
Total assets	30,263,536	29,587,909	10,950,768	10,871,343
Total borrowings	17,536,848	17,347,608	-	-
Total liabilities	24,132,241	23,607,791	1,340,172	1,228,995
Share capital	500,000	500,000	500,000	500,000
Retained profit	112,335	35,276	3,917,541	3,949,293
Shareholders' equity	5,915,712	5,765,114	9,610,596	9,642,348
Share information				
Basic earnings per share ¹ (sen)	7.11	9.98		
Diluted earnings per share ² (sen)	7.11	9.76		
Dividend (sen)	7.00 ³	7.004		
Net assets per share ⁵ (sen)	1.18	1.15		
Financial Ratios				
Return on assets (%)	1.17	1.53		
Return on equity (%)	6.01	7.85		
EBITDA margin (%)	47.08	46.78		

¹ Based on weighted average number of ordinary shares of 5,000,000,000 and 4,531,422,000 respectively.

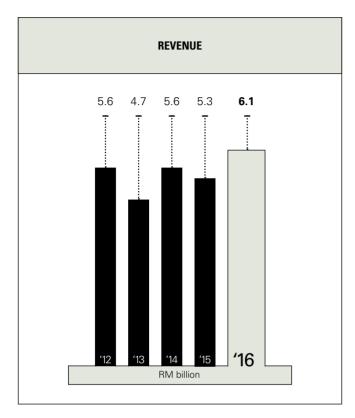
Based on weightage average number of ordinary shares of 5,000,000,000 and 4,635,616,000 respectively.

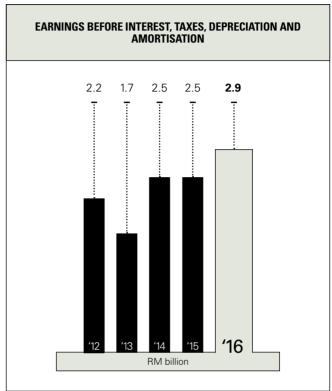
Based on interim dividend paid of 3.5 sen and proposed final dividend of 3.5 sen for dividend payment in respect of financial year ended 31 December 2016.

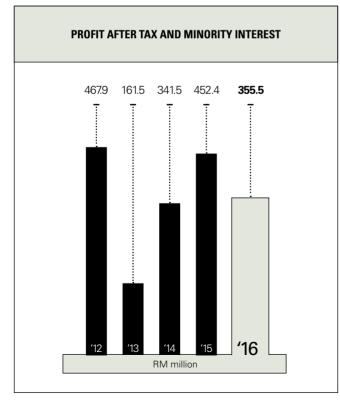
⁴ Based on interim dividend paid of 5 sen and final dividend of 2 sen for dividend payment in respect of financial year ended 31 December 2015.

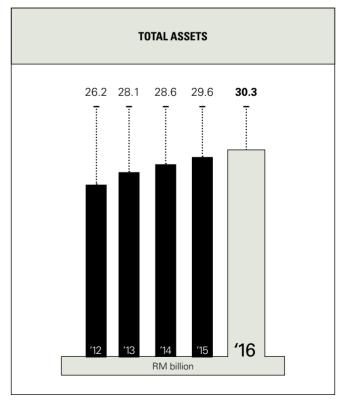
Based on number of ordinary shares of 5,000,000,000.

FINANCIAL STATISTICS

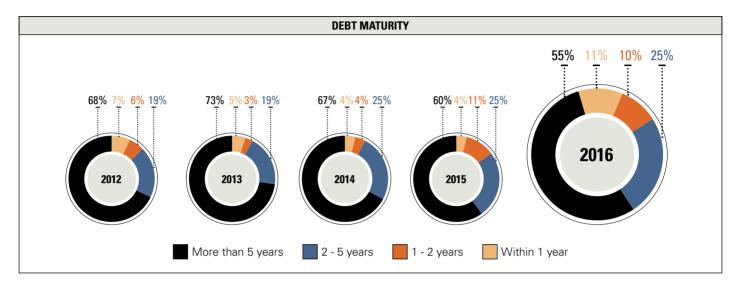


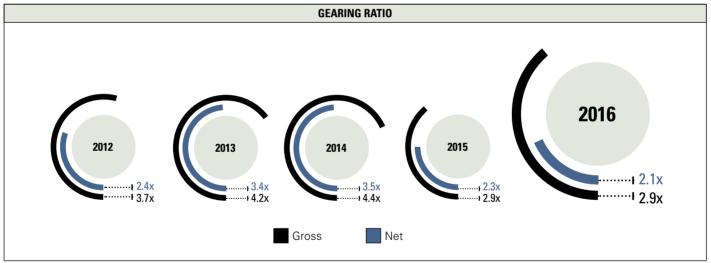


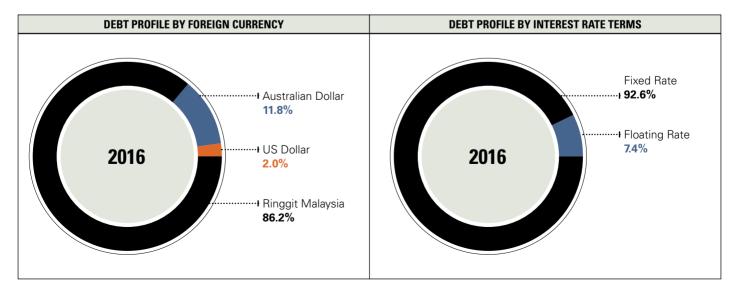




FINANCIAL STATISTIC

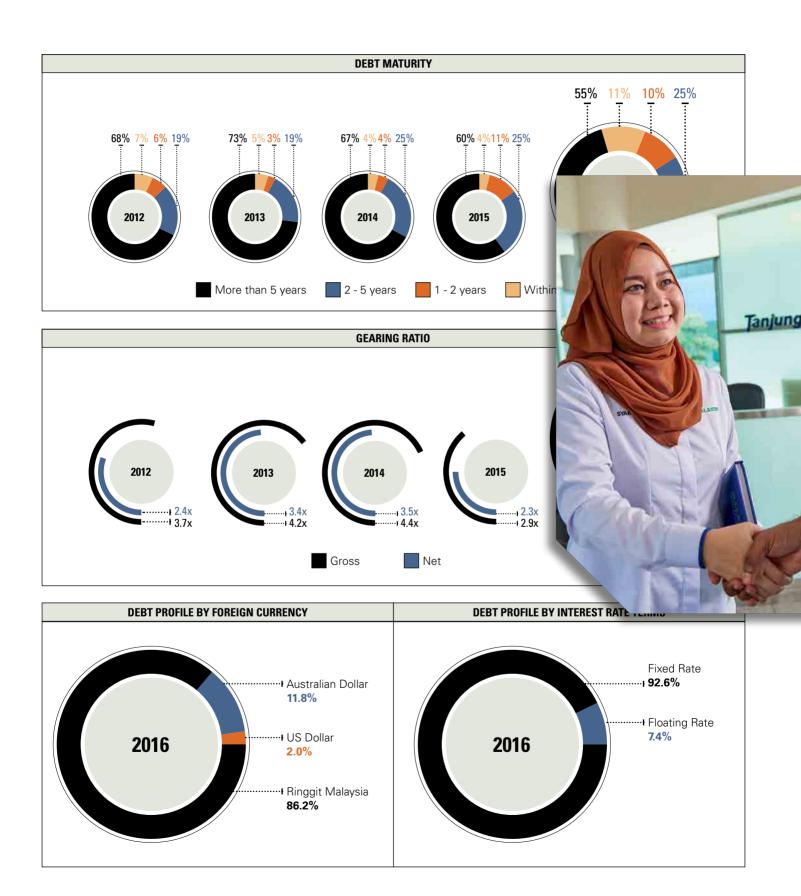








FINANCIAL STATISTIC





BOARD OF DIRECTORS



Seated from left to right:

DATO' WAN KAMARUZAMAN BIN WAN AHMAD

Non-Independent Non-Executive Director

CINDY TAN LER CHIN

Non-Independent Non-Executive Director

DATUK WIRA AZHAR ABDUL HAMID

Group Managing Director

Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL

Independent Non-Executive Chairman

TAN SRI DATO' SERI ALAUDDIN BIN DATO' MD SHERIFF

Independent Non-Executive Director

BOARD OF DIRECTORS



Standing from left to right:

NISHAM @ ABU BAKAR BIN AHMAD

Company Secretary

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR

Independent Non-Executive Director

DATUK MUHAMAD NOOR BIN HAMID

Non-Independent Non-Executive Director

KOHEI HIRAO

Non-Independent Non-Executive Director

ZALMAN BIN ISMAIL

Alternate to Dato' Wan Kamaruzaman bin Wan Ahmad

DATUK IDRIS BIN ABDULLAH

Independent Non-Executive Director

DATUK OOI TEIK HUAT

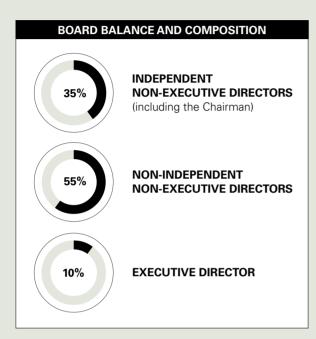
Non-Independent Non-Executive Director

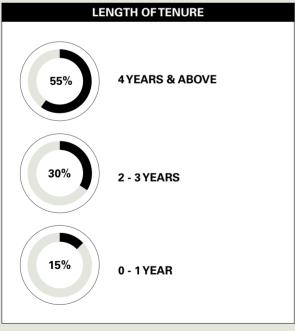
DATO' SRI CHE KHALIB BIN MOHAMAD NOH

Non-Independent Non-Executive Director

YEOH SOO MEI

Company Secretary





QUICK VIEW OF THE BOARD OF DIRECTORS' ("DIRECTORS")
DECLARATIONS CONTAINED IN THEIR RESPECTIVE PROFILE

(I) DETAILS OF INTEREST IN SECURITIES

Save and except for Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail, Datuk Wira Azhar Abdul Hamid, Dato' Sri Che Khalib Mohamad Noh, Datuk Muhamad Noor Hamid, Datuk Ooi Teik Huat, Datuk Idris Abdullah and Datuk Dr. Syed Muhamad Syed Abdul Kadir, none of the other Directors own any shares in the Company.

(II) FAMILY RELATIONSHIP WITH DIRECTORS AND/OR MAJOR SHAREHOLDERS

None of the Directors of the Company has any family relationship with other Directors and/or major shareholders of the Company.

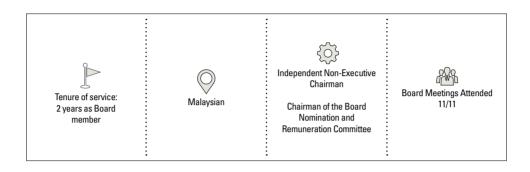
(III) CONFLICT OF INTEREST

Save and except for Dato Sri' Che Khalib Mohammad Noh (refer to profile page 20), none of the other directors of the Company has any conflict of interest with the Company.

(IV) CONVICTION FOR OFFENCES

None of the Directors of the Company has any conviction for offences within the past 10 years (other than traffic offences).

- Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL -



Y.A.M.Tan Sri Dato' Seri Syed Anwar Jamalullail, aged 65, a Malaysian, was appointed to the Board of the Company as an Independent Non-Executive Chairman on 1 December 2014. He is also the Chairman of the Board Nomination and Remuneration Committee.

Y.A.M.Tan Sri holds a Bachelor of Arts degree in Accounting from Macquarie University in Sydney, Australia having qualified in 1974. He is a Chartered Accountant and a Certified Practising Accountant (Australia).

Y.A.M. Tan Sri commenced his career with Malaysia Airlines Systems Berhad in 1975 as a Financial Accountant, before moving on to hold senior positions in various companies. His last position was as the Group Managing Director of Amanah Capital Partners Berhad. Y.A.M. Tan Sri was the former Chairman of Lembaga Tabung Haji Investment Panel. He was the former Chairman of Media Prima

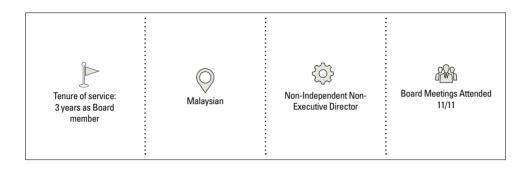
Berhad, Malaysian Resources Corporation Berhad, DRB-Hicom Berhad, EON Bank Berhad, Uni Asia Life Assurance Berhad, Uni Asia General Insurance Berhad and Radicare (M) Sdn Bhd. He was also an independent director of Maxis Communications Berhad and Bangkok Bank Berhad.

Currently, Y.A.M. Tan Sri is the Chairman of Nestle (Malaysia) Berhad, Cahya Mata Sarawak Berhad, Lembaga Zakat Selangor and Pulau Indah Ventures Sdn Bhd (a joint venture company between Khazanah Nasional Berhad and Temasek Holdings of Singapore). He is also the Chancellor of SEGi University.

Y.A.M. Tan Sri attended all eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He holds 290,000 ordinary shares in the Company. He does not have any family relationship with any Director and / or major shareholder of the Company nor any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

- DATO' SRI CHE KHALIB MOHAMAD NOH -



Dato' Sri Che Khalib Mohamad Noh, aged 51, a Malaysian, is a Non-Independent Non-Executive Director of the Company since 9 December 2014. He was appointed to the Board as the Managing Director on 1 July 2013 before being re-designated as Non-Independent Non-Executive Director of the Company.

A qualified accountant, Dato' Sri Che Khalib is a member of the Malaysian Institute of Accountants (CA, M) and a Fellow of the Association of Chartered Certified Accountants (FCCA, UK) United Kingdom.

Currently, Dato' Sri Che Khalib is the Group Managing Director of MMC Corporation Berhad.

Dato' Sri Che Khalib began 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, Dato' Sri Che Khalib joined Ranhill Utilities Berhad as Chief Executive Officer. He then assumed the position of Managing Director

and Chief Executive Officer of KUB Malaysia Berhad. Dato' Sri Che Khalib was appointed as the President/Chief Executive Officer of Tenaga Nasional Berhad on 1 July 2004 where he served eight years until the completion of his contract on 30 June 2012. He then joined DRB-HICOM Berhad as the Chief Operating Officer of Finance, Strategy and Planning in July 2012.

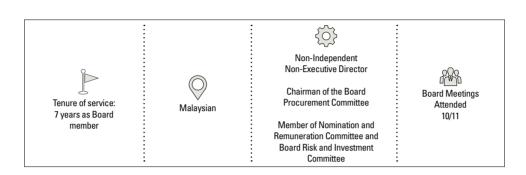
Dato' Sri Che Khalib was previously a member of the Board and the Executive Committee of Khazanah Nasional Berhad between 2000 and 2004. He also served as a Board member within the United Engineers Malaysia Group of companies and Bank Industri & Teknologi Malaysia Berhad.

Dato' Sri Che Khalib currently sits on the Board of MMC Corporation Berhad, Zelan Berhad, Gas Malaysia Berhad, Johor Port Berhad, MMC Engineering Group Berhad, Aliran Ihsan Resources Berhad, Bank Muamalat Malaysia Berhad, Port Dickson Power Berhad, NCB Holdings Berhad, Kontena Nasional Berhad, Northport (Malaysia) Bhd and several private limited companies.

Dato' Sri Che Khalib attended all eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He holds 420,000 ordinary shares in the Company. He does not have any family relationship with any Director and / or major shareholder of the Company nor any conflict of interest with the Company except that he is a Group Managing Director of MMC Corporation Berhad, a major shareholder of the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

- DATUK MUHAMAD NOOR HAMID -



Datuk Muhamad Noor Hamid, aged 65, a Malaysian, was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 13 July 2009. He is Chairman of the Board Procurement Committee and also a member of the Board Nomination and Remuneration Committee and the Board Risk and Investment Committee.

Datuk Muhamad Noor obtained a Bachelor of Science (Hons) in Mechanical Engineering from Sunderland Polytechnic, England in 1977 and a Post Graduate Diploma in Natural Gas Engineering from the Institute of Gas Technology in Chicago, Illinois, USA in 1980. He attended the Management Program in 1992 at the Wharton Business School of Management, University of Pennsylvania, USA.

Datuk Muhamad Noor has held numerous positions during his 20 years of service in PETRONAS and PETRONAS Gas Sdn Bhd, including as head of the Peninsular Gas Utilisation II project team. He worked in OGP Technical Services Sdn Bhd, a joint venture company between PETRONAS and Novacorp Corporation of Canada, where he was the

General Manager of the Pipeline Division. His expertise has taken him to overseas assignments mainly in Sudan where he was the Project Director for the Muglad Basin Oil Development Project. In 2000, he was appointed as the Chief Operating Officer of Projass Engineering Sdn Bhd, a Class A Bumiputera construction company. He joined Gas Malaysia Berhad in 2003 as Chief Operating Officer and was subsequently appointed as Chief Executive Officer in February 2004. On 24 April 2006, he was promoted to the position of Managing Director of Gas Malaysia Berhad. On 31 December 2013, he retired from Gas Malaysia Berhad. He currently sits on the Board of SapuraKencana Petroleum Berhad and Lafarge Malaysia Berhad.

He has more than 30 years of direct working experience in the oil and gas industry ranging from project planning and implementation, operation, consulting and contracting.

Datuk Muhamad Noor attended ten out of eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He holds 321,200 ordinary shares in the Company. He does not have any family relationship with any Director and / or major shareholder of the Company nor any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

Non-Independent Non-Executive Director Tenure of service: 9 years as Board Malaysian Member of the Board Risk and Investment Committee 09/11

and Board Procurement Committee

- CINDY TAN LER CHIN -

Cindy Tan Ler Chin, aged 56, a Malaysian, was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 9 August 2007. She is also a member of the Board Risk and Investment Committee and the Board Procurement Committee.

Cindy Tan obtained an Honours degree in Economics, majoring in statistics, from Universiti Kebangsaan Malaysia in 1984. In 1991, she obtained a Certified Diploma in Accounting and Finance, accorded by the Chartered Association of Certified Accountants. In 1995, she attended the Wharton-National University of Singapore Banking Programme.

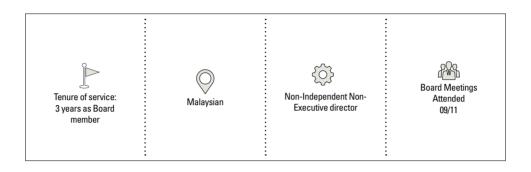
member

Cindy Tan joined Employees Provident Fund ("EPF") in 1984. Since then she has served in the Finance Department, Treasury Department, Fund Management Function and was the Head of Fixed Income Investment of EPF until June 2009, when she was appointed to her current position as the Head of Investment Compliance and Settlement of EPF.

Cindy Tan attended nine out of eleven Board meetings of the Company held in the financial year ended 31 December 2016.

She does not hold any interest in the securities of the Company. She does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest of the Company. She has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

- DATO' WAN KAMARUZAMAN WAN AHMAD -



Dato' Wan Kamaruzaman Wan Ahmad, aged 57, a Malaysian, was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 21 May 2013.

Dato' Wan Kamaruzaman obtained a Bachelor of Economics degree in Analytical Economics from the University of Malaya in 1981.

Dato' Wan Kamaruzaman is currently the Chief Executive Officer of Kumpulan Wang Persaraan (Diperbadankan) ("KWAP") and has been serving since May 2013. Previously, he served as the General Manager of Treasury Department at the Employees Provident Fund from October 2007 until April 2013. He started his working career with Malayan Banking Berhad ("Maybank") since 1981, mostly in the Treasury Department with postings in Hamburg, Germany as Chief Dealer and in London, United Kingdom as Treasury Manager. After leaving Maybank, he served in several companies within the Affin bank group, as the Chief Executive Officer of Affin Moneybrokers Sdn Bhd from July 1994 to August 2003 and as the Chief Executive Officer of Affin Trust Management Sdn Bhd from September 2003 to November 2005.

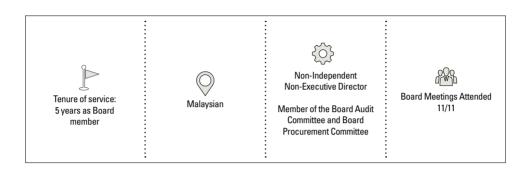
He was also a board member of Affin Futures Sdn Bhd from September 1999 to December 2002 and a board member of Affin Fund Management Sdn Bhd from January 2004 to November 2005. He joined Kemuncak Facilities Management Sdn Bhd as the Executive Director - Finance and served the company until September 2006. He then joined Izoma Sdn Bhd as Executive Director - Finance from October 2006 until August 2007. He is a board member of Valuecap Sdn Bhd and Director of Prima Ekuiti (UK) Ltd, a subsidiary company of KWAP. He was appointed as the first Chairman of the Institutional Investors Council which was established in 2015 to represent the interest of institutional investors in Malaysia. He is also

a member of the Financial Stock Exchange – Environmental, Social & Governance Advisory Committee in London since September 2015.

Dato' Wan Kamaruzaman attended nine out of eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He does not hold any interest in the securities of the Company. He does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest of the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

- DATUK OOI TEIK HUAT -



Datuk Ooi Teik Huat, aged 56, a Malaysian, was appointed to the Board of the Company as a Non-Independent Non-Executive Director on 1 January 2012. He is also a member of the Board Audit Committee and the Board Procurement Committee.

Datuk Ooi obtained a Bachelor degree in Economics from Monash University, Melbourne, Australia in 1984 and is a member of the Malaysian Institute of Accountants and CPA Australia.

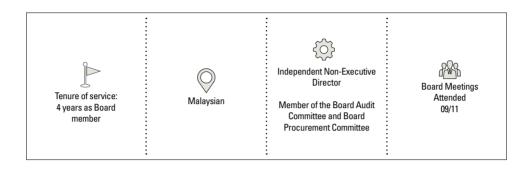
Datuk Ooi began his career with Messrs Hew & Co., Chartered Accountants in 1984. After leaving Messrs Hew & Co in June 1989, he joined Malaysian International Merchant Bankers Berhad until August 1993. He subsequently joined Pengkalan Securities Sdn Bhd in August 1993 as Head of Corporate Finance, before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

Datuk Ooi sits on the boards of MMC Corporation Berhad, Tradewinds (M) Berhad, Tradewinds Plantation Berhad, DRB-HICOM Berhad, Zelan Berhad, Johor Port Berhad, Gas Malaysia Berhad, MARDEC Berhad, Padiberas Nasional Berhad, Tradewinds Corporation Berhad and several private limited companies.

Datuk Ooi attended all eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He holds 420,000 ordinary shares in the Company. He does not have any family relationship with any Director and / or major shareholder of the Company nor any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

- TAN SRI DATO' SERI ALAUDDIN DATO' MD SHERIFF -



Tan Sri Dato' Seri Alauddin Dato' Md Sheriff, aged 70, a Malaysian, was appointed to the Board of the Company as an Independent Non-Executive Director on 11 December 2012. He is also a member of the Board Audit Committee and the Board Procurement Committee.

Tan Sri Dato' Seri Alauddin was admitted as an Utter Barrister of the Honourable Society of Inner Temple, London, having been called to the Bar of England & Wales in 1970.

Tan Sri Dato' Seri Alauddin held various posts in the legal and judicial service since 1971. He started his career with the Judiciary as a Magistrate in Bukit Mertajam in 1971 and in Kangar in 1972. Thereafter, he was appointed as President of the Sessions Court in Sungai Petani, Kuantan and Taiping. In 1977, he was appointed as Senior Federal Counsel with the Income Tax Department and the Attorney General's Chambers. In June 1979, he was seconded to PETRONAS Carigali Sdn Bhd as its Secretary cum Legal Advisor. Thereafter, he was appointed as the Legal Advisor to the State of Johor in October 1980. In April 1982, he took the office of the Legal Advisor of Negeri Sembilan. He was again appointed as the Legal Advisor to the State of Johor in June 1983. He was appointed as the Chairman of the Advisory Board in the Prime Minister's Department since June 1989.

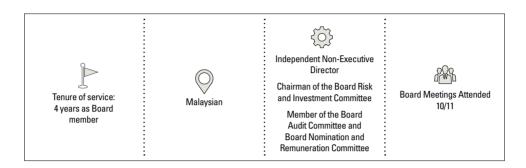
Tan Sri Dato' Seri Alauddin was appointed as Judicial Commissioner of the High Court of Malaya in Kuala Lumpur on 1 February 1992 and was transferred to the High Court of Malaya in Johor in the same year. He was later elevated as the Judge of the High Court wherein he had served in the High Courts of Johor, Kangar and Alor Star before being elevated to the Court of Appeal in April 2001. After serving about three years in the Court of Appeal, he was elevated to the Federal Court of Malaysia on 12 July 2004. During his tenure as a Judge of the Federal Court, he undertook the duties and functions of the President of the Court of Appeal from 15 August 2006 until 4 September 2007. On 5 September 2007, he was appointed as the Chief Judge of Malaya and on 18 October 2008, he was appointed as

the President of the Court of Appeal until his retirement in August 2011. He currently sits on the board of Vertical Inter Circle Sdn Bhd.

Tan Sri Dato' Seri Alauddin attended nine out of eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He does not hold any interest in the securities of the Company. He does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest of the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

- DATUK IDRIS ABDULLAH -



Datuk Idris bin Abdullah, aged 59, a Malaysian, was appointed to the Board of the Company as an Independent Non-Executive Director on 11 December 2012. He is Chairman of the Board Risk and Investment Committee and also a member of the Board Audit Committee and the Board Nomination and Remuneration Committee.

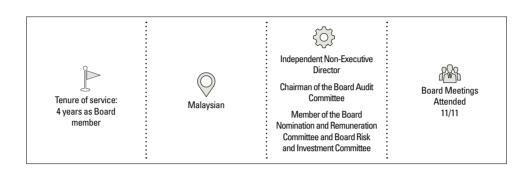
Datuk Idris graduated from Universiti Malaya in 1981 with a LLB. (Hons) degree and is currently a Senior Partner in Messrs. Idris & Company Advocates, Kuching Sarawak.

He is a former Commission Member of the Companies Commission of Malaysia from 2007 to 2014 and Commission Member of the Malaysian Communications and Multimedia Commission from 2011 to 2015. He was a director of Bank Pembangunan Berhad (Malaysian Development Bank Berhad) from 2010 to 2014. He sits on the board of directors of NCB Holdings Berhad, DRB-HICOM Berhad and several private limited companies.

Datuk Idris attended ten out of eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He holds 290,000 ordinary shares in the Company. He does not have any family relationship with any Director and / or major shareholder of the Company nor any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

- DATUK DR. SYED MUHAMAD SYED ABDUL KADIR -



Datuk Dr. Syed Muhamad Syed Abdul Kadir, aged 70, a Malaysian, was appointed to the Board of the Company as an Independent Non-Executive Director on 11 December 2012. He is Chairman of the Board Audit Committee and also a member of the Board Nomination and Remuneration Committee and the Board Risk and Investment Committee.

Datuk Dr. Syed Muhamad graduated with a Bachelor of Arts (Hons.) from Universiti Malaya in 1971. He obtained a Master of Business Administration from the University of Massachusetts, USA, in 1977 and proceeded to obtain a PhD (Business Management) from Virginia Polytechnic Institute and State University, USA in 1986. In 2005, he obtained a Bachelor of Jurisprudence (Hons.) from the University of Malaya. He obtained the Certificate in Legal Practice in 2008 from the Malaysian Professional Legal Board. He was admitted as an Advocate and Solicitor of the High Court of Malaya in July 2009, and obtained the Master of Law (Corporate Law) from Universiti Teknologi MARA in December 2009. In June 2011, he became a member of the Chartered Institute of Arbitrators, United Kingdom and in May 2012, he became the fellow of the said Institute.

Datuk Dr. Syed Muhamad started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration (INTAN) and held various positions before his final appointment as Deputy Director (Academic). In November 1988, he joined the Ministry of Education as Secretary of Higher Education and thereafter assumed the post of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management), Finance Division of Federal Treasury. Between June 1993 to June 1997, he joined the board of directors of Asian Development Bank, Manila, the Philippines, first as alternate Executive Director and later as an Executive Director. In July 1997, he joined the Ministry of Finance as Secretary (Tax Division) and subsequently became the Deputy Secretary General (Operations) of Ministry of Finance. Prior to his retirement, he was Secretary General, Ministry of Human Resources from August 2000 to February 2003.

Datuk Dr. Syed Muhamad is the Chairman of CIMB Islamic Bank Berhad, CIMB-Principal Islamic Asset Management Sdn Bhd, Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad. He is also a Director of Euro Holdings Berhad, Solution Engineering Holdings Berhad, BSL Corporation Berhad and ACR ReTakaful Berhad. He also holds directorships in a number of private companies.

Datuk Dr. Syed Muhamad attended all eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He holds 150,000 ordinary shares in the Company. He does not have any family relationship with any Director and / or major shareholder of the Company nor any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

Tenure of service: 1 year as Board member Tenure of service: 1 year as Board member Non-Executive Director Non-Executive Director

Kohei Hirao, aged 63, a Japanese, was appointed to the Board as an Independent Non-Executive Director of the Company on 20 January 2016. He was redesignated as Non-Independent Non-Executive Director of the Company on 5 July 2016.

Kohei Hirao graduated from the faculty of Economics, Kyoto University, Japan.

He held numerous positions in Sumitomo Corporation since he joined 1977 such as Corporate Officer and Executive Officer (General Manager, Power & Social Infrastructure Business Division in charge of worldwide power businesses) in 2006 and 2008 respectively. In 2010, Kohei Hirao was appointed the Executive Officer (General Manager, Telecommunication, Environment & Industrial Infrastructure Business Division charge of worldwide infrastructure businesses). He was then appointed in 2011 as the Managing Executive Officer (General Manager, Telecommunication, Environment & Industrial Infrastructure Business Division) during which he was responsible for the worldwide infrastructure businesses.

In 2012, he assumed the position of Managing Executive Officer (General Manager for Asia where he was responsible for all of Sumitomo's businesses in Asia), President & Chief Executive Officer of Sumitomo Corporation Asia Pte. Ltd. In 2013, he was appointed as the President and Chief Executive Officer at Sumitomo Corporation Asia & Oceania Pte. Ltd. where he was responsible for all of Asia & Oceania portfolio of businesses spanning from infrastructure, steel, automobile, chemical, media, food, real estate and so on.

In 2015, Kohei Hirao was appointed as the Advisor of Sumitomo Corporation until his resignation on 30 June 2016. He is currently the Special Senior Advisor to Albukhary Group.

Kohei Hirao attended ten out of eleven Board meetings of the Company held in the financial year ended 31 December 2016.

He does not hold any interest in the securities of the Company or its subsidiaries. He does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

Tenure of service: 3 years as Board member Alternate director to Dato' Wan Kamaruzaman Wan Ahmad

- ZALMAN ISMAIL -

Zalman Ismail, aged 45, a Malaysian, was appointed as the alternate director to Dato' Wan Kamaruzaman Wan Ahmad on 21 May 2013. He was a board member of the Company from 18 March 2013 until 21 May 2013 before assuming current position on the Board as the alternate director to Dato' Wan Kamaruzaman Wan Ahmad.

Zalman Ismail obtained a Bachelor's degree (Hons) in Business Administration (Finance) from Eastern Michigan University, United States in 1994.

He started his career in 1995 when he joined Rating Agency Malaysia as a credit analyst. He then worked as a stock broking analyst at Dresdner Kleinwort Benson Research (M) Sdn Bhd from 1997 to 1999. In 1999, he joined a telecommunication engineering company, Twin Worldwide Communication Sdn Bhd as General Manager of Finance & Operations until 2005.

He joined the Sime Darby Group in 2005 and held various positions in the Group including as Head of Value Management, Head of Investor Relations and Head of Business Development (Healthcare Division) prior to leading the Strategy and Business Development Department in Sime Darby Property Berhad. He has over 19 years work experience. He also spearheaded the valuation and closing team for the mega plantation merger between Sime Darby Berhad, Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad.

Zalman Ismail is currently the Director of Alternative Investment Department, Kumpulan Wang Persaraan (Diperbadankan) (KWAP), a position he held since 2011. His responsibilities include maximizing long-term returns through investments in private equity, property and infrastructure both local and overseas.

He does not hold any interest in the securities of the Company. He does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest of the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

MEMBERS OF MANAGEMENT COMMITTEE



Seated from left to right:

AFFAN MOHD NAWI

Senior Vice President, Group Corporate Services Division

DATUK WIRA AZHAR ABDUL HAMID

Group Managing Director

RUSWATI OTHMAN

Chief Financial Officer / Senior Vice President, Group Finance & Accounts Division

HABIB HUSIN

Executive Vice President, Operations

Standing from left to right:

MOHD SHOKRI DAUD

Senior Vice President, Local Generation Division

AZHARI SULAIMAN

Senior Vice President, Group Planning & Strategy Division

GROUP MANAGING DIRECTOR'S PROFILE

DATUK WIRA AZHAR ABDUL HAMID



TENURE OF SERVICE

9 MONTHS



MALAYSIAN



GROUP MANAGING DIRECTOR Datuk Wira Azhar Abdul Hamid (Datuk Wira Azhar), age 55, a Chartered Accountant by training, is the Group Managing Director of Malakoff Corporation Berhad. He joined the company on 1 May 2016.

Prior to this appointment, Datuk Wira Azhar was the President/ Group Managing Director of Tradewinds Corporation Berhad before relinquishing the said position to be the Chairman of Tradewinds Corporation Berhad. He was also the Chief Executive Officer of Mass Rapid Transit Corporation Sdn Bhd (MRTC) from 2011 to 2014. MRTC is a Government of Malaysia owned company and is the owner and developer of the first rail MRT infrastructure in Malaysia, due to begin operations in Kuala Lumpur/ Klang Valley by 2017.

Datuk Wira Azhar is also a shareholder and founder of CBS Maju Sdn Bhd, Fortune Allbest Sdn Bhd and Chelsea Capital Sdn Bhd, private investment/advisory companies focusing on the Oil & Gas, Power, Hospitality and Oil Palm sectors.

Prior to 2010, Datuk Wira Azhar was with Sime Darby Berhad, a Malaysia conglomerate with interest in Oil Palm and Rubber Upstream and Downstream businesses, Property, Heavy Equipment, Automobile Assembly and Distribution, Engineering, Utilities and Healthcare. Prior to leaving the Sime Darby Group in September 2010, he was Managing Director of Sime Darby Plantation Sdn Bhd. In addition to this position, during the last few months of his tenure at Sime Darby, Datuk Wira Azhar was also the Acting President & Group Chief Executive, overseeing the entire Group's operations.

Datuk Wira Azhar began his senior executive career in 1989 in the United Kingdom, where he served British Telecom Plc as Internal Audit Manager. He returned to Malaysia in 1991 and joined Malaysian Cooperative Insurance Society as Head of Internal Audit and later as Head of Finance. In 1994, he joined Sime Darby Group serving Sime Tyres International Sdn Bhd as Financial Controller, Sime Conoco Sdn Bhd as Business Development Director and the Group's Engineering, Oil & Gas Division as Group General Manager.

He then left the Sime Darby Group and was Group Chief Executive of Pernas International Holdings Bhd, a then Malaysian listed company, in November 2001, a post he held until October 2002.

In 2003, Datuk Wira Azhar returned to Sime Darby Group, as Business Development Director in Sime Plantations Sdn Bhd. The following year, in 2004, he assumed the role of Managing Director of Tractors Malaysia Holdings Bhd. Concurrently, he was Sime Darby Group's Divisional Director for the Heavy Equipment Division for Asia Pacific, covering China, Hong Kong, Malaysia, Singapore and the Philippines.

Datuk Wira Azhar then transferred to Sime Plantations Sdn Bhd as Managing Director, and concurrently held the post of Sime Darby Group's Divisional Director for Plantations & Food Division of Sime Darby Berhad. Following the merger of Sime Darby, Golden Hope Plantations and Kumpulan Guthrie in November 2007, Datuk Wira Azhar was appointed Managing Director of Sime Darby Plantation Sdn Bhd, and EVP/Head of Sime Darby's Plantation & Agri-business Division.

Currently, Datuk Wira Azhar serves as Independent Director of publicly listed Icon Offshore Bhd, Hume Industries Bhd and Hong Leong Bank Bhd. He is also a Board member of the Epic Products Berhad and THR Hotel (Selangor) Bhd and State Economic Development Corporation for the State of Perak Darul Ridzuan.

Between 2007 and 2010, Datuk Wira Azhar also served as Chairman of the Malaysian Palm Oil Association (MPOA), Board member of Malaysian Palm Oil Board and the Malaysian Palm Oil Council.

Datuk Wira Azhar was awarded the "Darjah Paduka Tuanku Ja'afar" (DPTJ) by His Royal Highness, The Yang DiPertuan Besar Negeri Sembilan Darul Khusus, AlMarhum Tuanku Ja'afar Ibni AlMarhum Tuanku Abdul Rahman which carries the title "Dato" in 2007.

In addition to this, he was awarded the "Darjah Cemerlang Seri Melaka" by His Excellency Governor of the State of Melaka, TYTTun Khalil Yakcob, in 2013, which carries the title "Datuk Wira".

Since his appointment as director during the year, Datuk Wira Azhar attended seven out of seven Board meetings of the Company held in the financial year ended 31 December 2016.

Datuk Wira Azhar holds 531,700 ordinary shares in the Company. He does not have any family relationship with any Director and / or major shareholder of the Company nor any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

MEMBERS OF MANAGEMENT COMMITTEE'S PROFILE

TENURE OF SERVICE: 18 YEARS MALAYSIAN EXECUTIVE VICE PRESIDENT, OPERATIONS

Habib Husin, aged 56, is the Executive Vice President, Operations ("EVP, Operations") of the Company.

He obtained his Bachelor in Engineering (Electrical and Electronics) degree from University of Wales, United Kingdom in 1983. He attended and completed the Harvard Senior Management Development Programme in Malaysia in August 2004, Harvard Finance Programme in April 2005 and Advanced Management Programme in June 2009 at the Wharton Business School, University of Pennsylvania in Philadelphia, USA.

He started his career in September 1983 as an Assistant Instrument Maintenance Engineer at Tuanku Jaafar Power Station for Lembaga Letrik Negara (currently known as TNB). In September 1985, he was transferred to Kapar Power Plant (Phases I and II) and was subsequently promoted to Instrument Maintenance Engineer in 1987. He was awarded an Excellence in Career award in 1987 for exceptional effort and outstanding achievement. In September 1990, he joined Sarawak Shell Berhad as Instrument Reliability Engineer before moving to ICI Paints (Malaysia) Sdn Bhd as Works Engineer in August 1992. He was also awarded a Silver Award from ICI for exceptional effort and outstanding achievement in 1996.

In July 1998, he joined Malakoff Berhad as the Senior Manager, Technical Audit Department. He was promoted to Assistant General Manager, Business Organisation and Technical Services in January 2000.

In September 2001, he was appointed as General Manager Projects in Segari Energy Ventures Sdn Bhd. In July 2004, he was promoted to Chief Operating Officer in SEV. He was made the Senior Vice President, Asset Management Division in April 2006 overseeing all the assets held under the Malakoff Berhad Group. He was promoted to Chief Operating Officer of the Company in October 2010 to oversee the Operations and Maintenance Division and the Asset Management Division. He was redesignated to his current position as EVP, Operations of the Company on 3 August 2015.

He currently sits on the board of key subsidiaries/associate companies under Malakoff Corporation Berhad.

Habib Husin holds 360,000 ordinary shares in the Company. He does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

RUSWATI OTHMAN





CHIEF FINANCIAL OFFICER/SENIOR VICE PRESIDENT, GROUP FINANCE & ACCOUNTS DIVISION

Ruswati Othman, aged 56, is the Chief Financial Officer and Senior Vice President, Group Finance and Accounts Division of the Company.

She obtained her Bachelor of Science degree in Chemistry from University of Bradford, England, United Kingdom in 1984 and her Master of Business Administration degree (majoring in Accounting and Finance) from University of Massachusetts, Boston, USA in 1988. She completed the Advanced Management Programme at Wharton Business School, University of Pennsylvania, Philadelphia, USA in October 2011.

She started her career as executive in the Chemical Division of Behn Meyer & Co. in 1984. She joined Southern Bank Berhad as an officer in 1989. She was appointed as Assistant Manager, Corporate Planning and Investments at Melewar Corporation Bhd/Malaysian Assurance Alliance Bhd in 1990.

In 1994, she joined Malakoff Berhad as Manager, Corporate Planning. In 1997, she was promoted to Senior Manager and as Head, Research and Risk Management Department. She was promoted to Assistant General Manager, Corporate Finance and Risk Management in 1999 and as General Manager and Head, Corporate Finance and Risk Management Department in 2000. In 2004, she was promoted to the position of Chief Financial Officer/Senior Vice President, Group Finance & Accounts Division. Her present responsibility includes managing the Group Accounts and Treasury Department, the Corporate and Project Finance Department and the Investor Relations Department. She oversees the overall accounting and reporting functions in Malakoff Corporation Berhad ("Malakoff") and heads the Malakoff team for corporate finance exercises such as equity & debt financing as well as mergers & acquisition and project finance exercises for companies within the Malakoff Group. She also oversees the Company's investor relations function by attending meetings with institutional investors.

She currently sits on the board of Tanjung Bin Energy Issuer Berhad.

Ruswati holds 200,000 ordinary shares in the Company. She does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest with the Company. She has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

MEMBERS OF MANAGEMENT COMMITTEE'S PROFILE

AZHARI SULAIMAN





SENIOR VICE PRESIDENT,
GROUP PLANNING & STRATEGY DIVISION

Azhari Sulaiman, aged 56, a Malaysian, holds a Bachelor of Science in Electrical & Electronic Engineering from Loughborough University of Technology, England and Masters in Business Administration from Universiti Malaya. He first joined Lembaga Letrik Negara in September 1983 as a Computer Maintenance Engineer in the Computer Maintenance Department. In 1986, he was promoted to Senior Engineer, Telecontrol, in which, he was involved mainly in the development of control centres, repair and maintenance of the National Load Despatch Centre SCADA/EMS computer system and Remote Terminal Units (RTUs). In January 1994, he was transferred to the Business Management unit of the Transmission Division as the Senior Manager (Commercial) where he spent 5 years.

Azhari joined the Malakoff Group in August 2004 as Chief Operating Officer of Tanjung Bin Power Sdn Bhd ("TBP"). In this capacity, he had overseen the construction and commissioning of Malakoff's first coal-fired power plant. Upon completion of TBP, he assumed the position of Vice President, Business Development. He is currently the Senior Vice President of Group Planning and & Strategy Division where he is responsible for the Group's business and project developments.

Azhari holds 118,000 ordinary shares in the Company. He does not hold any interest in the securities of the Company or its subsidiaries. He does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

MOHD SHOKRI DAUD



TENURE OF SERVICE: 21 YEARS



SENIOR VICE PRESIDENT, LOCAL GENERATION DIVISION

Ir Mohd Shokri Daud, aged 48, has about 24 years of experience in the Power Industry in various roles and capacities. He started in 1992 with TNB as a Control & Instrumentation (C&I) Engineer in Sultan Ismail Power Station, Paka, Terengganu. In 1995, he joined Malakoff in Lumut Power Plant and moved up the ranks to undertake various roles ranging from maintenance, operations and engineering.

He started to assume management position from 2008, upon being appointed as the plant manager for Prai Power Plant in 2008. He manages the company's portfolio of assets from 2012 as the Head of the Asset Management Division. In September 2016, he was re-designated to Senior Vice President, Local Generation Division where he is responsible for the entire spectrum of the operations of the Malaysian assets. Mohd Shokri graduated with a degree in Electrical Engineering from Northern Arizona University, Arizona, USA.

Mohd Shokri holds 90,000 ordinary shares in the Company. He does not hold any interest in the securities of the Company or its subsidiaries. He does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.

AFFAN MOHD NAWI



TENURE OF SERVICE: 1 YEAR



SENIOR VICE PRESIDENT,
GROUP CORPORATE SERVICES DIVISION

Affan Bin Mohd Nawi, aged 43, has been appointed to carry out the role as the Senior Vice President, Group Corporate Services Division of Malakoff Corporation Berhad effective 4 November 2015. Affan oversees the Group's Procurement, Business Process Improvement, Risk Management and Information Management, (IT and Enterprise Applications) departments.

Prior to joining, Affan was the General Strategic Manager, Sourcing, Group Procurement at Telekom Malaysia Berhad from 2012 to 2015, after having served seven years in Khazanah Nasional Berhad first in the Transformation Management Office and then in Special Projects in the Managing Director's Office. Affan had also served several senior positions in iPerintis Sdn Bhd from 2003 to 2006, A.T. Kearney Inc from 2000 to 2003 and Petroliam Nasional Berhad (PETRONAS) from 1997 to 2000. Affan holds a Master's degree in Information Systems and Bachelors of Science in Information and Decision Sciences from Carnegie Mellon University, Pittsburgh, Pennsylvania, United States.

Affan holds 1,200 ordinary shares in the Company. He does not hold any interest in the securities of the Company or its subsidiaries. He does not have any family relationship with any Director and / or major shareholder of the Company or any conflict of interest with the Company. He has not been convicted of any offence within the past 10 years, other than traffic offences, if any.



CHAIRMAN'S STATEMENT

KEY MILESTONES ACHIEVED

I am delighted to announce that we achieved important milestones which helped strengthen our market standing. On the home front, we attained a major milestone when the newly built 1,000 MW coal-fired Tanjung Bin Energy Power Plant achieved its commercial operations date ("COD") on 21 March 2016. The same month saw the Port Dickson Power Plant commencing its three-year extension period for its existing Power Purchase Agreement ("PPA"). On the international front, our new venture in Oman, the Al Ghubrah Independent Water Project (Sultanate of Oman) achieved its COD on 19 February 2016.

Elsewhere on the domestic front, our other local plants continued to turn in a steady performance above the IPP industry average in terms of energy availability factor and thermal efficiency. At the same time, the stable of overseas plants continued to operate in a steadfast manner, some more efficiently than others. By ensuring good stewardship of our assets in whichever markets we operate, we continue to create long-term value for our shareholders.

The finer details of the Group's operational performance are spelt out in the Group Managing Director's Message and Management Discussion and Analysis ("MD&A") section of this Annual Report.

STEADFAST PERFORMANCE ATTAINED

Amidst the year's demanding operating environment, the Malakoff Group turned in a Profit after Tax and Minority Interest ("PATMI") of RM355.5 million for the financial year ended 31 December 2016 ("FY2016"), a 21 percent drop from RM452.4 million in FY2015. Group revenue increased by 15 percent to RM6,098.4 million from RM5,302.0 million in FY2015. This increase came on the back of revenue contributions by Tanjung Bin Energy Sdn Bhd pursuant to its COD.

The Group's total assets have been steadily rising over the years and as at the end of 2016 stood at RM30.3 billion mainly due to the construction and development of the new Tanjung Bin Energy Power Plant. The Group has strong cash-generating ability due to the dependable cash flows from its IPPs. According to Rating Agency Malaysia ("RAM"), Malakoff has a credit rating of at least AA3/AA at various levels within our group of companies,





while Malaysian Rating Corporation Berhad ("MARC") has accorded Malakoff Power Berhad's RM5.40 billion Sukuk Murabahah an AA-rating and affirmed its stable outlook.

For more details of the Group's financial performance, please turn to the Group Managing Director's Message and MD&A section of this Annual Report.

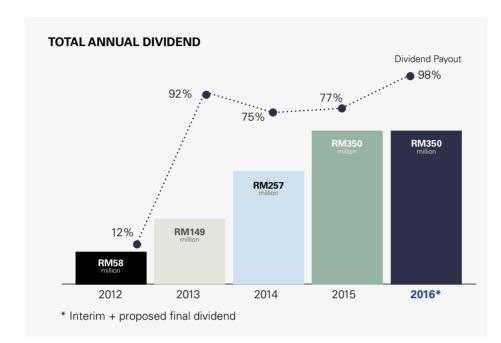
SHAREHOLDER VALUE CREATION

For the year under review, the Group's basic earnings per share ("EPS") dropped 29 percent to 7.11 sen in comparison to EPS of 9.98 sen in FY2015. Meanwhile, the Group turned in a Return on Equity ("ROE") of 6 percent during the same period. Malakoff continues to maintain a healthy balance sheet and a comfortable net gearing of 2.14 times to sustain existing operations.

In line with the dividend policy that came into effect on 1 January 2015, Malakoff ("the Company") is targeting a dividend payout ratio of not less than 70 percent of its consolidated profit attributable to the owners of the Company. This policy will enable shareholders to participate in the Company's profits, whilst retaining adequate reserves for working capital requirements.

In view of FY2016's performance and after considering the Group's funding requirements, the Board of Directors is pleased to recommend a single tier final dividend of 3.5 sen per ordinary share subject to shareholders' approval at the coming Annual General Meeting on 19 April 2017. Together with the interim dividend of 3.5 sen per ordinary share paid out in October 2016, the total dividend for FY2016 will amount to 7.0 sen per ordinary share. This represents a payout of 98 percent of PATMI for the year.

CHAIRMAN'S STATEMENT



In line with our continuing efforts to create value for our shareholders, your Board remains committed to implementing the highest standards of corporate governance and risk management practices throughout our organisation. Rest assured that Malakoff is continuously working to improve the effective application of the principles and best practices laid down by the Malaysian Code on Corporate Governance 2012, the Corporate Governance Guide as well as the Main Market Listing Requirement issued by Bursa Securities.

In FY2016, the Board set its sights on enhancing sound corporate governance practices whereby it has established two new policies, namely the Diversity Policy and the Non-Audit Services Policy. The former aims to ensure that there is a procedure in the Board's recruitment and selection process that upholds diversity in terms of age, gender and ethnicity on the Board. The latter policy relates to the provision of a Non-Audit Services Policy by our external auditors so that the independence of our external auditors remains intact.

Over the course of FY2016, Malakoff also embarked on a journey to implement a sustainability reporting framework so that a solid foundation could be put into place for our sustainability efforts on the economic, environmental and social fronts. We also revised the related party transactions ("RPT") as well as recurrent RPT policies and procedures to enhance and tighten the controls of the relevant policies and procedures. The terms of reference of the Board Audit Committees were also revised to bring these in line with the amendments to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The full Corporate Governance Statement can be found on pages 62 to 84 of this Annual Report.

As part of the Board's endeavours to develop a robust risk management framework, a comprehensive rollout of risk management activities and initiatives throughout the Group has been implemented. Today, a Board Risk and Investment Committee provides effective oversight of the Group's risk appetite, functions and processes and is supported by the Management Risk Committee. Following the successful implementation of Business Continuity Management ("BCM") initiatives Malakoff's headquarters in Kuala Lumpur, we extended our BCM mandate to five of our local power plants. Going forward, we will continue to enhance the Group's governance and risk management framework.

Further details of Malakoff's governance and risk management policies can be found in the relevant sections of this Annual Report.

We also remain committed to delivering intangible value to our shareholders. The year in review saw Malakoff receiving a host of awards and accolades for our commitment to excellence on several fronts.

In recognition of Tanjung Bin Energy Power Plant's advanced design and technology as well as its timely completion, the plant was named the "Coal Power Project of the Year" by *Asian Power Awards* in September 2016. Tanjung Bin Energy also won the "Coal Top Plant 2016 Award" from *Power Magazine* in October 2016.

MOVING FORWARD

While the global economic outlook and operating environment remain challenging, there are several elements that we continue to tap to bolster Malakoff's position as an attractive investor proposition.

To date, Malakoff remains the largest IPP in Malaysia in terms of effective generation capacity. By way of our domestic IPPs and international assets in the power and water segments, the Group had a total effective capacity of 7,036 MW and 444,800 m³/day respectively as at end 2016. The plan moving forward is to expand the Group's effective power generation to 10,000 MW and our effective water production capacity by approximately 50 percent by 2020.

Today, approximately 97 percent of the Group's revenue is generated by the power generation business, from which we receive capacity as well as energy payments from Tenaga Nasional Berhad.

Malaysia continues to progressively shift its energy mix for power generation to reduce its dependence on just natural gas. By 2020, coal is expected to increase its contribution to the nation's energy mix to 46 percent. With our Tanjung Bin Energy Power Plant having come online and adding to the entire Tanjung Bin power complex portfolio, our privately owned coal-fired power plants

CHAIRMAN'S STATEMENT

TODAY, APPROXIMATELY 97 PERCENT OF THE GROUP'S REVENUE IS GENERATED BY THE POWER GENERATION BUSINESS, FROM WHICH WE RECEIVE CAPACITY AS WELL AS ENERGY PAYMENTS FROM TENAGA NASIONAL BERHAD.

now account for some 38 percent of Peninsular Malaysia's total installed coalfired generation capacity.

Our commitment to operational excellence has ensured that our plants are managed and maintained efficiently and cost-effectively in line with world-class standards. This is complemented by a commendable performance in the key areas of Health, Safety and the Environment ("HSE") as well as overall plant performance.

Malakoff's standing in the industry has enabled us to forge mutually beneficial relationships that include high-quality counter-parties in the business, suppliers and an international network of vendors and strategic partners. These relationships help to strengthen our business and value chain.

In the short-run, we foresee limited new opportunities in the domestic power generation industry even after taking into account a limited diversification programme and our entrance into renewable energy ("RE"). To this end, Malakoff will aggressively explore opportunities overseas. Our focus will be on mergers and acquisitions where we can buy into earnings growth and strengthen the Group's earnings. We will initially explore investment opportunities that are in line with our core business as well as businesses related to the energy and utility sector.

On the RE front, we made some good progress when we received a conditional offer from the Malaysian Government for the development of a large scale solar photovoltaic plant in Peninsular Malaysia under a build, own and operate ("BOO") arrangement for a term of 21 years under the Power Purchase Agreement. While our investment focus regions today include Malaysia, MENA, Southeast Asia and Australia, we are open to exploring other markets where it makes sense to do so.

Moving forward we will continue to leverage on a business model that is designed to ensure sustainable growth well into the future. We are proactively working with the Government to ensure our future growth aspirations within Malaysia is in alignment with the country's energy needs. We seek to diversify our earnings base by exploring new but related areas of business such as renewable energy, water production, electricity and chilled water distribution, as well as more O&M services opportunities including power plant training.

As we embrace a new year, we are confident that the Group's performance will strengthen as we expect our coal fired and gas fired power plants to continue performing well. With plants such as Tanjung Bin Energy having commenced commercial operations, we are confident of stronger earnings potential in the near future. As we stride forward, we are determined to maintain a resolute focus on our core competencies. We remain committed to improving operational efficiencies and profitability through prudent financial management and cost control initiatives. At the same time, we will work to nurture and enhance the skills and expertise of our people. With all these in place, I believe we can unlock the full potential of the Group's businesses.

ACKNOWLEDGEMENTS

While the year 2016 was indeed a challenging one for Malakoff, the Group was able to surmount the odds due to the strong support we received from several parties. On behalf of the Board of Directors of Malakoff Corporation Berhad, I wish to express my heartfelt appreciation to all our shareholders and customers for your unwavering support and confidence in the Group. My sincere thanks to our bankers and financiers, partners, business associates, suppliers, various government bodies, regulators, Bursa Securities as well as the members

of the media for your unstinting support for Malakoff.

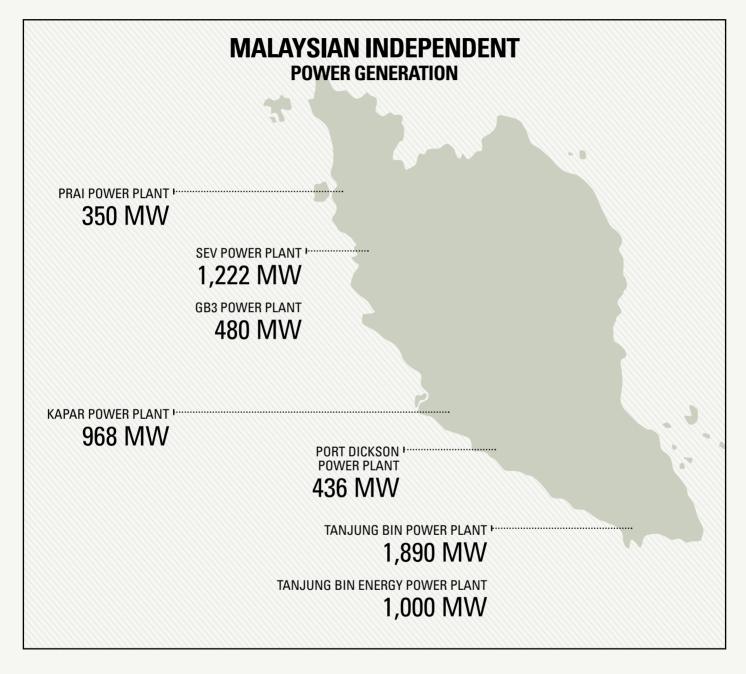
Our steadfast performance to date is the result of solid business fundamentals, a disciplined management approach and the hard work of our diligent management team and employees. I applaud Team Malakoff for their tireless efforts and for their commitment to exhibiting a spirit of excellence in all that they do. To my colleagues on the Board. I am deeply appreciative for their constant guidance and astute insights which have helped drive Malakoff forward despite a challenging business landscape.

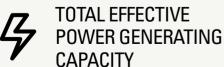
Please join me in extending a warm welcome to our new Group Managing Director, Datuk Wira Azhar bin Abdul Hamid, who came on board Malakoff as of 1 May 2016. He brings to the table extensive leadership experience having served in several multinational corporations at the board and senior management levels. We certainly look forward to his contributions as he leads the Malakoff team forward onto new heights of success.

As Malakoff ventures forth to embrace new opportunities and rise above all challenges, I trust all our stakeholders will continue to give us their unstinting support. Thank you.

Tan Sri Dato' Seri Syed Anwar Jamalullail Chairman

DOMESTIC AND INTERNATIONAL FOOTPRINT AS AT 31 DECEMBER 2016





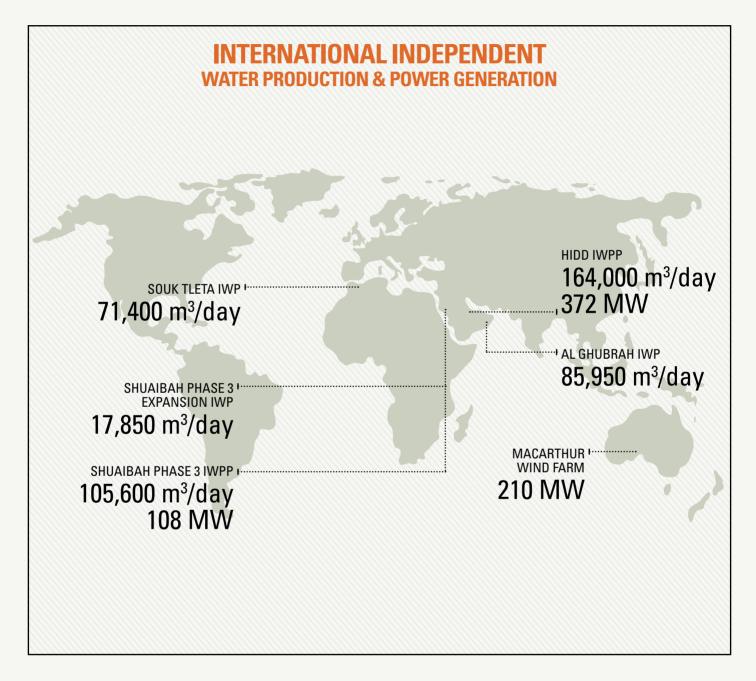
MALAYSIA

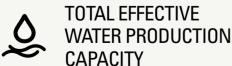
6,346MW

INTERNATIONAL

690MW

DOMESTIC AND INTERNATIONAL FOOTPRINT AS AT 31 DECEMBER 2016





444,800 M³/DAY