



News Release
For Immediate Publication

SHAREHOLDERS APPROVED PROPOSED ACQUISITION OF ALAM FLORA
The acquisition of 97.37% of equity interest is part of the strategic expansion of Malakoff's principal businesses

KUALA LUMPUR, 2 October 2018 – The shareholders of Malakoff Corporation Berhad have voted to pass its sole resolution in the Extraordinary General Meeting held today to acquire 97.37% equity interest in Alam Flora Sdn Bhd.

The acquisition was made through its wholly-owned subsidiary, Tunas Pancar Sdn Bhd (“TPSB”) for RM944.61 million pursuant to a conditional Share Sale Agreement (“SSA”) with HICOM Holdings Berhad (“HICOM Holdings”), a wholly-owned subsidiary of DRB-HICOM Berhad.

Upon completion of the acquisition, Malakoff will be in a position to expand its business/activities into Environmental Related Services - commencing with Alam Flora’s integrated solid waste collection and management and public cleansing management services business.

Datuk Haji Hasni Harun, Chairman of Malakoff believes that “with the country’s power generation sector becoming increasingly competitive and challenging, the acquisition of Alam Flora will hasten Malakoff’s expansion into the increasingly important and fast growing environmental related business and its push into the renewable energy sector.”

He added that “the acquisition offers synergistic opportunities between Malakoff and Alam Flora to develop Waste-to-Energy (“WTE”) projects, leveraging on their respective core

competencies and experience.” This will be in line with the Government’s aspiration to increase the share of renewable energy in Malaysia’s energy generation mix from 2% currently to 20% by 2025.

He further explained that with the prospects of economic development and population growth, Malaysia will need to look beyond waste disposal and landfills towards a more sustainable waste management especially through WTE projects.

The SSA is conditional upon, inter-alia, approvals/consents being obtained from non-interested shareholders of Malakoff and DRB-HICOM at their respective Extraordinary General Meetings, as well as approvals from relevant authorities and financial institutions.

The acquisition, subject to meeting the Conditions Precedent, is expected to complete within six (6) months from the execution of the SSA.

Alam Flora currently holds a concession to provide solid waste collection and public cleansing management services to several concession areas in Pahang, Federal Territories of Kuala Lumpur and Putrajaya.

The Concession Agreement is for a period of 22 years from 1 September 2011 to 31 August 2033, and covers a total area of 36,430 square kilometers with an aggregate waste generation of at least 3,736 tonnes per day.

Through Alam Flora’s wholly-owned subsidiary, DRB-HICOM Environmental Services Sdn Bhd (“DHES”), Malakoff will also be able to hasten its entry into the increasingly important and fast growing non-concession environmental services sector such as in the provision of integrated solid waste management services, recycling and integrated facility management services.

At present, DHES operates eight landfills, one transfer station, one leachate treatment plant and two incinerator plants.

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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 independent power producer (“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 420,925 cubic meter of desalinated water. 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 locally and in Saudi Arabia, Algeria, Kuwait, Oman and Indonesia.

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

Malakoff is a member of the MMC Group.

For further information, visit www.malakoff.com.my

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