SUSTAINABLE GROWTH

Malakoff comes prepared with strategies to empower the nation, dedicates its resources and core values to make it a better place to live.

In pursuit of new frontiers, one must look forward and taking the right step. Embracing the values of life, the only greatest reward is to see our new generation inherit a world full of possibilities, ready to be explored and discovered.

An iconic catalyst of a brighter future, Malakoff is a leader that dares to embrace challenges and architect changes. Harnessing the core values of Integrity, Teamwork, Innovation, Excellence and Harmony, Malakoff is always ready to reach and to move, locally or internationally.

And being Malakoff is just another means towards a creation of brighter future, to sustain what we have accomplished and strive for another journey of great adventures.
In striving to enhance stakeholders’ value and achieve our vision, we seek to:

- Develop and utilise local expertise;
- Share knowledge and spur the growth of the power and water sectors; and
- Promote innovation in all aspects of our business.
### GROUP FINANCIAL & PERFORMANCE HIGHLIGHTS

<table>
<thead>
<tr>
<th></th>
<th>2009 RM’000</th>
<th>2008 RM’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,269,540</td>
<td>5,121,267</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>380,184</td>
<td>318,560</td>
</tr>
<tr>
<td>Profit after tax &amp; minority interest</td>
<td>243,782</td>
<td>138,789</td>
</tr>
<tr>
<td>As at 31 December</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid-up capital</td>
<td>351,344</td>
<td>351,344</td>
</tr>
<tr>
<td>Shareholders’ funds</td>
<td>4,266,010</td>
<td>4,191,228</td>
</tr>
<tr>
<td>Total assets employed</td>
<td>22,646,030</td>
<td>23,297,887</td>
</tr>
<tr>
<td>Per share (sen) Earnings</td>
<td>69</td>
<td>40</td>
</tr>
<tr>
<td>Dividend (gross)</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>Net assets</td>
<td>1,214</td>
<td>1,193</td>
</tr>
</tbody>
</table>

- **Revenue**: The increase in revenue from RM 5,121,267 in 2008 to RM 5,269,540 in 2009 reflects the growth in sales due to increased demand and effective management strategies.
- **Profit before taxation**: The profit before taxation increased from RM 318,560 in 2008 to RM 380,184 in 2009, indicating improved operational efficiency and cost control.
- **Profit after tax & minority interest**: The profit after tax and minority interest rose from RM 138,789 in 2008 to RM 243,782 in 2009, highlighting the company’s profitability.
- **As at 31 December**
  - **Paid-up capital**: The paid-up capital remained stable at RM 351,344 in both years.
  - **Shareholders’ funds**: The shareholders’ funds increased from RM 4,191,228 to RM 4,266,010, indicating a healthy capital position.
  - **Total assets employed**: The total assets employed decreased from RM 23,297,887 in 2008 to RM 22,646,030 in 2009, which might be due to better asset management or lower working capital needs.
- **Per share (sen) Earnings**: The earnings per share increased from RM 40 in 2008 to RM 69 in 2009, reflecting improved financial performance.
- **Dividend (gross)**: The dividend increased slightly from RM 32 in 2008 to RM 30 in 2009.
- **Net assets**: Net assets per share increased from RM 1,193 in 2008 to RM 1,214 in 2009, indicating a stronger financial position.
Malakoff Corporation Berhad ("Malakoff") is one of the leading independent power and water producers based in Asia with an excellent reputation. Our core business includes power generation, water desalination and operations & maintenance services. In Malaysia, we own an effective generation capacity of 5,020 MW comprising of 6 power stations that run on gas, oil and coal.

Malakoff's power generation assets are held through a number of subsidiaries and associate companies:

- Lumut Power Plant through a 93.75% equity interest in Segari Energy Ventures Sdn Bhd ("SEV")
- GB3 Power Plant through a 75.0% equity interest in GB3 Sdn Bhd ("GB3")
- Prai Power Plant through its wholly-owned subsidiary Prai Power Sdn Bhd ("PPSB")
- Tanjung Bin Power Plant through a 90.0% equity interest in Tanjung Bin Power Sdn Bhd ("TBPSB")
- Port Dickson Power Plant through a 25.0% equity interest in Port Dickson Power Berhad, via its wholly owned subsidiary Hypergantic Sdn Bhd
- Kapar Power Station through a 40.0% equity interest in Kapar Energy Ventures Sdn Bhd ("KEV")

Furthermore, Malakoff provides services through its wholly-owned subsidiary companies:

- Operations and maintenance ("O&M") services through wholly-owned Teknik Janakuasa Sdn Bhd ("TJSB"), one of the leading O&M service providers in Malaysia
- Electricity distribution activities through Wirazone Sdn Bhd ("WIRAZONE") a wholly-owned subsidiary, that currently supplies centralised chilled water and distributes electricity to the landmark Kuala Lumpur Sentral development ("KL Sentral"), which is set to become the transportation and communication hub of Malaysia
- Project management services for in-house and external projects through Malakoff Engineering ("ME SB"), a wholly owned subsidiary of Malakoff

On the international front, we own a net capacity of 360 MW of power and 213,000 m³/day of water desalination. These projects are located in Saudi Arabia, Jordan, Oman and Algeria.

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.
CORPORATE INFORMATION

DIRECTORS
TAN SRI ABDUL HALIM ALI
Chairman
AHMAD JAUHARI YAHYA
Managing Director/Chief Executive Officer
DATUK HAJI HASNI HARUN
Non-Independent Non-Executive Director
DATUK MUHAMAD NOOR HAMID
Non-Independent Non-Executive Director
MABEL LEE KHUAN EOI
Non-Independent Non-Executive Director

CINDY TAN LER CHIN
Non-Independent Non-Executive Director
DATO’ AZIAN MOHD NOH
Non-Independent Non-Executive Director
ANDREW ROWAN IAN YEE
Non-Independent Non-Executive Director
VIJAY VIJENDRA SETHU
Alternate Director to Andrew Rowan Ian Yee

COMPANY SECRETARIES
SAMANTHA YEOH SOO MEI
(MAICSA 7032259)
SHAIFUL AZHAR AHMAD
( LS 0008370)

AUDIT COMMITTEE MEMBERS
DATUK HAJI HASNI HARUN (Chairman)
DATUK MUHAMAD NOOR HAMID
AHMAD JAUHARI YAHYA
ANDREW ROWAN IAN YEE

REGISTRATION COMMITTEE MEMBERS
TAN SRI ABDUL HALIM ALI (Chairman)
DATUK HAJI HASNI HARUN
CINDY TAN LER CHIN

REGISTERED OFFICE
Level 8, Kompleks Antarabangsa
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel: +603-2142 4777
Fax: +603-2148 9887
Website: www.malakoff.com.my

AUDITORS
KPMG

PRINCIPAL BANKER
Malayan Banking Berhad

CORRESPONDENCE ADDRESS
Level 8, Block 2A, Plaza Sentral
Jalan Stesen Sentral 5, 50470 Kuala Lumpur
Tel: +603-2263 3388
Fax: +603-2263 3333
Website: www.malakoff.com.my

MALAKOFF SHAREHOLDERS’

6.5%
Standard Chartered IL & FS Asia Infrastructure Growth Fund Company Pte Limited

2.5%
SEASAF Power Sdn Bhd

43.22%
MMC Corporation Berhad (“MMC”)

30%
Employees Provident Fund

7.78%

10%
Kumpulan Wang Persaraan (Diperbadankan)

*Wholly-owned Subsidiary of MMC

741x430

30%
Employees Provident Fund

7.78%

10%
Kumpulan Wang Persaraan (Diperbadankan)

*Wholly-owned Subsidiary of MMC
OPERATIONS AND MAINTENANCE SERVICES

100% Teknik Janakuasa Sdn Bhd
100% Natural Analysis Sdn Bhd
100% TJSB International Limited
100% TJSB International (Shoaib) Limited
20% Saudi-Malaysia Operation & Maintenance Services Company Limited
20% Al Iminat Operation & Maintenance Company Limited
100% TJSB Middle East Limited
100% TJSB Global Sdn Bhd
49% Hyflux-TJSB Algeria SPA

ELECTRICITY DISTRIBUTION

100% Wirazone Sdn Bhd

PROJECT MANAGEMENT

100% Malakoff Engineering Sdn Bhd
100% MESSB Project Management Sdn Bhd
100% Malaysian Shoaiba Consortium Sdn Bhd ("MSCSB")
100% Shuaibah Water & Electricity Company Limited ("SWEC")
11.7% Shuaibah Expansion Holding Company Limited ("SEHCL")
11.7% Shuaibah Expansion Project Company Limited ("SEPCCL")

POWER GENERATION

100% Segari Energy Ventures Sdn Bhd
70% OB3 Limited Sdn Bhd
100% Praw Power Sdn Bhd
10% Tanjung Bin Power Sdn Bhd
40% Kaplan Energy Ventures Sdn Bhd
100% Hypergantic Sdn Bhd
20% Port Dickson Power Berhad

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MALAKOFF STRUCTURE

100% Malakoff Engineering Sdn Bhd
100% MESSB Project Management Sdn Bhd
100% Malaysian Shoaiba Consortium Sdn Bhd ("MSCSB")
100% Shuaibah Water & Electricity Company Limited ("SWEC")
11.7% Shuaibah Expansion Holding Company Limited ("SEHCL")
11.7% Shuaibah Expansion Project Company Limited ("SEPCCL")

100% Malakoff Technical (Dhofar) Limited
43.4% Oman Technical Partners Limited ("OTPL")
43.4% Salalah Power Holdings Limited ("SPHL")
100% Malakoff Al Djazair Desal Sdn Bhd ("MADSB")
70% Tlemcen Desalination Investment Company SAS ("TDIC")
25.7% Almiyah Attilemcania SPA ("AAS")
100% Malakoff Jordan Generation Limited ("MJGL")
20% Enara Energy Investment Company ("ENARA")
19.75% Central Electricity Generating Company Limited ("CEGCO")
100% Malakoff Ras Azzour Limited (f.k.a. Kazemal Investments Limited)
100% Spring Assets Limited
100% Malakoff Capital (LI) Ltd

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Malamoff International Limited
40% Malaysian Shoaiba Consortium Sdn Bhd ("MSCSB")
12% Shuaibah Water & Electricity Company Limited ("SWEC")
12% Shuaibah Expansion Holding Company Limited ("SEHCL")
11.7% Shuaibah Expansion Project Company Limited ("SEPCCL")

100% Malakoff Gulf Limited
100% Malaysian Shoaiba Consortium Sdn Bhd ("MSCSB")
100% Shuaibah Expansion Holding Company Limited ("SEHCL")
11.7% Shuaibah Expansion Project Company Limited ("SEPCCL")

100% Tskut Utama Sdn Bhd
20% Lekir Bulk Terminal Sdn Bhd
54% Desa Kilat Sdn Bhd
100% Transpoori Sdn Bhd

100% Malakoff Technical (Dhofar) Limited
43.4% Oman Technical Partners Limited ("OTPL")
43.4% Salalah Power Holdings Limited ("SPHL")
100% Malakoff Al Djazair Desal Sdn Bhd ("MADSB")
70% Tlemcen Desalination Investment Company SAS ("TDIC")
25.7% Almiyah Attilemcania SPA ("AAS")
100% Malakoff Jordan Generation Limited ("MJGL")
20% Enara Energy Investment Company ("ENARA")
19.75% Central Electricity Generating Company Limited ("CEGCO")
100% Malakoff Ras Azzour Limited (f.k.a. Kazemal Investments Limited)
100% Spring Assets Limited
100% Malakoff Capital (LI) Ltd

Dormant
i Dormant
ii Malakoff’s effective equity interest of 20% and 12% in SAMAWEC and SWEC, respectively, is held via Malakoff Gulf Limited which holds 40% equity interest in MSCSB which in turn holds 50% equity interest in SAMAWEC. SAMAWEC holds 60% equity interest in SWEC.
iii Malakoff’s effective equity interest of 11.7% in SEPCL is held via Malakoff Gulf Limited which holds 40% equity interest in MSCSB which in turn holds 50% equity interest in SAMAWEC. SAMAWEC holds 60% in SEHCL which in turn holds 97.5% equity interest in SEPCL.
v DPC is a publicly traded company listed on the Muscat Securities Market of the Sultanate of Oman.
vi Malakoff’s effective equity interest of 35.7% in AAS is held via MADSB which holds 70% equity interest in TDIC which in turn holds 51% equity interest in AAS.
vii Malakoff’s effective equity interest of 12.75% in CEGCO is held via MADSB which holds 51% equity interest in CEGCO which in turn holds 51% equity interest in CEGCO.
INNOVATIVE
BOARD OF DIRECTORS

DATO’ AZIAN MOHD NOH
Non-Independent
Non-Executive Director

MABEL LEE KHUAN EOI
Non-Independent
Non-Executive Director

DATUK MUHAMAD NOOR HAMID
Non-Independent
Non-Executive Director

AHMAD JAUHARI YAHYA
Managing Director/
Chief Executive Officer

DATUK HAJI HASNI HARUN
Non-Independent
Non-Executive Director

CINDY TAN LER CHIN
Non-Independent
Non-Executive Director

TAN SRI ABDUL HALIM ALI
Chairman

VIJAY VIJENDRA SETHU
Alternate Director to
Andrew Rowan Ian Yee

ANDREW ROWAN IAN YEE
Non-Independent
Non-Executive Director
PROFILE OF BOARD OF DIRECTORS

TAN Sri ABDUL HALIM ALI
CHAIRMAN

Ybhg. Tan Sri Abdul Halim Ali, aged 67, was appointed to the Board of Malakoff Corporation Berhad (“Malakoff”) on 24 May 2007 and assumed the post of Chairman of the Board on 26 October 2007. He is also Chairman of the Remuneration Committee.

He holds a Bachelor of Arts (Honours) Degree from the University of Malaya, Malaysia.

Tan Sri Abdul Halim Ali joined the Malaysian Foreign Service soon after graduation in 1966. He served in various positions at the Ministry of Foreign Affairs as well as in Malaysian diplomatic missions overseas. His early postings included the Malaysian High Commission in New Delhi, India, the Malaysian Consulate in Medan of Indonesia and the Malaysian Embassy in Tokyo, Japan. In 1979 he was posted to the United Nations in New York, as Malaysia’s Deputy Permanent Representative. In 1982, he was appointed as Malaysian Ambassador to the Socialist Republic of Vietnam, returning to Kuala Lumpur in 1985 to assume the post of Deputy Secretary-General (II), Ministry of Foreign Affairs. In 1988, he was appointed Ambassador of Malaysia to Austria, where he also held the position of Resident Representative to UNIDO, IAEA and the United Nations Office in Vienna, Austria. In 1991, he returned to Malaysia to assume the post of Deputy Secretary-General (II), Ministry of Foreign Affairs. After a short stint as Secretary-General of the Ministry, he was appointed Chief Secretary to the Government in September 1994, a post he held until his retirement in January 2001. Thereafter he was appointed Chairman of EPF (January 2001 - January 2007) and Chairman of Malakoff Berhad (September 2001 to 4th July 2007).

Currently, he is also the Chairman of Malaysian Building Society Berhad, a subsidiary of Employees Provident Fund (“EPF”), the University of Technology Malaysia and the Multimedia Development Corporation Berhad. He also holds Directorship in ESSO Malaysia Berhad, UIM Corporation Berhad and UCL Corporation Berhad.

AHMAD JAUHARI YAHYA
MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Encik Ahmad Jauhari Yahya, aged 56, is a Malaysian, is currently the Managing Director/Chief executive Officer of Malakoff Corporation Berhad (“Malakoff”). He was appointed to the board on 30 April 2007 and is a member of the Audit Committee of the Board.

He is also a member of the Board of Port Dickson Power Berhad, MMC Corporation Berhad, Aliran Ihsan Resources Berhad, Koper Energy Ventures Sdn Bhd and Malakoff AlDjazair Desal Sdn Bhd.

He holds a Bachelor of Science (Honours) degree in Electrical and Electronics Engineering from University of Nottingham, UK.

Encik Ahmad Jauhari has managed many large technical projects and held senior management positions in The New Straits Times Press IMI Berhad (Director and Senior Group General Manager), Time Engineering Berhad (Managing Director) and Malaysian Resources Corporation Berhad (Managing Director, Executive Vice President and Director).

On the international front, he is trusted as a Director and Chairman of Executive Committee of Central Electricity Generating Company Limited (Jordan) and Director of Shuabah Expansion Project Company Limited (Saudi Arabia).

At present, Encik Ahmad Jauhari is the Honorary President of Penjanabebas (Association of Independent Power Producers in Malaysia).
DATUK HAJI HASNI HARUN
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Datuk Haji Hasni Harun, aged 53, was appointed to the Board on 24 May 2007 and is the Chairman of the Audit Committee and a member of the Remuneration Committee of the Board.

He graduated with a Bachelor of Accounting (Honours) degree from the University of Malaya in 1980, and holds a Master’s degree in Business Administration from United States International University, San Diego, California, USA. He is also a member of the Malaysian Institute of Accountants.

He is presently the Chief Executive Officer, Malaysia of MMC Corporation Berhad ("MMC") having been its Group Chief Operating Officer from January 2007 to February 2008. Prior to joining MMC, he was the Group Chief Financial Officer of DRB-Hicom Berhad (2006), Managing Director of RHB Asset Management Sdn Bhd (2001-2006), and Senior General Manager of the Investment Department at the Employees Provident Fund Board (1994-2001). He had held several senior positions in the Accountant General’s Office (1980-1994).

His directorships in other companies include MMC, Zelan Berhad, Johor Port Berhad, IJM Corporation Berhad, MMC Engineering Group Berhad and Aliran Ihsan Resources Berhad.

MABEL LEE KHUAN EOI
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Mabel Lee, 54, a Malaysian, was appointed to the Board on 11 April 2008. She is currently the Senior General Manager of Corporate Planning at MMC Corporation Berhad ("MMC"). Prior to joining MMC, she had worked with JP Morgan Chase’s Kuala Lumpur office as Vice President of its Investment Banking Division.

Dr. Mabel Lee is a Chartered Financial Analyst Charterholder and holds a Bachelor of Accounting (First Class Honours) degree from University of Malaya, MBA (with Distinction) from University of Hull, United Kingdom and Doctor of Business Administration degree from University of Newcastle, Australia.

She is a member of the Malaysian Institute of Accountants, an Associate Member with Institut Bank-Bank Malaysia, a member of the Institute of Chartered Accountants in England and Wales ("ICAEW"), Corporate Finance Faculty and is a Certified Business Coach.
CINDY TAN LER CHIN
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mrs. Cindy Tan Ler Chin, aged 49, a Malaysian, was appointed to the Board on 9 August 2007 and is a member of the Remuneration Committee of the Board.

She holds an Honours Degree in Economics, majoring in statistic, from Universiti Kebangsaan Malaysia. In 1991, she obtained a Certified Diploma in Accounting and Finance, accorded by the Chartered Association of Certified Accountants.

She is currently the Head of Treasury Department, Investment Division of the Employees Provident Fund (“EPF”). She is also a Director of Malaysia Building Society Berhad, a subsidiary of EPF.

DATO’ AZIAN MOHD NOH
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato’ Azian Mohd Noh, Malaysian, aged 57, was appointed to the Board of Malakoff Corporation Berhad on 9 August 2007. She is a graduate of University of Malaya with Bachelor of Economics (Honours) Accounts and has a Master in Business Administration from Universiti Kebangsaan Malaysia. She is also a member of the Malaysian Institute of Accountants.

Dato’ Azian started her career as a Treasury Accountant and served at the Accountant General’s Department and Ministry of Public Enterprise between 1980 to 1982. She has held several senior positions at the Accountant General’s Office prior to her appointment as Director Of Kumpulan Wang Amanah Pencen (KWAP) in 1991. On 1 March 2007, Dato’ Azian was appointed as the first Chief Executive Officer of Kumpulan Wang Persaraan (Diperbadankan) (Retirement Fund Incorporated), a newly incorporated statutory body.

Dato’ Azian also sits on the Boards of Timo dotCom Berhad, Valuecap Sdn Bhd and the Chairman of iVCap Management Sdn Bhd.
Datuk Muhamad Noor Hamid, aged 58, a Malaysian, was appointed to the Board of Malakoff Corporation Berhad (“Malakoff”) on 13 July 2009 and is also a member of the Audit Committee of the Board.

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. At present, he is the Managing Director of Gas Malaysia Sdn Bhd responsible for the overall management of all strategic issues of the Company.

He has held numerous positions in PETROMAS Gas Sdn Bhd, including Head of the PGU II Pipeline project team and Head of the Transmission Division responsible for the whole pipeline operation. He also worked in OGP Technical Services Sdn Bhd, a Petronas/Novacorp joint ventures company, where he was the General Manager of the Pipeline Division. His expertise has taken him to overseas assignments mainly in Sudan and Thailand.

Prior to joining Gas Malaysia he was the Chief Operating Officer of Projass Engineering Sdn Bhd a class A bumiputra contractor involved in infrastructure, electrical and oil & gas. He holds a Bachelor of Science (Hons) in Mechanical Engineering from Sunderland Polytechnic, England and Post Graduate Diploma in Gas Engineering from the institute of gas Technology in Chicago, Illinois, USA. He has also attended the Advance Management Program at the Wharton business School of Management, University of Pennsylvania, USA.

He also holds his directorship in Gas Malaysia Sdn Bhd, Gas Malaysia (LPG) Sdn Bhd and Pemantar Teknik (M) Sdn Bhd.

Andrew Rowan Ian Yee, aged 45, an Australian citizen, was appointed to the Board on 9 August 2007.

He holds a Bachelor of Commerce degree, majoring in Accounting and a Bachelor of Law degree from the University of New South Wales, Sydney, Australia. He is also qualified to practice law in Australia.

Mr. Andrew Yee is the joint Chief Executive Officer of Standard Chartered IL&FS Asia Infrastructure Growth Fund (SCI Asia), based in Singapore. He joined Standard Chartered’s Principal Finance team in 2007 as a Managing Director and Global Head of Infrastructure. He has 20 years of infrastructure experience gained from positions in investment banking, industry and private equity.

Prior to joining Standard Chartered and launching SCI Asia, he founded Renewable Energy Asia Pacific, a renewable energy fund. He was also Head of Mergers and Acquisitions at InterGen Asia where he participated in the US$3.0 billion sale of InterGen to a partnership between AIG and the Ontario Teachers’ Pension Plan during 2004 and 2005. Prior to InterGen, Andrew was Head of Goldman Sachs Asia’s Energy & Power advisory team, based in Hong Kong. He was also a Director of Corporate Finance at Barclays Australia which was acquired by ABN AMRO in 1997, prior to which he worked in the Corporate Finance team of Barclays in London.

His deal experience includes the Initial Public Offering of British Sky Broadcasting, secondary offerings of National Power and PowerGen, acquisitions of British Coal and Powercor Australia, and the sale of Australian airports in Melbourne, Brisbane and Perth.
VIJAY VIJENDRA SETHU  
ALTERNATE DIRECTOR TO ANDREW ROWAN IAN YEE

Mr. Vijay Vijendra Sethu, aged 45, an Australian citizen, is the Alternate Director to Mr. Andrew Rowan Ian Yee and was appointed to the Board on 9 August 2007.

He has a Master of Business Administration from Auckland University and is a Fellow of the Association of Chartered Certified Accountants in United Kingdom, an Associate of the New Zealand Society of Chartered Accountants and a graduate member of Chartered Institute of Management Accountants in United Kingdom.

He is currently the Chief Executive Officer ("CEO") of CIMB Standard Strategic Asset Advisors Sdn Bhd ("SEA SAF"). Prior to becoming the CEO of the SEA SAF, Vijay spent four years with Australia New Zealand ("ANZ") Investment Bank in Singapore where he was the Head of Power and later the Executive Director, Head of Project and Structured Finance for Asia. Prior to joining ANZ Investment Bank in Singapore, Vijay was the Vice President and Head of Mergers and Acquisitions for Asia Pacific, Africa and China at Enron International, Singapore. During his time, he was involved in numerous oil, gas and power asset reviews. Earlier, Vijay spent eight years with ANZ Investment Bank in Melbourne, London and New York. His last position was Head of Global Structured Finance for the Americas, where the bank focused particularly on Latin America and successfully completed several resources, oil, gas and power transactions. Vijay spent the earlier part of his career with KPMG Peat Marwick in New Zealand and Exxon in Malaysia.
MEMBERS OF MANAGEMENT COMMITTEE

AHMAD JAUHARI YAHYA
Managing Director/Chief Executive Officer
Encik Ahmad Jauhari Yahya, aged 56, a Malaysian, is currently the Managing Director/Chief executive Officer of Malakoff Corporation Berhad ("Malakoff"). He was appointed to the board on 30 April 2007 and is a member of the Audit Committee of the Board.

He is also a member of the Board of Port Dickson Power Berhad, MMC Corporation Berhad, Aliran Ihsan Resources Berhad, Kapar Energy Ventures Sdn Bhd and Malakoff AIJazair Desal Sdn Bhd.

He holds a Bachelor of Science (Honours) degree in Electrical and Electronics Engineering from University of Nottingham, UK.

Encik Ahmad Jauhari has managed many large technical projects and held senior management positions in The New Straits Times Press (IMB Berhad (Director and Senior Group General Manager), Tema Engineering Berhad (Managing Director) and Malaysian Resources Corporation Berhad (Managing Director, Executive Vice President and Director).

On the international front, he is trusted as a Director and Chairman of Executive Committee of Central electricity Generating Station of Malaysia.

PAUL RUSWATI OTHMAN
Chief Financial Officer / Senior Vice President, Group Finance & Account Division
Puan Ruswati Othman, aged 50, obtained her Bachelor of Science degree in Chemistry and Master of business Administration degree in Management from University of Bradford, England, UK and University of Massachusetts, Boston, USA in 1984 and 1988 respectively. She started her career as executive in the Chemical Division of Bohn 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 Melawai Corporation Berhad/MAA Berhad in 1990. Amongst others, she was involved in the setting up of an international food chain and a highway project for the Group. 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 and the Corporate and Project Finance 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.

MOHD RADZUAN YAHYA
Deputy Chief Executive Officer
Encik Mohd. Radzuan Yahya, 57, is the Deputy Chief Executive Officer ("DCED") of Malakoff Corporation Berhad ("Malakoff"). He obtained a Bachelor of Science degree in Mechanical Engineering from Liverpool University, United Kingdom in 1977. He started his career with National Electricity Board ("NEB") in 1977 as an Assistant Operation Engineer at the Prai Power Plant. He was appointed to the position of Boiler Maintenance Engineer at the Pasir Gudang Power Station between 1981 – 1994. He then transferred to Paka Combined Cycle Power Station as Efficiency and Test Engineer in April 1997. Between 1997 to 1999, he assumed the positions of Senior Shift Charge Engineer, Senior Mechanical Engineer and Assistant Station Manager at the Port Dickson Power Station. He joined Teknik Janakuasa Sdn Bhd ("TJSB") as Plant Manager for the Lumut Power Plant in 1995. In 1998, he was appointed as Chief Operating Officer ("COO") of TJSB. In 2000, he was transferred to Segari Energy Ventures Sdn Bhd ("SEV") as the position of COO of SEV. In 2002, he was transferred to Malakoff Berhad and promoted to COO and subsequently re-designated to his current position as the DCED in April 2006.

HABIB HUSIN
Senior Vice President, Asset Management Division
Encik Habib HUSIN, aged 50, obtained his Bachelor in Engineering (Electrical & Electronics) from University of Wales. He started his career in 1983 as an Assistant Instrument Maintenance Engineer in Port Dickson Power Station for Lembaga Tenaga Negera (now Tenaga Nasional Berhad). In 1985, he was transferred to Kapar Power Station (Phases I and II) and was later promoted to Instrument Maintenance Engineer in 1987. He then joined Sarawak Shell Berhad as Instrument Engineer in 1990 before moving to ICI Paints (Malaysia) Sdn Bhd as Works Engineer in 1992. He joined Malakoff Berhad as Senior Manager of Technical Audit Department in July 1999. His role is to provide consultancy service on all engineering and management matters pertaining to the operations of the Lumut Combined Cycle Power Plant and to constantly conduct technical and safety due diligence from time to time for new projects and proposed acquisitions. He has been redesignated and promoted to Assistant General Manager, Business Organisation & Technical Services on 1st January 2000. His scope of work in addition to the previous role is to oversee on the business re-organisation and strengthening the technical services group to strategise Malakoff Berhad as an international power player. In September 2001, he was promoted and transferred to General Manager-Projects in Segari Energy Ventures Sdn Bhd ("SEV"). In July 2004, he was promoted to Chief Operating Officer ("COO") in SEV. He was re-designated to Senior Vice President of Business Operations Division in April 2006. In 2007, he was re-designated to his current position as Senior Vice President of Asset Management Division of Malakoff Corporation Berhad ("Malakoff").
MEMBERS OF MANAGEMENT COMMITTEE

NORDIN KASSIM
Senior Vice President, Operation & Maintenance Division

Encik Nordin Kasim, 50, obtained his Bachelor of Science (Honours) in Electrical Engineering from the University of Wales, United Kingdom. He started his career in 1986 as Electrical and Instrumentation Engineer with ICI Fertilizer, and Industrial Chemicals and ICI Agrochemicals. His later joined BP Chemicals as Electrical Instrument Supervisor. In December 1997, he was re-designated to Deputy Maintenance Manager. He then joined MEGASAT Broadcast Network System in August 1998 as Maintenance Manager. and later joined Teknik Janakuasa Sdn Bhd (“TUSB”) in July 1999 as Maintenance Manager. He also managed the formation of Computerized Maintenance Management system, setting up of Condition Based Monitoring, execution of Reliability Centered Maintenance analysis, preparation of maintenance and operation procedures tailored for ISO9001 requirements, plant safeguarding procedures, alarm response procedures, troubleshooting guides and On-Job-Training for client’s operation and maintenance personnel. He was promoted to Plant Manager in 2002. Upon completion of the CUF project in October 2004, he was transferred to Prai Power Plant as Plant Manager. In September 2006, he was re-designated to Deputy Maintenance Manager. He then joined MEASAT Broadcast Network System in August 1998 as Maintenance Manager. and later joined Teknik Janakuasa Sdn Bhd (“TUSB”) in July 1999 as Maintenance Manager. He also managed the formation of Computerized Maintenance Management system, setting up of Condition Based Monitoring, execution of Reliability Centered Maintenance analysis, preparation of maintenance and operation procedures tailored for ISO9001 requirements, plant safeguarding procedures, alarm response procedures, troubleshooting guides and On-Job-Training for client’s operation and maintenance personnel. He was promoted to Plant Manager in 2002. Upon completion of the CUF project in October 2004, he was transferred to Prai Power Plant as Plant Manager. 

AZHARI SULAIMAN
Senior Vice President, Ventures I Division

Encik Azhari Sulaiman, aged 50, a Malaysian, holds a Bachelor of Science in Electrical & Electronic Engineering from University of Technology Loughborough, England and Masters in Business Administration from University of Technology Loughborough, England. He joined Lembaga Letrik Negara in September 1983 as a Computer Maintenance Engineer Computer Maintenance Department. In 1986, he was then promoted to Senior Engineer, Telecontrol, in which, he was involved mainly in the development of control centres, repair and maintenance of the National Load Dispatch Centre SCADA/EMS computer system and RTUs. Later in January 1994, he was transferred to the Business Management Unit of the Transmission Division as the Senior Manager, Commercial. In January 1999, he was designated as the Head of Energy Procurement Unit before joining Tenaga Bin Power Sdn Bhd as Chief Operating Officer in August 2004. He is currently the Senior Vice President of Ventures I Division, Malakoff Corporation Berhad (“Malakoff”).

ERNEST NAVARATNAM
Senior Vice President, Ventures II Division

Mr. Ernest Navaratnam, aged 46, a Malaysian, holds a Bachelor of Science in Electrical Engineering from Queen’s University, Canada. He started his career in 1992 as Industrial Relations Executive with Sime Darby Berhad supporting and representing the Group Human Resources in industrial relations activities for over 30 subsidiaries. He was recruited by Motorola Malaysia Sdn Bhd in 1996 as Head of Compensation and Benefits, and was later promoted to Human Resources Manager. During his stint with Motorola, he spent about 2 years at the Motorola Inc. headquarters in Schaumburg, Illinois, USA taking on various HR projects and assignments at the corporate office. He later left for ACNielsen Malaysia Sdn Bhd to take on the role of Human Resources Director for Malaysia and Singapore where he introduced and implemented various HR initiatives including a Balance Scorecard/KPI driven performance management system and linking it to the rewards program. He also designed a career ladder tailored to the core job functions of the company. He joined Malakoff in June 2008 as the Head of Human Resources and immediately introduced various HR programs including re-structuring the medical insurance program saving the company over RM 1 million and aligning the performance management system to the variable pay and cascading the KPI to drive greater accountability in the organization. In early 2010, he was promoted to Senior Vice President of Corporate Services Division where his scope of duty is extended to include Administration, Organizational Development and Information Technology (Infrastructure and Enterprise).
AUDIT COMMITTEE

Purpose

The Audit Committee ("Committee") was established by the Board on 19 November 2007. The primary objectives of the Audit Committee are as follows:

1. To assist the Board in fulfilling its statutory and fiduciary responsibilities in examining and monitoring the Company and its subsidiaries ("the Group") management of business, financial risk processes, accounting and financial reporting practices;

2. To determine the adequacy and effectiveness of the administrative, operational and internal accounting controls of the Group and to ensure that the Group is operating in accordance with the prescribed procedures, codes of conduct and applicable legal and regulatory requirements;

3. Serve as an independent and objective party from management in the review of the financial information of the Company and Group presented by management for the distribution to shareholders and the general public;

4. Provide direction and oversight over the internal and external auditors of the Company to ensure their independence from management;

5. To evaluate the quality of audits conducted by the internal and external auditors on the Company and Group.

Members

The members of the Committee comprised the following members:

<table>
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<tr>
<th>Status of Directorship</th>
<th>Members</th>
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<tbody>
<tr>
<td>Chairman</td>
<td>Datuk Haji Hasni Harun, Ahmad Jauhari Yahya</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td>Datuk Muhamed Noor Hamid, Andrew Rowan Ian Yee</td>
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<tr>
<td>Non-Executive Director</td>
<td>Ahmad Jauhari Yahya</td>
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<tr>
<td>Managing Director/Chief Executive Officer</td>
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The Chairperson of the Committee is a member of the Malaysian Institute of Accountants.

Meetings And Minutes

Meetings shall be held at least four (4) times a year or more frequently as circumstances dictate. The Chairman shall call a meeting of the Committee, if requested to do so by any Audit Committee member, the management or the internal or external auditors. A representative of the external and internal auditors shall normally be invited to attend the meetings of the Audit Committee. The management shall be represented at the meetings by the Managing Director/Chief Executive Officer ("CEO") or in his absence, the Deputy CEO, the Chief Financial Officer and the Financial Controller of the Company. Other board members may attend Audit Committee meetings upon the invitation of the Audit Committee.

The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the Chairman, the Managing Director/CEO, or in his absence, the Deputy CEO, the Chief Financial Officer, the Financial Controller of the Company, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.

The Audit Committee shall meet at least twice a year with the internal and external auditors without the attendance of the executive members of the Committee and the management of the Company. The quorum for a meeting of the Committee shall be two (2) members present or in their absence, their alternate directors, both of whom must be non-executive directors.

Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. The Chairman of the Committee shall report on each meeting to the Board. The Company Secretary shall be the Secretary of the Committee.

Authority

The Audit Committee is authorised by the Board:

(a) to investigate any matter within its terms of reference;

(b) to have the resources in order to perform its duties and responsibilities as set out in its terms of reference;

(c) to have full and unrestricted access to information pertaining to the Company and the Group including to call on any officers of the Company and/or the Group in carrying out their duties;

(d) to have direct communication channels to the internal and external auditors;

(e) to obtain, at the expense of the Company, external legal or other independent professional advice if it considers necessary; and

(f) to do the following with respect to the internal audit function:

• Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

• Review the internal audit programme and results of the internal audit process and whereby necessary, ensure that appropriate action is taken on recommendations of the internal audit function;

• Review and appraise or assess the performance of members of the internal audit function/firm carrying out the internal audit function;

• To consider any related party transactions that may arise within the Group;

• To consider the major findings of internal investigations and management’s response;

• To report to the Board at least once a year, the activities of the Audit Committee and the summary of the activities of the internal audit function or activity, including the number of meetings held and the details of attendance of each audit member in respect of the meetings; and

• To consider other topics as defined by the Board.

Duties And Responsibilities

The duties and responsibilities of the Committee are as follows:

(a) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;

(b) To discuss with the external auditor before the audit commences, the nature and scope of the audit;

(c) To review the quarterly and year-end financial statements for recommendation to the Board;

(d) To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
Total payment made to shareholders in FY 2009 amounted to RM169 million compared to RM120 million in FY 2008, comprising of net dividends of RM85 million and redemption of Preference Shares of RM84 million.

The performance of local assets controlled and operated by the Group contributed approximately 95% to group profits. Tanjung Bin Power, Segari Energy Ventures, G83 and Prai Power continue to maintain high performance standards in terms of availability and reliability and are expected to continue contributing significantly to the Group’s earnings for many years to come.

In terms of overseas investments, the disposal of our 20% interest in Dhofar Power Company SAOG (“DPC”) in July 2009, was in line with the decision of the Government of Oman to nationalize the project. This divestment, however, provided reasonable returns to the Group. Profit contributions from our other international interests including the Shuaibah Water & Electricity Company, the Shuaibah Expansion Project, the Tlemcen Desalination in Algeria and the Central Electricity Generation Company in Jordan are expected from FY 2010. Overall, our international investment are well on course to achieving our strategy of building a global power generation business, capable of contributing significantly to the Group’s long term earnings growth.

FY2009 also marked a significant year for our domestic power plant operations as Lumut Power Plant, Tanjung Bin Power Plant and Prai Power Plant achieved the OHSAS 18001:2007 certification, whilst Tanjung Bin achieved the ISO 14001:2004 certification. These achievements are of strategic importance to the Group as we continue to enhance our processes and procedures and thereby become more efficient and cost-effective.

We remain steadfast and committed to developing the group’s human resource capabilities through in-house and external training and re-training programmes, many of these programmes aim at inculcating a leadership culture which will prepare...
STATEMENT BY CHAIRMAN

Our workforce to take on bigger challenges and meet higher expectations. This commitment is rigorously and continuously evaluated, not only to gauge its effectiveness, but also to ensure that the practices are in line with our corporate shared values namely: Integrity, Teamwork, Innovative, Excellence and Innovation. These values ensure that our dealings will be of the highest standards of integrity, transparency and accountability.

The Malakoff Community Partnerships ("MCP"), Malakoff's flagship Corporate Social Responsibility (CSR) platform, was established and launched in FY 2009 based on a premise of “growing sustainably in partnership with local communities”. The establishment of MCP is a testimony to our long-term and continuous commitment to being a responsible and active participant in the communities where we operate.

To make this CSR initiative more meaningful, an MCP Advisory Panel was formed comprising of eminent Malaysians in the fields of education, environment and community sports, representing the core areas of focus under MCP. In this regard, I wish to express my thanks to the members of the MCP Advisory Panel for their insights and inputs at this crucial stage of the initiative. In addition, I am also pleased to announce that the inaugural Annual Malakoff Community Investment Report 2009, which provides details of Malakoff's CSR programmes and initiatives undertaken in 2009, has been published as a supplement of this report.

Following the resignation of Mr Yoong Nim Chee from the Board on 13 July 2009, I am delighted to welcome Datuk Muhammad Noor Hamid as Non-Independent and Non-Executive Director. Datuk Muhammad Noor’s 30-year experience in the energy sector will surely add value to Malakoff. I would also like to extend my sincerest thanks to Mr Yoong, who served on the Board since 2006, for his dedicated service and contribution.

On behalf of the Board, I wish to offer our thanks to our stakeholders for their support and understanding. I also wish to extend a note of thanks to the Management Committee and members of staff for their hard work and dedication over the past year. Last but not least, I would also like to express my heartfelt thanks to my esteemed colleagues in the Board for their wisdom and guidance.

Moving forward, conservation of the environment, including efforts to promote sustainable energy, will remain a key component of our business. I am therefore pleased to note that we are already exploring opportunities in the field of renewable energy as we believe this field possesses tremendous growth potential for the Group in the coming years.

TAN SRI ABDUL HALIM ALI
Chairman
The Segari, Prai and Tanjung Bin power plants continued to provide reliable supply to the National Grid during the financial year under review. The power plants achieved an average availability of 97.34%, 90.62% and 86.72%, respectively. GB3 power plant, on the other hand, achieved a lower availability of 77.65% due to a mechanical failure that occurred in May 2009. However, this failure was successfully rectified within 5 months as compared to the planned rectification work of 10 months. Despite the loss incurred at Kapar Energy Ventures (“KEV”) and the significant revenue impact at GB3’s mechanical failure, the Group’s turn-over, however, was buoyed by the higher Capacity Factors (“CF”) recorded by Segari and Tanjung Bin as well as higher Variable Operating Rate (“VOR”) income recorded by Teknik Janakuasa Sdn Bhd (“TJSB”) and higher fuel margins and Daily Utilization Payment (“DUP”) achieved by Tanjung Bin.

In order to further enhance productivity and optimize costs, the operations team embarked on an organizational re-structuring by introducing the Reliability and Performance Group that will focus on reliability and performance management as well as to ensure consistent implementation of O&M tools and processes.

FY 2009 also witnessed significant milestones with regards to our international investments. The Shuaibah iWPP successfully completed the net dependable capacity test on November 2009 while the Shuaibah Expansion Project achieved the plant Commercial Operation Date (“COD”) also on November 2009. The expected CODs of Shuaibah iWPP and Tlemcen Desalination in Algeria are expected to be achieved on January 2010 and July 2010, respectively.

Efforts were also undertaken with regards to staff training and skills upgrading to further strengthen competency. These include putting forth new training modules and more stringent criteria for competency assessments.

AhMAD JAUHARI YAHYA
Managing Director / Chief Executive Officer
Lumut Power Plant

Lumut Power Plant, with a dependable capacity of 1,303 MW, remains the largest combined cycle power plant in Malaysia. The plant is held through our subsidiary, Segari Energy Ventures Sdn Bhd (SEV), in which we owned 93.75 percent. During the financial year under review, Lumut Power Plant maintained its high performance in terms of availability, reliability and efficiency. The plant delivered approximately 4,598 GWh of electricity to the National Grid, with an average capacity factor of approximately 40.24 percent. With an availability of 97.34 percent, the plant exceeded the 86.0 percent threshold under the Power Purchase Agreement (PPA) with Tenaga Nasional Berhad (TNB). Having met all the required performance standards set out in the PPA, SEV therefore received full capacity payments for the period. Lumut Power Plant has been operating for more than 13 years.
GB3 Power Plant
GB3 Power Plant, also a combined cycle power plant with a dependable capacity of 640 MW, is held through our 75 percent-owned subsidiary, GB3 Sdn Bhd. The power plant is in its eighth year of operation and is located adjacent to the Lumut Power Plant. The plant delivered a total of 1,790 GWh of electricity to the National Grid, with an average capacity factor of approximately 31.92 percent. The plant’s availability was 77.65 percent which is lower than the annual average target of 91.5 percent due to mechanical incident in May 2009. However, the mechanical failure was fixed in Nov 2009.

The plant is expected to meet the PPA Availability Target of 91.5 percent for the Contract Year Block ending December 2011.

Prai Power Plant
Prai Power Plant is a single-shaft combined cycle power plant with a dependable capacity of 350 MW. In its seventh year of operation, a total of 2,148 GWh of electricity was delivered to the National Grid during the financial year under review. The plant also recorded an average capacity factor of 70.06 percent while its availability was 86.72 percent. The plant also has undergone scheduled major inspection in November and December 2009.

The plant is expected to meet the PPA Availability Target of 93 percent for the Contract Year Block ending December 2011.

Being one of the most efficient power plants in Malaysia, Prai Power Plant recorded a net efficiency (LHV) of 52.74 percent during the financial year under review.

Tanjung Bin Power Plant
Tanjung Bin Power Plant is the first private coal-fired power plant in Malaysia and one of the largest independent coal-fired power plants in Southeast Asia. The plant is held through our subsidiary, Tanjung Bin Power Sdn Bhd, in which we own 90 percent. In its fourth year of operation, Tanjung Bin power plant, with a generating capacity of 2,100 MW, delivered a total of 10,879 GWh of electricity to the National Grid, with an average capacity factor of 59.12 percent. It recorded an availability of 90.62 percent which is slightly lower than the annual average target of 91 percent.

The plant is expected to meet the PPA Availability Target of 91 percent for the Contract Year Block ending December 2010.

The plant utilizes clean coal technology equipment such as Electrostatic Precipitator (ESP) and Flue Gas Desulphurization (FGD) that allows the plant to maintain the boiler emission level within the limit set by the Department of Environment (DOE).
INTERNATIONAL ASSETS

Shuaibah
Our first overseas project is the Shuaibah Phase 3 Independent Water and Power Project in the Kingdom of Saudi Arabia. We are part of a consortium involved in the designing, constructing, commissioning and testing of a crude oil-fired power and water desalination plant with a capacity of 190 MW of power and 880,000 m3/day of water. The project was executed based on a “Build, Own and Operate” concept under a 20-year Power and Water Purchase Agreement with the Water and Electricity Company of Saudi Arabia. The plant’s Reliability Test Run was carried out in September 2009 and successfully completed the Net Dependable Capacity Test in November 2009. The Project Commercial Operation Date has been achieved in early January 2010.

We are also involved in the water expansion project (RO Plant) utilizing the Reverse Osmosis technology with a capacity of 150,000 m3/day. The RO Plant has successfully completed the performance test, reliability test run and Net Dependable Test and achieved the Plant Commercial Operation Date in November 2009.

Oman
We have entered the power generation business in Oman through Oman Technical Partners Limited (“OTPL”). The consortium members of OTPL are Malakoff Technical (Dhofar) Limited (“MTL”) (43.4%), a wholly-owned subsidiary of MIL, GCC Energy Fund of Dubai through its subsidiary, Oman Power Limited (28.3%) and Darbat Power LLC of Oman (28.3%).

OTPL, in turn, is a direct shareholder of Dhofar Power Company S.A.O.G (“DPC”) with MTL having an indirect 20.0% equity interest in DPC after the successful acquisition of the entire issued and paid-up share capital, comprising 12,000 issued ordinary shares of USD1.00 each of Salalah Power Holdings Limited (“SPHL”) from PSEG Global L.L.C of the United States of America.

Malakoff has a 43.48% interest in OTPL and through SPHL has an effective equity interest of 20% in DPC. DPC is a public listed company on the Muscat Securities Market of Oman and holds a 20-year Concession Agreement with the Ministry of Housing, Electricity and Water of Oman (“MHEW”) for the privatization of the Salalah Power System on a Build, Own, Operate and Transfer (“BOOT”) basis which consist of 239 MW generating asset as well as the transmission and distribution assets in the Salalah region of the Government of Oman.

In February 2009, the Government of Oman has decided to nationalize the project. The divestment of SPHL direct interest in DPC has been completed in July 2009.

Jordan
Malakoff’s foray into Jordan was sealed with the acquisition of a stake in the Central Electricity Generation Company (“CEGCO”) of Jordan. At that point in time, CEGCO was 100% owned by the Government of Jordan.

The consortium named ENARA, purchased 51% equity in CEGCO and was made up of Malakoff which held a 25% stake in ENARA, Jordan Dubai Capital of Jordan (65%) and Consolidated Contractors Ltd of Greece (10%).

CEGCO has 4 major multi fuel power plants under 4 separate Power Purchase Agreements (“PPA”) with the fifth PPA governing the balance generation capacity from 4 other small power plants. The total net generation capacity of CEGCO to date is 1,599 MW. The average achieved annual availability for the financial year under review is 89.11% which is slightly lower than the annual average target of 91 percent.

Algeria
Malakoff through its wholly owned subsidiary Malakoff International Limited hold 70% in Tiemcen Desalination Investment Company SAS (TDIC) which in turn holds 51% share in Almiyah Attlemcania Spa (AAS) with the balance held by government owned Algerian Energy Company (AEC). AAS has been awarded a contract to design, build, own and operate a seawater desalination plant with the capacity of producing 200,000 m3/day at Souk Tleta Wilaya of Tiemcen in Algeria under a 25 year concession.

The main plant is fully completed and the scheduled Commercial Operation Date (COD) on the 15 January 2010 has been rescheduled to July 2010 awaiting the completion of the offshore marine pipe works.
The Operation & Maintenance (O&M) business of Malakoff is undertaken by its wholly-owned subsidiary, Teknik Janakuasa Sdn. Bhd. ("TJSB"). TJSB has achieved OHSAS 18001 and MS 1722 Occupational Health & Safety Standard Certifications, for three power plants namely Tanjung Bin Power Plant ("TBPP"), Lumut Power Plant ("LPP") and Prai Power Plant ("PPP") in 2009. These certifications serve as milestones that reflect the emphasis of the Management towards high safety standards to ensure a safe workplace for the employees and contractors.
PERFORMANCE REVIEW BY MD/CEO

As a responsible and environmentally friendly organization, TJSB has also obtained the ISO14001 Environmental Management System Certification for TBPP, the only coal-fired power plant operated by the Company. This achievement shows that the Company is serious when it comes to environmental management to ensure plant operation has minimal impact to the surrounding areas.

Through its engineering department, namely, the Technical Support Group ("TSG"), the company implemented many activities and initiatives by focusing on two main areas i.e. optimisation of asset lifecycle through plant performance and operational improvement; and inculation of best O&M practices through management, operational and engineering audits.

As part of its ongoing effort to increase productivity, reduce cost and optimize its resources, TJSB has embarked on organisational re-structuring by forming a new department called Reliability and Performance Group ("RPG") in its headquarters ("HQ"), and the separation of Maintenance and Engineering departments into Maintenance department and Reliability & Planning ("R&P") department at TBPP and LPP sites. The re-structuring, which will be effective on 1st Jan 2010, will enable the company to have a pool of experts who will focus on reliability and performance management, and to ensure consistent implementation, standardisation and centralisation of O&M tools, systems and documentation at all plants. The formation of R&P department and dedicated performance function in Operation Department at sites will mirror the function of RPG in HQ in order to accomplish the same set of objectives. This is also part of TSJB’s preparation to undertake more O&M projects in the future, to allow the company to be ready to roll out O&M services as and when the opportunity arises.

Lumat Power Plant

The SEV and GB3 power plants continues to provide highly reliable supply to the National Grid during the financial year under review. For year 2009, Lumut Power Plant ("LPP") has no major inspection but has completed 7 minor inspections. SEV Plant has registered an average availability factor of 97.35% with an unplanned Outage Rate ("UOR") of 1.4%. The plant delivered approximately 4,598 GWh of electricity to the National Grid, with an average capacity factor of 40.24%.

To ensure continuous improvement, several tools such as Reliability-Centred Maintenance ("RCM"), Root-Cause Analysis ("RCA"), Condition-Based Monitoring ("CBM") and Hazards Identification, Risk Assessment and Control (HIRAC) are being extensively used. Additionally, with the implementation of Risk-Based Inspection, the plant’s performance is expected to enhance further.

Competency Based Assessment ("CBA") as well as on-the job training ("OJT") remain our platform to develop our human capital. The two plant-specific training simulators at the Lumut Power Plant, one for SEV Plant and another for GB3 plant, provide a platform to simulate realistic power plant scenarios for effective training and competency assessment for our operators.

Looking forward, there will be three major inspections for Gas Turbine and one minor inspection for Steam Turbine in 2010. Two of the major Gas Turbine inspections will be performed at GB3 plant and the remaining one major Gas Turbine inspection at SEV plant. The Steam Turbine minor inspection will be at SEV plant. These inspections will enhance the plants’ availability and reliability in the coming financial years.
PERFORMANCE REVIEW BY MD/CEO

Prai Power Plant

Prai Power Plant continued to provide highly reliable supply to the National Grid during the financial year under review. Prai Power Plant delivered 2,148 GWH of electricity to the national grid throughout the year. Unscheduled Outage Rate (UOR) has been maintained at par with the industry standard of 2% (2.26) and Availability Factor (AF) of 94.61%. The plant has taken a lot of initiatives to improve reliability and availability including the application of RCA and RCM. Prai Power Plant also maintained a high Capacity Factor (CF) of 76.62% attributed by high dispatch throughout 2009, with an average of net efficiency of 52.75%. The plant ended the year with its first major overhaul, which is expected to improve overall performance for the coming years.

Tanjung Bin Power Plant

The plant recorded a Capacity Factor of 59% for the year under review. It also continues to supply power to the southern region and meets the guarantees as required in the PPA. There were three maintenance outages and one minor overhaul for the year for the three units of 700MW generators which were completed within schedule.

The plant has implemented many improvement projects since its initial operation and is now focusing its efforts on long term reliability improvement activities through the implementation of various O&M tools such as Reliability Centred Maintenance (“RCM”) and Root Cause Analysis (“RCA”) programs, engineering audits, risk management and plant corrective action procedures.

As part of its commitment the environment, the plant also successfully implemented the Environmental Management System in accordance with ISO14001:2004 and was certified by SIRIM Berhad in November 2009.

The plant was officially launched on 1 December 2009 by the Deputy Prime Minister of Malaysia.

The Technical Support Group (“TSG”)

In 2009, TSG continued to provide support for O&M activities by focusing on two main areas, i.e., Optimising Asset Lifecycle through plant performance or operational improvement and inculcating best O&M practices through internal audits.

TSG embarked on performance modeling since 2008 starting with Prai Power Plant. In 2009, the same initiative was implemented at GB3 power plant. Through this initiative, we will be able to keep track of performance degradation and identify problems which will have the greatest impact on plant efficiency.

In ensuring O&M practices in cycle chemistry are consistently on par with world’s best practices, TSG renewed its membership with Electric Power Research Institute (“EPRI”). The membership allows TSG to keep abreast with the current development in plant cycle chemistry by accessing their latest research reports and related information through its portal.

Minimising plant corrosion and assessing structural integrity on ageing plant is one of the proactive steps undertaken by TSG in managing asset lifecycle. Such study was undertaken by TSG for Segari plant in 2009.

To ensure O&M best practices to all plants under its portfolio, in 2009, TSG actively participated in Engineering Risk Assessment (ERA) audits for Lumut and Prai Power stations. In addition, Operation & Maintenance Assessment (OMA) were also conducted in Tanjung Bin coal-fired power plant.

The audit exercises were also extended to Azzour Emergency Power Plant in Kuwait and Salalah Power Plant, Oman. The latter service was rendered under the yearly Technical and Management Support services.

TSG activities on international front also includes six “C” inspections in Bahrain by the Repair and Maintenance (“RMS”) team under a contract signed earlier in 2008. In addition, TSG provided inspection services for five Gas Turbines as part of minor inspection activities for Azzour Emergency Power Plant, Kuwait.

In 2009, TSG presented a technical paper during the Power Generation Conference in Singapore to promote and share O&M philosophy and practices by TJSB. TSG will continue to develop its internal talent in its quest to promote technical excellence.
Life Cycle Asset Information Management System ("LCAIM")

One of TJSB’s foremost innovations under the Life Cycle Asset Information Management System (LCAIM) is EALIS, which has been successfully developed and implemented for Tanjung Bin power plant since 2008. At Tanjung Bin power plant, all asset information, including all engineering documents starting from project phase, were captured into EALIS.

In 2009, TJSB developed the Information Integration roadmap under the Information Management initiative. One of the key objectives of the initiative is to consolidate various information and data commonly used as part of O&M applications under a standard web interface portal. As part of the integration strategies, information and data from two additional applications namely Safety Document Management System ("Eclipse®"), 1 and PI system are now linked to EALIS application in real time. With the added features of EALIS-Eclipse® and EALIS-PI integration, a real time display of information for equipment isolation status and the related Permit-to-Work including equipment operational status can be overlaid on plant engineering document via a common web interface.

Access to all plant information at Tanjung Bin is now made easier through a web-based search engine developed internally as part of EALIS portal. Malakoff currently is actively pursuing to roll out the implementation of EALIS on its existing portfolio of power plants.

O&M International

Malakoff’s successful entry into the Middle East and ASEAN regions has presented TJSB with opportunity to expand the O&M business into the international market.

In the international scene, TJSB continues to provide services to Shuaibah-Phase-III IWPP in the Kingdom of Saudi Arabia (KSA), with a capacity of 900MW & 194MIGD. In addition, TJSB together with Hyflux Limited of Singapore is the O&M service provider for the 200,000m3/day of sea water desalination plant in Algeria. Shuaibah-III will achieve Commercial Operation Date (COD) on January 2010.

TJSB continues its 5-year Operation and Maintenance Management Services (OMMS) contract with the 800MW Az Zour Emergency Power Plant (EPP) in Kuwait through strategic partnership with Alghanim International General Trading & Contracting Co. W.L.L. (AGI). Az Zour EPP has registered a cumulative Availability Factor (AF) of 99.93% (running on oil) and 100% (running on gas) during summer season. Therefore, the plant has successfully achieved target availability for the summer period and fulfilled all operational requirements as specified in PWPA.

TJSB also successfully completed a Manpower Supply contract for 12 months with Aluminium Bahrain (ALBA) in the Kingdom of Bahrain for major overhaul work of Alstom gas turbine 13DM and 13E2 machines.

Leveraging our years of experience in applying O&M tools and methodologies, TJSB is uniquely positioned to provide the latest, cost-effective practices and process improvements for power and water plants to ensure optimal economic performance.

PERFORMANCE REVIEW BY MD/CEO

We are committed to providing maximum value to our customers by achieving world class standards in performance and cost. This commitment is achieved by developing smart collaboration with key business partners as a strategic approach to draw engineering resources and passing on the benefits to our customers. Our proven track record of industry expertise and excellence services with over 15 years of O&M experience, enable us to provide complete plant services in the power generation and water desalination sectors. TJSB will continue its effort to expand its O&M business not only in Middle East and ASEAN regions but also throughout the world.
Reliability and Performance Group ("RPG")

In 2009, TJSB established the Reliability and Performance Group ("RPG") department that will complement the function of Technical Support Group ("TSG"). RPG will primarily focus on plant reliability, plant performance, and consistent implementation, standardization and centralization of O&M tools, systems and documentation at all plants operated & maintained by TJSB. To achieve this, three sections were created under the RPG department namely:

i. Reliability;
ii. Performance; and
iii. O&M tools, systems, standards and documentation.

RPG is responsible to formulate and implement maintenance, planning and reliability policies, strategies and objectives. With TSG, it will co-formulate the operation and maintenance policies and strategies. Working hand in hand with power plants especially through the newly created, Reliability & Planning ("R&P") department, RPG will be responsible to drive reliability and performance culture in the organization. It is expected that standard measures will be introduced to monitor maintenance and reliability effectiveness, productivity, resource efficiency and O&M costs before any improvement initiatives can be implemented. This will enable TJSB to perform benchmarking of operation, performance, maintenance and reliability performance between plants and ultimately against the world standards.

The department will ensure consistent implementation of O&M tools and methodologies such as Reliability Centered Maintenance ("RCM"), Condition Based Maintenance ("CBM"), Root Cause Analysis ("RCA") and Plant Performance Monitoring System.

Standardisation and centralization of O&M documentations such as policies, procedures and work instructions, would enable the company to ensure consistency in the O&M activities and processes. This would help employees to have a common understanding in their activities that will enhance job and personal efficiency, work effectiveness and promote sharing of knowledge within the organization.

RPB is also responsible to obtain and sustain Quality, Safety and Environmental Management System certifications.

To ensure continuous improvement in plant availability and reliability, the RPG team will champion plant failure analysis and management, initiate improvement studies and recommend actions to be taken to avoid recurrence. This will require RPG to work together with TSG and various departments at sites. All these efforts, if consistently practiced, measured and improved, will enable TJSB to achieve its ongoing effort to reduce cost, increase productivity and optimise resources.
Health, Safety & Environment (“HSE”)

We remain committed to inculcating an excellent HSE culture throughout the group. Emphasis is also placed on continuously improving our HSE Management System, including adoption of new standards, programs and intervention measures to enhance the overall HSE management and performance, which will also translate into improvements in safety indicators.

The ISO 14001:2004, OHSAS 18001 and MS 1722 certifications provide a harmonized methodology for setting up an environmental, safety & health management system to all our plants.

For the year under review, Prai Power Plant & Lumut Power Plant achieved 273,898 and 760,649 “Safe Man-Hours Worked”, without Lost Time Injury ("LTI"), respectively. These achievements marked a significant milestone in our continued effort to promote a safety culture.

LPP launched a safety program in 2009 named Safety STOP Card. Briefings were held to all employees and contractor to explain the Safety STOP Card program and the importance of working safely. The Safety STOP Card is another commitment and effort by LPP to enhance safety at the workplace.

Environmental Protection

As a responsible citizen, we continue to commit ourselves towards the environment in which we operate. As in previous years, quarterly environmental monitoring was conducted at the power plants and indicators show that we have achieved our environmental performance standards, which include ambient air quality, gaseous stack emission, waste water quality, marine water quality and noise levels. The Environmental Monitoring Report is submitted to the Department of Environment (“DDE”) as per requirement of the Environmental Impact Assessment (“EIA”). The monitoring is being conducted by an independent contractor registered with DOE. In addition, we also continue to monitor the plants’ surrounding marine ecosystem through the annual Marine Ecology study.

Continuous Emissions Monitoring Systems (“CEMS”) is also installed in all LPP Heat Recovery Steam Generator (“HRSG”) exhaust stacks providing real time emission values for monitoring and operational purposes. Work is in progress to install CEMS- Data Interface System (“DIS”) which provides real-time access to the emission values to DOE as per regulatory requirement and is expected to be completed in 2010.

Scheduled Waste is managed onsite by the HSE Section and disposal is done by contractors registered with DOE. A new Scheduled Waste storage area was constructed in 2009 in accordance to recommended specifications by DOE to improve onsite storage.

Procurement Practices

Historically, the procurement function of the OMD is administered at the plant level. In our effort to improve the procurement process, a Procurement and Warehouse Working Group was set up on 17 March 2009 with the following objectives:

- To come up with common, consistent and efficient procurement and warehouse processes and practices applicable to all operating sites and document them as Standard Operating Procedures (SOP);
- To propose new and better ways and means to maximize value for money; and
- To create SMART Key Performance Indicator (KPI) for Procurement and Warehouse.

The Working Group has since consolidated the existing procedures from all sites and introduced three new procedures. The Working Group also reviewed and considered internal audit findings and recommendations in coming up with the revised and new procedures. In future, it plans to conduct procedure awareness program and road shows before it further embarks on inter-plant procurement and warehouse audits.
Malakoff’s wholly-owned subsidiary Wirazone Sdn Bhd (“Wirazone”) is the licensed electricity distributor within the Kuala Lumpur Sentral (“KL Sentral”) development area. Wirazone has distributed up to 100 MW of electricity since July 2000. Wirazone also supplies chilled water to the Plaza Sentral Office Complex for air conditioning from a Centralised Chilled Water System with a cooling capacity of 7,000 refrigerant tonnes.
Wirazone’s financial year under review saw its EDS customer base grow further to 1543 accounts from 1356 in the last financial year. The highest recorded maximum power demand was 24.9 MW in 2009 as compared to 22 MW in the last financial year. The increase in demand was mainly due to the completion and commissioning of 3 new office blocks i.e. Quill 7, SSM and MIDA.

Wirazone’s Customer Care centre which was been fully operational by October 2009, providing bigger space, complete with LCD television for customers’ comfort, and CCTV for safety purposes. In its endeavor to ensure added convenience, Wirazone has added another Fascek Machine at the Suasana Sentral LOFT Condominium in addition to the existing one at Suasana Sentral Condominium.

Wirazone considers feedback from its customers as critical inputs for it to continually improve its services. We achieved more than 85% of satisfied customers through our Customer Survey 2009 feedback. Based on the data collected after the survey, our Customer Charter is being revamped to make it more challenging for Wirazone’s team in its effort in enhancing its service for customers. The newly improved Customer Charter is planned to be distributed to its new and existing customers in year 2010.

Moving forward, Wirazone is looking forward to celebrate its 10 years in operation in 2010 and expected to increase its revenue even further in the next financial year with the increase in occupation of buildings, construction activities around the KL Sentral area are expected to add further load demand.
2009 has been a challenging year due to the financial market turbulence. Nonetheless Malakoff continues to pursue its growth initiatives focussing on power and water related projects, with an emphasis on renewable opportunities. Malakoff actively pursues opportunities for development of greenfield and brownfield assets in South East Asia and Middle East region. As a responsible corporate citizen, the Company also seeks to balance its existing generation portfolio with development of Renewable Energy projects.

The Company also considered opportunities in the upstream and downstream of the power business in our effort to enhance the values of our existing assets and successful development of potential projects.

Malakoff is keen to work with suitable partners to provide competitive energy and water supply solutions. We develop these infrastructures with a long term goal of benefiting the stakeholders of the project. Malakoff intend to become a major player in the industry and look forward to many successful projects in the future with our partners.

Initiatives are put in place to keep abreast of the latest developments and projects in all aspects of the power and water industry. Additional efforts are established to closely gather, monitor and assess this intelligence in our quest to seek the upper hand of potential opportunities that arises.

Moving forward, Malakoff will focus on expansion of existing assets and renewable energy projects. The Company will also continue to foster effective institutional relations to improve its brand recognition in the target investment countries.
The Group’s in-house projects are undertaken by its project management subsidiary company, Malakoff Engineering Sdn Bhd (“MESB”). MESB provides project management services including negotiation and execution of engineering, procurement and construction contracts, as well as liaising with sub-contractors, banker’s engineers and relevant authorities in ensuring that the projects are completed on time, within budget, and specified quality standards.

MESB has extensive experience in managing various engineering projects. Its current projects include water pipeline, warehouse and coal yard facilities for the Tanjung Bin power plant. With its pool of competent engineers and personnel, in addition to its core business of project management, MESB provides other services such as technical advisory services and contracts management both within and outside the Malakoff group of companies.

Currently it provides project management services to the Asset Management Division of Malakoff Corporation Berhad (“MCB”). Among its on-going projects are the proposed Malakoff Academy of Excellence, the proposed warehouse and coal workshop buildings and the proposed coal yard dry storage shed in Tanjung Bin, which act as additional facilities of the plant.
Human Resource Development

In achieving the organization’s objectives, the strength lies in a competent and well trained workforce, working cohesively. Our business and operational targets have been achieved through the dedication and skills of our people. Nonetheless, their knowledge and capabilities need to be constantly enhanced so that we can maintain our competitive edge and remain at the forefront of our industry. This is undertaken through a comprehensive staff training schedule that covers functional and soft skills as well as on-the-job training, based on proper needs identification.
PERFORMANCE REVIEW BY MD/CEO

As the demands and requirements for skillful and knowledgeable manpower increases, more specialised training initiatives have been developed, to ensure business sustainability and growth. In an effort to further enhance the human capital potential in delivering their responsibilities, our plant-specific training simulators at each power plant, combined with the Competency Based Assessment (CBA) initiatives have been our platform to simulate realistic power plant scenarios for effective training and competency assessment.

Together with the growth of the Company, we are investing around RM1.7 million in developing a new training academy called MAX (Malakoff Academy of Excellence) – a 10,000 square feet facilities comprising 1 auditorium, a computer room, 3 lecture halls, a simulation room and 1 MAX Executive room. This training academy will be a center for us to exchange ideas and contribute to enhance the human capital potential in the Company.

Apart from the above, we have also invested about RM1.7 million on soft skills and leadership training, and another RM6.1 million on technical training, of which this have taken 2,400 man days and 4,700 man days respectively.

Our own Executive Development Program ("EDP") for selected fresh graduates, which took effect in 2007 are now in the fourth group. They are our future technical experts whom we nurtured via structured trainings and hands-on working experience, and were exposed to the whole business processes. We are also enhancing our bench strength by recruiting quality graduates from the overseas and local universities, through co-operations with the universities themselves and other methods of recruitment.
Employee Engagement Survey/Index

Employee engagement impacts every organization in different ways. The level of engagement may affect key factors such as productivity, customer satisfaction, and employee turnover. An organization must identify and then develop the strengths and talents of their workforce to be competitive. Engaged employees create satisfied customers and higher profits for the organization, this eventually drives shareholders value.

In reinforcing our commitment and promise to the staff, the Group continuously evaluates workplace practices to be in line with our corporate values. The effectiveness of Malakoff workplace practices are gauged and assessed by the staff. One of the key ways feedback is obtained is via the Employee Engagement Survey (EES), My View. Initiated in 2007, the survey results help management understand the areas which require further development, improvement and increased engagement. The assessment is carried out once every two years and is extended to all staff; local and international operations of Malakoff.

Malakoff Employee Engagement Index (EEI) for 2009 achieved an overall score of 81% as compared with 73% in 2007; this score has performed well against the Malaysian and Global benchmark.

Out of 15 items that were evaluated item on Communication showed a vast improvement with a total of 12% increased from the result showed in 2007 EEI. Active communication is the key to ensuring staff are well-informed and knowledgeable about the Group’s operations, business strategies and management decisions. Among other items that were also assessed were Leadership, Organization Culture, CSR, Training and Development, Rewards and Recognition.

Malakoff Shared Values

The Company firmly believes that ethical practices will strengthen the stakeholders trust and enable the company to attract financial and human capital, perform efficiently and attain the underlying goal of maximizing long-term value for shareholders. With the sustainable growth in mind, a number of initiatives to enhance our human capital with the right values have been implemented including making the shared values closer to our heart and an intrinsic part of our everyday life. Our philosophy on business ethics is enshrined in our 5 Malakoff Shared Values. This serves as a guide toward the highest standards of integrity in all our dealings and every aspect of our operations. It is further strengthened by each employee’s affirmation on the shared values.

PERFORMANCE REVIEW BY MD/CEO

Organizational Development

For year 2009 Organizational Development ("OD") continues its objective in building human capital capabilities for a sustainable growth besides promoting continuous improvements for the Group.

Succession Management

Malakoff is committed to inculcating a leadership culture which not only encourages high impact communication but also values ideas and feedback. Malakoff succession management framework has also been enhanced with the view to improving our ability to grow, retain and reward performers within the Group.

This is important to ensure business continuity and to support Company’s growth. Key positions across the Company were identified to ensure that these key roles are filled when the need arises. Staffs that were recognized were given accelerated programs to prepare them to take a bigger challenges and their readiness to face higher expectations. A framework has been put in place which includes a more rigorous performance and leadership process, on-the-job learning vis-à-vis mentoring, coaching by leaders, robust succession planning strategy and development processes and tools to create the ideal environment for people to excel in Malakoff.
PERFORMANCE REVIEW BY MD/CEO

Information Technology (IT)

In the age of globalization, Information Technology has become the forefront of competitive advantage as business enablers in the automation of business process which nurtures efficiency and productivity.

Among the initiatives accomplished throughout the year include the automation of travel requests and claim process via our new collaboration portal, which provides a seamless approval process for business travels.

Self-service managed password software is another innovative enabler, which has alleviated user accessibility and security especially for remote and overseas users.

One of the major thrust in the Charter of IT in the year is to enhance availability and business continuity which is important for a less disruptive business operation. Disaster recovery system and infrastructure will remain as part of the on-going business continuity initiative which regular test and improvement will be conducted.

For the year ahead, one of the project in the pipeline is the enhancement of the claim system, the integration of the ERP system and the implementation of the document system will further improve processing time and enable enhancement in collaboration and information retrieval.

Security in the area of web control and network hardening will continue to be enhanced to mitigate external risks such as virus and worms while improving vulnerabilities control.

Enterprise Applications

In 2009, the number of companies in Malakoff’s SAP server continues to grow to a total of 55 companies with the successful implementation of TJSB Global Sdn Bhd and Seaport Worldwide Sdn Bhd. Malakoff’s business operations are running smoothly, and the company’s SAP software is supporting its businesses as needed.

In line with the company’s theme on ‘commitment to green environment/technology’, Enterprise Applications department had delivered a range of Business Warehouse web-based reports that increased business process agility via automation and reduced paper-based processes.

It is anticipated that the Goods and Services Tax ("GST") will be introduced in Malaysia in the later half of 2011. The introduction of a GST requires preparation to ensure compliance and it is not just a tax issue; it is a “whole of business” issue that requires total business realignment. Preparation of the SAP system to be ready for the new tax regime will start in early year 2010 so that transition to GST is smooth and successful.
Growing Sustainably In Partnership With The Local Communities

The Malakoff Community Partnerships, the Company’s flagship Corporate Social Responsibility (CSR) platform, was established in early 2009 based on Malakoff’s steadfast conviction of “growing sustainably in partnership with the local communities”.

At Malakoff, CSR has always defined and directed the way it conducts its business. As such, the Malakoff Community Partnerships is a testimony of the Company’s long-term and continuous commitment to being a responsible and active participant of the communities where its operations are based.

Currently, the Malakoff Community Partnerships focuses on three core areas to effectively channel the Company’s efforts towards the well-being of the local communities through its:

- Commitment to Community Sports
- Commitment to Community & Education
- Commitment to Environment

As part of the strategy to make CSR initiatives relevant and meaningful to its stakeholders, Malakoff has formed an Advisory Panel comprising eminent Malaysians in the field of education, the environment and community sports.

Malakoff also involves its employees in community-based activities as they have always been an integral part of the Company’s CSR initiatives. Furthermore, to encourage multi-stakeholder involvement in these community-based programmes, family members of employees as well as business associates are also invited to join hands in specific initiatives.

Going forward, Malakoff has committed to invest RM 12 million over the next three years to continue to play its role in contributing back meaningfully to the local communities through the Malakoff Community Partnerships.

For details on the various initiatives undertaken, the stakeholders involved and the impact thereof, please refer to the inaugural Annual Community Investment Report.
CORPORATE EVENTS HIGHLIGHTS

1 Feb 2009
One Day Ride
Cycling from Selayang to Bentong, a total of 130km in one day

1-3 May 2009
MCB Sports Carnival 2009 & Family Day
Players from Malakoff at the futsal court

8-10 May 2009
4th Annual Malakoff Charity Ride
3 days of cycling from Yan to Krabi, Thailand with a total mileage of 530km

17 May 2009
The Malakoff Mangrove Initiative
MB Johor planting a mangrove tree near Tanjung Bin Power Plant

7 Jun 2009
Malakoff 26km Penang Run
Winners of the Women’s Open category

19 Jul 2009
MUDS 1 (UPM)
Duathletes in action

25 Jul 2009
MUDS 2 (UNITEN)
Starting the cycling leg of the run-bike-run event

1 Aug 2009
MUDS 3 (UM)
Victory at the finish line on MUDS UM

16 Aug 2009
Charity Gotong Royong at Sekolah Al-Ansar
Malakoff staff helping out at the gotong royong

9 Sept 2009
Majlis Berbuka Puasa
MD/CEO of Malakoff presenting donations to the less fortunate

1 Oct 2009
YB Minister of KeTTHA visit to LPP
Tan Sri Abdul Halim Ali accompanying YB Minister Peter Chin
**CORPORATE EVENTS HIGHLIGHTS**

- **2 Oct 2009**
  - KeTTHA Fellowship Golf
  - Photo opportunity with YB Minister Peter Chin before tee-off

- **3 Oct 2009**
  - Hari Raya Open House
  - Chairman of Malakoff presenting gifts to the school children

- **3-5 Oct 2009**
  - Adopted School Educational Trip
  - School children at the Bird Park

- **8 Nov 2009**
  - Powerman Malaysia
  - At the starting line

- **1 Dec 2009**
  - Tanjung Bin Opening Ceremony
  - Deputy Prime Minister of Malaysia officiating the Tanjung Bin Power Plant

- **5 Dec 2009**
  - Malakoff Penang Heritage on Wheels
  - Participants collecting goodies

- **7 Dec 2009**
  - Malakoff Community Partnerships Launching Ceremony
  - At the press conference

- **12 Dec 2009**
  - Penjanabebas Golf Invitational Prize giving ceremony

- **20 Dec 2009**
  - Malakoff 12km Kuala Lumpur Mock cheque presentation

- **20 Dec 2009**
  - Malakoff SAM Friendly Golf
  - Posing on the green for the friendly golf tournament

- **31 Dec 2009**
  - Malakoff Interstate Fellowship Ride - Day One
  - At the start of the ride