



News Release
For Immediate Publication

MALAKOFF TO ACQUIRE 97.37% EQUITY INTEREST IN ALAM FLORA SDN BHD
The acquisition is part of the strategic diversification of Malakoff's principal activities

KUALA LUMPUR, 1 August 2018 – Malakoff Corporation Berhad (“Malakoff”) wishes to announce that today, its wholly-owned subsidiary, Tunas Pancar Sdn Bhd (“TPSB”), has entered into a conditional share sale agreement with HICOM Holdings Berhad (“HICOM Holdings”), a wholly-owned subsidiary of DRB-HICOM Berhad (“DRB-HICOM”) for the proposed acquisition by TPSB of 97.37% equity interest in Alam Flora Sdn Bhd (“Alam Flora”) for a cash consideration of RM944.61 million.

With the acquisition, Malakoff will enable expansion of its business/activities into Environmental Related Services - commencing with Alam Flora’s integrated solid waste collection and management and public cleansing management services business.

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. Additional revenue prospects may also come from the provision of solid waste management services for the East Coast states of Kelantan and Terengganu, with an estimated combined waste generation of about 2,693 tonnes per day.

Through Alam Flora’s wholly-owned subsidiary, DRB-HICOM Environmental Services Sdn Bhd (“DHES”), Malakoff will also be able to partake in the increasingly important and

growing non-concession environmental services sector such as in the provision of integrated solid waste services, recycling and integrated facility management services. At present, DHES operates eight landfills, one transfer station, one leachate treatment plant and two incinerator plants.

Dato' Ahmad Fuaad Kenali, Chief Executive Officer 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 environmental related business and push into renewable energy sector."

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

The Share Sale Agreement is conditional upon, inter-alia, approvals/consents being obtained from non-interested shareholders of Malakoff and DRB-HICOM at their respective Extraordinary General Meetings ("EGM") that will be convened, as well as approvals from relevant authorities and financial institutions.

– End –

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 m³/day of water desalination. Malakoff is also actively looking to venture further in the fast growing Middle East and North Africa region as well as the South-East Asian markets.

Through its wholly-owned subsidiary, Teknik Janakuasa Sdn Bhd, Malakoff has involvements in operation & maintenance services 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

Contact:

Yusop Abdul Rashid

yusop.rashid@malakoff.com.my

Malakoff Corporation Berhad

Level 10, Block 4, Plaza Sentral

Jalan Stesen Sentral 5

50470 Kuala Lumpur, Malaysia

Mobile: +6012-340-1082 Office : +603-22633329