

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") has only perused the contents of this Circular in respect of the proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia.

Bursa Malaysia takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

**MALAKOFF CORPORATION BERHAD**

Registration No. 200601011818 (731568-V)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolution in respect of the above proposal will be tabled as special business at the Eighteenth Annual General Meeting ("**18<sup>th</sup> AGM**") of Malakoff Corporation Berhad ("**MCB**" or "**the Company**") which will be conducted on a fully virtual basis from the broadcast venue at The Boardroom, Level 7, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia on Thursday, 25 April 2024 at 10:00 a.m. or any adjournment thereof. The Notice of the 18<sup>th</sup> AGM together with the Form of Proxy are set out in the Integrated Annual Report 2023 of the Company which is also available to be downloaded from the Company's website together with this Circular.

As a shareholder, you are encouraged to go online, participate, and vote at the 18<sup>th</sup> AGM using the Remote Participation and Electronic Voting ("**RPEV**") Facilities as the Company will be conducting its 18<sup>th</sup> AGM via live webcast and online remote voting. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or via e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). The completed Form of Proxy must be deposited/lodged not less than forty-eight (48) hours before the time set for holding the 18<sup>th</sup> AGM indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating and voting in person at the 18<sup>th</sup> AGM via RPEV Facilities should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 23 April 2024 at 10:00 a.m.

Date and time of 18<sup>th</sup> AGM of MCB : Thursday, 25 April 2024 at 10:00 a.m.

**This Circular is dated 26 March 2024**

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## DEFINITIONS

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Except where the context otherwise requires or where otherwise defined herein, the following terms and abbreviations shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
AFSB	:	Alam Flora Sdn. Bhd., a 97.37%-owned subsidiary of Tunas Pancar Sdn. Bhd. which in turn is a wholly-owned subsidiary of MCB
AFSB Group	:	Alam Flora Sdn. Bhd. and its group of companies
Annual Report 2023	:	Integrated Annual Report of the Company for the financial year ended 31 December 2023
AOA	:	Anglo-Oriental (Annuities) Sdn. Bhd., a wholly-owned subsidiary of MMC, is a major shareholder of MCB
Board or Directors	:	Board of Directors of MCB and "Director" shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which terms of the transaction were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company, or a chief executive of the Company, its subsidiary or holding company
Bursa Malaysia	:	Bursa Malaysia Securities Berhad
Circular	:	This Circular to Shareholders dated 26 March 2024
DRB	:	DRB-HICOM Berhad
DRB Group	:	DRB-HICOM Berhad and its group of companies
GIA	:	Group Internal Audit of MCB
Indra Cita	:	Indra Cita Sdn. Bhd., the ultimate holding company of MMC
Listing Requirements or MMLR	:	Main Market Listing Requirements of Bursa Malaysia and any amendments made thereto from time to time and any practice notes issued in relation thereto
LPD	:	29 February 2024, being the latest practicable date prior to the circulation of this Circular
Major Shareholder(s)	:	A person, who includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other corporation which is its subsidiary or holding company, has an interest or interests in one (1) or more voting shares in the Company and the total number of voting shares, or the aggregate of the total number of those voting shares, is:  (a) 10% or more of the total number of voting shares in the Company; or  (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.  For the purpose of this definition "interest in shares" shall have the meaning given in Section 8 of the Act
MCB or the Company	:	Malakoff Corporation Berhad
MCB Group or the Group	:	MCB and its group of companies
MMC	:	MMC Corporation Berhad, a major shareholder of MCB via its direct shareholding in MCB and indirect shareholding through AOA pursuant to Section 8(4) of the Act
MMC Group	:	MMC Corporation Berhad and its group of companies
Padiberas	:	Padiberas Nasional Berhad

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## DEFINITIONS (CONT'D)

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Padiberas Group	:	Padiberas Nasional Berhad and its group of companies
Person(s) Connected	:	In relation to any person (referred to as “ <b>said Person</b> ”) means such person who falls under any one of the following categories: <ul style="list-style-type: none"><li>(a) a family member of the said Person which family shall have the meaning given in Section 197 of the Act;</li><li>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;</li><li>(c) a partner of the said Person;</li><li>(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;</li><li>(e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;</li><li>(f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or</li><li>(g) a body corporate which is a related corporation of the said Person.</li></ul>
Proposal	:	Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate
Proposed New Shareholders’ Mandate	:	Proposed new shareholders’ mandate for MCB Group to enter into additional recurrent related party transactions of a revenue or trading nature
Proposed Renewal of Existing Shareholders’ Mandate	:	Proposed renewal of existing shareholders’ mandate for MCB Group to enter into recurrent related party transactions of a revenue or trading nature
Recurrent Related Party Transaction(s) or RRPT(s)	:	Recurrent related party transaction(s) of a revenue or trading nature of MCB Group which are necessary for the day-to-day operations and in the ordinary course of business of MCB Group as specified in Section 2.4 of this Circular
Related Party(ies)	:	“ <b>Director(s)</b> ”, “ <b>major shareholder(s)</b> ” or “ <b>person(s) connected</b> ” with such director(s) or major shareholder(s), who are interested in the RRPT(s), as set out in Section 2.3 of this Circular
RM and sen	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
Seaport	:	Seaport Terminal (Johore) Sdn. Bhd., a major shareholder of MMC
Shareholders’ Mandate	:	Shareholders’ mandate pursuant to Paragraph 10.09 of the Listing Requirements for MCB and its subsidiary companies to enter into RRPT(s)
Syed Kechik Holdings	:	Syed Kechik Holdings Sdn. Bhd.
Syed Kechik Holdings Group	:	Syed Kechik Holdings Sdn. Bhd. and its group of companies
TSSM	:	Tan Sri Dato’ Seri Syed Mokhtar Shah bin Syed Nor
Tradewinds	:	Tradewinds Plantation Berhad
Tradewinds Group	:	Tradewinds Plantation Berhad and its group of companies
TUSB	:	Tuah Utama Sdn. Bhd., a wholly-owned subsidiary of MCB
TUSB Group	:	Tuah Utama Sdn. Bhd. and its group of companies

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**DEFINITIONS (CONT'D)**

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All references to “**our Company**” or “**MCB**” in this Circular are to Malakoff Corporation Berhad. The reference to “**our Group**” is to our Company and our subsidiaries, and all references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires otherwise, shall include our subsidiaries. All references to “**you**” or “**your**” in this Circular are to our shareholders.

All references to dates and times in this Circular are references to dates and times in Malaysia, unless otherwise stated. Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include companies and corporations.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

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**Registered Office:**

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

26 March 2024

**Board of Directors**

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali (Independent Non-Executive Chairman)  
Tan Sri Che Khalib Mohamad Noh (Executive Vice Chairman)  
Anwar Syahrin Abdul Ajib (Managing Director & Group Chief Executive Officer)  
Datuk Ooi Teik Huat (Non-Independent Non-Executive Director)  
Datuk Rozimi Remeli (Independent Non-Executive Director)  
Dato' Mohd Naim Daruwish (Non-Independent Non-Executive Director)  
Dr. Norida Abdul Rahman (Independent Non-Executive Director)  
Datuk Prakash Chandran Madhu Sudanan (Independent Non-Executive Director)  
Datuk Wira Roslan Ab Rahman (Independent Non-Executive Director)

**To: Our Shareholders**

Dear Sirs/Madam,

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE (COLLECTIVELY "PROPOSAL")**

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**1. INTRODUCTION**

At the AGM of the Company held on 11 May 2023, our Company had obtained your mandate for MCB Group to enter into RRPTs with Related Parties in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders, which are necessary for our Group's day-to-day operations.

The aforesaid mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Eighteenth (18<sup>th</sup>) AGM of the Company unless authority for its renewal is obtained from our shareholders.

In addition thereto, our Company will also be seeking new shareholders' mandate for the MCB Group to enter into additional RRPT(s) with its Related Parties.

On 23 February 2024, our Company had announced to Bursa Malaysia its intention to seek your approval for the Proposal pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming 18<sup>th</sup> AGM of the Company.

**THIS CIRCULAR SERVES TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSAL AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING 18<sup>th</sup> AGM UNDER THE AGENDA OF SPECIAL BUSINESS, THE NOTICE OF WHICH IS SET OUT IN THE ANNUAL REPORT 2023.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSAL AT THE FORTHCOMING 18<sup>th</sup> AGM.**

## **2. DETAILS OF THE PROPOSAL**

### **2.1 Background Information**

Paragraph 10.09(2), Part E of Chapter 10 of the Listing Requirements states that a listed issuer may seek its shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to, inter alia, the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements;
- (iii) a circular for the shareholders' mandate shall include the information as may be prescribed by Bursa Malaysia. The draft circular must be submitted to Bursa Malaysia together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholders' mandate, the interested director, major shareholder or person connected with a director or major shareholder; and where it involves the interest of the person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution to approve the transactions. An interested director or major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (v) the listed issuer shall immediately announce to Bursa Malaysia when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and the announcement must include the information as may be prescribed by Bursa Malaysia.

Where a listed issuer has procured a shareholders' mandate in respect of RRPT(s) pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions under Paragraph 10.08 of the Listing Requirements shall not apply to the RRPT(s) which are comprised in the said mandate during the validity period of the mandate.

The shareholders' mandate for the RRPT(s) is also subject to the following:

- (a) the transactions are conducted on normal commercial terms;
- (b) the transactions are not detrimental to the minority shareholders;
- (c) the transactions are conducted on arm's length basis; and
- (d) details of the transactions containing the information as set out in Annexure PN12-A of the Listing Requirements are set out in the circular.

It is anticipated that MCB Group would, in the ordinary course of its business, enter into the RRPT(s) which are necessary for its day-to-day operations with the classes of Related Parties which are disclosed in Section 2.3 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Our Board is seeking your mandate which would allow our Group to enter into the RRPT(s) with the Related Parties as specified in Section 2.4 of this Circular provided that such transactions are necessary for its day-to-day operations, in the ordinary course of their business carried out on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of its minority shareholders.

The Proposal, if approved by you at the forthcoming 18<sup>th</sup> AGM, applies in respect of the RRPT(s) to be entered into as set out in Section 2.4 of this Circular and shall take effect from and including the date of the forthcoming 18<sup>th</sup> AGM, and shall continue to be in force until:

- (i) the conclusion of the next AGM of our Company following the forthcoming 18<sup>th</sup> AGM at which the resolution authorising the Proposal is passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolutions passed by our shareholders in general meeting,

whichever is the earlier.

Thereafter, approval from our shareholders for annual renewal of the mandate will be sought at each subsequent AGM of our Company.

Our Company will disclose the aggregate value of the RRPT(s) conducted during a financial year in the annual report for the said financial year.

## **2.2 Principal Activities of MCB Group**

Our Company is principally engaged in investment holding activities. Our subsidiary companies provide wide range of businesses comprising independent power generation business in Malaysia, independent water production and power generation business outside Malaysia, development of renewable energy projects and green solutions, operations and maintenance business for power plants and water plants, electricity and chilled water distribution business and project management business, primarily plant design review and construction monitoring for our own power plant projects. Our Group has also expanded its principal activities to include the provision of integrated solid waste collection and management and public cleansing services as well as total environmental solutions under the AFSB Group.

The principal activities of the companies in our Group as described in Note 8 to the financial statements are set out in the Company's Annual Report 2023.

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## 2.3 Classes of Related Parties

The Proposal will apply to transactions to be entered into by MCB Group which involves the interest, direct or indirect, of Related Parties. Details of the Related Parties are as follows:

No.	Related Parties	Principal Activities	Interested Directors, Major Shareholders and/or Persons Connected with Them
1	MMC	Investment holding, construction, mining and mineral exploration. Its subsidiaries are principally involved in engineering, infrastructure and utilities	<p><b><u>Interested Directors</u></b>            a) Tan Sri Che Khalib Mohamad Noh            b) Datuk Ooi Teik Huat</p> <p><b><u>Interested Major Shareholders</u></b>            a) Seaport            b) AOA</p> <p><b><u>Person connected to Major Shareholders</u></b>            a) TSSM            b) Indra Cita</p>
2	DRB	Investment holding company with investments in the automotive, aerospace and defence, postal, banking, services (including concession services, education aviation, logistics and others) and properties segments	<p><b><u>Interested Directors</u></b>            a) Datuk Ooi Teik Huat</p> <p><b><u>Person connected to Major Shareholders</u></b>            a) TSSM</p>
3	Padiberas	Procuring, collecting, processing, importing, exporting, purchasing, storing, packaging, distribution of rice, paddy and other grains which include activities such as seed production, paddy farming, paddy procurement, paddy processing, rice processing and rice storage, distribution and marketing of rice, research and development of paddy seeds, rice and related products and investment holding.	<p><b><u>Persons connected to Major Shareholders</u></b>            a) TSSM</p>
4	Syed Kechik Holdings	Investment holding and management company	<p><b><u>Persons connected to Major Shareholders</u></b>            a) TSSM</p>
5	Tradewinds	Investment holding	<p><b><u>Persons connected to Major Shareholders</u></b>            a) TSSM</p>

### **Details of the Related Parties**

The interests of the Related Parties in the RRPT(s) as set out in Section 2.4 are as follows:

- a) MMC is a Major Shareholder of our Company by virtue of its direct shareholding of 18.37% and indirect shareholding of 20.08% through its wholly-owned subsidiary, AOA;
- b) DRB is a 55.92%-owned subsidiary of Etika Strategi Sdn. Bhd., a company in which TSSM is a Major Shareholder;
- c) Padiberas is a wholly-owned subsidiary of Tradewinds Group (M) Sdn. Bhd. (formerly known as Perspective Lane (M) Sdn. Bhd.), a company in which TSSM is an indirect Major Shareholder;
- d) Tradewinds is a wholly-owned subsidiary of Tradewinds Group (M) Sdn. Bhd. (formerly known as Perspective Lane (M) Sdn. Bhd.), a company in which TSSM is an indirect Major Shareholder;
- e) Seaport, being the Major Shareholder of MMC, is a Person Connected to TSSM;
- f) AOA, being a direct Major Shareholder of the Company, is a wholly-owned subsidiary of MMC;
- g) Indra Cita, being the Major Shareholder of Seaport, is a Person Connected to TSSM;
- h) TSSM is a Major Shareholder of Etika Strategi Sdn. Bhd. and an indirect Major Shareholder of Seaport and Tradewinds Group (M) Sdn. Bhd. (formerly known as Perspective Lane (M) Sdn. Bhd.);
- i) Puan Sri Sharifah Zarah binti Syed Kechik, the spouse of TSSM, is a Major Shareholder of Syed Kechik Holdings Group.
- j) Tan Sri Che Khalib Mohamad Noh, being a representative of MMC on our Board, is the Executive Vice Chairman of MCB as well as the Group Managing Director of MMC and Director of AFSB; and
- k) Datuk Ooi Teik Huat, being a representative of MMC on our Board, is a Non-Executive Director of MMC and Non-Independent Non-Executive Director of DRB.

The details of the direct and indirect interests of the Directors and Major Shareholders and Persons Connected with them in MCB are indicated in Section 7 below.

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2.4 Nature of RRPT(s) for the Proposal

The Proposed Renewal of Existing Shareholders' Mandate will apply to the following Related Parties:

No.	MCB and/or its Subsidiary Companies	Transacting Related Party	Nature of Transaction	#Estimated aggregate value from the forthcoming AGM to the next AGM (RM'000)	Actual value transacted from the previous AGM to LPD on 29 February 2024 (RM'000) (A)	Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 11 April 2023 (RM'000) (B)	Deviation where (A) exceeds (B) by 10% or more (RM'000)
<b>Expenses to MCB Group</b>							
1.	AFSB Group	DRB Group	Provision of motor vehicle maintenance services by DRB Group	5,325	2,843	3,192	-
			Supply of scrap materials/any assets (i.e. bins, automotive, scrap loose ferrous, etc) by DRB Group	10,347	3,206	10,347	-

2.4 Nature of RRPT(s) for the Proposal (Cont'd)

The Proposed Renewal of Existing Shareholders' Mandate will apply to the following Related Parties (Cont'd):

No.	MCB and/or its Subsidiary Companies	Transacting Related Party	Nature of Transaction	#Estimated aggregate value from the forthcoming AGM to the next AGM (RM'000)	Actual value transacted from the previous AGM to LPD on 29 February 2024 (RM'000) (A)	Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 11 April 2023 (RM'000) (B)	Deviation where (A) exceeds (B) by 10% or more (RM'000)
<b>Expenses to MCB Group (Cont'd)</b>							
1.	AFSB Group (Cont'd)	DRB Group (Cont'd)	Payment of utilities and logistics cost and/or miscellaneous expenses to DRB Group	339	97	379	-
			Payment of rental services (i.e. buildings <sup>(1)</sup> , building service charges, motor vehicle, etc) to DRB Group	4,183	2,264	3,735	-

2.4 Nature of RRPT(s) for the Proposal (Cont'd)

The Proposed Renewal of Existing Shareholders' Mandate will apply to the following Related Parties (Cont'd):

No.	MCB and/or its Subsidiary Companies	Transacting Related Party	Nature of Transaction	#Estimated aggregate value from the forthcoming AGM to the next AGM (RM'000)	Actual value transacted from the previous AGM to LPD on 29 February 2024 (RM'000) (A)	Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 11 April 2023 (RM'000) (B)	Deviation where (A) exceeds (B) by 10% or more (RM'000)
<b>Expenses to MCB Group (Cont'd)</b>							
1.	AFSB Group (Cont'd)	DRB Group (Cont'd)	Purchase of machineries, motor vehicles and bins	181,920	827	191,441	-
2.	AFSB Group	MMC Group	Payment of utilities cost and/or miscellaneous expenses to MMC Group Supply of scrap materials/any assets by MMC Group	844 681	480 345	877 681	- -

2.4 Nature of RRPT(s) for the Proposal (Cont'd)

The Proposed Renewal of Existing Shareholders' Mandate will apply to the following Related Parties (Cont'd):

No.	MCB and/or its Subsidiary Companies	Transacting Related Party	Nature of Transaction	#Estimated aggregate value from the forthcoming AGM to the next AGM (RM'000)	Actual value transacted from the previous AGM to LPD on 29 February 2024 (RM'000) (A)	Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 11 April 2023 (RM'000) (B)	Deviation where (A) exceeds (B) by 10% or more (RM'000)
<b>Revenue to MCB Group</b>							
3.	TUSB Group	MMC Group	Development of rooftop solar photovoltaic project at premises within MMC Group	1,721	742	1,700	-
4.	TUSB Group	DRB Group	Development of rooftop solar photovoltaic project at premises within DRB Group	6,588	2,623	4,782	-

2.4 Nature of RRPT(s) for the Proposal (Cont'd)

(a) The Proposed Renewal of Existing Shareholders' Mandate will apply to the following Related Parties (Cont'd):

No.	MCB and/or its Subsidiary Companies	Transacting Related Party	Nature of Transaction	#Estimated aggregate value from the forthcoming AGM to the next AGM (RM'000)	Actual value transacted from the previous AGM to LPD on 29 February 2024 (RM'000) (A)	Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 11 April 2023 (RM'000) (B)	Deviation where (A) exceeds (B) by 10% or more (RM'000)
<b>Revenue to MCB Group (Cont'd)</b>							
5.	TUSB Group	Syed Kechik Holdings Group	Development of rooftop solar photovoltaic project at premises within Syed Kechik Holdings Group	104	0	55	-
6.	AFSB Group	DRB Group	Provision of building maintenance services to DRB Group Provision of all kinds of services related to cleaning, collection and cleansing to DRB Group	18,007 12,530	10,057 6,793	18,007 12,885	- -

2.4 Nature of RRPT(s) for the Proposal (Cont'd)

The Proposed Renewal of Existing Shareholders' Mandate will apply to the following Related Parties (Cont'd):

No.	MCB and/or its Subsidiary Companies	Transacting Related Party	Nature of Transaction	#Estimated aggregate value from the forthcoming AGM to the next AGM (RM'000)	Actual value transacted from the previous AGM to LPD on 29 February 2024 (RM'000) (A)	Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 11 April 2023 (RM'000) (B)	Deviation where (A) exceeds (B) by 10% or more (RM'000)
<b>Revenue to MCB Group (Cont'd)</b>							
7.	AFSB Group	MMC Group	Provision of all kinds of services related to cleaning, collection, cleansing and landscaping to MMC Group	7,857	3,013	8,200	-
			Provision of building maintenance services to MMC Group	397	206	399	-
		<b>Total</b>		<b>250,843</b>	<b>33,496</b>	<b>256,680</b>	<b>-</b>



2.4 Nature of RRPT(S) for the Proposal (Cont'd)

(b) The Proposed New Shareholders' Mandate will apply to the following Related Parties:

No.	MCB and/or its Subsidiary Companies	Transacting Related Party	Nature of Transaction	#Estimated Aggregate Value from the forthcoming AGM to the next AGM (RM'000)
<b>Revenue to MCB Group</b>				
1.	TUSB Group	Tradewinds Group	Development of rooftop solar photovoltaic project at premises within Tradewinds Group	364
2.	TUSB Group	Padiberas Group	Development of rooftop solar photovoltaic project at premises within Tradewinds Group	315
<b>Total</b>				<b>679</b>

**Note:-**

# The estimated value in respect of the transactions above is based on prevailing prices of which competitive market prices are obtained from the Related Parties and management estimates. The estimated amount is further based on the assumptions that current level of the Group's operations will continue and all external conditions remain constant. Due to the nature of the transactions, the actual value of the transactions may vary from the estimated value disclosed above.

(1) The tenancies of the buildings are for a period of less than three (3) years and subject to renewal. The details of rental payable are as follows:

No.	Address/Location	Description	Area (square feet)	Rental rate/basis
1.	Suite 4.1, Level 4, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	13,100	RM45,850.00 payable on monthly basis
2.	Suite 4.2, Level 4, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	3,800	RM13,300.00 payable on monthly basis
3.	Suite 4.6D, Level 4, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	427	RM1,494.50 payable on monthly basis

**2.4 Nature of RRPT(S) for the Proposal (Cont'd)**

<b>No.</b>	<b>Address/Location</b>	<b>Description</b>	<b>Area (square feet)</b>	<b>Rental rate/basis</b>
4.	Suite 2.4, Level 2, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	1,376	RM4,816.00 payable on monthly basis
5.	Suite 4.3B, Level 4, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	2,121	RM7,423.50 payable on monthly basis
6.	Suite 4.4A, Level 4, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	2,820	RM9,870.00 payable on monthly basis
7.	Suite 4.4B, Level 4, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	3,331	RM11,658.80 payable on monthly basis
8.	Suite 4.6B, 4.6C, Level 4, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	3,117	RM10,909.50 payable on monthly basis
9.	Suite 2.2, Level 2, Wisma DRB-Hicom, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	5,734	RM20,069.00 payable on monthly basis
10.	Suite 2-2, Level 2, EON Head Office Complex, No. 2, Persiaran Kerjaya, Taman Perindustrian Glenmarie, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	5,600	RM19,600.00 payable on monthly basis
11.	Suite 2-4, Level 2, EON Head Office Complex, No. 2, Persiaran Kerjaya, Taman Perindustrian Glenmarie, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	6,200	RM21,700.00 payable on monthly basis
12.	Suite 4.4C, Level 4, EON Head Office Complex, No. 2, Persiaran Kerjaya, Taman Perindustrian Glenmarie, Seksyen U1, 40150 Shah Alam, Selangor	Rental of office space	850	RM2,975.00 payable on monthly basis
13.	Suite 1.6V, Level 4, Wisma DRB-Hicom, No 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of Office Space	664	RM 2,324.00 payable on monthly basis
14.	Suite 2.5A, Level 4, Wisma DRB-Hicom, No 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor	Rental of Office Space	3,954	RM 3,163.20 payable on monthly basis

## 2.5 Amount Due and Owing under RRPT(s)

The amount due and owing to MCB Group by its Related Parties pursuant to the RRPT(s) as at financial year ended 31 December 2023 which have exceeded the normal credit terms of the MCB Group are as follows:

MCB and/or its Subsidiary Companies	Transacting Related Party	Nature of RRPT	Outstanding RRPT Receivables as at 31 December 2023	Not past due	Outstanding RRPT Receivables which exceeded the credit term for the following period:-			
					One year or less	More than one to three years	More than three to five years	More than five years
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
TUSB Group	MMC Group	Development of rooftop solar photovoltaic project at premises within MMC Group	48	48	-	-	-	-
TUSB Group	DRB Group	Development of rooftop solar photovoltaic project at premises within DRB Group	593	193	400	-	-	-
AFSB Group	DRB Group	Provision of building maintenance services to DRB Group	9,447	1,880	7,050	4	513	-
		Provision of all kinds of services related to cleaning, collection and cleansing to DRB Group	203	97	106	-	-	-
AFSB Group	MMC Group	Provision of all kinds of services related to cleaning, collection, cleansing and landscaping to MMC Group	4,463	2,327	2,136	-	-	-
		<b>Total</b>	<b>14,754</b>	<b>4,545</b>	<b>9,692</b>	<b>4</b>	<b>513</b>	<b>-</b>

AFSB Group recognises that the related party transactions are entered within its normal course of business on negotiated terms. In view thereof, late payment charges are not applicable, in line with MCB's prevailing policy and procedure. MCB however will review, where appropriate and if deemed necessary, may impose late payment charges on outstanding amounts, subject to the terms of the transactions and the applicable rules and regulations, if any.

The management of AFSB monitors and conducts monthly review on the ageing profile of all the outstanding amounts. AFSB Group regards all outstanding amounts as recoverable consistent with payment track records and supported with relevant contract terms. From financial year end up to the LPD, the Group has collected approximately RM4,456,622 from the above RRPT, predominantly from amounts outstanding exceeded the credit term of more than 1 year to 3 years and amounts outstanding exceeded the credit term of 1 year or less. Ongoing efforts are in place to recover the remaining outstanding amounts. The management expects to recover significant outstanding amounts by end of 2024.

MCB's Board is of the opinion that the outstanding amounts are recoverable as the Related Parties are long term business partners and have sound credit standing.

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## 2.6 Review Procedures for the RRPT(s)

MCB Group has established the following procedures and guidelines to ensure that the RRPT(s) are undertaken on an arm's length basis on transaction prices and on normal commercial terms consistent with the MCB Group's usual business practices and policies, which are not more favourable to the Related Parties than those generally available to third parties/public and are not to the detriment of the minority shareholders:

- (i) The sale or purchase of goods and services shall be determined on the basis of the prevailing rates/prices of the goods and services (including preferential rates/prices/discounts accorded to a class or classes of customers of bulk purchases) according to their usual commercial terms and business practices or otherwise in accordance with other applicable industry norms/ considerations.
- (ii) A list of the identities of the Related Parties will be circulated within our Group. Prior to entering into any of the RRPT(s), MCB Group must ensure that all such transactions are consistent with our Group's normal business practices and policies, which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of MCB Group's minority shareholders.
- (iii) Transactions are verified by our Company's Legal Department and/or Corporate Secretarial Department and reviewed by GIA if any transaction has triggered the threshold for announcement to Bursa Malaysia and for shareholders' approval. RRPT(s) reviewed by the GIA shall be subject to approval from appropriate level of authority as defined in MCB Related Party Transaction Policy and Procedures ("**RPT Policy**").
- (iv) RRPT(s) reported to the Board Audit Committee will be reviewed by GIA on a yearly basis or when required to ensure that the RRPT(s) entered into by the MCB Group were in line with the Company's RPT Policy and the Listing Requirements of Bursa Malaysia.
- (v) Records shall be maintained to capture all RRPT(s) which are entered into pursuant to the Proposal. Details of the RRPT(s) made during the financial year shall be submitted to the GIA annually, for disclosure in the Annual Report and where necessary, reports shall also be generated for review by the Board Audit Committee on a yearly basis or when required.
- (vi) Any Director who has an interest in any transaction shall abstain from board deliberation and voting on the relevant resolution(s) in respect of the RRPT(s).
- (vii) The Board Audit Committee shall review management's system and procedures to compile information pertaining to the RRPT(s) and, if necessary, may request the GIA to review management's procedures.
- (viii) Any member of the Board Audit Committee may, as he deemed fit, request for additional information pertaining to the RRPT(s) from independent sources or advisers.
- (ix) Wherever applicable and/or feasible, at least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities have been used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained as the products or services are proprietary in nature or where the end customer has specified the requirements for the Company/Group to source from related parties or if there are no unrelated third party vendors/customers of similar products or services, then the Company/Group will determine the price and terms based on market knowledge of prevailing industry norm

and on normal commercial terms in accordance with the Group's relevant procurement processes, normal business practices, policies and commercial terms in line with the industry practices for the same or substantially similar type of transactions made by the Group with unrelated third parties to ensure that the RRPT(s) are not detrimental to the Company/Group.

- (x) The rates of rental of properties shall be based on the prevailing market rates for the same or substantially similar properties and shall be on normal commercial terms at the point of entering into the tenancy agreement(s) or upon renewal to ensure that the RRPT(s) rental rates are not detrimental to the Company/Group.
- (xi) All procurements to be undertaken by MCB Group are subject to the relevant procurement processes under the Group Procurement Policy.
- (xii) All divisions and subsidiaries within MCB Group are required to comply with the RPT Policy, which applies to both related party transactions and RRPT(s). Under the RPT Policy, the level of approval required for RRPT(s) is also prescribed under MCB Group's Limits of Authority as follows:

No.	Threshold for RRPT for each single project or transaction with a Related Party	Approval Level
1.	Any amount below 1% of the Audited Net Assets ("NA")	To be recommended by the Chief Operating Officer ("COO") or Chief Financial Officer ("CFO") and approved by the Chief Executive Officer ("CEO"), subject to the review/recommendation by the Board Audit Committee
2.	Any amount equal to or more than 1% but less than 5% of the NA	To be recommended by the CEO, reviewed by the Board Audit Committee and approved by the Board
3.	Any amount equal to or more than 5% of the NA	To be recommended by the CEO and approved by the Board Audit Committee, Board and the Shareholders of the Company

Any transaction where the limit authority holder has an interest, the holder does not have the authority to approve or enter into such transactions.

- (xiii) Policies on conflict of interests which require Directors and employees to act in good faith at all times in the best interest of the companies within MCB Group.
- (xiv) The requirement for the Business Process Improvements team to review the internal control systems of MCB Group so as to reasonably provide assurance to the Board, the GIA and Management of the proper conduct and adherence to controls and procedures.
- (xv) A register will be maintained by the Corporate Secretarial Department to record all the RRPT(s) which are entered into pursuant to the Proposal.

### **3. STATEMENT BY THE BOARD AUDIT COMMITTEE**

The Board Audit Committee of our Company has seen and reviewed the procedures established in Section 2.6 above for RRPT(s) and is of the view that:

- (i) the said procedures for the RRPT(s) as well as the periodic review to be made by the Board Audit Committee in relation thereto are sufficient to ensure that the RRPT(s) will be made at arm's length and in accordance with our Company's normal commercial terms and are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- (ii) our Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner; and
- (iii) the Board Audit Committee will review these procedures and processes whenever the need arises.

### **4. DISCLOSURE IN ANNUAL REPORT**

Disclosure will be made in accordance with Section 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT(s) entered into during the financial year, amongst others, based on the following information:

- (i) the type of the RRPT(s) made; and
- (ii) the names of the Related Parties involved in each type of the RRPT(s) made and their relationships with our Company.

The above disclosure will be made in our Company's Annual Report for each subsequent financial year after the Proposal has been approved and renewed.

In addition, if the actual value of the RRPT(s) entered into by our Group exceeds the estimated value of the RRPT(s) disclosed in the circular to shareholders on the Proposal by 10% or more, our Company will make an immediate announcement to Bursa Malaysia.

### **5. RATIONALE AND BENEFITS OF THE PROPOSAL**

The RRPT(s) to be entered into by MCB Group with the Related Parties are all conducted in the ordinary course of business. They are recurring transactions of revenue or trading nature which are likely to occur with some degree of frequency and could arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and as such, it may be impractical to seek shareholders' approval on a case to-case basis before entering into such related party transactions.

The RRPT(s) are considered by our Board to be beneficial to MCB Group as they constitute transactions which are necessary for the day-to-day operations of the MCB Group, which contribute to the generation of its turnover and profit. The close commercial relationships that had been established with the Related Parties have created an effective network that the MCB Group can draw upon to support its operational needs, deriving synergistic and operational benefits to support its business functions.

The Proposal, if approved by the shareholders, will eliminate the need to make regular announcements to Bursa Malaysia or to issue separate circulars to shareholders and to convene separate general meetings on each occasion to seek shareholders' prior approval for the entry by our Group into such transactions. This would substantially reduce administrative time, inconvenience and expenses associated with the making of such announcements and the convening of such general meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the MCB Group.

Hence, the Directors are seeking approval from the shareholders on the RRPT(s) as described under Section 2.4 of this Circular.

## 6. FINANCIAL EFFECTS OF THE PROPOSAL

The Proposal is not expected to have any material effect on the issued share capital of MCB, as well as the consolidated earnings and net assets of MCB Group for the financial year ending 31 December 2024.

## 7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

As at LPD, the direct and indirect shareholdings of the interested Directors and Major Shareholders in MCB Group in respect of the Proposal are shown in the table below:

Name	Direct Interest		Indirect Interest	
	No. of MCB shares	%*	No. of MCB shares	%*
<b><u>Interested Directors</u></b>				
Tan Sri Che Khalib Mohamad Noh	420,000	0.01	-	-
Datuk Ooi Teik Huat	420,000	0.01	-	-
<b><u>Interested Major Shareholders</u></b>				
AOA	981,341,460	20.08	-	-
MMC	897,695,630	18.37	<sup>(a)</sup> 981,341,460	20.08
Seaport	-	-	<sup>(b)</sup> 1,879,037,090	38.45
Indra Cita	-	-	<sup>(c)</sup> 1,879,037,090	38.45
TSSM	-	-	<sup>(d)</sup> 1,879,037,090	38.45

### Notes:-

\* Based on the issued share capital of 4,886,961,300 ordinary shares (after excluding 113,038,700 treasury shares) in the Company as at LPD.

(a) Deemed interested in 981,341,460 shares held by AOA in MCB by virtue of its 100% direct shareholding in AOA pursuant to Section 8(4) of the Act.

(b) Deemed interested by virtue of its direct major shareholdings in MMC pursuant to Section 8(4) of the Act.

(c) Deemed interested by virtue of its shareholdings in MMC via its wholly-owned subsidiary, Seaport, pursuant to Section 8(4) of the Act.

(d) Deemed interested by virtue of his shareholdings in Indra Cita pursuant to Section 8(4) of the Act.

The abovenamed interested Directors have abstained and will continue to abstain from all deliberations and voting on the RRPT(s) involving them, as comprised in the Proposal at the relevant Board meetings and will also abstain from voting in respect of their direct and indirect shareholding on the ordinary resolution approving the Proposal at the forthcoming 18<sup>th</sup> AGM.

The abovenamed interested Major Shareholders will also abstain from voting, in respect of their direct and indirect shareholdings in MCB, on the ordinary resolution approving the RRPT(s) involving their interests, which are comprised in the Proposal at the forthcoming 18<sup>th</sup> AGM.

The abovenamed interested Directors and Major Shareholders have also undertaken to ensure that, where applicable, the persons connected with them in respect of direct and



indirect shareholdings (if any), will abstain from deliberating, approving and voting on the ordinary resolution pertaining to the Proposal to be tabled at the forthcoming 18<sup>th</sup> AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders or any persons connected with the Directors and/or Major Shareholders has any direct or indirect interest in the Proposal.

## **8. APPROVALS REQUIRED**

The Proposal is subject to approval to be obtained from the shareholders of our Company at the forthcoming 18<sup>th</sup> AGM.

## **9. DIRECTORS' RECOMMENDATION**

Having considered all aspects of the Proposal, our Board (save for the interested Directors named in Section 7 of the Circular) is of the opinion that the said Proposal is fair and reasonable and is in the best interest of our Company.

Accordingly, our Board (save for the interested Directors named in Section 7 of the Circular) recommends that you vote in favour of the ordinary resolution pertaining to the Proposal to be tabled under the Agenda of Special Business as set out in the Notice of the AGM appearing in the Annual Report 2023.

## **10. AGM**

The Notice of 18<sup>th</sup> AGM and Form of Proxy that contains the ordinary resolution in respect of the Proposal, which has also been incorporated into the Annual Report 2023, has been circulated to you.

The 18<sup>th</sup> AGM of the Company will be conducted on a fully virtual basis through live webcast and online remote voting from the broadcast venue at The Boardroom, Level 7, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia on Thursday, 25 April 2024 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposal as set out in the Notice of the 18<sup>th</sup> AGM and the Form of Proxy which are available to be downloaded from the Company's website at [www.malakoff.com.my](http://www.malakoff.com.my).

As a shareholder, you are encouraged to go online, participate and vote at the 18<sup>th</sup> AGM using the RPEV. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or via e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). The completed Form of Proxy must be deposited/lodged not less than forty-eight (48) hours before the time set for holding the 18<sup>th</sup> AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating and voting in person at the 18<sup>th</sup> AGM if you subsequently wish to do so.

## **11. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix I for additional information.

Yours faithfully  
For and on behalf of the Board of  
**MALAKOFF CORPORATION BERHAD**

**Tan Sri Datuk Dr. Ir. Ahmad Tajuddin Ali**  
Independent Non-Executive Chairman

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## ADDITIONAL INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of its knowledge and belief, there are no other facts the omission of which would make any statement herein false or misleading.

### 2. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) during the two (2) years immediately preceding the date of this Circular:

- a) **Sale and Purchase Agreement dated 8 August 2022 between MCB and Alam Flora Environmental Solutions Sdn Bhd in relation to the proposed sale of three (3) pieces of freehold lands collectively measuring approximately 239.74 acres (97.02 hectares) held under individual titles (i) GRN 49012 Lot No. 5408, (ii) GRN 66619 Lot No. 2790 and (iii) GRN 155631 Lot No. 130393, all in Mukim Batu Kurau, District of Larut & Matang, Perak**

On 8 August 2022, MCB had entered into a Sale and Purchase Agreement (“SPA”) with Alam Flora Environmental Solutions Sdn Bhd (“AFES”), a wholly-owned subsidiary of AFSB, for the sale of three (3) pieces of freehold lands held under individual titles (i) GRN 49012 Lot No. 5408, (ii) GRN 66619 Lot No. 2790 and (iii) GRN 155631 Lot No. 130393, all in Mukim Batu Kurau, District of Larut & Matang, in the State of Perak for a purchase consideration of Ringgit Malaysia Nineteen Million (RM19,000,000.00) (“Purchase Price”) subject to the terms and conditions as stipulated in the SPA.

AFES is in the process of fulfilling the conditions precedent as provided in the SPA.

- b) **Definitive Agreements dated 21 March 2023 between Rising Promenade Sdn Bhd, RP Hydro (Kelantan) Sdn Bhd, Rising O&M Engineering Services Sdn Bhd, Malakoff Corporation Berhad, Tuah Utama Sdn Bhd and Malakoff Technical Solutions Sdn Bhd in relation to the proposed development of three (3) small hydropower plants in Kelantan**

On 21 March 2023, Malakoff Corporation Berhad (“MCB”) together with its wholly-owned subsidiaries, Tuah Utama Sdn Bhd (“TUSB”) and Malakoff Technical Solutions Sdn Bhd (“MTSSB”), entered into a Heads of Agreement with Rising Promenade Sdn Bhd (“RPSB”), RP Hydro (Kelantan) Sdn Bhd (“RPHK” or “Project Company”) and Rising O&M Engineering Services Sdn Bhd (“ROMES”) which sets out the principal parameters between the parties in relation to their respective participation in the development, design, financing, insurance, procurement, construction, installation, testing, commissioning, ownership, operation, management and maintenance of three (3) hydroelectric renewable energy plants, namely Kemubu Small Hydropower Plant (“SHP”), Kuala Geris SHP and Serasa SHP with the installed capacity of 29.0MW, 25.0MW and 30.0MW respectively, all located in the District of Kuala Krai, State of Kelantan (“Project”).

MCB’s participation in the Project is by way of:

- (a) the purchase of 70% ordinary shares in the Project Company, RPHK, from RPSB through its wholly-owned subsidiary, TUSB, with a purchase consideration of Ringgit Malaysia Twenty Million and Twenty Thousand (RM20,020,000.00) (“Purchase of RPHK Shares”);
- (b) the subscription of up to 250,000,000 preference shares in RPHK through its wholly-owned subsidiary, TUSB (“Subscription of RPHK Preference Shares”), at a

- subscription price of Ringgit Malaysia One (RM1.00) for every one share; and
- (c) the purchase of 70% ordinary shares in the operation and maintenance (“**O&M**”) company, ROMES, from RPSB through its wholly-owned subsidiary, MTSSB, with a purchase consideration of Ringgit Malaysia Seven Hundred Thousand (RM700,000.00) (“**Purchase of ROMES Shares**”).

Further thereto, the following definitive agreements have been signed on 21 March 2023:

- (i) Heads of Agreement between MCB, TUSB, MTSSB, RPSB, RPHK and ROMES (“**HOA**”);
- (ii) Share Subscription Agreement between RPHK, TUSB and MCB (“**Share Subscription Agreement**”);
- (iii) Share Sale and Purchase Agreement between TUSB and RPSB (“**SSPA RPHK**”);
- (iv) Shareholders’ Agreement between TUSB and RPSB (“**SHA RPHK**”);
- (v) Share Sale and Purchase Agreement between MTSSB and RPSB (“**SSPA ROMES**”); and
- (vi) Shareholders’ Agreement between MTSSB and RPSB (“**SHA ROMES**”).

The Purchase of RPHK Shares and Purchase of ROMES Shares was completed on 7 September 2023 in accordance with the terms and conditions of the SSPA RPHK and SSPA ROMES respectively while the Subscription of RPHK Preference Shares is in the process of being undertaken in accordance with the terms and conditions of the Share Subscription Agreement. On 14 July 2023, the Project successfully achieved financial close.

**c) Share Sale and Purchase Agreement dated 27 October 2023 between Metacorp Berhad and Tuah Utama Sdn Bhd in relation to the proposed acquisition of 49,000 ordinary shares representing 49% equity interest in E-Idaman Sdn Bhd**

On 27 October 2023, Tuah Utama Sdn Bhd (“**TUSB**” or “**Purchaser**”), a wholly-owned subsidiary of MCB, entered into a conditional Share Sale and Purchase Agreement (“**SSPA**”) with Metacorp Berhad for the proposed acquisition of 49,000 ordinary shares representing 49% equity interest in E-Idaman Sdn Bhd by TUSB (“**Proposed Acquisition**”) for a purchase consideration of Ringgit Malaysia One Hundred Thirty Three Million and Two Hundred Thousand (RM133,200,000.00) (“**Purchase Price**”), subject to the terms and conditions as provided in the SSPA.

Parties are in the process of fulfilling the conditions precedents under the SSPA.

### **3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

Save as disclosed below, our Group is not involved in any material litigation, claims or arbitration, whether as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened, against our Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial or business position of MCB Group:

**a) International Chamber of Commerce International Court of Arbitration (“ICC”) Arbitration No. 24250/DDA filed by Algerian Energy Company SPA against (1) Tlemcen Desalination Investment Company SAS, (2) Hyflux Limited and (3) MCB, in relation to the Souk Tleta Seawater Desalination Plant in the District of Tlemcen, Algeria (“Plant”)**

On 19 March 2019, Algerian Energy Company SPA (“**AEC**” or “**Claimant**”) had initiated the arbitration at ICC, Paris, against Tlemcen Desalination Investment Company SAS (“**TDIC**”), an indirect 70%-owned subsidiary of our Company, Hyflux Limited (“**Hyflux**”) and MCB (collectively referred to as “**Respondents**”) in relation to the Water Purchase Agreement dated 9 December 2007, Framework Agreement of December 2007 (“**FA**”), Joint Venture Agreement dated 28 March 2007 (“**JVA**”) and Dispute Resolution Protocol dated 9 December 2007.

On 2 August 2021, the Claimant filed its Statement of Claim, seeking, inter alia, (a) damages of USD288.4 million as compensation for its loss in respect of the alleged breaches under the JVA, and (b) transfer of TDIC's shares in Almiyah Attilemcania SpA ("AAS"), the project company, for the sum of DZD1 only.

In response, MCB and TDIC filed their Statement of Defence, together with their technical, quantum/financial and legal expert reports, refuting AEC's claims, on 17 December 2021.

On 19 April 2022, AEC filed its Statement of Reply, increasing its claim to USD401.8 million (principal) or USD378.3 million (alternative). On 29 July 2022, MCB and TDIC filed their Rejoinder, in response to AEC's Statement of Reply.

The Arbitral Tribunal conducted the arbitration hearing in Paris on 21 to 24 November 2022.

Pursuant to the directions given by the Arbitral Tribunal, AEC, MCB and TDIC had filed their respective Post-Hearing Briefs on 15 March 2023 and Statements of Costs on 14 April 2023.

On 18 July 2023, the Arbitral Tribunal declared the proceedings closed with respect to the matters to be decided in the arbitration.

On 27 September 2023, the Arbitral Tribunal rendered the Final Award, deciding inter alia as follows:

- (a) MCB and Hyflux did not breach any of the provisions under the JVA as alleged by AEC;
- (b) All of AEC's claims for damages against MCB and Hyflux are dismissed;
- (c) TDIC is ordered to transfer its shares in AAS to AEC for an amount of DZD1 in accordance with the Framework Agreement;
- (d) The Respondents shall bear their own legal costs;
- (e) TDIC shall bear in full the costs of the arbitration, comprising the Arbitral Tribunal's fees and expenses and the ICC's administrative expenses, as determined by ICC. In this regard, TDIC is ordered to reimburse AEC the sum of USD882,569.67 towards the said costs of the arbitration;
- (f) TDIC is ordered to reimburse AEC the sum of EUR1,822,085.97, being 50% of AEC's legal costs; and
- (g) All other claims and submissions are dismissed.

*[The sums stated in items (e) and (f) above are subject to default interest equivalent to the bank interest rate for short-term loans applicable in Algeria plus 2% of the amount of interest per month of late payment from the date of the Final Award until full payment by TDIC.]*

The Final Award is not expected to have any material financial impact on the Group for the financial year ending 31 December 2023. MCB Group's carrying amount of investment in AAS had been fully provided for in financial year 2016.

- b) Singapore International Arbitration Centre Arbitration No. 278 of 2018**  
**Claim 1 (formerly Main Action) between Prai Power Sdn Bhd ("PPSB") (as Claimant) and (1) GE Energy Parts, Inc ("GE Energy Parts"), (2) GE Power Systems (Malaysia) Sdn Bhd ("GE Power Systems"), (3) General Electric International, Inc ("GE International"), and (4) General Electric Company ("GE") (collectively "GE Entities") (as Respondents); and**  
**Claim 2 (formerly Third Party Claim) between GE Entities (as Claimants) and (1) Malakoff Power Berhad ("MPB"), and (2) MCB (collectively "Malakoff Entities") (as Respondents), in relation to Prai Power Plant, Penang**

On 24 September 2018, Allianz General Insurance Company (Malaysia) Berhad initiated the arbitration as a subrogated action, in the name of PPSB, against GE Entities, in

relation to an incident on or about 18 July 2015 (“**2015 Incident**”) which resulted in damage to a gas turbine at PPSB’s 350MW Combined Cycle Gas Turbine Power Plant situated in Prai, Penang (“**Prai Power Plant**”).

PPSB alleged that GE Entities breached a duty to exercise reasonable care and skill to properly design, manufacture, supply and install a GE 109FA single shaft gas turbine at the Prai Power Plant. By reason of the alleged breach, PPSB claims for, among others, loss and damage in the sum of RM72,094,050.12 from GE Entities.

In addition to filing their defence on 22 April 2019, GE Entities filed a Counterclaim against PPSB alleging breach of:

- a) a Settlement and Release Agreement between GE Entities, PPSB and Malakoff Entities which was entered into on 12 December 2012 (“**SRA**”) for resolution of disputes in relation to two incidents at the Prai Power Plant which occurred in 2006 and 2009; and
- b) an agreement between PPSB, GE Energy Parts and GE Power System which was entered into on 19 December 2000 (“**PPSB Agreement**”) in relation to a Long-Term Service Agreement between MPB, GE Energy Parts and GE Power System.

On 9 August 2019, GE Entities filed a Joinder Application, seeking to join Malakoff Entities as parties to GE Entities’ Counterclaim. GE Entities alleged that:

- a) the commencement of the arbitration constitutes a breach of the SRA, in respect of which Malakoff Entities are liable;
- b) Malakoff Entities are liable to indemnify GE Entities against any liability under the arbitration; and
- c) if GE Entities are found liable for the 2015 Incident, MPB is liable for contributory negligence as the operator of the Prai Power Plant.

On 20 June 2020, the Arbitral Tribunal granted the Joinder Application to join Malakoff Entities as the Respondents in Claim 2 of GE Entities.

Following the passing of a co-arbitrator of the Arbitral Tribunal on 29 January 2023 and the consequential appointment of the substitute co-arbitrator on 17 March 2023, the hearing had been rescheduled to take place from 7 to 20 March 2024.

On 10 January 2024, one of the co-arbitrators of the Arbitral Tribunal had decided to withdraw as an arbitrator due to unexpected health complications. On 22 January 2024, the Arbitral Tribunal confirmed that the previously scheduled hearing dates from 7 to 20 March 2024 are now vacated. The substitute co-arbitrator is in the process of being appointed.

The Company is of the view that it is premature to form a definite opinion on the outcome of the case.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at Level 12, Block 4, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia between 8.30 a.m. to 5.30 p.m. from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the 18<sup>th</sup> AGM:

- (i) Constitution of MCB;
- (ii) Audited consolidated financial statements of MCB Group for the past two (2) FYEs 31 December 2022 and 2023 (the latest unaudited quarterly results for the financial period ending 31 March 2024 is not available yet as at 26 March 2024);
- (iii) Material contracts referred to in Section 2 of Appendix I; and

- (iv) Relevant cause papers in respect of material litigation, claims and arbitration referred to in Section 3 of Appendix I.

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**EXTRACT OF THE NOTICE OF THE 18<sup>TH</sup> AGM**

To consider and, if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

**(Resolution 9)**

**"THAT**, subject to Paragraph 10.09 of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), the Company and its subsidiaries ("**Group**") be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 2.4 of the Circular to Shareholders dated 26 March 2024, PROVIDED THAT such transactions are necessary for the Group's day-to-day operations and are in the ordinary course of business of the Group and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

**THAT** such approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority conferred by this resolution is renewed;
- (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier;

**AND THAT** the Directors of the Company and its subsidiaries be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate as authorised by this Ordinary Resolution."