Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Period Ended 30 June 2026

	3 months ended 30.06.2026 RM'000 (Unaudited)	3 months ended 30.06.2025 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2026 RM'000 (Unaudited)	Cumulative 6 months ended 30.06.2025 RM'000 (Unaudited)
Revenue	1,910,173	2,019,765	3,283,717	4,047,649
Cost of sales	(1,761,979)	(1,804,101)	(3,075,455)	(3,543,246)
Gross profit	148,194	215,664	208,262	504,403
Other income	70,957	7,813	200,663	16,405
Administrative expenses	(67,139)	(60,773)	(131,904)	(123,086)
Reversal on impairment loss of investments in associates	-	-	12,800	-
Other operating expenses	(42,163)	(3,050)	(85,649)	(98,915)
Results from operating activities	109,849	159,654	204,172	298,807
Finance income	14,666	16,454	24,824	31,486
Finance costs	(111,532)	(117,483)	(217,969)	(234,889)
Net finance costs	(96,866)	(101,029)	(193,145)	(203,403)
Share of profit of equity-accounted associates and joint ventures, net of tax	57,595	26,363	86,174	48,038
Profit before tax	70,578	84,988	97,201	143,442
Tax expense	(35,939)	(14,067)	(38,488)	(30,017)
Profit for the period	34,639	70,921	58,713	113,425
Other comprehensive (expense)/income, net of tax				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liabilities	-	(28)	-	(1,158)
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	-	-	-	(238)
Share of gain/(loss) on hedging reserve of equity-accounted associates and joint ventures	1,085	(1,223)	4,354	(4,554)
Foreign currency translation differences for foreign operations	(4,553)	(8,413)	(2,256)	(10,005)
	(3,468)	(9,636)	2,098	(14,797)
Other comprehensive (expense)/income for the period	(3,468)	(9,664)	2,098	(15,955)
Total comprehensive income for the period	31,171	61,257	60,811	97,470

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
Quarterly Report on Unaudited Consolidated Results
For the Period Ended 30 June 2026

	3 months ended 30.06.2026 RM'000 (Unaudited)	3 months ended 30.06.2025 RM'000 (Unaudited)	6 months ended 30.06.2026 RM'000 (Unaudited)	6 months ended 30.06.2025 RM'000 (Unaudited)
Profit attributable to:				
Equity holders of the Company	31,708	62,827	51,823	96,818
Non-controlling interests	2,931	8,094	6,890	16,607
Profit for the period	34,639	70,921	58,713	113,425
Total comprehensive income attributable to:				
Equity holders of the Company	28,240	53,163	53,921	80,863
Non-controlling interests	2,931	8,094	6,890	16,607
Total comprehensive income for the period	31,171	61,257	60,811	97,470
Earnings per ordinary share (sen)				
Basic	0.65	1.29	0.50	1.42

Condensed Consolidated Statements Of Financial Position
As at 30 June 2026

	As at 30.06.2026 RM'000 (Unaudited)	**As at 31.12.2025 RM'000 (Audited)**
Assets		
Property, plant and equipment	9,868,444	9,991,872
Right-of-use assets	98,655	110,270
Investment properties	16,300	16,300
Concession assets	305,888	234,531
Intangible assets	1,594,866	1,723,128
Investments in associates	668,695	712,316
Investments in joint ventures	755,945	708,583
Trade and other receivables	50	1,976
Deferred tax assets	318,654	328,517
Total non-current assets	13,627,497	13,827,493
Trade and other receivables	2,006,321	771,779
Inventories	981,893	992,073
Current tax assets	33,404	79,645
Other investments	1,365,302	593,848
Cash and cash equivalents	583,286	1,452,406
Total current assets	4,970,206	3,889,751
Total assets	**18,597,703**	**17,717,244**
Equity		
Share capital	5,693,055	5,693,055
Treasury shares	(98,647)	(98,647)
Reserves	294,077	291,979
Accumulated losses	(1,564,069)	(1,546,642)
Equity attributable to owners of the Company	4,324,416	4,339,745
Perpetual sukuk	800,000	800,000
Non-controlling interests	254,288	250,243
Total equity	5,378,704	5,389,988
Liabilities		
Loans and borrowings	6,752,470	6,556,688
Lease liabilities	9,986	22,736
Employee benefits	88,161	94,011
Provision for decommissioning costs	267,368	276,605
Provision for concession assets	133,064	131,276
Deferred income	2,102,331	2,202,564
Deferred tax liabilities	781,561	816,022
Total non-current liabilities	10,134,941	10,099,902

Condensed Consolidated Statements Of Financial Position
As at 30 June 2026

	As at 30.06.2026 RM'000 (Unaudited)	As at 31.12.2025 RM'000 (Audited)
Trade and other payables	1,852,406	1,101,750
Current tax liabilities	14,564	6,083
Loans and borrowings	885,030	786,889
Lease liabilities	18,102	13,772
Provision for concession assets	9,742	18,238
Employee benefits	11,367	7,775
Deferred income	292,847	292,847
Total current liabilities	3,084,058	2,227,354
Total liabilities	13,218,999	12,327,256
Total equity and liabilities	**18,597,703**	**17,717,244**
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.88	0.89

Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 June 2026

	Attributable to owners of the Company								
	Non-distributable				Distributable				
			Reserves						
	Share Capital RM'000	Treasury Shares RM'000	Translation RM'000	Hedging RM'000	Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2026	5,693,055	(98,647)	4,265	287,714	(1,546,642)	4,339,745	800,000	250,243	5,389,988
Foreign currency translation differences for foreign operations	-	-	(2,256)	-	-	(2,256)	-	-	(2,256)
Share of gain on hedging reserve of equity-accounted associates and joint ventures	-	-	-	4,354	-	4,354	-	-	4,354
Other comprehensive income/(expense) for the period	-	-	(2,256)	4,354	-	2,098	-	-	2,098
Profit for the period	-	-	-	-	51,823	51,823	-	6,890	58,713
Comprehensive income/(expense) for the period	-	-	(2,256)	4,354	51,823	53,921	-	6,890	60,811
Distribution to holder of perpetual sukuk	-	-	-	-	(27,222)	(27,222)	-	-	(27,222)
Dividends to owners of the Company	-	-	-	-	(42,028)	(42,028)	-	-	(42,028)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(2,845)	(2,845)
Total distribution to owners	-	-	-	-	(42,028)	(42,028)	-	(2,845)	(44,873)
At 30 June 2026	5,693,055	(98,647)	2,009	292,068	(1,564,069)	4,324,416	800,000	254,288	5,378,704

Condensed Consolidated Statement of Changes in Equity
For the Period Ended 30 June 2026

	/---- Attributable to owners of the Company ----								
	/---- Non-distributable ----/				Distributable				
			Reserves						
	Share Capital RM'000	Treasury Shares RM'000	Translation RM'000	Hedging RM'000	Accumulated Losses RM'000	Total RM'000	Perpetual Sukuk RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2025	5,693,055	(98,647)	22,194	293,860	(1,404,914)	4,505,548	800,000	238,289	5,543,837
Remeasurement of defined benefit liabilities	-	-	-	-	(1,158)	(1,158)	-	-	(1,158)
Foreign currency translation differences for foreign operations	-	-	(10,005)	-	-	(10,005)	-	-	(10,005)
Cash flow hedge	-	-	-	(238)	-	(238)	-	-	(238)
Share of loss on hedging reserve of equity-accounted associates and joint ventures	-	-	-	(4,554)	-	(4,554)	-	-	(4,554)
Other comprehensive expense for the period	-	-	(10,005)	(4,792)	(1,158)	(15,955)	-	-	(15,955)
Profit for the period	-	-	-	-	96,818	96,818	-	16,607	113,425
Comprehensive income/(expense) for the period	-	-	(10,005)	(4,792)	95,660	80,863	-	16,607	97,470
Distribution to holder of perpetual sukuk	-	-	-	-	(27,373)	(27,373)	-	-	(27,373)
Dividends to owners of the Company	-	-	-	-	(106,050)	(106,050)	-	-	(106,050)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(13,680)	(13,680)
Total distribution to owners	-	-	-	-	(106,050)	(106,050)	-	(13,680)	(119,730)
At 30 June 2025	5,693,055	(98,647)	12,189	289,068	(1,442,677)	4,452,988	800,000	241,216	5,494,204

Condensed Consolidated Statements Of Cash Flows
For the Period Ended 30 June 2026

	6 months ended 30.06.2026 RM'000 (Unaudited)	6 months ended 30.06.2025 RM'000 (Audited)
Cash flows from operating activities		
Profit before tax	97,201	143,442
Adjustments for :		
Non cash-items	555,180	543,468
Finance costs	217,969	234,889
Finance income	(24,824)	(31,486)
Share of profit of equity-accounted associates and joint ventures, net of tax	(86,174)	(48,038)
Operating profit before changes in working capital	759,352	842,275
Changes in working capital:		
Net change in current assets	(1,218,213)	(5,689)
Net change in current liabilities	709,605	121,313
Net change in non-current liabilities	(123,251)	(164,169)
Cash generated from operations	127,493	793,730
Tax paid, net	(10,690)	(46,609)
Net cash from operating activities	116,803	747,121
Cash flows from investing activities		
Additional investments in an associate	-	(118,200)
Change in other investments	(771,454)	(719,430)
Acquisition of subsidiaries, net of cash and cash equivalent acquired	-	21,200
Dividends received from associates	90,479	16,913
Dividends received from joint ventures	1,822	20,033
Interest received	20,311	16,926
Purchase of property, plant and equipment	(261,762)	(157,762)
Purchase of concession assets	(83,518)	(2,512)
Proceeds from disposal of property, plant and equipment	-	904
Net cash used in investing activities	(1,004,122)	(921,928)
Cash flows from financing activities		
Distribution to perpetual sukuk holder	(27,222)	(27,373)
Dividends paid to the owners of the Company	(42,028)	(106,050)
Dividends paid to the non-controlling interests	(2,845)	(13,680)
Interest paid	(174,295)	(148,055)
Proceeds from borrowings	718,097	250,000
Repayment of borrowings	(445,387)	(231,602)
Payment of lease liabilities	(8,121)	(8,515)
Net cash from/(used in) financing activities	18,199	(285,275)

Condensed Consolidated Statements Of Cash Flows
For the Period Ended 30 June 2026

	6 months ended 30.06.2026 RM'000 (Unaudited)	6 months ended 30.06.2025 RM'000 (Audited)
Net decrease in cash and cash equivalents	(869,120)	(460,082)
Cash and cash equivalents at beginning of the period	1,452,406	1,375,368
Cash and cash equivalents at end of the period	**583,286**	**915,286**
Cash and cash equivalents comprise :		
Cash and bank balances	251,448	120,882
Deposits with licensed banks and other licensed corporations	331,838	794,404
	583,286	**915,286**

Notes to the interim financial statements

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, *Interim Financial Reporting* and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

The audited financial statements of the Group for the financial year ended 31 December 2025 were prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The significant accounting policies adopted in these interim financial statements are consistent with those adopted in the annual audited financial statements for the financial year ended 31 December 2025, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026 as follows:

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements ─ Volume 11:
  - ➢ Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - ➢ Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - ➢ Amendments to MFRS 9, *Financial Instruments*
  - ➢ Amendments to MFRS 10, *Consolidated Financial Statements*
  - ➢ Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

The adoption of the above did not have any material impact on the financial statements of the Group.

2. Audit qualification

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2025 was not subject to any qualification.

3. Seasonal or cyclical factors

The Group's operations have not been affected by seasonal or cyclical factors.

4. Unusual items

There was no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review because of its nature, size and incidence.

5. Changes in estimates

There was no material change in financial estimates made in prior financial year that could materially affect the current interim results.

6. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter except for the following;

i. Issuance of Malakoff Power Berhad ("MPB") Islamic Medium-Term Notes ("IMTN") of RM450.0 million under ASEAN SRI Sukuk Murabahah Programme established in July 2024 of which the proceeds from the issuance were utilised to finance eligible projects set out in the Sustainable Finance Frameworks;

ii. Scheduled repayment of Tanjung Bin Energy Sdn. Bhd. ("TBE") sukuk programme of RM55.0 million;

iii. Scheduled repayment of Tanjung Bin O&M Berhad ("TBOM") sukuk programme of RM60.0 million; and

iv. Scheduled repayment of Malakoff Corporation Berhad ("MCB") trade financing of RM245.0 million.

7. Dividends paid

On 29 May 2026, the Company paid a final dividend of 0.86 sen per ordinary share on 4,886,961,300 ordinary shares in issue, totalling RM42,027,868 in respect of the financial year ended 31 December 2025.

8. Segment reporting

The Group's segmental reporting for the financial period ended 30 June 2026 is as follows:

	Power generation			Waste Management and Environmental Services	Others			Elimination			Total		
	Local	Foreign	Total	Local	Local	Foreign	Total	Local	Foreign	Total	Local	Foreign	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	2,764,973	-	2,764,973	429,049	89,695	-	89,695	-	-	-	3,283,717	-	3,283,717
Inter-segment revenue	-	-	-	34,100	414,000	287,230	701,230	(448,100)	(287,230)	(735,330)	-	-	-
Total segment revenue	2,764,973	-	2,764,973	463,149	503,695	287,230	790,925	(448,100)	(287,230)	(735,330)	3,283,717	-	3,283,717
Profit/(Loss) after tax	82,188	74,981	157,169	63,049	(2,150)	292,086	289,936	(158,699)	(292,742)	(451,441)	(15,612)	74,325	58,713

8. Segment reporting (cont'd)

The Group's segmental reporting for the financial period ended 30 June 2025 was as follows:

	Power generation			Waste Management and Environmental Services	Others			Elimination			Total		
	Local	**Foreign**	**Total**	**Local**	**Local**	**Foreign**	**Total**	**Local**	**Foreign**	**Total**	**Local**	**Foreign**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue from external customers	3,569,151	-	3,569,151	451,576	26,922	-	26,922	-	-	-	4,047,649	-	4,047,649
Inter-segment revenue	-	-	-	70,047	488,553	50,265	538,818	(558,600)	(50,265)	(608,865)	-	-	-
Total segment revenue	3,569,151	-	3,569,151	521,623	515,475	50,265	565,740	(558,600)	(50,265)	(608,865)	4,047,649	-	4,047,649
Profit/(Loss) after tax	123,123	39,008	162,131	65,379	111,276	55,726	167,002	(223,108)	(57,979)	(281,087)	76,670	36,755	113,425

9. Property, plant and equipment

There was no revaluation of property, plant and equipment during the current quarter ended 30 June 2026 except for the amounts carried forward pertaining to certain Group properties that had been revalued in the past.

10. Changes in composition of the Group

On 2 April 2026, Sungai Udang O&M Sdn. Bhd. ("SU O&M") was incorporated as a private company limited by shares under Companies Act 2016 with Malakoff Technical Solutions Sdn. Bhd. ("MTSSB") and Alam Flora Environmental Solutions Sdn. Bhd. ("AFES") each holds a 35% equity interest and Ecove Environment Services Corporation holds the remaining 30% of equity interest. Both MTSSB and AFES are subsidiaries of Malakoff Corporation Berhad ("MCB"). SU O&M is a special purpose company to undertake the provision of operation, maintenance, engineering, technical, management and other related services for Sungai Udang Waste-To-Energy (WTE) plant in Melaka. The share capital of SU O&M is RM100, comprising 100 ordinary shares, which have been issued and fully paid up.

11. Changes in contingent liabilities or contingent assets

There was no change in contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2025 except for the following bank guarantees issued to third parties:

	30.06.2026	**31.12.2025**
	RM'mil	RM'mil
Company and subsidiaries	994.8	822.1

These guarantees mainly consist of performance bonds and security deposits for projects.

12. Capital commitments

Capital commitments of the Group not provided for in the interim financial report are as follows:

	30.06.2026	**31.12.2025**
	RM'mil	RM'mil
Property, plant and equipment:		
Authorised and contracted for	335.2	615.8
Authorised but not contracted for	694.8	749.4
	1,030.0	1,365.2

Additional information required by the Bursa Securities Listing Requirements

13. Review of performance

Quarter 2, 2026 vs Quarter 2, 2025

For the quarter ended 30 June 2026, the Group recorded RM1,910.2 million in revenue, a decrease of RM109.6 million or 5.4% from the RM2,019.8 million as reported in the comparable quarter ended 30 June 2025. This was primarily due to lower capacity payment from Tanjung Bin Power Sdn. Bhd. ("TBP") affected by the steam turbine generator rotor failure at Unit 30 and generator hydrogen cooler leakage at Unit 20. However, these were partially offset by higher energy payment from Segari Energy Ventures Sdn. Bhd. ("SEV") and Prai Power Sdn. Bhd. ("PPSB") in line with the increase in despatch factor.

The Group recorded lower profit before taxation of RM70.6 million in the current quarter, a decrease of RM14.4 million from profit before taxation of RM85.0 million as reported in the comparable quarter ended 30 June 2025. This was primarily due to lower contribution from TBP affected by the steam turbine generator rotor failure at Unit 30 and generator hydrogen cooler leakage at Unit 20, partially offset by the insurance claims receivables and higher contribution from investments in associates.

Year-to-date, 2026 vs Year-to-date, 2025

For the period ended 30 June 2026, the Group recorded RM3,283.7 million in revenue, a decrease of RM763.9 million or 18.9% from RM4,047.6 million as reported in the corresponding period ended 30 June 2025, primarily due to lower energy and capacity payment from TBP affected by the steam turbine generator rotor failure at Unit 30 and generator hydrogen cooler leakage at Unit 20. However, these were partially offset by higher energy payment recorded from SEV and PPSB in line with the increase in despatch factor.

The Group recorded profit before taxation of RM97.2 million, a decrease of RM46.2 million from profit before taxation of the RM143.4 million reported in the corresponding period ended 30 June 2025, primarily due to lower contribution from TBP affected by the steam turbine generator rotor failure at Unit 30 and generator hydrogen cooler leakage at Unit 20. However, these were partially offset by the insurance claims receivables and higher contribution from investments in associates.

14. Variation of results against immediate preceding quarter

Quarter 2, 2026 vs Quarter 1, 2026

The Group recorded profit before taxation of RM70.6 million in the current quarter as compared with RM26.6 million as reported in the immediate preceding quarter, primarily attributed to improved fuel margin recorded at TBP and TBE plants as well as higher contribution from investments in associates.

15. Current prospects

Malaysia's Gross Domestic Product ("GDP") recorded a growth of 6.0% in the second quarter of 2026 from 5.4% in the previous quarter. The stronger performance was primarily driven by export growth from robust demand for electrical and electronics (E&E), resilient household spending and continued expansion of private investment underpinned by spending on structures as well as machinery and equipment *(source:Bank Negara Malaysia ("BNM") Economic & Financial Developments Report as at 14 August 2026).*

On 18 May 2026, GB3 Sdn. Bhd. ("GB3") and Segari Energy Ventures Sdn. Bhd. ("SEV"), both subsidiaries of Malakoff Corporation Berhad ("MCB"), executed new Power Purchase Agreements ("PPAs") with Tenaga Nasional Berhad ("TNB") for the extension of their gas-fired power plants operations in Lumut, Perak until 2029. The extension is expected to strengthen MCB's recurring income stream and support Malaysia's electricity supply security during the energy transition period.

On 5 June 2026, MCB, through its wholly owned subsidiary, Malakoff Technical Solutions Sdn. Bhd. ("MTSSB"), entered a Memorandum of Understanding ("MoU") with TNB Repair and Maintenance Sdn. Bhd. ("TNB REMACO") to collaborate in maintenance, repair and overhaul ("MRO") services for power plants, as well as training and competency development initiatives. This strategic collaboration is part of MCB's strategy to enhance the reliability and performance of its generation assets, strengthen its technical capabilities, and expand its operations and maintenance services business.

Tanjung Bin Complex makes milestone recovery with its coal handling system fully restored to its full design capacity of up to 5,000 tonnes per hour following successful recommissioning of all three (3) conveyor belt lines at the jetty. Coal inventory remains adequate to meet the plant operational requirement. Repair works for Tanjung Bin Power Sdn. Bhd. ("TBP") Unit 30 rotor is advancing as planned with reinstallation of the unit expected to complete in mid-August 2026.

Based on the foregoing, the Group remains prudent and cautiously optimistic on the overall performance for the financial year ending 31 December 2026.

16. Profit before tax

Profit before tax is stated after (crediting)/ charging the following items:

	3 months ended 30.06.2026 RM'mil	3 months ended 30.06.2025 RM'mil	Cumulative 6 months ended 30.06.2026 RM'mil	Cumulative 6 months ended 30.06.2025 RM'mil
Finance income	(14.7)	(16.5)	(24.8)	(31.5)
Finance costs	111.5	117.5	218.0	234.9
Depreciation	211.7	208.8	420.8	410.0
Amortisation of intangibles assets	68.5	71.3	136.2	138.3
Reversal on impairment loss of investments in associates	-	-	(12.8)	-
Property, plant and equipment written off	0.2	3.4	0.2	3.4
Net foreign exchange (gain)/loss	(0.2)	0.5	0.4	0.7

17. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter ended 30 June 2026.

18. Tax expense

	3 months ended 30.06.2026 RM'mil	3 months ended 30.06.2025 RM'mil	Cumulative 6 months ended 30.06.2026 RM'mil	Cumulative 6 months ended 30.06.2025 RM'mil
Current tax expense	26.3	41.2	65.3	86.1
Deferred tax expense	9.6	(27.1)	(26.8)	(56.1)
Total tax expense	35.9	14.1	38.5	30.0

The Group's effective tax rate for the current period under review was higher than the statutory income tax rate due to certain expenses not deductible for tax purposes.

19. Borrowings

	30.06.2026 RM'mil	31.12.2025 RM'mil
Current		
- Secured	799.4	724.5
- Unsecured	85.6	62.4
	885.0	786.9
Non-current		
- Secured	6,752.5	6,556.7
	7,637.5	7,343.6

The functional currency of the Group's borrowings is in Ringgit Malaysia (RM).

20. Changes in material litigation

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) Malakoff Corporation Berhad ("MCB") (collectively "Malakoff Entities") (as Respondents), in relation to Prai Power Plant.

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 the 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 damages in the sum of RM72,094,050 from GE Entities.

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

(a) the Settlement and Release Agreement dated 12 December 2012 ("SRA") in relation to two incidents at the Prai Power Plant in 2006 and 2009; and
(b) the agreement dated 19 December 2000, which was novated from Natural Analysis Sdn Bhd/PPSB to MPB in the Novation Agreement dated 18 January 2013.

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

(a) the commencement of the arbitration constitutes a breach of the Settlement and Release Agreement ("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 member 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 March 2024 to 20 March 2024.

On 10 January 2024, one of the members of the Arbitral Tribunal had decided to withdraw himself as a co-arbitrator due to unexpected health complications. On 22 January 2024, the Arbitral Tribunal confirmed that the previously scheduled hearing dates from 7 March 2024 to 20 March 2024 have been vacated.

On 26 February 2024, the SIAC appointed a substitute co-arbitrator.

On 28 February 2024, the Presiding Arbitrator requested the parties' counsel to propose alternate sets of hearing dates for the Arbitral Tribunal's consideration.

On 13 May 2024, the Arbitral Tribunal confirmed that the arbitration hearing has been scheduled to be held from 23 July 2025 to 8 August 2025.

On 18 June 2025, Malakoff Entities informed the Arbitral Tribunal of an unexpected medical circumstance faced by the lead counsel for Malakoff Entities and requested a postponement of the July-August Hearing to the first quarter of 2026.

On 20 June 2025, GE Entities proposed to the Arbitral Tribunal a bifurcation of the Merits Hearing, i.e. a proposal that the July-August Hearing proceeds in respect of Claim 1 only (involving only PPSB and GE Entities), allowing GE Entities a short time after the Arbitral Tribunal's determination of Claim 1 to decide if GE Entities would proceed with Claim 2 against Malakoff Entities.

On 28 June 2025, after consideration of the matters raised by PPSB and GE Entities in relation to bifurcation, the Arbitral Tribunal directed that:

(a) the July-August Hearing would proceed in respect of Claim 1 only, which solely involves PPSB and GE Entities; and

(b) the Arbitral Tribunal would decide at the conclusion of the hearing on Claim 1 whether to decide and issue its award on Claim 1 or defer it until Claim 2 (of which Malakoff Entities are involved) is heard.

Upon the conclusion of the July-August Hearing on 8 August 2025,

(a) The Arbitral Tribunal set 24 October 2025 as the deadline for parties in Claim 1 to file written submissions on the merits of Claim 1 as well as on costs; and

(b) No directions have been given by the Arbitral Tribunal in the course of the July-August Hearing which would require compliance by Malakoff Entities.

On 18 November 2025, the Arbitral Tribunal informed Malakoff Entities that the Arbitral Tribunal will give further directions on Claim 2 only after it has considered the closing submissions of the parties in Claim 1.

On 9 January 2026, the parties in Claim 1 submitted their Reply Submission for Claim 1 to Arbitral Tribunal.

As of 16 March 2026, the Arbitral Tribunal has yet to provide further directions to the Malakoff Entities, pending its decision on Claim 1.

The Arbitral Tribunal has issued its Partial Final Award on Claim 1 dated 6 July 2026 ("Award"), dismissing both Prai Power's Claim 1 and the GE Entities' counterclaim, with each party ordered to bear its own legal costs and expenses.

The Award does not determine Claim 2, being the GE Entities' claims against MCB and MPB, and therefore contains no findings, adverse or otherwise, against MCB or MPB.

Following the expiry of 28 days from the Tribunal's issuance of the Partial Final Award on Claim 1 on 3 August 2026, the GE Entities confirmed that they do not intend to pursue Claim 2 and would inform the Tribunal accordingly.

As of 6 August 2026, parties are presently awaiting the Tribunal's confirmation and direction that Claim 2 shall be treated as withdrawn, with no liberty to file afresh and no relief (including as to costs) awarded. The Tribunal's direction to this effect is expected to be delivered shortly.

Save as disclosed above, there has been no other significant change in material litigation, including the status of the pending material litigation in respect of the Company and its subsidiaries during the current quarter under review.

21. Dividend Payable

No interim dividend has been recommended by the Directors for the current quarter ended 30 June 2026.

In the corresponding quarter ended 30 June 2025, the Directors recommended the payment of an interim dividend of 1.50 sen per ordinary share in respect of the financial year ended 31 December 2025. The interim dividend was paid on 27 October 2025.

22. Earnings per ordinary share

	3 months ended 30.06.2026	3 months ended 30.06.2025	Cumulative 6 months ended 30.06.2026	Cumulative 6 months ended 30.06.2025
Basic Earnings per Ordinary Share				
Profit for the period attributable to equity holders (RM mil)	31.7	62.8	51.8	96.8
Distribution to perpetual sukuk holder (RM mil)[#]	-	-	(27.2)	(27.4)
Profit for the period attributable to ordinary shareholders (RM mil)	31.7	62.8	24.6	69.4
Weighted average number of ordinary shares (mil)	4,887.0	4,887.0	4,887.0	4,887.0
Basic earnings per ordinary share (sen)	0.65	1.29	0.50	1.42

Note[#] - The distribution to perpetual sukuk holder is classified as equity in the financial statements based on the underlying of issuing terms of the sukuk program.

23. Authorisation for issue

The interim financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 17 Aug 2026.

By Order of the Board
Noor Raniz bin Mat Nor (MAICSA No.7061903)
Nurfara'ain binti Hassan (MACS 01846)
Secretaries
Kuala Lumpur
17 Aug 2026