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The Malaysian Reserve, Malaysia

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MALAKOFF Corp Bhd's profit after tax and minority interests (PATMI) rose 58% quarter-on-quarter (QoQ) to RM31.7 million in the second quarter ended June 30, 2026 (2Q26), supported by improved fuel margins and stronger earnings from associates.

The group's PATMI was lower year-on-year (YoY) from RM62.8 million in 2Q25, while revenue declined 5.4% to RM1.91 billion from RM2.02 billion previously.

Malakoff said revenue during the quarter was supported by energy payments from Segari Energy Ventures Sdn Bhd, which owns the gas-fired power plant in Lumut, Perak, and Prai Power Sdn Bhd, owner of the Prai gas-fired power plant in Penang.

The Prai plant resumed operations in early April following the extension of its power purchase agreement (PPA) until the end of March 2030.

The performance helped offset lower capacity payments from Malakoff's Tanjung Bin Power Plant (TBPP) in Johor, where dispatch remained below typical levels during the quarter.

The QoQ improvement in PATMI from RM20.1 million in 1Q26 was primarily driven by improved fuel margins at TBPP and Tanjung Bin Energy Power Plant (TBEPP), which returned to full operations in late January.

Malakoff's environmental solutions business, comprising Alam Flora Sdn Bhd and Alam Flora Environmental Solutions Sdn Bhd, recorded PATMI of RM18.3 million during the quarter, down RM8.4 million from the corresponding period a year earlier.

The decline was mainly due to the absence of a one-off income recognised in 2Q25.

Meanwhile, recovery efforts at the Tanjung Bin Complex have progressed significantly, with its coal handling system restored to its design capacity of up to 5,000 tonnes per hour following the recommissioning of all three conveyor belt lines.

The affected areas at the jetty have also been cleared and reinstated, while coal inventory remains above the minimum stockpile requirement to support continued operations at TBPP and TBEPP.

Malakoff said remediation works on TBPP's Unit 30, which had been undergoing repairs, were progressing well, with the unit's rotor successfully installed on Aug 9.

Both TBPP and TBEPP have largely normalised operations and are operating close to full generating capacity.

Malakoff group CEO Syahrunizam Samsudin said the group was well positioned to deliver a stronger second half of the year (2H26) following the recovery of its Tanjung Bin assets.

"The recovery efforts at Tanjung Bin Complex have been completed and with all units now operating at close to full capacity, we expect a materially stronger performance from the plants in the months ahead," he said in a statement.

He added that the performance of Malakoff's gas-fired plants in Lumut and Prai demonstrated the resilience of its diversified generation portfolio.

On its growth initiatives, Malakoff said it had signed new PPAs with Tenaga Nasional Bhd (TNB) for the extension of operations at its two Lumut gas-fired plants until 2029, representing a combined generation capacity of 1,732 megawatts (MW).

Malakoff Power Bhd also raised RM450 million through a Sustainable and Responsible Investment (SRI) Sukuk Murabahah, described by the group as ASEAN's first dedicated to green and transition projects. The sukuk was oversubscribed 4.5 times.

In the environmental solutions segment, Malakoff said it had secured a 21-year PPA with TNB following the groundbreaking of its Sungai Udang waste-to-energy (WTE) project in April.

The facility is expected to generate about 22MW of renewable energy (RE) and, under its 34-year concession, process up to 1,056 tonnes of municipal solid waste daily.

The project is expected to provide a new revenue stream for the environmental solutions business while supporting the group's efforts to advance circular economy and waste-to-resource solutions.

Alam Flora is also set to deploy up to 242 electric vehicles (EVs) and equipment units by year-end, including Malaysia's first electric road sweeper, as part of efforts to lower the carbon intensity of its public cleansing operations.

Malakoff said it remained focused on maintaining operational reliability across its assets as it enters the second half of the year, supported by the restoration of the Tanjung Bin Complex, extended capacity at its Lumut plants and emerging earnings streams from RE and environmental solutions. — *TMR*

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