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MMC CORPORATION BERHAD RECORDS HIGHER PROFIT BEFORE ZAKAT AND TAXATION AT RM533 MILLION, UP 32.2% FOR FY 2019

KUALA LUMPUR, 25 February 2020 – MMC Corporation Berhad (“MMC” or “Group”), a premier utilities and infrastructure group recorded RM533 million in Profit Before Zakat and Taxation (“PBZT”), a 32.2% increase from RM403 million reported in the preceding financial year due to higher contributions from port entities, higher share of results of associates, namely Malakoff Corporation Berhad (“Malakoff”), higher passenger volume at Senai Airport Terminal Services Sdn Bhd (“Senai International Airport”), reversal of provision no longer required at Double Track project and gain on disposal of assets held for sale and lower administrative cost across the Group. These were offset with no recognition of negative goodwill upon finalisation of Penang Port Sdn Bhd’s (“Penang Port”) Purchase Price Allocation exercise and provision for impairment of receivables.

The Group recorded a revenue RM4.72 billion in revenue compared to RM4.98 billion reported in the preceding financial year due to lower work progress from Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line (“KVMRT-SSP Line”) following revision of contract in November 2018, and from the Langat Sewerage project. These were cushioned by full consolidation of Penang Port revenue (2018:8 months), higher passenger volume at Senai International Airport and higher volume handled at Pelabuhan Tanjung Pelepas (“PTP”) and Johor Port (“Johor Port”).

Review of Key Operating Companies

The Ports & Logistics division recorded a revenue of RM3.19 billion, an increase of 6.3% compared to RM3.00 billion reported in the preceding financial year, mainly due to the effect of full consolidation of Penang Port’s revenue and higher volume handled at PTP and Johor Port.

The division recorded higher PBZT by RM46 million to RM460 million compared to RM413 million reported in the preceding financial year due to higher volume handled at



PTP and Johor Port, oil spill compensation at PTP and gain on disposal of an asset held for sale at Johor Port.

The Energy & Utilities division recorded increase in PBZT of RM160 million compared to RM146 million reported in the preceding financial year due to higher contribution from Malakoff.

The Engineering division recorded a revenue of RM1.42 billion, a decrease of 24.9% compared to RM1.89 billion reported in the preceding financial year due to lower work progress from Langat Sewerage project and lower contribution from KVMRT-SSP Line following revision of contract in November 2018.

The division recorded an increase of 2.1% in PBZT to RM298 million from RM292 million reported in the preceding financial year mainly due to reversal of provision no longer required at Double Track project, offset by lower contribution from KVMRT-SSP Line.

Moving Forward

Continuous investments into the ports' infrastructure, capacities and capabilities along with execution of operational plans are expected to deliver positive results. Operational and cost synergies driven by MMC would further improve the performance of its Ports & Logistics division.

The Energy & Utilities division is expected to contribute positively from the Group's associated companies, namely Malakoff and Gas Malaysia Berhad.

Substantial existing order-book provides earnings visibility for the Engineering division anchored by the KVMRT-SSP Line. Furthermore, the earnings contribution from the Engineering division will be sustained by on-going projects.

Dato' Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad said, "MMC will continue to strengthen the Group's capabilities with a focus on operating performance and efficiency, whilst exploring new opportunities."



Photo caption: An increase in volume handled at PTP and Johor Port have contributed to a higher revenue in MMC's Ports & Logistics division.

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About MMC Corporation Berhad

MMC Corporation Berhad (MMC Group) is a leading utilities and infrastructure group with diversified businesses under four divisions, namely Ports and Logistics, Energy and Utilities, Engineering and Industrial Development.

Its key businesses under the Ports and Logistics division include the operations of Pelabuhan Tanjung Pelepas Sdn Bhd, Johor Port Berhad, Northport (Malaysia) Bhd, Penang Port Sdn Bhd, Tanjung Bruas Port Sdn Bhd and Kontena Nasional Berhad. Internationally, MMC Group has presence in Saudi Arabia via Red Sea Gateway Terminal Company Limited, a container port terminal within the Jeddah Islamic Port.

Under the Energy and Utilities division, MMC Group is the single largest shareholder of both Malakoff Corporation Berhad and Gas Malaysia Berhad.

MMC Group's Engineering division has played a leading role for the implementation of the entire project including the underground works package in completing the 51 km Klang Valley Mass Rapid Transit (KVMRT) Sungai Buloh-Kajang project (SBK Line) and is now the main turnkey



contractor for the entire Sungai Buloh-Serdang-Putrajaya project (SSP Line). Prior to this, MMC Group has successfully completed the 329 km Ipoh-Padang Besar Electrified Double Tracking Project as well as the innovative Stormwater Management and Road Tunnel (SMART) motorway, the first of its kind, dual-purpose tunnel in the world.

MMC Group is currently, undertaking key civil and infrastructure projects in the country namely Langat Centralised Sewerage Treatment Plant and Langat 2 Water Treatment Plant.

Under Industrial Development, MMC Group's Property develops and manages close to 6,000 acres of industrial developments in Iskandar Malaysia, Johor and Kulim, Kedah, which include the Senai Airport City, Tanjung Bin Petrochemical & Maritime Industrial Centre (TBPMIC) and the Northern Technocity (NTC). The Senai Airport City, TBPMIC and NTC developments come under the ambit of Group Property's three operating companies – Senai Airport City Sdn Bhd, Seaport Worldwide Sdn Bhd and Northern Technocity Sdn Bhd respectively.

In other businesses, MMC Group wholly-owns Aliran Ihsan Resources Berhad, a company which specialises in the full spectrum of water treatment and Senai Airport Terminal Services Sdn Bhd, the operator of Senai International Airport in Johor Bahru – a major aviation hub and the main air transportation gateway to Iskandar Malaysia.

Enquiries

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