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MMC RECORDS PROFIT BEFORE ZAKAT AND TAXATION OF RM243 MILLION

KUALA LUMPUR, 24 August 2020 – MMC Corporation Berhad (“MMC or the Group”), a premier utilities and infrastructure group, recorded a cumulative Profit Before Zakat and Taxation (“PBZT”) of RM243 million, representing an increase of 10.5% compared to RM220 million reported in the corresponding financial period ended 30 June 2019. This increase was mainly due to higher volume handled at Port of Tanjung Pelepas (“PTP”), higher contribution from Johor Port Berhad (“Johor Port”); and higher share of results of associates, namely Malakoff Corporation Berhad (“Malakoff”). However, these positives were partially offset by lower contribution from Northport (Malaysia) Bhd (“Northport”) and Kontena Nasional Berhad (“KNB”) as well as lower passenger and cargo volumes at Senai International Airport Services Sdn Bhd (“Senai International Airport”).

For the financial period ended 30 June 2020, the Group recorded RM2.08 billion in revenue compared to RM2.37 billion reported in the corresponding financial period ended 30 June 2019 due to lower work progress from Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line (“KVMRT-SSP Line”), lower passenger and cargo volumes at Senai International Airport, lower volume handled at Northport, Johor Port and Penang Port Sdn Bhd (“Penang Port”) and lower contribution from logistics services, KNB.

Review of Key Operating Companies

The Ports & Logistics division recorded slightly lower revenue of RM1.53 billion compared to RM1.58 billion reported in the corresponding financial period ended 30 June 2019 due to lower contribution from KNB and lower volume handled at Northport, Johor Port and Penang Port, partially offset by higher volume handled at PTP.

The division recorded marginally lower PBZT of RM219 million compared to RM222 million reported in the corresponding financial period ended 30 June 2019 due to lower contribution from KNB, Northport and Penang Port, cushioned by higher volume handled at PTP and gain on disposal of an asset held for sale at Johor Port.



The Energy & Utilities division recorded an increase of 48.3% in PBZT to RM89 million from RM60 million reported in the corresponding financial period ended 30 June 2019 due to higher contribution from Malakoff attributed to contribution from Alam Flora Sdn Bhd, higher contributions from its associates, lower operations and maintenance costs and higher contribution from its subsidiary, Tanjung Bin Energy Sdn. Bhd., following shorter duration plant outage and settlement agreement reached with its contractor.

The Engineering division recorded lower revenue of RM506 million compared to RM740 million reported in the corresponding financial period ended 30 June 2019 mainly due to lower work progress from KVMRT-SSP Line, affected by the Movement Control Order imposed by the Government. Nevertheless, the division recorded a slight increase of 1.5% in PBZT to RM121 million from RM119 million reported in the corresponding financial period ended 30 June 2019 attributed to lower operating expenses.

Moving Forward

The Group is cognisant of the challenging business environment in financial year 2020 in view of the global economic contraction arising from the on-going COVID-19 pandemic. With the recent drop in COVID-19 cases locally, most business activities have seen to resume operations whilst adhering to stricter standard operating procedures. The Group views this development as a positive progress towards economic recovery outlook should the situation remains.

The Ports & Logistics division continues to focus on resource optimisation amid the improving global container volume outlook. Continuous vigilant investments into the ports' infrastructures, operational efficiency and cost synergies' initiatives across the Group are expected to be the key drivers to the overall Ports & Logistics performance.

The Energy & Utilities division is expected to contribute consistent earnings from its two associated companies, namely Malakoff and Gas Malaysia Berhad.

The Engineering division is expected to provide earnings visibility for the Group from its substantial existing orderbook, anchored by KVMRT-SSP Line project. The division remains active in its effort to replenish its order-book whilst focusing on the execution and timely completion of its existing projects.

“Moving forward and in anticipation of the continued challenging environment, MMC Group remains focused to deliver results and contribute towards industry growth and nation building. As most of our core businesses are deemed as essential services, we will strive for greater heights, albeit via safe, reliable and efficient operations. All in all, our sustainable growth will be supported by a resilient business model and strong workforce”, said Dato’ Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad.



Photo caption:

Due to various operational improvement initiatives and consistency in productivity, PTP recorded a higher volume of 58,909 TEUs in the first half 2020.

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About MMC Corporation Berhad

MMC Corporation Berhad (“MMC of the 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 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 is the single largest shareholder of both Malakoff Corporation Berhad and Gas Malaysia Berhad.

MMC'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 Sungai Buloh-Kajang Line project (KVMRT-SBK Line) and is now the main turnkey contractor for the entire Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line project (KVMRT-SSP Line). Prior to this, MMC 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 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 approximately 5,000 acres of industrial developments in Iskandar Malaysia, Johor and Kulim, Kedah, which include the Senai Airport City, Tanjung Bin Industrial Park and the Northern Technocity (NTC). The Senai Airport City, Tanjung Bin Industrial Park 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 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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