

FOR IMMEDIATE RELEASE

MALAKOFF POSTS A NET PROFIT OF RM50.8 MILLION IN Q3 2020

Alam Flora and Higher Share of Profit from Associates Continue to Sustain Earnings

KUALA LUMPUR, Malaysia – 24 November 2020: Malakoff Corporation Berhad (“Malakoff” or “Group”), a member of the MMC Group, recorded a Profit After Tax and Minority Interests (“PATMI”) of RM50.8 million in the third quarter ended 30 September 2020 (“Q3 FY2020”), a decrease of 46.2% from RM94.5 million reported in the third quarter ended 30 September 2019 (“Q3 FY2019”).

The decline in profit was primarily due to lower contributions from Tanjung Bin Power Sdn Bhd (“TBP”) and Tanjung Bin Energy Sdn Bhd (“TBE”) coal plants following the decline in Applicable Coal Price (“ACP”) as well as TBP’s lower Daily Utilisation Payment (“DUP”) in line with the scheduled reduction in tariff effective 28 September 2019. In addition, the Group’s results were also impacted by the deconsolidation of Malakoff Australia Pty. Ltd (“MAPL”) upon completion of its disposal in December 2019 and the absence of gain on remeasurement of investment following the completion of 12% additional interest in Shuaibah Independent Water & Power Project (“IWPP”) in September 2019.

Notwithstanding the above, the Group’s PATMI for the period under review was partially moderated by contribution from Alam Flora Sdn Bhd (“AFSB”) and higher share of profit from investments in associates given the absence of share of losses from 40% owned Kapar Energy Ventures Sdn Bhd (“KEV”) following impairment of the carrying amount of investment in December 2019 and contribution from Shuaibah IWPP.

The Group’s revenue decreased from RM1,859.0 million in Q3 FY2019 to RM1,482.9 million in Q3 FY2020. The 20% decline was mainly attributable to lower energy payment from Segari Energy Ventures Sdn Bhd (“SEV”) and the coal plants due to

lower despatch factor and decline in ACP, respectively. However, these were partially moderated by revenue contribution from AFSB.

Datuk Haji Hasni bin Harun, Chairman of Malakoff said, “The Group continues to focus on executing its three strategic pillars, namely focusing on operational excellence, achieving sustainable growth and strengthening its fundamentals. The recently announced Malaysia Budget 2021 on the development of rural electricity distribution projects and the extension of the RM2 billion financing scheme for investment in green technology augurs well for power companies such as Malakoff. The sizeable allocation of RM500 million for the environmental and waste management services also presents potential business opportunities to the Group via Alam Flora Sdn Bhd”.

“Malakoff is also steadfast in its aspiration to grow its Renewable Energy (“RE”) presence, in line with the Government’s target to increase the current RE capacity mix to 20% by 2025. On 19 November 2020, Malakoff successfully secured a feed-in tariff approval for a 2.4 MW biogas power project in Kota Tinggi, Johor. The Group also recently signed a Solar Power Purchase Agreement (“SPPA”) with Northport (Malaysia) Berhad to carry out a rooftop solar project with a capacity of 4.98 MW. In addition, the Group will be participating in a bid for a Waste-to-Energy (“WTE”) plant in Johor with a capacity of 800 tonnes per day,” he added.

For more details on Malakoff, please visit www.malakoff.com.my

ABOUT MALAKOFF CORPORATION BERHAD

Malakoff is an independent water and power producer (“IWPP”) with core focus on power generation, water desalination and operation & maintenance services. In Malaysia, Malakoff is the largest independent power producer (“IPP”) with an effective generating capacity of 5,822 MW from its six power plants.

Malakoff’s international assets include power and water ventures in Saudi Arabia, Bahrain and Oman, with an effective capacity of 588 MW of power generation and 472,975 m³/day of water desalination. Malakoff is also actively looking to venture further into the Middle East and North African region as well as the South-East Asian markets.

Through its wholly-owned subsidiary, Malakoff Technical Solutions Sdn Bhd (formerly known as Teknik Janakuasa Sdn Bhd), Malakoff has involvements in Operations & Maintenance services locally and in Saudi Arabia, Kuwait, Oman and Indonesia.

Malakoff believes in working together with all stakeholders in productive partnerships. As such, the Group takes pride in being a responsible operator and a good corporate citizen in all communities where it operates.

Malakoff is a member of the MMC Group.

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ABOUT MMC CORPORATION BERHAD

MMC Corporation Berhad (“MMC”) 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 includes the port 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, a logistics provider. 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, Malakoff Corporation Berhad is the largest Independent Power Producer in Malaysia and its subsidiary, Alam Flora Sdn Bhd, is one of the leading environmental management companies in the country. Under Gas Malaysia Berhad, we are the supplier of reticulated natural gas in Peninsular Malaysia operating and maintaining 2,468 kilometres of gas pipeline. Through Aliran Ihsan Resources Berhad, we provide full-fledge water services using high technology treatment in Malaysia.

MMC’s Engineering Division has played a leading role as the Project Delivery Partner and underground works package contractor in completing 51 kilometres Klang Valley Mass Rapid Transit (“KVMRT”) Kajang Line (previously known as Sungai Buloh-Kajang Line) including 9.5 kilometres underground works. Currently, we are the main turnkey contractor for 52.2 kilometres KVMRT Putrajaya Line (previously known as Sungai Buloh-Serdang-Putrajaya Line). MMC also successfully completed the 329-kilometre 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 in the final stage of completing the Langat Centralised Sewerage Treatment Plant (920,000 Population Equivalent) and Langat 2 Water Treatment Plant (1,130 Million Litres Per Day).

MMC’s Industrial Development Division develops and manages approximately 5,000 acres of industrial developments namely Senai Airport City (“SAC”) and Tanjung Bin Industrial Park (“TBIP”) in Iskandar Malaysia, Johor and Northern Technocity (“NTC”) in Kulim Kedah.

The SAC, TBIP and NTC developments come under the ambit of Industrial Development division's three operating companies – Senai Airport City Sdn Bhd, Seaport Worldwide Sdn Bhd and Northern Technocity Sdn Bhd respectively.

In other business, through Senai Airport Terminal Services Sdn Bhd, we are the operator of Senai International Airport in Johor Bahru – the southern aviation hub and an important gateway to Iskandar Malaysia.

Enquiries

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