



## **FOR IMMEDIATE RELEASE**

# **MMC's FY2020 EARNINGS JUMP 47% TO RM375 MILLION**

**KUALA LUMPUR, 26 February 2021** – MMC Corporation Berhad (“MMC” or “Group”), a premier utilities and infrastructure group recorded RM646 million in Profit Before Zakat and Taxation (“PBZT”), representing a 24% increase from RM522 million reported in the preceding financial year, mainly due to higher container volume handled at Port of Tanjung Pelepas (“PTP”) and Northport (Malaysia) Bhd (“Northport”), higher contribution from Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line (“KVMRT-SSP Line”) upon completion of tunnelling works, sale of land at Senai Airport City (“SAC”) and lower operating expenses and finance costs across the Group.

These were partially offset by lower passenger and cargo volumes at Senai Airport Terminal Services Sdn Bhd (“Senai International Airport”) and provision for impairment of a discontinued project’s receivables.

The Group recorded a revenue of RM4.49 billion compared to RM4.71 billion reported in the preceding financial year due to lower work progress from KVMRT-SSP Line, lower passenger and cargo volumes at Senai International Airport, and lower volume handled at Penang Port Sdn Bhd (“Penang Port”). These, however, were partially offset by higher volume handled at PTP and Northport, as well as sale of land at SAC.

### **Review of Key Operating Companies**

The Ports & Logistics division recorded a revenue of RM3.23 billion, an increase of 1.6% compared with RM3.18 billion reported in the preceding financial year, mainly due to higher volume handled at PTP and Northport, offset by lower volume handled at Penang Port.

The division recorded higher PBZT by RM150 million to RM599 million compared to RM449 million reported in the preceding financial year due to higher volume handled at PTP and Northport, as well as lower operating expenses across the division.



The Energy and Utilities division recorded PBZT of RM155 million compared to RM164 million reported in the preceding financial year due to lower contribution from Malakoff Corporation Berhad (“Malakoff”). The fall was cushioned by full-year consolidation of contribution from Alam Flora Sdn Bhd, higher contributions from its associates, lower operations and maintenance costs, compensation received from the settlement agreement reached with its contractor and no net impairment losses of its associate, Kapar Energy Ventures Sdn Bhd.

The Engineering division recorded a revenue of RM1.16 billion, a decrease of 18.3% compared to RM1.42 billion reported in the preceding financial year mainly, due to lower work progress from KVMRT-SSP Line, affected by the unprecedented Movement Control Order (“MCO”).

However, the division recorded higher PBZT by 11.4% to RM322 million from RM289 million reported in the preceding financial year due to higher contribution from KVMRT-SSP Line upon completion of tunnelling works.

### **Moving Forward**

The Group is positive with regard to the growth prospects of its business divisions in FY2021, in line with the expected recovery of global and domestic economic growth. As the economic demand and production activities are expected to increase in line with the projected growth in Gross Domestic Product, MMC’s key business divisions are to continue to play important roles in facilitating and enabling economic growth. Nevertheless, the Group remains vigilant on the market changes locally in response to the recent implementation of MCO 2.0 since 13 January 2021.

The Ports & Logistics division will continue to optimise the utilisation of its assets and resources coupled with the continuous stringent cost management. Over the short to medium term, the division will undertake prioritised investments in order to elevate and strengthen further the ports’ capacities and infrastructures, operational efficiencies and Group-wide synergies.

The Energy & Utilities division remains resilient to the impact brought upon by the COVID-19 pandemic and is expected to contribute steady earnings from its two (2) main 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 is committed and remains active in its effort to secure new projects on the back of the anticipated economic recovery and Budget 2021 announcement, which aims to revive the economy by, among other initiatives, increasing the development expenditure allocation by 38% as compared to Budget 2020.

Dato' Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad said, "Looking forward, with a better and timely measures and response to the pandemic spread, the Group views that the anticipated economic recovery is attainable. We are committed to strengthening our financial and market positions by focusing on operational excellence and cost optimisation, whilst exploring new business opportunities. Overall, the Group expects to sustain, if not improve its financial and operational performance for FY2021."



***Photo caption: MMC's Ports & Logistics division records higher PBZT by RM150 million to RM599 million compared to RM449 million reported in the preceding financial year ended 31 December 2019.***

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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.*

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