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MMC'S Q1 PROFIT BEFORE TAX INCREASES BY 92% TO RM221 MILLION

KUALA LUMPUR, 24 May 2021 – MMC Corporation Berhad (“MMC” or “Group”), a premier utilities and infrastructure group recorded an increase of 92% in Profit Before Zakat and Taxation (“PBZT”) to RM221 million compared to RM115 million reported in the corresponding financial period ended 31 March 2020. This was mainly due to higher volume handled at Port of Tanjung Pelepas (“PTP”) and Northport (Malaysia) Bhd (“Northport”), gain on sublease of land at PTP, and lower finance costs incurred.

The strong volume growth at PTP and Northport were the main drivers for the Group to record revenue of RM1.14 billion compared to RM1.09 billion reported in the corresponding financial period ended 31 March 2020. However, the Group’s revenue growth was partially offset by lower work progress from Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line (“KVMRT-SSP Line”), lower passenger and cargo volumes at Senai Airport Terminal Services Sdn Bhd (“Senai International Airport”), and lower volume handled at Penang Port Sdn Bhd (“Penang Port”).

Review of Key Operating Companies

The Ports and Logistics division recorded a revenue of RM904 million, an increase of 12.9% compared to RM801 million reported in the corresponding financial period ended 31 March 2020 due to strong volume growth at PTP and Northport, however impeded by lower volume handled at Penang Port.

Correspondingly, the division recorded higher PBZT by RM114 million to RM237 million compared with RM123 million reported in the corresponding financial period ended 31 March 2020 attributed to higher volume handled at PTP and Northport, and gain on sublease of land at PTP.

The Energy and Utilities division recorded PBZT of RM34 million compared with RM42 million reported in the corresponding financial period ended 31 March 2020. The decrease was due to lower contribution from the Group’s associate, Malakoff Corporation Berhad (“Malakoff”), attributed by lower contributions from its coal plants given the



decline in applicable coal price, decrease in despatch factor at Segari Energy Venture Sdn. Bhd. and higher operation and maintenance costs.

The Engineering division recorded revenue of RM229 million compared with RM264 million reported in the corresponding financial period ended 31 March 2020. The decrease was mainly due to lower work progress from KVMRT-SSP Line due to completion of tunnelling works and impacts of COVID-19.

The division recorded PBZT of RM50 million compared with RM61 million reported in the corresponding financial period ended 31 March 2020. The decrease was in line with lower work progress from KVMRT-SSP Line as explained above.

Moving Forward

The Group is positive with the growth prospects of its business divisions in FY2021, in line with the expected global and domestic economic recovery. 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 domestic market changes in response to the implementation of Movement Control Orders and the recent rising cases recorded.

The Port and Logistics division is expected to maintain strong momentum in line with economic recovery and growth. The division will continue to optimise the utilisation of its assets and resources coupled with the continuous introduction and adoption of stringent cost management. Over the short to medium term, the division will prioritise its investments and capital allocation in order to elevate and further strengthen the ports' capacities and infrastructures and operational efficiencies.

The Energy and Utilities division remains a key component to the Group and is expected to contribute steady earnings from its two (2) main associated companies, namely Malakoff and Gas Malaysia Berhad.

The Engineering 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.

Looking forward, with better and timely preventive measures and broader coverage of vaccination, the Group views that the anticipated economic recovery is attainable. The Group is 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 its financial and operational performance for FY2021.

Dato' Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad said, "The health and safety of our stakeholders remain our utmost priority. We will keep on strengthening our preventive measures and ensure minimal disruption to our business operation."



Photo caption: MMC's Ports & Logistics division records a 93% increase in PBZT to RM237 million compared to RM123 million reported in corresponding financial period ended 31 March 2020.

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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 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, MMC is the single largest shareholder of both Malakoff Corporation Berhad, the country's largest Independent Power Producer and Gas Malaysia Berhad, a total energy solutions provider. Through Aliran Ihsan Resources Berhad, we are a pioneer in wastewater recycling technology and a water treatment specialist.

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 (KVMRT) Sungai Buloh-Kajang project (SBK Line) and is now the main contractor for the entire Sungai Buloh-Serdang-Putrajaya project (SSP Line). MMC is also currently, undertaking key civil and infrastructure projects in the country namely Langat Centralised Sewerage Treatment Plant and Langat 2 Water Treatment Plant.

Notably, MMC completed the 329 km Ipoh-Padang Besar Electrified Double Tracking Project and the innovative Stormwater Management and Road Tunnel (SMART) motorway, the first of its kind, dual-purpose tunnel in the world.

MMC's Industrial Development division develops and manages approximately 5,000 acres of industrial developments in Iskandar Malaysia, Johor and Kulim, Kedah, which includes the Senai Airport City, Tanjung Bin Industrial Park and the Northern Technocity.

In other business, MMC wholly-owns Senai Airport Terminal Services Sdn Bhd, the operator of Senai International Airport in Johor Bahru – an emerging southern aviation hub and important gateway to Iskandar Malaysia.

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