



News Release
For Immediate Publication

MALAKOFF'S NET PROFIT DOUBLES TO RM105 MIL IN Q2 2020

Improved Earnings driven by TBE, Alam Flora and Higher Share of Profit from Associates

KUALA LUMPUR, Malaysia – 18 August 2020: Malakoff Corporation Berhad (“Malakoff” or “Group”), a member of the MMC Group, recorded higher Profit After Tax and Minority Interests (“PATMI”) of RM105.0 million in the second quarter ended 30 June 2020 (“Q2 FY2020”), an increase of 101% from RM52.3 million reported in the second quarter ended 30 June 2019 (“Q2 FY2019”).

The improved performance was primarily attributed to the increased earnings from Tanjung Bin Energy Sdn Bhd (“TBE”) and contribution from Alam Flora Sdn Bhd (“AFSB”). In addition, the Group’s share of profit from investments in associates rose by more than 5-fold from RM9.7 million in Q2 FY2019 to RM50.5 million in Q2 FY2020, led by Shuaibah Independent Water and Power Plant and the absence of share of losses from the 40%-owned Kapar Energy Ventures Sdn Bhd (“KEV”) following the impairment of the carrying amount of investment as at 31 December 2019.

However, the Group recorded RM1,506.2 million in revenue for Q2 FY2020, a decrease of 17% from RM1,814.8 million reported in Q2 FY2019. The decline in revenue was primarily due to lower energy payment recorded given the decline in applicable coal price at Tanjung Bin Power Sdn Bhd (“TBP”) as well as a decrease in despatch factor at Segari Energy Ventures Sdn Bhd, GB3 Sdn Bhd and Prai Power Sdn Bhd gas plants that were impacted by lower demand as well as the absence of contribution from Malakoff Australia Pty. Ltd upon completion of its disposal in December 2019. However, these were partially moderated by higher energy payment recorded at TBE given the shorter outage duration during the period and revenue contribution from AFSB.

Based on the improved performance, the Board of Directors recommended a higher interim dividend payment of 2.80 sen per ordinary share in respect of the financial year ending 31 December 2020 which will be paid on 16 October 2020.

Dato' Ahmad Fuaad Kenali, Chief Executive Officer of Malakoff said, "The country's electricity demand is expected to fall by 6% this year due to a drop in economic activities, particularly in the industrial and commercial sectors. As an essential service provider, the Group continues to focus on enhancing the operational efficiency of its plants, particularly with increased cost-saving measures in the wake of the challenges during the Movement Control Order ("MCO") period".

"In May 2020, to help reactivate the Malaysian economy adversely affected by the global pandemic, the Government initiated competitive bidding for the 4th cycle of Large-Scale Solar ("LSS4") in Peninsular Malaysia, with a total capacity of 1,000MW worth RM4 billion. Participation in LSS4 would allow the Group the opportunity to expand its Renewable Energy ("RE") capacity alongside progressing its other RE projects," 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, 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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