



News Release
For Immediate Publication

MALAKOFF RECORDS RM139 MIL PBT IN 3Q FY2019

Focused on enhancing assets' efficiency and reliability to improve its performance

Note: The financial performance presented herein includes financial results of Malakoff's investment in Macarthur Wind Farm in Australia which was presented as discontinuing operations in Malakoff's quarterly report for the financial period ended 30 September 2019.

KUALA LUMPUR, Malaysia – 20 November 2019: Malakoff Corporation Berhad ("Malakoff" or "Group"), a member of MMC Group, recorded RM1,859.0 million in revenue for the quarter ended 30 September 2019 ("3Q FY2019"), 2.8% lower compared with RM1,912.7 million for the corresponding quarter ended 30 September 2018 ("3Q FY2018").

The drop in revenue was primarily due to lower energy payment recorded from Tanjung Bin Power Sdn Bhd ("TBP") coal plant given the lower dispatch factor following the plant's scheduled maintenance outage performed between 24 August and 21 October 2019.

The Group recorded lower profit before tax ("PBT") of RM139.0 million compared with RM165.4 million reported in 3Q FY2018, primarily attributed to higher operations and maintenance costs and the absence of gain from the disposal of 20% equity interest in Lekir Bulk Terminal Sdn. Bhd. ("LBTSB"). However, these were partially moderated by improved contribution from Tanjung Bin Energy Sdn. Bhd. ("TBE") coal plant and gain on remeasurement of existing investment in Shuaibah, Saudi Arabia following completion of the acquisition of the entire equity interest in Desaru Investment (Cayman Isl.) Limited.

For the financial period ended 30 September 2019, the Group recorded RM5,681.2 million in revenue, an increase of 4% compared with RM5,461.0 million reported in the corresponding period of the preceding year, primarily due to higher energy payment recorded from TBP and TBE coal plants on the back of higher applicable coal price as well as from Segari Energy Ventures Sdn. Bhd. ("SEV") given the higher dispatch factor.

The Group recorded PBT of RM393.2 million for the financial period ended 30 September 2019, a decrease of 2.4% from RM402.7 million for the corresponding period, primarily attributed to higher operations and maintenance costs, higher depreciation charges and absence of gain from the disposal of investment in LBTSB. However, these were partially moderated by improved contribution from TBE coal plant given the shorter plant outage duration, lower barging and demurrage costs following completion of coal unloading jetty, lower net finance costs coupled with gain on remeasurement of existing investment in Shuaibah.

Based on the foregoing, the Group expects its performance to remain satisfactory for the financial year ending 31 December 2019.

Dato' Ahmad Fuaad Kenali, Chief Executive Officer of Malakoff said, "the Group will continue to focus on enhancing the efficiency and reliability of its assets. To this end, our TBE plant had undertaken a 73-day scheduled outage in the first half of 2019 and its Unscheduled Outage Rate ("UOR") has now dropped to below the contractual rate of 6%."

He added that "as part of the Group's effort to further optimise its capital structure and unlock the value of its assets, the Group had entered into a conditional Share and Unit Purchase Agreement ("SPA") with AMP Capital of Australia on 29 October 2019 to dispose of its entire 50% participating interest in Macarthur Wind Farm, Australia for a cash consideration of AUD356.85 million."

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 5,910 MW from its six power plants.

Malakoff's international assets include power and water ventures in Saudi Arabia, Bahrain, Oman and Australia, with an effective capacity of 798 MW of power and 472,975 m³/day of

water desalination. Malakoff is also actively looking to venture further into the Middle East and North Africa region as well as the South-East Asian markets.

Through its wholly-owned subsidiary, Teknik Janakuasa Sdn Bhd, Malakoff has involvements in operation & 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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