



**NEWS RELEASE  
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**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 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](http://www.malakoff.com.my)

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#### **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 m<sup>3</sup>/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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