



**NEWS RELEASE
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MALAKOFF POSTS A NET PROFIT OF RM286.6 MILLION FOR FY2020

Alam Flora and Higher Share of Profit from Associates Continue to Drive Earnings

KUALA LUMPUR, Malaysia – 19 February 2021: Malakoff Corporation Berhad (“Malakoff” or “Group”), a member of the MMC Group, recorded a Profit After Tax and Minority Interests (“PATMI”) of RM286.6 million for the financial year ended 31 December 2020 (“FY2020”), a decrease of 10.5% from RM320.2 million for the financial year ended 31 December 2019 (“FY2019”).

The decline was primarily attributed to the absence of a one-off gain from the disposal of the Group’s investment in Malakoff Australia Pty Ltd (“MAPL”) in the previous financial year. However, this was partially moderated by the absence of a net impairment loss on the Group’s carrying value of investment in 40%-owned Kapar Energy Ventures Sdn Bhd (“KEV”) and the absence of KEV’s share of losses in FY2019.

Excluding the extraordinary items consisting of the Macarthur Windfarm disposal gain, net impairment loss and share of losses from KEV and the gain on remeasurement of the Group’s investment in Shuaibah in FY2019 as well as the Tanjung Bin Energy Sdn Bhd (“TBE”) settlement gain in FY2020, Malakoff’s net profit improved by 20.5% from RM210.4 million in FY2019 to RM253.5 million in FY2020.

The increase in the Group’s earnings, excluding the extraordinary items, were mainly attributable to the higher share of profit from associates amounting to RM171.8 million in the year under review, compared to a loss of RM21.6 million in the previous corresponding year. Alam Flora Sdn Bhd (“Alam Flora”) continues to be a key driver of the Group’s overall profits, contributing a PATMI of RM64.6 million in the current year.

The Group’s FY2020 revenue of RM6,276.8 million was lower by 15.4% compared to RM7,422.3 million in FY2019. This was mainly due to lower energy payment recorded from Segari Energy Ventures Sdn Bhd (“SEV”) and Tanjung Bin Power Sdn Bhd (“TBP”), given the lower despatch factor and decline in Applicable Coal Price (“ACP”) respectively.

Encik Anwar Syahrin Abdul Ajib, Managing Director and Chief Executive Officer of Malakoff said, “Despite a challenging year, Malakoff registered a satisfactory set of results on the back of a better performance of its associates and the maiden full year contribution of Alam Flora. The Group continues to focus on enhancing the operational efficiency of its plants while improving its reliability and availability, notwithstanding the ongoing Movement Control Order. The current Covid-19 pandemic and the recent floods in the East Coast of Malaysia have increased the demand for Alam Flora’s disinfection and post-flood cleaning services respectively.”

“In addition to the rooftop solar projects that were secured with Johor Port Berhad and Northport (Malaysia) Bhd last year, the Group had recently secured yet another rooftop solar project with Pos

Malaysia Berhad for a capacity of 2.34 MW. This is In line with the Government’s target to increase the current Renewable Energy (“RE”) capacity mix to 20% by 2025,” he added. Aside from participating in the 4th cycle of the Large-Scale Solar (“LSS4”) tender that was announced by the Government in May 2020, the Group, through its 60%-owned indirect subsidiary Southern Biogas Sdn Bhd, was also awarded a Feed-in Tariff (“FiT”) from Sustainable Energy Development Authority (“SEDA”) to develop a 2.4 MW Biogas Power Plant in Johor.

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, 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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