

**MMC CORPORATION BERHAD**

[(Company No. 197601004261(30245-H)]

Minutes of the **45<sup>th</sup> Annual General Meeting ("AGM")** of MMC Corporation Berhad ("MMC" or "the Company") held via remote participation and electronic voting ("Virtual AGM") at the Broadcast Venue, Training Room, Ground Floor, MMC Corporation Berhad, Wisma Budiman, Persiaran Raja Chulan, 50200 Kuala Lumpur on **Monday, 10 May 2021 at 10.00 a.m.**

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DIRECTORS	Datuk Seri Tajuddin Atan	] Chairman & Proxy
PRESENT	Dato' Sri Che Khalib Mohamad Noh	] Group Managing Director ("GMD")
	Datuk Ooi Teik Huat	] Directors
	Dato' Abdul Hamid Sh Mohamed	]
	Dato' Siti Halimah Ismail	]
	Tuan Syed Naqiz Shahabuddin	]
	Syed Abdul Jabbar	
	Dato' Ir. Jamaludin Osman	]
	Cik Sharifah Sofia Syed Mokhtar Shah	]
IN ATTENDANCE	Puan Sazlin Ayesha Abdul Samat	] Company Secretary
BY INVITATION	Encik Badrulhisyam Fauzi	] Group Chief Financial Officer
	Puan Nurul A'in Abdul Latif	] Messrs. PricewaterhouseCoopers PLT
SHAREHOLDERS PRESENT	479 shareholders representing 2,906,794 shares (0.10%) and 61 proxies representing 651,684,443 shares (21.40%)	

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**QUORUM**

Upon confirmation by the Company Secretary that a quorum was present, the Chairman called the Meeting to order.

The Chairman began the Meeting by introducing himself to the shareholders. He then extended a warm welcome to the shareholders who were virtually present at the Company's Virtual AGM, which was held in compliance with Section 327 of the Companies Act 2016 ("CA 2016" or "the Act") and Article 16.3 of the Company's Constitution.

The Chairman explained that the Virtual AGM was necessary for the safety and health of the valued shareholders and employees during the current COVID-19 pandemic crisis as well as to comply with the Government's advice to observe social distancing and adhere to the strict prohibition of holding any mass gathering.



In accordance with the revised Guidance Note on the Conduct of General Meetings issued by the Securities Commission of Malaysia on 12 January 2021, the Chairman apprised that majority of the Directors of the Company were participating remotely in the Virtual AGM from their respective locations.

Before proceeding with the agenda of the AGM, the Chairman introduced the members of the Board of Directors and the Senior Management who were present at the Broadcast Venue as well as virtually to the shareholders. The Chairman also introduced the representative of Messrs. PricewaterhouseCoopers PLT, who was participating in the Virtual AGM.

The Chairman then proceeded with the agenda of the Meeting.

#### **NOTICE CONVENING THE MEETING**

The notice convening the Meeting dated 9 April 2021 was taken as read.

The Chairman then invited YBhg. Dato' Sri Che Khalib Mohamad Noh, the GMD, to brief the shareholders on the Company's performance for the financial year ended 31 December 2020 ("FY 2020") and the outlook for the financial year ending 31 December 2021. (A copy of the presentation deck is attached herewith as **Appendix I** to the Minutes).

The Chairman informed the shareholders that the Company had received a letter dated 30 April 2021 from the Minority Shareholders Watch Group ("MSWG"), enquiring on MMC Group's strategy, financial and corporate governance matters.

For the benefit of shareholders, the Chairman invited Puan Sazlin Ayesha Abdul Samat, the Company Secretary, to read out the questions raised by MSWG and MMC's response therein ("Q&A"). (A copy of the Q&A presentation deck is attached herewith as **Appendix II** to the Minutes).

Before proceeding with the business of the day, the Chairman addressed the enquiries pertaining to the provision and distribution of vouchers raised by several shareholders. He emphasised that, as stated in the Administrative Details, which was circulated to the shareholders on 9 April 2021, the Company would not be distributing vouchers to the shareholders who had participated in the Virtual AGM.

The Chairman briefed the shareholders that, in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), all motions and/or resolutions would be voted by way of e-polling after the conclusion of the deliberation of the final resolution for the Meeting.

He further briefed the shareholders that Boardroom Share Registrars Sdn. Bhd. and SKY Corporate Services Sdn. Bhd. were appointed as the Polling Administrator and Scrutineer, respectively.

A short video on the polling procedure was presented to the shareholders by Boardroom Share Registrars Sdn. Bhd.



The Chairman encouraged the shareholders to participate in the Virtual AGM by submitting their questions in real-time, via the messaging icon displayed in the Lumi AGM application, until the announcement on the closure of the Q&A session. However, multiple and repetitive questions would be collectively dealt with as one.

Mr. Teo Cher Ming ("Mr. Teo"), a shareholder, suggested that a small token be given to the shareholders who attended the AGM virtually.

The Chairman reiterated that, as stipulated in the Administrative Details, which was circulated to the shareholders on 9 April 2021, the Company would not be distributing any voucher to the shareholders. The Chairman expressed his utmost appreciation to the shareholders for their kind cooperation and understanding of the challenging times in participating in the Company's Virtual AGM.

Mr. Teo also raised his concerns pertaining to the shortage of containers and the impact of the same on the volume handled by the ports.

The Chairman apprised the shareholders that the situation concerning empty container shortages has improved over the past few months. Thus, this may pose less of a challenge for global ports in the Financial Year 2021 ("FY 2021"). Additionally, the impact of the COVID-19 pandemic on the Group's ports was relatively limited and manageable as the Group's ports business, which was deemed as essential services, had in FY 2020, in aggregate, registered total container volume of 14.9 million TEU for FY 2020, a growth of 4.5% as compared to 2019.

In response to Mr. Teo's query on the status of the plan to list MMC Port Holdings Sdn Bhd ("MMC Port"), the Chairman said that the evaluation of the potential listing of MMC Port is still on-going. However, the potential exercise has been put on hold due to the COVID-19 pandemic, which has resulted in a dampened investment/IPO market in general. MMC will resume evaluating the exercise when market conditions significantly improve to ensure shareholders' value is maximised from the potential exercise.

Mr. Teo further enquired about the impact of the COVID-19 pandemic on MRT construction and any stop-work order issued due to high infections detected at the construction site.

YBhg. Dato' Sri Che Khalib Mohamad Noh responded that the Group's Engineering Division had seen a relatively mild impact of the COVID-19 pandemic on MRT construction. The strict Movement Control Order ("MCO"), imposed in March 2020, had caused some construction delays. As part of the strategies to address the situation, the Engineering Division had timely restructured the project milestones and deliverables as well as re-negotiated project terms and commitments with clients, subcontractors and suppliers. These measures had assisted the Engineering Division in controlling the project costs and ensuring the sustainability of the project.

Given the COVID-19 pandemic, which may adversely affect the Company's well-being and financial stability, Mr. Hiu Chee Keong, a shareholder, enquired whether MMC received any grants, such as electricity and wage subsidies, from the Government under the COVID-19 stimulus package.



The Chairman responded that eligible operating companies under the MMC Group had received wage subsidies, in a total of approximately RM2.0 million from the Government. MMC Group also obtained discounts for electricity as per the Economic Stimulus Package Discount for other commercial sectors.

Mr. Shahrman Ruslan, a shareholder, enquired whether MMC will be acquiring other assets, in particular ports.

The Chairman said that MMC continuously explores strategic ways to grow the ports' business, including constant evaluation of potential acquisitions of new ports via Mergers and Acquisitions. In the event a viable opportunity that could maximise shareholders' value is identified by MMC, the same will be presented to the Board of MMC and shareholders, if required.

With regard to the query by Mr. Teo Kensen, a shareholder, on the digital initiative implemented by MMC to improve the operational efficiency of the ports and the cost savings from the said initiative, the Chairman said that MMC is establishing a common systems and technology platform for the ports that includes the Enterprise Resource Planning ("ERP") and Terminal Operating System ("TOS"). The ERP digital transformation program across all ports is a comprehensive and integrated project that requires a significant amount of investment which would be carried out in phases. The estimated investment is approximately RM44.0 million over a 10-year investment horizon. Having a common and integrated ERP system would allow a potential estimated cost savings of 20%.

Mr. Teoh Kensen remarked that MMC already has high net debt and gearing of RM9.3 billion and 0.9x, respectively, as at 31 December 2020. He enquired whether the acquisition of Retro Highland Sdn. Bhd. would increase the amount of debt of MMC in 2021.

The Chairman responded that the proposed acquisition of Retro Highland Sdn. Bhd. is not expected to have any material effect on the gearing of MMC for FY 2021.

Mr. Ho Yueh Weng, a shareholder, enquired on the Board's plan to grow the business's profitability and efficiencies to improve the share price to reflect better net asset value of the Company.

The Chairman explained that MMC has been recording sustainable, profitable growth over the past few years and quarter on quarter. Nevertheless, the secondary market has placed a significant Conglomerate Discount on MMC's shares. The Board, together with the Management, continuously focused on strategising, planning and executing expansionary business development and strict cost management in order to optimise the MMC's profitability. Additionally, via Investor Relations, the Management had constantly engaged the investing community to comprehensively explain the Company's performances, hoping that the market would preferably value MMC's shares.

In light of the current economic conditions of Malaysia, it is expected a significant reduction in engineering works in Malaysia. As such, Mr. Shahrman bin Ruslan enquired whether MMC would venture overseas to bid for engineering works.



The Chairman responded that Malaysia's 2021 Budget had announced the increase for Development Expenditure by 38%. Thus, MMC will continue to competitively pursue bids for infrastructure projects based on MMC's strong track record and experience. Nevertheless, the Board is also actively evaluating potential opportunities overseas, leveraging on the Company's core businesses and competencies in the Ports & Logistics, Energy & Utilities, and Engineering & Construction, specifically within the Southeast Asian region.

Mr. Lim Pin Yeong, a shareholder, enquired the status of Zelan Berhad in MMC Group.

The Chairman said that Zelan Berhad had ceased to be an associate of the MMC Group on 9 March 2018 as MMC no longer has significant influence over Zelan Berhad. MMC had reclassified the investment in Zelan Berhad as an "investment".

Mr. Loh Mun Seong, a shareholder, enquired on the expected dividend payout for 2021 and dividend payout policy for MMC.

The Chairman responded that it is currently too early for Management to give FY 2021's dividend payment guidance given the uncertainty of the COVID-19 pandemic. Regarding the dividend payout policy, MMC has yet to have a dividend payout policy.

#### **AGENDA 1**

##### **AUDITED FINANCIAL STATEMENTS AND DIRECTORS' AND AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The Chairman tabled the Audited Financial Statements ("Accounts") and the Directors' and Auditors' Reports to the Meeting. He remarked that, as stipulated under Section 340(1)(a) of CA 2016, the Company's Financial Statements do not require shareholders' approval. The Act merely requires the Accounts to be laid before the shareholders.

As all accounts related questions raised by the shareholders were dealt with during the Q&A session, the Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Directors' and Auditors' Report thereon, be received by the shareholders.

#### **AGENDA 2**

##### **[ORDINARY RESOLUTION 1]**

##### **PAYMENT OF DIRECTORS' FEES UP TO AN AMOUNT OF RM1,690,000.00 TO THE NON-EXECUTIVE DIRECTORS OF THE COMPANY FOR THE PERIOD FROM 11 MAY 2021 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING**

The Chairman highlighted that the details of the Directors' fees as detailed out in the Explanatory Note in the Notice of AGM.



### **AGENDA 3**

#### **[ORDINARY RESOLUTION 2]**

**BENEFITS PAYABLE TO THE DIRECTORS OF THE COMPANY UP TO AN AMOUNT OF RM1,670,000.00 FOR THE PERIOD FROM 11 MAY 2021 UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING**

As detailed out in the Explanatory Notes, the Chairman explained that the amount was derived after taking into consideration various factors, among others, the number of Directors and number of Meetings estimated to be convened during the said period.

### **AGENDA 4**

#### **[ORDINARY RESOLUTION 3 AND ORDINARY RESOLUTION 4]**

**RE-ELECTION OF TUAN SYED NAQIZ SHAHABUDDIN SYED ABDUL JABBAR AND CIK SHARIFAH SOFIA SYED MOKHTAR SHAH AS DIRECTORS OF THE COMPANY IN ACCORDANCE WITH ARTICLE 18.3 OF THE COMPANY'S CONSTITUTION**

The Chairman informed the shareholders that, for good corporate governance and in accordance with CA 2016, the resolutions were dealt with separately.

The Chairman further informed the shareholders that Tuan Syed Naqiz Shahabuddin Syed Abdul Jabbar and Cik Sharifah Sofia Syed Mokhtar Shah had indicated their willingness to be re-elected as a Director of the Company.

### **AGENDA 5**

#### **[ORDINARY RESOLUTION 5]**

**RE-APPOINTMENT OF YBHG. DATUK SERI TAJUDDIN ATAN AS DIRECTOR OF THE COMPANY IN ACCORDANCE WITH ARTICLE 18.9 OF THE COMPANY'S CONSTITUTION**

In view that the Ordinary Resolution 5 was in relation to the Chairman's re-election, for good governance, the Chair was passed to YBhg. Datuk Ooi Teik Huat ("Datuk Ooi"), the Senior Independent Non-Executive Director of the Company.

The shareholders were informed by Datuk Ooi that YBhg. Datuk Seri Tajuddin Atan had indicated his willingness to be re-elected as a Director of the Company.

YBhg. Datuk Seri Tajuddin Atan resumed the Chair and proceeded to Ordinary Resolution 6.

### **AGENDA 6**

#### **[ORDINARY RESOLUTION 6]**

**RE-APPOINTMENT OF MESSRS. PRICEWATERHOUSECOOPERS PLT AS AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

The shareholders were informed that Messrs. PricewaterhouseCoopers PLT had indicated its willingness to continue to serve as the Company's auditors for the FY 2021.



**AGENDA 7****[ORDINARY RESOLUTION 7]**

**RETENTION OF YBHG. DATUK OOI TEIK HUAT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY, AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING**

The Chairman highlighted that the justifications for retaining YBhg. Datuk Ooi had been provided and thoroughly explained in the Explanatory Notes in the Notice of AGM.

**AGENDA 8****[ORDINARY RESOLUTION 8]**

**RETENTION OF YBHG. DATO' ABDUL HAMID SH MOHAMED AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY, AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING**

The Chairman highlighted that the justifications for retaining YBhg. Dato' Abdul Hamid Sh Mohamed had been provided and thoroughly explained in the Explanatory Notes in the Notice of AGM.

The Chairman then proceeded with the voting of all Resolutions tabled at the Meeting.

The Chairman informed the shareholders that the casting and verification process may take approximately ten (10) minutes to complete.

The Chairman further informed that he was appointed as a proxy by several shareholders. Therefore, he would vote according to the respective shareholders' instructions. The Meeting was adjourned at this juncture for the polling session.

At 11:30 a.m., the Chairman called the Meeting to order, and the Chairman announced the results of the e-polling as follows:

- 1) Payment of Directors' Fees up to an Amount of RM1,690,000.00 to the Non-Executive Directors of the Company for the period from 11 May 2021 until the Conclusion of the Next Annual General Meeting.

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 1	2,400,662,841	99.9851	356,685	0.0149

The Chairman declared the Ordinary Resolution 1 carried.



- 2) Benefits Payable to the Directors of the Company up to an Amount of RM1,670,000.00 for the period from 11 May 2021 until the Conclusion of the Next Annual General Meeting.

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 2	2,398,337,043	99.9132	2,083,920	0.0868

The Chairman declared the Ordinary Resolution 2 carried.

- 3) Re-election of Tuan Syed Naqiz Shahabuddin Syed Abdul Jabbar as Director of the Company in accordance with Article 18.3 of the Company's Constitution.

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 3	2,385,369,863	99.3455	15,714,496	0.6545

The Chairman declared the Ordinary Resolution 3 carried.

- 4) Re-election of Cik Sharifah Sofia Syed Mokhtar Shah as Director of the Company in accordance with Article 18.3 of the Company's Constitution.

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 4	2,383,733,114	99.2774	17,351,343	0.7226

The Chairman declared the Ordinary Resolution 4 carried.

- 5) Re-appointment of YBhg. Datuk Seri Tajuddin Atan as Director of the Company in accordance with Article 18.9 of the Company's Constitution.

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 5	2,383,466,299	99.2666	17,609,648	0.7334

The Chairman declared the Ordinary Resolution 5 carried.



- 6) Re-appointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to Authorise the Directors to fix their Remuneration.

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 6	2,399,294,876	99.9254	1,790,471	0.0746

The Chairman declared the Ordinary Resolution 6 carried.

- 7) Retention of YBhg. Datuk Ooi Teik Huat as an Independent Non-Executive Director of the Company and to Hold Office until the Conclusion of the Next Annual General Meeting of the Company.

RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 7	1,682,626,194	70.0781	718,447,153	29.9219

The Chairman declared the Ordinary Resolution 7 carried.

- 8) Retention of YBhg. Dato' Abdul Hamid Sh Mohamed as an Independent Non-Executive Director of the Company and to Hold Office until the Conclusion of the Next Annual General Meeting of the Company

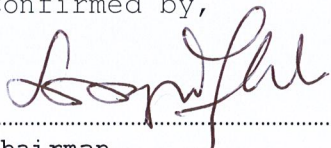
RESOLUTION	FOR		AGAINST	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Ordinary Resolution 8	1,727,573,287	71.9500	673,503,060	28.0500

The Chairman declared the Ordinary Resolution 8 carried.

#### CLOSE OF MEETING

There being no other business, the Meeting was declared closed at 11:50 a.m. with a vote of thanks to the Chairman.

Confirmed by,



Chairman

10 May 2021  
Kuala Lumpur



# APPENDIX

## I



# 2020 BUSINESS REVIEW

*RESILIENCE THROUGH OPERATIONAL EXCELLENCE*

**45<sup>th</sup> Annual General Meeting**

**10 May 2021**

**Presentation by:**  
Dato' Sri Che Khalib Mohamad Noh  
Group Managing Director





## 2020 Business Review

-  Key Financial Highlights
-  Ports & Logistics
-  Energy & Utilities
-  Engineering
-  Corporate & Others

## Awards & Recognitions





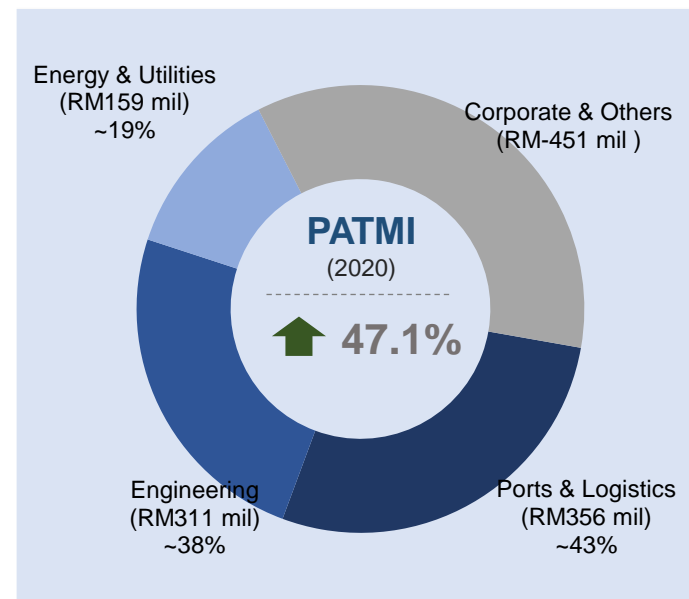
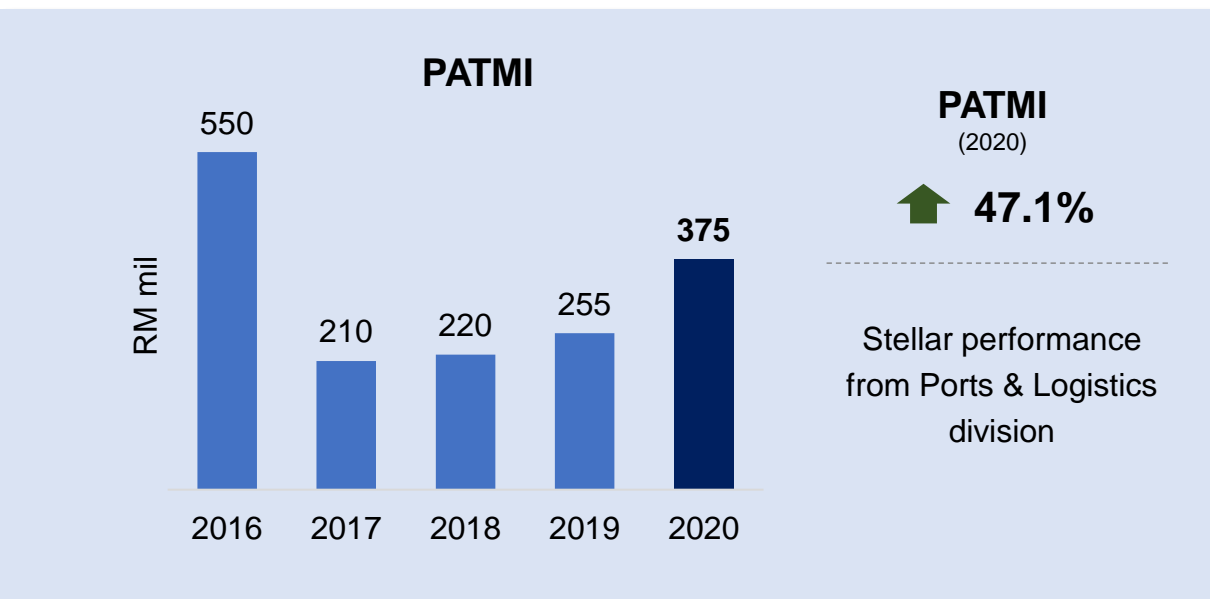
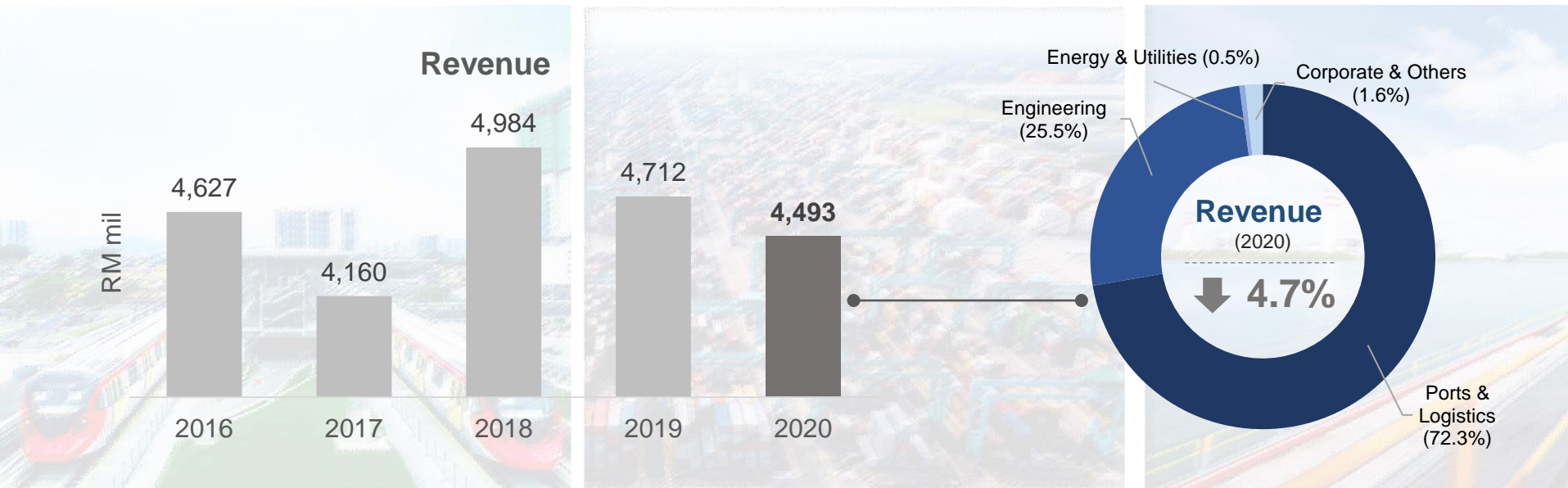


# KEY FINANCIAL HIGHLIGHTS



# KEY FINANCIAL HIGHLIGHTS FY2020

## Resilient Performance & Business Model during Covid-19 Pandemic





## BALANCE SHEET AS 31 DECEMBER 2020

Maintaining Our Strong Financial Position Whilst Lowering Debts



**Deposits, Bank &  
Cash Balances and  
Other Investments**

**RM2.80 B**

FY2019: RM2.41 B



**Total Borrowings**

**RM9.77 B**

FY2019: RM10.38 B



**Total Equity**

**RM10.30 B**

FY2019: RM10.11 B



**Gross Gearing Ratio**

**1.17x**

FY2019: 1.25x



**Net Gearing Ratio**

**0.90x**

FY2019: 1.01x

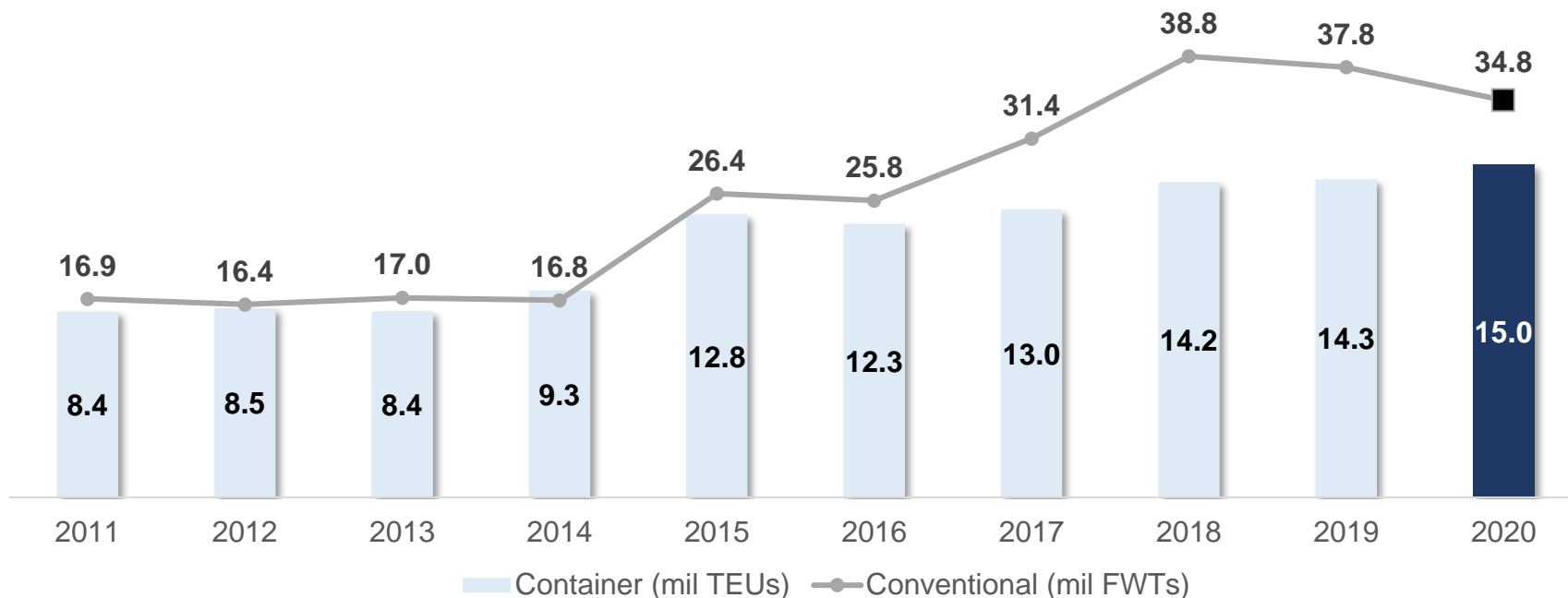






# PORTS & LOGISTICS





### 2020 Performance



**15.0\*** million TEUs  
of container throughput

\* Malaysia container handling – excluding RSGT

↑  
**4.9%**



**34.8** million FWT  
of conventional throughput

↓ **7.9%**

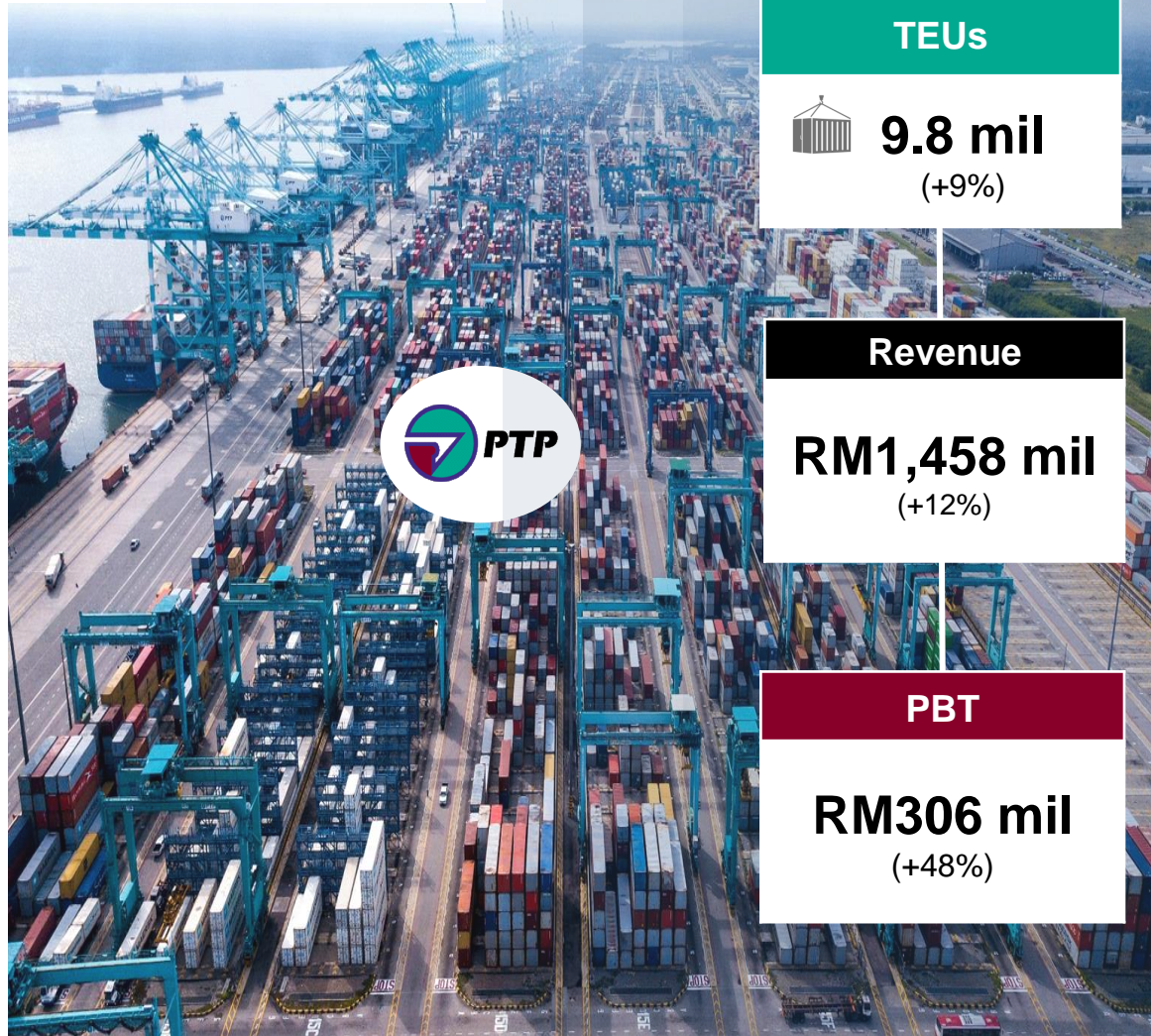
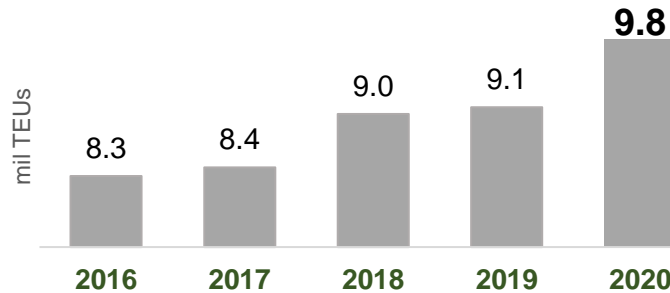
- Commodities volume declined due to Covid 19
- Conventional cargo shift towards containerization





Transshipment Volume was Significantly Strong in FY2020

## PTP recorded all time high total volume handled of 9.8 mil TEUs since inception



PTP HITS ANOTHER MILESTONE AMIDST COVID-19 OUTBREAK BY RECORDING ALL-TIME HIGHEST RECORD FOR MOVES IN A WEEK

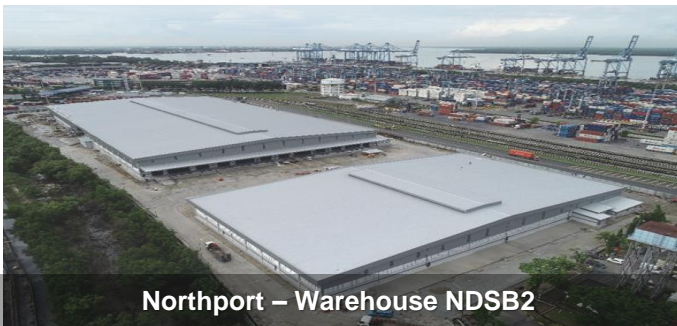
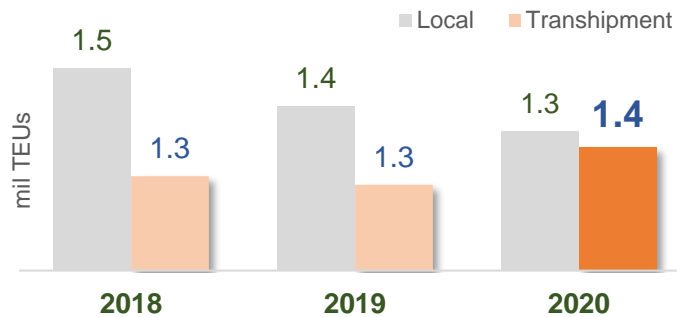


PORT OF TANJUNG PELEPAS TO DRIVE WOMEN EMPOWERMENT AGENDA BY CALLING MORE FEMALE TALENTS TO JOIN WORKFORCE



Capitalized on Congestion at Neighboring Ports

## Northport's total container volume of 2.7 mil TEUs achieved in 2020 outperformed 2019 volume



**NORTHPORT PROMOTES EMPLOYEES WELLBEING THROUGH THE ESTABLISHMENT OF RECHARGE CENTRE FACILITY**





# Handling of containerized cargo growing from strength to strength



## Focus on Marine revenue cushioned lower cargo volume

Revenue  
**RM548 mil**  
(+1.5%)

PBT  
**RM162 mil**  
(-4.7%)

Container  
**1.0 mil TEUs**  
(-3.7%)

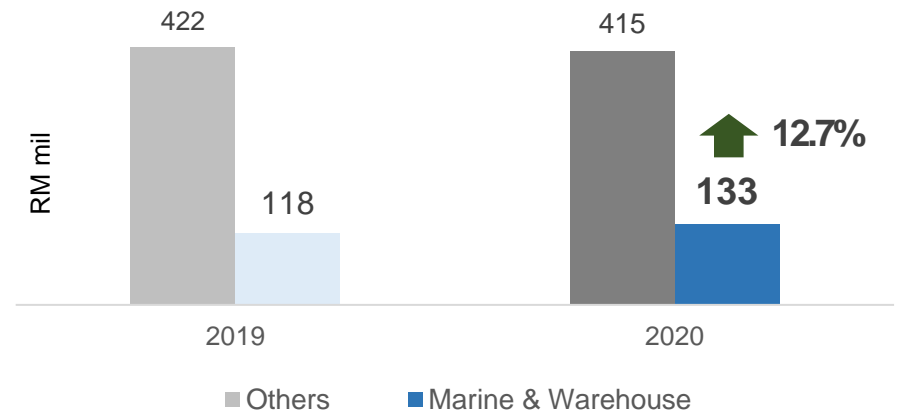
Conventional  
**17.3 mil FWTs**  
(-5.0%)



Provided Marine Services for the first Liquefied Natural Gas bunkering operations



**JOHOR PORT POSITIONS PASIR GUDANG PORT LIMIT  
AS THE LNG BUNKERING PORT**



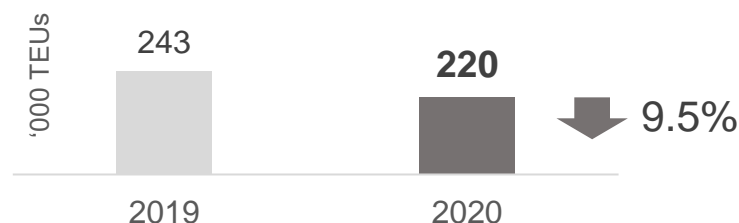


### Proactive Cost Management Cushioned Lower Cargo Volume

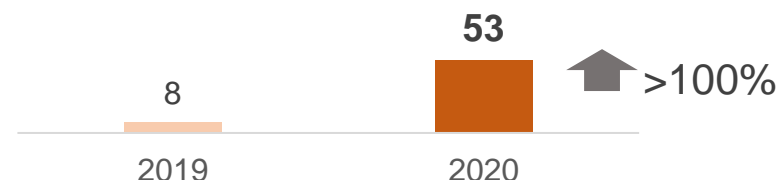


#### Fall in volume from South Thailand and empties

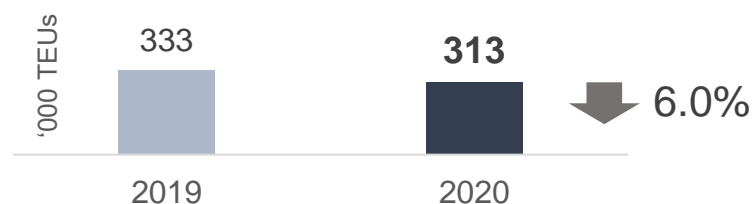
##### TEUS handled from South Thai



##### No. of Vessel cancellation



##### Empty Container



Volume  
**1.4 mil TEUs**  
(-6.8%)

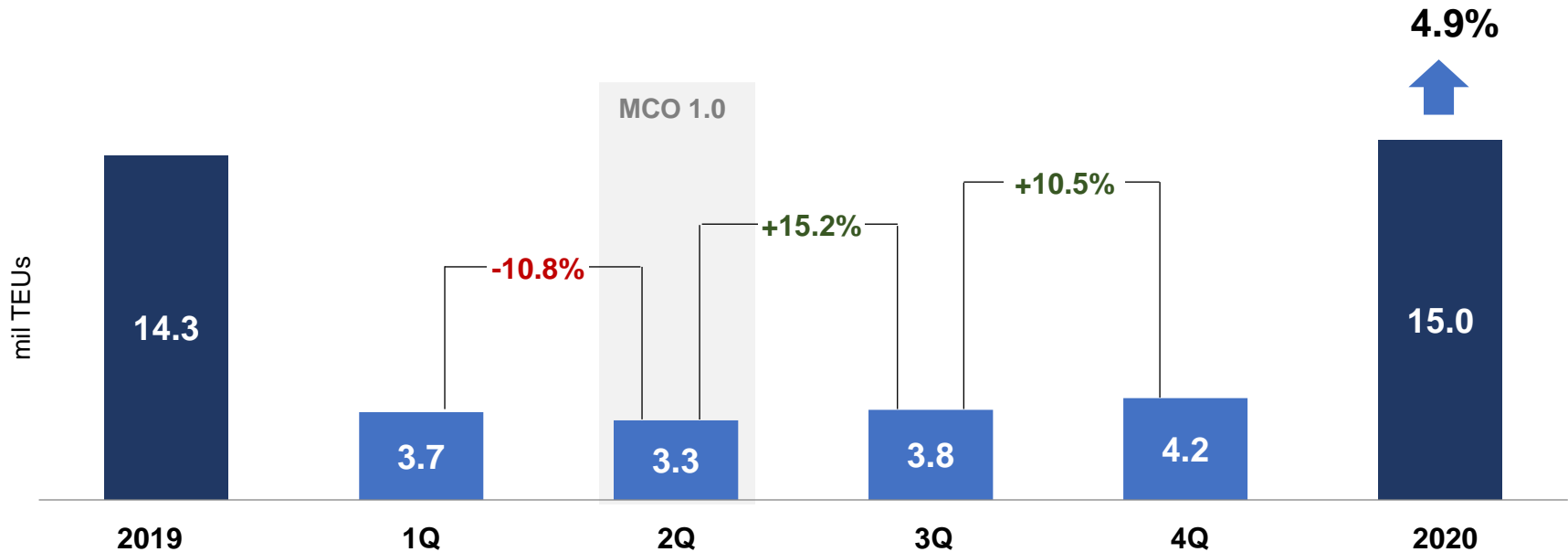
Volume  
**8.3 mil FWTs**  
(-11.2%)

Revenue  
**RM396 mil**  
(-12.8%)

PBT  
**RM63 mil**  
(-12.5%)

## PORTS & LOGISTICS (cont'd)

Q2 was the low point, however, Q3 and Q4 showed tremendous growth



### PORTS & LOGISTICS (Container)

- Ports and logistics have been operating under "business-as-usual" during MCO.
- Volume declined in second quarter due to Movement Control Order ("MCO") imposed by Government in March 2020.
- Volume started to pick up in the third and fourth quarter resulting in higher total volume handled for container.





# ENERGY & UTILITIES

### MALAKOFF

Revenue<sup>1</sup>  
**RM 6,276 mil**  
↓ 15.4%

PATMI<sup>1</sup>  
**RM 287 mil**  
↓ 11.1%



**Net Energy Output**  
**25.0 TWh**

↓ 12.6%

MMC's portion of 37.6% totaling to RM90 million from the total FY2020 PATMI<sup>2</sup>

<sup>1</sup> Results are a combination of continuing and discontinued operations

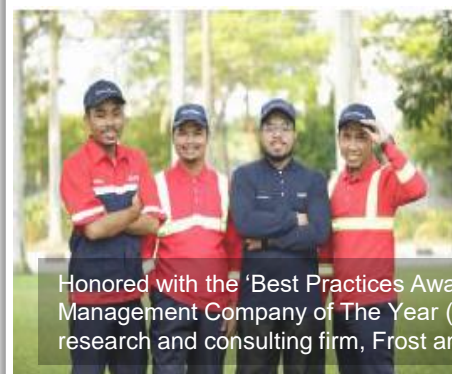
<sup>2</sup> After deducting profit distribution of perpetual Sukuk



Revenue  
**RM 827 mil**

PATMI  
**RM 95 mil**

**Full Consolidation of Revenue**



**Total waste collected**  
**1.09 mil tonnes**

↓ 6.0%



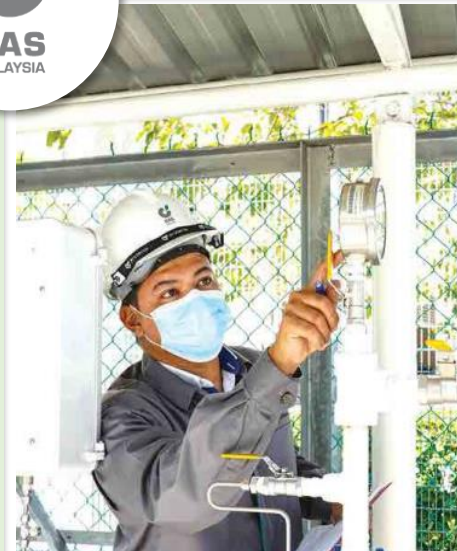
**Total recyclable collection**  
**3,664 tonnes**

↑ 1.9%



## ENERGY & UTILITIES : GAS

Continue to be Reliable Meeting the Nation's Basic Utility Needs



**Revenue**  
**RM 6,687 mil**  
↓ 2.9%

**PATMI**  
**RM 213 mil**  
↑ 12.1%



**Natural Gas Pipeline**  
**2,588 km**  
↑ 4.9%



**Volume Gas Sold**  
**200 mil MMBtu**  
↓ 0.5%

### SECURED NEW MAJOR CONTRACTS IN 2020



Revenue

**RM 24 mil**

↓ 11.1%

PATMI

**RM 4 mil**

↑ 7.7%

Water  
Treatment Plants

**60.2 mil m<sup>3</sup>**

↑ 2.9%

Recycling  
Plants

**1.5 mil m<sup>3</sup>**

↑ >100%



Plant upgrade (increase of flow and stringent water quality) with 15 years of Operation and Maintenance Contract

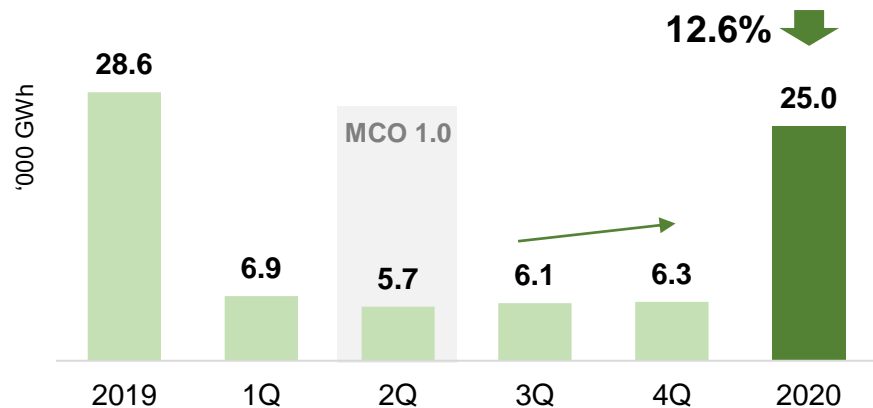




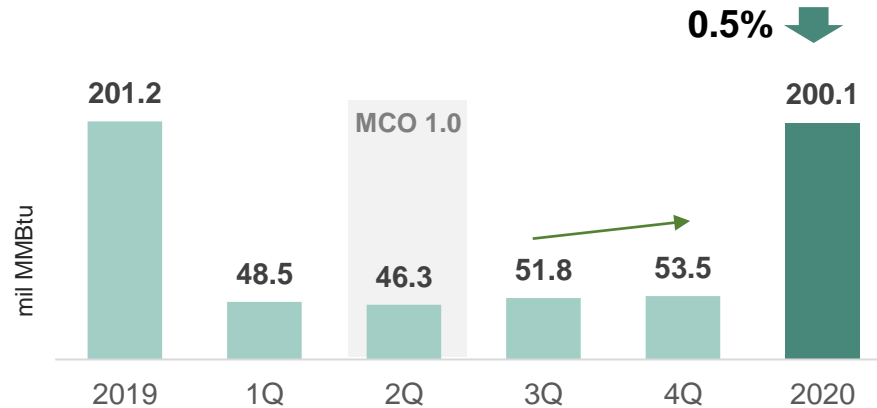
## ENERGY & UTILITIES

### MALAKOFF

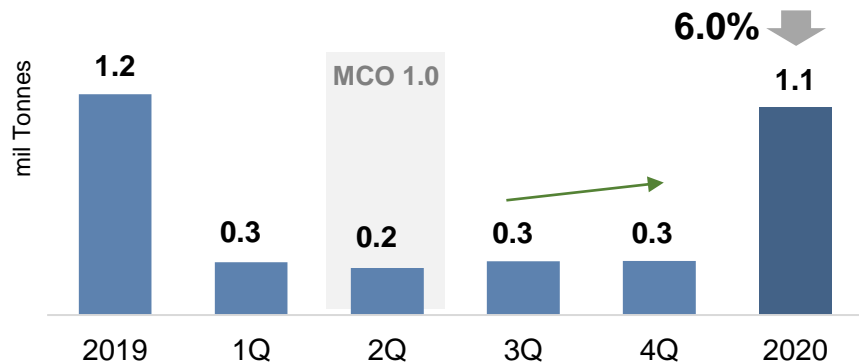
#### Net Energy Output



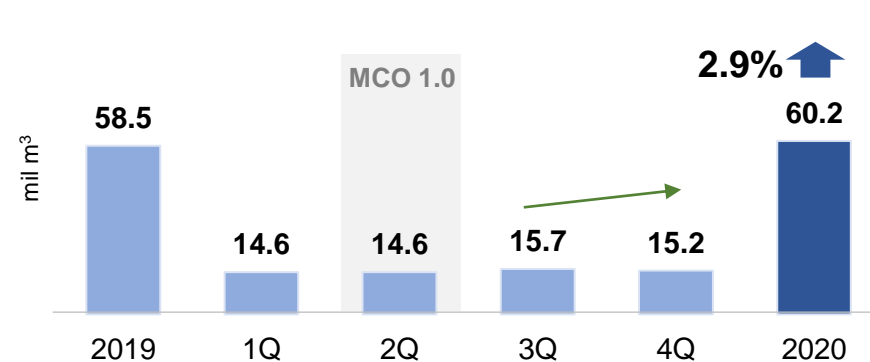
#### Sales Gas Volume



#### Waste Collected



#### Water Treatment Plants

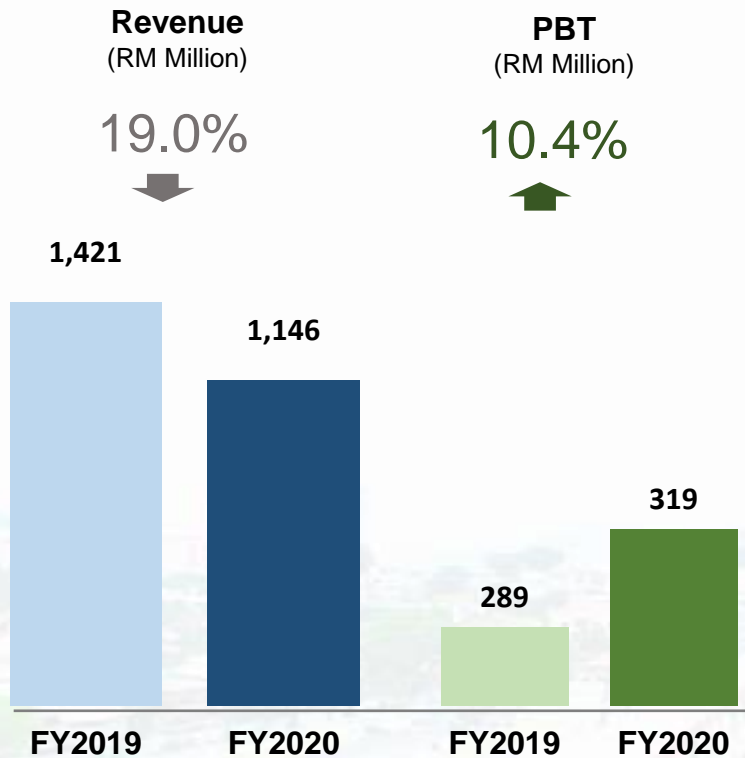




# ENGINEERING



## Weathered Through an Unprecedented Challenging Year of Covid-19



## Key Highlights 2020

## Completed Projects

- **Langat 2 Water Treatment Plant:** Successfully completed overall works on 13 August 2020.
- **North Butterworth Container Terminal:** Successfully completed overall works on 28 October 2020.

## Ongoing Projects

- **KVMRT-SSP Line:** commendable work progress with the completion of tunnelling works during Covid-19 pandemic.
- **Langat Sewerage Project** nearing to the completion stage with target to complete by 2021.

## Internal Projects Secured

- **Northport Warehouse** (RM70 mil)
- **Swettenham Pier Cruise Terminal** (RM8 mil)
- **Senai Airport City DP12** (RM14 mil)
- **Tanjung Bruas jetty extension** (RM15 mil)

Completed Project

13 August 2020  
Langat 2 Water Treatment Plant



Completed Project

A wide-angle photograph of the North Butterworth Container Terminal. Several large yellow gantry cranes are positioned along a long pier extending into the sea. A container ship is docked at the pier. In the foreground, there is a paved area with a yellow and white building and a green-roofed structure. The sky is blue with scattered white clouds.

28 October 2020  
North Butterworth Container Terminal

Package Phase 1(A) I - Design And Build For The Proposed 50 Meter Extension Jetty And Associated Works At Tanjung Bruas Port, Melaka

**Progress : 36.51%**



Proposed Bridge Crossing Sungai Pulai And Link Road from Pelabuhan Tanjung Pelepas To Tanjung Bin, Mukim Air Masin And Sungai Karang,

**Progress : 59.07%**



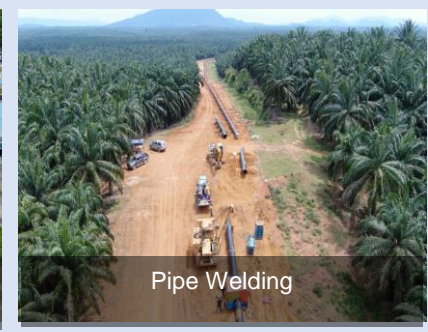
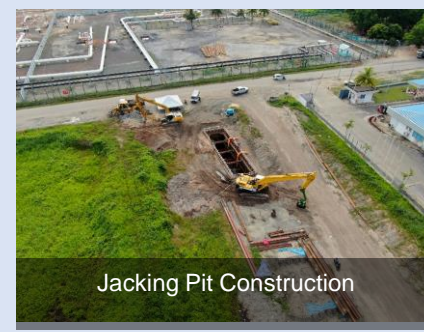
The Proposed Arrival Hall Expansion and Construction of New Passenger Holding Lounge for Senai International Airport (SATEXP)

**Progress : 53.88%**



Engineering, Procurement, Construction and Commissioning (EPCC) Of PGU-1 Gas Pipeline Replacement Project (GRAPHITE)

**Progress : 39.63%**





Total of RM2.95 billion Outstanding Order Book as at 31 December 2020

#	Project	Contract Value (RM'mil)	MMC's Portion	Outstanding Order Book (RM'mil)	JV Partner	Overall Progress	Target Completion
1	MRT Line 2 : Sg. Buloh - Serdang - Putrajaya (38.7km) -Overall (Elevated, Underground & System)	17,420	50%	1,503	Gamuda	85.1%	31 Jan 2023
2	MRT Line 2 : Sg. Buloh - Serdang – Putrajaya (13.5 km) - Underground Works	13,110	50%	984	Gamuda	83.2%	1 May 2022
3	Langat Sewerage Project (MMC PLSB)	1,505	100%	124	-	91.6%	22 June 2023
4	Sungai Pulai Bridge	565	60%	166	CHEC	50.4%	22 Oct 2021
5	PGU-I Gas Pipeline	131	100%	90	-	25.8%	31 Oct 2022
6	Langat 2 Water Treatment Plant	994	50%	24	Salcon	100.00%	Section 1: 7 Dec 2019 Section 2: 21 June 2021
7	Other projects	318	100%	62	-	-	-

34,043



2,953



# CORPORATE & OTHERS





- Stringent Cost Management to conserve cash
- Successfully maintained 78% occupancy rate throughout FY2020
- Secured new advertisers and contract renewal extension for existing advertisers
- Secured 1.5-acre land lease for a petrol station

Current

Revenue

**RM34 mil**

(-58.0%)

LBT

**RM38 mil**

(>100%)

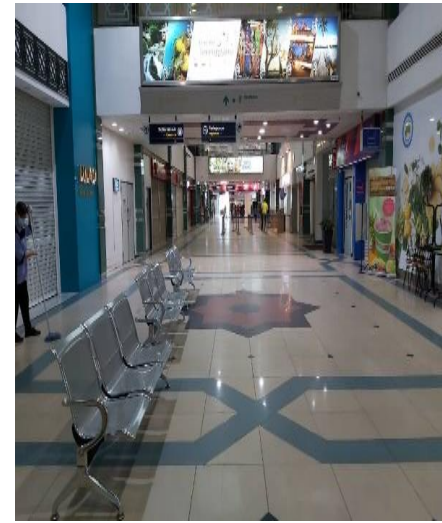
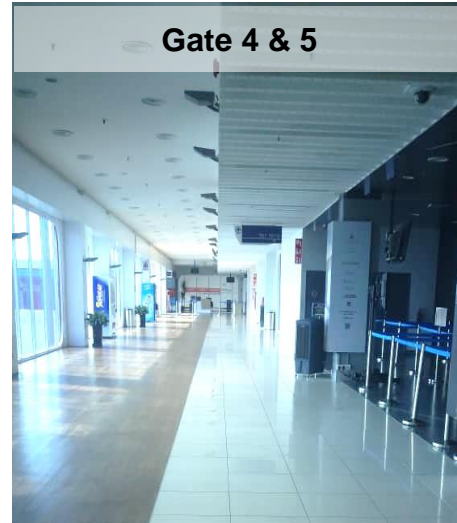
Passenger Volume

**1.1 mil**

(-74.3%)

Normal Situation

Gate 4 & 5



Gate 4 & 5



## CORPORATE & OTHERS : INDUSTRIAL DEVELOPMENT

Well Positioned & Equipped to Capitalise on the Supply Chain Shifts to SEA Region



**SPAs  
Signed**

**40.29  
Acres**

**Sales  
Pipeline**

**~116.79\*  
Acres**





## CORPORATE & OTHERS : INDUSTRIAL DEVELOPMENT (Cont'd)

Enriched Value Proposition through Plug & Play Model on Readily-Built Infrastructure



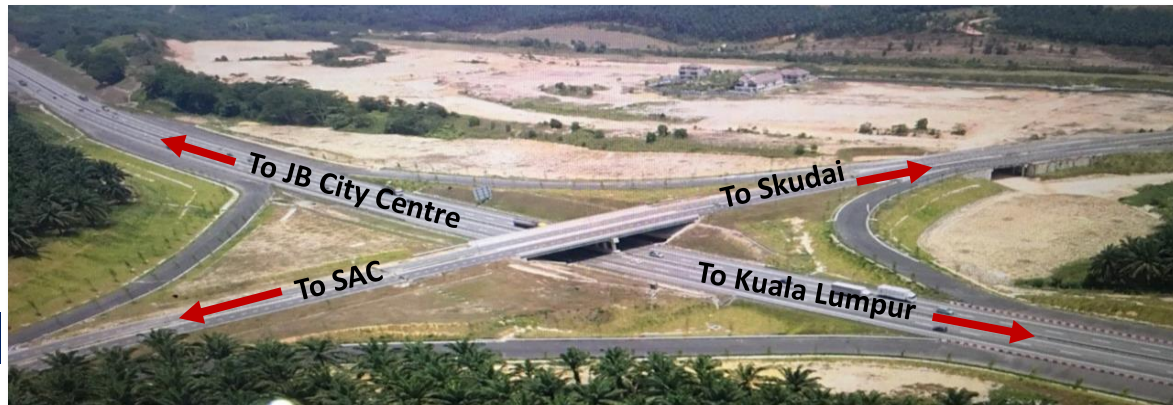
WATER TANK WITH CAPACITY 2.5MGD



ELECTRICITY SUPPLY (275KV/132Kv/33KV)



STREET LIGHTING AND ROAD SYSTEM



ROAD AND INTERCHANGE COMPLETED (Exit 254A)- OTP IN OCT 2016



STP WITH CAPACITY 20,000 PE



NATURAL GAS WITH 360 PSI



LANDSCAPE



FREE ZONE AREA PERIMETER FENCING

## ALL IN ALL, POSITIVE OUTLOOK FOR THE GROUP



### PORTS & LOGISTICS

- **PTP** | Strong momentum going forward // Leveraging on congestion at neighboring ports // To potentially exceed 10 mil TEUs in 2021
- **NMB** | Maintaining strong momentum // Development of Boustead Cruise Centre business // Growing warehousing business
- **JPB** | Import/ export market recovery // Commodities trade to recover
- **PPSB** | Southern Thailand market recovery // Growing transshipment business



### ENERGY & UTILITIES

- **MCB** | Aggressive push towards renewable energy segment where Malakoff's footprint continues to grow, notably for solar based projects within the Group
- **GMB** | Stable volume demand amidst economic recovery // New business ventures in Combined Heat and Power (CHP) as well as Virtual Pipeline
- **Alam Flora** | Diversification into new geographical areas as well as Waste to Energy



## ALL IN ALL, POSITIVE OUTLOOK FOR THE GROUP



- Competitive pursuit of internal Group projects as well as the external projects
- Targeted order book replenishment for the next 2 years is estimated to exceed RM1.0 billion.
- Increase in construction projects in line with the Budget 2021's increased in Development Expenditure (DE) by 38%



- Strong interest for SAC land especially for regional distribution hubs
- Growing sales pipeline with serious prospects & negotiation in place
- SPAs signed for 40 acres and 117 acres currently in the sales pipeline



# AWARDS & RECOGNITIONS





## 1. Northport (Malaysia) Bhd

28 February 2020

National Occupational Safety and Health Award 2019

## 2. Alam Flora Sdn Bhd

8 July 2020

Frost & Sullivan Best Practices Awards - Waste Management Company of the Year (Asia Pacific)

## 3. Malakoff Corporation Berhad

25 September 2020

Alpha Southeast Asia's 10th Annual Institutional Investor Corporate Awards 2020

- Most Improved Investor Relations #1
- Best Strategic Corporate Social Responsibility #1
- Most Organised Investor Relations #2
- Best Senior Management IR Support #2

## 4. Alam Flora Sdn Bhd

29 September 2020

Global Business Leadership Awards 2020

- Excellence in Waste Management

## 4. Alam Flora Environmental Solutions Sdn Bhd

29 September 2020

Global Business Leadership Awards 2020

- Excellence in Facilities Management

## 6. Malakoff Corporation Berhad

30 September 2020

Regional Innovation Showcase on Team Excellence (RISTEx) 2020

- Lumut Power Plant Inventory Value Optimisation (Gold Award)
- Tanjung Bin Power Plant Minor Outage Cost Optimisation (Gold Award)

## 7. Alam Flora Sdn Bhd

12 November 2020

Department of Irrigation and Drainage (DID) Malaysia and Global Environment Centre

- River of Life Public Outreach Programme Award (Category Industry, Corporate and Developers)

## 8. Gas Malaysia Berhad

30 November 2020

The Edge Billion Ringgit Club Corporate Awards 2020

- Highest Return on Equity over Three Years (Utilities Sector)

## 9. Northport (Malaysia) Bhd

23 December 2020

ISO 37001:2016 Anti-Bribery Management System (ABMS) Certification

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# Thank You

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# APPENDIX

## II



# MSWG: Questions & Answers

*RESILIENCE THROUGH OPERATIONAL EXCELLENCE*

**45<sup>th</sup> Annual General Meeting**

**10 May 2021**

**Presentation by:**

Dato' Sri Che Khalib Mohamad Noh  
Group Managing Director



1. Engineering Division will look to replenish its order book on the back of new contracts secured and to that effect, will continue to aggressively tender for new projects. Budget 2021, which allocates increased development expenditures underpinned by new and revived, large-scale infrastructure projects, offers suitable bidding opportunities for the division. (page 39 of Annual Report (AR) 2020)
  - a) What is the Group's latest outstanding construction order book for ongoing projects in the Engineering Division? What is the outstanding order book for KVMRT Putrajaya Line and its expected completion date?

### Answer:

As at 31 March 2021, the outstanding order book for the Group's Engineering Division stands at RM2,256.7 million.

Particularly for KVMRT Putrajaya Line, the outstanding order book stands at RM1,841 million. This project is expected to be completed by 31 January 2023.



1. Engineering Division will look to replenish its order book on the back of new contracts secured and to that effect, will continue to aggressively tender for new projects. Budget 2021, which allocates increased development expenditures underpinned by new and revived, large-scale infrastructure projects, offers suitable bidding opportunities for the division. (page 39 of Annual Report (AR) 2020)
  - b) To-date, how many potential contracts has the Engineering Division been exploring? Please brief on the probability of being awarded the new contracts in FY2021.

### Answer:

During the 2020-2021 period, Engineering Division participated in a total of 17 tenders with contract value in excess of RM5.0 billion. Concurrently, we have also submitted various unsolicited proposals of which discussions are in advance stages. Based on Engineering Division's strong track record and areas of expertise, the division is confident of the probability of securing a few of the said projects, expected to be awarded in FY2021.

1. Engineering Division will look to replenish its order book on the back of new contracts secured and to that effect, will continue to aggressively tender for new projects. Budget 2021, which allocates increased development expenditures underpinned by new and revived, large-scale infrastructure projects, offers suitable bidding opportunities for the division. (page 39 of Annual Report (AR) 2020)
- c) Given the slowdown in large-scale infrastructure projects in Malaysia for the past few years, what is the earnings visibility for the Engineering Division in the next two financial years?

### Answer:

The current order book is expected to provide earnings visibility to the division for the next 2 to 3 years mainly anchored by the KVMRT – SSP Line, which is expected to complete by 2023.

Given the subdued spending in large-scale infrastructure project, we are leveraging on Group synergies and internal projects as a base to grow while being fully equipped and ready to pursue for mega projects opportunities in the near term.



1. Engineering Division will look to replenish its order book on the back of new contracts secured and to that effect, will continue to aggressively tender for new projects. Budget 2021, which allocates increased development expenditures underpinned by new and revived, large-scale infrastructure projects, offers suitable bidding opportunities for the division. (page 39 of Annual Report (AR) 2020)

d) What is the Engineering Division's targeted order book replenishment in the next two financial years?

**Answer:**

The targeted order book replenishment for the next two (2) financial years would be an aggregate amount in excess of RM1.0 billion. This is targeted to be achieved via internal Group projects as well as the constant pursuit of external projects via open tender with a specific focus on major infrastructure projects that the government intends to implement.

2. Due to the movement control order (“MCO”) imposed by the Malaysian Government, the Engineering Division restructured project milestones and deliverables due to work stoppages and delays caused by MCO restriction (page 118 of AR 2020)

**Were there any cost overruns in any of the projects undertaken by the Engineering Division in FY2020? If yes, what was the costs overrun in FY2020?**

**Answer:**

**There was no cost overruns for the affected projects in FY2020. With the timely and proactive mitigation measures undertaken by Engineering Division and stringent SOP, all project costs have been successfully contained within the budgeted cost.**



3. The Company is establishing a common systems and technology platform within the Group that includes the Enterprise Resource Planning (“ERP”) and Terminal Operating System (“TOS”). Upon completion, this integrated platform will further maximise synergies and allow all ports, including Northport, to share expertise and benefit from economies of scale. (page 102 of AR2020)
- a) How much has been earmarked for the implementation of ERP digital transformation programme across all ports?

### Answer:

The ERP digital transformation program across all ports is a comprehensive and integrated project that requires a significant amount of investment that will be done in phases. The estimated investment is approximately RM44 million over 10-year investment horizon.

3. The Company is establishing a common systems and technology platform within the Group that includes the Enterprise Resource Planning (“ERP”) and Terminal Operating System (“TOS”). Upon completion, this integrated platform will further maximise synergies and allow all ports, including Northport, to share expertise and benefit from economies of scale. (page 102 of AR2020)
- b) What are the expected cost savings to the Group when the ERP systems of all ports are consolidated into an integrated digital platform? When is the ERP implementation expected to be completed?

### Answer:

Having a common and integrated ERP system will allow a potential estimated cost savings of 20% from following areas:

- Optimizing number of business applications across the ports to reduce redundant applications
- Centralized system will reduce hardware and maintenance costs
- Integrated view of vendors, customers, inventory and other assets, will allow various economies of scale.

The implementation will be carried out in phases to all the ports and will be completed by 2023/2024.

4. **Malakoff continues to face the challenge of expiring Power Purchase Agreements (PPAs) with limited opportunities to expand overseas and no new local projects at present. In operational terms, assets are ageing, and the operating landscape is shifting away from fossil fuels due to climate change pressures. (page 112 of AR 2020)**
- a) **Both PPAs for GB3 640MW power plant and Prai 350MW power plant will expire in 2022 and 2024 respectively and there will be lower energy payments once these PPAs expire. Will the revenue from Renewable Energy (RE) portfolio and waste management businesses be sufficient to compensate the loss of income from the expiration of the two PPAs?**

### **Answer:**

**Malakoff has undertaken key steps to mitigate the earnings gap from the upcoming PPA expiry and also to serve as a long-term growth catalyst:**

- **Acquisition of an additional 12% interest in Shuaibah IWPP from Khazanah Nasional Bhd (completed on 12 September 2019), effectively increasing the Group's overall power generation and water production capacity by 108 MW and 123,450 m<sup>3</sup>/day, respectively.**



### Answer (cont'd):

- Acquisition of Alam Flora Sdn Bhd (completed on 5 December 2019) to expand the Group's presence into the high-growth Waste Management & Environmental Services sector.
- Secured quota under SEDA for RE projects in the small hydro and biogas segments with a capacity of 55 MW and 2.4 MW, respectively.
- Successfully secured several rooftop Solar Power Purchase Agreements (SPPAs) for a total capacity of 9.93 MW.

According to the Energy Commission, as reported in its Peninsular Malaysia Generation Development Plan 2020 (2021 – 2039) that was published in March this year, Malaysia will require 6,077 MW of new capacity to meet demand growth by 2030. Net demand is expected to grow by 0.6% p.a. for 2021 – 2030 and 1.8% p.a. for 2031 – 2039.

This is expected to open opportunities for Malakoff to participate in potential future bidding exercises to fulfill the nation's electricity supply requirements. These opportunities also include key growth areas such as RE, WTE projects, new O&M businesses, potential repowering and new plant up of conventional power plants.

5. In FY2020, Malakoff successfully secured Solar Power Purchase Agreement (“SPPA”) for three rooftop solar projects and secured the Ulu Sebol biogas project. (page 111 of AR 2020)

a) When will the three solar projects be expected to achieve commercial operation date? How much revenue will the three solar projects contribute to the Group?

### Answer:

The three solar rooftop projects are expected to commence commercial operations in Q3 2021, with a combined capacity of 9.93 MW. The projects are part of Malakoff’s expansion plan into RE.

However, considering the limited combined capacity, the projects are not expected to contribute significantly to the Group in 2021.

5. In FY2020, Malakoff successfully secured Solar Power Purchase Agreement (“SPPA”) for three rooftop solar projects and secured the Ulu Sebol biogas project. (page 111 of AR 2020)

b) The energy outlook remains promising for RE in Malaysia. In response to RE opportunities, Malakoff will accelerate its efforts to transit its energy generation mix towards RE sources (page 112 of AR 2020). What is Malakoff’s expectation and medium-term target for RE portfolio in terms of financial contribution?

### Answer:

The Group is cognisant of the challenges of increasing earnings from the RE segment as it is expected to be significantly less than that from the conventional power generation due to the size and capacity of the RE projects in general.

However, in the next five-years, the RE segment is expected to contribute approximately 5% of the Group’s PATMI (based on FY2020 financials).

Waste Management & Environmental Services will be a major factor for our future business. Hence our commitment to reduce carbon footprint is more than just RE.



6. Other operating expenses have increased by 19.6% or RM72.3 million from RM369.8 million in FY2019 to RM442.1 million in FY2020 (page 190 of AR 2020)

**What were the reasons for the significant increase in the expenses in FY2020?**

**Answer:**

**The increase was mainly due to impairment loss charged to profit or loss in relation to a claim receivable of a subsidiary following impairment assessment made. Further details provided in Question 8 below.**

7. The Group has recognised in its financial statements a write-off of property, plant and equipment (PPE) amounted to RM15.64 million, an increase of 170.5% from RM5.78 million in FY2019 (page 201 of AR 2020).

**What were the reasons for the significant increase in PPE write-off in FY2020?**

**Answer:**

The increase in PPE write-off was mainly due to replacement of major parts of certain machineries specifically Rubber Tyred Gantry (RTG) due to refurbishment works done at Pelabuhan Tanjung Pelepas in 2020.

8. The Group's accumulated impairment losses on other receivables have increased significantly to RM200.7 million in FY2020 (FY2019: RM92.6 million) (Note 23, page 270 of AR 2020).

a) What were the reasons for the high impairment losses on other receivables?

**Answer:**

The impairment loss on other receivables is mainly related to a claim receivable of a subsidiary for a discontinued project in 2013 in the Middle East. The additional impairment loss was made based on development of the claim verification process during the current financial year.



8. The Group's accumulated impairment losses on other receivables have increased significantly to RM200.7 million in FY2020 (FY2019: RM92.6 million) (Note 23, page 270 of AR 2020).

b) What was the nature of these impairment losses and what actions have been taken to recover the said amount?

### Answer:

The impairment loss represents the loss incurred by a subsidiary in relation to a discontinued project in the Middle East as mentioned in 8(a) above. A legal action has since been initiated against the relevant party at the Board of Grievances Court in Jeddah, Kingdom of Saudi Arabia, in an attempt to recover the said loss. Part of the process entails submission of proof of claims to the Court-sanctioned auditors for verification.

8. The Group's accumulated impairment losses on other receivables have increased significantly to RM200.7 million in FY2020 (FY2019: RM92.6 million) (Note 23, page 270 of AR 2020).

c) What is the percentage of the impairment losses of RM200.7 million that is expected to be uncollectable?

### Answer:

Based on the impairment assessment performed, the probability of recovering the amount is low. Nevertheless, ongoing efforts to try to recover the amount are put in place.

8. The Group's accumulated impairment losses on other receivables have increased significantly to RM200.7 million in FY2020 (FY2019: RM92.6 million) (Note 23, page 270 of AR 2020).
- d) To which business segment does the impaired other receivables relate to? How much of the impaired other receivables have been recovered to-date?

### Answer:

The impaired other receivables relate to 'Others' segment. To date, none of the impaired other receivables have been recovered.



9. Datuk Ooi Teik Huat has served the Board for 13 years as an Independent Non-Executive Director. The Board will seek shareholders' approval via a single tier voting process for Resolution 7 to retain Datuk Ooi Teik Huat to continue to act as an Independent Director of the Company until the conclusion of next AGM of the Company. (page 20 of Corporate Governance Report FY2020 & page 321 of AR 2020)

**Why has the Board not adopted two-tier voting for Resolution 7 to retain Datuk Ooi Teik Huat as an independent director?**

**Answer:**

The Board noted the recommendation by Practice 4.2 of the Malaysian Code on Corporate Governance that two-tier voting should be adopted to retain Datuk Ooi Teik Huat as an Independent Director.

Nevertheless, there is no restriction in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or the Companies Act 2016 for the Company to seek the shareholders' approval via a single-tier voting process to retain an Independent Non-Executive Director who has served for a cumulative term of more than nine (9) years.

As such, MMC would seek shareholders' approval on the retention of Datuk Ooi Teik Huat as an Independent Director via a single-tier voting process.

- 10. The Company adopts the Bursa Malaysia Sustainability Reporting Guide (Second Edition) and the Bursa FTSE4Good Index requirements and guidelines for its Sustainability Reporting. Data contained within the Sustainability Report was sourced internally and has been verified accordingly by its respective business units or information owners. (page 145 of AR 2020)**

**Does the Board intend to have the Sustainability Report independently assured and if so, by when?**

**Answer:**

**MMC is exploring the possibility of seeking for independent assurance for its sustainability reporting going forward.**



# Thank You

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