

**Condensed Consolidated Statement of Comprehensive Income**  
**Quarterly report on unaudited consolidated results**  
**for the financial period ended 30 June 2021**

|  | <b>3 months<br/>ended<br/>30.06.21<br/>RM'000<br/>(Unaudited)</b> | <b>3 months<br/>ended<br/>30.06.20<br/>RM'000<br/>(Unaudited)</b> | <b>Cumulative<br/>6 months ended<br/>30.06.21<br/>RM'000<br/>(Unaudited)</b> | <b>Cumulative<br/>6 months ended<br/>30.06.20<br/>RM'000<br/>(Unaudited)</b> |
|--|---|---|--|--|
| Revenue  | 1,149,016   | 990,683   | 2,292,743  | 2,077,517  |
| Cost of sales  | (585,298)   | (510,718)   | (1,165,509)  | (1,121,640)  |
| <b>Gross profit</b>  | <b>563,718</b>  | <b>479,965</b>  | <b>1,127,234</b>   | <b>955,877</b>   |
| Other operating income   | 24,517  | 37,249  | 63,898   | 86,570   |
| Administrative expenses  | (186,231)   | (207,914)   | (402,549)  | (431,428)  |
| Other operating expenses   | (79,548)  | (77,683)  | (160,728)  | (164,787)  |
| Finance costs  | (132,128)   | (173,521)   | (277,123)  | (345,516)  |
| Share of results of:   |   |   |  |  |
| - associates   | 55,796  | 54,366  | 92,523   | 94,362   |
| - joint ventures   | 26,490  | 15,635  | 50,347   | 47,825   |
| <b>Profit before zakat and taxation</b>  | <b>272,614</b>  | <b>128,097</b>  | <b>493,602</b>   | <b>242,903</b>   |
| Tax expense  | (70,298)  | (38,244)  | (131,323)  | (80,029)   |
| <b>Profit for the financial period</b>   | <b>202,316</b>  | <b>89,853</b>   | <b>362,279</b>   | <b>162,874</b>   |
| <b>Other comprehensive income/(loss)</b>   |   |   |  |  |
| <b>Items that may be reclassified<br/>subsequently to profit or loss:</b>                              |   |   |  |  |
| Movement in associates' capital reserves   | 4,008   | 28,192  | 27,596   | (27,804)   |
| Fair value adjustment-cash flow hedge  | 2,191   | (4,167)   | 8,472  | 11,670   |
| Currency translation differences   | 267   | 306   | 5,411  | 15,291   |
| <b>Items that will not be reclassified<br/>subsequently to profit or loss:</b>                         |   |   |  |  |
| Net changes in investment securities at<br>Fair Value Through Other Comprehensive<br>Income ("FVTOCI") | 1,674   | (9,237)   | 16   | (9,557)  |
| <b>Other comprehensive income/(loss) for the<br/>financial period</b>                                  | <b>8,140</b>  | <b>15,094</b>   | <b>41,495</b>  | <b>(10,400)</b>  |
| <b>Total comprehensive income for the<br/>financial period</b>   | <b>210,456</b>  | <b>104,947</b>  | <b>403,774</b>   | <b>152,474</b>   |
| <b>Profit attributable to:</b>   |   |   |  |  |
| Owners of the Parent   | 173,763   | 77,360  | 298,467  | 135,242  |
| Non-controlling interests  | 28,553  | 12,493  | 63,812   | 27,632   |
|  | <b>202,316</b>  | <b>89,853</b>   | <b>362,279</b>   | <b>162,874</b>   |
| <b>Total comprehensive income<br/>attributable to:</b>   |   |   |  |  |
| Owners of the Parent   | 181,903   | 92,454  | 339,962  | 124,842  |
| Non-controlling interests  | 28,553  | 12,493  | 63,812   | 27,632   |
|  | <b>210,456</b>  | <b>104,947</b>  | <b>403,774</b>   | <b>152,474</b>   |
| <b>Earnings per share attributable<br/>to owners of the Parent</b>                                     |   |   |  |  |
| - Basic (sen)  | 5.7   | 2.5   | 9.8  | 4.4  |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

**Condensed Consolidated Statement of Financial Position**

|   | <b>As at<br/>30.06.21<br/>RM' 000<br/>(Unaudited)</b> | <b>As at<br/>31.12.20<br/>RM' 000<br/>(Audited)</b> |
|---|---|---|
| <b>Non-Current Assets</b>                                       |   |   |
| Property, plant and equipment                                   | 8,491,367   | 8,617,166   |
| Investment properties   | 667,575   | 673,431   |
| Rights-of-use assets  | 1,958,279   | 1,993,471   |
| Interests in associates   | 4,391,659   | 4,332,817   |
| Investments in joint arrangements                               | 246,396   | 276,049   |
| Investment securities   | 40,966  | 40,950  |
| Other investments   | 4,000   | 4,000   |
| Inventories   | 3,116,678   | 3,035,269   |
| Trade and other receivables                                     | 41,414  | 43,321  |
| Derivative financial instruments                                | 1,345   | -   |
| Intangible assets   | 2,327,710   | 2,320,202   |
| Deferred tax assets   | 487,165   | 560,962   |
|   | <u>21,774,554</u>                                     | <u>21,897,638</u>                                   |
| <b>Current Assets</b>   |   |   |
| Inventories   | 83,724  | 78,844  |
| Trade and other receivables                                     | 1,144,610   | 1,207,457   |
| Contract assets   | 206,124   | 102,980   |
| Tax recoverable   | 13,867  | 11,831  |
| Other investments   | 1,833,031   | 2,349,660   |
| Deposits, bank and cash balances                                | 459,368   | 451,236   |
|   | <u>3,740,724</u>                                      | <u>4,202,008</u>                                    |
| Assets held for sale  | 7,596   | 7,783   |
|   | <u>3,748,320</u>                                      | <u>4,209,791</u>                                    |
| <b>Total Assets</b>   | <u>25,522,874</u>                                     | <u>26,107,429</u>                                   |
| <b>Equity and Liabilities</b>                                   |   |   |
| <b>Equity attributable to owners of the Parent</b>              |   |   |
| Share capital   | 2,344,276   | 2,344,276   |
| Reserves  | 7,399,388   | 7,166,003   |
|   | <u>9,743,664</u>                                      | <u>9,510,279</u>                                    |
| Non-controlling interests                                       | 850,988   | 787,198   |
| <b>Total Equity</b>   | <u>10,594,652</u>                                     | <u>10,297,477</u>                                   |
| <b>Non-Current Liabilities</b>                                  |   |   |
| Borrowings  | 8,578,378   | 8,760,833   |
| Lease liabilities   | 2,143,342   | 2,172,858   |
| Provision for retirement benefits                               | 41,847  | 43,985  |
| Deferred income   | 164,089   | 166,511   |
| Trade and other payables  | 202,549   | 171,198   |
| Contract liabilities  | 100,143   | 96,669  |
| Deferred tax liabilities  | 523,493   | 524,718   |
|   | <u>11,753,841</u>                                     | <u>11,936,772</u>                                   |
| <b>Current Liabilities</b>                                      |   |   |
| Borrowings  | 898,712   | 1,010,438   |
| Lease liabilities   | 144,588   | 141,844   |
| Trade and other payables  | 1,164,142   | 1,628,347   |
| Contract liabilities  | 863,515   | 988,299   |
| Deferred income   | 8,363   | 12,618  |
| Derivative financial instruments                                | -   | 16,720  |
| Tax payables  | 95,061  | 74,914  |
|   | <u>3,174,381</u>                                      | <u>3,873,180</u>                                    |
| <b>Total Liabilities</b>  | <u>14,928,222</u>                                     | <u>15,809,952</u>                                   |
| <b>Total Equity and Liabilities</b>                             | <u>25,522,874</u>                                     | <u>26,107,429</u>                                   |
| Net assets per share attributable to owners of the Parent (sen) | 320   | 312   |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

## Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2021

|  | Attributable to owners of the parent |  |                                   |                             |  | Retained earnings<br>RM'000 | Total<br>RM'000  | Non-<br>controlling<br>interests (NCI)<br>RM'000 | Total<br>equity<br>RM'000 |
|--|--------------------------------------|--|-----------------------------------|-----------------------------|--|-----------------------------|------------------|--|---------------------------|
|  | Non-distributable                    |  |                                   | Distributable               |  |                             |                  |  |                           |
|  | Share<br>capital<br>RM'000           | Currency<br>translation<br>reserve<br>RM'000 | Revaluation<br>reserve*<br>RM'000 | Other<br>reserves<br>RM'000 | Cash<br>flow hedge<br>reserves<br>RM'000 |                             |                  |  |                           |
| <b>At 1 January 2021</b>   | 2,344,276                            | 57,003                                       | 28,120                            | 7,829                       | (67,071)                                 | 7,140,122                   | 9,510,279        | 787,198  | 10,297,477                |
| Net profit for the<br>financial period                             | -                                    | -  | -                                 | -                           | -  | 298,467                     | 298,467          | 63,812   | 362,279                   |
| Other comprehensive income/(loss)                                  | -                                    | 8,525  | -                                 | 16                          | 35,974                                   | (3,020)                     | 41,495           | -  | 41,495                    |
| <b>Total comprehensive income<br/>for the financial period</b>     | -                                    | 8,525  | -                                 | 16                          | 35,974                                   | 295,447                     | 339,962          | 63,812   | 403,774                   |
| Acquisition of NCI   | -                                    | -  | -                                 | -                           | -  | -                           | -                | (22)   | (22)                      |
| Dividend in respect of<br>financial year ended<br>31 December 2020 | -                                    | -  | -                                 | -                           | -  | (106,577)                   | (106,577)        | -  | (106,577)                 |
| <b>At 30 June 2021</b>   | <b>2,344,276</b>                     | <b>65,528</b>                                | <b>28,120</b>                     | <b>7,845</b>                | <b>(31,097)</b>                          | <b>7,328,992</b>            | <b>9,743,664</b> | <b>850,988</b>                                   | <b>10,594,652</b>         |

\* - The revaluation reserves relates to business combination of a subsidiary prior to the adoption of MFRS.

The Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

## Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2020

|  | Attributable to owners of the parent |  |                                   |                             |  |                                |                  | Total<br>interests (NCI)<br>RM'000 | Total<br>equity<br>RM'000 |
|--|--------------------------------------|--|-----------------------------------|-----------------------------|--|--------------------------------|------------------|------------------------------------|---------------------------|
|  | Non-distributable                    |  |                                   |                             |  | Distributable                  |                  |                                    |                           |
|  | Share<br>capital<br>RM'000           | Currency<br>translation<br>reserve<br>RM'000 | Revaluation<br>reserve*<br>RM'000 | Other<br>reserves<br>RM'000 | Cash<br>flow hedge<br>reserves<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000  |                                    |                           |
| <b>At 1 January 2020</b>   | 2,344,276                            | 58,118                                       | 28,120                            | (593)                       | (27,176)                                 | 6,941,285                      | 9,344,030        | 762,751                            | 10,106,781                |
| Net profit for the<br>financial period                                 | -                                    | -  | -                                 | -                           | -  | 135,242                        | 135,242          | 27,632                             | 162,874                   |
| Other comprehensive income/(loss)                                      | -                                    | 17,720                                       | -                                 | (9,557)                     | (25,889)                                 | 7,326                          | (10,400)         | -                                  | (10,400)                  |
| <b>Total comprehensive income/<br/>(loss) for the financial period</b> | -                                    | 17,720                                       | -                                 | (9,557)                     | (25,889)                                 | 142,568                        | 124,842          | 27,632                             | 152,474                   |
| Acquisition of NCI   | -                                    | -  | -                                 | -                           | -  | -                              | -                | (120)                              | (120)                     |
| Dividend paid to non-controlling<br>shareholder                        | -                                    | -  | -                                 | -                           | -  | -                              | -                | (320)                              | (320)                     |
| Dividend in respect of<br>financial year ended<br>31 December 2019     | -                                    | -  | -                                 | -                           | -  | (137,028)                      | (137,028)        | -                                  | (137,028)                 |
| <b>At 30 June 2020</b>   | <b>2,344,276</b>                     | <b>75,838</b>                                | <b>28,120</b>                     | <b>(10,150)</b>             | <b>(53,065)</b>                          | <b>6,946,825</b>               | <b>9,331,844</b> | <b>789,943</b>                     | <b>10,121,787</b>         |

\* - The revaluation reserves relates to business combination of a subsidiary prior to the adoption of MFRS.

The Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

**Condensed Consolidated Statement of Cash Flows**

|  | <b>6 months<br/>ended<br/><u>30.06.21</u><br/>RM'000<br/>(Unaudited)</b> | <b>6 months<br/>ended<br/><u>30.06.20</u><br/>RM'000<br/>(Unaudited)</b> |
|--|--|--|
| <b>Cash flows from operating activities</b>                                  |  |  |
| Profit before zakat and taxation   | 493,602  | 242,903  |
| Adjustments for:   |  |  |
| Non-cash items   | 370,856  | 416,891  |
| Interest expense   | 277,123  | 345,516  |
| Interest income  | (27,321)   | (34,440)   |
| Share of results in associates and joint ventures                            | (142,870)  | (142,187)  |
| Operating profit before working capital changes                              | 971,390  | 828,683  |
| Changes in working capital:  |  |  |
| Net change in inventories  | (86,289)   | 22,155   |
| Net change in other current assets   | (131,820)  | 252,416  |
| Net change in current liabilities  | (487,413)  | (257,466)  |
| Cash generated from operations   | 265,868  | 845,788  |
| Net tax paid   | (40,640)   | (31,963)   |
| Income from subleasing of rights-of-use assets                               | -  | 2,769  |
| <b>Net cash generated from operating activities</b>                          | <b><u>225,228</u></b>  | <b><u>816,594</u></b>  |
| <b>Cash flows from investing activities</b>                                  |  |  |
| Purchase of property, plant and equipment                                    | (175,009)  | (197,370)  |
| Purchase of investment properties  | -  | (44,097)   |
| Proceeds from sale of property, plant and equipment                          | 8,111  | 1,055  |
| Proceeds from sale of assets held for sale                                   | 163  | 17,209   |
| Interest received  | 27,321   | 34,440   |
| Dividend received from   |  |  |
| - Associates   | 64,666   | 96,293   |
| - Joint Ventures   | 80,000   | 124,120  |
| Government grant received  | -  | 165,500  |
| Net redemption of other investments  | 516,629  | -  |
| Changes in deposits with maturity more than 90 days                          | 42,291   | 35,982   |
| Changes in other investments with maturity more than 90 days                 | -  | 11,700   |
| <b>Net cash generated from investing activities</b>                          | <b><u>564,172</u></b>  | <b><u>244,832</u></b>  |
| <b>Cash flows from financing activities</b>                                  |  |  |
| Dividends paid   | (106,577)  | (137,028)  |
| Dividends paid to non-controlling interests of subsidiaries                  | -  | (320)  |
| Interest paid  | (211,287)  | (249,000)  |
| Lease liabilities paid   | (121,893)  | (101,963)  |
| Drawdown of loans  | 647,500  | 1,162,013  |
| Repayment of loans   | (952,109)  | (957,803)  |
| Purchase of additional shares in a subsidiary from non-controlling interests | (22)   | (120)  |
| Movements in designated accounts and pledged deposits                        | 2,835  | (31,891)   |
| <b>Net cash used in financing activities</b>                                 | <b><u>(741,553)</u></b>  | <b><u>(316,112)</u></b>  |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

**Condensed Consolidated Statement of Cash Flows**

|   | <b>6 months<br/>ended<br/><u>30.06.21</u><br/>RM'000<br/>(Unaudited)</b> | <b>6 months<br/>ended<br/><u>30.06.20</u><br/>RM'000<br/>(Unaudited)</b> |
|---|--|--|
| Net change in cash and cash equivalents                     | 47,847   | 745,314  |
| Effects of changes in exchange rate                         | 5,411  | 15,291   |
| Cash and cash equivalents at beginning of financial period  | <u>305,448</u>   | <u>1,940,918</u>   |
| <b>Cash and cash equivalents at end of financial period</b> | <b><u><u>358,706</u></u></b>   | <b><u><u>2,701,523</u></u></b>   |
| <b>Cash and cash equivalents comprise:</b>                  |  |  |
| Deposits and bank balances                                  | 459,368  | 1,679,635  |
| Other investments   | 1,837,031  | 1,474,824  |
| Less: Deposits with maturity more than 90 days              | (78,195)   | (142,064)  |
| Less: Other investments with maturity more than 90 days     | -  | (254,306)  |
|   | <u>2,218,204</u>   | <u>2,758,089</u>   |
| Other investments   | (1,837,031)  | -  |
| Designated accounts   | (21,918)   | (56,017)   |
| Pledge deposits   | (549)  | (549)  |
|   | <b><u><u>358,706</u></u></b>   | <b><u><u>2,701,523</u></u></b>   |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.

## Notes to the interim financial statements

### 1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Appendix 9B (Part A) of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2020.

The audited financial statements of the Group for the financial year ended 31 December 2020 were prepared in accordance with MFRSs, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The significant accounting policies and methods adopted in these interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2020.

Effective from 1 January 2021, the Group adopted the following:

- Amendment to MFRS 16 'COVID-19 - Related Rent Concessions'
- Amendment to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases 'Interest Rate Benchmark Reform - Phase 2'

The adoption of the above did not have any material impact on the financial statements of the Group in the period of application.

Malaysian Accounting Standards Board had issued the following amendments to the standards which are effective for the following financial periods:

- (i) Financial periods beginning on or after 1 April 2021:
  - Amendment to MFRS 16 'COVID-19 - Related Rent Concessions beyond 30 June 2021'
  
- (ii) Financial periods beginning on or after 1 January 2022:
  - Amendments to MFRS 3 'Reference to Conceptual Framework'
  - Amendments to MFRS 116 'Proceeds before intended use'
  - Amendments to MFRS 137 'Onerous contracts-cost of fulfilling a contract'
  - Annual Improvements to MFRSs 2018-2020: Amendments to Illustrative Example 13 accompanying MFRS 16 Leases: 'Lease Incentives' and Amendment to MFRS 9: 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
  
- (iii) Financial periods beginning on or after 1 January 2023:
  - Amendments to MFRS 101 Presentation of Financial Statements 'Classification of Liabilities as Current or Non-current'
  - Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors 'Definition of Accounting Estimates'
  
- (iv) Date yet to be announced by MASB:
  - Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures 'Sale or contribution of assets between an investor and its associates/joint ventures'



The Group did not early adopt the abovementioned amendments to the standards and is currently assessing their impact.

**2. Audit qualification**

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

**3. Seasonal or cyclical factors**

The Group's operations have not been affected by seasonal or cyclical factors.

**4. Unusual items**

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review because of their nature, size and incidence.

**5. Changes in financial estimates**

There was no material change in financial estimates reported in prior interim periods that could materially affect the current interim results.

**6. Equity securities**

There was no issuance, cancellation, repurchase, resale and repayment of equity securities during the current quarter ended 30 June 2021.

**7. Dividend paid**

In respect of the financial year ended 31 December 2020, a final single-tier dividend of 3.5 sen per ordinary share on 3,045,058,552 ordinary shares amounting to RM106,577,049 was paid on 25 June 2021.

**8. Segment Reporting**

a) Current Quarter Ended 30 June 2021 (3 months)

|   | Ports &<br>Logistics |        | Energy & Utilities |        |        | Engineering | Investment<br>Holding,<br>Corporate &<br>Others |        | Total |
|---|----------------------|--------|--------------------|--------|--------|-------------|---|--------|-------|
|   | RM mil               | RM mil | Gas                | Energy | Water  |             | RM mil  | RM mil |       |
|   |                      |        | RM mil             | RM mil | RM mil |             |   |        |       |
| <b><u>QTD 30.06.2021</u></b>                  |                      |        |                    |        |        |             |   |        |       |
| <u>Revenue</u>                                |                      |        |                    |        |        |             |   |        |       |
| Total   | 924                  | -      | -                  | 6      | 250    | 4           | 1,184   |        |       |
| Inter-segment                                 | (4)                  | -      | -                  | -      | (31)   | -           | (35)  |        |       |
| External                                      | 920                  | -      | -                  | 6      | 219    | 4           | 1,149   |        |       |
| <u>Results</u>                                |                      |        |                    |        |        |             |   |        |       |
| Profit/(loss)<br>before zakat<br>and taxation | 228                  | 17     | 39                 | 1      | 49     | (61)        | 273   |        |       |
| Finance costs                                 | 79                   | -      | -                  | -      | -      | 53          | 132   |        |       |
| Depreciation and<br>Amortisation              | 173                  | -      | -                  | -      | 4      | 12          | 189   |        |       |
| EBITDA*                                       | 480                  | 17     | 39                 | 1      | 53     | 4           | 594   |        |       |
| <b><u>QTD 30.06.2020</u></b>                  |                      |        |                    |        |        |             |   |        |       |
| <u>Revenue</u>                                |                      |        |                    |        |        |             |   |        |       |
| Total   | 730                  | -      | -                  | 6      | 264    | 15          | 1,015   |        |       |
| Inter-segment                                 | (2)                  | -      | -                  | -      | (22)   | -           | (24)  |        |       |
| External                                      | 728                  | -      | -                  | 6      | 242    | 15          | 991   |        |       |
| <u>Results</u>                                |                      |        |                    |        |        |             |   |        |       |
| Profit/(loss)<br>before zakat<br>and taxation | 96                   | 15     | 33                 | 2      | 60     | (78)        | 128   |        |       |
| Finance costs                                 | 112                  | -      | -                  | -      | -      | 62          | 174   |        |       |
| Depreciation and<br>Amortisation              | 162                  | -      | -                  | -      | 25     | 15          | 202   |        |       |
| EBITDA*                                       | 370                  | 15     | 33                 | 2      | 85     | (1)         | 504   |        |       |

\*EBITDA - Earnings/(loss) before interest, tax, depreciation and amortisation.

## b) Current Financial Period Ended 30 June 2021 (6 months)

|   | Ports & Logistics |        | Energy & Utilities |        |        | Engineering | Investment Holding, Corporate & Others |        | Total |
|---|-------------------|--------|--------------------|--------|--------|-------------|--|--------|-------|
|   | RM mil            | RM mil | Gas                | Energy | Water  |             | RM mil                                 | RM mil |       |
|   |                   |        | RM mil             | RM mil | RM mil |             |  |        |       |
| <b><u>FPE 30.06.2021</u></b>            |                   |        |                    |        |        |             |  |        |       |
| <u>Revenue</u>                          |                   |        |                    |        |        |             |  |        |       |
| Total                                   | 1,831             | -      | -                  | 12     | 531    | 9           | 2,383                                  |        |       |
| Inter-segment                           | (7)               | -      | -                  | -      | (83)   | -           | (90)                                   |        |       |
| External                                | 1,824             | -      | -                  | 12     | 448    | 9           | 2,293                                  |        |       |
| <u>Results</u>                          |                   |        |                    |        |        |             |  |        |       |
| Profit/(loss) before zakat and taxation | 465               | 34     | 55                 | 2      | 99     | (161)       | 494                                    |        |       |
| Finance costs                           | 167               | -      | -                  | -      | -      | 110         | 277                                    |        |       |
| Depreciation and Amortisation           | 344               | -      | -                  | 1      | 12     | 22          | 379                                    |        |       |
| EBITDA*                                 | 976               | 34     | 55                 | 3      | 111    | (29)        | 1,150                                  |        |       |
| <b><u>FPE 30.06.2020</u></b>            |                   |        |                    |        |        |             |  |        |       |
| <u>Revenue</u>                          |                   |        |                    |        |        |             |  |        |       |
| Total                                   | 1,535             | -      | -                  | 12     | 568    | 31          | 2,146                                  |        |       |
| Inter-segment                           | (6)               | -      | -                  | -      | (62)   | -           | (68)                                   |        |       |
| External                                | 1,529             | -      | -                  | 12     | 506    | 31          | 2,078                                  |        |       |
| <u>Results</u>                          |                   |        |                    |        |        |             |  |        |       |
| Profit/(loss) before zakat and taxation | 219               | 29     | 60                 | 2      | 121    | (188)       | 243                                    |        |       |
| Finance costs                           | 214               | -      | -                  | -      | -      | 132         | 346                                    |        |       |
| Depreciation and Amortisation           | 325               | -      | -                  | -      | 51     | 30          | 406                                    |        |       |
| EBITDA*                                 | 758               | 29     | 60                 | 2      | 172    | (26)        | 995                                    |        |       |

\*EBITDA - Earnings/(loss) before interest, tax, depreciation and amortisation.

**9. Property, plant and equipment**

There was no revaluation of property, plant and equipment during the current quarter ended 30 June 2021.

**10. Material events subsequent to the end of current interim period**

- a) On 27 January 2021, City Island Holdings Limited ("CIHL"), a wholly-owned subsidiary of MMC, which in turn holds an effective 20.0% equity interest in Red Sea Gateway Terminal ("RSGT"), via 20.0% interest in Red Sea Ports Development Company ("RSPD") and 8.0% direct interest in RSGT, had signed separate Share Purchase Agreements with the Public Investment Fund, the sovereign wealth fund of Saudi Arabia and COSCO Shipping Ports Limited (via its wholly-owned subsidiary, Sound Joyce Enterprises Limited) respectively, to undertake the proposed disposal of its 8.0% direct equity interest in RSGT for a total cash consideration of SAR211.1 million.

The proposed disposal was completed on 14 July 2021 and MMC (via CIHL) continues to hold 20.0% equity interest in RSPD, which in turn holds 60.0% equity interest in RSGT, after the disposal.

- b) On 22 March 2021, MMC Land Sdn Bhd ("MMC Land"), a wholly-owned subsidiary of MMC, had entered into a conditional share sale agreement ("SSA") with Tradewinds Corporation Berhad ("Tradewinds") for the proposed acquisition of 2,500,000 ordinary shares representing 50.0% equity interest in Retro Highland Sdn Bhd ("Retro Highland") and the shareholder's loan (together with all interest accrued thereon) of approximately RM55 million advanced by Tradewinds to Retro Highland, for a purchase consideration of RM250 million.

On 6 July 2021, the SSA has become unconditional and the proposed acquisition was completed in accordance with the terms of the SSA. Following the completion of the acquisition, Retro Highland has become a jointly-controlled entity of MMC Land.

- c) On 3 June 2021, MMC received a letter from Seaport Terminal (Johore) Sdn Bhd ("STJSB"), its controlling shareholder, requesting MMC to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act, 2016 ("Proposed SCR").

The Proposed SCR entails a selective capital reduction and a corresponding capital repayment of a proposed cash amount of RM2.00 for each ordinary share in MMC held by all shareholders of MMC (other than STJSB and persons acting in concert with them) on an entitlement date to be determined and announced later by the Board.

For further details of the Proposed SCR please refer to Note 21.

## **11. Changes in composition of the Group**

There was no change in the composition of the Group for the current quarter ended 30 June 2021.

**12. Changes in contingent liabilities or contingent assets**

There was no change in contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2020 except for the following bank guarantees issued to third parties:

|              | 30.06.21 | 31.12.20 |
|--------------|----------|----------|
|              | RM mil   | RM mil   |
| Subsidiaries | 143.4    | 136.6    |

Bank guarantees issued to third parties are mainly in relation to performance bonds and payment guarantees for utilities facilities.

**13. Provision of financial assistance**

Pursuant to paragraph 8.23(1)(ii) of Bursa Securities Listing Requirements, the financial assistance provided by MMC is as follows:

- a) MMC and Gamuda Berhad ("Gamuda") joint venture was awarded the Underground Works Package for the Klang Valley Mass Rapid Transit ("KVMRT") Kajang Line (formerly known as Sungai Buloh-Kajang Line) in 2012. MMC and Gamuda then established a joint venture company known as MMC Gamuda KVMRT (T) Sdn Bhd, a special purpose vehicle ("SPV"), to undertake the underground works package with each holding 50% interest. As required under the award, MMC has issued a Parent Company Guarantee to guarantee the due performance and obligations of the SPV.
- b) On 17 January 2020, MMC and Gamuda's jointly-controlled entity, MMC Gamuda KVMRT (PDP SSP) Sdn Bhd, a SPV with each holding 50% interest, executed the Supplemental Agreement to

the Project Delivery Partner (PDP) Agreement for the KVMRT Putrajaya Line (formerly known as Sungai Buloh-Serdang-Putrajaya Line) ("Supplemental Agreement"). As required under the Supplemental Agreement, MMC has issued a Parent Company Guarantee to guarantee the due performance and obligations of the SPV.

As at the reporting date, the aforementioned guarantees have not been called as the SPVs are fulfilling their performance obligations required under the Projects.

#### **14. Capital commitments**

Capital commitments of the Group not provided for in the interim financial report are as follows:

|                                | 30.06.21 | 31.12.20 |
|--------------------------------|----------|----------|
|                                | RM mil   | RM mil   |
| Property, plant and equipment: |          |          |
| Authorised and contracted for  | 363.0    | 389.7    |



**Additional information required by the Bursa Securities Listing Requirements****15. Review of performance****i. Current quarter compared with the corresponding quarter of the preceding financial period (three-months)**

For the quarter ended 30 June 2021, the Group recorded RM1,149.0 million in revenue, an increase of 16.0% from RM990.7 million reported in the corresponding quarter ended 30 June 2020 mainly due to higher volume handled across all ports. These were offset by lower contribution from Langat Sewerage project and no sale of land at Senai Airport City ("SAC").

The Group's Profit before zakat and taxation increased to RM272.6 million compared with RM128.1 million reported in the corresponding quarter ended 30 June 2020, due to higher volume handled across all ports and lower finance costs incurred. These were offset by no sale of land at SAC.

**ii. Current period compared with the corresponding period of the preceding financial period (six-months)**

For the financial period ended 30 June 2021, the Group recorded RM2,292.7 million in revenue, a 10.4% increase from RM2,077.5 million reported in the corresponding financial period ended 30 June 2020 mainly due to higher volume handled at Pelabuhan Tanjung Pelepas Sdn. Bhd. ("PTP") and Northport (Malaysia) Bhd. ("NMB"). These were offset by:-

- i) lower work progress from KVMRT Putrajaya Line and Langat Sewerage projects as the project are nearing completion;

- ii) lower passenger volume at Senai Airport due to COVID-19 pandemic; and
- iii) no sale of land at SAC.

The Group's Profit before zakat and taxation increased to RM493.6 million compared with RM242.9 million reported in the corresponding financial period ended 30 June 2020 in line with higher volume handled at PTP and NMB, gain on sublease of land at PTP, and lower finance costs incurred. These were offset by lower contribution from KVMRT Putrajaya Line, Langat Sewerage project and Senai Airport, and no sale of land at SAC as mentioned above.

#### Ports & Logistics

The segment recorded revenue of RM1,824.1 million, an increase of 19.3% compared with RM1,528.5 million reported in the corresponding financial period ended 30 June 2020 due to higher volume handled at PTP and NMB.

The segment recorded higher Profit before zakat and taxation by RM245.9 million to RM465.0 million compared with RM219.1 million reported in the corresponding financial period ended 30 June 2020 attributed to higher volume handled at PTP and NMB, gain on sublease of land at PTP and lower finance costs.

#### Engineering

The segment recorded revenue of RM448.2 million, a decrease of 11.4% compared with RM506.0 million reported in the corresponding financial period ended 30 June 2020 mainly due to lower work progress from KVMRT Putrajaya Line and Langat Sewerage project as the projects are nearing completion and impact of COVID-19.

The segment recorded lower Profit before zakat and taxation by RM21.8 million to RM99.0 million from RM120.8 million reported in the corresponding financial period ended 30 June 2020 in line with lower revenue as explained above.

#### Investment Holding, Corporate & Others

The segment recorded revenue of RM8.8 million, a decrease of 71.6% compared with RM31.0 million reported in the corresponding financial period ended 30 June 2020 due to lower passenger volume at Senai Airport and no sale of land at SAC.

The segment recorded lower Loss before zakat and taxation by RM27.0 million to RM161.4 million compared with RM188.4 million reported in the corresponding financial period ended 30 June 2020 attributed to lower administrative and finance costs incurred, offset by lower passenger volume at Senai Airport and no sale of land at SAC.

#### **16. Variation of results against immediate preceding quarter**

The Group recorded higher Profit before zakat and taxation by RM51.6 million to RM272.6 million in the current quarter compared with RM221.0 million in the immediate preceding quarter due to higher container volume handled at NMB, higher contribution from Malakoff as well as lower administrative and finance costs incurred. These were partially offset by no gain on sublease of land at PTP.

#### **17. Current prospects**

The Group is positive on the growth prospects of its business divisions in FY2021 in line with the global economic recovery. MMC's key business divisions will continue to play important roles in enabling and facilitating economic growth by providing

essential needs and services across all economic sectors. Additionally, the Group remains vigilant on the market changes in response to the ongoing Movement Control Orders 3.0 ("MCO 3.0") and the high number of COVID-19 cases recently recorded.

The Port and Logistics division is expected to continue the positive momentum in line with the expected economic recovery and growth this year. The division will continue to optimise the utilisation of its assets and resources and exercise stringent cost management. Over the short to medium terms, the division will focus on prioritizing its investments and capital allocation in the ports' infrastructures and operational efficiencies as part of strengthening its service capacities to meet the market demand.

The Energy & Utilities division, namely Malakoff and Gas Malaysia, remains as a key component to the Group and is expected to contribute steady earnings from its staple services across all economic sectors.

Despite the ongoing MCO 3.0 and its challenges, the Engineering division is committed to complete its outstanding contracts within the allocated time and costs and the division remains active in its efforts to secure new mega projects on the back of the economic recovery and Budget 2021 announcement that aims to revive the economic sectors.

With better and timely preventive measures and broader coverage of vaccination, the Group views that the economic recovery is sustainable. The Group is also committed to strengthening our financial and market positions by focusing on operational excellence and cost optimisation, whilst exploring new business opportunities.

Overall, the Group expects to sustain its financial and operational performance for FY2021 and will stay resilient through the year.

#### 18. Profit before zakat and taxation

Profit before zakat and taxation is stated after (crediting)/charging the following items:

|                                    | 3 months<br>ended<br>30.06.21<br>RM mil | 3 months<br>ended<br>30.06.20<br>RM mil | Cumulative<br>6 months<br>ended<br>30.06.21<br>RM mil | Cumulative<br>6 months<br>ended<br>30.06.20<br>RM mil |
|------------------------------------|---|---|---|---|
| Interest income                    | (14.3)                                  | (16.9)                                  | (27.3)  | (34.4)  |
| Depreciation                       | 182.7                                   | 198.0                                   | 370.0   | 399.2   |
| Amortisation                       | 5.8                                     | 3.5                                     | 8.7   | 6.8   |
| (Gain)/loss on disposal of:        |   |   |   |   |
| - property, plant and<br>equipment | (1.6)                                   | 0.3                                     | (0.7)   | (0.1)   |
| - assets held for sale             | -                                       | -                                       | -   | (8.7)   |
| Gain on sublease of land           | -                                       | -                                       | (18.7)  | -   |

#### 19. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the reporting period in a public document.

#### 20. Tax expense

|                      | 3 months<br>ended<br>30.06.21<br>RM mil | 3 months<br>ended<br>30.06.20<br>RM mil | Cumulative<br>6 months<br>ended<br>30.06.21<br>RM mil | Cumulative<br>6 months<br>ended<br>30.06.20<br>RM mil |
|----------------------|---|---|---|---|
| Current tax expense  |   |   |   |   |
| - current            | (22)                                    | (24)                                    | (50)  | (46)  |
| - prior years        | (8)                                     | (2)                                     | (8)   | (2)   |
| Deferred tax expense |   |   |   |   |
| - current            | (40)                                    | (12)                                    | (73)  | (32)  |
|                      | <u>(70)</u>                             | <u>(38)</u>                             | <u>(131)</u>  | <u>(80)</u>   |

The Group's effective tax rate for the period ended 30 June 2021 was higher than the statutory income tax rate principally due to effect of non-deductible expenses for tax purposes.

## **21. Status of corporate proposals announced**

Save as disclosed below, there is no other corporate proposal announced but not yet completed up to the date of this announcement.

- (i) On 19 March 2021, MMC announced that Klang Port Management Sdn Bhd ("KPM"), a wholly-owned subsidiary of Northport (Malaysia) Bhd, which in turn is a 99.1% subsidiary of MMC Port Holdings Sdn Bhd, a wholly-owned subsidiary of MMC, had entered into a conditional share sale and purchase agreement ("SSPA") with Boustead Holdings Berhad ("BHB") in relation to the proposed acquisition of 184,856,447 ordinary shares in Boustead Cruise Centre Sdn Bhd ("BCC") representing 50.0% ordinary equity interest in BCC by KPM from BHB for a cash consideration of RM115.0 million subject to the terms and conditions contained in the SSPA. The implementation of the transaction is still ongoing but pending completion.
  
- (ii) On 3 June 2021, MMC announced that it received a letter from its controlling shareholder, Seaport Terminal (Johore) Sdn Bhd ("Offeror"), requesting MMC to undertake a selective capital reduction and repayment exercise pursuant to Section 116 of the Companies Act, 2016 ("Proposed SCR") ("SCR Offer Letter").

On 22 June 2021, RHB Investment Bank Berhad ("RHB Investment Bank"), on behalf of the Board of MMC announced that the Board (save for Sharifah Sofia being the Interested Director) had appointed Alliance Investment

Bank Berhad as the Independent Adviser to provide its comments, opinions, information and recommendations on the Proposed SCR to the Board (save for the Interested Director) and the shareholders of MMC (other than the Offeror and its parties acting in concert) whose names appear in the Record of Depositors of MMC as at 5.00 p.m. on an entitlement date to be determined and announced later by the Board ("Entitled Shareholders").

Subsequently, on 14 July 2021, RHB Investment Bank, on behalf of the Board, announced that the Offeror had granted MMC an extension of time to no later than 5.00 p.m. on 30 August 2021 for MMC to respond to the Offeror with its decision as to whether or not to implement the Proposed SCR and to recommend the Proposed SCR to the Entitled Shareholders for their consideration and approval, based on the terms set out in the SCR Offer Letter.

On 4 August 2021, RHB Investment Bank announced, on behalf of the Board, that the Board (save for the Interested Director), has on 4 August 2021 deliberated on the contents of the SCR Offer Letter and has resolved to table the Proposed SCR based on the terms of the SCR Offer Letter to the Entitled Shareholders of MMC for their consideration and approval.

On 6 August 2021, RHB Investment Bank announced, on behalf of the Board, that the application in relation to the Proposed SCR has been submitted to the Securities Commission Malaysia pursuant to Paragraph 2(a) of Schedule 3 of the Rules on Take-overs, Mergers and Compulsory Acquisitions.

Please refer to Bursa Securities' website for further details on the aforementioned proposals.

**22. Investment securities**

Fair value of financial instruments

Fair values recognised in the statement of financial position are measured using the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted price included with level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, observable inputs).

Investment securities comprise of quoted shares and are measured at fair value through other comprehensive income. A reconciliation from opening balances to fair value measurement on level 1 of the fair value hierarchy is as follows:

|                       | 30.06.21    | 31.12.20    |
|-----------------------|-------------|-------------|
|                       | RM mil      | RM mil      |
| At 1 January          | 41.0        | 32.6        |
| Disposal              | -           | (0.1)       |
| Changes in fair value | -           | 8.5         |
| At 30.06.21/31.12.20  | <u>41.0</u> | <u>41.0</u> |



**23. Borrowings**

|                  | 30.06.21          | 31.12.20          |
|------------------|-------------------|-------------------|
|                  | RM mil            | RM mil            |
| Current          |                   |                   |
| - secured        | 64                | 144               |
| - unsecured      | 835               | 866               |
|                  | <hr/> 899         | <hr/> 1,010       |
| Non-current      |                   |                   |
| - secured        | 1,950             | 2,323             |
| - unsecured      | 6,628             | 6,438             |
|                  | <hr/> 8,578       | <hr/> 8,761       |
| Total borrowings | <hr/> <hr/> 9,477 | <hr/> <hr/> 9,771 |

All borrowings of the Group are denominated in Ringgit Malaysia.

**24. Changes in material litigation**a) Claim against Hood bin Osman

Kontena Nasional Berhad ("KNB"), a 99.1% indirect subsidiary of MMC, had served a Writ of Summons and a Statement of Claim on Hood bin Osman, the former Chief Executive Officer of KNB, on 15 May 2018.

KNB's claim against Hood bin Osman is premised primarily on breach of employment contract, fraud and various breaches of duty of care under common law and the Companies Act 2016.

KNB claims, among others, damages in the sum of RM66,590,105.43, general damages, full indemnity against any claims arising from the transactions, interest and costs.

On 25 August 2020 the Shah Alam High Court found that Hood bin Osman had breached his legal and fiduciary duties to KNB and awarded damages to KNB in the sum of RM6,852,918.13, with costs.

On 24 September 2020, Hood bin Osman filed an appeal to the Court of Appeal against the decision of the Shah Alam High Court. KNB has also filed an application to strike out the appeal, which is fixed for hearing on 4 October 2021.

b) Arbitration against CCJV P1 Engineering and Construction Sdn. Bhd.

Pursuant to a Subcontract on Project Customs Broker Service (On-Shore) dated 5 May 2015, JP Logistics Sdn. Bhd. ("JPL"), a wholly-owned subsidiary of Johor Port Bhd., which in turn is a wholly-owned subsidiary of MMC Corporation Bhd., had provided to CCJV P1 Engineering and Construction Sdn. Bhd. ("CCJV") storage services, involving storage of CCJV's plant and machineries, accumulating to a sum of RM52,076,296.12 ("Storage Charges"). CCJV disputes the said charges.

On 3 April 2019, JPL commenced arbitration proceedings against CCJV for the Storage Charges. CCJV in turn counterclaimed against JPL among others for a declaration that it is not liable for the Storage Charges.

On 16 April 2021, the arbitral tribunal allowed JPL's claim against CCJV and dismissed CCJV's counterclaim against JPL. The arbitral tribunal awarded to JPL RM52,076,295.82 in respect of the Storage Charges, RM809,304.52 for costs of the arbitration, deposits paid, legal fees and other expenses, and interest at 5% per annum on RM52,076,295.82 until full payment of the said sum ("the Award").

On 8 July 2021, CCJV filed an application to set aside the Award at the Kuala Lumpur High Court.

c) Arbitration Proceedings by Salcon MMCB AZSB JV Sdn Bhd against Pengurusan Aset Air Berhad

On 26 August 2020, Salcon MMCB AZSB JV Sdn Bhd ("SMAJV") issued a notice to commence arbitration proceedings ("Arbitration Notice") against Pengurusan Aset Air Berhad ("PAAB") claiming a sum of RM85,912,482.14 for, among others, loss and expense claims, claims for works done under variation orders, release of retention sum and unilateral deduction by PAAB on payments due to SMAJV as at the date of the Arbitration Notice, subject to further quantification of further losses suffered by SMAJV (collectively referred to as "Claims").

The Claims relate to works performed by SMAJV in respect of the development of the Langat 2 Water Treatment Plant and Water Reticulation System in Selangor Darul Ehsan/Wilayah Persekutuan Kuala Lumpur ("Project").

PAAB on 25 September 2020 counterclaimed a sum of RM63,030,664.84 against SMAJV for alleged breaches relating to the works performed by SMAJV in respect of the Project.

On 22 July 2021, SMAJV and PAAB have respectively withdrawn their claim and counterclaim in respect of the arbitration proceedings.

Save as disclosed above, there has been no other significant change in material litigation, including the status of pending material litigation in respect of the Company and its subsidiaries during the current quarter under review.

**25. Dividend Payable**

No dividend has been recommended by the Directors during the current quarter ended 30 June 2021 (30 June 2020 : Nil).

**26. Earnings per ordinary share**

## Basic Earnings Per Ordinary Share

|   | 3 months<br>ended<br><u>30.06.21</u> | 3 months<br>ended<br><u>30.06.20</u> | Cumulative<br>6 months<br>ended<br><u>30.06.21</u> | Cumulative<br>6 months<br>ended<br><u>30.06.20</u> |
|---|--------------------------------------|--------------------------------------|--|--|
| Profit for the financial period attributable to owners of the Parent (RM mil) | 173.8                                | 77.4                                 | 298.5  | 135.2  |
| Weighted average number of ordinary shares in issue ('mil)                    | 3,045.1                              | 3,045.1                              | 3,045.1  | 3,045.1  |
| Basic earnings per ordinary share (sen)                                       | 5.7                                  | 2.5                                  | 9.8  | 4.4  |

**27. Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution by the Directors as of 23 August 2021.

By Order of the Board

Sazlin Ayesha Abdul Samat (L.S. No.0008112)

Sharifah Ashtura Jamalullail Syed Osman (L.S. No.0009113)

Secretaries

Kuala Lumpur

23 August 2021