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MMC CORPORATION BERHAD RECORDS PROFIT OF RM452 MILLION FOR FY 2017

KUALA LUMPUR, 27 Feb 2018 – MMC Corporation Berhad (MMC or the Group), a premier utilities and infrastructure group recorded a Profit before zakat and taxation (PBZT) of RM185 million compared to RM305 million and revenue of RM1.23 billion, compared to RM1.85 billion reported in the corresponding quarter ended 31 December 2016.

For the financial year ended 31 December 2017, the Group recorded a PBZT of RM452 million compared to RM673 million while revenue stood at RM4.16 billion compared to RM4.63 billion reported in the preceding financial year.

The result was underpinned by the completion of Klang Valley Mass Rapid Transit (KVMRT) Sungai Buloh - Kajang Line (SBK Line), higher contribution from KVMRT Sungai Buloh – Serdang - Putrajaya Line (SSP Line) and share of profit from Penang Port Sdn Bhd (PPSB) compensated by one-off provision for impairment of RM98 million on Stormwater Management and Road Tunnel (SMART).

Review of Key Operating Companies

The Ports & Logistics division recorded higher PBZT of RM484 million compared to RM457 million and revenue of RM2.82 billion compared to RM2.74 billion reported in the preceding financial year driven by higher share of profit from PPSB and additional revenue contribution from RAPID Material Offloading Facilities operations by Johor Port Berhad (JPB).

The Engineering & Construction division on the other hand recorded a PBZT of RM198 million from RM349 million and revenue of RM1.26 billion compared to RM1.51 billion reported in the preceding financial year following the one-off provision for impairment of RM98 million on SMART and completion of KVMRT-SBK Line, compensated by progress from KVMRT-SSP Line and Langat Sewerage Treatment project.

Moving Forward

The Group remains positive of its prospects driven by good performances of its operating companies together with contribution from on-going construction projects.

The completion of 49% acquisition in PPSB and the proposed acquisition of the remaining 51% equity interest is expected to contribute positively to the Group's future earnings as it allows full consolidation of PPSB as a wholly-owned subsidiary. The acquisition allows the Group to establish a strong foothold in the Northern region of Peninsular Malaysia and complement the Group's strategic presence throughout the Straits of Malacca. Operational and cost synergies driven by MMC Port Holdings Sdn Bhd would further enhance the financial performance of its the division.

The Energy & Utilities division will continue to contribute positively from the Group's listed associate companies, namely Malakoff Corporation Berhad and Gas Malaysia Berhad.

As for the Engineering & Construction division, substantial existing order-book provides earnings visibility for the division anchored by the KVMRT-SSP Line underground work and Project Delivery Partner (PDP) role for the elevated portion. Furthermore, the earnings contribution from Engineering & Construction division will be sustained by on-going projects namely Langat 2 Water Treatment Plant, Langat Centralised Sewerage Treatment Project and our involvement in the PDP role for Pan Borneo Sabah Highway.



Photo caption: MMC's Ports & Logistics division records higher PBZT of RM484 million in 2017 compared to RM457 million in 2016.

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About MMC Corporation Berhad

MMC Corporation Berhad (MMC) is a leading utilities and infrastructure group with diversified businesses under three divisions, namely Ports & Logistics, Energy & Utilities and Engineering & Construction.

Under Ports & Logistics division, MMC Port Holdings Sdn Bhd (MMC Ports) a wholly-owned subsidiary of MMC Corporation Berhad is Malaysia's largest integrated port and logistics service provider. MMC Ports operates Pelabuhan Tanjung Pelepas Sdn Bhd, Johor Port Berhad, Northport (Malaysia) Bhd, Penang Port Sdn Bhd, Tanjung Bruas Port Sdn Bhd, Kontena Nasional Berhad, JPLogistics Sdn Bhd and KTMB-MMC Cargo Sdn Bhd. Internationally, MMC Ports has presence in Saudi Arabia via Red Sea Gateway Terminal Company Limited, a container port terminal within the Jeddah Islamic Port.

Under the Energy & Utilities division, MMC is the single largest shareholder of both Malakoff Corporation Berhad and Gas Malaysia Berhad.

MMC's Engineering & Construction division has further established itself in the sector with a leading role as the Project Delivery Partner (PDP) and underground works package contractor for the 51km Klang Valley Mass Rapid Transit (KVMRT) project (Sungai Buloh-Kajang Line) and Line 2 project (Sungai Buloh-Serdang-Putrajaya Line). Prior to this, MMC has successfully completed the 329km Ipoh-Padang Besar Electrified Double Tracking Project as well as the innovative Stormwater Management and Road Tunnel (SMART) motorway, the first-of-its-kind dual-purpose tunnel in the world.

MMC continues to make inroads in the construction industry, securing key civil and infrastructure projects in the country namely Langat Centralised Sewerage Treatment Plant, Langat 2 Water Treatment Plant, civil and infrastructure works for RAPID Pengerang Cogeneration Plant. Additionally, MMC has a 20% effective interest in Borneo Highway PDP Sdn Bhd (BHP) which has been appointed as PDP for the Sabah Pan Borneo Highway Project.

In other businesses, MMC owns Aliran Ihsan Resources Berhad, a water treatment plant operator and Senai Airport Terminal Services Sdn Bhd, the operator of Senai International Airport in Johor Bahru; a major aviation hub and the main air transportation gateway to Iskandar Malaysia. Additionally, MMC's Group Property arm manages close to 6,000 acres of industrial developments in Iskandar Malaysia, Johor and Kulim, Kedah, namely Senai Airport City, Tanjung Bin Petrochemical & Maritime Industrial Centre (TBPMIC) and Northern Technocity in Kulim. The Senai Airport City, TBPMIC and NTC (NTC) developments come under the ambit of Group Property's three operating companies – Senai Airport City Sdn Bhd, Seaport Worldwide Sdn Bhd and Northern Technocity Sdn Bhd respectively

Enquiries

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