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MMC CORPORATION BERHAD RECORDS PROFIT BEFORE ZAKAT AND TAXATION OF RM92.4 MILLION

KUALA LUMPUR, 29 May 2017 – MMC Corporation Berhad (“MMC” or “the Group”), a premier utilities and infrastructure group, today posted a Profit Before Zakat and Taxation (PBZT) of RM92.4 million in the first quarter of 2017 compared to RM95.6 million in 2016 with revenue at RM925.2 million compared to RM936.3 million reported in the corresponding period of the preceding year.

The lower PBZT was attributable to lower volume handled by PTP and was supported by contribution from RAPID Material Offloading Facilities (RAPID MOLF) operations at Johor Port Berhad (JPB) and the progress recorded at KVMRT-SSP Line. The decrease in revenue, was attributed to lower throughput volume at PTP due to seasonal factors, among others, followed by substantial completion of the KVMRT-SBK Line, mitigated by absence of Zelan Berhad’s effects on discounted receivables and unrealized loss on foreign exchange concerning Meena Plaza project, Abu Dhabi.

Review of Key Operating Companies

The Ports & Logistics division recorded a 3.2% increase in revenue to RM712.8 million, compared with RM690.4 million reported in the first quarter of 2016 and PBZT of RM124.1 million compared to RM141.5 million reported in the corresponding period of the preceding year. This is due to lower throughput volume at PTP and higher operational cost following the increase in average diesel price per litre.

The Energy & Utilities division saw an increase in PBZT to RM49.3 million compared with RM41.3 million reported in the first quarter of 2016 due to higher fuel margin at Malakoff.

Meanwhile, the Engineering & Construction division recorded revenue of RM193.4 million compared to RM226.6 million reported in the corresponding period of the preceding year. The division also recorded a PBZT of RM24.6 million compared to RM28.6 million in 2016.



The decrease in revenue and PBZT was mainly attributed to substantial completion of KVMRT-SBK Line, compensated by progress from KVMRT-SSP Line and absence of Zelan Berhad's effects on discounted receivables and unrealized loss on foreign exchange concerning Meena Plaza project, Abu Dhabi.

Moving Forward

The Group remains steadfast in its commitment for continuous growth driven by stable performances of its operating companies and contribution from on-going construction and nation building projects.

The Ports & Logistics division is expected to register higher revenue across all the ports. The completion of 49% acquisition in Penang Port Sdn Bhd (Penang Port) and the proposed acquisition of the 51% is expected to contribute positively to the Group's future earnings as it allows full consolidation of Penang Port 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. Additionally, MMC Port Holdings Sdn Bhd aims to realise operational and cost synergies as well as to achieve improvements in efficiency and productivity across the division.

Substantial existing order-book provides earnings visibility for the Engineering & Construction division anchored by the KVMRT-SSP Line underground work and Project Delivery Partner (PDP) role for 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 Plant and our involvement in the PDP role for Pan Borneo Sabah Highway.

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



Photo caption: The Ports & Logistics division is expected to register higher revenue across all ports.

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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.

Its key businesses under the Ports and Logistics division include the operations of Port of Tanjung Pelepas Sdn Bhd, Johor Port Berhad, Northport (Malaysia) Bhd, Penang Port Sdn Bhd and Kontena Nasional Berhad. Internationally, MMC has an associate stake in Red Sea Gateway Terminal Company Limited, a container port terminal within the Jeddah Islamic Port, Saudi Arabia.

Under the Energy & Utilities division, MMC is the single largest shareholder of both Malakoff Corporation Berhad (Malaysia's largest independent power producer), and Gas Malaysia Berhad (sole supplier of reticulated natural gas in Peninsular Malaysia to non-power sector).

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 also operates Senai International Airport, Johor Bahru, a major aviation hub and the main air transportation gateway to Iskandar Malaysia. Surrounding the airport is an area covering over 2,718 acres known as Senai Airport City which is being transformed into a major integrated industrial and commercial development.

Enquiries

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