



FOR IMMEDIATE RELEASE

MMC CORPORATION BERHAD PROFIT BEFORE ZAKAT AND TAXATION JUMPS MORE THAN THREE-FOLD TO RM132 MILLION IN SECOND QUARTER

KUALA LUMPUR, 27 Aug 2019 – MMC Corporation Berhad (MMC or the Group), a premier utilities and infrastructure group recorded a higher Profit Before Zakat and Taxation (PBZT) of RM132 million for the quarter ended 30 June 2019, a more than three-fold jump from the corresponding quarter ended 30 June 2018, mainly due to higher contribution from Pelabuhan Tanjung Pelepas (PTP), lower operating cost at Johor Port Berhad (Johor Port) and Northport Malaysia Berhad (Northport) as well as gain on disposal of an asset held for sale and lower administrative cost across the Group. These were offset by higher finance cost and depreciation due to the adoption of Malaysian Financial Reporting Standards (MFRS) 16 “Leases”.

The Group recorded higher revenue of RM1.23 billion, an increase of 2.4% compared to RM1.20 billion reported in the corresponding quarter ended 30 June 2018 due to higher volume handled at PTP and effect from consolidation of Penang Port Sdn Bhd’s (Penang Port) revenue. However, these were offset with lower progress from Langat Sewerage project.

For the financial period ended 30 June 2019, the Group recorded a higher PBZT of RM220 million compared to RM104 million due to higher contributions from port entities, gain on disposal of an asset held for sale and lower administrative costs. These were offset by lower contribution from Klang Valley Mass Rapid Transit Sungai Buloh - Serdang - Putrajaya Line (KVMRT-SSP Line) and Langat Sewerage project as well as higher finance cost and depreciation due to the adoption of the MFRS 16 “Leases”.

The Group recorded RM2.37 billion in revenue from RM2.48 billion reported in the corresponding period of the preceding financial year due to lower contribution from KVMRT-SSP Line following revision of contract in November 2018 as well as lower progress from Langat Sewerage project. These were moderated by consolidation of Penang Port revenue and higher volume handled at PTP.



Review of Key Operating Companies

The Ports & Logistics division recorded revenue of RM1.58 billion, a 13.4% growth compared to RM1.39 billion in the corresponding period of the preceding financial year mainly due to effect from full consolidation of Penang Port's revenue and higher volume handled at PTP.

The segment recorded higher PBZT by RM86 million to RM222 million compared with RM137 million reported in the corresponding period of the preceding financial year due to higher volume handled at PTP, lower operating cost at Johor Port and Northport, higher share of results from Red Sea Gateway Terminal as well as full consolidation of Penang Port's result. These were offset by higher finance cost and depreciation due to the adoption of MFRS 16 "Leases".

The Engineering division recorded revenue of RM740 million compared to RM1.04 billion reported in the corresponding period of the preceding financial year mainly due to lower contribution from KVMRT-SSP Line following revision of contract in November 2018 as well as lower progress from Langat Sewerage project.

The division recorded a decrease of 21.8% in PBZT to RM119 million from RM152 million reported in the corresponding period of the preceding financial year due to lower contribution from KVMRT-SSP Line and Langat Sewerage project.

Moving Forward

Continuous investments into the ports' infrastructure, capacities and capabilities along with execution of operational plans are expected to deliver positive results. Operational and cost synergies driven by MMC would further improve the performance of its Ports & Logistics division.

The Energy & Utilities division is expected to contribute positively from the Group's associated companies, namely Malakoff Corporation Berhad and Gas Malaysia Berhad.

Substantial existing order-book provides earnings visibility for the Engineering division anchored by the KVMRT-SSP Line. Furthermore, the earnings contribution from the Engineering division will be sustained by on-going projects including Langat 2 Water Treatment Plant and Langat Centralised Sewerage Treatment Project.

Dato' Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad said, **“We will keep on strengthening our capabilities and service delivery with a focus on operating performance and efficiency whilst exploring new opportunities.”**

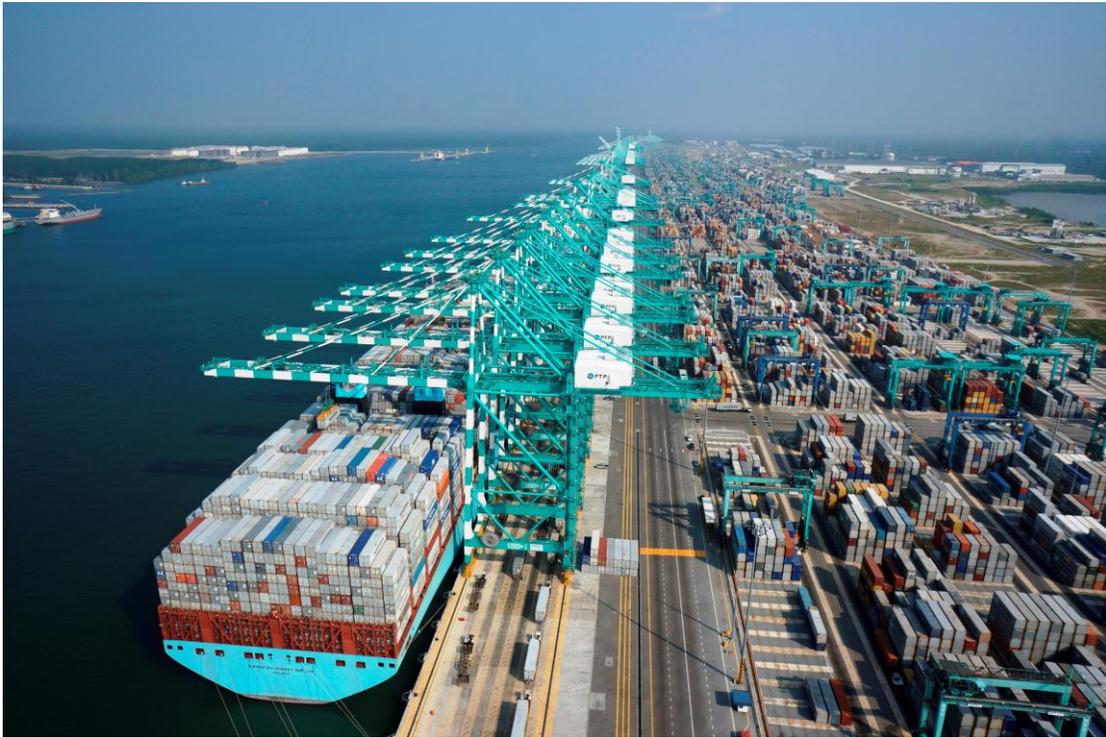


Photo caption: Pelabuhan Tanjung Pelepas recorded a higher throughput in the second quarter of 2019.

###

About MMC Corporation Berhad

MMC Corporation Berhad (MMC Group) is a leading utilities and infrastructure group with diversified businesses under four divisions, namely Ports and Logistics, Energy and Utilities, Engineering and Industrial Development.

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



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

MMC Group's Engineering division has played a leading role for the implementation of the entire project including the underground works package in completing the 51 km Klang Valley Mass Rapid Transit (KVMRT) Sungai Buloh-Kajang project (SBK Line) and is now the main turnkey contractor for the entire Sungai Buloh-Serdang-Putrajaya project (SSP Line). Prior to this, MMC Group has successfully completed the 329 km 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 Group is currently, undertaking key civil and infrastructure projects in the country namely Langat Centralised Sewerage Treatment Plant and Langat 2 Water Treatment Plant.

Under Industrial Development, MMC Group's Property develops and manages close to 6,000 acres of industrial developments in Iskandar Malaysia, Johor and Kulim, Kedah, which include the Senai Airport City, Tanjung Bin Petrochemical & Maritime Industrial Centre (TBPMIC) and the Northern Technocity (NTC). The Senai Airport City, TBPMIC and 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.

In other businesses, MMC Group wholly-owns Aliran Ihsan Resources Berhad, a company which specialises in the full spectrum of water treatment 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.

Enquiries

Please log on to www.mmc.com.my or contact:

Azlina Ashar, Head of Group Corporate Communications, MMC Corporation Berhad

Tel: 019 6688 990 / +603 2071 1124