



**FOR IMMEDIATE RELEASE**

**MMC-CHALCO ALUMINIUM SMELTER TO BENEFIT FROM LOW-COST  
ELECTRICITY. JAZAN ECONOMIC CITY PROGRESSING AS  
SCHEDULED**

**Kuala Lumpur, 9 May 2008** – The Saudi Arabian General Investment Authority (SAGIA) today gave its commitment to facilitate the supply of fuel oil for the power plant located at Jazan Economic City (JEC) at subsidised prices on a long term basis. The subsidised fuel oil will enable the power plant to supply low-cost electricity to industries within JEC, including the aluminium smelter which will be developed by Sino-Saudi Jazan Aluminum Limited, to be jointly owned by MMC International Holdings Limited (20%), Aluminum Corporation of China Limited (Chalco) (40%), one of the world's largest producers of aluminium, and a Saudi consortium (40%) including the Saudi Binladin Group (SBG). The smelter will cost an estimated US\$3 billion and have an annual production capacity of approximately one million metric tons.

SAGIA, which is responsible for overseeing the development of Saudi's economic cities, provided this commitment in an agreement signed in Beijing today with MMC International, SBG and Chalco. The agreement was signed by SAGIA Governor Amr Al-Dabbagh, Luo Jianchuan, President of Chalco, and MMC International CEO, Feizal Ali and Mohamad Saleh Binladin on behalf of JEC's master developers and shareholders.

CEO of MMC International Feizal Ali said, "The competitive tariffs at JEC will drastically reduce the smelter's production costs and give it an important competitive advantage to serve the growing world market for aluminium in a period of rising energy costs."

Feizal added, "MMC International will also have a 50% stake in the power plant which will supply electricity to the smelter. This power plant will initially generate 2,460 MW of electricity, which will eventually increase substantially to cope with JEC's anticipated massive growth. MMC also intends to own a 50% stake in the port which will be built to serve JEC. These investments will generate a significant recurring income stream for MMC International and the Group." The aluminium smelter, power plant and the port are scheduled to begin construction in the fourth quarter of this year.

SAGIA Governor Amr Al-Dabbagh said, "This agreement is in line with the wishes of His Majesty King Abdullah bin Abdul Aziz Al Saud to accelerate the implementation of the JEC. SAGIA undertakes what is necessary to facilitate the implementation of the project as swiftly as possible, including procuring the long term supply of fuel oil for the power plant at a very competitive rate. The success of our economic cities is critical for the Kingdom to be among the top ten most competitive nations by the year 2010."

When the JEC project was launched in November 2006, it was envisaged that it would attract US\$30 billion in investments over 25 years. Within one year of its launch, the project had already attracted approximately US\$18 billion in investments, excluding the oil refinery. Among the industries that will be set up in JEC include two aluminium smelters, an alumina refinery, and a steel mill and iron ore hub. JEC will also develop an automotive cluster to capitalise on the aluminium smelter and to develop downstream aluminium industries. JEC's master plan also provides for an oil refinery, a marine industrial complex, a primary metal processing facility, a copper processing plant, a zinc processing plant, a metal fabrication facility, as well as an agro-based industry. JEC will also include secondary industries such as silicon processing and the production of pharmaceuticals, chemicals, plastics and construction materials.

SAGIA Governor Amr Al-Dabbagh affirms that the project is making good progress. He said, “We are happy with the progress that has been achieved, and we will continue to promote JEC to make the project a show case of Chinese technologies and expertise to the world. I would also like to commend MMC International, a Malaysian company that has done much to promote and bring Chinese investors into the JEC project.”

MMC International is focusing on the utilities and logistics sectors and is actively bidding for various projects in the Middle East. MMC International has invested in a new container terminal at Jeddah Islamic Port, which will comprise three berths with a capacity of 1.5 million TEU. MMC also has interests in the Shuaibah independent water and power plant project in Saudi Arabia, a desalination plant in Algeria, the Central Electricity Generation Company in Jordan and the Dhofar Power Company in Oman.

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## **BACKGROUND INFORMATION**

**MMC International Holdings Limited**, a wholly-owned subsidiary of MMC Corporation Berhad, is the international arm of the MMC Group.

**MMC Corporation Bhd (MMC)** is a utilities and infrastructure group with interests in Transport & Logistics, Energy & Utilities, and Engineering & Construction. The group’s key businesses include the Port of Tanjung Pelepas (Malaysia’s largest container terminal), Johor Port (Malaysia’s leading multi-purpose port), Malakoff (Malaysia’s largest independent power producer) and Gas Malaysia (West Malaysia’s sole supplier of natural gas to the non-power sector). MMC is also undertaking the RM12.485 billion double tracking railway project, Malaysia’s largest infrastructure project. Through Zelan, MMC has interests in IJM, one of Malaysia’s premier construction companies, and Zelan Construction, a specialist contractor for power plants. To receive updates on MMC, subscribe to the company’s email alert service at [www.mmc.com.my](http://www.mmc.com.my).

In November 2006, MMC was awarded exclusive rights to develop and manage the Jazan Economic City (JEC) together with the Saudi Binladin Group. JEC is located 725 km south of Jeddah by the Red Sea on the west coast in Saudi Arabia's southern region. JEC will cover over 100 square km of land and include a seaport, an industrial zone, a commercial business district, residential areas, public amenities such as hospitals and schools, as well as other academic and vocational training institutions.

**The Saudi Arabian General Investment Authority (SAGIA)** is the Saudi government agency responsible for managing the investment environment in Saudi Arabia, promoting investments within it, providing government services to investors, and managing the Kingdom's Economic Cities. SAGIA was established by Royal decree, simultaneously with the promulgation of the new Investment Law in April 2000, which granted foreign investors national treatment. SAGIA's vision is "to achieve rapid and sustainable economic growth in Saudi Arabia, capitalizing on the Kingdom's competitive strengths as the global capital of energy, and a major hub between East and West."

**Aluminum Corporation of China Limited (Chalco)** is the sole producer of alumina in the People's Republic of China (PRC), the second largest producer of alumina in the world, and among the top five largest producers of aluminium in the world. The company's business includes bauxite mining, alumina refining and primary aluminum smelting. Chalco was established as a joint stock limited company incorporated in the PRC in 2001. Chalco is 40%-owned by Aluminum Corporation of China (Chinalco).

**Saudi Binladin Group (SBG).** Founded in the beginning of the last century by “Al Muaalim” Mohamed Binladin in 1931 as a leading construction company, SBG was established in the 1990s to develop businesses comprising large infrastructure projects, mosques, hospitals, hotels, prestigious buildings, power plants, water desalination plants, as well as gas and oil projects. The company has contributed to major projects such as the Faisaliah high rise center in Riyadh and the Kuala Lumpur International Airport. SBG’s most notable project is the expansion of the Two Holy Mosques in Makkah and the Prophet’s Mosque in Medina, in addition to the gigantic complex known as King Abdul Aziz Endowment in Makkah.

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