

**FOR IMMEDIATE RELEASE**

## **MALAKOFF TO OFFER 760 MILLION IPO SHARES**

MMC Corporation Berhad (MMC) today announced undertaking a pre-initial public offering (IPO) exercise prior to the implementation of the proposed IPO and listing of its subsidiary, Malakoff Corporation Berhad (Malakoff) on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities).

Malakoff is a 51%-owned subsidiary of MMC via MMC's direct equity interest of 28.8% in Malakoff and its indirect equity interest of 22.2% via Anglo-Oriental (Annuities) Sdn Bhd (AOA). Malakoff is Malaysia's largest independent power producer (IPP) with net generating capacity of 5,020 MW from its six power plants locally. Malakoff was earlier listed on Bursa Securities (then Kuala Lumpur Stock Exchange) in 1976 and was subsequently taken private in July 2007 following the completion of the acquisition by MMC.

MMC's Group Managing Director, Datuk Hj Hasni Harun said, "Malakoff has an impeccable track record of building and managing power plants, with recent wins reinforcing its position as the nation's largest IPP, with a market share of 22.5%. This proposed relisting will then allow Malakoff to enhance its visibility to facilitate its market expansion both on the local and international front. Combined with strong growth prospects, Malakoff is poised to become a compelling investment story and large capitalisation stock when it returns to the market next year."

Hasni added, "The proposed relisting is part of MMC's value creation exercise which was kick-started by Gas Malaysia's listing this year. The Malaysian capital market is considered as the region's top IPO destination hence we are offering quality companies to the investing public."

The pre-IPO exercise comprises the proposed conversion, bonus issue and subdivision of shares as follows:

1) Proposed conversion of all the consolidated redeemable convertible non-cumulative preference shares (RCPS) of RM1.00 each in Malakoff into new ordinary shares of RM1.00 each in Malakoff.

Malakoff has issued 351,344,030 ordinary shares of RM1.00 each in Malakoff (Pre- subdivided Shares) with a total of 41,792,004 RCPS (Existing RCPS) with a par value of RM0.10 each in issue. In accordance with the terms governing the Existing RCPS, it is proposed that:

i. Malakoff shall issue 1 additional RCPS of RM0.90 each for every 1 Existing RCPS held by the holders of the Existing RCPS; and

ii. Thereafter, Malakoff will consolidate 1 Existing RCPS and 1 RCPS of RM0.90 each into 1 new RCPS of RM1.00 each (Consolidated RCPS).

Upon completion of items (i) and (ii) above, there will be a total of 41,792,004 Consolidated RCPS in issue, which will be converted by all holders of the Consolidated RCPS into 41,792,004 new Pre-subdivided Shares (Proposed Conversion).

Upon completion of the Proposed Conversion, the issued and paid-up share capital of Malakoff will increase from 351,344,030 Pre-subdivided Shares to 393,136,034 Pre- subdivided Shares.

2) Proposed bonus issue of new Pre-subdivided Shares on a pro-rata basis to existing shareholders of Malakoff

This bonus issue will involve the issuance of 6,863,966 new Pre-subdivided Shares to be credited as fully paid-up on a pro-rata basis to the existing shareholders of Malakoff calculated based on their respective shareholdings in Malakoff after the Proposed Conversion (Proposed Bonus Issue). Any fractional entitlements under the Proposed Bonus Issue will be dealt with in such a manner as the Directors of Malakoff in their absolute discretion deem fit.

Upon completion of the Proposed Bonus Issue, the issued and paid-up share capital of Malakoff will increase from 393,136,034 Pre-subdivided Shares to 400,000,000 Pre- subdivided Shares.

3) Proposed subdivision of every 1 existing ordinary share of RM1.00 each in Malakoff into 5 ordinary shares of RM0.20 each

Upon completion of the Proposed Conversion and Proposed Bonus Issue, it is proposed that Malakoff will undertake a subdivision of every 1 existing ordinary share of RM1.00 each in Malakoff into 5 ordinary shares of RM0.20 each in Malakoff to be credited as fully paid-up (Proposed Subdivision of Shares).

Upon completion of the Proposed Subdivision of Shares, the authorised share capital of Malakoff will be RM1,000,000,000 comprising 5,000,000,000 ordinary shares of RM0.20 each whilst the resultant issued and paid-up share capital of Malakoff will be RM400,000,000 comprising 2,000,000,000 ordinary shares of RM0.20 each.

The IPO will be up to 760,870,000 ordinary shares, which represents up to approximately 30.4% of the enlarged issued and paid-up ordinary share capital of Malakoff, and will comprise a public issue of 500,000,000 new ordinary shares as well as an offer for sale of up to 260,870,000 existing shares by the Selling Shareholders\* involving:

- The Institutional Offering of up to 629,370,000 IPO shares, representing up to approximately 25.2% of the enlarged issued and paid up share capital of Malakoff; and
- The Retail Offering of 131,500,000 Issue Shares, representing approximately 5.2% of the enlarged issued and paid-up share capital.

Once completed, the proposed IPO entails the listing of and quotation for Malakoff's entire enlarged issued and paid-up share capital of RM500,000,000 comprising 2,500,000,000 ordinary shares of RM0.20 each in Malakoff on the Main Market of Bursa Securities.

The applications to the relevant authorities in relation to the proposed relisting are expected to be made within one month from the date of this press release. Pricing for the IPO will be determined by way of bookbuilding on a date to be determined later by the Board of Directors of MCB, the Selling Shareholders\* and the joint global coordinators. The listing is expected to take place in the second quarter of 2013.

Hasni concluded, "Malakoff's proposed relisting will enable investors to participate in the continuing growth of the company. Via Malakoff, MMC continues to explore opportunities to

strengthen its energy and utilities segment and this includes the proposed acquisition of Hicom Power which will be tabled at an Extraordinary General Meeting on 14 December 2012."

Note:

\*The Selling Shareholders are Anglo-Oriental (Annuities) Sdn Bhd, Employees Provident Fund Board, Kumpulan Wang Persaraan (Diperbadankan), SEASAF Power Sdn Bhd and Standard Chartered IL & FS Asia Infrastructure Growth Fund Company Pte Limited

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### **About MMC Corporation Berhad**

MMC is a utilities and infrastructure group with interests in transport & logistics, energy & utilities and engineering & construction. MMC's key businesses in the transport & logistics segment include the Port of Tanjung Pelepas (Malaysia's largest container terminal) and Johor Port (a multi-purpose port). In energy & utilities segment, MMC has controlling stakes in Malakoff Corporation Berhad (Malaysia's largest independent power producer), Gas Malaysia Berhad (Malaysia's sole supplier of natural gas to the non-power sector) and Aliran Ihsan Resources Berhad (a specialist in water treatment operations in Malaysia).

MMC has a strong track record in engineering & construction projects, as demonstrated in the development of innovative projects such as the Stormwater Management and Road Tunnel (SMART) Motorway. MMC, via a joint venture with Gamuda Berhad, is currently undertaking the electrified double track railway project in the Northern part of Malaysia, spanning 329km. MMC Gamuda KVMRT (PDP) Sdn Bhd is the Project Delivery Partner for the Klang Valley My Rapid Transit – Sungai Buloh-Kajang line ("Project"), the country's largest infrastructure project to-date. MMC's involvement in the Project is in line with the New Economic Model's strategic reform initiative to re-energise the private sector as one engine of economic growth.

MMC's other operations include Senai International Airport and its international business in the utilities and logistics sectors. MMC has an effective equity interest of 20% in Red Sea Gateway Terminal which operates a container terminal at Jeddah Islamic Port.

***Issued by MMC Corporation Berhad.***

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