



## **FOR IMMEDIATE RELEASE**

# **MMC CORPORATION BERHAD'S PROFIT MORE THAN DOUBLE IN FY2015**

**KUALA LUMPUR, 23 February** – MMC Corporation Berhad (“MMC Group”), a premier utilities and infrastructure Group today recorded a Profit before tax of RM1.96 billion for the financial year ended 31 December 2015, more than double the RM885.6 million reported in the preceding financial year. The leap were mainly attributed to exceptional gains arising from Malakoff's May 2015 IPO listing of RM1.34 billion and fair value re-measurement in NCB's investment of RM143.5 million following completion of additional acquisition.

MMC Group recorded a decrease of 42.3% in revenue to RM5.05 billion from RM8.76 billion reported in the preceding financial year, mainly due to deconsolidation of Malakoff's results upon completion of its IPO listing on 15 May 2015, absence of substantial sale of land in respect of the overall development of Senai Airport City, lower work progress following the completion of the tunnel works for the Klang Valley Mass Rapid Transit (KVMRT) Sungai Buloh-Kajang (SBK) in April 2015 and completion of Electrified Double Track project in November 2014.

### **Review of Key Operating Companies**

#### **Ports & Logistics**

The segment recorded Profit before tax of RM488.9 million, an increase of 92.3% when compared with RM254.2 million reported in the preceding financial year, mainly attributed to gain on fair value re-measurement of investment in NCB of RM143.5 million, increase in throughput handled at PTP coupled with lower operating costs driven by PTP's continued cost efficiency and productivity programs.

The segment recorded revenue of RM1.90 billion, an increase of 15.9% when compared with RM1.64 billion reported in the preceding financial year, mainly driven by the increased in throughput handled at PTP contributed by the continuous and positive progress from 2M alliance and effects from consolidation of NCB's revenue.



### **Energy & Utilities**

The segment recorded a significant increase in Profit before tax of RM1.75 billion when compared with RM647.3 million reported in the preceding financial year, primarily due to the exceptional gain of RM1.34 billion comprised of gain on sale of Malakoff shares and fair value re-measurement in investment of RM388.7 million and RM955.4 million, respectively following completion of Malakoff's IPO listing on 15 May 2015.

The segment recorded a decrease of 63.5% in revenue to RM2.04 billion from RM5.59 billion reported in the preceding financial year, primarily due to deconsolidation of Malakoff's results upon completion of its IPO listing.

### **Engineering & Construction**

The segment recorded lower Profit before tax of RM173.4 million when compared with RM310.6 million reported in the preceding financial year, mainly attributed to lower contribution from KVMRT-SBK project following completion of tunnelling drive works as scheduled, completion of Double Track Project in November 2014 and additional provision for litigation costs in relation to the ongoing arbitration proceedings between Wayss & Freytag (Malaysia) Sdn Bhd and MMC Engineering Group Berhad-Gamuda Berhad Joint Venture concerning Stormwater Management & Road Tunnel ("SMART") project.

The segment recorded a decrease of 12.7% in revenue to RM963.5 million from RM1.10 billion reported in the preceding financial year, mainly due to lower work progress recorded from KVMRT-SBK line project largely upon completion of tunnelling drive works in April 2015 and completion of Electrified Double Track Project in November 2014.

### **Variation of results against immediate preceding quarter**

The Group recorded higher Profit before tax of RM178.3 million in the current quarter when compared with RM91.2 million in the immediate preceding quarter, mainly attributed to gain on fair value re-measurement of RM143.5 million arising from additional acquisition of equity interest in NCB, however, partially offset by the effect from discounted receivables and provision for arbitration costs concerning Meena project at Zelan Bhd as well as additional provision for litigation costs in relation to SMART project.



## **Moving Forward**

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

Ports & Logistics division is expected to grow its revenue on the back of growing volumes at Port of Tanjung Pelepas and Johor Port as well as additional contribution from NCB Holdings' financial results which will be consolidated arising from the completion of the acquisition. NCB Holdings expands MMC's presence in the port business from south to west of Peninsular Malaysia. In addition, MMC will capture operational and cost synergies, which would further enhance the financial performance of its ports and logistics business division.

The contribution of Energy & Utilities division to the Group's revenue and earnings will be reduced as a result of full year impact of the deconsolidation of Malakoff. However, the Energy & Utility division is expected to perform better supported by improved performance at Malakoff with the expected completion of an additional 1,000MW in Tanjung Bin Energy power plant in March 2016 as well as higher gas volume sales at Gas Malaysia.

Substantial existing order-book provides earnings visibility for the Engineering & Construction division anchored by the KVMRT- SBK Line Project which is progressing well and is on track to be completed by July 2017. Furthermore, the Group has secured several major projects namely Langat 2 Water Treatment Plant, Langat Centralized Sewerage Treatment Project, infrastructure works for the RAPID Pengerang Co-generation plant and the appointment as Project Delivery Partner for the implementation of the Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line ("MRT Line 2") Project.

Dato' Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad shared that "The consistency of our performance through the four quarters mirrors our dedication to deliver results amidst the challenging environment. We will continue to improve our operations and intensify our cost optimisation efforts to keep our balance sheet strong for 2016"

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## **About MMC Corporation Berhad**

MMC Corporation Berhad (MMC Corporation) has evolved over the years to be Malaysia's leading utilities and infrastructure group with diversified businesses under ports & logistics, energy & utilities and engineering & construction and others.

As an active player with a diversified portfolio of businesses in utilities and infrastructure, MMC Corporation has and will continue to make significant contributions to the development of human and intellectual capital as well as to the environment and the local community.

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### **Enquiries**

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