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MMC CORPORATION BERHAD RECORDS PROFIT BEFORE ZAKAT AND TAXATION OF RM88 MILLION

KUALA LUMPUR, 28 May 2019 – MMC Corporation Berhad (MMC or the Group), a premier utilities and infrastructure group recorded a Profit Before Zakat and Taxation (PBZT) of RM88 million compared to RM64 million reported in the corresponding quarter of the preceding financial period due to higher contributions from port entities, offset by lower contribution from Klang Valley Mass Rapid Transit Sungai Buloh-Serdang (KVMRT-SSP Line).

The Group recorded revenue of RM1.14 billion compared to RM1.28 billion 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 Sdn Bhd's (Penang Port) revenue and higher volume handled at Pelabuhan Tanjung Pelepas (PTP).

Review of Key Operating Companies

The Ports & Logistics division recorded higher revenue of RM780 million, an increase of 19.2% compared with RM655 million reported in the corresponding quarter of the preceding financial period, mainly due to effect from full consolidation of Penang Port's revenue and higher volume handled at PTP.

The division recorded higher PBZT by RM37 million to RM104 million compared to RM67 million reported in the corresponding quarter of the preceding financial period due to higher contribution from Johor Port Berhad and Northport Malaysia Berhad 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 Energy & Utilities division recorded decrease in PBZT to RM32 million compared to RM38 million reported in the corresponding quarter of the preceding financial period due to higher operation and maintenance costs at Malakoff Corporation Berhad (Malakoff).



The Engineering division recorded revenue of RM338 million compared to RM604 million reported in the corresponding quarter of the preceding financial period mainly due to lower contribution from KVMRT-SSP Line following revision of contract in November 2018.

The segment recorded PBZT of RM49 million from RM74 million reported in the corresponding quarter of the preceding financial period due to lower contribution from KVMRT-SSP Line.

Moving Forward

Ports & Logistics division is expected to record positive volume growth across all the ports. Continuous investments into the port's infrastructure, capacity 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 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.

Overall, the Group expects to strengthen our capabilities with a focus on operating performance and efficiency, exploring new opportunities and continue to sustain our core business.

Dato' Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad said, "We will further strengthen our foundation and continue to optimise our cost for greater operational efficiency. We remain focused on our deliverables and committed to returning more value to our stakeholders".



Photo caption: Operational and cost synergies driven by MMC would further improve the performance of its Ports & Logistics division.

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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 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 is the single largest shareholder of both Malakoff Corporation Berhad and Gas Malaysia Berhad.

MMC'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 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 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 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

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