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MMC CORPORATION BERHAD PATMI JUMPS 190% FOR FY2016

KUALA LUMPUR, 28 Feb 2017 – MMC Corporation Berhad (“MMC” or the “Group”), a premier utilities and infrastructure Group today posted a 190% increase in Profit After Tax and Minority Interests (PATMI) for the financial year ended 31 December 2016.

The Group’s PATMI increased to RM549.6 million compared with RM189.4 million reported in the preceding financial year (excluding the exceptional gains of RM1.34 billion from Malakoff’s May 2015 listing and gain on fair value re-measurement of investment in NCB of RM130.5 million).

Profit Before Zakat and Tax (PBZT) increased to RM305.0 million in the current quarter compared to RM124.1 million in the immediate preceding quarter, following the completion of land sale in Senai Airport City (SAC) and the KVMRT-SBK line project approaching towards completion, among others.

For the financial year ended 31 December 2016, the Group recorded an increase in revenue from RM 3.01 billion to RM 4.63 billion, excluding Malakoff’s revenue in 2015.

Review of Key Operating Companies

The Ports & Logistics division recorded revenue of RM2.74 billion, an increase of 43.4% compared to RM1.91 billion reported in the preceding financial year due to NCB’s consolidated revenue following completion of the acquisition in December 2015.

Excluding the gain on fair value re-measurement of RM130.5 million, the division recorded higher PBZT of RM456.7 million compared to RM372.3 million in the preceding financial year mainly due to consolidation effect of NCB as explained above and better performance in 2016.

The Engineering & Construction division recorded a 94.1% increase in PBZT to RM348.9 million from RM179.7 million reported in the preceding financial year with the KVMRT-SBK line approaching towards completion and higher work progress recorded from Langat Sewerage Plant project, among others.



The division recorded a revenue of RM1.51 billion, an increase of 56.5% compared with RM966.1 million reported in the preceding financial year.

The Energy & Utilities division recorded lower PBT of RM222.3 million compared to the preceding financial year due to deconsolidation of Malakoff in May 2015 offset by higher share of profit from Gas Malaysia Bhd in relation to higher volume of gas sold.

Under Investment Holding, Corporate & Others, the segment recorded higher revenue of RM380.3 million compared with RM139.8 million reported in the preceding financial year, mainly due to sale of land in SAC.

Correspondingly, the segment recorded lower Loss before zakat and taxation of RM317.7 million compared with RM464.6 million reported in the preceding financial year, mainly attributed to absence of provision for impairment on claims recovery of a discontinued project in Middle East, partially offset by higher finance costs and other operating expenses.

Moving Forward

The Group remains optimistic of its prospects driven by stable performances of its operating companies and ongoing contribution from construction projects. The full year consolidation of NCB Holdings' result has partly offset by Malakoff's deconsolidation impact in 2016.

Ports & Logistics division is expected to register higher revenue and the proposed acquisition of 49% equity interest in Penang Port Sdn Bhd and 70% equity interest in KMB Seaport Sdn Berhad (operator of Tanjung Bruas Port, Melaka) is expected to contribute positively to the Group's profitability in the future. The acquisitions allow the Group to establish a strong foothold in the Northern region of Peninsular Malaysia and subsequently complement the Group's presence throughout the Straits of Malacca. Additionally, MMC Ports aims to realise operational and cost synergies as well as to achieve improvements in efficiency and productivity across all ports.

Substantial existing order-book provides earnings visibility for the Engineering & Construction division anchored by the KVMRT-SSP Line underground work and Project Delivery Partner (PDP) role for elevated portion. Furthermore, the earnings contribution



from Engineering & Construction division will be sustained by on-going projects namely Langat 2 Water Treatment Plant, Langat Centralised Sewerage Treatment Project and our involvement in the PDP role for Pan Borneo Sabah Highway.

The Energy & Utilities division will continue to contribute positively from the Group's associated companies, namely Malakoff and Gas Malaysia.

“The Group remains resilient and is committed to growth despite the challenging backdrop in 2016. Today, we are the largest port operating group in Malaysia and a trusted player in the Engineering & Construction industry, following the early completion of the Klang Valley Mass Rapid Transit Sungai Buloh-Kajang (Phase 1). We are confident with the on-going development of our businesses and will continue to deliver value to our shareholders.” said Dato' Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad.

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About MMC Corporation Berhad

MMC Corporation Berhad (MMC) is a leading utilities and infrastructure group with diversified businesses under three divisions, namely ports & logistics, energy & utilities and engineering & construction.

Its key businesses under the Ports and Logistics division include the operations of Port of Tanjung Pelepas Sdn Bhd (Malaysia's largest container terminal), Johor Port Berhad (Malaysia's leading multi-purpose port), Northport (Malaysia) Bhd and Kontena Nasional Berhad. Additionally, MMC extends its operations to Saudi Arabia via its associate stake in Red Sea Gateway Terminal Company Limited, a container port terminal within the Jeddah Islamic Port.

MMC owns and operates Senai International Airport, Johor Bahru, a major aviation hub and the main air transportation gateway to Iskandar Malaysia. Surrounding the airport is an area covering over 2,718 acres known as Senai Airport City which is being transformed into a major integrated industrial and commercial development.

Under the Energy & Utilities division, MMC is the single largest shareholder of both Malakoff Corporation Berhad (Malaysia's largest independent power producer), and Gas Malaysia Berhad (sole supplier of reticulated natural gas in Peninsular Malaysia to non-power sector). Within the utilities segment, MMC also wholly owns Aliran Ihsan Resources Berhad (a water treatment plant operator).



MMC's Engineering & Construction division has further established itself in the sector with a leading role as the Project Delivery Partner (PDP) and underground works package contractor for the 51km Klang Valley Mass Rapid Transit (KVMRT) project (Sungai Buloh-Kajang Line) and Line 2 project (Sungai Buloh-Serdang-Putrajaya Line). Prior to this, MMC has successfully completed the 329km 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 continues to make inroads in the construction industry, securing key civil and infrastructure projects in the country namely Langat Centralised Sewage Treatment Plant, Langat 2 Water Treatment Plant, civil and infrastructure works for RAPID Pengerang Cogeneration Plant. Additionally, MMC has a 20% effective interest in Borneo Highway PDP Sdn Bhd (BHP) which has been appointed as PDP for the Sabah Pan Borneo Highway Project.

Enquiries

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