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MMC GIVES FIRM COMMITMENT TO GROW ZELAN INTO REGIONAL EPCC POWER PLANT CONTRACTOR

Kuala Lumpur, Wednesday, 3 December 2008: MMC Corporation Berhad today gave its firm commitment to support its 39%-owned associate Zelan Berhad moving forward and to grow the company into a regional EPCC (engineering, procurement, construction and commissioning) power plant contractor. Already a leading player in the local EPCC market with involvement in the construction of 14 power plants up to a maximum generation capacity of 2,100 MW, Zelan offers a unique value proposition as a specialist design and build power plant contractor with the requisite capacity and capability to move towards greater heights.

MMC CEO Malaysia Hasni Harun said, "As Zelan's largest shareholder, MMC will support Zelan's project execution to ensure completion and delivery of all existing projects. We will also leverage on MMC Group's overseas presence to develop new businesses for the company abroad. We aim to enhance value for Zelan's shareholders as the company enters into a new phase of management".

Zelan has an order book of RM3.5 billion comprising mostly international power plant and property construction projects. The company is currently building the RM2.1 billion 2 x (300 MW - 400 MW) coal-fired power plant project in Rembang, Indonesia and carrying out onshore and offshore works for the RM900 million Shuqaiq power plant project in Saudi Arabia. Zelan is also building the RM280 million 45-storey Sidra hotel apartment tower and the RM796 million Meena Plaza project in the United Arab Emirates.

Last year Zelan successfully completed the A380 MAS hangar facility and the third and final unit of Malakoff's 2,100 MW Tanjung Bin power plant project. Zelan also completed the offshore civil works for the Shuaibah III power and water desalination plant in Saudi Arabia, its maiden project overseas, under unfamiliar local conditions, thereby boosting its reputation and opening up new opportunities for the company in the MENA (Middle East and North Africa) region.

Zelan's board of directors had allowed the contract of its CEO, Albert Chang, to lapse on 31 January 2009, at his request. Following the CEO's departure, MMC will appoint an Executive Director who will spearhead the company together with the company's current COO, Khoo Boo Seong, who will together lead the management team and whose two-year contract has recently been renewed by the board. Both executives will be empowered to run the company professionally and report to the board.

Hasni said, "The change in leadership after Albert's departure at the end of January will be smooth and it will be business as usual for Zelan." The existing team in Zelan is experienced and dedicated and they will be given every opportunity to grow their career with the company.

The working relationship between MMC and Zelan offers exciting opportunities for both companies. MMC Group's strength in the utilities and logistics sectors offers opportunities for Zelan to expand its footprint in the MENA region.

"We look forward to playing a more active role in Zelan, as well as continuing relationships with all business associates and bankers who have been supporting the company. Zelan has a strong balance sheet with zero net gearing which can be leveraged when competing for large EPCC projects both domestically and overseas", said Hasni.

About MMC

MMC Corporation Bhd is a utilities and infrastructure group with interests in Transport & Logistics, Energy & Utilities, and Engineering & Construction.

Within Malaysia, MMC'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 (Peninsular Malaysia's sole supplier of natural gas to the non-power sector). MMC is also undertaking the RM12.485 billion double tracking railway project between Ipoh and Padang Besar, 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.

On the international front, MMC International is focusing on the utilities and logistics sectors globally, particularly in the Middle East. MMC is the joint master developer of the US\$30 billion Jazan Economic City in Saudi Arabia with the Saudi Binladin Group, and has an equity interest in the third container terminal project at Jeddah Port. MMC also has equity interests in the 900 MW and 1,030,000 m³/day Shuaibah independent water and power plant project in Saudi Arabia, a 200,000 m³/day water desalination plant in Algeria, the Central Electricity Generation Company in Jordan and the Dhofar Power Company in Oman.