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GROUND-BREAKING OF JAZAN ECONOMIC CITY: MMC IN US\$3 BILLION ALUMINIUM SMELTER AND US\$2 BILLION POWER DEAL

Jazan, 24 November 2007 – MMC International Holdings Limited and Saudi Binladin Group (SBG) today signed an Agreement with Aluminum Corporation of China Limited (Chalco) to develop, own and operate an aluminium smelter at Jazan Economic City (JEC) which will cost an estimated US\$3 billion and have an annual production capacity of approximately one million metric tons. The plant will be developed by Sino-Saudi Jazan Aluminum Limited, which will be jointly owned by Chalco (40%), MMC (20%) and a Saudi consortium including SBG (40%). This definitive Agreement follows the signing of a preliminary MOU on 4 October to establish the smelter at JEC.

This Agreement was among a series of six agreements and MOUs signed today at JEC's ground-breaking ceremony which witnessed the laying of the foundation stone of the project's marketing complex, marking the beginning of construction work. The ceremony was inaugurated by HRH Prince Mohammad Bin Abdulaziz, Governor of Jazan, in the presence of Saudi Arabian General Investment Authority (SAGIA) Governor Amr Al-Dabbagh, Ir. Abdullah Mohammad Al-Qarni, Mayor of Jizan, as well as local and foreign dignitaries. This major milestone comes within a year of JEC's launch in November last year by the Custodian of the Two Holy Mosques, King Abdullah bin AbdulAziz Al Saud.

The Governor of SAGIA, H. E. Amr Al-Dabbagh said, "We are very pleased with the overall progress of JEC, which has commenced construction within one year of its launch. The latest addition of the second aluminium smelter and power plant with an investment close to US\$5 billion will bring the total capital invested in JEC to US\$20 billion. The original investment envisaged for JEC was US\$30 billion over a period of 25 years. We have achieved two-thirds of this amount one year after the project's launch. This investment by Chalco in a smelter with an integrated power plant is the single largest investment by a Chinese company in Saudi Arabia."

Chalco is the sole producer of alumina in China, the second largest producer of alumina in the world, and among the top five largest producers of aluminium in the world. The key success factors for an aluminium smelter are low electricity tariffs, secured alumina supply and a captive demand for aluminium. The smelter will be supplied with low-cost electricity, which will slash the smelter's production costs and enable it to produce competitively-priced aluminium. The plant's requirements for alumina will be supplied by Chalco, which will also guarantee the offtake and distribution of the aluminum produced. Chinese demand for aluminium continues to remain strong, where consumption grew by 46% year-on-year in the first nine months of 2007 to 8.8 million tonnes.

Explaining the rationale for MMC's investment in the smelter, MMC Group Chief Executive, Feizal Ali said, "For MMC, this is an attractive investment that meets our risk profile and investment returns. The alumina supply, technology support and product offtake is guaranteed with the participation of Chalco. JEC's low power tariffs provide a competitive advantage for aluminium smelters that would otherwise be vulnerable to rising power costs elsewhere in the world."

A power plant with a generation capacity of 1,860 MW, which is estimated to cost US\$2 billion, will be required to satisfy the smelter's power needs. Feizal Ali said "MMC intends to own at least 50% of this power plant, which will form part of a larger power plant complex that is planned to have an eventual generation capacity of approximately 5,000 MW. This is a major undertaking for us that will ensure a significant recurring income stream for MMC." The construction of the

aluminium smelter and power plant is scheduled to begin during the second half of 2008 and be completed in 2012.

The event also witnessed the signing of agreements by other anchor tenants of JEC, such as Pan Kingdom Investment Company for the establishment of the first integrated steel cluster in the Middle East at JEC.

In conjunction with the event, the first batch of 10 students from Jazan also registered for the AlBukhary Foundation scholarship programme. The students met with HRH Prince Mohammad Bin Abdulaziz, Governor Amr Al-Dabbagh as well as Tan Sri Syed Mokhtar AlBukhary, Chairman of the AlBukhary Foundation. Under the programme, the AlBukary Foundation has committed to provide 1,000 scholarships for students from the Jazan province who come from poor family backgrounds and those with outstanding academic achievement to further their studies in universities in Malaysia.

“MMC and the AlBukhary Foundation have set a prime example of how other developers can engage in corporate social responsibility and add value to JEC. This demonstrates their commitment to giving back to society wherever they operate while doing business around the world,” added Governor Amr Al-Dabbagh.

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BACKGROUND INFORMATION

MMC Corporation Bhd (MMC) is a utilities and infrastructure group with interests in Transport & Logistics, Energy & Utilities, and Engineering & Construction. The group'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 (West Malaysia's sole supplier of natural gas to the non-power sector). MMC has also completed major engineering & construction projects, like the Stormwater Management and Road Tunnel (SMART) project, an innovative flood mitigation project for the city of Kuala Lumpur. Through Zelan, MMC has interests in IJM, one of Malaysia's premier construction companies, and Zelan Construction, a specialist contractor for power plants. For more information, visit the company's web site at www.mmc.com.my.

Aluminum Corporation of China Limited (Chalco) is the sole producer of alumina in the People's Republic of China (PRC), the second largest producer of alumina in the world, and among the top five largest producers of aluminium in the world. The company's business includes bauxite mining, alumina refining and primary aluminum smelting. Chalco was established as a joint stock limited company incorporated in the PRC in 2001. The company successfully offered its American Depositary Shares ("ADS") and H shares in New York and Hong Kong respectively, and its ADS and H shares were listed on the New York Stock Exchange and The Stock Exchange of Hong Kong on December 11 and 12, 2001 respectively. Chalco is 40%-owned by Aluminum Corporation of China (CHINALCO). For the year ended 31 December 2006, Chalco recorded a revenue of USD8 billion and a pre-tax profit of USD2 billion.

Jazan Economic City (JEC) is located 725 km south of Jeddah by the Red Sea on the west coast in Saudi Arabia's southern region. JEC was promulgated by the Saudi Arabia General Investment Authority and is being jointly developed by MMC Corporation Berhad and the Saudi Binladin Group. JEC will cover over 100 million square km of land and include a seaport, an industrial zone, a commercial business district, residential areas, public amenities such as hospitals and schools, as well as other academic and vocational training institutions. JEC is the fourth Economic City to be launched in the Kingdom and is expected to attract approximately US\$ 30 billion in investments.

Saudi Binladin Group (SBG). Founded in the beginning of the last century by "Al Muaalim" Mohamed Binladin in 1931 as a leading construction company, SBG was established in the 1990 to develop its own business in different activities comprising large infrastructure projects, mosques, hospitals, hotels, prestigious buildings, power plants, water desalination plants, as well as gas and oil projects.

Today, SBG is present on 4 continents and employs over 55,000 people in the company's 30 worldwide offices. SBG has distinguished professional alliances with multinational companies in economic, industrial and commercial sectors. The company has contributed to major local, regional and international projects in different fields such as the Faisaliah high rise center in Riyadh, local and international airports such as Kuala Lumpur Airport in Malaysia. SBG's most notable project is the expansion of the Two Holy Mosques in Makkah and the Prophet's Mosque in Medina, in addition to the gigantic complex known as King Abdul Aziz Endowment in Makkah. SBG's current order book has projects exceeding SR21 billion (US\$ 5.6 billion).

The Saudi Arabian General Investment Authority (SAGIA) is the Saudi government agency responsible for managing the investment environment in Saudi Arabia, promoting investments within it, providing government services to investors, and managing the Kingdom's Economic Cities. SAGIA was established by Royal decree, simultaneously with the promulgation of the new Investment Law in April 2000, which granted foreign investors national treatment. SAGIA's vision is "to achieve rapid and sustainable economic growth in Saudi Arabia, capitalizing on the

Kingdom's competitive strengths as the global capital of energy, and a major hub between East and West." Its mission is "to create a pro-business environment, provide comprehensive services to investors and foster investment opportunities in energy, transportation and knowledge-based industries."

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