



Annual Report 2015



STRENGTHENING GROWTH

www.mmc.com.my

WHAT'S INSIDE

Corporate Profile	002
Vision & Mission	005
Notice of Annual General Meeting	006
Statement Accompanying Notice of Annual General Meeting	010
Corporate Information	012
Financial Calendar	013
Performance at a Glance	014

CHAIRMAN'S MESSAGE

016

Group Managing Director's Operations Review	024
Board of Directors	046
Directors' Profile	048
Management Team	056



CORPORATE SOCIAL RESPONSIBILITY

058



2015 CORPORATE HIGHLIGHTS

070

Statement on Corporate Governance	078
Directors' Statement on Risk Management and Internal Control	087

STATEMENT ON INTERNAL AUDIT FUNCTION

091

Audit Committee Report	093
Additional Compliance Information	096
Financial Statements	097
List of Properties	259

Shareholding Statistics	264
Thirty Largest Shareholders	265
Administrative Details	267
Proxy Form	



STRENGTHENING **GROWTH**

In line with our vision to be a premier utilities and infrastructure Group, we are strengthening our core businesses for profitability and continued growth. With acquisition of new contracts, investments and steady progress in all key projects, supported by competent and dynamic workforce, we are confident of taking the Group into the next phase of sustainable growth and development.

Our key business divisions, Ports & Logistics, Energy & Utilities and Engineering & Construction continue to be an integral part of the nation's landscape. As a business enabler, our experience and expertise combined with our culture of innovation will continue to contribute towards a better Malaysia for future generations.

The cover design features graphic images of our business divisions demonstrating the strength and growth potential of the Group.



CORPORATE PROFILE

MMC Corporation Berhad (MMC) is a leading utilities and infrastructure group with diversified businesses under three divisions, namely Ports and Logistics; Energy and Utilities and Engineering and Construction.



MMC's key businesses in its Ports and Logistics division include the operations of Pelabuhan Tanjung Pelepas (Malaysia's largest container terminal), Johor Port (Malaysia's leading multi-purpose port) and Northport in Port Klang (Malaysia's preferred gateway terminal). Through its associate stake in Red Sea Gateway Terminal Company Limited, MMC has extended its operations into container port terminals at the Jeddah Islamic Port in Saudi Arabia.

Under the Energy and Utilities division, MMC is the single largest shareholder of Malakoff Corporation Berhad (Malaysia's largest Independent Power Producer) and Gas Malaysia Berhad (the sole supplier of reticulated natural gas in Peninsular Malaysia to the non-power sector). Additionally, MMC wholly-owns Aliran Ihsan Resources Berhad, a water treatment plant operator.

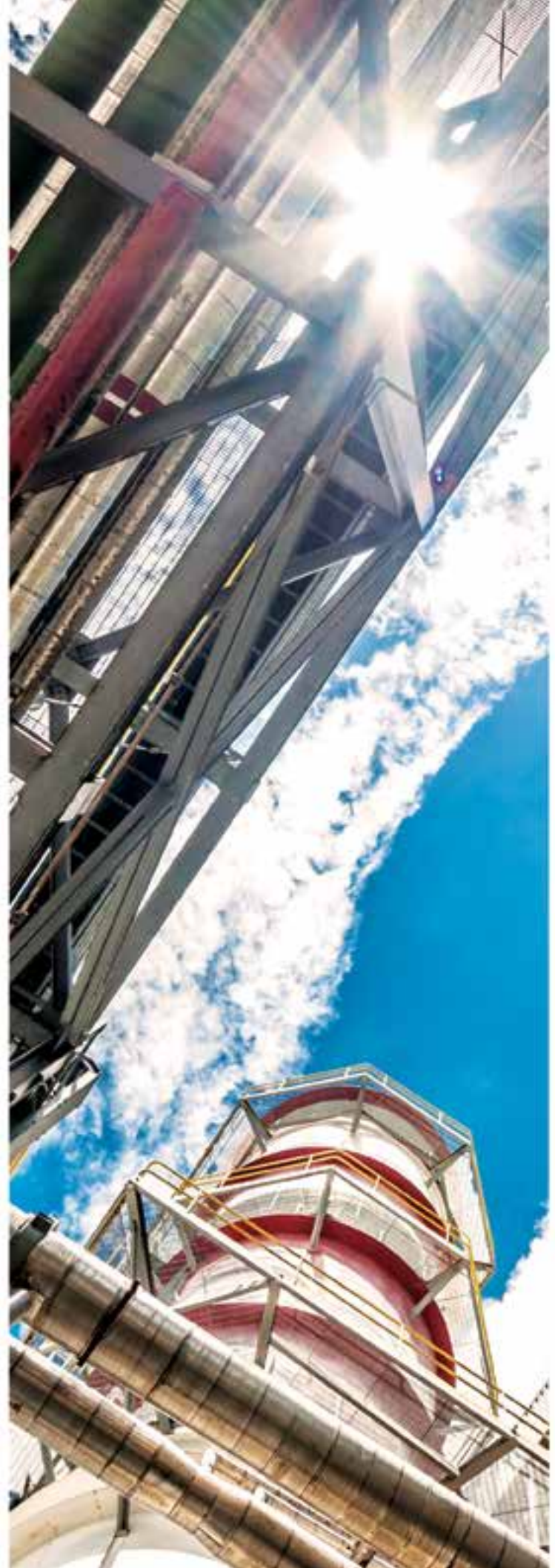
MMC's Engineering and Construction division has further established itself in the sector following its leading role as the Project Delivery Partner (PDP) and underground works package contractor for the 51km Klang Valley Mass Rapid Transit (KVMRT) Line 1 project (Sungai Buloh-Kajang Line) and it has again been appointed as the PDP for the KVMRT Line 2 project (Sungai Buloh-Serdang-Putrajaya Line). MMC has successfully completed the 329km Ipoh-Padang Besar Electrified Double Track 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, in addition to the civil and infrastructure works for Refinery And

Petrochemical Integrated Development (RAPID) Pengerang Cogeneration Plant. Zelan Berhad in which MMC is the single largest shareholder, was also awarded the contract for the construction of Material Off-Loading Facilities (MOLF) jetty at Tanjung Setapa and a drawbridge in Kuala Terengganu.

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 2,718 acres of land known as Senai Airport City which is being developed into a major integrated industrial and commercial area. In addition to that, MMC has a 2,255-acre Free Zone Industrial Centre known as the Tanjung Bin Petrochemical and Maritime Industrial Centre which offers comprehensive facilities and infrastructure for tankage and terminal handling as well as trading and logistics.



004





OUR --- VISION

To be a premier utilities
& infrastructure group

OUR --- MISSION

Excellence in our core
business segments

- Maximise shareholder value
- Service excellence to stakeholders
- Lead in value innovation
- Be the preferred employer

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting (AGM) of MMC Corporation Berhad will be held at the Mahkota II, Hotel Istana, 73, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia on Tuesday, 10 May 2016 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY BUSINESS

1. "THAT the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Directors' Report and Auditors' Report thereon be and are hereby received." **Please refer to Note A**
2. "THAT the final single-tier dividend of 3.8 sen per share for the financial year ended 31 December 2015 be and is hereby approved and declared payable on 5 July 2016 to the members of the Company registered at the close of business on 20 June 2016." **Resolution 1**
3. "THAT Dato' Sri Che Khalib Mohamad Noh, who retires in accordance with Article 78 of the Company's Articles of Association, be and is hereby re-elected a Director of the Company." **Resolution 2**
4. "THAT Tan Sri Dato' Seri Shamsul Azhar Abbas, who retires in accordance with Article 85 of the Company's Articles of Association, be and is hereby re-elected a Director of Company." **Resolution 3**
5. "THAT Dato' Siti Halimah Ismail, who retires in accordance with Article 85 of the Company's Articles of Association, be and is hereby re-elected a Director of Company." **Resolution 4**
6. "THAT Tuan Syed Naqiz Shahabuddin Syed Abdul Jabbar, who retires in accordance with Article 85 of the Company's Articles of Association, be and is hereby re-elected a Director of Company." **Resolution 5**
7. "THAT Dato' Abdullah Mohd Yusof, a Director whose office shall become vacant at the conclusion of this AGM pursuant to Section 129(2) of the Companies Act 1965, be and is hereby re-appointed a Director of the Company pursuant to Section 129(6), to hold office until the conclusion of the next AGM." **Resolution 6**
8. "THAT Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman Haji Wan Yaacob, a Director whose office shall become vacant at the conclusion of this AGM pursuant to Section 129(2) of the Companies Act 1965, be and is hereby re-appointed as a Director of the Company pursuant to Section 129(6), to hold office until the conclusion of the next AGM." **Resolution 7**



9. "THAT the payment of Directors' fees amounting to RM910,465.75 for the financial year ended 31 December 2015, be and is hereby approved." **Resolution 8**
10. "THAT Messrs. PricewaterhouseCoopers, who are eligible and have given their consent for re-appointment, be and are hereby re-appointed Auditors of the Company until the conclusion of the next AGM, AND THAT the remuneration to be paid to them be fixed by the Board." **Resolution 9**

NOTICE OF BOOK CLOSURE AND NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT:

NOTICE IS ALSO HEREBY GIVEN THAT shareholders who are registered in the Register of Members and Record of Depositors at the close of business on 20 June 2016 shall be entitled to the final dividend which will be paid on 5 July 2016.

A depositor shall qualify for dividend entitlement only in respect of:

- a. Shares transferred into the Depositor's securities account before 4.00 p.m on 20 June 2016 in respect of ordinary transfers; and
- b. Shares bought on Bursa Malaysia Securities Berhad (Bursa Malaysia Securities) on a cum entitlement basis according to the Rules of Bursa Malaysia Securities.

BY ORDER OF THE BOARD
Ahmad Aznan Mohd Nawawi
Sazlin Ayesha Abdul Samat
Company Secretaries

Kuala Lumpur
18 April 2016

NOTES:**PROXY**

1. The proxy form, to be valid, must be deposited at the Company's Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for the meeting or any adjournment thereof.
2. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies or attorney or other duly authorised representative to attend and vote instead of him/her. A member of the Company may appoint up to two (2) proxies to attend the same meeting. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
3. In case of a corporation, the proxy form should be under its common seal or under the hand of an officer or attorney duly authorised on its behalf. A proxy need not be a member of the Company and a member may appoint any person to be his/her proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. In the case of joint holders, the signature of any one of them will suffice.
5. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Unless voting instructions are indicated in the spaces provided in the proxy form, the proxy may vote as he/she thinks fit.
7. Registration of members/proxies attending the meeting will commence at 8.00 a.m. on the day of the meeting and shall remain open until the conclusion of the AGM or such a time as may be determined by the Chairman of the meeting. Members/proxies are required to produce identification documents for registration.
8. **Only members whose names appear on the Record of Depositors as at 3 May 2016 shall be entitled to attend the said AGM or appoint a proxy(ies) to attend and/or vote on their behalf.**

NOTE A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association, the audited financial statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

RESOLUTIONS 6 AND 7 – RE-APPOINTMENT OF DIRECTORS

The proposed Ordinary Resolutions 6 and 7 under Agenda 7 and 8 are to seek shareholders' approval for the re-appointment of Directors who are of the age of 70 and above. These resolutions must be passed by a majority of not less than three-fourth of such Members of the Company as being present and entitled to vote in person or where proxies are allowed, by proxy at the AGM of the Company. If passed, it will enable the Directors to hold office until the next AGM of the Company.

Malaysian Code on Corporate Governance 2012 recommends that shareholders' approval be sought in the event that the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

In relation thereto, the Board, through the Nomination and Remuneration Committee, has assessed the independence of Dato' Abdullah Mohd Yusof, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

The Board recommends that Dato' Abdullah Mohd Yusof continues to act as an Independent Non-Executive Director of the Company for the following reasons:

- a. He fulfils the criteria as an Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore is able to bring independent and objective judgement to the Board;
- b. His vast experience in the utilities and infrastructure industry and legal background enables him to provide the Board with a diverse set of experience, expertise, skills and competence;
- c. He understands the Company's business operations which allows him to participate actively and contribute during deliberations or discussions at the Board and Committee meetings;
- d. He devotes sufficient time and effort and attends all the Board and Committee meetings for informed and balanced decision making; and
- e. He exercises due care with his professionalism aptitude as an Independent Non-Executive Director of the Company and carries out his professional and fiduciary duties in the interest of the Company and shareholders.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of Directors standing for election at the Annual General Meeting pursuant to Article 85 of the Company's Articles of Association

1.	Name	Tan Sri Dato' Seri Shamsul Azhar Abbas
	Age	64
	Nationality	Malaysian
	Position on the Board	Independent Non-Executive Chairman
	Date first appointed to the Board	16 July 2015
	Membership of Board Committee	Nomination and Remuneration Committee
	Working experience	As enumerated in the Profile of Directors on page 048 of this annual report
	Occupation	Group Chairman
	Any other directorship in public companies	<ul style="list-style-type: none"> • NCB Holdings Bhd • Enra Group Berhad (<i>formerly known as Perduren (M) Berhad</i>) • PETRONAS Gas Berhad
	Securities holdings in the Company	Nil
	Any family relationship with Directors and/or Major Shareholders of the Company	Nil

2.	Name	Dato' Siti Halimah Ismail
	Age	61
	Nationality	Malaysian
	Position on the Board	Independent Non-Executive Director
	Date first appointed to the Board	16 July 2015
	Membership of Board Committee	Finance, Investment and Risk Committee
	Working experience	As enumerated in the Profile of Directors on page 054 of this annual report
	Occupation	Director
	Any other directorship in public companies	Nil
	Securities holdings in the Company	Nil
	Any family relationship with Directors and/or Major Shareholders of the Company	Nil

3.	Name	Tuan Syed Naqiz Shahabuddin Syed Abdul Jabbar
	Age	44
	Nationality	Malaysian
	Position on the Board	Independent Non-Executive Director
	Date first appointed to the Board	16 July 2015
	Membership of Board Committee	Nomination and Remuneration Committee
	Working experience	As enumerated in the Profile of Directors on page 055 of this annual report
	Occupation	Director
	Any other directorship in public companies	• BHP Petroleum Berhad
	Securities holdings in the Company	Nil
	Any family relationship with Directors and/or Major Shareholders of the Company	Nil

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Shamsul Azhar Abbas

Dato' Sri Che Khalib Mohamad Noh

Tan Sri Dato' Ir. (Dr.) Wan
Abdul Rahman Haji Wan Yaacob

Dato' Abdullah Mohd Yusof

Datuk Ooi Teik Huat

Dato' Abdul Hamid Sh Mohamed

Dato' Siti Halimah Ismail

Tuan Syed Naqiz Shahabuddin
Syed Abdul Jabbar

Datuk Mohd Sidik Shaik Osman
(Resigned on 1 April 2016)

COMPANY SECRETARIES

Ahmad Aznan Mohd Nawawi
Sazlin Ayesha Abdul Samat

REGISTERED OFFICE

Ground Floor, Wisma Budiman
Persiaran Raja Chulan
50200 Kuala Lumpur
Malaysia
Tel : (603) 2071 1000
Fax : (603) 2026 2378
Email : cosec@mmc.com.my

AUDITORS

Messrs. PricewaterhouseCoopers
Chartered Accountants

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (603) 7841 8000
Fax : (603) 7841 8008

DIVIDEND SERVICE PROVIDER

Bursa Malaysia Depository Sdn. Bhd.
2nd Floor, Exchange Square
Bukit Kewangan
50200 Kuala Lumpur
Malaysia
Tel : (603) 2034 7754
Fax : (603) 2026 3712

PRINCIPAL BANKER

RHB Islamic Bank Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

FINANCIAL CALENDAR

2016**10 May 2016**

Annual
General
Meeting

20 June 2016

Entitlement to
2015 final
dividend

5 July 2016

Payment of
2015 final
dividend

Financial year ending 31 December 2016
Announcement of results:

24 May 2016

1st quarter

25 August 2016

2nd quarter

29 November 2016

3rd quarter

21 February 2017

4th quarter

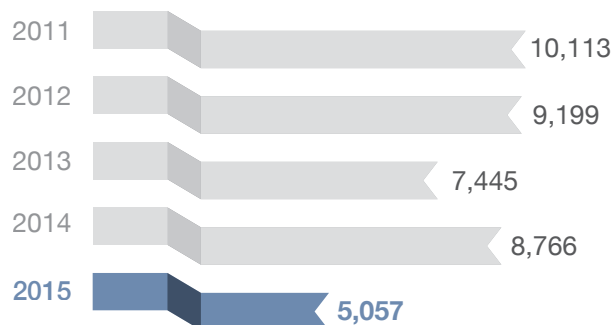
* These dates are subject to change

PERFORMANCE

AT A GLANCE

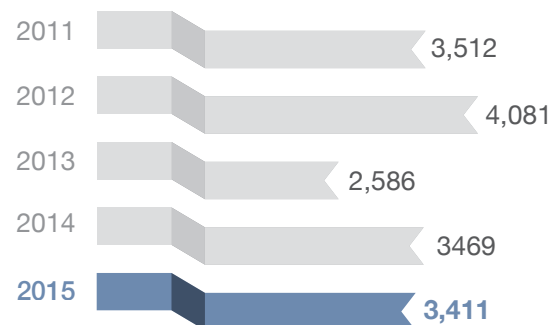
Revenue

(RM million)



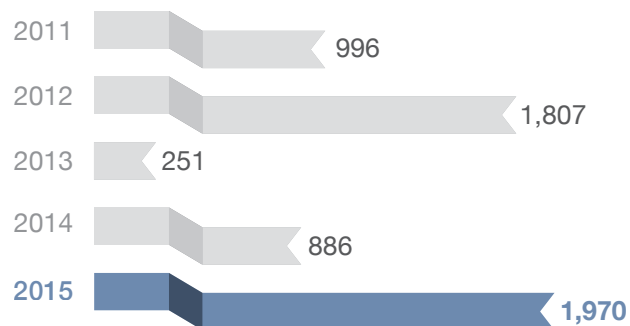
EBITDA

(RM million)



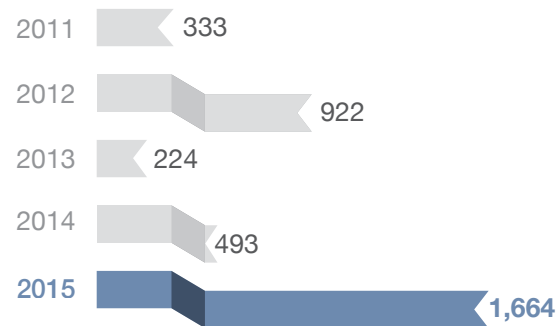
Profit before zakat and taxation

(RM million)



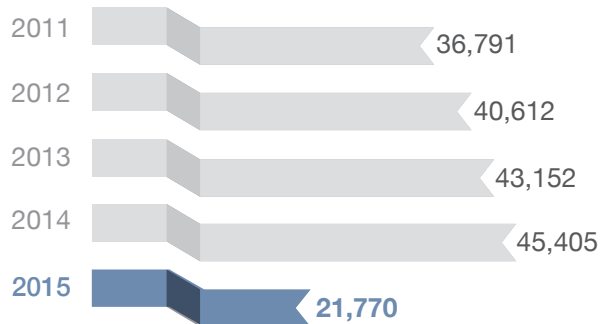
Profit after tax and minority interests

(RM million)



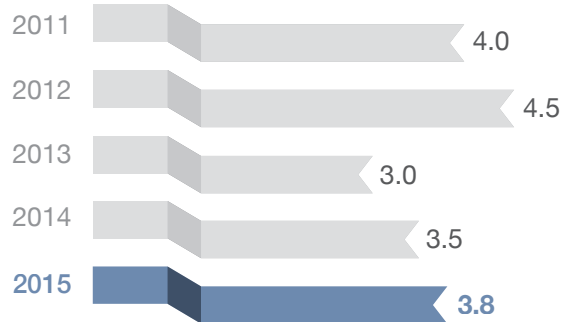
Gross assets

(RM million)



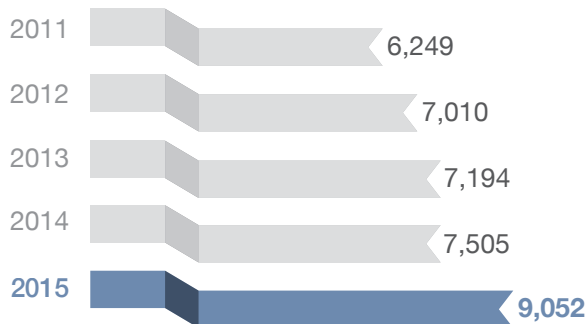
Dividend per share

(sen)



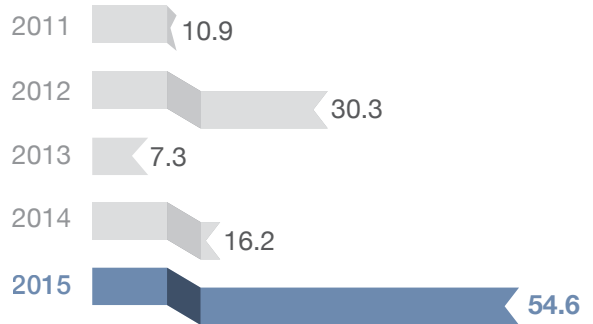
Shareholders' funds

(RM million)



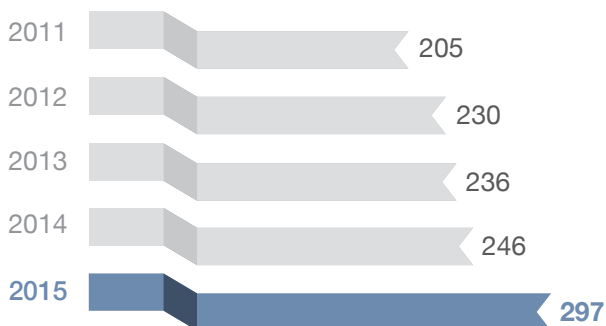
Earnings per share

(sen)



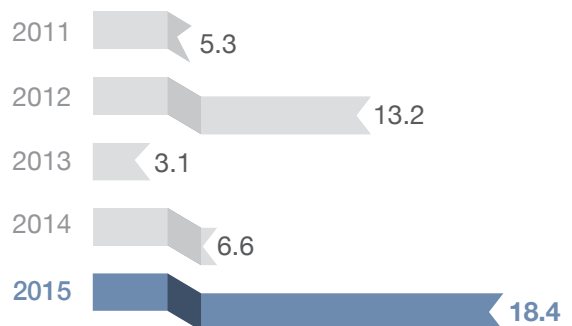
Net assets per share

(sen)



Return on Equity

(%)





TAN SRI DATO' SERI SHAMSUL AZHAR ABBAS
Chairman

Dear Shareholders,

Key to the success of MMC Corporation Berhad (MMC or the Group) over the years has been to constantly maintain an edge in the industries we represent. This has led to MMC becoming what it is today – a leading utilities and infrastructure group with businesses in Ports & Logistics, Energy & Utilities and Engineering & Construction, providing essential services that support continued growth of the nation.

CHAIRMAN'S MESSAGE

The theme of this year's annual report, *Strengthening Growth*, reflects a strategic focus that has guided us throughout our journey, namely to harness synergies across the Group for greater efficiencies. In 2015, we created opportunities for growth despite a tough economic climate characterised by capital outflows, a depreciating Ringgit and increased costs.

Three events in 2015 stood out in this regard: the listing of Malakoff Corporation Berhad (Malakoff) in May; acquisition and the general offer of NCB Holdings Bhd (NCB) to become the major shareholder in the port and logistics operator; and the Sukuk Murabahah Programme of up to RM1.5 billion of which RM1.2 billion was issued with bid cover ratio of 1.5 times to refinance our borrowings.

With proceeds from its listing, Malakoff has been able to enhance its financial position to enter a new and accelerated phase of growth. With greater equity in NCB, we now have Northport (M) Bhd and Kontena Nasional Berhad in our Ports and Logistics network, providing us access to the central region which complements our strong presence in the south of the country via Pelabuhan Tanjung Pelepas Sdn Bhd (PTP) and Johor Port Berhad (Johor Port).



In addition, we have made good progress in streamlining operations throughout the Group, allowing us to capitalise more effectively on our resources and leverage on economies of scale.

Various functions across our port operations are being integrated and we have also created platforms for shared services and best practices.

As a result of these efforts to strengthen the Group, we have achieved a commendable financial scorecard. For the year ended 31 December 2015, we have more than doubled our profit before tax to RM1.97 billion. This has been supported by increased internal efficiencies as well as the gain from Malakoff's Initial Public Offering (IPO) and significant organic growth in each business division.

I am also pleased to share that, given our performance for the year, the Board of Directors is recommending a dividend of 3.8 sen per share compared to 3.5 sen last year, which shall be tabled for approval at our upcoming Annual General Meeting (AGM).

HIGHLIGHTS OF THE YEAR

Our Ports & Logistics division performed exceptionally well during the year under review. In November, PTP was named Malaysia's 2014 Best Port, in conjunction with World Maritime Day 2015. This reflected concerted efforts to enhance its operational and technical capabilities over the past few years, coupled with a very strong customer-centric culture that continuously seeks to deliver an excellent customer experience.

PTP's growth has been organic, driven by enhanced handling capacity and increased efficiency which, in turn, have attracted greater volume of traffic. A strategic partnership with 2M Alliance, the world's largest container shipment collaboration between Maersk Line and Mediterranean Shipping Company (MSC), has further boosted its business growth. The partnership, comprising 11 services covering the Asia-North Europe and Asia-Transpacific routes, contributed an additional throughput volume of approximately 1 million Twenty-foot Equivalent Units (TEUs) during the year.



Johor Port is currently developing a 30-acre Tanjung Langsat Cargo Consolidation Centre which will be a catalyst to the 5,000-acre Tanjung Langsat Industrial Complex and serve as a one stop consolidation cargo hub. On the other hand, the 82-acre Industrial Park and Warehousing Distribution Centre for Inland Port Development is to create additional free zone space and facilities for manufacturers, traders and warehouse operators to increase free zone activities in this region. Johor Port was also awarded Port Operatorship by Petroliaam Nasional Berhad (PETRONAS) for the Refinery And Petrochemical Integrated Development (RAPID) Pengerang Project to operate two Material Off Loading Facilities (MOLF) in Teluk Ramunia and Tanjung Setapa. Apart from these ongoing projects, Johor Port is actively exploring new business opportunities, especially from potential customers within Iskandar Malaysia

Within the Energy & Utilities division, although Malakoff's listing stole the thunder in 2015, we are pleased with

the overall construction of the Tanjung Bin Energy Power Plant (T4). The 1,000 MW coal-fired plant, located adjacent to the existing Tanjung Bin Power Plant, achieved its Initial Operation Date (IOD) through first synchronisation to the national power grid in October 2015; and achieved its Commercial Operation Date (COD) in March 2016.

Within the Engineering & Construction division, the Klang Valley Mass Rapid Transit (KVMRT) Line 1 Elevated and Underground portions have achieved significant progress; and Phases 1 and 2 are on track for completion by December 2016 and July 2017 respectively.

**RM1.97
BILLION**

profit before tax



We take great

EFFORT

to attract the right talents into the Group and subsequently nurture to help them realise their full potential.

Target completion for
KVMRT Line 1 Elevated and
Underground portions

PHASE 1

and Phase 2 by end
December 2016 and July
2017 respectively



Other projects such as Langat 2 Water Treatment Plant, Langat Centralised Sewage Treatment Plant and Sewerage Conveyance System in Selangor, as well as the RAPID Cogeneration Plant in Pengerang, Johor have commenced with good physical progress. Meanwhile, Zelan Berhad's (Zelan) Kuala Terengganu Drawbridge project in Terengganu is progressing as per schedule. Construction of the MOLF Jetty in Tanjung Setapa and the Centre for Foundation Studies (Phase 3) of the International Islamic University Malaysia (IIUM) campus in Gambang, Pahang were also successfully completed.

ENHANCING SHAREHOLDER VALUE

The Group's continued growth is given top priority by the Board of Directors as we remain committed to rewarding our shareholders with attractive returns. A key priority is to safeguard the Group's long-term profits by keeping a tight rein on our capital outlay and ensuring that all our assets are well-managed.

We continue to strengthen our core businesses by ensuring that our investments and acquisitions are integrated seamlessly into the Group. Incorporating MMC's core values, Vision and Mission provide the board with greater oversight in terms of corporate governance.



We believe, the addition of competent and dynamic workforce will support the Group as we enter the next phase of sustainable growth and development.

NURTURING A PERFORMANCE CULTURE

MMC fully acknowledges that our growth depends on our most valuable asset, namely our people. We take great effort to attract the right talent into the Group and subsequently nurture them to help realise their full potential. Our Human Capital policies are designed to help our employees realise their potential while supporting our business to achieve our vision and mission.

The Group is driven by corporate values of integrity, innovation, teamwork, excellence and commitment. By combining these values supported with the right people, policies, procedures and training, we expect to shape the right behaviours towards creating a high-performance culture.

At the same time, we recognise the importance of establishing and maintaining a strong and sustainable leadership to drive our corporate values and goals. Towards this end, our Group Human Resources Division is collaborating with IIUM and Australia Institute of Management to conduct a Leadership Development Series, which aims to develop superior leadership capabilities within the Group.



OVER AND ABOVE THIS COMMITMENT, WE RECOGNISE THAT WE HAVE A DUTY TO GIVE BACK TO THE COMMUNITIES IN WHICH WE OPERATE; TO CREATE STRONG RELATIONSHIPS BASED ON TRUST WITH OUR STAKEHOLDERS; AND TO PROTECT THE NATURAL ENVIRONMENT FOR FUTURE GENERATIONS.

ENSURING SAFETY

As part of our commitment to care for our people and assets, we have in place a comprehensive Health, Safety and Environment (HSE) framework, which supports zero tolerance to work related injuries while promoting excellence in environmental sustainability. This framework also ensures that the Group complies with our statutory duties in relation to health, safety and environmental legislation, safeguarding our image and reputation.

It gives me pleasure to share that our commitment to safety contributes to a high level of safety performance across our business units. In December, MMC Engineering Services Sdn Bhd (MMC Engineering Services) achieved 1 million man-hours without Lost Time Injury (LTI) for the Pengerang Cogeneration Power Plant Project;



while in November, Malakoff's Tanjung Bin Power Plant celebrated 5 million man-hours without LTI.

Malakoff went on to win a National Occupational Safety Excellence Award from the National Council of Occupational Safety and Health for the second consecutive year; while the MMC-Gamuda KVMRT (T) Sdn Bhd project received a 5-Star Rating from the Department of Occupational Safety and Health (DOSH) in August.

CORPORATE SOCIAL RESPONSIBILITY

The Group believes that the strongest contribution we can make to the community, and nation, is to undertake all our operations with the highest level of integrity and to ensure quality service that enhance the lives of Malaysians.



Over and above this commitment, we recognise that we have a duty to give back to the communities in which we operate; to create strong relationships based on trust with our stakeholders; and to protect the natural environment for future generations. The Group and its operating companies undertake several Corporate Social Responsibility (CSR) initiatives every year, some initiated internally, others in support of programmes run by third-party Non-Governmental Organisation (NGO) and social enterprises. In all our efforts, we encourage a high level of participation of our employees as we believe the spirit of caring that volunteerism activities promote translates into a greater sense of responsibility and team spirit in the workplace.

PROSPECTS

The Group remains confident of continuing to build our order books and enhance both our top and bottom lines in the years to come, based on investments we have made to strengthen the foundations of our three core divisions over the last few years.

We are optimistic that demand for the services we provide in all three core divisions is set to increase in the long term.

With the advent of various multilateral agreements such as the Trans-Pacific Partnership Agreement (TPPA) and Asean Economic Community (AEC), national barriers will be removed to enhance the movement of goods and international trade. At the same time, as Malaysia and our regional neighbours continue to develop, demand for energy will increase necessitating greater supply of power. Now that Malakoff has entered a new phase of life, it is set to grow its contributions to power and water supply both domestically as well as regionally. In terms of construction, the country's continued growth and the Government's commitment to infrastructure development bode well for us. We are already involved in a number of significant projects and are confident of winning more contracts in the near future.

Ultimately, our aim is to help shape the nation's landscape through our projects.

ACKNOWLEDGEMENTS

First and foremost I would like to acknowledge the Government and its state bodies, who represent our most valued customers. Thank you for your trust in our ability to deliver. I would also like to thank our financiers and shareholders, whose investments in MMC Group continue to be crucial.

Most importantly, I would like to express my gratitude to the MMC Group family, from my colleagues on the Board of Directors, to the Group management team led by our Group Managing Director, Dato' Sri Che Khalib Mohamad Noh, as well as the Management teams of our operating companies, and the 12,103 employees of the entire Group. MMC would not be the success story if it is not for their unwavering commitment. I am confident that the team's effort and dedication will bring the MMC Group to greater heights and support infrastructure developments of the country.

TAN SRI DATO' SERI SHAMSUL AZHAR ABBAS
Chairman

GROUP MANAGING DIRECTOR'S **OPERATIONS REVIEW**

The year ended 31 December 2015 was challenging on many fronts as global economic growth continued to slow down. During this challenging period however, MMC Corporation Berhad (MMC or the Group) continued to perform well.

Our ports have shown tremendous growth given the country's strategic location in the middle of trade routes between the East and West, and are transforming into major regional ports and global hub. Demand for energy and utilities in Malaysia continues to increase along with population expansion and growing economic development. Meanwhile, engineering and construction activities are showing no signs of slowing down along with robust investments into infrastructure developments by the Government.

We remain optimistic on our performance by exploring new markets across our business operations and harnessing synergies through collaborative efforts within the Group. Each operating company is required to pursue internal efficiencies and optimise its operating costs by sharing resources and leveraging on each other's strengths.



DATO' SRI CHE KHALIB MOHAMAD NOH
Group Managing Director



This is most evident in the Ports & Logistics division, where we are in the final stages of consolidating our ports businesses, namely Pelabuhan Tanjung Pelepas Sdn Bhd (PTP), Johor Port Berhad (Johor Port) and Northport (Malaysia) Bhd (Northport) under one integrated operating group, MMC Port Holdings Sdn Bhd (MMC Ports). During the year, we acquired both Northport and integrated logistic company, Kontena Nasional Berhad (Kontena Nasional), by increasing our equity in their holding company, NCB Holdings Bhd (NCB), from 30.13% to 97.21% (as at 28 March 2016).

Under MMC Ports, all our ports will share common functions such as Commercial & Marketing, Business Development, Human Resources and Technical Procurement. The synergies created will also be beneficial to customers who will get to experience

more seamless and efficient services. This development is, moreover, in line with the Group's five-year roadmap which includes strong growth for Ports & Logistics, Energy & Utilities and Engineering & Construction.

Our five-year roadmap, envisioned in 2014, aims to achieve a doubling in Group profit by the year 2018 via four strategic focus areas (DP 2018). Other than growing the Ports & Logistics division, emphasis will also be directed towards expanding Energy & Utilities capacity; capitalising on large-scale Engineering & Construction projects; and innovating Senai Airport City (SAC) developments. I am pleased to say we have made much progress in each key focus area.

Malakoff Corporation Berhad (Malakoff) listing gives rise to opportunities for

further expansion and capacity growth. Having reduced its gearing substantially from 4.6x to 3.0x, the company is now strategically positioned to explore new investment options, both locally and regionally. Added to this, completion of maintenance works at the Tanjung Bin Power Plant has contributed to an increase in overall productivity and profitability. Overall contribution to MMC increased during the year, and we expect a higher profit contribution with the commissioning of the new Tanjung Bin Energy Power Plant (T4) in 2016.

In Engineering & Construction division, work has been progressing well in a number of projects, namely serving as the Project Delivery Partner (PDP) for the Klang Valley Mass Rapid Transit (KVMRT) Sg. Buloh - Kajang (Line 1) and Sg. Buloh - Serdang - Putrajaya (Line 2); underground works and tunnelling



Ports & Logistics division
contributed

25%

to the Group's profit before tax

BUSINESS REVIEW

The Group's revenue for the year decreased by 42.3% to RM5.06 billion from RM8.77 billion in 2014 due to a number of factors, notably the deconsolidation of Malakoff's results following its Initial Public Offering (IPO) in May, lower work progress given the completion of tunnel works for the KVMRT Line 1 in April 2015, and completion of the Electrified Double Track project in November 2014.

At the same time, MMC recorded a profit before tax of RM1.97 billion, which was more than double the RM885.6 million reported in 2014. This was mainly due to exceptional gains resulting from Malakoff's listing of RM1.34 billion and fair value gain from our investment in NCB of RM130.5 million.


By segment, Ports & Logistics division contributed 38% and 25% to the Group's revenue and profit before tax, respectively, while Energy & Utilities division contributed 40% and 89% and Engineering & Construction division contributed 19% and 9%, respectively.

for Line 1, construction of the Langat 2 Water Treatment Plant (WTP), Langat Centralised Sewage Treatment Plant and Sewerage Conveyance System (Langat CSTP & SCS) as well as the Cogeneration Plant at Petroliaam Nasional Berhad (PETRONAS) Refinery and Petrochemical Integrated Development (RAPID) Pengerang. Revenue from this division dipped during the year as the Electrified Double Track Project was completed in 2014 and contributions from the new projects have yet to be recognised. However, moving forward progressive earnings will be recognised as projects achieve agreed milestones.

I'm also pleased with the developments at SAC, where we continue to attract global names. We leased 1 parcel of land to Fuji Oil Asia Pte Ltd (FOAPL), a global supplier of intermediate food ingredients; and sold 3 parcels of land to I-Park Sdn Bhd.

SAC is a strategic gateway into the Southeast Asia market given its location within the Iskandar Malaysia and connectivity via Senai International Airport and Changi International Airport as well as Johor Port and PTP. Adding further value and accessibility to the hub, we will have a road connecting to the North-South Expressway to be operational this year.

It has been a fruitful year for MMC, and I take great pleasure in describing in greater detail the achievements of our companies within the three core divisions of Ports & Logistics, Energy & Utilities, and Engineering & Construction.

 **PTP**

0.40



**PELABUHAN
TANJUNG PELEPAS
SDN BHD**



**JOHOR PORT
BERHAD**



**NORTHPORT
(MALAYSIA)
BHD**

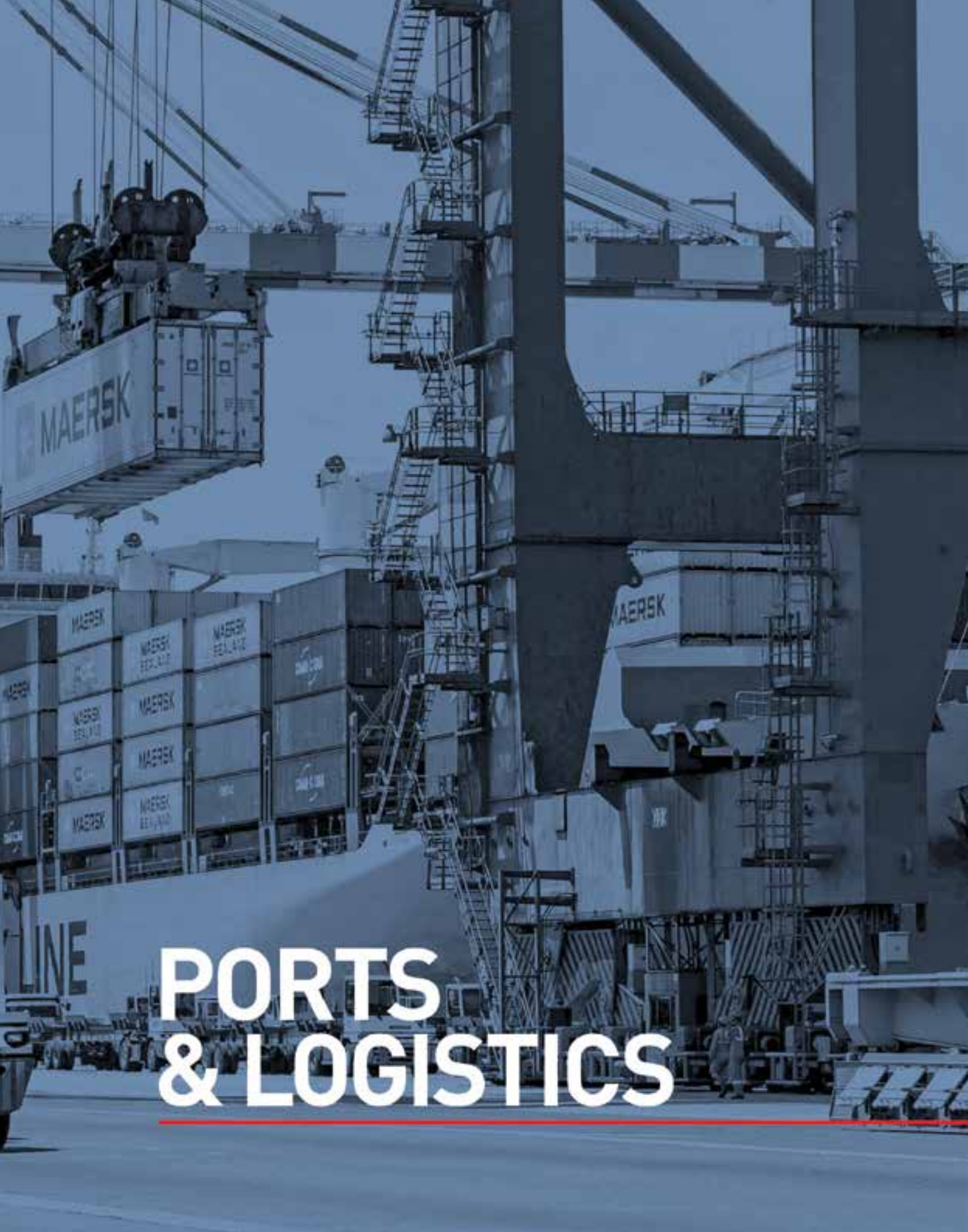


**JP LOGISTICS
SDN BHD**



**KONTENA
NASIONAL
BERHAD**





PORTS & LOGISTICS



FOR THE FINANCIAL YEAR 2015, THE PORTS & LOGISTICS DIVISION POSTED REVENUE OF RM1.91 BILLION, AN INCREASE OF 15.9% OVER THE RM1.65 BILLION OF THE PREVIOUS YEAR, WHILE PROFIT BEFORE TAX GREW 92.7% TO RM489.9 MILLION FROM RM254.0 MILLION. THIS STRONG SHOWING WAS DUE TO AN INCREASED THROUGHPUT AT PTP; STRONG VOLUME CONTRIBUTIONS FROM THE 2M ALLIANCE, BETWEEN MAERSK AND MSC SHIPPING LINES; LOWER OPERATING COSTS AS A RESULT OF PTP'S CONTINUED COST EFFICIENCY AND PRODUCTIVITY PROGRAMMES; AND A GAIN OF RM130.5 MILLION FROM THE FAIR VALUE RE-MEASUREMENT OF OUR INVESTMENT IN NCB.

PELABUHAN TANJUNG PELEPAS SDN BHD

Despite the challenging economic backdrop in 2015, PTP, Malaysia's largest container terminal, continued to record a strong growth, with volume increasing by 7% to 9.1 million Twenty-foot Equivalent Units (TEUs). In August 2015, it achieved its highest monthly volume of 800,946 TEUs, a milestone for both PTP and Malaysia. As a result, PTP's revenue increased by 15% to RM1,200.6 million however Profit After Tax (PAT) decreased by 32% to RM177.4 million due to lower deferred tax income recognised mainly upon completion of Berths 13 and 14 as well as container yard blocks 19-21 in 2014. In January 2016, it reached another milestone by becoming the first Malaysian port to handle more than 18,000 TEUs in a single berthing by a vessel when Matz Maersk, one of the vessels on the 2M network service, left the port with a load of 18,034 TEUs.

PTP was ranked the 18 busiest container terminal in the world, according to the 2015 Lloyd's List.

The 2M Alliance contributed an additional volume of around 1 million TEUs in 2015 and we hope to drive further growth in 2016 as the Alliance aggressively expand their business.

In terms of capacity, PTP continued to refurbish and upgrade its terminal facilities, equipment and machinery. With the completion of Berths 13 and 14, it now lines up alongside Felixstowe, Bremerhaven, Rotterdam, Yantian, Shanghai, Ningbo and Singapore as the only ports able to handle the 18,000 TEU-capacity Maersk Line Triple E vessels. During the year, PTP took final delivery of 5 quay cranes which is part of our

investments to sustain our annual capacity at 10.5 million TEUs whilst completing the asset upgrading, refurbishment and replacement programme which will be completed in the next 24 months.

Meanwhile, the PTP Free Zone located within PTP in Gelang Patah, Johor has been registering double digit container volume growth per annum over the last four years, buoyed by increased warehousing and logistics activities. Over the next two years, due to the strong market demand, the total warehousing space in PTP Free Zone Phases 1 and 2 is anticipated to increase by almost two-fold to 5.4 million square feet. This would lead to the Free Zone throughput volume to grow to approximately 300,000 TEUs per annum.

JOHOR PORT BERHAD

Johor Port's revenue increased by 2.57% to RM618.3 million in 2015, while PAT fell slightly 2.02% to RM116.48 million. The port handled container volume of 800,524 TEUs, of which local-bound containers accounted for 97% of the total and registered an increase of 5.3% over 2014. Transshipment volume fell 53% compared with 2014 due to the diversion of Pacific International Lines transshipment cargo to Northport. At the same time, Johor Port handled 28.6 million tonnes of cargo compared with 27.3 million tonnes in 2014, attributable to 15% growth in liquid bulk and 14% in bulk cargo. Palm oil and petroleum were the main commodities handled by the port, while there was a slight drop in throughput of fertilisers, iron ore and scrap iron during the year.



In December, Johor Port was awarded a four-year operatorship contract by PETRONAS to manage the operations and logistics at the Material Off-Loading Facility (MOLF) for the RAPID project in Pengerang, Johor. RAPID is PETRONAS' largest greenfield downstream undertaking in Malaysia and along with its 6 major associated facilities, forms the Pengerang Integrated Complex, which is poised for refinery start-up by early 2019.

Johor Port will provide comprehensive services including marine, manpower, equipment and systems to operate the MOLF at Teluk Ramunia which consists of 4 berthing facilities in water depths of 4.5 metres chart datum and Tanjung Setapa which consists of 3 berthing facilities with 2 Roll-on/Roll-off (RoRo) berthing facilities in water depths of 10.6 metres chart datum. It will also receive an estimated 4.1 million tonnes of containerised and break bulk cargo from 2016 to 2019.

Continuous efforts to increase operational standards led to Johor Port being ISO certified for Quality Management System by SIRIM in November. The port is now preparing to pursue the ISO 55001:2014 certification on asset management.

JP Logistics Sdn Bhd (JP Logistics) a wholly owned subsidiary of Johor Port, is primarily involved in Freight Management, Warehousing & Distribution, Shipping & Marine Services and Specialised Logistics including Project Cargo Logistics.

JP Logistics provides total logistics solutions and supply chain management. For the financial year 2015, the company recorded revenue of RM155.4 million after RM145.0 million in 2014 and PAT of RM3.13 million compared to RM3.09 million in 2014.

JP Logistics currently manages around 310,000m² of warehouse space and has a comprehensive road transport service with a fleets of 120 haulage and conventional trucks.

In addition, JP Logistics also provides a wide range of shipping services which include international freighting, shipping agencies, chartering, barging and Non-Vessel Operating Common Carrier (NVOCC).

With competition in the ports and logistics industry expected to intensify, Johor Port is exploring new business avenues to sustain its business momentum. Two new subsidiaries, namely KOTUG Asia Sdn Bhd and Cranetech Global Sdn Bhd, have recently been established to support its activities in the harbour tug business and the maintenance and repair of port equipment.





NCB HOLDINGS BHD

NCB wholly owns Northport, one of the major gateways for import and export of containers and conventional cargos in Port Klang; and operates a haulage cum logistics business via Kontena Nasional.

For the financial year 2015, NCB recorded revenue of RM844.4 million after RM831.0 million in 2014 and PAT of RM21.5 million compared to RM27.9 million in 2014. MMC completed its acquisition of additional 53.42% equity interest in NCB on 1 December 2015 and the latter effectively became a subsidiary of the Group.

It was a good year for Northport, especially in the container and breakbulk conventional cargo business. Over the course of the year, it secured 17 new container services leading to a

10.1% increase in container volume over 2014 to 2.83 million TEUs. This contributed to a 6.3% increase in revenue to RM622.9 million. Although performance was partly impacted by a 7.5% growth in operating expenditure from RM514.0 million to RM552.4 million, the segment recorded a profit before tax of RM83.4 million.

Northport is currently upgrading its infrastructure and facilities to cater for more Ultra Large Vessels and to meet growing market demand. Upgrading works at Wharf 8, which forms part of the capacity building programme, is progressing well.

The logistics operations segment under Kontena Nasional recorded revenue of RM225.6 million, a 7.4% decrease year-on-year. Operating expenditure fell

slightly to RM301.2 million compared with the RM304.1 million registered in 2014, mainly from outsourcing and initiatives to improve performance, including exiting unprofitable businesses.

The key focus in Kontena Nasional during the year was to improve its operations and realign its business streams. Departments and reporting structure have been enhanced to significantly improve governance within the company. From a business perspective, Kontena Nasional will continue to strive for operational efficiencies and concentrate on its core competencies in haulage operations.



MALAKOFF
CORPORATION
BERHAD



GAS
MALAYSIA
BERHAD

A photograph of an industrial facility, possibly a power plant or refinery, with a tall, striped chimney and large storage tanks. The image is overlaid with a green tint and a dark horizontal bar at the top. The text "ENERGY & UTILITIES" is prominently displayed in the lower-left corner.

ENERGY & UTILITIES



THE ENERGY & UTILITIES DIVISION RECORDED A SIGNIFICANT INCREASE IN PROFIT BEFORE TAX OF RM1.75 BILLION COMPARED TO RM647.3 MILLION POSTED IN 2014, PRIMARILY DUE TO THE EXCEPTIONAL GAIN OF RM1.34 BILLION GENERATED BY MALAKOFF'S LISTING. HOWEVER, DECONSOLIDATION OF MALAKOFF'S RESULTS FOLLOWING THE IPO LED TO A 63.5% DECREASE IN MMC REVENUE TO RM2.04 BILLION FROM RM5.59 BILLION IN 2014.

MALAKOFF CORPORATION BERHAD

For the financial year 2015, Malakoff recorded revenue of RM5.3 billion after RM5.6 billion in 2014 and PAT of RM495.9 million compared to RM412.8 million in 2014.

On 15 May 2015, Malakoff, the largest Independent Power Producer in Malaysia and Southeast Asia in terms of total effective generation capacity, was listed on the Main Market of Bursa Malaysia Securities Berhad. The listing of RM2.74 billion was the biggest IPO in Malaysia. With an IPO price of RM1.80 per share, Malakoff made its debut valued at RM9 billion.

Malakoff's 1,000 MW Tanjung Bin Energy Power Plant, known as T4, achieved its Commercial Operation Date on 21 March 2016, following successful construction, testing and commissioning. The T4 power plant is located adjacent to Malakoff's existing 2,100 Megawatt Tanjung Bin Power Plant.

Meanwhile, in December, Port Dickson Power Berhad (PD Power) accepted a conditional award from the Energy Commission (EC) to continue supplying power to Tenaga Nasional Berhad up to 2019.

GAS MALAYSIA BERHAD

2015 was an exceptional year for Gas Malaysia Berhad (Gas Malaysia), due to a range of lacklustre economic factors and regulatory changes within the industry. The most significant regulatory challenge was a 21.8% lowering of gross contribution allocated for every million metric British thermal unit (MMBtu) of gas sold. As a result, Gas Malaysia registered PAT of RM143.6 million for the financial year 2015, 32.6% lower than RM213.1 million recorded in 2014.

Gas Malaysia's revenue grew by 30.5% to RM3.6 billion compared with RM2.8 billion in 2014, primarily driven by the increase in the volume of gas sold, the number of customers and upward revisions in natural gas tariffs effective 1 November 2014 and 1 July 2015.

The company's customer base grew to 38,690; the Natural Gas Distribution System (NGDS) was increased to 2,139 kilometres; and Gas Malaysia continue to reduce its system average interruption index (SAIDI), from 0.1455 minutes of disruption per customer to 0.0903 minutes.



Gas Malaysia's revenue grew by

30.5%

to RM3.6 billion compared to
RM2.8 billion in 2014





**KLANG VALLEY
MASS RAPID
TRANSIT PROJECT**



ZELAN BERHAD



**MMC ENGINEERING
SERVICES SDN BHD**



**STORMWATER
MANAGEMENT AND
ROAD TUNNEL (SMART)**



**MMC
PEMBETUNGAN
LANGAT SDN BHD**



**ENGINEERING
& CONSTRUCTION**



IN 2015, THE ENGINEERING & CONSTRUCTION DIVISION POSTED A 12.7% DECLINE IN REVENUE TO RM966.1 MILLION FROM RM1.10 BILLION RECORDED IN 2014. PROFIT BEFORE TAX WAS ALSO LOWER, AT RM179.9 MILLION AFTER RM310.6 MILLION IN THE PREVIOUS FINANCIAL YEAR. THE DECLINE WAS MAINLY ATTRIBUTABLE TO LOWER CONTRIBUTION FROM THE KVMRT-LINE 1 PROJECT FOLLOWING THE SCHEDULED COMPLETION OF TUNNELLING DRIVE WORKS AND COMPLETION OF THE ELECTRIFIED DOUBLE TRACK PROJECT IN NOVEMBER 2014.

KVMRT PDP Line 1 recorded

RM122.1
MILLION

PAT compared to
RM110.8 million in 2014

KLANG VALLEY MASS RAPID TRANSIT PROJECT

The KVMRT Project is the largest public infrastructure development project in the country to date, planned by the Malaysian Government as part of the Economic Transformation Plan (ETP). It is under the Greater KL National Key Economic Area (NKRA) to alleviate traffic congestion and transform KL into a world-class Metropolitan.

For the financial year 2015, KVMRT PDP Line 1 recorded revenue of RM3.45 billion after RM2.63 billion in 2014 and PAT of RM122.1 million compared to RM110.8 million in 2014. The higher PAT was in line with higher work progress.

Meanwhile, KVMRT Tunnel Line 1 recorded revenue of RM1.41 billion in 2015, compared to RM1.71 billion in 2014 and PAT of RM25.9 million in 2015 compared to RM2.2 million in 2014. The higher PAT was due to completion of tunnelling drive works in April 2015.

As of February 2016, the construction of Line 1 is 81.77% completed where the progress for underground is 85.43% and elevated section 78.75%. All civil and structural works have been completed. Phase 1, running from Sg. Buloh to Semantan, will be operational in December 2016 and the entire line ending in Kajang is expected to be completed July 2017.

In the financial year 2015, KVMRT PDP Line 2, recorded revenue of RM248.4 million and PAT of RM4.9 million. Work on Line 2 is expected to start in the third quarter of 2016. A 3-month public inspection exercise was held starting 15 May 2015, with booths displaying information set up at the office of the Land Public Transport Commission (SPAD) and at Majlis Perbandaran

Sepang, Selangor. This was followed by a Public Inspection Roadshow which visited 24 locations including local councils, shopping malls, community halls and a hospital to educate the public about the projects and serve as an avenue for the public to provide feedback on the routing of the alignment.



MMC ENGINEERING SERVICES SDN BHD MMC ENGINEERING & CONSTRUCTION SDN BHD

For the financial year 2015, MMC Engineering Services Sdn Bhd (MMC Engineering Services) & MMC Engineering & Construction Sdn Bhd (MMC Engineering & Construction) recorded combined revenue of RM167.2 million in comparison to RM146.2 million recorded in 2014. Subsequently, the companies posted PAT of RM4.4 million as compared to RM12.8 million in 2014. Despite a higher turnover in 2015, PAT was lower as a result of lower Gross Profit (GP) margin and the completion of few projects in 2015.

MMC Engineering Services is currently involved in two significant projects, namely construction of the Langat 2 WTP and Water Reticulation System as well as construction of civil, structural and tankage works for the Engineering, Procurement, Construction and Commissioning (EPCC) of a 1,200 MW Cogeneration Power Plant for Petronas.

The EPCC project for Petronas is being undertaken by a consortium of MMC Engineering Services, Siemens Malaysia and Siemens AG. The 1,200 MW Cogeneration Power Plant is part of RAPID project in Pengerang, Johor. The scope of the project includes the design,

engineering, procurement, installation, construction, commissioning, testing, project management of cogeneration blocks consisting of proven low-emission mid to large-sized industrial type gas turbines, associated heat recovery steam generators, steam turbines and other associated infrastructure and facilities.

Construction of Langat 2 Water Treatment Plant is being undertaken by MMC Engineering Services, Salcon Berhad and AZSB JV Sdn Bhd. The project scope comprises all related civil and building works, as well as the pipeline and water treatment system to produce and supply 1,130 million litres per day (MLD) of portable water for the Langat 2 WTP Phase 1.

MMC PEMBETUNGAN LANGAT SDN BHD

In November 2015, MMC Pembetulan Langat Sdn Bhd (MMC Pembetulan Langat) was awarded the contract for the Langat CSTP & SCS by the Ministry of Energy, Green Technology and Water (KeTTHA).

The RM1.5 billion project is one of the most innovative projects undertaken in Malaysia and foresees a world-class sewage treatment centre. When completed in 2020, the treatment plant will be able to process up to 207,000 cubic metres per day, or 920,000 Population Equivalent (PE), tripling the current treatment capacity, and covering a 60.9 square kilometre catchment area.

For the financial year 2015, MMC Pembetulan Langat recorded revenue of RM50.2 million and PAT of RM0.4 million as the project is actively progressing.



ZELAN BERHAD

For the financial year 2015, Zelan Berhad (Zelan) recorded revenue of RM412.6 million as compared to RM211.0 million for the nine-month financial period in 2014; and PAT of RM30.5 million compared to RM38.5 million in 2014. The lower PAT was mainly due to higher discounting on receivables concerning Meena Plaza Mixed Use Development project in Abu Dhabi.

Zelan is currently targeting local infrastructure projects. However, spending may continue to be cautious in the year ahead and less crucial developments may be deferred. In the current highly competitive environment, Zelan has a definite edge because of its ready-to-deploy resources, vast experience and track record in project delivery, proven project implementation framework and established health and safety procedures.

Among its local projects, Zelan has completed the construction of the Centre of Foundation Studies (Phase 3) at the International Islamic University Malaysia (IIUM) in Gambang, Pahang. Upon handing over of the centre to IIUM, Zelan will undertake the concession for the asset and facilities management services of the said centre for the next 20 years.

In respect of construction of the MOLF jetty in Tanjung Setapa, Johor, Zelan successfully achieved physical completion on 20 January 2016.



Works also progressed well in 2015 on the Drawbridge in Kuala Terengganu for the East Coast Economic Region Development Council (ECERDC); and the project is scheduled to be completed by the first quarter of 2017.

Zelan, together with its joint venture partner, had secured a sub-contract of RM96.9 million under the Langat CSTP & SCS project from MMC Pembetungan Langat. The project commenced in January 2016 and is scheduled to be completed by March 2018.

Most recently, Zelan secured a RM37.8 million contract from BBCC Development Sdn Bhd for the main building works of a four-storey temporary sales office, show unit and single-storey sub-basement at Jalan Pudu, Kuala Lumpur which is scheduled for completion in December 2016.

STORMWATER MANAGEMENT AND ROAD TUNNEL

In 2015, the Government approved our proposal under the concession agreement to increase the toll rate of the Stormwater Management and Road Tunnel (SMART) from RM2 to RM3. We also introduced a fully electronic toll payment system, or Electronic Toll Collection (ETC), designed to reduce congestion by up to 30% during peak hours.

Meanwhile, in recognition of our commitment to safety and convenience in the design of the tunnel, SMART was awarded the Kuala Lumpur Mayor Design Award for Infrastructure under the Engineering Category in November 2015.

In 2015, SMART recorded revenue of RM44.8 million after RM36.5 million in 2014 and PAT of RM0.9 million compared to RM1.8 million in 2014. The lower PAT was due to higher finance costs.

ALIRAN IHSAN RESOURCES BERHAD

In Perak, where Aliran Ihsan Resources Berhad (AIRB) operates two water treatment plants, revenue and profits increased from RM13.78 million and RM2.36 million in 2014 to RM14.96 million and RM4.05 million respectively, mainly as a result of higher production volume and efficient handling during the plant shut-down.

AIRB is focusing on Operations and Maintenance (O&M) business opportunities while exploring other activities within the value chain of the industry to sustain its business momentum. The company seeks to lift its profitability in non-revenue water segments, water recycling, retrofitting existing water treatment plants with membrane technology, and venturing into robotic cleaning services for reservoirs.

During the year, AIRB managed to secure a contract to provide manpower and services for a new water treatment plant with a capacity of 20 million litres per day (MCD) in Kuala Kangsar, Perak which is expected to commence in April 2016.



SENAI AIRPORT TERMINAL SERVICES SDN BHD

2015 was a landmark year for Senai Airport Terminal Services Sdn Bhd (SATS) which recorded 2.58 million passengers, an increase of 256,150 or 11% compared to 2014. Of this, the number of domestic passengers increased by 7.4% to 2.23 million while the number of international travellers grew by 40.3% to 355,000. Each day saw an average of 74 departures and arrivals. At the same time, the airport handled 5,272 tonnes of cargo, an increase of 5% over 2014.

The increase in passenger traffic and cargo volume contributed to SATS achieving RM50 million in revenue, an increase of 18% or RM7.5 million over 2014.

The increase in passenger movements was largely attributable to AirAsia introducing a Bangkok to Senai route four times a week from July 2015 and

increasing the Hanoi route from 4 times a week to daily. Firefly also increased its service to Kota Bharu from 3 times to 5 times a week.

Various staff training and development programmes were put in place in 2015 to ensure that Senai International Airport complies with the requirements of the aviation authorities such as the Department of Civil Aviation Malaysia, International Air Transport Association and the International Civil Aviation Organisation.

Other major developments include completion of the Senai Airport Aviation Park (SAAP) in the first quarter of the

International travellers grew by

40.3%

in 2015





year. SAAP comprises 2 wide-body hangars, 1 narrow-body hangar, 20 general aviation parking areas and the Senai Business Aviation Terminal (SBAT), a private jet terminal which has handled more than 450 private jets since its opening in March 2015.

During the year, BMW Group Malaysia and Pan Asia Logistics International (PALI) held a ground-breaking ceremony for a new BMW Group Parts Distribution Centre Malaysia at Senai Airport Free Industrial Zone (SAFIZ) at the Senai International Airport. Located on a 25-acre plot of land, the new BMW Group Parts Distribution Centre will be a new state-of-the-art logistics warehouse and parts distribution centre for the premium automaker, supporting over 22 countries in the region.

OUTLOOK

Despite expectations of a challenging economic climate in 2016, we are optimistic about prospects of the Group.

We expect the Ports & Logistics division to see healthy growth, driven by robust demands.

We believe that Energy & Utilities division will continue to provide us with stable income. Although the Group's revenue and earnings will be reduced as a result of the full-year impact of the deconsolidation of Malakoff, the division as a whole should produce a better performance following the completion of the Tanjung Bin Power Plant revamp and additional capacity from the new T4, combined with higher gas sales volume at Gas Malaysia.

Our Engineering & Construction division is currently working on a number of substantial projects, and we expect to increase our existing order book by winning some new infrastructure projects that are to be tendered out this year.

We are very upbeat about developments at SAC, given the huge potential of the industrial property sector. Malaysia continues to attract investments into industrial land due to the availability of its first-class infrastructure, skilled labour and political stability. We intend to fully leverage on this by unlocking the value of our landbank in Senai as well as the Tanjung Bin Petrochemical & Maritime Industry Centre. Having already attracted international names like Hershey, FOAPL, PALI and BMW to Senai, we believe other leading industrial players will follow suit.



Meanwhile, we plan to construct a bridge connecting the Tanjung Bin area to PTP in the second half of this year. The 7km bridge will enhance connectivity from Tanjung Bin to the Second Link Expressway reducing travelling time to 15 minutes from the current 1 hour via Pontian.

We are making great progress as we stride single-mindedly to unlock the value of all our assets, and will continue to create synergies across the Group while further strengthening our growth to achieve the goals of DP 2018.

Dato' Sri Che Khalib Mohamad Noh
Group Managing Director



BOARD OF **DIRECTORS**



Standing from left to right

Tuan Syed Naqiz Shahabuddin Syed Abdul Jabbar
Datuk Ooi Teik Huat
Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman Haji Wan Yaacob
Tan Sri Dato' Seri Shamsul Azhar Abbas

Dato' Sri Che Khalib Mohamad Noh
Dato' Abdullah Mohd Yusof
Dato' Siti Halimah Ismail
Dato' Abdul Hamid Sh Mohamed

DIRECTORS'

PROFILE



TAN SRI DATO' SERI SHAMSUL AZHAR ABBAS

Independent Non-Executive Chairman

Tan Sri Dato' Seri Shamsul Azhar Abbas, Malaysian, aged 64, was appointed as an Independent Non-Executive Chairman of MMC Corporation Berhad on 16 July 2015. Tan Sri Dato' Seri Shamsul also chairs the Nomination and Remuneration Committee of the Board.

Tan Sri Dato' Seri Shamsul holds a Masters of Science (MSc) in Energy Management from University of Pennsylvania, United States of America, a Bachelor's degree in Political Science and Economics from the Universiti Sains Malaysia as well as a Technical Diploma in Petroleum Economics from the Paris-based Institute Francais du Petrole. He was Pro-Chancellor of Universiti Teknologi PETRONAS (UTP) and was a member of Board of Trustees of the Razak School of Government (RSOG). He also served as Chairman of the National Trust Fund of Malaysia.

Prior to his appointment, Tan Sri Dato' Seri Shamsul was the President & Chief Executive Officer of Petroliaam Nasional Berhad (PETRONAS) from 2010 to 2015. Under Tan Sri Dato' Seri Shamsul's leadership, PETRONAS undertook strategic landmark projects for the company and for Malaysia such as the Pengerang Integrated Refinery and Petrochemical Project (RAPID), the Bintulu Train 9 Project, PETRONAS Floating LNG Facilities Project and Regasification terminal in Malacca.

Tan Sri Dato' Seri Shamsul is the Chairman of PETRONAS Gas Berhad and NCB Holdings Bhd. He also sits on the Board of Enra Group Berhad (formerly known as Perduren (M) Berhad).

Since his appointment, Tan Sri Dato' Seri Shamsul has attended two (2) Board meetings of the Company held in the financial year ended 31 December 2015.

Tan Sri Dato' Seri Shamsul does not hold any interest in the securities of the Company or its subsidiaries. He has no family relationship with any Director and/or Major Shareholder of the Company nor any conflict of interest with the Company.



DATO' SRI CHE KHALIB MOHAMAD NOH
Group Managing Director

Dato' Sri Che Khalib Mohamad Noh, Malaysian, aged 51, was appointed the Group Managing Director of MMC on 1 July 2013. He is also a member of the Executive Committee.

A qualified accountant, Dato' Sri Che Khalib is a member of the Malaysian Institute of Accountants (CA, M) and also a Fellow of the Association of Chartered Certified Accountants, (FCCA, UK) United Kingdom.

Dato' Sri Che Khalib began his career with Messrs. Ernst & Young in 1989 and later joined Bumiputra Merchant Bankers Berhad. Between 1992 and 1999, he served in several companies within the Renong Group. In June 1999, Dato' Sri Che Khalib joined Ranhill Utilities Berhad as Chief Executive

Officer. He then assumed the position of Managing Director and Chief Executive Officer of KUB Malaysia Berhad. Dato' Sri Che Khalib was then appointed as the President/Chief Executive Officer of Tenaga Nasional Berhad (TNB) on 1 July 2004 where he served TNB for eight (8) years until the completion of his contract on 30 June 2012. He later joined DRB-HICOM Berhad as the Chief Operating Officer of Finance, Strategy and Planning in July 2012.

Dato' Sri Che Khalib was previously a member of the Board and the Executive Committee of Khazanah Nasional Berhad from year 2000 to 2004. He also served as a Board member within the United Engineers Malaysia Group of companies and Bank Industri & Teknologi Malaysia Berhad.

Dato' Sri Che Khalib currently sits on the Boards of Gas Malaysia Berhad, Zelan Berhad, Malakoff Corporation Berhad, Johor Port Berhad, MMC Engineering Group Berhad, Aliran Ihsan Resources Berhad, Bank Muamalat Malaysia Berhad, Port Dickson Power Berhad, NCB Holdings Bhd, Kontena Nasional Berhad, Northport (Malaysia) Bhd and several private limited companies.

Dato' Sri Che Khalib attended all seven (7) Board meetings of the Company held in the financial year ended 31 December 2015.

Dato' Sri Che Khalib does not hold any interest in the securities of the Company or its subsidiaries. He has no family relationship with any Director and/or Major Shareholder of the Company nor any conflict of interest with the Company.

**TAN SRI DATO' IR. (DR.) WAN ABDUL RAHMAN HAJI WAN YAACOB**

Non-Independent Non-Executive Director

Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman Haji Wan Yaacob, Malaysian, aged 75, was appointed to the Board as a Non-Independent Non-Executive Director on 26 August 1999. He is also a member of the Audit Committee.

Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman had a distinguished career with the Malaysia Public Works Department, which he served for a total of 32 years. He retired in 1996 as Director General, a position he occupied for six (6) years. A 1965 graduate of the Brighton College of Technology, United Kingdom, in civil and structural engineering, he was conferred the Doctor of Engineering (Honorary) by the University of Birmingham in 1993. In 1993, he attended the Advanced Management Programme at the Harvard Business School.

Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman is the Chairman of Lingkar Trans Kota Holdings Berhad.

Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman attended all seven (7) Board meetings of the Company held in the financial year ended 31 December 2015.

Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman does not hold any interest in the securities of the Company or its subsidiaries. He has no family relationship with any Director and/or Major Shareholder of the Company nor any conflict of interest with the Company.



DATO' ABDULLAH MOHD YUSOF

Senior Independent Non-Executive Director

Dato' Abdullah Mohd Yusof, Malaysian, aged 77, was appointed to the Board as an Independent Non-Executive Director on 31 October 2001. He is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee as well as the Finance, Investment and Risk Committee. Dato' Abdullah is the Senior Independent Director of the Board.

Dato' Abdullah holds an LLB (Honours) degree from University of Singapore.

Dato' Abdullah is a partner in the legal firm of Messrs. Abdullah & Zainuddin. He is also the Chairman of Aeon Co. (M) Berhad and Aeon Credit Service (M) Berhad, and a director of Zelan Berhad.

Dato' Abdullah attended all seven (7) Board meetings of the Company held in the financial year ended 31 December 2015.

Dato' Abdullah does not hold any interest in the securities of the Company or its subsidiaries. He has no family relationship with any Director and/or Major Shareholder of the Company nor any conflict of interest with the Company.

**DATUK OOI TEIK HUAT**

Independent Non-Executive Director

Datuk Ooi Teik Huat, Malaysian, aged 56, was appointed to the Board as an Independent Non-Executive Director on 22 May 2008. He is also a member of the Audit, Nomination and Remuneration as well as Finance, Investment and Risk Committees.

Datuk Ooi is a member of Malaysian Institute of Accountants and CPA Australia. He holds a Bachelor's Degree in Economics from Monash University, Australia.

Datuk Ooi began his career with Messrs. Hew & Co., Chartered Accountants, before joining Malaysian International Merchant Bankers Berhad. He subsequently joined Pengkalen Securities Sdn. Bhd. as Head of Corporate Finance, before leaving to set up Meridian Solutions Sdn. Bhd. where he is presently a Director.

Datuk Ooi sits on the Boards of Tradewinds Corporation Berhad, Tradewinds (M) Berhad, Tradewinds Plantation Berhad, DRB-HICOM Berhad, Zelan Berhad, Johor Port Berhad, Malakoff Corporation Berhad, Gas Malaysia Berhad, Padiberas Nasional Berhad and Mardec Berhad.

Datuk Ooi attended all seven (7) Board meetings of the Company held in the financial year ended 31 December 2015.

Datuk Ooi does not hold any interest in the securities of the Company or its subsidiaries. He has no family relationship with any Director and/or Major Shareholder of the Company nor any conflict of interest with the Company.



DATO' ABDUL HAMID SH MOHAMED
Independent Non-Executive Director

Dato' Abdul Hamid Sh Mohamed, Malaysian, aged 51, was appointed to the Board as an Independent Non-Executive Director on 10 August 2009. He is the Chairman of the Finance, Investment and Risk Committee and a member of the Audit Committee.

Dato' Abdul Hamid is a Fellow of the Association of Chartered Certified Accountants. He started his career in the accounting firm Messrs. Lim Ali & Co./Arthur Young, before moving on to merchant banking with Bumiputra Merchant Bankers Berhad. He later moved to the Amanah Capital Malaysia Berhad Group, an investment banking and finance group, where he led the corporate planning and finance functions until 1998, when he joined the Kuala Lumpur Stock Exchange

(KLSE), now known as Bursa Malaysia Berhad. During his five (5) years with the KLSE, he led KLSE's acquisitions of Kuala Lumpur Options and Financial Futures Exchange (KLOFFE), Commodity and Monetary Exchange of Malaysia (COMMEX) and their merger to form Malaysia Derivatives Exchange (MDEX), and the acquisition of Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ). He also led KLSE's demutualisation exercise.

Dato' Abdul Hamid is currently an Executive Director of Symphony House Berhad and sits on the Boards of SILK Holdings Berhad, Pos Malaysia Berhad and Scomi Group Bhd.

Dato' Abdul Hamid attended all seven (7) Board meetings of the Company held in the financial year ended 31 December 2015.

Dato' Abdul Hamid does not hold any interest in the securities of the Company or its subsidiaries. He has no family relationship with any Director and/or Major Shareholder of the Company nor any conflict of interest with the Company.



DATO' SITI HALIMAH ISMAIL

Independent Non-Executive Director

Dato' Siti Halimah Ismail, Malaysian, aged 61, was appointed to the Board of MMC Corporation Berhad as an Independent Non-Executive Director on 16 July 2015. She is also a member of the Finance, Investment and Risk Committee.

She holds a Masters in Management Science (MSc) (Demography) from London School of Economics, United Kingdom, a Bachelor's Degree in Economics (Hons) from University of Malaya and a Diploma in Public Administration from Institute of Public Administration (INTAN).

Dato' Siti Halimah began her career with the Economic Planning Unit (Human Resource Section) under the Prime Minister's Department as a Diplomatic

and Administrative Officer (PTD). She subsequently joined Treasury (Tax Analysis Division) under the Ministry of Finance, before joining the Tax Analysis Division as Under Secretary (JUSA B).

Dato' Siti Halimah had served on the Boards of Padiberas Nasional Berhad, Lembaga Hasil Dalam Negeri, Malaysia-Thai Joint Authority (MTJA), Malaysia Industrial Development Authority (MIDA), Halal Development Corporation (HDC), Labuan Financial Services Authority (LFSA) and was an Alternate Director on the Board of Petroliaam Nasional Berhad (PETRONAS).

Since her appointment, Dato' Siti Halimah has attended two (2) Board meetings of the Company held in the financial year ended 31 December 2015.

Dato' Siti Halimah does not hold any interest in the securities of the Company or its subsidiaries. She has no family relationship with any Director and/or Major Shareholder of the Company nor any conflict of interest with the Company.



TUAN SYED NAQIZ SHAHABUDDIN SYED ABDUL JABBAR
Independent Non-Executive Director

Tuan Syed Naqiz Shahabuddin Syed Abdul Jabbar, Malaysian, aged 44, was appointed to the Board of MMC Corporation Berhad as an Independent Non-Executive Director on 16 July 2015 and is a member of the Nomination and Remuneration Committee.

Tuan Syed Naqiz holds a LLB degree and a Graduate Diploma in Legal Practice from Australian National University, Canberra, Australia.

Tuan Syed Naqiz is a Senior Partner at Messrs. Naqiz & Partners. Having practiced law for more than 18 years, he has acquired in-depth knowledge not only on legal intricacies but has also gained a solid knowledge-base on various industries ranging from finance, power, construction, automotive,

defence, information technology, telecommunications, hospitality, retail, manufacturing, fast-moving consumer goods (FMCG) and shipping/transport.

Tuan Syed Naqiz also sits on the boards of BHP Petroleum Berhad, Yayasan Proton and the Kuala Lumpur Business Club. In addition, he is the Major Shareholder and Director of Bud & Naq Holdings Sdn Bhd, which oversees the operations of several retail and wholesale brands in Malaysia.

Since his appointment, he has attended two (2) Board meetings of the Company held in the financial year ended 31 December 2015.

Tuan Syed Naqiz does not hold any interest in the securities of the Company or its subsidiaries. He has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

MANAGEMENT

TEAM



Dato' Sri Che Khalib Mohamad Noh
Group Managing Director



First row from left:

Mohd Shahar Yope
Group Chief Financial Officer

Dr. Mabel Lee Khuan Eoi
Director, Group Treasury

Ir. Chee Weng Loon
Director,
Engineering and Construction

Ahmad Zaki
Head,
Group Corporate Planning

Badrulhisyam Fauzi
Head, Group Strategy

Izham Ab Wahab
Head,
Group Human Resources

Second row from left:

Lucy Wong Kam Yang
Chief Internal Auditor

Ahmad Aznan Mohd Nawawi
Group Company Secretary

Elina Mohamed
Group Legal Advisor

Gan Seng Keong
General Manager,
Group Property

Mohd Nazershman Mansor
General Manager,
Group Finance

Azlina Ashar
Head,
Group Corporate Communications

