MFCB
MEGA FIRST CORPORATION BERHAD

4Q2023 RESULTS BRIEFING

29 February 2024

AGENDA

1. Financial Review
   - 4Q Earnings Review
   - 2023 vs 2022 Net Profit Attributable to Shareholders Reconciliation
   - Balance Sheet Review
   - Cash Flow Review
   - Capital Deployed
   - Gearing Position
   - JV Edenor Technology
   - Other Updates
2. Prospects for 2024
3. Sustainability Update

For reference (updated)

4. Renewable Energy Division
5. Packaging Division
6. Resources Division
7. Investment in Joint Venture Edenor Technology
8. Food Security Update

4Q EARNINGS REVIEW

	4Q2023 RM'000	4Q2022 RM'000	YoY Change (%)	3Q2023 RM'000	QoQ Change (%)
Revenue					
Renewable Energy	168,608	161,597	4.3%	164,229	2.7%
Resources	46,410	50,098	-7.4%	48,310	-3.9%
Packaging	100,361	98,869	1.5%	98,084	2.3%
Sub-total	315,379	310,564	1.6%	310,623	1.5%
Investment holding & others	8,870	53,293	-83.4%	9,757	-9.1%
Total	324,249	363,857	-10.9%	320,380	1.2%
PBT					
Renewable Energy	120,664	114,279	5.6%	122,796	-1.7%
Resources	6,218	3,400	82.9%	5,508	12.9%
Packaging	8,075	6,617	22.0%	10,110	-20.1%
Sub-total	134,957	124,296	8.6%	138,414	-2.5%
Investment holding & others	7,711	(2,244)	-443.6%	(2,923)	-363.8%
Share of profit in JV/associate:					
- Operation earnings	(3,895)	(4,599)	-15.3%	(3,959)	-1.6%
Total	138,773	117,453	18.2%	131,532	5.5%
PAT	138,342	115,839	19.4%	127,104	8.8%
PAT attributable to owners of Company	122,020	95,170	28.2%	102,531	19.0%

- Exclude SPSB (disposed in May 2023), revenue +1.8% to RM324.2 mil.
- Core PBT +8.6% to RM135.0 mil.
- Investment holding & others swung from RM2.2 mil loss to RM7.7 mil profit due mainly to:
  i. Forex gain;
  ii. FV gain on put option liability;
  iii. FV gain on investment property;
  iv. Tax penalty provision write-back;
  More than offset:
  i. Fire-related asset write-off;
  ii. Inventory write-off/impairment.
- Share of loss from JV/associate narrowed from RM4.6 mil to RM3.9 mil.
- Edenor share of loss narrowed from RM4.8 mil to RM2.9 mil. Edenor continued to be plagued by intense price competition and soft consumer demand.

RENEWABLE ENERGY DIVISION

EARNINGS REVIEW - RENEWABLE ENERGY DIVISION

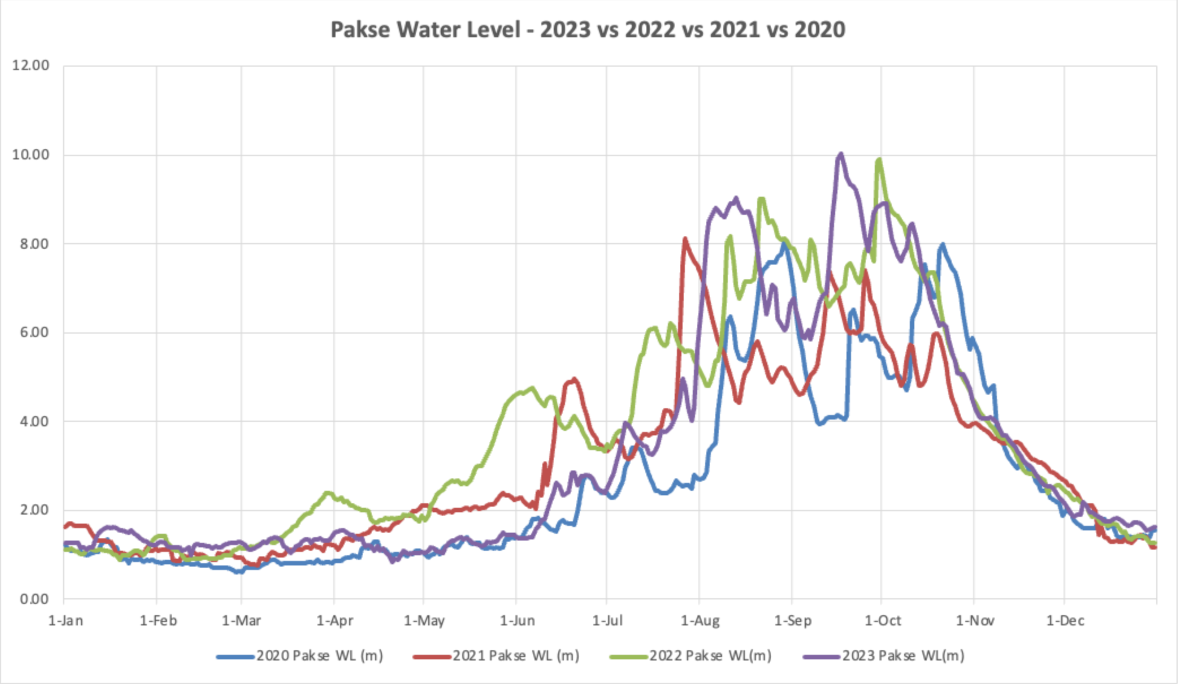
(RM mil)	2022					2023					Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY (%)	QoQ (%)
Revenue	125.4	151.5	158.4	161.6	596.9	128.5	144.8	164.3	168.6	606.2	4.3%	2.6%
PBT	83.0	108.1	114.3	114.3	419.7	88.5	105.6	122.8	120.7	437.6	5.6%	-1.7%
PBT margin (%)	66.2%	71.4%	72.2%	70.7%	70.3%	68.9%	72.9%	74.7%	71.6%	72.2%		
EAF (%)	84.7%	98.0%	98.2%	97.4%	94.6%	81.9%	88.7%	97.6%	97.4%	91.4%	0.0%	-0.2%
Average RM/USD rate	4.193	4.352	4.484	4.574	4.401	4.392	4.527	4.628	4.699	4.561	2.7%	1.5%

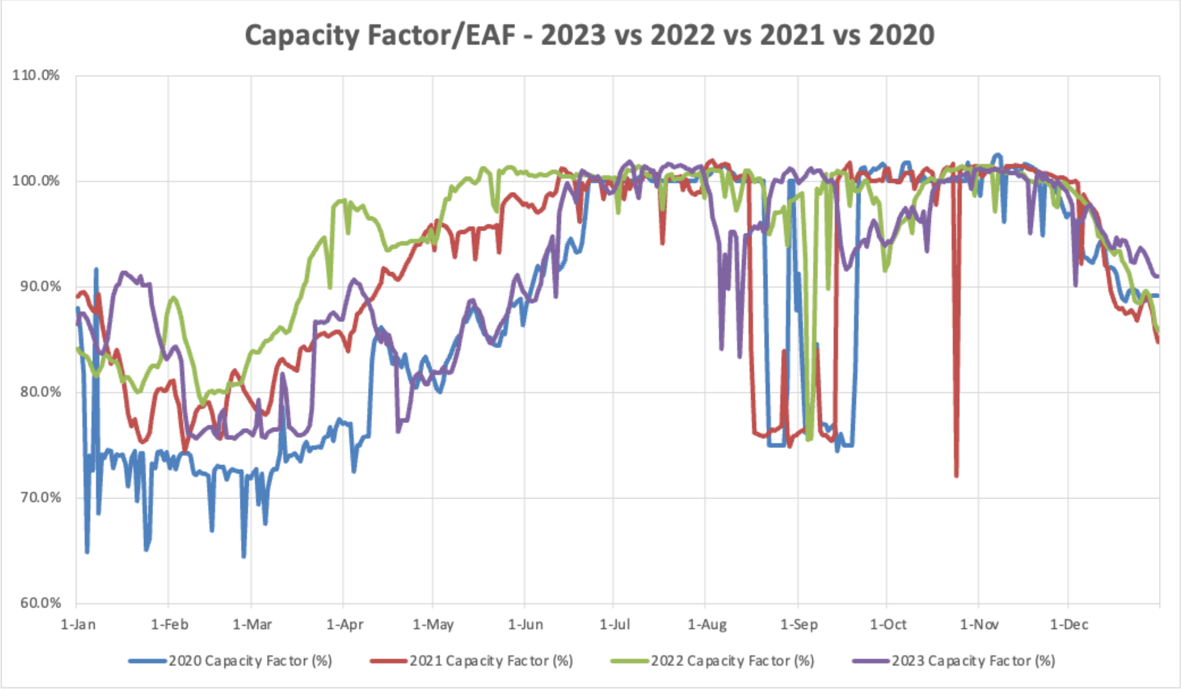
4Q2023 vs 4Q2022

- Revenue +4.3% to RM168.6 mil: 2.7% currency gain, 1% hydro tariff adjustment and higher solar energy sales (+62.5%).
- EAF was flat at 97.4%.
- Solar revenue +62.5% to RM2.5 mil: installed capacity 17.9 MW → 27.0 MW.
- PBT +5.6% to RM120.7 mil: higher revenue and lower net interest expense.

RENEWABLE ENERGY DIVISION - DON SAHONG

Don Sahong : January - December Pakse Water Level and Capacity Factor/EAF





RESOURCES DIVISION

EARNINGS REVIEW - RESOURCES DIVISION

(RM mil)	2022					2023					Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY (%)	QoQ (%)
Revenue	45.3	49.9	61.0	50.1	206.3	55.8	52.4	48.3	46.4	202.9	-7.4%	-3.9%
PBT	5.3	3.8	4.9	3.4	17.4	5.8	5.8	5.5	6.2	23.3	82.4%	12.7%
PBT margin (%)	11.7%	7.6%	8.0%	6.8%	8.4%	10.4%	11.1%	11.4%	13.4%	11.5%		

4Q2023 vs 4Q2022

- Revenue -7.4% to RM46.4 mil: lower sales volume of lime products on weaker mining activities.
- PBT +82.4% to RM6.2 mil on a favourable change in the sales mix and improved production efficiency.

PACKAGING DIVISION

EARNINGS REVIEW - PACKAGING DIVISION

(RM mil)	2022					2023					Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY (%)	QoQ (%)
Revenue	94.8	100.7	104.6	98.9	399.0	103.5	100.4	98.1	100.3	402.3	1.4%	2.2%
PBT	8.8	9.3	8.8	6.6	33.5	7.3	8.1	10.1	8.1	33.6	22.7%	-19.8%
PBT margin (%)	9.3%	9.2%	8.4%	6.7%	8.4%	7.1%	8.1%	10.3%	8.1%	8.4%		

4Q2023 vs 4Q2022

- Revenue +1.4% to RM100.3 mil: broader customer base, despite challenging operating environment and fire incident.
- PBT +22.7% to RM8.1 mil on a favourable change in the sales mix, lower production cost and lower operating expenses.

2023 vs 2022 NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS RECONCILIATION

	2023	2022	Change	
	RM mil	RM mil	RM mil	%
Reported Net Profit Attributable to Shareholders	**383.7**	**396.8**	**(13.1)**	**-3.3%**
Adjustments:				
Share of loss/(profit) of JV/Associate	13.6	(17.1)	30.7	n.m.
FV gain on put option liability	(13.9)	(5.0)	(8.9)	178.0%
Additional income tax and penalty	12.0	-	12.0	n.m.
Change in accounting estimate on Inventory/PPE	3.3	4.5	(1.2)	n.m.
FV gain on Investment Property	(4.2)	-	(4.2)	n.m.
Fire incident asset write-off	14.5	-	14.5	n.m.
Non-trade forex gain	(26.5)	-	(26.5)	n.m.
	(1.2)	**(17.6)**	**16.4**	**-93.2%**
Adjusted Net Profit Attributable to Shareholders	**382.5**	**379.2**	**3.3**	**0.9%**

BALANCE SHEET REVIEW

	At 31.12.2023 (RM million)	At 31.12.2022 (RM million)	Changes (RM million)	Explanation
Service concession asset	1,940.0	1,940.8	(0.8)	RM88.6 million amortisation charge, largely offset by RM87.8 million translation gain.
PPE	531.9	481.7	50.2	RM120.5 million CAPEX (see below), partially offset by RM38.4 million depreciation charge and RM28.3 million write-offs mainly from the fire incident.
Investment properties	168.7	165.2	3.5	Gain on change in fair value.
ROU assets	116.3	119.0	(2.7)	RM4.6 million depreciation charge, partly offset by RM1.8 million new acquisition.
Investment in quoted shares	133.3	152.3	(19.0)	Fair value loss of quoted securities.
Inventories (non-current)	40.2	43.4	(3.2)	Write-off of non-qualifying expenses previously capitalised.
Joint Ventures and associates	166.7	174.6	(7.9)	RM13.6 million share of loss, offset by RM5.7 million new investment.
Development expenditures	203.0	74.6	128.4	Progressive development of Don Sahong's 5th turbine expansion.
Inventories (current)	131.7	147.9	(16.2)	Lower stock at Packaging Division.
Receivables and prepayments	487.8	437.3	50.5	Advanced payments for new capital projects and investments, and a 7% increase in USD receivable from EDL, partially offset by deconsolidation effect of Serudong Power.
Deferred tax liabilities	127.0	124.3	2.7	Translation loss.
Payables and accruals (current)	166.5	155.7	10.8	Amount owing to EPCC contractor for Don Sahong's 5th turbine expansion, partially offset by deconsolidation effect of Serudong Power.
Shareholder Equity	3,057.0	2,750.6	306.4	
Net Assets per share (RM)	3.24	2.91	0.33	

Capex comprised mainly:

a) RM62.0 million by Packaging Division for plant expansion.

b) RM33.3 million for plantation development.

c) RM18.8 million for solar development.

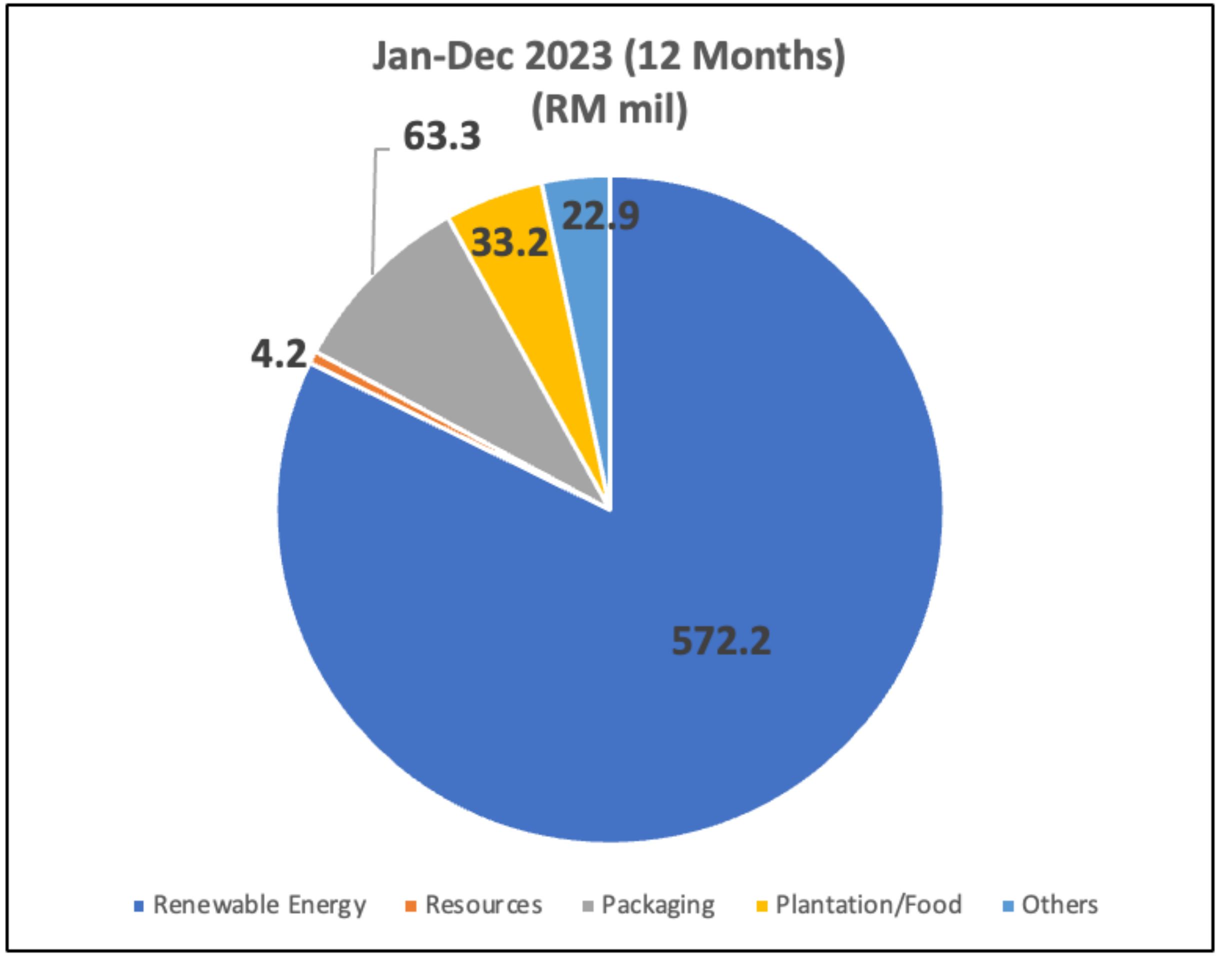
CASH FLOW REVIEW

	12-Month Period Ended	
	2023 (RM mil)	2022 (RM mil)
After tax cash from operating activities	586.8	592.4
Net cash inflow from non-operating investment activities	25.1	7.8
New capital from minority of subsidiary	43.3	3.5
Total Cash Made Available to the Group	**655.2**	**603.7**
Investing Activities		
Investment in joint ventures and associates	(5.7)	(11.5)
Subscription of additional shares in Don Sahong	(428.5)	-
Short-term investment	(14.5)	(5.0)
Capex	(122.2)	(103.6)
Don Sahong Hydropower Project + expansion	(124.9)	(72.0)
Total Investment	**(695.8)**	**(192.1)**
Financing Activities		
Dividends paid	(81.7)	(67.1)
Finance costs paid	(44.1)	(35.1)
Purchase of treasury shares	(8.3)	(0.4)
Total Distribution	**(134.1)**	**(102.6)**
Net cash flow retained by the Group	**(174.7)**	**309.0**
Effects of forex and others	2.5	(66.0)
Change in Net Cash/(Debt) of the Group	**(172.2)**	**243.0**
Net Cash/(Debt):		
- At beginning of period	(220.6)	(520.2)
- At end of period	(392.8)	(277.2)
- Change	**(172.2)**	**243.0**

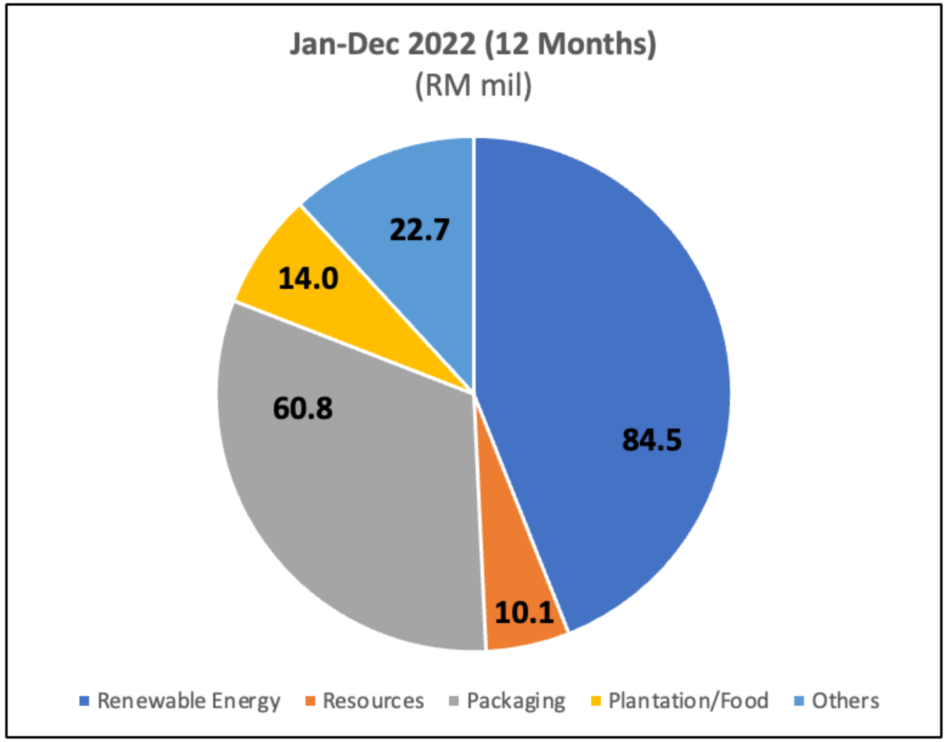
Operating profit before working capital changes posted 6.5% increase from RM642.7 mil to RM684.5 mil.

EXPANSIONARY INVESTMENT CAPITAL DEPLOYED

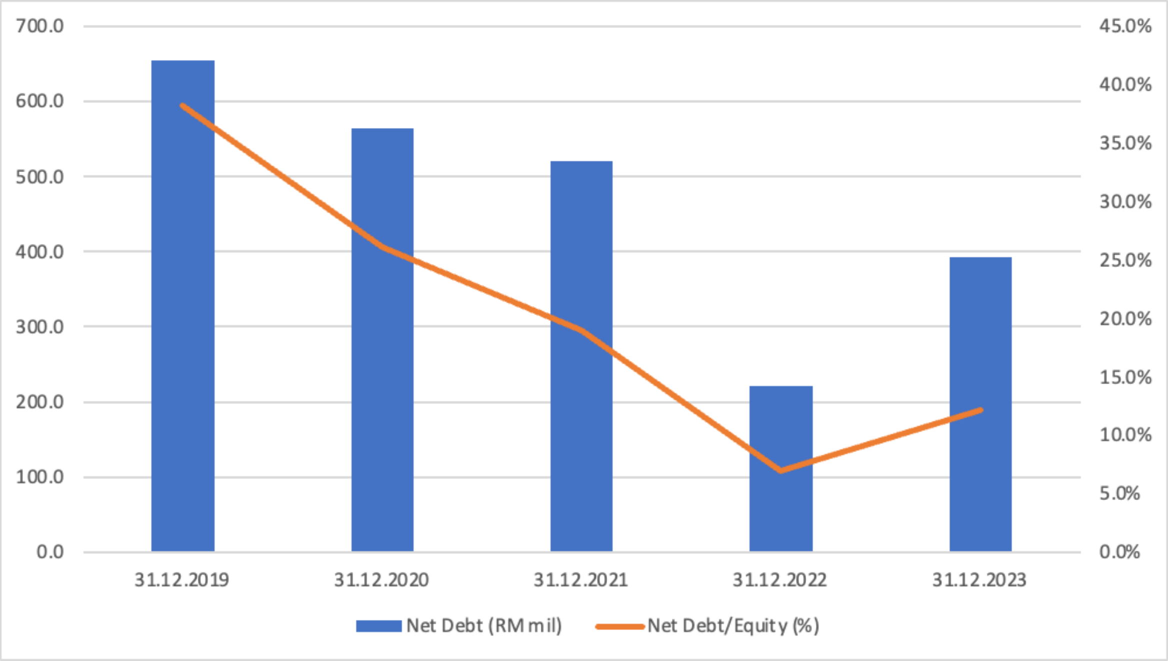
2023: RM695.8 mil



2022: RM192.1 mil



GEARING POSITION



	At 31.12.2019 (RM mil)	At 31.12.2020 (RM mil)	At 31.12.2021 (RM mil)	At 31.12.2022 (RM mil)	At 31.12.2023 (RM mil)
Total Cash	91.0	93.6	257.7	492.3	508.7
Total Debt	-746.1	-657.9	-777.9	-712.9	-901.5
Net Debt	**-655.1**	**-564.3**	**-520.2**	**-220.6**	**-392.8**
Equity	1,711.9	2,165.6	2,739.6	3,191.0	3,223.0
Net Debt/Equity Ratio	**38.3%**	**26.1%**	**19.0%**	**6.9%**	**12.2%**

JV EDENOR TECHNOLOGY

Summarised Profit and Loss										
	2022					2023				
	1Q (RM mil)	2Q (RM mil)	3Q (RM mil)	4Q (RM mil)	Total (RM mil)	1Q (RM mil)	2Q (RM mil)	3Q (RM mil)	4Q (RM mil)	Total (RM mil)
Revenue	305.0	375.3	360.6	224.0	1,264.9	265.0	220.7	207.8	198.3	891.8
EBITDA	19.5	18.8	7.2	2.4	47.9	4.4	(1.5)	3.1	3.2	9.2
Depreciation and amortisation	8.7	8.6	8.5	8.7	34.5	9.2	9.1	9.1	9.4	36.8
PAT	8.7	9.9	(8.7)	(7.7)	2.2	(7.3)	(18.6)	(8.0)	(8.2)	(42.1)
PAT after MI	7.9	8.9	(9.7)	(9.5)	(2.4)	(7.7)	(16.9)	(8.9)	(5.8)	(39.3)
Gain on Accretion of 20% Interest in Subsidiary	-	-	-	-	-	13.1	-	-	-	13.1
Total JV Results	7.9	8.9	(9.7)	(9.5)	(2.4)	5.4	(16.9)	(8.9)	(5.8)	(26.2)
MFCB's Share of Results	4.0	4.5	(4.9)	(4.8)	(1.2)	2.7	(8.5)	(4.5)	(2.9)	(13.1)
	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)
Sales Volume	34.5	36.6	39.3	30.0	140.4	42.0	36.6	35.1	34.1	147.8

Summarised Balance Sheet		
	At 31.12.2022 (RM mil)	At 31.12.2023 (RM mil)
Total Assets	834	738
Total Liabilities	454	418
NCI	65	45
Total Equity	315	275

OTHER UPDATES

- **Acquisition of additional 20% (effective 15%) in DSPC**
  - Total consideration: USD95.0 million.
  - Effective interest: 80% → 95%
  - Completed in December 2023
  - Bank borrowing: US$55 million.

- **Concession Agreement ("CA") for DSPC 5th turbine expansion**
  - Terms finalised awaiting formal approval from Lao government.
  - New CA terms will encompass all 5 turbines.
  - Expected completion by 30 June 2024.

PROSPECTS FOR 2024

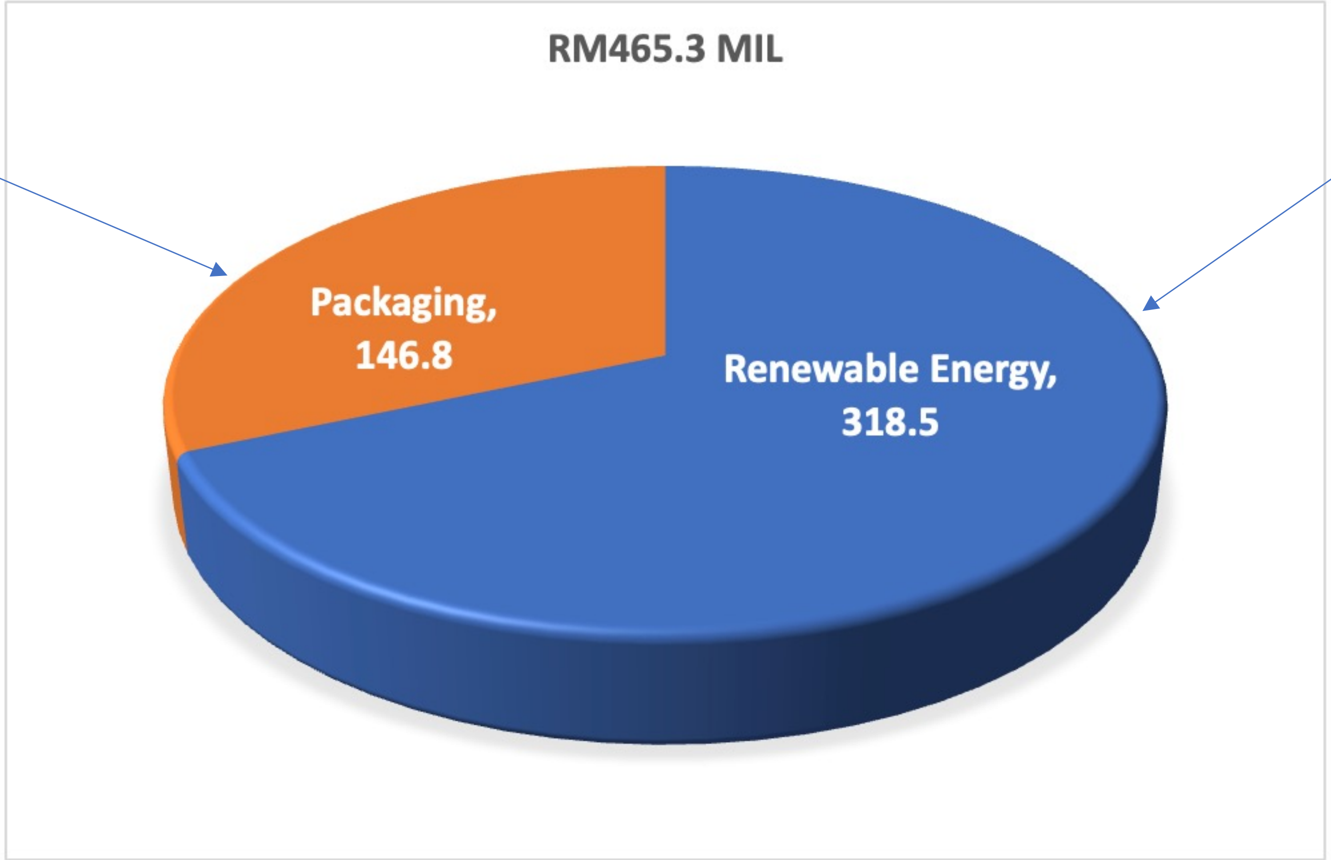
- Challenges and uncertainties
  - Operating environment in 2024 expected to present ongoing challenges.
  - Demand recovery outlook uncertain, adding unpredictability to the economy.
  - Inflation subdued in some areas but persistently high in others, complicating economic dynamics.
  - Escalating conflicts in Ukraine and Gaza increasing risk of supply chain disruptions globally.
  - Weak consumer demand in China adds to economic complexity.

- Navigating uncertainty with strategic agility
  - Geopolitical tensions emphasise the need for organisations to stay vigilant and agile.
  - Proactive approach, resilience, and adaptability essential for navigating uncertainties.
  - Strategic planning, risk management, and flexibility crucial for organisations to thrive despite challenges.

- We expect PBT of the Group's core divisions to continue to grow in 2024:
  - Expected commercial operation of Don Sahong's 5th turbine expansion from July 2024.
  - Progressive installation of solar capacity.
  - Increase in effective equity interest in DSPC from 80% to 95% from 1 January 2024.

PROSPECTS FOR 2024
CAPITAL COMMITMENT AS AT 31 DECEMBER 2023

Factory construction:
RM56.8 mil
Production machinery:
RM90.0 mil



Hydro: RM138.2 mil
Solar: RM180.3 mil

PROSPECTS FOR 2024

Renewable Energy Division

- 2023 Average EAF: 91.4% (2022: 94.6%) – higher than the estimated long-term simulation average of 89%.

- We expect PBT to grow significantly in 2024. Management's optimism is premised on:

  - Expected further currency gain, assuming the RM:USD exchange rate is sustained at about RM4.77/USD (current level) compared to an average of RM4.56/USD in 2023.

  - Additional generation capacity from the expected commercialisation of the 5th turbine in July 2024. We expect the 5th turbine to record an average EAF of about 40% on an annualised basis.

  - 1% tariff adjustment.

- Energy tariff +1% to 6.34 US cents on 1 October 2023.

- Outstanding loan at February 2024: US$125 mil. Current weighted average interest rate: 7.45%.

- We expect solar energy earnings to continue to grow in 2024 on progressive installation of secured solar capacities.

- Recently launched NETR (August 2023) and related plans announced by NRECC Malaysia will further drive the development of Malaysia's RE industry. The implementation of these initiatives will open more RE investment opportunities to the Group.

PROSPECTS FOR 2024
PORTFOLIO SUMMARY AS AT 31 DECEMBER 2023

Completed Capacity		Capacity Secured/Under Construction		Total Capacity	
Hydro:	260.0 MW	Hydro:	65.0 MW	Hydro:	325.0 MW
Solar:	27.0 MW	Solar:	65.5 MW	Solar:	92.5 MW
Total:	**287.0 MW**	**Total:**	**130.5 MW**	**Total:**	**417.5 MW**

RENEWABLE ENERGY DIVISION - EXPANSION

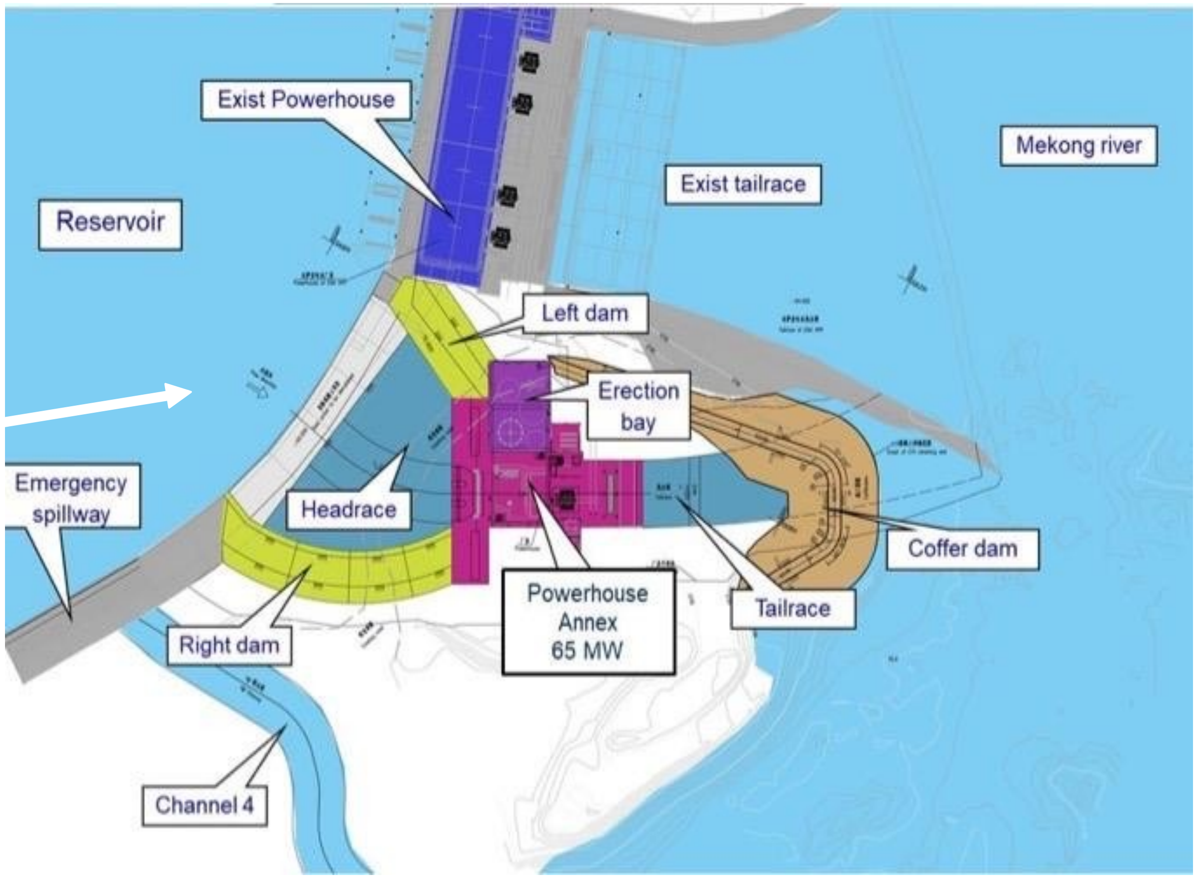
Renewable Energy Projects on Hand

- 65 MW 5th turbine expansion of Don Sahong costing approx. US$70-75 million or approx. US$1.1-1.2mil/MW (vs US$1.4 mil/MW for the first 4 turbines). Construction commenced in December 2021. Expected completion in July 2024. Expected EAF 41%.

- C&I solar projects secured:
  - 9.1 MW energised in the 2023.
  - 7.6 MW to be progressively commissioned and energised in 2024.

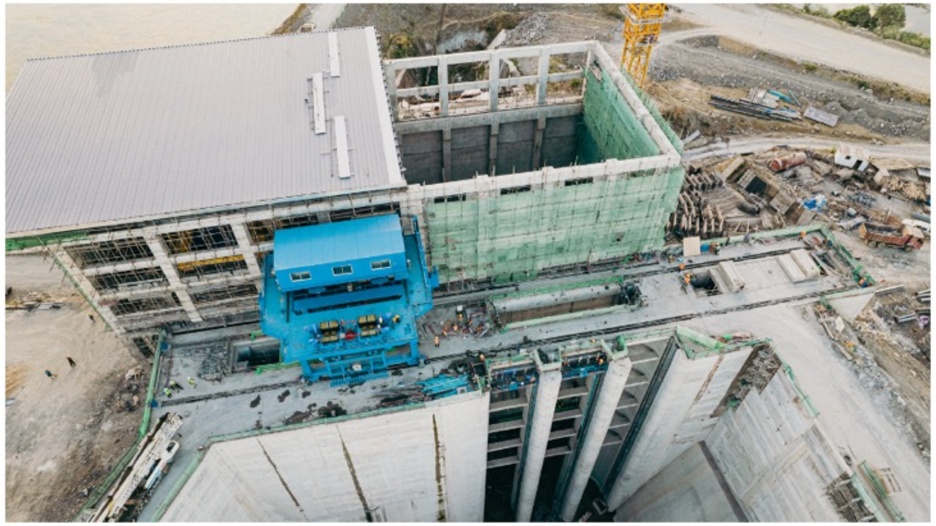
- Other solar projects secured:
  - 11.4 MW solar farm project with a state utility company in the Republic of Maldives, expected to be completed in 2H2024.
  - 46.5 MW solar farm project in Malaysia under the Corporate Green Power Programme of the Energy Commission, expected to achieve commercial operation in 2025.

RENEWABLE ENERGY DIVISION
5th TURBINE CONSTRUCTION PROGRESS



RENEWABLE ENERGY DIVISION
5th TURBINE CONSTRUCTION PROGRESS

RENEWABLE ENERGY DIVISION
5th TURBINE CONSTRUCTION PROGRESS



PROSPECTS FOR 2024

Resources Division

- Operating environment in 2024 expected to be challenging due to subdued mining activities and weaker domestic industrial demand.
- Management actively working on expanding regional customer base to counter soft demand.
- We expect total lime product sales volume to improve compared to 2023.
- Introduction of 6% Sales and Service Tax on transport services from 1 March 2024 expected to increase logistic and production costs.
- Potential removal of diesel subsidy could further impact costs.
- Conflict in the Middle East may lead to increased freight costs in the region.
- Management closely monitoring the situation and ready to adjust pricing and distribution channels accordingly.
- Overall, management expresses optimism that the division will deliver similar or improved earnings in 2024.

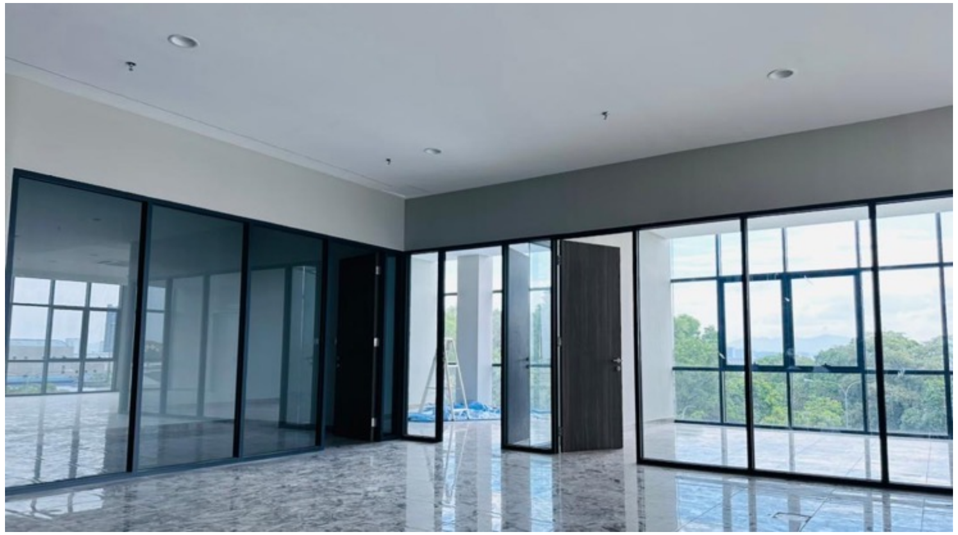
PROSPECTS FOR 2024

Packaging Division

- Operating environment expected to remain challenging in 2024, similar to previous year.
- Management remains optimistic about sustaining earnings growth. Optimism grounded in initiatives to broaden customer base and increase penetration.
- Progress being made in restoring facility damaged by the fire incident, expected full operational capability by April 2024.
- Construction of two new factory buildings in Melaka (Hexachase) and Bangi (Stenta) on track for completion in 2Q2024.

PACKAGING DIVISION
BANGI (STENTA)

PACKAGING DIVISION
BANGI (STENTA)



PACKAGING DIVISION
MELAKA (HEXACHASE)

PACKAGING DIVISION
MELAKA (HEXACHASE)

PROSPECTS FOR 2024

Edenor Technology

- The operating environment of the oleochemical industry will likely remain challenging in 2024:
  - Overcapacity.
  - Intense price competition.
- We are optimistic the management team will be able to turnaround the business in 2024 as production reliability stabilises following massive plant improvements and upgrades in 2023.

KEY SUSTAINABILITY UPDATES

May

Board ESG Q1 update meeting

Officiation of MFCB's Sustainability vision and mission at Stenta (Packaging Division)

June

Officiation of MFCB's Sustainability vision and mission at RCI (Resources Division)

Submitted MFCB's The Edge Billion Ringgit Club Corporate Responsibility Assessment

July

Developed MFCB's Sustainability Reporting Guidelines

Submitted MFCB's first Carbon Disclosure Project (CDP) responses for Climate Change

Aug

ESG Quarter Reporting

Group Sustainability Committee Meeting

Board ESG Q2 update meeting

Employees Sustainability Training

ESG Data Owners Training

Sept

Collected Tier 1 suppliers details

Employees Sustainability Training

ESG Data Owners Training

Oct

ESG Quarter Reporting

Group Sustainability Committee Meeting

Won Company of the Year by BRC Award

Launched mandatory ESG training for Tier 1 suppliers

Nov

FTSE4Good

Submitted MFCB's updates for listing on FTSE4Good Bursa Index

Course on Awareness of Anti-Bribery and Corruption and ESG

Dec

FTSE Russell

Received ESG rating of 2.9/5.0 from FTSE Russell (2.7/5.0 in 2022)

Feb 2024

Received C score for Climate Change 2023

KEY SUSTAINABILITY UPDATES

Investor Engagement

- KWSP EPF
- ISS ESG
- Amundi Asset Management
- UOB Asset Management

Key topics discussed:
MFCB's ESG goals and strategy, Management of ESG risks, Sustainable investments (involvement in any coal-related power industry), Environment and Human Rights issues.

Rating Agency Engagement

May – MSCI
AA – Rated 'AA' - Leader
Industry: Utilities

Dec – FTSE Russell
2.9 – Scored 2.9/5.0
ICB Supersector: Utilities

Feb 24 – CDP (Driving Sustainable Economies)
C – Scored 'C' - Awareness band
Activity Group: Electric utilities

OUR SUSTAINABILITY STRATEGY

Vision

To be a leading Malaysian company with a **strong commitment to sustainable development** in all our businesses and to achieve **long term value creation** to the benefit of all our stakeholders

Mission

To implement sustainable initiatives across our entire organisation with an emphasis on **sustainable production**, **social accountability** and **sound environmental management practices**

Sustainability targets

Net zero emissions by 2050	Enhancing livelihoods of 300,000 people in nearby communities by 2030	100% of Tier 1 suppliers to comply with our Responsible Sourcing Policy by 2030
MFCB to achieve net zero emissions through pursuing operational GHG reduction and working with stakeholders on their carbon neutrality commitments.	To be the voice in empowering and uplifting communities through corporate social responsibility and advocacy.	To practice fair, transparent, ethical and sustainable procurement throughout the organisation.

Sub-targets

Conduct group-wide GHG inventory by 2023.	Establish a community investment fund to create positive societal impact by 2023.	Develop a Responsible Sourcing Policy by 2022.
Reduce waste to landfill by 50% by 2030.	Set up a Scholarship and Management Trainee Programme by 2024.	Implement mandatory supplier ESG training by 2023.
By 2035, achieve carbon neutrality and commence transition towards Net Zero.	Conduct social impact assessments for 100% of community initiatives by 2025.	Conduct internal audits of all higher-risk suppliers by 2025.
Reduce GHG emissions in the supply chain by 50% by 2035.		

OUR SUSTAINABILITY PLAN FOR 2024

	Initiatives	Expected Outcomes
Reporting	• Incorporate **other divisions** in the reporting cycle	• Include additional subsidiaries in the data collection and Sustainability Committee (e.g. Plantations, Property and Bloxwich) for the 2024 reporting cycle
	• Improve **MFCB's website and social media** presence	• More social and market presence, constant dialogue with stakeholders
	• Group wide engagement	• Quarterly/biannual newsletter established
GHG Inventory	• Engage consultant to **develop GHG inventory**	• Develop baseline for GHG emissions for all future comparisons of GHG reduction
Supplier Engagement	• Conduct **baseline assessment** of Tier 1 suppliers	• A clear understanding which Tier 1 suppliers are considered high risk and actions required to mitigate the risk
	• **Supplier commitment** to Responsible Sourcing Policy	• Receive written commitment from Tier 1 suppliers
Community Outreach	• **Scholarship and Management Trainee Program**	• Ensure MFCB develops a strong talent pipeline for their industries whilst supporting students in need
	• **Community projects** for each division	• Increase engagement with community members and promote collaboration; Establish at least one partnership with local organization
Metrics, Targets & Initiatives	• Establish **key metrics and targets** within each division	• Each division has clear and achievable targets to support the overall group target

ENVIRONMENT DASHBOARD - JAN-DEC 2023

ENVIRONMENT

2,127
GWh
Total Renewable Energy Generated[1]

1.25
mil. tons
Total CO_{2e} Avoided From The Environment

1,941,355
GJoules
Total Energy Consumption[2]

3,675,036
tCO_{2e}
Total Direct Emissions[2] (Scope 1)

49,022
tCO_{2e}
Total Indirect Emissions From Purchased Energy[2] (Scope 2)

6,678
tons
Total Waste Diverted From Disposal[2]

Notes:
1. Renewable energy generated data is collected from our Hydro & Solar portfolio.
2. Total Energy Consumption, Emissions and Waste data are for all three main Divisions and HQ office in Selangor.
- All data are from 1 Jan - 31 Dec 2023

SOCIAL DASHBOARD - JAN-DEC 2023

SOCIAL

Total Workforce	976	292	1,268
Ratio in Workforce	3.3 males : 1 female		
Average Training hours	7.7	12.4	10.05
Ethnicity	17%	41%	4% / 39%

Chinese Malay Indian Others

	< 30 years	30 - 50 years	> 50 years
Senior Management	0	3	12
Management	7	72	36
Executive	64	119	24
Non-Executive	493	393	45

Note

- Data are for all subsidiaries under the MFCB Group
- All data are from 1 Jan - 31 Dec 2023, except Average Training Hours (1 Jan – 30 Sep 2023). Full data will be reflected in MFCB's 2023 Sustainability Report

SAFETY DASHBOARD - JAN-DEC 2023

SAFETY

Work-Related Injuries

0
Fatalities

2
High Consequence Injuries

13
Cases

Work-Related ill Health

0
Fatalities

4
Cases

Notes:
- Data are for all three main Divisions of MFCB Group; Renewable Energy, Packaging and Resources Divisions
- All data are from 1 Jan – 31 Dec 2023

GOVERNANCE DASHBOARD - JAN-DEC 2023

GOVERNANCE

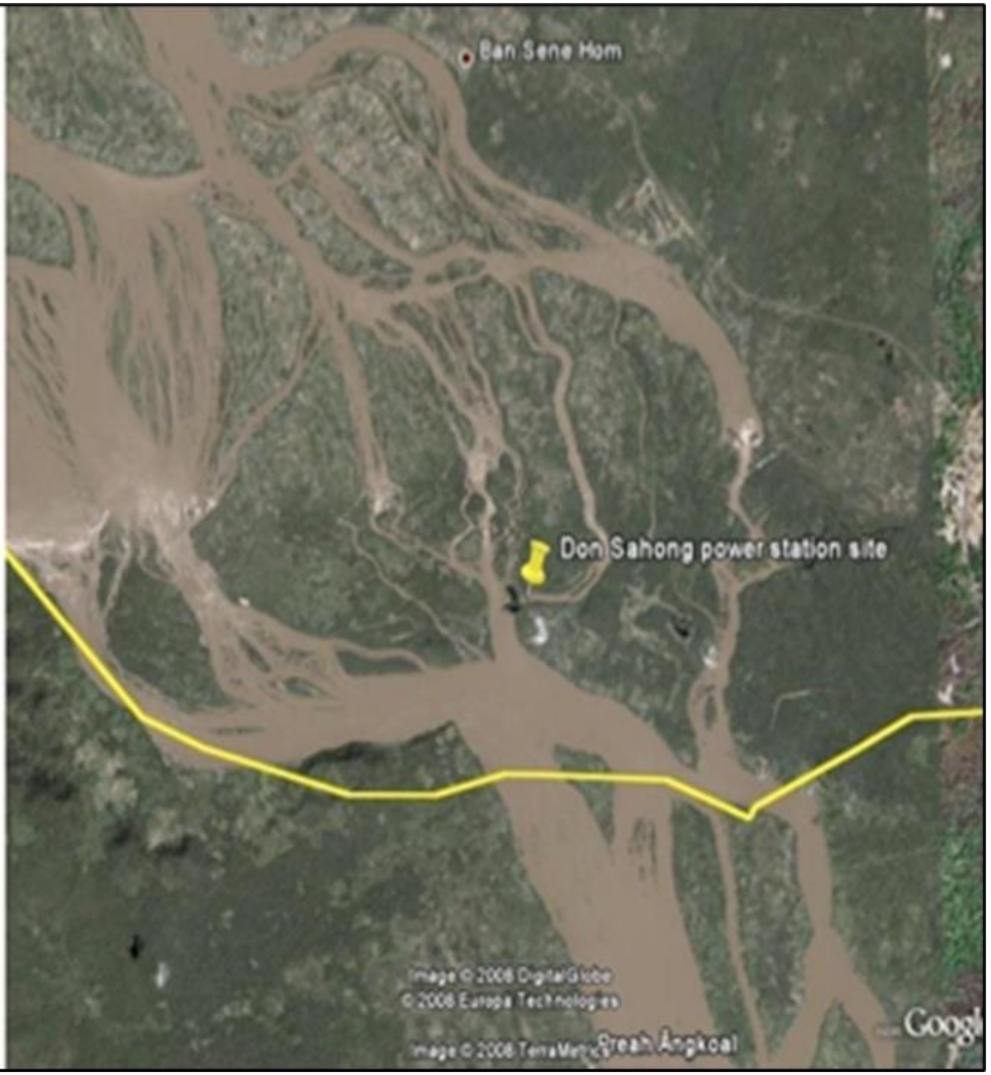
0	0	0	0	0
Confirmed Incidents Of Corruption	**Confirmed Incidents Of Non-compliance With Laws And Regulations**	**Legal Actions For Anti-Competitive Behaviour, Antitrust, And Monopoly Practices**	**Complaints Received Concerning Breaches Of Customer Privacy**	**Identified Leaks, Thefts, Or Losses Of Customer Data**

Notes:
- Data are for all three main Divisions of MFCB Group; Renewable Energy, Packaging and Resources Divisions
- All data are from 1 Jan - 31 Dec 2023

Remaining Slides for Reference (Updated)

RENEWABLE ENERGY
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG



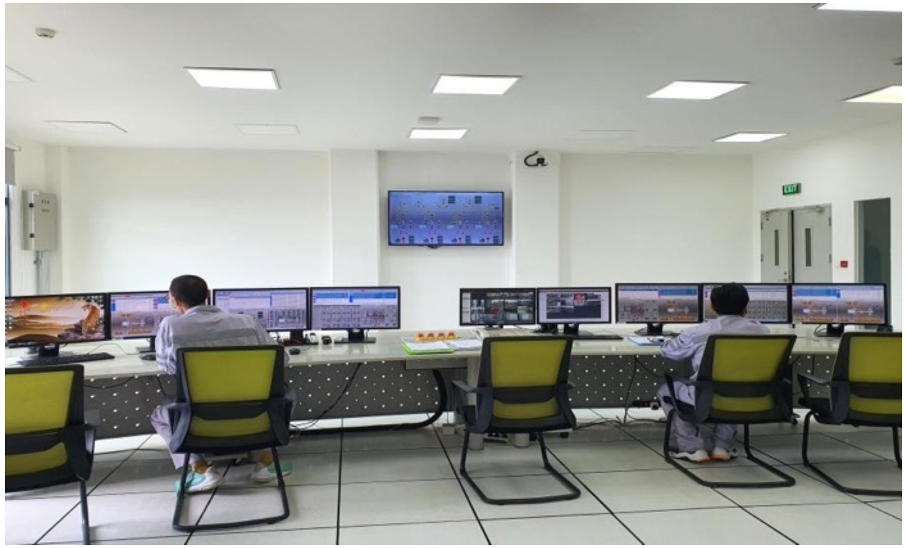
RENEWABLE ENERGY DIVISION
DON SAHONG

- 260 MW run-of-river hydropower project located on the mainstream of the Mekong River in Southern Laos.
- High projected average Energy Availability Factor (EAF) of 89% (2023: 91.4%) compared to other large hydro of between 40-70%.
- Projected average energy generation 2,028 GWh per annum (based on base case 89% EAF).
- Based on 80 years hydrology data, projected EAF fluctuation +/- 3% from base case.
    - Location advantage providing relatively consistent yearly water flow rate.
- Nearly all power evacuated to Cambodia via two G-to-G PPA contracts signed in 2019 totaling almost 700 MW.
- Smooth revenue collection. Receivable turnover averaging 4-5 months.

RENEWABLE ENERGY DIVISION
DON SAHONG

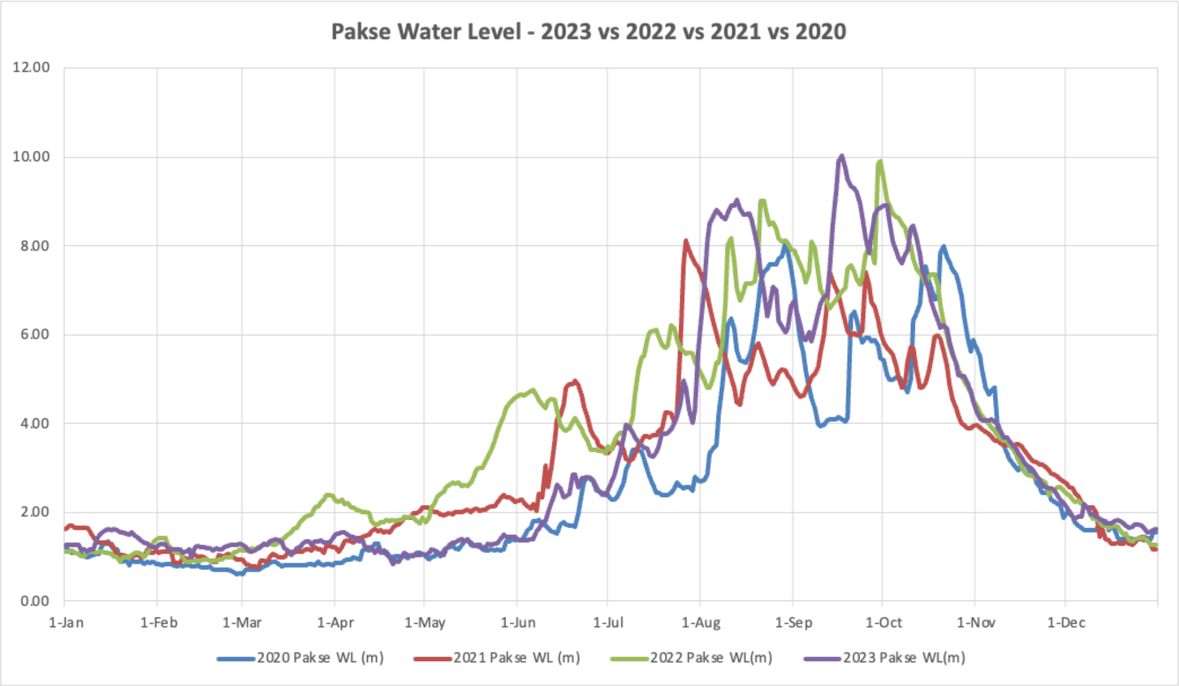
RENEWABLE ENERGY DIVISION
DON SAHONG

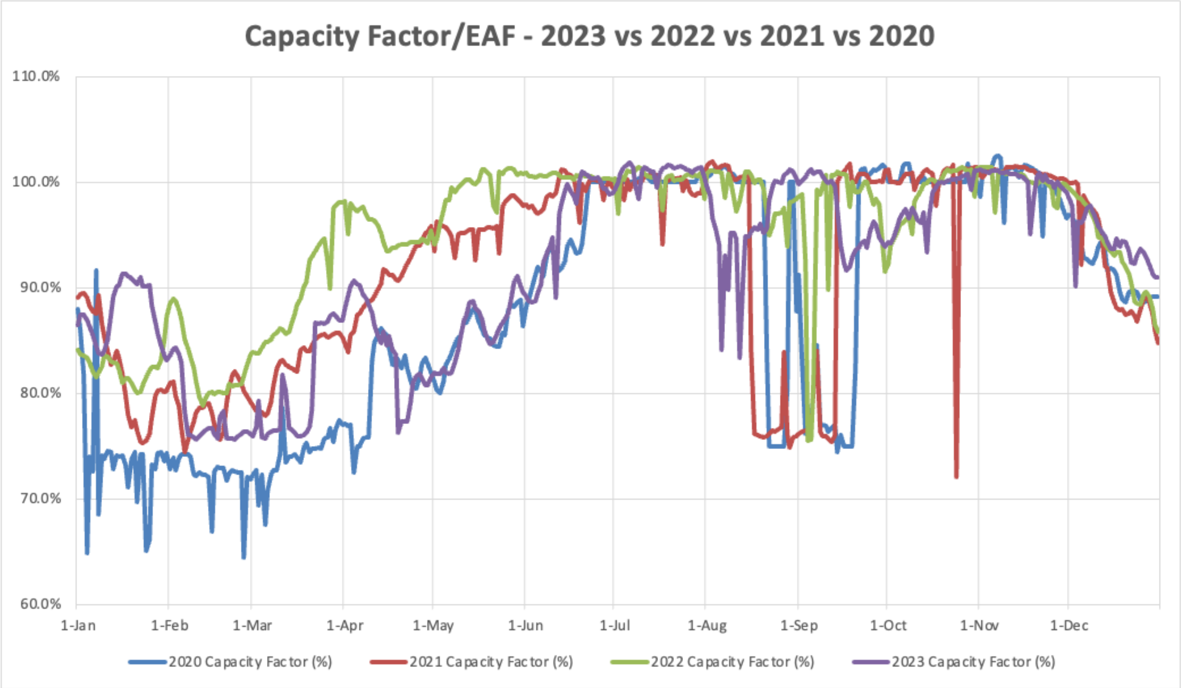





RENEWABLE ENERGY DIVISION
DON SAHONG

Don Sahong : 2020-2023 Pakse Water Level and Capacity Factor/EAF






RENEWABLE ENERGY
C&I SOLAR

RENEWABLE ENERGY DIVISION
C&I SOLAR






RENEWABLE ENERGY DIVISION
FINANCIAL HIGHLIGHTS

5-Year Earnings Summary					
(RM'000)	**2019**	**2020**	**2021**	**2022**	**2023**
Revenue					
- Energy	35,086	510,214	533,864	596,925	606,163
- Construction	435,289	-	-	-	-
	470,375	**510,214**	**533,864**	**596,925**	**606,163**
Profit before tax					
- Energy	24,976	372,086	385,585	419,698	437,557
- Construction	157,506	-	-	-	-
	182,482	**372,086**	**385,585**	**419,698**	**437,557**

RENEWABLE ENERGY DIVISION
STRATEGY & STRENGTH

Strategy

- Leveraging current strong and stable cashflow of approx. RM500 mil per annum from existing RE portfolio to pursue selective RE opportunities in the region.

Strength

- Strong project management/execution track record → Don Sahong completed significantly below budget and ahead of schedule.
- Effective cost management vis-à-vis peers → Don Sahong’s cost/MW of US1.4 million is significantly below industry averages and lower than cost of thermal plant.
- Healthy balance sheet.
- Strong cashflow from existing RE portfolio → approx. RM500 million p.a.

RENEWABLE ENERGY DIVISION
INVESTMENT APPROACH

- New investments must fulfil the following criteria:
  1) Attractive project IRR (varies between markets)
  2) Project manageability
  3) Project bankability
  4) Project risk acceptability
- Avoid herd instinct.
- Strict investment discipline.


PACKAGING

PACKAGING DIVISION

Mission statement

"To become a leading provider of innovative, environmentally sustainable, safe and competitive packaging solutions"

The division currently manufactures and sells paper bags, flexible packaging products, and stickers and labels.

Global trends

- Consumers and our customers, notably the MNCs, are increasingly concerned with the damaging impact of packaging solutions to the environment.
- As a result, the world is increasingly making a conscientious shift towards using recyclable and environmentally friendly packaging materials.
- Examples of demand shift:
  1) Plastic bags → Paper bags
  2) Hard plastic containers → Light weight flexible plastic wrappers/pouches
  3) Multi-family-material → Single-family-material flexible plastic packaging

PACKAGING DIVISION
DIFFERENTIATING STRATEGY

- We develop packaging solutions that promote the use of ONLY fully recyclable materials (e.g. paper and mono-family plastic materials).

- Malaysia's first and only manufacturer that only uses 100% toluene-free print ink and solvent-free lamination process to ensure the highest food safety standards.

- Latest state-of-the-art manufacturing line to deliver superior speed, efficiency, flexibility and cost effectiveness.

- Acquisition of Stenta in July 2021 strengthens product development and innovation capabilities and helps improve overall supply chain management, which will in turn enhance the overall customer satisfaction and experience.

- Currently serving primarily the F&B sector, there has been initial efforts to expand into the E&E, semiconductor and medical device space.

- Cohesive and experienced management team who are shareholders of the respective subsidiaries.

PACKAGING DIVISION
STATE-OF-ART MACHINERY

Fuji Kikai Printing Machine

Fuji Kikai 14 colours Rotogravure Printing Machine

PACKAGING DIVISION
STATE-OF-ART MACHINERY

Super Combi 5000

Super Combi 5000 Lamination Machine

PACKAGING DIVISION
STATE-OF-ART MACHINERY

Flat Handle Paper Bag Machine

Twisted Handle Paper Bag Machine

PACKAGING DIVISION
STATE-OF-ART MACHINERY

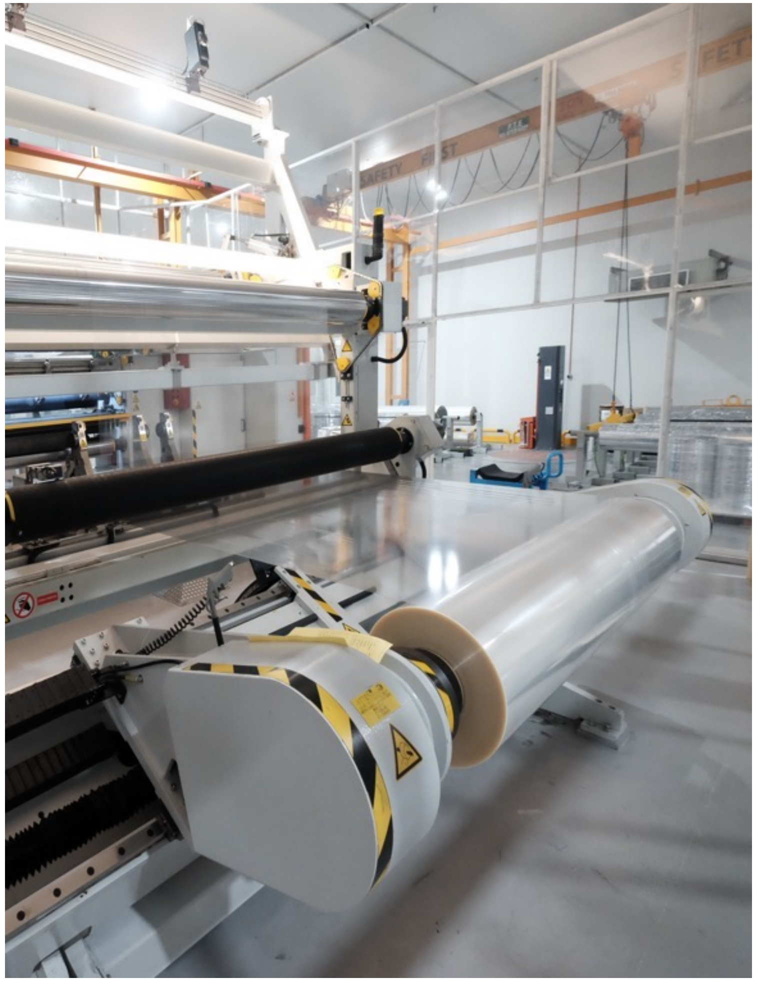
SOS Machine

Flat & Satchel Bag Machine

PACKAGING DIVISION
STATE-OF-ART MACHINERY

Reifenhauser LLDPE Line

Vacuum Metallizer



Slitter for Metallized Film

PACKAGING DIVISION
STATE-OF-ART MACHINERY

Reifenhauser LLDPE Line

Vacuum Metallizer

PACKAGING DIVISION
STATE-OF-ART MACHINERY

Bruckner OPP Line

High Capacity Roll Slitting and Winding Machine

PACKAGING DIVISION
PRODUCT RANGE

Biscuit Packaging
BOPP20/MBOPP18

Biscuit Packaging
PET/MCPP

Beverage Packaging
PET/MPET/LLDPE
PET/PE/ALUM/LLDPE

Wafer Packaging
BOPP/CPP

Sauce Packaging
PET/ALUM/LLDPE

Bread Packaging
BOPP/CPP

Outer Bag Packaging
Matte BOPP20/WCPP50

Snack Packaging
BOPP/MBOPP/LLDPE

Tea Packaging
BOPP/MBOPP/CPP

Wafer Packaging
BOPP/MBOPP

Sauce Packaging
BOPA/LLDPE

Wicketed Bags
KPET/LLDPE

Cake Packaging
PET/MCPP

Detergent Packaging
PET/White LLDPE

Electronic Packaging
BOPP/ALUM/LLDPE

PACKAGING DIVISION
PRODUCT RANGE

Flat & Satchel Bags | **Window Bags** | **Wrapper** | **Can End Sleeve** | **SOS Bag** | **Handle Bag**

PACKAGING DIVISION
PRODUCT RANGE

Beverage Labels

Lubricants Labels

General Labels

Header Cards and Tag

Silkscreen Labels

Pharmaceutical Labels

Security Labels

Electronic Labels

PACKAGING DIVISION
FINANCIAL HIGHLIGHTS

5-Year Earnings Summary					
(RM'000)	2019	2020	2021	2022	2023
Revenue	68,427	97,775	208,217	398,964	402,341
Profit before tax	(501)	9,461	22,219	33,546	33,600

RESOURCES

RESOURCES DIVISION PROFILE

- Largest quicklime producer in Malaysia with 1,960 tonne per day installed kiln capacity.
- Owned one of the largest limestone reserves, sufficient for more than 100 years supply.
- Wide industrial applications: steel, mining, pulp and paper, agriculture, construction material, clean water, waste treatment etc.
- No available substitute.
- 2023 sales volume: approx. 460,000 tonnes.
- Domestic 34%; Export 66%.

RESOURCES DIVISION
SUCCESS FACTORS

- Fully integrated facilities
- Own high purity limestone reserves, on-site and at vicinity
- High and consistent lime quality
- Cost leadership
- Diversified customer base

RESOURCES DIVISION
MISSION & FINANCIAL HIGHLIGHTS

Mission

- To be the leading lime producer in the region
- 2015-2018: Completed massive expansion plan. +160% increase in kiln capacity

  760 tonnes → 1,960 tonnes per day
- Current plant utilisation rate approx. 70%

Financial Highlights

5-Year Earnings Summary					
(RM'000)	2019	2020	2021	2022	2023
Revenue	143,624	142,819	154,880	206,324	202,893
Profit before tax	16,460	18,766	16,725	17,385	23,297

INVESTMENT IN JOINT VENTURE

EDENOR TECHNOLOGY

INVESTMENT IN JOINT VENTURE
EDENOR TECHNOLOGY

- A 50:50 JV between MFCB and 9M Technology Sdn Bhd (RM40 million paid up capital).
- Set up to acquire Emery's Asia Pacific oleochemical business from Sime Darby Plantation Berhad and PTT GC International Limited ("Acquisition").
- The Acquisition was completed on 1 November 2021 at an Initial Purchase Price of RM38 million.
- The Purchase Price was subsequently adjusted down to RM12.6 million post EY review (Final Purchase Price).

Who is 9M Technology?

- Founded by a team of senior oleochemical specialists led by Mr AK Yeow, 9M Technology will be primarily responsible for the management of the oleochemical business.
- Mr AK Yeow, a chemist by training and retired from KL Kepong Berhad as the MD of the oleochemical division in 2018, has more than 35 years of experience in the oleochemical industry.

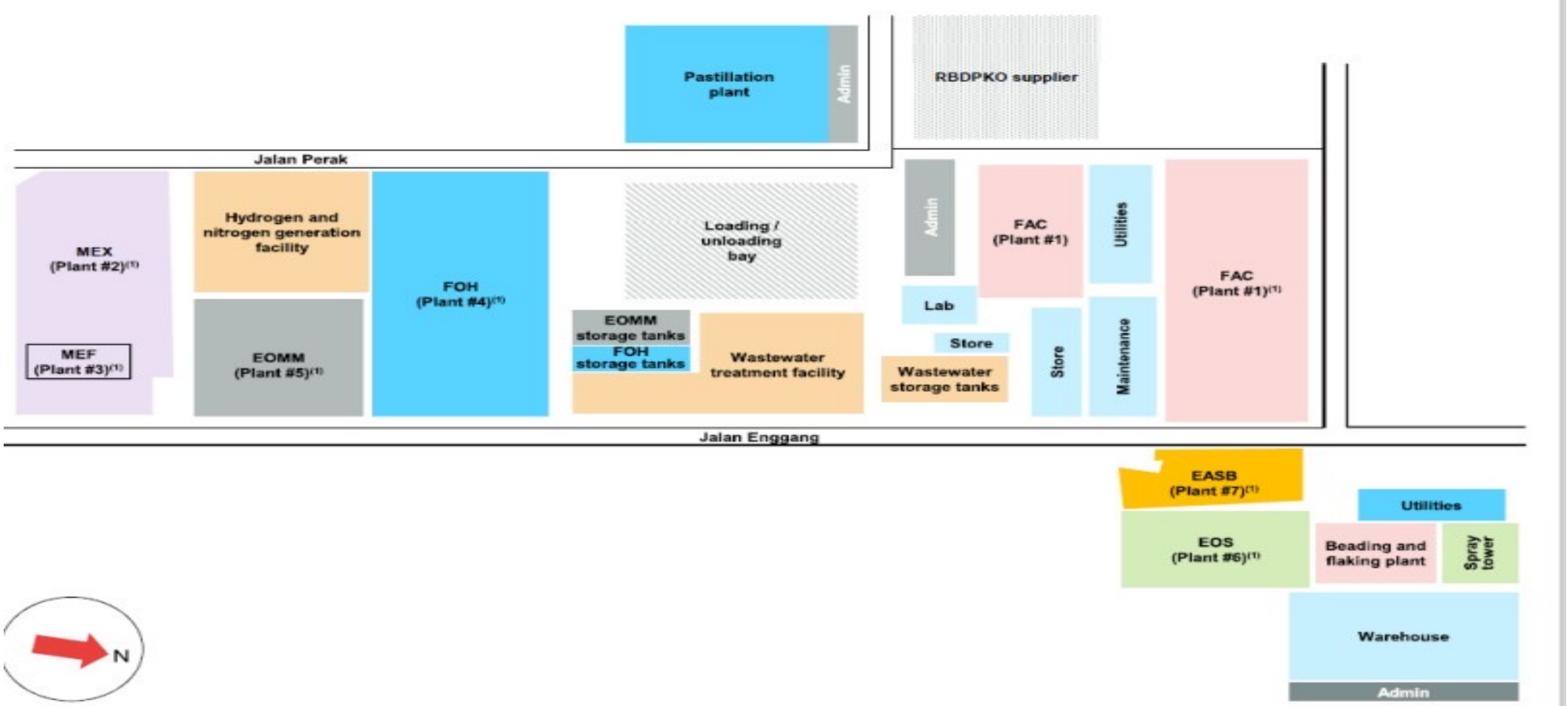
INVESTMENT IN JOINT VENTURE
EDENOR TECHNOLOGY

Emery's Asia Pacific business

- Integrated 300,000-tonne per annum capacity oleochemical complex on a 34-acre site at Telok Panglima Garang.
- Original plant cost: > RM1.1 billion
- Plant book value @ 31 Oct 2021: approx. RM430 million
- Plant Acquisition Value: RM73 million (including Land & Building valued at RM151 million)
- Produces both basic oleo products and specialty chemicals for both the domestic and export markets.
- Potential annual revenue: RM1.5 billion
- Pre-acquisition estimated loss: RM70-75 million a year (2019-2020)

EDENOR TECHNOLOGY
PLANT SITE

EDENOR TECHNOLOGY
PLANT LAYOUT



EDENOR TECHNOLOGY
TPG PLANT

INVESTMENT IN JOINT VENTURE
TURNAROUND STRATEGY

- Full set of new management team in place.
- Major cultural and operational transformation underway.

<u>Key turnaround strategies</u>

- Simplify management processes: leaner, and more responsive and effective.
- Revamp purchasing, lower cost of goods/services: contract renegotiation, review supplier lists.
- Raise capacity utilisation to >90%: debottlenecking, plant modification, process improvements.
- Improve plant efficiencies, minimise plant shutdown and accidents by implementing comprehensive maintenance program and safety measures.
- Centralised daily monitoring of raw material prices and selling prices of finished goods to achieve desired value-added margin targets using hedging tools, where necessary.
- Comprehensive review of staffing requirements to reduce excesses and raise staff productivity.

FOOD SECURITY

FOOD SECURITY UPDATE

"RESPECT NATURE, WORK WITH NATURE"

- Water and irrigation key to sustainable cultivation:
  1) Protect and improve O'plai River catchment areas to collect and store rainwater;
  2) Development wetland pockets, creation of mini lakes along extensive riparian corridors.
- Development of comprehensive transport network: >50 km roads and a dozen bridges constructed, benefitting local farmers and community.
- Land rejuvenation programme after years of abuse by illegal logging and land clearing methods.
- Engage and build relationship with, and improve livelihood of local "asli" communities, an important source of labour, a major source of friction, and an integral part of MFP's CSR commitment.
- Promote food self-sufficiency within local community through ready availability of garden greens and freshwater fish.

FOOD SECURITY UPDATE

- MFCB obtained approval from the Royal Government of Cambodia for the concession of a plot of land measuring 6,428 hectares situated in Mondulkiri Province, Kingdom of Cambodia for agricultural development.
- The term of the concession is 50 years, commencing from 29 April 2013.
- Mondulkiri is Cambodia's largest and also most sparsely populated province. It is located in the south-eastern part of the country and borders three provinces in Vietnam.

FOOD SECURITY UPDATE

1) Background

- Main crops: coconuts & macadamia.
- Cumulative investment as at 31 December 2023: RM140 mil (including land cost).

2) Land

- 50-year concession on 6,428 hectares.
- Estimated plantable area: 4,000 - 4,500 hectares.
- Cumulative area planted as at 31 December 2023: about 2,560 hectares.

3) Plans

- Target to complete planting by end of 2025/2026.
- Evaluating various downstream processing businesses.
- Not expected to contribute positively to earnings until after 2026.


FOOD SECURITY UPDATE

FOOD SECURITY UPDATE



FOOD SECURITY UPDATE

THANK YOU!