MFCB
MEGA FIRST CORPORATION BERHAD

3Q2024 RESULTS BRIEFING

28 November 2024




AGENDA

1. Financial Review
   - 3Q2024 Earnings Review
   - Balance Sheet Review
   - Cash Flow Review
   - Capital Deployed
   - Gearing Position
   - JV Edenor Technology
   - Other Updates
2. Prospects for the Remaining Quarter of 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 Division

3Q2024 EARNINGS REVIEW

	3Q2024 RM'000	3Q2023 RM'000	YoY Change (%)	2Q2024 RM'000	QoQ Change (%)
Revenue					
Renewable Energy	183,859	164,229	12.0%	156,142	17.8%
Resources	60,308	48,310	24.8%	56,672	6.4%
Packaging	98,226	98,084	0.1%	104,220	-5.8%
Sub-total	342,393	310,623	10.2%	317,034	8.0%
Investment holding & others	29,612	9,757	203.5%	14,916	98.5%
Total	372,005	320,380	16.1%	331,950	12.1%
PBT					
Renewable Energy	130,545	122,796	6.3%	110,241	18.4%
Resources	13,619	5,508	147.3%	12,646	7.7%
Packaging	7,520	10,110	-25.6%	9,124	-17.6%
Sub-total	151,684	138,414	9.6%	132,011	14.9%
Investment holding & others	(17,257)	(2,923)	490.4%	(4,188)	312.1%
Share of profit in JV/associate:					
- Operation earnings	(7,663)	(3,959)	93.6%	(9,537)	-19.6%
Total	126,764	131,532	-3.6%	118,286	7.2%
PAT	123,945	127,104	-2.5%	112,461	10.2%
PAT attributable to owners of Company	116,644	102,531	13.8%	105,355	10.7%

- Group revenue +16.1% to RM372 mil, driven by improvements across all core divisions (+10.2%) and maiden sales from CSC (RM20.8 mil).
- Core PBT +9.6% to RM151.7 mil, attributed to improved contributions from RE and Resources divisions, partially offset by a decline in the Packaging division.
- Group PBT -3.6% to RM126.8 mil, mainly due to forex losses (RM18.4 mil) and higher share of JV/associate losses, partially offset by an RM7.3 mil insurance claim income from a 2023 fire incident.
- The forex loss was caused by the Ringgit’s sharp appreciation (RM4.72/USD on 30.6.2024 to RM4.12/USD on 30.9.2024). Losses from JV/associate rose to RM7.7 mil, mainly due to Edenor's capacity issues from ongoing repair disruptions, despite better market conditions.
- PATNCI +13.8% to RM116.6 mil, boosted by the positive impact of the additional 15% effective interest in DSPC.

NORMALISED PROFIT BEFORE TAX

(RM mil)	2023				2024				Change	
	1Q	2Q	3Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Reported PBT	92,003	114,480	131,532	338,015	117,821	118,286	126,764	362,871	-3.6%	7.2%
Adjustments										
Share of profit in JV/associate	2,311	(8,057)	(3,959)	(9,705)	(13,915)	(9,537)	(7,663)	(31,115)	93.6%	-19.6%
Fair value loss on put option liability	(1,021)	(1,020)	(1,021)	(3,062)	(882)	(883)	(883)	(2,648)	-13.5%	0.0%
Forex gain on capital transaction	5,799	1,796	762	8,357	-	-	-	-	-100.0%	0.0%
Insurance income (fire incident)	-	-	-	-	22,389	2,491	7,235	32,115	100.0%	190.4%
Inventories written off	-	(3,276)	-	(3,276)	-	-	-	-	0.0%	0.0%
Tax penalties	(14,900)	(29)	-	(14,929)	-	-	-	-	0.0%	0.0%
	(7,811)	(10,586)	(4,218)	(22,615)	7,592	(7,929)	(1,311)	(1,648)	-68.9%	-83.5%
Normalised PBT	99,814	125,066	135,750	360,630	110,229	126,215	128,075	364,519	-5.7%	1.5%

Despite strong earnings from core divisions:

- 3Q normalised PBT declined 5.7% from RM135.8 mil to RM128.1 mil.
- This decline mainly attributable to RM18.4 mil forex loss in the current quarter, compared to RM0.9 mil forex gain in 3Q2023.
- 9M normalised PBT rose only marginally by 1.1% from RM360.6 mil to RM364.5 mil.
- Pace of growth weighed by RM14.9 mil forex loss in current period, versus RM6.8 mil forex gain in 9M2023.

NORMALISED PROFIT AFTER TAX AND NON-CONTROLLING INTEREST (PATNCI)

(RM mil)	2023				2024				Change	
	1Q	2Q	3Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Reported PATNCI	70,548	88,609	102,531	261,688	95,464	105,355	116,644	317,463	13.8%	10.7%
Adjustments										
Share of profit in JV/associate	2,311	(8,057)	(3,959)	(9,705)	(13,915)	(9,537)	(7,663)	(31,115)	93.6%	-19.6%
Fair value loss on put option liability	(1,021)	(1,020)	(1,021)	(3,062)	(882)	(883)	(883)	(2,648)	-13.5%	0.0%
Forex gain on capital transaction	5,799	1,796	762	8,357	-	-	-	-	-100.0%	0.0%
Insurance income (fire incident)	-	-	-	-	12,034	1,295	4,522	17,851	100.0%	249.2%
Inventories written off	-	(3,276)	-	(3,276)	-	-	-	-	0.0%	0.0%
Tax penalties	(17,095)	-	-	(17,095)	-	-	-	-	0.0%	0.0%
	(10,006)	(10,557)	(4,218)	(24,781)	(2,763)	(9,125)	(4,024)	(15,912)	-4.6%	-55.9%
Normalised PATNCI	80,554	99,166	106,749	286,469	98,227	114,480	120,668	333,375	13.0%	5.4%

- 3Q normalised PATNCI rose 13.0% from RM106.7 mil to RM120.7 mil despite higher forex loss (RM17.0 mil loss versus RM0.1 mil gain in 3Q2023).
- The increase was primarily attributable to an increase in the effective equity interest in DSPC from 80% to 95%.
- 9M normalised PATNCI grew 16.4% from RM286.5 mil to RM333.4 mil despite RM13.6 mil forex loss (9M2023: RM6.8 mil gain).


RENEWABLE ENEGY
DIVISION

EARNINGS REVIEW - RENEWABLE ENERGY DIVISION

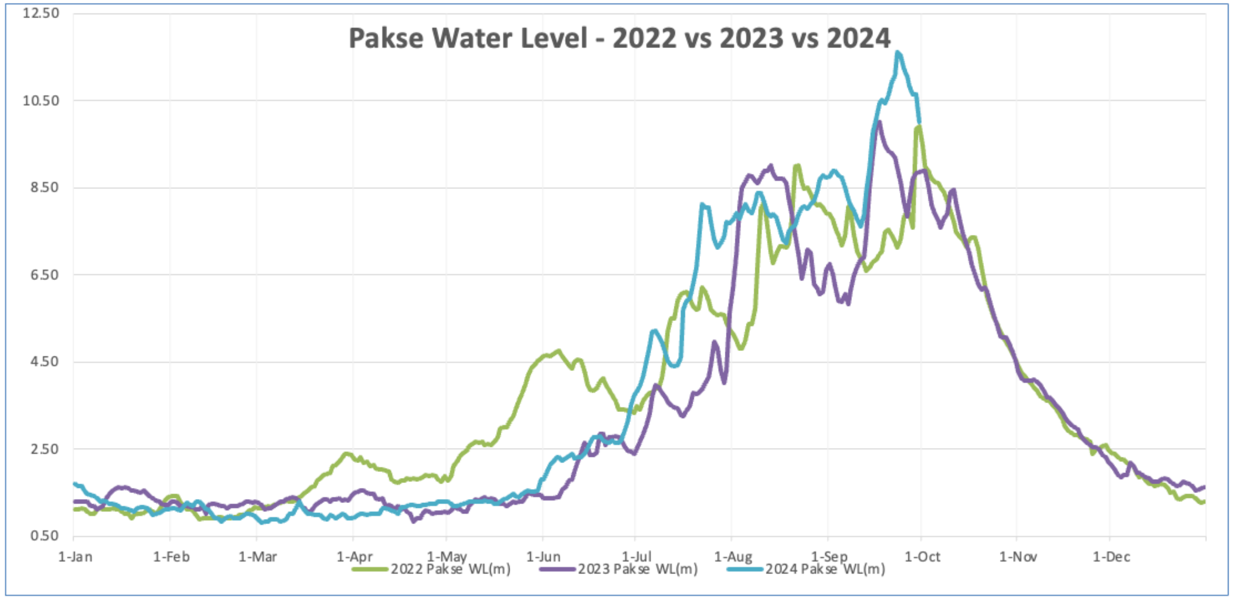
(RM mil)	2023					2024				Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Revenue	128.5	144.8	164.3	168.6	606.2	137.7	156.1	183.8	477.6	11.9%	17.7%
PBT	88.5	105.6	122.8	120.7	437.6	88.8	110.2	130.6	329.6	6.4%	18.5%
PBT margin (%)	68.9%	72.9%	74.7%	71.6%	72.2%	64.5%	70.6%	71.1%	69.0%		
EAF (%)	81.9%	88.7%	97.6%	97.4%	91.4%	79.3%	89.7%	92.5%	87.6%	-5.2%	3.1%
Average RM/USD rate	4.392	4.527	4.628	4.699	4.561	4.723	4.731	4.451	4.635	-3.8%	-5.9%

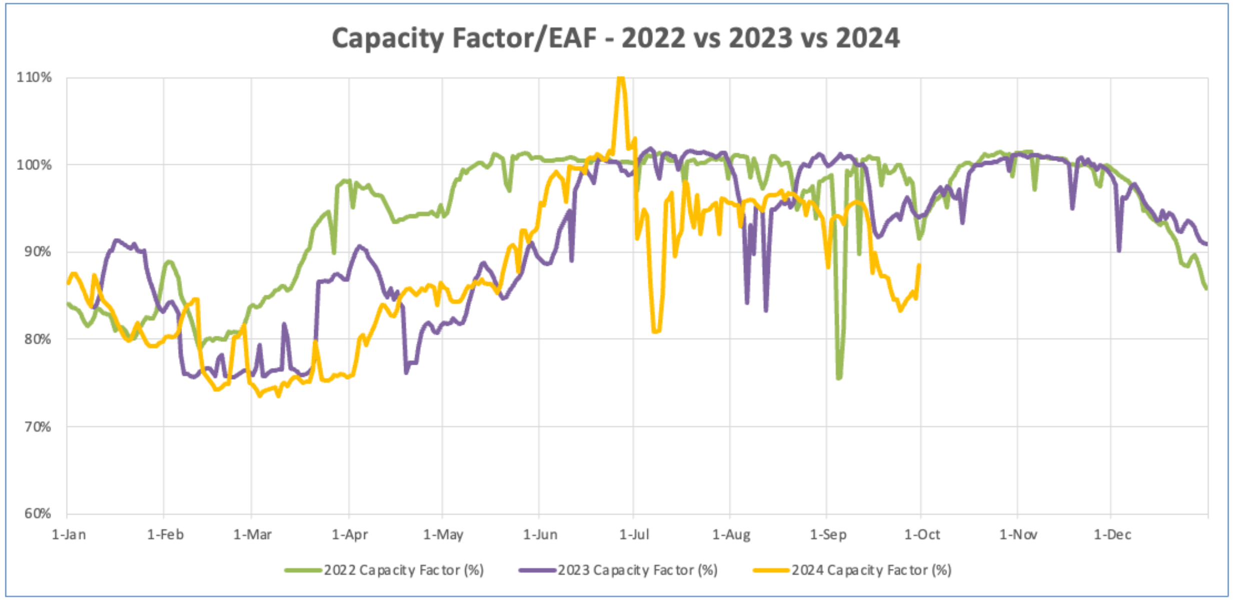
3Q2024 vs 3Q2023

- Revenue +11.9% to RM183.8 mil: higher hydro energy sales (+12%) and higher solar energy sales (+6.1%).
- Higher hydro energy sales: Energy volume +18.5% to 664.02 GWh from the new 5th turbine added in July.
- Average EAF: 92.5% for 5 turbines in 3Q2024 vs 97.6% for 4 turbines in 3Q2023.
- Average tariff -3.1% in USD terms, due to a lower tariff for the new turbine. Together with a 2.5% depreciation of the USD, the tariff in Ringgit terms dropped by 5.5%, from 28.92 sen to 27.33 sen.
- Higher solar energy sales: installed capacity 26.7 MW → 28.3 MW.
- PBT +6.4% to RM130.6 mil: higher revenue, partly offset by higher O&M expenses for 5 turbines and higher interest expense from a US$55 mil loan to fund the acquisition of a further 20% equity stake in DSPC.

RENEWABLE ENERGY DIVISION - DON SAHONG

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






RESOURCES DIVISION

EARNINGS REVIEW - RESOURCES DIVISION

(RM mil)	2023					2024				Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Revenue	55.8	52.4	48.3	46.4	202.9	63.8	56.6	60.3	180.7	24.8%	6.5%
PBT	5.8	5.8	5.5	6.2	23.3	14.4	12.7	13.6	40.7	147.3%	7.1%
PBT margin (%)	10.4%	11.1%	11.4%	13.4%	11.5%	22.6%	22.4%	22.6%	22.5%		

3Q2024 vs 3Q2023

- Revenue +24.8% to RM60.3 mil: higher sales volume of lime products due to strong demand in Malaysia and the regional market, and supported by a lower base in 3Q2023 due to plant maintenance by a major customer.
- PBT +147.3% to RM13.6 mil: increased revenue, productivity improvements and a favourable shift in the sales mix.

PACKAGING DIVISION

EARNINGS REVIEW - PACKAGING DIVISION

(RM mil)	2023					2024				Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Revenue	103.5	100.4	98.1	100.3	402.3	102.8	104.2	98.3	305.3	0.2%	-5.7%
PBT	7.3	8.1	10.1	8.1	33.6	8.6	9.1	7.5	25.2	-25.7%	-17.6%
PBT margin (%)	7.1%	8.1%	10.3%	8.1%	8.4%	8.4%	8.7%	7.6%	8.3%		

3Q2024 vs 3Q2023

- Revenue remained flat at RM98.3 mil despite a challenging operating environment characterised by weak consumer demand and excess industry capacities.
- PBT (excluding insurance income) -25.7% to RM7.5 mil: margin pressures from intense price competition and reduced export competitiveness caused by a strong Ringgit.

BALANCE SHEET REVIEW

	At 30.9.2024 (RM million)	At 31.12.2023 (RM million)	Changes (RM million)	Explanation
Service concession asset	1,682.1	1,940.0	(257.9)	RM190.3 mil translation loss and RM67.6 mil amortisation charge.
PPE	983.2	531.9	451.3	Mainly due to RM354.8 mil transfer from development expenditures (5th turbine), RM80.2 mil from the effect of CSC consolidation and RM108.1 mil Capex*, partly offset by RM56.9 mil translation loss and RM34.2 mil depreciation
Investment properties	268.1	168.7	99.4	RM75.4 mil acquisition of 688 acres of land for future development of RE and food security projects, and the effect of CSC consolidaiton (+RM24.0 mil).
ROU assets	116.2	116.3	(0.1)	No significant movement.
Investment in quoted shares	93.5	133.3	(39.8)	Fair value loss of marketable securities.
Joint Ventures and associates	135.6	166.7	(31.1)	Group's share of loss from JVs and associates.
Development expenditures	20.2	203.0	(182.8)	Mainly due to transfer to PPE (as explained above). The balance represented mainly cumulative costs incurred for the construction of 11.4MW solar power plants in the Republic of Maldives.
Inventories (current)	152.4	131.7	20.7	Mainly due to the higher stockholding of raw materials held by 2 segments of the Packaging Division to cater for future sales demand and as a result of increase in material prices.
Receivables and prepayments	465.1	490.1	(25.0)	Mainly due to 16.4% or RM53.3 mil decline in receivable from EDL, partly offset by higher trade receivables in the Group's manufacturing segments and the effect of CSC consolidaiton.
Deferred tax liabilities	128.4	127.0	1.4	Consolidation of CSC (+RM9.9 mil), offset by RM8.5 mil translation gain.
Payables and accruals (current)	255.7	168.8	86.9	Mainly due to RM42.4 mil dividend payable, the effect of CSC consolidation (+RM29.7 mil) and accrual of development costs for the 5th turbine.
Shareholder equity	2,995.4	3,056.9	(61.5)	
Net assets per share (RM)	3.18	3.24	(0.06)	

Capex comprises mainly:

1. *RM80.6 mil by the Packaging Division for construction of new factories and restoration of manufacturing facilities damaged by fire.*
2. *RM17.7 mil by the Food Security Division.*
3. *RM5.4 mil by the Renewable Energy Division.*

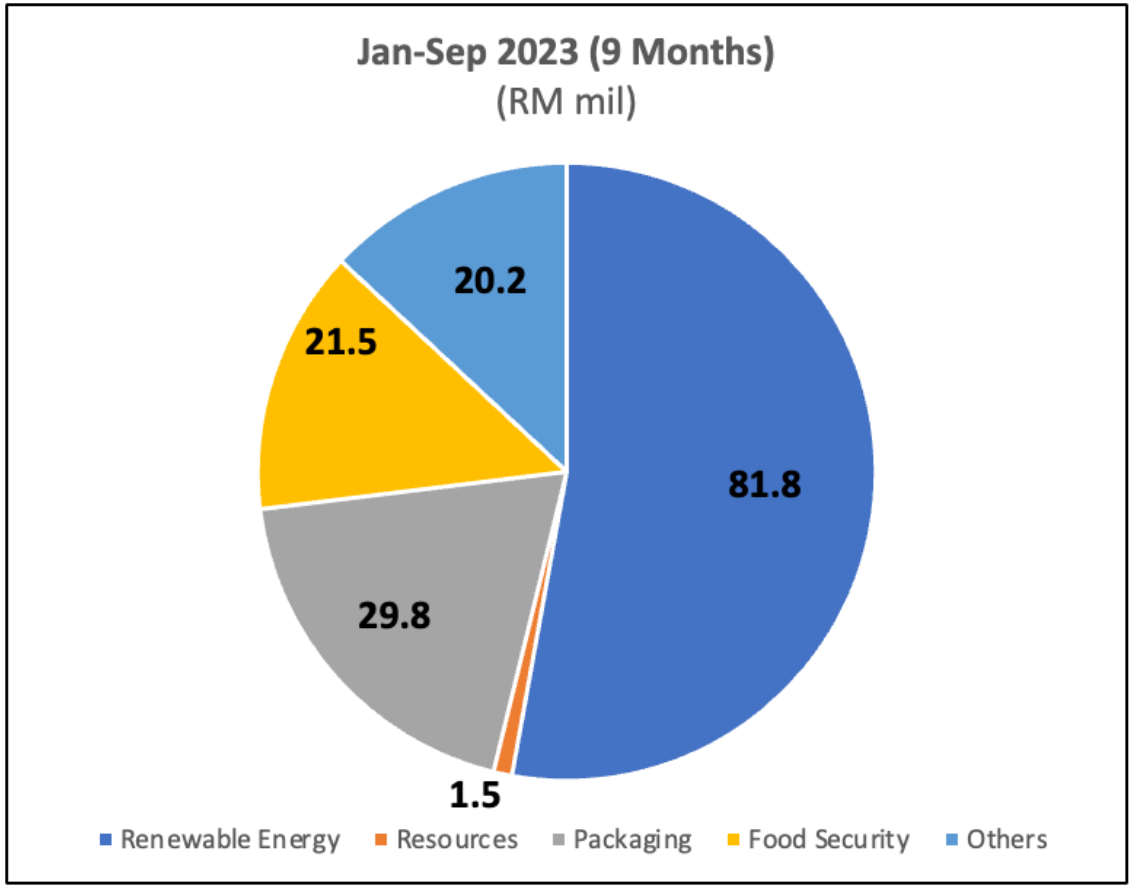
CASH FLOW REVIEW

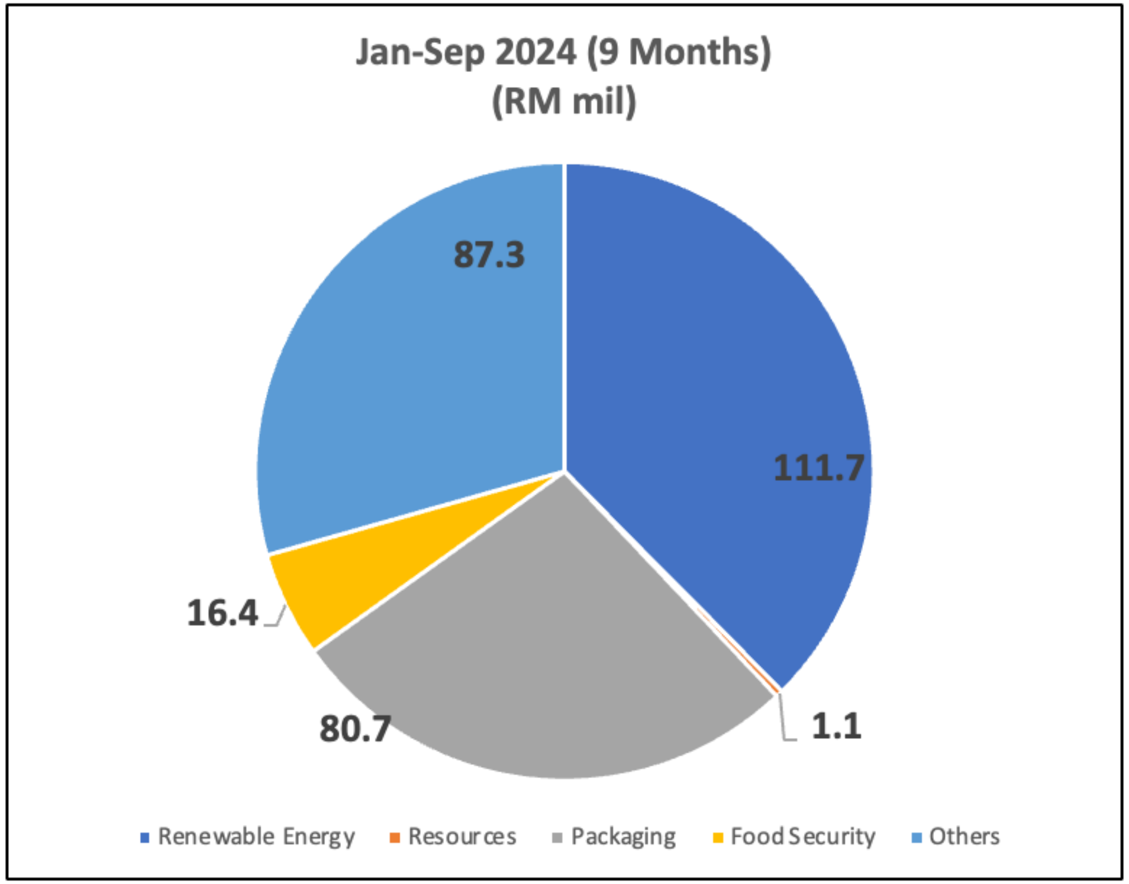
	9-Month Period Ended	
	2024 (RM mil)	2023 (RM mil)
After tax cash from operating activities	459.0	431.0
Net cash inflow from non-operating investment activities	18.9	18.0
New capital from minority of subsidiary	-	-
Total Cash Made Available to the Group	**477.9**	**449.0**
Investing Activities		
Investment in joint ventures and associates	-	(5.7)
Acquisition of shares/Subscription of additional shares in subsidiaries	(11.5)	-
Quoted investment	(1.2)	-
Short-term investment, net	4.5	(12.5)
Capex + investment properties	(182.7)	(68.1)
Don Sahong Hydropower Project + expansion	(84.7)	(68.5)
Solar power plants in Maldives	(21.6)	-
Total Investment	**(297.2)**	**(154.8)**
Financing Activities		
Dividends paid	(55.0)	(44.0)
Finance costs paid	(50.6)	(33.2)
Purchase of treasury shares	(0.7)	(8.3)
Total Distribution	**(106.3)**	**(85.5)**
Net cash flow retained by the Group	**74.4**	**208.7**
Effects of forex and others	(12.6)	5.7
Change in Net Cash/(Debt) of the Group	**61.8**	**214.4**
Net Cash/(Debt):		
- At beginning of period	(392.7)	(220.6)
- At end of period	(330.9)	(6.2)
- Change	**61.8**	**214.4**

EXPANSIONARY INVESTMENT CAPITAL DEPLOYED

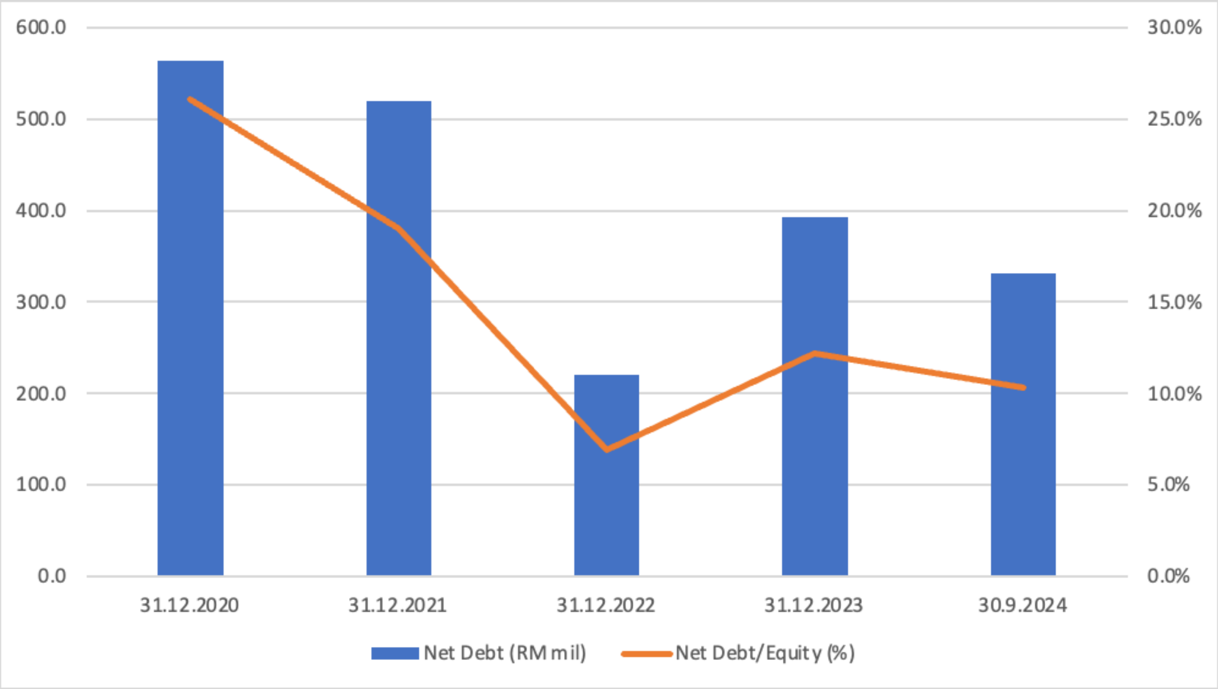
9M2023: RM154.8 mil

9M2024: RM297.2 mil





GEARING POSITION



	At 31.12.2020 (RM mil)	At 31.12.2021 (RM mil)	At 31.12.2022 (RM mil)	At 31.12.2023 (RM mil)	At 30.9.2024 (RM mil)
Total Cash	93.6	257.7	492.3	508.6	642.7
Total Debt	-657.9	-777.9	-712.9	-901.3	-973.5
Net Debt	**-564.3**	**-520.2**	**-220.6**	**-392.7**	**-330.8**
Equity	2,165.6	2,739.6	3,191.0	3,224.0	3,210.6
Net Debt/Equity Ratio	**26.1%**	**19.0%**	**6.9%**	**12.2%**	**10.3%**

JV EDENOR TECHNOLOGY

Summarised Profit and Loss									
	2023					2024			
	1Q (RM mil)	2Q (RM mil)	3Q (RM mil)	4Q (RM mil)	Total (RM mil)	1Q (RM mil)	2Q (RM mil)	3Q (RM mil)	Total (RM mil)
Revenue	265.0	220.7	207.8	198.3	891.8	197.9	176.2	217.9	592.0
Depreciation and amortisation	9.2	9.1	9.1	9.4	36.8	9.5	9.3	8.9	27.7
PBT	(7.5)	(20.0)	(9.1)	(14.5)	(51.1)	(25.1)	(21.5)	(14.1)	(60.7)
PAT	(7.3)	(18.6)	(8.0)	(8.2)	(42.1)	(24.1)	(20.2)	(13.8)	(58.1)
PAT after MI	(7.7)	(16.9)	(8.9)	(5.8)	(39.3)	(26.6)	(20.0)	(13.7)	(60.3)
Gain on Accretion of 20% Interest in Subsidiary	13.1	-	-	-	13.1	-	-	-	-
Total JV Results	5.4	(16.9)	(8.9)	(5.8)	(26.2)	(26.6)	(20.0)	(13.7)	(60.3)
MFCB's Share of Results	2.7	(8.5)	(4.5)	(2.9)	(13.1)	(13.3)	(10.0)	(6.9)	(30.2)
	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)
Sales Volume	42.0	36.6	35.1	34.1	147.8	37.1	28.5	34.7	100.3

OTHER UPDATES

- **New Concession Agreement (“CA”) and Power Purchase Agreement (“PPA”)**
  - New CA and PPA will encompass all 5 turbines.
  - Approved by Lao’s National Assembly Standing Committee on 20 November 2024.
  - Expected execution of agreements by relevant government agencies by 31 December 2024.

PROSPECTS FOR THE FOURTH QUARTER OF 2024

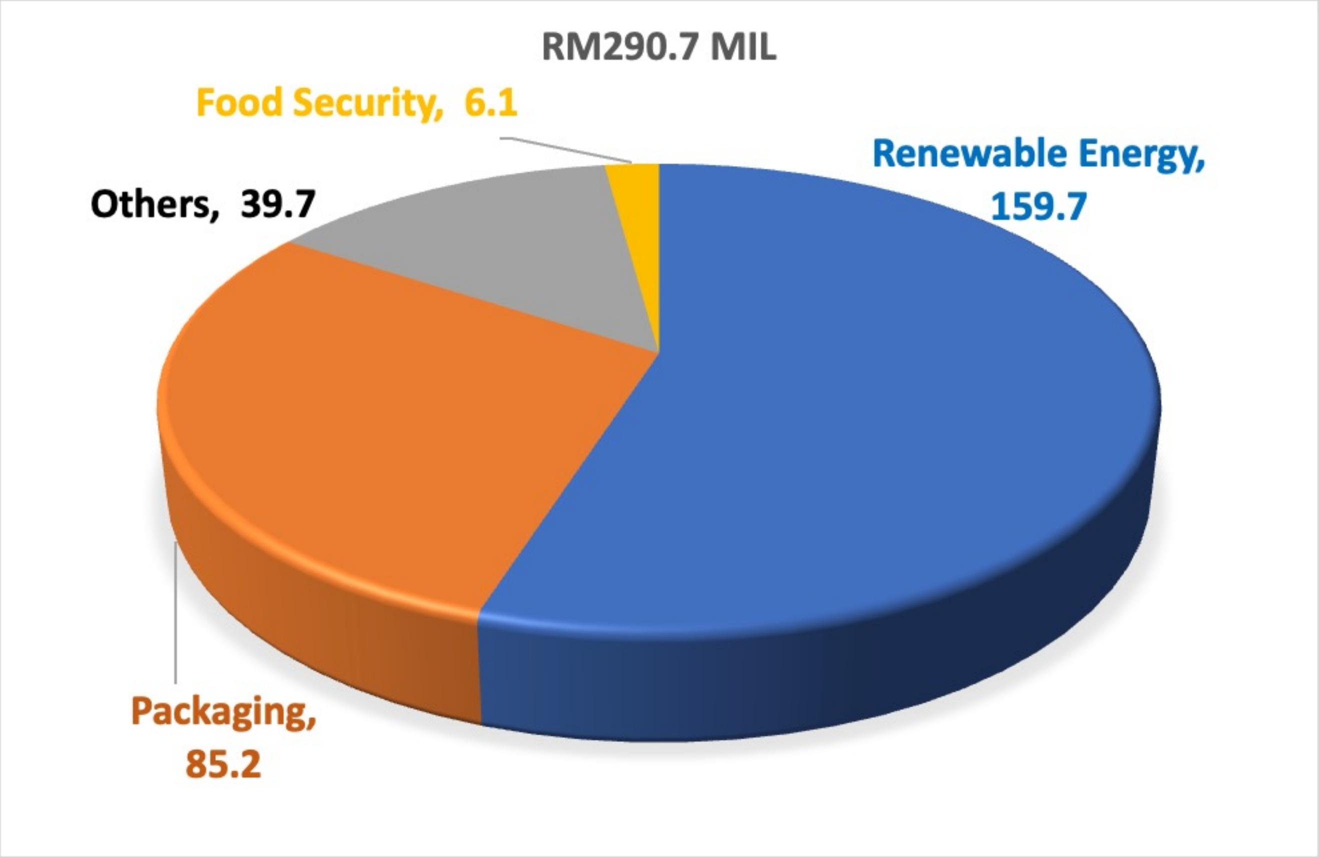
- Normalised PATNCI (excluding share of JVs and associates' earnings and one-off non-operational items) +16.4% YoY to RM333.4 mil in the 9 months of 2024 (9M2023: RM286.5 mil).
  - In spite of a strengthening Ringgit, which resulted in RM13.6 mil forex loss (after MI), compared to RM6.8 mil forex gain (after MI);
  - Growth reflects underlying strength of the Group's core businesses; and
  - Positive impact of increasing the Group's effective equity stake in DSPC from 80% to 95% in late 2023.

- We are confident the growth momentum in normalised PATNCI achieved in the 9-month period will be sustained in the final quarter of 2024.

- The Ringgit reached a three-year peak against the US Dollar at RM4.12/USD on 30.9.2024, it has since relinquished half of its recent gains. This indicates that total forex losses for the year are likely to be less than the RM14.9 mil (PBT level) recorded in the first 9 months.

PROSPECTS FOR THE REMAINING QUARTER OF 2024
CAPITAL COMMITMENT AS AT 30 SEPTEMBER 2024

Factory construction: RM33.1 mil
Production machinery: RM52.1 mil



PROSPECTS FOR THE REMAINING QUARTER OF 2024

Renewable Energy Division (Hydro)

- In 4Q2024, hydro energy sales are expected to grow by 12% YoY due to the enhanced generation capacity from the new 5th turbine, commissioned on 4 July. However, this revenue growth is expected to be tempered by the following:
  - About 4% reduction in hydro tariffs in the second half of 2024, as the 5th turbine operates at a discounted rate (80%) until new agreements are finalised.
  - Currency translation losses are also likely, driven by a stronger Ringgit compared to 4Q2023 (RM4.685/USD).
- PBT in Ringgit terms is expected to remain flat. Increased revenue is likely to be counterbalanced by higher net interest expenses related to additional loans secured for acquiring a 20% stake in DSPC, as well as higher amortisation and O&M costs associated with the commissioning of the 5th turbine.
- The increase in effective ownership of DSPC from 80% to 95% is projected to result in double-digit YoY growth in PATNCI earnings contribution to the Group.
- Outstanding loan at end-November 2024: US$111.2 mil. Current weighted average interest rate: 6.84%.

PROSPECTS FOR THE REMAINING QUARTER OF 2024

Renewable Energy Division (Solar)

- We expect solar energy earnings to continue to grow on progressive installation of secured solar capacities.
- Currently, 28.8 MWp of solar capacity is operational, with an additional 65.9 MWp set to begin in 2025, bringing the total portfolio to 94.7 MWp.
- The recently launched NETR (August 2023) is expected to drive the development of Malaysia’s RE industry and open more investment opportunities for the Group over the next 2 decades.
- In line with the Group’s strategy to expand the RE portfolio, management has submitted a bid for 60 MWac (90 MWp) under the 5th Large-Scale Solar (LSS5) program announced by the Energy Commission on 1 April 2024. The EC set to announce the winning bids later this year.

PROSPECTS FOR THE REMAINING QUARTER OF 2024
PORTFOLIO SUMMARY AS AT 30 SEPTEMBER 2024

Completed Capacity		Capacity Secured/Under Construction		Total Capacity	
Hydro:	325.0 MW	Hydro:	0 MW	Hydro:	325.0 MW
Solar:	28.8 MW	Solar:	65.9 MW	Solar:	94.7 MW
Total:	**353.8 MW**	**Total:**	**65.9 MW**	**Total:**	**419.7 MW**

RENEWABLE ENERGY DIVISION
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG

PROSPECTS FOR THE REMAINING QUARTER OF 2024

Packaging Division

- The packaging industry faces challenges from weak consumer sentiment and global overcapacity, leading to intensified competition.
- Margins are expected to be under short-term pressure due to the upcoming commercialisation of Stenta's two new LLDPE production lines (4Q2024 and 1Q2025) and Hexachase's new flexible packaging facilities launching in 1Q2025.
- On a brighter note, the recent decline of the Ringgit from RM4.12/USD to RM4.45/USD will offer some relief to export sales and their associated margins.
- Despite challenges, we are committed to delivering innovative, cost-effective value added packaging solutions while maintaining high-quality service, operational efficiency, and competitiveness to drive growth locally and internationally.

PACKAGING DIVISION
BANGI (STENTA)

PACKAGING DIVISION
MELAKA (HEXACHASE)

PROSPECTS FOR THE REMAINING QUARTER OF 2024

Resources Division

- Overall demand for lime products in this region is anticipated to remain robust, but visibility of export is uncertain, clouded by shifting competitive dynamics due to sharp changes in transport costs and forex rate, as well as heightened competition amid an overcapacity situation.

- Management will closely monitor these market dynamics and make necessary adjustments to pricing and market channels to defend our market share.

- We anticipate that earnings in the fourth quarter will be satisfactory.

PROSPECTS FOR THE REMAINING QUARTER OF 2024

Edenor Technology

- Edenor experienced significant capacity losses due to extended scheduled and unscheduled plant shutdowns for repairs and upgrades.
- Edenor's management is optimistic about a recovery in earnings by 2025 as plant reliability improves and production stabilises.

Food Security Division

- The Food Security Division's results were included in the Investment Holding & Other segment, which recorded RM27.9 mil in sales and a pre-tax loss of RM3.7 mil.
- No significant near-term profit or loss is expected.
- Management expects earnings to improve substantially over the next five years, driven by the maturation of long-term crops in Cambodia and Malaysia, as well as the expansion of greenhouse farming initiatives in Malaysia.

FOOD SECURITY DIVISION
CSC AGRICULTURE HOLDINGS

FOOD SECURITY DIVISION
CSC AGRICULTURE HOLDINGS

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 THEMES	SUSTAINABILITY TARGETS	SUB-TARGETS
Promoting environmental sustainability To promote resource efficiency and biodiversity conservation to minimise environmental impacts.	**Net zero emissions by 2050** MFCB to achieve net zero emissions through pursuing operational GHG reduction and working with stakeholders on their carbon neutrality commitments.	• Conduct group-wide GHG inventory by 2025 *(this sub-target has been revised from 2023 to 2025).* • Reduce waste to landfill by 50% by 2030. • By 2035, achieve carbon neutrality and commence transition towards net zero. • Reduce GHG emissions in the supply chain by 50% by 2035.
Enhancing livelihoods and inspiring our people To safeguard, inspire and invest in the development of our people and communities and create real change.	**Enhancing livelihoods of 300,000 people in nearby communities by 2030** To be the voice in empowering and uplifting communities through corporate social responsibility and advocacy.	• Establish a community investment fund to create positive societal impact by 2023. • Set up a Scholarship and Management Trainee Programme by 2024. • Conduct social impact assessments for 100% of community initiatives by 2025.
Building a sustainable and ethical business To enhance the sustainability of our business and uphold high ethical and governance standards.	**100% of Tier 1 suppliers to comply with our Responsible Sourcing Policy by 2030** To practice fair, transparent, ethical and sustainable procurement throughout the organisation.	• Develop a Responsible Sourcing Policy by 2022. • Implement mandatory supplier ESG training by 2023. • Conduct internal audits of all higher-risk suppliers by 2025.

KEY SUSTAINABILITY UPDATES

Feb

Received a ‘C’ score for Climate Change questionnaire based on 2022’s performance

Mar

Launch of MFCB’s first corporate newsletter

Sustainability engagements with the main Divisions to set individual ESG targets and goals.

Apr (1)

Official engagement with Eco-Ideal for GHG inventory development

Launched our second Tier 1 supplier engagements for the main Divisions

Apr (2)

Sustainability engagements – Automotive Components and Property for ESG quarterly reporting

Announcement of MFCB Sustainability Report 2023

Officiation of MFCB’s Sustainability vision and mission at Hexachase Group

May

Sustainability 101 and Data owner trainings for Hexachase Group

Site visit to Stenta, RCI and Bloxwich with Eco-Ideal team

The acquisition of 40% effective equity interest in Chin Sam Chiap Group (“CSC’) in May 2024

June

Site visit to Mondulkiri and DSPC with Eco-Ideal team

Submitted first batch of GHG inventory data for 2022 and 2023 to Eco-Ideal team

July

The commencement of DSPC’s fifth turbine

PJ8 received a Special Mention at The Edge Malaysia Best managed & Sustainable Property Awards

Aug

DSPC completed its 1.0MW solar installation

Submitted Scope 3 emissions data to Eco-Ideal team

Sep

Establishing ESG targets at Divisions level

Sustainability 101 and Data owner trainings for CSC Group

Oct

Launch of MFCB’s second corporate newsletter

Finalised the clarifications notes to Eco-Ideal

Announcement of Tier 1 Supplier engagement results

KEY SUSTAINABILITY UPDATES

Investor Engagement

July

Maybank Investment Bank

For subsidiary: Grant Ascent Sdn. Bhd.

Key topics discussed:
Management of ESG topics – Land management, Environment and Human Rights issues

Sep

AmBank Group

For subsidiary: Mega First Corporation Berhad, Idaman Harmoni Sdn. Bhd.

Key topics discussed:
ESG Compliance, Management of ESG topics – Biodiversity, Resource consumption, Emissions, Human Rights, Anti Bribery & Corruption, OSH, etc., and ESG goals & strategy

OUR SUSTAINABILITY PLAN FOR 2024

	Initiatives	Expected Outcomes
Reporting	Incorporate other divisions in the reporting cycle	Include Food Security, Property and Automotive Components Divisions in the data collection and Sustainability Committee 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 Programme	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 organisation
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

ENVIRONMENT

Disclosure	Q1 – Q3 2023	Q1 – Q3 2024
Total Renewable Energy Generated[1]	1,556 GWh	1,664 GWh
Total $CO2_e$ avoided from The Environment	913,070 tonnes	1.031 mil. tonnes
Total Waste Diverted From Disposal[2]	4,293 tonnes	5,217 tonnes

Notes:

1. Total Renewable Energy Generated and Total $CO2_e$ Avoided from the Environment data were collected from our Renewable Energy Division.
2. Total Energy Consumption, Scope 1 and Scope 2 Emissions data are on pause to give way for the GHG inventory exercise to complete.
3. Waste data cover the three main Divisions in 2023, and all Divisions of MFCB Group (except Food Security Division) in 2024, from 1 January – 30 September.

SOCIAL DASHBOARD

SOCIAL

	Q1 – Q3 2023			Q1 – Q3 2024		
	Male	Female	Total	Male	Female	Total
Total Workforce	960	290	1250	1266	389	1655
Ratio in Workforce	3.3 males : 1 female			3.3 males : 1 female		

Ethnicity	Chinese	Malay	Indian	Others
Q1 – Q3 2023	17%	41%	4%	38%
Q1 – Q3 2024	18%	38%	4%	41%

Note:
1. Data are for all Divisions of MFCB Group from 1 January – 30 September of the respective year.

SAFETY DASHBOARD

SAFETY						
Disclosure	**Q1 – Q3 2023**			**Q1 – Q3 2024**		
Work-Related Injuries	0 Fatalities	2 High Consequence Injuries	12 Cases	0 Fatalities	0 High Consequence Injuries	10 Cases
Work-Related ill Health	0 Fatalities	4 Cases		0 Fatalities	0 Cases	

Note:

1. The data cover the three main Divisions in 2023, and all Divisions of MFCB Group (except Food Security Division) in 2024, from 1 January – 30 September.
2. The number of cases for work related injuries in 2024 has been restated due to error correction, as sick leave data from Automotive Components Division which does not pertain to work-related injuries was mistakenly included in Q1 and Q2 2024.

GOVERNANCE DASHBOARD

GOVERNANCE

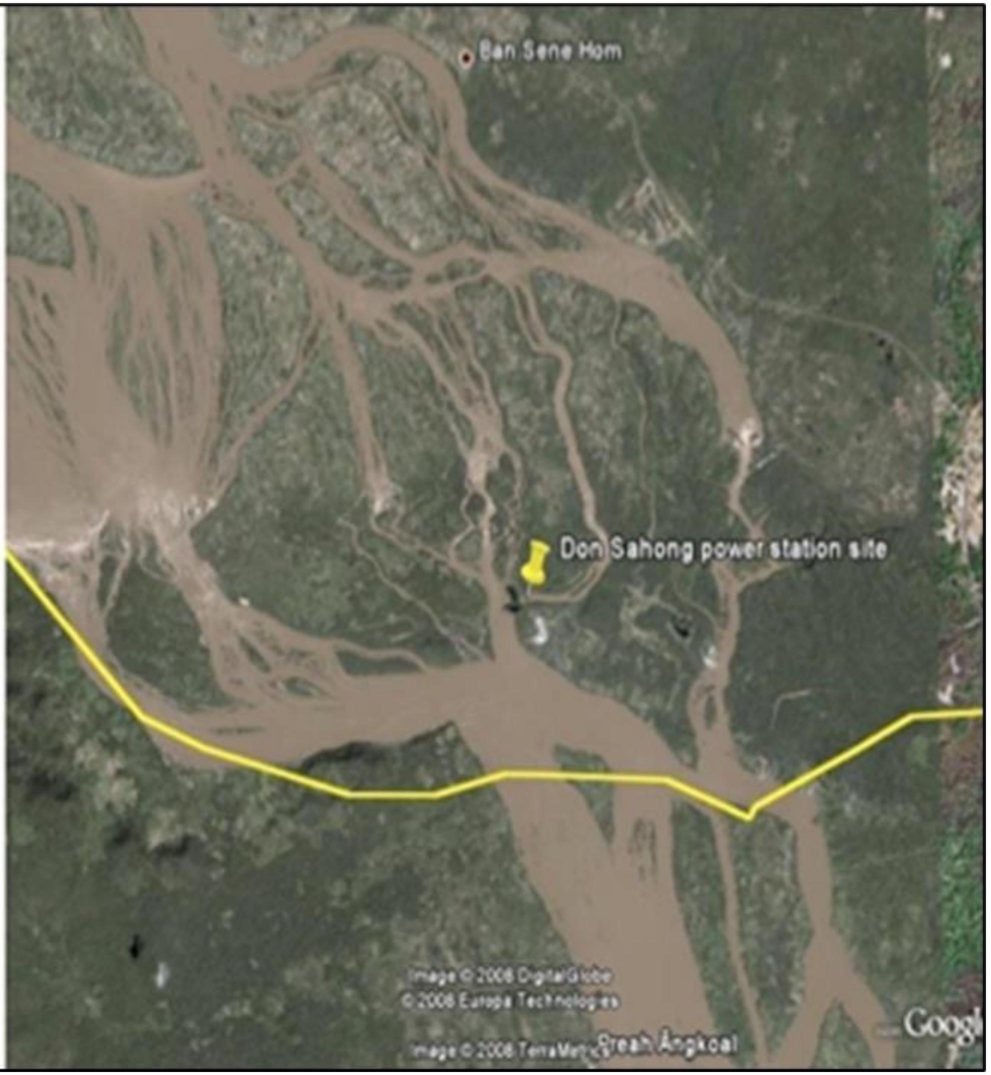
Disclosure	Q1 – Q3 2023	Q1 – Q3 2024
Confirmed Incidents of Corruption	0	0
Confirmed Incidents Of Non-compliance With Laws And Regulations	0	0
Legal Actions For Anti-Competitive Behaviour, Antitrust, And Monopoly Practices	0	0
Complaints Received Concerning Breaches Of Customer Privacy	0	0
Identified Leaks, Thefts, Or Losses Of Customer Data	0	0

Note:
1. The data cover the three main Divisions in 2023, and all Divisions of MFCB Group (except Food Security Division) in 2024, from 1 January – 30 September.

Remaining Slides for Reference (Updated)


RENEWABLE ENERGY
DON SAHONG

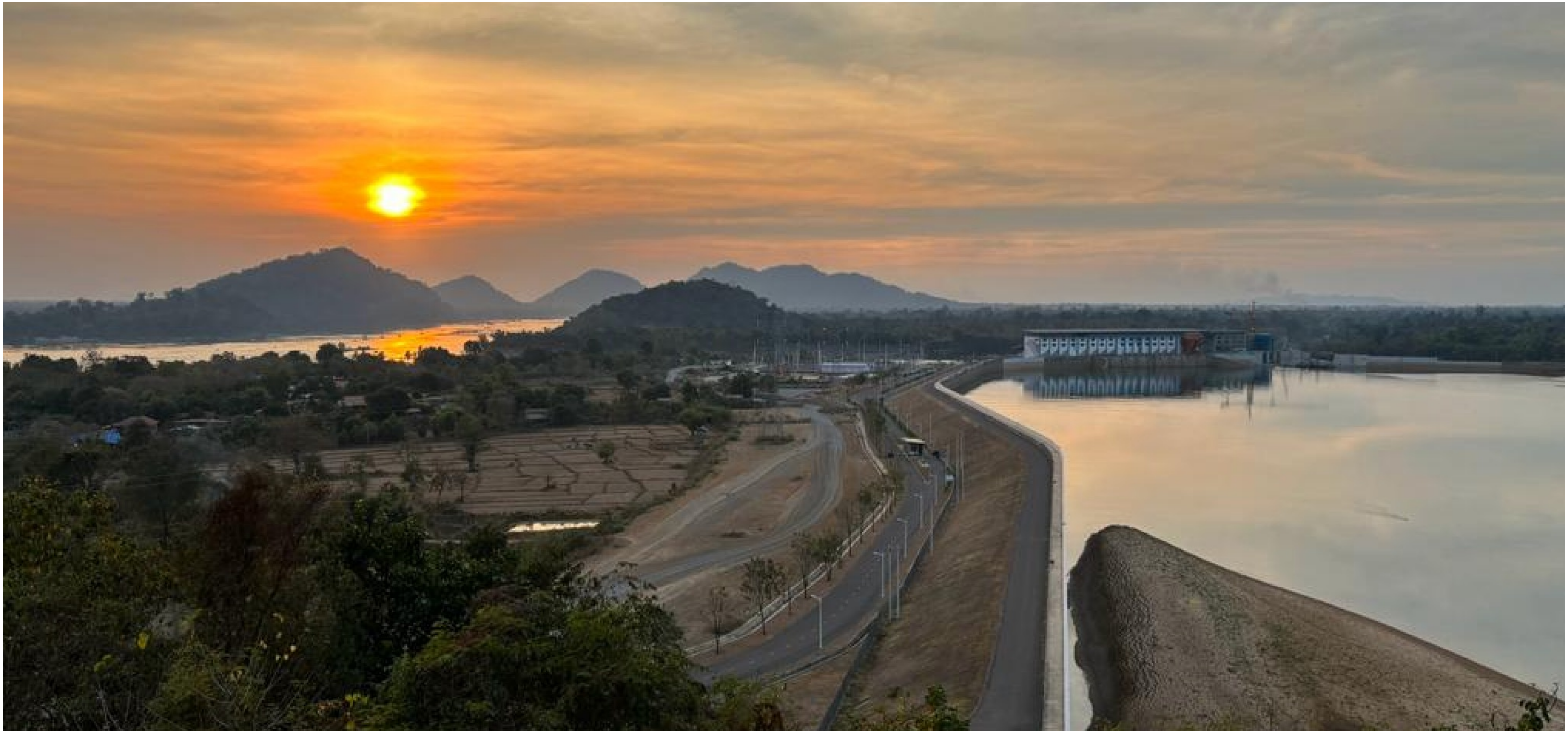
RENEWABLE ENERGY DIVISION
DON SAHONG



RENEWABLE ENERGY DIVISION
DON SAHONG

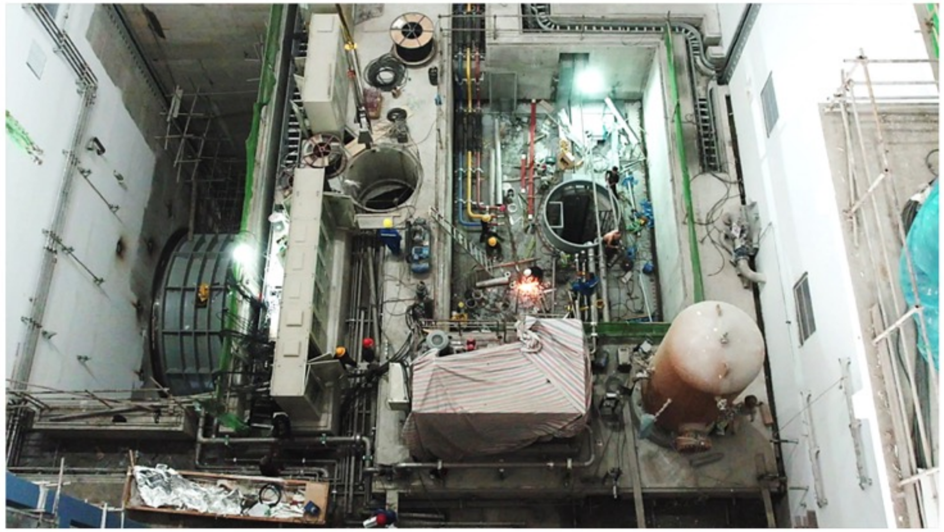
- 260 MW run-of-river hydropower project located on the mainstream of the Mekong River in Southern Laos.
- High projected average Energy Availability Factor (EAF) of 89% (2023: 91.4%) compared to other large hydro of between 40-70%.
- Projected average energy generation 2,028 GWh per annum (based on 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



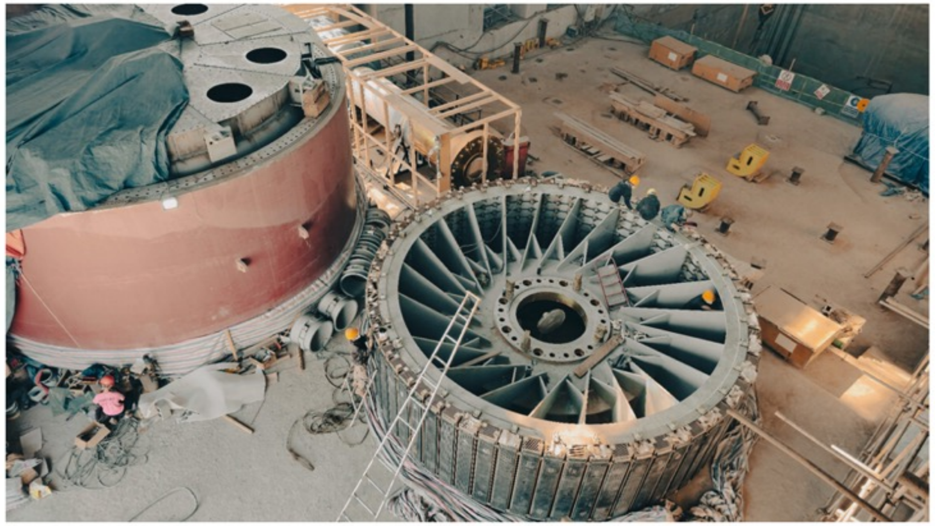
RENEWABLE ENERGY DIVISION
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG



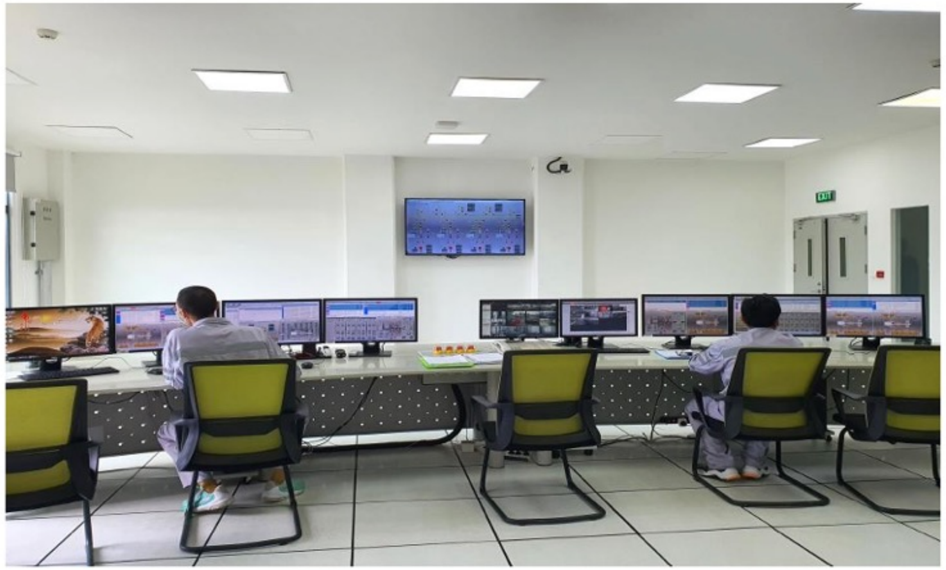
RENEWABLE ENERGY DIVISION
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG



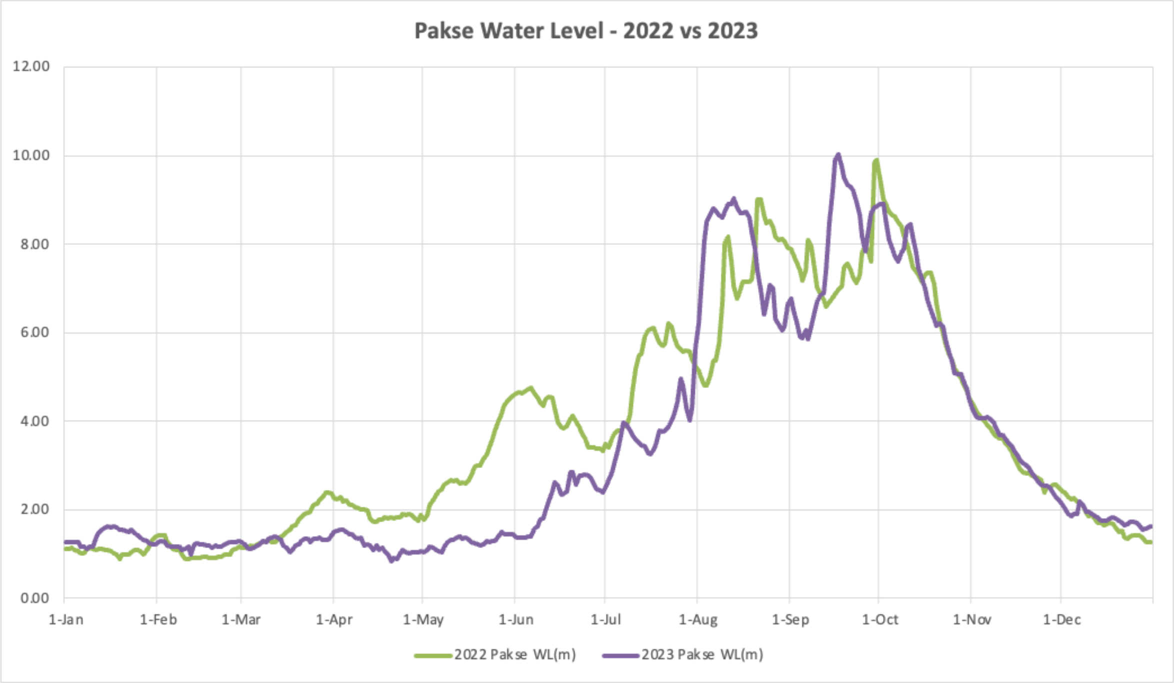

RENEWABLE ENERGY DIVISION
DON SAHONG

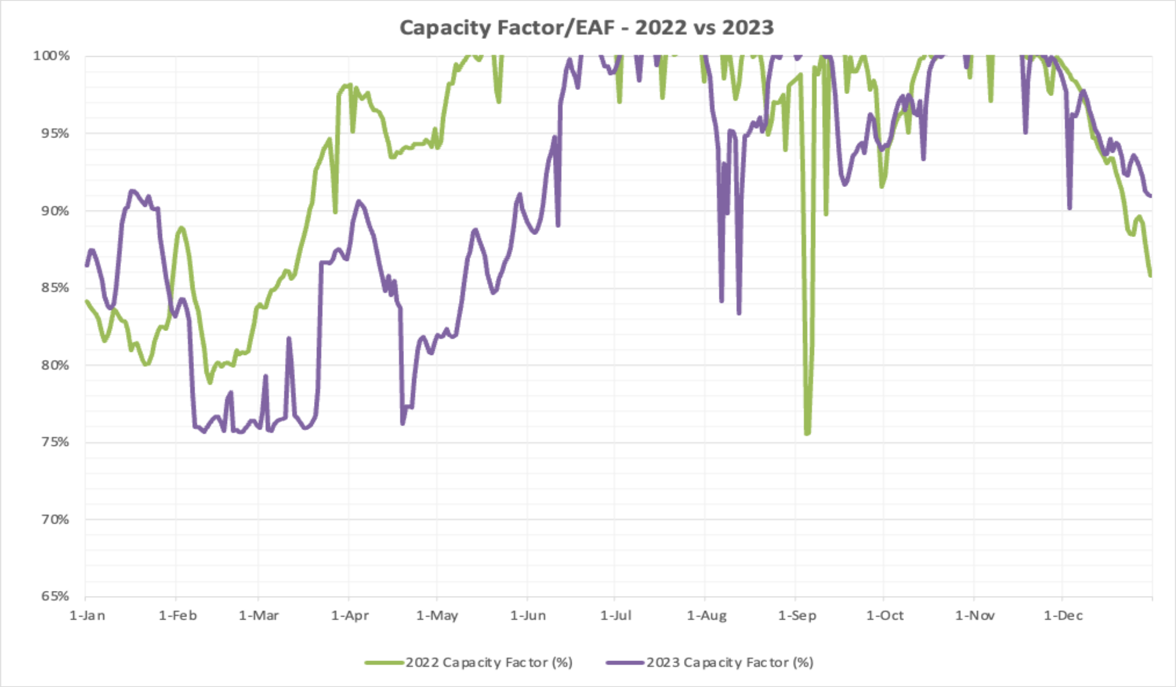
RENEWABLE ENERGY DIVISION
DON SAHONG



RENEWABLE ENERGY DIVISION
DON SAHONG

Don Sahong : 2022-2023 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**	**9M2024**
Revenue						
- Energy	35,086	510,214	533,864	596,925	606,163	477,629
- Construction	435,289	-	-	-	-	-
	470,375	**510,214**	**533,864**	**596,925**	**606,163**	**477,629**
Profit before tax						
- Energy	24,976	372,086	385,585	419,698	437,557	329,564
- Construction	157,506	-	-	-	-	-
	182,482	**372,086**	**385,585**	**419,698**	**437,557**	**329,564**

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

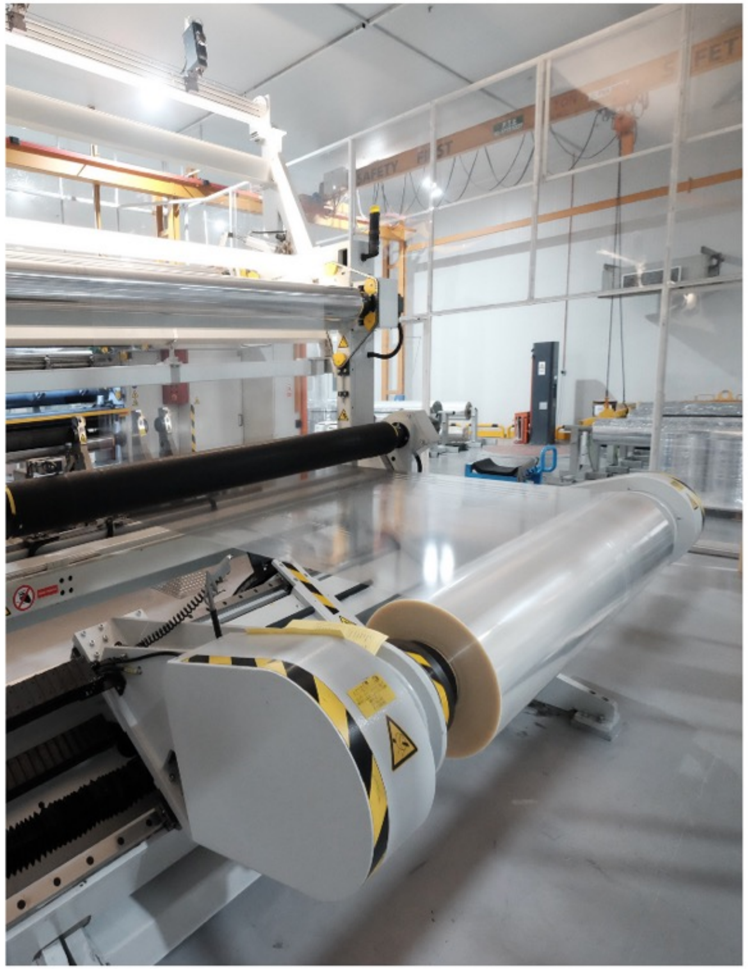
SOS Machine

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

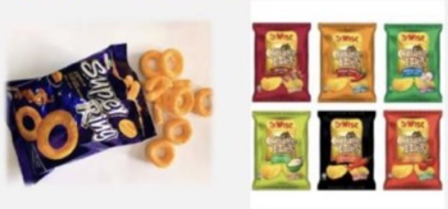
Wafer Packaging
BOPP/CPP

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

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**	**9M2024**
Revenue	68,427	97,775	208,217	398,964	402,341	305,265
Profit before tax	(501)	9,461	22,219	33,546	33,600	25,239

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	9M2024
Revenue	143,624	142,819	154,880	206,324	202,893	180,743
Profit before tax	16,460	18,766	16,725	17,385	23,297	40,705

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).

<u>Who is 9M Technology?</u>

- 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.

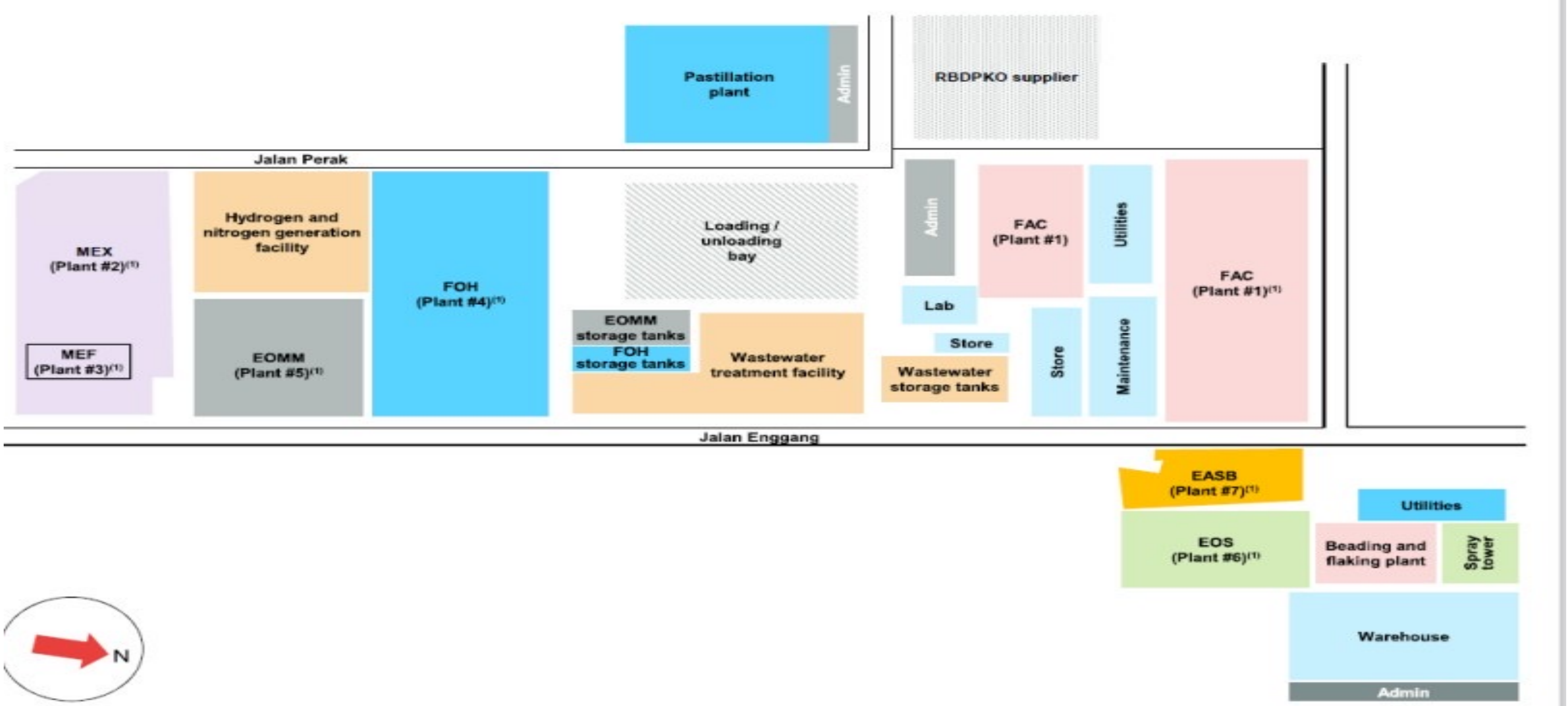
INVESTMENT IN JOINT VENTURE
EDENOR TECHNOLOGY

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.

Key turnaround strategies

- 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 DIVISION

“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 DIVISION

- 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.
- Main crops: coconut & macadamia.
- Cumulative investment as at 30.9.2024: RM157 mil (including land cost).


FOOD SECURITY DIVISION
CAMBODIA

FOOD SECURITY DIVISION
CAMBODIA



FOOD SECURITY DIVISION
CAMBODIA

FOOD SECURITY DIVISION
MALAYSIA

FOOD SECURITY DIVISION
MALAYSIA




FOOD SECURITY DIVISION
MALAYSIA

JAMBU AIR, PINK GUAVA AND CEMPEDAK FROM AYER HITAM FARM

FOOD SECURITY DIVISION
MALAYSIA

NANGKA FROM JEMALUANG FARM

FOOD SECURITY DIVISION
MALAYSIA

CALAMANSI, PANDAN COCONUT & CURRY LEAF FROM BIODESARU/SEDILI FARM

FOOD SECURITY DIVISION
MALAYSIA

DURIAN FROM ULU TIRAM FARM

THANK YOU!