



ANNUAL GENERAL MEETING

27 MAY 2021





AGENDA

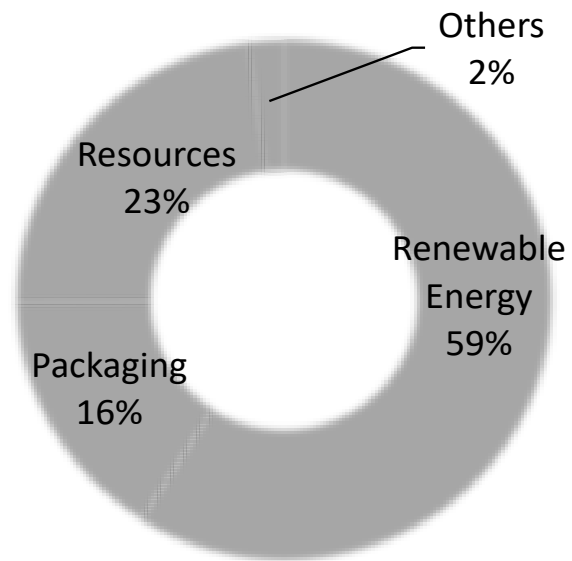
1) Overview of 1Q2021 performance

- ✓ Renewable Energy
- ✓ Resources
- ✓ Packaging
- ✓ Plantation

2) Acquisition of Stenta Films Malaysia Sdn Bhd

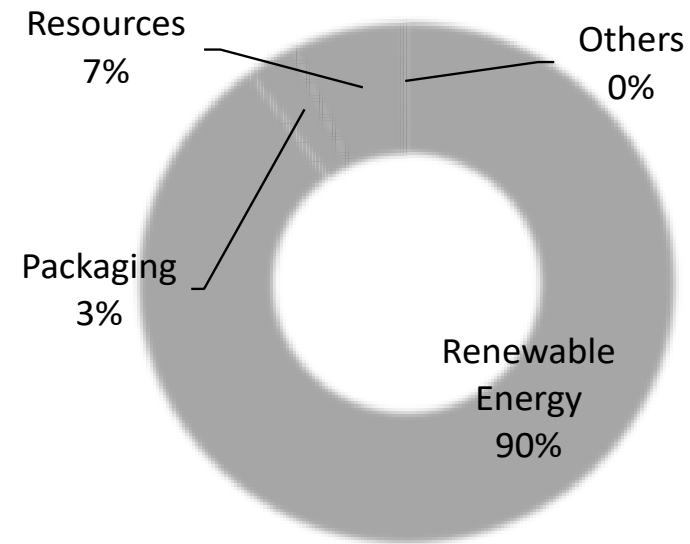
1Q2021 GROUP REVENUE & PBT

Revenue



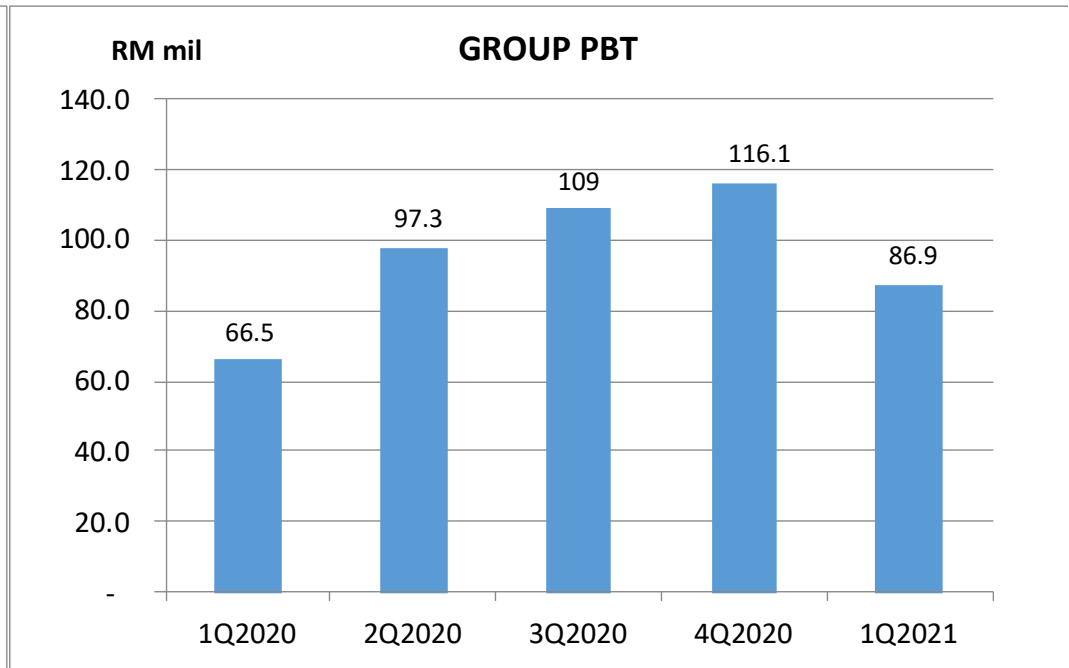
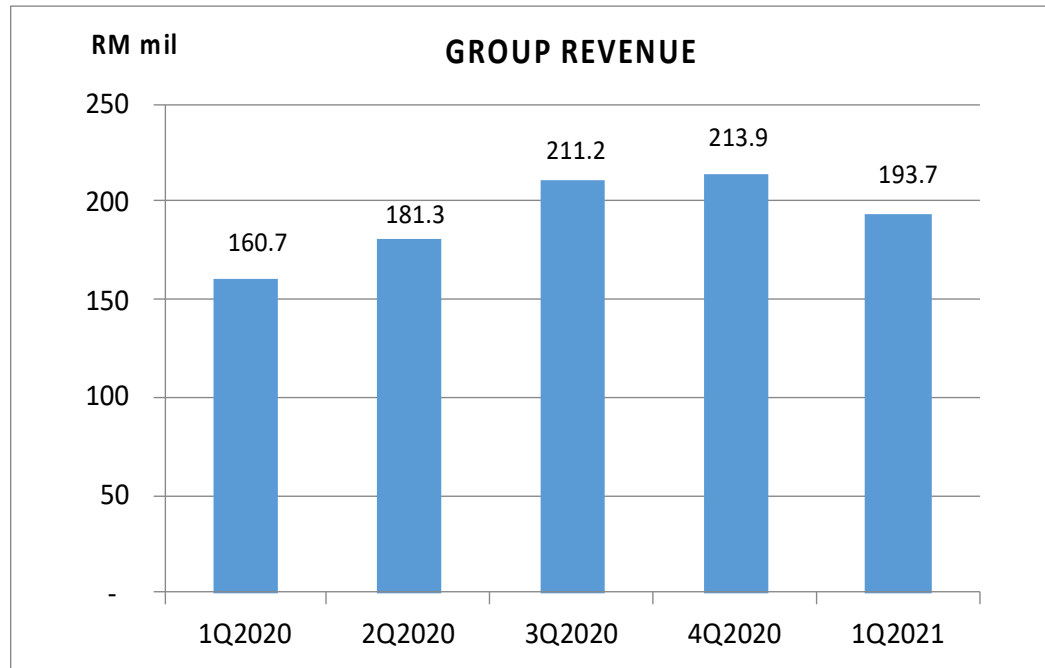
1Q2021 : RM193.7 million

Pre-Tax Profit



1Q2021 : RM86.9 million

QUARTERLY GROUP REVENUE & PBT

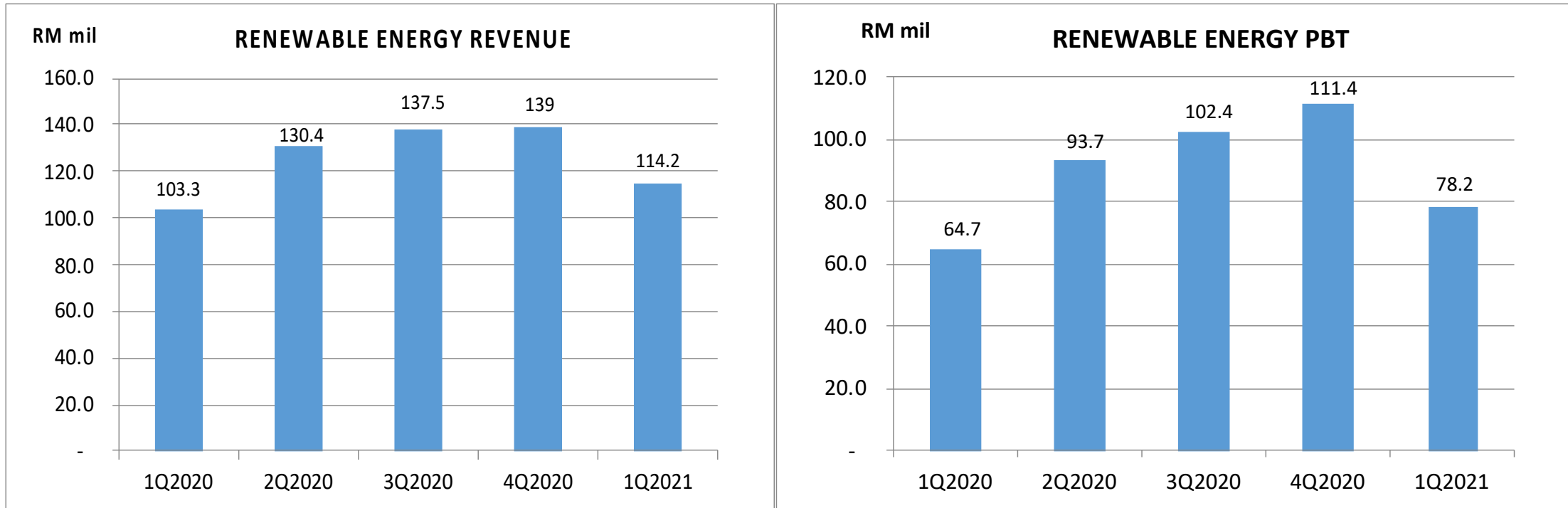


RENEWABLE ENERGY

DON SAHONG HYDROPOWER & COMMERCIAL AND INDUSTRIAL SOLAR



QUARTERLY RENEWABLE ENERGY REVENUE & PBT

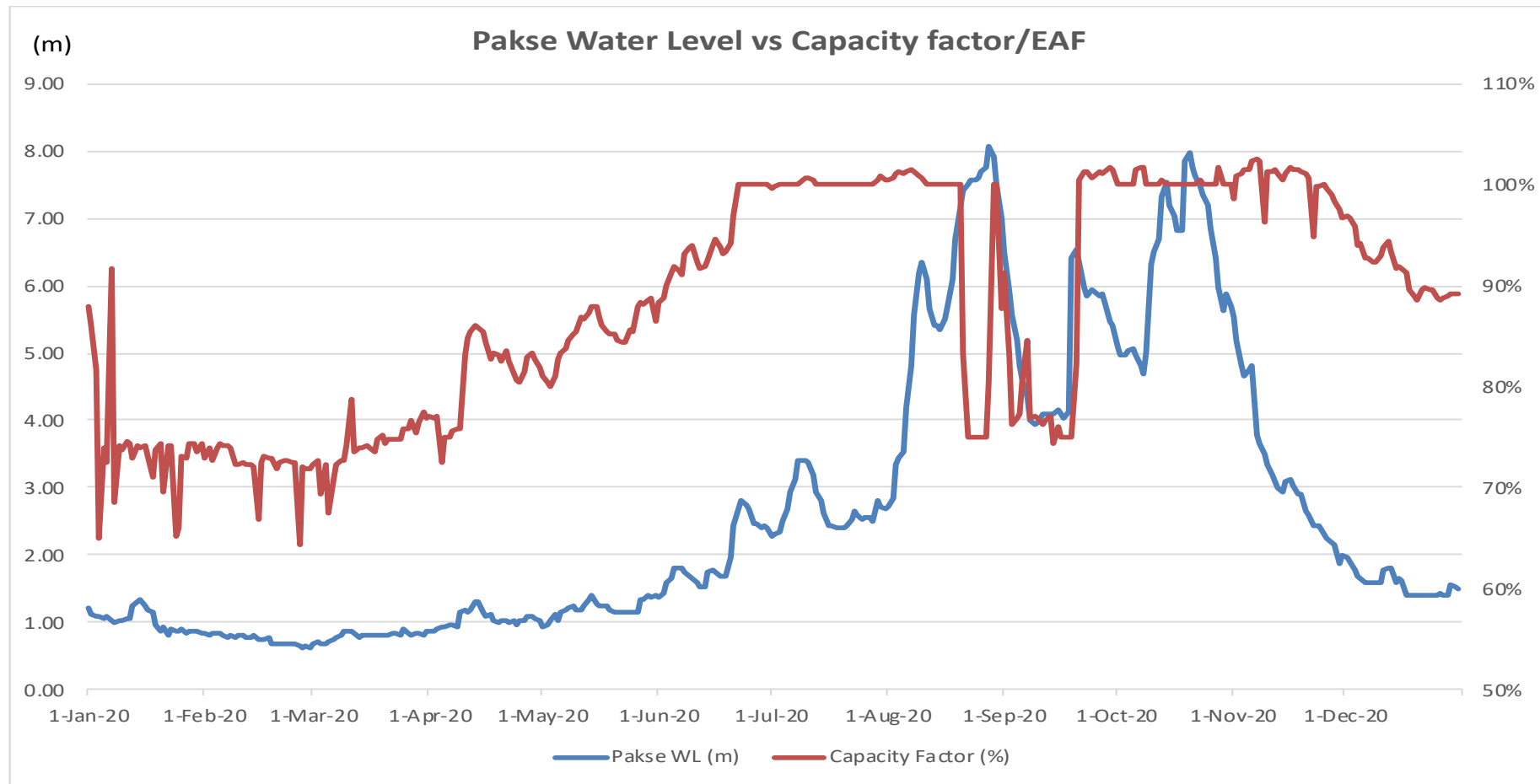


DON SAHONG HYDROPOWER

- Maiden year of full commercial operations since 7 January 2020.
- Commercial Operation Date (COD) was confirmed on 1 October 2020.
 - ✓ Concession period of 25 years starts from COD
 - ✓ Income exempted from corporate tax for 5 years from COD
- Energy generation is highly dependent on the amount of water available.
- We are paid based on “energy made available” on a “take or pay” basis at 6.15 USD cent per kWh.
- There is a pronounced wet and dry season – less energy available in the dry season (Dec-May) compared to the wet season (Jun-Nov).
- In 2020, Energy Availability was 1,973GWh & Capacity Factor/FAF was 86.4% despite extreme dry season.



DON SAHONG HYDROPOWER

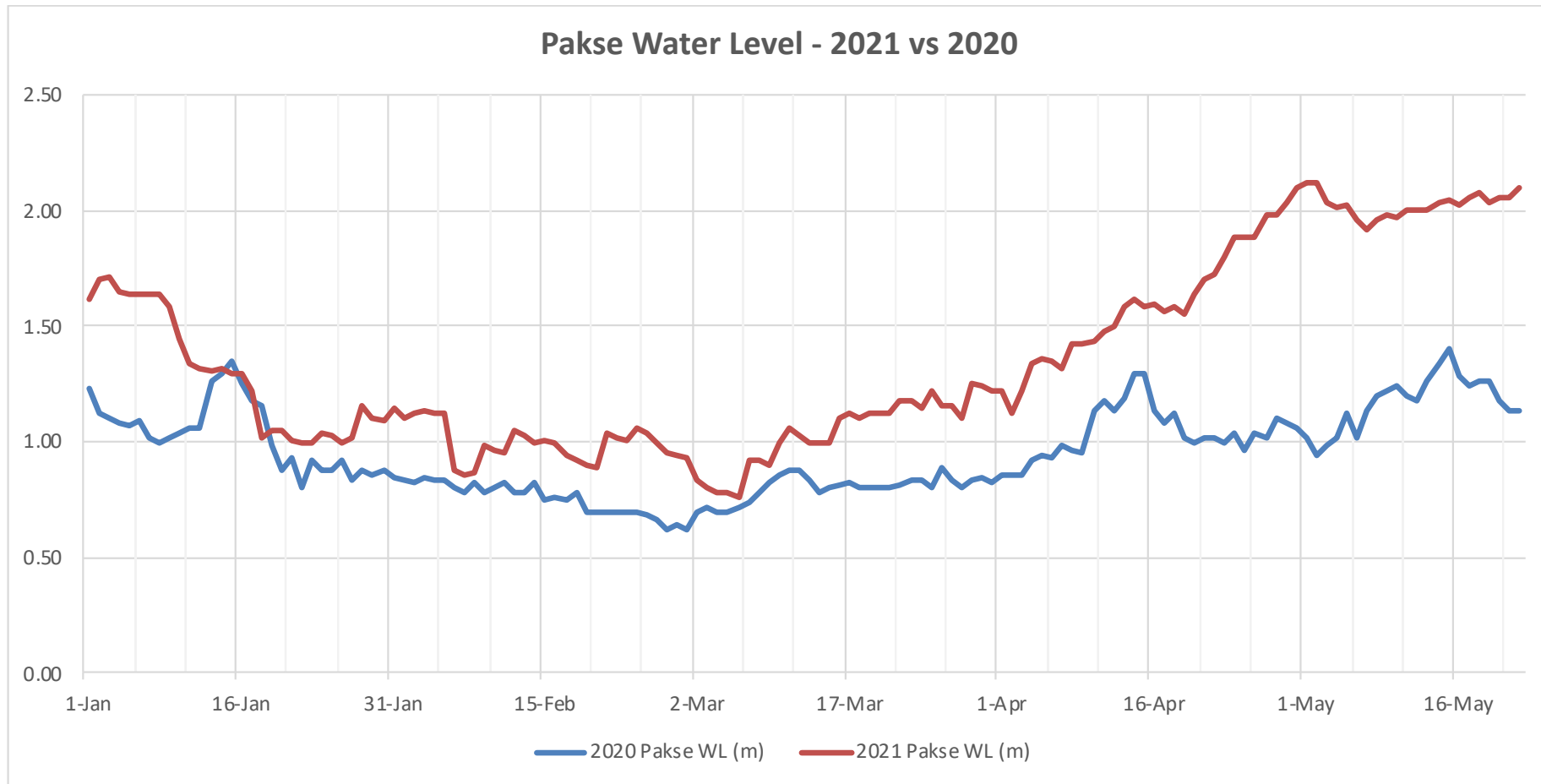




DON SAHONG HYDROPOWER

- In 2021, average water level in Jan and Feb was slightly better compared to extreme drought year of 2020.
- Raining season came earlier this year – water level started to rise rapidly in mid March.
- Estimated annual generation based on long term average hydrological data is 2,000 GWh/year.
- Based on the past 30 years hydrology data, our estimated annual energy in the driest and wettest year are 1,945GWh and 2,082GWh respectively.
- 5th unit construction delayed by COVID-19 lockdowns. It is still uncertain whether work can start this coming dry season in Nov.

DON SAHONG HYDROPOWER



DON SAHONG HYDROPOWER



DON SAHONG HYDROPOWER



Inside the Powerhouse

DON SAHONG HYDROPOWER



Outlook of the Powerhouse



Photo Wall of the Powerhouse



Switchyard



Transformer

DON SAHONG HYDROPOWER



DON SAHONG HYDROPOWER



Permanent Operation Village



Permanent Operation Village



Permanent Operation Village



Permanent Operation Village

DON SAHONG HYDROPOWER



DON SAHONG HYDROPOWER



New Saddam Island Secondary School



New Saddam Island Secondary School

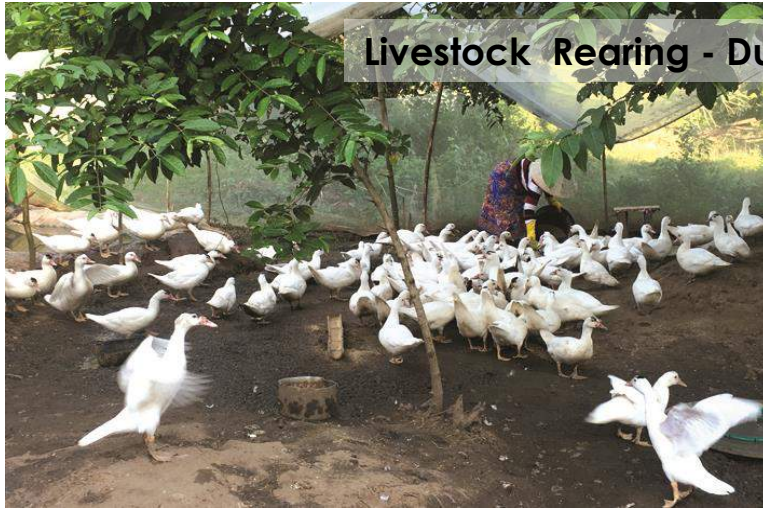


New Clinic

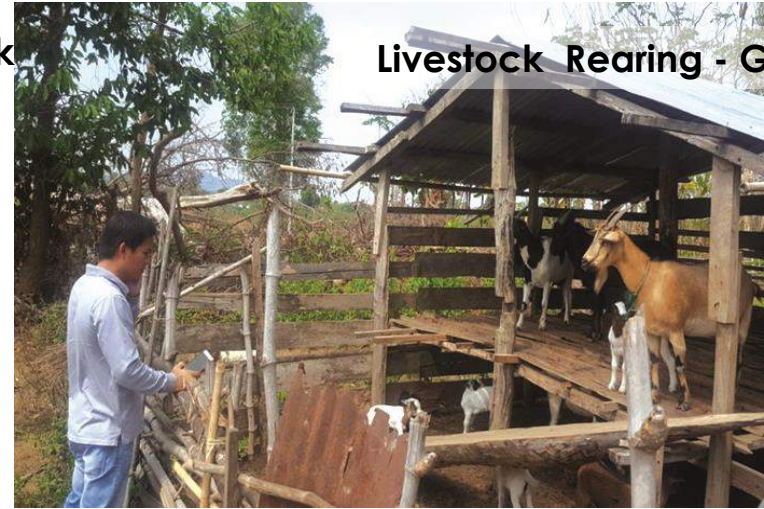


New Clinic

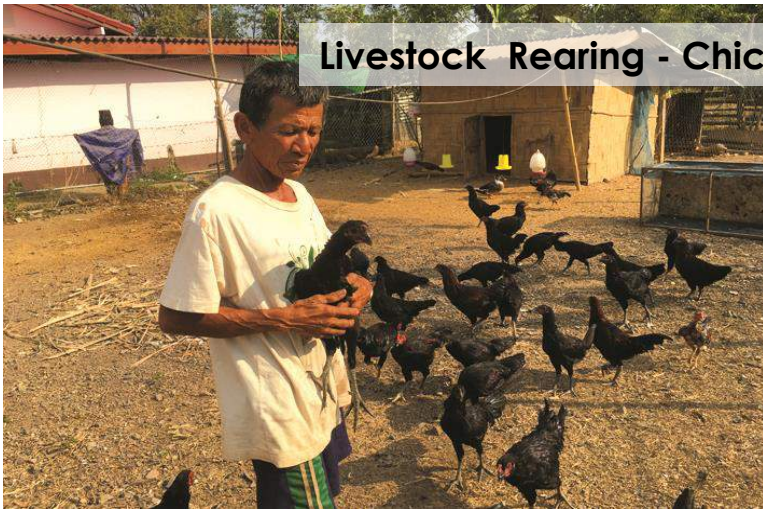
DON SAHONG HYDROPOWER



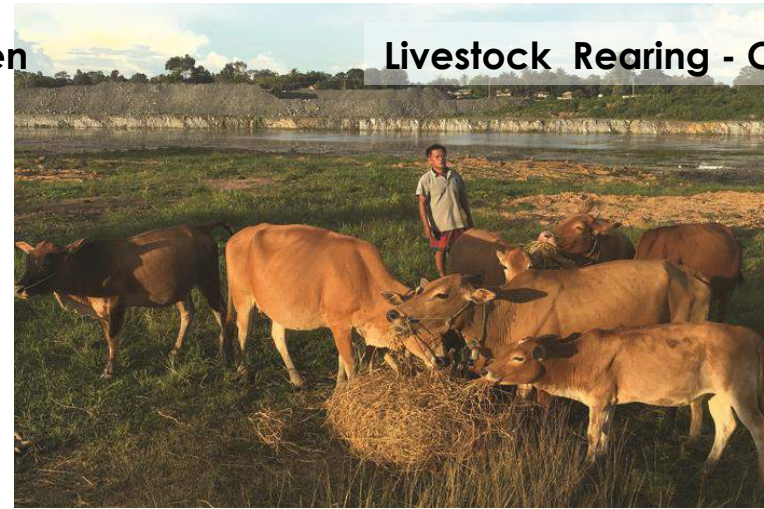
Livestock Rearing - Duck



Livestock Rearing - Goat

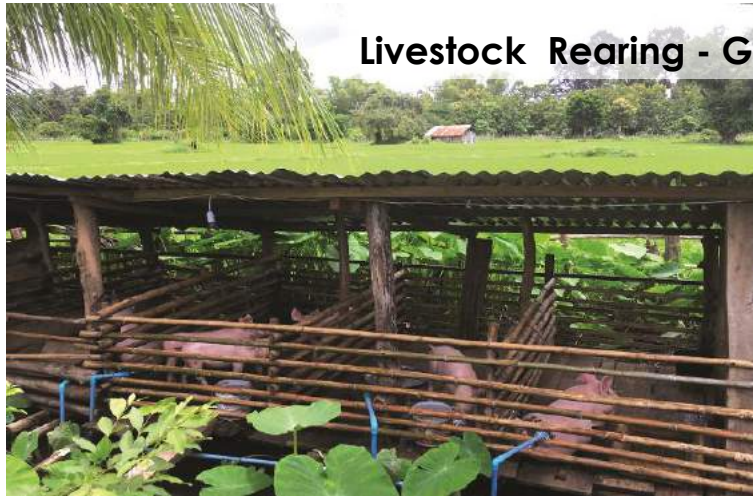


Livestock Rearing - Chicken

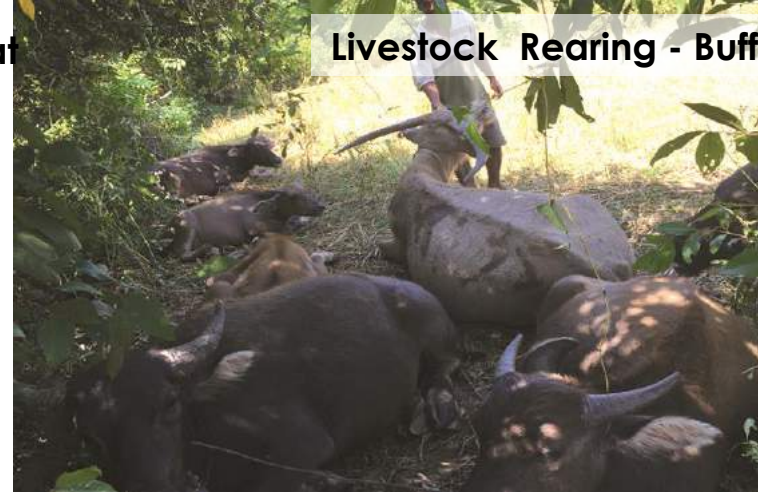


Livestock Rearing - Cow

DON SAHONG HYDROPOWER



Livestock Rearing - Goat



Livestock Rearing - Buffalo



Cultivation - Sugarcane



Cultivation - Cashew Tree

DON SAHONG HYDROPOWER



Cultivation - Bamboo



Cultivation - Banana



Cultivation - Mushroom



Cultivation - Mushroom

DON SAHONG HYDROPOWER



DON SAHONG HYDROPOWER



COMMERCIAL & INDUSTRIAL SOLAR INVESTMENT

1) Background

- Started this business in 4Q2019.
- Undertaken by **MFP Solar Sdn Bhd**, a 55:45 JV between MFCB and Pekat Teknologi Sdn Bhd, a leading solar EPC company.
- Received “Gold” assessment by MARC for a RM100 million Multi-Tranche Green Term Loan from OCBC.

2) Business Model

- Private PPA with a tenure of 10-20 years to help our customers reduce their energy costs without any capex.

3) Projects

- Completed 3 projects – total 14.5MW.
 - ✓ VAT Manufacturing (1.5MW) in Aug 2020
 - ✓ Large automotive plant (12MW) in May 2021
 - ✓ Oji Packaging (1MW) in Cambodia; completed but not energized yet.
- Executed PPA with a public utility company in May 2021 to install 6.4MW of solar capacity. Scheduled completion in 1Q2022.

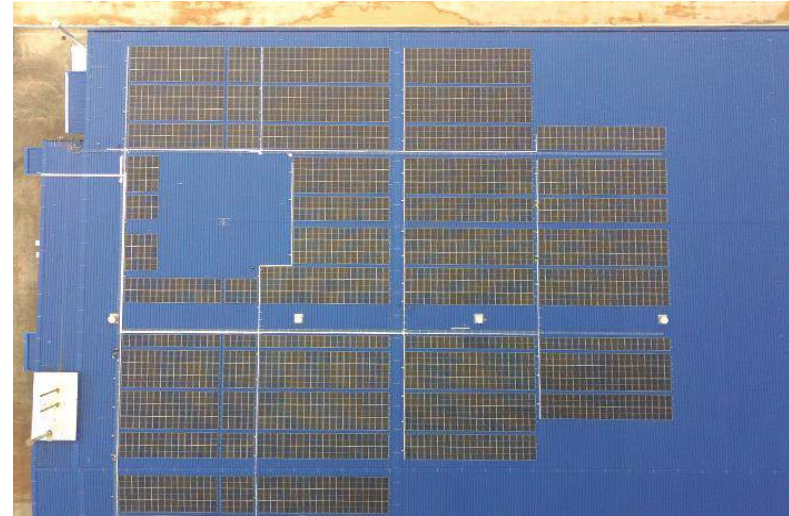
MFP SOLAR – VAT MANUFACTURING, PENANG



MFP SOLAR – LARGE AUTOMATIVE PLANT, MALAYSIA



MFP SOLAR – OJI PAPER, PHNOM PENH, CAMBODIA

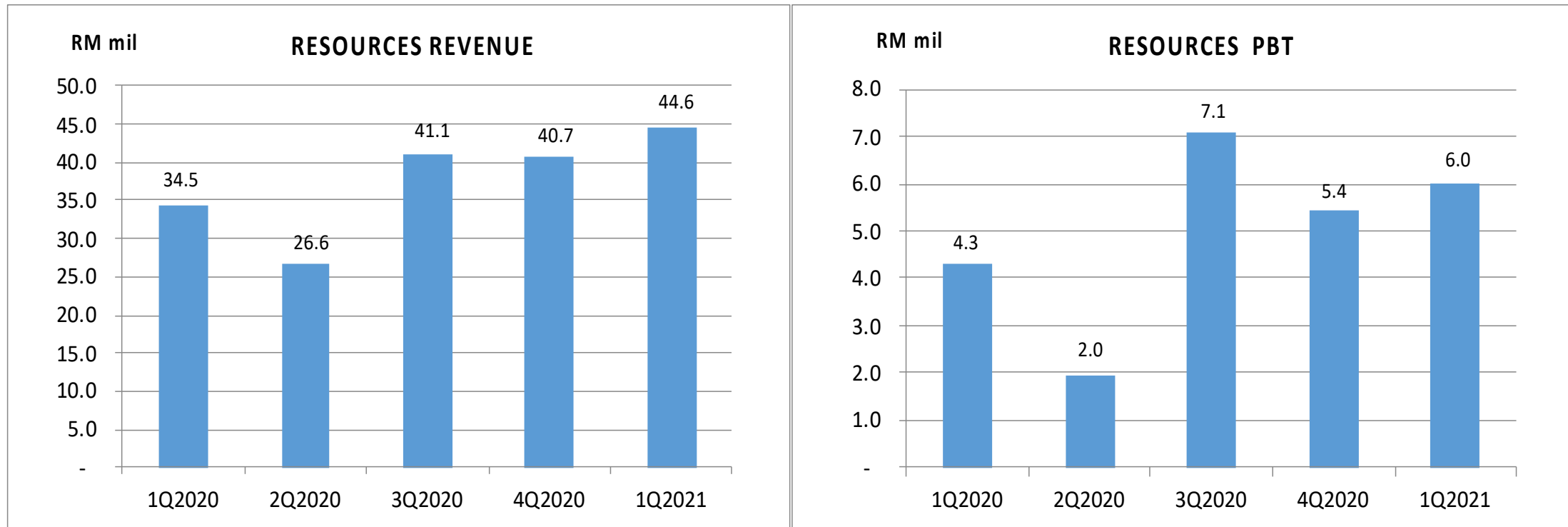


RESOURCES

LARGEST QUICKLIME PRODUCER IN MALAYSIA



QUARTERLY RESOURCES REVENUE & PBT



RESOURCES

1) Performance

- Quicklime capacity expanded 150% to 715,000 tonnes/year from 2015 to 2020.
- Revenue, EBITDA and PBT grew 80%, 85% and 75% respectively during that same period.
- In 2020, revenue was flat due to the impact of MCO1.0 in March.

2) Prospects

- Revenue is expected to grow in 2021, although there will be some pressure on margins from higher freight & logistics costs and fuel & packaging costs.



RESOURCES



RESOURCES



PACKAGING

PAPER BAGS AND FLEXIBLE PACKAGING PRODUCTS



MEGA FIRST CORPORATION BHD - MAY 2021



MAIN PRODUCTS: PAPER BAGS & FLEXIBLE PACKAGING

- One of MFCB's 3 core divisions
- Production capacity to more than 2x by end-2021
- In 2020, Revenue grew 43% to RM98 million. PBT was RM9.5 million from a marginal loss in 2019.
- Revenue and earnings in 2021 will continue to grow with the capacity expansion and high demand for packaging products although there will be cost pressures and some margin compression.
- We expect earnings to continue improving in the coming years.
- In the process of acquiring a 10.5 acres industrial land to cater for future growth of the division.
- Acquisition of Stenta will drive the growth of the flexible packaging business



PACKAGING – PAPER BAGS



PACKAGING – PAPER BAGS



PACKAGING - PRODUCTION



FLEXIBLE PACKAGING

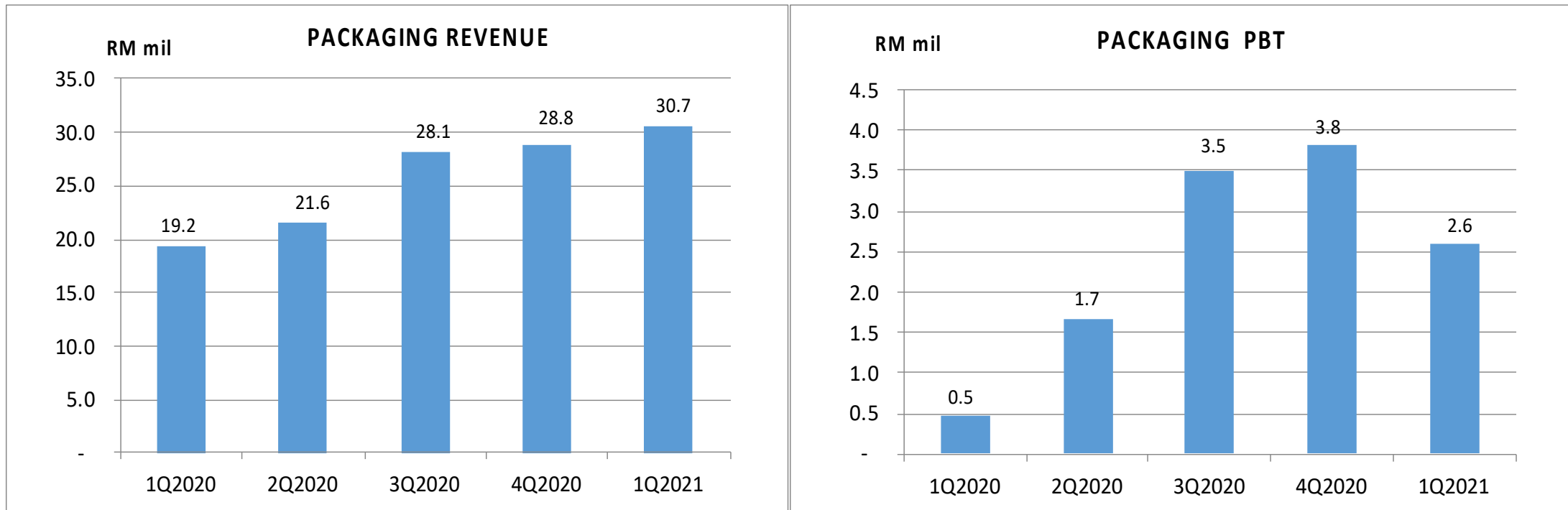


PLANTATION

MONDULKIRI PROVINCE, CAMBODIA



QUARTERLY PACKAGING REVENUE & PBT



PLANTATION

1) Background

- Main crops: coconuts & macadamia
- Cumulative investment as at 31 Dec 2020: RM73 mil (including land cost)

2) Land

- 50-year concession on 6,420 hectares
- Est. plantable area: 4,500 hectares
- Cumulative area planted as at 31 Dec 2020: 1,760 hectares

3) Plans

- Planned planting in 2021: 600 hectares
- Target to complete planting by 2024.
- Evaluating various downstream processing businesses.
- Not expected to contribute positively to earnings until 2026.

PLANTATION LOCATION



MFCB obtained approval from the Royal Government of Cambodia for the concession of a plot of land measuring 6,420 hectares situated in the Namlear Wildlife Sanctuary Zone, Monduliri Province, Kingdom of Cambodia for agricultural development.

The term of the concession is 50 years, commencing from 29 April 2013.

Monduliri 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.

PLANTATION



PLANTATION



PLANTATION



PLANTATION



PLANTATION



PLANTATION



PLANTATION – SEEDBED NURSERY



PLANTATION



PLANTATION



PLANTATION



Macadamia Flowers



Coconut Flowers



Passion Fruit



Coffee Beans

PLANTATION



MFCB ION OF STENTA FILMS SDN BHD ("STENTA")





ABOUT STENTA

- One of the leading flexible packaging film manufacturers in Malaysia.
- Commenced operations in Jan 1993.
- Operates two factories in Bandar Baru Bangi.
- Produces a wide range of quality Biaxially Oriented Poly Propylene (BOPP) & Linear Low Density Polyethylene (LLDPE) films used for packaging in the food, beverages, pharmaceutical, medical, surgical gloves and FMCG industries.
- Products are exported to Asia, Middle East, Africa, South America and Europe.
- In 2020, Stenta recorded revenue of RM190 million, PBT of RM22.8 million and net profit of RM18 million.
- Balance sheet is clean with net debt to equity of only 5%.

RATIONALE FOR THE ACQUISITION

- This acquisition is strategic to support the growth of MFCB's existing downstream flexible packing business.
- Stenta's BOPP and LLDPE films are key input materials for MFCB's flexible packaging business.
- Expansion into upstream plastic film manufacturing to lower cost and better serve our customer base through security of raw material supply and innovative product development.
- The global flexible packaging industry is expected to grow at CAGR of 4.5% to USD200 billion in 2025.
- The acquisition will immediately contribute positively to the revenue and profit of the MFCB Group.





FUNDING

- MFCB is acquiring 75% of Stenta for RM153.75 million in cash.
- The remaining 25% of Stenta will be predominantly owned by P.T. Argha Karya Prima Industry Tbk, one of the founding shareholders.
- MFCB shall grant a Put Option to the minority shareholders to sell their shares in Stenta to MFCB exercisable on the 3rd or 5th anniversary of the completion date.
- The acquisition will be funded through internal cash and bank borrowings.
- Completion of the transaction by 3Q2021.

VALUATION

- Reasonable valuations – 11.4x 2020 earnings, 7x 2020 EBITDA & 2x 2020 NBV.
- Earnings enhancing – Based on MFCB's 2020 results and assuming the acquisition had been effected on 1 January 2020, the proforma Group EPS would be enhanced by 2.96 sen for the year ended 31 December 2020.

STENTA'S PRODUCTS & APPLICATIONS



Plain Film



Heat Sealable Film



Pearlescent White Film



PE Easy Peel Film



Tobacco Film



Straw Film



PE Easy Tear Film



Matte Film



PE Sealant Film



THANK YOU