MFCB

MEGA FIRST CORPORATION BERHAD

2Q2023 RESULTS BRIEFING

25 August 2023

AGENDA

1. **2Q2023 Financial Review**
   - **Earnings Review**
   - **Balance Sheet Review**
   - **Cash Flow Review**
   - **Capital Deployed**
   - **Gearing Position**
   - **JV Edenor Technology**
   - **Other Updates**
2. **Prospects for Remaining Quarters of 2023**
3. **Sustainability Update**

For reference (updated)

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

2Q2023 EARNINGS REVIEW

	2Q2023 RM'000	2Q2022 RM'000	YoY Change (%)	1Q2023 RM'000	QoQ Change (%)
Revenue					
Renewable Energy	144,859	151,526	-4.4%	128,467	12.8%
Resources	52,362	49,916	4.9%	55,811	-6.2%
Packaging	100,371	100,731	-0.4%	103,525	-3.0%
Sub-total	297,592	302,173	-1.5%	287,803	3.4%
Investment holding & others	28,061	29,692	-5.5%	59,550	-52.9%
Total	325,653	331,865	-1.9%	347,353	-6.2%
PBT					
Renewable Energy	105,558	108,089	-2.3%	88,539	19.2%
Resources	5,802	3,800	52.7%	5,769	0.6%
Packaging	8,104	9,313	-13.0%	7,311	10.8%
Sub-total	119,464	121,202	-1.4%	101,619	17.6%
Investment holding & others	3,073	(261)	-1277.2%	(11,927)	-125.8%
Share of profit in JV/associate:					
- Operation earnings	(8,057)	5,309	-251.8%	2,311	-448.6%
Total	114,480	126,250	-9.3%	92,003	24.4%
PAT	109,019	121,725	-10.4%	77,175	41.3%
PAT attributable to owners of Company	88,609	100,840	-12.1%	70,548	25.6%

- Revenue -1.9% to RM325.7 mil due mainly to 4.4% decline in RE on lower water level during this dry season.
- PBT before JV/associates +1.3% to RM122.5 mil on better Resources earnings, lower one-off accounting loss items and higher forex gain, partly offset by lower contribution from RE and Packaging.
- JV/associates swung from RM5.3 mil profit to an RM8.1 mil loss due mainly to Edenor.
- Edenor suffered significant capacity loss from major plant maintenance and extensive upgrading works, amid soft consumer market and intensified competition.


RENEWABLE ENERGY
DIVISION

EARNINGS REVIEW - RENEWABLE ENERGY DIVISION

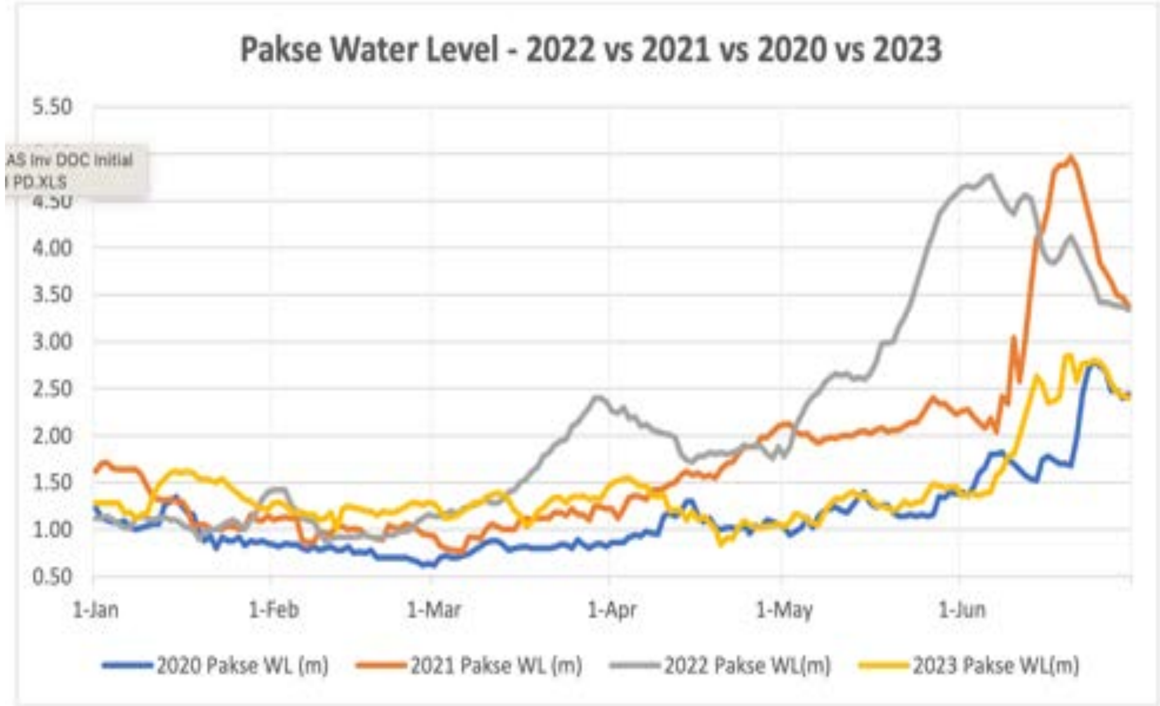
(RM mil)	2022					2023			Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	YoY (%)	QoQ (%)
Revenue	125.4	151.5	158.4	161.6	596.9	128.5	144.8	273.3	-4.4%	12.7%
PBT	83.0	108.1	114.3	114.3	419.7	88.5	105.6	194.1	-2.3%	19.3%
PBT margin (%)	66.2%	71.4%	72.2%	70.7%	70.3%	68.9%	72.9%	71.0%		
EAF (%)	84.7%	98.0%	98.2%	97.4%	94.6%	81.9%	88.7%	85.3%	-9.5%	8.3%
Average RM/USD rate	4.193	4.352	4.484	4.574	4.401	4.392	4.527	4.459	4.0%	3.1%

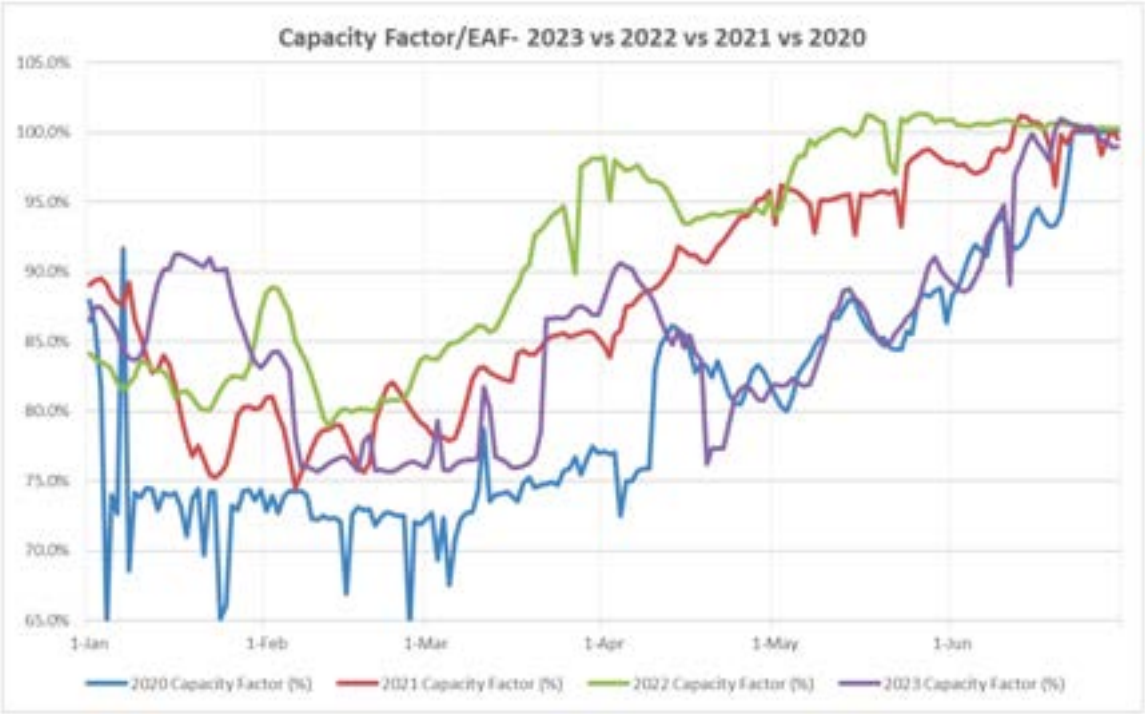
2Q2023 vs 2Q2022

- Revenue -4.4% to RM144.8 mil: hydro energy sales volume -9.5%, partly offset by higher solar energy sales, 4.1% currency gain and 1% hydro tariff adjustment.
- EAF -9.3%-point to 88.7%: sub-normal dry season this year versus exceptionally high water level in previous year.
- Solar revenue +43.5% to RM2.1 mil: installed capacity 14.5 MW → 20.5 MW.
- PBT -2.3% to RM105.6 mil: lower revenue partly offset by lower net interest expense.

RENEWABLE ENERGY DIVISION - DON SAHONG

Don Sahong : Jan – Jun 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	Total	YoY (%)	QoQ (%)
Revenue	45.3	49.9	61.0	50.1	206.3	55.8	52.4	108.2	5.0%	-6.1%
PBT	5.3	3.8	4.9	3.4	17.4	5.8	5.8	11.6	52.6%	0.0%
PBT margin (%)	11.7%	7.6%	8.0%	6.8%	8.4%	10.4%	11.1%	10.7%		

2Q2023 vs 2Q2022

- Sales +5.0% to RM52.4 mil: currency gain partly offset by slight volume decline.
- Demand for lime products softened in line with slower economic and mining activities.
- PBT +52.6% to RM5.8 mil on higher revenue and a favourable change in the sales mix.

PACKAGING DIVISION

EARNINGS REVIEW - PACKAGING DIVISION

(RM mil)	2022					2023			Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	YoY (%)	QoQ (%)
Revenue	94.8	100.7	104.6	98.9	399.0	103.5	100.4	203.9	-0.3%	-3.0%
PBT	8.8	9.3	8.8	6.6	33.5	7.3	8.1	15.4	-12.9%	11.0%
PBT margin (%)	9.3%	9.2%	8.4%	6.7%	8.4%	7.1%	8.1%	7.6%		

2Q2023 vs 2Q2022

- Revenue was flat at RM100.4 mil, despite a softening consumer spending.
- PBT -12.9% to RM8.1 mil on intensified price competition amid a weak market.

BALANCE SHEET REVIEW

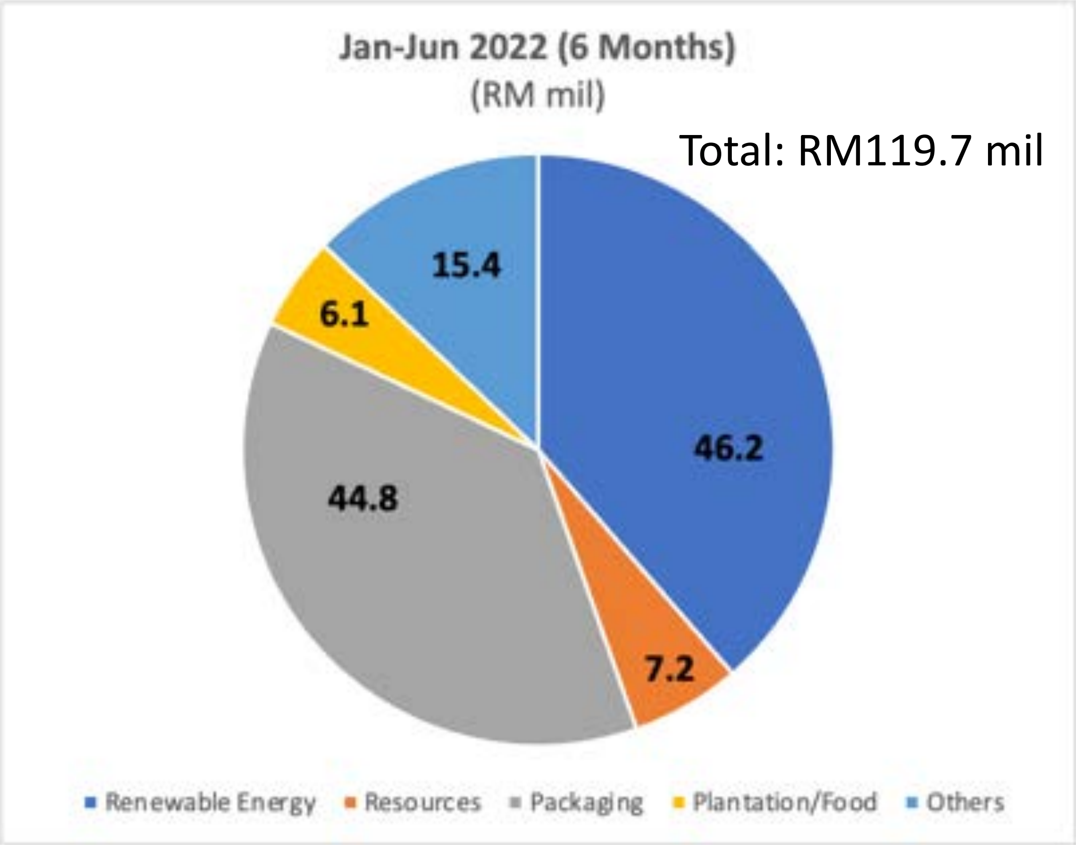
	At 30.6.2023 (RM million)	At 31.12.2022 (RM million)	Changes (RM million)	Explanation
Service concession asset	2,017.1	1,940.8	76.3	RM119.6 million translation gain, partially offset by RM43.3 million amortisation charge.
PPE	510.7	481.7	29.0	RM47 million CAPEX (see below), partially offset by RM17.1 million depreciation charge.
Investment properties	165.2	165.2	0.0	
ROU assets	116.7	119.0	(2.3)	Depreciation charge.
Investment in quoted shares	134.1	152.3	(18.2)	Fair value loss of quoted securities.
Inventories (non-current)	40.2	43.4	(3.2)	Write-off of non-qualifying expenses.
Joint Ventures and associates	174.5	174.6	(0.1)	RM5.7 million share of profit for the period, offset by RM5.7 million new investment.
Development expenditures	122.8	74.6	48.2	Progressive development of Don Sahong's 5th turbine expansion.
Inventories (current)	129.6	147.9	(18.3)	Lower stock at Packaging Division.
Receivables and prepayments	435.4	437.3	(1.9)	Lower balance outstanding from EDL and de-consolidation of Serudong Power, partially offset by higher receivables of Packaging and Resources Divisions.
Deferred tax liabilities	129.4	124.3	5.1	Translation difference arising from the strengthening of the US Dollar against Ringgit Malaysia.
Payables and accruals (current)	155.2	155.7	(0.5)	RM26.3 million provision for additional income tax and penalties, partially offset by lower payables of Renewable Energy Division and de-consolidation of Serudong Power.
Shareholder Equity	2,964.9	2,750.6	214.3	
Net Assets per share (RM)	3.14	2.91	0.23	

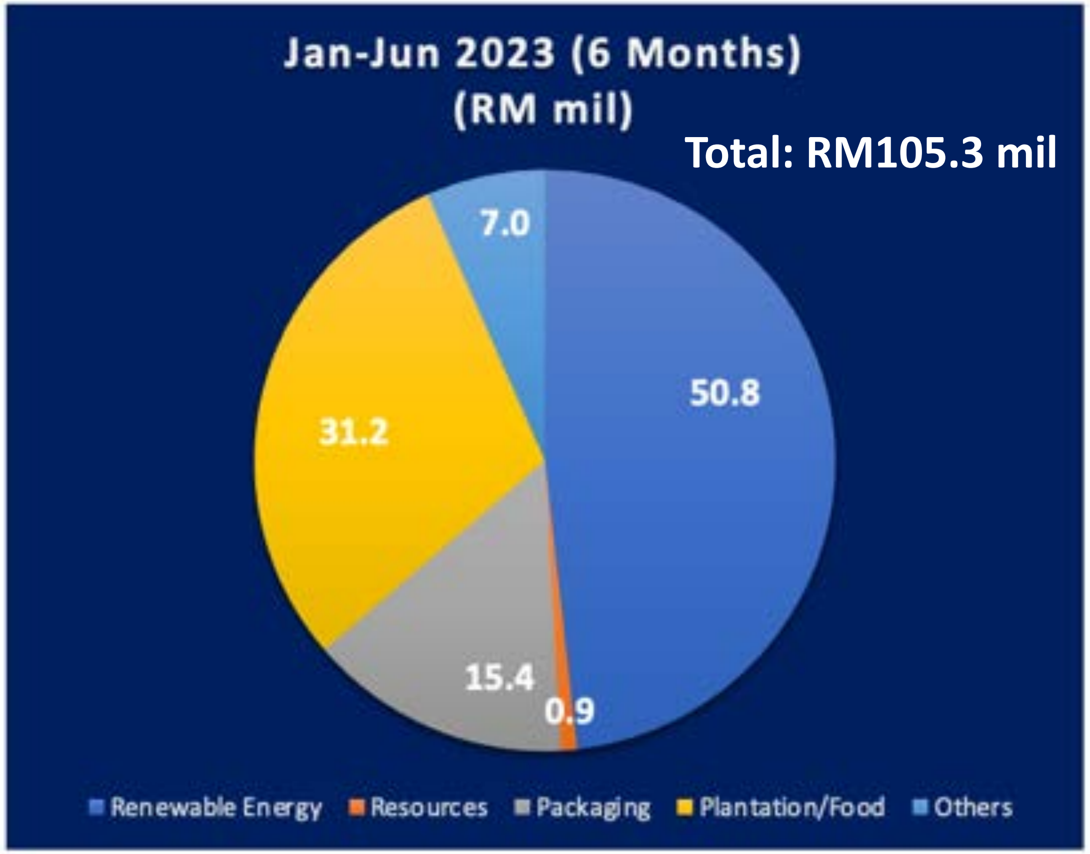
Capex comprised mainly:
a) RM21.2 million for plantation development.
b) RM14.9 million by Packaging Division for plant expansion.
c) RM8.8 million for C&I solar power development.

CASH FLOW REVIEW

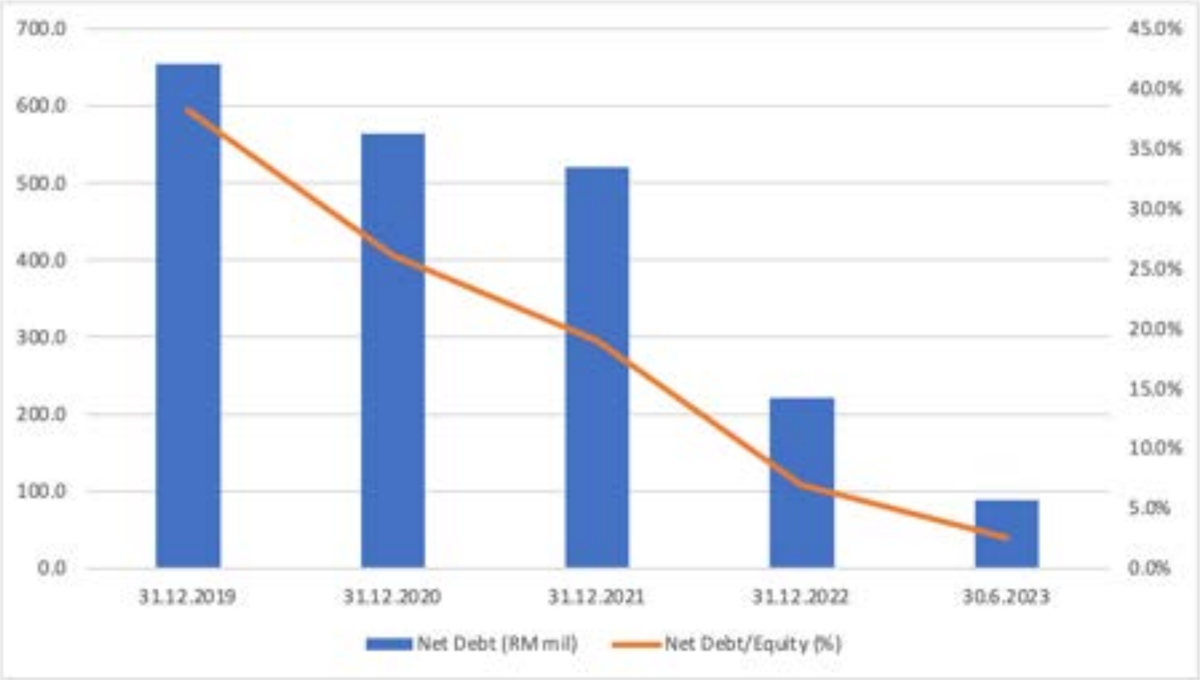
	6-Month Period Ended	
	2023 (RM mil)	2022 (RM mil)
After tax cash from operating activities	293.4	337.0
Net cash inflow from non-operating investment activities	11.1	1.6
New capital from minority of subsidiary	-	2.0
Total Cash Made Available to the Group	**304.5**	**340.6**
Investing Activities		
Investment in joint ventures and associates	(5.7)	(11.5)
Short-term investment	(10.0)	-
Capex	(47.6)	(61.0)
Don Sahong Hydropower Project + expansion	(41.9)	(46.7)
Total Investment	**(105.2)**	**(119.2)**
Financing Activities		
Dividends paid	(44.0)	(33.1)
Finance costs paid	(21.5)	(13.8)
Purchase of treasury shares	(5.6)	(0.4)
Total Distribution	**(71.1)**	**(47.3)**
Net cash flow retained by the Group	**128.2**	**174.1**
Effects of forex and others	4.1	(20.0)
Change in Net Cash/(Debt) of the Group	**132.3**	**154.1**
Net Cash/(Debt):		
- At beginning of period	(220.6)	(520.2)
- At end of period	(88.3)	(366.1)
- Change	**132.3**	**154.1**

EXPANSIONARY INVESTMENT CAPITAL DEPLOYED





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 30.6.2023 (RM mil)
Total Cash	91.0	93.6	257.7	492.3	581.6
Total Debt	-746.1	-657.9	-777.9	-712.9	-670.0
Net Debt	**-655.1**	**-564.3**	**-520.2**	**-220.6**	**-88.4**
Equity	1,711.9	2,165.6	2,739.6	3,191.0	3,439.6
Net Debt/Equity Ratio	**38.3%**	**26.1%**	**19.0%**	**6.9%**	**2.6%**

JV EDENOR TECHNOLOGY

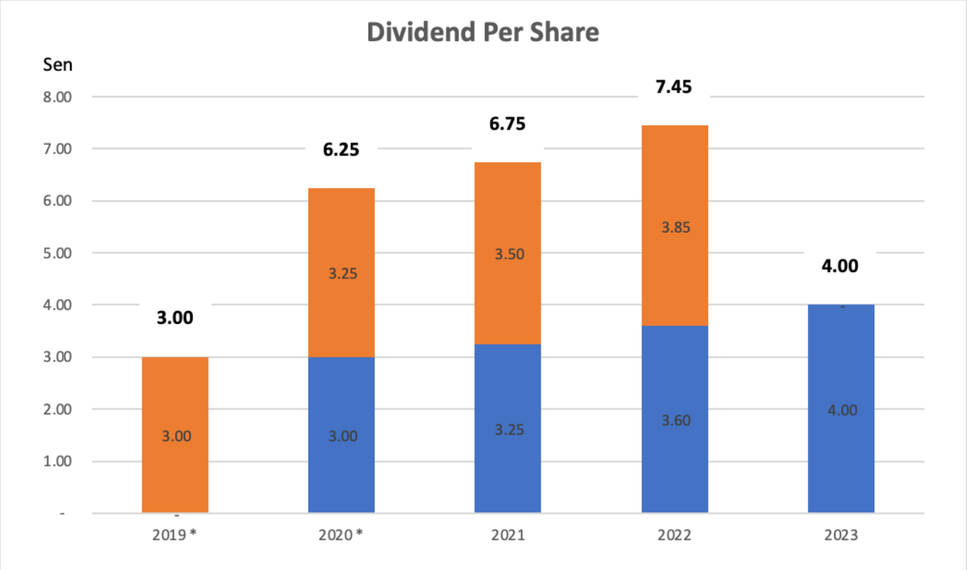
Summarised Profit and Loss								
	2022					2023		
	1Q (RM mil)	2Q (RM mil)	3Q (RM mil)	4Q (RM mil)	Total (RM mil)	1Q (RM mil)	2Q (RM mil)	Total (RM mil)
Revenue	305.0	375.3	360.6	224.0	1,264.9	265.0	220.7	485.7
EBITDA	19.5	18.8	7.2	2.4	47.9	4.4	(1.5)	2.9
Depreciation and amortisation	8.7	8.6	8.5	8.7	34.5	9.2	9.1	18.3
PAT	8.7	9.9	(8.7)	(7.7)	2.2	(7.3)	(18.6)	(25.9)
PAT after MI	7.9	8.9	(9.7)	(9.5)	(2.4)	(7.7)	(16.9)	(24.6)
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)	(11.5)
MFCB's Share of Results	4.0	4.5	(4.9)	(4.8)	(1.2)	2.7	(8.5)	(5.8)
	('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	78.6

Summarised Balance Sheet		
	At 31.12.2022 (RM mil)	At 30.6.2023 (RM mil)
Total Assets	834	734
Total Liabilities	454	396
NCI	65	47
Total Equity	315	291

OTHER UPDATES

- **Serudong Power operations**
  - Recommenced operations in May 2022 to facilitate future sale of the subsidiary.
  - Earnings presented under “Investment Holding & Others”.
  - Minimal Profit and Loss contribution to Group.
  - Operational economic benefit/loss to accrue to 3rd party Preference Share holders.
  - **Completed sale of Serudong Power on 30 May 2023.**

- **Dividends**
  - Interim single-tier dividend of **4.0 sen** per share for the FY ending 31 December 2023



* Adjusted for share split.

PROSPECTS FOR REMAINING QUARTERS OF 2023

- Strong headwinds from:
  - Economic challenges such as demand downturn, cost inflation, currency fluctuations and interest rate hikes;
  - Supply chain disruptions; and
  - Sustainability and environmental concerns.
- We expect these challenges to continue in the second half of this year.
- Earnings to remain highly resilient given the Group's:
  - Strong business foundation;
  - Unleveraged balance sheet;
  - High cash generation capacity; and
  - Prudent capital deployment strategy.

PROSPECTS FOR REMAINING QUARTERS OF 2023
CAPITAL COMMITMENT AS AT 30 JUNE 2023

PROSPECTS FOR REMAINING QUARTERS OF 2023

Renewable Energy Division

- Estimated EAF for 2023 about 3.6% lower to 91% (2022: 94.6%).
- EAF abnormally high in 2022 due to: 1) near historical-high water level during last year's dry season; 2) the deferment of 2022 annual turbine maintenance to February/March 2023.
- Assume an exchange rate at RM4.65/USD (current level), we expect the lower projected energy sales volume to be offset by currency gain, 1% tariff adjustment and lower net interest expense.
- Energy tariff +1% to 6.34 US cents on 1 October 2023.
- Outstanding loan at August 2023: US$80 mil. Current interest rate: 7.83%.
- Construction of 5th turbine progressing on schedule. Target completion unchanged in 3Q2024.
- Solar energy earnings to benefit from progressive energisation of secured and new C&I solar projects.
- Recently announced new RE initiatives by NRECC Malaysia will open new investment opportunities in the RE space for the Group.

PROSPECTS FOR REMAINING QUARTERS OF 2023
PORTFOLIO SUMMARY AS AT 30 JUNE 2023

Completed Capacity		Capacity Secured/Under Construction		Total Capacity	
Hydro:	260 MW	Hydro:	65 MW	Hydro:	325 MW
Solar:	20.5 MW	Solar:	68.7 MW	Solar:	89.2 MW
Total:	**280.5 MW**	**Total:**	**133.7 MW**	**Total:**	**414.2 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 3Q2024. Expected EAF 41%.

- C&I solar projects secured:

  - 2.7 MW energised in the last 6 months.

  - 10.8 MW to be progressively energised over the next 12 months.

- 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 3Q2024.

  - 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 REMAINING QUARTERS OF 2023

Resources Division

- Demand for lime products was soft in 2Q2023, in line with slowing economic and mining activities in the region.
- With continued uncertainties surrounding global demand, geopolitical development and China's domestic challenges, demand for lime products will likely remain subdued in the second half of this year.
- Management will continue to proactively manage the business, and make necessary adjustments to its sales and marketing strategy to defend its volume and margins.
- Expect earnings to be better than 2022.

PROSPECTS FOR REMAINING QUARTERS OF 2023

Packaging Division

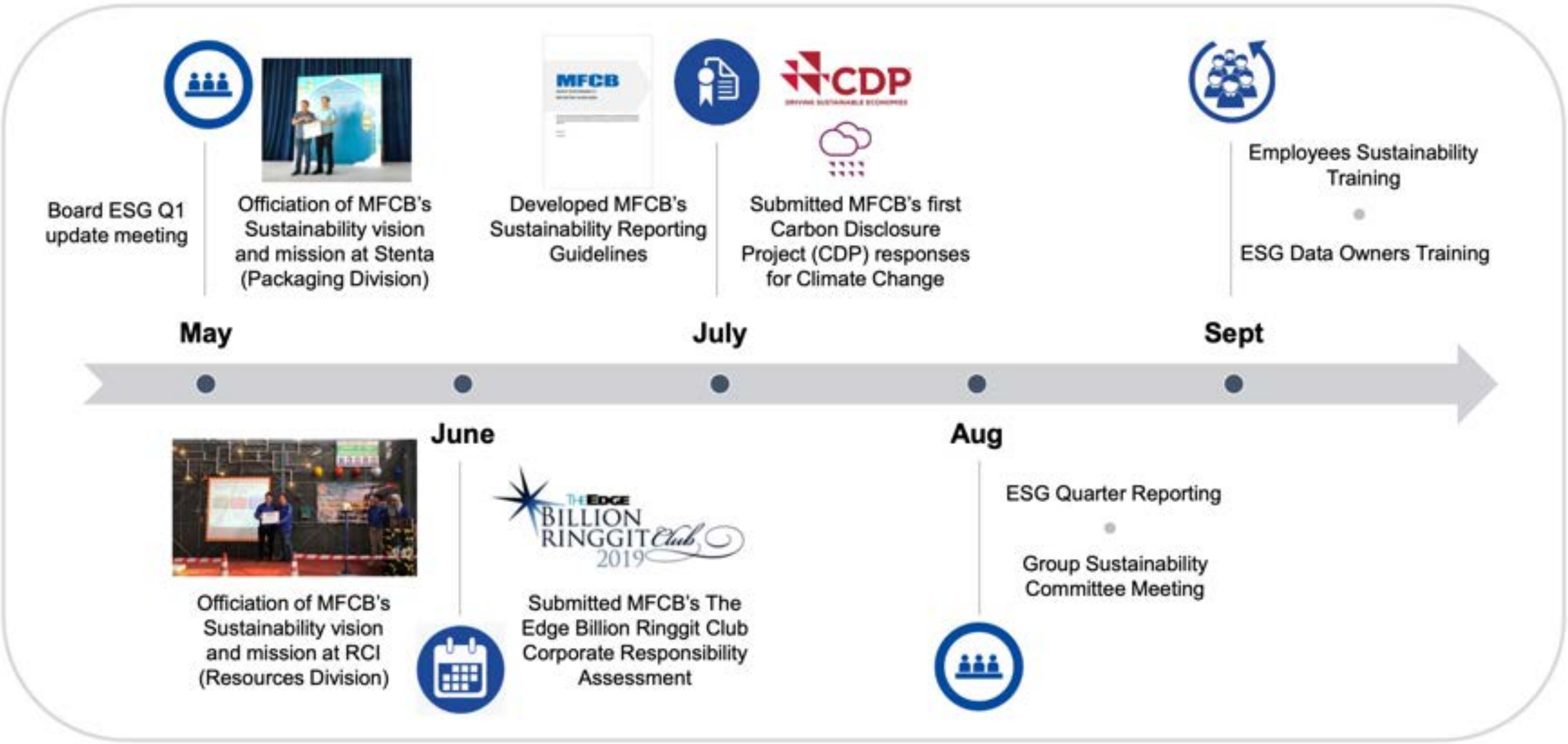
- Weak consumer demand and intensified price competition are expected to persist in 2H2023.
- Management will strive to expand its customer base to grow sales, raise production efficiency and reduce wastage to cushion their impact on margins.
- Barring unforeseen circumstances, we expect the results of Packaging Division to be satisfactory in 2023.
- Construction of the two new factory buildings in Melaka (Hexachase) and Bangi (Stenta) remains on track for completion by the end of 2023. Following which production capacity will be progressively added according to prevailing demand and market condition.

PROSPECTS FOR REMAINING QUARTERS OF 2023

Edenor Technology

- Management expects progressive margin improvement in 2H2023 following extensive upgrading works and new facility installation in 1H2023.
- The process of fine-tunning of the upgraded plants and the commissioning of a new facility is expected to continue throughout 3Q2023.
- We foresee the plants to continue to be stabilised and capacity rising to new levels. Barring unforeseen developments, we foresee capacity to peak only in 4Q2023.
- Overall oleochemical industry is expected to remain soft in line with a weak consumer demand.

KEY SUSTAINABILITY UPDATES



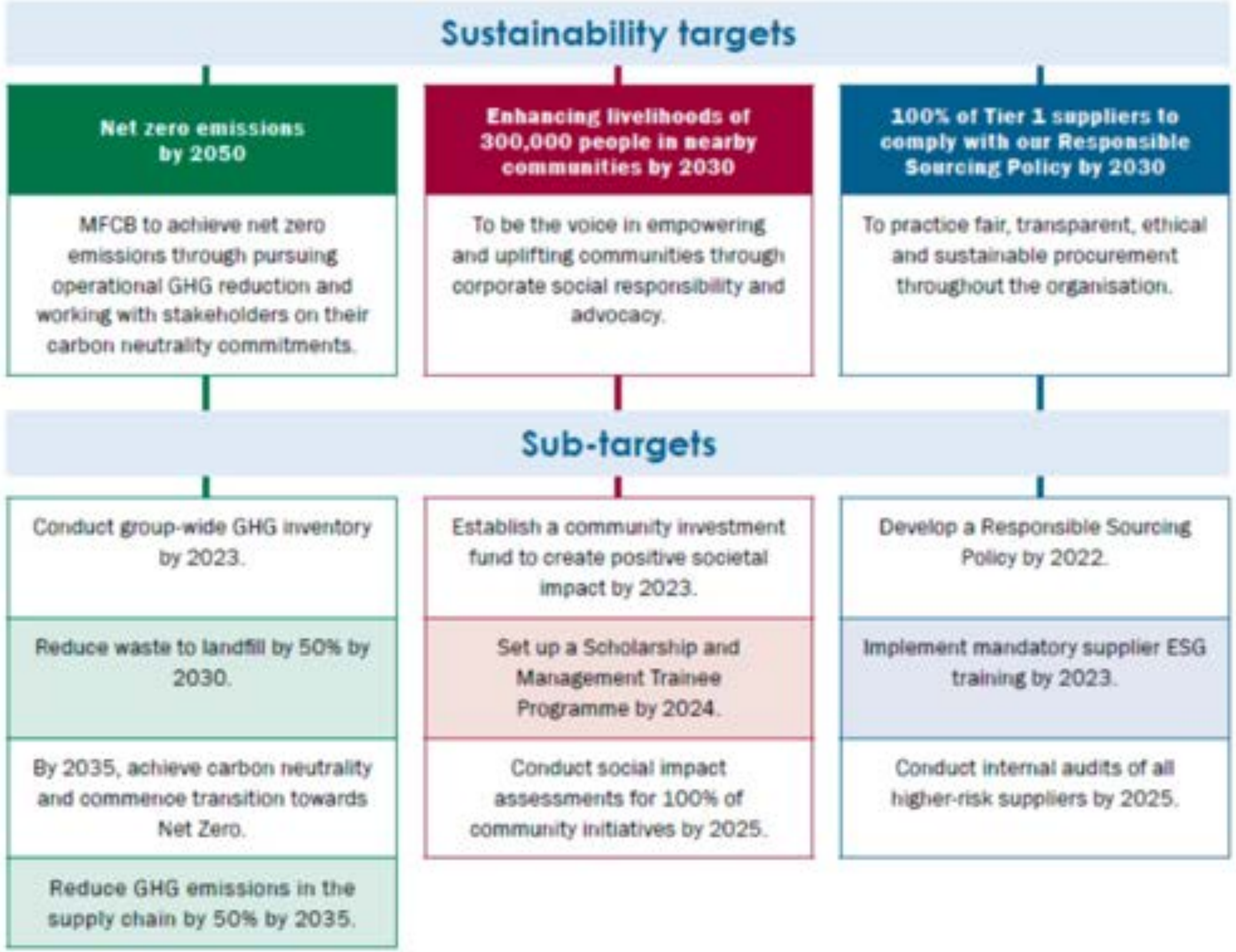
OUR SUSTAINABILITY STRATEGY

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**



OUR SUSTAINABILITY PLAN FOR 2023

	Initiatives	Expected Outcomes
Reporting	✓ Establish internal reporting **guidelines for Sustainability report**	• A **smoother reporting process** and enforce **accountability** for information and data from divisions
	• **Training** for data owners	• Improve **data quality**
	✓ **Quarterly** data collection	• Improve **timeliness** of data submission
Supplier Training	• Develop **training deck** for key suppliers	• Improve **suppliers' awareness** of MFCB's sustainability commitments and policies as well as expectations
	• Disseminate **e-learning** and develop **feedback mechanism**	• Ensure **suppliers' understanding** on commitments and expectations
Community Outreach	• Establish **guidelines for community investment** fund	• **Strategic investment** in community projects focusing on specific themes • **Impact assessment** report based on community investment
Engagement	• **Launch** Sustainability strategy for employees	• **Increase employees' awareness** of MFCB's sustainability strategy and efforts
	• Employee **training**	• Enhance **employees' understanding** and knowledge about ESG matters
	✓ Quarterly **Board updates**	• Keep **employees up-to-date** of MFCB's sustainability efforts

ENVIRONMENT DASHBOARD - 1H2023

ENVIRONMENT

984,444 MWh	**577,580 tons**	**168,372 GJoules**	**245,300 tCO_{2e}**	**15,363 tCO_{2e}**	**3,011 tons**
Total Renewable Energy Generated[1]	Total CO_{2e} Avoided From The Environment	Total Energy Consumption[2]	Total Direct Emissions[2] (Scope 1)	Total Indirect Emissions From Purchased Energy[2] (Scope 2)	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 (HQ included) except Hexachase Group under the Packaging Division.

- All data are from 1 Jan - 30 June 2023

SOCIAL DASHBOARD - 1H2023

SOCIAL

Total Workforce	931	286	1,217
Ratio in Workforce	3.3:1		
Average Training hours	4.5	7.6	6.05

Ethnicity	Chinese	Malay	Indian	Others
	18%	41%	5%	37%

	< 30 years	30 - 50 years	> 50 years
Senior Management	0	3	13
Management	5	70	35
Executive	63	115	22
Non-Executive	464	385	42

Note:
- All data are as at 30 June 2023

SAFETY DASHBOARD - 1H2023

Notes:
- Data are for all three main Divisions except Hexachase Group under the Packaging Division
- All data are as at 30 June 2023

GOVERNANCE DASHBOARD - 1H2023

GOVERNANCE

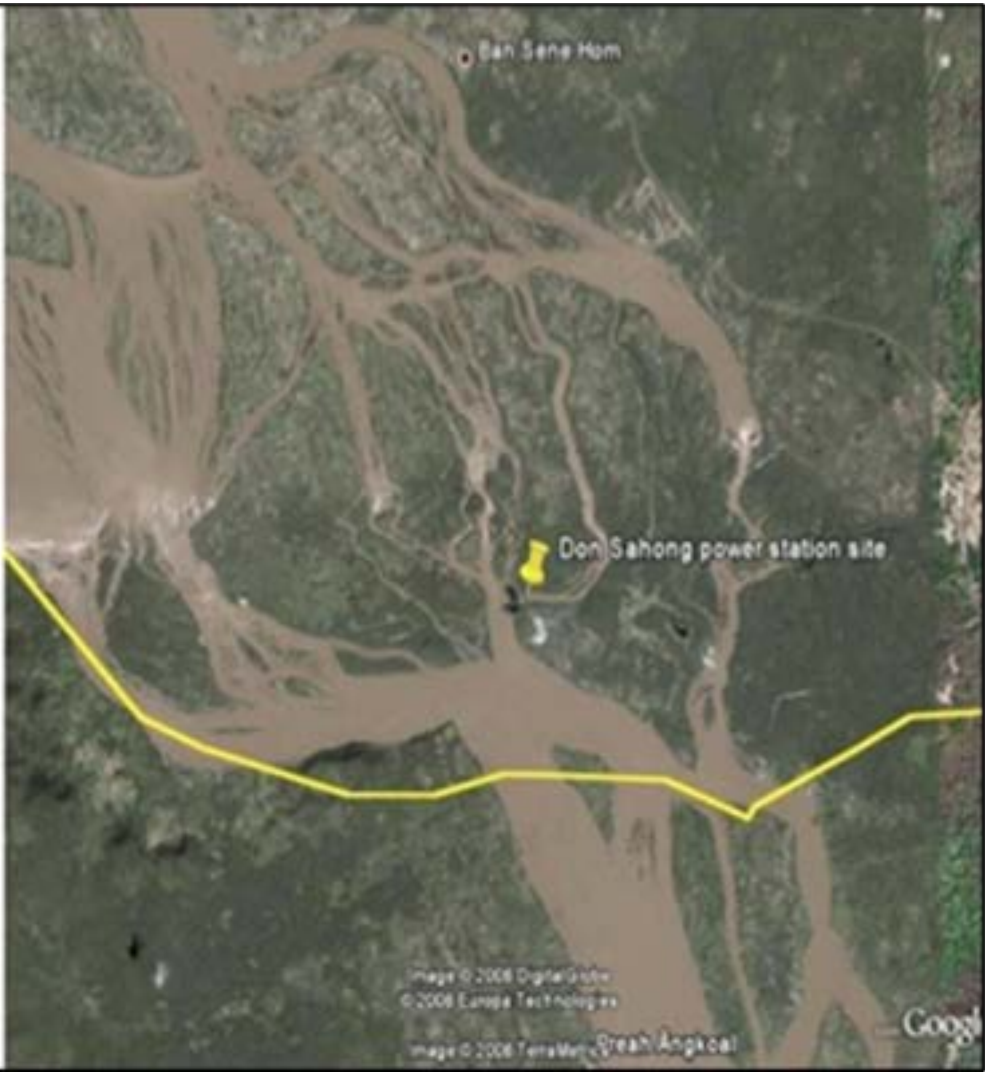
0	0	0	0	0
Confirmed Incidents Of Corruption	Confirmed Incidents Of Non-compliance With Laws And Regulations	Legal Actions For Anti-Competitive Behaviour, Antitrust, And Monopoly Practices	Complaints Received Concerning Breaches Of Customer Privacy	Identified Leaks, Thefts, Or Losses Of Customer Data

Note:
- Data are for all three main Divisions except Hexachase Group under the Packaging Division
- All data are as at 30 June 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% (2022: 94.6%) 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.

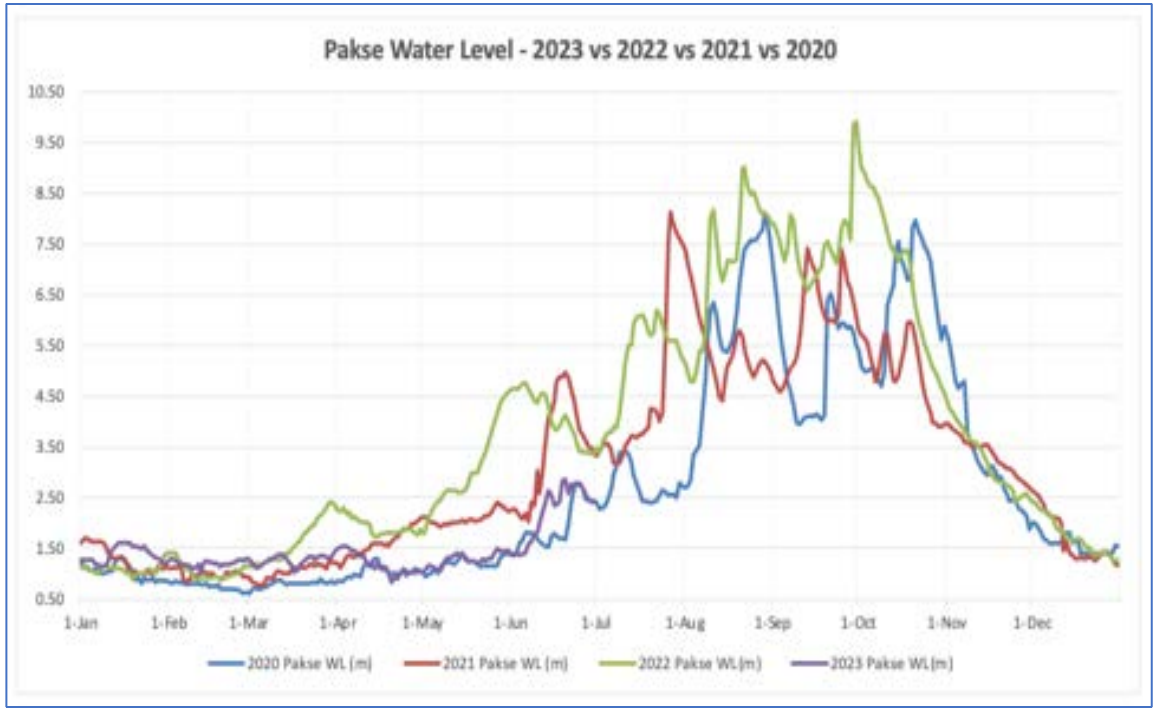
RENEWABLE ENERGY DIVISION
DON SAHONG

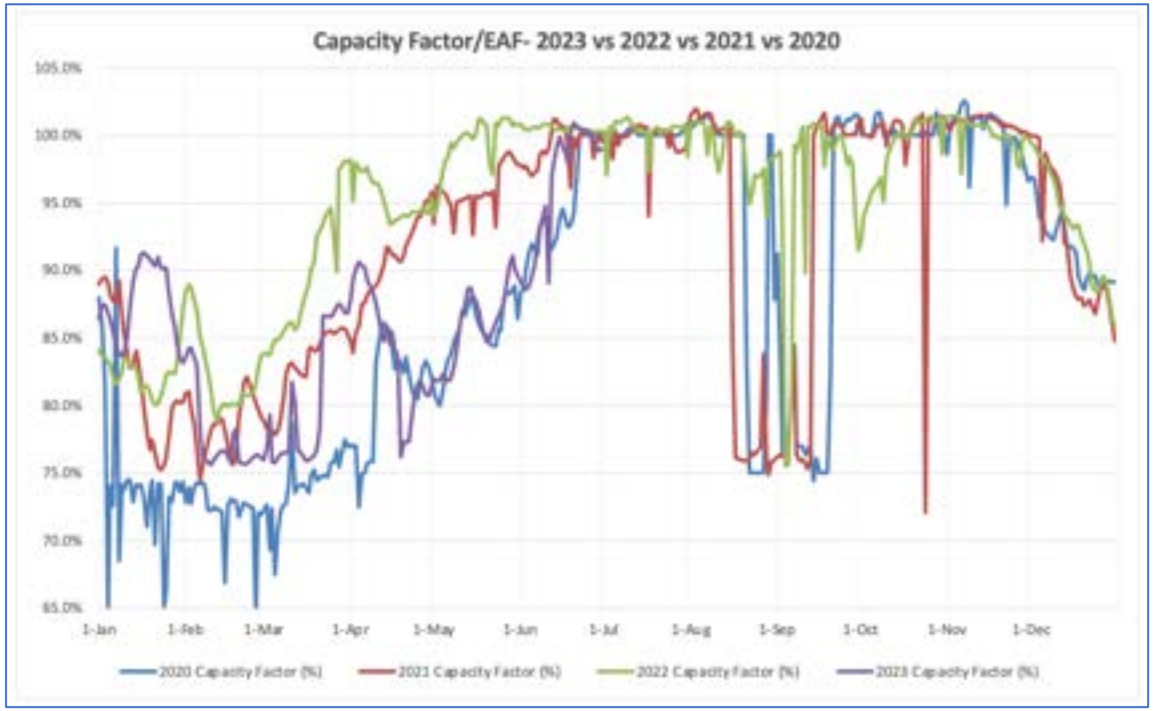



RENEWABLE ENERGY DIVISION
DON SAHONG

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)	**2018**	**2019**	**2020**	**2021**	**2022**
Revenue					
- Energy	-	35,086	510,214	533,864	596,925
- Construction	656,228	435,289	-	-	-
	656,228	**470,375**	**510,214**	**533,864**	**596,925**
Profit before tax					
- Energy	-	24,976	372,086	385,585	419,698
- Construction	177,058	157,506	-	-	-
	177,058	**182,482**	**372,086**	**385,585**	**419,698**

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 → 3.4% net gearing as at 31 March 2023.
- 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

Wafer Packaging
BOPP/MBOPP

Bread Packaging
BOPP/CPP

Outer Bag Packaging
Matte BOPP20/WCPP50

Snack Packaging
BOPP/MBOPP/LLDPE

Tea Packaging
BOPP/MBOPP/CPP

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
CUSTOMER BASE

BAT
A BETTER TOMORROW
PHILIP MORRIS INTERNATIONAL
Tetra Pak
PROTECTS WHAT'S GOOD
PEPSICO
Delfi
KERRY
Rebisco
Kellogg's
Leslie's
Leslie Corporation
MEYER Seals
NABATI
JTI
ITC Enduring Value
Nestlé
coles
AB MAURI
Passionate About Baking
Everts
THE BALLOON COMPANY
Karat BY LOLLICUP
McDonald's
GB FOODS
UNAHCO
UNIVET NUTRITION & ANIMAL HEALTHCARE COMPANY
Julie's
ORIENTAL
PNI
PACIFIC NATIONAL INDUSTRIES
meristem
Packaging Company
BJC
AIK CHEONG
Since 1955
Coca-Cola
MAMEE

PACKAGING DIVISION
FINANCIAL HIGHLIGHTS

5-Year Earnings Summary					
(RM'000)	2018	2019	2020	2021	2022
Revenue	57,433	68,427	97,775	208,217	398,964
Profit before tax	(4)	(501)	9,461	22,219	33,546


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.
- 2022 sales volume: approx. 500,000 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. 80%

Financial Highlights

5-Year Earnings Summary					
(RM'000)	2018	2019	2020	2021	2022
Revenue	142,249	143,624	142,819	154,880	206,324
Profit before tax	18,606	16,460	18,766	16,725	17,385

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.

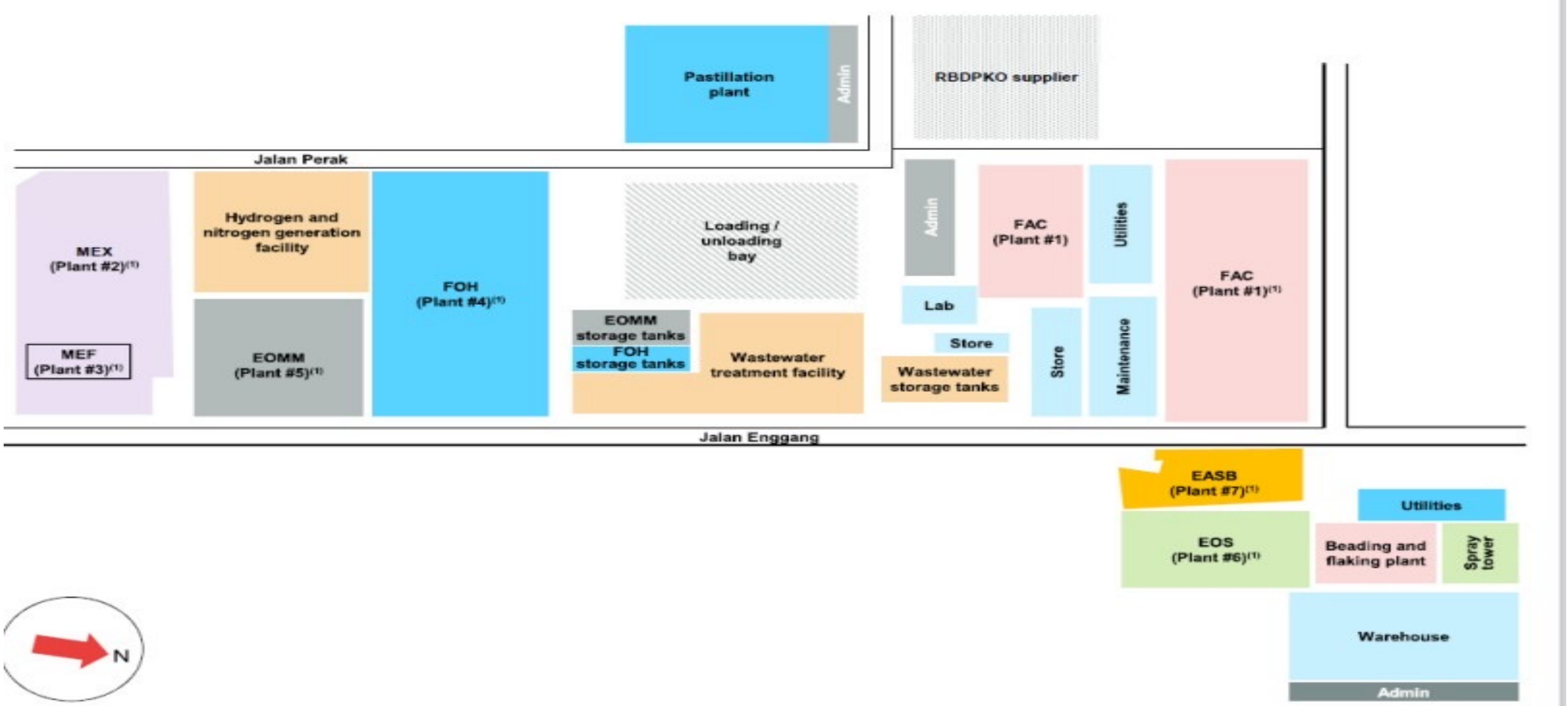
INVESTMENT IN JOINT VENTURE
EDENOR TECHNOLOGY

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.


PLANTATION

PLANTATION 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.

PLANTATION 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.

PLANTATION UPDATE

1) Background

- Main crops: coconuts & macadamia.
- Cumulative investment as at 30 June 2023: RM127 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 30 June 2023: about 2,500 hectares.

3) Plans

- Planned planting in 2023: 350-400 hectares.
- Target to complete planting by end of 2025/2026.
- Evaluating various downstream processing businesses.
- Not expected to contribute positively to earnings until after 2026.

PLANTATION UPDATE

PLANTATION UPDATE



PLANTATION UPDATE

THANK YOU!