MFCB
MEGA FIRST CORPORATION BERHAD

2Q2024 RESULTS BRIEFING

28 August 2024




AGENDA

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

2Q2024 EARNINGS REVIEW

	2Q2024 RM'000	2Q2023 RM'000	YoY Change (%)	1Q2024 RM'000	QoQ Change (%)
Revenue					
Renewable Energy	156,211	144,859	7.8%	137,685	13.5%
Resources	56,672	52,362	8.2%	63,763	-11.1%
Packaging	104,220	100,371	3.8%	102,819	1.4%
Sub-total	317,103	297,592	6.6%	304,267	4.2%
Investment holding & others	14,847	28,061	-47.1%	9,212	61.2%
Total	331,950	325,653	1.9%	313,479	5.9%
PBT					
Renewable Energy	110,241	105,558	4.4%	88,778	24.2%
Resources	12,646	5,802	118.0%	14,440	-12.4%
Packaging	9,124	8,104	12.6%	8,595	6.2%
Sub-total	132,011	119,464	10.5%	111,813	18.1%
Investment holding & others	(4,188)	3,073	-236.3%	19,923	-121.0%
Share of profit in JV/associate:					
- Operation earnings	(9,537)	(8,057)	18.4%	(13,915)	-31.5%
Total	118,286	114,480	3.3%	117,821	0.4%
PAT	112,461	109,019	3.2%	108,046	4.1%
PAT attributable to owners of Company	105,355	88,609	18.9%	95,464	10.4%

- All core divisions posted positive growth rates.
- Revenue (excluding Tawau plant) +8.8% to RM331.9 mil, driven by improvements across all core divisions and maiden sales from CSC.
- PBT +3.3% to RM118.3 mil with core division improvements, partly offset by greater losses in the Investment Holding & Others segment.
- PATNCI +18.9% to RM105.4 mil, boosted by core division growth and an additional 15% effective interest in DSPC.
- Investment Holding & Others (B4 JVs/Associates) reported RM4.2 mil loss vs RM3.1 mil profit in 2Q2023 due to lower forex gains (down RM8.4 mil), partly offset by a RM2.5 mil insurance income.
- Share of loss in JV/associate was primarily attributable to Edenor. Edenor experienced significant capacity loss and production disruptions due to unscheduled repairs and upgrading works.

NORMALISED PROFIT BEFORE TAX

	2Q2024 RM'000	2Q2023 RM'000	YoY Change (%)	1Q2024 RM'000	QoQ Change (%)
Reported PBT	118,286	114,480	3.3%	117,821	0.4%
Adjustments:					
Share of profit in JV/associate:	(9,537)	(8,057)	18.4%	(13,915)	-31.5%
Fair value loss on put option liability	(883)	(1,020)	-13.4%	(882)	0.1%
Forex gain on capital transaction	-	1,796	-100.0%	-	n.m.
Insurance income (fire incident)	2,467	-	100.0%	22,389	-89.0%
Inventories written off (accounting policy change)	-	(3,276)	-100.0%	-	n.m.
Tax penalties	-	(29)	-100.0%	-	n.m.
	(7,953)	(10,586)	-24.9%	7,592	-204.8%
Normalised PBT	126,239	125,066	0.9%	110,229	14.5%

- Despite strong improvements in core earnings, normalised PBT recorded only marginal 0.9% increase YoY from RM125.1 mil to RM126.2 mil due mainly to lower forex gain (down RM6.6 mil) and high interest expense from additional USD borrowings to fund acquisition of 20% stake in DSPC.
- Compared to 1Q2024, normalised PBT rose 14.5% due to seasonally stronger earnings from RE and continued improvement in Packaging Division, which outweighed higher interest expense and reduced contribution from Resources Division.

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

	2Q2024 RM'000	2Q2023 RM'000	YoY Change (%)	1Q2024 RM'000	QoQ Change (%)
Reported PATNCI	105,355	88,609	18.9%	95,464	10.4%
Adjustments:					
Share of profit in JV/associate:	(9,537)	(8,057)	18.4%	(13,915)	-31.5%
Fair value loss on put option liability	(883)	(1,020)	-13.4%	(882)	0.1%
Forex gain on capital transaction	-	1,796	-100.0%	-	n.m.
Insurance income (fire incident)	1,295	-	100.0%	12,034	-89.2%
Inventories written off (accounting policy change)	-	(3,276)	-100.0%	-	n.m.
	(9,125)	(10,557)	-13.6%	(2,763)	230.3%
Normalised PATNCI	114,480	99,166	15.4%	98,227	16.5%

- Normalised PATNCI +15.4% YoY from RM99.2 mil to RM114.5 mil, reflecting the strength of Group’s core businesses and positive impact of increased effective interest in DSPC.
- A 16.5% sequential increase in normalised PBT, rising from RM98.2 mil to RM114.5 mil, attributed to seasonally stronger RE contribution and improved earnings in Packaging.


RENEWABLE ENEGY
DIVISION

EARNINGS REVIEW - RENEWABLE ENERGY DIVISION

(RM mil)	2023					2024			Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	YoY (%)	QoQ (%)
Revenue	128.5	144.8	164.3	168.6	606.2	137.7	156.2	293.9	7.9%	13.4%
PBT	88.5	105.6	122.8	120.7	437.6	88.8	110.2	199.0	4.4%	24.1%
PBT margin (%)	68.9%	72.9%	74.7%	71.6%	72.2%	64.5%	70.6%	67.7%		
EAF (%)	81.9%	88.7%	97.6%	97.4%	91.4%	79.3%	89.7%	84.5%	1.1%	13.1%
Average RM/USD rate	4.392	4.527	4.628	4.699	4.561	4.723	4.731	4.727	4.5%	0.2%

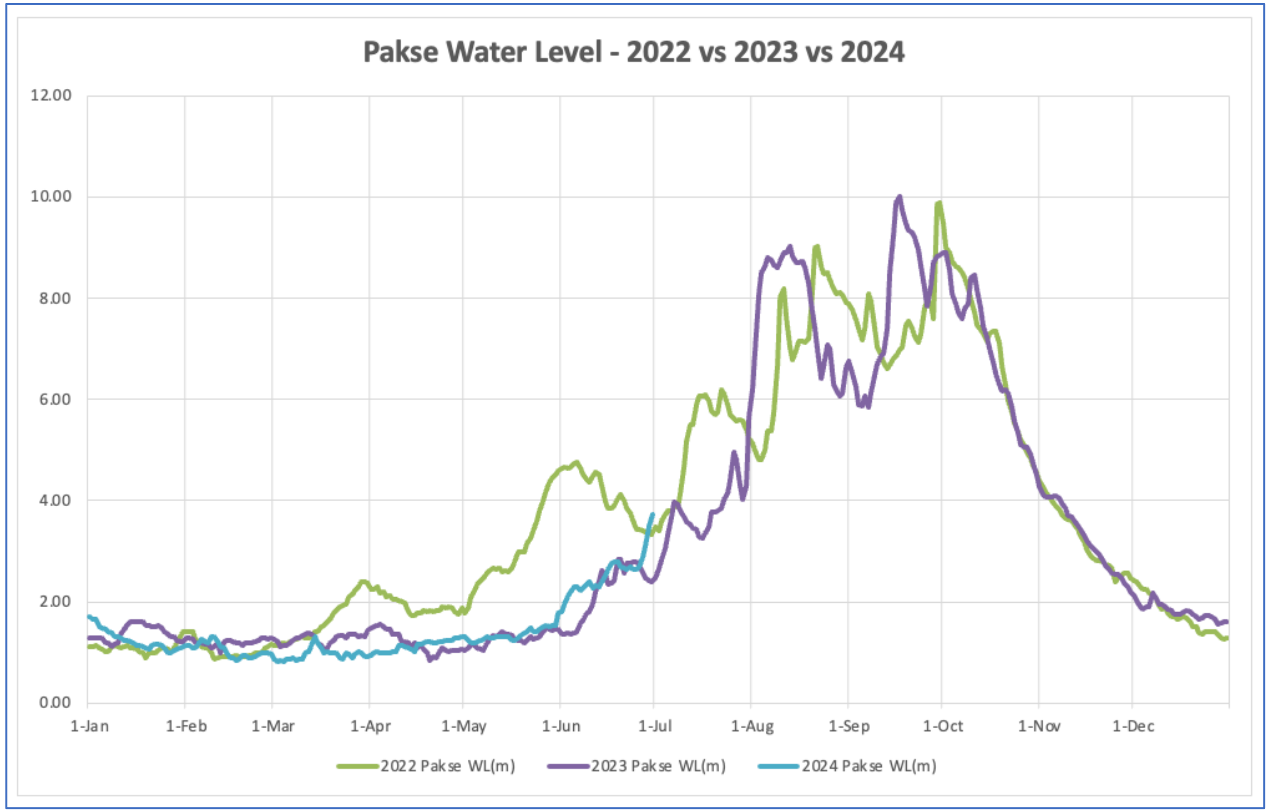
2Q2024 vs 2Q2023

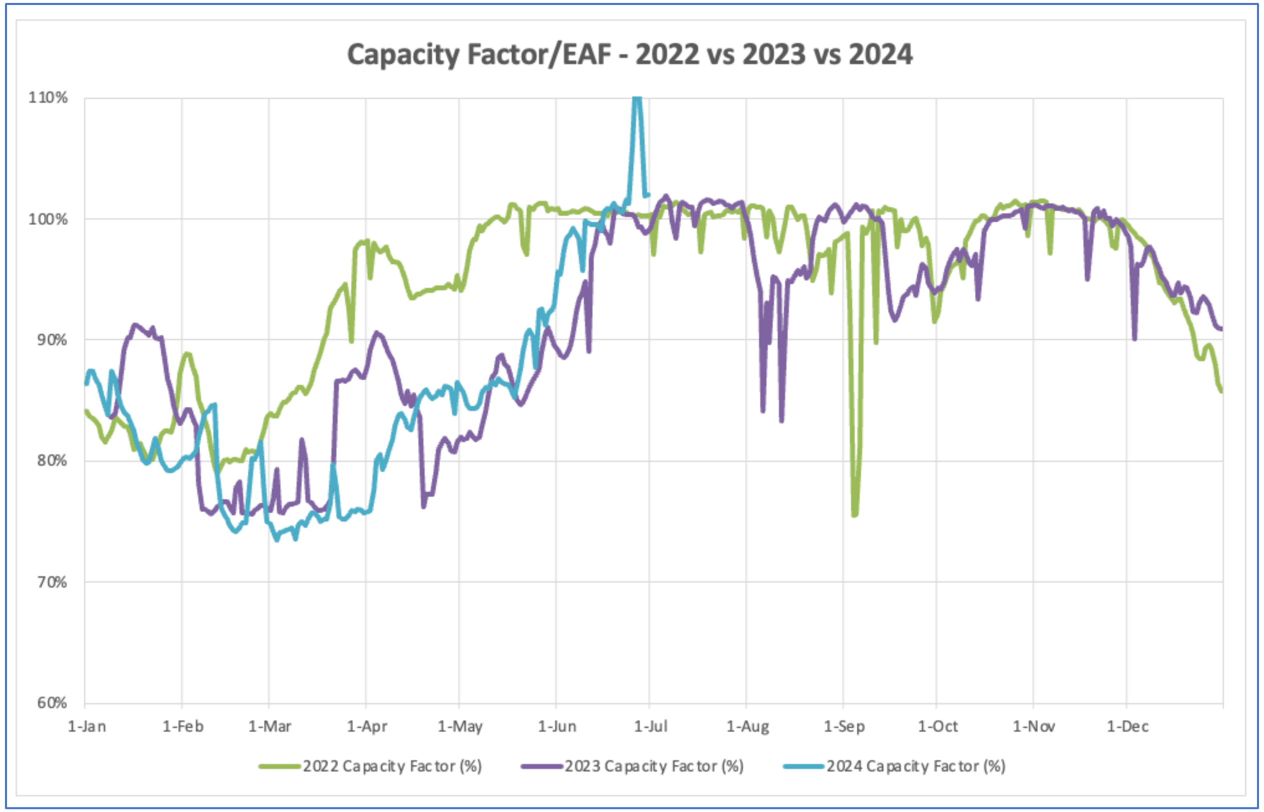
- Revenue +7.9% to RM156.2 mil: higher hydro energy sales (+7.5%), higher solar energy sales (+31.6%) and test energy income from the new 5th turbine (RM0.7 mil).
- Higher hydro energy sales: 4.5% currency gain, 1.1% increase in sales volume and 1% upward tariff revision.
- Average EAF +1.0% point to 89.7% due mainly to higher average water levels.
- Higher solar energy sales: installed capacity 20.5 MW → 28.3 MW.
- PBT +4.4% to RM110.2 mil: higher revenue, partly offset by higher interest expense (see Note below).

Note: *MFCB took up an additional US$55 mil loan to fund the acquisition of a further 20% equity stake in DSPC. The higher interest expense is more than compensated for by the increase in PATNCI.*

RENEWABLE ENERGY DIVISION - DON SAHONG

Don Sahong : January - June 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	Total	YoY (%)	QoQ (%)
Revenue	55.8	52.4	48.3	46.4	202.9	63.8	56.6	120.4	8.0%	-11.3%
PBT	5.8	5.8	5.5	6.2	23.3	14.4	12.7	27.1	119.0%	-11.8%
PBT margin (%)	10.4%	11.1%	11.4%	13.4%	11.5%	22.6%	22.4%	22.5%		

2Q2024 vs 2Q2023

- Revenue +8.0% to RM56.6 mil: higher sales volume of lime products (+5.5%) and currency gain in export sales (+4.5%), partly offset by lower sales of non-lime products (-7.7%) due to business cessation of the brick products.
- PBT +119.0% to RM12.7 mil: increased revenue, productivity gains and a favourable shift in sales mix.

PACKAGING DIVISION

EARNINGS REVIEW - PACKAGING DIVISION

(RM mil)	2023					2024			Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	YoY (%)	QoQ (%)
Revenue	103.5	100.4	98.1	100.3	402.3	102.8	104.2	207.0	3.8%	1.4%
PBT	7.3	8.1	10.1	8.1	33.6	8.6	9.1	17.7	12.3%	5.8%
PBT margin (%)	7.1%	8.1%	10.3%	8.1%	8.4%	8.4%	8.7%	8.6%		

2Q2024 vs 2Q2023

- Revenue +3.8% to RM104.2 mil despite a challenging operating environment characterised by weak consumer demand and excess industry capacities.
- PBT (excluding insurance income) +12.3% to RM9.1 mil.

BALANCE SHEET REVIEW

	At 30.6.2024 (RM million)	At 31.12.2023 (RM million)	Changes (RM million)	Explanation
Service concession asset	1,948.9	1,940.0	8.9	RM54.8 mil translation gain, largely offset by RM45.9 mil amortisation charge.
PPE	1,023.5	531.9	491.6	RM354.8 mil transfer from development expenditures (5th turbine), RM79.8 mil effect of CSC consolidation, RM73.5 mil Capex* and RM3.0 mil translation gain, partly offset by RM19.3 mil depreciation charge.
Investment properties	268.1	168.7	99.4	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	117.9	116.3	1.6	Consolidation of CSC (+RM3.2 mil), partly offset by RM1.9 mil amortisation charge.
Investment in quoted shares	138.1	133.3	4.8	RM3.6 mil fair value gain and RM1.2 mil new investment.
Joint Ventures and associates	143.2	166.7	(23.5)	Share of loss from JVs and associates.
Development expenditures	17.7	203.0	(185.3)	Mainly due to transfer to PPE (as explained above). The balance represented mainly cumulative costs incurred for the construction of 11MW solar power plants in the Republic of Maldives.
Inventories (current)	141.8	131.7	10.1	In line with higher revenue base and the effect of CSC consolidation.
Receivables and prepayments	481.3	490.1	(8.8)	7.8% decline in USD receivable from EDL, partly offset by the effect of CSC consolidaiton (+RM10.3 mil).
Deferred tax liabilities	139.1	127.0	12.1	Consolidation of CSC (+RM9.9 mil) and RM2.2 mil translation loss.
Payables and accruals (current)	257.8	168.8	89.0	Mainly due to increase in amount owing to the 5th turbine contractor and accruals of related development costs, as well as the effect of CSC consolidation (+RM29.7 mil).
Shareholder equity	3,282.0	3,056.9	225.1	
Net assets per share (RM)	3.48	3.24	0.24	

Capex comprises mainly:

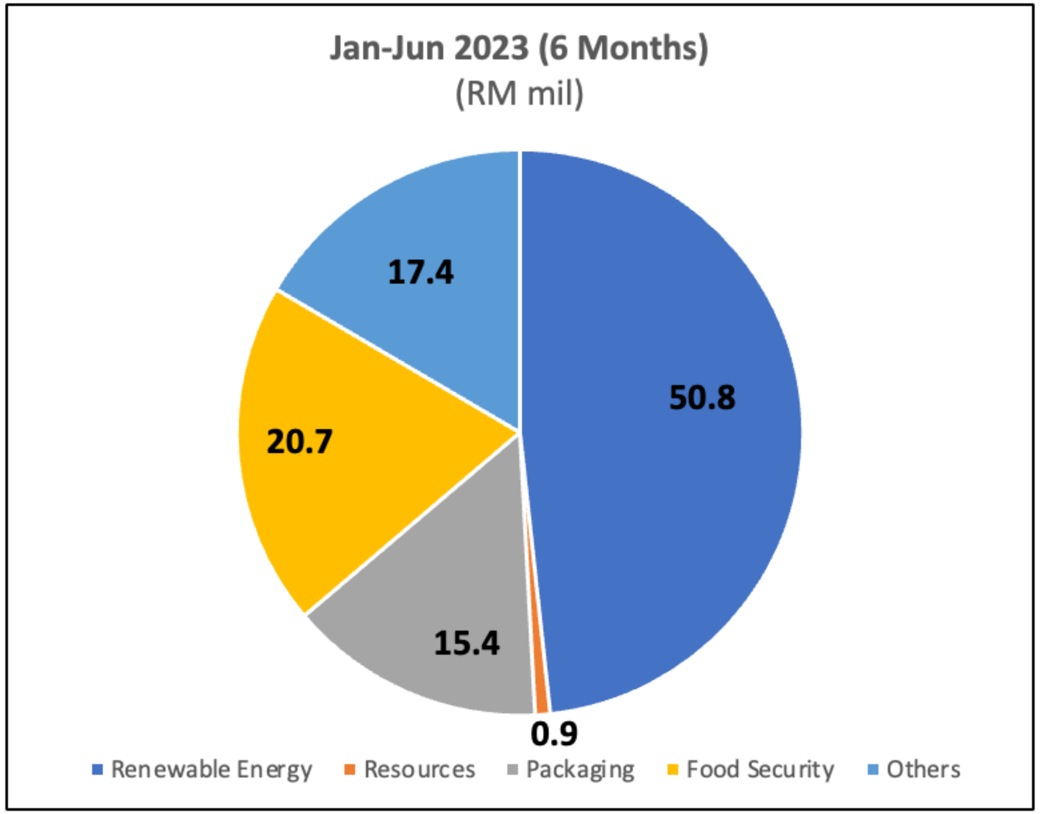
1. *RM58.6 mil by the Packaging Division for construction of new factories and restoration of manufacturing facilities damaged by fire.*
2. *RM8.6 mil by the Food Security Division.*

CASH FLOW REVIEW

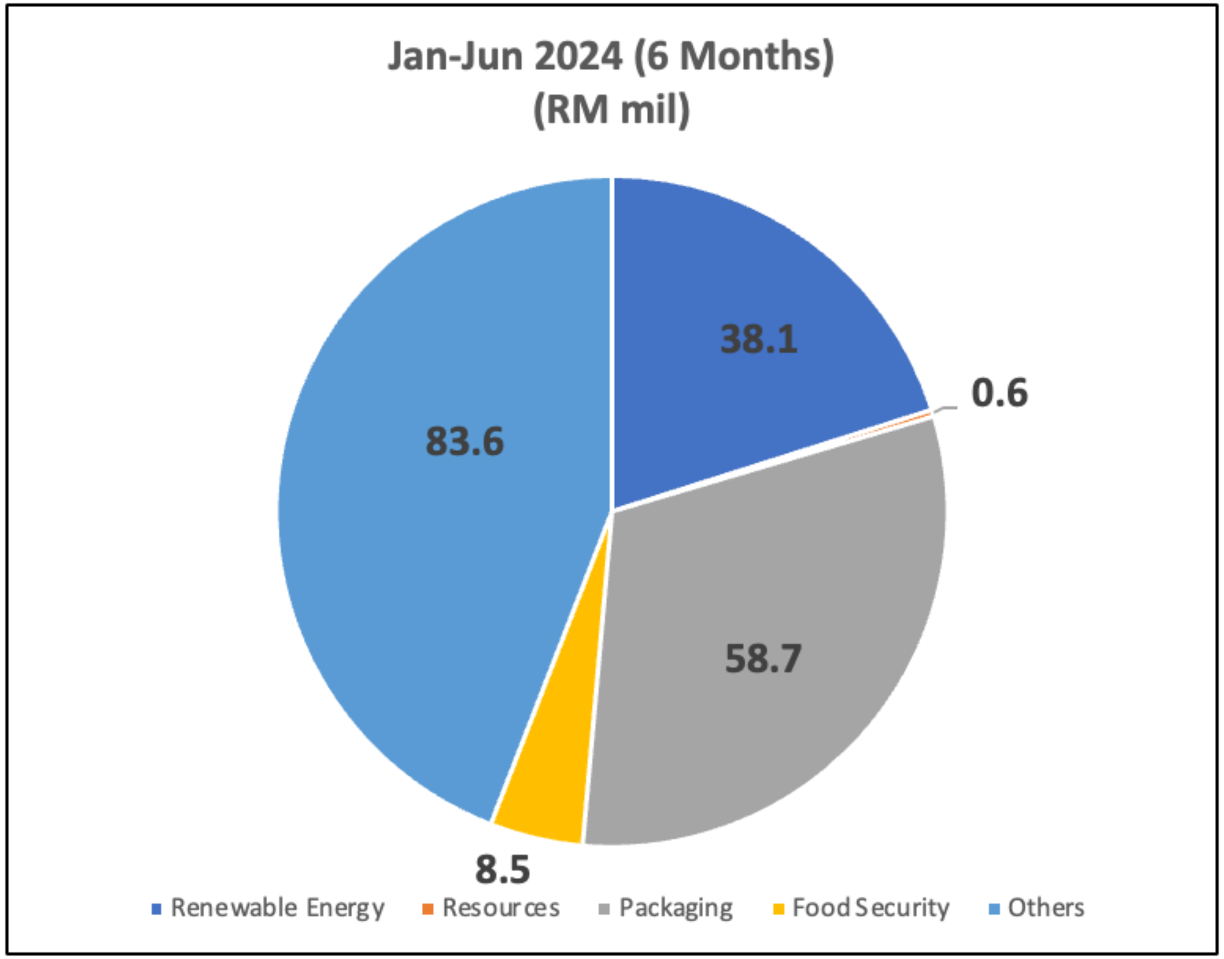
	6-Month Period Ended	
	2024 (RM mil)	2023 (RM mil)
After tax cash from operating activities	299.4	293.4
Net cash inflow from non-operating investment activities	12.1	11.1
New capital from minority of subsidiary	-	-
Total Cash Made Available to the Group	**311.5**	**304.5**
Investing Activities		
Investment in joint ventures and associates	-	(5.7)
Acquisition of shares/Subscription of additional shares in subsidiaries	(10.1)	-
Quoted investment	(1.2)	-
Short-term investment, net	4.5	(10.0)
Capex + investment properties	(148.8)	(47.6)
Don Sahong Hydropower Project + expansion	(33.9)	(41.9)
Total Investment	**(189.5)**	**(105.2)**
Financing Activities		
Dividends paid	(42.1)	(44.0)
Finance costs paid	(35.7)	(21.5)
Purchase of treasury shares	-	(5.6)
Total Distribution	**(77.8)**	**(71.1)**
Net cash flow retained by the Group	**44.2**	**128.2**
Effects of forex and others	(34.1)	4.1
Change in Net Cash/(Debt) of the Group	**10.1**	**132.3**
Net Cash/(Debt):		
- At beginning of period	(392.7)	(220.6)
- At end of period	(382.6)	(88.3)
- Change	**10.1**	**132.3**

EXPANSIONARY INVESTMENT CAPITAL DEPLOYED

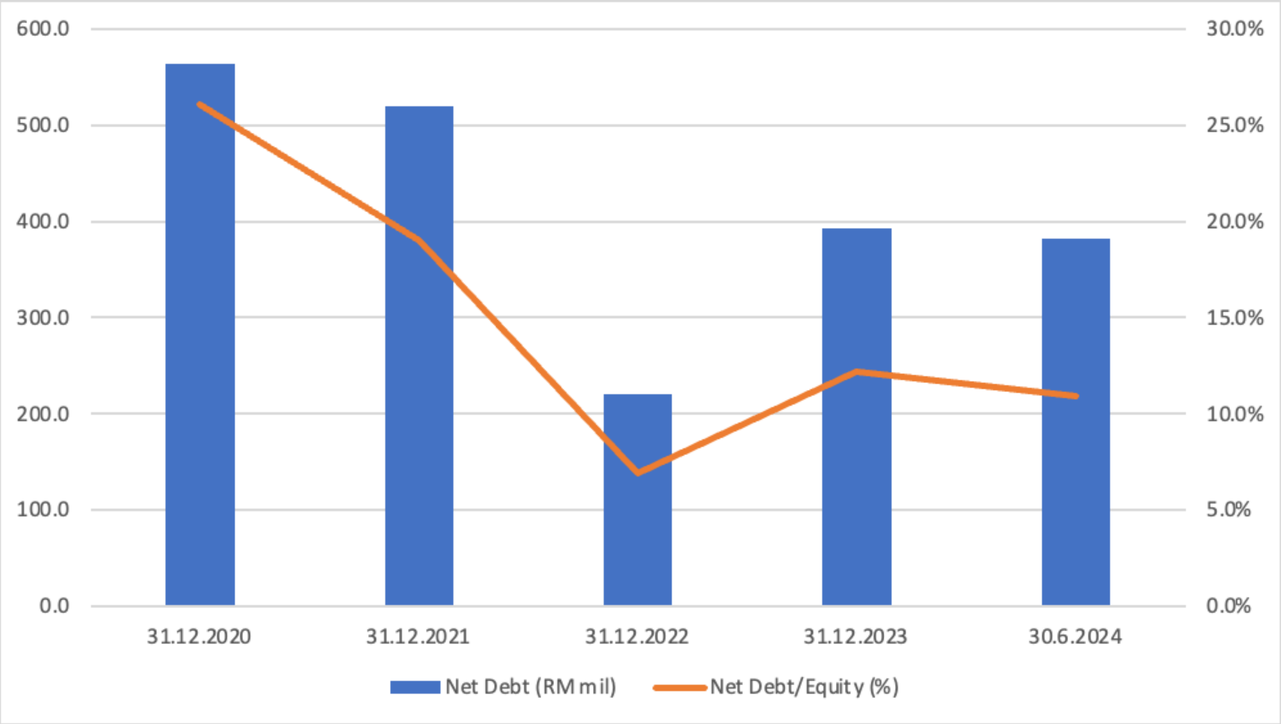
1H2023: RM105.2 mil



1H2024: RM189.5 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 30.6.2024 (RM mil)
Total Cash	93.6	257.7	492.3	508.6	660.8
Total Debt	-657.9	-777.9	-712.9	-901.3	-1,043.4
Net Debt	**-564.3**	**-520.2**	**-220.6**	**-392.7**	**-382.6**
Equity	2,165.6	2,739.6	3,191.0	3,224.0	3,508.3
Net Debt/Equity Ratio	**26.1%**	**19.0%**	**6.9%**	**12.2%**	**10.9%**

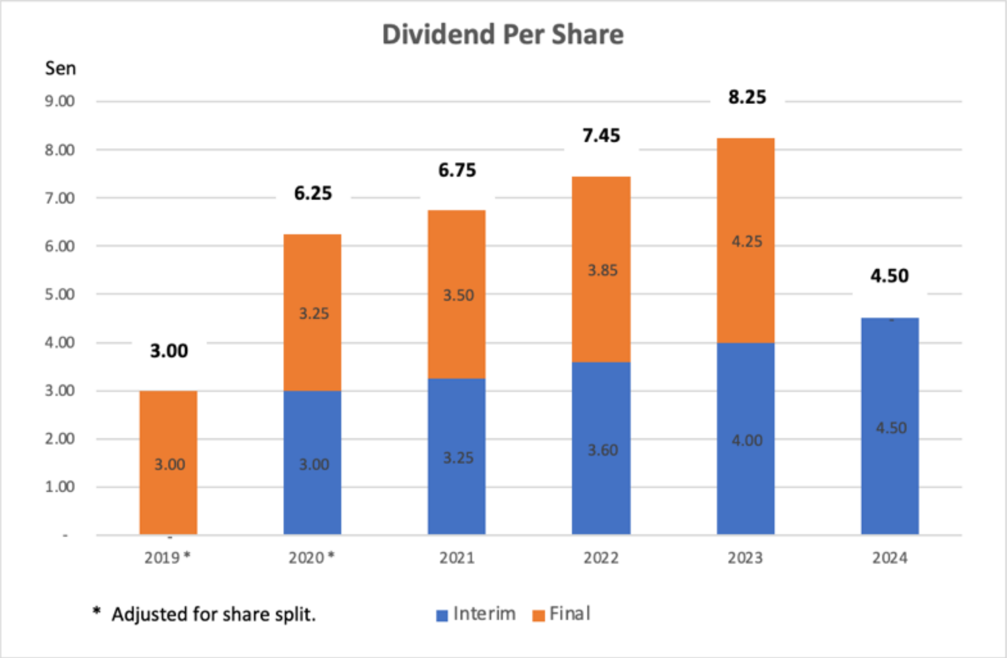
JV EDENOR TECHNOLOGY

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)	Total (RM mil)
Revenue	265.0	220.7	207.8	198.3	891.8	197.9	176.2	374.1
EBITDA	4.3	(1.5)	3.1	3.2	9.1	(10.3)	(7.5)	(17.8)
Depreciation and amortisation	9.2	9.1	9.1	9.4	36.8	9.5	9.3	18.8
PAT	(7.3)	(18.6)	(8.0)	(8.2)	(42.1)	(24.1)	(20.2)	(44.3)
PAT after MI	(7.7)	(16.9)	(8.9)	(5.8)	(39.3)	(26.6)	(20.0)	(46.6)
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)	(46.6)
MFCB's Share of Results	2.7	(8.5)	(4.5)	(2.9)	(13.1)	(13.3)	(10.0)	(23.3)
	('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	65.6

OTHER UPDATES

- **Concession Agreement ("CA") and Power Purchase Agreement ("PPA") for DSPC 5th turbine expansion**
  - Terms finalised awaiting formal approval from Lao government.
  - New CA and PPA will encompass all 5 turbines.
  - Expected completion by 31 December 2024.

- **Dividends**
  - Interim single-tier dividend of **4.50 sen** per share for the FY ending 31 December 2024

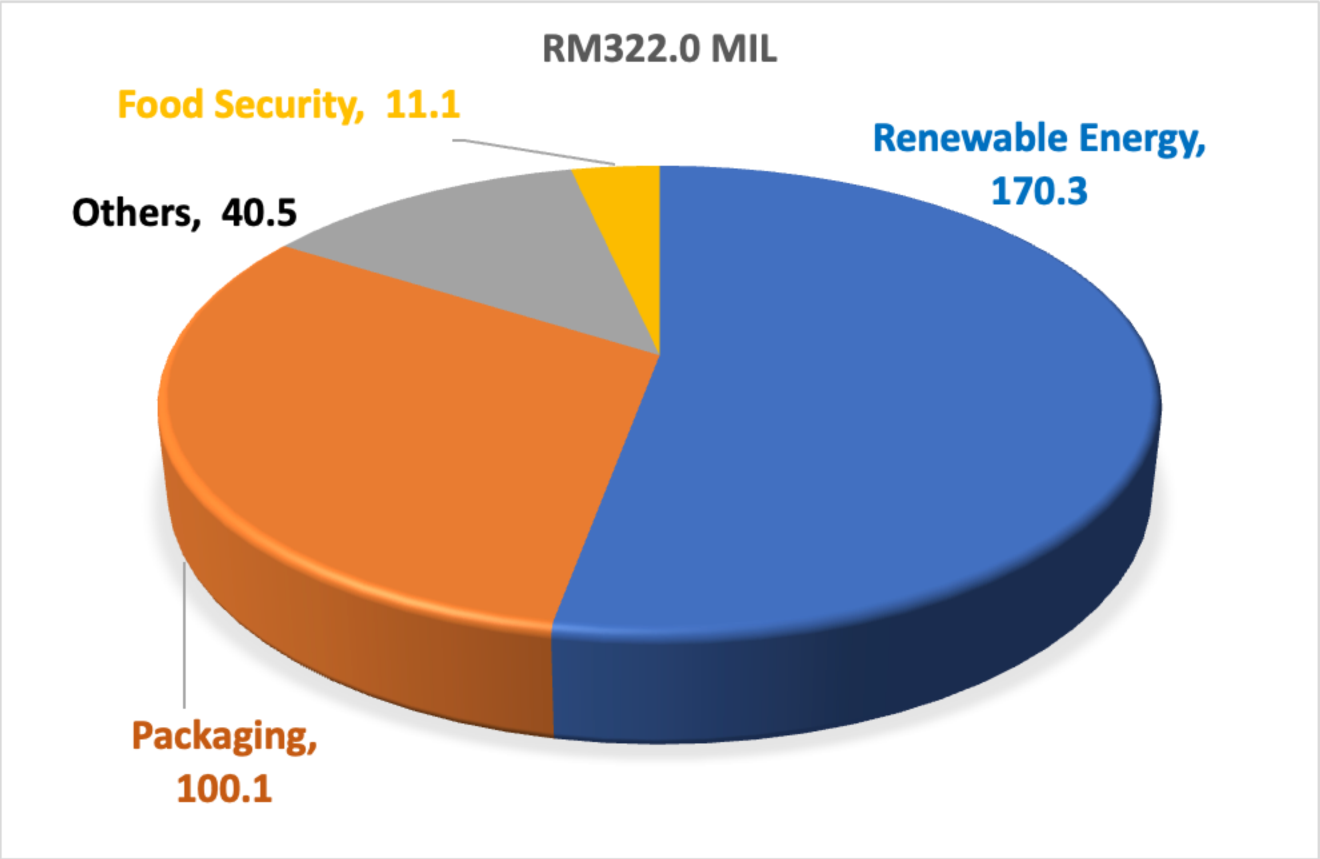


PROSPECTS FOR REMAINING QUARTERS OF 2024

- Normalised PATNCI (excluding share of JVs and associates' earnings and one-off non-operational items) increased by 18.4% YoY to RM212.7 million in the first half of 2024 (1H2023: RM179.7 million).
  - Underlying strength of the Group's core businesses.
  - Impact of acquiring an additional 15% effective equity stake in Don Sahong Power Company.

- We are confident that the growth momentum in normalised PATNCI from the first half of 2024 will be surpassed in the second half of 2024, even with the challenges of a stronger Malaysian Ringgit and weak consumer sentiment.

PROSPECTS FOR REMAINING QUARTERS OF 2024
CAPITAL COMMITMENT AS AT 30 JUNE2024



Solar: RM170.3 mil

Factory construction: RM33.7 mil
Production machinery: RM66.4 mil

PROSPECTS FOR REMAINING QUARTERS OF 2024

Renewable Energy Division (Hydro)

- The 5th turbine was successfully tested, commissioned, and put into operation on 4 July 2024. The total generation capacity increases from 260 MW to 325 MW. At present, Don Sahong is operating at 315 MW, achieving an impressive average EAF of 96.9%.
- Hydro energy sales volumes in the second half of 2024 are expected to be higher than in the first half due to the enhanced generation capacity and the increased EAF during the wet season.
- The recent appreciation of the Malaysian Ringgit (5-6% increase since the end of June 2024), if maintained for the remainder of the year, may result in lower reported earnings in Ringgit terms (on same USD term) for the second half of 2024.
- Despite the stronger Ringgit and considering the increase in effective ownership of DSPC from 80% to 95%, we expect that the PATNCI for Don Sahong will demonstrate robust double-digit YoY growth of over 20% in the second half of 2024.
- Outstanding loan at end-August 2024: US$115.8 mil. Current weighted average interest rate: 7.1%.

PROSPECTS FOR REMAINING QUARTERS OF 2024

Renewable Energy Division (Solar)

- We expect solar energy earnings to continue to grow in 2024 on progressive installation of secured solar capacities.
- 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.
- As part of our strategy to expand our RE portfolio, management submitted a bid for 60 MW under the 5th Large-Scale Solar (LSS5) competitive bidding program announced by the Energy Commission on 1 April 2024.

PROSPECTS FOR REMAINING QUARTERS OF 2024
PORTFOLIO SUMMARY AS AT 30 JUNE 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:	67.1 MW	Solar:	95.9 MW
Total:	**353.8 MW**	**Total:**	**67.1 MW**	**Total:**	**420.9 MW**

RENEWABLE ENERGY DIVISION - EXPANSION

Renewable Energy Projects on Hand

- C&I solar projects secured:
  - 28.8 MW energised in 1H2024.
  - 67.1 MW to be progressively commissioned and energised over the next 18 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 2024.
  - 46.5 MW solar farm project in Malaysia under the Corporate Green Power Programme by the Energy Commission, expected to be commercially operational in 2025.

RENEWABLE ENERGY DIVISION
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG

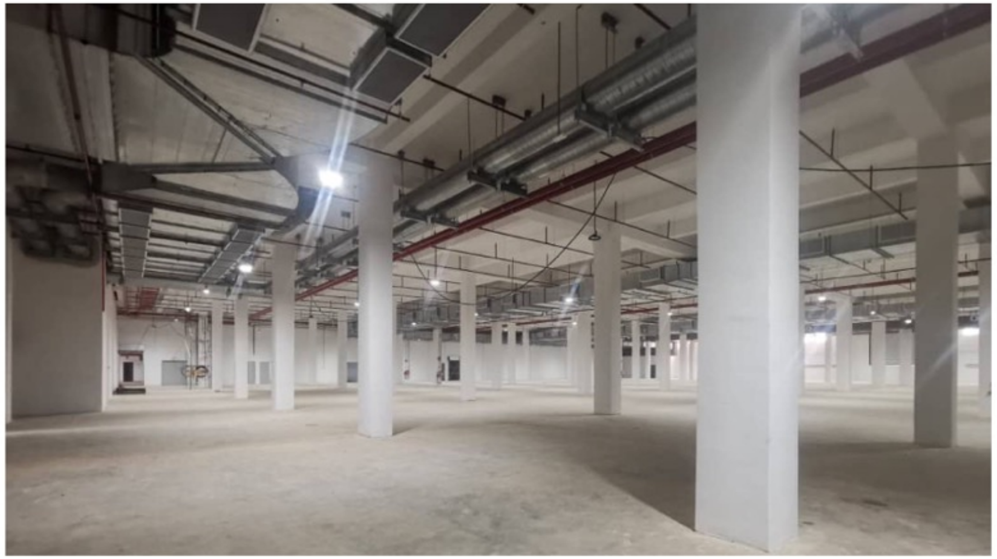
PROSPECTS FOR REMAINING QUARTERS OF 2024

Packaging Division

- Expect continuation of subdued consumer sentiment and constrained purchasing power.
- The recent RM strength adds more challenges for export sales and profit margins, while global excess capacities will heighten price competition.
- Despite these challenges, we remain dedicated to providing innovative value-added packaging solutions at competitive prices.
- Together with our commitment to high service quality and a focus on operational efficiencies and cost-effectiveness, these factors will be crucial for driving growth and building a competitive edge in both local and international markets.
- Stenta’s new factory in Bangi and its first two LLDPE production lines are expected to be completed and commissioned in 4Q2024.
- Hexachase’s new factory in Melaka is expected to be completed in 4Q2024 and its first production line is expected to be commissioned in 1Q2025. Restoration of the production facilities damaged by fire in September in 2023 has been completed and ready for commercial run in July 2024.

PACKAGING DIVISION
BANGI (STENTA)

PACKAGING DIVISION
MELAKA (HEXACHASE)



PROSPECTS FOR REMAINING QUARTERS 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 shipping and logistics costs, 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 and potentially grow our overall sales volume of lime products.

- We anticipate continued solid year-on-year earnings growth in the second half of 2024.

PROSPECTS FOR REMAINING QUARTERS OF 2024

Edenor Technology

- The loss of Edenor in 1H2024 was primarily attributable to unscheduled plant shutdowns for repairs and upgrades.
- Edenor's management is optimistic about a recovery in earnings in the second half of 2024, driven by the plant's enhanced efficiency and more favourable market conditions.

Food Security Division

- Management does not expect any material profit and loss contribution from the Food Security Division in the second half of 2024.
- 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 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

CDP

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)

Launched our second Tier 1 supplier engagements for the main Divisions:

- Responsible Sourcing Policy acknowledgment
- Suppliers Sustainability Assessment 2024

eco-ideal consulting sdn. bhd.

Official engagement with Eco-Ideal for GHG inventory development

Apr (2)

Sustainability engagements with other Divisions – Automotive Components and Property for ESG quarterly reporting

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

Announcement of MFCB Sustainability Reporting 2023

May (1)

Continued 2023's activity - Sustainability 101 and Data owner trainings for Hexachase Group

Sustainability visits for GHG inventory

May (2)

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

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

June

Sustainability visits for GHG inventory

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

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 - JAN-JUN 2024

ENVIRONMENT

985,704 MWh

Total Renewable Energy Generated[1]

632,309 tons

Total CO_{2e} Avoided From The Environment

3,351 tons

Total Waste Diverted From Disposal[2]

Notes:

1. Total Renewable Energy Generated and Total CO_{2e} 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 are for all Divisions of MFCB Group except Food Security Division from 1 January – 30 June 2024.

SOCIAL DASHBOARD - JAN-JUN 2024

SOCIAL

	Male	Female	Total
Total Workforce	1291	380	1671
Ratio in Workforce	3.4 males : 1 female		
Ethnicity	Chinese 18%	Malay 36%	Indian 4% / Others 42%

	< 30 years	30 - 50 years	> 50 years
Senior Management	0	2	13
Management	5	87	41
Executive	88	143	31
Non-Executive	603	568	90

Note:
1. Data are for all Divisions of MFCB Group from 1 January – 30 June 2024.

SAFETY DASHBOARD - JAN-JUN 2024

SAFETY

Work-Related Injuries

0

Fatalities

0

High Consequence Injuries

44

Cases

Work-Related ill Health

0

Fatalities

0

Cases

Note:

1. Data are for all Divisions of MFCB Group except Food Security Division from 1 January – 30 June 2024.
2. 37 out of 44 work-related injuries were from Automotive Components Division. We are seeing a decreasing trend from the Division since last quarter and will continue to observe and work towards implementing the best safety mitigation plans for the future.

GOVERNANCE DASHBOARD - JAN-JUN 2024

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**

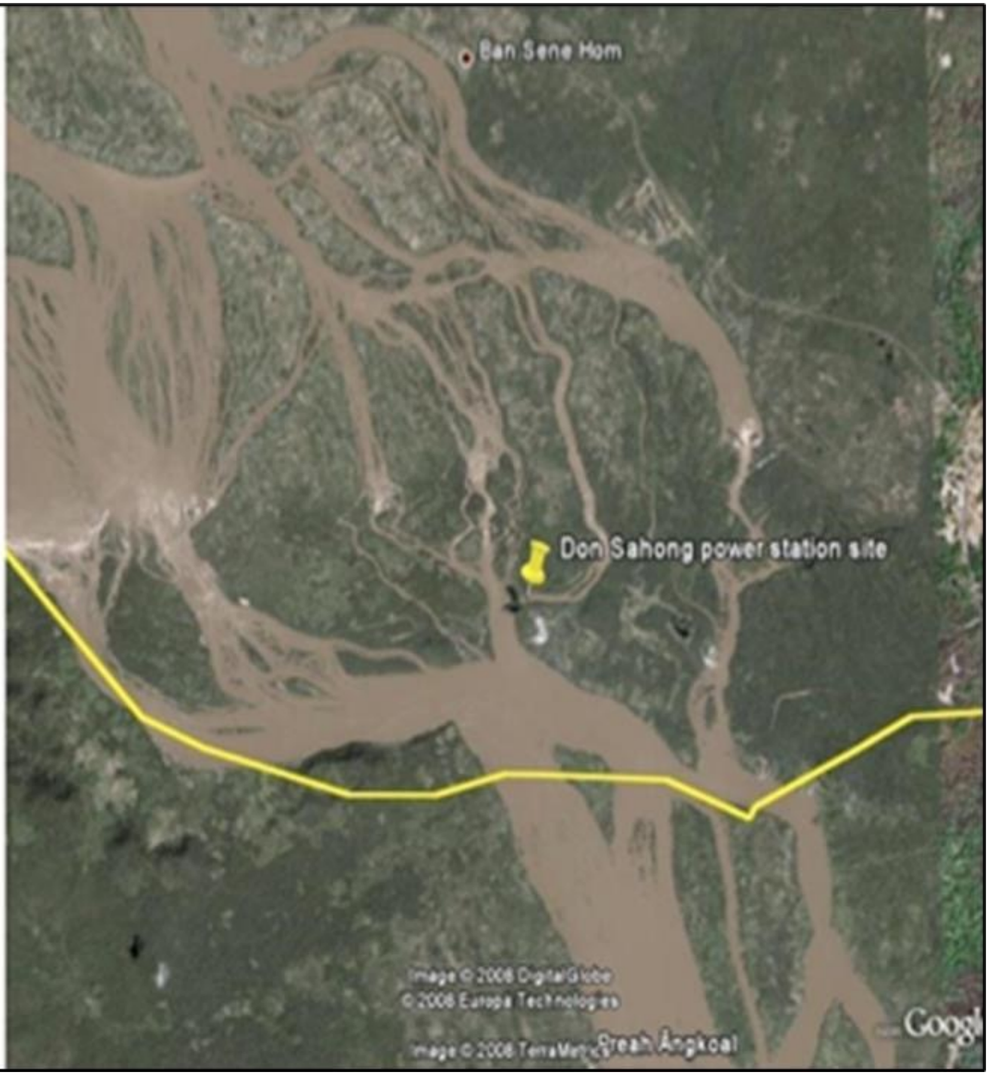
Note:

1. Data are for all Divisions of MFCB Group except Food Security Division from 1 January – 30 June 2024.

Remaining Slides for Reference (Updated)


RENEWABLE ENERGY
DON SAHONG

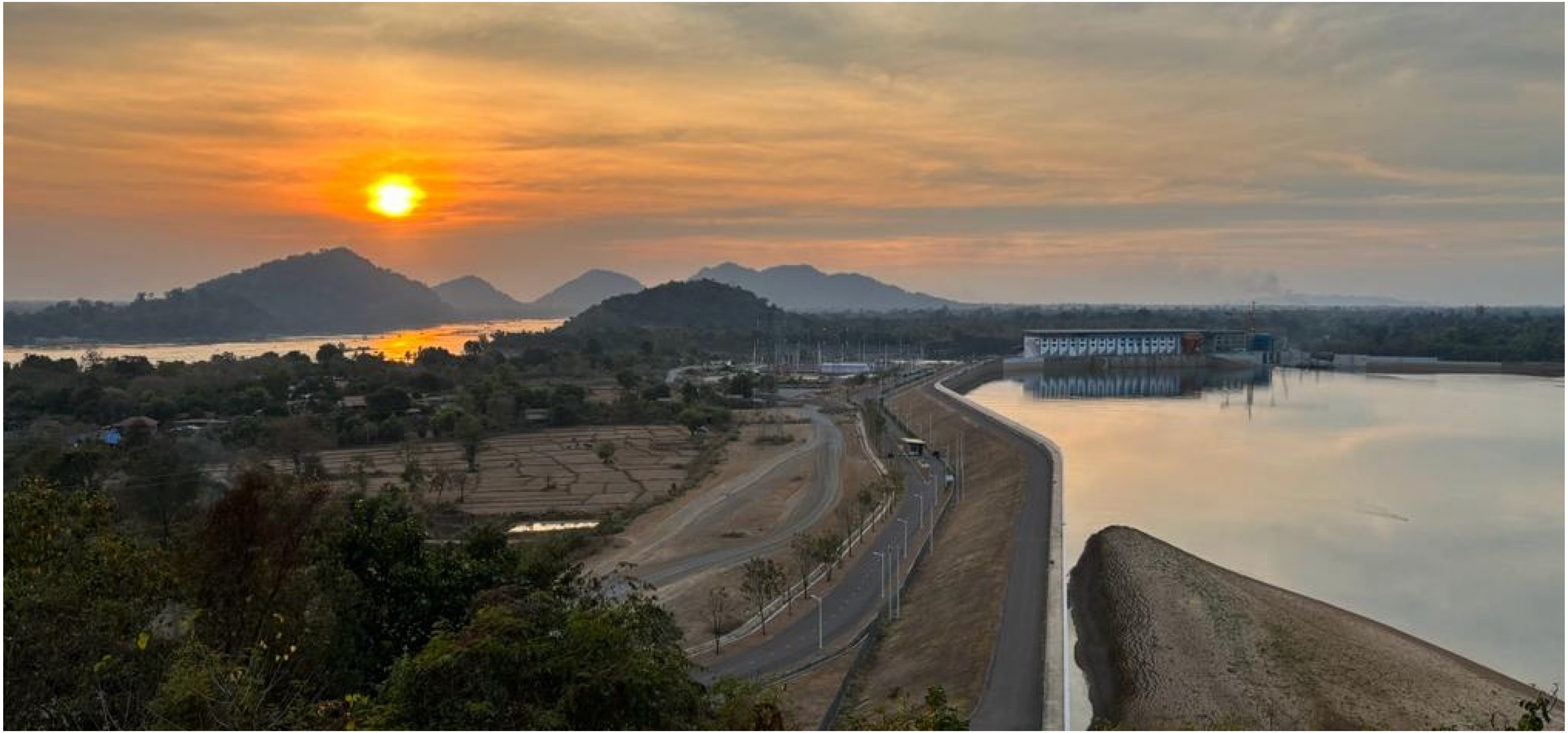
RENEWABLE ENERGY DIVISION
DON SAHONG



RENEWABLE ENERGY DIVISION
DON SAHONG

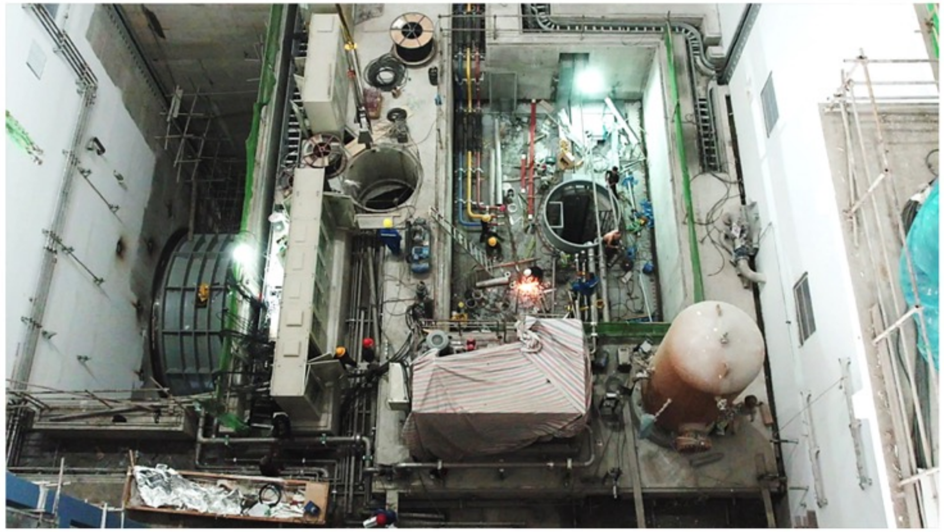
- 260 MW run-of-river hydropower project located on the mainstream of the Mekong River in Southern Laos.
- High projected average Energy Availability Factor (EAF) of 89% (2023: 91.4%) compared to other large hydro of between 40-70%.
- Projected average energy generation 2,028 GWh per annum (based on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



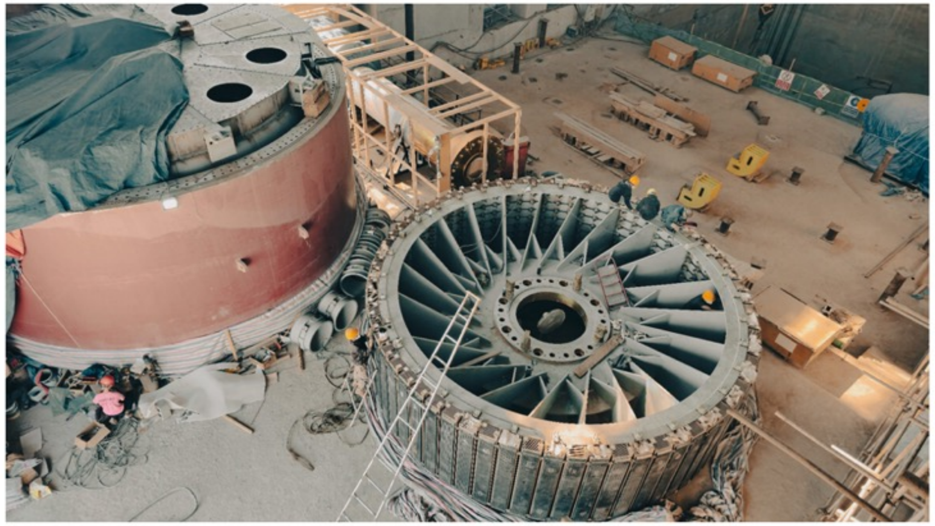
RENEWABLE ENERGY DIVISION
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG



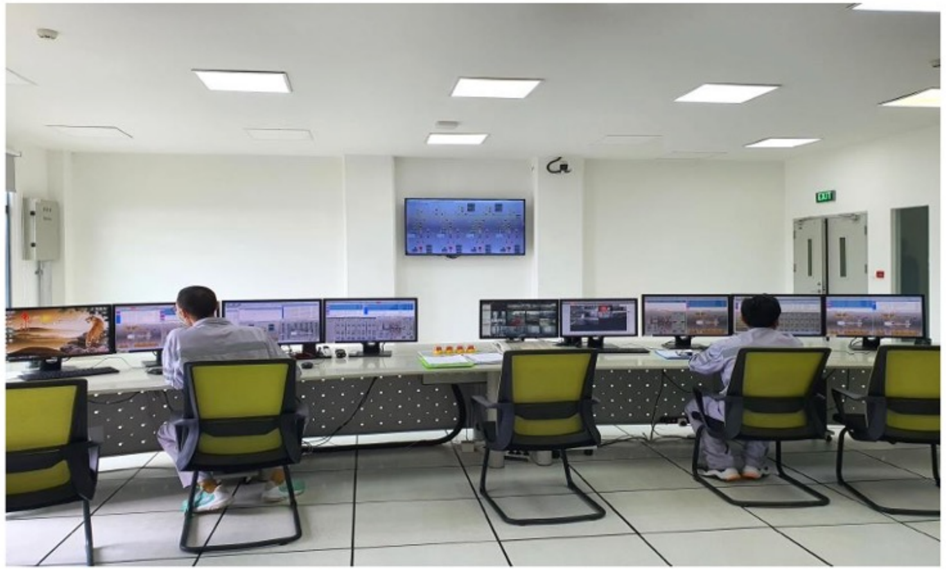
RENEWABLE ENERGY DIVISION
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG



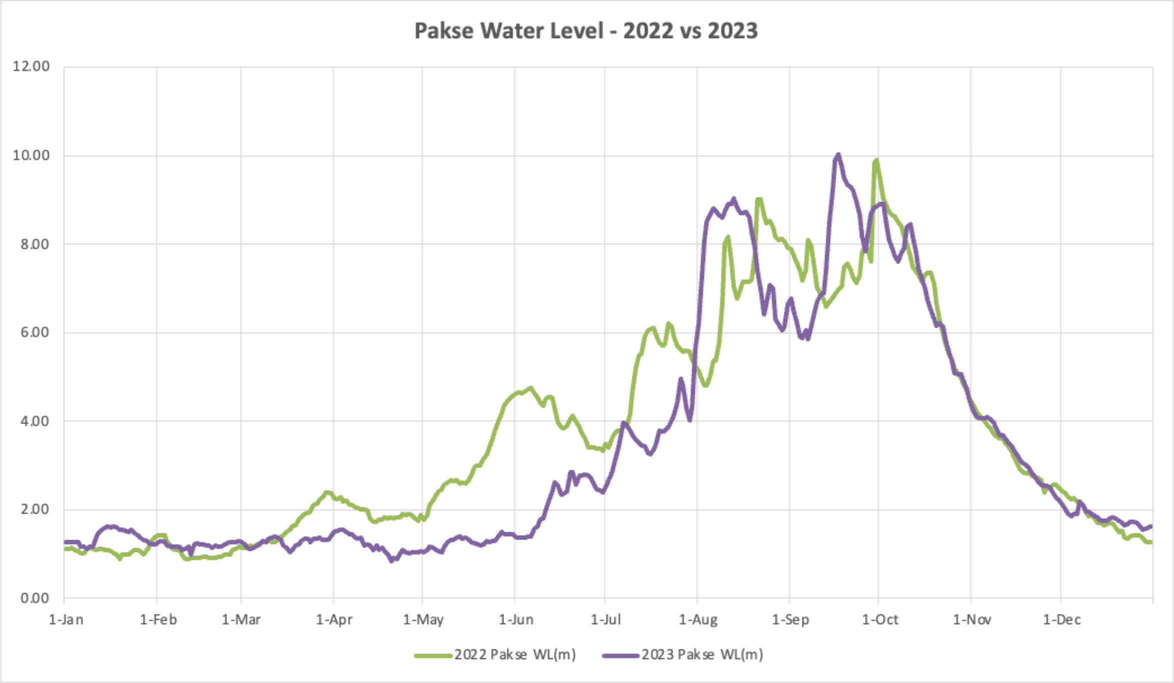
RENEWABLE ENERGY DIVISION
DON SAHONG

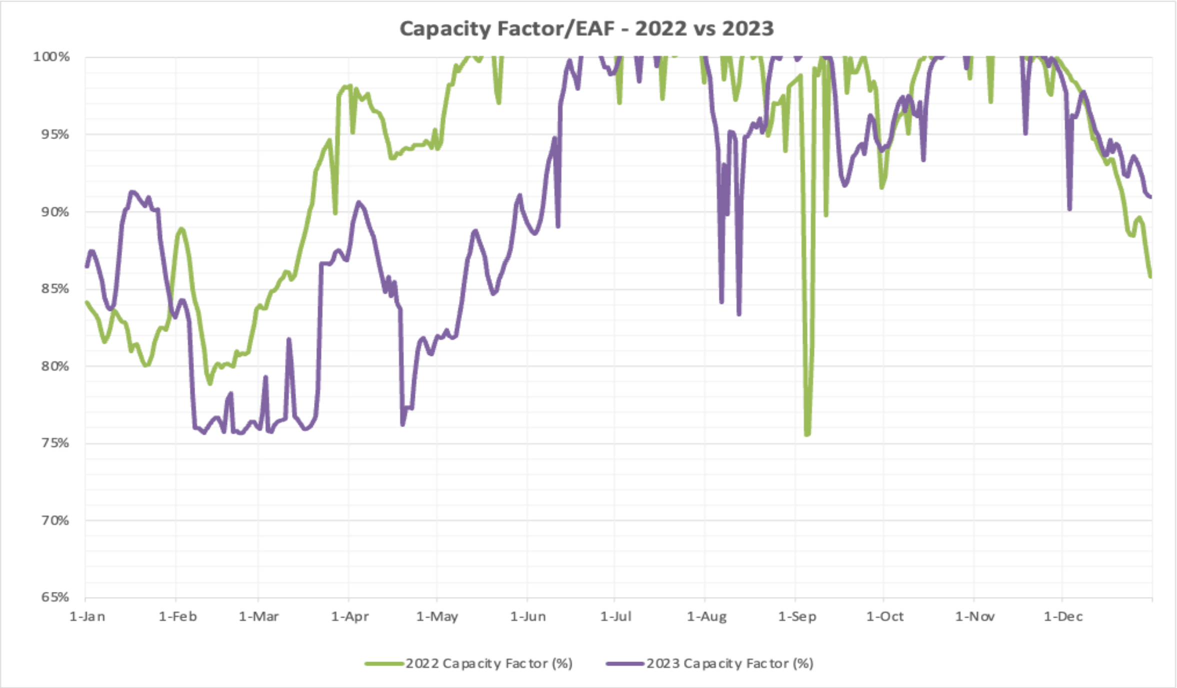
RENEWABLE ENERGY DIVISION
DON SAHONG



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**	**6M2024**
Revenue						
- Energy	35,086	510,214	533,864	596,925	606,163	293,896
- Construction	435,289	-	-	-	-	-
	470,375	**510,214**	**533,864**	**596,925**	**606,163**	**293,896**
Profit before tax						
- Energy	24,976	372,086	385,585	419,698	437,557	199,019
- Construction	157,506	-	-	-	-	-
	182,482	**372,086**	**385,585**	**419,698**	**437,557**	**199,019**

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

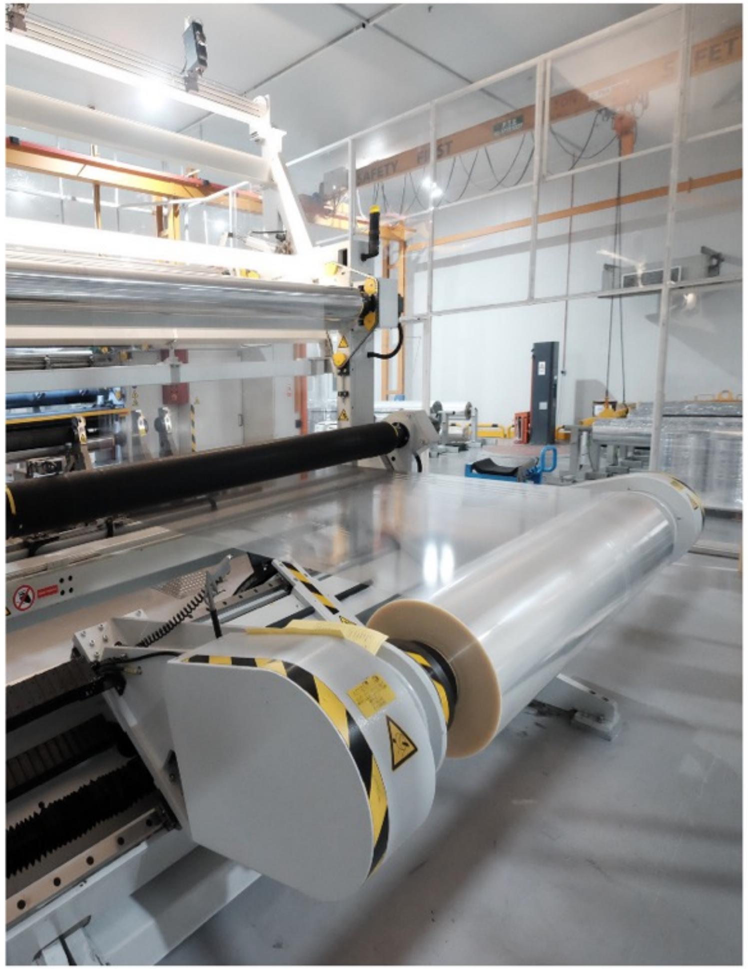
SOS Machine

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

Layer Cake

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**	**6M2024**
Revenue	68,427	97,775	208,217	398,964	402,341	207,039
Profit before tax	(501)	9,461	22,219	33,546	33,600	17,719

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**	**6M2024**
Revenue	143,624	142,819	154,880	206,324	202,893	120,435
Profit before tax	16,460	18,766	16,725	17,385	23,297	27,086

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.

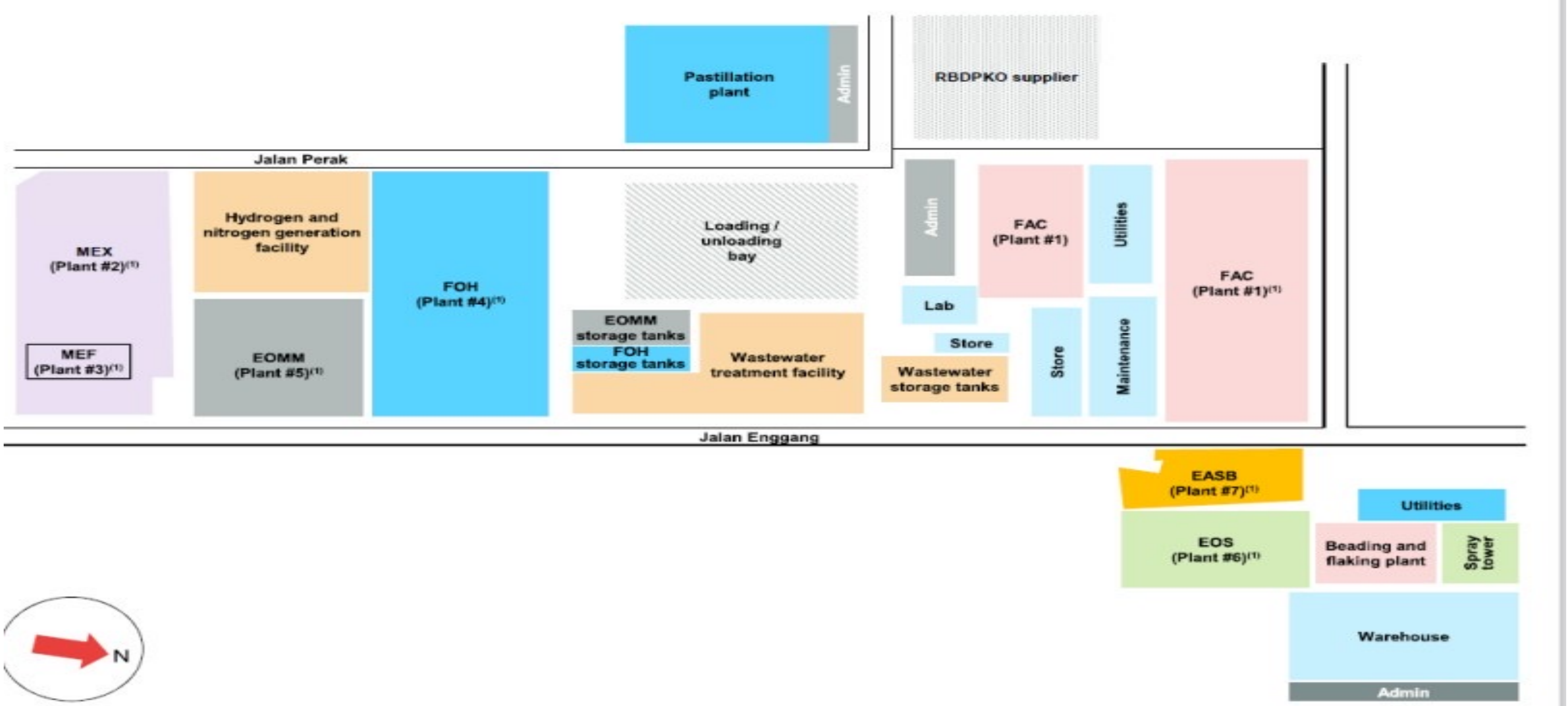
INVESTMENT IN JOINT VENTURE
EDENOR TECHNOLOGY

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

"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

- 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 June 2024: RM150.7 mil (including land cost).


FOOD SECURITY
CAMBODIA

FOOD SECURITY
CAMBODIA

FOOD SECURITY
CAMBODIA


FOOD SECURITY
MALAYSIA

FOOD SECURITY MALAYSIA

FOOD SECURITY
MALAYSIA






JAMBU AIR, PINK GUAVA AND CEMPEDAK FROM AYER HITAM FARM

FOOD SECURITY
MALAYSIA

NANGKA FROM JEMALUANG FARM

FOOD SECURITY
MALAYSIA

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

FOOD SECURITY MALAYSIA

DURIAN FROM ULU TIRAM FARM

THANK YOU!