MFCB

3Q2022 RESULTS BRIEFING

21 November 2022

AGENDA

1. 3Q2022 Financial Review:
   - Earnings Review
   - Balance Sheet Review
   - Cash Flow Review
   - Gearing Position
   - JV Edenor Technology
   - Other Updates
2. Prospects for 4Q2022

For reference (updated):

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

3Q2022 EARNINGS OVERVIEW

Group Earnings Breakdown					
	3Q2022 RM'000	3Q2021 RM'000	YoY Change (%)	2Q2022 RM'000	QoQ Change (%)
Revenue					
Renewable Energy	158,444	134,835	17.5%	151,526	4.6%
Resources	60,990	31,509	93.6%	49,916	22.2%
Packaging	104,574	63,418	64.9%	100,731	3.8%
Sub-total	324,008	229,762	41.0%	302,173	7.2%
Investment holding & others	47,521	2,735	1637.5%	29,692	60.0%
Total	371,529	232,497	59.8%	331,865	12.0%
PBT					
Renewable Energy	114,339	98,853	15.7%	108,089	5.8%
Resources	4,886	1,979	146.9%	3,800	28.6%
Packaging	8,770	7,550	16.2%	9,313	-5.8%
Sub-total	127,995	108,382	18.1%	121,202	5.6%
Investment holding & others	6,124	(290)	-2211.7%	(261)	-2446.4%
Share of profit in JV/associate:					
- Operation earnings	12,289	(62)	-19921.0%	5,309	131.5%
Total	146,408	108,030	35.5%	126,250	16.0%
PAT	141,680	105,965	33.7%	121,725	16.4%
PAT attributable to owners of Company	119,456	88,863	34.4%	100,840	18.5%

Key Takeaway:

- Revenue +60% to RM372 mil; PBT +36% to RM146 mil.
- All divisions registered both top and bottom line growth.
- Share of profit from JV/Associate RM12.3 mil, including RM16.9 mil one off unadjusted difference between Edenor unaudited and audited FS.
- Edenor share of loss in 3Q was RM4.9 mil, due to inventory adjustment (following sharp decline in CPKO and RBDPT prices) and revaluation loss from forex forward contracts (following sharp RM devaluation against USD). Operation remains profitable.
- PAT +34% to RM142 mil.
- Net profit attributable to owners of Company +34% to RM120 mil.

EARNINGS REVIEW - RENEWABLE ENERGY DIVISION

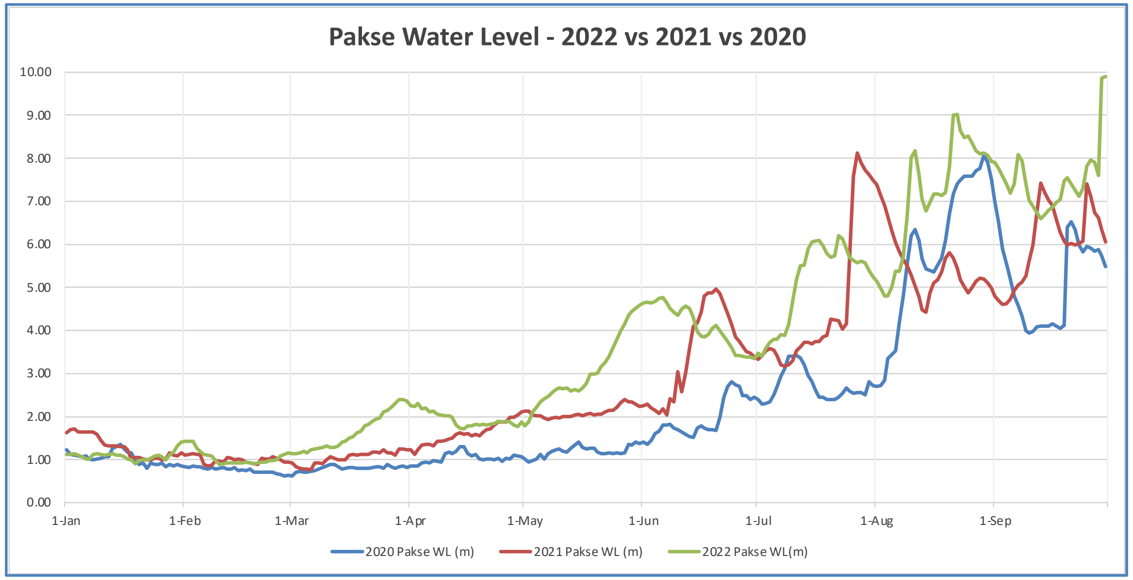
Renewable Energy Division											
	2021					2022				Change	
(RM million)	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Revenue	114.2	138.2	134.9	146.6	533.9	125.4	151.5	158.4	435.3	17.4%	4.6%
PBT	78.2	98.7	98.8	109.9	385.6	83.0	108.1	114.3	305.4	15.7%	5.7%
PBT margin (%)	68.4	71.4	73.2	75.0	72.2	66.2	71.4	72.2	70.2		
EAF (%)	81.3	95.2	90.1	97.5	91.1	84.7	98.0	98.2	93.7	9.0%	0.2%
Average RM/USD rate	4.064	4.128	4.197	4.185	4.144	4.193	4.352	4.484	4.343	6.8%	3.0%

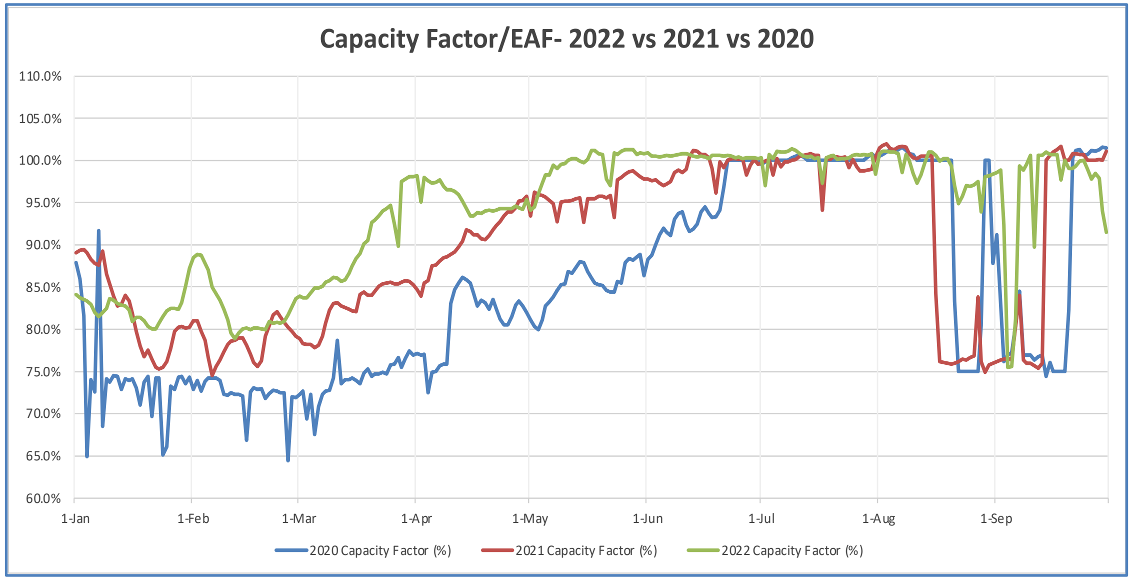
3Q2022 vs 3Q2021

- Revenue +18%: hydro energy sales volume +9%, currency gain +7%, hydro tariff +1%.
- EAF improved to 98.2% due to deferment of turbine maintenance to February 2023.
- Solar revenue RM1.9 mil (3Q2021: RM1.4 mil) on higher installed C&I solar capacity.
- PBT +16% on higher hydro energy income in Laos.

RENEWABLE ENERGY DIVISION - DON SAHONG

Don Sahong: January to September 2022 Pakse Water Level and EAF





EARNINGS REVIEW - RESOURCES DIVISION

Resources Division											
	2021					2022				Change	
(RM million)	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Revenue	44.6	35.5	31.5	43.3	154.9	45.3	49.9	61.0	156.2	93.7%	22.2%
PBT	6.0	4.4	1.9	4.4	16.7	5.3	3.8	4.9	14.0	157.9%	28.9%
PBT margin (%)	13.4	12.4	6.0	10.1	10.8	11.7	7.6	8.0	9.0		

3Q2022 vs 3Q2021

- Lime product sales volume +61%: low base effect (3Q2021 was adversely affected by customer maintenance shutdown) and recovery of economic activities as the region transitioned from Covid-19 pandemic phase to endemic phase.
- ASP +25%: progressive selling price adjustments to defray cost increases, especially fuel and energy, and stronger export currency vs MYR.
- Average petcoke cost +85%.
- PBT +147%: higher revenue and improved plant utilisation rate.

EARNINGS REVIEW – PACKAGING DIVISION

Packaging Division											
	2021					2022				Change	
(RM million)	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Revenue	30.7	30.0	63.4	84.1	208.2	94.8	100.7	104.6	300.1	65.0%	3.9%
PBT	2.6	1.4	7.5	10.7	22.2	8.8	9.3	8.8	26.9	17.3%	-5.4%
PBT margin (%)	8.5	4.7	11.8	12.7	10.7	9.3	9.2	8.4	9.0		

3Q2022 vs 3Q2021

- Revenue +65%: Hexachase +70% to RM51 mil, full quarter Stenta revenue RM54 million (3Q2021: 2-months).
- Stronger demand for Hexachase flexible packaging products.
- Stenta's earnings sequentially relatively stable since acquisition at end July 2021.
- PBT +16%: Stenta RM6 million and Hexachase RM3 million on higher revenue.

BALANCE SHEET REVIEW

Changes in Key Balance Sheet items				
	At 30.9.2022 (RM million)	**At 31.12.2021** (RM million)	**Changes** (RM million)	**Explanation**
Service concession asset	2,071.2	1,922.3	148.9	The increase was due to RM212.2 million translation gain, partially offset by amortisation charge of RM63.3 million.
PPE	502.1	410.4	91.7	The increase was mainly due to RM111.4 million CAPEX (see below) and RM7.9 million translation gain, partially offset by RM27.6 million depreciation charge and asset write-off.
Investment properties	165.2	165.2	0.0	No movement in the current period.
ROU assets	149.8	129.3	20.5	The increase was mainly due to RM25.9 million land acquisitions by the Packaging and Resources divisions for expansion, partially offset by RM5.9 million depreciation charge.
Investment in quoted shares	142.0	200.1	(58.1)	The decrease was due to fair value loss of quoted securities.
Inventories (non-current)	43.4	43.4	0.0	No movement in the current period.
Investment in JVs and associates	179.9	146.0	33.9	The increase was due to RM11.5 million additional equity investment and share of profit for the period.
Inventories (current)	155.2	128.9	26.3	The increase was in line with higher revenue base of the Group's manufacturing activities.
Receivables	426.9	408.7	18.2	The increase was mainly due to higher receivable in Serudong Power and the Packaging Division, partially offset by lower receivable from Électricité du Laos ("EDL"). Receivable turnover for EDL was stable at 4-5 months.
Deferred tax liabilities	128.2	119.5	8.7	The increase was mainly due to translation difference arising from the strengthening of the US Dollar against Ringgit Malaysia.
Payables (current)	194.0	118.5	75.5	The increase was mainly due to RM34.0 million dividend payable to shareholders and higher payables in both Serudong Power and the Packaging Division.
Shareholder Equity	2,747.1	2,393.1	354.0	
Net Assets per share (RM)	2.91	2.53	0.38	

Capex comprised mainly:
a) RM64.9 million by RE Division mainly for 5th turbine expansion and C&I solar projects.
b) RM28.9 million by Packaging Division for capacity expansion.
c) RM9.2 million for plantation development.

CASH FLOW REVIEW

Cash Flow Analysis		
	9 Months Period Ended	
	30.9.2022 (RM mil)	30.9.2021 (RM mil)
After tax cash from operating activities	445.5	422.7
Net cash inflow from non-operating investment activities	13.1	6.5
New capital from minority of subsidiary	2.0	3.5
Total Cash Made Available to the Group	**460.6**	**432.7**
Investing Activities		
Acquisition of subsidiary	-	(124.3)
Investment in joint ventures and associates	(11.5)	(20.0)
Capex	(85.2)	(71.1)
Don Sahong Hydropower Project + expansion	(52.1)	(31.4)
Total Investment	**(148.8)**	**(246.8)**
Financing Activities		
Dividends paid	(33.1)	(61.6)
Finance costs paid	(23.2)	(19.6)
Purchase of treasury shares	(0.4)	-
Total Distribution	**(56.7)**	**(81.2)**
Net cash flow retained by the Group	**255.1**	**104.7**
Effects of forex and others	12.0	51.9
Change in Net Cash/(Debt) of the Group	**243.1**	**52.8**
Net Cash/(Debt):		
- At beginning of period	(520.3)	(564.3)
- At end of period	(277.2)	(511.5)
- Change	**243.1**	**52.8**

GEARING POSITION

Gearing Position				
	At 30.9.2022 (RM mil)	At 31.12.2021 (RM mil)	At 31.12.2020 (RM mil)	At 31.12.2019 (RM mil)
Total Cash	501.9	257.6	93.6	91.0
Total Debt	-779.1	-777.9	-657.9	-746.1
Net Debt	**-277.2**	**-520.3**	**-564.3**	**-655.1**
Equity	3,181.5	2,739.6	2,165.6	1,711.9
Net Debt/Equity Ratio	**8.7%**	**19.0%**	**26.1%**	**38.3%**

EDENOR TECHNOLOGY JV

Summarised Profit and Loss				
	1Q2022 (RM mil)	2Q2022 (RM mil)	3Q2022 (RM mil)	9M2022 (RM mil)
Revenue	313.2	401.7	326.0	1,040.9
PAT	8.7	9.9	(8.7)	9.9
PAT after MI	7.8	8.9	(9.6)	7.1
	('000 MT)	('000 MT)	('000 MT)	('000 MT)
Sales Volume	37.9	41.0	39.4	118.3

Summarised Balance Sheet		
	At 31.12.2021 (RM mil)	At 30.9.2022 (RM mil)
Total Assets	725	953
Total Liabilities	387	562
NCI	54	66
Total Equity	284	325

OTHER UPDATES

- **Recommencement of Serudong Power operations**
  - Operations were recommenced to facilitate future sale of the subsidiary.
  - All associated costs are borne by 3rd party investors.
  - Achieved COD in May 2022.
  - RM66.6 million revenue in 9M2022 presented under "Investment Holding & Others".
  - No significant profit or loss impact to Group.
  - Operational economic benefit/loss to accrue to 3rd party Preference Share holders.
  - Currently awaiting approval from EC for the sale of the subsidiary.

- **Idaman Harmoni ("IHSB") RM22.8 million (before penalty) tax dispute with IRBM**
  - On 1 September 2021, SCIT dismissed IHSB appeal.
  - On 18 April 2022, the High Court allowed IHSB appeal.
  - On 20 April 2022, IRBM filed appeal to the Court of Appeal (apex court).
  - Court of Appeal has fixed next case management date on 16 February 2023 and hearing of IRBM's appeal on 2 March 2023.

PROSPECTS FOR 4Q2022

- **Key challenges in 4Q2022:**

  - Slowing consumer demand on heightened recession risk;
  - Intensifying competition due to slowing consumption;
  - High inventory level in supply chain; Unwinding process will shape demand change in short term;
  - Rising interest rates environment
  - Tight labour market.

- The Group navigates this challenging environment by exercising prudence, proactiveness and decisiveness in all management decisions.

- Excluding RM125.1 million one-off bargain gain in 4Q2021, **we expect 4Q2022 to continue to register healthy year-on-year earnings growth,** driven primarily by the Renewable Energy Division.

- Despite the challenges, we expect the Resources and Packaging Divisions to perform satisfactorily.

PROSPECTS FOR 4Q2022 (CONT'D)

Renewable Energy Division

- EAF for 4Q2022 is expected to be around 97-98% (similar to 4Q2021), bringing the full year average EAF to around 94-95% (2021: 91%).
- Don Sahong earnings are denominated in USD. The reported earnings will continue to be influenced by the MYR:USD exchange rate. At today's rate of RM4.543, the USD is 8.5% stronger than RM4.185 recorded in 4Q2021. If sustained, this will bode well for earnings in 4Q2022.
- Energy tariff +1% to 6.27 US cents on 1 Oct 2022.
- Outstanding loan at 31 October 2022 was US$101 mil (average 4Q2021: US$126 mil). The higher USD borrowing cost is expected to increase interest expense year-on-year by about US$600,000 (or about RM2.73 mil) in 4Q2022.
- Construction of 5th turbine progressing on schedule. Target completion unchanged in 3Q2024.
- Lao's financial situation is not expected to significantly affect trade receivable collection from EDL.
- Solar energy earnings to improve progressively in 4Q2022 and thereafter in tandem with the Group's expanding C&I solar portfolio.

PROSPECTS FOR 4Q2022 (CONT'D)

Renewable Energy Portfolio Summary

Completed capacity:	**275 MW**
- Hydro	260 MW
- Solar	15 MW
Capacity secured/under construction	**93 MW**
- Hydro	65 MW
- Solar	24 MW
Total Capacity	**364 MW**
- Hydro	325 MW
- Solar	39 MW

RENEWABLE ENERGY DIVISION – EXPANSION

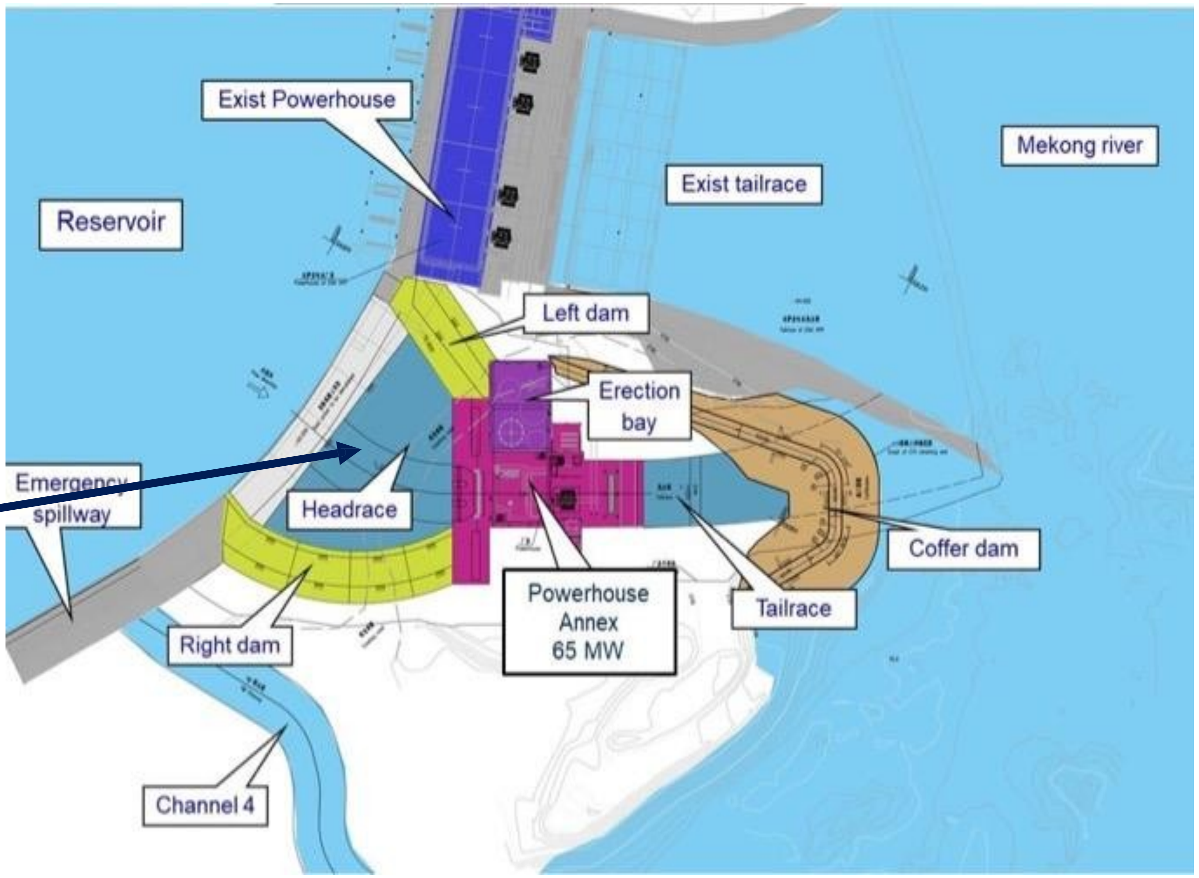
Renewable Energy Projects On Hand

- 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 Dec 2021. Expected completion in 3Q2024. Expected EAF 41%.

- C&I solar projects secured:
  - 6.3 MW to come onstream by Dec 2022.
  - 17.6 MW to be progressively completed over 24 months.

- Plan to add 15-20 MW C&I projects a year.

RENEWABLE ENERGY DIVISION – 5TH TURBINE CONSTRUCTION PROGRESS



RENEWABLE ENERGY DIVISION – 5TH TURBINE CONSTRUCTION PROGRESS

RENEWABLE ENERGY DIVISION – 5TH TURBINE CONSTRUCTION PROGRESS

PROSPECTS FOR 4Q2022 (CONT'D)

Resources Division

- Margin pressure to ease in 4Q2022 on softening petcoke prices and the strong USD (the division's main export currency).
- Strong economic headwinds expected to crimp regional demand growth for lime products.
- Continuous review of pricing and customer portfolio strategies, and at the same time improving production efficiencies.
- Expects the performance to remain satisfactory for 4Q2022.

PROSPECTS FOR 4Q2022 (CONT'D)

Packaging Division

- Consumer spending power curtailed by escalating cost of living and rapidly rising interest rates.
- Inventory remains high in supply chain and will unwind on slowing demand outlook. These will dampen demand for some of our packaging products in the short term.
- Competition has also stiffened and currency devaluation of certain export markets has eroded price competitiveness of the Group.
- Management will continue to work on improving production efficiencies, diversify and strengthen customer base, and prioritise marketing efforts in overcoming these challenges.
- Overall, we expect the Packaging Division to perform satisfactorily in 4Q2022.
- We intend to push forward with the construction of two new factories by Hexachase and Stenta, albeit the estimated completion date has been pushed back by 3-6 months to 2023 end.
- Despite the near term challenges, we remain optimistic of the longer term prospects of the packaging industry.

PROSPECTS FOR 4Q2022 (CONT'D)

Edenor Technology Group (equity interest: 50%)

- Near term challenges:
  - heightened global recession risk slowing industry demand;
  - Feedstock (CPKO, RBDPS) price volatility;
  - Foreign exchange volatility, especially MYR:USD;
  - Indonesia's export tax structure.

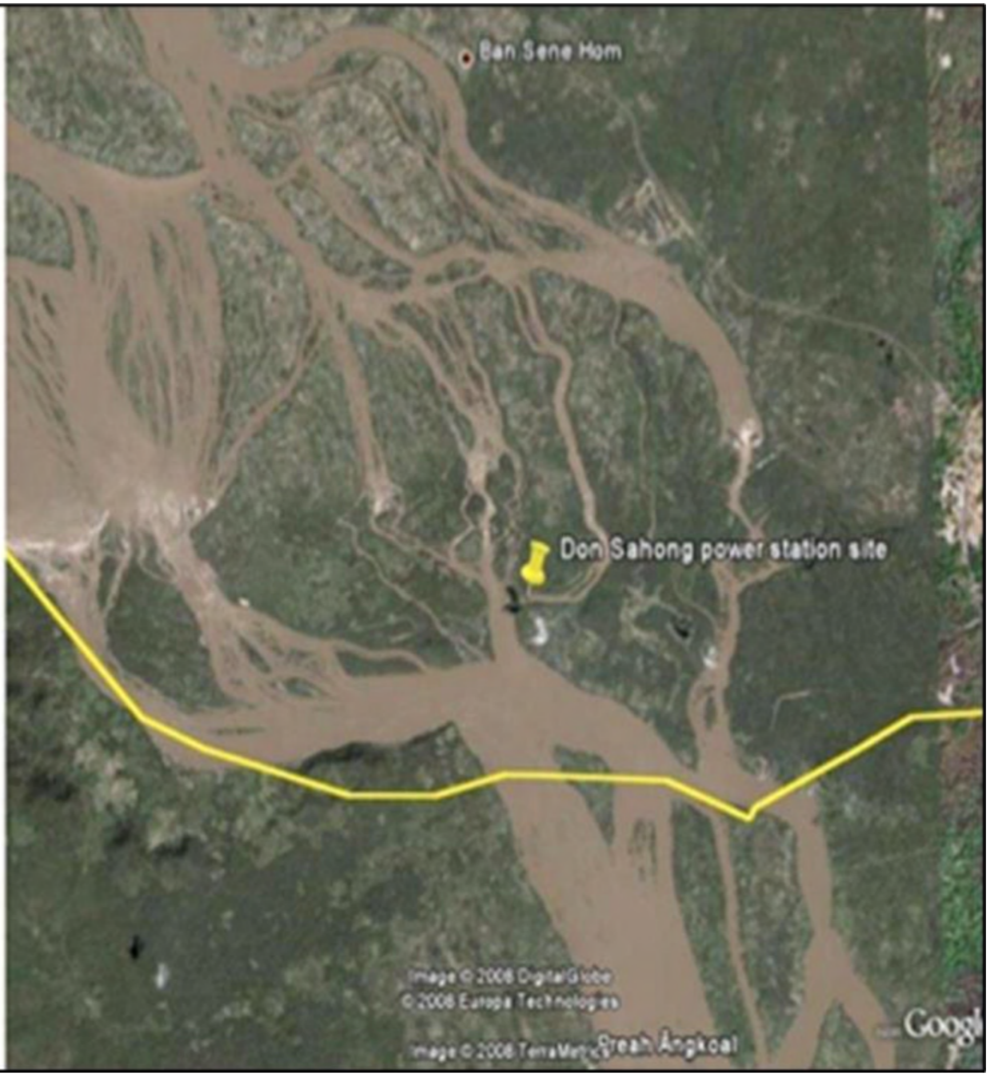
- Medium term strategy to raise profitability:
  - Progressive manufacturing process improvements and debottlenecking;
  - Continuous cost structure improvement;
  - Increase production reliability, reduce downtime, maximise capacity utilization;
  - Increase product offering;
  - Build customer loyalty by offering superior quality products.

(Remaining Slides for Reference - Updated)

RENEWABLE ENERGY

DON SAHONG HYDROPOWER & COMMERCIAL AND INDUSTRIAL SOLAR

RENEWABLE ENERGY DIVISION – DON SAHONG

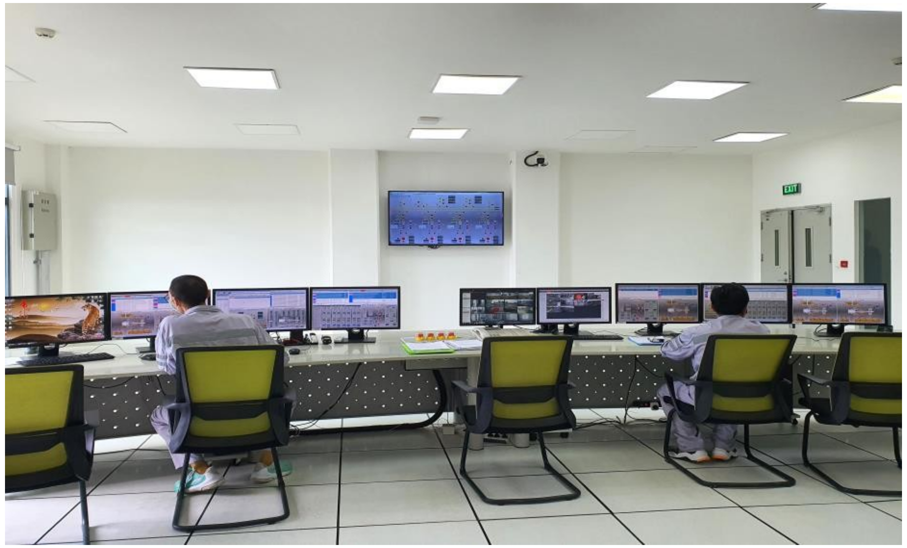


RENEWABLE ENERGY DIVISION – DON SAHONG

- 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% (2021: 91%) 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.

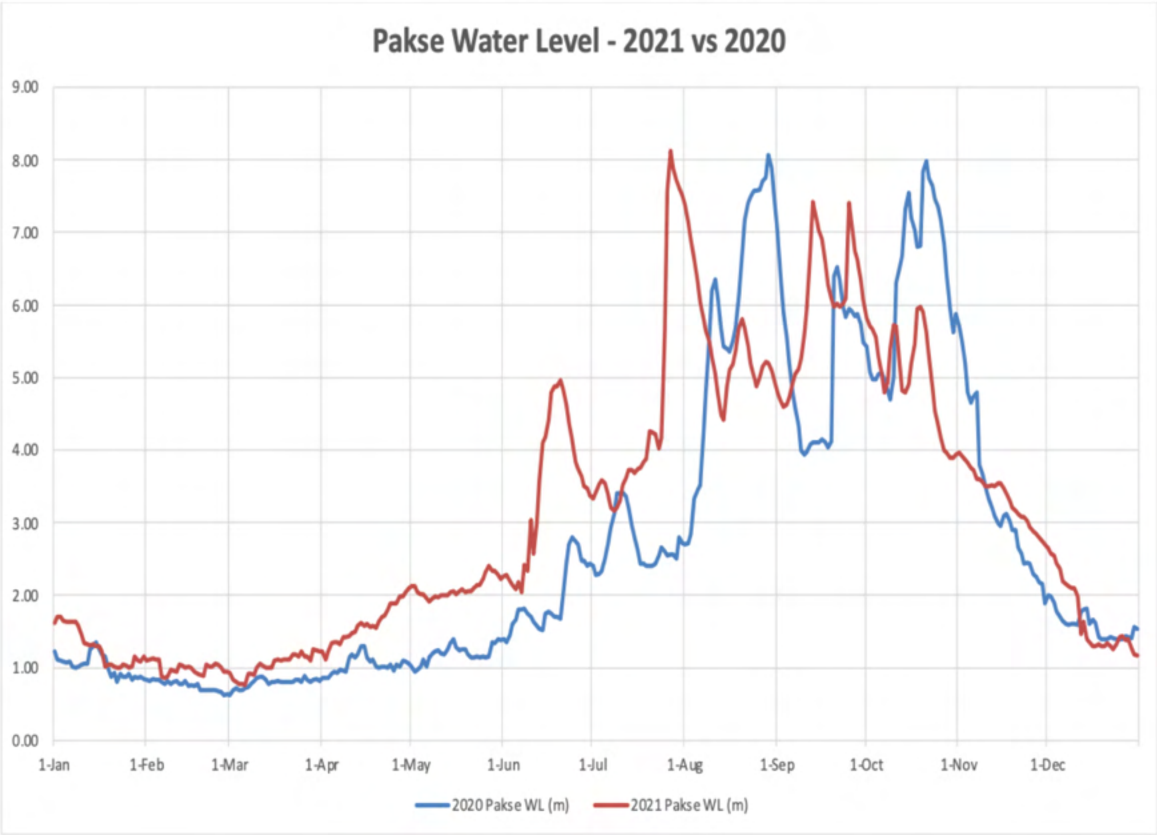
RENEWABLE ENERGY DIVISION – CURRENT PORTFOLIO

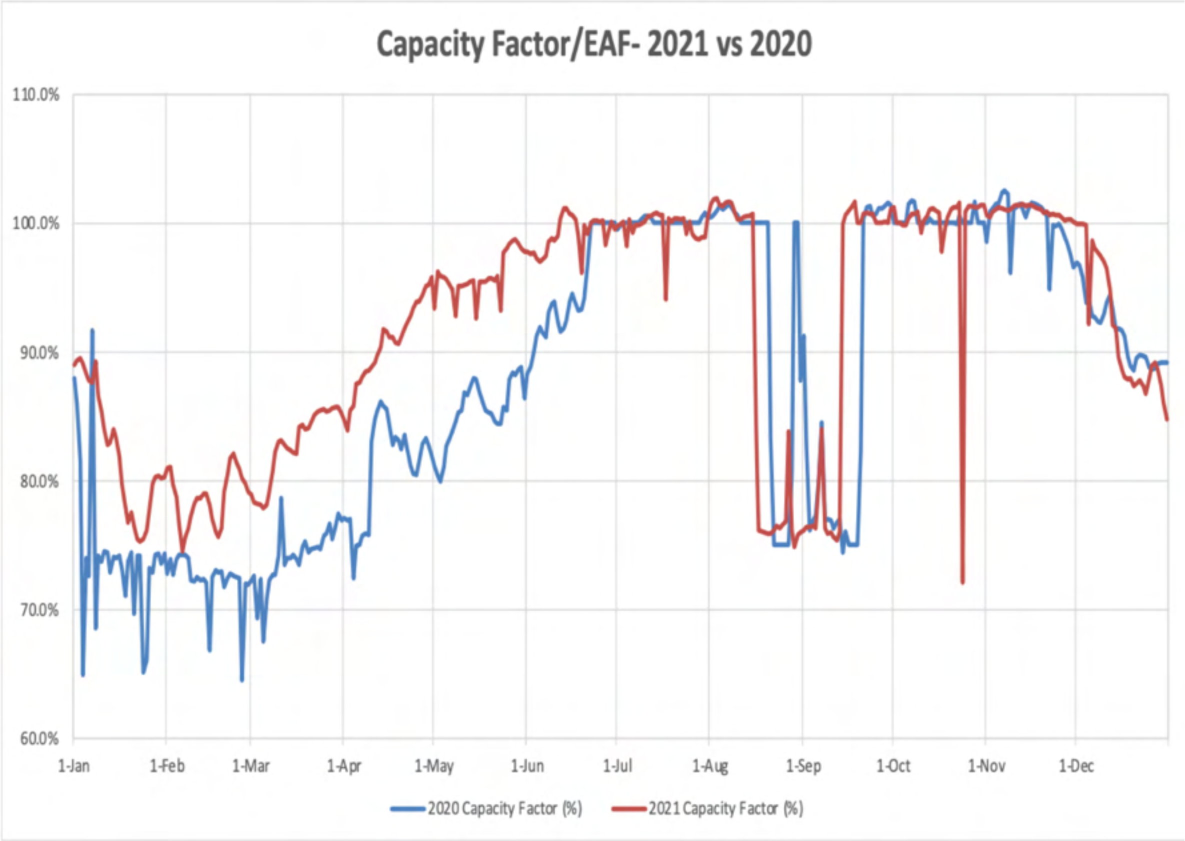
RENEWABLE ENERGY DIVISION – CURRENT PORTFOLIO



RENEWABLE ENERGY DIVISION – DON SAHONG

Don Sahong: 2021 Year to date Pakse Water Level and EAF





RENEWABLE ENERGY DIVISION – CURRENT PORTFOLIO

RENEWABLE ENERGY DIVISION – FINANCIAL HIGHLIGHTS

5-Year Earnings Summary						
	2017 (RM'000)	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	9M2022 (RM'000)
Revenue						
- Energy	-	-	35,086	510,214	533,864	435,328
- Construction	645,441	656,228	435,289	-	-	-
	645,441	**656,228**	**470,375**	**510,214**	**533,864**	**435,328**
Profit before tax						
- Energy	-	-	24,976	372,086	385,585	305,419
- Construction	172,795	177,058	157,506	-	-	-
	172,795	**177,058**	**182,482**	**372,086**	**385,585**	**305,419**

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 → 8.7% net gearing as at 30 September 2022.
- 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

New Fuji Kikai 14 colours Rotogravure Printing Machine commissioned in 1Q2022

PACKAGING DIVISION – STATE-OF-ART MACHINERY

Super Combi 5000

New 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

MFCB acquired Stenta in July 2021.

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

Electronic Packaging
BOPP/ALUM/LLDPE

Sauce Packaging
BOPA/LLDPE

Wicketed Bags
KPET/LLDPE

Cake Packaging
PET/MCPP

Detergent Packaging
PET/White 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

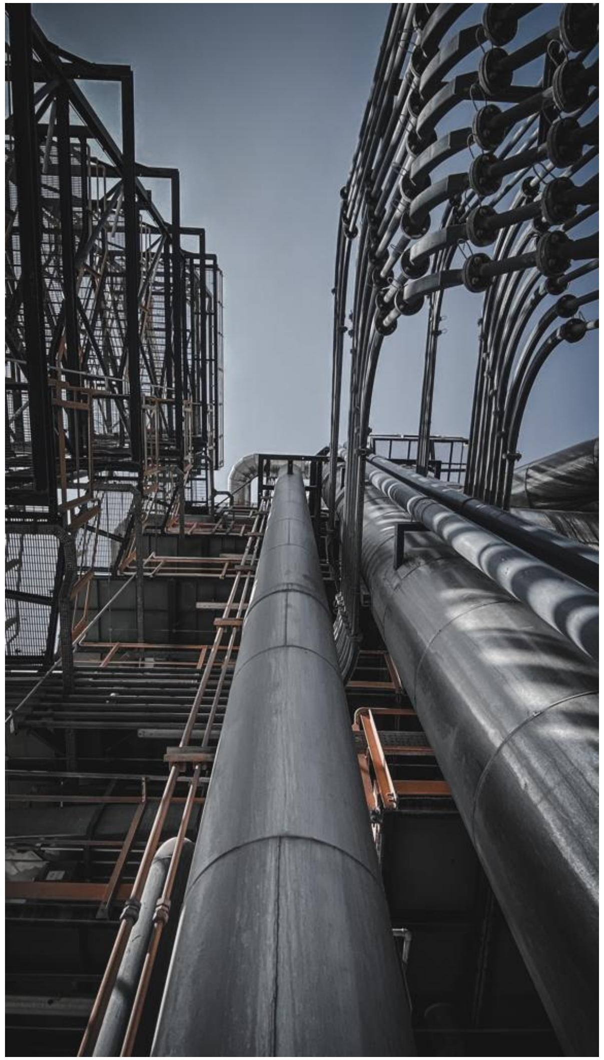
PACKAGING DIVISION – FINANCIAL HIGHLIGHTS

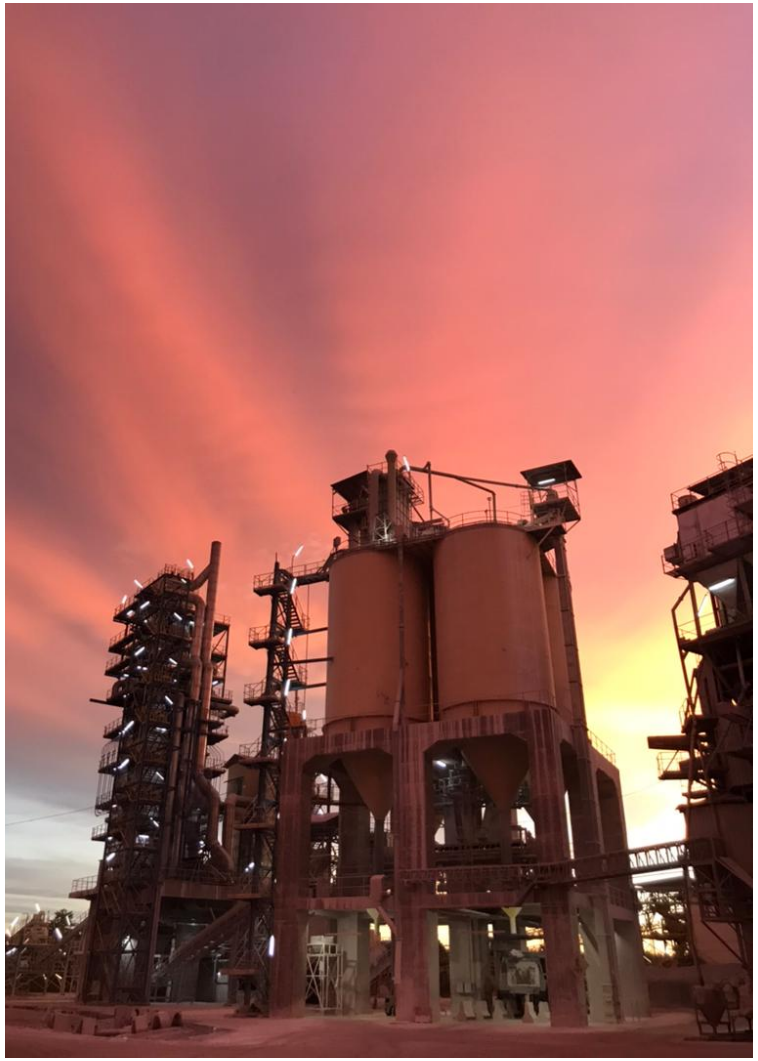
5-Year Earnings Summary						
	2017 (RM'000)	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	9M2022 (RM'000)
Revenue	51,211	57,433	68,427	97,775	208,217	300,095
Profit before tax	740	(4)	(501)	9,461	22,219	26,929

RESOURCES

LARGEST QUICKLIME PRODUCER IN MALAYSIA

RESOURCES DIVISION





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.
- 2021 sales volume: approx. 440,000 tonnes.
- Domestic 40%; Export 60%.

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 & CHALLENGES

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%

Near term challenges

- High and uncertain fuel cost
- High shipping and transport costs
- Port congestion and container shortages
- Changes in regulatory environment e.g. export permit, export tax
- General inflation e.g. labour and packaging materials

RESOURCES DIVISION – MITIGATING MEASURES & FINANCIALS

Mitigating measures

- Export diversion to markets less affected by shipping constraints
- Expanding customer base to mitigate impact from customer demand volatility
- Higher stock holdings to lower production disruption and manage price volatility
- Selective price adjustments

Financial Highlights

5-Year Earnings Summary						
	2017 (RM'000)	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	9M2022 (RM'000)
Revenue	119,945	142,249	143,624	142,819	154,880	156,226
Profit before tax	19,295	18,606	16,460	18,766	16,725	13,985

INVESTMENT IN EDENOR TECHNOLOGY

INVESTMENT IN EDENOR TECHNOLOGY

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

Who is 9M Technology?

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

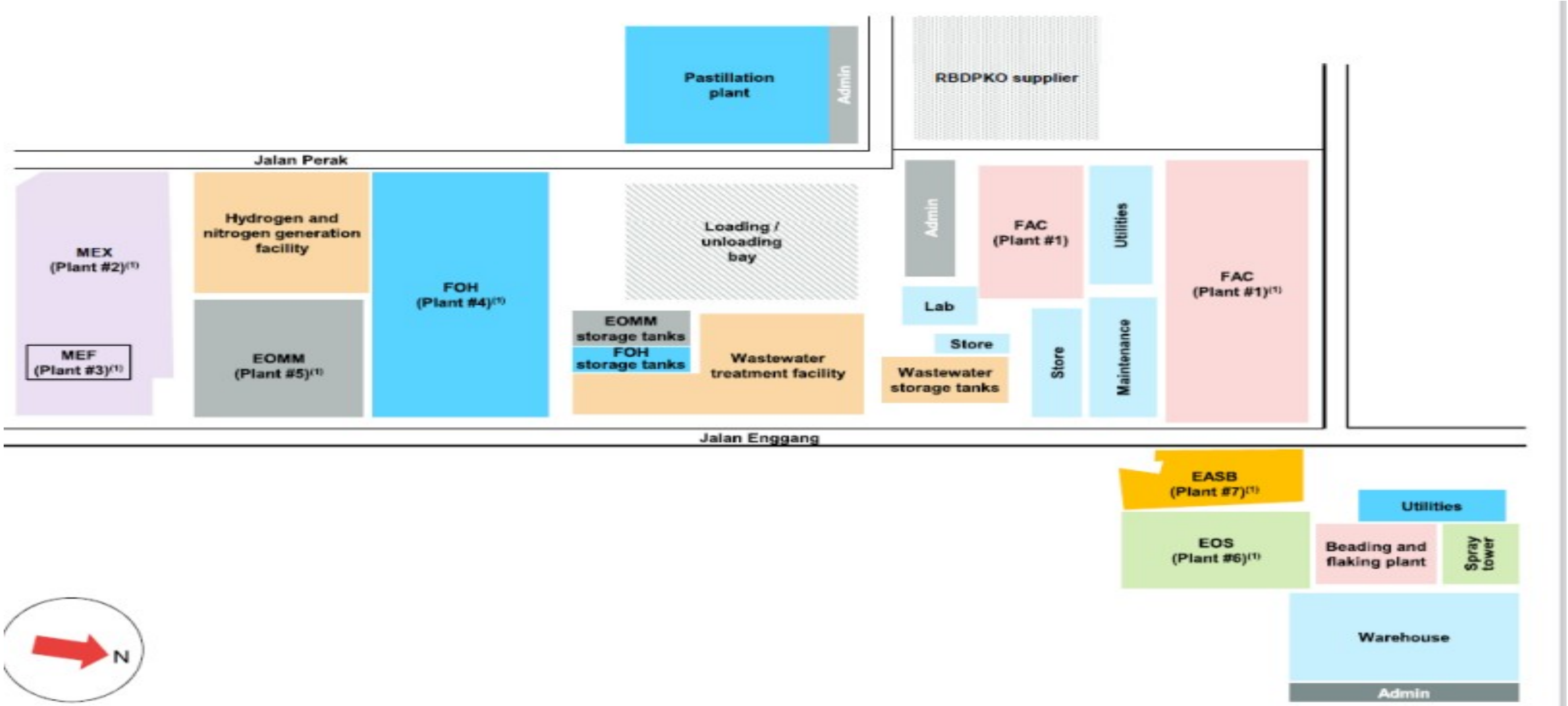
INVESTMENT IN EDENOR TECHNOLOGY

<u>Emery's Asia Pacific business</u>

- 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).

INVESTMENT IN EDENOR TECHNOLOGY – PLANT SITE

INVESTMENT IN EDENOR TECHNOLOGY – PLANT LAYOUT



INVESTMENT IN EDENOR TECHNOLOGY – TPG PLANT

INVESTMENT IN EDENOR TECHNOLOGY – 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.

INVESTMENT IN EDENOR TECHNOLOGY – FINANCIAL OUTLOOK

- Post-acquisition 2-month Consolidated Edenor earnings:
  - Profit RM244 million (Including one-off unallocated bargain gain recognised as income)
  - Loss RM6.6 million (Excluding unallocated bargain gain)
  - Reduced 2-month loss despite maintenance shutdown of Fatty Acid plant in Dec and higher repair & maintenance cost of RM4.5 million during shutdown, supported by firm turnaround strategy.
- Earnings turned around in 1Q2022.

PLANTATION

MONDULKIRI, CAMBODIA

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 September 2022: RM111 mil (including land cost), of which RM101 mil is capitalised as PPE and ROU assets.

2) Land

- 50-year concession on 6,428 hectares.
- Estimated plantable area: 4,500 hectares
- Cumulative area planted as at 30 September 2022: about 2,500 hectares

3) Plans

- Planned planting in 2022: 500-550 hectares.
- Target to complete planting by end of 2025.
- Evaluating various downstream processing businesses.
- Not expected to contribute positively to earnings until after 2026.

PLANTATION UPDATE - PLANTING PHILOSOPHY

"RESPECT NATURE, WORK WITH NATURE"

- Water and irrigation key to sustainable cultivation:
  (i) Protect and improve O'plai River catchment areas to collect and store rainwater;
  (ii) 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.

THANK YOU