MFCB

MEGA FIRST CORPORATION BERHAD

3Q2023 RESULTS BRIEFING

1 December 2023

AGENDA

1. **3Q2023 Financial Review**
   - **Earnings Review**
   - **Balance Sheet Review**
   - **Cash Flow Review**
   - **Capital Deployed**
   - **Gearing Position**
   - **JV Edenor Technology**
   - **Other Updates**
2. **Prospects for Remaining Quarter 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. Food Security Update

2Q2023 EARNINGS REVIEW

	3Q2023 RM'000	3Q2022 RM'000	YoY Change (%)	2Q2023 RM'000	QoQ Change (%)
Revenue					
Renewable Energy	164,229	158,444	3.7%	144,859	13.4%
Resources	48,310	60,990	-20.8%	52,362	-7.7%
Packaging	98,084	104,574	-6.2%	100,371	-2.3%
Sub-total	310,623	324,008	-4.1%	297,592	4.4%
Investment holding & others	9,757	47,521	-79.5%	28,061	-65.2%
Total	320,380	371,529	-13.8%	325,653	-1.6%
PBT					
Renewable Energy	122,796	114,339	7.4%	105,558	16.3%
Resources	5,508	4,886	12.7%	5,802	-5.1%
Packaging	10,110	8,770	15.3%	8,104	24.8%
Sub-total	138,414	127,995	8.1%	119,464	15.9%
Investment holding & others	(2,923)	6,124	-147.7%	3,073	-195.1%
Share of profit in JV/associate:					
- Operation earnings	(3,959)	12,289	-132.2%	(8,057)	-50.9%
Total	131,532	146,408	-10.2%	114,480	14.9%
PAT	127,104	141,680	-10.3%	109,019	16.6%
PAT attributable to owners of Company	102,531	119,456	-14.2%	88,609	15.7%

Include RM40 mil SPSB revenue

Forex gain RM8.8 mil

- Exclude SPSB (disposed in May 2023), revenue -3.3% to RM320.4 mil.
- RE's 3.7% revenue growth more than offset by lower contribution from Resources and Packaging.
- PBT before JV/associates +1.0% to RM135.5 mil. All core divisions posted healthy PBT growth.
- Excluding RM16.9 mil one-off bargain gain adjustment last year, share of loss from JV/associates narrowed from RM4.6 mil to RM4.0 mil.
- Edenor share of loss narrowed from RM4.9 mil to RM4.5 mil.
- Edenor experienced capacity loss as it fine-tuned recently upgraded plants and new facility, amid soft consumer market and intensified competition.

RENEWABLE ENERGY DIVISION

EARNINGS REVIEW - RENEWABLE ENERGY DIVISION

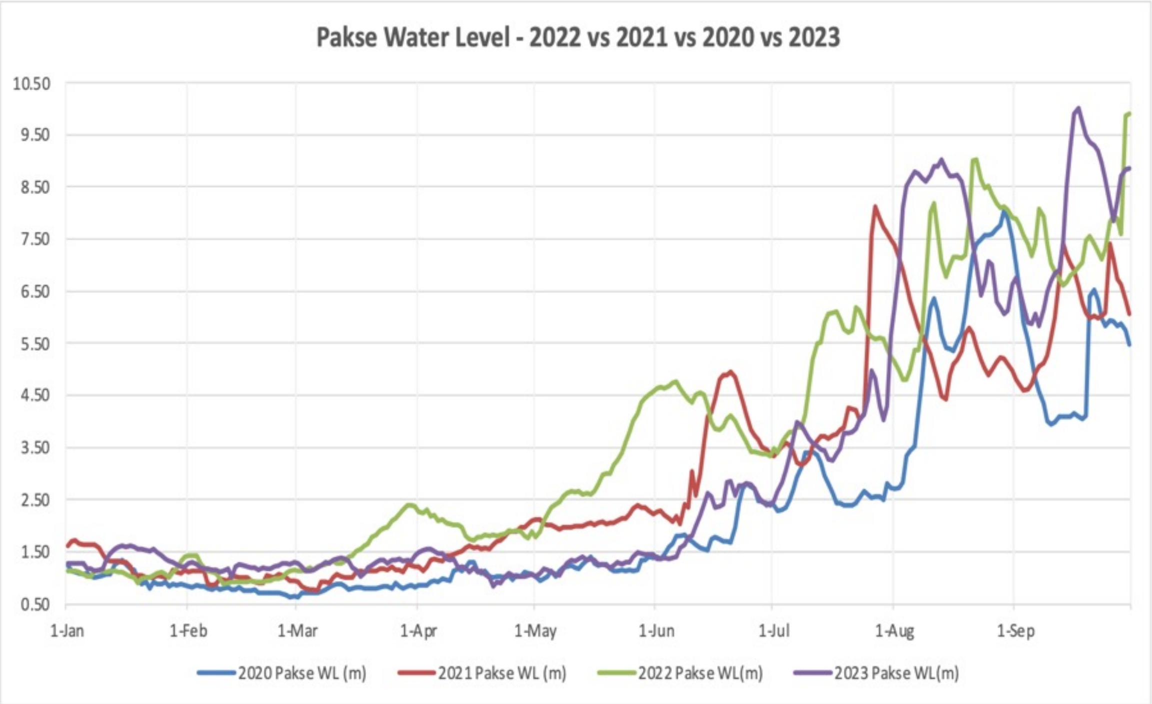
(RM mil)	2022					2023				Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Revenue	125.4	151.5	158.4	161.6	596.9	128.5	144.8	164.3	437.6	3.7%	13.5%
PBT	83.0	108.1	114.3	114.3	419.7	88.5	105.6	122.8	316.9	7.4%	16.3%
PBT margin (%)	66.2%	71.4%	72.2%	70.7%	70.3%	68.9%	72.9%	74.7%	72.4%		
EAF (%)	84.7%	98.0%	98.2%	97.4%	94.6%	81.9%	88.7%	97.6%	89.4%	-0.6%	10.0%
Average RM/USD rate	4.193	4.352	4.484	4.574	4.401	4.392	4.527	4.628	4.515	3.2%	2.2%

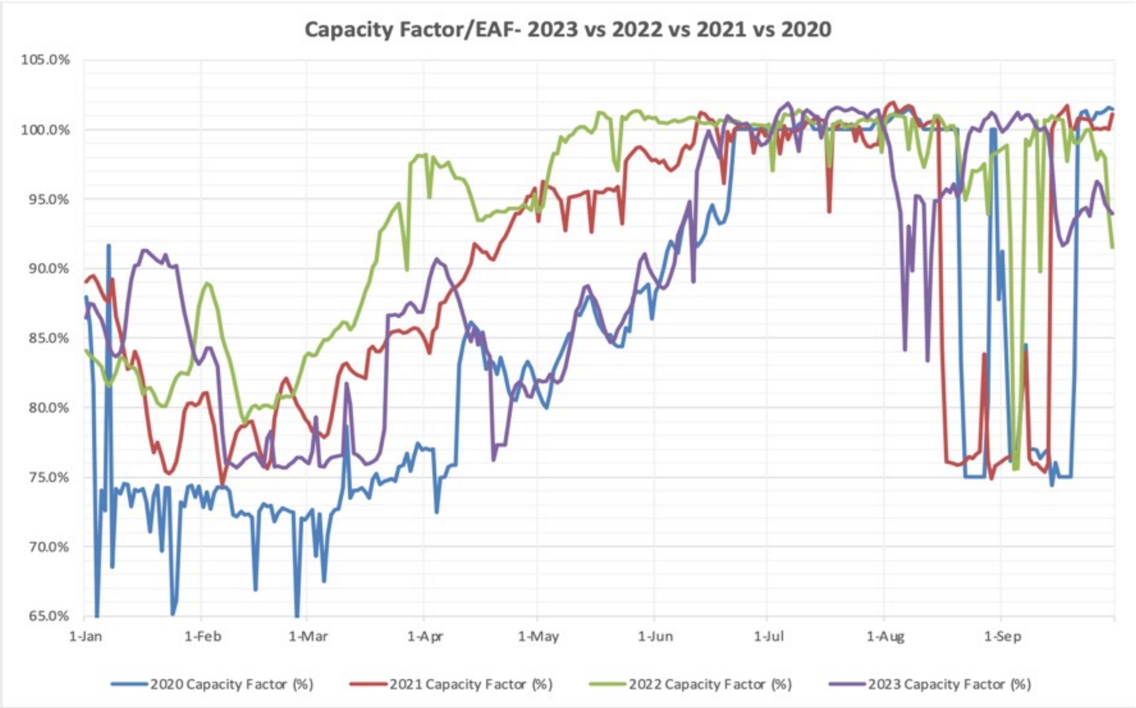
3Q2023 vs 3Q2022

- Revenue +3.7% to RM164.3 mil: 3.9% USD/MYR appreciation, 1% hydro tariff adjustment and higher solar energy sales (+16.5%), partly offset by lower hydro energy sales volume (-0.6%).
- EAF -0.6%-point to 97.6%.
- Solar revenue +16.5% to RM2.2 mil: installed capacity 20.6 MW → 26.7 MW.
- PBT +7.4% to RM122.8 mil: higher revenue and lower net interest expense.

RENEWABLE ENERGY DIVISION - DON SAHONG

Don Sahong : January - September 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	3Q	Total	YoY (%)	QoQ (%)
Revenue	45.3	49.9	61.0	50.1	206.3	55.8	52.4	48.3	156.5	-20.8%	-7.8%
PBT	5.3	3.8	4.9	3.4	17.4	5.8	5.8	5.5	17.1	12.2%	-5.2%
PBT margin (%)	11.7%	7.6%	8.0%	6.8%	8.4%	10.4%	11.1%	11.4%	10.9%		

3Q2023 vs 3Q2022

- Sales -20.8% to RM48.3 mil: sales of lime products -22.2% mainly due to lower exports (slower mining activities, high inventory level and maintenance shut down in one of key customers), partly offset by slight increase in sales of non-lime products.

- PBT +12.2% to RM5.5 mil on a favourable change in the sales mix and lower operating expenses.

PACKAGING DIVISION

EARNINGS REVIEW - PACKAGING DIVISION

(RM mil)	2022					2023				Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	YoY (%)	QoQ (%)
Revenue	94.8	100.7	104.6	98.9	399.0	103.5	100.4	98.1	302.0	-6.2%	-2.3%
PBT	8.8	9.3	8.8	6.6	33.5	7.3	8.1	10.1	25.5	14.8%	24.7%
PBT margin (%)	9.3%	9.2%	8.4%	6.7%	8.4%	7.1%	8.1%	10.3%	8.4%		

3Q2023 vs 3Q2022

- Revenue -6.2% to RM98.1 mil: slower sales demand for both paper bags and flexible plastic packaging films, in line with slower consumer demand.
- PBT +14.8% to RM10.1 mil on production efficiency improvements and a favourable change in the sales mix.

BALANCE SHEET REVIEW

	At 30.9.2023 (RM million)	At 31.12.2022 (RM million)	Changes (RM million)	Explanation
Service concession asset	2,006.0	1,940.8	65.2	RM130.9 million translation gain, partially offset by RM65.8 million amortisation charge.
PPE	527.7	481.7	46.0	RM67.5 million CAPEX (see below) and RM5.8 million translation gain, partially offset by RM26.0 million depreciation charge.
Investment properties	165.2	165.2	0.0	No movement.
ROU assets	115.3	119.0	(3.7)	Depreciation charge.
Investment in quoted shares	125.8	152.3	(26.5)	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	170.6	174.6	(4.0)	RM9.7 million share of loss, offset by RM5.7 million new investment.
Development expenditures	150.3	74.6	75.7	Progressive development of Don Sahong's 5th turbine expansion.
Inventories (current)	135.0	147.9	(12.9)	Lower stock at Packaging Division.
Receivables and prepayments	464.3	437.3	27.0	Translation gain on USD-denominated trade receivables, increase in deposits and interest income accrual, partially offset by lower receivable from EDL and deconsolidation effect of Serudong Power.
Deferred tax liabilities	129.9	124.3	5.6	Translation loss.
Payables and accruals (current)	199.6	155.7	43.9	RM37.7 million dividend accrual and RM26.3 million provision for additional income tax and penalties, partially offset by deconsolidation effect of Serudong Power.
Shareholder Equity	3,031.9	2,750.6	281.3	
Net Assets per share (RM)	3.22	2.91	0.31	

Capex comprised mainly:

a) RM29.2 million by Packaging Division for plant expansion.

b) RM21.5 million for plantation development.

c) RM13.3 million for solar development.

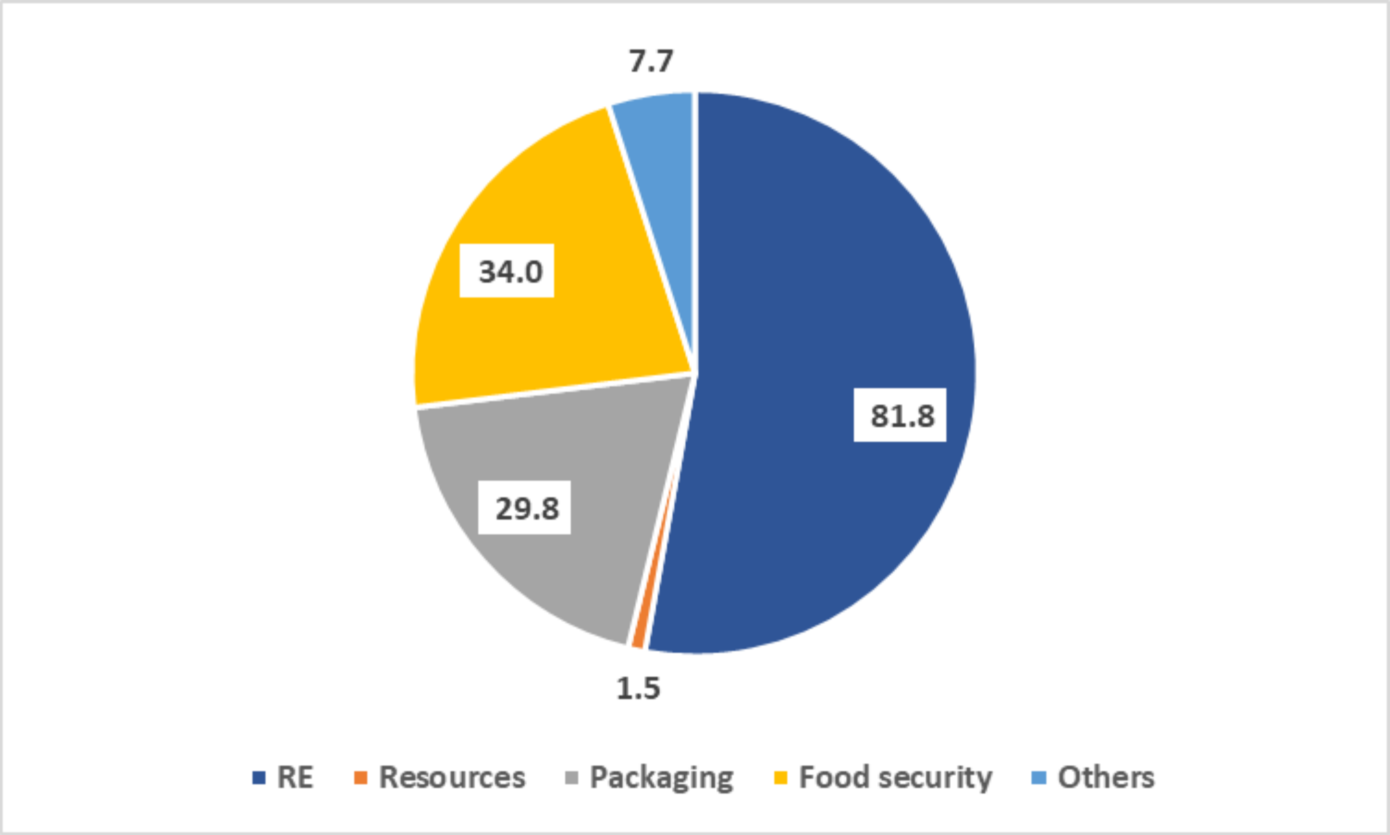
CASH FLOW REVIEW

	9-Month Period Ended	
	2023 (RM mil)	2022 (RM mil)
After tax cash from operating activities	431.0	457.0
Net cash inflow from non-operating investment activities	18.0	3.7
New capital from minority of subsidiary	-	2.0
Total Cash Made Available to the Group	**449.0**	**462.7**
Investing Activities		
Investment in joint ventures and associates	(5.7)	(11.5)
Short-term investment	(12.5)	-
Capex	(68.1)	(87.2)
Don Sahong Hydropower Project + expansion	(68.5)	(52.1)
Total Investment	**(154.8)**	**(150.8)**
Financing Activities		
Dividends paid	(44.0)	(33.1)
Finance costs paid	(33.2)	(23.2)
Purchase of treasury shares	(8.3)	(0.4)
Total Distribution	**(85.5)**	**(56.7)**
Net cash flow retained by the Group	**208.7**	**255.2**
Effects of forex and others	5.7	(12.2)
Change in Net Cash/(Debt) of the Group	**214.4**	**243.0**
Net Cash/(Debt):		
- At beginning of period	(220.6)	(520.2)
- At end of period	(6.2)	(277.2)
- Change	**214.4**	**243.0**

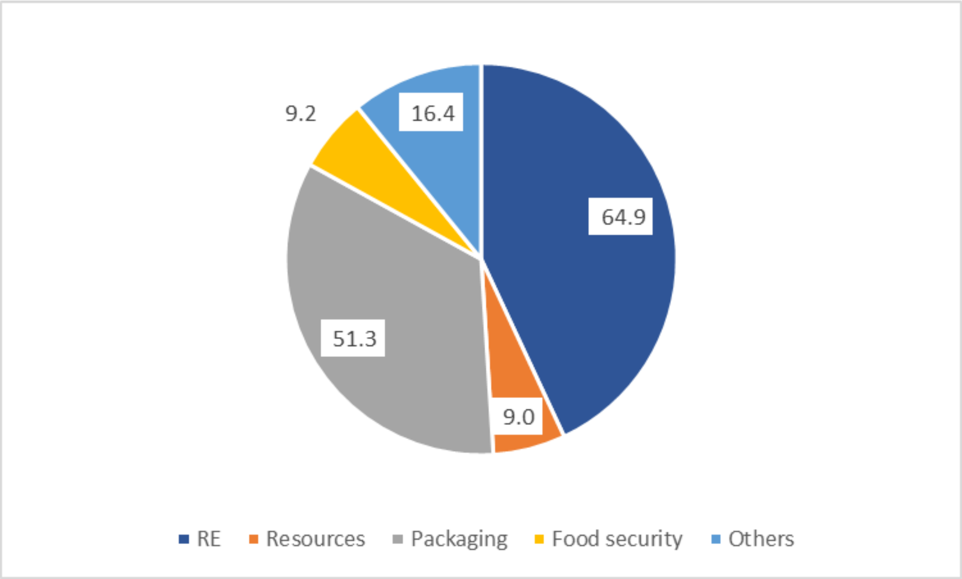
Operating profit before working capital changes posted marginal 0.8% increase from RM456 mil to RM460.1 mil.

EXPANSIONARY INVESTMENT CAPITAL DEPLOYED

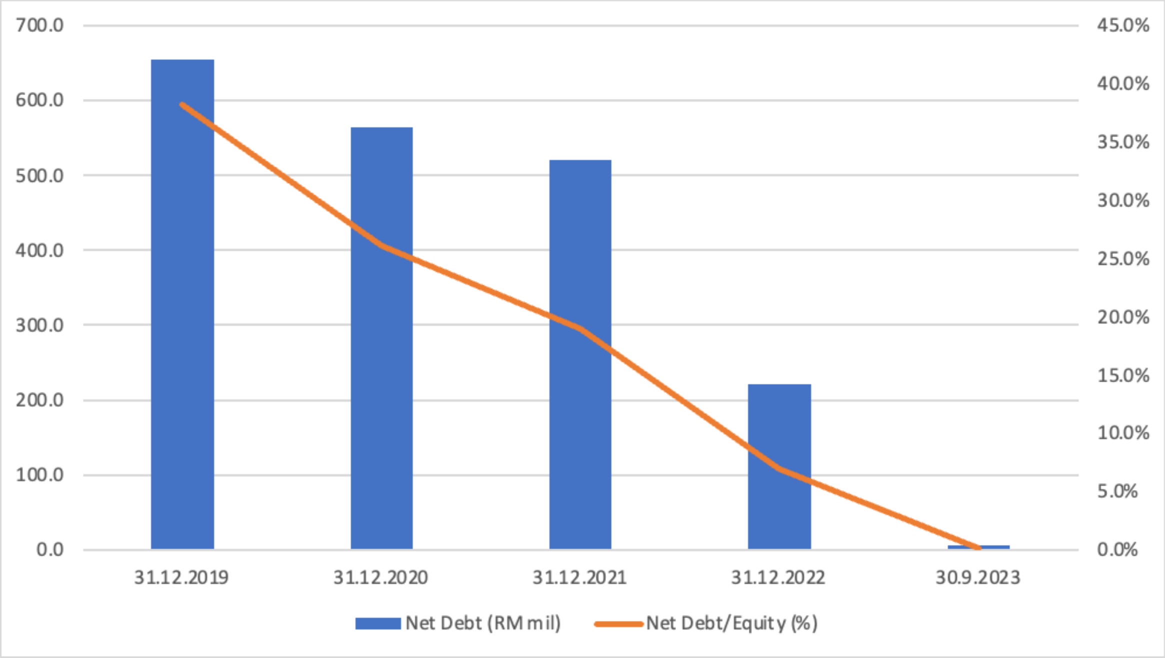
9M2023: RM154.8 mil



9M2022: RM150.8 mil



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 30.9.2023 (RM mil)
Total Cash	91.0	93.6	257.7	492.3	642.0
Total Debt	-746.1	-657.9	-777.9	-712.9	-648.2
Net Debt	**-655.1**	**-564.3**	**-520.2**	**-220.6**	**-6.2**
Equity	1,711.9	2,165.6	2,739.6	3,191.0	3,533.6
Net Debt/Equity Ratio	**38.3%**	**26.1%**	**19.0%**	**6.9%**	**0.2%**

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)	3Q (RM mil)	Total (RM mil)
Revenue	305.0	375.3	360.6	224.0	1,264.9	265.0	220.7	207.8	693.5
EBITDA	19.5	18.8	7.2	2.4	47.9	4.4	(1.5)	3.1	6.0
Depreciation and amortisation	8.7	8.6	8.5	8.7	34.5	9.2	9.1	9.1	27.4
PAT	8.7	9.9	(8.7)	(7.7)	2.2	(7.3)	(18.6)	(8.0)	(33.9)
PAT after MI	7.9	8.9	(9.7)	(9.5)	(2.4)	(7.7)	(16.9)	(8.9)	(33.5)
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)	(8.9)	(20.4)
MFCB's Share of Results	4.0	4.5	(4.9)	(4.8)	(1.2)	2.7	(8.5)	(4.5)	(10.2)
	('000 MT)	('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	34.8	113.4

Summarised Balance Sheet		
	At 31.12.2022 (RM mil)	At 30.9.2023 (RM mil)
Total Assets	834	736
Total Liabilities	454	409
NCI	65	48
Total Equity	315	279

Cost of investment RM40 mil

EBITDA remains positive

High depreciation due to bargain gain recognised at time of investment

OTHER UPDATES

- **Acquisition of remaining 20% in DSPC via 56.25%-owned subsidiary from EDL-Gen**
  - Total consideration: USD85.0 million.
  - Effective interest: 80.0% ⟶ 91.25%
  - Expected completion: by 31 December 2023
  - Bank borrowing: US$55 million.
  - Proforma profit impact: +RM27 mil (after funding cost) to PAT attributable to MFCB shareholders
  - Proforma Net Asset impact: +0.2%

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

PROSPECTS FOR REMAINING QUARTER OF 2023

- Economic and business environments generally expected to continue to be challenging.

- Prospects of a recovery in global consumption remain elusive:

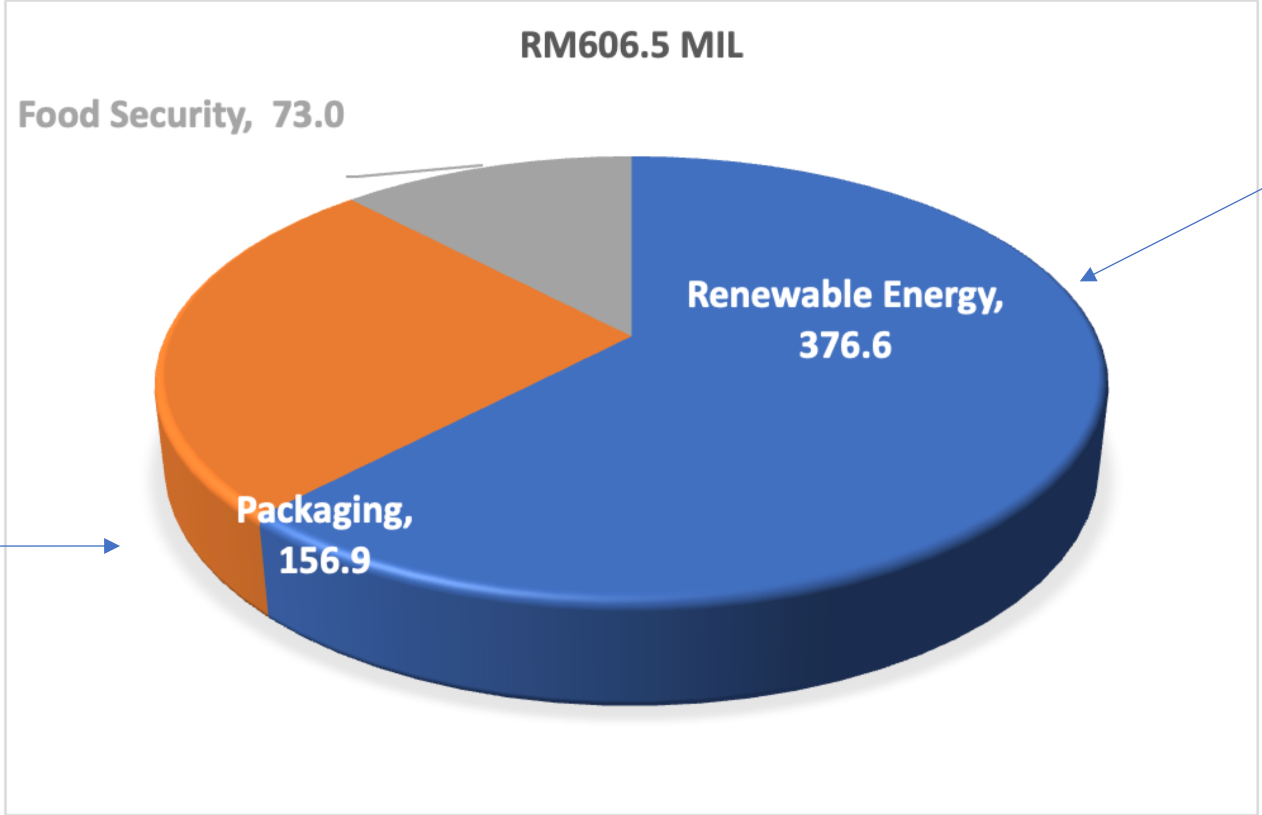
  - US Fed's interest rate policy;
  - Developments in the current geopolitical hotspots; and
  - China' success in managing its domestic issues and stimulate local demand.

- MFCB Earnings to remain highly resilient given the Group's:

  - Relatively recession-proof business portfolio;
  - Strong recurrent cash flow;
  - Unleveraged balance sheet; and
  - Proactive management.

PROSPECTS FOR REMAINING QUARTER OF 2023
CAPITAL COMMITMENT AS AT 30 SEPTEMBER 2023

Include RM71 mil land acquisition



Hydro: RM198.5 mil
Solar: RM178.1 mil

Factory construction: RM61.1 mil
Production machinery: RM95.8 mil

PROSPECTS FOR REMAINING QUARTER OF 2023

Renewable Energy Division

- 2023 Average EAF: about 91% (unchanged from earlier guidance)(2022: 94.6%) – higher than estimated long-term simulation average of 89%.
- Higher EAF 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 RM4.67/USD (current level), we expect Don Sahong's annual PAT in FYE 2023 to improve on currency gains, lower net interest expense and 1% tariff adjustment, to be offset by lower energy sales volume.
- Energy tariff +1% to 6.34 US cents on 1 October 2023.
- Outstanding loan at November 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 QUARTER OF 2023
PORTFOLIO SUMMARY AS AT 30 SEPTEMBER 2023

Completed Capacity		Capacity Secured/Under Construction		Total Capacity	
Hydro:	260.0 MW	Hydro:	65.0 MW	Hydro:	325.0 MW
Solar:	26.7 MW	Solar:	66.0 MW	Solar:	92.7 MW
Total:	**286.7 MW**	**Total:**	**131.0 MW**	**Total:**	**417.7 MW**

RENEWABLE ENERGY DIVISION - EXPANSION

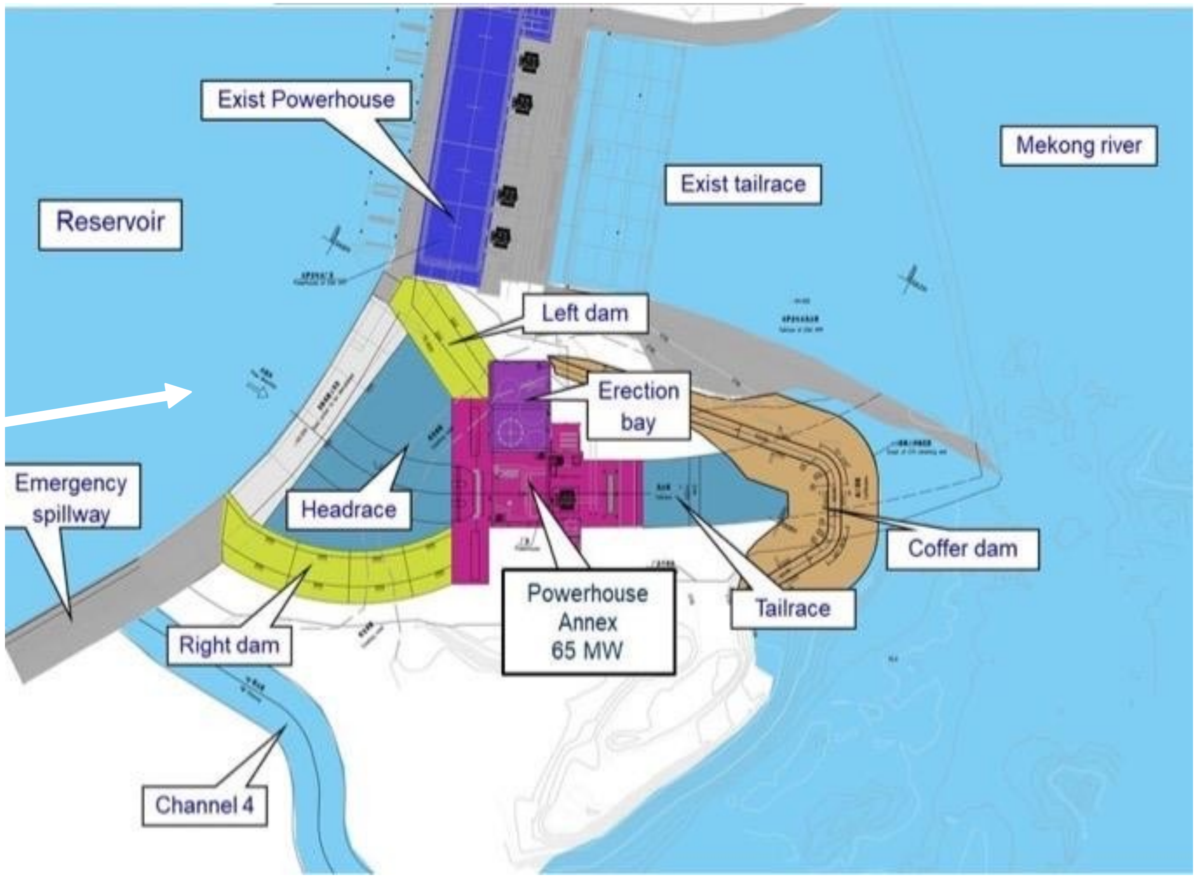
Renewable Energy Projects on Hand

- 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:
  - 8.8 MW energised in the 9M2023.
  - 8.1 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.

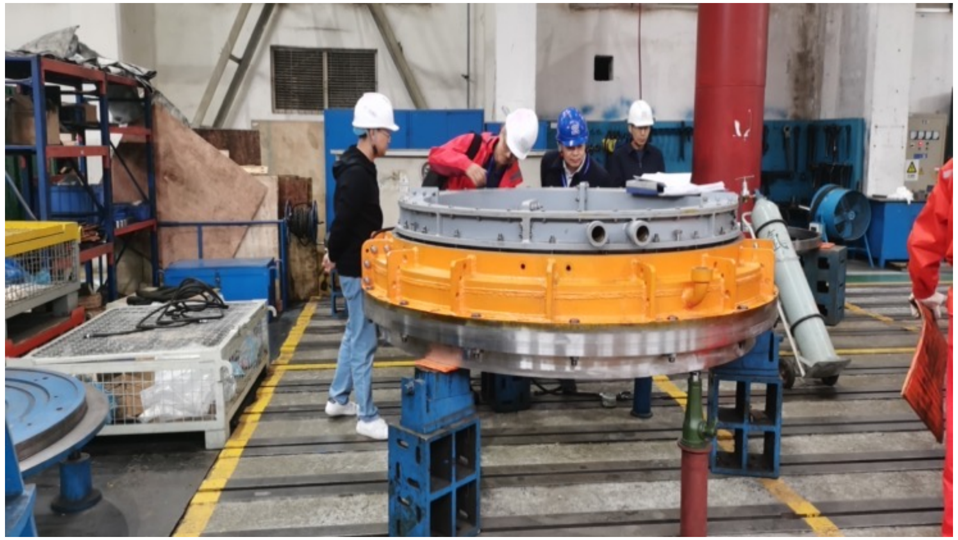
RENEWABLE ENERGY DIVISION
5th TURBINE CONSTRUCTION PROGRESS



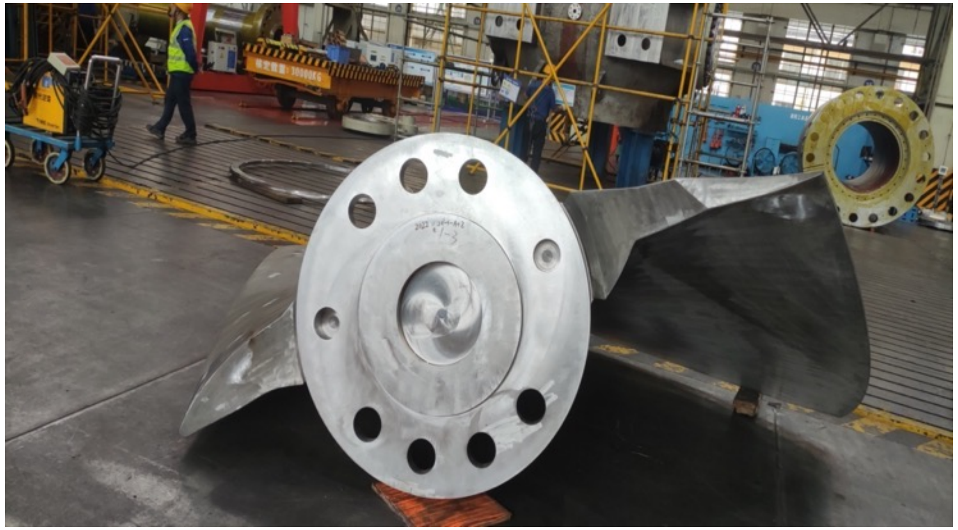
RENEWABLE ENERGY DIVISION
5th TURBINE CONSTRUCTION PROGRESS - CONSTRUCTION AREA

RENEWABLE ENERGY DIVISION
5th TURBINE CONSTRUCTION PROGRESS - MAIN SHAFT SEAL ASSEMBLY & TRANSFORMER






RENEWABLE ENERGY DIVISION
5th TURBINE CONSTRUCTION PROGRESS - TURBINE RUNNER



PROSPECTS FOR REMAINING QUARTERS OF 2023

Resources Division

- Demand for lime products is expected to remain soft on slow mining activities in the region.
- Nonetheless, sales volume expected to recover sequentially following completion of plant maintenance by key export customer in 3Q2023.
- 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 FYE 2022.

PROSPECTS FOR REMAINING QUARTERS OF 2023

Packaging Division

- Consumer demand is expected to remain generally subdued in 4Q2023.
- A fire recently broke out in one of flexible plastic packaging factories.
- Damaged assets are fully insured. Insurance claim underway and will be recognised as income upon finalisation in 2024.
- Based on preliminary estimate, financial impact on 4th Quarter 2023 as follows:
  - Asset and inventory impairment:
    - At PBT level – RM31.4 million
    - At PAT level – RM25.3 million
    - At PAT attributable to MFCB shareholders – RM15.7 million
  - Operational impact:
    - Revenue: minus RM4.0 million
    - PBT: minus about RM1.5 – 2.0 million
- Construction of the two new factory buildings in Melaka (Hexachase) and Bangi (Stenta) is now targeted for completion in 1Q2024.

PACKAGING DIVISION
BANGI (STENTA)

PACKAGING DIVISION
MELAKA (HEXACHASE)




PACKAGING DIVISION
MELAKA (HEXACHASE)

PROSPECTS FOR REMAINING QUARTERS OF 2023

Edenor Technology

- Overall oleochemical industry is expected to continue to face tremendous challenges:
  - Excess global industry capacity due to weak consumer demand,
  - Intense price competition.
- Barring unforeseen production hiccups, we expect plant operations to further stabilise in 4Q2023.
- This is expected to translate into gradual earnings improvement in 4Q2023.

KEY SUSTAINABILITY UPDATES

May

Board ESG Q1 update meeting

Officiation of MFCB's Sustainability vision and mission at Stenta (Packaging Division)

Developed MFCB's Sustainability Reporting Guidelines

June

Officiation of MFCB's Sustainability vision and mission at RCI (Resources Division)

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

July

Submitted MFCB's first Carbon Disclosure Project (CDP) responses for Climate Change

Collected Tier 1 suppliers details

Aug

ESG Quarter Reporting

Group Sustainability Committee Meeting

Board ESG Q2 update meeting

Employees Sustainability Training

ESG Data Owners Training

Sept

Employees Sustainability Training

ESG Data Owners Training

Oct

ESG Quarter Reporting

Group Sustainability Committee Meeting

Submitted MFCB's updates for listing on FTSE4Good Bursa Index

Won Company of the Year by BRC Award

Launched mandatory ESG training for Tier 1 suppliers

Nov

Course on Awareness of Anti-Bribery and Corruption and ESG

KEY SUSTAINABILITY UPDATES

Investor Engagement

- KWSP EPF
- ISS ESG
- Amundi ASSET MANAGEMENT
- UOB Asset Management

Key topics discussed:
MFCB's ESG goals and strategy, Management of ESG risks, Sustainable investments (involvement in any coal-related power industry), Environment and Human Rights issues.

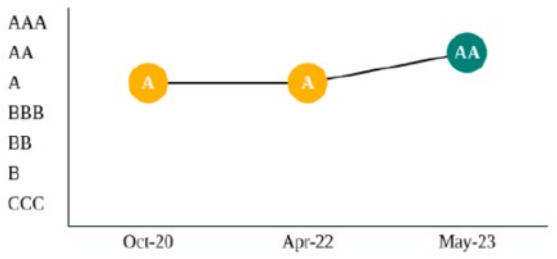
Rating Agency Engagement

MSCI

AA

In May 2023, MFCB received an 'AA' rating from MSCI that measures measures company's management of financially relevant Environmental, Social, and Governance risks and opportunities.

ESG Rating history



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 targets

Net zero emissions by 2050	Enhancing livelihoods of 300,000 people in nearby communities by 2030	100% of Tier 1 suppliers to comply with our Responsible Sourcing Policy by 2030
MFCB to achieve net zero emissions through pursuing operational GHG reduction and working with stakeholders on their carbon neutrality commitments.	To be the voice in empowering and uplifting communities through corporate social responsibility and advocacy.	To practice fair, transparent, ethical and sustainable procurement throughout the organisation.

Sub-targets

Conduct group-wide GHG inventory by 2023.	Establish a community investment fund to create positive societal impact by 2023.	Develop a Responsible Sourcing Policy by 2022.
Reduce waste to landfill by 50% by 2030.	Set up a Scholarship and Management Trainee Programme by 2024.	Implement mandatory supplier ESG training by 2023.
By 2035, achieve carbon neutrality and commence transition towards Net Zero.	Conduct social impact assessments for 100% of community initiatives by 2025.	Conduct internal audits of all higher-risk suppliers by 2025.
Reduce GHG emissions in the supply chain by 50% by 2035.		

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 - JAN-SEP 2023

ENVIRONMENT

1,556	GWh	Total Renewable Energy Generated[1]
913,070	tons	Total CO_{2e} Avoided From The Environment
276,153	GJoules	Total Energy Consumption[2]
353,458	tCO_{2e}	Total Direct Emissions[2] (Scope 1)
30,177	tCO_{2e}	Total Indirect Emissions From Purchased Energy[2] (Scope 2)
4,293	tons	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 and HQ office in Selangor.

- All data are from 1 Jan - 30 Sep 2023

SOCIAL DASHBOARD - JAN-SEP 2023

SOCIAL

	Male	Female	Total
Total Workforce	960	290	1,250
Ratio in Workforce	3.3 males : 1 female		
Average Training hours	7.7	12.4	10.05

Ethnicity	Chinese	Malay	Indian	Others
	17%	41%	4%	38%

	< 30 years	30 - 50 years	> 50 years
Senior Management	0	3	12
Management	8	69	36
Executive	63	118	21
Non-Executive	480	396	44

Note
- Data are for all subsidiaries under MFCB Group from 1 Jan - 30 Sep 2023

SAFETY DASHBOARD - JAN-SEP 2023

SAFETY

Work-Related Injuries

0
Fatalities

2
High Consequence Injuries

12
Cases

Work-Related ill Health

0
Fatalities

4
Cases

Notes:
- Data are for all three main Divisions of MFCB Group; Renewable Energy, Packaging and Resources Divisions
- All data are from 1 Jan - 30 Sep 2023

GOVERNANCE DASHBOARD - JAN-SEP 2023

GOVERNANCE

0
Confirmed Incidents Of Corruption

0
Confirmed Incidents Of Non-compliance With Laws And Regulations

0
Legal Actions For Anti-Competitive Behaviour, Antitrust, And Monopoly Practices

0
Complaints Received Concerning Breaches Of Customer Privacy

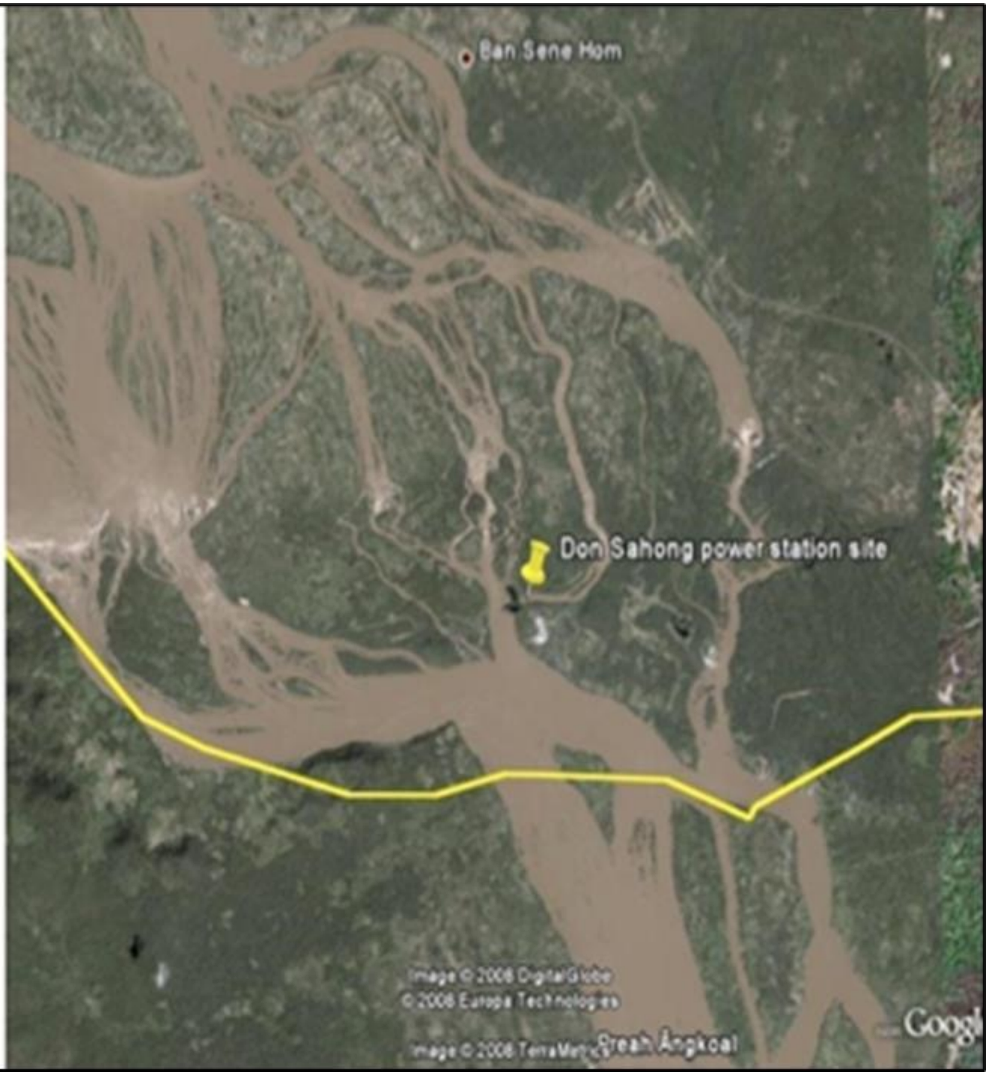
0
Identified Leaks, Thefts, Or Losses Of Customer Data

Notes:
- Data are for all three main Divisions of MFCB Group; Renewable Energy, Packaging and Resources Divisions
- All data are from 1 Jan - 30 Sep 2023

Remaining Slides for Reference (Updated)


RENEWABLE ENERGY
DON SAHONG

RENEWABLE ENERGY DIVISION
DON SAHONG



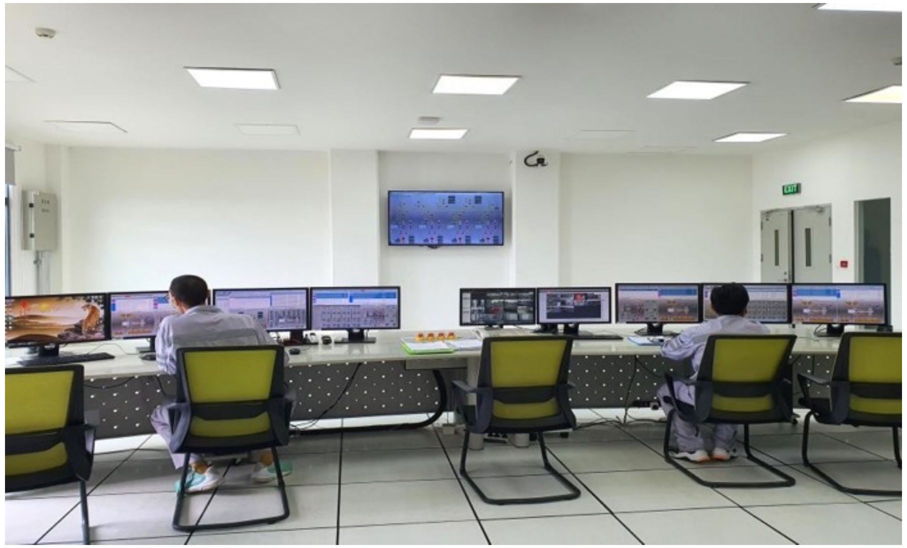
RENEWABLE ENERGY DIVISION
DON SAHONG

- 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

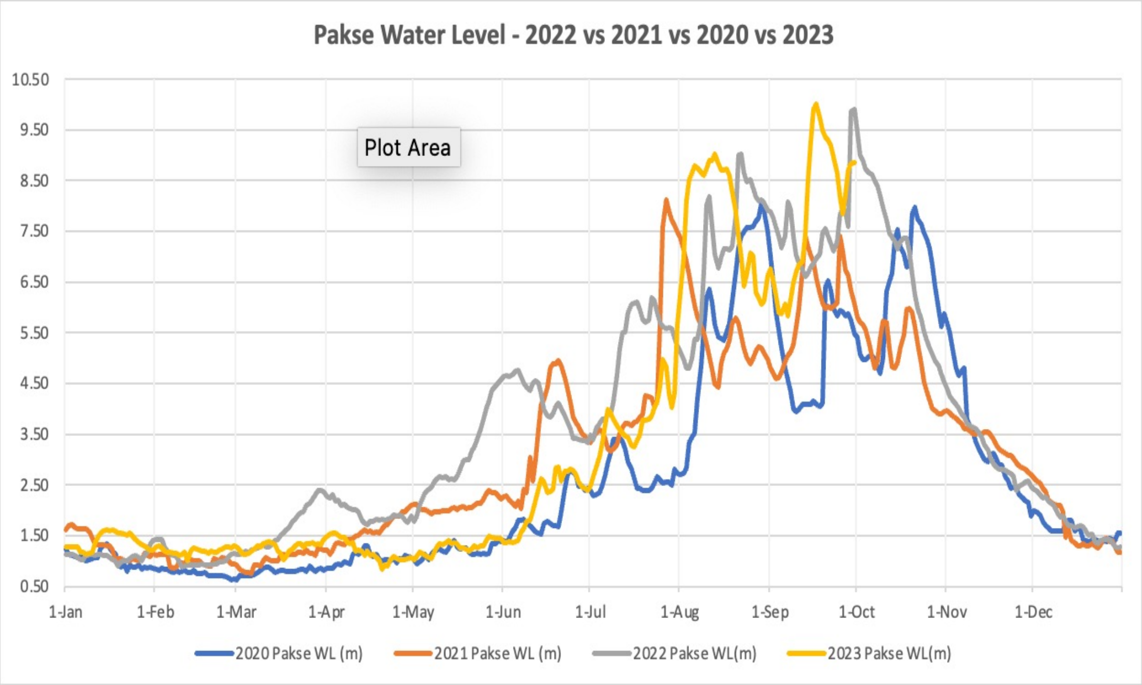


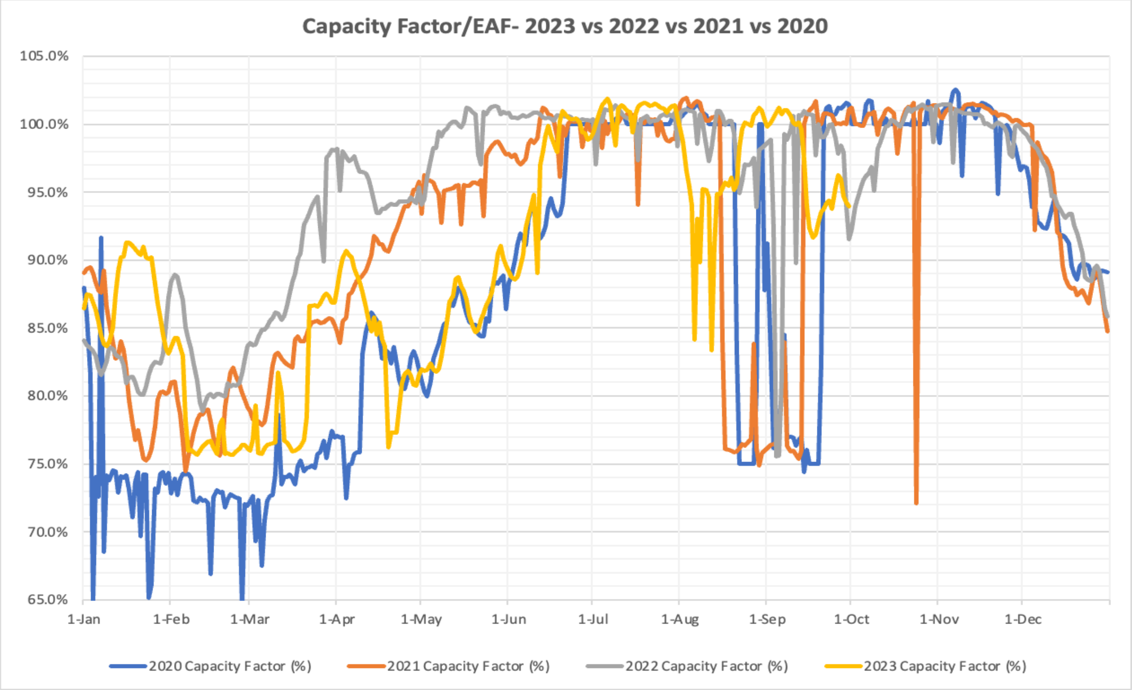

RENEWABLE ENERGY DIVISION
DON SAHONG



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**	**9M2023**
Revenue						
- Energy	-	35,086	510,214	533,864	596,925	437,555
- Construction	656,228	435,289	-	-	-	-
	656,228	**470,375**	**510,214**	**533,864**	**596,925**	**437,555**
Profit before tax						
- Energy	-	24,976	372,086	385,585	419,698	316,893
- Construction	177,058	157,506	-	-	-	-
	177,058	**182,482**	**372,086**	**385,585**	**419,698**	**316,893**

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

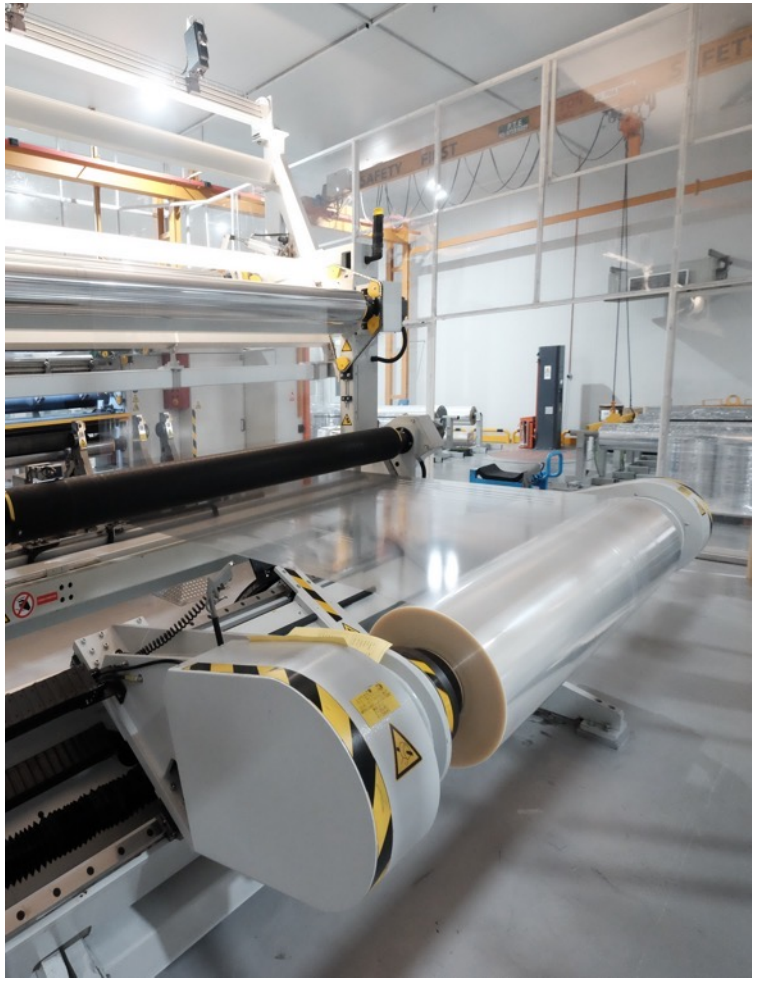
SOS Machine

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

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)	**2018**	**2019**	**2020**	**2021**	**2022**	**9M2023**
Revenue	57,433	68,427	97,775	208,217	398,964	301,980
Profit before tax	(4)	(501)	9,461	22,219	33,546	25,525

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**	**9M2023**
Revenue	142,249	143,624	142,819	154,880	206,324	156,483
Profit before tax	18,606	16,460	18,766	16,725	17,385	17,079

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).

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.

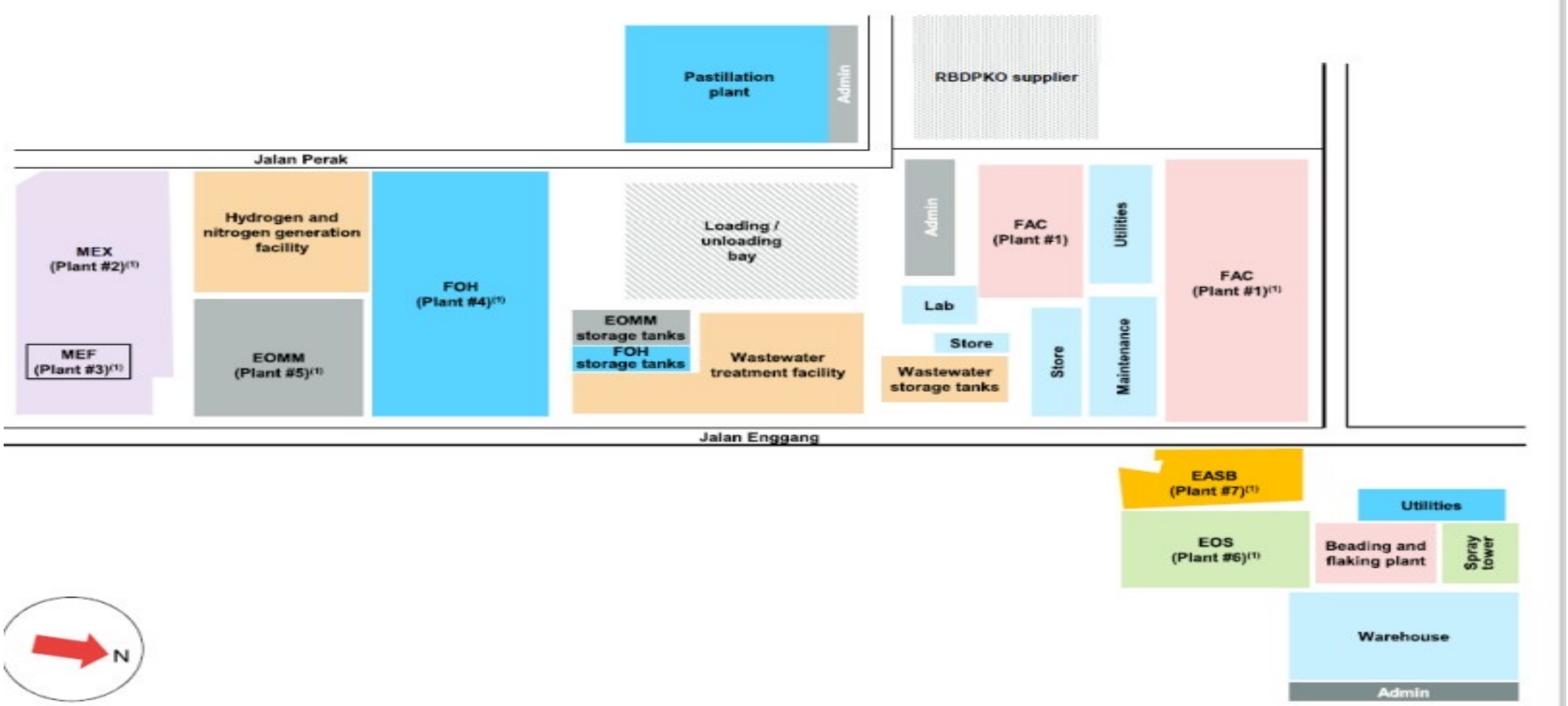
INVESTMENT IN JOINT VENTURE
EDENOR TECHNOLOGY

<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)

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 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.

FOOD SECURITY 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.

FOOD SECURITY UPDATE

1) Background

- Main crops: coconuts & macadamia.
- Cumulative investment as at 30 September 2023: RM133 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 September 2023: about 2,560 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.

FOOD SECURITY UPDATE

FOOD SECURITY UPDATE

FOOD SECURITY UPDATE

THANK YOU!