MFCB

4Q2022 RESULTS BRIEFING

28 February 2023

AGENDA

1. 4Q2022 Financial Review:
   - Earnings Review
   - Balance Sheet Review
   - Cash Flow Review
   - Capital Deployed
   - Gearing Position
   - JV Edenor Technology
   - Other Updates

2. Prospects for 2023

For reference (updated):

3. Renewable Energy Division

4. Packaging Division

5. Resources Division

6. Investment in Joint Venture Edenor Technology

7. Plantation Update

4Q2022 EARNINGS OVERVIEW

Group Earnings Breakdown					
	4Q2022 RM'000	4Q2021 RM'000	YoY Change (%)	3Q2022 RM'000	QoQ Change (%)
Revenue					
Renewable Energy	161,597	146,641	10.2%	158,444	2.0%
Resources	50,098	43,329	15.6%	60,990	-17.9%
Packaging	98,869	84,105	17.6%	104,574	-5.5%
Sub-total	310,564	274,075	13.3%	324,008	-4.1%
Investment holding & others	53,293	6,544	714.4%	47,521	12.1%
Total	363,857	280,619	29.7%	371,529	-2.1%
PBT					
Renewable Energy	114,279	109,901	4.0%	114,339	-0.1%
Resources	3,400	4,385	-22.5%	4,886	-30.4%
Packaging	6,617	10,671	-38.0%	8,770	-24.5%
Sub-total	124,296	124,957	-0.5%	127,995	-2.9%
Investment holding & others	(2,244)	(5,995)	-62.6%	6,124	-136.6%
Share of profit in JV/associate:					
- Operation earnings	(4,599)	(3,121)		(4,648)	
- One-off bargain gain	0	125,147	-100.0%	16,937	-100.0%
Total	117,453	240,988	-51.3%	146,408	-19.8%
PAT	115,839	236,582	-51.0%	141,680	-18.2%
PAT attributable to owners of Company	95,170	212,806	-55.3%	119,456	-20.3%

Key Takeaway:

- Revenue +29.7% to RM364 mil; Excluding one-off bargain gain, PBT +1.4% to RM117 mil.
- All core divisions posted double digit revenue growth rates. Revenue of Investment Holding & Others Division boosted by RM45 mil contribution from the restart of the Tawau power plant in May 2022.
- Recurrent PAT (before bargain gain) +4.0% to RM116 mil.
- Recurrent Net Profit attributable to owners of Company +8.6% to RM95 mil.
- Edenor: 4Q EBITDA RM2.4 mil. Share of accounting loss due to capacity loss from upgrading works and unfavourable commodity price trend resulting in FV loss.

EARNINGS REVIEW - RENEWABLE ENERGY DIVISION

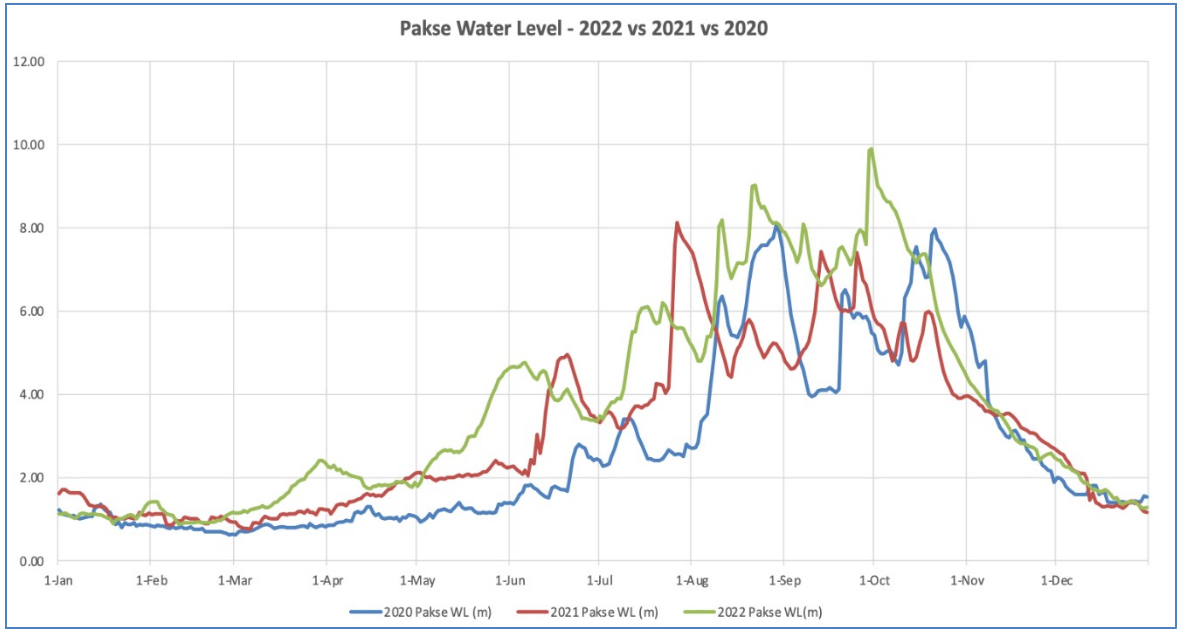
Renewable Energy Division												
	2021					2022					Change	
(RM million)	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY (%)	QoQ (%)
Revenue	114.2	138.2	134.9	146.6	533.9	125.4	151.5	158.4	161.6	596.9	10.2%	2.0%
PBT	78.2	98.7	98.8	109.9	385.6	83.0	108.1	114.3	114.3	419.7	4.0%	0.0%
PBT margin (%)	68.4	71.4	73.2	75.0	72.2	66.2	71.4	72.2	70.7	70.3		
EAF (%)	81.3	95.2	90.1	97.5	91.1	84.7	98.0	98.2	97.4	94.6	-0.1%	-0.8%
Average RM/USD rate	4.064	4.128	4.197	4.185	4.144	4.193	4.352	4.484	4.574	4.401	9.3%	2.0%

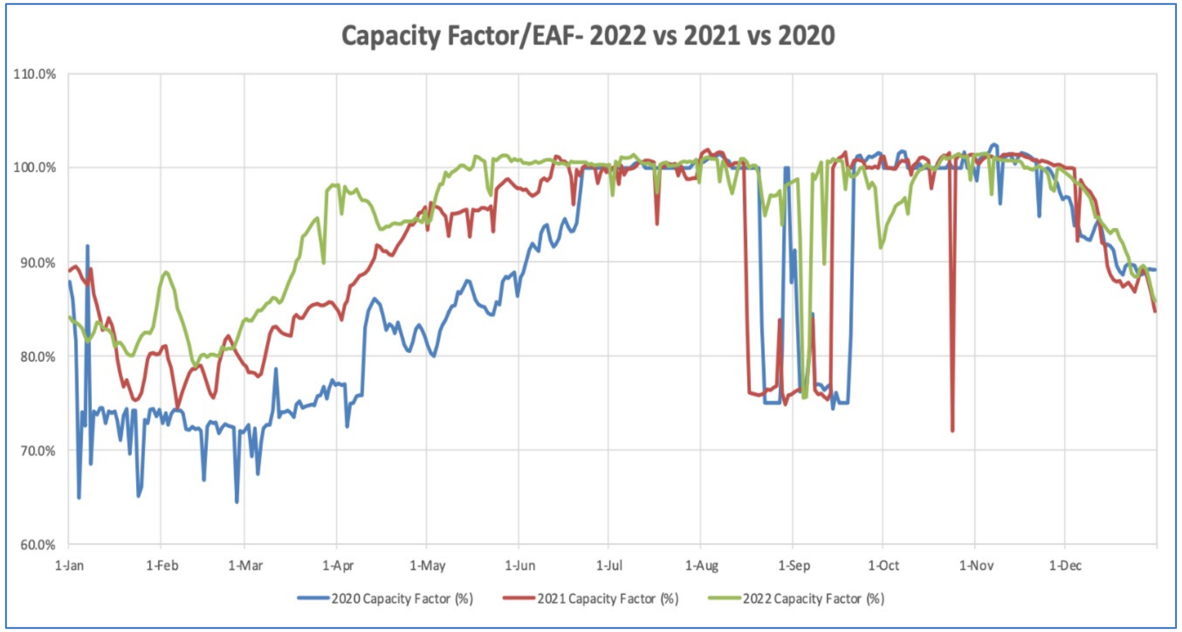
4Q2022 vs 4Q2021

- Revenue +10.2%: solar energy installed C&I solar capacity +23%, currency gain +9%, hydro tariff +1%.
- Hydropower EAF remained flat at 97.4%.
- Solar revenue RM1.6 mil (4Q2021: RM1.4 mil) on higher installed C&I solar capacity.
- PBT +4% on higher hydropower energy income in Laos, partially offset by higher interest expense (interest rate hike) and expected credit loss (ECL).

RENEWABLE ENERGY DIVISION - DON SAHONG

Don Sahong: January to December 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	4Q	Total	YoY (%)	QoQ (%)
Revenue	44.6	35.5	31.5	43.3	154.9	45.3	49.9	61.0	50.1	206.3	15.7%	-17.9%
PBT	6.0	4.4	1.9	4.4	16.7	5.3	3.8	4.9	3.4	17.4	-22.7%	-30.6%
PBT margin (%)	13.4	12.4	6.0	10.1	10.8	11.7	7.6	8.0	6.8	8.4		

4Q2022 vs 4Q2021

- Lime product sales volume -7%: fluctuating order/delivery patterns resulting from occasional container shortages and timing of customers scheduled/unscheduled plant stoppage.
- ASP +28%: progressive selling price adjustments to defray rising production and energy costs.
- Average petcoke cost +72%.
- Excluding RM0.9 mil provision write back recorded in 4Q 2021, PBT -3%: lower plant utilisation rate (lower production volume).

EARNINGS REVIEW – PACKAGING DIVISION

Packaging Division												
	2021					2022					Change	
(RM million)	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY (%)	QoQ (%)
Revenue	30.7	30.0	63.4	84.1	208.2	94.8	100.7	104.6	98.9	399.0	17.6%	-5.4%
PBT	2.6	1.4	7.5	10.7	22.2	8.8	9.3	8.8	6.6	33.5	-38.3%	-25.0%
PBT margin (%)	8.5	4.7	11.8	12.7	10.7	9.3	9.2	8.4	6.7	8.4		

4Q2022 vs 4Q2021

- Revenue +18%: Higher demand for both flexible packaging products and paper bags.
- PBT -38%: Higher cost of raw materials, softer demand and stiffer price competition.

BALANCE SHEET REVIEW

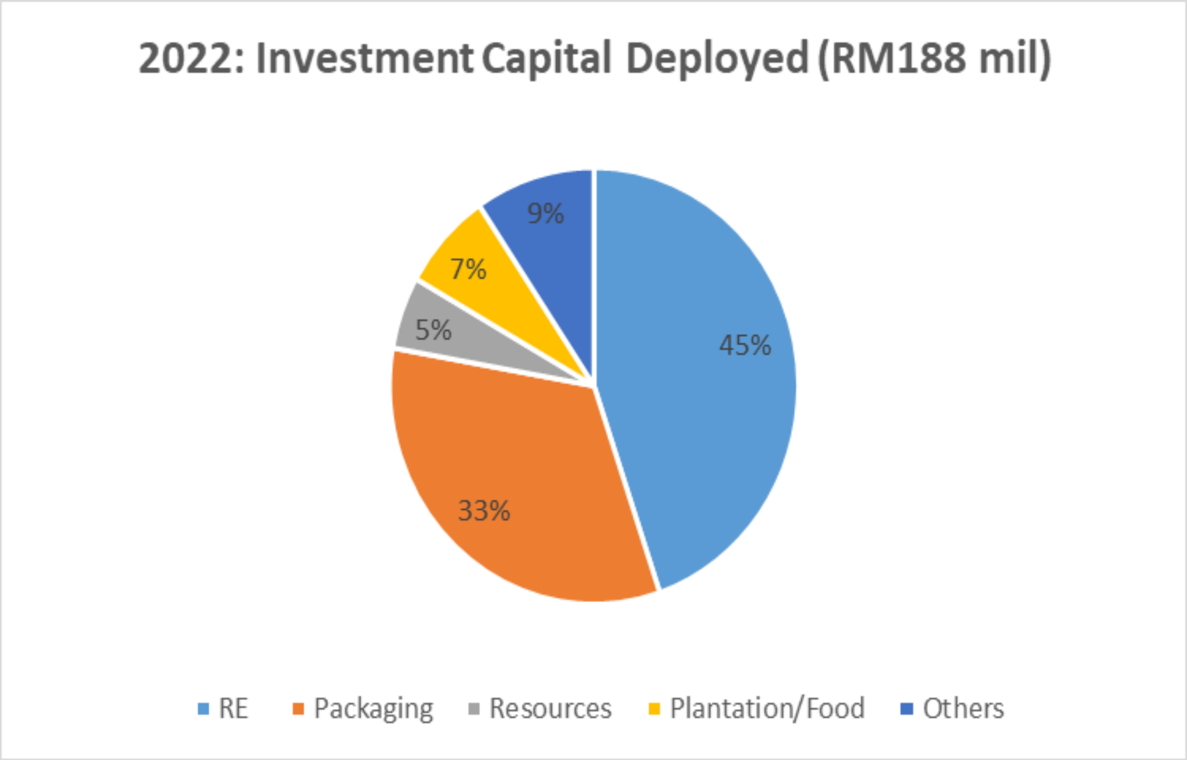
Asset/Liability Items	As At 31.12.2022 (RM million)	As At 31.12.2021 (RM million)	Changes (RM million)	Explanation
Service concession asset	1,941	1,922	19	RM104 mil translation gain, partially offset RM85 mil amortisation.
PPE	554	410	144	RM150 mil (see below) CAPEX and RM31 mil ROU assets reclassified, partially offset RM37 mil depreciation and write-off.
Investment properties	165	165	0	No movement in the current year.
ROU assets	119	129	(10)	RM31 mil reclassification to PPE and RM4 mil depreciation, partially offset by RM25 mil land acquisitions by Packaging and Resources.
Quoted shares	152	200	(48)	Fair value loss of quoted securities.
JV and associates	175	146	29	RM12 mil new investment and RM17 mil share of profit.
Inventories (current)	148	129	19	Higher revenue base of manufacturing activities.
Receivables	438	409	29	Increased receivable in Serudong Power and translation difference of USD receivable from EDL.
Deferred tax liabilities	124	120	4	Translation difference.
Payables (current)	157	119	38	Increased payable in Serudong Power and manufacturing divisions on higher revenue base.

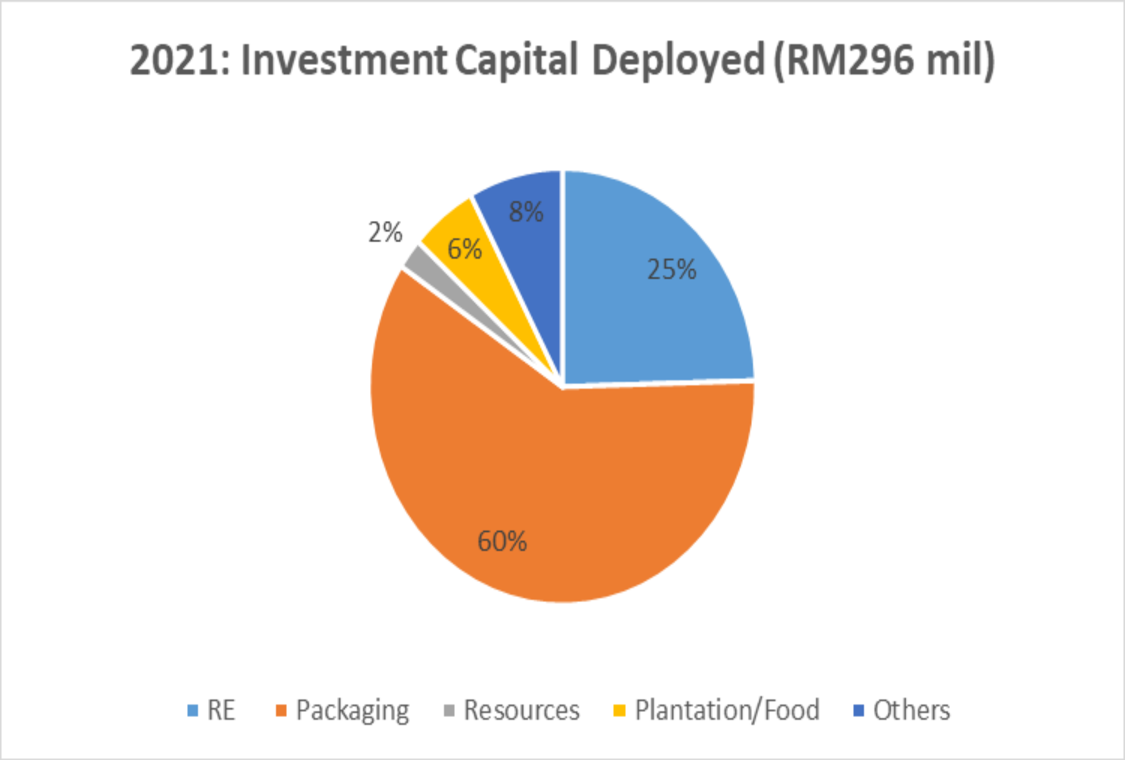
Capex mainly comprised:
a) RE: RM84 mil - 5th turbine and C&I solar.
b) Packaging: RM41 mil for capacity expansion.
c) Plantation development: RM14 mil.
d) Others: RM9 mil.

CASH FLOW REVIEW

Cash Flow Analysis		
	12 Months Period Ended	
	2022 (RM mil)	2021 (RM mil)
After tax cash from operating activities	580.1	469.7
Net cash inflow from non-operating investment activities	20.1	17.8
New capital from minority of subsidiary	3.5	8.5
Total Cash Made Available to the Group	**603.7**	**496.0**
Investing Activities		
Acquisition of subsidiary	-	(124.3)
Investment in joint ventures and associates	(11.5)	(20.0)
Capex	(104.2)	(112.5)
Don Sahong Hydropower Project + expansion	(72.5)	(39.2)
Total Investment	**(188.2)**	**(296.0)**
Financing Activities		
Dividends paid	(67.1)	(61.6)
Finance costs paid	(38.7)	(27.4)
Purchase of treasury shares	(0.4)	(6.8)
Total Distribution	**(106.2)**	**(95.8)**
Net cash flow retained by the Group	**309.3**	**104.2**
Effects of forex and others	(9.7)	(60.1)
Change in Net Cash/(Debt) of the Group	**299.6**	**44.1**
Net Cash/(Debt):		
- At beginning of period	(520.2)	(564.3)
- At end of period	(220.6)	(520.2)
- Change	**299.6**	**44.1**

Expansionary Investment Capital Deployed





GEARING POSITION

Gearing Position				
	At 31.12.2022 (RM mil)	**At 31.12.2021 (RM mil)**	**At 31.12.2020 (RM mil)**	**At 31.12.2019 (RM mil)**
Total Cash	492.4	257.7	93.6	91.0
Total Debt	-713.0	-777.9	-657.9	-746.1
Net Debt	**-220.6**	**-520.2**	**-564.3**	**-655.1**
Equity	3,191.0	2,739.6	2,165.6	1,711.9
Net Debt/Equity Ratio	**6.9%**	**19.0%**	**26.1%**	**38.3%**

EDENOR TECHNOLOGY JV

Summarised Profit and Loss					
	1Q2022 (RM mil)	2Q2022 (RM mil)	3Q2022 (RM mil)	4Q2022 (RM mil)	2022 (RM mil)
Revenue	305.0	375.3	360.6	224.0	1,264.9
EBITDA	19.5	18.8	7.2	2.4	47.9
Depreciation and amortisation	8.7	8.6	8.5	8.7	34.5
PAT	8.7	9.9	(8.7)	(7.7)	2.2
PAT after MI	7.9	8.9	(9.7)	(9.5)	(2.4)
	('000 MT)	('000 MT)	('000 MT)	('000 MT)	('000 MT)
Sales Volume	34.5	36.6	39.3	30.0	140.4

Summarised Balance Sheet		
	At 31.12.2021 (RM mil)	At 31.12.2022 (RM mil)
Total Assets	725	834
Total Liabilities	387	454
NCI	54	65
Total Equity	284	315

OTHER UPDATES

- **Recommencement of Serudong Power operations**
  - Recommenced operations in May 2022 to facilitate future sale of the subsidiary.
  - RM112 mil sales revenue in 2022 presented under “Investment Holding & Others”.
  - Minimal Profit and Loss contribution to Group.
  - Operational economic benefit/loss to accrue to 3rd party Preference Share holders.
  - Target to complete sale of Serudong Power in 2Q2023.

- **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 hearing of IRBM’s appeal on 2 March 2023.

PROSPECTS FOR 2023

- **2022 Recap:**
  - Adjusted Revenue (exclude Serudong Power): +34.2% to RM1.23 mil;
  - Adjusted PBT (exclude bargain gain): +14.3% to RM474 mil;
  - After-tax Cash Flow from operations: +23.5% to RM580 mil;
  - Capital investment: RM188 mil versus RM296 mil in 2021;
  - Net Debt-to-Equity: 6.9% (2021: 19.0%).

- **2023:** Continue to leverage the strong cash flow and balance sheet to further grow and strengthen existing businesses organically and/or via acquisitions.

- **Key challenges in 2023:**
  - Rising interest rates;
  - Rising operating cost environment (e.g. electricity, labour);
  - Supply chain inventory overhang and capacity excesses;
  - Generally soft consumer market.

- The Board is optimistic overall recurrent Group earnings will further improve in 2023.

Prospects for 2023: Capital Commitment at 31 Dec 2022

PROSPECTS FOR 2023 (CONT'D)

Renewable Energy Division

- Estimated EAF about 2% Y-o-Y lower to 92-93%, due to deferment of annual turbine maintenance from Aug/Sep 2022 to Feb/Mar 2023.
- Assume a stable exchange rate at RM4.40/USD, PBT expected to be marginally lower on expected lower EAF and higher interest expense (due to interest rate hikes), offset by 1% tariff adjustment and lower expected credit loss (ECL).
- Energy tariff +1% to 6.34 US cents on 1 October 2023.
- Outstanding loan at end-Feb 2023 was US$94 mil.
- Current interest rate: 5.21%
- Construction of 5th turbine progressing on schedule. Target completion unchanged in 3Q2024.
- Trade receivable collection from EDL is expected to remain good.
- Solar energy earnings to benefit from progressive energisation of new C&I solar projects. We will continue to explore and seize new business opportunities in the solar space to further build on the Group's solar portfolio.

PROSPECTS FOR 2023 (CONT'D)

Renewable Energy Portfolio Summary at 31 Dec 2022

Completed capacity	**277.8 MW**
- Hydro	260 MW
- Solar	17.8 MW
Capacity secured/under construction	**87.6 MW**
- Hydro	65 MW
- Solar	22.6 MW
Total capacity	**365.4 MW**
- Hydro	325 MW
- Solar	40.4 MW

RENEWABLE ENERGY DIVISION – EXPANSION

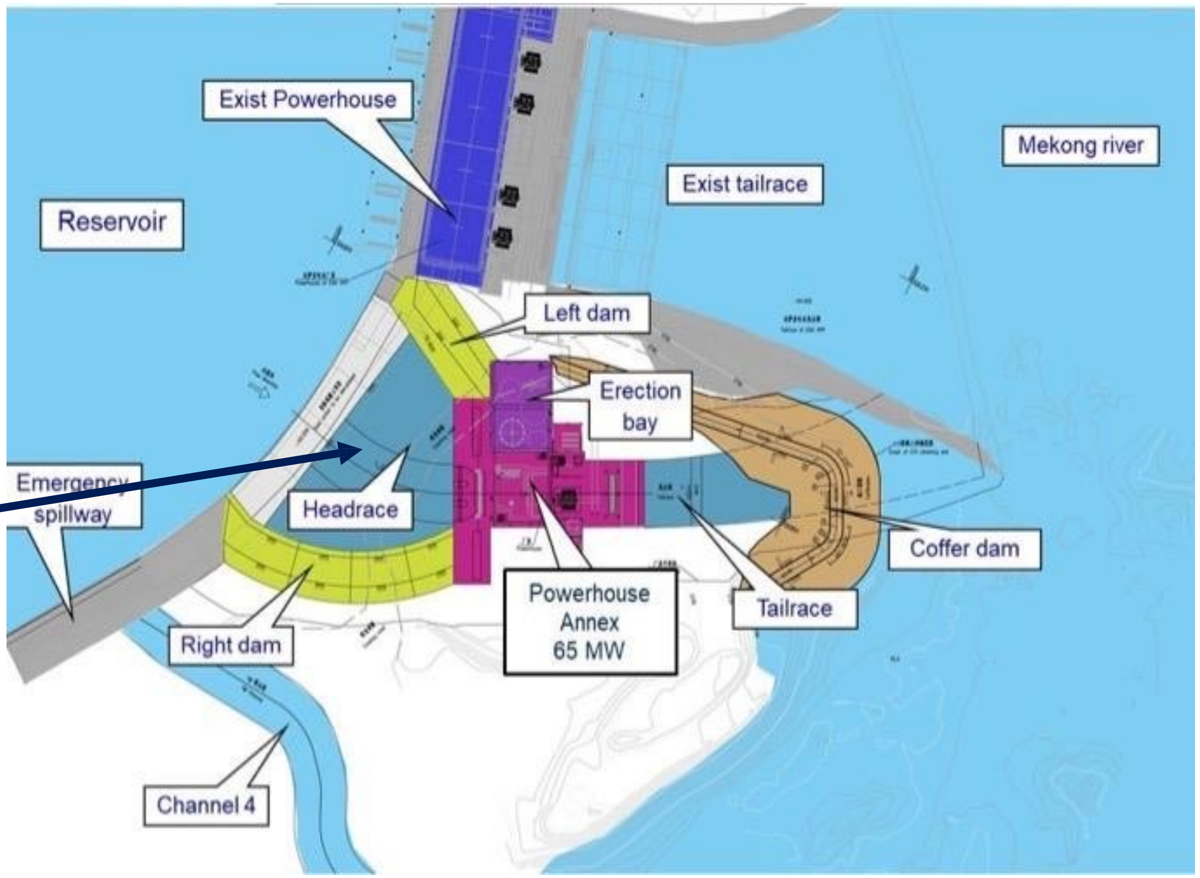
Renewable Energy Projects On Hand

- 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:
  - 5.7 MW energised in the last 12 months.
  - 20.2 MW to be progressively completed over the next 18 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

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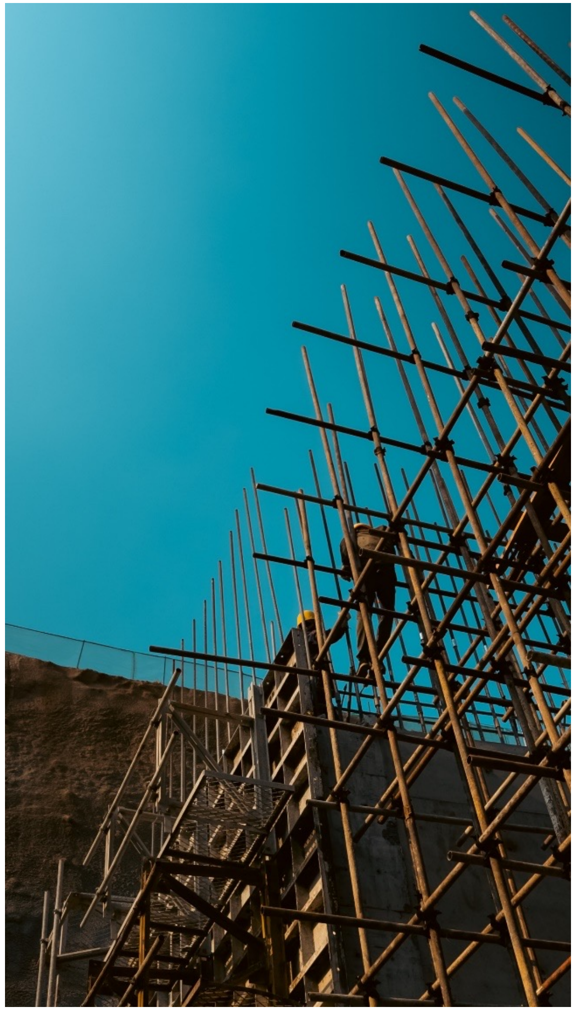


PROSPECTS FOR 2023 (CONT'D)

<u>Resources Division</u>

- Underlying regional demand for lime products is expected to remain robust.
- Despite global recession risk and ongoing geopolitical conflict, we are optimistic of defending or further improving sales deliveries to customers.
- Petcoke prices have recently stabilised, but production cost is expected to remain under pressure given the sharp increase in electricity surcharge from 1 January 2023 and rising labour costs.
- Management will continue to monitor production cost closely and make progressive adjustments to selling price where necessary to claw back some lost margin.
- Expect earnings to improve Y-o-Y in 2023.

PROSPECTS FOR 2023 (CONT'D)

<u>Packaging Division</u>

- 2023 to kick off the year on a softer start due to continued supply chain inventory overhang and a generally weak consumer appetite.
- Expects a healthy positive top line growth for both flexible packaging products and paper bags on consumption recovery in the later part of the year, broadening customer base and increased customer penetration.
- Stiff regional competition and overhead cost inflation may exert pressure on margin.
- Continue to improve production efficiencies, reduce wastage and improve customer satisfaction to overcome these challenges.
- Overall, expects earnings to improve in 2023.
- The construction of two new factories by Hexachase in Melaka and Stenta in Bangi will proceed as planned. Construction expected to complete by the end of 2023.

PROSPECTS FOR 2023 (CONT'D)

Edenor Technology Group

- Strategies to raise profitability:
  - Improve its manufacturing process reliability;
  - Upgrade the quality of its workforce;
  - Strengthen its distribution and agency network;
  - Broaden its specialty product range;
  - Minimise capacity loss from plant refurbishment and upgrading works.

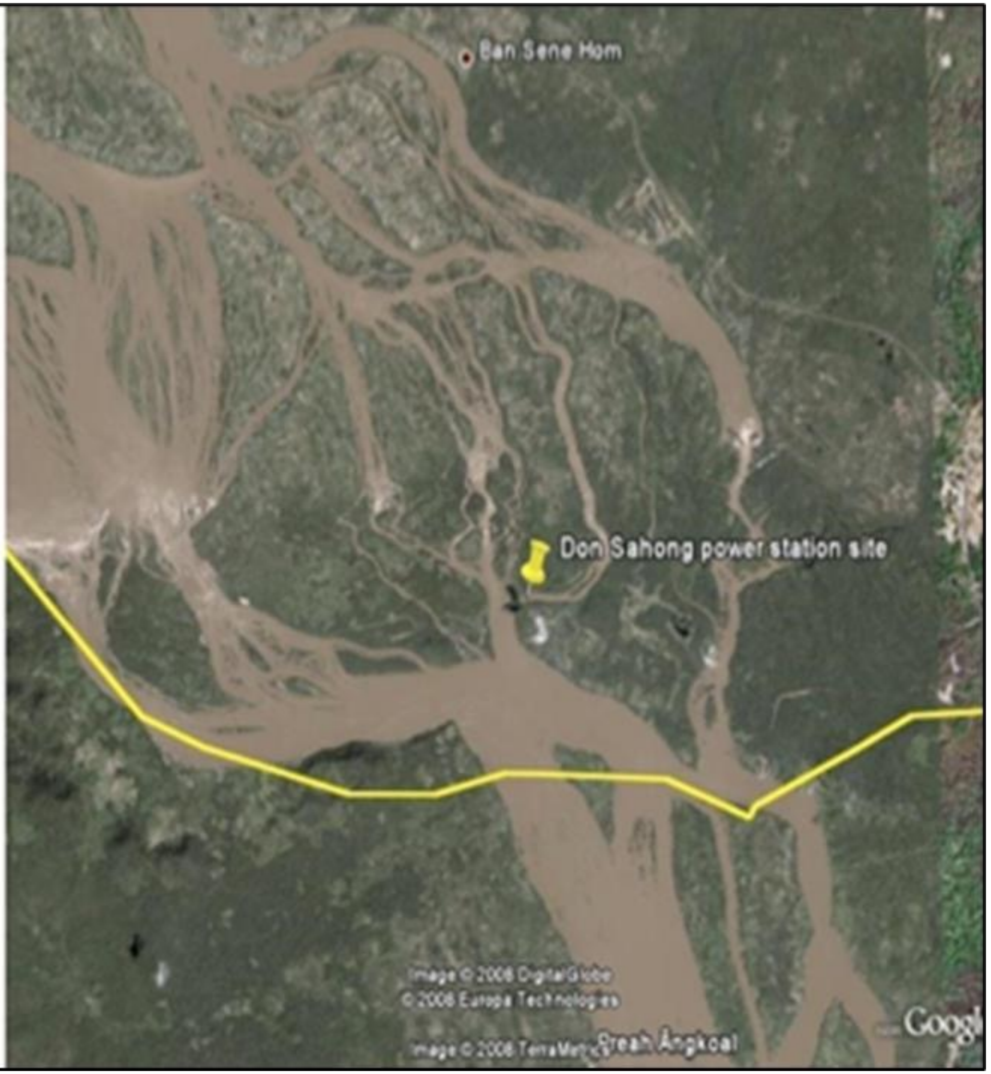
- Expects Edenor to contribute positively to MFCB in 2023.

(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% (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

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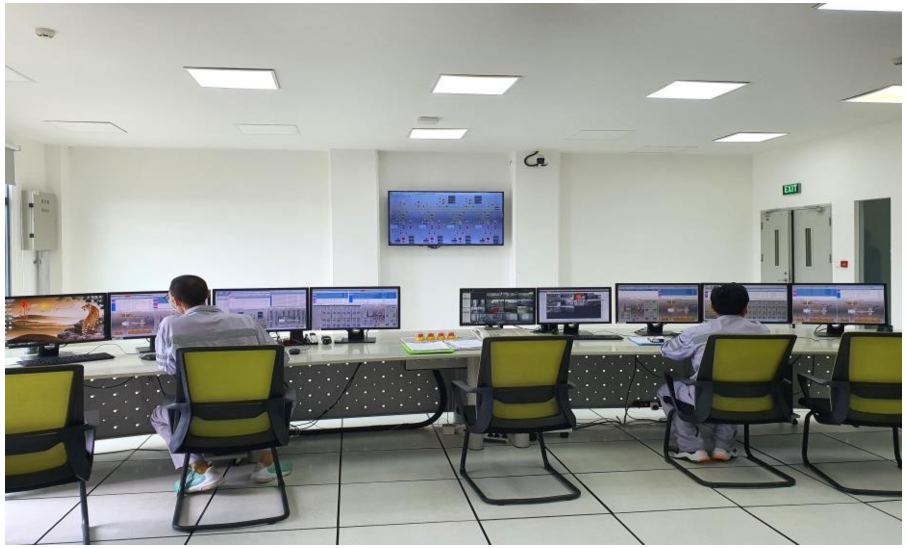
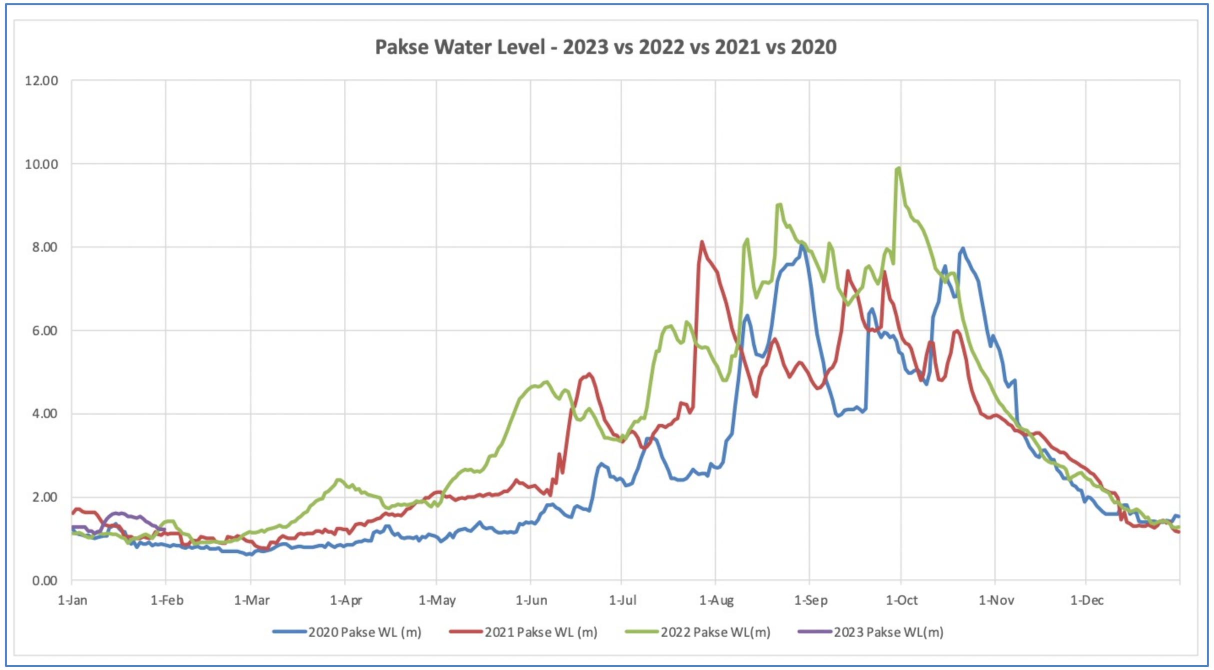
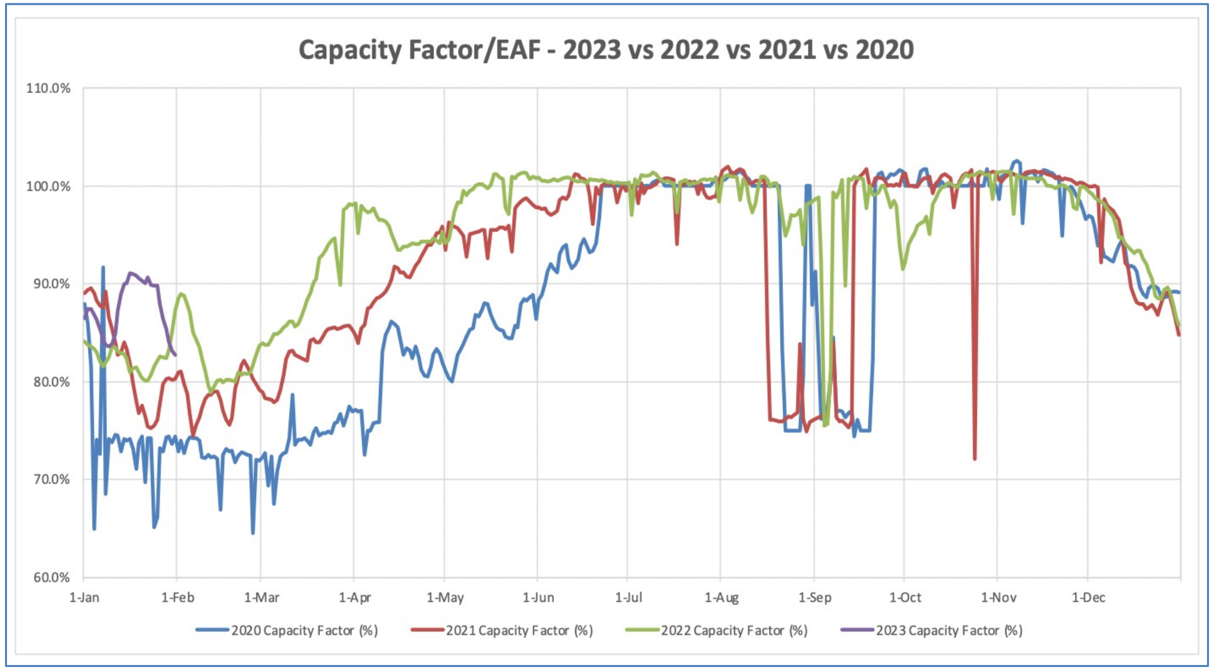


RENEWABLE ENERGY DIVISION – DON SAHONG

Don Sahong: Year to date Pakse Water Level and EAF





RENEWABLE ENERGY DIVISION – C&I SOLAR






RENEWABLE ENERGY DIVISION – FINANCIAL HIGHLIGHTS

5-Year Earnings Summary					
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
Revenue					
- Energy	-	35,086	510,214	533,864	596,925
- Construction	656,228	435,289	-	-	-
	656,228	**470,375**	**510,214**	**533,864**	**596,925**
Profit before tax					
- Energy	-	24,976	372,086	385,585	419,698
- Construction	177,058	157,506	-	-	-
	177,058	**182,482**	**372,086**	**385,585**	**419,698**

RENEWABLE ENERGY DIVISION - STRATEGY & STRENGTH

Strategy

- Leveraging current strong and stable cashflow of approx. RM500 mil per annum from existing RE portfolio to pursue selective RE opportunities in the region.

Strength

- Strong project management/execution track record → Don Sahong completed significantly below budget and ahead of schedule
- Effective cost management vis-à-vis peers → Don Sahong's cost/MW of US1.4 million is significantly below industry averages and lower than cost of thermal plant.
- Healthy balance sheet → 6.9% net gearing as at 31 December 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

<u>Mission statement:</u>

"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.

<u>Global trends:</u>

- 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

Sauce Packaging
BOPA/LLDPE

Wicketed Bags
KPET/LLDPE

Cake Packaging
PET/MCPP

Detergent Packaging
PET/White LLDPE

Electronic Packaging
BOPP/ALUM/LLDPE

PACKAGING DIVISION – PRODUCT RANGE

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 – CUSTOMER BASE

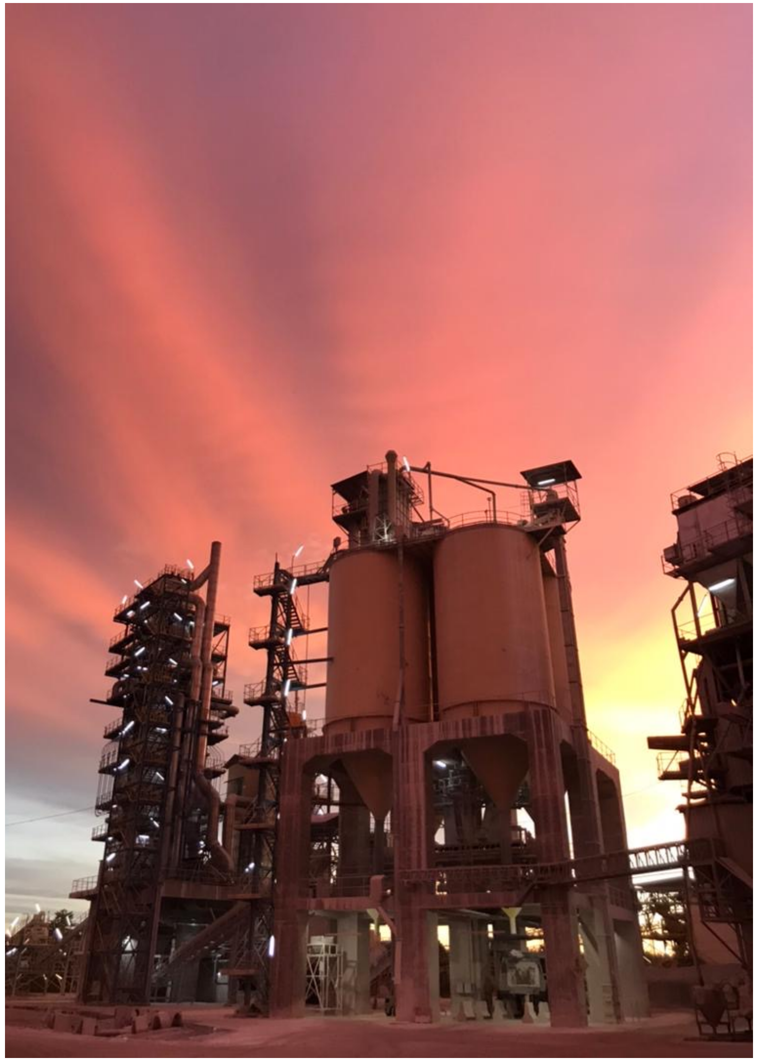
PACKAGING DIVISION – FINANCIAL HIGHLIGHTS

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

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.
- 2022 sales volume: approx. 500,000 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					
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
Revenue	142,249	143,624	142,819	154,880	206,324
Profit before tax	18,606	16,460	18,766	16,725	17,385

INVESTMENT IN 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).

<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.

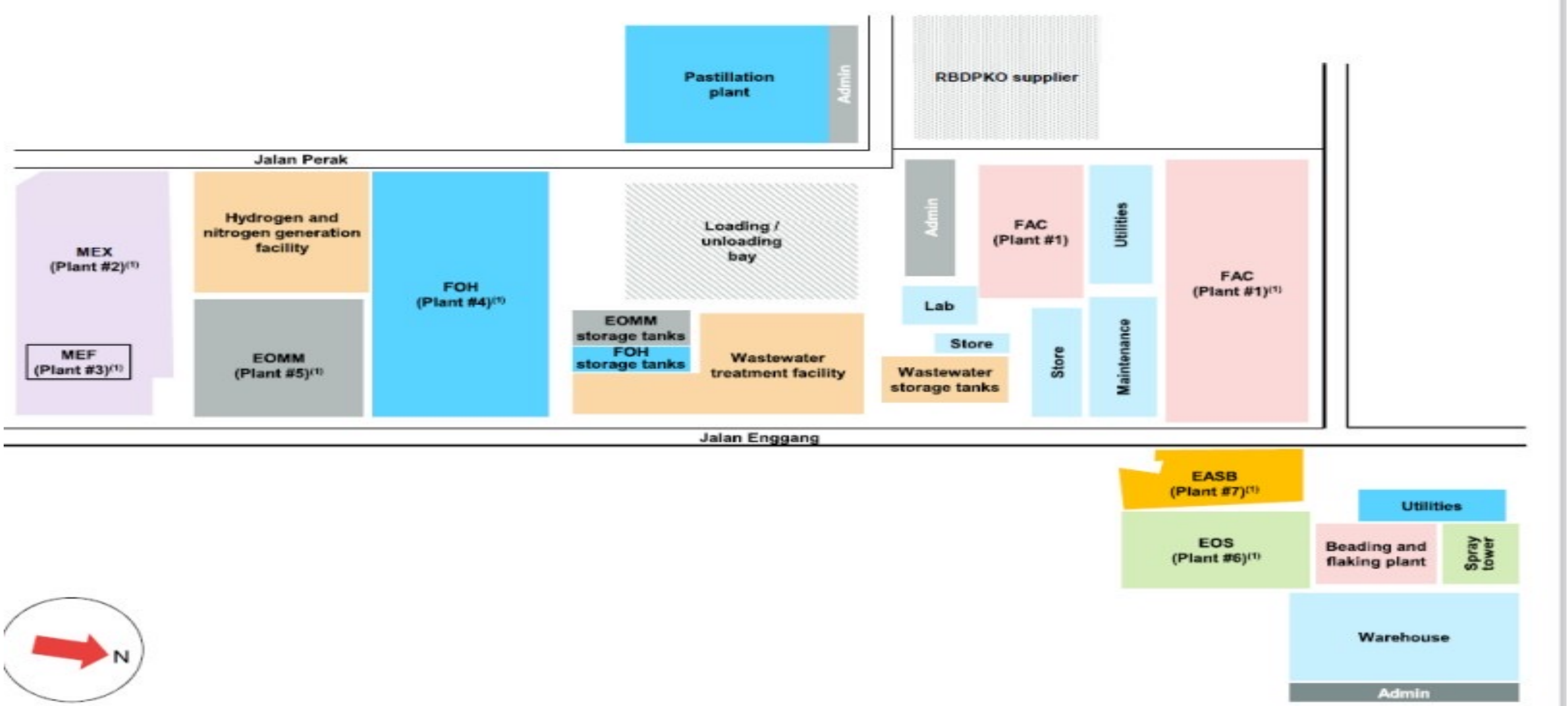
INVESTMENT IN EDENOR TECHNOLOGY

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).

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 profitable in 2022.

PLANTATION

MONDULKIRI, CAMBODIA

PLANTATION UPDATE

PLANTATION UPDATE

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 31 December 2022: RM116 mil (including land cost).

2) Land

- 50-year concession on 6,428 hectares.
- Estimated plantable area: 4,500 hectares
- Cumulative area planted as at 31 December 2022: about 2,500 hectares

3) Plans

- Planned planting in 2023: 300-400 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