

**MEGA FIRST CORPORATION BERHAD**

Reg. No. 196601000210 (6682-V)  
(Incorporated in Malaysia)

**MINUTES OF THE 57<sup>TH</sup> ANNUAL GENERAL MEETING HELD VIRTUALLY AT THE BROADCAST VENUE AT THE CONFERENCE ROOM, A-12-01 LEVEL 12, BLOCK A, PJ8, 23 JALAN BARAT, SEKSYEN 8, 46050 PETALING JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 24 MAY 2023 AT 10:00 A.M.**

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**PRESENT:**

At Broadcast Venue:

Mr Goh Nan Kioh *Chairman*  
Mr Khoo Teng Keat  
Mr Yeow See Yuen  
Ms Foo Wen Yunn *Company Secretary*

Via Video-conferencing

Mr Tay Kheng Chiong  
Mr Goh Nan Yang  
Ms Goh Mei Sze  
Dato' Koh Hong Sun  
Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir  
Prof. Dato' Dr. Tan Hui Ming  
Datin Jeyanthini a/p M. Kannaperan  
Mr. Jesper Bjorn Madsen  
Mr. Au Siew Loon  
Mr Neo Hong Chee *Financial Controller*  
Mr Oon Kien Hoe *Partner, Crowe Malaysia PLT (External Auditors)*

A total 253 attendees, as recorded in the attendance list

**1. PRELIMINARY**

Mr Goh Nan Kioh who is the Chairman of the Board of Directors, took the Chair at 10:00 a.m. He welcomed everyone to the virtual AGM conducted via Remote Participation and Voting Facilities ("RPV") at the broadcast venue.

**2. NOTICE OF MEETING**

The notice convening the 57<sup>th</sup> Annual General Meeting ("the Meeting") issued on 25 April 2023, which was available at the Company's website and circulated within the prescribed period, was taken as read.

**3. QUORUM**

The Secretary confirmed that there is a quorum for the Meeting and the notice convening the meeting has been given to members and advertised in the newspapers within the prescribed period. The requisite quorum being present, the Chairman called the Meeting to order at 10:05 a.m.

**4. INTRODUCTION OF THE BOARD MEMBERS**

The Chairman introduced the Board Members, the Financial Controller and the External Auditor, who were present at the Broadcast Venue as well as in attendance via video conferencing.

**5. POLL VOTING**

The Chairman informed that all resolutions set out in the notice of the Meeting would be voted by way of poll pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman also informed that the Company has appointed Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) as Poll Administrator to conduct the poll voting electronically while Scrutineer Solutions Sdn Bhd has been appointed as Scrutineers to verify the poll results.

A short video by Tricor was played to demonstrate the process of online voting conducted via the RPV Facilities at <http://tiih.online>. The online voting via RPV had commenced from the start of the Meeting at 10.00 a.m. onward until the voting session was closed.

**6. DIRECTORS’ REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2022 (“FY2022”) together with the Reports of the Directors and Auditors has been circulated to all members within the prescribed period.

He explained that the audited financial statements for FY2022, were for discussion only under Agenda 1 as it did not require shareholders’ approval. Hence, it would not be put for voting.

**7. RESOLUTIONS**

The Chairman proceeded to put forward the resolutions as set out in the Notice of AGM for shareholders and proxy holders to consider and vote as follows:

i) Resolution 1

Payment of Directors’ Remuneration (including Directors’ fees) to the Non-Executive Directors in respect of the financial year ending 31 December 2023 up to an aggregate amount of RM650,000, from 25 May 2023 until the next AGM.

ii) Resolution 2, 3 and 4

Re-election of Mr Goh Nan Yang (Resolution 2), Mr Tay Kheng Chiong (Resolution 3) and Mr Jesper Bjorn Madsen (Resolution 4), who retired by rotation pursuant to Clause 118 of the Company’s Constitution.

iii) Resolution 5

Re-election of Mr Au Siew Loon who retired pursuant to Clause 123 of the Company’s Constitution.

- iv) Resolution 6  
Re-appointment of Crowe Malaysia PLT as Auditors of the Company.
- v) Resolution 7  
Authority to issue shares of the Company not exceeding 10% of the total issued shares of the Company, pursuant to Section 75 and 76 of the Companies Act, 2016.
- vi) Resolution 8  
Proposed Renewal of Share Buy-Back Authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company, of which the details of the proposal were set out in the Share Buy-Back Statement dated 25 April 2023.

**8. QUESTIONS RELATED TO RESOLUTIONS**

The Chairman invited questions related to the above resolutions. As there were no questions related to resolutions were received, the Chairman informed that management will further address other questions after poll voting session.

**9. ANY OTHER BUSINESS**

The Chairman informed that there was no other business to be transacted of which due notice had been given in accordance with the Companies Act 2016.

**10. PRESENTATION ON THE OVERVIEW OF THE GROUP'S PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

The Chairman invited Mr Yeow See Yuen, the Chairman of Audit Committee, to deliver a presentation on the overview of the Group's Performance for the financial year ended 31 December 2022.

A copy of the presentation slide is annexed herein and marked as Appendix I.

**11. POLLING THROUGH REMOTE PARTICIPATION AND VOTING**

The Chairman announced that the Chairman urged the shareholders and proxy holders who had not voted to cast the votes accordingly. The voting session was opened for 10 minutes.

**12. POLL VERIFICATION**

The Chairman informed that the verification of votes cast by the Scrutineers would take approximately 25 minutes. The Meeting would resume upon completion of the verification.

**13. QUESTIONS & ANSWERS (“Q&A”) SESSION**

Whilst waiting for the poll results, the Chairman then proceeded with the Q&A session.

- a) The Company had on 11 May 2023 received questions from the Minority Shareholders Watch Group (“MSWG”). Mr Khoo Teng Keat presented a summary of the MSWG’s questions and responses. The questions and responses are annexed herein and marked as Appendix II.
- b) The Company had also received a pre-submitted questions from shareholders. The questions and responses are annexed herein and marked as Appendix III.
- c) The Management proceeded to attend to questions received real-time. The questions and responses are annexed herein and marked as Appendix IV.

**14. ANY OTHER BUSINESS**

The last item on the agenda for the meeting was to transact any other business that may be transacted at an annual general meeting, due notice of which shall have been previously given in accordance with the Companies Act, 2016 and the Company’s Constitution. The Meeting noted that no notice of any other business for transacting at the meeting was received.

**15. VOTING RESULTS**

The Chairman called the meeting to order for the declaration of the poll results. The poll results were flashed on the screen, a copy of which is annexed herein and marked as Appendix V. The Chairman announced that all resolutions were duly passed by shareholders of the Company.

**16. CONCLUSION**

As all business was completed, the Chairman concluded the meeting at 11.40 a.m. The Chairman thanked all present on-site and virtually for their attendance.

**CONFIRMED AS A CORRECT RECORD:**

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**CHAIRMAN**



**MFCB**

MEGA FIRST CORPORATION BERHAD

**ANNUAL  
GENERAL  
MEETING**

24 MAY 2023



# AGENDA

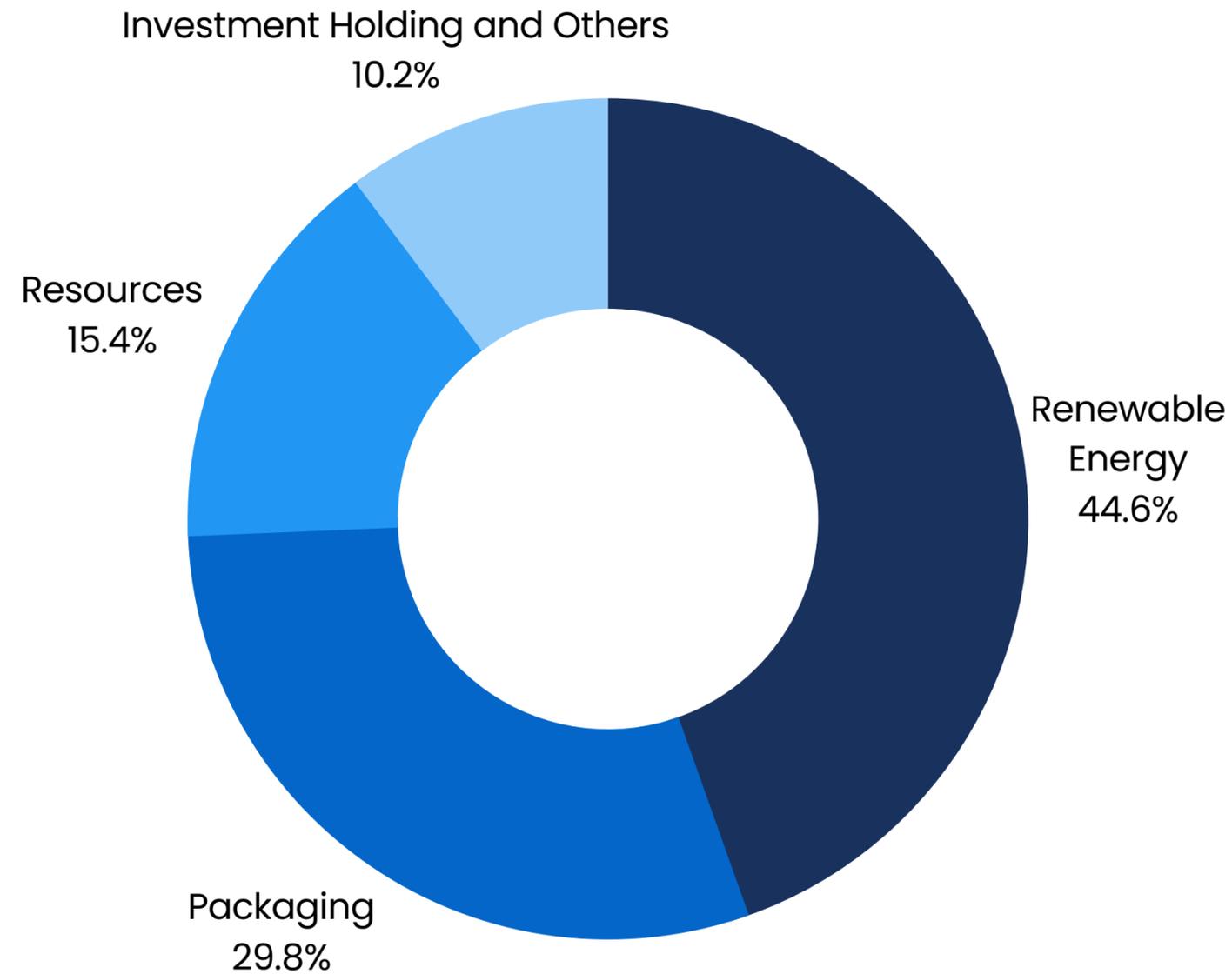
1. FY2022 Review
2. RE Division
3. Packaging Division
4. Resources Division
5. Plantation Update

# FY2022 Review

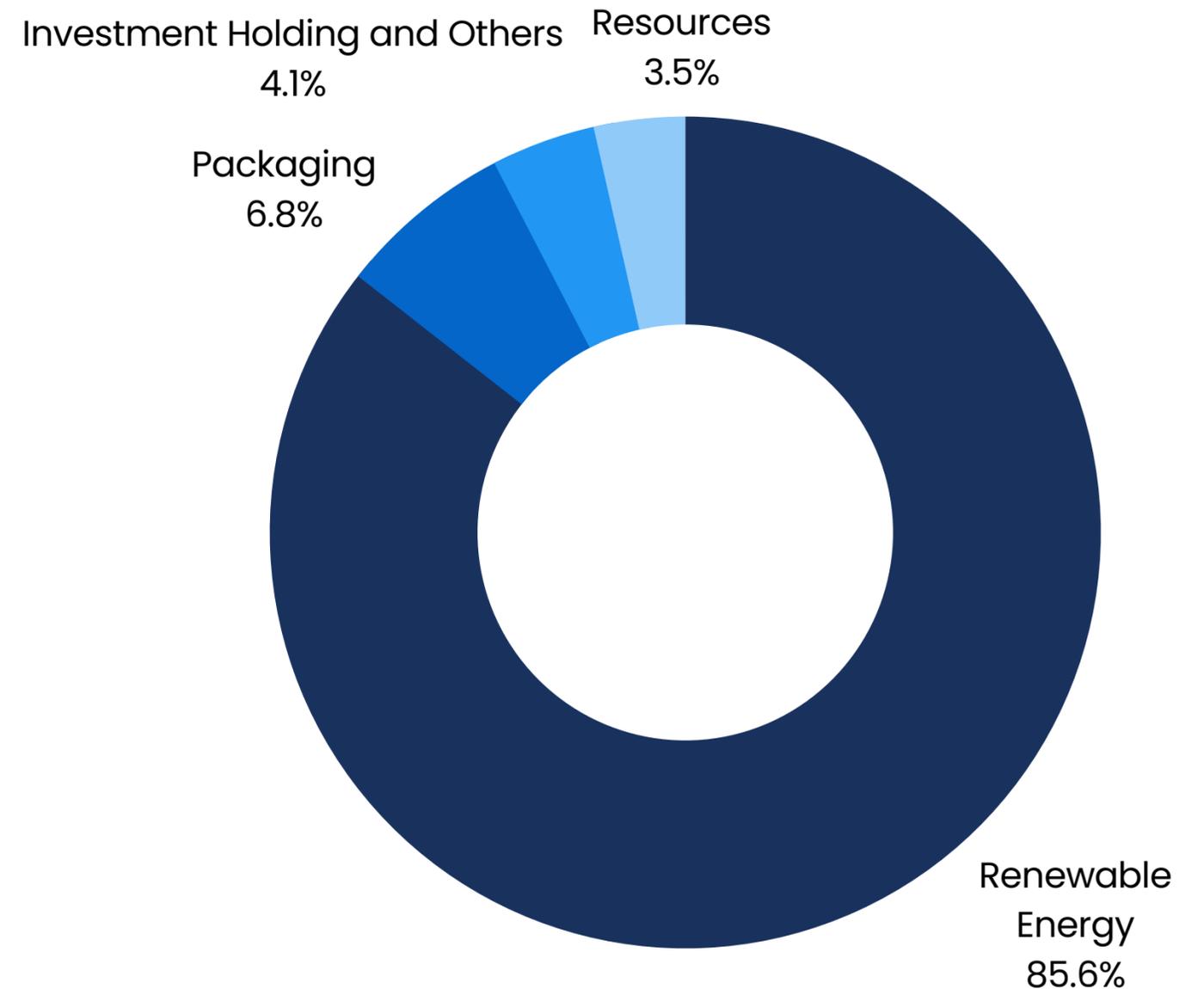


# OVERVIEW

## FY2022 REVENUE (RM1.3 BIL)



## FY2022 PBT (RM490.6 MIL)



# REVENUE & EARNINGS BREAKDOWN

Revenue	2022 RM'000	2021 RM'000	Changes	
			RM'000	%
Renewable Energy	596,925	533,864	63,061	11.8
Resources	206,324	154,880	51,444	33.2
Packaging	398,964	208,217	190,747	91.6
Subtotal	1,202,213	896,961	305,252	34.0
Investment Holding & Others	137,422	17,712	119,710	676.0
<b>Total</b>	<b>1,339,635</b>	<b>914,673</b>	<b>424,962</b>	<b>46.5</b>

**+46.5%**

## Revenue

- All divisions reported higher turnover.
- Investment Holding & Others boosted by RM112 million contribution from the restart of Tawau power plant in May 2022.

Profit Before Tax				
Renewable Energy	419,698	385,585	34,113	8.8
Resources	17,385	16,725	660	3.9
Packaging	33,546	22,219	11,327	51.0
Subtotal	470,629	424,529	46,100	10.9
Investment Holding & Others	19,940	115,051	(95,111)	-82.7
<b>Total Profit Before Tax</b>	<b>490,569</b>	<b>539,580</b>	<b>(49,011)</b>	<b>-9.1</b>

**+14.3%**

## PBT (Exclude Bargain Gain)

- All Core Divisions recorded PBT improvement.
- Exclude bargain gain of RM17 million in 2022 and RM125 million in 2021, PBT +14.3% to RM474 million.

# REVENUE & EARNINGS ANALYSIS

**RE**

**Revenue: +11.8%**

**PBT: +8.8%**

- **Revenue** +12% due to:
  - 6.2% currency gain.
  - 3.9% volume gain – EAF 94.6% vs. 91.0% in 2021
  - 1% hydro tariff adjustment
  - 58.7% increase in solar energy sales to RM6.4 million
- **PBT** increased on higher hydro-energy sales, partially offset by higher interest expense from rate hike.

**PACKAGING**

**Revenue: +91.6%**

**PBT: +51.0%**

- **Revenue** spurred by full year consolidation of Stenta and 47% surge in Hexachase.
- **PBT** underpinned by full-year Stenta earnings, partly offset by 8% fall in Hexachase where margins were impacted by raw material and other cost increases.

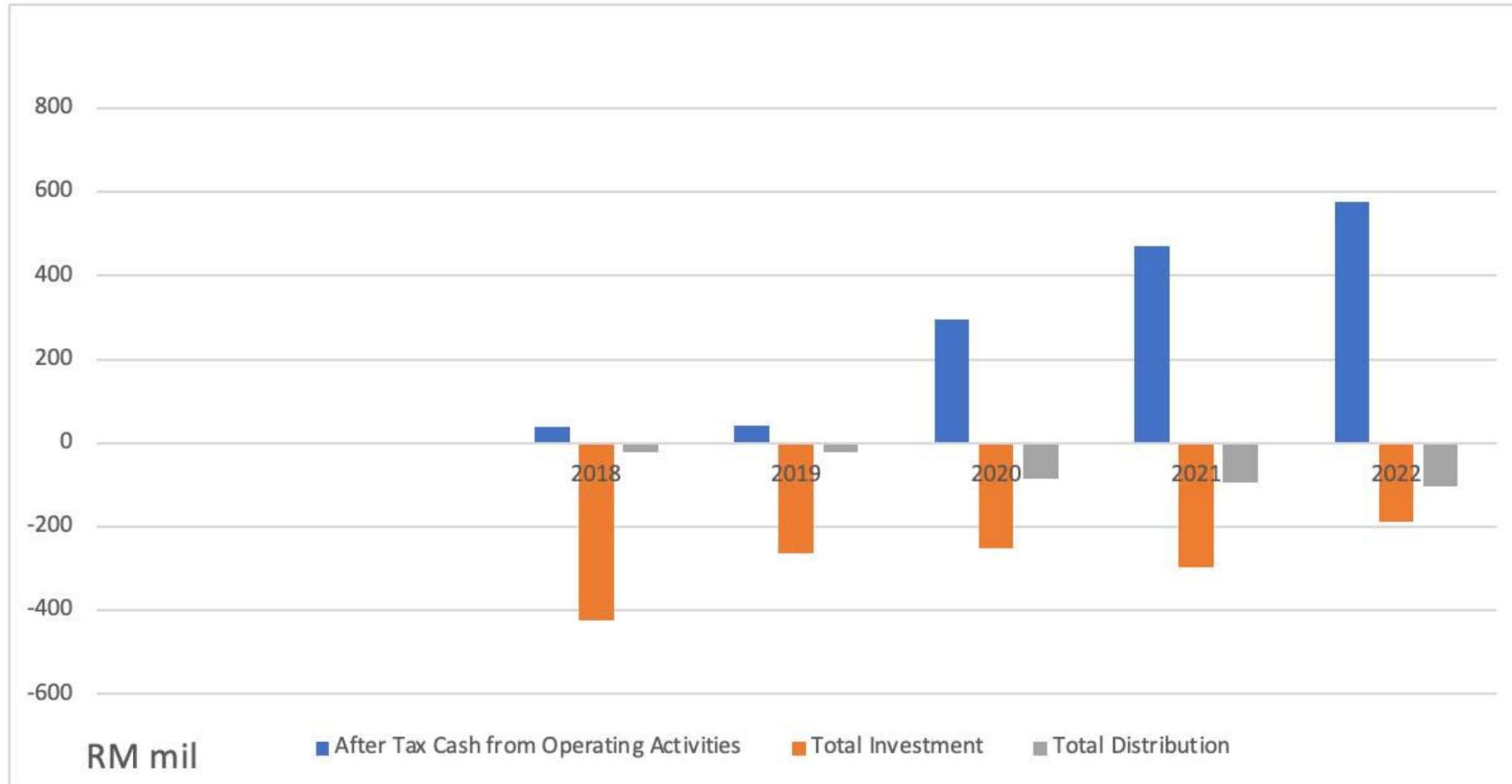
**RESOURCES**

**Revenue: +33.2%**

**PBT: +3.9%**

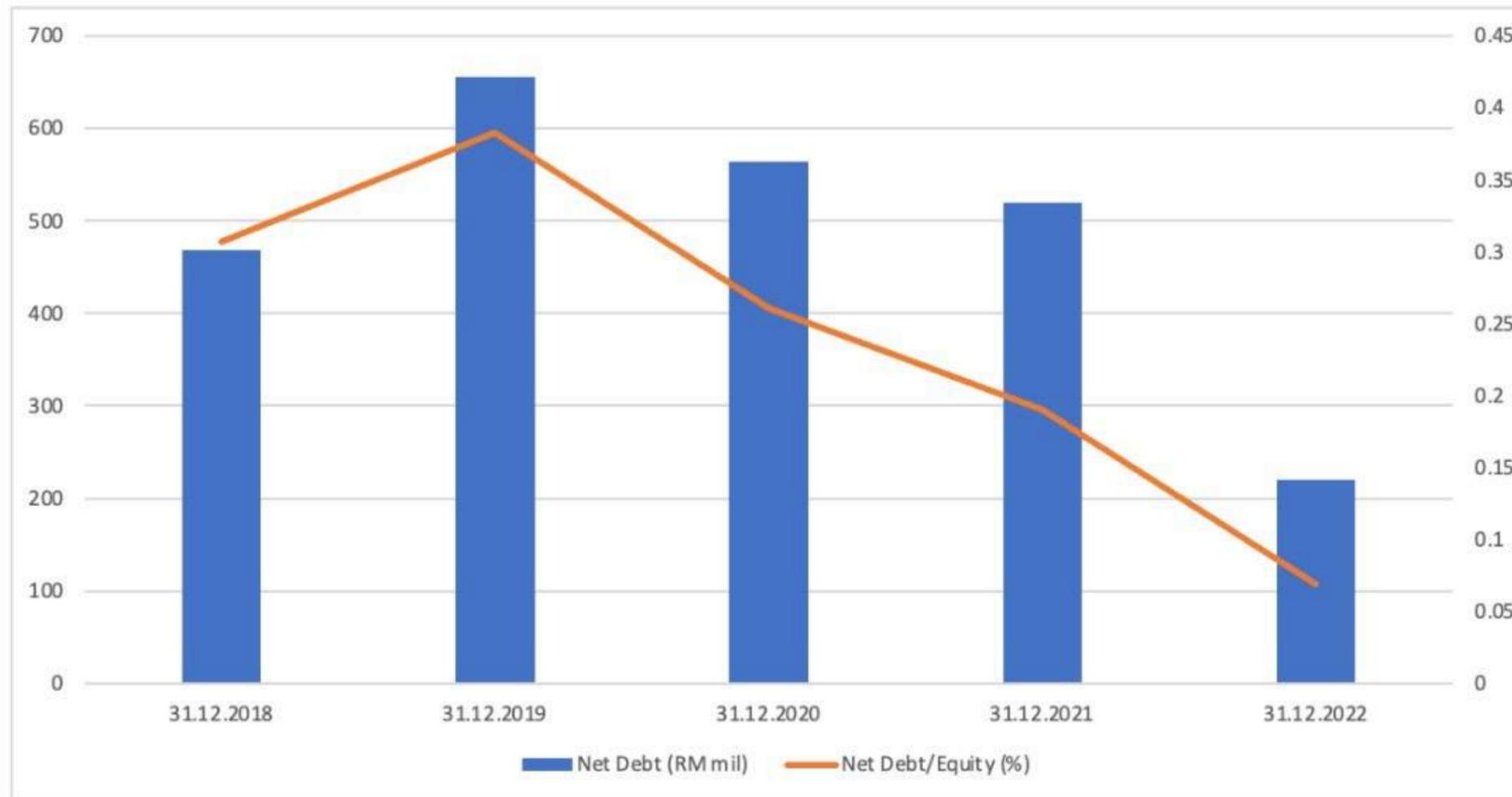
- **Revenue:** Lime products sales volume +15% and ASP +20%.
- **PBT** +3.9%: Higher sales volume and ASP were partially offset by margin squeeze from higher fuel & energy costs.

# CASH FLOW ANALYSIS



	2018 (RM mil)	2019 (RM mil)	2020 (RM mil)	2021 (RM mil)	2022 (RM mil)
After Tax Cash from Operating Activities	38.6	41.9	294.5	469.7	575.3
Total Investment	(424.4)	(263.8)	(251.2)	(296.0)	(187.0)
Total Distribution	(23.3)	(20.8)	(83.8)	(95.8)	(102.6)

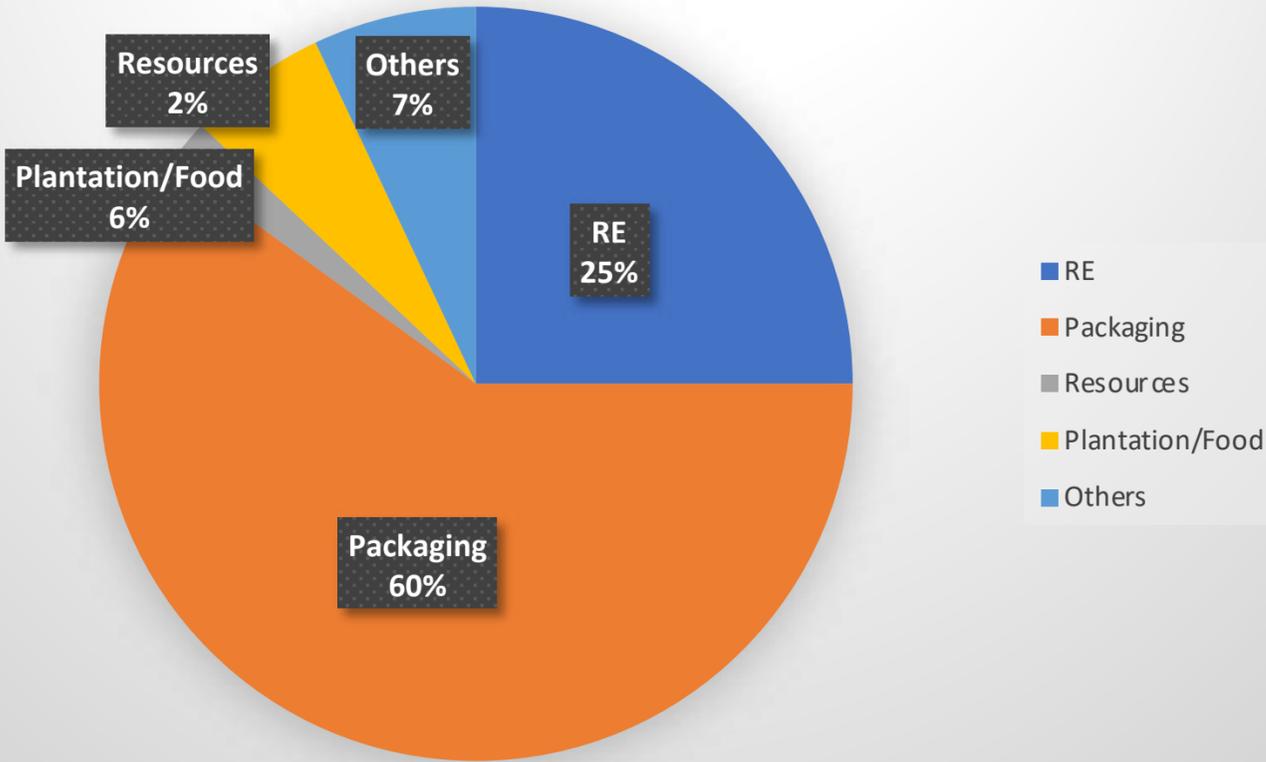
# GEARING POSITION



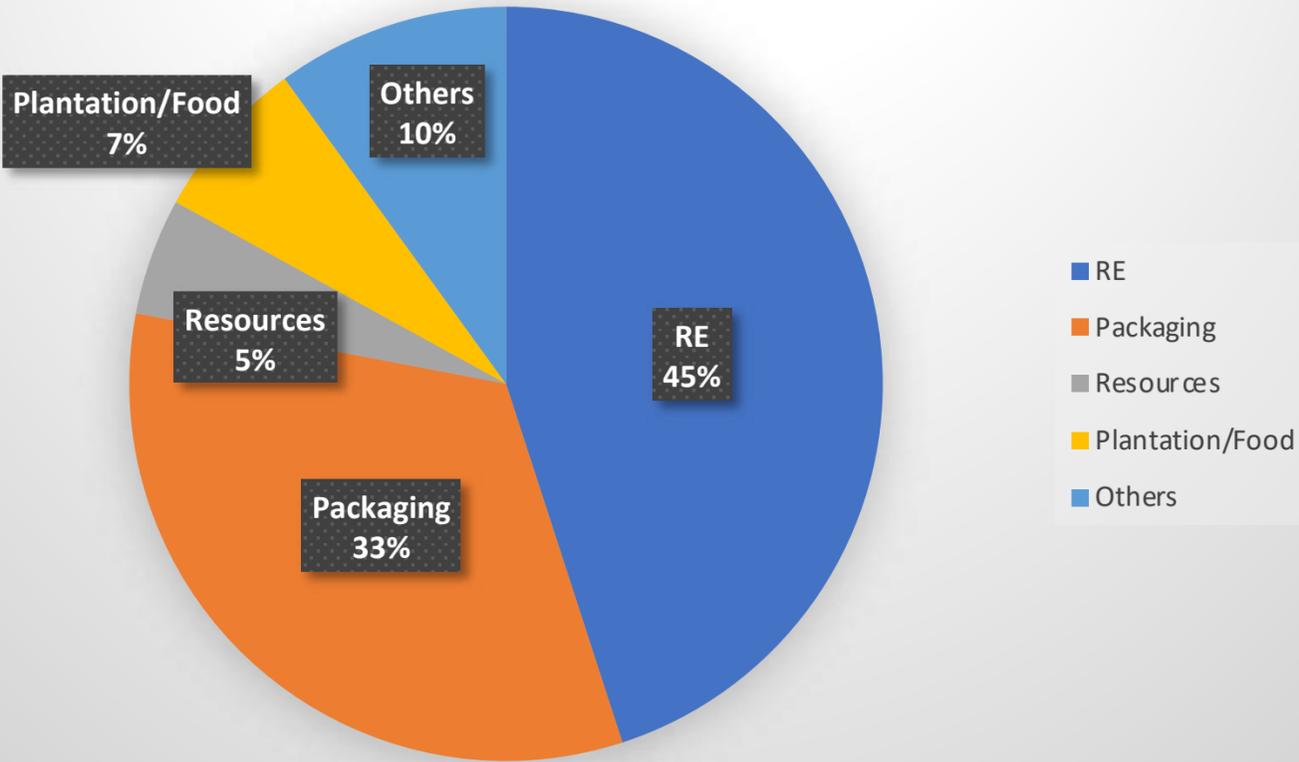
	Net Debt (RM mil)	Net Debt/Equity (%)
31.12.2018	468.2	30.7%
31.12.2019	655.1	38.3%
31.12.2020	564.3	26.1%
31.12.2021	520.2	19.0%
31.12.2022	220.6	6.9%

# EXPANSIONARY INVESTMENT CAPITAL DEPLOYED

2021 Investment Capital Deployed (RM296 mil)



2022 Investment Capital Deployed (RM188 mil)



MEGA FIRST CORPORATION BHD

# Renewable Energy Division





# RE PORTFOLIO

as at 31 Dec 2022

## COMPLETED

- Hydro: 260 MW
- Solar: 17.8 MW
- **Total: 277.8 MW**

## SECURED/UNDER CONSTRUCTION

- Hydro: 65 MW
- Solar: 22.6 MW
- **Total: 87.6 MW**

## TOTAL

- Hydro: 325 MW
- Solar: 40 MW
- **Total: 365 MW**

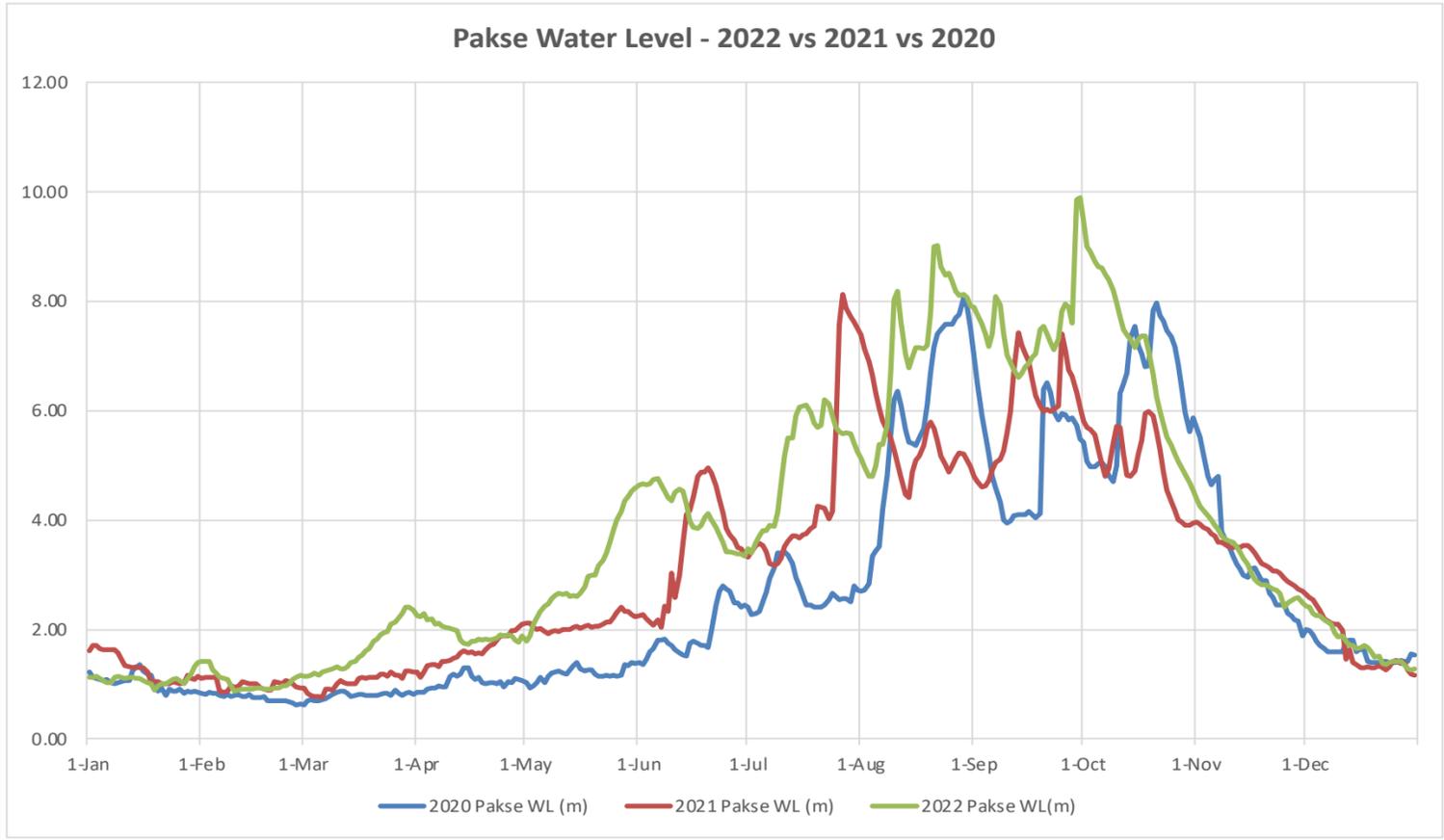
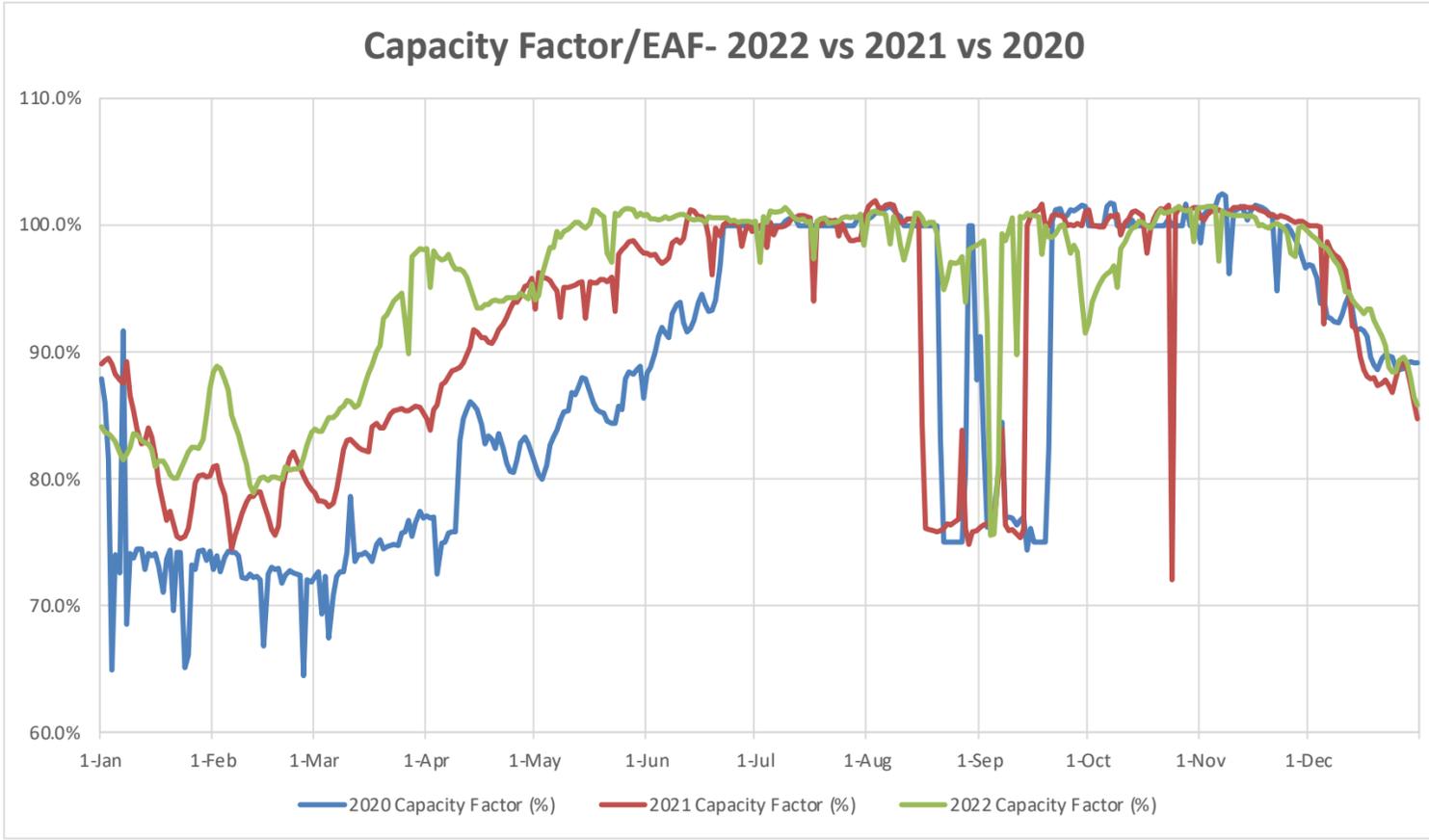


# FINANCIAL HIGHLIGHTS

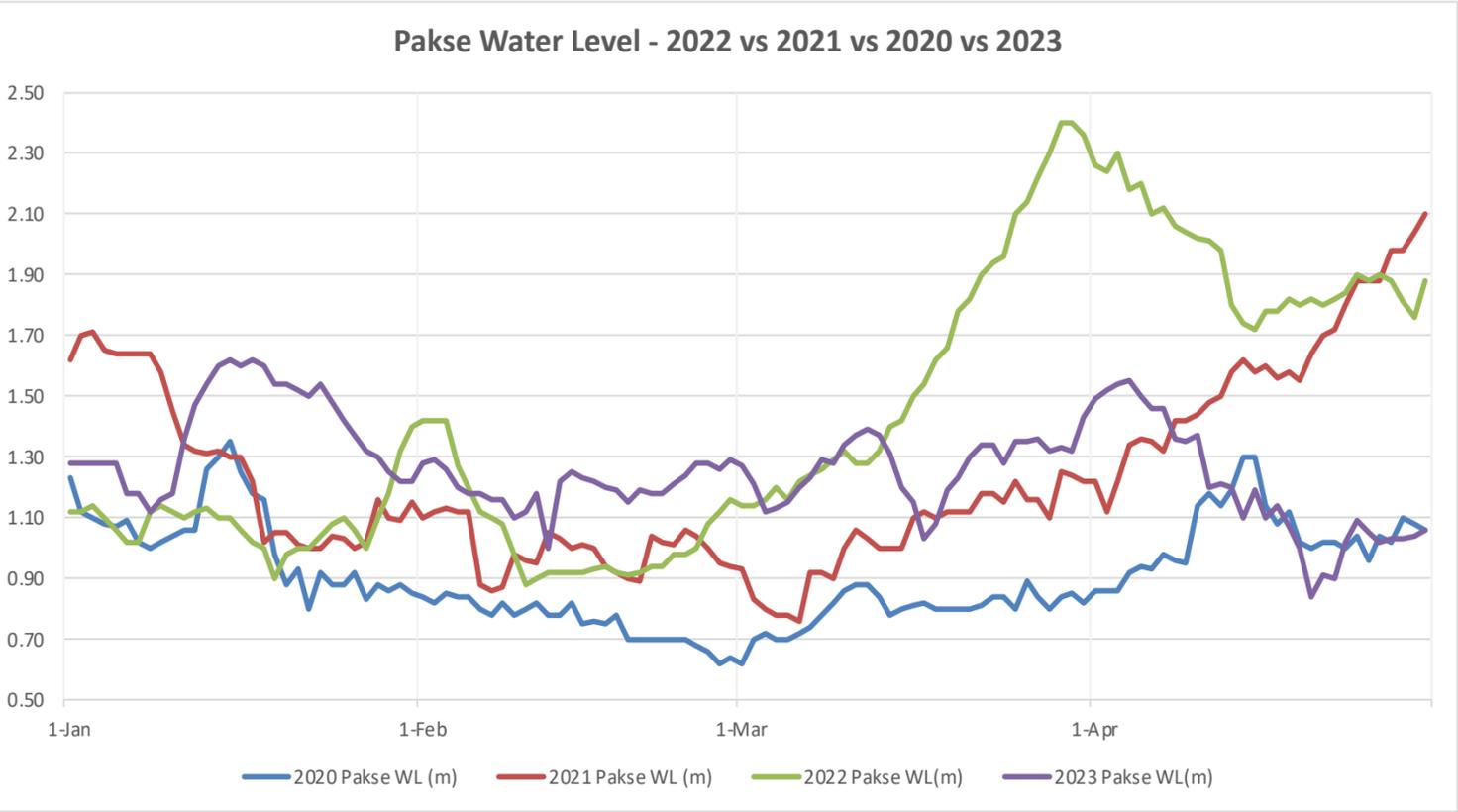
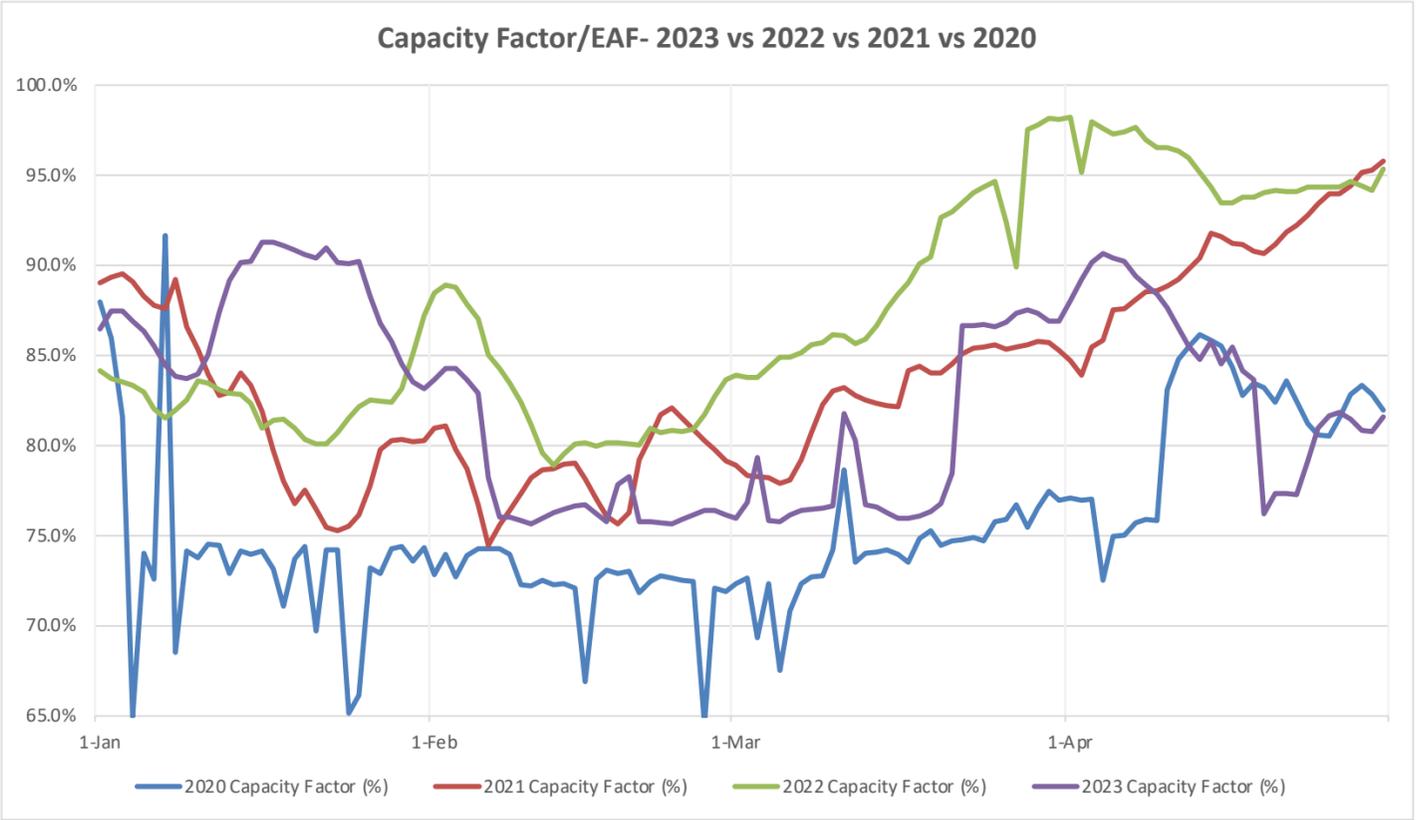
5-Year Earnings Summary					
	2018 (RM'000)	2019 (RM'000)	2020 (RM'000)	2021 (RM'000)	2022 (RM'000)
Revenue					
- Energy	-	35,086	510,214	533,864	596,925
- Construction	656,228	435,289	-	-	-
	<b>656,228</b>	<b>470,375</b>	<b>510,214</b>	<b>533,864</b>	<b>596,925</b>
Profit before tax					
- Energy	-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



# HYDRO EAF & WATER LEVEL (2021 VS 2022)



# HYDRO EAF & WATER LEVEL (2023 YTD)



# FIFTH TURBINE PROGRESS

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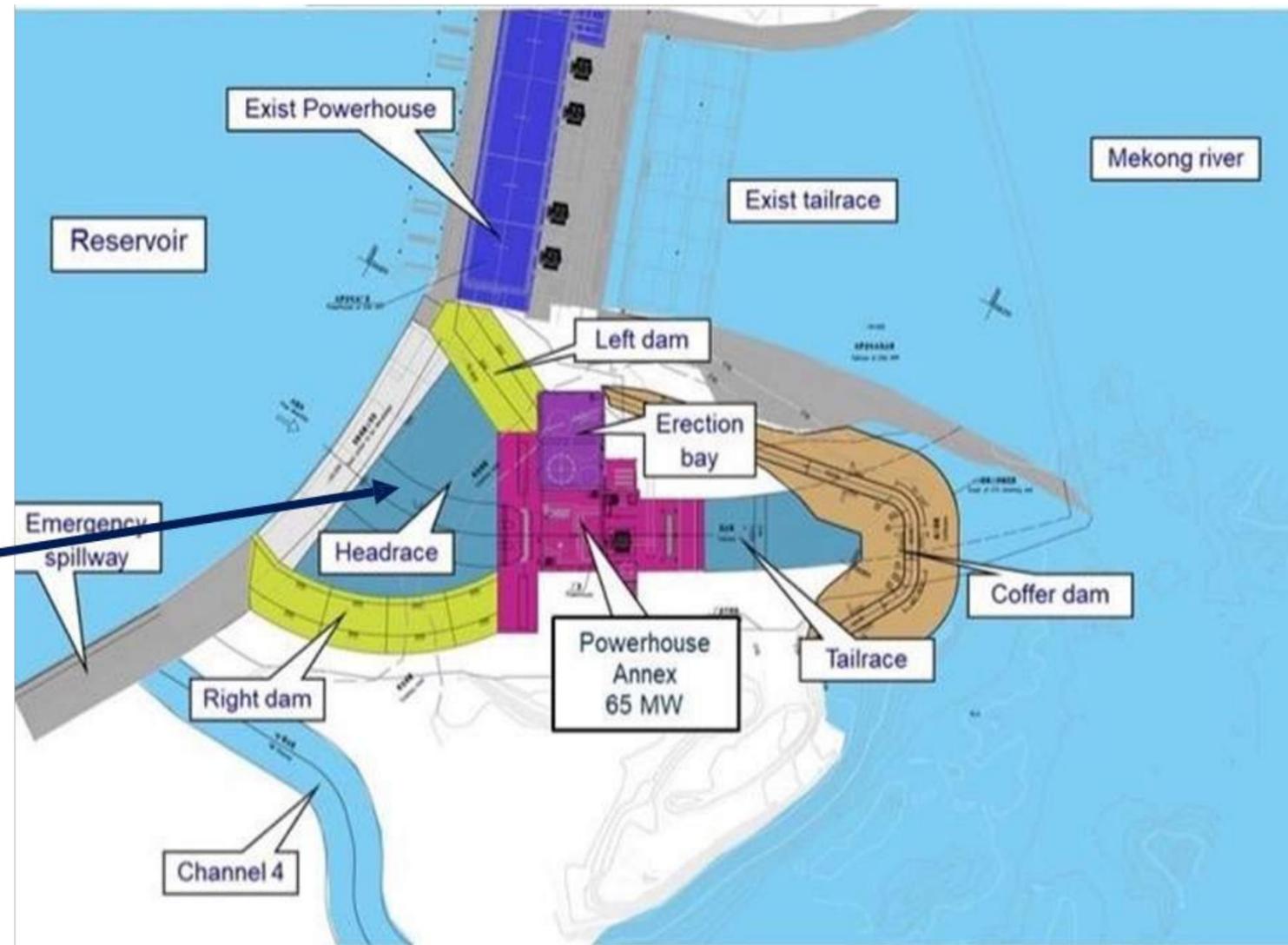
## Update & Progress Report

- Construction commenced in Dec 2021.
- Construction according to schedule.
- Expected completion in 3Q2024.
- Expected EAF 41%.

## About the Expansion

65 MW 5th turbine expansion of Don Sahong costing approx. US\$75 million or approx. US\$1.2mil/MW (vs US\$1.4 mil/MW for the first 4 turbines).





# C&I SOLAR





Oji Paper, Cambodia



VAT Manufacturing, Penang

Proton, Tg Malim



MEGA FIRST CORPORATION BHD

# Packaging Division





## ABOUT THIS DIVISION

- **Hexachase:** Manufactures and sells paper bags, flexible plastic packaging, and stickers and labels.
- **Stenta:** Flexible packaging film manufacturer of Biaxially Oriented Polypropylene Film (BOPP) and Linear Low Density Polyethylene films (LLDPE).

## 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

# CUSTOMER BASE



# PRODUCT RANGE



**Flat & Satchel  
Bags**

**Window  
Bags**

**Wrapper**

**Can End  
Sleeve**

**SOS Bag**

**Handle Bag**



# PRODUCT RANGE

Biscuit Packaging  
BOPP20/MBOPP18



Biscuit Packaging  
PET/MCPP



Beverage Packaging  
PET/MPET/LLDPE  
PET/PE/ALUM/LLDPE



Wafer Packaging  
BOPP/CPP



Sauce Packaging  
PET/ALUM/LLDPE



Bread Packaging  
BOPP/CPP



Outer Bag Packaging  
Matte BOPP20/WCPP50



Snack Packaging  
BOPP/MBOPP/LLDPE



Tea Packaging  
BOPP/MBOPP/CPP



Wafer Packaging  
BOPP/MBOPP



Sauce Packaging  
BOPA/LLDPE



Wicketed Bags  
KPET/LLDPE



Cake Packaging  
PET/MCPP



Detergent Packaging  
PET/White LLDPE



# STATE-OF-ART MACHINERY



Fuji Kikai Printing Machine



Fuji Kikai Printing 14 colours Rotogravure Printing Machine



Super Combi 5000 Lamination Machine



Twisted Handle Paper Bag Machine



SOS Machine

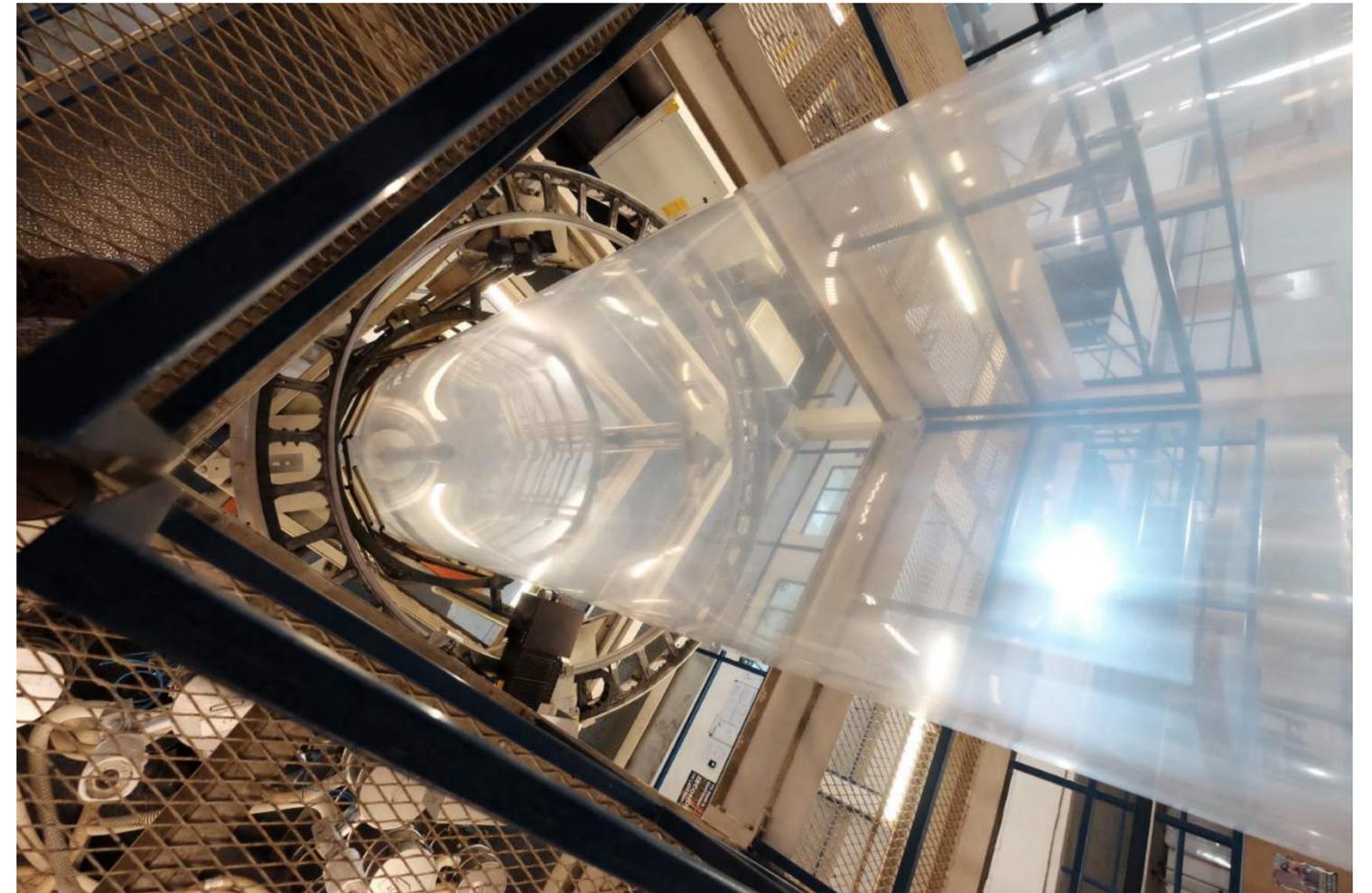


Flat and Satchel Machine

# STATE-OF-ART MACHINERY



Bruckner OPP Line



Reifenhäuser LLDPE Line

# EXPANSION PLANS



## Hexachase

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- 10.4 acre land in Durian Tunggal, Melaka.
- Phase 1: Construction of a new factory building with a build-up area of about 240,000 sf (+115%).
- Estimated completion of factory building end 2023.
- Production lines to be progressively installed thereafter according to prevailing market and demand conditions.



## Stenta

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- 6.7-acre land adjacent to current factory in Bangi, Selangor.
- Construction of a new factory building with a build-up area of about 121,000 sf (+55%).
- Estimated completion of factory building end 2023.
- Production lines to be progressively added according to market and demand conditions.

# BANGI – Construction Progress

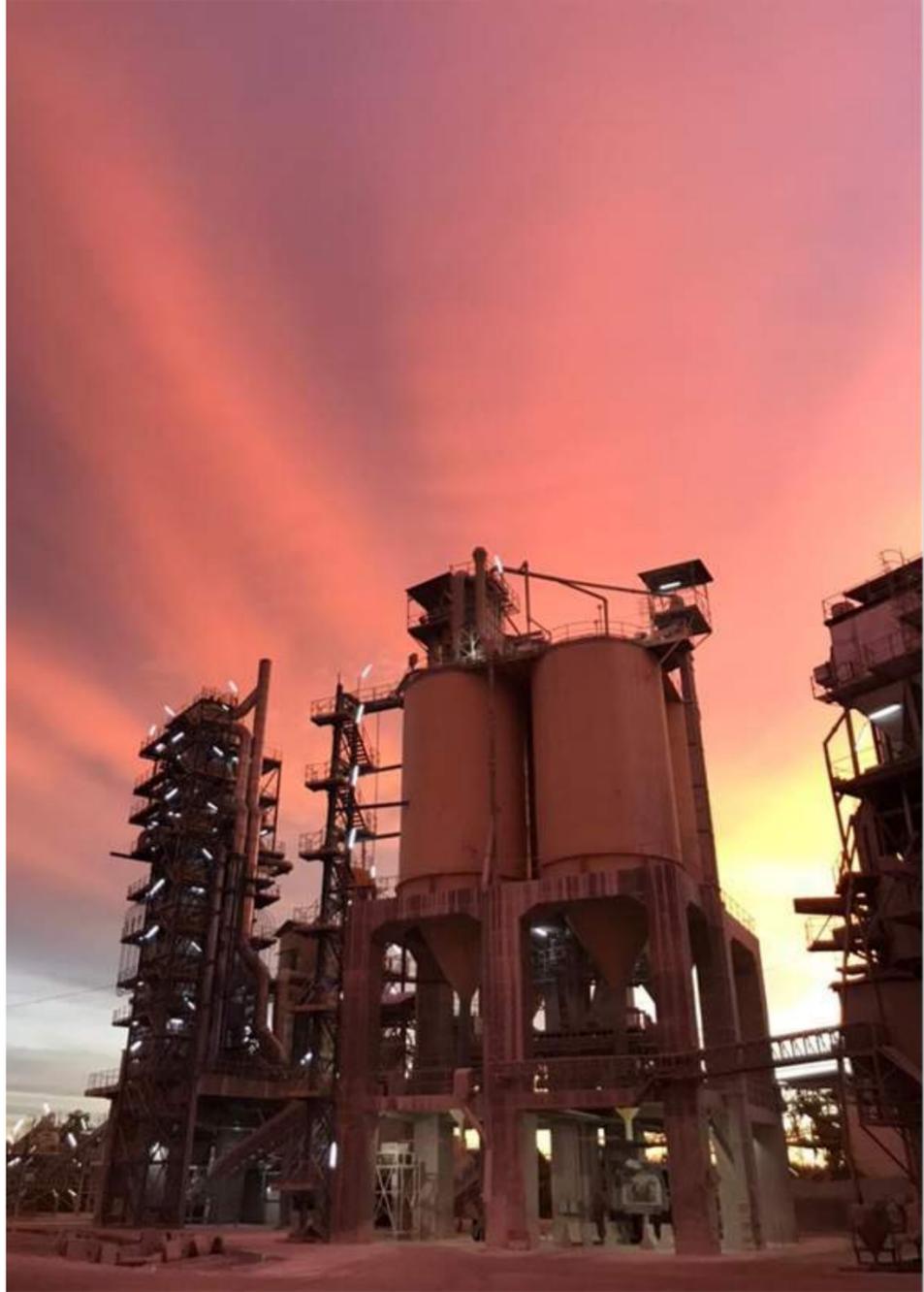


# MELAKA – Construction Progress



# Resources Division







## ABOUT THIS DIVISION

- Largest quicklime producer in Malaysia with 1,960 tonnes per day installed kiln capacity.
- Owns 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%.

# 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

# 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



# Plantation Update







# PLANTATION UPDATES

## BACKGROUND

- Main crops: coconuts & macadamia
- Cumulative investment as at 31 Dec 2022: RM116 mil (including land cost)

## LAND

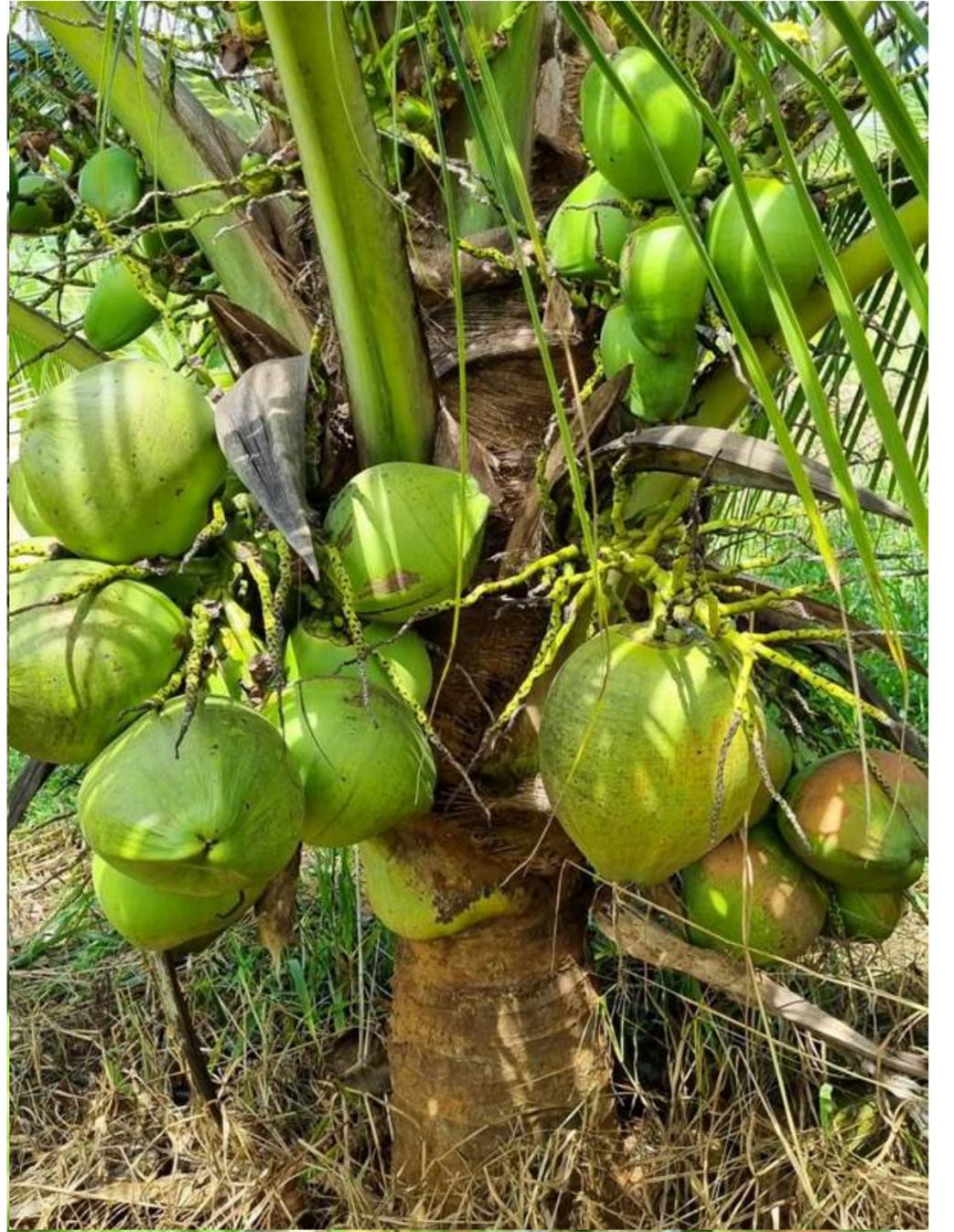
- 50-year concession on 6,428 hectares.
- Est. plantable area: 4,500 hectares
- Cumulative area planted as at 31 Dec 2022: about 2,500 hectares

## PLANS

- Planned planting in 2023: 300- 400 hectares.
- Evaluating various downstream processing businesses.
- Not expected to contribute positively to earnings until after 2026.







## QUESTIONS RECEIVED FROM MSWG

<u>No.</u>	<u>Questions</u>	<u>Management's Responses</u>
1.	<p><b><u>Operational &amp; Financial Matters</u></b></p> <p>In FY2022, the group achieved an all-time high after-tax cash flow from operating activities of RM575m, representing an increase of 22.5% from FY2021; and a sharp decline in net debt-to-equity to 6.9% at the end for FY2022 from 19.0% at the start of FY2022, despite an allocation of RM193.4m for expansionary capex and investments. The group is also exploring new opportunities to expand its reach and impact (page 14 of the Annual Report 2022).</p> <p>What are the sectors and geographical areas in which the group is exploring the new opportunities?</p>	<p>We will continue to leverage our strong cash flow and balance sheet to strengthen and expand our existing business platforms, notably in renewable energy, packaging, resources and plantation/food sectors in Malaysia and the region.</p> <p>The Group will also consider and evaluate building new business platforms if the right opportunity arises.</p>
2.	<p>The gross amount of trade receivables which are past due more than 180 days surged from RM38.016m as of end-FY2021 to RM76.845m as of end-FY2022 (page 166 of the Annual Report 2022).</p> <p>a) What is the reason for the surge in the trade receivables which are past due more than 180 days?</p> <p>b) Despite the Board's confidence in the full collection of the receivables at last year's AGM, the gross amount of trade receivables past due more than 180 days has doubled from RM38.016m in the previous year to RM76.845m as of the end of FY2022. Furthermore, an additional allowance for impairment losses of RM28.772m was provided for in FY2022 (page 149 of the Annual Report 2022). This casts doubt on the confidence on the full collection of the receivables.</p>	<p>The increase in trade receivable past due more than 180 days is attributable primarily to the 10% portion of energy sales to Électricité du Laos ("EDL") that is payable in Lao Kip.</p> <p>Don Sahong Power Company ("DSPC") sells energy to EDL and EDL resells the energy to Électricité du Cambodge ("EDC"), both in US Dollar. Under the Power Purchase Agreement ("PPA"), EDL will settle 90% of DSPC's invoice value in US Dollar and the remaining 10% in Lao Kip at the official exchange rate at the time payment. The US Dollar portion of trade receivable from EDL is secured by EDC's US Dollar payment to EDL, which has been prompt. However, EDL has been slow in its settlement of the Lao Kip portion, resulting in the increase in trade receivable past due more than 180 days.</p> <p>DSPC's management is seeking a solution on the Lao Kip portion with EDL and the Lao Ministry of Finance (MOF). Before a solution is found, there is no assurance that the amount of trade receivables past due more than 180 days will not increase further. Notwithstanding the slow collection of the Lao Kip portion, management is confident of eventually collecting these trade receivables, given that under the PPA, trade receivables from EDL are guaranteed by the MOF, and DSPC under the terms of the Concession Agreement, is obligated to pay MOF royalty equivalent to 5% of revenue, and income tax from 2025 onwards after the expiry of the 5-year tax-exemption period. We foresee DSPC's payment obligation to MOF will eventually be more than the overdue receivables from EDL.</p>

	<p>Does the Board expect further increases in the amount of trade receivables past due more than 180 days in the future? How much of the impaired trade receivables have been collected to-date?</p>	
<p>3.</p>	<p>MFCB is developing a coconut and macadamia plantation in Cambodia, on a plot of concession land measuring 6,420ha. A total area of 345ha (against a planned planting of 500ha (slide no. 54 of the 4Q2021 results briefing) was planted in 2022, contributing to a cumulative planted area of 2,500ha as of year end.</p> <p>With an estimated plantable area of 4,500ha (slide no. 54 of the 4Q2021 results briefing) and another 300 to 400ha of land to be planted in 2023, approximately 1,600 to 1,700ha of the remaining land, or at an average pace of 800 to 850ha per year, must be planted in 2024 and 2025 to achieve full completion of planting expected in 2025. Considering a pace of planting of 300 to 400ha per year for 2022 and 2023, is not the target of full completion of planting by 2025 overly ambitious?</p>	<p>The pace of planting is influenced by several factors: availability of workers and seedlings, speed of land clearance/preparation and development of supporting infrastructure, including water reservoirs.</p> <p>At the peak, we planted approximately 1,050 Ha in 2020. The 4,500 ha plantable area and 2025 planting completion year are indicative area and timeline respectively, and are subject to change.</p> <p>We will continue to evaluate and update investors regularly for any change in these estimates.</p>
<p>4.</p>	<p>For the packaging division which currently serves primarily the F&amp;B sector, there has been initial efforts to expand into the E&amp;E, semiconductor and medical device space (slide no.28 of the 4Q2021 results briefing).</p> <p>a) How much of the revenue generated by the packaging division is derived from the export market?</p> <p>b) Is there room for the packaging division to gain further market share in the local F&amp;B sector?</p> <p>c) What is the rationale for the expansion into the E&amp;E and semiconductor sectors, which are generally more cyclical than the F&amp;B sector?</p> <p>d) Do the packaging products in the E&amp;E, semiconductor, and medical device space generally produce better profit margin than the</p>	<p>a) Exports accounted for 53% of the Division's revenue in FY2022.</p> <p>b) The packaging industry in the local F&amp;B sector is fragmented and competitive. Management will strive to increase its domestic market share through product innovation and by improving its cost competitiveness.</p> <p>c) We believe the E&amp;E, semiconductor and medical device sectors offer tremendous opportunities for the division to expand and diversify its revenue base and reduce its dependency on any single sector.</p> <p>d) The E&amp;E, semiconductor and medical device sectors generally have higher barriers to entry, are less crowded and more price inelastic. The value of packaging products for these sectors are also higher.</p>

	<p>packaging for F&amp;B sector?</p> <p>e) What were the capacity utilisation rates for Stenta and Hexachase in FY2022?</p>	<p>We therefore expect margins in these sectors to be more stable and healthier.</p> <p>e) The average capacity utilisation of the Packaging Division is around 75-80%.</p>
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## PRE-SUBMITTED QUESTIONS RECEIVED FROM SHAREHOLDERS

<u>No.</u>	<u>Questions</u>	<u>Management's Responses</u>
1.	What are the management precaution actions/plans to face the expected global recession? e.g. weakening currency especially MYR, de-globalization & de-dollarization.	<p>Management will continue to monitor closely global events and will adjust its strategy and business plan according to changes in economic and operating conditions.</p> <p>We are confident of riding through this period of uncertainty given the Group's strong business foundation, resilient earnings stream, low gearing, high cash generation capacity and prudent capital deployment strategy.</p>
2.	Please share more on the succession plan of the management and board.	<p>Succession issue has always been one of the on-going top priorities of the Board and management. Each of the business platform has its own process of identifying high caliber, younger candidates to groom to eventually succeed as top management of their respective business unit.</p> <p>The Board will also continue to rejuvenate its member composition and groom its younger executive directors and senior management members, including the children of the Executive Chairman to ensure continuity and sustainability.</p>
3.	<p>a) What would company benefit from mining/refining sectors ?</p> <p>b) The output have export to overseas ?</p> <p>c) Does lynax licence able renew in Malaysia are the catalyst to company too? The waste manage is reliable to Malaysia local venue for solutions?</p> <p>d) does company action or new plan for Malaysia government promoting investing Malaysia especially from China country ? Does company indirectly benefit as small as sub contractor in the MOU among Malaysia with China during prime minister visiting China?</p>	<p>The mining industry is a large user of lime products. Therefore, any growth in mining activities in the region will stimulate overall demand for lime products in this region</p> <p>Lime products are used in a wide range of industries across a wide customer base. Lynas is not a very significant customer of the Resources Division. Regardless of the outcome of its operating license, we do not expect significant impact to earnings of the division.</p> <p>We do not foresee any significant impact to our businesses.</p> <p>We do not foresee any significant impact to our businesses.</p>

<b>No.</b>	<b>Questions</b>	<b>Management's Responses</b>
4.	<p>a) I understand that the management would like to ideally reach a pay-out ratio of 30% in respect to their dividends policy. Can I know why the management would not like to go beyond a 30% payout ratio, which looks a bit conservative. Does the management prefer to use the remainder of profits for share buybacks or is their strategy to re-invest most of the remainder of the profits or a combination of both. I am just trying to better understand your current dividend pay-out policy.</p> <p>b) As per Note 21, the company has investments in quoted shares amounting, in fair value terms, of about RM152 million as at year end. Can you provide more insights as to what type of companies are you invested in and in the countries that these quoted shares are trading in.</p> <p>c) Note 21 also states that you intend to hold these shares for the long-term. Why are these investments held for the long-term, is it held for dividend yield or for capital gains reasons.</p> <p>e) As per Note 15 in the annual report, the group has RM165 million in investment properties as at year end. I am assuming that your rental income is about RM4.6 million per year, which I am basing it on the rental receivable within one year figures disclosed in the note, which gives a rental yield about 2.8%. Isn't it better to sell off these properties to better utilise funds for something else to generate better yields. If my yield calculation is wrong, can I know what the correct yield is.</p>	<p>We are inclined to be prudent when guiding future dividend pay-out, given our plans and preference for a strong balance sheet. Thanks to the strong recurrent cash flow and low gearing, MFCB is fortunate it is relatively sheltered from today's high interest rate and challenging economic conditions.</p> <p>We see MFCB as still a growing company. To continue growing earnings, we need to set aside cashflow to invest. Having a strong balance sheet accords certain competitive advantages. It allows management to seize good business and investment opportunities as and when they arise.</p> <p>Having said that, the Board will review dividend pay-out periodically as we move forward.</p> <p>A significant portion is attributable to investment in D&amp;O Green Technology.</p> <p>These investments are intended to be held for the long term for both capital appreciation and dividend.</p> <p>As disclosed in Note 6, rental income in 2022 amounted to RM5.908 million. The rental yield of PJ8 (MFCB corporate office) was about 4.3% in 2022. Investment properties also include an empty piece of prime commercial land in Greentown Ipoh, car parks that generate parking fee income and unsold office/apartment units.</p> <p>There is no intention to sell these investment properties.</p>

**QUESTIONS RECEIVED FROM  
SHAREHOLDERS OR THEIR PROXIES**

<b>No.</b>	<b>Questions</b>	<b>Management's Responses</b>
1.	Hello Sir, global climate becoming unpredictable, do you see any risk of water flow become insufficient hence result lower electricity output in next 20 years? Any mitigation plan for such event if occurs?	We do not foresee any significant impact to Don Sahong due to its strategic location and design capacity. Don Sahong is located at the southern of Loas, near the Cambodian border, called the 4,000 Island. The Mekong River in this area is 10km wide with a lot of sand islands in between. Don Sahong is built in between two islands, on a channel which is only 100km wide. During wet season (June – November) there is much water than we need so any fluctuation in water levels would not affect energy generation during this period. The climatic change will only affect the EAF during the dry season (January to May).
2.	How much does the company spend on this virtual agm ?	The total cost was approximately RM20,000.
3.	Would the BOD kindly give e- wallet as a token of appreciation to shareholders who takes time and effort to participate in today's RPV (other similar questions)	We prefer to reward shareholders with dividends
4.	I would like to request a printed hard copy of the company annual report (and other similar questions)	Please email your requests to <a href="mailto:ir@mega-first.com">ir@mega-first.com</a>
5.	May I know when the company going back to physical agm	We will consider it next year.
6.	Please advise when the company going to reward shareholders with bonus issue (and other similar questions)	We have done a 1-for-1 share split in June 2021. We will consider similar exercise at an appropriate time.
7.	There are quite some number of countries talked about reducing exposure of USD lately, what is the mitigation plan on this since 90% of the income from DSPC is in USD ?	As Don Sahong's functional currency and the PPA are both in USD, there is nothing much we could do to hedge the USD. Having said that, we do not think that the USD will crash in the short/medium term.
8.	Is there any update on PPA of 5th Turbine project ? If there is, will it be in USD or in other form of currency ?	The draft PPA for the 5 <sup>th</sup> turbine has been prepared. We will submit the draft to the relevant authorities in Laos soon for finalisation.
9.	Any update on Material Litigation with Inland Revenue Department ? Are we expecting any accounting provision for it ?	We have made an announcement on 3 March 2023, that the Court of Appeal has reversed the High Court decision. Therefore, the Special Commission position is re-affirmed. The provision for the additional tax assessment and the penalty will be reflected in the 1 <sup>st</sup> Quarter results which will be announced this evening.

<b>No.</b>	<b>Questions</b>	<b>Management's Responses</b>
10.	For the 2 parcels of land in Melaka and Bangi, can I know what is the balance land available out of the 10.4 and 6.7 respectively that is reserved for future? And would you be able to quantify in terms of increase in volume/capacity or potential revenue that can be added from the increase in floor space coming from the new space at both new location?	For Melaka's 10.4 acres, the current construction to add 240,000 sq ft is only for phase 1. The land size is sufficient to double that space. As for Bangi's 6.7 acres (Stenta factory), the current construction of 120,000 sq ft would have almost fully utilised the land.  In terms of floor space, the phase 1 of Melaka plant will increase the built-up space by 115%. Whereas for Bangi, it will increase by 55%. This will give you an indication of the increase in capacity.
11.	Can we have the power point presentation in pdf form to be emailed to us?	As usual, we will post all presentations in our MFCB website. Today's presentation will be available in our website in the next few days.
12.	When can we see the revenue contribution from the plantation division	We do not expect any significant contribution until after 2026.
13	what is management view on current laos economy situation ?	The Laos economic situation has stabilised. The currency is still weak as compared to one year ago. We believe the Laos government is looking into ways to mitigate it. We do not think it will be overly serious.
14	management view on increased de-dollarization , especially over the SEA area	The de-dollarisation is likely to be a gradual process. We will monitor the situation closely and consider using other currencies for our exports to non-US markets.
15	Can you shed some light onto the MFCB move of going overseas ,working with foreign government for plantation, while Malaysia is available? is it the climate is suitable for the crops that MFCB try to pursue ( which is unlikely because MFCB was trial and error in deciding which crops to plant in early years ) , or because of availability of labor for plantation which will be increasingly more scarce in Malaysia moving forward? Please do share.	The Cambodia plantation is an opportunity that came about and we took it. We are planning to expand our plantation interest in Malaysia. We will make the necessary announcement at the appropriate time.
16	What is the impact of El-Nino to the business of MFCB, especially the power and plantation division?	For power division, this was explained in Question 1 above. As for plantation, we are building a lot of water reservoirs and also ensure that we do not overplant in terms of acreage.
17	Strongly suggest company director/top management buyback the company shares using own money instead of share buy-back by company. Should distribute more cash dividend to shareholder as appreciation instead of share buy-back.	The share buy-back scheme is not to influence the share price of the company, but to step in if there is certain value creation. It is the individual director / top management decision whether they want to buy shares or not. In any case, share buy-back is value enhancing for the shareholders.
18	Any hydropower plant project that you are currently prospecting? Any 6 <sup>th</sup> or more turbines planned to be built at Don Sahong plant?	We are constantly looking for new potential hydropower projects in the region. The 6 <sup>th</sup> or more turbines at Don Sahong plant is unlikely because there will not be enough water to operate the 6 <sup>th</sup> turbine viably.

<b>No.</b>	<b>Questions</b>	<b>Management's Responses</b>
18	Mr Goh, can you share some of the business proposals that MFCB has vetted through last year. Which is the most interesting and why? Any potential project as big as Don Sahong? Which sectors would be your focus going forward?	We have vetted several business proposals last year. We will share with shareholders when there is any firm investment plan in the future.
19	In the event of a spin-off or IPO of any of the business platforms (i.e. packaging, semiconductor, oleochemical etc), how can existing MFCB shareholders benefit from it?	We will consider how to reward the shareholders accordingly when this happens.
20	Is there any plan to break down MFCB's different business division into different listed entity? Or MFCB will continue with being a conglomerate? Anyway, thanks a lot Mr Goh and MFCB management team for your hardwork. Great time being your shareholder.	We have no such plans now.
21	What is the masterplan for the lifestyle/food division coming in the future? Just now Mr Goh mentioned about working with a company, is it possible to share which company is that?	It is not timely for us to share this now. We will share this when things crystallise.
22	How is the Edenor profitability? How more longer it need to take to achieve PBT margin >5%?	In the 2 <sup>nd</sup> half of 2022, Edenor suffered a loss despite a good 1 <sup>st</sup> half. This was due to the unfavourable commodity price trends and capacity loss from upgrading/refurbishment work. Moving forward, we foresee the oleochemical market remaining soft in the short term. The focus now is progressively improving the plant efficiency and reliability, which is expected to take 2-3 years. The estimated >5% PBT margin target is based on the assumption that the plant can be run smoothly at >90% efficiency.
23	For packaging sector, when the new plants will start generate the 1 <sup>st</sup> revenue? Do the capacity expansion after new plants create more price and margin pressure for MFCB?	The new factory buildings will be completed by this year end. The installation of capacity will be done in stages, depending on market situation and demand. We expect first revenue will be generated in the 2 <sup>nd</sup> quarter.
24	Further investment will be allocated for Automotive and Semiconductor sectors?	The new factory is designed and constructed to meet the production requirements of the new sectors (e.g. medical devices, semiconductor) that we intend to expand into. We try not to do too much renovation to the existing factories to cater for these new businesses.
25	Any plan to reduce USD Term Loan?	The USD Term Loan is primarily for the Don Sahong project with a repayment period of 5 years. We will continue to pay down this USD loan based on the repayment schedule on a quarterly basis. The last payment should be end of 2025.
26	What is the Capex plan in FY 2023?	The main capex plan for 2023 is the construction of 5 <sup>th</sup> turbine (approximately RM250 million remaining), and the construction of 2 factories by the packaging division. Total capital commitment amounted to approximately RM450 million. This should be disbursed in the next 18 months.

<b><u>No.</u></b>	<b><u>Questions</u></b>	<b><u>Management's Responses</u></b>
27	How much net loan repayment planned in FY2023?	According to the loan agreement, it is about USD30-40 million per year.
28	Would you be able to share what is the market average in terms of oleochemical efficiency ? and how far is the edenor away from that?	We will try to reach at least the utilisation rate of 95%. We do come across some problems due to the age of the plant, which we are rectifying. Current average utilisation is about 70-80%.

# MEGA FIRST CORPORATION BERHAD

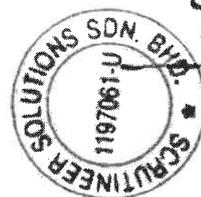
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## 57th Annual General Meeting

Conference Room, A-12-01, Level 12, Block A, PJ8,  
23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya.  
On 24-May-2023 at 10:00AM

### Result On Voting By Poll

Resolution(s)	Vote For			Vote Against			Total Votes			
	No of Units	%	No of P/S	No of Units	%	No of P/S	No of Units	%	No of P/S	%
Ordinary Resolution 1	564,992,649	99.9962	341	21,494	0.0038	25	565,014,143	100.0000	366	100.0000
Ordinary Resolution 2	506,937,708	89.7147	314	58,117,935	10.2853	60	565,055,643	100.0000	374	100.0000
Ordinary Resolution 3	533,091,445	91.5154	303	49,424,398	8.4846	66	582,515,843	100.0000	369	100.0000
Ordinary Resolution 4	571,703,036	99.8264	341	994,407	0.1736	29	572,697,443	100.0000	370	100.0000
Ordinary Resolution 5	588,986,036	99.9735	348	156,407	0.0265	25	589,142,443	100.0000	373	100.0000
Ordinary Resolution 6	589,100,322	99.9937	349	37,121	0.0063	23	589,137,443	100.0000	372	100.0000
Ordinary Resolution 7	566,710,257	96.1929	338	22,429,286	3.8071	34	589,139,543	100.0000	372	100.0000
Ordinary Resolution 8	589,023,228	99.9852	354	87,015	0.0148	18	589,110,243	100.0000	372	100.0000



24/5/2023

