

Q4 FY15 QOC 2016 RESULTS REPORT

30 May 2016

| | | | |
|---|-------------------|--|---------|
| Name of POC: Mega First Corporation Berhad (MFCB) | | POC Website: www.mega-fcb.com | |
| Business Summary: Investment holding group operating in power generation, manufacture of limestone products and property development | | | |
| Top Three Shareholders: Goh Han Khim and derived interest | | 35.9% | |
| FMB S.S.C ¹ | | 6.4% | |
| Perbadanan Pembangunan Ekonomi Sabah (PEPES) | | 3.7% | |
| Market / Sector: | Property/Services | Stock Code: | 8009 |
| | | Listing Stock: | SEKURAS |
| Market Capitalisation: | RM 1.146.4m | Website: | 8009 |
| Target Price: | RM 1.50 | Expected Capital Gain: | 62.2% |
| Current Price: | RM 1.39 | Expected Div. Yield: | 2.2% |
| | | Expected Total Return: | 63.4% |
| Analyst: Lim Moon Ngoo Tel: +603 2167 1200, Email: limmoongoo@bct.com.my | | | |

| Key Stock Statistics | 2016 | 2017 | 2018 | 2019E |
|--------------------------------|-------|-------|---------|-------|
| EPS (RM) | 0.7 | 0.9 | 0.8 | 0.9 |
| EPS (C) | 0.7 | 0.9 | 0.8 | 0.8 |
| Net Dividend/Share (RM) | 0.2 | 0.0 | 0.0 | 0.0 |
| Div. Yield (%) | 3.08 | 2.10 | 2.30 | 2.61 |
| Book Value/Share (RM) | 3.11 | 3.30 | 3.43 | 3.60 |
| Adjusted Capital (RM) | 301.4 | 306.5 | 306.0 | 307.2 |
| 30-day Moving Price Range (RM) | 2.09 | 4.03 | | |
| Increased New Deal | | | 36.8% | |
| Average volume (shares) | | | 306,000 | |

| Key Share Data | 2016 | 2017 | 2018 | 2019E |
|-------------------------|-------|------|------|-------|
| Free and 10 Day | | | | |
| Book Value/Share (RM) | 3.11 | 3.30 | 3.43 | 3.60 |
| Operating E/Share (RM) | 0.8 | 0.9 | 0.7 | 0.9 |
| EPS (RM) | 0.7 | 0.9 | 0.8 | 0.9 |
| Net Dividend/Share (RM) | 0.2 | 0.0 | 0.0 | 0.0 |
| EPS (C) | 0.7 | 0.9 | 0.8 | 0.8 |
| PE Cash Ratio (x) | 10.0 | 11.8 | 14.0 | 10.0E |
| PB Ratio (x) | 1.0 | 1.0 | 1.0 | 0.9 |
| Dividend Yield (%) | 3.0 | 3.2 | 3.2 | 3.2 |
| Payable Ratio (%) | 19.8 | 14.9 | 13.2 | 13.7 |
| ROE (%) | 12.1 | 13.4 | 10.0 | 9.3 |
| Net Financing (%) | 17.0% | 0.0 | 3.8% | 33.0 |

Assess: *For share data adjusted for Rights Issue*

| P&L Analysis (RM mil) | 2016 | 2017 | 2018 | 2019E |
|-------------------------|----------|----------|----------|----------|
| Revenue | 901.40 | 918.40 | 974.53 | 907.39 |
| COGS | (201.40) | (211.80) | (218.62) | (206.27) |
| Depreciation & amort | (82.22) | (109.20) | (106.55) | (121.85) |
| Net interest income | 11.34% | 15.87% | 15.71% | 15.75% |
| Pre-tax Profit | 598.63 | 585.60 | 597.84 | 567.39 |
| Discontinued operations | - | 9.26 | (65.75) | - |
| Net Profit | 598.64 | 594.86 | 532.09 | 567.39 |
| Operating Margin (%) | 67.7 | 65.9 | 57.4 | 63.0 |
| Pre-tax Margin (%) | 67.8 | 65.7 | 57.6 | 63.0 |
| Net Margin (%) | 67.8 | 65.7 | 54.8 | 63.7 |

4. Q4 FY15 Results Highlight

| | Q4 FY15 | Q4 FY16 | Chg |
|-------------------------|---------|---------|--------|
| | RM mil | RM mil | % |
| Revenue | 221.84 | 245.19 | 9.3 |
| Operating Profit | 60.81 | 66.89 | 10.0 |
| Finance cost | (11.85) | (15.87) | (17.0) |
| FX | - | 8.40 | 9.6 |
| Pre-tax Profit | 48.96 | 43.64 | (10.8) |
| Discontinued operations | (9.30) | (10.0) | (8.7) |
| Net Profit | 39.66 | 33.64 | (15.2) |
| Operating Margin (%) | 27.4 | 27.3 | 0.0 |
| Pre-tax Margin (%) | 22.1 | 20.3 | (8.1) |
| Net Margin (%) | 18.3 | 13.8 | (24.6) |

¹ In accordance to POC P&L of the discontinued operations of Ombak's Shipping project (Ombak Shipping) from prior period have been presented as discontinued operations

- Turnover in Q4 FY15 was marginally higher at RM221.84m due to higher construction revenue from Dam Sahong Hydropower Project (Dam Sahong).
- PBT grew slightly by 2.9% to RM48.96m in Q4 FY15 due to higher construction profit from Dam Sahong and net loss gain despite lower profit contribution from resources division.