

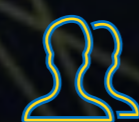


M A L A Y S I A N P A C I F I C I N D U S T R I E S B E R H A D

B U R S A - S H E N Z H E N S T O C K E X C H A N G E

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INVESTOR RELATIONS CONTACT



Rohit Kumar



+605 5262333 Extn 8497



[rohitkumar@carsem.com](mailto:rohitkumar@carsem.com)

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# Introduction

MALAYSIAN PACIFIC INDUSTRIES – A MEMBER OF THE HONG LEONG GROUP



## The Hong Leong Group One of the Largest Conglomerates in Asia

- Banking & Financial Services segment is the largest segment with **over 300 banks in Asia including insurance services.**
- Property Development & Investment segment builds and manages **commercial and residential real estate around the world.**
- Hospitality & Leisure segment is comprised of **hotel and casino operators in Macau and Las Vegas.**
- Hong Leong continues to grow by acquisition and owns more than **50% stake in each of their group companies.**

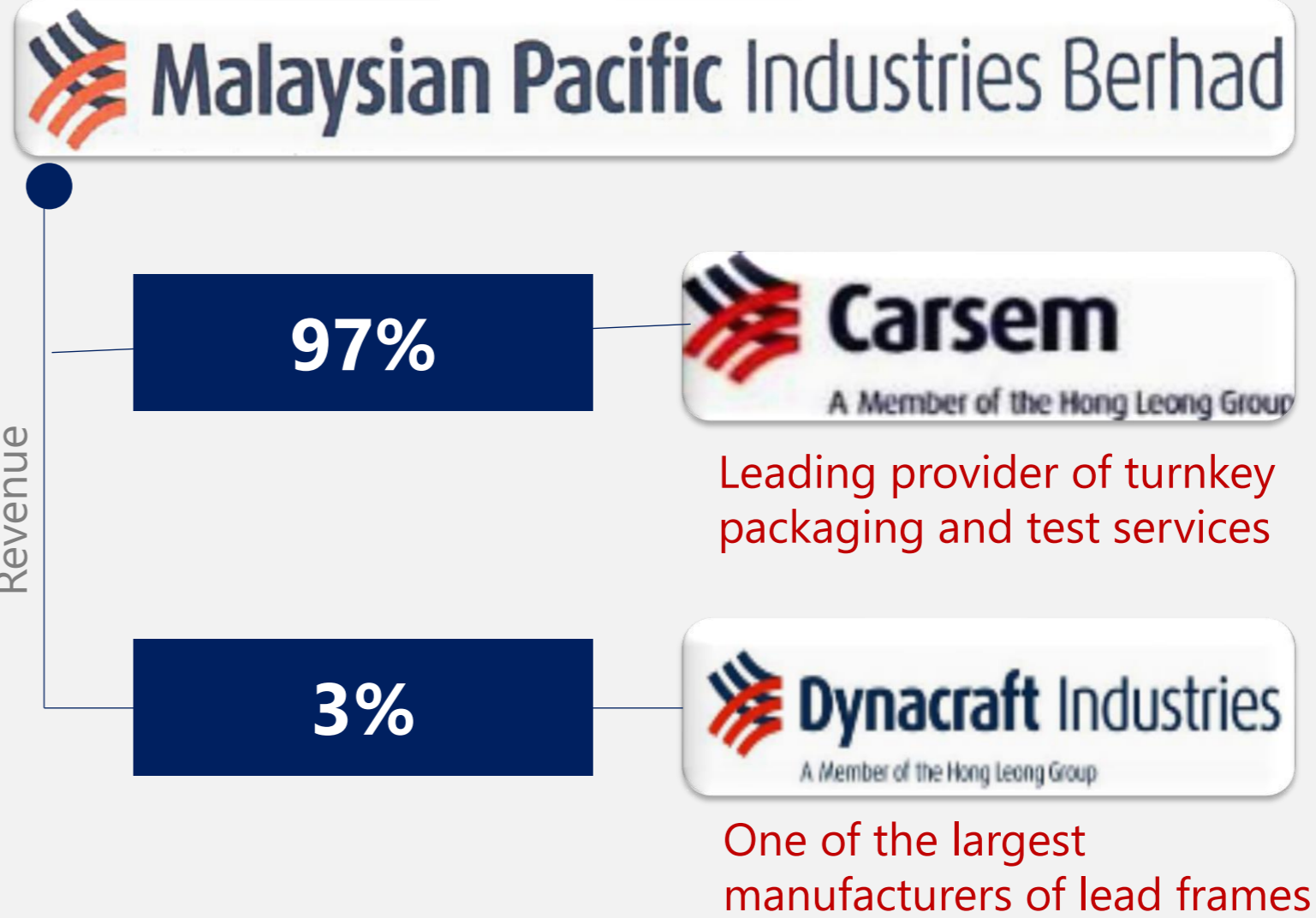


# Overview

MALAYSIAN PACIFIC INDUSTRIES (MPI) IS LISTED ON KUALA LUMPUR STOCK EXCHANGE

## Malaysian Pacific Industries

- ❑ MPI started in 1972, is a **semiconductor company with zero debt.**
- ❑ MPI has subsidiaries – **Carsem & Dynacraft.**
- ❑ Majority share of MPI is Carsem which is the **largest employer in Ipoh, Perak - Malaysia.**
- ❑ Carsem is **one of the most trusted and recognized names** in the Semiconductor Industry globally.



## QUARTERLY SNAPSHOT Q3 FY21

Revenue (US\$ million)	PAT Growth	Net Cash (RM million)	Equity Debt Ratio	CAPEX Q3 FY21 - RM 179M	EPS
<b>129</b>	<b>240%</b>	<b>927</b>	<b>100:0</b>	<b>66%</b>	<b>37.55sen</b>
	vs Q3 FY20			vs Q2 FY21 – RM 108M	



# Production facilities

## MPI MANUFACTURING SITES

*State of the Art facilities with latest equipments to cater to the technological advancing world*



Dynacraft Industries, Penang  
Floor Space: 235K sq.ft. (21,800 sq. m.)  
Workforce: 495 employees



Carsem M Site, Ipoh  
Floor Space: 436K sq.ft. (40,500 sq. m.)  
Workforce: 2,012 employees



Carsem S Site, Ipoh  
Floor Space: 640K sq.ft. (60,000 sq. m.)  
Workforce: 3,135 employees



Carsem SZ Site, Suzhou  
Floor Space: 600K sq.ft. Level 1 + 50K Sq. ft 1<sup>st</sup> Ph. Level 2  
Workforce: 2,227 employees

**Over 1.3 Million Sq. ft. floor space with a workforce of ~ 5,600 in MALAYSIA**

**650K Sq. ft with ~ 2,200 employees in CHINA**



Sales Team with domain expertise is based in several parts of Europe, North America & Asia





# Vision

## GLOBALLY PREFERRED OSAT PARTNER FOR AUTOMOTIVE



*"Showcasing the competitive advantage through highest automotive quality standards to position CARSEM as the preferred OSAT partner"*

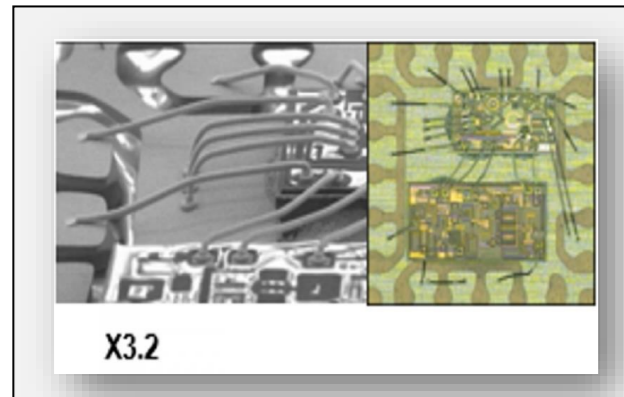




# Wide Portfolio

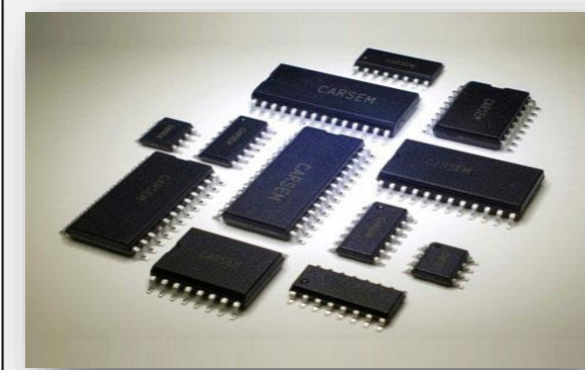
COMPREHENSIVE TURNKEY PACKAGING & TEST SERVICES

ACROSS KEY APPLICATIONS

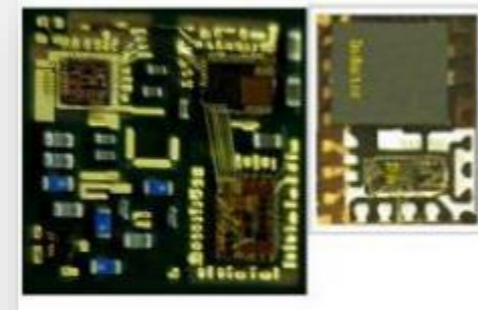


X3.2

**MLP**



**Small Outline IC**



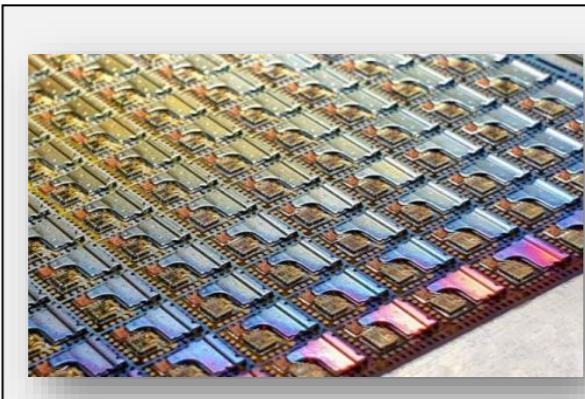
**System in Package (SiP)**



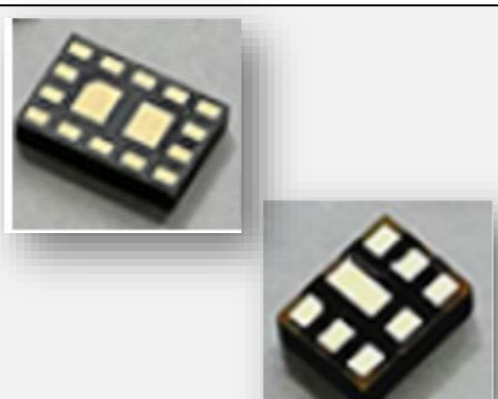
**Quad Flat Package (QFP)**



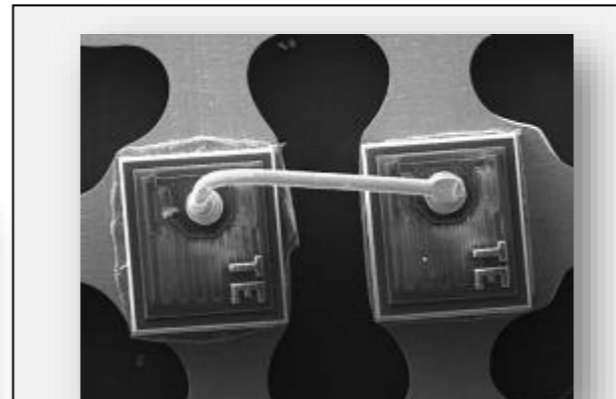
**MEMS & Sensors**



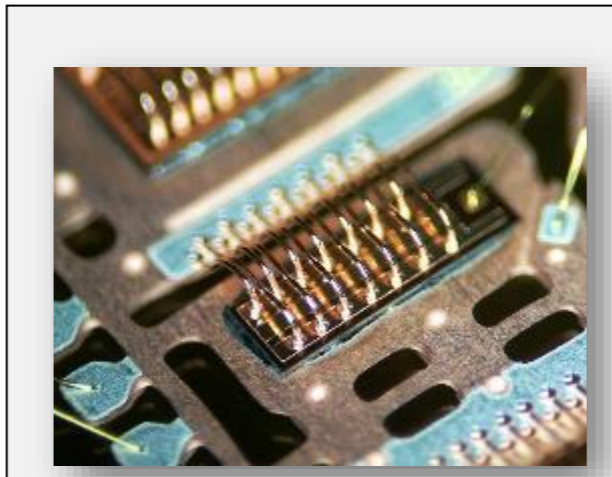
**Copper Clip**



**Flip Chip**



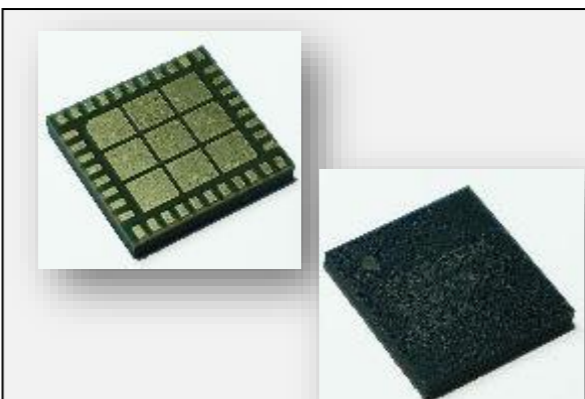
**Transient Voltage Suppressor (TVS)**



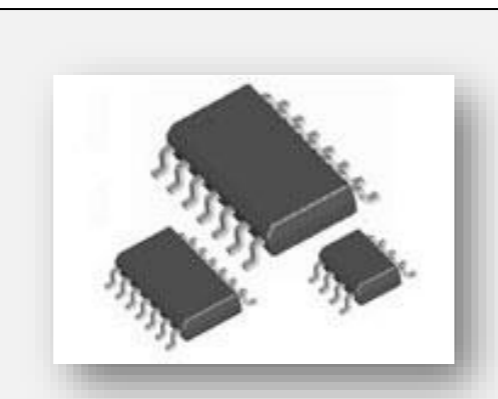
**Power Management (SiC, GaN, GaN on SiC)**



**MICRO**



**Land Grid Array (LGA)**



**IC - PDIP, SOP packages**



**Test**



**Automotive**

**Industrial**



**Consumer & Communications**

**PC/ Notebook**





# Sustainability

MPI's STRATEGIES & INITIATIVES CONTRIBUTE TO FOLLOWING UN SUSTAINIBILITY DEVELOPMENT GOALS



Quality Education



Clean Water & Sanitation



Decent Work Economic Growth



Industry, Innovation & Infrastructure



Responsible Consumption & Production



Climate Action

## CORPORATE SOCIAL RESPONSIBILITY (CSR) TO ASSIST WIDER COMMUNITY

100,000 Facemasks to the employees & their families



Over 40,000 Masks to various hospitals & clinics



1,000 Masks to custom department



5,000 Masks to police department



2,000 Masks to fire department







# Sustainable Development

## ANTI-BRIBERY AND CORRUPTION POLICY



MPI is amongst the **few leading companies** in semiconductor industry in Malaysia to comply with ABMS.

United Nations' priority on rooting out corruption for accelerating achievement of the **Sustainable Development Goals defined as part of its 2030 agenda.**

**MPI has policies in place:** ✓ Anti Corruption Policy    ✓ Anti Bribery Policy    ✓ Whistleblowing Policy

## ENVIRONMENTAL SOCIAL GOVERNANCE

### PROACTIVE & STRINGENT ADDRESSAL OF ESG MATTERS WITH WHISTLEBLOWING POLICY IN PLACE



**Ensuring safe living environment for our employees' safety**

Certificate from Department of Labour

**Strict compliance with Government SOPs**

Satisfactory outcome of MITI's periodic enforcement check



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# Capability

MPI's CAPABILITY AND EXEMPLARY PERFORMANCE IS DRIVEN BY 4 STRATEGIC TENETS



## Sales

- Strategic sales across application & geography segments
- Sharp sales pipeline management



## People

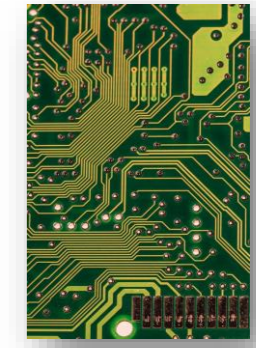
- Strategic workforce – restructuring & hiring
  - Upskilling, training
- Covid mitigation, Employee engagement



4



## Technology



- Investing in 5G testing, SiC, MEMS sensors
- Robust R&D; own product (TVS)
- Future Ready



## Quality

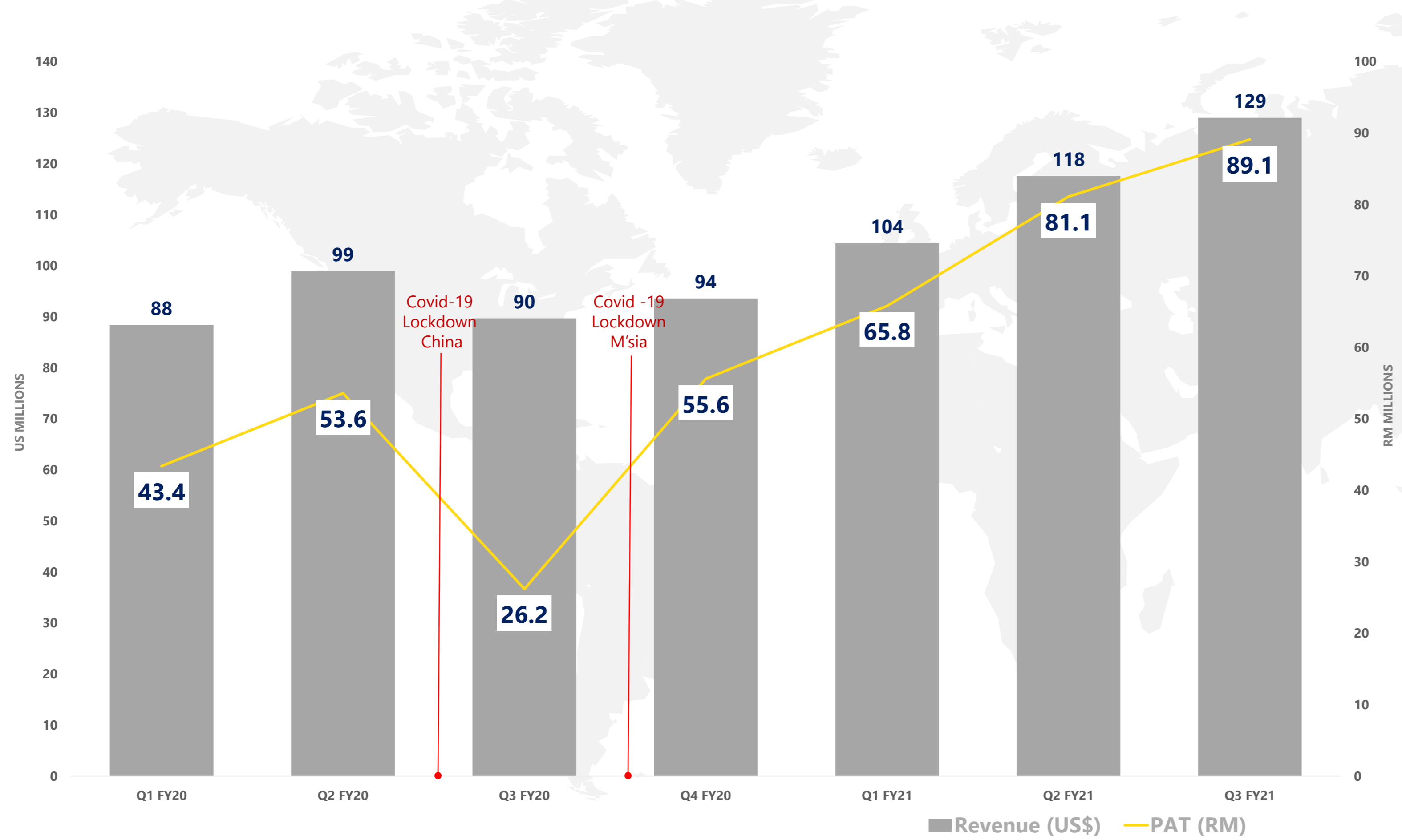
- Zero Defects Culture
- Automation, high productivity
- State-of-the-Art Equipments



# Sales

## STRONG FUNDAMENTALS & FOCUSED GROWTH DELIVERING INDUSTRY LEADING RESULTS

Steady growth Q3 YoY in **Revenue (43%)** & **YTD YoY in Revenue (27%)** despite uncertain circumstances

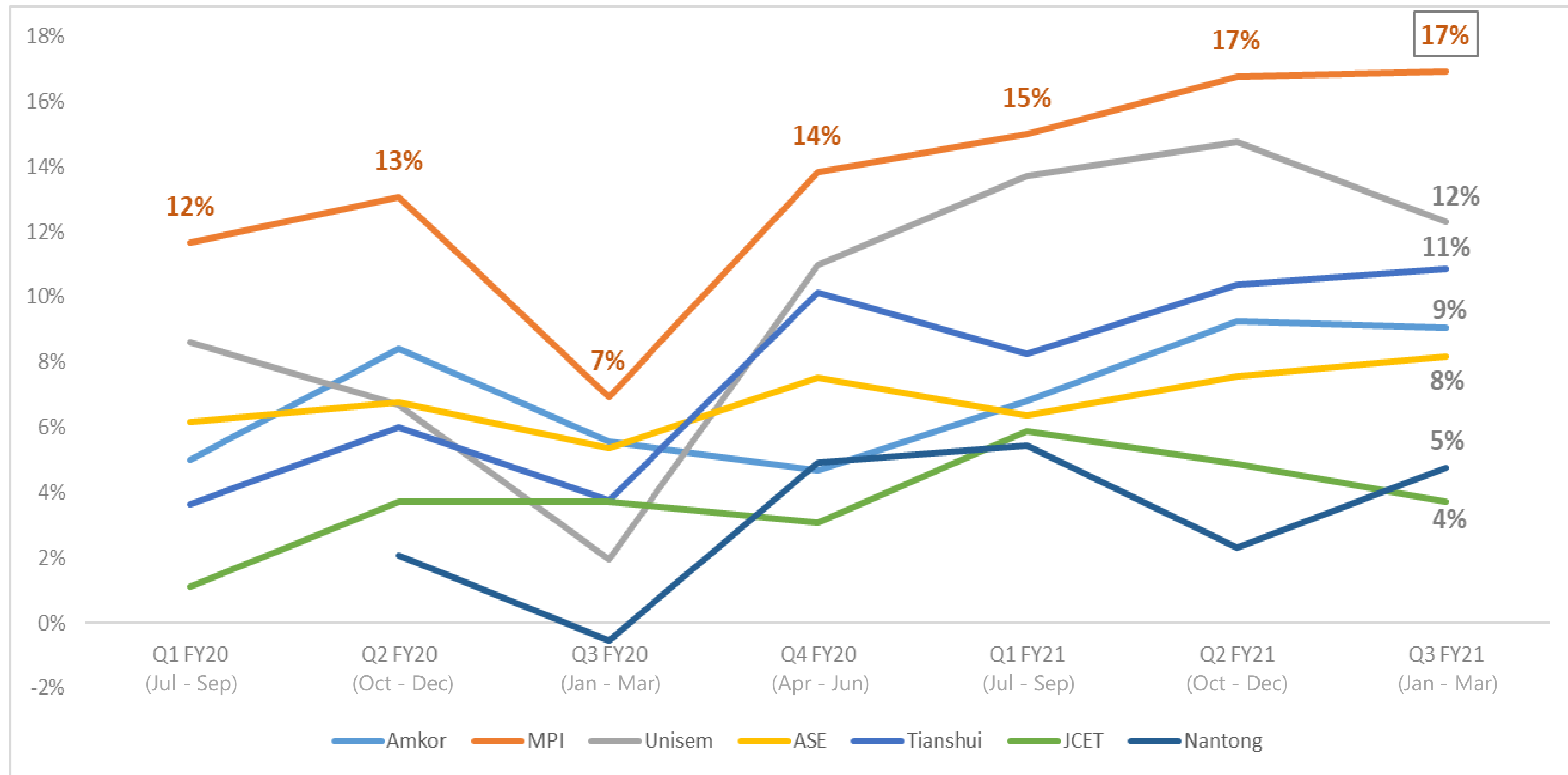


- ✓ Strong & Intact Pipeline
- ✓ Technology competence in **Silicon Carbide for Electric Vehicles**
- ✓ Highly advanced in **Radio Frequency for 5G in Telecommunication**
- ✓ **World class facilities & expertise** for Sensors in Malaysia for Automotive
- ✓ **Lights Off Factory Line** MEMS and Sensors Malaysia
- ✓ Impeccable quality via automation – **Industry 4.0**
- ✓ **Strong cash position** to invest in new equipments/technology, upskilling & safety of manpower



# Competitor's Analysis – PAT/SALES

MPI HAS THE HIGHEST PROFIT OVER SALES PERCENTAGE AMONG OTHER OSATs





# Technology – Automotive Segment

INNOVATING IN LINE WITH STRATEGY TO BE GLOBALLY PREFERRED PARTNER FOR AUTOMOTIVE

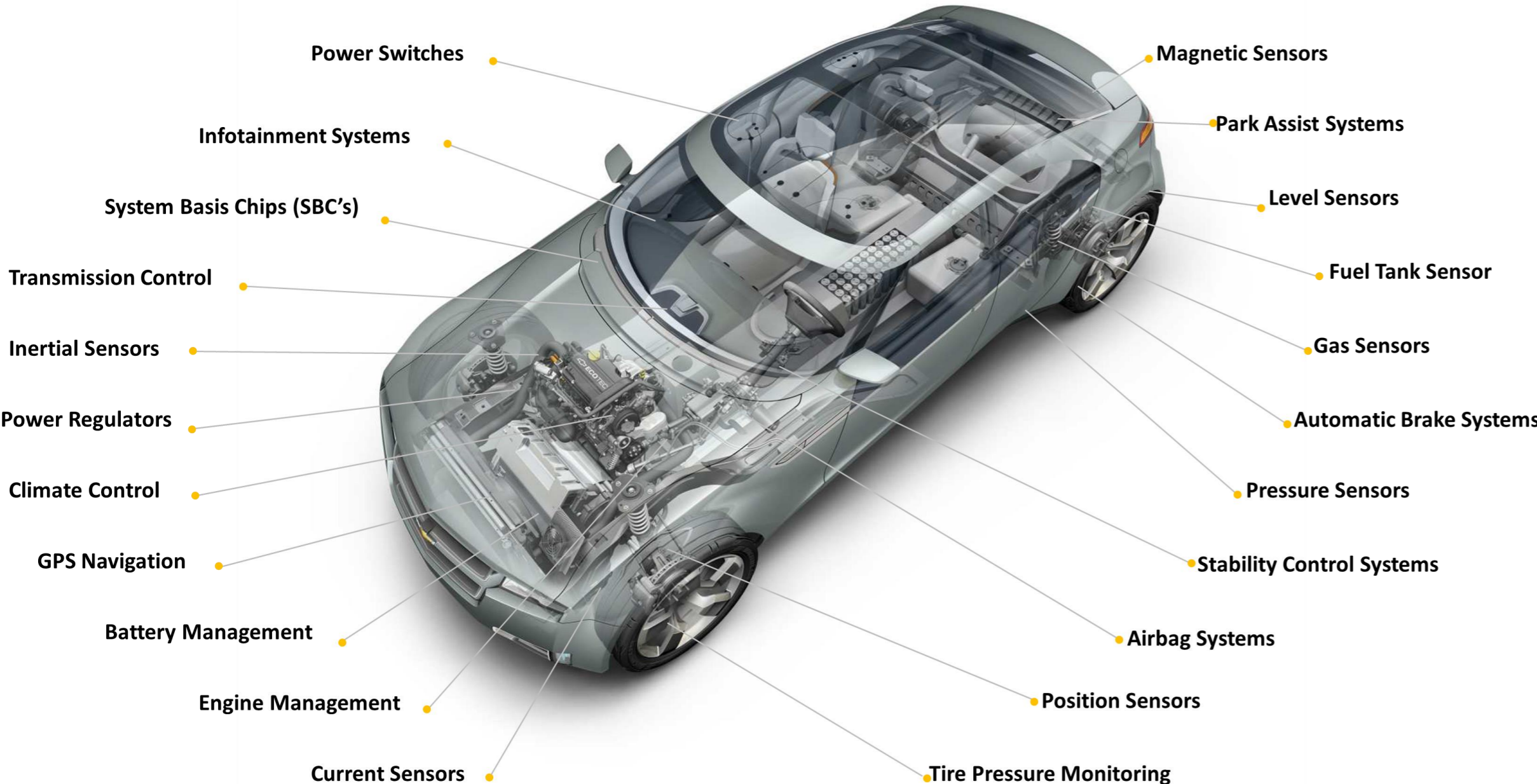
## Major trends impacting semiconductor demand (Mobility disruptions)

**⚡ Electrification**  
 Novel battery technologies, growth of electrical powertrain, demand for power electronics

**↔ Autonomy**  
 Surge in autonomous driving platforms & advanced safety features

**👉 Connectivity**  
 New use cases (V2X, V2V, OTA) - progression in connectivity technology (5G, WIFI-6)

>20 years as a certified automotive supplier



## Carsem Technology Value Propositions & Activities

- MEMS & Sensors – riding 'Sensorization' wave**
- ✓ Pressure sensors, IMUs, Gas Sensors – safety applications
  - ✓ Focused development - Optical sensors & LIDAR/ RADAR as the next steps

- Power Packaging**
- ✓ More developments on customized solutions with SiC/ GaN technologies

- RF for Connectivity**
- ✓ Differentiated support on diverse applications using Gallium Nitride (GaN) technology

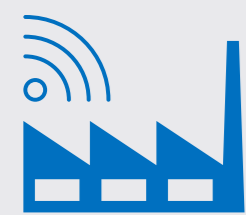
**34% Revenue Share of MPI**



# Technology – Industrial Segment

EXPANDING PORTFOLIO ALIGNED WITH TRENDS IN ADVANCED PACKAGING & TESTING FOR POWER

## Major trends impacting semiconductor demand



### Industry 4.0

Higher performing devices with greater functionality driving models that enable increased flexibility, higher productivity & lower costs



### Big Data

More servers with high power & high efficiency to support large volumes of data

## >30 years in power packaging



## Carsem Technology Value Propositions & Activities

### Power Packaging

- ✓ Awarded the next generation of Powerstage products for servers and workstation
- ✓ Back to back development for next 2 power stage - High Power Density & Efficiency
- ✓ Best efficiency promise - wide range of qualified BOM & design for varying requirements

### MEMS & Sensors

- ✓ Ramping Gas sensing applications
- ✓ Gyroscopes & Accelerometers

**29% Revenue Share of MPI**



# Technology – Consumer/ Communications Segment

TAPPING INTO THE 5G REVOLUTION THROUGH ROBUST CUSTOM OFFERINGS

## Major trends impacting semiconductor demand



### 5G

High data rates, massive connectivity and ultra-low latency, catalyzing remote health care, autonomous driving, AR/ VR experiences



### IoT

Need for combining functionalities – security, connectivity & microprocessors - stimulating usage of sensors, actuators & computing power

## Carsem in Communication



## Carsem Technology Value Propositions & Activities

### RF (5G mobile)

- ✓ Investing extensively in – complex testers & tools, probers & handlers, floor space expansion, and manpower training

### Power Packaging

- ✓ RF Power (mid-high) packaging expertise for handphones/ 5G base stations; high volume manufacturing experience of handling GaN
- ✓ RF module/ high power switch for 5G base stations remains focus

### MEMS & Sensors

- ✓ Ramping up motion sensors (IMUs) for smartphones.

**27% Revenue Share of MPI, Other Segments - 10%**





# Quality & Productivity Focus

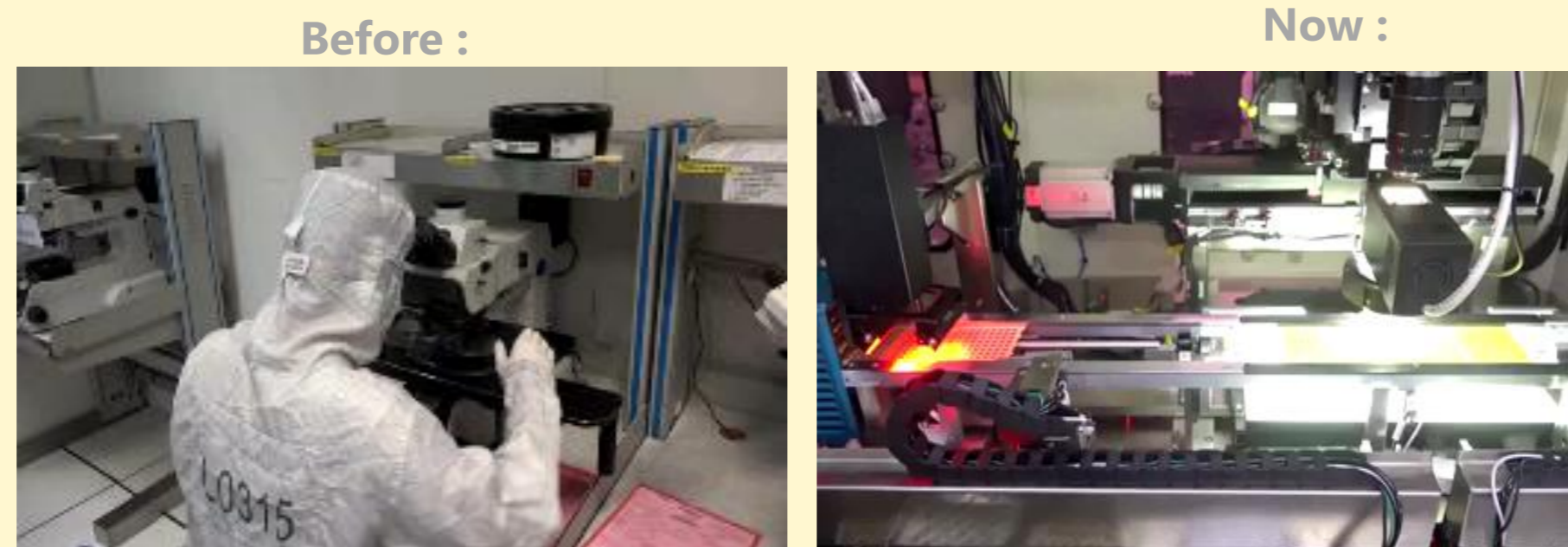
INVESTING IN AUTOMATION & INDUSTRY4.0 TO ACHIEVE ZERO DEFECTS & HIGH PRODUCTIVITY GOALS

## Flip Chip Inline System



Intelligent Factory Program

## Auto Visual Inspection (AVI)



Customized AVI system for Assembly Level operations

## Smart Production Line – Sensors Unit



Automated Guided Vehicles

- Quality Certifications – IATF 16949, ISO-9001, ISO-14001, ISO8001, ANSI/ESD S20.20.
- Carsem makes huge investments each year in technology, machines & R&D

## RECOGNIZED AND AWARDED FOR QUALITY IN PACKAGING & TESTING



RWT 2020 Excellent Supplier



MXD 2020 Supplier of the Year



LTF 2020 Best Quality & Delivery Supplier



CETC Best Supplier For 2020



# People – Employer of Choice

ATTRACTING & RETAINING THE BEST TALENT IS AT THE CORE OF MPI'S VALUES

# 15

Average years in service for employees in 'Manager & above' category

*Empower through Ownership*

# 51%

Female workforce out of the total workforce in Carsem & 42% in Managerial positions.

*Recognition*

# 458,237

Hours of training since 2018 till date. Upskilling to enhance employees' capabilities to enable their career growth

*Care like Family*



**Best Employer 2020-2021**  
World HRD Congress

## People – Best HR



Most Innovative Recruitment Strategy (2019), **Best Campus Recruitment (2020)** - Asia Recruitment Awards



Anugerah Majikan Prihatin Negeri Perak 2019 awarded from **JTK Perak**



MIHRM 19th Malaysia – International HR Award 2019 Category: **HR Best Practices**



**HRDF AWARD FINALIST** for two consecutive years 2018 & 2019



**2020 Asia's Best Employer Brand Awards**



3rd in OSH Innovation Competition, Organized by **Department of Occupational Safety & Health**



**2020 Pioneer employer for fighting with Covid-19 pandemic**  
Great Suzhou Best Employer Awards

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# Continuous Capex Investments

STRATEGIC INVESTMENTS FOCUSING ON SENSORS, 5G TESTING & SILICON CARBIDE



5G TESTING



SILICON CARBIDE



MEMS SENSORS



Installing **New Machines** for Capacity Expansion



**Hire more people** across the globe to support business operations & sales



Invest in **Research & Development** to deliver latest technology solutions to our customers



**Floor space expansion** to meet increasing business demands from existing & new customers



Continue **Industry 4.0 via Automation** in each factory to have zero defects quality

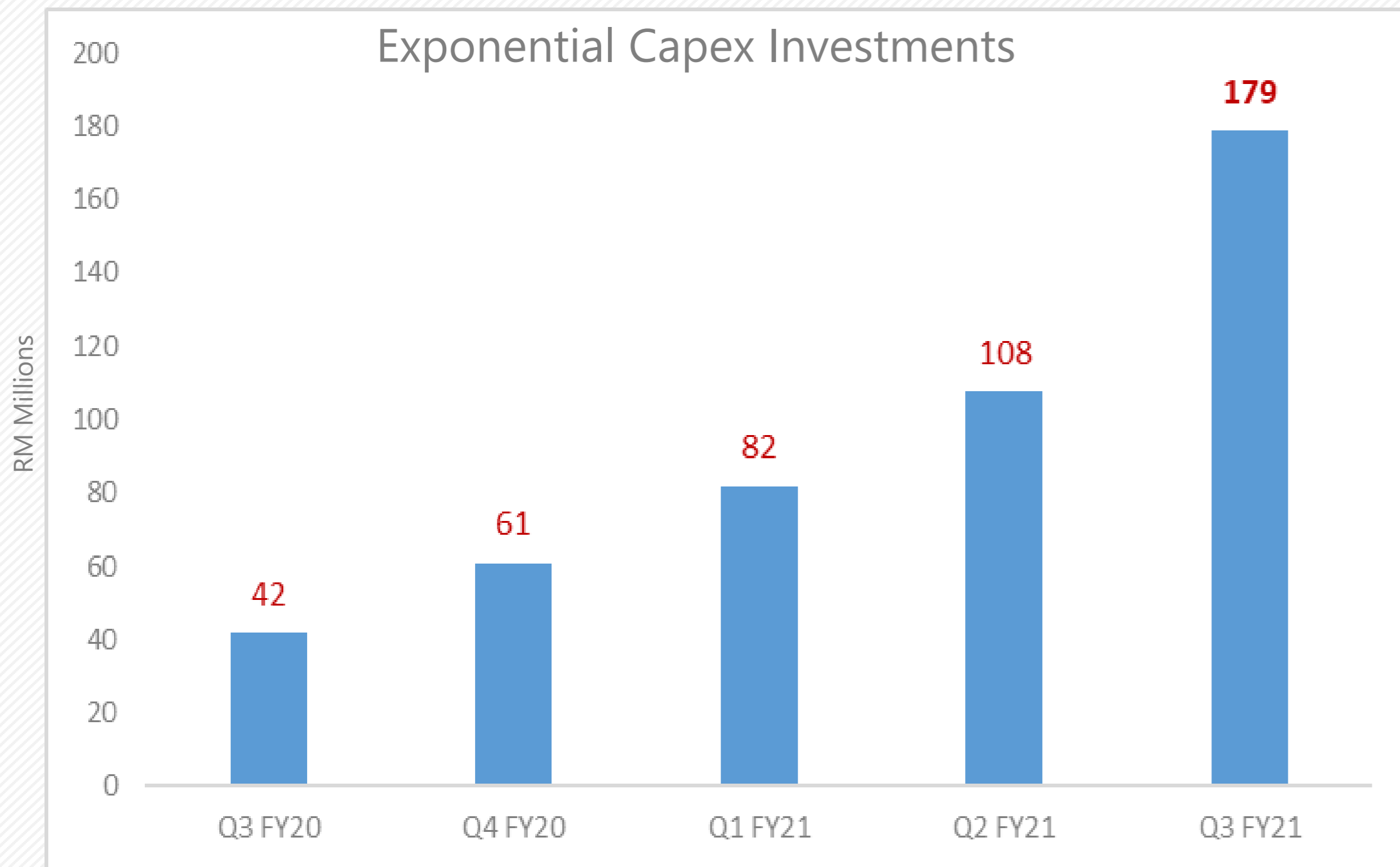


**Upskill** existing operational & technical manpower to be able to perform better with latest technology



Look for **more anchor customers** to secure more guaranteed business in future

Exponential Capex Investments





# Floor Space Expansion – For The Future

LOOKING AT MORE SPACE FOR THE PIPELINE, COMMITMENTS & BUSINESS GROWTH



## CHINA

- ❑ 2<sup>nd</sup> Phase Level 2 Carsem Suzhou to be completed by Q3 CY2021 – Additional 50K Sq.ft
- ❑ Scouting for a **new site in China to setup another factory** tentatively by Q3 CY 2022



## MALAYSIA

- ❑ Adding 121K Sq.ft of floor space in Ipoh to cater to increasing demands
- ❑ Building is ready – Facilitization to be done by Q2 CY 2022

# Technology – Future Focus

BUILDING/ ACQUIRING CAPABILITIES FOR TECHNOLOGY & VALUE CHAIN UPGRADE



## MODULE/ SiP

Next generation of packaging



## 3D Printing

To reduce package size further



## Design House

To introduce more Silicon Carbide technologies

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# Key financial data

## MPI GROUP RESULTS AT A GLANCE

	Q3 FY21	Q2 FY21	Q3 FY20	Q3 vs Q2	Q3 vs Q3	YTD FY21	YTD FY20	YoY
	RM mil	RM mil	RM mil	%	%	RM mil	RM mil	%
<b>Revenue</b>	<b>526.6</b>	<b>483.9</b>	<b>376.3</b>	<b>9%</b>	<b>40%</b>	<b>1,451.1</b>	<b>1,159.1</b>	<b>25%</b>
PAT	89.1	81.1	26.2	10%	240%	236.1	123.2	92%
PATAMI	74.4	67.0	22.1	11%	>100%	196.7	103.9	89%
EPS (sen)	37.55	33.87	11.59	11%	>100%	99.49	54.67	82%
EBITDA %	28%	28%	21%			28%	25%	
Capex	179.1	107.8	28.7	66%	>100%	368.4	173.5	>100%
Dividend	0	20	0			20	20	
Net Cash	927.1	918.4	808.9			927.1	808.9	
EDR	100 : 0	100 : 0	100 : 0			100 : 0	100 : 0	
ROSF	5.4%	4.9%	1.7%			14.2%	8.2%	



**Thank You**