

MALAYAN FLOUR MILLS BERHAD

Registration No. 196101000210 (4260-M)
(Incorporated in Malaysia)

Minutes of the Virtual Sixty-Second Annual General Meeting of Malayan Flour Mills Berhad
held at the Broadcast Venue at Suite 25.01, Level 25, Menara Citibank, 165 Jalan Ampang,
50450 Kuala Lumpur on Wednesday, 25 May 2022 at 10.00 a.m.

Present:	Tun Arshad bin Ayub	(Chairman and Shareholder/Proxy)
	Teh Wee Chye	(Managing Director and Shareholder/Corporate Representative)
	Datuk Oh Chong Peng	(Director and Shareholder)
	Dato' Seri Zainal Abidin bin Mahamad Zain	(Director and Shareholder)
	Prakash A/L K.V.P Menon	(Director and Shareholder)
	Quah Poh Keat	(Director)
	Prof. Datin Paduka Setia Dato' Dr. Aini binti Ideris	(Director)
	Dato' Maznah binti Abdul Jalil	(Director)
	Azhari Arshad	(Executive Director and Shareholder)
	Lim Pang Boon	(Executive Director and Shareholder)
	564 Shareholders/Proxies 4 Corporate Representatives	

In Attendance: Mah Wai Mun (Company Secretary)
Alan Tee Yau Peng (Chief Financial Officer)
Teresa Chong Dee Shiang (External Auditors-Messrs KPMG PLT)
Boardroom Share Registrars Sdn Bhd (Poll Administrator)
Boardroom Corporate Services Sdn Bhd (Scrutineers)

1. WELCOME ADDRESS

Chairman, Tun Arshad bin Ayub has requested Datuk Oh Chong Peng to chair the Meeting on his behalf.

The Chairman of the Meeting welcomed all the attendees to the Meeting. The Chairman extended his appreciation to all the valued shareholders and proxies, for participating in this online meeting remotely from various locations.

The Chairman informed that the Annual General Meeting ("AGM") was conducted virtually as a precautionary measure to ensure the well-being and safety of shareholders in view of the COVID-19 pandemic.

Thereafter, the Chairman introduced each and every member of the Board of Directors, Chief Financial Officer and Company Secretary who were in attendance.

2. **QUORUM, NOTICE OF MEETING AND VOTING PROCEDURE**

At the request of the Chairman, the Secretary confirmed that a quorum was present and that shareholders of 233,242,701 shares had appointed the Chairman of the Meeting as their proxy.

The Chairman declared the quorum present and called the Meeting to order at 10.00 a.m.

Before proceeding to the agenda of the Meeting, the Managing Director, Mr Teh Wee Chye presented the performance of the Group for financial year 2021 and its business outlook.

Subsequently, the Chairman invited Mr Chua Kiat Hwa, the Senior General Manager, Purchasing and Mr Hideki Oya, the General Manager, Purchasing & Upstream Commercial to present in detail the Global Wheat Market Situation and the reasons for higher price of flour and poultry respectively.

After the presentations, the Chairman stated that as the Notice convening the Meeting had been sent to all the shareholders and published in The Star on 26 April 2022 in accordance with the Constitution of the Company and with the consent of the meeting, the Notice of the Meeting be taken as read.

The Chairman informed that as the Meeting was the principal forum for dialogue with the shareholders, shareholders were encouraged to participate at the Meeting by submitting their questions in real time using the Messaging window facility. Questions could be submitted throughout the Meeting until the announcement on the closure of the Q&A (Questions and Answers) session. Due to time constraint, the questions received would be moderated to avoid repetition and may also be summarised for reasons of brevity.

The Secretary informed that the voting for all the 8 ordinary resolutions as set out in the Notice of the Meeting would be conducted by way of a poll in accordance with Clause 93 of the Company's Constitution.

The Company had appointed Boardroom Share Registrars Sdn Bhd as the Poll Administrator to conduct the e-polling process and Boardroom Corporate Services Sdn Bhd as the Scrutineers to observe the whole e-polling process, obtain the results tabulation generated by the e-Polling System and perform such other necessary duties for the Meeting.

A slide presentation on the e-polling process was presented by the Poll Administrator.

Thereafter, the Chairman announced that the poll was opened and shareholders may start to cast their votes for all the 8 resolutions until the poll was declared closed by the Chairman.

The Secretary then presented the Agenda of the Meeting.

3. **AGENDA 1** **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS**

The Audited Financial Statements for the year ended 31 December 2021 together with the Directors' and Auditors' Reports thereon, were laid before the Meeting.

The Secretary informed that in accordance with Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements were required to be laid before the shareholders at the Company's Annual General Meeting. The purpose was for the shareholders to seek clarification from the Board of Directors on any matters pertaining to the Audited Financial Statements which had been circulated.

As the Agenda item was meant for discussion only and did not require a formal approval of the shareholders, hence it was not put forward for voting.

4. **ORDINARY RESOLUTION 1**
RE-ELECTION OF TUN ARSHAD BIN AYUB WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

The resolution on the re-election of Tun Arshad bin Ayub who retires by rotation in accordance with Clause 132 of the Constitution of the Company was tabled.

The resolution was duly proposed by the Managing Director and seconded by the Secretary.

5. **ORDINARY RESOLUTION 2**
RE-ELECTION OF MR TEH WEE CHYE WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

The resolution on the re-election of Mr Teh Wee Chye who retires by rotation in accordance with Clause 132 of the Constitution of the Company was tabled.

The resolution was duly proposed by the Chairman and seconded by the Secretary.

6. **ORDINARY RESOLUTION 3**
RE-ELECTION OF MR AZHARI ARSHAD WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

The resolution on the re-election of Mr Azhari Arshad who retires by rotation in accordance with Clause 132 of the Constitution of the Company was tabled.

The resolution was duly proposed by the Chairman and seconded by the Managing Director.

7. **ORDINARY RESOLUTION 4**
PROPOSED PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM264,000 PER ANNUM FOR THE NON-EXECUTIVE CHAIRMAN AND RM132,000 PER ANNUM FOR EACH OF THE NON-EXECUTIVE DIRECTORS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The resolution on the proposed payment of Directors' fees amounting to RM264,000 per annum for the Non-Executive Chairman and RM132,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2021 was tabled.

The resolution was duly proposed by the Managing Director and seconded by the Secretary.

8. **ORDINARY RESOLUTION 5**
PROPOSED PAYMENT OF AN AMOUNT OF UP TO RM350,000 AS BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD FROM THE CONCLUSION OF THE 62ND AGM UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY

The resolution on the proposed payment of an amount of up to RM350,000 as benefits payable to the Non-Executive Directors for the period from the conclusion of the 62nd AGM until the conclusion of the next AGM of the Company was tabled.

The resolution was duly proposed by the Managing Director and seconded by the Secretary.

9. **ORDINARY RESOLUTION 6**
RE-APPOINTMENT OF MESSRS KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022 AND AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The resolution on the re-appointment of Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration was tabled.

The resolution was duly proposed by the Chairman and seconded by the Managing Director.

10. **ORDINARY RESOLUTION 7**
AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The resolution on the authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 was tabled.

The resolution was duly proposed by the Chairman and seconded by the Managing Director.

11. **ORDINARY RESOLUTION 8**
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The resolution on the proposed renewal of authority for share buy-back was tabled.

The resolution was duly proposed by the Chairman and seconded by the Managing Director.

12. **ANY OTHER BUSINESS**

The Secretary reported that no notice has been received to transact any other business.

13. **Q & A SESSION**

After tabling of all resolutions, the Chairman announced that the Meeting was opened for Q & A session.

A summary of questions by shareholders together with the summarised responses by the Company was annexed hereto and marked as Annexure A.

14. **e-POLLING**

The Chairman informed the shareholders to cast their votes if they had not submitted their votes earlier.

The Chairman announced that the voting session would be closed in 10 minutes.

The counting of votes and the validation by Scrutineers would take about 20 minutes to complete.

The Chairman declared the Meeting adjourned and to be resumed in 30 minutes for the declaration of the poll results.

15. ANNOUNCEMENT OF POLL RESULTS

At 11.30 a.m., the Chairman reconvened the Meeting for the declaration of results. The Chairman informed that the poll results, which were verified by the Scrutineers, Boardroom Corporate Services Sdn Bhd, were ready.

The Scrutineer was invited to read out the poll results and based on the poll results, the Chairman declared that all resolutions tabled at the Meeting were duly carried as follows:-

Ordinary Resolution 1

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
442,613,820	97.7125	10,361,787	2.2875

RESOLVED that Tun Arshad bin Ayub, a Director who retires by rotation in accordance with Clause 132 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 2

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
452,427,029	99.8793	546,578	0.1207

RESOLVED that Mr Teh Wee Chye, a Director who retires by rotation in accordance with Clause 132 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 3

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
442,738,462	97.7400	10,237,145	2.2600

RESOLVED that Mr Azhari Arshad, a Director who retires by rotation in accordance with Clause 132 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 4

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
452,219,831	99.8318	761,791	0.1682

RESOLVED that the payment of Directors' fees amounting to RM264,000 per annum for the Non-Executive Chairman and RM132,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2021 be and is hereby approved.

Ordinary Resolution 5

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
452,181,095	99.8233	800,527	0.1767

RESOLVED that the payment of an amount of up to RM350,000 as benefits payable to the Non-Executive Directors for the period from the conclusion of the 62nd AGM until the conclusion of the next AGM of the Company be and is hereby approved.

Ordinary Resolution 6

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
452,699,555	99.9363	288,552	0.0637

RESOLVED that Messrs KPMG PLT be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at the remuneration to be determined by the Directors.

Ordinary Resolution 7

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
452,458,439	99.8829	530,668	0.1171

RESOLVED that subject to the Companies Act 2016 and approval from the relevant authorities, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 8

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
452,725,754	99.9419	263,353	0.0581

RESOLVED:-

THAT subject to the Companies Act 2016, the provisions of the Constitution of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon

such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company as at the point of purchase and that an amount not exceeding the Company's retained profits at the time of the purchase(s) will be allocated by the Company for the Proposed Share Buy-back;

THAT the authority conferred by this resolution will be effective immediately and shall continue in force until:-

- (a) the conclusion of the annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or
- (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by shareholders in a general meeting,

whichever occurs first;

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the repurchased shares) in accordance with the Companies Act 2016, the provisions of the Constitution of the Company and the requirements and/or guidelines of the Bursa Securities and all other relevant governmental and/or regulatory authorities and to do all such things as the said Directors may deem fit and expedient in the best interest of the Company.

17. **CLOSE OF MEETING**

There being no other business, the Chairman thanked the shareholders for their attendance and declared the Meeting closed.

The Meeting ended at 11.40 a.m.

.....
Chairman

Annexure A

a) Questions from shareholder, Lee Mun Hoe

1. Why the grain business reported an unimpressive performance? There is good demand for grain products in worldwide and with strong average selling price.

Managing Director, Mr Teh Wee Chye responded as follows:-

As presented by Mr Chua Kiat Hwa and Mr Hideki Oya earlier on the global wheat market and the six perfect storms which hit the poultry industry, the grains prices were low prior to the Movement Control Order (“MCO”) in 2020. However, from October 2020 onwards, grains prices had accelerated due to extreme weather condition which had disrupted the supply coupled with the high demand from China, being the first country that came out from the global COVID-19 lockdown and had the economic growth of 18% in the first quarter of 2021 (“1Q 2021”). All these were unprecedented.

Countries which produce grains benefited from the upside of the grains price. Importer like MFM Group, having suffered from the pandemic, had to accept the high grains price as it was difficult to pass on the cost before the market demand recovered.

As a result, both Dindings Tyson Group and Premier Grain Sdn Bhd had suffered losses. A lot of importers who benefited from the front-loaded profit had pushed their grains supply to Malaysia when they faced credit risk from Vietnam particularly for corn. They dumped their corns to Malaysia as it was the cheapest solution and with the excess corn in the market in 1Q 2021, the corn prices collapsed. The quality of the corn deteriorated with toxin built up and the poultry suffered from diseases when their immunity weakened.

All these series of events had affected the businesses in the industry in the large part of South East Asia.

2. Any plan to cultivate corn and durian due to potential business opportunity?

Managing Director, Mr Teh Wee Chye responded as follows:-

Given the challenges, it is better to focus our core competency in the flour and poultry business.

b) Question from shareholder, Tan Ze Chien

1. Could the Company pass on the cost hike in wheat? Where does the Company sources its wheat?

Managing Director, Mr Teh Wee Chye responded as follows:-

The Group sources its supply of wheat worldwide. Prior to the Ukraine crisis, the Group had already purchased a lot of Ukraine wheat, which was sold in discount compared to Australian wheat. Ukraine wheat had been used since 2018 and it was very competitive. The Group had been facing a lot of challenges in passing on the increased cost of wheat, corn and soyabean. As there are more news in the market explaining to consumers on the impact of the Ukraine crisis, weather condition of grains producing countries and ban of wheat export by India, hopefully consumers would understand and more receptive towards the flour price increase.

The Government is very concerned especially the impact of the price increase on B40 group. As a food producing country, it is important to balance our role.

c) Question from shareholder, Lau Chuan Hooi

1. What is the Company's future outlook?

Managing Director, Mr Teh Wee Chye responded as follows:-

The Group is in the essential industry of producing food and importing raw material such as wheat, corn, soyabean and soyabean meal. Unfortunately, the Russia-Ukraine crisis, which is unprecedented in history, had resulted in shortage of wheat supply as both countries accounted for nearly 30% of the world wheat export market. The situation is further aggravated by the extreme weather condition.

It would not be easy to make up for the production loss of Russia and Ukraine as it might take up to three to four years for the crop recovery even in a bountiful harvest. Hopefully, the world leaders could gather and resolve the ongoing crisis for the food supply to return to normalcy.

d) Question from shareholder, Gan Siew Keen

1. Why the share price is so low?

Managing Director, Mr Teh Wee Chye responded as follows:-

Although the price of share reflected the performance of the Company, since December 2021 till now, the U.S. NASDAQ Stock Exchange had declined by more than 20%. It is the global phenomenon and the Company has to go through the trend. Hopefully, with the world economy improving, the stock market would reflect accordingly.

e) Questions from shareholder, Hiu Chee Keong

1. How does the minimum wage affect the Company?

Managing Director, Mr Teh Wee Chye responded as follows:-

It is the issue for the whole country to increase the minimum wage from RM1,200 per month to RM1,500 per month. The Group has adjusted its minimum wage which impacted the overall wages of approximately 15% to 16%. It is hopeful that the increase in minimum wage could be covered by the increase in output, capacity utilisation and passing on of some of the increase in raw material cost with justification. It is a matter for all the businesses in the country to work together to overcome it.

2. How does *Cukai Makmur* affect the Company?

Managing Director, Mr Teh Wee Chye responded as follows:-

The Group is not subject to the *Cukai Makmur*.

f) Questions from shareholder, Khor Chong Him

1. How does the Company manage the impact of USD currency appreciation?

Managing Director, Mr Teh Wee Chye responded as follows:-

All the emerging countries are facing the similar challenges. U.S Dollar does not really reflect the state of economy in U.S. It is more depending on the supply and demand of currency. All of the industry players have to bear with it and work to mitigate this effect.

2. What is the profit outlook for the poultry business with the reopening of the economic activities and the ramp up of MacFood purchase from Dindings Tyson Sdn Bhd (“DTSB”), balancing with the input cost (i.e. feed cost and etc)?

Managing Director, Mr Teh Wee Chye responded as follows:-

Since January 2021, the Group is fortunate to be able to start ramping up the production of the new primary processing plant. DTSB is working very closely with MacFood, quick service restaurants as well as modern trade to increase its sales volume.

Unfortunately, there is shortage of supply of broilers in the market now. The Government is looking seriously to solve the food security issue in the country. The food shortage is a global phenomenon. Nonetheless, the prospects of the Group look good but there is still uncertainty on any other perfect storms in addition to the existing six challenges. Hence, there is uncertainty on the complexity and vulnerability of the world market.

g) Question from shareholder, Hong Kok Chuang

1. Are the worst over?

Managing Director, Mr Teh Wee Chye responded as follows:-

Unlikely. The Russia-Ukraine crisis has just started on 24 February 2022. It would depend on how soon the crisis would come to an end and whether world weather would improve next year. Though La Niña would come to an end by October/November 2022, there is uncertainty on what would be coming after the La Niña phenomenon. It is depending very much on the sun observation index that impacts the world weather and production. The Group would have to monitor closely.

h) Question from shareholder, Lee Soon Jin

1. How is the Company to ensure profitability during the endemic?

Managing Director, Mr Teh Wee Chye responded as follows:-

Apart from the Ukraine crisis and the COVID-19 pandemic that made up the six perfect storms, if the companies, consumers and the Government could get together and work out some solutions to ensure the food security is restored, the forward prospects for the Group including the operation in Vietnam and Indonesia would continue to be favourable.

The following are the responses to the common questions posed by the shareholders during the Meeting:

1. Kindly provide e-vouchers, food vouchers or e-wallet for being loyal shareholder attending this live streaming AGM and remote voting?

Response:

As stated in our Administrative Guide, there will be no distribution of door gifts or vouchers for this virtual AGM. The Company's main method of rewarding shareholders is through dividend payments which would be more meaningful for the shareholders of the Company.

2. What are the total costs saved from conducting a virtual AGM compared to physical AGM in the previous years?

Response:

The cost of holding a virtual AGM is lower as compared to the cost of a physical AGM which amounted to approximately RM85,000. The Company saved approximately RM40,000 for this AGM.

3. Would the Company consider holding the physical AGM in future?

Response:

First and foremost, the Company would consider holding a physical AGM in future provided that the safety of our shareholders and staffs attending the physical AGM are not compromised. We must also comply with the advice of the Health Ministry and other regulators on the maximum number of people allowed to attend physically, the SOPs to be followed and so forth.

As the Company acknowledges the benefits of holding virtual AGM in terms of cost and efficiency, it would not rule out the virtual participation option in the future.