

MALAYAN FLOUR MILLS BERHAD

Registration No. 196101000210 (4260-M)

(Incorporated in Malaysia)

Minutes of the Virtual Sixty-Fourth 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 Thursday, 16 May 2024 at 10.00 a.m.

Present:	Datuk Oh Chong Peng	(Chairman and Shareholder/Proxy)
	Teh Wee Chye	(Executive Deputy Chairman cum Managing Director and Shareholder/Corporate Representatives)
	Dato' Seri Zainal Abidin bin Mahamad Zain	(Director and Shareholder)
	Prakash A/L K.V.P Menon	(Director and Shareholder)
	Quah Poh Keat	(Director)
	Datin Paduka Setia Dato' Dr. Aini binti Ideris (<i>via video conferencing</i>)	(Director)
	Dato' Maznah binti Abdul Jalil	(Director)
	Azhari Arshad	(Executive Director and Shareholder)
	Lim Pang Boon	(Director and Shareholder)
	595 Shareholders/Proxies 3 Corporate Representatives	

In Attendance: Mah Wai Mun (Company Secretary)
Alan Yau Tee 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

The Chairman of the Meeting, Datuk Oh Chong Peng 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 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 247,225,771 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 Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye presented the performance of the Group for financial year 2023 and its business outlook.

After the presentation, the Chairman stated that as the Notice convening the Meeting had been sent to all the shareholders and published in the press on 17 April 2024 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 Chairman 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 2023 TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

The Audited Financial Statements for the year ended 31 December 2023 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 MR QUAH POH KEAT WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

The resolution on the re-election of Mr Quah Poh Keat 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 Executive Deputy Chairman cum Managing Director.

5. **ORDINARY RESOLUTION 2**
RE-ELECTION OF DATIN PADUKA SETIA DATO' DR. AINI BINTI IDERIS WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

The resolution on the re-election of Datin Paduka Setia Dato' Dr. Aini binti Ideris 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 Executive Deputy Chairman cum Managing Director.

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

The resolution on the re-election of Mr Lim Pang Boon 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 Executive Deputy Chairman cum 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 2023

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 2023 was tabled.

The resolution was duly proposed by the Executive Deputy Chairman cum Managing Director and seconded by Mr Azhari Arshad.

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 64TH 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 64th AGM until the conclusion of the next AGM of the Company was tabled.

The resolution was duly proposed by the Executive Deputy Chairman cum Managing Director and seconded by Mr Azhari Arshad.

9. **ORDINARY RESOLUTION 6**
RE-APPOINTMENT OF MESSRS KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 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 2024 and to authorise the Directors to fix their remuneration was tabled.

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

12. **ANY OTHER BUSINESS**

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

13. **QUESTION & ANSWER (“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 11.20 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	%
625,455,617	99.9712	180,158	0.0288

RESOLVED that Mr Quah Poh Keat, 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	%
596,873,915	95.4028	28,761,860	4.5972

RESOLVED that Datin Paduka Setia Dato' Dr. Aini binti Ideris, 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	%
624,091,098	99.7531	1,544,677	0.2469

RESOLVED that Mr Lim Pang Boon, 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	%
625,175,656	99.9265	460,054	0.0735

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 2023 be and is hereby approved.

Ordinary Resolution 5

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
625,121,107	99.9177	514,603	0.0823

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 64th 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	%
625,041,859	99.9826	108,916	0.0174

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	%
590,990,003	94.4623	34,645,772	5.5377

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 (“General Mandate”) 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.

THAT pursuant to Section 85 of the Companies Act 2016 read together with the Company’s Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company **AND THAT** the Board is exempted from the obligation to offer such new shares first to the existing shareholders of the Company in respect of the allotment and issuance of new shares pursuant to the General Mandate.

AND FURTHER THAT the new shares to be issued pursuant to the General Mandate, shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares.”

Ordinary Resolution 8

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
625,314,308	99.9486	321,467	0.0514

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.

16. 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 11.30 a.m.

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Chairman

Annexure A

a) Question from shareholder, Teh Kian Lang

1. Will 2024 be a better year than 2023 arising from new challenges?

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

There are 2 key challenges in 2024 as follows:-

- a. Climate Change and how it impacts the production of key commodities i.e. wheat, corn, soya bean and soya meal.

El Niño had subsided and replaced by La Niña. La Niña had shown strong impacts since November 2020 until 2023 that had caused uncertainty to crop production. Grains traders are monitoring the crop production cycle closely and where necessary to make decision on hedging.

- b. Another key concern is the geopolitics. United States is going through its presidential election. There are many uncertainties associated with the election.

All the geopolitical issues were well discussed in many forums as far as food and agriculture are concerned.

b) Questions from shareholder, Hiu Chee Keong

1. Is flour a price control item by Government? Is there any application to Government to raise the selling price?

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The flour subsidy had been removed since 2021. The Government is still very concerned on food security and food inflation. As the flour price is very much depending on the weather condition amongst others that would impact the wheat cost, the Management would communicate with the Government as and when there is a need to increase the flour price due to high wheat cost which is beyond our control.

2. How does the minimum wage or the recent graduates' salary proposed by the Government will affect the Company financially?

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

As we expand our business volume, economies of scale are critical to our business. As long as the talent's capability could meet the expectation as the business is growing, the Company has the budget for the recruitment of right talent. Certainly, the increase in per capita income would help increase the per capita consumption of flour and poultry.

3. Will the Company considers using AI (Artificial Intelligence) and automation to cut down workforce cost?

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

Certainly. Automation is well within reach today as we scale our production. If AI comes with an effective cost, we will explore the usage of AI.

c) **Questions from shareholder, Kong Chew Thai**

1. **Please share the market share of wheat flour in Malaysia, Vietnam and Indonesia.**

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The market share of wheat flour as follows:-

- a. Malaysia – 20% to 25%
- b. Vietnam – 25%
- c. Indonesia – 8% to 10%

2. **Please share the market share of aquafarming feed. As there is no price control of fish and prawns, this could be a very profitable segment. Is it a possibility to consider mussel farming?**

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

We see growth prospects in aquafeed and aquafarming. Although the catch from the sea is dwindling, the transition in economy due to COVID and geopolitics would take a while before the economy could see a positive growth beyond 2% to 3%. In longer term, we are aligned with Rabobank's view that there would be growth potential in the per capita consumption of aquaculture.

3. **On the poultry segment, is there any supply of non-tyrosine fed chicken to McDonalds' from Dindings Tyson Group?**

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

Tyrosine can also be found in the soya meal in the poultry diet. Our poultry feed conforms to the USDA (United States Department of Agriculture)'s Guideline in term of food security and quality assurance. Thus far, we have not received any directive from USDA and Department of Veterinary Services ("DVS") in Malaysia as to the restriction on the feed components that contained tyrosine.

d) **Questions from shareholder, Alvin Yeo Taw Yong**

1. **Please share the future expansion for Dinding's fresh store after the first opening in Kajang. How will it contribute to the joint venture business in future?**

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

Dindings already has a few *Kedai* prominently located at Selayang, Klang, Taiping and Sitiawan. As we expand our flour and poultry sales, we view *Kedai* as a good alternative since the per capita flour consumption is 40 kg while the per capita poultry consumption is 48 kg to 50 kg. We understood the per capita aqua consumption is in excess of 50 per kg per person depending on the kind of aqua products.

In term of logistic, the *Kedai* would play a major role in distribution of food items and contribute positively to the business and increase the competitiveness.

2. What is the utilisation rate of all segments in the business?

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The utilisation rates are as follows:-

- a. Flour-Malaysia – 67%
- b. Flour-Vietnam – 72%
- c. Aquaculture – 30% to 40%
- d. Poultry – 60% (with the recovery of the boycott arising from Gaza conflict, there is a prospect for the Group to expand the poultry.)

3. Please share the type of customer segments.

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The major customer segments are Key Accounts as well as Retail and Modern Trade. We also work with General Trade and Distributors.

4. Please update on the Notice of Decision issued by the Malaysia Competition Commission (“MyCC”) pursuant to Section 36 of the Competition Act 2010 (“the Decision”)

Director, Mr Prakash Menon responded as follows:-

The legal counsel is of the opinion that there were sufficient grounds to challenge the Decision. On 9 January 2024, Dindings Poultry Development Centre Sdn Bhd filed a Notice of Appeal with the Competition Appeal Tribunal (“Tribunal”) to appeal against the Decision and applied for a stay of the Decision pending appeal. The Tribunal has set 12 June 2024 as the hearing date for the Stay Application.

The case would take a year or more before a final conclusion could be made. For the time being, the case is status quo and has no impact to the Group.

e) Question from shareholder, Lee Mun Hoe

1. There was no increase on dividend and even much lower payout. This is against the Company’s main method of rewarding shareholders through dividend payments.

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

As highlighted in the presentation on the performance of the Group for financial year 2023 and its business outlook earlier, the Company had declared and paid the dividend of 3 sen per ordinary share consistently for the financial years ended 31 December 2022 and 31 December 2023. The Company had maintained the dividend rate of 3 sen and not lowering the rate though the share capital was enlarged arising from the mandatory conversion of the Redeemable Convertible Unsecured Loan Stocks (“RCULS”) into ordinary shares upon maturity on 24 January 2024.

The Chairman informed that the Company had actually paid higher amount of dividend arising from the enlarged share capital.

f) **Question from shareholder, Kow Lih Shi**

1. How was the Company's dealing with the situation whereby Government cancelled subsidy for the flour and poultry?

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The flour business in Vietnam and Indonesia did not have any subsidy. The Company prefers to compete in an environment with no subsidy to enable the industry players to compete more effectively and healthily.

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

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

Response:

As stated in our Administrative Guide, there would 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 a physical or hybrid 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 staff attending the physical AGM are not compromised.

Secondly, we must ensure the technology to support such hybrid meeting is secure and stable. Once we have these in place, we would consider holding hybrid meeting.

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.

4. Why the Remote Participation and Electronic Voting ("RPEV") facilities provided by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd ("Boardroom") did not allow the voting when the meeting starts?

Response:

The Management had requested for the poll to be opened for voting after the financial performance and business outlook presentation by the Executive Deputy Chairman cum Managing Director in order for shareholders to have a better understanding on the performance of the Company to assist shareholders to make informed decision when casting their votes.