

CORPORATE SOCIAL RESPONSIBILITY

Malayan Flour Mills Group is committed to the principle of Corporate Social Responsibility (“CSR”) which is to integrate social and environmental concerns into its business values and operations and into its interaction with its stakeholders on a voluntary basis. The stakeholders include the customers, employees, suppliers, the community and the environment.

The Group aims to be recognized as an organization that is transparent and ethical in all its dealings as well as making a positive contribution to the community in which it operates. In addition to building trust with the community and giving the organization an edge in attracting good customers and employees, acting responsibly towards workers and others in society is the long term interest of the Group and its shareholders.

For year 2009, the following activities were undertaken by the Group as its commitment to the principle of CSR:

CSR FOR COMMUNITY

1. Maulidur Rasul Celebration

On 29 March 2009, the Halal Committee of Dindings Poultry Processing Sdn. Bhd. (DPP), once again organized a Maulidur Rasul celebration for the fourth time in DPP compound.

Approximately 250 guests attended the function. VIPs such as officers from Government bodies in Manjung and their wives, the Committee members from nearby mosques including a speaker and group members were invited to perform during the function. Besides that, the management and staff together with their families also joined the function.

At the end of the ceremony, lunch was served. The celebration was reported in the Sinar Harian newspaper, Manjung edition on 31 March 2009.



2. Yayasan Latihan Insan Istimewa

Contribution was made to the “Yayasan Latihan Insan Istimewa”, Ipoh, Perak in support of the handicapped and Down Syndrome children in conjunction with the celebration of Chinese New Year.

3. Yayasan Asiaworks

Donation was given to the “Yayasan Asiawork” for part of its AsiaWorks Leadership Program whereby a one day trip for 60 less fortunate children from 3 different homes i.e Pusat Penjagaan Kanak-kanak Cacat, Taman Megah, Rumah KIDS and Rumah Kanak-kanak Angels was organized to visit the Legendary Langkawi Island. The purpose of the trip was to enable the orphans to experience the beauty of our nature and create in them a sense that people do care which could ultimately change how they live their lives.

4. Yayasan Arshad Ayub

Support was given to the “Yayasan Arshad Ayub” which was established in March 2008, focusing on the development of human capital in the nation.

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

CSR FOR COMMUNITY (CONT'D)

5. University of Malaya, International Institute of Public Policy and Management ("INPUMA") - International Conference

Funding was given to support the International Conference on "Public Policy for Sustainable Development" organised by INPUMA.

The objective of the conference was to provide a forum for the articulation and discussion on a wide-range of issues relating to the topics of public policy on sustainable development.

6. Pusat Harian Kanak-Kanak Spastik ("PHKKS")

Responding to the appeal for donation for the Hari Raya Puasa 2009 Festival Celebration, the Company had contributed to PHKKS to enable it to supply new clothing, goods & sundries and goodies to spastic and physically challenged children.

7. Badan Amal dan Kebajikan Tenaga Isteri-Isteri ("BAKTI")

In respond to the humanitarian request by BAKTI for donation for the Palestinian refugees staying at two camps within the Syrian border, 10,000 kg of flour was donated to those refugees.

8. Donation to the Victims of the Padang Earthquake in Indonesia

Answering the call for humanitarian assistance, donation was given to ease the burden of the victims of the Padang earthquake in Indonesia through the Embassy of Republic of Indonesia.

MARKETPLACE EVENTS

1. Baking Demonstration during Chinese New Year Promotion

In conjunction with the Chinese New Year Promotion at 1 Utama Shopping Centre, Malayan Flour Mills Berhad ("MFM") presented a cookies baking demonstration on 10 January 2009.

MFM's Food Technologists, Ms Koo Hui Miean, from Pasir Gudang plant in Johor and Mr Yip Mun Tsong from Lumut plant in Sitiawan demonstrated 2 different types of cookies using MFM Self-Raising Flour & MFM Superfine Flour. A Question and Answer ("Q&A") session was conducted at the event and lucky participants walked away with complimentary gift when they answered the question correctly.

Audiences got to savour the freshly baked cookies and took home gift-packed cookies at the end of the event.



CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

MARKETPLACE EVENTS (CONT'D)

2. Ayam Dindings Road Shows

Subsidiary, Dindings Poultry Processing Sdn Bhd (“DPP”) conducted road shows from February to March in the Klang Valley to promote its further processed poultry products and to build brand awareness in the market.

Samplings were given during the road shows. With every purchase worth RM10.00 and above, the customers were eligible for a lucky draw.



3. Distributors’ Convention

Subsidiary, Dindings Poultry Processing Sdn Bhd’s (“DPP”) 3rd Distributors’ Convention was held on 4 & 5 March 2009 at the Swiss Garden Golf Resort & Spa, Damai Laut, Perak.

The Convention kicked off with a visit to DPP’s plant in Sitiawan. Participants had an eye-opening experience of the state-of-the-art processing plant. Malayan Flour Mills Berhad (“MFM”) Managing Director, Mr Teh Wee Chye, officiated the Distributors’ Convention on the second day at the Swiss Garden Golf & Spa, Damai Laut. In his keynote address, Mr Teh presented to the audience a comprehensive global outlook of the current economic crisis.

The highlight of the event was the presentation of Year 2008 Achievement Awards to the distributors. A total of 16 awards were presented for their significant contributions. Another highlight was the introduction of a new software called Distributors Management Systems (“DMS”) by the Supply Chain Manager, Mr Cheah Chun Perng. This system is to assist the business partners in their information management for better decision making.

The Convention ended with a closing speech by DPP’s Senior General Manager, Mr Low who stressed on the importance of teamwork from everyone to ride out from the critical period.



CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

MARKETPLACE EVENTS (CONT'D)

4. Pastry Making Demonstration

Malayan Flour Mills Berhad ("MFM") celebrated the International Women's Day with a pastry making demonstration at SJKC Pay Teck, Malacca on 8 March 2009. The event was organised by the Malacca Teochew Association ("MTA") Women's Division and had received 51 enthusiastic participants.

MFM Head of Customer Service, Ms Koo Hui Miean, demonstrated 3 recipes using MFM Red Roses Flour namely Curry Puff, Ham Chim Peng and Smiling Ball.

Apart from gaining hands-on experience and guidance in preparing the above favourite tea-time snacks, participants were each given a packet of 1kg Bunga Cempaka flour sponsored by MFM. They also got to bring the fried snacks home.

MFM also contributed 15 cartons of Bunga Cempaka general purpose flour for distribution to blood donors who participated in the blood donation event held at the school.



5. MFM/SUC Cupcake Charity Drive

Malayan Flour Mills Berhad ("MFM") collaborated with the School of Hospitality, Tourism and Leisure Management of Sunway University College (SHTLM) in a charity drive to raise funds for the underprivileged children from the home of "School of Acts" located in Jinjang Utara, Kepong, Kuala Lumpur.

The fund raising activities comprised of a series of weekly cupcakes baking and decorating workshops conducted every Saturday in March 2009, at the Pastry Kitchen of SHTLM. For only RM30 per person, participants gained hands-on experience of baking and decorating the cupcakes. They were also taught to develop a variety of cupcake base. Besides taking home their creations, participants were given goody bags with flour packs sponsored by MFM.

A light tea at the School of Hospitality restaurant capped the workshop; upon completion of the workshops, participants were treated to doughnuts, sandwiches, bruschetta and cupcakes of the day served with coffee or tea.

The finale of the charity drive was held at Sunway Pyramid shopping complex on 5 April 2009, where a total of 1,500 freshly baked cupcakes were sold. An amount of RM5,000 was raised and handed over to the School of Acts.



CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

MARKETPLACE EVENTS (CONT'D)

6. Ayam Dindings Road Shows

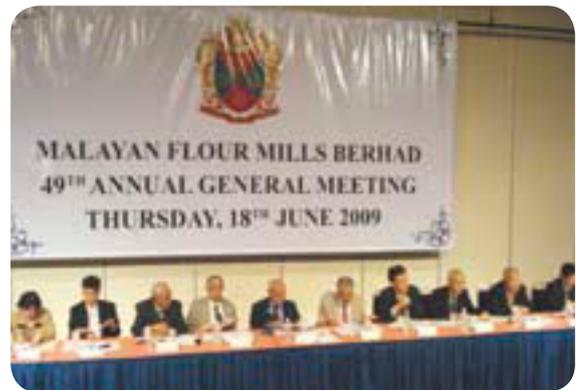
From April till June 2009, subsidiary, Dindings Poultry Processing Sdn Bhd ("DPP") had conducted several road shows to promote its further processed products under the Ayam Dindings brand to its consumers.

Activities like product samplings and lucky draws were held to create excitement at the premises.



7. Annual General Meeting

The Company's 49th Annual General Meeting ("AGM") was held on 18 June 2009 at the Auditorium, 3rd Floor, Wisma MCA, Jalan Ampang, 50450 Kuala Lumpur.



WORKPLACE EVENTS



1. Annual Dinner & Dance

Annual Dinner and Dance was held in appreciation of the hard works and dedication of the employees. The function was held at the Equatorial Hotel on 18 April 2009.

2. Hari Raya and Deepavali Open House

A party was organised in celebration of the Hari Raya and Deepavali on 15 October 2009 for all the staff at the Headquarters. The staffs enjoyed the feast to the fullest.

CORPORATE SOCIAL RESPONSIBILITY (CONT'D)

CSR FOR ENVIRONMENT

The Group is mindful of its responsibility towards preserving the environment and conserving resources wisely. In the Group's daily operations, environment friendly practices are encouraged such as recycling of paper, increased electronic communication, energy saving practices for lighting and equipments and proper waste management.

Environmental Policy

The Group is committed to protect the environment through its corporate Environmental Policy. The Group identifies and manages any significant impacts in the environment through its management system and ensures the followings:-

1. Environmental matters are integrated into all areas of the business.
2. Energy is used efficiently and consumption is monitored.
3. Emissions to air, releases to water and land, are controlled.
4. Solid waste is reduced, reused or recycled where practicable.
5. Environmental issues are considered when making purchasing decisions.
6. Products are transported efficiently to minimise fuel usage, consistent with customers' demands, and vehicle fleet operations.
7. Accidents are prevented so far as reasonably practicable.
8. Effective emergency response procedures are in place to minimise the impact of incidents.
9. All employees are encouraged to participate in improving the environment.