



Malayan Flour Mills Berhad

Registration No. 196101000210 (4260-M)



ANNUAL REPORT 2025



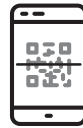
Scan the QR code to visit our website.

Scan the QR code by following these simple steps:



Get it

Download the "QR Code Reader" app from Google Play (Android Market), BlackBerry AppWorld, App Store (iOS/iPhone) or Windows Phone Store



Run it

Run the QR Code Reader app and point your camera at the QR Code



Access it

Get access to Malayan Flour Mills Berhad's website



“ Sixty Years of Legacy –
Building Trust, Nourishing Generations”

Since its founding in October 1966, Malayan Flour Mills Berhad (“MFM”) has grown from Malaysia’s first flour mill into a leading regional food manufacturing enterprise. For six decades, MFM has upheld a legacy of quality, integrity, and innovation, contributing to national food security and community well-being.

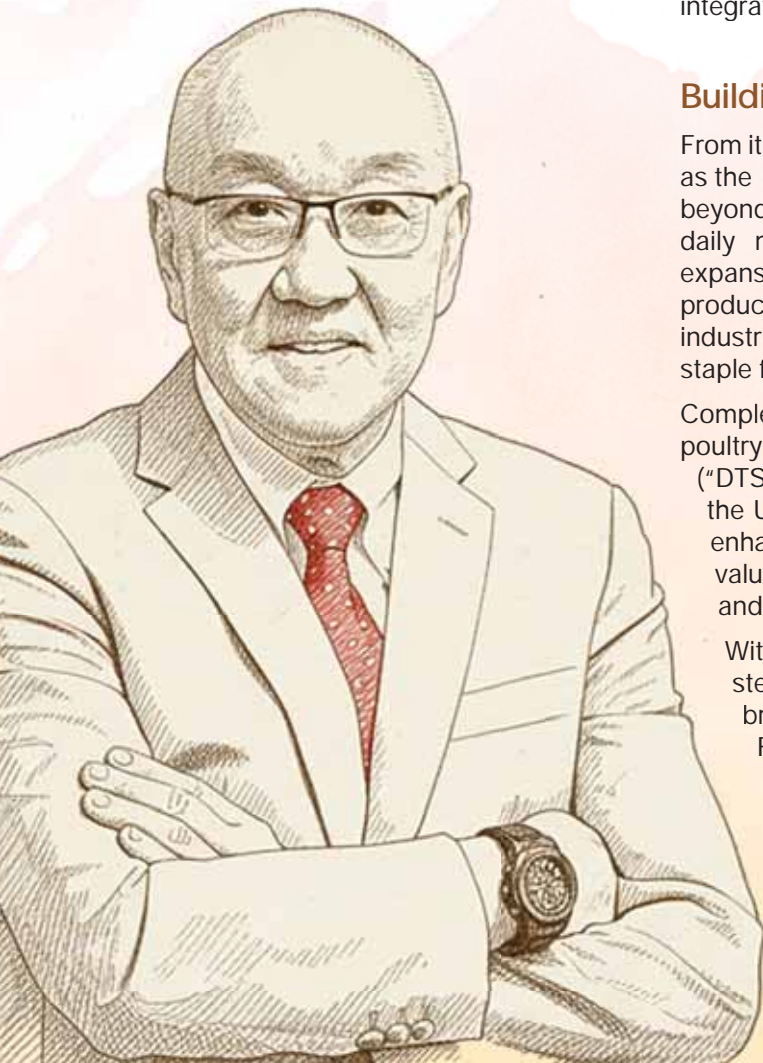
Guided by its vision, *“We aspire to be the leading food manufacturing enterprise in the region”*, MFM has built upon six decades of experience to strengthen its presence across three synergistic food systems: flour milling, end-to-end poultry integration, and aquaculture.

Building a Sustainable Regional Food System

From its pioneering flour mill in Batu Undan, Lumut – once hailed as the *“pride of the nation”*, MFM has expanded its operations beyond Malaysia to Vietnam and Indonesia, achieving a total daily milling capacity exceeding 10,000 metric tons. This expansion has positioned MFM among the largest flour producers in the region, serving both household consumers and industrial users with high-quality, nutritious, and affordable staple food.

Complementing its flour business, MFM has developed a robust poultry integration system through Dindings Tyson Sdn Bhd (“DTSB”), a joint venture between MFM and Tyson Foods of the USA. This partnership leverages world-class expertise to enhance productivity and sustainability across the entire value chain from breeding and feed production to processing and distribution.

With a 280,000 birds-per-day processing capacity, DTSB is steadily increasing its output from 6 million to 12 million broilers per month, supported by expanding its Parent Farms. DTSB is also investing in the growth of its Further Processing Plant, positioning itself to capture opportunities in the Ready-to-Eat segment to meet evolving consumer needs.



In support of these operations, Premier Grain Sdn Bhd (“PGSB”), a joint venture with Toyota Tsusho Corporation Group, has grown to become one of Malaysia’s largest and most trusted importers of feed grains since its establishment in 2010. Through its extensive global sourcing network, PGSB secures consistent, reliable supply of high-quality corn, soybean and other essential ingredients that form the backbone of MFM’s animal feed production.

This dependable supply chain not only strengthens the Group’s animal feed and aquaculture divisions, but also reinforces MFM’s commitment to an integrated, end-to-end food system.

By ensuring that every stage, from grain procurement to finished products, upholds the highest standards of quality and safety, PGSB plays a critical role in supporting MFM’s long-term growth, sustainability and leadership in Malaysia’s food manufacturing industry.

A Vision Rooted in Legacy

The foundation of MFM’s success can be traced back to the vision of Dato’ David Sung, the founder of MFM. His decision to establish the first flour mill in Batu Undan, Lumut was guided by strategic foresight, recognising the site’s potential as a hub for an integrated food enterprise, with its pristine environment and access to its own jetty.

MFM Ethos – Quality, Togetherness and Progress

Guided by its vision and core values, *“Quality, Togetherness and Progress”*, MFM’s growth and success is built upon the dedication of its people, the trust of its stakeholders, and the support of its partners and customers. Their contributions have been instrumental in shaping MFM’s journey over the past 60 years.

The principles of the core values remain deeply embedded in MFM’s corporate culture and will continue to underpin its future success.

Sustaining the Legacy for the Future

As MFM commemorates its 60th Anniversary, the Group stands on a strong foundation built on trust, partnership, and performance. Its long-term commitment to producing safe, nutritious and affordable food remains unchanged, while its continuous investments in innovation and capacity expansion signal a clear direction for sustainable growth.

Looking ahead, MFM aims to strengthen its regional presence, advance its integrated food systems, and embrace new technologies that enhance efficiency and environmental sustainability.

The legacy of the past 60 years serves not only as a testament to MFM’s resilience but also as an inspiration for the next generation to continue building on this heritage of excellence and to shape a future where MFM remains synonymous with quality, reliability and leadership in the food manufacturing industry.



Opening ceremony of MFM in Lumut, officiated by the first Prime Minister of Malaysia, the late Tunku Abdul Rahman



MFM flour mill at Lumut, Perak



MFM flour mill at Pasir Gudang, Johor



DPP Processing Plant at Sitiawan, Perak



Breeding house



Flour mill at Cai Lan, Northern Vietnam



Flour mill at Baria-Vungtau Province, Southern Vietnam



Opening ceremony of Premier Grain Sdn Bhd officiated by Deputy Minister of International Trade and Industry, Dato’ Jacob Dungau



Our Industrial Brand



We deliver not only consistency and reliability but also customised flour solutions tailored to the needs of large-scale producers and artisan bakers alike.

Our Consumer Flour Range



We craft to meet the needs of every kitchen, from traditional recipes to modern creations. Each pack carries the same promise: dependable quality, smooth performance, and the freedom to create with confidence - whether it's kneading, baking or crafting something new.



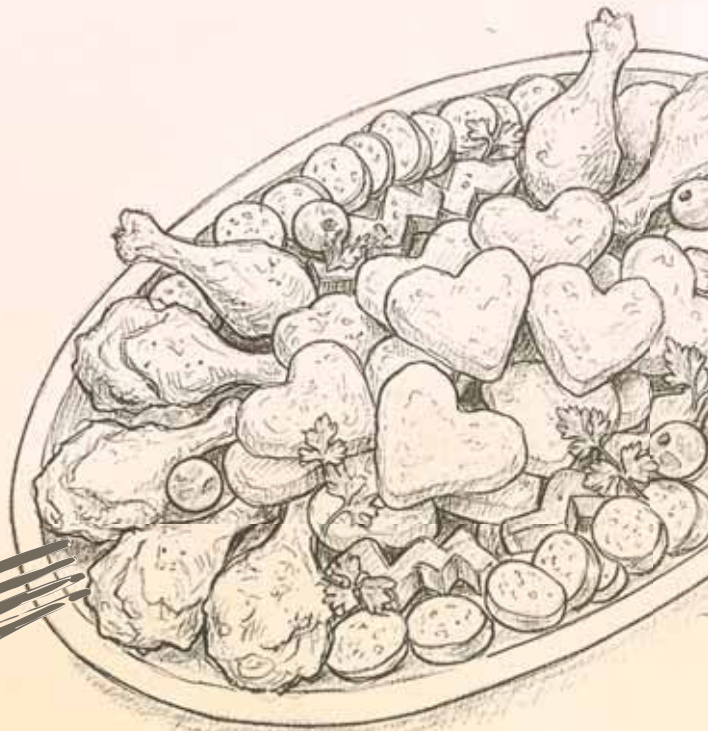
DINDINGS



Our Further Processed Brands



Deliver freshness and great taste in every bite. From convenient frozen meals to wholesome home cooking, our products are made for today's fast-paced lifestyles without compromising on quality. They bring the satisfaction of real chicken goodness - tender, juicy, and always trustworthy.





CONTENTS

	96	Additional Compliance Information	
2	Corporate Information	99	Audit & Risk Management Committee Report
4	Group Corporate Structure	102	Statement on Risk Management and Internal Control
5	Directors' Profile	107	Reports and Financial Statements
14	Key Senior Management Profile	190	Analysis of Shareholdings
21	Chairman's Statement	193	List of Properties
24	Management Discussion and Analysis	196	Notice of Annual General Meeting
29	Sustainability Report	201	Statement Accompanying Notice of Annual General Meeting
82	Group Financial Highlights		Proxy Form
83	Corporate Governance Overview Statement		

CORPORATE INFORMATION

Board of Directors

Datuk Oh Chong Peng

(Chairman, Non-Independent Non-Executive Director)

Teh Wee Chye

(Executive Deputy Chairman cum Managing Director)

Dato' Seri Zainal Abidin bin Mahamad Zain

(Non-Independent Non-Executive Director)

Prakash A/L K.V.P Menon

(Non-Independent Non-Executive Director)

Lim Pang Boon

(Non-Independent Non-Executive Director)

Quah Poh Keat

(Independent Non-Executive Director)

Emeritus Professor Datin Paduka Setia

Dato' Dr Aini binti Ideris

(Independent Non-Executive Director)

Dato' Maznah binti Abdul Jalil

(Independent Non-Executive Director)

Azhari Arshad

(Executive Director)

Audit & Risk Management Committee

Quah Poh Keat

(Chairman, Independent Non-Executive Director)

Datuk Oh Chong Peng

(Non-Independent Non-Executive Chairman)

Dato' Maznah binti Abdul Jalil

(Independent Non-Executive Director)

Nomination Committee

Emeritus Professor Datin Paduka Setia

Dato' Dr Aini binti Ideris

(Chairman, Independent Non-Executive Director)

Dato' Seri Zainal Abidin bin Mahamad Zain

(Non-Independent Non-Executive Director)

Quah Poh Keat

(Independent Non-Executive Director)

Remuneration Committee

Prakash A/L K.V.P Menon

(Chairman, Non-Independent Non-Executive Director)

Datuk Oh Chong Peng

(Non-Independent Non-Executive Chairman)

Emeritus Professor Datin Paduka Setia

Dato' Dr Aini binti Ideris

(Independent Non-Executive Director)

Dato' Maznah binti Abdul Jalil

(Independent Non-Executive Director)

Secretary

Mah Wai Mun

MAICSA 7009729

SSM PC No. 202008000785

Registered Office

Suite 25.01, Level 25, Menara Citibank
165 Jalan Ampang, 50450 Kuala Lumpur
Tel. No: 03-2170 0999
Fax No: 03-2170 0888

Head Office

Suite 28.01, Level 28, Menara Citibank
165 Jalan Ampang, 50450 Kuala Lumpur
Tel. No: 03-2170 0999
Fax No: 03-2170 0888
Website: www.mfm.com.my
Email: ir@mflour.com.my

Principal Bankers

Alliance Bank Malaysia Berhad
Registration No. 198201008390 (88103-W)

Bangkok Bank Berhad
Registration No. 199401014060 (299740-W)

MUFG Bank (Malaysia) Berhad
Registration No. 199401016638 (302316-U)

Hong Leong Bank Berhad
Registration No. 193401000023 (97141-X)

Hong Leong Islamic Bank Berhad
Registration No. 200501009144 (686191-W)

HSBC Bank Malaysia Berhad
Registration No. 198401015221 (127776-V)

Malayan Banking Berhad
Registration No. 196001000142 (3813-K)

Maybank Islamic Berhad
Registration No. 200701029411 (0787435-M)

OCBC Bank (Malaysia) Berhad
Registration No. 199401009721 (295400-W)

AmBank Islamic Berhad
Registration No. 199401009897 (295576-U)

United Overseas Bank (Malaysia) Berhad
Registration No. 199301017069 (271809-K)

Bank of China (Malaysia) Berhad
Registration No. 200001008645 (511251-V)

Share Registrar

Boardroom Share Registrars Sdn Bhd
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel. No: 03-7890 4700
Fax No: 03-7890 4670

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Registration No. 200301033577 (635998-W)
- Main Market

Sector: Consumer Products & Services

Sub Sector: Food & Beverages

Stock Name: MFLOUR

Stock Code: 3662

Solicitors

Isharidah, Ho, Chong & Menon

Auditors

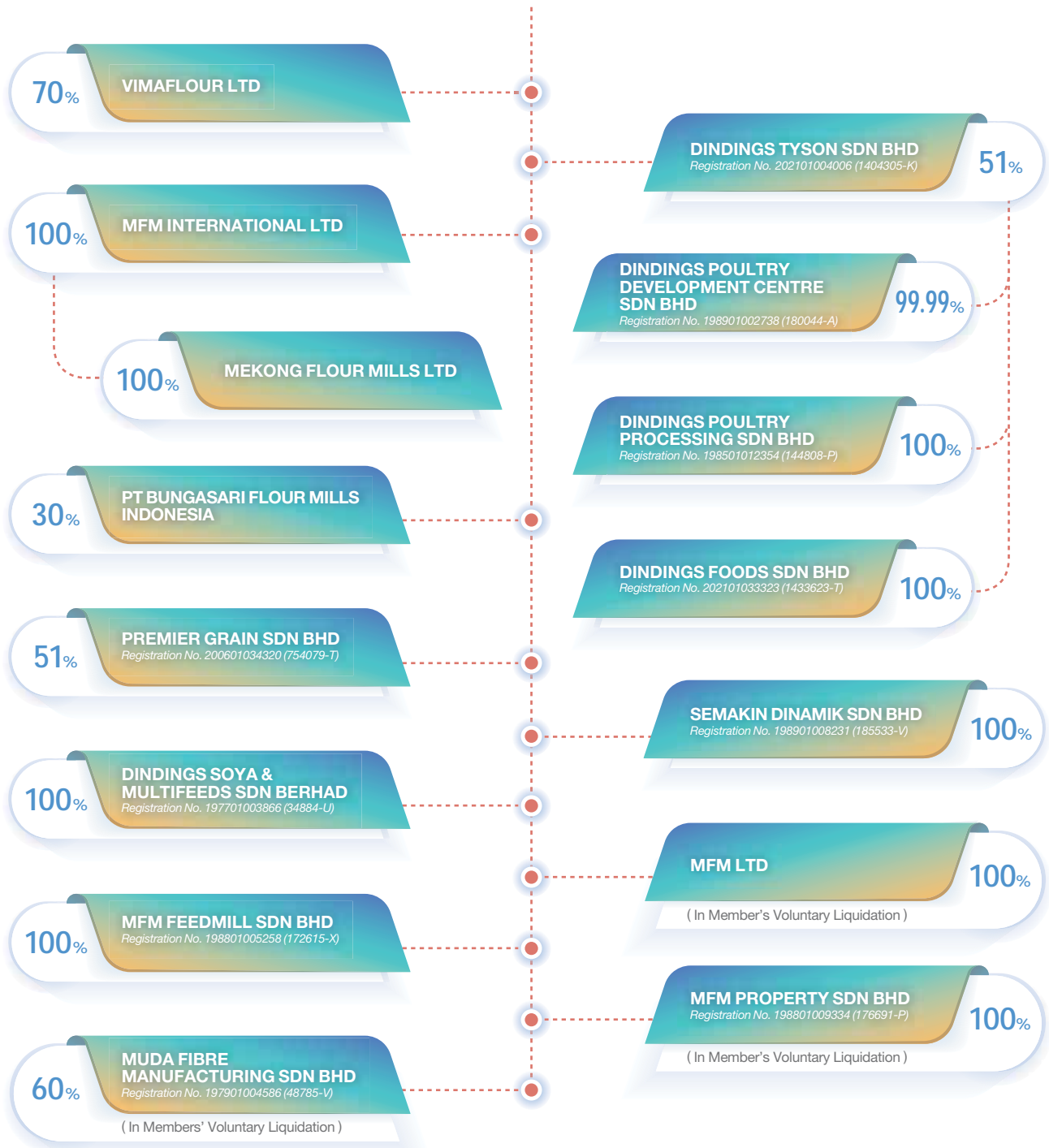
KPMG PLT

GROUP CORPORATE STRUCTURE



Malayan Flour Mills Berhad

Registration No. 196101000210 (4260-M)



DIRECTORS' PROFILE



Datuk Oh Chong Peng

Non-Independent Non-Executive Chairman

Datuk Oh Chong Peng (Male), aged 81, a Malaysian, was appointed to the Board of the Company on 20 August 2008 and is presently the Chairman of the Board. He is also a member of the Audit & Risk Management Committee and Remuneration Committee of the Company.

He is a Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”) as well as a member of the Malaysian Institute of Certified Public Accountants (“MICPA”) and the Malaysian Institute of Accountants (“MIA”).

He joined Coopers & Lybrand (now known as PricewaterhouseCoopers) in London in 1969 and in Malaysia in 1971. He was a Partner of Coopers & Lybrand Malaysia from 1974 and retired as a Senior Partner of Coopers & Lybrand in 1997.

Presently, he sits on the Board of WCE Holdings Berhad, Saujana Resort (M) Berhad and PUC Berhad. He is also a trustee of the UTAR Education Foundation (2002), MyKasih Foundation (2023) and Hospital University Tunku Abdul Rahman (2025) and a council member of University Tunku Abdul Rahman.

His past appointments included being a Government appointed Member and later Chairman of the Labuan Financial Services Authority (1996-2020), Government appointed Committee Member of the Kuala Lumpur Stock Exchange (1990-1996), a Council member (1981-2002), a past President of the MICPA (1994-1996) and a board member of Malaysian Accounting Standards Board (2003-2009). He was Chairman of Land & General Berhad (1999-2007), Nanyang Press Holdings Berhad (2001-2005) and Alliance Financial Group Berhad (2006-2017) and was a board member of Rashid Hussain Berhad Group of Companies (1998-2003), Star Publications (M) Berhad (1987-2009), British American Tobacco (Malaysia) Berhad (1998-2019) and Dialog Group Berhad (2009-2020).

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.

DIRECTORS' PROFILE (cont'd)



Mr Teh Wee Chye

Executive Deputy Chairman cum Managing Director

Mr Teh Wee Chye, aged 72, a Malaysian, was appointed to the Board of the Company as an Executive Director on 19 June 1989 and subsequently the Managing Director on 18 April 2002. He is presently the Executive Deputy Chairman cum Managing Director of the Company.

He holds a Bachelor of Science Degree in Naval Architecture and Marine Engineering and a Master's Degree in Ship Building and Shipping Management from the Massachusetts Institute of Technology, USA. In the summer of 1974, he received his training at the American Bureau of Shipping Research & Development Department, New York.

Upon graduation in 1975 he was employed as an Engineer with Eastern Steamship (S) Pte Ltd, Singapore. He joined the Company in 1976 as the Deputy Mill Manager and was promoted as the Plant Manager in 1978.

In 1979, he was appointed as the Project Manager in charge of the Company's entire expansion plans. He expanded the flour milling facilities in Manjung, Perak through diversification into the poultry integration to include a feed mill, breeder farm, broiler farm and poultry processing plant. Another flour mill and feed mill were subsequently constructed in Pasir Gudang to cater for the Southern region market.

Recognising the tremendous growth potential in the flour market in Vietnam, in 1994, he spearheaded the expansion of the flour milling business to Vietnam with the establishment of Vimaflour Ltd, a 70% owned joint venture with the Vietnam State-Owned Enterprise, situated at Cai Lan Port in northern Vietnam where the famous Ha Long Bay is located. In 2003, another flour mill in the Baria-Vungtau

Province in southern Vietnam under a wholly owned subsidiary, Mekong Flour Mills Ltd, started operation.

In 2002, he was appointed as the Group Managing Director to oversee the entire business operations of the Group. In line with the vision of the Group to be a leading food manufacturing enterprise in the region, he has initiated the following business expansion projects to strengthen its local and global presence:

- For the sourcing of corn and soyameal to produce consistent quality poultry feeds, the Company ventured into the trading of raw material for animal feed through a joint venture company, Premier Grain Sdn Bhd, with Toyota Tsusho Corporation Group in 2010;
- In 2011, the flour milling business penetrated the Indonesian market through a tri-partite joint venture to form PT Bungasari Flour Mills Indonesia which started the commercial operations of its first flour mill situated in Cilegon, West Jaya, in 2014 followed by flour mills in Medan and Makassar in 2020; and
- In 2021, the Company entered into a strategic partnership with Tyson Foods, Inc., a Fortune 100 company in the United States and one of the world's largest food companies, to form Dindings Tyson Sdn Bhd which embarked on a vertical integrated poultry business.

He is also a director of Seu Teck Sean Tong Charitable Organisation Berhad. He is a major shareholder of the Company.

He has attended all the 6 Board meetings held during the financial year. He is deemed interested in various related party transactions with the Group.

Dato' Seri Zainal Abidin bin Mahamad Zain

Non-Independent Non-Executive Director



Dato' Seri Zainal Abidin bin Mahamad Zain (Male), aged 76, a Malaysian, was appointed to the Board of the Company on 1 September 2009 and is presently a member of the Nomination Committee of the Company.

He holds a Bachelor of Arts (Hons-International Relations) Degree from University of Malaya. He has a distinguished career in the Malaysian Civil Service. His past appointments include being appointed to the Administrative and Diplomatic Service of Malaysia as Assistant Secretary at the Ministry of Foreign Affairs (1973), Second Secretary of the Embassy of Malaysia in Jakarta, Indonesia (1974-1977), Assistant Secretary of Ministry of Foreign Affairs (1977-1979), Charge d'Affaires of the Embassy of Malaysia in Tehran, Iran (1979-1982), Principal Assistant Secretary of Ministry of Foreign Affairs (1982-1983), Charge d'Affaires of Embassy of Malaysia in Abu Dhabi, United Arab Emirates (1983-1986), Consul General of the Consulate General Malaysia in Jeddah (1986-1989), Under Secretary (West Asia, Africa & OIC) of Ministry of Foreign Affairs (1989-1991), Consul General of the Consulate General Malaysia in Vancouver, Canada (1991-1995), Ambassador of Malaysia to Brazil (1995-1998), Ambassador of Malaysia to Vietnam (1998-2001), Under Secretary (South East Asia & Pacific) of Ministry of Foreign Affairs (2001-2003), Malaysia's First Director General [Southeast Asia

Regional Centre for Counter Terrorism (SEARCCT)], Ministry of Foreign Affairs (2003-2005), Ambassador of Malaysia to the Republic of Indonesia (2005-2009), Malaysia's First ASEAN Permanent Representative ad-interim Republic of Indonesia (March 2005-July 2009) and Special Envoy of the Prime Minister of Malaysia to The Islamic Republic of Afghanistan (2010-2014).

His past appointments included being an Independent Non-Executive Chairman of CIMB Bank (Vietnam) Ltd and CIMB Bank PLC in Cambodia. He is not a director of any other public company and listed issuer.

In May 2022, he was appointed as Chief Judge by the Junior Chambers International ("JCI"), an international organisation, to preside with 4 other judges to select the 10 most talented young Malaysians for year 2022 to compete internationally to win awards. On 6 December 2023, he was appointed as Foundation Trustee of the Harvard Business School Alumni Club of Malaysia.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.

DIRECTORS' PROFILE (cont'd)



Mr Prakash A/L K.V.P Menon

Non-Independent Non-Executive Director

Mr Prakash A/L K.V.P Menon (Male), aged 67, a Malaysian, was appointed to the Board of the Company on 24 May 2011. He is presently the Chairman of the Remuneration Committee of the Company.

He is a barrister-at-law (Lincoln's Inn, London) having graduated with LLB (Hons) from University of Manchester. He was admitted to the English Bar in 1983 and being bestowed the qualification as a Barrister. Upon completion of the term of pupillage, he was called to the Malaysian Bar and was admitted as an Advocate and Solicitor of the High Court of Malaya on 18 June 1984.

Since his admission to the Malaysian Bar, he has been in private practice and is a Senior Partner in the firm of Isharidah, Ho, Chong & Menon and is actively involved in the area of litigation. He has been in active practice for more than 30 years. He is not a director of any other public company and listed issuer.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.



Mr Azhari Arshad

Executive Director

Mr Azhari Arshad (Male), aged 64, a Malaysian, was appointed to the Board as a Non-Executive Director on 16 August 2012 and is presently the Executive Director, Business Development and Government Relations of the Company.

He holds a Bachelor of Science Degree in Economics from University of Buckingham (UK).

He has more than 20 years' experience in business development and marketing. In 1988, he joined Shell Malaysia Trading as a Senior Marketing Executive. Thereafter, he joined Pennzoil Malaysia as a Marketing Country Manager in 1993. In 1996, he was with Conoco Philips Malaysia as a Marketing Director in Malaysia. From 2002 until 2006, he

was the Business Development and Marketing Strategy Consultant for Petronas downstream sector companies i.e. Petronas Dagangan Berhad and Petronas Holdings respectively. Subsequently, he was the Business Strategy, Marketing & Project Development Consultant for South-East Asia in US Management & Marketing Consultancy. He is not a director of any other public company and listed issuer.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.

DIRECTORS' PROFILE (cont'd)



Mr Quah Poh Keat

Independent Non-Executive Director

Mr Quah Poh Keat (Male), aged 73, a Malaysian, was appointed to the Board of the Company on 25 May 2017 and is presently the Chairman of the Audit & Risk Management Committee and a member of the Nomination Committee of the Company.

He is a member of the Malaysian Institute of Accountants (“MIA”), Fellow of the Malaysian Institute of Taxation (“MIT”), member of the Malaysian Institute of Certified Public Accountants (“MICPA”), member of the Chartered Institute of Management Accountants (“CIMA”) and a Fellow of the Association of Chartered Certified Accountants (“FCCA”).

He was a partner of KPMG Malaysia since 1 October 1982 and was the Senior Partner of the firm from 1 October 2000 until 30 September 2007. Prior to taking up the position of Senior Partner, he was in charge of the Tax Practice and the Japanese Practice in KPMG Malaysia. He was also a member of the KPMG Japanese Practice Council which is the governing body within KPMG International which looks after the Japanese Practices in the KPMG world. He was also a member of KPMG Asia Pacific Board and a member of KPMG International Council. He retired from KPMG Malaysia on 31 December 2007.

He had served as an Independent Non-Executive Director of Public Bank Berhad Group from 30 July 2008 to 1 October 2013 until his appointment as the Deputy Chief Executive Officer of Public Bank Berhad from 1 October 2013 until 31 December 2015. Prior to that, he was an Independent Non-Executive Director of IOI Properties Berhad, PLUS Expressways Berhad, IOI Corporation Berhad and Telekom Malaysia Berhad. He retired as a Non-Independent Non-Executive Director of LPI Capital Berhad and Lonpac Insurance Berhad on 1 January 2024.

Presently, he sits on the Board of Public Mutual Berhad, Kuala Lumpur Kepong Berhad and Paramount Corporation Berhad.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.



Mr Lim Pang Boon

Non-Independent Non-Executive Director

Mr Lim Pang Boon (Male), aged 70, a Malaysian, was appointed to the Board as an Executive Director of the Company on 1 January 2018 and was redesignated as a Non-Executive Director on 1 September 2022.

He holds a Bachelor of Science Degree in Electrical Engineering from University of Arkansas, USA. He was a Project/Site Engineer of Tenaga Ewbank Consulting Engineers prior to joining the Company as an Electrical Engineer at its Lumut Plant from 1990 to 1992 and was promoted to Plant Manager of MFM Feedmill Sdn Bhd in Pasir Gudang from 1993 to 2000.

He was the Project Manager for the setting up of Vimaflour Ltd in Vietnam from 1996 to 1998. Subsequently, he was appointed as the General Director and Authorised Representative of the Members' Council of Vimaflour Ltd in 2002. He retired as the General Director on 31 August 2019.

He was also appointed as the Deputy General Director and Authorised Representative of the Member's Council of Mekong Flour Mills Ltd in 2000 and 2006 respectively. He was later promoted as the General Director in 2008. He retired as the General Director on 30 April 2022.

Upon relinquishing his executive position in Vimaflour Ltd and Mekong Flour Mills Ltd, he was appointed as Advisor for both companies to provide business advice on their operations and expansion projects. He is not a director of any other public company and listed issuer.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.

DIRECTORS' PROFILE (cont'd)

Emeritus Professor Datin Paduka Setia Dato' Dr Aini binti Ideris

Independent Non-Executive Director



Emeritus Professor Datin Paduka Setia Dato' Dr Aini binti Ideris (Female), aged 73, a Malaysian, was appointed to the Board of the Company on 25 May 2017 and is presently the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. She was conferred with the prestigious title of "Emeritus Professor" by the Universiti Putra Malaysia for her outstanding contributions to academia and lasting impact on the field on 30 November 2024.

She holds a Doctor of Veterinary Medicine ("DVM"), 1979 from Universiti Pertanian Malaysia ("UPM"), currently, Universiti Putra Malaysia, Masters of Veterinary Science ("MVSc"), 1981 from University of Liverpool, England, Doctor of Philosophy ("PhD") (Avian Medicine), 1989 from UPM. She attended Postdoctoral trainings at University of California Davis, USA (1990-1992) and at Cornell University, USA in 1993.

She is a Council Member of Malaysian College of Veterinary Specialists ("MCVS"); Council Member of Academy of Sciences Malaysia, member of the Board of Governors of International Medical University ("IMU") and International Medical College ("IMC"); and EXCO of National Cancer Council ("MAKNA"). She was a Board Member of Yayasan Putra Business School, UPM Education & Training Sdn Bhd, and the Founding Chairman of the Board of Directors, UPM Holdings Sdn Bhd.

Her research interest is in avian respiratory and immunosuppressive diseases, especially in the development of conventional and genetically engineered vaccines. In 2011, she received the National Academic Award ("AAN") 2010 for the Innovation and Product Commercialisation Award Category. Her research group also won

the Innovation Award in Public and Private Sector Research (2008) in which she was the co-researcher. She also won several other National and International awards.

She was the Coordinator for the National Centre of Excellence for Swiftlets, under the Ministry of Agriculture and Agro-based Industry ("MOA") and Vice President of the World Veterinary Poultry Association ("WVPA", World body). Currently, she is the EXCO of WVPA (World body) and EXCO of WVPA (Malaysia). She has extensive administrative experience other than in the field of teaching and learning. She was the Acting Head of the Department of Veterinary Clinical Studies, Chairman of the University Veterinary Teaching Hospital, Deputy Dean of the Faculty of Veterinary Medicine, Dean of the Graduate School and Chairman of the Deans of Graduate Studies, Public Institutions of Higher Learning Council, Malaysia.

She was the Deputy Vice-Chancellor (Academic and International) of UPM from December 2008 to 2013 and was Chairman of Deputy Vice-Chancellors' Committee/Rector (Academic and International) during that period. In October 2014, she was appointed as the first Director of Corporate Strategy & Communications Office (CoSComm), UPM until her appointment as the 8th Vice-Chancellor of UPM on 1 January 2016 to 30 June 2020. She retired from UPM on 1 January 2021. She has retired as a Director of QL Resources Berhad on 1 January 2025.

Presently, she is the Pro-Chancellor of IMU.

She has attended all the 6 Board meetings held during the financial year. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company.



Dato' Maznah binti Abdul Jalil

Independent Non-Executive Director

Dato' Maznah binti Abdul Jalil (Female), aged 72, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 10 December 2019 and is presently a member of the Audit & Risk Management and Remuneration Committees of the Company.

She holds a Bachelor of Science Degree in Business Administration (Finance) from Northern Illinois University and a Master's Degree in Business Administration (Finance) from Central Michigan University, USA.

She was an Executive Director in Master-Carriage (Malaysia) Sdn Bhd (1992-1995). Prior to that, she was with Amanah Merchant Bank Berhad as a Manager in Corporate Finance and Advisory for 13 years. She was appointed as Senior Group Director of DRB-HICOM Berhad (1992-2006). She was formerly Chairman of Prestariang Berhad (Now Known as "Awanbiru Technology Berhad"), Uni.Asia General Insurance Berhad and Uni.Asia Life Assurance Berhad. She had also previously served on the Board of UOB Bank (Malaysia) Berhad, Edaran Otomobil Nasional Berhad, EON Capital Berhad, EON Bank Berhad, Gadek (Malaysia) Berhad, HICOM Holdings Berhad, Proton Holdings Berhad, Horsedale Development Berhad, Labuan Reinsurance (L) Ltd, Malaysian International Merchant Bankers Berhad, Felcra Berhad and several private limited companies

under DRB-HICOM. Thereafter, she joined Hong Leong Financial Group Berhad as Executive Vice President, Corporate Finance & Principal Investment prior to her appointment as Executive Vice President, Investment Banking at Kenanga Investment Bank Berhad where she served until 2011. She was also formerly a Director of Universiti Teknologi MARA (UiTM), Boustead Heavy Industries Corporation Berhad, Lembaga Tabung Angkatan Tentera ("LTAT") and Pavilion Real Estate Investment Trust and a member of University of Technology & Computer Science. She has retired as the Chairman of SCS Global Advisory (M) Sdn Bhd in December 2023 and Investment Panel of LTAT on 31 October 2024.

Presently, she is a board member of InNature Berhad, Cahya Mata Sarawak Berhad, Mamee-Double Decker (M) Berhad, Opus Asset Management Sdn Bhd and KWAP (Kumpulan Wang Persaraan) as well as the Chairman of Kwest Sdn Bhd (a subsidiary of KWAP) and Investment Panel member of Langkawi Development Authority ("LADA").

She has attended all the 6 Board meetings held during the financial year. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company.

KEY SENIOR MANAGEMENT PROFILE



Mr Teh Wee Chye

Executive Deputy Chairman cum Managing Director
Aged 72, Male, Malaysian

Mr Teh Wee Chye was appointed to the Board as an Executive Director of the Company on 19 June 1989 and subsequently the Managing Director on 18 April 2022. He is presently the Executive Deputy Chairman cum Managing Director of the Company. His profile is listed in the Directors' Profile on page 6 of this Annual Report.



Mr Azhari Arshad

Executive Director, Business Development & Government Relations
Aged 64, Male, Malaysian

Mr Azhari Arshad was appointed to the Board as the Business Development & Corporate Affairs Director on 5 May 2015. He was subsequently redesignated as the Executive Director, Business Development & Government Relations to accelerate the Group's growth with effective business partnerships and Government relationship. His profile is listed in the Directors' Profile on page 9 of this Annual Report.



Mr Huynh Duc Chinh

General Director cum Authorised Representative of the Members' Council of Vimaflour Ltd and Mekong Flour Mills Ltd, Vietnam
Aged 54, Male, Vietnamese

Mr Huynh Duc Chinh joined Vimaflour Ltd on 5 September 1995 as a Project Administrator. He undertook various positions in the Company Secretarial, Procurement and Sales & Marketing Departments before being promoted as Vimaflour Ltd's Branch Manager in Danang in 2003. From 2004 till 2007, he worked for International Financial Corporation – World Bank as Business Development Officer. He rejoined Vimaflour Ltd on 26 February 2007 as Sales and Marketing Manager and was promoted to the current position on 1 September 2019.

He was appointed as the General Director and Authorised Representative in the Member's Council of Mekong Flour Mills Ltd with effect from 1 May 2022.

He holds a Master's Degree in Management from Solvay Business School and Université libre de Bruxelles, a French-speaking private research university in Brussels, Belgium.

He has more than 23 years of experience in flour business in Vietnam.



Mr Yap Fan Yee

General Manager, Flour Production Management
Aged 82, Male, Malaysian

Mr Yap Fan Yee joined the Company on 18 February 1965. He is a pioneer in the Company and was promoted to the current position in 1991.

He holds a Flour Milling Full Technological Certificate from City and Guilds. He has more than 58 years of experience in flour milling.



Mr Yong Yee Wan

General Manager, Flour Malaysia
Aged 49, Male, Malaysian

Mr Yong Yee Wan commenced his tenure with the Company on 1 June 1999, assuming the role of Production Engineer. His dedication and expertise led to his advancement to Deputy General Manager of Flour Production Management on 1 April 2020. As of 1 April 2024, he has been appointed as the General Manager of Flour Malaysia, tasked with overseeing the entirety of the flour business operations in Malaysia.

He holds a Degree in Chemical Engineering from Universiti Putra Malaysia and a Diploma in Milling Technology from Swiss Milling School.

He has over 26 years of experience in flour milling, having worked at Lumut plant for 16 years and managing Pasir Gudang plant for 3 years before being designated to oversee both plants until now.



Mr Boonlua Thangwatcharapong

Chief Executive Officer, Dindings Tyson Sdn Bhd
Aged 59, Male, Thai

Mr Boonlua Thangwatcharapong joined Dindings Tyson Sdn Bhd on 1 August 2025 as the Chief Executive Officer.

He holds a Master of Business Administration from Ramkhamhaeng University Thailand and a Bachelor of Science in Agricultural Industry from King Mongkut's Institute of Technology Ladkrabang, Thailand.

He has extensive leadership experience in the food and fast-moving consumer goods sectors with strong track record in the poultry integration sector. He led post-merger integration initiatives in both emerging and mature markets, collaborated closely with senior management on capital expenditure allocation, plant network rationalisation, strategic partnerships and developed high-performing leadership teams across regions.

KEY SENIOR MANAGEMENT PROFILE (cont'd)



Mr Wong Kok Wai

Executive Director of Dindings Tyson Sdn Bhd
Aged 56, Male, Malaysian

Mr Wong Kok Wai joined the Company on 25 September 2017 as the Financial Controller. On 18 February 2020, he assumed a new position of General Manager, Supply Chain to drive the supply chain strategies for the Poultry Integration. He was appointed as Executive Director of Dindings Tyson Sdn Bhd on 31 May 2021.

He is a member of the Chartered Institute of Management Accountants (“CIMA”) and Malaysian Institute of Accountants (“MIA”).

He is an experienced Accountant for over 28 years in various industries such as hospitality, manufacturing, food & beverage and fast-moving consumer goods.



Mdm Wong Joon Wee

Deputy Chief Executive Officer, Dindings Poultry Processing Sdn Bhd
Aged 63, Female, Malaysian

Mdm Wong Joon Wee joined Dindings Poultry Processing Sdn Bhd on 5 February 2026 as the Deputy Chief Executive Officer.

She holds a Bachelor of Science (First Class Honours) in Microbiology from the University of Malaya.

She has over 35 years of extensive leadership experience and a strong track record in the food manufacturing sector focusing on operational strategy and performance optimisation.



Mr Chong Voon Choong

General Manager, Commercial
Aged 54, Male, Malaysian

Mr Chong Voon Choong joined the Company on 21 August 2024 as the General Manager, Commercial.

He holds a Master of Business Administration from Nottingham University and a Bachelor Degree in Economics, with majors in International Trade & Business from Universiti Utara Malaysia.

He has over 28 years of extensive sales and marketing expertise in the consumer goods industry, particularly in leading transformational initiatives across route-to-market strategies, developing commercial capabilities and optimising cost-to-serve framework.



Dr Liew Pit Kang

General Manager, Poultry Integration (Upstream Farming)
Aged 51, Male, Malaysian

Dr Liew Pit Kang joined Dindings Poultry Development Centre Sdn Bhd on 2 January 2025 as the General Manager, Poultry Integration (Upstream Farming).

He holds a Doctor of Veterinary Medicine, a Master of Science in Animal Nutrition and a Master of Business Administration from Universiti Putra Malaysia.

He has over 21 years of extensive experience in the poultry industry, specialising in farm management and operations, particularly in commercial egg layers, broiler, breeders and hatchery management.



Mr Lee Low

General Manager, Aquaculture
Aged 62, Male, Malaysian

Mr Lee Low joined Dindings Soya & Multifeeds Sdn Berhad on 15 June 2017 as the General Manager, Aquaculture.

He holds a Bachelor of Science Degree in Fisheries from Universiti Putra Malaysia and is an active member of the Malaysia Aquaculture Development Association (“MADA”).

He has over 33 years of experience in aquaculture industry managing the marine shrimp hatchery, shrimp farming, shrimp processing plant, a few species of marine & freshwater fish farming and aquafeed marketing.



Mr Shota Takahashi

Chief Executive Officer cum Executive Director of Premier Grain Sdn Bhd
Aged 39, Male, Japanese

Mr Shota Takahashi joined Premier Grain Sdn Bhd on 1 April 2024 as an Executive Director and Chief Executive Officer.

He holds a Bachelor of Arts in Sports Sciences from Waseda University, Japan.

He has over 16 years of experience in global commodity trading, not only grains but also sugar. He has significant experience across derivative trading, risk management, chartering and logistics. He has worked abroad in Australia, United Kingdom and Singapore for 10 years prior to joining Premier Grain Sdn Bhd.

KEY SENIOR MANAGEMENT PROFILE (cont'd)



Mr Hideki Oya

General Manager, Upstream Commercial cum Director of Premier Grain Sdn Bhd

Aged 46, Male, Japanese

Mr Hideki Oya joined the Company on 1 April 2018 as the General Manager, Purchasing. He is now the General Manager, Upstream Commercial and Director of Premier Grain Sdn Bhd.

He holds a Degree in Human Science from Waseda University, Japan.

He has over 23 years of experience in grains trading industry, ocean freight and grains logistics. He was attached to Toyota Tsusho Corporation from 2002 to 2018. From 2013 to 2017, he was the Director and Controller of Procurement and Sales of Premier Grain Sdn Bhd. Subsequently, he was the Executive Director and the Chief Executive Officer of Premier Grain Sdn Bhd from 19 February 2020 to 15 February 2022.



Mr Yeap Khoo Soon Edwin

Chief Financial Officer

Aged 55, Male, Malaysian

Mr Yeap Khoo Soon Edwin joined the Company on 15 December 2025 as the Chief Financial Officer.

He is a qualified Chartered Accountant, where he is a Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”) and member of the Malaysian Institute of Accountants (“MIA”). He graduated with a Bachelor's Degree in Accountancy from Queen's University of Belfast, United Kingdom.

He currently serves as Vice President of the Malaysian Employers Federation, board member of the Malaysia Productivity Corporation and member of the National Labour Advisory Council.

He commenced his career in audit and assurance with a firm of Chartered Accountants in London, United Kingdom and subsequently specialised in corporate finance with a Malaysian investment bank. Prior to his current appointment, he was the Executive Director of a listed logistics company and has more than 30 years of experience in financial leadership, corporate strategy, investor relations and transformational initiatives.



Mr Say Teck Guan

General Manager, Group Human Resources
Aged 49, Male, Malaysian

Mr Say Teck Guan joined the Company on 5 February 2026 as the General Manager, Group Human Resources.

He holds a Master of Business Administration from Edinburgh Business School, Heriot-Watt University Malaysia. He also holds a Bachelor's Degree in Human Resource Management from Universiti Utara Malaysia and a Diploma in Industrial Relations from the Malaysian Employers Federation ("MEF").

With over 20 years of experience in human resources management, he has built a distinguished career spanning a broad spectrum of HR disciplines, underpinned by a proven track record in driving strategic initiatives and enhancing organisational effectiveness.



Mdm Anne Koay Suat Ean

General Manager, Management Information System ("MIS")
Aged 58, Female, Malaysian

Mdm Anne Koay Suat Ean joined the Company in 1992. She was promoted as the MIS Manager in 2011 and Deputy General Manager in 2023. On 1 April 2026, she was promoted to General Manager, MIS.

She holds a Bachelor of Science Degree in Information System from Campbell University North Carolina, USA.

With over 32 years of experience in information technology, she has led the implementation of Enterprise Resource Planning and Farm Management software in poultry farming. She has also successfully led the team in the implementation of the smart poultry solution in the new primary processing plant.



Ir. Lau Beng Kim

General Manager, Group Engineering
Aged 47, Female, Malaysian

Ir Lau Beng Kim joined the Company on 2 May 2013 as the Project Manager and was promoted as the Deputy General Manager, Group Engineering on 1 April 2023. She was subsequently promoted to General Manager, Group Engineering on 1 April 2026.

She holds a Bachelor Degree in Civil & Environmental Engineering from Universiti Kebangsaan Malaysia. She is also a Professional Engineer with Practising Certificate registered with the Board of Engineers Malaysia ("BEM").

She has more than 24 years of working experience in planning, design, construction supervision, contract administration and project management in building, civil and infrastructure works.

KEY SENIOR MANAGEMENT PROFILE (cont'd)



Mr Choong Chee Keong

General Manager, Purchasing
Aged 47, Male, Malaysian

Mr Choong Chee Keong joined the Company on 15 July 2024 as the Deputy General Manager, Purchasing. He was promoted to General Manager, Purchasing on 1 April 2026.

He holds a Bachelor of Science Degree (Honours) in Mechanical & Manufacturing Engineering from Liverpool John Moores University.

He has over 21 years of procurement expertise, specialising in strategic purchasing and quality management, with experience in manufacturing and EPC (Engineering, Procurement, and Construction) contracts for power plants.



Mr James Kritrunroj Yong Chueng

General Manager, Commodity
Aged 39, Male, Malaysian

Mr James Kritrunroj Yong Chueng joined the Company on 1 December 2023 as the Deputy General Manager, Commodity. He was promoted to General Manager, Commodity on 1 April 2026.

He holds a Bachelor of Science Degree in Engineering from Nottingham University.

He has over 12 years of experience in trading, specialising in risk management, pricing execution and reporting. He formulates hedging strategies for various commodities, including wheat, corn, soybean, and soybean meal, utilising both exchange-traded derivatives and over-the-counter products.

Additional Information:

1. Save for Mr Teh Wee Chye and Mr Azhari Arshad, none of the other Key Senior Management members have any directorship in public companies and listed issuers.
2. None of the Key Senior Management members have any family relationship with any Director and/or major shareholder of the Company.
3. Save for Mr Teh Wee Chye, none of the other Key Senior Management members have any conflict of interest in business transactions with the Company.

CHAIRMAN'S STATEMENT

// On behalf of the Board of Directors, I have great pleasure to report to you the financial and operational performance of the Group for the financial year ended 31 December 2025. //



Dear Valued Shareholders,

2025 was a good year for Malayan Flour Mills Berhad (“MFM” or “the Group”). Despite ongoing macroeconomic challenges, both our core segments, Flour and Grain trading (“FGT”) and Poultry Integration (“PI”), performed better during the year, driving improved financial results for the financial year ended 31 December 2025 (“FY2025”).

As a key participant in the regional food supply chain, the Group remains committed to ensuring stability of supply and maintaining high standards of quality. Our integrated business model serves as a foundation for resilience, enabling us to navigate market volatility while continuing to serve our customers and communities.

On behalf of the Board of Directors, I am pleased to present the Group’s financial and operational performance for FY2025.

Strength in both core segments underpinning growth

The stronger performance across both core segments translated into significantly stronger earnings for the Group. MFM’s profit after taxation and minority interest (“PATMI”) surged by 140.8% to RM139.9 million in FY2025, from RM58.1 million in the previous year. At the same time, revenue increased to RM3.24 billion from RM3.12 billion last year, reaching a new high for the Group.

The FGT segment in Malaysia and Vietnam saw an adjusted profit after tax (“PAT”) rise by 21.8% in FY2025 to RM153.6 million, from RM126.1 million in the prior year, driven by stronger margin contributions and higher flour sales volumes.

In Indonesia, stronger flour sales volumes contributed to a turnaround at the Group’s joint venture, PT Bungasari Flour Mills Indonesia (“BFMI”), in which MFM holds a 30% equity stake, with PAT improving to RM7.9 million from a loss after tax of RM30.0 million in the previous year. Consequently, the Group’s share of profit improved to RM2.4 million, compared with a share of loss of RM9.0 million in the previous year.

CHAIRMAN'S STATEMENT (cont'd)

Meanwhile, the Group's PI segment, which operates through a 51% equity stake in Dindings Tyson Sdn Bhd, a joint venture with Tyson International Holding Company, recorded a ninefold increase in PAT to RM27.5 million, from RM3.1 million last year. The significant jump resulted in the share of profit improving to RM14.0 million from RM1.6 million in the prior year, reflecting a recovery in market demand and a return to stability in the poultry sector, following the challenges posed by boycott pressures on our food services clients in previous years.

The solid performance of both core segments, alongside the turnaround of the Group's Indonesian joint venture, strengthened the Group's overall financial performance for the year.

Continued investments and expansion initiatives to reinforce MFM's long-term growth trajectory

As a leading integrated staple foods producer, the Group will continue to invest in and expand its core businesses in flour and poultry to remain competitive and support sustainable long-term growth.

For the Malaysian flour business, the Group commissioned a new flour milling line at its Lumut plant in Perak, increasing the Group's production capacity in Malaysia by 33% to 2,400 metric tonnes ("MT") per day. MFM invested RM31.5 million in capital expenditure to install the new milling line. The new production line is equipped with the latest milling technology, featuring high production efficiency, integrated automation, as well as lower energy consumption and minimal waste generation.

In Vietnam, the Group also commissioned flour blending facilities at Mekong Flour Mills Ltd. in Southern Vietnam during the year under review, with capital expenditure of RM25.6 million. With the Group's Vietnam operations currently running at close to full capacity, the Group plans to further expand by installing a new milling line at Vimaflour Ltd. in Northern Vietnam. The expansion, which involves capital expenditure of approximately USD20 million over the span of next three years, will increase production capacity from 2,000 MT per day to 2,500 MT per day to support the growing market demand in Vietnam and Indochina region.

To further strengthen its operations, MFM will continue investing in the FGT segment to enhance automation, improve operational efficiency and reinforce production capabilities. For the PI segment, the Group will focus on developing ready-to-eat products while investing in automation and technological innovation to enhance product development and expand its value-added offerings.

Executing growth strategy to drive next phase of development

Flour and Grain Trading segment

Our flour business in Malaysia and Vietnam remained resilient in FY2025. In Malaysia, demand continued to be sustained, with steady growth observed during the year. In Vietnam, our operations have reached full capacity utilisation, reflecting the strong appeal of flour-based products as an affordable and compelling alternative to rice-based diets. The Group will continue to expand capacity and implement automation initiatives in our plants to support the growing demand.

In addition to capacity and automation initiatives, we are capitalising on the 60th anniversary of our Malaysian flour business to enhance brand visibility and consumer engagement. The initiatives include reality cook shows, brand artwork revamping and social media initiatives, aimed at strengthening our brand presence and deepening connection with consumers. We believe these efforts will further strengthen our market position and drive our business to the next level.

In Indonesia, we have seen improvements this year, with higher sales volumes contributing to our turnaround. Moving forward, we remain focused on sustaining this positive momentum, improving operational efficiency, and capturing growth opportunities in the Indonesian market.



Poultry Integration Segment

In our PI segment, the recovery following the boycott of Western-based quick service restaurants in 2023 has been encouraging, with demand from key fast-food chain clients beginning to return. Building on this momentum, we are expanding into the ready-to-eat segment, with products such as chicken satay to be launched in the second quarter of 2026, representing the first of several offerings aimed at meeting evolving consumer preferences. These initiatives demonstrate our commitment to innovation and diversification, positioning the PI segment for sustained growth in financial year ending 31 December 2026 (“FY2026”).

A significant milestone for our poultry operations in FY2025 was becoming the first poultry company in Malaysia to have its farms certified as a Highly Pathogenic Avian Influenza (“HPAI”)-Free Compartment by the Department of Veterinary Services Malaysia. This globally recognised accreditation, in line with World Organisation for Animal Health standards, confirms adherence to the highest biosecurity protocols, surveillance and disease prevention measures. The certification strengthens MFM’s reputation as a trusted poultry producer while enhancing Malaysia’s credibility in the global poultry trade.

Looking ahead, we will continue to support Malaysia’s goal of achieving 140% self-sufficiency in poultry production by 2030. Investments in breeder farms and modernised processing operations with increased automation will enhance efficiency, consistency and output, enabling us to meet rising demand while bolstering operational resilience.

While we are optimistic about the year ahead, we are mindful of external uncertainties, especially the current conflict between Israel-United States and Iran, which could affect our operations. We will continue to take a prudent and proactive approach to ensure the Group is well-positioned to seize opportunities and drive sustainable growth in FY2026.

Reaffirming commitment to reward shareholders with a dividend policy of not less than 30% of PATMI

The Group has a long-standing track record of rewarding shareholders, having paid dividends annually since its listing in 1968. In February 2026, the Board of MFM further reinforced this commitment by establishing a dividend policy to distribute not less than 30% of the Group’s PATMI to shareholders annually, effective FY2025.

In respect of FY2025, the Board declared two interim dividends totalling 3.5 sen per share amounting to RM43.4 million, representing a payout of 31% of the Group’s PATMI for the financial year.

Appreciation

On behalf of the Board, I would like to extend my sincere appreciation to the management team and employees across the Group for their dedication, resilience and commitment to delivering another year of progress. My appreciation also goes to our customers, suppliers, bankers, business partners, government agencies and regulatory authorities for their ongoing support and collaboration.

My gratitude also extends to you, our loyal shareholders for your continued trust and confidence in the Group. I look forward to meeting you at our forthcoming Annual General Meeting to be held on 19 May 2026 at the Plenary Theatre, Level 3, Kuala Lumpur Convention Centre.

Datuk Oh Chong Peng
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

History and Milestones

Founded in 1961, Malayan Flour Mills Berhad (“MFM” or “the Group”) is a pioneer in Malaysia’s flour milling industry, with mills located in Lumut and Pasir Gudang. Over the years, MFM has grown into a regional flour player, with operations in Northern Vietnam at Cai Lan, Ha Long (since 1994), Southern Vietnam at Phu My, Vung Tau (since 2000), and in Indonesia at Cilegon, Medan and Makassar through a tri-partite joint venture (since 2011). Collectively, the Group produces and sells over one million metric tonnes (“MT”) of flour annually across these three markets.

In 1983, MFM diversified into the poultry industry in Malaysia. Today, its vertically integrated poultry operations cover feed mills, hatcheries, breeder farms, broiler farms and a poultry processing plant. The Group’s poultry business has an upstream annual production capacity of more than 60 million broilers, primarily for internal downstream consumption. MFM, through its joint venture company with Tyson International Holding Company, operates one of the country’s largest closed-house broiler farms and plans to upgrade these facilities with climate control and precision farming technologies to enhance efficiency and reduce operating costs. Its state-of-the-art poultry processing plant in Sitiawan, Perak has a daily slaughtering capacity of 280,000 birds.

Since 2010, MFM has also expanded into trading of raw materials for animal feeds in Malaysia through a 51% subsidiary, of which the remaining shareholders are from the Toyota Tsusho Corporation Group.

Group Strategy and Objective

MFM is focused on becoming a leading regional provider of staple foods and remains committed to nourishing communities while broadening its reach across the region. The Group’s sustainable growth is underpinned by best-in-class manufacturing practices, with capabilities in large-scale production, adoption of modern technologies, technical expertise and standardised processes.

Leveraging on decades of experience in agri-food manufacturing, MFM has established a strong presence in flour milling across Malaysia, Vietnam and Indonesia, while its poultry integration and aquafeed operate in Malaysia. Beyond flour milling, MFM has applied its core competencies to develop its poultry integration business into one of the country’s leading suppliers of poultry products.

In our flour milling business, we continued to strengthen operational efficiency while expanding production capacity. Automation plays an increasingly important role in improving productivity across our milling facilities. At the same time, we are investing in additional capacity to support market demand, including the new milling lines in Malaysia and Vietnam.

In our Poultry Integration (“PI”) business, we are undertaking further investments to support the country’s continued demand for cost-effective poultry production. These include upgrading existing breeder farms, expanding capacity with additional farms and increasing automation at the primary processing plant, as well as developing ready-to-eat products to broaden our product offerings and capture higher-value market segments.

Similarly, we are upbeat about the prospects in aquaculture and remain committed to continuous innovation and product refinement to enhance the quality of our aquafeeds.



Financial Performance Highlights

MFM ended the financial year ended 31 December 2025 (“FY2025”) on a strong note, driven by improved contributions from its core segments and the recovery of its Indonesian joint venture.

Adjusted profit after tax (“PAT”) for the Flour and Grain Trading (“FGT”) segment in Malaysia and Vietnam rose 21.8% to RM153.6 million from RM126.1 million in the previous year, largely due to higher sales volumes and improved margins amid lower raw material costs.

In addition, the Group’s 30% joint venture in Indonesia, PT Bungasari Flour Mills Indonesia (“BFMI”), recorded a turnaround, reporting a PAT of RM7.9 million compared with a loss after tax of RM30.0 million in the previous year. Correspondingly, the Group’s share of profit improved to RM2.4 million, from a share of loss of RM9.0 million previously.

Meanwhile, PAT for the PI segment surged to RM27.5 million in FY2025 from RM3.1 million in the prior year, translating to the Group’s share of profit increase to RM14.0 million from RM1.6 million. This was driven by higher sales volumes and a rebound in market demand following the previous period’s slowdown.

The stronger performance across these three markets, together with the absence of any impairment recognised during the year, led to a significant improvement in the Group’s profitability. As a result, the Group posted a higher profit after tax and minority interests (“PATMI”) of RM139.9 million, translating to basic earnings per share (“EPS”) of 11.3 sen, compared with PATMI of RM58.1 million and basic EPS of 4.7 sen respectively, in the previous year.

As at 31 December 2025, the Group’s total assets stood at RM2.44 billion, slightly lower than RM2.56 billion in the previous year, in line with lower working capital needs as raw material costs and receivables eased off during the year. Total equity attributable to ordinary shareholders increased to RM1.36 billion from RM1.31 billion previously. Fixed deposits, cash and cash equivalents declined to RM353.7 million from RM406.0 million in the prior year, while total borrowings, including lease liabilities, declined to RM760.3 million from RM1,003.3 million previously.

On net-of-cash basis, the Group’s gearing improved to 0.28x from 0.42x previously.

As at 31 December 2025, the Group’s inventories decreased to RM498.4 million from RM519.8 million as at 31 December 2024, in tandem with the lower prices of key raw materials, including wheat and corn.

Operations Highlights

Flour and Grain Trading Segment

In FY2025, global markets for key food commodities, including wheat, were generally more stable compared with the volatility seen in prior years. Higher crop production across several major exporting countries helped moderate prices, although markets remained sensitive to weather conditions, geopolitical developments and shifts in global demand.

The softer wheat price environment helped ease input costs, and the enduring appeal of flour-based products as an affordable alternative to rice-based staples contributed to the robust financial performance of the Group’s flour milling operations in Malaysia and Vietnam.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Notably, in Vietnam, operations reached full capacity utilisation, with rising demand for flour-based products propelled by the expansion of the bakery sector and the country's large and growing instant noodle industry.

Stable commodity prices, combined with stronger consumer demand, supported healthy growth in the FGT segment in both Malaysia and Vietnam. Sales tonnage in Malaysia increased marginally by 0.8% year-on-year in FY2025, while Vietnam recorded a stronger increase of 10.0%. The Group's plants in Malaysia operated at 58.2% of enlarged capacity, while Vietnam operated at 93.9% of total production capacity, reflecting robust market demand and efficient capacity utilisation across the segment.

Meanwhile, PAT for the flour operations in Malaysia and Vietnam rose to RM143.7 million from RM119.3 million previously, excluding the impact of RM42.1 million impairment recognised in financial year ended 31 December 2024 ("FY2024"). Revenue increased to RM2.15 billion from RM2.09 billion.

At the same time, the grain trading business also recorded a higher PAT of RM9.9 million in FY2025 on revenue of RM1.03 billion, compared with PAT of RM6.8 million in the previous year.

In Indonesia, the Group's joint venture company, BFMI, also saw improvements in capacity utilisation, which rose to 78.9% in FY2025 from 70.4% in FY2024. Sales tonnage, excluding processed wheat, increased by 11.4%, contributing to a turnaround to a PAT of RM7.9 million from a loss after tax of RM30.0 million in the previous year. While this reflects encouraging progress, the Group remains cautious as the operating environment in Indonesia continues to be challenging.

Poultry Integration Segment

The PI segment showed a promising recovery in FY2025, with demand from key channels, including food services segment, gradually returning after the disruptions in 2023. Broiler production increased 17.6% year-on-year to over 60 million birds, fueled by the Group's own farms and contract farms.

Sales through the food services channel grew 20.5% year-on-year, reflecting a return in demand after the boycott of Western brand fast food chains. The gradual rebound in production and market demand contributed to stronger financial performance for the segment, highlighting the positive momentum as the business continues to recover.

The Group continues to optimise operational efficiency through the adoption of best farming practices and advanced technologies. For the full financial year, the Group's processing plant's utilisation rate improved to 65.3% of its slaughtering capacity of 280,000 birds per day, up from 53.7% in FY2024. The increase contributed positively to the segment's profitability and margins.

The Group is also exploring ways to grow contributions from the PI segment, including the development of ready-to-eat and value-added offerings. One such product, chicken satay, scheduled for launch in the second quarter of 2026, demonstrates the Group's ambition to expand into new consumer segments.

In addition, the Group is pursuing opportunities beyond Western Quick Service Restaurant chains to tap into emerging food service markets. Combined with the gradual recovery of demand for food services, these initiatives are expected to broaden the segment's earnings base and position the PI business for sustainable growth in the coming years.



Anticipated or Known Risks

The Group operates in industries where product quality, food safety and regulatory compliance are fundamental to sustaining consumer trust and business continuity. Given the broad consumption of flour and poultry products across diverse communities, maintaining consistent standards throughout our operations remains a critical priority.

Across our manufacturing facilities, robust food safety management systems are in place to identify, monitor and control potential risks throughout the production process. These systems are supported by structured quality assurance procedures and regular compliance assessments to ensure that our products consistently meet regulatory and industry standards. All products produced by the Group in Malaysia are halal-certified by the Department of Islamic Development Malaysia (“JAKIM”).

In the flour milling segment, the cost of raw materials is influenced by movements in global wheat markets. Price volatility may affect production costs and margins. To manage this exposure, the Group adopts a disciplined sourcing approach, supported by continuous monitoring of international supply conditions and procurement planning.

For the poultry segment, animal health and farm biosecurity remain key operational priorities. Strict farm management practices and preventive health protocols are implemented to minimise the risk of disease outbreaks and protect the stability of poultry production.

Our farms in Segari and Batu Undan in Lumut, Perak, have been recognised with Highly Pathogenic Avian Influenza (“HPAI”)-Free Compartment certification by the Department of Veterinary Services in accordance with World Organisation for Animal Health standards. The certification affirms the strength of the Group’s biosecurity framework and reinforces our commitment to maintaining high standards in poultry farming operations.

Through these ongoing measures, the Group continues to strengthen its ability to manage operational risks while ensuring the reliability, safety and quality of its products.

2026 Outlook and Prospects

Flour and Grain Trading

Global grain markets are expected to remain relatively well supplied in financial year ending 31 December 2026 (“FY2026”), supported by favorable harvests and improved production across several major exporting regions. While these favorable conditions may drive grain prices down, the market may continue to experience fluctuations influenced by weather uncertainties, geopolitical developments and logistical challenges that could affect global supply flows. The current war between Israel-United States and Iran is the case in point which may disrupt supply chains.

In response to these dynamics, the Group continues to strengthen its procurement strategies and supply chain management practices. To enhance supply security and reduce the risk of disruptions, we are broadening our sourcing network for key raw materials, including wheat, corn and soybean meal. We have a dedicated commodity trading team which comprehensively plan and schedule the purchases of our key raw materials.

Across Southeast Asia, demand for wheat and other grains is expected to remain resilient, supported by population growth, increasing urbanisation and steady consumption of wheat-based food products. As one of the most affordable staple foods in the region, flour remains an essential component of daily diets, underscoring the importance of maintaining a reliable and stable supply.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Looking ahead, the Group is well positioned to capitalise on market opportunities through its diversified sourcing capabilities, disciplined procurement and efficient supply chain operations. These efforts will ensure the FGT segment continues to provide reliable support to downstream flour milling operations while contributing to the Group's overall resilience and sustainable growth in FY2026.

Poultry Integration

The poultry industry entered FY2026 on a positive trajectory, supported by steady domestic demand for poultry and early signs of recovery in food service channels. Coupled with an improving economic environment, these developments are generating encouraging momentum for the year ahead.

While the sector continues to navigate challenges including feed cost volatility and disease risks, the Group's disciplined farm management, stringent biosecurity protocols and strong operational practices provide a solid foundation to sustain product quality and supply reliability. Poultry remains the preferred protein source in Malaysia, as reflected in stable consumer demands that continues to underpin both upstream farming and downstream processing activities.

Looking ahead, the Government's initiatives aimed at achieving a 140% self-sufficiency level by 2030 present a huge avenue for growth. Through the adoption of modern farming technologies and ongoing efforts to optimise farm productivity, the Group is well positioned to maintain a consistent supply of broilers to support its processing operations and explore potential export opportunities.

With these strengths in place, the PI segment is expected to benefit from improving market demand, operational resilience and stronger upstream integration, positioning it to deliver better performance and positively contribute to the Group's overall growth in FY2026.

SUSTAINABILITY REPORT 2025



Contents

31	ABOUT THIS REPORT	
31	Scope & Boundaries	
32	Basis for preparation	
32	Sustainability-related Index	
32	Assurance	
33	SUSTAINABILITY GOVERNANCE	
34	KEY STAKEHOLDERS ENGAGEMENT	
35	MATERIAL SUSTAINABILITY MATTERS	
35	Review of Material Matters	
39	APPROACH TO SUSTAINABILITY	
41	SUSTAINABLE BUSINESS PERFORMANCE	
41	Food Security, Safety and Halal	
44	Biosecurity	
45	Business Growth, Customer Satisfaction, Brand and Reputation	
48	Data Security/Data Leakage	
49	Supply Chain Management	
51	ENVIRONMENTAL	
51	Energy and Emissions Management	
54	Water Management	
55	Waste Management	
57	SOCIAL	
57	Workforce & Workplace Environment	
58	Our People Strategy	
59	Developing Future-Ready Leaders and Workforce	
66	Fostering Workforce Well-being, Belonging and Engagement	
67	Creating a Positive Impact on Society and the Environment	
72	Occupational Safety & Health	
75	GOVERNANCE	
75	Corporate Governance and Business Ethics	
77	SUSTAINABILITY PERFORMANCE DATA	



ABOUT THIS REPORT





The Board of Malayan Flour Mills Berhad (“MFM” or the “Company”) presents this Sustainability Report (“this Report”) which discloses our commitment, practices and initiatives towards achieving sustainable economic performance, minimising environmental impact, promoting social responsibility, and ensuring ethical governance (“EESG”).

Scope & Boundaries

This Report discloses the sustainability focuses, priorities, progress, and targets of MFM, its subsidiaries and joint venture company, Dindings Tyson Sdn Bhd and its subsidiaries (“MFM Group” or the “Group”) for the financial year ended 31 December 2025 (“FY2025”), covering the 4 key business segments of the Group.

These business segments cover all of the Group’s operations apart from the joint venture in Indonesia, PT Bungasari Flour Mills Indonesia, in which the Group does not have full management control, and the investment holding business.

There were no significant changes to the Group’s operations and supply chain during the financial year. Unless specified, the sustainability data disclosed in this Report are applicable to the above-mentioned scope.

	Location of operations
	<h3>Flour</h3> <p>MALAYAN FLOUR MILLS BERHAD (“MFM”) Malaysia</p> <p>VIMAFLOUR LTD (“VimafLOUR”) Vietnam</p> <p>MEKONG FLOUR MILLS LTD (“Mekong Flour”) Vietnam</p>
	<h3>Poultry Integration</h3> <p>DINDINGS TYSON SDN BHD (“DTSB”) Malaysia</p> <p>DINDINGS POULTRY DEVELOPMENT CENTRE SDN BHD (“DPDC”) Malaysia</p> <p>DINDINGS POULTRY PROCESSING SDN BHD (“DPP”) Malaysia</p>
	<h3>Grain Trading</h3> <p>PREMIER GRAIN SDN BHD (“PGSB”) Malaysia</p>
	<h3>Aqua Feeds</h3> <p>DINDINGS SOYA & MULTIFEEDS SDN BERHAD (“DSM”) Malaysia</p>

Basis for preparation

This Report is prepared in accordance with applicable sustainability reporting requirements of the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

In the preparation of this Report, we also considered the Sustainability Reporting Guide (3rd Edition) and its accompanying Toolkits published by Bursa Malaysia, as well as other better practices for sustainability reporting, as applicable.

We further identified relevant areas to which the Group can contribute in relation to the United Nations Sustainable Development Goals (“UN SDGs”), as we strive to contribute to global sustainable development goals in line with the 2030 Agenda for Sustainable Development.



Sustainability-related Index

MFM has been a constituent of the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index (“FTSE4Good Index Series”) since 23 December 2024. This is a mark of recognition for the Company’s commitment towards sustainability and responsible business practices.

Assurance

This Report has not been subjected to internal review by the Internal Auditors nor has independent assurance been sought. Nonetheless, the Group has undertaken initiatives to ensure the sustainability data disclosed in this Report is, to the best efforts of the Management, accurate and complete. The Group continues to apply ongoing process improvements to its sustainability data collection and management processes, with the objective of enhancing data quality and integrity moving forward.



This year, we reviewed the Group's sustainability governance management and reporting structure to streamline the direction-setting and reporting process, where the Board as a whole provides overall oversight over the Group's sustainability strategy, while the ARMC focuses on integrating sustainability considerations in its roles and responsibilities pertaining to audit matters and risk management. The Sustainability Steering Committee is now renamed as Sustainability Management Committee ("SMC").

The Board holds ultimate responsibilities over the Group's sustainability, ensuring the Group's business strategies and plans incorporate business sustainability considerations, including in the aspects of EESG, to enable the Group's long-term business value creation.

In relation to the Group's overall sustainability strategies, priorities, progress, targets, and performance, the Board receives updates from the SMC, which is led by MFM's Executive Deputy Chairman cum Managing Director and composed of the Heads of Business Units and Business Functions. The SMC members, through their leadership roles and positions in the Group's respective business segments and functions, drive the execution and operationalisation of sustainability directions approved by the Board. The SMC members are responsible for providing stewardship to the Management, as well as being accountable for the sustainability performance of their respective business segments and functions.

Sustainability-related matters are incorporated in the Group's risk management framework, where sustainability-related risks are considered in the Group's risk management identification, assessment, management, and reporting. As with other key strategic and operational risks, key sustainability risks are also managed and monitored via the Group's risk management processes. Likewise, the Group's risk-based internal audit activities cover scopes relating to key sustainability risks from time to time. In this regard, the ARMC, through their responsibilities over audit and risk management matters, incorporates sustainability considerations are addressed adequately via the risk management and internal control systems of the Group. The Management reports to the ARMC, ensuring risk management processes are carried out and sufficient information is provided to the ARMC to aid the ARMC's work.

KEY STAKEHOLDERS ENGAGEMENT

The Group's ability to create value in the long-term is affected by its relationship with stakeholders, as well as their relationship and priority in relation to the Group's business model and value chain. Therefore, it is important for the Group to have sufficient understanding of key stakeholders, including their expectations, interests, and dependence, through effective stakeholder engagement activities.

We maintain a broad range of stakeholder engagement channels, designed to align with their information and engagement needs and their interest and priorities to the Group's business. These channels enable us to gain stakeholders' feedback, understand their expectations, and support the Group's ongoing business improvement.

In addition, stakeholders' input is also important for us to holistically assess the Group's sustainability matters. In the Group's once-in-three-year comprehensive materiality assessment, we incorporate stakeholders' input and concerns, considering areas where stakeholders think are important for the Group to address in developing a sustainable business.

The Group's stakeholder groups, stakeholder engagement channels, and commonly discussed focus areas are summarised as follows:

Stakeholders	Focus Areas	Method of Engagement
Investors and shareholders	<ul style="list-style-type: none"> Financial performance Growth and prospects Good corporate governance Risk management Regulatory compliance 	<ul style="list-style-type: none"> General Meetings Quarterly Financial Reports Annual Reports Circular/Notice to Shareholders Announcements Press Releases Analyst Briefings Corporate website
Customers	<ul style="list-style-type: none"> Safe, nutritious and quality products Product innovation Business ethics Competitive pricing and values Customer service Sustainability practices 	<ul style="list-style-type: none"> Customer feedback survey Customer meetings/visits Customer Careline Technical training and support Social media platforms Corporate website
Employees	<ul style="list-style-type: none"> Career advancement Remuneration and benefits Learning and development Labour and human rights Job security Workplace health and safety Work-life balance 	<ul style="list-style-type: none"> Onboarding programme Townhall meetings Employee Portal Learning and Development programmes Events and functions Internal newsletters Management meetings Annual performance appraisal
Government & Regulators	<ul style="list-style-type: none"> Law and regulatory compliance Good corporate governance Food security Support for government policies and initiatives 	<ul style="list-style-type: none"> Statutory submissions Attend briefings/conferences Organise meetings to brief and update the relevant authorities on industry trends/concerns
Suppliers & Service Providers	<ul style="list-style-type: none"> Payment terms Governance and business ethics Fair procurement contract 	<ul style="list-style-type: none"> Regular meetings Suppliers' evaluation (audit) Contractual/Annual Review Suppliers' Conferences
Media	<ul style="list-style-type: none"> Financial performance Corporate news Business/product development 	<ul style="list-style-type: none"> Media briefings Corporate events Press releases Social media platforms
Local Communities & NGOs	<ul style="list-style-type: none"> Environmental impact on operations Direct and indirect economic impact Corporate social responsibility (CSR) 	<ul style="list-style-type: none"> CSR activities and events Job opportunities Financial support/contribution
Industry Peers	<ul style="list-style-type: none"> Price competition New business opportunity Innovation and creativity Industry outlook and issues 	<ul style="list-style-type: none"> Dialogue with government on industry concerns Participation in government initiatives for the industry

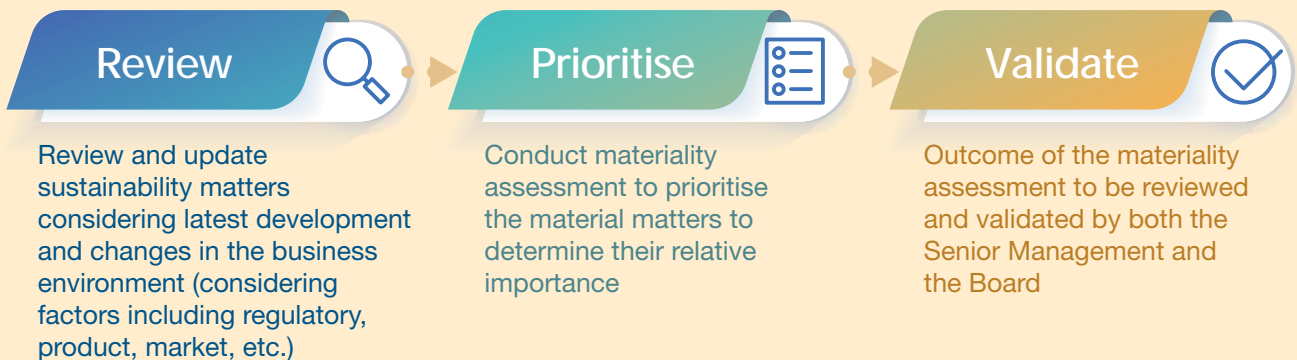
MATERIAL SUSTAINABILITY MATTERS



Review of Material Matters

MFM Group conducts materiality assessment to assess and prioritise sustainability matters of the Group, considering the significance of the Group's EESG impact and how they influence the assessments and decisions of the Group's stakeholders. This definition of materiality is largely aligned with the 'materiality' prescribed by the Listing Requirements. The outcome of the materiality assessment is presented as a materiality matrix.

Materiality Assessment



Review of Sustainability Matters

Materiality assessment begins with the identification/review of sustainability matters which are relevant to the Group's business model and industry. The review of sustainability matters takes into account the latest developments and changes in the business environment, such as laws and regulations, supply chain or value chain, the Group's business model, corporate structure, the vision and mission of the Group, etc. These sustainability matters commonly cover economic, environmental, social, and governance factors. Categorisation of sustainability matters is also carried out.

Prioritisation of Material Matters

Following the identification/review of sustainability matters, prioritisation is carried out, considering how the matters reflect the Group's significant EESG impacts or how they affect the assessments or decisions of stakeholders. When assessing their impact on stakeholders, we may seek feedback from Senior Management or Management to incorporate their understanding of the Group's key stakeholders, such as investors, shareholders, customers, suppliers, and employees, to ensure our assessment considers the various perspectives of stakeholders. The prioritisation exercise is carried out via a rating approach.

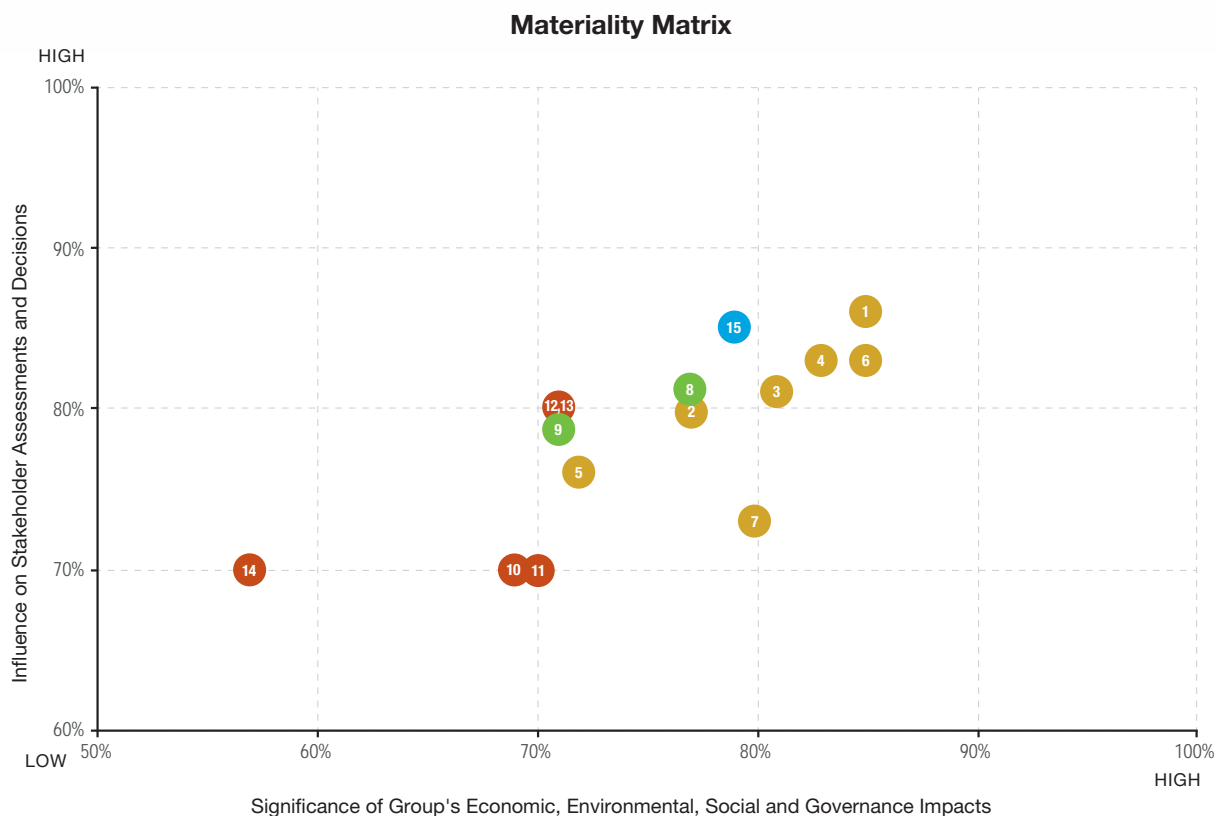
Validation of Materiality Assessment

The outcome of the prioritisation includes a set of ratings for each sustainability matter, which are then plotted on a Materiality Matrix. The Materiality Matrix is validated by the Senior Management and subsequently approved by the Board.

A comprehensive materiality assessment is conducted once in every 3 years, while desktop review is conducted annually. The last comprehensive materiality assessment was conducted in 2023.

We take cognisance of the forthcoming application of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and the IFRS S2 Climate-related Disclosures, in accordance with the Listing Requirements. In this regard, the Group will take into consideration the resources and efforts required to enable future compliance with these standards, and may review how materiality assessment is carried out accordingly.

For FY2025, the Group conducted a desktop review and noted that the Materiality Matrix disclosed in our last year's Sustainability Report remained relevant, as follows:



ECONOMIC

- 1 Food security, safety and Halal
- 2 Biosecurity
- 3 Customer satisfaction
- 4 Brand and reputation
- 5 Data security/data leakage
- 6 Business Growth
- 7 Supply Chain Management

ENVIRONMENTAL

- 8 Environmental compliance
- 9 Emissions and Water Security

SOCIAL




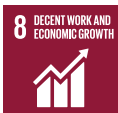
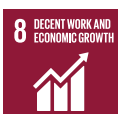

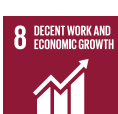
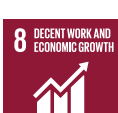



- 10 Employee education & development
- 11 Talent attraction & retention
- 12 Fair Labour Practices
- 13 Occupational Safety & Health (OSHA)
- 14 Community Relationship






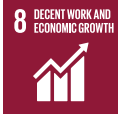





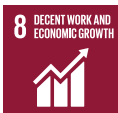


GOVERNANCE

- 15 Corporate Governance and Business Ethics



The description of the materiality matters and how they are related to the UN SDGs are detailed in the following table:

Material Matters	Description on its Significance	Link to UN SDGs
SUSTAINABLE BUSINESS PERFORMANCE		
Food security, safety and Halal	Ensuring sufficient supply, safe and nutritious food products to meet relevant standards and customer expectations.	 
Biosecurity	Our poultry farms require strict biosecurity to prevent and control diseases to ensure uninterrupted operations and good farm management practices.	
Customer satisfaction	Customer satisfaction is our priority for customer loyalty and retention.	
Brand and reputation	Having a strong and positive brand and reputation in the market is crucial for the Company to enjoy greater customer loyalty & trust, distinguishing itself from the competitors and boosting sales.	
Data security/data leakage	Data protection is increasingly vital to safeguard valuable information, which is a critical asset to the Company, and prevent business disruption, loss of customers' confidence and data breaches.	
Business Growth	Sustainable business growth is crucial for the continuity of our business as well as delivering long-term value to the stakeholders.	
Supply Chain Management	Supply chain management is important as it helps to improve product quality, customer service, operating costs, financial performance and competitive advantage.	 
ENVIRONMENTAL		
Environmental compliance	Our operations generate waste and effluent. Processing the waste before discharge prevents environmental contamination and complies with the Environmental Quality Act 1974.	 

Material Matters	Description on its Significance	Link to UN SDGs
ENVIRONMENTAL (cont'd)		
Emissions and Water Security	Greenhouse Gas (“GHG”) emissions arising from the use of energy and other gases in our manufacturing and supply chain activities contribute to climate change, and high usage of water will strain scarce resources. Effective management of energy, emissions, water and other resources is important to minimise the Company’s environmental footprint.	   
SOCIAL		
Employee education & development	Continuous training and leadership development will enhance the skills and competency for the career growth of the employees and to meet the changing needs of the Company.	
Talent attraction & retention	Talent attraction and retention are important to building the Company’s competent team, reducing the turnover rate and cost as well as leading to better customer relationships.	
Fair Labour Practices	Practising human rights and employee fair treatment will promote job satisfaction, reinforce our position as a caring employer who respects the basic human rights of the stakeholders as well as compliance with all applicable laws, regulations and employment & human rights standards.	 
Occupational Safety & Health (“OSHA”)	Providing a healthy and safe workplace is crucial to safeguarding the health and overall wellbeing of the employees and other stakeholders.	
Community Relationship	Supporting the community is the corporate responsibility to care and give back to society for mutual growth.	   
GOVERNANCE		
Corporate Governance and Business Ethics	Good corporate governance and business ethics help to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity of the Company. The corporate governance practices are guided by our Board Charter, Code of Conduct and policies/principles on anti-corruption, anti-competition, anti-money laundering, anti-profiteering, risk management and tax governance.	

APPROACH TO SUSTAINABILITY



The Group believes in doing business sustainably and responsibly, fulfilling the Group's legal obligations towards its stakeholders, as relevant.

The Group's operations are guided by a set of high-level policies set by the Board, which shall be applied consistently across the Group. These policies are further communicated to internal and external stakeholders to align the Group's expectations and commitments in its operations and with employees, suppliers, customers, and business partners.

The policies support the Group's Business Philosophy and address topics from business ethics, food safety, environmental responsibilities, and labour standards and human rights.

The policies are publicly accessible from the Group's corporate website at <https://www.mfm.com.my/>.



Vision

We aspire to be a leading food manufacturing enterprise in the region



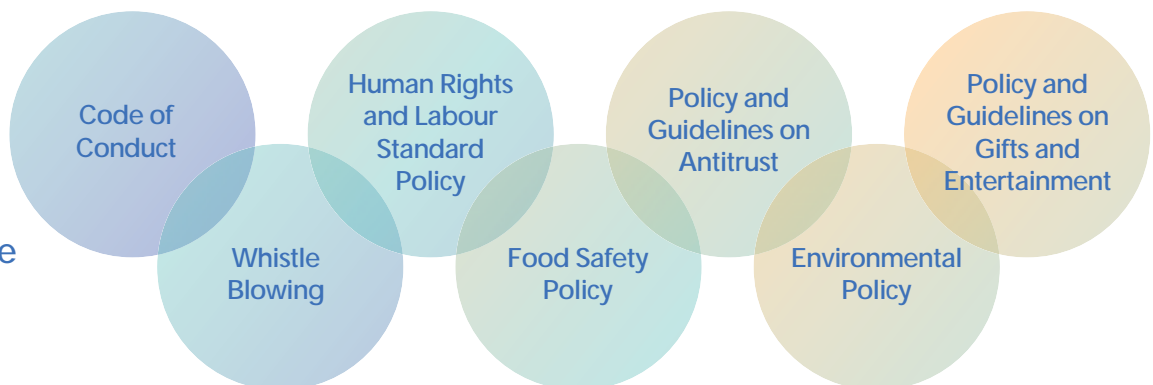
Mission

We are the preferred provider and strategic partner in the food industry

We drive operational excellence by embracing a culture of continuous improvement.

We add value to stakeholders by growing economies of scale.

High-level, Group-wide policies



These Group-wide policies are adopted by applicable business segments of the Group which may further develop their own sub-policies or processes to incorporate these policies.

Guided by the Group-wide sustainable policies and directions, we devised the following objectives and strategies to address the Group's Material Matters in general.



- To provide our customers with safe and quality products that adhere to laws and regulations
- To have strategic management of our business and wisely utilise our resources
- To advance sustainable profitable growth whilst satisfying our ethical, legal and contractual obligations



- To comply with the regulatory requirements and standards in relation to environmental concerns
- To raise awareness among our employees and the supply chain in order to act in an environmental responsible manner
- To integrate environmental matters into our business decisions
- To ensure that energy and water are utilised efficiently and that consumption is being monitored
- To recycle, reduce or reuse the waste or resources where practicable
- To reduce carbon footprint through energy efficiency and conservation practices



- To empower our employees by offering training, motivation and career advancement
- To provide a safe and healthy workplace and to take care of employees' well-being
- To encourage open communication, ideas and innovation
- To support diversity in the workforce
- To provide job security to employees
- To engage actively with civic project, charity events and the local communities through our corporate social initiatives
- To provide ample job opportunities



- To abide by the requirements of all applicable laws and industry's best practices
- To adopt good ethical practices through Code of Conduct
- To ensure an appropriate governance system is in place to oversee the strategic development & performance that relates to the maintenance of a sustainable business
- To ensure proper risk management and internal control systems are in place



SUSTAINABLE BUSINESS PERFORMANCE

SUSTAINABILITY
REPORT 2025



Food Security, Safety and Halal

Our Commitment to Food Safety & Quality

Food safety and quality is amongst other utmost important matter of the Group. It relates directly to the health of our customers and consumers, and it represents the reputation of MFM Group and brand it carries, as well as our responsibility to stakeholders.

The Group-wide Food Safety Policy sets a strong stance and commitment to food safety, which is carried out throughout the Group, summarised as follows:

Adoption of Hazard Analysis and Critical Control Points (“HACCP”) system, applying Good Manufacturing Practice (“GMP”) and training employees in Good Hygiene Practice (“GHP”) throughout the food processing flow chart from raw material to finished goods.

Provide continuous training to our staff ensuring that they possess the necessary knowledge and understanding in managing food safety and strive to improve customer confidence in our products.

Strictly follows the reference standards of “Requirements for a HACCP based Food Safety System” (Compiled by the National Board of Experts-HACCP, the Netherlands, 2002), the Malaysia Food Act (1983) and Food Regulation (1985) as a reference guide to draw the HACCP Manual.

To co-operate with the relevant authorities ensuring the processing system adheres to both domestic and international requirements.

As a producer of food products, we are committed to producing food that meets the high standards of safety, quality and nutrition. Such as mindset is embedded in how we operate from the design of our operating processes, through consistency and excellence in operational execution, quality checking and assurance, delivery to customers, up to ongoing review of our processes and continuous improvement.

Management Systems, Standards and Certifications, Quality Assurance, and Compliance

The Group adopted globally recognised management systems, standards, and certifications, as relevant and applicable, in its various business segments. Operations involved in the production of consumer food, i.e. flour milling and poultry processing operations, are safeguarded by Food Safety System Certification Scheme (“FSSC 22000”) and guided by the principle of HACCP. The Group’s food processing plants are certified as Halal by JAKIM, the Department of Islamic Development Malaysia.

Our food production operations, including the Aqua Feeds segment, implement Food Safety Management System (“FSMS”) and Halal Assurance System (“HAS”) which ensures our processes are free of potential hazards or ‘haram’ sources in the use of raw materials and ingredients.

These management systems and standards govern every stage of our production, covering areas from the supply of raw materials, production, handling and storage to marketing and delivery, providing a structured approach to guarantee food safety and quality as well as halal integrity.

Highlights of the food safety standards and certifications adopted by the Group's operations are as follows.

<p><u>Food Safety Management System</u></p>    <p><u>Quality Management System</u></p>  <p><u>HALAL Certificate</u> <u>Veterinary Health Mark</u></p>   <p><u>Food Safety Assurance</u> <u>Good Agricultural Practices</u></p>  	<p>Standards and Certifications adopted</p> <ul style="list-style-type: none"> • FSSC 22000 V5.1 Food Safety Certification scheme • ISO 22000:2018 Food Safety Management Standard (“FSM”) • ISO 9001:2015 Quality Management System (“QMS”) • MS 1480:2019 Hazard Analysis and Critical Control Points (“HACCP”) • MS 1514:2009 Good Manufacturing Practice (“GMP”) • Veterinary Health Mark (“VHM”) • MS 1500:2019 Halal Food (certified by JAKIM) • Halal Slaughterhouse (certified by JAKIM) • ISO/IEC 17025:2017 General requirements for the competence of testing and calibration laboratories • SIRIM MS 85:2018 (Edible Wheat Flour) • MeSTI (Food Safety is Responsibility of the Industry) • Malaysian Good Agricultural Practices Certification Scheme (“myGAP”) • Fish Quality Certificate (“FQC”) by Department of Fisheries Malaysia
--	---

Audits and compliance checks are required for maintaining the certification of the various management systems and standards. As such, our processes undergo regular audits or compliance checks by independent certification bodies.

Training on Food Safety and Quality Assurance

Our quality assurance system is not merely about meeting industry, legal, and customer standards, it is about surpassing them. To ensure employees are fully equipped to uphold our high standards of food safety, quality, and security throughout the production process, they undergo regular, customised training programmes designed to keep them abreast of the latest industry trends, technologies, and safety protocols. Their unwavering commitment to excellence forms the cornerstone of our quality assurance system, ensuring that every product is handled with care and expertise.

In addition, we provide training on food safety and quality requirements for business partners in the supply chain, including transporters, wholesalers, and distributors. We also educate customers and users of our products on food safety and quality to promote overall food safety awareness and knowledge.



Commitment to Halal Compliance

The Group recognises the importance of complying with Halal Certification for its products, which enhances customer confidence, trust, and loyalty. Consistently complying with Halal certification requirements further strengthens our brand reputation and differentiates our products and brands, aligning them with global market expansion, especially access to the growing Halal market.

The Group takes pride in ensuring that all products manufactured, exported and distributed are Halal-certified by relevant Halal Certification Agencies.

OUR HALAL COMMITMENT THROUGHOUT THE VALUE CHAIN						
Raw Material	Suppliers	Factories	Warehouses	Transportation	Marketing and Sales	End user
All raw materials and ingredients sourced are Halal-certified.	We conduct Halal briefings and surveillance audits on our suppliers and co-manufacturers to ensure they meet our stringent Halal standards.	Our Halal Assurance System complies with the strictest Halal practices across our factories, ensuring the highest standards of hygiene, quality and food safety.	Our warehouses only store Halal products and are Halal-certified.	Our transportation system complies with Halal requirements and the strictest hygiene control standards.	All our marketing communications, promotions and in-store activations comply with local Halal standards	All this is done to ensure that all our consumers, Muslims and non-Muslims alike around the world, can enjoy our products with peace of mind.

We conduct regular audits and/or inspections on our approved suppliers’ facilities and processes to ensure their compliance with Halal standards. Similarly, our facilities and processes are also subject to regular audits and inspections by the Halal certification body.

Comprehensive training programmes are provided to our internal Halal Committee members and employees, ensuring we foster a culture of Halal compliance within our food production facilities.

Feedback channel and recall process

The Group has established a dedicated channel to receive feedback and complaints in relation to the Group’s products. It serves as an important platform for responding swiftly and providing effective resolution to product-related issues, particularly those concerning food safety, quality and compliance.

In line with the management system and standards adopted, the Group has implemented robust product traceability and recall procedures. These measures enable efficient tracking of product batches throughout the supply chain and ensure swift withdrawal of affected products from the market, if required. This approach not only safeguards consumer health and confidence but also supports thorough investigation and continuous improvement in food safety and quality practices.



Product Labelling

All our products comply with relevant product labelling laws and regulations, including the use of authorised logos pertaining to certifications obtained, clear and transparent labelling of product content, nutritional composition, expiry date and other production information.

In addition, we provide consumers with other useful information on selected products, including cooking and consumption suggestions, as well as health promotion guidance.

Food Security

The Group contribute to food security, particularly in the Southeast Asia region, through its production, distribution, and trading of various food products, including flour, poultry products and aqua feed, supporting the food production supply chain in various ways. Flour and protein from poultry and aquaculture are sources of stable food in the region. Furthermore, as the Group's products are Halal-certified, it further enhances the region's accessibility to food supplies.

Biosecurity

Biosecurity applies to the upstream segment of the Poultry Integration business, more specifically in relation to the breeder and broiler operations. Biosecurity focuses on the prevention of diseases such as Avian Influenza and Newcastle disease, which would have an impact on poultry population, contamination of the food supply chain and human health.

Biosecurity Infrastructure and Measures

Diseases such as Avian Influenza and Newcastle disease pose significant threats to both poultry populations and human health. A single outbreak can lead to the mass culling of infected birds, economic losses, and potential contamination of the food supply chain. The likelihood of such outbreaks can be minimised through robust biosecurity practices, thereby ensuring the safety of chicken products for consumers.

The Group's poultry farm and hatchery facilities are governed by strict biosecurity practices such as proper visitor matrix management, having internal trucks to deliver feed, and going through a dust filter barrier before entering the farms.

All broiler operations are conducted in closed-house farms which are designed to meet high standards of animal welfare, hygiene and biosecurity. Closed-house farming systems can better regulate temperature and ventilation, providing a more hygienic and healthy condition for our birds, leading to improved bird welfare, reduced mortality rate and lower reliance on therapeutic antibiotics through enhanced flock health management. The controlled environment and minimised exposure to the external environment and pests also contributed to better bird health and lower biosecurity risks.

In addition, we adopt a deep litter system, which is generally better in terms of animal welfare as it allows birds to move freely and express natural behaviours such as dust bathing and litter pecking. The deep litter system is also more water-efficient, generates less odour and works better for fly control.

Our farms are taken care of by professional and qualified veterinarians whose responsibilities include monitoring flock health, carrying out diagnosis, providing treatment prescriptions and conducting research and development ("R&D"). Structured vaccination programs are organised with pharmaceutical companies to prevent and control diseases or outbreaks.

Responsible Antibiotic Stewardship and Responsible Use of Antimicrobial

Our broiler breeding operations are guided by a strong commitment to responsible antibiotic stewardship. Through comprehensive biosecurity measures, including farm design, strict access controls, preventive flock health management and animal welfare practices, we are able to reduce the frequency and dosage of therapeutic drug use. These practices support the production of poultry that is free from antibiotic residues.



In line with global efforts to mitigate antimicrobial resistance (“AMR”), we align our practices with the World Health Organization (WHO) List of Medically Important Antimicrobials, and we do not use Highest Priority Critically Important Antimicrobials (“HPCIs”) for human medicine in our broiler operations. The effort aims to prevent the development of antimicrobial resistance in animals, which can be transmitted to humans through the food chain, and to preserve the effectiveness of antimicrobials for treating infections.

Recognition, Certifications, and Assurance

The Group’s breeder and broiler farms, located in Lumut, Perak, have been certified as Highly Pathogenic Avian Influenza (“HPAI”) Free Compartments by the Department of Veterinary Services in accordance with World Organisation for Animal Health (“WOAH”) standards. The farms are the first poultry farms in Malaysia to obtain such certification.

All farms are MyGAP-certified and are audited annually. In addition, broiler farms are also subject to customer audits in various areas, including biosecurity, antibiotic use, food defence and safety, and animal welfare.

Business Growth, Customer Satisfaction, Brand and Reputation

Business Growth

MFM Group is committed to delivering value and return to our shareholders. We continue to pursue growth in business and profits through execution of our business strategies, including enhancing our operational capabilities and expanding our market reach through strategic investments.

Business performance

Highlights of the Group’s financial performance are as follows.

Energy Consumption	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue (RM’million)	2,426.9	2,915.6	3,148.9	3,121.3	3,242.9
y-o-y change (%)	n/a	20%	8%	-1%	4%
Profit after Tax (RM’million)	198.5	154	5.3	77.2	166.7
y-o-y change (%)	n/a	-22%	-97%	1357%	116%
Dividends distributed (RM’million)	20.4	30.6	33.9	37.2	43.4
Shareholders’ Equity	1,254.3	1,364.4	1,342.0	1,305.3	1,357.3
y-o-y change (%)	n/a	9%	-2%	-3%	4%

This year, we recorded 4% increase in revenue while more than doubling our profit after tax to RM166.7 million, compared to FY2024. For detailed discussion about the Group’s financial performance and position for the financial year, refer to the Chairman’s Statement and the Management Discussion and Analysis in this Annual Report.

Technology and Skills Development

R&D and talent and skills development are important aspects for us to stay ahead of the market and enhance the quality of our products. In this regard, we carry out collaborative relationships with universities, customers, and industry leaders to learn, research, develop, and educate. We continuously seek to innovate better products, production technology, as well as develop talents and passion for the future of the industry.

Customer-centric Business and Customer Satisfaction

We adopt a customer-centric approach that prioritises understanding customers' needs and feedback, tailoring our offerings to deliver reliable and consistent supply, cost competitiveness and product quality. In addition, we provide value-added services through personalised experiences that foster customer satisfaction, loyalty and advocacy.

The Group adopts a Customer Relationship Management system to manage feedback with consistent monthly meetings and customer visits, which involve continuous follow-up and discussion with customers to meet their needs throughout all stages of the customer journey. Understanding customers' needs also allows us to develop products catered to our customers' specific needs while also supporting a wider range of products that may be offered by customers to the market. We view the business success of our customers as a contributing factor to our business success.

Our customer satisfaction strategy broadly focuses on the following aspects:

- **Value-based business relationship** – where we build our business relationship based on collaboration and development of shared value, supporting the elevation of the value chain through knowledge sharing, technical support, and value-added services;
- **Products** – including ensuring food safety and quality, while exploring the development of new products to be offered to suit customers' needs; and
- **Sharing of knowledge and skills** – information sharing for customers and users of our products to enable better understanding in relation to our products, nutrition and health, baking skills, and policies or regulations affecting the business environment.

Value-based business relationship

MFM Group does not view itself merely as a producer and seller, but also a business partner that provides solutions in terms of our products, as well as a supporter of our customers' business development.

Our engagements with customers include providing technical services and solutions, including in the areas of product development to suit their business needs, adoption of management systems, and better practices.

Highlights

We regularly carry out visits to our flour users to help us understand their requirements and allow them to better understand the characteristics and applications of our flours. We also provide technical support to customers facing production challenges.

Product development opportunities may come from customers' specific requirements in terms of cost impact, technology, dietary culture, as well as environmental requirements.

MFM introduced the "Kawan MFM" trade engagement program. This initiative fosters long-term brand loyalty by offering rewards, incentives and exclusive benefits to our trade customers. By encouraging repeat purchases and deeper customer relationships, the program enhances customer lifetime value while strengthening our position in the competitive market landscape.



Products

In addition to ensuring consistent delivery of safe and quality products, we believe that the market continues to pose opportunities for new products, including markets for specific dietary needs such as vegetarian, catering for specific needs of local cuisines and food technology.

R&D activities are carried out to understand the market demand, including seeking feedback and suggestions from customers, as well as keeping abreast with the latest food-related technology.

Highlights

Our operations in Vietnam developed the **Dragon and Pearl** product series which caters specially for vegetarian food and wheat gluten production facilities, targeting the growing vegetarian market driven by health, sustainability and ethical concerns.

We introduced **Yellow ATM**, a specialised product catering to Vietnamese spring roll pastry production facilities.

We also developed flour mixtures for specific baking/cooking needs as well as for customers under their own brands.

Knowledge and skills

We continue to share information and knowledge with our customers and users about our products, as well as relevant expertise in areas such as baking and cooking. These engagements help users, including bakers, to enhance their skills and expand their product offerings, while also strengthening the visibility and outreach of our products.

In addition, we also provide knowledge-sharing sessions to players within our value chain, including suppliers and customers, on business-related matters such as better practices and understanding of applicable laws and regulations.

Highlights

Events organised include online and offline training courses to teach bakers and consumers how to make bakery products such as Crunchy-Crust Cream Puffs, Chinese Suzhou Mooncakes (flaky pastry mooncakes) and bread.

We conducted various sessions of different sizes, from discussions with individuals to conferences, organised to support our customers and distributors in the areas of complying with recent regulatory changes, tax policy updates and general business management knowledge sharing.

Customer Satisfaction Survey

We conduct Annual Customer Satisfaction Surveys to assess our performance in key service areas, ensuring that we meet and/or exceed customers' expectations in our customer-centric business strategy. The criteria considered in the survey include customer service, order response effectiveness, delivery timeliness and fulfilment, and product quality.

This year, we continued to carry out our Customer Satisfaction Survey, with about 500 survey forms distributed to trade customers, including fast food restaurants, hypermarkets, supermarkets, distribution partners and food service providers.

The Customer Satisfaction Survey is carried out across all business segments, and the results are consolidated as follows:

	FY2024	FY2025	
	Actual	Target	Actual
Customer Satisfaction Score	93.9%	90.0%	98.3%

We are pleased to report that we continue to exceed our 90% target for FY2025, which again demonstrates customers' recognition and appreciation of our commitment to customers through our products and services.

Branding and Marketing

We continue to implement our branding and marketing strategies, aiming to widen the outreach of our brands and products, making them known to customers and users, while building brand reputation, confidence and loyalty.

Factory Tours	Multimedia and Social Media	Product Exhibition and Fairs
We invite customers to tours at our flour and poultry facilities, showcasing the scale and technology of our operations. Such activities help to build customer trust and strengthen customer confidence in our capacity and capability to produce high-quality flour consistently.	<p>Marketing is conducted across different forms of media, including multimedia and social media. For example, in Vietnam, Vimaflour made use of an introduction video clip to showcase its production facility with state-of-the-art technology and solid milling capacity. The video clip serves as a communication tool for new distributors and partners to get to know Vimaflour, supporting the business expansion and growth.</p> <p>We also leverage social media platforms, through livestreams and video clips, to share baking recipes with baking enthusiasts on various bakery products such as pizza, baguettes, brioche, mooncakes, bread, etc., using our flour products. The sessions aim to introduce our products to potential users.</p>	<p>We regularly participate in product exhibitions and fairs, where suppliers and producers meet to showcase their products, and it is also an avenue where customers attend to get to know the available products in the market, as well as new products. We see these events as opportunities for us to expand our brand visibility and expand our clientele.</p> <p>In 2025, Vimaflour participated in SIGEP Asia held in Singapore and the HKTDC Food Expo held in Hong Kong.</p>

Data Security/Data Leakage

At MFM, we are committed to implementing robust cybersecurity policies and data protection measures to prevent unauthorised access, data leakages and cyber threats to protect the information and the interests of the Group, our customers, employees, and other stakeholders.

The Group has an established Information Technology ("IT") Policy that stipulates the policies, rules and best practices on how our operations and employees should act to protect digital assets and sensitive information. These measures include access controls, data encryption, network security and regular vulnerability assessment to identify, assess and remediate potential security weaknesses. Strong password requirements, periodic data backups, continuous monitoring, internal audits and third-party security controls are among some of our controls within the Group's basic cybersecurity and IT protection framework.



Furthermore, we adopt various security controls, including cloud-based Secure Access Service Edge (“SASE”) platform that integrates networking and security into a unified solution and enables advanced threat prevention, Zero Trust Network Access (“ZTNA”) and Data Loss Prevention (“DLP”) to block cyber threats and prevent unauthorised data leaks. With secure remote access, encryption, and continuous monitoring, we ensure safe data transmission, regulatory compliance and a scalable, cloud-native security infrastructure.

Employees play a critical role in safeguarding the cybersecurity of the Group. Our IT policies and procedures provide guidance on safe handling of data, access controls and safe remote work practices. We also invest in employee training, including regular cybersecurity education, equipping employees to recognise phishing, malware and social engineering threats. Continuous education empowers employees to actively prevent breaches, making them key contributors to a stronger cybersecurity culture.

Through strategic investments in technology, governance policies and employee awareness, MFM remains dedicated to maintaining a resilient cybersecurity framework that protects our business, stakeholders and data integrity.

	2023	2024	2025
Number of complaints concerning breaches of customer privacy and losses of customer data	0	0	0

Supply Chain Management

The Group’s businesses depend heavily on a reliable and sustainable supply chain. In relation to supply chain management, we make our decisions based on balanced consideration of factors including material availability, material price and quality, logistics and delivery, environmental sustainability and social responsibilities.

Procurement Policy

The Group has a Procurement Policy and Procedures that guides the Group’s Purchasing Department to carry out its responsibilities, including:

- **Obtaining competitive bids, selecting suppliers, negotiating prices and assuring quality;**
- **Ensuring the highest purchasing standards and ethics are maintained; and**
- **Ensuring the proper operation and the purchasing processes are observed and incorporating the principles of transparency, rationality, objectivity, equity and accountability.**

Various policies of the Group, such as the Policy and Guidelines on Gifts and Entertainment, Policy and Guidelines on Antitrust and the Human Rights and Labour Standard Policy, are not only applicable to the Group’s Directors and employees but also require adherence from parties within our supply chain or value chain.

Supply Chain Practices

Some of the sustainability elements in our supply chain include the following:

Reliability

- We partner with reliable global suppliers with direct origination of wheat, corn and soybean meal to ensure consistent sourcing, shorter supply chains, reduced freight emissions and enhanced operational efficiency.

Sustainable agriculture

- We work with major commodity grain suppliers that support farmers in transitioning to regenerative agriculture, promoting soil health, water conservation and energy reduction to mitigate climate change.
- Soybeans are sourced from certified sellers audited under the U.S. Soy Sustainability Assurance Protocol (SSAP) and the Round Table on Responsible Soy (RTRS).

Traceability

- We prioritise working with suppliers that can provide traceability for grains and other raw materials, sourcing from regions that avoid deforestation and protect biodiversity, in line with international sustainability standards.

Social responsibilities

- Transparency and accountability remain key priorities, with suppliers adhering to policies on non-discrimination, equal opportunity, human rights protection, occupational health and safety and animal welfare.

Logistics planning and road safety

- We combine multiple commodities and grades of raw materials on large dry bulk carriers, such as Panamax and Kamsarmax vessels, to enhance economies of scale, optimise the supply chain and reduce our carbon footprint.
- Ongoing consolidation and optimisation of transport routes reduces environmental impact, particularly by minimising lorry emissions from land transport.
- Stricter road safety compliance measures are implemented in line with Malaysia's Road Transport Department and Combined Vehicle Weight regulations, ensuring safe transport operations across the supply chain.

Other supply chain-related sustainability practices

- The adoption of renewable energy is being explored, including solar installations at selected sites, to reduce reliance on fossil fuels.
- Waste reduction and circular economy practices are integrated into operations, including minimising feed and packaging waste and maximising the reuse of by-products.
- Digitalisation initiatives, including real-time tracking, predictive analytics and inventory management, are implemented to improve supply chain efficiency and resilience.

Local procurement

The Group recognises the economic benefits of buying local, which supports local businesses and drives the local economy. Nonetheless, we also prioritise critical business considerations such as availability, quality and timely delivery, amongst others.

The Group's local procurement for FY2025 is reported as follows.

	2023	2024	2025
Proportion of spending on local suppliers¹	71.3%	75.5%	77.8%

¹ We define local suppliers as suppliers who have their business entity registered in the same country as our operations.



ENVIRONMENTAL



MFM recognises its responsibility to minimise the negative impact caused to the environment. In addition, we also acknowledge our responsibility towards preserving the natural environment and natural resources for future generations.

The Group has an Environmental Policy that guides how we manage the environmental impacts of our operations.

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

Compliance with environmental laws and regulations

We are committed to complying with applicable environmental laws and regulations in all our operations. Our operations adopt environmental management systems, such as ISO 14001 Environmental Management System, which enable the systematic management and ongoing improvement of environmental matters and compliance at our site. Our operations are also subject to regular inspections or audits covering environmental compliance.

For instance, our plant operations in Vietnam cooperate with relevant parties to conduct environmental inspections every 6 months to fully comply with environmental regulations and standards to ensure that there is no dust pollution in the plant.

Energy and Emissions Management

The Group collects and reports its energy consumption data in relation to the following:

- Gas and fuel consumption – includes the use of fossil-based fuel, e.g. petrol, diesel and natural gas in the Group's production process, such as in equipment and machinery, and in vehicles owned by the Group; and
- Electricity purchased – includes electricity sourced from the local distribution network or grid.

The Group's FY2025 energy consumption is reported as follows.

Energy consumption (MWh)	FY2023	FY2024	FY2025
Petrol and diesel fuel	21,235	33,679	37,417
Liquified Petroleum Gas ("LPG")	90,851	70,868	74,280
Electricity purchased	153,645	174,348	181,490
Green electricity purchased	11,000	-	-
Solar energy generated and used	-	-	6,179
Total energy consumption	276,731	278,895	299,366

Overall, compared to financial year ended 31 December 2024 ("FY2024"), overall energy consumption increased to cater for the increased production activities of flour milling and poultry processing.

This year, we also measure our greenhouse gas (“GHG”) emissions based on the fuel consumption activities, for Scope 1 and Scope 2 emissions. We are also reporting Scope 3 emissions for Category 6 – Business Travel and Category 7 – Employee Commuting, which are estimated based on available data including claims, fuel allowance, accounting records and a survey conducted to estimate employees’ commuting distance to and from work.

Emissions (tCO ₂ e)	2025
Scope 1 Emissions	27,027
Scope 2 Emissions (location-based only)	128,993
Scope 3	
Category 6 – Business Travel	340
Category 7 – Employee Commuting	2,300

Renewable Energy

Solar Photovoltaic (“PV”) systems

Solar PV systems offer various benefits, including the supply of low- or no-emission energy, provision of self-generated energy as well as cost-saving from purchasing less electricity from distributors.

FY2025 marked an important milestone in the Group’s journey towards more sustainable energy, with our solar PV system installed at the Primary Processing Plant and Rendering Plant successfully commissioned on 20 January 2025 and began to contribute to self-generated clean energy to the Group’s energy consumption. The PV system generated 6,179 MWh in FY2025, amounting to about 2% of the Group’s total energy consumption.

While the contribution is modest at the moment, the Group is in the midst of studying the feasibility of installing PV systems on other premises to support cleaner energy use for the Group in the future.

Clean energy in our Value Chain

FY2025, we continue to work together with our customer on the purchase of International Renewable Energy Certificate (“I-REC”) amounting to 684.0 MWh of clean electricity, benefit of which is claimed by our customer and also helps us to reduce our Scope 3, indirect emissions in the value chain. The arrangement demonstrates MFM’s support for a cleaner, lower-emission value chain through customer collaboration.

Energy Efficiency

On the other hand, we also aim to achieve greater productivity and at the same time using less electricity. This includes ensuring our processes and equipment are efficient in their energy consumption through ongoing review of our production processes, improving equipment performance, and optimising energy systems, amongst others.



Maintenance and/or replacement of machinery, equipment, and fittings

It is important to ensure machinery and equipment, especially those which are energy-intensive, are working at optimal performance so as not to waste energy in inefficiencies.

Conversion of Diesel Forklift to Battery-Powered (Rechargeable)

The Group’s flour mills in Malaysia and Vietnam are replacing diesel forklifts with battery-powered forklifts on a progressive basis.

Battery-powered forklifts are expected to be more environmentally friendly, cost-efficient, quiet and more energy- and emission-efficient.

We target to replace 50% of diesel forklifts by 2026.

	FY2025 Progress	FY2026 Target
Percentage of diesel forklift replaced	37%	50%

Energy-saving Lighting and Fittings

Light fittings at our plants are primarily LED lights, which are more energy efficient.

We take ongoing efforts to identify areas within our premises that may be upgraded to more energy-efficient or energy-saving fittings.

Optimising the efficiency of machinery and equipment

We ensure timely, structured checking and maintenance of our machinery and equipment. Efficient machinery and equipment contribute to better productivity and resource efficiency.

For instance, we ensure timely replacement of roller mills and grinding rolls to maintain optimal working load of our machines, which also contributes to energy saving.

Leveraging monitoring systems/software

Our poultry processing plant adopts technology to support its energy savings and energy efficiency efforts. Monitoring software enables accurate data collection to support optimisation of utility consumption, while automation systems adjust facility and equipment workloads to reduce unnecessary energy use.

- We adopted Internet-based Supervisory Control and Data Acquisition (“iSCADA”) System in the production operations. The iSCADA System forms part of our process monitoring system that includes focuses on utility consumption (such as electricity water, and compressed air) and monitoring of production environment (such as room temperature and humidity). This helps to facilitate consistent and comprehensive distribution of data and supports efficient management of our operations.
- Highlights of the systems adopted include the following:
 - o Monitoring Equipment Effectiveness via RED Zone Software which directly contribute to efficient energy usage.
 - o Ammonia Refrigeration System which enables energy savings from condenser automation and VSD motors.
 - o Automated System and Retrieval System which helps reduce energy consumption with decreased cooling needs by about 50% through reduced heat load and more efficient operations, hence lowers operational costs.

These measures are considered and adopted in integration with our production process. Energy and resource efficiency is monitored on an ongoing basis, where we regularly identify investments in maintenance and upgrading of equipment and facilities, enhancements in logistics and production flow, as well as production planning.

In addition to the measures highlighted above, we recognise that it is also important for employees and workers to be trained/educated in relation to the measures adopted and execute procedures accordingly to optimise capacity utilisation of machines and the production system.

Water Management

Water is an important resource in different ways in our operations. Water is used in our flour milling, in aqua feed products, as well as in activities of the poultry operations.

Recognising the importance of water and clean water in operations and our daily lives, we acknowledge the need for sustainable and responsible use of water and protection of waterways to safeguard the quality of water supplies. We adopt sustainable water management practices to minimise our impact on the local water systems, promote conservation and ensure equitable access to water for our future generations.

The Group's water supply is mainly derived from municipal sources. At our poultry farm, we also use groundwater which is withdrawn responsibly according to applicable laws and regulations.

We also reduce water consumption by using water collected from the Rainwater Harvesting System for cleaning activities at the Rendering Plant.

Wastewater Treatment Plant at Poultry Processing Plant

The Wastewater Treatment Plant ("WWTP") uses physical-chemical and biological processes to treat wastewater generated from production and operation activities in the processing plant and rendering plant. The capacity of the WWTP is 10,250 m³/day built to cater for the anticipated increase in slaughtering rate at our Primary Processing Plant and production rate at our Further Processing Plant.

Latest technologies are deployed in the process to reduce manual workforce, increase safe work practices and ease process monitoring without jeopardising the quality of treated effluent. The wastewater treated at the WWTP complies with the standards regulated by the Department of Environment ("DOE") Malaysia. All wastewater is treated to achieve a minimum effluent standard before being discharged back to nature. The WWTP will eliminate disease-causing bacteria and kill harmful organisms through filtering, ensure minimal odour and remove up to 97% of contaminants from used water.

As part of our efforts to monitor water efficiency in production operations, we have water meters installed to facilitate data collection and analysis of production efficiency. The production teams monitor and analyse water consumption on a monthly basis, enabling early identification and resolution of leakages and inefficiencies.

Some of the Group's water management practices include the following:

- **Condensate Return System** has been installed at the rendering plant and boiler house. The system captures and returns condensed steam (condensate) back to the boiler for reuse, improving efficiency, reducing energy costs and minimising water and water softeners consumption.
- **Recycling Water at Processing Plant**
The process at our Live Bird Supply System at the poultry processing plant includes transferring containers to the cleaning section for automatic cleaning and sanitisation. The water is recycled for the pre-wash purposes, which reduces water consumption by 20%.
- **Raising Awareness**
From time to time, we conduct briefing to raise awareness among employees on water conservation practices.



For FY2025, water consumption increased to cater for higher production activities, particularly for flour milling and poultry processing operations. We measure our water withdrawal based on water bills and the groundwater meter, as follows:

Water consumption (Megalitres)	FY2023	FY2024	FY2025
Municipal potable water	2,109	2,024	2,584
Groundwater	158	158	158
Harvested rainwater	0.1378	-	0.027
Total water	2,267	2,182	2,741

Waste Management

Waste generated by the Group’s operations is broadly categorised into hazardous waste, also known as scheduled waste, and non-hazardous waste. We ensure responsible and safe handling, storage, management and disposal of waste to safeguard the environment as well as our employees.

Some of the key measures and controls in waste management include:

Proper classification and labelling of scheduled waste	Proper storage and containment measures to prevent leakage	Scheduled waste disposal through licensed waste contractors	Regular training for employees on waste handling procedures
--	--	---	---

Hazardous Waste

The handling and disposal of hazardous waste is regulated. All the Group’s hazardous waste is handled and managed by service providers approved by the authorities, and disposals are practised in accordance with the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005.

Chemical Waste Management

Apart from the Standard Operating Procedures (“SOP”) for proper handling of chemical waste, the Group also conducts training programmes on chemical waste management and disposal procedures, including “Safe Chemical Handling” for workers.

Non-hazardous Waste

Some of the more significant by-products of the Group’s operations include organic by-products and packing materials.

Flour milling operations

In the flour milling process, the entire wheat kernel is used for whole wheat flour, while only the endosperm is used for white flour. During white flour milling, the bran and germ are removed; however, these components retain high nutritional value. The bran is commonly used in animal feed production, while the germ is utilised for the production of specialty flour. Where these by-products are not used internally, they are sold to third parties, such as animal feed producers, who incorporate them as input materials.

Rendering of poultry by-products

Our state-of-the-art Rendering Plant is used to process poultry by-products. It is designed to kill harmful bacteria, leaving only useful protein for animal feeds. Rendering is the process of converting animal by-products that would otherwise be discarded as waste into usable product material. In general, animal tissue is processed to obtain animal fat and protein meal. These products can be used as raw material in aqua feed manufacturing.

Through this rendering plant, the facility achieves zero waste, as all materials are recycled. This significantly reduces the environmental footprint and promotes resource conservation.

Biogas generation from organic sludge

At the poultry processing plant, organic sludge was previously sent to landfill for disposal, but now it is redirected to a third-party biogas plant for renewable energy recovery. This initiative helped to reduce the GHG emitted from the waste and generate renewable energy at the same time.

As a producer of food materials, these processes and practices form part of our delivery towards sustainable food production, embedding the concept of circular economy, minimising waste, and driving us towards developing a sustainable food-producing value chain.

Similarly, we also carry out segregation of waste materials such as plastic and paper, which are collected and sold to third parties for recycling or reuse.

Waste Management Data

The Group's waste management data, including whether they are diverted from or diverted to disposal, is as follows:

FY2025 Waste Data (MT)			
	Generated	Diverted from Disposal (i.e. recycled or reused)	Directed to Disposal (i.e. incinerated or landfill)
Hazardous Waste	123	25	98
Non-hazardous Waste	19,284	10,547	8,737



SOCIAL



Workforce & Workplace Environment

Cultivating a Human-Centred Workplace

At MFM, we believe that sustainable growth begins with our people. In 2025, we continued to strengthen a human-centred workplace that supports employee well-being, fosters inclusivity and enables continuous capability building. Our focus remains on creating an environment where employees feel valued, empowered and confident to contribute meaningfully to organisational success.

Our commitment to cultivating a progressive and supportive work environment has once again been recognised through multiple HR Asia Awards in 2025, reaffirming our dedication to building a caring, inclusive and high-performing culture:

- 8 Consecutive Years: HR Asia Best Companies to Work for in Asia Awards - Malaysia Chapter (2018–2025)
- 6 Consecutive Years: HR Asia Most Caring Company Awards (2020–2025)
- 3 Consecutive Years: HR Asia Diversity, Equity & Inclusion Awards (2023–2025)
- 2 Consecutive Years: HR Asia Sustainable Workplace Awards (2024–2025)
- HR Asia Tech Empowerment Awards (2025)

These recognitions reflect our ongoing efforts to nurture a workplace rooted in collaboration, well-being, and innovation. As we move forward, we remain committed to strengthening a future-ready organisation where our people can grow, thrive and drive sustainable value for the Group.



Industry Leadership & Engagement

MFM continues to champion innovation and collaboration in the agriculture sector. In 2025, we participated in the PAKAR Pertanian Expo / Recent Advancements in Agriculture Industry (RAAI) 2025 at Malaysia Agro Exposition Park Serdang (MAEPS) from 20-22 February 2025. This third edition of the expo featured 300+ booths, showcasing advancements across livestock, aquaculture, crops, food processing and smart farming technologies.

Our Executive Deputy Chairman cum Managing Director, Mr. Teh Wee Chye, delivered a keynote speech highlighting MFM's vision for transforming the poultry industry through modern, technology-driven farming practices. He shared insights on the adoption of precision farming and AI-enabled systems, which create controlled environments to optimise productivity while promoting sustainability.

The expo brought together entrepreneurs, farmers, scientists, government authorities and investors, providing a platform for knowledge-sharing, networking and showcasing MFM's leadership in advancing Malaysia's agriculture sector. Through participation in RAAI 2025, MFM reaffirms the commitment to driving innovation, fostering collaboration and shaping a sustainable and future-ready agriculture sector in the region.



Our People Strategy

Our approach to workforce sustainability is anchored on three core priorities:

1. Developing Future-Ready Leaders and Workforce
2. Fostering Workforce Well-being, Belonging and Engagement
3. Creating a Positive Impact on Society and the Environment

These priorities guide our policies, programmes and investments in human capital, ensuring that our workforce remains resilient, agile and ready for the future of work.



Developing Future-Ready Leaders and Workforce

We continue to invest significantly in talent development to equip our employees with the skills, mindset and leadership capabilities required in an evolving business and industry landscape.

Employee Education and Development

Employee education and development form a key pillar of MFM’s human capital and sustainability strategy. Through structured learning and development initiatives, MFM continues to strengthen leadership capability, enhance technical competencies and promote knowledge sharing to support sustainable business performance.

Training programmes covered a broad range of areas, including leadership development, technical and functional skills, compliance and regulatory requirements, safety and quality standards and continuous improvement initiatives. By investing in continuous learning, MFM aims to build a competent, agile and future-ready workforce aligned with the MFM Group’s strategic objectives.

Beyond formal training, we encourage a culture of experiential learning, mentorship and cross-functional collaboration, enabling employees to gain practical insights, develop problem-solving skills and expand their professional horizons. This approach ensures that talent development is not only structured but also dynamic, fostering growth that is both personal and organisational.

Our Achievements on Learning & Development are:

	FY2023	FY2024	FY2025
Learning hours	36,981	31,213	32,236
Training sessions completed	154	204	254
Participants	3,333	3,518	3,649

Training hours by employee category (hours)	FY2023	FY2024	FY2025
Management	5,527	7,362	6,647
Executive	10,068	7,781	10,589
Non-Executive / Technical Staff	11,094	8,666	10,940
General Workers	10,292	7,404	4,060

Leadership Development and Strategy Training

To strengthen leadership continuity and organisational capability, MFM conducted targeted in-house leadership development programmes for senior leaders and emerging talent. These programmes focused on enhancing leadership effectiveness, accountability and ethical decision-making, while building practical capabilities such as KPI alignment, team effectiveness, and coaching and mentoring skills.

During the year, the key programmes delivered included:



KPI Setting & Cascading Workshop

Strengthened performance management capabilities across leadership and supervisory levels through the Balanced Scorecard framework, enhancing alignment between strategic objectives and operational execution.



Mastering the Essentials Coaching & Mentoring for Effective Guidance Workshop

Enhanced leaders' coaching and mentoring capabilities to support employee development, strengthen performance conversations and foster a culture of continuous learning and growth.



Paradox & Team Dynamics Workshop

Strengthened team collaboration and leadership effectiveness by equipping participants with practical tools to navigate competing priorities, manage workplace dynamics and drive alignment towards shared goals.



Fostering Accountability & Ownership Workshop

Reinforced a culture of accountability by equipping leaders and teams with practical tools to strengthen ownership, decision-making and responsibility for performance outcomes.



Workplace Dishonesty: Problems, Detection & Prevention

Reinforced ethical practices, fraud risk awareness and internal controls, supporting strong governance and a transparent workplace culture.



Technical Competency Development

To maintain high standards of operational excellence, product quality and regulatory compliance, MFM continued to strengthen technical competencies across its operations. Training programmes covered critical areas including Food Safety, Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP), as well as engineering and safety programmes such as Lock-Out Tag-Out (LOTO), electrical safety and chemical handling.

Employees also received training on key systems and standards, including MAREL, CHEP, SAP and ISO requirements, to support consistent operational performance and compliance.



Introduction to Hotraco Controllers and Systems with Hotraco Key Account Manager, Mr. Jacek Siminiak



Technical Hands-On Training Programme on EDGE Essential, Expert LA & TC5 Controllers and Ventilation Programme Configuration



MFM-Ceva In-House Training & Knowledge Development Programme



Safety Culture, Food Safety & Quality Culture Training

External Training & Global Learning

To complement internal development programmes, selected employees participated in external technical and industry training to remain aligned with evolving regulatory, technological, and industry requirements.

MFM also invested in overseas learning and global benchmarking initiatives across key focus areas, including cybersecurity and digital technologies, poultry nutrition and feed milling, baking and food technology and aquaculture development. These initiatives support continuous improvement, enhance technical expertise and strengthen industry networks at both regional and global levels.



China Training Visit: Poultry House Equipment Evaluation and Technical Learning



Baking Science & Technology Course (BSTC) No. 45 in Bangkok Thailand

Campus-to-Career Pipeline

As part of our commitment to building a sustainable talent pipeline, MFM actively engages young talents through campus-to-career initiatives and partnerships with educational institutions.

In 2025, MFM welcomed **111 interns** and participated in **24 career fairs and career talks**, providing meaningful industry exposure, hands-on learning experiences and early career insights. Through sustained collaborations with local and international institutions, we continue to nurture future-ready talent and strengthen career pathways within the Group.

Our Campus-to-Career ecosystem includes partnerships with:

- Universiti Tunku Abdul Rahman (“UTAR”)
- Universiti Putra Malaysia (“UPM”)
- Universiti Malaya
- Universiti Sains Malaysia (“USM”)
- Universiti Teknologi PETRONAS
- Politeknik Ungku Omar
- Montfort Boys’ Town
- Ekuinas
- SMJK Yoke Kuan
- SMK Nan Hwa
- SMK Methodist (A.C.S.) Sitiawan
- and beyond...



Career Fair at UTAR



Plant Visit from UTAR students



Sponsorship for UPM Students



Career Talk at USM



Plant Visit from USM students



Sponsorship for SMJK Nan Hwa



Participation in Kuala Lumpur Engineering Science Fair in collaboration with UTAR



Talent Attraction and Retention

At MFM, we recognise that retaining top talent is critical to our success, as our people remain our greatest asset. We continue to strengthen our talent retention approach through targeted initiatives aimed at fostering engagement, well-being and career growth, focusing on the following key strategies:

- **Competitive Remuneration** – We ensured fair and market-aligned compensation packages, coupled with performance-based rewards, to motivate employees and recognise their contributions.
- **Work-Life Integration** – We cultivate a culture that enables employees to balance their professional and personal commitments, promoting flexibility, well-being and overall job satisfaction.
- **Recognition and Rewards** – Achievements were celebrated through promotions, performance incentives and a culture of appreciation, reinforcing loyalty and commitment.
- **Positive Work Culture** – We maintained an inclusive, safe and supportive environment where employees feel valued and empowered to thrive.
- **Employee Engagement** – We foster active participation by encouraging employees' input in key decisions, providing opportunities for skill development and promoting transparent communication throughout the organization.
- **Wellness and Burnout Prevention** – Wellness initiatives, including health services and stress management programs, helped support employees' physical and mental well-being.
- **Career Growth Opportunities** – Structured learning and development programs, along with clear career pathways, provided employees with the tools and opportunities to advance within the company.

Through these initiatives, MFM successfully created a workplace where talent is nurtured, valued and retained, contributing to the Group's continued growth and performance.

Turnover

The Group's employee turnover during the past 3 years is as follows.

Total number of employee turnover by employee category	FY2023	FY2024	FY2025
Position level			
Management	44	43	35
Executive	77	69	74
Non-executive / Technical Staff	176	192	182
General Workers	231	322	585

Fair Labour Practices

We are dedicated to maintaining fair and ethical labour practices, creating a workplace that embraces diversity, equity and inclusion. By valuing different perspectives and experiences, we foster collaboration, innovation and a culture where everyone can thrive, driving our shared success.

Our commitment applies to all employees and workers of the Group, including contract-based employees who are primarily foreign workers. As at 31 December 2025, the Group has about 38.8% contract-based employees.

	31 Dec 2023	31 Dec 2024	31 Dec 2025
Percentage of employees that are contractors or temporary staff	2.24%	*46.8%	38.8%

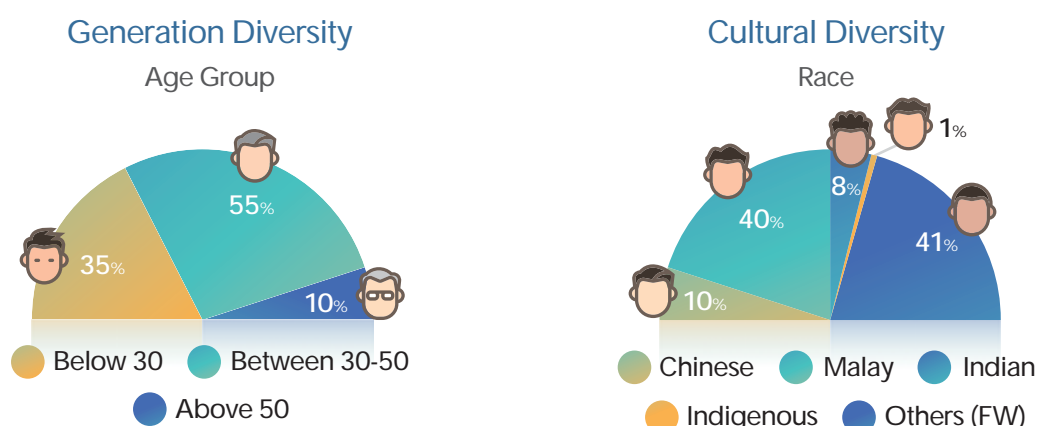
Note:

* The increase was due to direct employment of foreign workers (contract staff) instead of outsourcing to fulfil the Supplier Workplace Accountability (SWA) Audit requirements of customer.

Workforce Diversity and Equity

We are committed to fostering an inclusive environment where employees of all backgrounds, experiences and perspectives are respected, valued and given equal opportunities to grow and succeed.

- **Generational Diversity** – We foster collaboration across age groups, enabling knowledge sharing and diverse perspectives.
- **Cultural Diversity** – We embrace diverse cultural backgrounds, promoting mutual respect and a globally minded workplace.
- **Gender Diversity** – We support gender balance by providing equal opportunities for all to thrive and contribute.



Note: Cultural diversity data only cover operations in Malaysia

Age Group Statistics	31 Dec 2023			31 Dec 2024			31 Dec 2025		
	<30 (%)	30-50 (%)	>50 (%)	<30 (%)	30-50 (%)	>50 (%)	<30 (%)	30-50 (%)	>50 (%)
Directors	0	0	100	0	0	100	0	0	100
Management	4	64	32	4	65	31	3	66	31
Executive	31	53	16	27	58	15	28	57	15
Non-executive/ Technical staff	27	60	13	26	61	13	24	60	16
General workers	48	48	4	44	52	4	43	52	5

Gender Diversity

Gender Statistics	31 Dec 2023		31 Dec 2024		31 Dec 2025	
	M (%)	F (%)	M (%)	F (%)	M (%)	F (%)
Directors	78	22	78	22	78	22
Management	69	31	68	32	66	34
Executive	54	46	54	46	54	46
Non-executive/Technical staff	78	22	79	21	79	21
General workers	91	9	90	10	84	16

Note: M – Male; F – Female



Open Communication

MFM continues to foster a culture of transparency and open communication, ensuring employees feel heard, respected and valued. We sustained our engagement initiatives through coffee engagement sessions with our Executive Deputy Chairman cum Managing Director, Mr. Teh Wee Chye. These sessions provided a platform for open dialogue, allowing employees to share feedback, raise questions and gain a clearer understanding of the Company's direction, strategies and ongoing initiatives. By encouraging open and meaningful conversations between leadership and employees, we strengthen mutual trust, align our workforce with organisational objectives and reinforce our commitment to an inclusive and communicative workplace culture.



Human Rights & Labour Standards Policy

At MFM, we continue to uphold fundamental human rights and reinforce fair labour practices across our operations. Our Human Rights & Labour Standards Policy remains a core framework guiding our commitment to treating every individual with dignity, fairness and respect. We maintained our focus on strengthening responsible employment practices and fostering a safe, inclusive and ethical workplace for all employees.

This policy applies to all employees across the Group and is aligned with applicable labour laws and regulations. By embedding these principles into our operations, we promote accountability and responsible conduct at all levels of the organisation.

The key focus areas of the policy include:

- Diversity and Equal Opportunities
- Eliminating Harassment or Abuses
- Workplace Security, Safety and Health
- Forced or Involuntary Labour
- Protecting the Rights of Children
- Wages, Working Hours and Benefits
- Respecting Freedom of Association and Collective Bargaining
- Housing and Amenities

Through the consistent application of this policy, MFM reinforces its commitment to ethical labour standards, employee well-being and responsible business practices, supporting a sustainable and future-ready workforce.

Sexual Harassment Policy

MFM maintains a zero-tolerance approach towards sexual harassment in any form. Our Sexual Harassment Policy sets out clear procedures for prevention, reporting and the proper handling of complaints. We continued to reinforce awareness and compliance with the policy to ensure a safe, respectful and inclusive workplace.

The policy underscores our commitment to protecting the dignity of all employees and ensuring that any concerns are addressed promptly, confidentially and appropriately. Through consistent enforcement and ongoing awareness, we strive to create a work environment where everyone feels secure, respected and free from harassment or inappropriate behaviour.

Reporting of Violation of Labour Practices and Human Rights

The Group is committed to upholding its principles with regard to human rights, labour practices and safeguarding employees against bullying and harassment (including sexual harassment). We encourage any violations regarding these matters to be reported via the Group’s internal reporting mechanism and independent whistleblowing mechanism, formalised via a Whistle Blowing Policy.

We are pleased to report that there were no substantiated complaints concerning human rights violations during the financial year under review.

	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	0	0	0

Fostering Workforce Well-being, Belonging and Engagement

Holistic Wellness Programmes

We prioritise the well-being of our employees, recognising that a healthy and engaged workforce is critical to long-term organisational success. Our wellness initiatives are designed to support employees across key dimensions, including mental, emotional, physical, financial and lifestyle well-being.

Programmes conducted included:

- Mental and Emotional Wellness Activities
- Financial and Digital Security Awareness
- Lifestyle and Healthy Living Activities

Mental and Emotional Wellness Activities



Break Free from Burnout



Self-care for Success



Understanding Mental Health

Financial and Digital Security Awareness



Financial Security Awareness Talk



Cybersecurity Awareness Talk



Scam Awareness Talk



Lifestyle and Healthy Living Activities



Traditional Chinese Medicine (TCM) booth



Creative Crackers Making Activity



Breadventure Snack Activity

Workforce Lifestyle, Engagement and Belonging

At MFM, we actively foster a culture of connection, collaboration and inclusivity, recognising that employees perform their best when they feel valued, engaged and part of a community. Through a variety of sports, team-building and community engagement activities, we create opportunities for employees to interact, build relationships and strengthen team spirit across departments and levels.

Our initiatives range from friendly sports tournaments and wellness challenges to collaborative projects and volunteer programmes that encourage teamwork and social responsibility. These activities not only enhance physical health and well-being but also cultivate a sense of belonging, mutual support and connection among colleagues.



Creating a Positive Impact on Society and the Environment

MFM is committed to being a responsible and trusted corporate citizen in every community where it operates. We believe that sustainable business growth goes hand in hand with the well-being of our employees and the communities around us. As such, we continued to give back, support local needs and foster meaningful, long-term relationships with stakeholders in our operating areas. Through various outreach programmes, partnerships and social contributions, MFM aims to uplift local communities while strengthening trust and collaboration with community members, authorities and business partners. By embedding community responsibility into our business practices, MFM reaffirms its commitment to operating ethically, sustainably and with care for people and society. We remain dedicated to strengthening community relationships and making a positive difference wherever we do business.

Corporate Social Responsibility Towards Workplace



Annual Dinner and Sporty Activities

All staff gathered at the Vimaflour Plant to participate in sports activities and enjoy a dinner together, celebrating their hard-work during the year that has passed.



Team Building

MFM Pasir Gudang conducted a team-building event that brought employees together through collaborative activities designed to enhance teamwork, build trust and strengthen workplace camaraderie.



Vietnamese Women's day

All of female staff in Vimaflour were invited for lunch or dinner on Vietnamese Women's day.



Fun Run

MFM Lumut organised the Fun Run event to encourage employees to embrace nature and promote a healthy and active lifestyle.



Vnextress Marathon Ha Long 2025

Aiming at enhancing the active lifestyle and better health among our staff, Vimaflour's staff had joined Vnextress Marathon Ha Long 2025



New Year's Trip

Vimaflour and Trade Union organised a day trip for staff to visit pagodas and temples after Lunar New Year 2025, praying for a year filled with health, peace and happiness.



Chinese New Year Celebration

Chinese New Year celebrations were held across various plants in Lumut, Sitiawan and Pasir Gudang. The festive gatherings provided an opportunity to celebrate the season while expressing appreciation to our team members for their hard work, dedication and contributions throughout the year.



Health Screening Program

MFM Lumut and DPP conducted the SOCSO Health Screening Program (*Program Saringan Kesihatan*) for eligible employees, while MFM Pasir Gudang conducted its annual health screening program, including the health talk. This initiative reflected the Group's commitment to employee well-being and the promotion of a healthy workplace.



Clean Culture Starts from Me Campaign

DPP designates the 30th of each month as Clean Up Day, encouraging employees to take ownership of workplace cleanliness through collective housekeeping activities. This initiative reinforces a culture of responsibility, teamwork and a clean, safe working environment.

Corporate Social Responsibility Towards Community (Community Relationship)

Donation and Financial Aids



Sponsorship to TAR UMT X Circle of Care 2025
MFM sponsored the TAR UMT X Circle of Care 2025 fundraising event, which supported five orphanages and directed all contributions to children most in need.



Sponsorships for Hoa Sua School
VimafLOUR participated in the Opening Ceremony of Hoa Sua School's new school year and contributed scholarships totaling VND120 million to support students' education. This sponsorship reflects the company's commitment to vocational education and its support for children with disabilities and those from disadvantaged backgrounds, empowering students to pursue their learning journey with confidence.



Charity Drive During Fasting Month
DPP organised a charity drive during the fasting month to support underprivileged families through the distribution of essential groceries and iftar food packs. The initiative demonstrated the company's commitment to social responsibility and highlighted the strong spirit of compassion and teamwork among employees and volunteers.



Community Support After the Typhoon

Following the impact of the typhoon, Vimaflour organised charity activities to support flood affected communities in Lam Dong and provided cash donations to Dong Son Primary School. This initiative reflects the company’s commitment to social responsibility and its solidarity with local communities during times of hardship.



Blood Donation Campaign

We had successfully conducted blood donation drives at multiple locations - Lumut, Sitiawan and Pasir Gudang plants. The campaign aimed to support local blood banks and encourage employees to contribute to saving lives. The event received an overwhelming response from employees, showcasing their enthusiasm and compassion.



Contribution to Welfare House

As part of our dedication to community support, DTSB visited Persatuan Kebajikan Rumah Victory Malaysia on 20 August 2025. During the visit, we donated 13 cartons (equivalent to 150 kg) of chicken cubes to help meet the daily needs of over 70 elderly residents at Rumah Victory.

This visit served as a heartfelt reminder of the importance of compassionate initiatives. It also deepened our understanding of the daily challenges faced by vulnerable communities and reaffirmed our commitment to supporting those in need through corporate social responsibility.

The Group’s contribution to the community amounted to RM169,055 during the financial year under review.

	FY2023	FY2024	FY2025
Total amount invested in the community where the target beneficiaries are external to the Company (RM)	110,726	146,989	169,055
Total number of beneficiaries of the investment in communities	18	25	23

Occupational Safety & Health

MFM Group commits to providing a safe and conducive workplace, safeguarding the safety and health of all employees, workers, and visitors.

The Group has a Safety and Health Policy that is applicable to all its operations and employees and commits to comply with applicable safety and health laws and regulations, such as the Occupational Safety & Health Act 1994, Environmental Quality Act 1974, and the Factories & Machineries Act 1967. Furthermore, our commitment to occupational safety and health does not stop at compliance, and we also incorporate best practices to pursue higher safety standards.

At MFM, the mindset of workplace safety and health is embedded in our updated safety slogan **“Safety Starts with Me – Live It, Own It, Lead It”**.

This commitment to protect our human resources also extends to ensuring the plant operations do not place the local community at risk of injury, illness or property damage.

Our unwavering commitment to these principles ensures that our operations not only meet but exceed the necessary safety and compliance benchmarks, creating a safe and secure working environment for all.

Safety and Health Governance and Management System

The management of occupational risk and management is crucial to ensure employees' safety and operational efficiency. The Group's operations adopt safety and health management systems, such as the ISO 45001 Occupational Health and Safety Management System, to enable structure management for assessing, monitoring, managing, reporting safety and health risks and their performance.

In addition to the Safety, Health and Environment (“SHE”) Department, each Business Unit has its own Safety, Health and Environment Committee (“SHEC”) as part of the management system to oversee, monitor and report workplace safety conditions and performance. The SHEC's members commonly include safety officers who are qualified and familiar with the relevant laws and regulations, as well as worker representatives who are familiar with the work and challenges at the production floor. The diverse representation of SHEC members enable occupational safety and health to be realistically and effectively assessed, managed, implemented and monitored.

Occupational safety and health is carried out on a structured risk-based approach, where Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) is conducted to identify the various possible risk areas within the operation. Risks identified are further assessed for their risk levels, where Management will prioritise the management and monitoring of higher risk areas. Various methods are used for managing workplace safety and health, such as upgrading our equipment, modifying process flow, providing personal protective equipment (“PPE”) and heightening safety awareness and knowledge.

The SHEC is responsible for ensuring safety and health risks and their management measures and controls are in place, including the monitoring of implementation plans and overseeing if established controls are complied with by employees. The SHEC is also responsible for coordinating safety audits, which may be initiated by authorities, customers, or by the Group, and taking necessary actions to address the audit findings.

The SHEC is also responsible for ensuring proper records and documentation for incidents and accidents. All incidents will be investigated, and root cause analysis will be performed. Where necessary, action plans will be devised with the objective of preventing similar occurrences in the future. The SHC reviews the operation's safety performance and reports to the head of operations or business on a monthly basis.

The abovementioned elements also contribute to the ongoing process improvement of the operation's safety and health practices.



Prevention and Corrective Actions

Some of our key measures for prevention and correction include the following:

Employee Training and Engagement

- Mandatory safety inductions for all employees and contractors
- Provide specialised training for high-risk tasks such as handling hazardous chemicals
- Promote a safety culture where employees feel responsible for their own and others' safety

Identify and Eliminate Workplace Hazards

- Conduct regular workplace inspections and safety audits
- Implement engineering controls and personal protective equipment (PPE)
- Ensure proper housekeeping by keeping work areas clean and organised

Emergency Preparedness and Response

- Establish clear evacuation routes and emergency exits
- Train employees on fire, chemical spill and medical emergency response procedures
- Maintain easily accessible first aid kits and emergency contacts

Continuously Improve Safety Measures

- Conducts regular audits and inspections to ensure compliance with safety standards
- Analyse accident reports and near-misses to identify trends and prevent recurrence
- Recognise and reward employees for safe behaviour and proactive risk management

Encourage Employee Participation and Feedback

- Involve employees in safety committees and encourage them to report hazards
- Conduct safety activities and programs to gain support from employees on safety knowledge

Safety & Health Programs

The SHE Department, in collaboration with the Quality Assurance Department, implemented Food Safety and People Safety Day to strengthen safety awareness and ensure a safe work environment across our plants.

As part of continuous improvement efforts, an additional Hazard Hunt Program was introduced during exhibitions. This interactive activity encourages employees and visitors to identify potential hazards, unsafe conditions and unsafe acts displayed in mock setups or real working scenarios. The program aims to enhance hazard identification skills, promote active participation and reinforce proactive hazard reporting as part of daily work practices.

Safety and Health Training

Safety and health training and awareness are regularly provided to employees. It is important for employees to understand hazards and risks they may face during work, as well as their responsibilities to contribute to safe working condition for others, in addition to compliance.

Comprehensive safety and health training programs include those provided by external consultants and internal workshops organised by the SHE Department.

	FY2023	FY2024	FY2025
Number of Employees trained on health and safety standards	2,867	3,456	3,495

FY2025 Safety Performance

	FY2023	FY2024	FY2025
Work-related fatalities	0	0	0
Lost-time Incident Rate ("LTIR") (Group) #	0.51	0.41	0.74
Lost-time Incident Rate ("LTIR") (Poultry Integration Segment only) *	n/a	n/a	1.37

Notes:

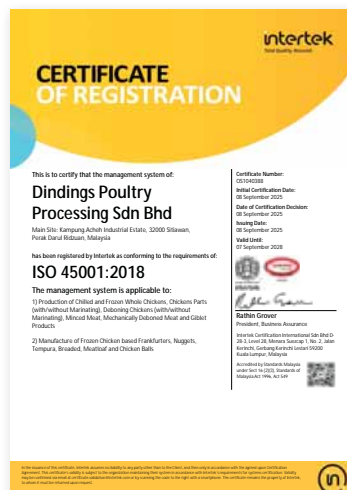
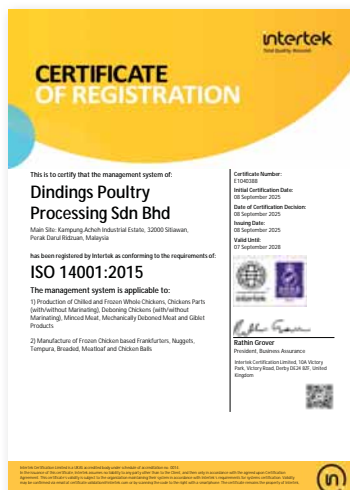
LTIR of the Group is derived based on the incident which results in the employee having to take minimum of four working days away from work ("MC").

* LTIR of the Poultry Integration Segment is derived based on stricter criteria of incident with a minimum of one MC to align with Tyson Foods' safety standards.

For FY2025, the Group recorded an increase in LTIR due to higher working hours arising from increased production in the flour and poultry operations. All incidents were investigated and action plans, as necessary, were developed and implemented to prevent recurrence. The Group continues to make ongoing efforts to enhance its safety practices and performance.

New Certifications for Environmental and Safety Management System

We are proud to share that our processing plant has achieved certification for ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System). These certifications demonstrate our commitment to environmental stewardship, the health and safety of our workforce, and the continuous enhancement of our operational practices. By upholding these international standards, we reinforce our dedication to sustainable operations, workplace safety and ongoing improvement across all aspects of our business.





GOVERNANCE



Corporate Governance and Business Ethics

MFM Group embraces good business ethics and corporate governance as they are integral to its long-term sustainability. It builds trust, ensures compliance, manages risks and aligns the interests of various stakeholders, leading to long-term growth and stability.

Good business ethics and corporate governance are carried out through a combination of policies, practices, and behaviours that promote transparency, accountability and responsibility within the organisation.

Business Ethics to Enhance Reputation and Brand Value

MFM Group adheres to good business ethics which will enhance its reputation in the market, attract loyal customers and increase investor confidence, ultimately boosting brand value and market position.

MFM is committed to an ethical business approach through:



Code of Conduct

We instil high standards of professional and ethical conduct in all employees. Integrity helps us to earn the trust and respect of the people we serve. MFM Group’s Code of Conduct (“the CoC”) sets out the ethical standards to all employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment. We uphold our reputation and high standards by living the CoC. This will help us to achieve the highest possible standards across our businesses within the MFM Group.

The CoC was last revised in 2024 to enhance the compliance clauses. As personal commitment to the CoC, each employee of the Group was required to make a declaration that he/she had been furnished with a copy of the CoC, had read and understood the CoC, accepted to comply with the CoC and understood that any breach of the CoC may result in disciplinary action being taken against him/her.

All our new hires will undergo comprehensive training on the CoC during the Onboarding Programme to ensure their thorough understanding of our ethical principles.

Anti-Corruption

MFM Group has in place the Policy and Guidelines on Gifts and Entertainment (“Gifts Policy”) to avoid conflict of interest and prevent bribery and corruption by its associated persons which may tarnish the Group’s reputation or violate the antibribery laws. The Gifts Policy is set by the Board to ensure ethical and fair business is practised throughout the Group’s business and operations. On top of Directors and employees, they are also applicable to associated persons such as agents and consultants.

Corruption is managed via a risk-based approach, where priorities are focused on managing high corruption/bribery risks in operations or functions. Corruption risk assessment is integrated into the Enterprise Risk Management of the Group and the review of the Risk Scorecard is carried out on an annual basis. All operations are covered by the risk assessment.

	FY2023	FY2024	FY2025
Percentage of operations assessed for corruption-related risks	100%	100%	100%

In ensuring relevant parties are communicated on the Group's policies and stance on anti-bribery and anti-corruption, Directors and employees are introduced to the Gifts Policy and briefed during their Onboarding Programme. Annual refresher training is also provided to the Directors and employees.

In 2025, all the employees and Directors have participated in the online annual refresher course on awareness of the CoC and Gifts Policy to ensure their knowledge on the CoC and Gifts Policy are up to date.

Percentage of employees who have received training on anti-corruption by employee category	FY2023	FY2024	FY2025
Management	11%	100%	100%
Executive	14%	100%	100%
Non-executive/Technical staff	10%	100%	100%
General workers	65%	100%	100%

Whistle Blowing Policy

The Board has established a whistleblowing mechanism that provides confidential channels for internal and external parties to report or raise concerns on matters pertaining to unethical practices, corruption, non-compliance or serious breaches of policies of the Group, or violation of laws. The channel also provides for the objective handling of reported cases with channels to the Senior Independent Director.

The channel for whistleblowing for external parties is available on the Group's corporate website.

The Whistle Blowing Policy and Standard Operating Procedures are in place for all employees as well as external parties to achieve the following objectives:

- To instil the highest level of corporate governance in MFM Group.
- To encourage and enable all customers/vendors/suppliers/employees to raise genuine concerns within the MFM Group rather than overlooking a problem.
- To set a procedure for all parties to give information on non-compliances to the CoC or any misconduct, regardless of his or her position, to an independent party to investigate the allegations and take the appropriate actions.

All whistle blowing reports or information received will be treated with strictest confidentiality save for disclosure on a need-to-know basis to facilitate investigation and/or take appropriate action.

We are pleased to report that there were no confirmed incidents of corruption noted for FY2025.

	FY2023	FY2024	FY2025
Number of confirmed incidents of corruption and action taken	0	1	0

Other Governance Policies/Guidelines

We also have in place control measures in the form of policies, guidelines and procedures to address and manage antitrust, tax governance, anti-money laundering and other risks which include:

- Risk Management Guidelines and Policy
- Policy and Guidelines on Antitrust
- Security Policy and Procedures for Data Protection
- Procurement Policy and Procedures

SUSTAINABILITY PERFORMANCE DATA

SUSTAINABILITY
REPORT 2025



Date & Time: 2026-04-13_15:51:38
FYE 31/12/2025

Malayan Flour Mills Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption: Management	Percentage	100	—	No assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption: Executive	Percentage	100	—	No assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption: Non-Executive / Technical Staff	Percentage	100	—	No assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption: General Workers	Percentage	100	—	No assurance
Anti-Corruption	Percentage of directors who have received training on anti-corruption	Percentage	100	—	No assurance
Anti-Corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	—	No assurance
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	—	No assurance
Community/Society	Total amount invested in the community where the target beneficiaries are external to the Company	MYR	169,055	—	No assurance
Community/Society	Total number of beneficiaries of the investment in communities	Number	23	—	No assurance
Diversity	Total number of employees	Number	3,778	—	No assurance
Diversity	Percentage of Management - Male	Percentage	66	—	No assurance
Diversity	Percentage of Management - Female	Percentage	34	—	No assurance
Diversity	Percentage of Executive - Male	Percentage	54	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_15:51:38

Page 1 of 5

SUSTAINABILITY PERFORMANCE DATA (cont'd)

Date & Time: 2026-04-13_15:51:38
FYE 31/12/2025

Malayan Flour Mills Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of Executive - Female	Percentage	46	—	No assurance
Diversity	Percentage of Non-Executive / Technical Staff - Male	Percentage	79	—	No assurance
Diversity	Percentage of Non-Executive / Technical Staff - Female	Percentage	21	—	No assurance
Diversity	Percentage of Percentage of General Workers - Male	Percentage	84	—	No assurance
Diversity	Percentage of General Workers - Female	Percentage	16	—	No assurance
Diversity	Percentage of Management Under 30	Percentage	3	—	No assurance
Diversity	Percentage of Management Between 30 - 50	Percentage	66	—	No assurance
Diversity	Percentage of Management Above 50	Percentage	31	—	No assurance
Diversity	Percentage of Executive Under 30	Percentage	28	—	No assurance
Diversity	Percentage of Executive Between 30 - 50	Percentage	57	—	No assurance
Diversity	Percentage of Executive Above 50	Percentage	15	—	No assurance
Diversity	Percentage of Non-Executive / Technical Staff Under 30	Percentage	24	—	No assurance
Diversity	Percentage of Non-Executive / Technical Staff Between 30 - 50	Percentage	60	—	No assurance
Diversity	Percentage of Non-Executive / Technical Staff Above 50	Percentage	16	—	No assurance
Diversity	Percentage of General Workers Under 30	Percentage	43	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_15:51:38

Page 2 of 5



SUSTAINABILITY PERFORMANCE DATA (cont'd)



Date & Time: 2026-04-13_15:51:38
FYE 31/12/2025

Malayan Flour Mills Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of General Workers Between 30 - 50	Percentage	52	—	No assurance
Diversity	Percentage of General Workers Above 50	Percentage	5	—	No assurance
Diversity	Total number of directors	Number	9	—	No assurance
Diversity	Percentage of Directors - Male	Percentage	78	—	No assurance
Diversity	Percentage of Directors - Female	Percentage	22	—	No assurance
Diversity	Percentage of Directors Under 30	Percentage	0	—	No assurance
Diversity	Percentage of Directors Between 30 - 50	Percentage	0	—	No assurance
Diversity	Percentage of Directors Above 50	Percentage	100	—	No assurance
Energy Management	Electricity Purchased	Megawatt-hour	181,490	—	No assurance
Energy Management	Solar Energy Generated	Megawatt-hour	6,179	—	No assurance
Energy Management	Liquid Petroleum Gas (LPG)	Megawatt-hour	74,280	—	No assurance
Energy Management	Petrol and Diesel	Megawatt-hour	37,417	—	No assurance
Health and safety	Number of Work-Related Fatalities	Number	0	—	No assurance
Health and safety	Lost Time Incident Rate	Rate	0.74	—	No assurance
Health and safety	Number of employees trained on health & safety standards	Number	3,495	—	No assurance
Labour practices and standards	Total hours of training: Management	Hours	6,647	—	No assurance
Labour practices and standards	Total hours of training: Executive	Hours	10,589	—	No assurance
Labour practices and standards	Total hours of training: Non-Executive / Technical Staff	Hours	10,940	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_15:51:38

Page 3 of 5

SUSTAINABILITY PERFORMANCE DATA (cont'd)

Date & Time: 2026-04-13_15:51:38
FYE 31/12/2025

Malayan Flour Mills Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	Total hours of training: General Workers	Hours	4,060	—	No assurance
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	36.8	—	No assurance
Labour practices and standards	Total number of employee turnover: Management	Number	35	—	No assurance
Labour practices and standards	Total number of employee turnover: Executive	Number	74	—	No assurance
Labour practices and standards	Total number of employee turnover: Non-Executive / Technical Staff	Number	182	—	No assurance
Labour practices and standards	Total number of employee turnover: General Workers	Number	585	—	No assurance
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	778	—	No assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance
Water Management	Municipal potable water	Megalitre	2,564	—	No assurance
Water Management	Groundwater	Megalitre	158	—	No assurance
Water Management	Harvested rainwater	Megalitre	0.027	—	No assurance
Waste Management	Hazardous waste generated	MT	123	—	No assurance
Waste Management	Non-hazardous waste generated	MT	19,284	—	No assurance
Waste Management	Hazardous waste diverted from disposal	MT	25	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_15:51:38

Page 4 of 5

SUSTAINABILITY PERFORMANCE DATA (cont'd)



Date & Time: 2026-04-13_15:51:38
FYE 31/12/2025

Malayan Flour Mills Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Waste Management	Non-hazardous waste diverted from disposal	MT	10,547	—	No assurance
Waste Management	Hazardous waste directed to disposal	MT	98	—	No assurance
Waste Management	Non-hazardous waste directed to disposal	MT	8,737	—	No assurance
Emissions Management	Scope 1 Emissions	tCO2e	27027	—	No assurance
Emissions Management	Scope 2 Emissions (location-based only)	tCO2e	128,993	—	No assurance
Emissions Management	Scope 3 - Category 6: Business Travel	tCO2e	340	—	No assurance
Emissions Management	Scope 3 - Category 7: Employee Commuting	tCO2e	2,300	—	No assurance

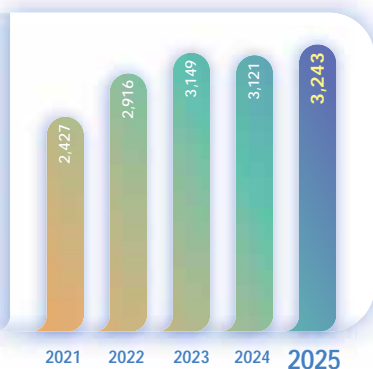
This report was generated on the Bursa Malaysia CSI Platform on 2026-04-13_15:51:38

Page 5 of 5

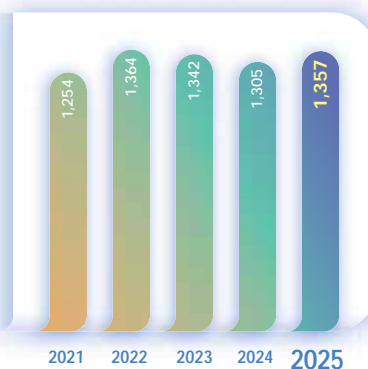
GROUP FINANCIAL HIGHLIGHTS

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	2,426,936	2,915,570	3,148,901	3,121,334	3,242,859
Profit before tax from continuing operations	96,904	179,444	31,962	115,536	201,043
Tax expense	(35,881)	(25,444)	(26,677)	(38,313)	(34,362)
Profit from continuing operations	61,023	154,000	5,285	77,223	166,681
Profit from discontinued operations, net of tax	137,519	-	-	-	-
Profit for the year	198,542	154,000	5,285	77,223	166,681
Minority interests	(24,633)	(8,955)	(11,966)	(19,108)	(26,739)
Profit/(Loss) attributable to equity holders of the Company	173,909	145,045	(6,681)	58,115	139,942
Issued share capital (RM'000)	535,623	535,902	537,262	645,415	645,415
Shareholders' fund (RM'000)	1,254,314	1,364,416	1,341,954	1,305,265	1,357,344
Net assets per share (sen) *	123	134	131	105	110
Basic earnings/(loss) per share (sen) **	17.08	14.22	(0.65)	4.74	11.29
Gross dividends (%)	3.81	5.71	6.31	5.76	6.72
* Based on number of shares ('000)	1,019,653	1,020,210	1,022,893	1,239,154	1,239,154
** Based on weighted average number of shares ('000)	1,018,156	1,019,923	1,021,580	1,225,567	1,239,154

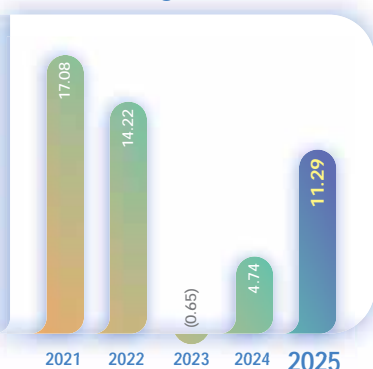
Revenue (RM'Million)



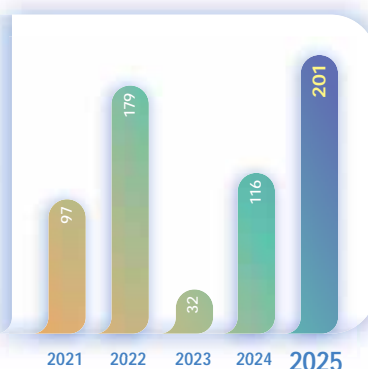
Shareholders' Fund (RM'Million)



Basic Earnings Per Share (Sen)



Profit Before Tax (RM'Million)



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Malayan Flour Mills Berhad (“the Company”) strives to ensure that good corporate governance is embraced in the conduct of the businesses and affairs of the Company, its subsidiaries and joint ventures (“the Group”) as it is the Board’s fundamental responsibility to protect and enhance long-term shareholder value and the financial performance of the Group, whilst taking into account the interest of all stakeholders.

The Board recognises that the practice of good corporate governance, by being ethical, accountable and transparent, is vital for the sustainability of the Group. The Board makes adjustments as may be appropriate with the ultimate objective of continuously enhancing the business processes, stakeholder value and increasing the confidence of the investors and customers.

The Board has been guided by the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) in its corporate governance practices. Whilst ensuring compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Listing Requirements”) and the Companies Act 2016, the Board always keep abreast with the developments in industry practices and the requirements by other relevant regulations to uphold the highest level of corporate governance throughout the Group.

This statement provides an overview of the corporate governance practices of the Company in respect of financial year ended 31 December 2025 and to be read together with the Corporate Governance Report of the Company (“CG Report”) which is available on the Company’s website at www.mfm.com.my. The CG Report discloses the Company’s application of each practice set out in the MCCG 2021.

This overview statement describes the approaches that the Company has taken with respect to the 3 key principles of the MCCG 2021 as follows:

- A. Board Leadership and Effectiveness
- B. Effective Audit and Risk Management
- C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Roles and Responsibilities of the Board

The Board plays a role in providing stewardship and control of the Group’s business and affairs on behalf of shareholders with due consideration on the impact of the Group’s activities on its stakeholders. The Board is responsible for the oversight and overall management of the Group by providing guidance and direction to the management with regards to the sustainability, strategic planning, risk management, succession planning, financial and operations to meet the expectations and obligations to the shareholders and various stakeholders.

Amongst the key responsibilities of the Board are as follows:

- Review and approve short and medium terms strategic plans
- Monitor the progress of the Group’s businesses to evaluate whether the businesses are properly managed to achieve its targeted returns and sustainability
- Establish goals for management and monitor the achievement of these goals
- Identify principal business risks faced by the Group and ensure the implementation of appropriate internal controls and mitigating measures to address the risks
- Review the adequacy of the internal control systems

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

- Review succession and human resource plans
- Consider management's recommendations on key issues including investments, acquisitions, funding and significant capital expenditure

The Board delegates the day-to-day management of the Group to the Executive Deputy Chairman cum Managing Director who further cascades the delegation to the management team. Both the Executive Deputy Chairman cum Managing Director and management team remain accountable to the Board for the authority delegated to them and brief the Board on the general business environment, financial performance, operational progress, business outlook and action plans of the Company, the operating subsidiaries and joint ventures of the Company on a quarterly basis.

Significant matters reserved for the consideration of the Board include the following:

- Approval of financial statements including accounting policies of the Group
- Declaration of dividend
- Approval of annual budget
- Approval for the appointment and remuneration of Directors and Senior Management staff
- Proposed corporate exercise
- Borrowings from financial institutions
- Acquisition and disposal of assets
- New investments such as joint venture

As for the succession planning, the Board is responsible in reviewing candidates for the appointment of Director and key management positions. The Executive Deputy Chairman cum Managing Director updates the Board from time to time on the details of the programmes for management development such as coaching, leadership and technical training. The Board also reviews the remuneration of the Directors and key Senior Management to ensure that their remuneration packages are sufficiently attractive to attract and retain the talents.

Separation of positions of the Chairman and Executive Deputy Chairman cum Managing Director

The Board Charter provides clear division of responsibility between the Chairman and the Executive Deputy Chairman cum Managing Director to ensure that there is a balance of power and authority, such that no one individual has unfettered powers of decision-making.

Datuk Oh Chong Peng, who is a Non-Independent Non-Executive Director, is the Chairman of the Board. He is responsible for leading and ensuring the Board effectiveness and compliance with corporate governance. He acts as a facilitator at Board meetings and general meetings to ensure that the meetings are carried out smoothly according to their agenda.

Mr Teh Wee Chye is the Executive Deputy Chairman cum Managing Director of the Company and leads the day-to-day management of the Group. He, together with the support of the management team, formulate business strategies and plans to achieve the Group's vision and missions, targeted growth, turnover and profitability to meet the stakeholders' expectation. He is responsible for implementing the policies and decisions of the Board and coordinating the implementation of business and corporate strategies.

The Chairman and Executive Deputy Chairman cum Managing Director have regular dialogues over all operational matters. Between Board meetings, the Chairman maintains an informal link between the Board and the Executive Deputy Chairman cum Managing Director, expects to be kept informed by the Executive Deputy Chairman cum Managing Director on all important matters and is available to the Executive Deputy Chairman cum Managing Director to provide counsel and advice where appropriate.

Board Meetings and Time Commitment

The Board meets at least 6 times annually with quarterly meetings being held to review amongst other matters, the business progress report and financial results. Board meetings for the ensuing financial year are scheduled prior to the commencement of that year to enable the Board and management to plan their schedule ahead. Additional meetings are convened in between scheduled meetings when Board's decision is required for urgent and important proposals or matters. Where appropriate, the Board's decision may be made via Circular Resolution in between scheduled meetings. Decisions of the Board are made unanimously or by consensus.

For the Board to deliberate effectively on agenda of the meetings, relevant meeting papers are furnished to the Directors in advance of each meeting. This allows the Directors sufficient time to peruse the papers and have productive discussions and make informed decision at the meeting.

All deliberations and decisions made by the Board are properly recorded by the Company Secretary by way of minutes of the meetings. Minutes of proceedings and resolutions passed at each Board and Board Committees meetings are kept in the minutes book at the registered office of the Company.

In the event of a potential conflict of interest, the Director in such position will make a declaration to that effect as soon as practicable at the Board meeting. The Director concerned will then abstain from any decision-making process in which he has an interest in.

The Board is satisfied with the level of time commitment given by all the Directors towards fulfilling their duties and responsibilities as Directors of the Company. This is reflected by their full attendances at the Board and various Board Committees meetings held during the year as set out in the table below:

Name of Directors	Board	Audit & Risk Management Committee	Nomination Committee	Remuneration Committee
<i>Non-Independent</i>				
Datuk Oh Chong Peng	6/6	5/5	-	3/3
Teh Wee Chye	6/6	-	-	-
Dato' Seri Zainal Abidin bin Mahamad Zain	6/6	-	1/1	-
Prakash A/L K.V.P Menon	6/6	-	-	3/3
Azhari Arshad	6/6	-	-	-
Lim Pang Boon	6/6	-	-	-
<i>Independent</i>				
Quah Poh Keat	6/6	5/5	1/1	-
Emeritus Professor Datin Paduka Setia Dato' Dr Aini binti Ideris	6/6	-	1/1	3/3
Dato' Maznah binti Abdul Jalil	6/6	5/5	-	3/3

All the Directors have complied with the requirement to attend at least 50% of the Board meetings held in the financial year pursuant to the Listing Requirements.

Besides attending Board and Board Committees meetings, as their commitment in discharging their duties and responsibilities, some Directors had also attended offsite meetings with relevant authorities and discussion meetings with management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

In addition, all the Directors of the Company do not hold directorships at more than five public listed companies as prescribed in paragraph 15.06 of the Listing Requirements and thus, able to commit sufficient time to the Company. For notification to the Companies Commission of Malaysia as well as monitoring purpose, the Directors are required to notify the Company on any changes in their other directorship of public companies or subsidiaries of public companies.

Access to Advice and Information

In order for the Board to effectively discharge its duties and responsibilities, the Directors are provided with full, complete and unrestricted access to timely and accurate information. All Board and Board Committee members are provided with the agenda and reports relevant to the business of the meeting in advance so that the Directors have sufficient time to prepare and deliberate on the issues prior to the meeting.

Senior Management members are also invited to attend Board meetings to provide the Board with their views and explanations on certain agenda items tabled to the Board and to furnish their clarification on issues that may be raised by Directors.

In addition, the Directors may request for independent advice from the relevant professionals for the discharge of their duties, at the Company's expense.

Qualified and Competent Company Secretary

In furtherance of their duties, the Directors have access to the advice and services of the Company Secretary who satisfied the qualifications as prescribed under Sections 235(2) and 241 of the Companies Act 2016. The Company Secretary is responsible for ensuring that Board meeting procedures are adhered to and that applicable laws, rules and regulations are complied with. The Board is updated and advised by the Company Secretary from time to time on new statutes and directives issued by the regulatory authorities.

The Company Secretary organises and attends all the Board and Board Committees meetings as well as the General Meetings and ensures accurate records of the proceedings and decisions of the meetings are made and properly kept.


The Company Secretary also notifies the Directors on each closed period for dealing in the Company's listed securities, based on the targeted dates of announcements of the Group's quarterly results and in accordance with the period defined in Chapter 14 of the Listing Requirements, before the commencement of each closed period as prior notice of the closed period. The Directors are also being advised on the procedure for dealing in the Company's listed securities during the closed period to aid them in complying with the Listing Requirements.

The Company Secretary always keeps abreast of the evolving regulatory changes and developments in corporate governance through continuous training as she plays an important role in advising the Board on updates relating to new statutory and relevant regulatory requirements.

Directors' Continuing Development

The Directors of the Company have continued to attend and participate in various programmes which they have individually or collectively considered as relevant for them to keep abreast with the changes in regulations and trends in the business practices, environment and markets.

From time to time, the Board will be updated on the companies and securities legislations and other relevant rules and regulations at the Board and Board Committees meetings, in order to acquaint them with the latest developments in these areas. Beside this, the Directors also receive regular briefings and updates from the management on the Group's businesses, operations, risk management, internal controls, sustainability initiatives, corporate governance and finance as well as global and local business environment.



In addition, the Company Secretary also receives regular updates on training programmes from Bursa Securities and various organisations which will be circulated to the Directors for their consideration.

The Company Secretary facilitates the participation of the Directors in the external training programmes and keeps record of the trainings attended by all the Directors.

For the year under review, the Directors had attended various appropriate seminars, conferences, workshop and courses covering leadership, corporate governance, environmental sustainability, poultry, agriculture, finance and technology of the following topics:

- Mastering the Essentials - Coaching & Mentoring for Effective Guidance Workshop
- Workplace Dishonesty - Problems, Detection & Prevention
- 25th MAVMA Annual Conference on Building a Sustainable Future for Veterinary Medicine
- World Antimicrobial Awareness Week 2025 - Prudent Use of Antibiotics in the Poultry Industry
- Investment Psychology: Transforming Your Mindset for Financial Victory
- Navigating Conflicts of Interest & Related Party Transactions: Strengthening Governance & Accountability
- KPMG ESG Symposium: Adopting IFRS S1 & S2
- Board's Dynamics: Building an Effective, Ethical & High Performing Board
- IMD-SIDC Executive Learning Expedition 2025
- The Alumni PTD Roundtable "Transforming the Public Service"
- ECKL-TNB Dialogue "Better World, Brighter Lives: Pioneering Malaysia's Sustainable Energy Future"
- Innovation Iraq Summit 2025 (AI) & the 3rd International Conference on Emerging Technology Trends in Internet of Things and Computing
- XXIIIrd World Veterinary Poultry Association Congress - Sustainable Healthy Poultry for a Healthier World
- World's Poultry Science Association (Malaysia Branch) AGM & Scientific Seminar

Board Charter

The roles and functions of the Board are clearly defined in the Board Charter which regulates how business is to be conducted by the Board in accordance with the principles of good Corporate Governance. The Board Charter was last revised in 2023 to reflect the changes in the composition of the Independent and Non-Independent Directors in the Board, changes in Board Committees and set a limit on the tenure of an Independent Director to not more than a cumulative period of 12 years. The Board Charter is available on the Company's website.

Code of Conduct

The Company's Code of Conduct ("CoC") is in force across the Group and all Directors and employees must comply with it. Disciplinary action may be taken against employees who are found guilty of non-compliance with the CoC. The CoC sets out the ethical standards of conduct that all Directors and employees are expected to comply with in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment.

Every Director and employee must display and behave in a manner which is consistent with the Group's philosophy and core values. The following CoC must be adhered to at all times by all Directors and employees within the Group:

- a. Demonstrating commitment
- b. Living the core values of the Group
- c. Avoiding conflict of interest
- d. Preventing bribery and corruption
- e. Practising confidentiality and data protection
- f. Communicating externally and internally with ethics and within authority
- g. Protecting company assets and resources

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

- h. Giving equal opportunity, non-discrimination and fair employment
- i. Ensuring safety and protecting the environment
- j. Prohibiting insider trading
- k. Complying with Antitrust and Competition Laws

The CoC is subject to change and review as and when it is deemed necessary by the Company. The CoC was last revised in 2024 to enhance the policy with amended clause.

As personal commitment to the CoC, each employee of the Group is required to make a declaration that he/she has been furnished a copy of the CoC, has read and understood the CoC, accepted to comply with the CoC and understood that any breach of the CoC may result in disciplinary action being taken against him/her. The CoC is available on the Company's website.

Policy and Guidelines on Gifts and Entertainment

In line with good practice of corporate governance in the conduct of business and affairs of the Group and as part of the measures to avoid conflict of interest and prevention of bribery and corruption in compliance with Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), the Group has adopted the Policy and Guidelines on Gifts and Entertainment ("Gifts Policy") on 6 July 2020.

The Gifts Policy apply to the Board of Directors, officers and employees, including contractual employees, consultants, agents and person associated with the Group ("Associated Persons").

The Group requires its Associated Persons to abide by the Gifts Policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealing between the Group and external parties as a gift can be seen as a bribe that may tarnish the Group's reputation or be in violation of anti-bribery and corruption laws.

The Gifts Policy was published in the Internal Newsletter for the attention of all the existing employees as well as notified to the suppliers and customers via letter or email.

In 2025, the online annual refresher course on awareness of the CoC and Gifts Policy was conducted and participated by all the Directors and employees which ensured their knowledge on the CoC and Gifts Policy are up to date.

All new recruits will also be briefed on the Gifts Policy during the onboarding programme.

For enhancement, the Gifts Policy was revised in 2022 with new clauses, definitions and declaration form.

The Gifts Policy is also published on the Company's website.

Whistle Blowing Policy

The Company has a Whistle Blowing Policy in place. The objectives of the Standard Operating Procedures & Policy ("SOPP") on Whistle Blowing Policy are as follows:

- a. To instill the highest level of corporate governance in the Group;
- b. To encourage and enable all employees to raise genuine concerns within the Group rather than overlooking a problem. Employees are reminded to conduct the business at the highest ethical and legal standards; and
- c. To set a procedure for all employees to give information on non-compliances to the Code of Conduct, regardless of his or her position, to an independent party to investigate the allegations and take the appropriate actions.

A Whistle Blowing Policy for external parties is published on the Company's website.

All employees or any person who has dealings with the Group may report any suspected fraud, misconduct or any integrity concerns to Mr Quah Poh Keat, Senior Independent Non-Executive Director of the Company, via the email address at whistleblowing@mflour.com.my.

Sustainability Management

The Board together with the Management are committed and responsible towards the governance of sustainability in the Group including setting the sustainability strategies, priorities and targets. Detailed information on the Group's approaches towards addressing sustainability risks and opportunities are provided in the Sustainability Report on pages 29 to 81 of this Annual Report.

II. Board Composition

Composition and Balance of the Board

There are currently 9 Directors on the Board comprising 2 Executive Directors and 7 Non-Executive Directors of whom 3 are Independent Directors. The size and composition of the Board provides for a diversity of views, the desired level of objectivity and independence in Board deliberations and decision-making.

The Directors of the Company are persons of high integrity and calibre who come from diverse backgrounds with expertise and skills in banking, finance, accounting, manufacturing, retailing, property development, public services, education and legal.

The present Board composition complies with paragraph 15.02 of the Listing Requirements which require a minimum of 2 directors or 1/3 of the Board to be independent directors, whichever is the higher.

The Board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience in varying stages of business development and internationally, personal characteristics, skills and knowledge.

Currently, the Board comprises amongst others, diverse professional experience, ethnicity, age and gender diversity with 2 women Directors on the Board which represent 20% of the Board.

The size and composition of the Board are reviewed annually by the Nomination Committee via the Performance Evaluation. The Board is satisfied with the current composition in terms of size, skills and experience, diversity of age, gender and background which has ensured well-balanced views to facilitate effective decision making.

As the Company practices equal opportunity and non-discrimination in any form, the selection criteria for appointment of Director continued to be based on merit, calibre, skill and knowledge which are relevant to the Group. A brief profile of each Director of the Company can be found on pages 5 to 13 of this Annual Report.

Appointment and Re-election of Directors

The procedures for appointments to the Board are formal and transparent. The Company has a Directors' Fit and Proper Policy ("Policy") which serves as a guide to the Nomination Committee and the Board in their review and assessment of candidates for appointment onto the Board as well as Directors who are seeking for re-election. The Policy also sets out the fit and proper criteria for the appointment and re-election of Directors. The Policy is to ensure that each of the Directors possesses the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to discharge his/her role and responsibilities as a Director.

The Nomination Committee shall assess each candidate for new appointment as Director based on the fit and proper criteria as spelt out in the Policy before recommending to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

For the position of independent non-executive director, the Nomination Committee also evaluates the candidate's calibre, credibility and necessary skill and experience to bring an independent judgement and view to matters under consideration. Upon performing the requisite assessment by the Nomination Committee, the new nomination of Director will be recommended to the Board for approval.

As for the appointment of Key Senior Management of the Group, it is based on merit and with due regards for diversity in skills, experience, age and gender.

The Constitution of the Company provides that all Directors shall hold office only until the next Annual General Meeting ("AGM") subsequent to their appointment and shall then be eligible for re-election.

In respect of the retirement by rotation of Directors, the Constitution provides that at least 1/3 or the nearest to 1/3 of the Directors for the time being are subject to retirement by rotation at each AGM and that all Directors are subject to retirement by rotation at least once in every 3 years. The Director who is subject to retirement at the AGM, shall be eligible for re-election.

A Director who is due for re-election at the AGM will first be assessed by the Nomination Committee on his performance and contribution, who will then submit its recommendation to the Board for deliberation and endorsement. Thereafter, shareholders' approval will be sought for the re-election.

Information of the Director standing for re-election such as his personal profile, attendance of meetings and shareholdings are available in this Annual Report for the shareholders to make an informed decision.

Independence of Directors

The Independent Non-Executive Directors are not involved in the day-to-day management of the Company and not full-time salaried employees. They contribute independent views to matters under consideration and provide wide and unfettered perspective on issues. They also bring to the Board integrity and a strong sense of ethics as well as ensuring effective check and balance in the functioning of the Board.

In line with the amended Listing Requirements, the Board Charter provides that the tenure of an Independent Director shall not be more than a cumulative period of 12 years.

Each Independent Director shall be subject to the Independent Director's Self-Assessment for Annual Declaration of Independence and the annual Individual Director Self/Peer Evaluation to ensure that each of them continues to fulfill the definition of independence as set out in the Listing Requirements.

Based on both the results of the Independent Director's Self-Assessment for Annual Declaration of Independence and annual Individual Director Self/Peer Evaluation, the Nomination Committee and the Board were satisfied that all the Independent Non-Executive Directors of the Company had continued to be independent-minded and demonstrate conduct and behaviour that are essential indicators of independence.

Board Committees

The Board has delegated certain responsibilities to the Board Committees which are necessary to facilitate efficient decision-making to assist the Board in the execution of its duties, power and authorities. The Committees assist the Board in its duties by preparing and reviewing in more detail matters falling within the competence of the Board. The functions and terms of reference of all the Board Committees are clearly defined in the Board Charter and are available on the Company's website. The Chairman of the various committees will report to the Board on the outcome of the respective Committee meetings and such reports are incorporated in the minutes of the Board meeting.

The Board has 3 permanent committees namely, Audit & Risk Management Committee, Nomination Committee and Remuneration Committee. The Board retains full responsibility for the direction and control of the Company and the Group.

Nomination Committee

The Nomination Committee shall comprise exclusively of non-executive directors, a majority of whom must be independent. The Committee currently consists of 2 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director as follows:

Emeritus Professor Datin Paduka Setia Dato' Dr Aini binti Ideris (Chairman)	Independent Non-Executive Director
Dato' Seri Zainal Abidin bin Mahamad Zain	Non-Independent Non-Executive Director
Quah Poh Keat	Independent Non-Executive Director

The terms of reference of the Nomination Committee are as follows:

- a. To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary and to recommend Directors to Committees of the Board;
- b. To be responsible for identifying and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise as well as put in place plans for succession, in particular, of the Chairman and the Executive Deputy Chairman cum Managing Director;
- c. To review the required mix of skills and experience and other qualities and competencies which Non-Executive Directors should bring to the Board and to assess the effectiveness of the Board, Committees of the Board and contributions of Directors of the Board;
- d. To review the balance between Executive and Non-Executive Directors and to ensure at least 1/3 of the Board is comprised of Independent Directors in compliance with the Listing Requirements;
- e. To recommend to the Board for the continuation (or not) in service of an Executive Director as an Executive or Non-Executive Director;
- f. To recommend Directors who are retiring by rotation to be put forward for re-election; and
- g. To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill its responsibilities.

The Nomination Committee had conducted the Performance Evaluation of the Board, Board Committees and Individual Director for year 2025 via questionnaires which were completed by each Director on a confidential basis. The questionnaires comprised a Board and Board Committees Performance Evaluation, an Individual Director Self/Peer Evaluation and an Independent Director's Self-Assessment for Annual Declaration of Independence. The effectiveness of the Board was assessed in the areas of composition, operations, roles and responsibilities, addressing the Company's material sustainability risks and opportunities and performance of the Chairman.

In the evaluation of each Board Committee, its effectiveness was assessed in terms of its composition, level of assistance to the Board, fulfilment of the roles by each member of the Committee and effectiveness of its Chairman.

Meanwhile, the individual Director was assessed based on his/her contribution to interaction, quality of input, understanding of his/her role and fit and proper criteria to ensure that each of the Directors possesses the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to discharge his/her role and responsibilities as a Director.

Results of the assessments and areas which required improvement were compiled and reviewed by the Nomination Committee. For the overall results of the assessments, the Board and Board Committees had achieved the strong ratings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

Having been satisfied with the results of the assessments, the Nomination Committee had recommended to the Board that:

- The Board and Board Committees had been able to discharge their duties and responsibilities professionally and effectively.
- Each of the Directors continued to perform, contribute and devote sufficient time in fulfilling his/her role and responsibility towards an effective Board.
- All the Independent Directors complied with the definition of Independent Director as defined in the Listing Requirements.
- All the Independent Directors had remained objective and independent in expressing their views and in exercising their decision-making.
- Shareholders' approval be sought at the forthcoming AGM for the re-election of Datuk Oh Chong Peng, Mr Prakash A/L K.V.P. Menon and Dato' Maznah binti Abdul Jalil who are retiring by rotation and being eligible, have offered themselves for re-election.

III. Remuneration

Remuneration Policies for Directors and Senior Management

The remuneration framework for executive directors and senior management has an underlying objective of attracting and retaining directors and senior management needed to run the Company successfully. The Company has in place a remuneration policy which linked the remuneration package of the Executive Directors and Senior Management to the corporate and individual performance. The remuneration package of the Executive Directors and Senior Management comprises the basic salary, performance incentive and other benefits as are laid down by the Company's rules and regulations from time to time. Their remuneration packages are periodically reviewed to keep abreast with the changes in the market and industry as well as to motivate and retain the talents to pursue the long-term goals of the Group.

The policy to determine the remuneration of Directors is provided in the Board Charter. The Non-Executive Directors are paid Directors' fees, Board Committees' fixed allowance and meeting allowance for each Board and Board Committee meeting they attend. In addition, the Company reimburses reasonable expenses incurred by the Directors in the course of discharging their duties.

Remuneration Committee

The Remuneration Committee shall comprise mainly of non-executive directors. The Committee currently consists of 2 Independent Non-Executive Directors and 2 Non-Independent Non-Executive Directors as follows:

Prakash A/L K.V.P Menon (Chairman)	Non-Independent Non-Executive Director
Datuk Oh Chong Peng	Non-Independent Non-Executive Chairman
Emeritus Professor Datin Paduka Setia Dato' Dr Aini binti Ideris	Independent Non-Executive Director
Dato' Maznah bin Abdul Jalil	Independent Non-Executive Director



The terms of reference of the Committee are as follows:

- a. To determine and agree with the Board the framework or broad policy for the remuneration of the Company's or Group's Chief Executive and other Senior Management staff of the Company or Group;
- b. To determine and recommend to the Board any performance related pay schemes for the Company or Group;
- c. To determine the policy for and scope of service agreements for the executive directors, termination payments and compensation commitments;
- d. To oversee any major changes in employee remuneration and benefit structures throughout the Company or Group;
- e. To produce an annual report of the Committee's remuneration policy for Board members which will form part of the Company/Group's annual report and accounts; and
- f. To recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities.

The Committee reviews and recommends for the Board's consideration the Directors' fees, Board Committees' fixed allowance and meeting allowance. In reviewing and recommending the Directors' fees, the Committee ensures that the level of remuneration for the Non-Executive Directors commensurate with their scope of responsibilities and contributions to the effective functioning of the Group. The Committee also reviews and recommends the yearly salary increment and performance incentives of the Senior Management for the Board's approval.

Executive Directors will abstain from deliberations and voting decisions in respect of his remuneration. Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting decisions in respect of his individual remuneration. The Directors' fees and benefits payable to the Directors are subject to yearly approval by the shareholders at the AGM.

Details of the Directors' remuneration paid or payable or otherwise made to all Directors of the Company in respect of financial year 2025 are disclosed in the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit & Risk Management Committee

The composition, duties and responsibilities of the Audit & Risk Management Committee together with its report are presented on pages 99 to 101 of this Annual Report.

II. Risk Management and Internal Control Framework

The Group has a sound system of internal control which covers not only financial controls but also operational, compliance and risk management. The system of internal control provides reasonable but not absolute assurance against material misstatements, losses and fraud.

The Statement on Risk Management and Internal Control as set out on pages 102 to 106 of this Annual Report provides an overview of the state of internal controls within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

Financial Reporting

The Directors take responsibility for presenting a balanced and objective assessment of the Group's financial performance and prospects primarily through the quarterly and annual financial announcements of results. In addition, the Chairman's Statement and Management Discussion and Analysis are also contained in this Annual Report as important source of information for shareholders, analysts and investors to review the Group's financial and business performance.

The Group's financial statements are prepared in accordance with the requirements of the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016. Efforts are made to ensure that in presenting the financial statements, the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates are being used.

Corporate Disclosure

The Company is mindful of the importance to disseminate information to shareholders and investors in a prompt and timely manner in order for informed decision to be made. As such, the Board has always stressed for all material information to be announced immediately upon available. This is not only for compliance with the Listing Requirements but also to avoid insider trading.

Communication with Stakeholders


The timely release of quarterly financial results, the issuance of the Company's Annual Reports and Circular/Statement to Shareholders as well as the announcements to Bursa Malaysia Securities Berhad and Press Releases on quarterly financial announcements, material information and corporate proposals are the principal channels for dissemination of information to its investors, stakeholders and the public generally.

The Company's website at www.mfm.com.my provides quick access to information on the Group. The information available on the website of the Company includes, amongst others, the Corporate Profile, Directors' Profile, Financial Results, Annual Reports, Announcements released to Bursa Malaysia Securities Berhad, Research Reports, Constitution of the Company, Board Charter, Terms of Reference of Board Committees, Corporate Governance Overview Statement, Corporate Governance Report, Sustainability, Minutes of General Meetings, Code of Conduct, Policy and Guidelines on Gifts and Entertainment, Whistle Blowing Policy, Policy and Guidelines on Antitrust, Directors' Fit and Proper Policy, Human Rights and Labour Standard Policy, dividend information, corporate news, operations and products of the Group.

From time to time, the designated Senior Management also has dialogues with fund managers, research analysts and media on the strategies, performance and prospects of the Group.

In addition, information was also provided to shareholders and/or investors in the replies to their enquiries via the email address at ir@mflour.com.my.

As there may be instances where investors and shareholders may prefer to express their concerns to an independent director, the Board had appointed Mr Quah Poh Keat as the Senior Independent Non-Executive Director to whom concerns may be directed. At all times, investors and shareholders may contact the Company Secretary for information on the Group.



The Group continues to engage with each of its stakeholders such as shareholders, investors, regulators, customers, suppliers, employees and other communities through a variety of approaches to address their concerns and maintain an open communication. The summary of the engagement platforms with the various stakeholders is provided in the Sustainability Report on page 34 of this Annual Report.

II. Conduct of General Meetings

The Board recognises the importance of maintaining an effective communication with the shareholders and the general public. All shareholders are encouraged to attend the Company's General Meetings and to participate in the proceedings.

In line with best corporate governance practice, the Notice of AGM is issued to the shareholders 28 days prior to the meeting to provide them sufficient time to prepare, participate and make informed voting decision at the AGM.

All the Directors, Senior Management and External Auditors were present at the AGM held on 19 May 2025 to engage with the shareholders and answer to their queries. The Executive Deputy Chairman cum Managing Director also presented the overview of the financial performance of the Group and business outlook during the AGM. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and performance of the Group.

In accordance with the Listing Requirements, all the resolutions set out in the notice of the AGM were voted by poll. For the smooth conduct of the General Meeting, the voting is conducted through electronic voting system. An independent scrutineer for the electronic poll voting process was appointed to verify all the votes. Upon verifying the votes, the Chairman announced the voting results. The poll results were subsequently announced to Bursa Securities on the same day.

A press conference is held immediately after the General Meeting to brief and update the media representatives on the outcome of the General Meeting and the operations of the Group.

The full minutes of the AGM detailing the meeting proceedings, including issues and concerns raised by the shareholders together with the responses of the Company, were published on the Company's website for the information and benefit of all the shareholders of the Company no later than 30 business days after the conclusion of the General Meeting.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements.

1. Utilisation of Proceeds from Corporate Proposal

The Company did not undertake any corporate proposal during the financial year ended 31 December 2025.

2. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors, KPMG PLT, member firms of KPMG International Limited and local affiliates of KPMG PLT by the Group and the Company for financial year 2025 are as follows:

	Group (RM'000)	Company (RM'000)
Audit Fees	353	137
Non-Audit Fees	299	172
Total	652	309

The provision of the non-audit services by the external auditors did not compromise their independence and objectivity.

3. Material Contracts involving Directors' and Major Shareholders' Interests

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests either subsisting as at 31 December 2025 or entered into since the end of the previous financial year except for the related party transactions disclosed in Note 27 to the financial statements on pages 182 and 183 of this Annual Report.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature

The Recurrent Related Party Transactions of a Revenue or Trading Nature are disclosed in Note 27 to the financial statements on page 182 of this Annual Report.

5. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Group	
	2025 (RM'000)	2024 (RM'000)
Total Income		
Revenue	3,242,859	3,121,334
Other income	22,529	18,430
Interest income	19,105	21,225
Share of profit/(loss) of ventures	16,408	(7,418)
Total	3,300,901	3,153,571
Total Assets	2,440,146	2,556,457

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Dividend income received from conventional instruments		3	3
Interest income		19,100	21,211
Rental income received from tenant involved in Shariah non-compliant activities		132	126
Other activities deemed non-compliant according to Shariah principles as determined by the SAC (please specify in the remarks column)	Food flour products from Vietnam subsidiaries	935	1,881
Total		20,170	23,221

ADDITIONAL COMPLIANCE INFORMATION (cont'd)

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
Cash at bank		8,740	9,211
Other cash equivalents (please specify in the remarks column)	Petty cash	28	37
Total Cash		8,768	9,248
Conventional Account/Instruments			
Cash at bank		35,129	33,522
Deposits with licensed bank		4,169	28,837
Money market instruments		6,000	-
Short-term deposits		299,644	334,364
Total Cash		344,942	396,723

(ii) Debt Component

Islamic Financing	Group	
	2025 (RM'000)	2024 (RM'000)
Current		
Banker's acceptances	115,703	91,411
Revolving credit and loans	48,870	1,000
Term loans	17,000	34,000
Non-Current		
Term loans	-	17,000
Total Financing	181,573	143,411

Conventional Borrowing	Group	
	2025 (RM'000)	2024 (RM'000)
Current		
Banker's acceptances	169,704	217,030
Revolving credit and loans	379,364	613,801
Term loans	7,925	12,426
Non-Current		
Term loans	11,712	5,780
Total Debt	568,705	849,037

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“the Board”) of Malayan Flour Mills Berhad (“the Company”) is pleased to present the Audit & Risk Management Committee Report for the year ended 31 December 2025.

Composition

Chairman:	Quah Poh Keat <i>(Independent Non-Executive Director)</i>
Members:	Datuk Oh Chong Peng <i>(Non-Independent Non-Executive Chairman)</i>
	Dato’ Maznah binti Abdul Jalil <i>(Independent Non-Executive Director)</i>

The Audit & Risk Management Committee (“the Committee”) comprises 3 members, a majority of whom are Independent Non-Executive Directors. This meets the requirements of paragraph 15.09(1)(a) and (b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Listing Requirements”).

The Chairman of the Committee, Mr Quah Poh Keat is a Fellow of the Malaysian Institute of Taxation (“MIT”) and the Association of Chartered Certified Accountants (“FCCA”) and a member of the MIA, the MICPA and the Chartered Institute of Management Accountants (“CIMA”) whilst Datuk Oh Chong Peng, is a Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”) as well as a member of the Malaysian Institute of Certified Public Accountants (“MICPA”) and the Malaysian Institute of Accountants (“MIA”). Hence, the Company complies with paragraph 15.09(1)(c)(i) of the Listing Requirements.

The Nomination Committee assesses the performance of the Committee and its members through an annual Board Committee evaluation as well as reviews the terms of office of the members of the Committee. The Nomination Committee is satisfied that the Committee and its members have discharged their duties and responsibilities in accordance with its Terms of Reference and has supported the Board well in reviewing the financial statements, internal control and risk management.

Meetings

During the year, the Committee held 5 meetings and the details of the attendance of each member of the Committee are as follows:

Members	Attendance
Quah Poh Keat	5/5
Datuk Oh Chong Peng	5/5
Dato’ Maznah binti Abdul Jalil	5/5

At the request of the Committee, the Executive Deputy Chairman cum Managing Director and Chief Financial Officer had attended the meetings to advise, clarify and address matters discussed at the meetings.

The Internal Audit and Risk Management Function had attended every quarterly meetings of the Committee to report on the internal audit plan and internal audit and risk management reports.

During the year, the representatives of the external auditors had also attended the meetings of the Committee to present their Audit Plan, Audit Status and the annual audit report of the financial statements.

The Company Secretary of the Company is the Secretary of the Committee. The Secretary maintains minutes of the proceedings of the meetings of the Committee.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT (cont'd)

Terms of Reference

The Committee is governed by its terms of reference which describe its composition, authority, duties and responsibilities. The Terms of Reference is available on the Company's website at www.mfm.com.my.

Summary of the Work of the Committee

The work carried out by the Committee in the discharge of its duties and responsibilities in line with its Terms of Reference during the financial year ended 31 December 2025 were as follows:

a. Financial Reporting

- i. Reviewed the quarterly unaudited financial results and announcements before recommending them to the Board for approval.
- ii. Reviewed the annual audited financial statements of the Company and its subsidiaries ("the Group") and of the Company prior to submission to the Board for approval.

b. Internal Audit

- i. The Internal Audit and Risk Management Function presented the comprehensive internal audit plan which had been undertaken to evaluate and identify the companies and operational auditable areas to be audited within the Group. The Committee reviewed the annual internal audit plan to ensure adequate scope and coverage of the activities of the Group.


Subsequently, the Committee reviewed the progress status of the internal audit plan presented by the Internal Audit and Risk Management Function at its quarterly meetings.

- ii. Reviewed the internal audit and risk management reports submitted and presented by the Internal Audit and Risk Management Function at the quarterly meetings of the Committee. The Committee appraised the adequacy of actions and remedial measures taken by the management in resolving audit issues reported and recommended further improvement measures.

c. External Audit

- i. Reviewed with the external auditors, KPMG PLT, on their Audit Plan prior to commencement of the audit. The Engagement Partner of KPMG PLT presented the Audit Plan and Strategy for the Group for financial year 2025 which entailed the engagement team, audit scope, audit timeline and audit focus areas.
- ii. Reviewed the proposed fees for the statutory audit, review of the Statement on Risk Management and Internal Control and review of Group Reporting Package and Audit Working Papers of component auditors. The proposed fees were then recommended by the Committee to the Board for approval.
- iii. Discussed and reviewed the Group's financial statements with the external auditors including issues and findings noted during the audit.
- iv. The external auditors had provided their written assurance that they were independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") and they had fulfilled the other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

The external auditors had also implemented various firm-wide ethics and independence systems to monitor compliance with their policies in relation to independence and ethics.



Besides the written assurance from the external auditors on their independence, input from the Company personnel, who had substantial contact with the external auditors throughout the year, on the quality of service provided, independence, objectivity and professional skepticism of the external auditors via questionnaires was obtained for the Committee's annual evaluation of the external auditors. Subsequently, the Committee conducted an assessment on the performance, technical competency, suitability and independence of the external auditors throughout the conduct of their audit engagement and being satisfied with the suitability and independence of the external auditors, the Committee recommended to the Board for approval on the re-appointment of the external auditors at the Annual General Meeting of the Company.

d. Risk Management

- i. Reviewed the Audit & Risk Management Committee Report before recommending it for approval by the Board for inclusion in the Annual Report.
- ii. Reviewed the Statement on Risk Management and Internal Control ("SORMIC") which was prepared by the Committee, being the delegated committee of the Board responsible for the preparation of the SORMIC.

Upon the review by the external auditors, who were engaged to provide an independent limited assurance on the SORMIC, the Committee recommended the SORMIC to the Board for adoption and disclosure in the Annual Report.

The Committee authorised the Executive Deputy Chairman cum Managing Director of the Company and the Chief Financial Officer to sign the Letter of Representation in respect of the Board's SORMIC, for and on behalf of the Committee.

- iii. Reviewed the updated Risk Scorecards for the Enterprise Risk Management so that they remain relevant in the current environment and provide a mechanism for adequate reporting to the Committee.

Internal Audit Function

The Group outsourced its internal audit and risk management function to an independent professional company, Baker Tilly Monteiro Heng Governance Sdn Bhd, which operates independently from the operating units. The Internal Audit and Risk Management Function ("IARMF") undertook the internal audit function based on the risk-based audit plans that were reviewed and approved by the Committee.

The purpose, authority and responsibility of the IARMF as well as the nature of the assurance and consultancy activities provided by the function are articulated in the Internal Audit Charter.

The IARMF are free from any relationships or conflicts of interest which could impaired their objectivity and independence, the IARMF reported directly to the Committee who reviewed and approved the IARMF's annual audit plan, financial budget and human resource requirements to ensure that the function was adequately resourced with competent and proficient internal auditors.

During the year, the IARMF conducted various internal audit engagements in accordance with the risk-based internal audit plan to assess the adequacy and effectiveness of the internal control systems.

On a quarterly basis, the results of the internal audit reviews and recommendations for improvement were presented at the Audit & Risk Management Committee Meetings and subsequently reported to the Board. In addition, the status of the implementation of corrective actions to address control weaknesses is also followed up by the IARMF to ensure that these actions have been satisfactorily implemented.

The total cost incurred for maintaining the IARMF for year 2025 was RM244,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) of Malayan Flour Mills Berhad (“MFM”) is pleased to present this Statement on Risk Management and Internal Control in accordance with paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Board Responsibility

The Board acknowledges its responsibility for establishing a sound risk management framework and internal control system. The Board’s responsibilities include:-

- Determine the Group’s level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders’ investments and the Group’s assets;
- Committed to articulating, implementing and reviewing the Group’s internal control system; and
- Periodic testing of the effectiveness and efficiency of the internal control procedures and processes to ensure that the system is viable and robust.

The internal control systems are designed to manage rather than to eliminate the risk of failure and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Internal Control

Risk Management

The Board confirms that there is an ongoing process and risk management plan in place to identify, evaluate and manage significant risks faced by the Group.

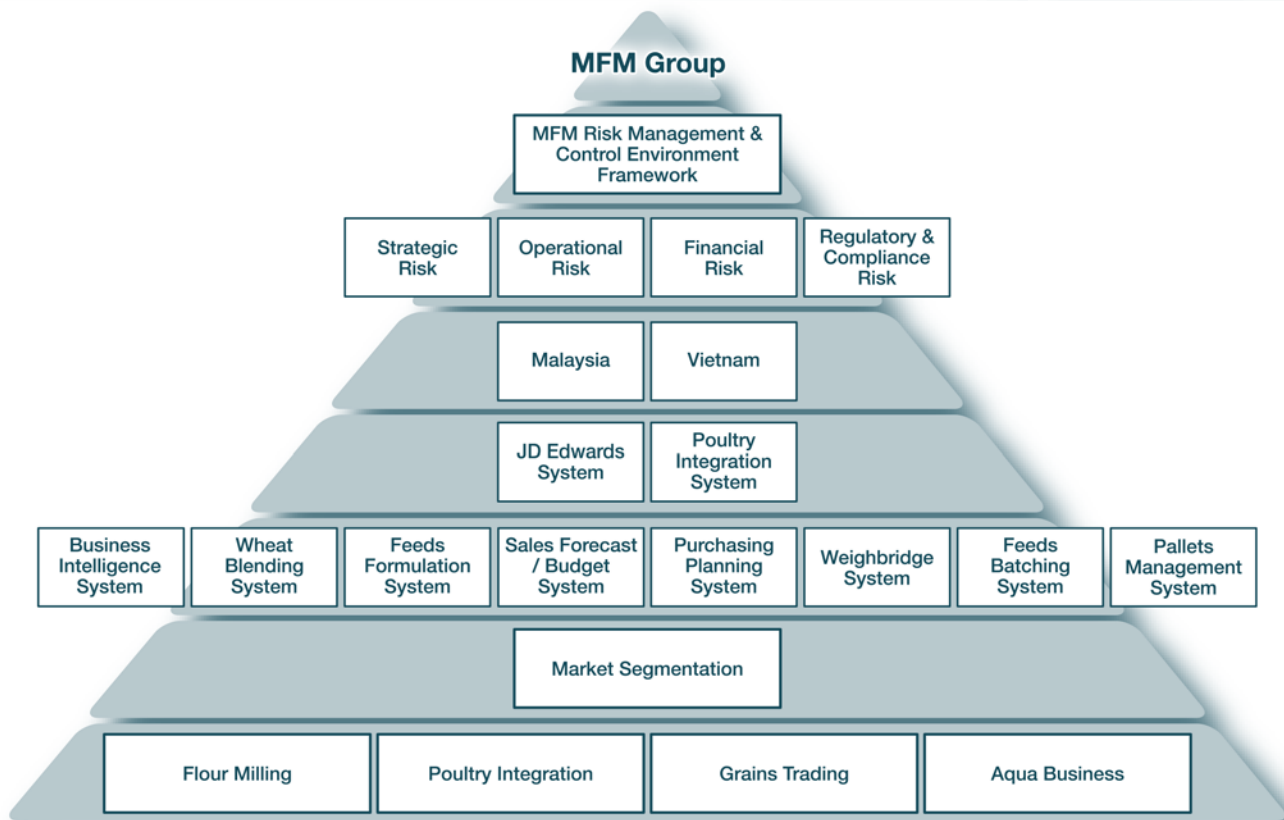
During the year and up to the date of approval of this statement, discussions were conducted at different levels of management to identify and address risks identified in the Group. The assessment of significant risks and the execution of relevant mitigating action plans are part of the operational activities of the Group.

Risk Management is an integral part of our business operations and this process goes through a review by the Board. As part of the process, the key business risks are identified by the respective operations of the Group. The impact and likelihood of occurrence of these risks are then evaluated and documented. Based on the results of the above evaluation, these risks are categorised into 4 ratings: Low, Medium, High and Extreme.

Appropriate action plans and control measures are put in place to mitigate these risks.

Risk Management Framework

The Group has in place a formal risk management process to identify, evaluate, mitigate, monitor and review risks impacting the Group. Objectives would be broadly organisation-wide taking into consideration a variety of risks (i.e. strategic, operational, compliance & reporting risks) as well as more narrowly defined business units, function or departmental risks (i.e. sales, credit control, accounts receivable, purchasing, accounts payable, production planning, quality control, human resource, etc.). Once those scopes had been defined, the possible risks deemed likely to occur would be rated in terms of their impact or severity and likelihood or probability. The result can be compiled into a “risk profile” detailing the risk score which each business unit, function or department is contributing to the overall risk score.



Internal Audit and Risk Management Function will carry out a yearly review of the risk scorecards and update them accordingly together with the management of respective business units.

Any significant risk that requires the Board's attention will be highlighted via a Flash Report. Key risks highlighted in the Flash Report will be used by internal audit in developing internal audit plan.

Control Structure

- The Board meets regularly to monitor and review the overall performance of the Group, to consider the findings and recommendations of committees and senior management and to consider and approve measures to be taken and changes in policies and procedures necessary to address risks and to enhance the system of internal control.
- An independent Internal Audit and Risk Management Function reports directly to the Audit & Risk Management Committee. Internal audit plans are reviewed and approved by the Audit & Risk Management Committee and the plans are to monitor compliance with and adequacy of the Group's system of internal control and to provide assurance on the effectiveness of the Group's system of internal control including policies and procedures. Follow-up reviews on the previous audit reports were carried out to ensure that appropriate actions have been implemented to address control weaknesses highlighted.
- The Group has in place an organisation structure with proper segregation of duties and reporting procedures and authorisation limits and all heads of business units and departments are accountable for ensuring the effective implementation of established policies and procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

- The Group has in place a management reporting mechanism whereby financial information is generated and reviewed by management and the Board on a regular basis. Performance and results are monitored on a monthly basis against the results of corresponding period of prior year, with major variances explained and appropriate action taken or plans put in place.
- The Executive Deputy Chairman cum Managing Director meets with the senior management regularly to review and resolve key operational, financial, personnel and other key management issues, including issues of risks and internal controls. Significant issues are highlighted and discussed at Board meetings.
- The Credit Committee meets regularly to conduct credit reviews, monitor receivables, progress of legal cases and formulates credit procedures and policies.
- The training and development programs are established to enhance and improve employee competencies and proficiencies. This is implemented through a combination of on-the-job training and classroom training courses.
- The Group Code of Conduct (“the CoC”) is established to set out the ethical standards to all directors and employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment.
- The Group has adopted the Policy and Guidelines on Gifts and Entertainment (“Gifts Policy”) as part of its measures to avoid conflict of interest and prevention of bribery and corruption in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Annual refresher course on awareness of the CoC and Gifts Policy is conducted for the Directors and employees to ensure their knowledge on the CoC and Gifts Policy are up to date. The corruption risk assessment is integrated into the Enterprise Risk Management of the Group and the review of the Risk Scorecard is carried out on an annual basis.
- The Whistle Blowing policy is in place with the objective of providing all stakeholders a mechanism to raise genuine concerns on unethical behaviour or any misconduct.
- The Group has the Policy and Guidelines on Antitrust (“the Policy”) in place to comply with all applicable antitrust and competition laws wherever it does business with. As involvement in antitrust or competition laws infringements will be considered misconduct and have serious consequences to the Group, it is the responsibility of every employee of the Group to fully comply with the Policy.

Significant Risk Factors relating to MFM Group

a. Business risks

The Group is principally involved in activities within the food manufacturing and livestock industries. As such, the Group is susceptible to business risks in these industries which include but not limited to demand and competition in the food manufacturing and livestock market, supply of labour and increase in the cost of labour and raw material prices. The management continuously seek to limit these risks through amongst others, careful planning of supplies and prudent management of the Group’s business.



b. Availability and cost of raw materials

Raw materials i.e. wheat, corn and soybean meal contribute to a significant proportion of the Group's total cost of production. These materials are commodities and their availability and prices are dependent on market conditions. Any increase in raw material prices will inevitably affect the Group's profitability and results of operations. Further, if there is a shortage of these materials, the Group may find it difficult to obtain the amount of materials required at prices that are commercially acceptable. The Group has taken relevant steps to hedge its exposure to these price fluctuations by entering into futures contracts. In addition, the Group has good business relationships with its long term major suppliers and where possible, source its supplies from a variety of suppliers.

c. Biosecurity

In combating biosecurity risks, the Group will continue to keep abreast with the latest development and work closely with authorities and subject matter experts. People and livestock will continue to be exposed to diseases and viruses, and possibly mutated strains in the future. Nevertheless, management will continue to embrace robust risk management practices to cushion the negative financial impact.

Disease and Virus

Livestock is vulnerable to diseases and viruses, changes in weather conditions and the environment. Adverse situations such as these will also affect the demand for feeds.

The Group has strict biosecurity measures in place at its hatchery facilities and poultry farms, closed house system at the poultry farms and structured vaccination programs with pharmaceutical companies for disease prevention and control. These lower the risk of bird mortality, ensure undisrupted operations for food security as well as protect the environment and the health of the workers.

d. Food Safety & Quality

Ensuring safe and nutritious food products are crucial for the Group to meet the relevant food standards, consumer expectations, its branding and reputation. As its commitment to food safety and quality, the Group has obtained the Hazard Analysis and Critical Control Points ("HACCP") certification, Food Safety System Certification ("FSSC") 22000, HALAL certification, MS 1514: 2009 (Good Manufacturing Practice for Food), ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System), Malaysian Good Agricultural Practices Certification Scheme ("myGAP") and MeSTI (Food Safety is Responsibility of the Industry) certification. With all these certifications and food management systems, food safety and quality are addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished products.

e. Foreign exchange fluctuations

The Group is exposed to foreign exchange risk on sales, purchases of raw materials and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Vietnamese Dong ("VND").

As such, the Group has taken sufficient steps to monitor closely its exposure to the foreign currency movements and where appropriate, hedge its financial exposure to the foreign currency fluctuations by entering into forward contracts. However, there can be no assurance that any significant changes in exchange rate fluctuations or foreign exchange control regulations will not have any adverse impact upon the Group's business.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

Review of this Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Audit and Assurance Practice Guide (“AAPG”) 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report* issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the annual report of the Group for the financial year ended 31 December 2025 and reported to the Board that nothing has come to their attention that cause them to believe that this Statement on Risk Management and Internal Control, in all material respects, has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether this Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Additionally, they are not required to perform any procedures by way of audit, review or verification of the underlying records or other sources from which this Statement on Risk Management and Internal Control was extracted.

Conclusion

Based on the processes set out above, the Board is of the view that the Group’s system of risk management and internal control are adequate and effective to safeguard the shareholders’ investment and the Group’s assets and has received assurance from both the Executive Deputy Chairman cum Managing Director and Chief Financial Officer in this respect. Nevertheless, the Board and Management are committed towards operating a sound system of internal control and the internal control systems will continue to be reviewed, added or updated in line with the changes in the operating environment.

The Group’s system of internal control applies to Malayan Flour Mills Berhad, its subsidiaries and joint venture company, Dindings Tyson Sdn Bhd and its subsidiaries only. Joint venture company, PT Bungasari Flour Mills Indonesia, is excluded as it has its own internal audit function. However, the Group’s interest in its material joint venture is served through representation on the Board of Commissioners of the joint venture company.

Statement made in accordance with the resolution of the Directors dated 31 March 2026.

REPORTS & FINANCIAL STATEMENTS

108	Directors' Responsibility Statement
109	Directors' Report
115	Statements of Financial Position
117	Statements of Profit or Loss and Other Comprehensive Income
119	Consolidated Statement of Changes in Equity
120	Statement of Changes in Equity
121	Statements of Cash Flows
125	Notes to the Financial Statements
184	Statement by Directors
185	Statutory Declaration
186	Independent Auditors' Report

Directors' Responsibility Statement

for the Audited Financial Statements

In respect of the preparation of the audited financial statements, the Directors are required by the Companies Act 2016 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the Company and their results, and cash flows for that year.

In preparing the financial statements for the financial year ended 31 December 2025, the Directors have:

- Used appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept and which disclose with reasonable accuracy the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016. They also have a general responsibility for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

Directors' Report

for the financial year ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal activities

The Company is principally engaged in the business of milling and selling wheat flour and trading in grain and other allied products, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	139,942	78,502
Non-controlling interests	26,739	-
	166,681	78,502

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid a first interim single tier dividend of 1.50 sen per ordinary share totalling approximately RM18,587,000 in respect of the financial year ended 31 December 2025 on 25 September 2025.

On 26 February 2026, the Directors declared a second interim single tier dividend of 2.00 sen per ordinary share totalling approximately RM24,783,000 in respect of the financial year ended 31 December 2025, which was paid on 26 March 2026.

The Directors do not recommend any payment of final dividend for the financial year under review.

Directors' Report

for the financial year ended 31 December 2025 (cont'd)

Directors of the Company

Directors who served during the financial year until the date of this report are:

Datuk Oh Chong Peng
Teh Wee Chye
Dato' Seri Zainal Abidin bin Mahamad Zain
Prakash A/L K.V.P Menon
Azhari Arshad
Quah Poh Keat
Emeritus Professor Datin Paduka Setia Dato' Dr Aini binti Ideris
Lim Pang Boon
Dato' Maznah binti Abdul Jalil

List of Directors of subsidiaries

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries during the financial year until the date of this report is as follows:

Datuk Oh Chong Peng
Teh Wee Chye
Prakash A/L K.V.P Menon
Azhari Arshad
Lim Pang Boon
Le Cong Anh
Tran Ba Hieu
Tran Quoc Hoang
Huynh Duc Chinh
Hideki Oya
Khng Poh Leng, Douglas
Tan Keng Seng
Shota Takahashi
Takuya Mori
Yau Tee Peng (Resigned on 23 September 2025)

Directors' interests

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Acquired	Disposed	
Company				
- Malayan Flour Mills Berhad				
Direct interest				
Teh Wee Chye	199,083,701	-	-	199,083,701
Datuk Oh Chong Peng	27,087	-	-	27,087
Dato' Seri Zainal Abidin bin Mahamad Zain	11,250	-	-	11,250
Prakash A/L K.V.P Menon	9,652,500	-	-	9,652,500
Lim Pang Boon	620,825	100,000	-	720,825
Azhari Arshad	9,164,539	-	-	9,164,539
Deemed interest				
Teh Wee Chye				
- own	87,210,490	-	-	87,210,490
- others*	63,000	-	-	63,000
Azhari Arshad	31,339,800	-	-	31,339,800
Emeritus Professor Datin Paduka Setia Dato' Dr Aini binti Ideris*	52,600	41,800	-	94,400
Deemed interest of Teh Wee Chye in subsidiary companies				
Muda Fibre Manufacturing Sdn. Bhd.	7,000,001	-	-	7,000,001
Premier Grain Sdn. Bhd.	10,200,000	-	-	10,200,000

Interest in capital contribution denominated in Vietnamese Dong (VND)

	Interest in capital contribution denominated in Vietnamese Dong (VND)			At 31.12.2025 VND'000
	At 1.1.2025 VND'000	Acquired VND'000	Disposed VND'000	
Vimaflour Ltd.	345,961,284	-	-	345,961,284

* Deemed to have interests through spouse and children pursuant to the Section 59(11)(c) of the Companies Act 2016 in Malaysia.

Directors' Report

for the financial year ended 31 December 2025 (cont'd)

Directors' interests (cont'd)

By virtue of his interest in the shares of the Company, Mr. Teh Wee Chye is also deemed interested in the shares of the subsidiaries during the financial year to the extent that Malayan Flour Mills Berhad has an interest.

None of the other Directors holding office at 31 December 2025 had any interests in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefits (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	980	-
Remuneration	7,824	149
Estimated monetary value of any other benefits	156	-
	8,960	149

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, the amount of insurance premium effected for all Directors and officers of the Company was RM16,304. There was no indemnity given to, or insurance effected for auditors of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

for the financial year ended 31 December 2025 (cont'd)

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM284,000 and RM181,000, respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Oh Chong Peng

Director

Teh Wee Chye

Director

31 March 2026

Statements of Financial Position

as at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	2	460,422	472,187	242,908	247,591
Right-of-use assets	3	14,041	15,333	11,432	12,657
Intangible assets	4	2,432	1,482	1,314	665
Investment properties	5	4,712	4,769	4,441	4,498
Investments in subsidiaries	6	-	-	140,161	141,348
Investments in joint ventures	7	648,867	648,879	546,175	546,175
Investment in an associate	8	-	-	-	-
Deferred tax assets	9	7,334	5,062	-	-
Total non-current assets		1,137,808	1,147,712	946,431	952,934
Trade and other receivables, including derivatives	10	411,583	443,387	155,748	191,018
Prepayments		5,603	3,740	4,169	3,028
Inventories	11	498,356	519,752	148,354	127,325
Current tax assets		300	3,109	-	-
Fixed deposits	12	299,644	334,364	-	-
Cash and cash equivalents	13	54,066	71,607	39,689	34,216
		1,269,552	1,375,959	347,960	355,587
Asset classified as held for sale	14	32,786	32,786	32,786	32,786
Total current assets		1,302,338	1,408,745	380,746	388,373
Total assets		2,440,146	2,556,457	1,327,177	1,341,307
Equity					
Share capital	15	645,415	645,415	645,415	645,415
Reserves		711,929	659,850	291,083	231,168
Total equity attributable to owners of the Company		1,357,344	1,305,265	936,498	876,583
Non-controlling interests	6.1	116,037	110,573	-	-
Total equity		1,473,381	1,415,838	936,498	876,583

Statements of Financial Position

as at 31 December 2025 (cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Liabilities					
Deferred tax liabilities	9	17,246	16,735	15,892	15,684
Loans and borrowings	16	11,712	22,780	11,712	17,000
Lease liabilities		7,907	9,004	6,803	8,134
Total non-current liabilities		36,865	48,519	34,407	40,818
Trade and other payables, including derivatives	17	175,795	111,738	49,276	55,970
Loans and borrowings	16	738,566	969,668	301,388	364,037
Lease liabilities		2,161	1,847	1,858	1,584
Current tax liabilities		13,378	8,847	3,750	2,315
Total current liabilities		929,900	1,092,100	356,272	423,906
Total liabilities		966,765	1,140,619	390,679	464,724
Total equity and liabilities		2,440,146	2,556,457	1,327,177	1,341,307

The notes set out on pages 125 to 183 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	18	3,242,859	3,121,334	678,479	735,594
Cost of goods sold		(2,922,529)	(2,824,179)	(547,992)	(606,679)
Gross profit		320,330	297,155	130,487	128,915
Other income		22,529	18,430	46,942	46,509
Distribution expenses		(98,071)	(97,005)	(51,243)	(48,895)
Administrative expenses		(33,124)	(28,539)	(20,898)	(17,647)
Net (loss)/gain on impairment of financial instruments		(4,694)	(1,392)	882	(490)
Other expenses		(1,519)	(3,104)	(2,610)	(842)
Results from operating activities		205,451	185,545	103,560	107,550
Interest expense		(39,921)	(41,748)	(16,127)	(17,956)
Interest income		19,105	21,225	4,953	3,961
Net finance costs		(20,816)	(20,523)	(11,174)	(13,995)
Results from operating activities after net finance costs		184,635	165,022	92,386	93,555
Impairment of investment in a joint venture	7.1	-	(42,068)	-	(65,442)
Share of profit/(loss) of equity-accounted joint ventures, net of tax	7	16,408	(7,418)	-	-
Profit before tax	19	201,043	115,536	92,386	28,113
Tax expense	20.1	(34,362)	(38,313)	(13,884)	(19,228)
Profit for the year		166,681	77,223	78,502	8,885
Other comprehensive income for the year, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(81,264)	(44,998)	-	-
Total comprehensive income for the year		85,417	32,225	78,502	8,885

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 December 2025 (cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit attributable to:					
Owners of the Company		139,942	58,115	78,502	8,885
Non-controlling interests		26,739	19,108	-	-
Profit for the year		166,681	77,223	78,502	8,885
Total comprehensive income attributable to:					
Owners of the Company		70,666	19,023	78,502	8,885
Non-controlling interests	6.1	14,751	13,202	-	-
Total comprehensive income for the year		85,417	32,225	78,502	8,885
Basic earnings per ordinary share (sen)	21.1	11.29	4.74		
Basic earnings per ordinary share (sen) (adjusted)*	21.2	11.29	8.17		

* In the previous financial year, the adjusted basic earnings per share excluded the impairment loss of investment in a joint venture of RM42,068,000.

The notes set out on pages 125 to 183 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2025

Group	Note	←----- Attributable to owners of the Company -----→							Non-controlling interests	Total equity
		←----- Non-distributable -----→			----- Distributable -----→					
		Share capital	RCULS - Equity	Warrant reserve	Other capital reserve	Translation reserve	Retained earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2024		537,262	77,410	17,763	93,065	(19,641)	636,095	1,341,954	104,027	1,445,981
Foreign currency translation differences for foreign operations		-	-	-	-	(39,092)	-	(39,092)	(5,906)	(44,998)
Profit for the year		-	-	-	-	-	58,115	58,115	19,108	77,223
Total comprehensive (expense)/income for the year		-	-	-	-	(39,092)	58,115	19,023	13,202	32,225
Conversion of RCULS	15	108,095	(77,410)	(10,732)	-	-	(19,953)	-	-	-
Exercise of warrants	15	58	-	(9)	-	-	-	49	-	49
Transfer of warrant reserve upon expiry of warrants	15	-	-	(7,022)	-	-	7,022	-	-	-
Dividends to owners of the Company/non-controlling interests	22	-	-	-	-	-	(55,761)	(55,761)	(6,656)	(62,417)
At 31 December 2024		645,415	-	-	93,065	(58,733)	625,518	1,305,265	110,573	1,415,838
		Note 15	Note 15	Note 15	Note 15	Note 15				
		←----- Attributable to owners of the Company -----→								
		←----- Non-distributable -----→			----- Distributable -----→					
Group	Note	←----- Attributable to owners of the Company -----→							Non-controlling interests	Total equity
		←----- Non-distributable -----→			----- Distributable -----→					
		Share capital	RCULS - Equity	Warrant reserve	Other capital reserve	Translation reserve	Retained earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2025		645,415	-	-	93,065	(58,733)	625,518	1,305,265	110,573	1,415,838
Foreign currency translation differences for foreign operations		-	-	-	-	(69,276)	-	(69,276)	(11,988)	(81,264)
Profit for the year		-	-	-	-	-	139,942	139,942	26,739	166,681
Total comprehensive (expense)/income for the year		-	-	-	-	(69,276)	139,942	70,666	14,751	85,417
Dividends to owners of the Company/non-controlling interests	22	-	-	-	-	-	(18,587)	(18,587)	(9,287)	(27,874)
At 31 December 2025		645,415	-	-	93,065	(128,009)	746,873	1,357,344	116,037	1,473,381
		Note 15	Note 15	Note 15	Note 15	Note 15				

The notes set out on pages 125 to 183 are an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 December 2025

Company	Note	←---Attributable to owners of the Company---→				Total equity RM'000
		Share capital RM'000	RCULS - Equity RM'000	Warrant reserve RM'000	Retained earnings RM'000	
At 1 January 2024		537,262	77,410	17,763	290,975	923,410
Profit and total comprehensive income for the year		-	-	-	8,885	8,885
Conversion of RCULS	15	108,095	(77,410)	(10,732)	(19,953)	-
Exercise of warrants	15	58	-	(9)	-	49
Transfer of warrant reserve upon expiry of warrants	15	-	-	(7,022)	7,022	-
Dividends to owners of the Company	22	-	-	-	(55,761)	(55,761)
At 31 December 2024/ 1 January 2025		645,415	-	-	231,168	876,583
Profit and total comprehensive income for the year		-	-	-	78,502	78,502
Dividends to owners of the Company	22	-	-	-	(18,587)	(18,587)
At 31 December 2025		645,415	-	-	291,083	936,498
		Note 15	Note 15	Note 15		

The notes set out on pages 125 to 183 are an integral part of these financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		201,043	115,536	92,386	28,113
<i>Adjustments for:</i>					
Amortisation of intangible assets	4	513	433	358	297
Bad debt recovered		-	(1)	-	(1)
Depreciation of investment properties	5	57	57	57	57
Depreciation of property, plant and equipment	2	33,383	33,754	17,020	16,329
Depreciation of right-of-use assets	3	2,237	2,345	1,768	1,691
Impairment of investment in a joint venture	7.1	-	42,068	-	65,442
Dividend income		(3)	(3)	(29,555)	(29,406)
Gain on lease modification		(2)	(80)	(2)	-
Interest expense		39,921	41,748	16,127	17,956
Interest income		(19,105)	(21,225)	(4,953)	(3,961)
Impairment of investments in subsidiaries		-	-	1,933	-
Net gain on disposal of property, plant and equipment		(80)	(381)	(49)	(463)
Net loss/(gain) on impairment of financial assets		4,694	1,392	(882)	490
Net unrealised loss/(gain) on foreign exchange		2,484	(741)	2,683	(1,779)
Property, plant and equipment written off		109	206	108	96
Share of (profit)/loss of equity-accounted joint ventures, net of tax	7	(16,408)	7,418	-	-
Operating profit before changes in working capital		248,843	222,526	96,999	94,861
Changes in working capital:					
Trade and other receivables, prepayments and other financial assets		5,458	(44,325)	33,635	1,182
Inventories		(18,727)	(18,745)	(21,030)	31,111
Trade and other payables and other financial liabilities		68,150	11,455	(10,763)	9,601
Cash generated from operations		303,724	170,911	98,841	136,755

Statements of Cash Flows

for the financial year ended 31 December 2025 (cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash generated from operations (cont'd)		303,724	170,911	98,841	136,755
Interest paid		(39,921)	(41,748)	(16,127)	(17,956)
Interest received		19,105	21,225	4,953	3,961
Net income tax paid		(27,828)	(34,806)	(12,241)	(16,993)
Net cash from operating activities		255,080	115,582	75,426	105,767
Cash flows from investing activities					
Acquisition of intangible assets	4	(1,524)	(306)	(1,007)	(157)
Acquisition of property, plant and equipment	2	(41,381)	(70,741)	(12,465)	(30,654)
Dividend received		3	3	29,555	29,406
Increase in fixed deposits		(6,084)	(25,062)	-	-
Proceeds from disposal of property, plant and equipment		126	840	69	779
Proceeds from disposal of asset classified as held for sale		-	811	-	811
Net cash (used in)/from investing activities		(48,860)	(94,455)	16,152	185
Cash flows from financing activities					
Dividends paid to non-controlling interests	6.1	(9,287)	(6,656)	-	-
Dividends paid to owners of the Company	22	(18,587)	(55,761)	(18,587)	(55,761)
(Repayment of)/Proceeds from loans and borrowings, net		(191,095)	31,749	(65,916)	(64,862)
RCULS coupon payment	15	-	(2,702)	-	(2,702)
Payment of lease liabilities		(1,903)	(1,762)	(1,602)	(1,412)
Exercise of warrants	15	-	49	-	49
Net cash used in financing activities		(220,872)	(35,083)	(86,105)	(124,688)
Net (decrease)/increase in cash and cash equivalents		(14,652)	(13,956)	5,473	(18,736)
Effect of exchange rate fluctuations on cash held		(2,889)	(1,787)	-	-
Cash and cash equivalents at 1 January	13	71,607	87,350	34,216	52,952
Cash and cash equivalents at 31 December	13	54,066	71,607	39,689	34,216

(a) Cash outflows for leases as a lessee

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	19	130	107	18	11
Payment relating to leases of low-value assets	19	76	67	72	63
Payment relating to variable lease payments not included in the measurement of lease liabilities	19	3,259	1,865	1,140	920
Interest paid in relation to lease liabilities		419	421	324	351
Included in net cash used in financing activities:					
Payment of lease liabilities		1,903	1,762	1,602	1,412
Total cash outflows for leases		5,787	4,222	3,156	2,757

Notes to the Financial Statements

Malayan Flour Mills Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows:

Registered office

Suite 25.01, Level 25
Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur

Principal place of business

Suite 28.01, Level 28
Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in an associate and joint ventures.

The Company is principally engaged in the business of milling and selling wheat flour and trading in grain and other allied products, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 31 March 2026.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

Notes to the Financial Statements (cont'd)

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026 (cont'd)

- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

1. Basis of preparation (cont'd)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Derivative financial instruments	Fair value
Liquid investment	Fair value

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 – extension options and incremental borrowing rate in relation to leases entered into during the year
- Note 7 – investments in joint ventures
- Note 24 – measurement of expected credit loss (“ECL”)

Notes to the Financial Statements (cont'd)

2. Property, plant and equipment

Group	Note	Freehold land, buildings and jetty RM'000	Plant, machinery, fixtures and equipment RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost						
At 1 January 2024		394,667	444,955	24,061	23,488	887,171
Additions		118	6,467	1,027	63,129	70,741
Disposals		(592)	(357)	(828)	-	(1,777)
Write-off		(385)	(1,959)	-	(59)	(2,403)
Transfers		12	3,320	345	(3,677)	-
Transfer to intangible assets	4	-	-	-	(209)	(209)
Effect of movements in exchange rates		(7,693)	(11,131)	(955)	(2,516)	(22,295)
At 31 December 2024/ 1 January 2025		386,127	441,295	23,650	80,156	931,228
Additions		113	5,904	1,173	34,191	41,381
Disposals		-	(965)	(235)	-	(1,200)
Write-off		-	(916)	(116)	-	(1,032)
Transfers		28,657	52,870	353	(81,880)	-
Transfer to intangible assets	4	-	-	-	(61)	(61)
Effect of movements in exchange rates		(14,297)	(19,845)	(1,595)	(5,167)	(40,904)
At 31 December 2025		400,600	478,343	23,230	27,239	929,412

2. Property, plant and equipment (cont'd)

Group	Freehold land, buildings and jetty RM'000	Plant, machinery, fixtures and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation					
At 1 January 2024	130,753	288,995	21,015	-	440,763
Depreciation for the year	9,283	23,357	1,114	-	33,754
Disposals	(300)	(194)	(824)	-	(1,318)
Write-off	(275)	(1,922)	-	-	(2,197)
Effect of movements in exchange rates	(3,206)	(7,950)	(805)	-	(11,961)
At 31 December 2024/1 January 2025	136,255	302,286	20,500	-	459,041
Depreciation for the year	8,928	23,345	1,110	-	33,383
Disposals	-	(919)	(235)	-	(1,154)
Write-off	-	(807)	(116)	-	(923)
Effect of movements in exchange rates	(5,719)	(14,263)	(1,375)	-	(21,357)
At 31 December 2025	139,464	309,642	19,884	-	468,990
Carrying amounts					
At 1 January 2024	263,914	155,960	3,046	23,488	446,408
At 31 December 2024/1 January 2025	249,872	139,009	3,150	80,156	472,187
At 31 December 2025	261,136	168,701	3,346	27,239	460,422

Notes to the Financial Statements (cont'd)

2. Property, plant and equipment (cont'd)

Company	Buildings and jetty RM'000	Plant, machinery, fixtures and equipment RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Cost					
At 1 January 2024	246,090	227,439	8,916	220	482,665
Additions	106	3,042	727	26,779	30,654
Disposals	(592)	(84)	(391)	-	(1,067)
Write-off	-	(1,101)	-	(59)	(1,160)
Transfers	12	457	-	(469)	-
At 31 December 2024/1 January 2025	245,616	229,753	9,252	26,471	511,092
Additions	61	5,447	1,173	5,784	12,465
Disposals	-	(777)	(143)	-	(920)
Write-off	-	(908)	(116)	-	(1,024)
Transfers	-	31,169	-	(31,169)	-
At 31 December 2025	245,677	264,684	10,166	1,086	521,613
Accumulated depreciation					
At 1 January 2024	79,932	160,857	8,198	-	248,987
Depreciation for the year	4,901	11,047	381	-	16,329
Disposals	(300)	(61)	(390)	-	(751)
Write-off	-	(1,064)	-	-	(1,064)
At 31 December 2024/1 January 2025	84,533	170,779	8,189	-	263,501
Depreciation for the year	4,902	11,624	494	-	17,020
Disposals	-	(757)	(143)	-	(900)
Write-off	-	(800)	(116)	-	(916)
At 31 December 2025	89,435	180,846	8,424	-	278,705
Carrying amounts					
At 1 January 2024	166,158	66,582	718	220	233,678
At 31 December 2024/1 January 2025	161,083	58,974	1,063	26,471	247,591
At 31 December 2025	156,242	83,838	1,742	1,086	242,908



2. Property, plant and equipment (cont'd)

2.1 Borrowing costs

In the previous financial year, included in additions of the Group were borrowing costs capitalised at 5.44% - 7.98% per annum amounting to RM1,037,000.

2.2 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|--|---------------------|
| • buildings and jetty | 10, 20 and 50 years |
| • plant, machinery, fixtures and equipment | 4 - 20 years |
| • motor vehicles | 5 - 10 years |

Notes to the Financial Statements (cont'd)

3. Right-of-use assets

	Leasehold land RM'000	Buildings RM'000	Total RM'000
Group			
At 1 January 2024	6,154	10,451	16,605
Additions	-	1,503	1,503
Depreciation	(403)	(1,942)	(2,345)
Lease modification	-	(369)	(369)
Effect of movements in exchange rates	(112)	51	(61)
At 31 December 2024/1 January 2025	5,639	9,694	15,333
Additions	-	1,290	1,290
Depreciation	(197)	(2,040)	(2,237)
Lease modification	-	(29)	(29)
Effect of movements in exchange rates	(161)	(155)	(316)
At 31 December 2025	5,281	8,760	14,041
Company			
At 1 January 2024	4,167	9,745	13,912
Additions	-	462	462
Depreciation	(106)	(1,585)	(1,691)
Lease modification	-	(26)	(26)
At 31 December 2024/1 January 2025	4,061	8,596	12,657
Additions	-	572	572
Depreciation	(76)	(1,692)	(1,768)
Lease modification	-	(29)	(29)
At 31 December 2025	3,985	7,447	11,432

The Group leases buildings for its office space, warehouse and staff quarters that typically run for a period of one to five years, with an option to renew the lease after that date.

3.1 Extension options

Some leases of office space, warehouse and staff quarters contain extension options exercisable by the Group. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

As at 31 December 2025, the Group has included all potential future cash flows of exercising the extension options in the lease liabilities.

3. Right-of-use assets (cont'd)

3.2 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

3.3 Material accounting policy information

Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

4. Intangible assets

	Note	Computer software Group RM'000	Company RM'000
Cost			
At 1 January 2024		10,406	6,894
Additions		306	157
Transfer from property, plant and equipment	2	209	-
Write-off		(3)	(3)
Effect of movements in exchange rates		(249)	-
At 31 December 2024/1 January 2025		10,669	7,048
Additions		1,524	1,007
Transfer from property, plant and equipment	2	61	-
Write-off		(1,075)	(1,041)
Effect of movements in exchange rates		(468)	-
At 31 December 2025		10,711	7,014

Notes to the Financial Statements (cont'd)

4. Intangible assets (cont'd)

	Computer software Group RM'000	Company RM'000
Accumulated amortisation		
At 1 January 2024	8,956	6,089
Amortisation for the year	433	297
Write-off	(3)	(3)
Effect of movements in exchange rates	(199)	-
At 31 December 2024/1 January 2025	9,187	6,383
Amortisation for the year	513	358
Write-off	(1,075)	(1,041)
Effect of movements in exchange rates	(346)	-
At 31 December 2025	8,279	5,700
Carrying amounts		
At 1 January 2024	1,450	805
At 31 December 2024/1 January 2025	1,482	665
At 31 December 2025	2,432	1,314

4.1 Intangible assets

Intangible assets principally comprise expenditure that is directly attributable to the acquisition of software licences and any other development costs directly attributable to the preparation of the computer software for its intended use.

4.2 Material accounting policy information

Recognition and measurement

Computer software acquired by the Group is stated at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation of computer software is recognised in profit or loss on a straight-line basis over its estimated useful lives from the date that it is available for use.

The estimated useful life of computer software is 4 years.

Amortisation methods, useful lives and residual values are reviewed as at the end of the reporting period and adjusted, if appropriate.

5. Investment properties

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
Cost			
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	3,943	2,836	6,779
Accumulated depreciation			
At 1 January 2024	-	1,953	1,953
Depreciation for the year	-	57	57
At 31 December 2024/1 January 2025	-	2,010	2,010
Depreciation for the year	-	57	57
At 31 December 2025	-	2,067	2,067
Carrying amounts			
At 1 January 2024	3,943	883	4,826
At 31 December 2024/1 January 2025	3,943	826	4,769
At 31 December 2025	3,943	769	4,712
Company			
Cost			
At 1 January 2024/31 December 2024/ 1 January 2025/31 December 2025	3,672	2,836	6,508
Accumulated depreciation			
At 1 January 2024	-	1,953	1,953
Depreciation for the year	-	57	57
At 31 December 2024/1 January 2025	-	2,010	2,010
Depreciation for the year	-	57	57
At 31 December 2025	-	2,067	2,067
Carrying amounts			
At 1 January 2024	3,672	883	4,555
At 31 December 2024/1 January 2025	3,672	826	4,498
At 31 December 2025	3,672	769	4,441

Notes to the Financial Statements (cont'd)

5. Investment properties (cont'd)

5.1 Other income/expenses recognised in profit or loss in relation to investment properties

	Group and Company	
	2025 RM'000	2024 RM'000
Lease income	565	517
Direct operating expenses: - income generating investment properties	55	54

5.2 Fair value information

Fair value of investment properties are categorised as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Level 3				
Freehold land and buildings	150,900	134,156	145,900	129,156

Level 3 fair value

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Comparison method of valuation which entails comparing the property with similar properties that were sold recently and those that are currently offered for sale in the vicinity.	Recent transactions of similar properties at or near reporting period with similar land usage, land size and location.	The estimated fair value would increase/(decrease) if recent transactions of similar properties at or near reporting period with similar land usage and land size were higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is estimated by the Directors using the comparison method. The comparison method entails critical analysis of recent evidences of values of comparable properties in the neighbourhood and making adjustment for differences in location, size and shape of land, age and condition of building, tenure, title restrictions if any and other relevant characteristics.

5.3 Material accounting policy information

Investment properties carried at cost are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment. Freehold land is not depreciated.

6. Investments in subsidiaries

	Company	
	2025 RM'000	2024 RM'000
At cost		
Unquoted shares	142,546	141,800
Less: Accumulated impairment losses	(2,385)	(452)
	140,161	141,348

During the financial year, the Company recognised RM1,933,000 impairment losses in investments in subsidiaries due to the recoverable amounts are lower than their initial cost of investments. These subsidiaries are currently dormant.

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest	
			2025 %	2024 %
Dindings Soya & Multifeeds Sdn. Berhad	Malaysia	Manufacture and sale of animal feeds and sale of related raw materials	100	100
Premier Grain Sdn. Bhd.	Malaysia	Trading in corn, soybean meal and other feed ingredients	51	51
Vimaflour Ltd.*	Vietnam	Milling and selling wheat flour together with its allied products	70	70
MFM International Ltd.#	British Virgin Islands	Investment holding	100	100
MFM Property Sdn. Bhd.^	Malaysia	Investment holding	100	100
MFM Feedmill Sdn. Bhd.	Malaysia	Dormant	100	100
Semakin Dinamik Sdn. Bhd.	Malaysia	Dormant	100	100
MFM LTD.^	Malaysia	Dormant	100	100
Muda Fibre Manufacturing Sdn. Bhd.^	Malaysia	Dormant	60	60

Notes to the Financial Statements (cont'd)

6. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiary	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest	
			2025 %	2024 %
Subsidiary of MFM International Ltd.				
Mekong Flour Mills Ltd.*	Vietnam	Milling and selling wheat flour together with its allied products	100	100

* Audited by other member firms of KPMG International.

Not audited by member firms of KPMG PLT.

^ These subsidiaries are in member's voluntary liquidation.

6.1 Non-controlling interests in subsidiaries

The subsidiaries' information are aggregated based on their operating segment. The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Subsidiaries with material NCI* RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
2025			
Carrying amount of NCI	111,874	4,163	116,037
Comprehensive income/(expense) allocated to NCI	14,787	(36)	14,751
2024			
Carrying amount of NCI	105,634	4,939	110,573
Comprehensive income/(expense) allocated to NCI	13,209	(7)	13,202

* Subsidiaries with material NCI consist of Premier Grain Sdn. Bhd. and Vimaflour Ltd..

6. Investments in subsidiaries (cont'd)

6.1 Non-controlling interests in subsidiaries (cont'd)

	Subsidiaries with material NCI*	
	2025 RM'000	2024 RM'000
Summarised financial information before intra-group elimination		
As at 31 December		
Non-current assets	70,490	86,170
Current assets	696,531	709,108
Current liabilities	(417,605)	(460,396)
Net assets	349,416	334,882
Year ended 31 December		
Revenue	2,012,989	1,873,521
Profit for the year	82,984	59,397
Total comprehensive income	43,024	39,711
Cash flows from/(used in) operating activities	105,000	(36,675)
Cash flows used in investing activities	(15,541)	(23,976)
Cash flows (used in)/from financing activities	(92,574)	61,502
Net (decrease)/increase in cash and cash equivalents	(3,115)	851
Dividends paid to NCI	8,547	6,656

* Subsidiaries with material NCI consist of Premier Grain Sdn. Bhd. and Vimaflour Ltd..

6.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

7. Investments in joint ventures

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At cost					
Unquoted shares		656,057	656,057	647,382	647,382
Less: Accumulated impairment loss	7.1	(42,068)	(42,068)	(101,207)	(101,207)
Share of post-acquisition reserves		34,878	34,890	-	-
		648,867	648,879	546,175	546,175

Notes to the Financial Statements (cont'd)

7. Investments in joint ventures (cont'd)

7.1 Impairment assessment of investment in a joint venture

The Group's and the Company's joint venture, PT Bungasari Flour Mills Indonesia ("BFMI") recorded a profit after tax of RM7.9 million during the current financial year, compared to a loss after tax of RM30.0 million in the previous financial year. While this reflects a turnaround to profitability, the Group remains cautious in assessing the recoverable amount of its investment in BFMI as the operating environment in Indonesia continues to be challenging.

BFMI continues to face competitive domestic market conditions as well as weakening exchange rates. In addition, recent geopolitical events have exacerbated logistics challenges, particularly in respect to the supply of raw materials.

In the previous financial year, management estimated the recoverable amount of the Group's and the Company's investment in BFMI of RM99,035,000 and an impairment loss of RM42,068,000 and RM65,442,000 was recognised in profit or loss of the Group and the Company, respectively.

During the current financial year, no further impairment was identified from the Group's and the Company's impairment testing.

7.2 Significant judgements and assumptions in relation to impairment assessment of investment in a joint venture

The Group and the Company applied significant judgements and assumptions in performing impairment testing which requires management to estimate the recoverable amount of the investment in a joint venture and to provide impairment loss when required. The Group and the Company considered the joint venture's cash flow projections in determining the recoverable amount of the investment in a joint venture.

The following table shows the valuation technique used in the determination of the fair value and the significant unobservable inputs used in the valuation calculation.

Description of valuation technique and inputs used	Level 3 fair value significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
The valuation method considers the discounting of future cash flows expected to be generated.	<ul style="list-style-type: none"> Pre-tax discount rate of 13% (2024: 14%). Annual revenue growth of 4% for the years 2026 to 2030 (2024: 6% for the years 2025 to 2029). Terminal growth rate of 2% (2024: 2%). 	<ul style="list-style-type: none"> The estimated fair value would increase/decrease if the discount rate were lower/higher. The estimated fair value would increase/decrease if the annual revenue growth rate were higher/lower. The estimated fair value would increase/decrease if the terminal growth rate were higher/lower.

7. Investments in joint ventures (cont'd)

The joint ventures, all of which are incorporated in Malaysia except as disclosed otherwise, comprise:

Name of joint venture	Principal place of business/ Country of incorporation	Principal activities	Percentage of ownership	
			2025 %	2024 %
Dindings Tyson Sdn. Bhd. ("DTSB")#	Malaysia	Investment holding	51	51
Subsidiaries of DTSB				
Dindings Poultry Development Centre Sdn. Bhd.#	Malaysia	Breeding and sale of day-old chicks, poultry grow-out farm, purchase and contract farming activities, manufacture and sale of animal feeds and sale of related raw materials	51	51
Dindings Poultry Processing Sdn. Bhd.#	Malaysia	Processing and sale of poultry products	51	51
Dindings Foods Sdn. Bhd.#	Malaysia	Dormant	51	51
PT Bungasari Flour Mills Indonesia ("BFMI")*	Indonesia	Milling and selling of wheat flour together with its allied products	30	30

Although the Group has majority voting rights in DTSB, there are substantive rights shared with the other shareholder pursuant to the shareholders' agreement. Accordingly, DTSB and its subsidiaries are classified as joint ventures of the Group.

* Not audited by member firms of KPMG PLT.

Notes to the Financial Statements (cont'd)

7. Investments in joint ventures (cont'd)

The following table summarises the financial information of the joint ventures, as adjusted for any differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the joint ventures, which is accounted for using the equity method.

	DTSB		BFMI		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Summarised financial information as at 31 December						
Non-current assets	857,267	891,241	658,793	781,417	1,516,060	1,672,658
Current assets	452,495	469,712	668,408	656,829	1,120,903	1,126,541
Non-current liabilities	(437)	(5,143)	(76,675)	(93,495)	(77,112)	(98,638)
Current liabilities	(178,272)	(252,296)	(851,628)	(898,998)	(1,029,900)	(1,151,294)
Net assets	1,131,053	1,103,514	398,898	445,753	1,529,951	1,549,267
Year ended 31 December						
Revenue	1,121,162	1,079,823	1,655,017	2,263,865	2,776,179	3,343,688
Profit/(Loss) for the year	27,539	3,105	7,876	(30,005)	35,415	(26,900)
Reconciliation of net assets to carrying amount as at 31 December						
Group's share of net assets	506,197	492,152	119,669	133,726	625,866	625,878
Goodwill	65,069	65,069	-	-	65,069	65,069
Less: Impairment loss	-	-	(42,068)	(42,068)	(42,068)	(42,068)
Carrying amount in the statement of financial position	571,266	557,221	77,601	91,658	648,867	648,879
Group's share of results for the year ended 31 December						
Group's share of profit/(loss) for the year	14,045	1,583	2,363	(9,001)	16,408	(7,418)

7. Investments in joint ventures (cont'd)

7.3 Contingent liabilities

PT Bungasari Flour Mills Indonesia

Corporate guarantee

In the previous financial year, the Company provided proportionate corporate guarantees of up to USD6.6 million for financing facilities granted by financial institutions to the joint venture, BFMI. The outstanding loans as at 31 December 2024 proportionately amounted to USD0.34 million.

During the current financial year, no corporate guarantees were provided by the Company.

Dindings Poultry Development Centre Sdn. Bhd. ("DPDC")

Litigation

On 5 August 2022, DPDC received a Notice of Proposed Decision issued by the Malaysia Competition Commission ("MyCC") pursuant to Section 36 of the Competition Act 2010 ("the Act") ("Proposed Decision"). The Proposed Decision is premised primarily on the allegation that DPDC had engaged in agreements and/or concerted practices to fix the quantum of poultry feed price which is in breach of Section 4(1) read together with Sections 4(2)(a) and 4(3) of the Act.

DPDC strongly denies the allegation of the aforesaid infringement which is without merit and intends to defend such unfounded allegation vigorously. DPDC has appointed external legal counsel to represent it and submit written representations and make an oral representation before MyCC. However, in the event of any findings to the contrary, MyCC has proposed a financial penalty equivalent to 10% based on the relevant turnover and based on MyCC's calculations for the alleged period which amounts to RM70 million. DPDC denies that it is liable for the said penalty and refutes the basis of the calculation applied by MyCC. DPDC submitted its written submission to MyCC on 31 January 2023 rebutting the allegation of the aforesaid infringement and made its oral representation on 29 and 31 May 2023.

On 22 December 2023, DPDC received MyCC's Notice of Finding of An Infringement under Section 40 of the Competition Act 2010 together with the Decision of Infringement under Section 4(1) read with Sections 4(2)(a) and 4(3) of the Competition Act 2010 dated 11 December 2023 ("the Decision"). MyCC maintains its finding of price-fixing infringement with imposition of financial penalty of RM70 million on DPDC. The legal counsel is of the view that there were sufficient grounds to challenge the Decision. On 9 January 2024, DPDC 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 heard DPDC's submission on the stay application on 12 June 2024. The stay application was dismissed by the Tribunal on 6 December 2024. DPDC filed a judicial review application at the High Court to judicially review the Tribunal's decision on 6 December 2024 in refusing the stay.

On 2 January 2025, the High Court granted leave for DPDC to judicially review the Tribunal's decision in refusing the stay. The High Court also granted an ad interim stay pending the determination of the stay application filed by DPDC. On 2 October 2025, the High Court allowed DPDC's judicial review application. The Tribunal's decision (in refusing stay) was quashed and a consequential order to stay all enforcement proceedings against DPDC pending disposal of the appeal was granted.

Notes to the Financial Statements (cont'd)

7. Investments in joint ventures (cont'd)

7.3 Contingent liabilities (cont'd)

DPDC (cont'd)

Litigation (cont'd)

The hearing of DPDC's appeal against the Decision took place on 29 April 2025 and 16 June 2025 before the Tribunal. On 11 February 2026, the Tribunal dismissed the appeal by DPDC, with no order as to costs ("Tribunal's Decision"). In the oral grounds delivered, the Tribunal stated that it affirmed the findings and decisions in the MyCC's decision. DPDC filed a judicial review application at the High Court against the Tribunal's Decision and seek an interim stay order pending the disposal of the judicial review on 23 February 2026. On 9 March 2026, the High Court granted leave for DPDC to commence the judicial review of the Tribunal's Decision. The High Court also granted an ad interim stay order in relation to the Tribunal's Decision and MyCC's decision, until the determination of DPDC's application for interim stay.

Based on the advice of the legal counsel, the Directors concur with DPDC's view that no provision is required in the financial statements at this juncture.

7.4 Material accounting policy information

Investments in joint ventures are measured in the Company's statement of financial position at cost less any impairment losses.

8. Investment in an associate

Details of the associate are as follows:

Name of entity	Principal place of business/Country of incorporation	Nature of the relationship	Effective ownership interest	
			2025 %	2024 %
Freeman Properties Holding Ltd.* (Held through MFM Property Sdn. Bhd.)	Cambodia	Investment	-	49

*Members' voluntary liquidation was completed during the year.

8.1 Material accounting policy information

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses.

9. Deferred tax assets/(liabilities)

9.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Property, plant and equipment	-	-	(27,937)	(27,398)	(27,937)	(27,398)
Right-of-use assets	-	-	(1,897)	(2,175)	(1,897)	(2,175)
Lease liabilities	2,079	2,332	-	-	2,079	2,332
Provisions	5,444	4,252	-	-	5,444	4,252
Unabsorbed capital allowances	11,966	11,753	-	-	11,966	11,753
Tax losses carry-forward	1,703	928	-	-	1,703	928
Others	159	17	(1,429)	(1,382)	(1,270)	(1,365)
Tax assets/(liabilities)	21,351	19,282	(31,263)	(30,955)	(9,912)	(11,673)
Set-off of tax	(14,017)	(14,220)	14,017	14,220	-	-
Net tax assets/(liabilities)	7,334	5,062	(17,246)	(16,735)	(9,912)	(11,673)
Company						
Property, plant and equipment	-	-	(19,842)	(19,093)	(19,842)	(19,093)
Right-of-use assets	-	-	(1,897)	(2,175)	(1,897)	(2,175)
Lease liabilities	2,079	2,332	-	-	2,079	2,332
Provisions	3,609	3,583	-	-	3,609	3,583
Others	159	-	-	(331)	159	(331)
Tax assets/(liabilities)	5,847	5,915	(21,739)	(21,599)	(15,892)	(15,684)
Set-off of tax	(5,847)	(5,915)	5,847	5,915	-	-
Net tax liabilities	-	-	(15,892)	(15,684)	(15,892)	(15,684)

Notes to the Financial Statements (cont'd)

9. Deferred tax assets/(liabilities) (cont'd)

9.2 Movement in temporary differences during the year

	At 1.1.2024 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31.12.2025 RM'000
Group					
Property, plant and equipment	(28,314)	916	(27,398)	(539)	(27,937)
Right-of-use assets	(3,225)	1,050	(2,175)	278	(1,897)
Lease liabilities	2,566	(234)	2,332	(253)	2,079
RCULS	648	(648)	-	-	-
Provisions	4,031	221	4,252	1,192	5,444
Unabsorbed capital allowances	10,862	891	11,753	213	11,966
Tax losses carry-forward	2,439	(1,511)	928	774	1,702
Others	(979)	(386)	(1,365)	96	(1,269)
	(11,972)	299	(11,673)	1,761	(9,912)
Company					
Property, plant and equipment	(20,805)	1,712	(19,093)	(749)	(19,842)
Right-of-use assets	(3,225)	1,050	(2,175)	278	(1,897)
Lease liabilities	2,566	(234)	2,332	(253)	2,079
RCULS	648	(648)	-	-	-
Provisions	3,614	(31)	3,583	26	3,609
Others	83	(414)	(331)	490	159
	(17,119)	1,435	(15,684)	(208)	(15,892)

9.3 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2025 RM'000	2024 RM'000
Unabsorbed capital allowances	311	311
Tax losses carry-forward	5,609	17,967
Deductible temporary differences	1,120	1,120
	7,040	19,398

9. Deferred tax assets/(liabilities) (cont'd)

9.3 Unrecognised deferred tax assets (cont'd)

The abovementioned deferred tax assets do not expire under the current tax legislation except for the tax losses carry-forward. Pursuant to the Finance Act 2021, the tax losses carry-forward can only be carried forward up to 10 consecutive Years of Assessment, and expire as follows:

Year of Assessment	Group	
	2025 RM'000	2024 RM'000
2028	4,116	4,116
2030	214	214
2031	1,229	3,158
2032	50	10,479
	5,609	17,967

Deferred tax assets have not been recognised in respect of these items because it is not probable that sufficient future taxable profit will be available against which the Group can utilise the benefits there from.

10. Trade and other receivables, including derivatives

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables from contracts with customers		386,627	391,504	88,742	102,139
Amounts due from subsidiaries	10.1	-	-	58,340	50,205
Other receivables	10.2	10,379	17,175	2,226	5,306
Amounts due from joint ventures	10.3	11,781	29,538	4,008	29,434
Deposits		2,713	1,248	2,432	959
Derivatives at fair value through profit or loss:					
- foreign currency forward contracts		-	3,922	-	2,975
- future and option contracts		83	-	-	-
		411,583	443,387	155,748	191,018

Notes to the Financial Statements (cont'd)

10. Trade and other receivables, including derivatives (cont'd)

10.1 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, repayable on demand and subject to interest ranging from 4.80% - 4.90% (2024: 5.20% - 5.50%) per annum.

10.2 Other receivables

Included in other receivables of the Group are advances paid to suppliers of RM1,742,000 (2024: RM6,634,000) and interest receivable from deposits placed with licensed banks of RM6,497,000 (2024: RM6,670,000).

Included in other receivables of the Company are advances paid to suppliers of RM268,000 (2024: RM2,538,000).

10.3 Amounts due from joint ventures

The amounts due from joint ventures are unsecured, repayable on demand and interest free. In the previous financial year, there was an amount due from a joint venture amounting to RM21,580,000 which was subject to the Company's cost of funds plus 1% per annum.

11. Inventories

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Raw materials	450,078	465,610	132,420	109,684
Finished goods	29,453	35,462	9,679	11,528
Consumables	18,825	18,680	6,255	6,113
	498,356	519,752	148,354	127,325
Recognised in profit or loss: Inventories recognised as cost of goods sold	2,766,821	2,672,498	468,547	529,419

11.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

12. Fixed deposits

	Group	
	2025 RM'000	2024 RM'000
Fixed deposits placed with licensed banks with maturity of more than 3 months	299,644	334,364

Fixed deposits represent time deposits at banks with maturity of more than 3 months to less than 12 months.

Included in fixed deposits are deposits received from customers amounting to RM12,989,000 (2024: RM14,945,000) which are subject to restriction in use in accordance with agreements with customers.

13. Cash and cash equivalents

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits placed with licensed banks		4,169	28,837	4,169	10,555
Cash and bank balances		43,897	42,770	29,520	23,661
Liquid investment	13.1	6,000	-	6,000	-
		54,066	71,607	39,689	34,216

13.1 Liquid investment

The liquid investment represents an investment in a money market fund which has insignificant risk of change in fair value.

14. Asset classified as held for sale

Certain plant and equipment previously classified as property, plant and equipment was presented as an asset held for sale following the commitment of the Company's plan to sell the asset during the year. Efforts to sell the plant and equipment have commenced, and a sale is expected in financial year 2026.

	Group and Company	
	2025 RM'000	2024 RM'000
Asset classified as held for sale		
Plant and equipment	32,786	32,786

The carrying value of the asset held for sale is the same as its carrying value before it was reclassified from property, plant and equipment.

Notes to the Financial Statements (cont'd)

15. Capital and reserves

Share capital

	Group and Company			
	Amount 2025 RM'000	Number of shares 2025 '000	Amount 2024 RM'000	Number of shares 2024 '000
Issued and fully paid shares with no par value:				
Ordinary shares				
At 1 January	645,415	1,239,154	537,262	1,022,893
Conversion of RCULS	-	-	108,095	216,189
Exercise of warrants	-	-	58	72
At 31 December	645,415	1,239,154	645,415	1,239,154

15.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

15.2 Redeemable convertible unsecured loan stocks ("RCULS")

On 28 January 2019, the Renounceable Rights Issue of RM165,084,641 in nominal value of 5-year 5% RCULS at 100% of its nominal value of RM1.00 on the basis of three (3) RCULS for every ten (10) existing ordinary shares, together with 82,542,291 Bonus Shares A on the basis of one (1) Bonus Share A for every two (2) RCULS subscribed and 82,542,291 Free Warrants A on the basis of one (1) Free Warrant A for every two (2) RCULS subscribed has been completed following the listings and quotation on the Main Market of Bursa Securities.

The salient features of the RCULS are as follows:

- (i) The coupon rate for the RCULS is 5% per annum, payable semi-annually in arrears prior to conversion of the RCULS;
- (ii) The conversion price for the RCULS has been fixed at RM0.50 each ("Conversion Price") with the conversion ratio of 2 ordinary shares for every RCULS with a nominal value of RM1.00 surrendered;
- (iii) The new ordinary shares to be issued upon conversion of the RCULS will, upon allotment and issue, rank equally in all respects with the then existing ordinary shares, except that they shall not be entitled to any dividends, rights, allotments and any other distributions of which the entitlement date is before the date of allotment of the new ordinary shares;
- (iv) The RCULS holder is entitled to exercise the right of conversion from date of issuance up to 24 January 2024 ("Maturity Date");

15. Capital and reserves (cont'd)

15.2 Redeemable convertible unsecured loan stocks ("RCULS") (cont'd)

The salient features of the RCULS are as follows: (cont'd)

- (v) The Company may redeem the outstanding RCULS (if not earlier converted) in full on the Maturity Date in cash at 100% of its nominal value plus all accrued coupon of such RCULS up to the Maturity Date subject to an irrevocable prior written notice is being served no less than 30 days or such other period as mutually agreed before the Maturity Date; and
- (vi) All outstanding RCULS which have not been earlier converted or redeemed on the Maturity Date, shall be mandatorily converted into fully paid new ordinary shares at the Conversion Price on the Maturity Date.

	Group and Company		Total RM'000
	Equity component RM'000	Liability component RM'000	
As at 1 January 2024	77,410	2,702	80,112
Conversion of RCULS to share capital	(77,410)	-	(77,410)
RCULS coupon payment	-	(2,702)	(2,702)
As at 31 December 2024/1 January 2025/ 31 December 2025	-	-	-

In the previous financial year, 216,189,518 new ordinary shares amounting to RM108,095,000 were issued resulting from the conversion of 108,094,759 units of RCULS at the conversion price of RM0.50 each.

As at 31 December 2024, RCULS were fully converted.

15.3 Warrant reserve

	Group and Company			
	Amount 2025 RM'000	Number of warrants 2025 '000	Amount 2024 RM'000	Number of warrants 2024 '000
At 1 January	-	-	17,763	136,628
Exercised during the year	-	-	(9)	(72)
Expired during the year	-	-	(17,754)	(136,556)
At 31 December	-	-	-	-

Notes to the Financial Statements (cont'd)

15. Capital and reserves (cont'd)

15.3 Warrant reserve (cont'd)

On 28 January 2019, 137,570,667 warrants were issued pursuant to the Rights Issue of Rights Shares and RCULS ("Rights Issue").

The warrant reserve comprises the fair value of the free detachable warrants arising from the Rights Issue. The warrants are constituted by the deed poll dated 3 December 2018 ("Deed Poll"). The salient features of the warrants are as follows:

- (i) Each warrant entitles the warrant holder to subscribe for one (1) new ordinary share in the Company at the exercise price of RM0.68 during the 5-year period expiring on 23 January 2024 ("Exercise Period"), subject to further adjustments in accordance with provisions of the Deed Poll;
- (ii) At the expiry of the Exercise Period, any warrants which have not been exercised shall automatically lapse and cease to be valid for any purpose; and
- (iii) The new ordinary shares to be issued upon exercise of the warrants will, upon allotment and issue, rank equally in all respects with the then existing ordinary shares, except that they shall not be entitled to any dividends, rights, allotments and any other distributions of which the entitlement date is before the date of allotment of the new ordinary shares.

In the previous financial year, 72,125 warrants were exercised at RM0.68 each amounting to RM49,000. This resulted in the issuance of 72,125 new ordinary shares and a transfer of warrant reserve of RM9,000 to share capital. The total increase arising from the warrants exercised amounted to RM58,000.

At the expiry of the Exercise Period, 136,555,585 warrants remained unexercised and had automatically expired.

15.4 Other capital reserve

Other capital reserve comprises the amount transferred from retained earnings being the profit reinvested as capital contribution by subsidiaries.

15.5 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

16. Loans and borrowings

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Unsecured term loans	11,712	22,780	11,712	17,000
Current				
Unsecured bankers' acceptances/ Unsecured revolving credits	713,641	923,242	282,243	330,037
Unsecured term loans	24,925	46,426	19,145	34,000
	738,566	969,668	301,388	364,037
Total loans and borrowings	750,278	992,448	313,100	381,037

17. Trade and other payables, including derivatives

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables		107,580	39,834	12,341	14,792
Amounts due to subsidiaries	17.1	-	-	8,787	11,117
Amounts due to joint ventures	17.2	206	1,917	-	-
Other payables and accruals	17.3	66,242	69,928	27,054	30,061
Derivatives at fair value through profit or loss:					
- foreign currency forward contracts		1,767	-	1,094	-
- future and option contracts		-	59	-	-
		175,795	111,738	49,276	55,970

17.1 Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, repayable on demand and interest free. In the previous financial year, there was an amount due to a subsidiary amounting to RM320,000 which was subject to interest at 5.20% per annum.

Notes to the Financial Statements (cont'd)

17. Trade and other payables, including derivatives (cont'd)

17.2 Amounts due to joint ventures

The amounts due to joint ventures are unsecured, repayable on demand and interest free.

17.3 Other payables and accruals

Included in other payables and accruals of the Group and of the Company are deposits from customers of RM19,935,000 (2024: RM21,044,000) and RM212,000 (2024: RM207,000), respectively.

18. Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers	3,242,859	3,121,334	678,479	735,594

Revenue is recognised when the Group or the Company transfers control of a good to the customers, net of rebates and/or incentives. The Group or the Company allows returns for quality issues and compensation for weight loss exceeding the normal threshold, if any. The performance obligation is satisfied at a point in time and the customers are required to pay within the agreed credit terms, ranging between 0 to 90 days.

19. Profit before tax

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	240	246	137	137
- Member firms of KPMG International Limited	113	124	-	-
- Other auditors	94	105	81	53
Non-audit fees:				
- KPMG PLT	44	89	44	89
- Local affiliates of KPMG PLT	255	321	128	218

19. Profit before tax (cont'd)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging/(crediting): (cont'd)					
Material expenses/(income)					
Amortisation of intangible assets	4	513	433	358	297
Depreciation of investment properties	5	57	57	57	57
Depreciation of property, plant and equipment	2	33,383	33,754	17,020	16,329
Depreciation of right-of-use assets	3	2,237	2,345	1,768	1,691
Dividend income from subsidiaries (unquoted)		-	-	(29,552)	(29,403)
Insurance recoveries		(2,286)	(188)	(167)	(141)
Interest expense of financial liabilities that are not at fair value through profit or loss ("FVTPL"):					
- unsecured bankers' acceptances/unsecured revolving credits		37,258	36,693	14,088	12,919
- unsecured term loans		2,244	4,634	1,642	3,424
- subsidiaries		-	-	73	1,262
- lease liabilities		419	421	324	351
Interest income of financial assets calculated using the effective interest method that are:					
- at amortised cost:					
- deposits placed with licensed banks		(17,710)	(20,537)	(535)	(994)
- debtors		(73)	(197)	(20)	(73)
- subsidiaries		-	-	(3,076)	(2,403)
- joint ventures		(1,070)	(396)	(1,070)	(396)
- at FVTPL:					
- liquid investment		(252)	(95)	(252)	(95)
Net loss/(gain) on future and option contracts:					
- realised		1,767	(998)	-	(95)
- unrealised		(142)	350	-	98
Net (gain)/loss on foreign exchange:					
- realised		(2,423)	(612)	(325)	546
- unrealised		2,484	(741)	2,683	(1,779)

Notes to the Financial Statements (cont'd)

19. Profit before tax (cont'd)

Note	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging/(crediting): (cont'd)				
Material expenses/(income) (cont'd)				
Impairment of investment in a joint venture	7.1	-	42,068	-
Impairment of investment in subsidiaries		-	1,933	-
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund		8,492	8,263	5,785
- Wages, salaries and others		85,689	81,359	54,718
Other expenses/(income) arising from leases				
Expenses relating to short-term leases		130	107	18
Expenses relating to leases of low-value assets		76	67	72
Expenses relating to variable lease payments not included in the measurement of lease liabilities		3,259	1,865	1,140
Income from subleasing right-of-use assets (excluding subleasing of investment properties)		-	-	(2,115)
Net loss/(gain) on impairment of financial instruments				
Financial assets at amortised cost:				
- Trade receivables		4,694	1,392	(172)
- Other receivables		-	-	(710)

20. Tax expense

20.1 Recognised in profit or loss

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax expense	34,362	38,313	13,884	19,228
Share of tax of equity-accounted joint ventures	4,105	9,172	-	-
Total tax expense	38,467	47,485	13,884	19,228
Current tax expense				
- current year	37,113	36,925	14,705	19,101
- (over)/under provision in prior year	(990)	1,687	(1,029)	1,562
Total current tax expense	36,123	38,612	13,676	20,663
Deferred tax (income)/expense				
- reversal of temporary differences	(2,418)	(346)	(427)	(1,404)
- under/(over) provision in prior year	657	47	635	(31)
Total deferred tax (income)/expense	(1,761)	(299)	208	(1,435)
Share of tax of equity-accounted joint ventures	4,105	9,172	-	-
Total tax expense	38,467	47,485	13,884	19,228

Notes to the Financial Statements (cont'd)

20. Tax expense (cont'd)

20.2 Reconciliation of tax expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the year	166,681	77,223	78,502	8,885
Total tax expense	38,467	47,485	13,884	19,228
Profit before tax	205,148	124,708	92,386	28,113
Tax at Malaysian tax rate of 24%	49,236	29,930	22,173	6,747
Effect of tax rates in foreign jurisdictions	(6,087)	(5,169)	-	-
Difference in effective tax rate in equity-accounted joint ventures	(80)	149	-	-
Tax incentive	(2,400)	-	(2,400)	-
Non-deductible expenses	1,741	11,951	1,939	18,033
Non-taxable income	(287)	(237)	(7,093)	(7,057)
Difference in effective tax rate for foreign source income	(477)	(5)	(477)	(5)
Deferred tax assets (recognised)/ not recognised	(1,754)	3,831	-	-
Others	(1,092)	5,301	136	(21)
(Over)/Under provision in prior year	38,800 (333)	45,751 1,734	14,278 (394)	17,697 1,531
	38,467	47,485	13,884	19,228

21. Earnings per ordinary share

21.1 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders of the Company and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit attributable to ordinary shareholders of the Company	139,942	58,115
	'000	'000
Weighted average number of ordinary shares at 31 December	1,239,154	1,225,567
	Sen	Sen
Basic earnings per ordinary share	11.29	4.74

21.2 Basic earnings per ordinary share (adjusted)

	Group	
	2025 RM'000	2024 RM'000
Profit attributable to ordinary shareholders of the Company	139,942	58,115
Impairment loss on investment in a joint venture	-	42,068
Profit attributable to ordinary shareholders of the Company (adjusted)	139,942	100,183
	'000	'000
Weighted average number of ordinary shares at 31 December	1,239,154	1,225,567
	Sen	Sen
Basic earnings per ordinary share (adjusted)	11.29	8.17

21.3 Diluted earnings per ordinary share

Diluted earnings per ordinary share is not presented as the Group has no shares or other instruments with potential dilutive effects.

Notes to the Financial Statements (cont'd)

22. Dividends

Dividends recognised by the Company are:

	Sen per share	Total amount RM'000	Date of payment
2025			
Interim 2025 ordinary	1.50	18,587	25 September 2025
2024			
Interim 2023 ordinary	1.50	18,587	29 March 2024
Interim 2024 ordinary	1.50	18,587	27 September 2024
Interim 2024 ordinary	1.50	18,587	30 December 2024
		55,761	

On 26 February 2026, the Directors declared a second interim single tier dividend of 2.00 sen per ordinary share totalling approximately RM24,783,000 in respect of the financial year ended 31 December 2025, which was paid on 26 March 2026.

The Directors do not recommend any payment of final dividend for the financial year under review.

23. Operating segments

Segment information is presented in respect of the Group's business and geographical segments. For each business and geographical segments, the Group's chief operating decision maker reviews internal management reports on a regular basis.

The Group's operations comprise the following main business segments:

- Flour and grain trading Milling and selling wheat flour and trading in grain and other allied products
- Poultry integration Manufacture and sale of animal feeds, processing and sale of poultry products, poultry grow-out farm, breeding and sale of day-old-chicks and contract farming activities
- Others Manufacture and sale of aqua feeds and all other units within the Group that do not constitute a separately reportable segment

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment total assets is used to measure the return of assets of each segment.

23. Operating segments (cont'd)

	Flour and grain trading		Poultry integration		Others		Consolidated	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Business segments								
Revenue from external customers	3,185,740	3,053,449	-	-	57,119	67,885	3,242,859	3,121,334
Inter-segment revenue	12,977	16,806	-	-	-	-	12,977	16,806
Total segment revenue	3,198,717	3,070,255	-	-	57,119	67,885	3,255,836	3,138,140
Results from operating activities	209,726	183,775	-	-	(4,275)	1,770	205,451	185,545
Interest expense	(39,318)	(40,538)	-	-	(603)	(1,210)	(39,921)	(41,748)
Interest income	19,095	21,208	-	-	10	17	19,105	21,225
Impairment loss of investment in a joint venture	-	(42,068)	-	-	-	-	-	(42,068)
Share of profit/(loss) of equity-accounted joint ventures, net of tax	2,363	(9,001)	14,045	1,583	-	-	16,408	(7,418)
Profit before tax	191,866	113,376	14,045	1,583	(4,868)	577	201,043	115,536
Depreciation and amortisation	(32,392)	(32,781)	-	-	(3,798)	(3,808)	(36,190)	(36,589)
Tax (expense)/credit	(35,885)	(38,309)	-	-	1,523	(4)	(34,362)	(38,313)
Insurance recoveries	2,286	188	-	-	-	-	2,286	188
Non-cash expense other than depreciation and amortisation	(2,289)	301	-	-	(4,785)	(659)	(7,074)	(358)
Capital expenditure	(42,704)	(67,758)	-	-	(201)	(3,289)	(42,905)	(71,047)

Notes to the Financial Statements (cont'd)

23. Operating segments (cont'd)

	Flour and grain trading		Poultry integration		Others		Consolidated	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Segment assets	1,697,463	1,802,527	-	-	93,816	105,051	1,791,279	1,907,578
Investments in joint ventures	77,601	91,658	571,266	557,221	-	-	648,867	648,879
Total segments assets	1,775,064	1,894,185	571,266	557,221	93,816	105,051	2,440,146	2,556,457

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets.

	Malaysia		Vietnam		Consolidated	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from external customers	1,754,227	1,751,818	1,488,632	1,369,516	3,242,859	3,121,334
Non-current assets	983,525	990,252	154,283	157,460	1,137,808	1,147,712

Major customers

There were no customers with revenue equal to or more than 10% of the Group's total revenue for the financial year ended 31 December 2025 (2024: Nil).

24. Financial instruments

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- a. Fair value through profit or loss (“FVTPL”)
 - Mandatorily required by MFRS 9
- b. Amortised cost (“AC”)

	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
Group				
2025				
Financial assets				
Trade and other receivables, including derivatives	10	411,583	411,500	83
Fixed deposits	12	299,644	299,644	-
Cash and cash equivalents	13	54,066	48,066	6,000
		765,293	759,210	6,083
Financial liabilities				
Trade and other payables, including derivatives	17	(175,795)	(174,028)	(1,767)
Loans and borrowings	16	(750,278)	(750,278)	-
		(926,073)	(924,306)	(1,767)
Company				
2025				
Financial assets				
Trade and other receivables, including derivatives	10	155,748	155,748	-
Cash and cash equivalents	13	39,689	33,689	6,000
		195,437	189,437	6,000
Financial liabilities				
Trade and other payables, including derivatives	17	(49,276)	(48,182)	(1,094)
Loans and borrowings	16	(313,100)	(313,100)	-
		(362,376)	(361,282)	(1,094)

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.1 Categories of financial instruments (cont'd)

	Note	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
Group				
2024				
Financial assets				
Trade and other receivables, including derivatives	10	443,387	439,465	3,922
Fixed deposits	12	334,364	334,364	-
Cash and cash equivalents	13	71,607	71,607	-
		849,358	845,436	3,922
Financial liabilities				
Trade and other payables, including derivatives	17	(111,738)	(111,679)	(59)
Loans and borrowings	16	(992,448)	(992,448)	-
		(1,104,186)	(1,104,127)	(59)
Company				
2024				
Financial assets				
Trade and other receivables, including derivatives	10	191,018	188,043	2,975
Cash and cash equivalents	13	34,216	34,216	-
		225,234	222,259	2,975
Financial liabilities				
Trade and other payables, including derivatives	17	(55,970)	(55,970)	-
Loans and borrowings	16	(381,037)	(381,037)	-
		(437,007)	(437,007)	-

24. Financial instruments (cont'd)

24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net (losses)/gains on:				
Financial assets/(liabilities) at FVTPL:				
Mandatorily required by MFRS 9				
- foreign currency forward contracts	(5,690)	5,282	(4,068)	4,240
- future and option contracts	(1,625)	648	-	(3)
- liquid investment	252	95	252	95
Financial assets at amortised cost	13,622	19,592	4,946	3,331
Financial liabilities at amortised cost	(33,336)	(45,110)	(13,456)	(20,567)
	(26,777)	(19,493)	(12,326)	(12,904)

24.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Interest rate risk
- Foreign currency risk
- Liquidity risk

24.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arise principally from their receivables from customers. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is addressed by the Credit Committee that sets policies, approves credit evaluations and institutes mitigating actions. New customers are subject to credit evaluation process and existing customers' risk profiles are reviewed regularly with a view to setting appropriate terms of trade and credit limits. Where appropriate, further sales are suspended and legal actions are taken to attempt recoveries and mitigate losses.

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.4 Credit risk (cont'd)

Trade receivables (cont'd)

Risk management objectives, policies and processes for managing the risk (cont'd)

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk and credit quality

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by their carrying amounts in the statement of financial position.

The Group and the Company receive financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	234,006	254,816	88,742	102,139
Vietnam	152,621	136,688	-	-
	386,627	391,504	88,742	102,139

24. Financial instruments (cont'd)

24.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company manage their debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will be settled within 90 days. The Group's and the Company's debt recovery process are as follows:

- a. Above 30 days past due after credit term, the Group or the Company will start to initiate a structured debt recovery process which is monitored by the credit control team; and
- b. Above 180 days past due after credit term, the Group or the Company will commence a legal proceeding against the customer.

The Group and the Company use an allowance matrix to measure ECLs of trade receivables for all segments. Invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group and the Company also consider differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group and the Company believe that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

	Group			Company		
	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2025						
Not past due	385,126	(430)	384,696	88,615	(402)	88,213
Credit impaired						
More than 90 days past due	2,080	(149)	1,931	671	(142)	529
Individually impaired	6,595	(6,595)	-	208	(208)	-
	393,801	(7,174)	386,627	89,494	(752)	88,742

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

	Group			Company		
	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2024						
Not past due	388,642	(687)	387,955	102,336	(630)	101,706
Credit impaired						
More than 90 days past due	3,777	(228)	3,549	592	(159)	433
Individually impaired	2,819	(2,819)	-	1,282	(1,282)	-
	395,238	(3,734)	391,504	104,210	(2,071)	102,139

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Group Trade receivables			Company Trade receivables		
	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
At 1 January 2024	353	2,326	2,679	297	1,290	1,587
Amounts written off	-	(307)	(307)	-	(6)	(6)
Net remeasurement of loss allowance	334	1,058	1,392	333	157	490
Foreign exchange rate	-	(30)	(30)	-	-	-
At 31 December 2024/ 1 January 2025	687	3,047	3,734	630	1,441	2,071
Amounts written off	-	(1,166)	(1,166)	-	(1,147)	(1,147)
Net remeasurement of loss allowance	(257)	4,951	4,694	(228)	56	(172)
Foreign exchange rate	-	(88)	(88)	-	-	-
At 31 December 2025	430	6,744	7,174	402	350	752

As at 31 December 2025, RM1,166,000 (2024: RM307,000) and RM1,147,000 (2024: RM6,000) of trade receivables for the Group and for the Company, respectively, were written off but they are still subject to enforcement activities.

24. Financial instruments (cont'd)

24.4 Credit risk (cont'd)

Other receivables

Credit risk on other receivables are mainly arising from advances paid to suppliers and interest receivable from deposits placed with licensed banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Fixed deposits, cash and cash equivalents

The fixed deposits, cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees to banks

Risk management objectives, policies and processes for managing the risk

In the previous financial year, the Company provided unsecured financial guarantees to financial institutions in respect of financing facilities granted to its joint venture, BFMI. The Company monitors on an ongoing basis the results of the joint venture and repayments made by the joint venture.

Exposure to credit risk, credit quality and collateral

In the previous financial year, the Company provided proportionate financial guarantees up to USD6.6 million for financing facilities granted to its joint venture. The maximum exposure to credit risk as at 31 December 2024 amounted to USD0.34 million, representing the share of the outstanding banking facilities of the joint venture as at the end of the reporting period.

During the current financial year, there is no exposure to credit risk as no financial guarantees were provided by the Company.

Intercompany advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.4 Credit risk (cont'd)

Intercompany advances (cont'd)

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its advance to the Company in full;
- The subsidiary's advance is overdue for more than 365 days; and
- The subsidiary is continuously loss-making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances as at the end of the reporting period.

Company	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
2025			
Low credit risk	58,340	-	58,340
2024			
Low credit risk	50,205	-	50,205
Credit impaired	710	(710)	-
	50,915	(710)	50,205

The movements in the impairment loss allowance in respect of intercompany advances during the year is shown below.

	Company Lifetime ECL	
	2025 RM'000	2024 RM'000
At 1 January	710	710
Net remeasurement of loss allowance	(710)	-
At 31 December	-	710

24. Financial instruments (cont'd)

24.5 Interest rate risk

The Group's and the Company's exposure to interest rate risk relate primarily to their borrowings and deposits with licensed banks.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's bank borrowings and interest-bearing deposits are both subject to interest based on fixed and floating rates. Market interest rates movements are monitored with the view of ensuring the most competitive rates are secured and where appropriate, borrowing arrangements are restructured or reduced.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments					
Amounts due from subsidiaries	10.1	-	-	58,340	50,205
Fixed deposits	12	299,644	334,364	-	-
Deposits placed with licensed banks	13	4,169	28,837	4,169	10,555
Liquid investment	13	6,000	-	6,000	-
Unsecured bankers' acceptances/Unsecured revolving credits	16	(713,641)	(923,242)	(282,243)	(330,037)
Lease liabilities		(10,068)	(10,851)	(8,661)	(9,718)
Amount due to a subsidiary	17.1	-	-	-	(320)
		(413,896)	(570,892)	(222,395)	(279,315)
Floating rate instruments					
Unsecured term loans	16	(36,637)	(69,206)	(30,857)	(51,000)
Amount due from a joint venture	10.3	-	21,580	-	21,580
		(36,637)	(47,626)	(30,857)	(29,420)

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.5 Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss			
	50 bp increase 2025 RM'000	50 bp decrease 2025 RM'000	50 bp increase 2024 RM'000	50 bp decrease 2024 RM'000
Group				
Floating rate instruments	(139)	139	(181)	181
Company				
Floating rate instruments	(117)	117	(112)	112

24.6 Foreign currency risk

The Group and the Company are exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Euro Dollar ("EUR").

Risk management objectives, policies and processes for managing the risk

The Group and the Company monitor their exposure to foreign currency movements closely and where appropriate, the Group and the Company have used foreign currency forward contracts to hedge some of their foreign currency risk.

24. Financial instruments (cont'd)

24.6 Foreign currency risk (cont'd)

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

Group	Note	Denominated in	
		USD RM'000	EUR RM'000
2025			
Balances recognised in the statement of financial position			
Unsecured bankers' acceptances/Unsecured revolving credits		(85,737)	-
Forecast transactions			
Forecast purchases		(129,632)	-
Forward exchange contract on forecast purchases		127,865	-
	17	(1,767)	-
Net exposure		(87,504)	-
2024			
Balances recognised in the statement of financial position			
Unsecured term loans		-	(1,266)
Unsecured bankers' acceptances/Unsecured revolving credits		(194,984)	-
		(194,984)	(1,266)
Forecast transactions			
Forecast purchases		(159,775)	-
Forward exchange contract on forecast purchases		163,697	-
	10	3,922	-
Net exposure		(191,062)	(1,266)

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.6 Foreign currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

Company	Denominated in USD	
	2025 RM'000	2024 RM'000
Balance recognised in the statement of financial position		
Unsecured bankers' acceptances/Unsecured revolving credits	(19,194)	(109,432)
Forecast transactions		
Forecast purchases	(87,370)	(131,184)
Forward exchange contract on forecast purchases	86,276	134,159
	(1,094)	2,975
Net exposure	(20,288)	(106,457)

Currency risk sensitivity analysis

A 5% (2024: 5%) (weakening)/strengthening of RM against the following currencies as at the end of the reporting period would have (decreased)/increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or loss	
	2025 RM'000	2024 RM'000
Group		
USD	(1,601)	1,189
EUR	-	48
Company		
USD	2,549	940

24.7 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, loans and borrowings and lease liabilities.

The Group and the Company monitor and maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

24. Financial instruments (cont'd)

24.7 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2025							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	174,028	-	174,028	174,028	-	-	-
Unsecured bankers' acceptances/ Unsecured revolving credits	713,641	3.42 - 5.90	723,622	723,622	-	-	-
Unsecured term loans	36,637	4.76 - 5.31	38,827	25,622	2,813	7,992	2,400
Lease liabilities	10,068	3.50 - 8.50	11,157	2,556	2,189	6,412	-
<i>Derivative financial liabilities</i>							
Foreign currency forward contracts (gross settled):							
Outflow	1,767	-	129,687	129,687	-	-	-
Inflow	-	-	(127,920)	(127,920)	-	-	-
	936,141		949,401	927,595	5,002	14,404	2,400

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.7 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Group	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2024							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	111,679	-	111,679	111,679	-	-	-
Unsecured bankers' acceptances/ Unsecured revolving credits	923,242	3.37 - 6.12	936,004	936,004	-	-	-
Unsecured term loans	69,206	5.23 - 5.56	72,263	49,054	23,209	-	-
Lease liabilities	10,851	3.50 - 8.50	12,182	2,239	2,253	7,416	274
Financial guarantees	-	-	1,522	1,522	-	-	-
<i>Derivative financial liabilities</i>							
Future and option contracts (gross settled):							
Outflow	59	-	513	513	-	-	-
Inflow	-	-	(454)	(454)	-	-	-
	1,115,037		1,133,709	1,100,557	25,462	7,416	274

24. Financial instruments (cont'd)

24.7 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2025							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	48,182	-	48,182	48,182	-	-	-
Unsecured bankers' acceptances/ Unsecured revolving credits	282,243	3.40 - 5.03	284,982	284,982	-	-	-
Unsecured term loans	30,857	5.05 - 5.31	32,965	19,760	2,813	7,992	2,400
Lease liabilities	8,661	3.50	9,436	2,140	1,762	5,534	-
<i>Derivative financial liabilities</i>							
Foreign currency forward contracts (gross settled):							
Outflow	1,094	-	87,370	87,370	-	-	-
Inflow	-	-	(86,276)	(86,276)	-	-	-
	371,037		376,659	356,158	4,575	13,526	2,400

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.7 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2024						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	55,650	-	55,650	55,650	-	-
Amounts due to a subsidiary	320	5.20	338	338	-	-
Unsecured bankers' acceptances/ Unsecured revolving credits	330,037	3.37 - 6.12	333,039	333,039	-	-
Unsecured term loans	51,000	5.28	53,356	36,019	17,337	-
Lease liabilities	9,718	3.50 - 5.00	10,790	1,884	1,976	6,930
Financial guarantees	-	-	1,522	1,522	-	-
	446,725		454,695	428,452	19,313	6,930

24. Financial instruments (cont'd)

24.8 Fair value information

The carrying amounts of fixed deposits, cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The tables below analyses other financial instruments at fair value.

Group	Carried at fair value				Total	Not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000				
2025								
Financial assets								
Future and option contracts	83	-	-	83	-	83	83	
Liquid investment	6,000	-	-	6,000	-	6,000	6,000	
	6,083	-	-	6,083	-	6,083	6,083	
Financial liabilities								
Foreign currency forward contracts	-	(1,767)	-	(1,767)	-	(1,767)	(1,767)	
Unsecured term loans	-	-	-	-	(36,637)	(36,637)	(36,637)	
	-	(1,767)	-	(1,767)	(36,637)	(38,404)	(38,404)	
2024								
Financial assets								
Foreign currency forward contracts	-	3,922	-	3,922	-	3,922	3,922	
Financial liabilities								
Future and option contracts	(59)	-	-	(59)	-	(59)	(59)	
Unsecured term loans	-	-	-	-	(69,206)	(69,206)	(69,206)	
	(59)	-	-	(59)	(69,206)	(69,265)	(69,265)	

Notes to the Financial Statements (cont'd)

24. Financial instruments (cont'd)

24.8 Fair value information (cont'd)

Company	Carried at fair value				Not carried at	Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 3 RM'000		
2025							
Financial assets							
Liquid investment	6,000	-	-	6,000	-	6,000	6,000
Financial liabilities							
Foreign currency forward contracts	-	(1,094)	-	(1,094)	-	(1,094)	(1,094)
Unsecured term loans	-	-	-	-	(30,857)	(30,857)	(30,857)
	-	(1,094)	-	(1,094)	(30,857)	(31,951)	(31,951)
2024							
Financial assets							
Foreign currency forward contracts	-	2,975	-	2,975	-	2,975	2,975
Financial liabilities							
Unsecured term loans	-	-	-	-	(51,000)	(51,000)	(51,000)

Level 2 fair value

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2024: no transfer in either direction).

Fair value of financial instruments not carried at fair value

Level 3 fair value

Level 3 fair value not carried at fair value comprises long-term term loans where their fair values approximate their carrying amounts. The fair values are estimated using discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities as at the end of the reporting period.

25. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios as at the end of the reporting period were as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Total borrowings	16	750,278	992,448
Lease liabilities		10,068	10,851
Less:			
Fixed deposits	12	(299,644)	(334,364)
Cash and cash equivalents	13	(54,066)	(71,607)
Net debt		406,636	597,328
Total equity		1,473,381	1,415,838
Debt-to-equity ratio		0.28	0.42

There was no change in the Group's approach to capital management during the financial year.

26. Capital commitments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment				
Contracted but not provided for	7,513	36,195	5,506	19,366
Joint ventures				
Share of capital commitment of the joint ventures	3,231	2,824	-	-

Notes to the Financial Statements (cont'd)

27. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company are shown below. The balances related to the below transactions are shown in Notes 10 and 17.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
A. Subsidiaries				
Sales of goods	-	-	5,800	7,818
Dividend income	-	-	29,552	29,403
Consultancy fees income	-	-	1,676	1,372
Management fees income	-	-	454	549
Management Information System fees income	-	-	285	246
Rental of premises	-	-	63	49
Rental of furniture and fittings	-	-	61	42
Rental of equipment	-	-	1,440	1,633
Interest income	-	-	3,076	2,403
Interest expense	-	-	(73)	(1,262)
B. Joint ventures				
Sales of goods	73,199	57,808	32,981	32,789
Purchases of goods	(80,371)	(82,454)	-	-
Management fees income	11,272	12,078	11,272	12,078
Management Information System fees income	5,220	4,751	5,220	4,751
Rental of premises	315	491	315	491
Rental of furniture and fittings	240	111	240	111
Rental of equipment	3,401	4,072	3,401	4,072
Rental of motor vehicle	21	-	21	-
Interest income	1,070	396	1,070	396

27. Related parties (cont'd)

Significant related party transactions (cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
C. Key management personnel				
<i>Directors of the Company:</i>				
- Fees	980	980	980	980
- Remuneration	7,973	7,302	7,824	6,942
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	156	95	156	95
	9,109	8,377	8,960	8,017
<i>Directors of the Group entities:</i>				
- Remuneration	928	741	-	-
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	145	247	-	-
	1,073	988	-	-
Total short-term employee benefits	10,182	9,365	8,960	8,017

Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 115 to 183 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Datuk Oh Chong Peng

Director

Teh Wee Chye

Director

31 March 2026

Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Yeap Khoo Soon Edwin**, the officer primarily responsible for the financial management of Malayan Flour Mills Berhad, do solemnly and sincerely declare that the financial statements set out on pages 115 to 183 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Yeap Khoo Soon Edwin, MIA CA16284, at Kuala Lumpur in the Federal Territory on 31 March 2026.

Yeap Khoo Soon Edwin

Before me:

Harcharan Singh (W883)
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report

to the members of Malayan Flour Mills Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Malayan Flour Mills Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 115 to 183.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matter

Key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of the Group and of the Company for the current year. This matter was addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of investment in a joint venture

Refer to Note 1(d) – Use of estimates and judgements and Note 7 – Investments in joint ventures.

The key audit matter

As disclosed in Note 7, in view of the continued challenging operating environment in Indonesia, the Group and the Company performed an impairment test during the financial year on the investment in a joint venture, PT Bungasari Flour Mills Indonesia.

Key audit matter (cont'd)

The key audit matter (cont'd)

We identified the valuation of investment in a joint venture as a key audit matter because of its significance to the financial statements of the Group and of the Company and because assessing the key impairment assumptions involves significant judgement which requires significant involvement of our more experienced audit engagement team members.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We assessed the Group's and the Company's assessment on indicators of impairment in investment in a joint venture;
- We compared the joint venture's cash flow projections to its approved business plan and previous cash flow projections to actual results to assess the reliability of the Group and the Company's forecasting process;
- We assessed and challenged the reasonableness of the key assumptions used in the cash flow projections by comparing them to externally derived data as well as our own assessments which takes into account historical trends and other corroborative evidence available;
- We assessed whether the Group and the Company had adequately provided impairment on the investment in a joint venture; and
- We assessed the adequacy of the disclosure in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report

to the members of Malayan Flour Mills Berhad (cont'd)

Responsibilities of the Directors for the Financial Statements (cont'd)

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.



Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
LLP0010081-LCA & AF 0758
Chartered Accountants

Chua See Guan
Approval Number: 03169/02/2027 J
Chartered Accountant

Petaling Jaya
31 March 2026

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2026

Share Capital - RM645,414,830.42
 Class and Number of Issued Shares - 1,239,154,165 ordinary shares

13,373 shareholders

Voting rights: One vote for one share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Issued Shares	% of Issued Shares
Less than 100	1,653	12.36	19,854	0.00
100 to 1,000	1,589	11.88	876,708	0.07
1,001 to 10,000	5,316	39.75	29,042,608	2.35
10,001 to 100,000	4,054	30.32	135,468,512	10.93
100,001 to less than 5% of issued shares	759	5.68	901,635,783	72.76
5% and above of issued shares	2	0.01	172,110,700	13.89
	13,373	100.00	1,239,154,165	100.00

Thirty (30) Largest Shareholders	No. of Shares	Percentage Holding (%)
1. Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Teh Wee Chye)	91,058,005	7.35
2. HLIB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Teh Wee Chye)	81,052,695	6.54
3. Teoh Guan Kok & Co Sdn Berhad	61,774,100	4.96
4. Thye Nam Loong Holdings Sdn Bhd	60,561,922	4.89
5. Astar Commercial Limited	53,583,750	4.32
6. UOB Kay Hian Nominees (Asing) Sdn Bhd (Solid Esteem Sdn Bhd for Wise Bright Investment Limited)	39,381,435	3.18
7. Zalaraz Sdn Bhd	31,339,800	2.53
8. Yong Kok Yian	31,034,372	2.50
9. Alliancegroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Essence Lane Sdn Bhd)	25,129,449	2.03
10. Citigroup Nominees (Asing) Sdn Bhd (UBS AG)	24,194,572	1.95
11. Duangmanee Liewphairatana	22,253,917	1.80
12. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Deutsche Trustees Malaysia Berhad for Eastspring Investments Small-Cap Fund)	21,843,600	1.76
13. Kenanga Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Gan Kong Hiok)	20,755,301	1.68

Thirty (30) Largest Shareholders	No. of Shares	Percentage Holding (%)
14. Teh Wee Chye	19,158,376	1.55
15. UOB Kay Hian Nominees (Asing) Sdn Bhd (Amble Volume Sdn Bhd for Rise Glory Investment Limited)	15,425,197	1.25
16. Teoh Liang Huat @ Teoh Lean Huat	14,543,700	1.17
17. Citigroup Nominees (Tempatan) Sdn Bhd [Employees Provident Fund Board (Pheim)]	14,446,300	1.17
18. Citigroup Nominees (Tempatan) Sdn Bhd [Employees Provident Fund Board (EASTSPRINGESG)]	11,914,600	0.96
19. Teh Kok Bin	11,126,958	0.90
20. Lee See Jin	9,755,100	0.79
21. HLIB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Prakash A/L K.V.P Menon)	9,540,000	0.77
22. Azhari Arshad	9,164,539	0.74
23. Azman Arshad	8,564,539	0.69
24. Azmi bin Arshad	8,564,539	0.69
25. Azmir Razaleigh bin Arshad	8,564,539	0.69
26. Azrina binti Arshad	8,564,539	0.69
27. Zaleha binti Mohd Arshad	8,068,539	0.65
28. RHB Nominees (Tempatan) Sdn Bhd (Teh Wee Chye)	7,741,500	0.63
29. Chew Hem Poo @ Choy Nean Chin	7,000,000	0.57
30. Citigroup Nominees (Tempatan) Sdn Bhd [Kumpulan Wang Persaraan (Diperbadankan) (Espring ABSR EQ)]	6,109,900	0.49

Substantial Shareholders

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Teh Wee Chye	199,083,701	16.07	87,273,490 ⁽¹⁾	7.04
Thye Nam Loong Holdings Sdn Bhd	60,561,922	4.89	1,519,119 ⁽²⁾	0.12
Duangmanee Liewphairatana	22,253,917	1.80	62,081,041 ⁽³⁾	5.01

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2026 (cont'd)

Directors' Interests in the Company and its Related Corporations

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Datuk Oh Chong Peng	27,087	0.00	-	-
Teh Wee Chye	199,083,701	16.07	87,273,490 ⁽¹⁾	7.04
Dato' Seri Zainal Abidin bin Mahamad Zain	11,250	0.00	-	-
Prakash A/L K.V.P Menon	9,652,500	0.78	-	-
Azhari Arshad	9,164,539	0.74	31,339,800 ⁽⁴⁾	2.53
Lim Pang Boon	720,825	0.06	-	-
Emeritus Professor Datin Paduka Setia Dato' Dr Aini binti Ideris	-	-	94,400 ⁽⁵⁾	0.01

Director, Teh Wee Chye is deemed to have interests in all the shares held by the Company in its related corporations by virtue of his substantial shareholdings in the Company.

Notes:

- (1) Deemed interested through Thye Nam Loong Holdings Sdn Bhd, Thye Nam Loong Sdn Bhd, Suai Timber Products Sdn Bhd, Essence Lane Sdn Bhd and shareholding of his spouse.
- (2) Deemed interested through Thye Nam Loong Sdn Bhd and Suai Timber Products Sdn Bhd.
- (3) Deemed interested through Thye Nam Loong Holdings Sdn Bhd, Thye Nam Loong Sdn Bhd and Suai Timber Products Sdn Bhd.
- (4) Deemed interested through Zalaraz Sdn Bhd.
- (5) Deemed interested through shareholding of her child.

LIST OF PROPERTIES

Description, Location & Size	Existing Use	Approximate Age of Building (Year)	Date/Year of last Revaluation/ Acquisition	Net Book Value At 31-12-25 RM
Freehold land with shop houses GRN 116112 Lot 3618 Section 4 GRN 116113 Lot 3619 Section 4 Town of Butterworth District of Seberang Perai Utara Penang Total: 1.44 acres	Shoplot	65	9 Sept 1996	2,693,000
Freehold land with residential building GRN 29231 Lot 449 Section 67 District of Kuala Lumpur Federal Territory Total: 1.00 acre	Commercial land and building	86	4 Dec 1996	1,549,000
Freehold land Lots 5326, 5327 and part of Lots 5331 & 5332 District of Dindings Perak Darul Ridzuan Total: 9.00 acres	Vacant land	-	1981	72,000
Leasehold land with buildings Lots 4902 (expiring on 11-12-2061) 5337 (expiring on 25-4-2075) 5466 & 5336 (expiring on 22-11-2090) PT 4333 HSD 28222/PT 4334 HSD 28223 (expiring on 25-4-2075) Mukim of Lumut, District of Dindings Perak Darul Ridzuan Total: 61.43 acres	Office and factory	43-59	6 Oct 1998	14,643,000
Freehold land with shop house Grant No. 36370, Lot No. 12256 Mukim of Pulau District of Johor Bahru Johor Darul Takzim Total: 0.04 acre	Shoplot	46	1991	127,000
Leasehold land with buildings HSD 238626, Lot PTD 119736 (expiring on 28-2-2051) Mukim of Plentong District of Johor Bahru Johor Darul Takzim Total: 10.1 acres	Office and factory	33	3 Feb 1995	43,549,000

LIST OF PROPERTIES (cont'd)

Description, Location & Size	Existing Use	Approximate Age of Building (Year)	Date/Year of last Revaluation/ Acquisition	Net Book Value At 31-12-25 RM
Freehold land with building HS(D) 212786 PTB 18284 Bandar Johor Bahru District of Johor Bahru Johor Darul Takzim Total: 0.13 acre	Factory	26	1999	349,000
Leasehold land HS(D) 503714 PTD 209638 (expiring on 2-4-2072) Mukim of Plentong District of Johor Bahru Johor Darul Takzim Total: 4.57 acres	Vacant land	-	2011	2,500,000
Leasehold land with buildings HSD 30844 PT 13524 (expiring on 20-10-2075) Mukim of Lumut District of Manjung Perak Darul Ridzuan Total: 23 acres	Factory	13	2020	88,256,000
Freehold land with house GRN 160946 Lot 45520 Mukim of Plentong District of Johor Bahru Johor Darul Takzim Total: 0.04 acre	Residential house	34	2017	129,000
Freehold land Grant 1784, Lot 12653 Mukim of Sitiawan District of Dindings Perak Darul Ridzuan Total: 17 acres	Vacant land	-	1997	271,000
Freehold land GM 10137, Lot 23464 Mukim of Bagan Serai District of Kerian Perak Darul Ridzuan Total: 2.12 acres	Vacant land	-	1990	1



Description, Location & Size	Existing Use	Approximate Age of Building (Year)	Date/Year of last Revaluation/ Acquisition	Net Book Value At 31-12-25 RM
Land Use Rights with buildings (expiring on 1-9-2044) Cai Lan, Quang Ninh Province The Socialist Republic of Vietnam Total: 17.30 acres	Office and factory	28	1994	39,487,000
Land Use Rights with buildings (expiring on 30-6-2048) Phu My Industrial Zone I Tan Thanh District Baria - Vungtau Province The Socialist Republic of Vietnam Total: 17.29 acres	Office and factory	23	2000	37,726,000

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Sixth Annual General Meeting (“66th AGM”) of Malayan Flour Mills Berhad will be held at the Plenary Theatre, Level 3, Kuala Lumpur Convention Centre, Jalan Pinang, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Tuesday, 19 May 2026 at 10.00 a.m. for the following purposes:-

Ordinary Business


1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. [Please refer to Explanatory Notes].
2. To re-elect the following Directors who retire by rotation in accordance with Clause 132 of the Constitution of the Company and being eligible, offer themselves for re-election:
 - (i) Datuk Oh Chong Peng **(Ordinary Resolution 1)**
 - (ii) Mr Prakash A/L K.V.P Menon **(Ordinary Resolution 2)**
 - (iii) Dato’ Maznah binti Abdul Jalil **(Ordinary Resolution 3)**
3. To approve the payment of Directors’ fees amounting to RM280,000 per annum for the Non-Executive Chairman and RM140,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2025. **(Ordinary Resolution 4)**
4. To approve an amount of up to RM350,000 as benefits payable to the Non-Executive Directors for the period from the conclusion of the 66th AGM until the conclusion of the next AGM of the Company. **(Ordinary Resolution 5)**
5. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

Special Business

To consider and if thought fit, to pass with or without modifications, the following resolutions:-

6. **Authority to Directors to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

“**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 7)

7. Proposed Renewal of Authority for Share Buy-back

“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;

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

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.”

(Ordinary Resolution 8)

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

Mah Wai Mun
MAICSA 7009729
SSM PC No. 202008000785
Company Secretary

Kuala Lumpur
20 April 2026

Notes:-

1. A member entitled to attend, speak and vote at the 66th AGM is entitled to appoint not more than 2 proxies to attend, speak and to vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.
4. Notwithstanding the above, an exempt authorised nominee may appoint multiple proxies in respect of each Omnibus Account held.
5. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or the hand of the attorney duly authorised.
6. The Proxy Form shall not be treated as valid unless the Proxy Form in a hardcopy form or by electronic means as specified below is received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:
 - **In hardcopy form**
 - The original proxy form shall be posted or deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd ("Boardroom") at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.
 - **Electronically**
 - The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Guide for such lodgement.
 - Alternatively, the proxy form can be emailed to Boardroom at bsr.proxy@boardroomlimited.com
7. For the purpose of determining a member who shall be entitled to participate in this 66th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 82 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at **8 May 2026**. Only a depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at the said AGM or appoint proxies to participate and vote on his/her behalf.
8. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements"), all resolutions set out in the Notice of the 66th AGM will be put to vote on a poll.

Explanatory Notes on Ordinary Business

Item 1 of the Agenda: To receive the Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.

Ordinary Resolutions 1, 2, and 3: Re-election of Directors

Datuk Oh Chong Peng, Mr Prakash A/L K.V.P Menon and Dato' Maznah binti Abdul Jalil are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 66th AGM.

The Board had through the Nomination Committee carried out assessment on the Directors who are standing for re-election and satisfied that they met the criteria as prescribed by Paragraph 2.20A of the Bursa Securities Listing Requirements on character, experience, integrity, competence and time to effectively discharge their role as Directors.

Ordinary Resolutions 4 and 5: Directors' Fees and Other Benefits

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees and any benefits payable to the Directors of a listed company shall be approved at a general meeting.

In this respect, the Board wishes to seek the shareholders' approval for the following payments to Non-Executive Directors at the 66th AGM:-

Resolution 4: Payment of Directors' fees amounting to RM280,000 per annum for the Non-Executive Chairman and RM140,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2025; and

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Resolution 5: Payment of benefits payable to the Non-Executive Directors which have been reviewed by the Remuneration Committee and Board of Directors of the Company for the period from the conclusion of the 66th AGM until the conclusion of the next AGM of the Company.

The benefits payable to the Non-Executive Directors comprise Board Committees' fixed allowance, meeting allowances and benefits-in-kind. In determining the estimated total amount of the benefits payable, the Board has considered various factors including the number of scheduled and special meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings.

Resolutions 4 and 5, if passed, will facilitate the payment of Directors' fees and benefits as and when required. The Board is of the view that the Non-Executive Directors should be paid such fees and benefits upon them discharging their responsibilities and rendering their services to the Company.

Ordinary Resolution 6: Re-appointment of Auditors

The Audit & Risk Management Committee and the Board had, on 31 March 2026, considered the re-appointment of Messrs KPMG PLT as Auditors of the Company. The Audit & Risk Management Committee and the Board collectively agreed and are satisfied that Messrs KPMG PLT meets the relevant criteria prescribed by Paragraph 15.21 of the Bursa Securities Listing Requirements.

Explanatory Notes on Special Business

Ordinary Resolution 7: Authority to Directors to Allot and Issue Shares

The proposed Resolution 7 is for the purpose of seeking a renewal of the general mandate ("General Mandate") and if passed, will empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and any share issuance for acquisition involving equity deal which requires the Company to allot and issue new shares, which is only to be undertaken if the Directors consider it to be in the best interest of the Company.

As at the date of this Notice, no new share in the Company was issued pursuant to the General Mandate granted to the Directors at the 65th AGM of the Company held on 19 May 2025.

Ordinary Resolution 8: Proposed Renewal of Authority for Share Buy-back

The proposed Resolution 8, if passed, will empower the Directors to purchase the Company's shares of up to a maximum of 10% of the total number of issued shares of the Company by utilising the funds allocated out of the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities
Berhad Main Market Listing Requirements

Authority to Directors to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The renewal of this general mandate (“General Mandate”) will empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting (“AGM”) of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and any share issuance for acquisition involving equity deal which requires the Company to allot and issue new shares, which is only to be undertaken if the Directors consider it to be in the best interest of the Company.

As at the date of this Notice, no new share in the Company was issued pursuant to the General Mandate granted to the Directors at the 65th AGM of the Company held on 19 May 2025.

This page is intentionally left blank.

MALAYAN FLOUR MILLS BERHAD

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

PROXY FORM

CDS Account No.

No. of Shares Held

I/We _____ NRIC No./Passport No./Company No. _____
(full name in block letters)

of _____
(full address)

being a member/members of **MALAYAN FLOUR MILLS BERHAD** hereby appoint:-

Full Name (In Block)	NRIC No./Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

* and/or

Full Name (In Block)	NRIC No./Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

or failing him/her, the *CHAIRMAN OF THE MEETING as my/our proxy to attend and vote for me/us on my/our behalf at the Sixty-Sixth Annual General Meeting ("66th AGM") of the Company to be held at the Plenary Theatre, Level 3, Kuala Lumpur Convention Centre, Jalan Pinang, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Tuesday, 19 May 2026 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote on a poll as indicated below:

(Please indicate with a "x" or "√" in the boxes provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

No.	Resolutions	For	Against
1.	Re-election of the following Directors who retire by rotation in accordance with Clause 132 of the Constitution of the Company:-		
2.	a. Datuk Oh Chong Peng		
3.	b. Mr Prakash A/L K.V.P Menon		
4.	c. Dato' Maznah binti Abdul Jalil		
5.	Payment of Directors' fees		
6.	Payment of benefits payable to the Directors		
7.	Re-appointment of Messrs KPMG PLT as Auditors of the Company		
8.	Authority to Directors to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016		
9.	Proposed Renewal of Authority for Share Buy-back		

* Strike out whichever not applicable

Dated this _____ day of _____, 2026

Signature/Common Seal of Shareholder

Notes:-

- A member entitled to attend, speak and vote at the 66th AGM is entitled to appoint not more than 2 proxies to attend, speak and to vote in his/her stead. A proxy may but need not be a member of the Company.
- Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.
- Notwithstanding the above, an exempt authorised nominee may appoint multiple proxies in respect of each Omnibus Account held.
- The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or the hand of the attorney duly authorised.
- The Proxy Form shall not be treated as valid unless the Proxy Form in a hardcopy form or by electronic means as specified below is received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:
 - In hardcopy form**
 - The original proxy form shall be posted or deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd ("Boardroom") at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.
 - Electronically**
 - The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Guide for such lodgement.
 - Alternatively, the proxy form can be emailed to Boardroom at bsr.proxy@boardroomlimited.com
- For the purpose of determining a member who shall be entitled to participate in this 66th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 82 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at **8 May 2026**. Only a depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at the said AGM or appoint proxies to participate and vote on his/her behalf.
- Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("Bursa Securities Listing Requirements"), all resolutions set out in the Notice of the 66th AGM will be put to vote on a poll.

Fold this flap for sealing

1st fold here

**AFFIX
STAMP
HERE**

**Share Registrar
BOARDROOM SHARE REGISTRARS SDN BHD**

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

2nd fold here



Malayan Flour Mills Berhad

Registration No. 196101000210 (4260-M)

HEAD OFFICE: Suite 28.01, Level 28, Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

Tel: (603) 2170 0999 (GL), Fax: (603) 2170 0888

www.mfm.com.my