

MALAYAN FLOUR MILLS BERHAD (4260-M)
(Incorporated in Malaysia)

Minutes of the Fifty-Eighth Annual General Meeting of Malayan Flour Mills Berhad
held at the Auditorium, 3rd Floor, Wisma MCA, 163 Jalan Ampang,
50450 Kuala Lumpur on Tuesday, 22 May 2018 at 10.00 a.m.

Present:	Tan Sri Dato' Seri Utama Arshad bin Ayub	(Chairman and Shareholder/Proxy)
	Teh Wee Chye	(Managing Director and Shareholder/Corporate Representative)
	Dato' Hj Shaharuddin bin Hj Haron	(Director and Shareholder)
	Datuk Oh Chong Peng	(Director and Shareholder)
	Dato' Wira Zainal Abidin bin Mahamad Zain	(Director and Shareholder)
	Prakash A/L K.V.P Menon	(Director)
	Azhari Arshad	(Director)
	Quah Poh Keat	(Director)
	Prof. Datin Paduka Dato' Dr. Aini binti Ideris	(Director)
	Lim Pang Boon	(Director and Shareholder)
	1,351 Shareholders/Proxies	
	2 Corporate Representatives	

In Attendance:	Cheang Kiat Cheong	(Chief Financial Officer)
	Mah Wai Mun	(Company Secretary)
	Datuk Johan Idris	(External Auditors-Messrs KPMG PLT)
	Chua See Guan	(External Auditors-Messrs KPMG PLT)
	Symphony Share Registrars Sdn Bhd	(Poll Administrator)
	Symphony Corporatehouse Sdn Bhd	(Scrutineers)

1. WELCOME ADDRESS

The Chairman of the Meeting, Tan Sri Dato' Seri Utama Arshad bin Ayub, welcomed all the attendees to the Meeting.

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

2. QUORUM AND NOTICE OF MEETING

At the request of the Chairman, the Secretary confirmed that a quorum was present and that shareholders of 112,090,865 shares had appointed the Chairman of the Meeting as their proxy.

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

Before proceeding to the agenda of the Meeting, the Chairman presented his Opening Remarks for the Meeting followed by a presentation by the Managing Director, Mr Teh Wee Chye, on the review of the performance of the Group in year 2017.

The Chairman further stated that as the Notice convening the Meeting had been sent to all the shareholders and with the consent of the meeting, the Notice of the Meeting be taken as read.

The Chairman informed that the voting would be conducted by way of a poll in compliance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

For that purpose and in accordance with Article 78 of the Company's Articles of Association, the Chairman exercised his right as the Chairman of the Meeting to demand that the voting of all the twelve (12) resolutions as set out in the Notice of Annual General Meeting ("AGM") be voted by way of poll.

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

3. **AGENDA 1**
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

The Audited Financial Statements for the year ended 31 December 2017 together with the Directors' and Auditors' Reports thereon, were laid before the Meeting.

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

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

Before answering any questions on the Audited Financial Statements from the floor, for the benefit of the shareholders, the Chief Financial Officer, Mr Cheang Kiat Cheong presented the points and queries raised by the Minority Shareholder Watchdog Group ("MSWG") via its letter dated 17 May 2018 and the Company's reply in response to the questions raised as follows:-

Strategic & Financial Matters

MSWG Question 1

As stated on page 14 and 125 of the Annual Report, the Group's joint venture in Indonesia has delivered commendable growth in revenue to RM995 million in 2017 as compared to RM540 million in the previous financial year.

- i. However, the Group's share of profit in 2017 was only higher at RM7.8 million as compared to the previous year's RM6.4 million. Please explain the reasons for the share of profit in 2017 not growing in tandem with the revenue of the joint venture business in Indonesia?
- ii. What is the current dividend policy of the joint venture business in Indonesia?

MFM Response

- i. The share of profit in 2017 did not grow in tandem with the 84% increase in revenue of the joint venture business in Indonesia mainly because there was a deferred tax expense of RM0.8 million (at 30% shareholding) in 2017 as compared to a deferred tax income amounting to RM2.3 million (at 30% shareholding) recognised in 2016. Hence, at profit before tax level, there was an increase of 113% in 2017 as compared to that of 2016, which portrays the revenue growth. The deferred tax income was recognised in 2016 as it is probable that future taxable profit will be available against which the losses can be utilised.
- ii. There is no dividend policy in PT Bungasari currently as dividends should be paid out of profits. The company commenced its commercial production in August 2014 amidst a competitive business environment and has sustained accumulated losses in its initial years.

MSWG Question 2

We refer to the Chairman's Statement on page 14 of the Annual Report where the Chairman mentioned that the Group is embarking on investment/expansion in the poultry integration segment further downstream to create stability and enhance its future earnings growth.

- i. When would the new expansions be expected to commence operation and what is the estimated cost?
- ii. What is the Group's current market share for its poultry integration business?
- iii. What measures have been taken by the management to mitigate the risk of raw materials quality, production performance issues and rising input costs of production that have negatively affected the financial performance of the poultry integration segment in FYE 2017?

MFM Response

- i. The new expansion is expected to commence operation by early 2020. The estimated cost is approximately RM550 million.
- ii. Currently, there is no official data on the market share. However, based on our products' reach, we opined we ranked #3 or 4 across the various categories within the poultry integration segment.
- iii. To address the raw materials quality issue and the production performance issue which was a result of poor raw materials quality, the Group continues to enhance its storage preservation facilities through new equipment whilst managing its inventory holding period to prevent decline in raw materials quality. The Group counters the rising costs of production by achieving economies-of-scale and operational efficiencies. The Group is constructing a new state-of-the-art poultry processing plant to increase production and achieve lower cost per unit.

MSWG Question 3

We refer to Note 18, page 135 of the Annual Report whereby it is stated that the Group recorded higher net unrealised loss on foreign exchange in FYE 2017 as compared to the amount in FYE 2016.

Please explain the reasons for the net unrealised loss on foreign exchange for FYE 2017, given the fact that the Group's exposure to sizeable foreign loans denominated in US\$ (as stated on page 148 of the Annual Report) and Ringgit Malaysia has appreciated against the US Dollar during 2017.

MFM Response

The Group monitors its exposure to foreign currency movements closely and where appropriate, the Group enters into foreign currency forward contracts to buy USD to hedge its foreign currency risk for raw materials importation and USD borrowings. These foreign currency forward contracts are measured at fair value through profit or loss as required by the Malaysian Financial Reporting Standards (MFRS) 139 *Financial Instruments: Recognition and Measurement*.

The net unrealised loss on foreign exchange of RM4.4 million stated on page 135 of the Annual Report is mainly the movement of the fair value of the forward contracts outstanding as at 31 December 2017 and 31 December 2016. These fair values are measured using the year-end rates published in Reuters and BNM. The USD MYR performance in 2017 as shown in the next slide portrays a Ringgit strengthening towards year-end and hence the decline in fair values against the contracted rates, resulting in the unrealised loss on foreign exchange.

To provide clarity on the USD MYR performance in 2016 and 2017:-

Year 2017:

Ringgit Malaysia weakened against USD for most of 2017, i.e. from January to October 2017. Based on Reuters, the average USD MYR for full year 2017 is 4.3015.

Year 2016:

Ringgit Malaysia weakened against USD in the last 4 months of 2016. Based on Reuters, the average USD MYR for full year 2016 is 4.1467.

MSWG Question 4

On page 86 of the Annual Report, we note that the Group's gearing ratio (debt-equity ratio) has reduced slightly from 1.07 times in FYE 2016 to 1.05 times in FYE 2017, yet still the ratio exceeded 1 time.

What is the Group's targeted optimal gearing ratio? Is the Board concerned with the high gearing and taking steps to gradually bring it to a lower level?

MFM Response

The Group considers its cash and cash equivalents to arrive at the net gearing ratio. The targeted optimal net gearing ratio is no more than 1 time. The Group is closely monitoring the ratio and has taken steps to reduce the working capital cycle days as most of the borrowings are for raw material purchases and short-term financing.

MSWG Question 5

As stated in Note 12 on page 129 of the Annual Report, the inventories of the Group has increased by 8.3% from RM455.1 million in FYE 2016 to RM493.0 million in FYE 2017. What are the reasons for the growth in inventories despite the decrease in the Group's revenue in FYE 2017 by 5.4% to RM2.4 billion?

MFM Response

Inventories increased by 8.3% mainly due to late collection of grains from customers amidst the stiff competition on grains trading caused by the agricultural commodities bumper yield in 2017, which led to the lower sales volume. Higher wheat costs also led to higher inventories despite the lower quantities of wheat inventories held as at 31 December 2017.

Corporate Governance

MSWG Question 1: Board Attendance

Prof Datin Paduka Dato' Dr Aini attended only 2 out of 4 Board meetings during the financial year. What are the reasons for her not being able to attend the other two meetings during the financial year?

MFM Response

Prof Datin Paduka Dato' Dr Aini was appointed to the Board of the Company in the middle of the year on 25 May 2017. She was unable to attend 2 of the Board meetings as her schedule, due to other commitments fixed prior to her appointment, could not match with the dates of the Board meetings of the Company in 2017 which were fixed prior to the commencement of that year.

She is fully aware of her duties and responsibilities as Director of the Company and endeavours to attend all the Board meetings of the Company this year.

MSWG Question 2: Non-Audit Fees

The non-audit fees of RM271,000 in FYE 2017 were more than 50% of the audit fees of RM467,000 in FYE 2017 and also significantly higher than the non-audit fees of RM131,000 in FYE 2016.

- i. What is the nature of the non-audit work carried out and is such work expected to remain substantial or even increase in FY 2018?
- ii. Please explain the policy and due process in regard to assigning non-audit work to the external auditors so that their independence may not be impaired.

MFM Response

- i. The non-audit fees in 2017 amounting to RM271,000 relates to KPMG's review of Statement on Risk Management and Internal Control, review of group reporting package, tax fees and other professional fees for both compliance and advisory purposes. We do not expect a significant increase in FY 2018 from the level seen in FY 2017.

- ii. The external auditors confirmed that their audit services were subject to the firm's and the profession's strict rules and policies regarding auditor independence, as well as relevant statutory requirements. They enforced those rules and policies in order to maintain objectivity and to be free of conflicts of interest when discharging their professional responsibilities.

MSWG Question 3: Practice 4.2 of Malaysian Code on Corporate Governance 2017 ("MCCG")

Practice 4.2 of MCCG requires that the tenure of an independent director does not exceed accumulative term limit of nine years and if the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

The Company has departed from Practice 4.2.

We take note of the explanations by the Company that its Board Charter provides that there shall be no term of office for an independent director.

However, there are no resolutions tabled for the shareholders' approval to retain the two independent directors, namely Dato' Hj Shaharuddin and Datuk Oh Chong Peng, who have served accumulative term of more than 9 years. There is also no disclosure of the alternative practice adopted by the Company in relation to Practice 4.2.

Under paragraph 3.2A(b) of Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia, the Company is required to disclose the alternative practice that it has adopted and how such alternative practice achieves the Intended Outcome as set out in the MCCG.

MFM Response

The Company has disclosed the alternative practice that it has adopted by way of the annual declaration of independence and annual assessment of the Independent Directors whereby the Nomination Committee and the Board were satisfied that the length of service of all the Independent Directors do not in any way interfere with their exercise of independent judgement and ability to act in the best interest of the Company and they have continued to possess the following qualities:

- They are respectable personalities in society. Hence, their contributions, views and insights are always taken seriously and respected by the Management;
- They have the ability to analyse issues, challenge viewpoints of the Management with intelligent questioning and debate rigorously in the decision-making process; and
- They remain capable of exercising unbiased, objective and independent view, advice and judgement in the decision-making process.

The Board believes its justifications for the Independent Directors who have served in that capacity for more than 9 years to be retained as independent directors, based on the above, shall be the alternative practice to achieve the Intended Outcome as set out in the MCCG since the Board as a whole, has the most direct interactions with its Independent Directors and hence, in better position to judge the integrity and independence of its Directors.

Though the Company did not put up resolutions for the Directors who have served for more than 9 years to be retained as Independent Directors, these Directors are subject to retirement by rotation every 3 years.

MSWG Question 4: Practice 1.3, 8.4 & 12.3 of MCCG

The Company in its Corporate Governance Report has stated that it has applied Practice 12.3 of MCCG.

Practice 12.3 refers to facilitating or providing a platform for shareholders to vote remotely without being physically present at the Company's AGM.

Based on the Company's explanation on the application of Practice 12.3, the Company has not correctly applied the Practice.

We hope the Board would take note of this.

MFM Response

The Board will take note of this.

MSWG Question 5: Special Resolution – Alteration of Existing Memorandum and Articles of Association (“M&A”) in its Entirety and Substituting with a New Constitution of the Company (“Proposed Alteration”)

In relation to the Agenda No. 10 of the Notice of the 58th AGM of the Company for the proposed replacement of the Company's existing M&A with a new Constitution, please highlight the material changes made to the new Constitution as compared to the existing M&A.

MFM Response

The Proposed Alteration is primarily for the purpose of streamlining the Constitution to be in line with the new Companies Act 2016 (“the Act”), the Listing Requirements, the prevailing statutory and regulatory requirements as well as to update the existing Memorandum and Articles of Association of the Company, where relevant, to render consistency and greater clarity throughout in order to facilitate and further enhance administrative efficiency.

The material changes made to the New Constitution of the Company as compared to the existing M&A are as follows:-

Clause No.	New Constitution	Rationale
3	<p><u>Objects</u></p> <p>The Company shall have full capacity to carry on or undertake any business or activity, do any act or enter into any transactions and for these purposes, full rights, powers and privileges as contained in Section 21 of the Act.</p>	<p>All the object clauses in the Memorandum of Association are deleted and replaced by this clause which allows the Company to have full capacity to carry on or undertake any business or activity as contained in Section 21 of the Act.</p>

Clause No.	New Constitution	Rationale
5	<p data-bbox="448 170 628 203"><u>Share Capital</u></p> <p data-bbox="448 241 995 577">The share capital of the Company is its issued share capital. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.</p>	<p data-bbox="1018 170 1447 309">In line with the Act, the authorised capital and nominal value are deleted from this clause.</p>
76	<p data-bbox="448 624 863 658"><u>Convening of General Meetings</u></p> <p data-bbox="448 696 995 1368">All general meetings shall be held at such time, day and place as the Directors shall determine. Every notice of an annual general meeting shall specify the meeting as such and every general meeting convened for passing a special resolution shall state the intention to propose such resolution as a special resolution. A general meeting may be held at more than one venue using any technology or method that enables the members of the Company to participate and to exercise the members' rights to attend, speak and vote at the general meeting where the main venue of the meeting shall be in Malaysia and the chairperson shall be present at that main venue of the general meeting.</p>	<p data-bbox="1018 624 1447 987">This is a new clause to provide for better clarity on the disclosure in the notice of general meeting and also allows a general meeting to be held at more than one venue using any technology or method that enables the members of the Company to participate and vote at the general meeting.</p>
87	<p data-bbox="448 1417 778 1451"><u>Circulation of Statements</u></p> <p data-bbox="448 1489 995 1973">Subject to Section 323 of the Act, members of the company representing at least 2.5% of the paid-up capital of the Company or at least 50 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least RM500.00 may require the Company to circulate statements of not more than one thousand words to members of the Company entitled to receive notice of a meeting of members.</p>	<p data-bbox="1018 1417 1447 1668">This is a new clause to align with Section 323 of the Act which enables members of the Company to request the Company to circulate statements of not more than 1000 words to members of the Company.</p>

Clause No.	New Constitution	Rationale
93	<p><u>Voting by Poll</u></p> <p>Any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll (including the use of a ballot or voting papers or tickets or electronically using various forms of electronic voting devices) where the Company shall appoint at least 1 scrutineer who shall not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process to validate the votes cast at the general meeting. A poll shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairperson directs who may in addition to the powers of adjourning the general meeting in Clause 94, adjourn the general meeting to some place and time fixed for the purpose of declaring the results of the poll.</p>	<p>This is a new clause to align with the Listing Requirements which requires any resolution to be moved at any general meeting to be voted by poll and the Company shall appoint at least 1 scrutineer to validate the votes cast at the general meeting.</p>
105	<p><u>Instrument appointing proxy/attorney to be deposited</u></p> <p>The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company, or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. The Company may specify a fax number and/or an electronic address in the notice of meeting, for the purposes of receipt of proxy appointments, subject to rules, regulations and laws at that time.</p>	<p>This clause is amended as follows:</p> <p>(a) in accordance with Section 334(3) of the Act to provide that the proxy forms or instrument shall be deposited not less than 24 hours before the time appointed for the taking of the poll if the Chairman has decided to hold a poll at a later time/date.</p> <p>(b) in accordance with Section 612(3) of the Act to provide that the receipt of proxy forms may be by way of fax and/or email.</p>

Clause No.	New Constitution	Rationale
112	<p data-bbox="448 165 799 199"><u>Remuneration of Directors</u></p> <p data-bbox="448 241 997 875">Subject to Section 227 of the Act, the fees and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director of the Company shall be approved by the members annually at a general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office provided always that:-</p> <p data-bbox="448 920 997 1361">(a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover; and</p> <p data-bbox="448 1144 997 1361">(b) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.</p>	<p data-bbox="1023 165 1444 427">This clause is amended in accordance with Section 230(1) of the Act and Listing Requirements that the fees and any benefits payable to the Directors shall be approved annually at a general meeting.</p>

Clause No.	New Constitution	Rationale
156	<p data-bbox="448 159 778 192"><u>Declaration of Dividends</u></p> <p data-bbox="448 237 997 495">(a) The Company may from time to time make a distribution to the shareholders but no such dividend shall be payable except out of profits of the Company available and provided the Company is solvent.</p> <p data-bbox="448 539 997 831">(b) The Directors may authorise a distribution of dividend at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent immediately after the distribution is made.</p> <p data-bbox="448 875 997 1088">(c) The Company is regarded as solvent if the Company is able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made.</p> <p data-bbox="448 1133 997 1458">(d) If, after a distribution is authorised and before it is made, the Directors cease to be satisfied on reasonable grounds that the Company will be solvent immediately after the distribution is made, the Directors shall take all necessary steps to prevent the distribution from being made.</p> <p data-bbox="448 1503 997 1682">(e) No higher dividend shall be paid than is authorised by the Directors, and the declarations of the Directors as to the distribution shall be conclusive.</p>	<p data-bbox="1016 159 1444 495">This clause is amended to align with Sections 131 and 132 of the Act which stated that the Directors may only authorise a distribution of dividend if the Directors are satisfied that the Company will be solvent immediately after the distribution is made.</p>

Clause No.	New Constitution	Rationale
171	<p data-bbox="450 174 994 280"><u>Copies of Financial Statements and Reports and Other Documents to be sent to members</u></p> <p data-bbox="450 324 994 1556">A copy of its financial statements and reports which is to be laid before the Company in the Annual General Meeting (including every document required by law or Listing Requirements to be annexed thereto) together with a copy of the Auditors' report relating thereto and of the Directors' report shall not more than 4 months after the close of the financial year and not less than 21 days before the date of the Annual General Meeting be sent to every member of, every Director of, every auditor of, every holder of debenture of, and trustees for every debenture holder of the Company and to every other person who is entitled to receive notice of general meetings from the Company under the provisions of the Act or of this Constitution. The requisite number of copies of such documents shall also be sent to the Exchange and Other Exchanges upon which the Company's shares are listed. Where such documents are sent in CD-ROM form or such other electronic media or publish on the Company's website and a member requires a printed form of such documents, the Company shall send such documents to the member within 4 market days from the date of receipt of the member's request, or such other period as may be prescribed by the Exchange.</p>	<p data-bbox="1016 174 1442 504">This clause is amended in accordance with the Listing Requirements which allows the Company to make available its financial statements and reports and other documents to the members by way of electronic means or publishing on the Company's website.</p>

Clause No.	New Constitution	Rationale
176	<p><u>Modes of Service of Notice to Members</u></p> <p>A notice of a meeting or other documents or information shall be in writing and shall be given to the members or Directors as the case may be either in hard copy, in electronic form or partly in hard copy and partly in electronic form sent either personally hand delivered or prepaid or registered post or by post to the address supplied by the member or Director to the Company as may appear on the Records of Depositors or register of Directors respectively for such purpose or given in electronic form transmitted to the electronic address provided by the member or the Director to the Company as may appear in the Records of Depositors or Register of Directors respectively for such purpose or by publishing on the Company's website.</p>	<p>This clause is amended in accordance with Section 612 of the Act and Listing Requirements which provides for the method of communication between the Company with the members in hard copy and/or electronic form or by publishing on the Company's website.</p>

Chief Financial Officer, Mr Cheang Kiat Cheong informed that the Company had also received questions from a shareholder, Mr Chew Hem Poo.

Mr Cheang presented the Company's reply in response to the questions raised as follows:-

Question 1

In view of the poor performance of the poultry integrated segment in 4Q 2017 as compared to Q4 2016 in terms of revenue and operating profit, would the Board please deliberate and brief the shareholders on any weakness in the Group's operating activities of its Integrated Poultry Farming, in particular, the marketing operations where CAB is also in quite a similar line of business which is doing so well in terms of its revenue and selling price of broilers whereas the Group showed decline in both its revenue and selling price in 4Q 2017.

MFM Response

Poultry Integration encountered some production performance issues resulting in lower feeds and live birds sales volume. The production performance issues coupled with the higher raw material input costs led to lower profits.

Question 2

As the performance of poultry integration segment was below expectation in terms of revenue and selling price as well as poor return on the investment, would the Board please deliberate whether the plan for expansion is required to be re-studied and examined going forward? Please brief the shareholders the latest development regarding Poultry Farming Scheme and also the expansion plan.

MFM Response

The expansion plan that we are undertaking has gone through a very rigorous study and assessment internally before we embarked on it. Hence, we are fully committed and believe we are on the right track.

The setback in poultry integration performance in 2017 is a one-off occurrence and we are confident that we are able to overcome them and improve our performance in future periods. We have taken remedial actions to address the raw materials quality and production performance issues.

Question 3

As the Group involves in derivative trading, large borrowings and debt securities to fund its operations and also manages a large pool of funds whether the Group has capable personnel with expertise and well versed in this area of operation. In addition, do the personnel submit regular reports to Key Senior Management staff as well as the Board? Would the Board please deliberate and brief the shareholders whether the Group performance for the last 3 years in these areas of operations is profitable or a drag in profitability.

MFM Response

The Group enters into derivatives to hedge against commodity and foreign currency exchange risks.

Our operations are led by Key Senior Management who has over 20 years of experience in the operations, including commodities. We continuously strengthen our talent pool with the right skill and experience to ensure our growth agenda are supported.

Question 4

As a matter of interest, whether the Group has Key Performance Indicators for all the Key Operating Divisions that regular report are to be submitted to the Board for deliberation and action to be taken.

MFM Response

The Board approves the annual budgets tabled by the operating segments, which is the basis of the KPIs. On a quarterly basis, the Board is also briefed on the operational progress and financial results together with explanations on deviations and action plans deployed.

Question 5

What will be the prospect of the Company going forward?

MFM Response

Uncertain global economic environment, volatile commodity prices and foreign exchange rates are challenges that will have an impact on the Group. However, having developed our core competencies in managing these uncertainties, we expect the Group's performance to remain positive in 2018.

Upon the presentation, it was opened to the floor for questions on the Audited Financial Statements for the year ended 31 December 2017. Amongst the salient questions raised by the shareholders/proxies which were responded by the Board and Management accordingly were as follows:-

(1) Chief Executive Officer of MSWG, Mr Devanesan Evanson raised the following questions:-

- (i) The non-audit fees of RM271,000 in FYE 2017 were more than 50% of the audit fees of RM467,000 in FYE 2017. MSWG raised its concern on the independence of the external auditors in carrying out the non-audit works for the Group despite the explanation given earlier by the Management. In addition, MSWG was of the view that the independence review of the external auditors should be assessed by the Board of Directors and Audit & Risk Management Committee. The Management should not just accept the independence declaration by the external auditors.

MSWG proposed that the Company should set a cap to the limit of the non-audit fee and also determine the kind of services that it allowed the external auditors to carry out.

- (ii) MSWG reiterated that for the spirit of the MCCG, the Company should adopt the best practice to seek annual shareholders' approval to retain an independent director who had served more than an accumulative term of nine years; and to retain an independent director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.

MFM Response

The Board noted and would look into the matters raised.

(2) Shareholder, Mr Chew Hem Poo raised the following questions:-

- (i) Is there a dividend policy for the Company?
- (ii) The revenue for year 2017 was not as good as year 2016. The profit before tax had declined to RM96.493 million in year 2017. The performance of the Group was not consistent despite the Group is long-established and having qualified Senior Management to operate the business. While it was good to embark on business expansion, the Company should also move the revenue upward.
- (iii) What are the results of the Group for 1st Quarter of 2018?

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

- (i) The Company did not adopt a dividend policy in view of the volatile businesses that the Group was operating. Hence, it adopted a flexible and adaptable method in distributing its dividend. So far, the Company had been declaring and paying consistent dividends to its shareholders.
- (ii) The Group is currently embarking on the expansion of its Poultry Integration for revenue growth and has been engaging with the State Government to obtain lands' approval for its farms. Being a Poultry Integrator, the Group has certain strategic advantages. Once the lands are approved, the Group could move forward.

(iii) The 1Q 2018 quarterly results would be released to Bursa Malaysia Securities Berhad by end of May 2018.

(3) Shareholder, Mr Lim Pin Yeong raised the following questions:-

- (i) It is noted that a General Manager of Aquaculture was appointed in 2017. However, there was no revenue being generated by the Aquaculture segment.
- (ii) The performance of the Poultry Integration was worrying as its profit had dropped by half in 2017 as compared to 2016. What is the market share of the Group in live birds and processed birds?
- (iii) What was the production issue?
- (iv) What are the cycle days for the poultry production?
- (v) What is the expansion cost of the poultry processing plant? Will the Group consider outsourcing the production to other nearby poultry processing plant which is currently under production capacity?

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

- (i) The Group had been producing aqua feed under its subsidiary, Dindings Soya & Multifeeds Sdn Berhad. As the Group is now expanding its aqua feed business by setting up a new aqua feed plant, the General Manager is appointed to be in charge of this business segment.
- (ii) The Group is currently producing about 5 million Day-Old-Chicks (“DOC”) per month which is approximately 30% of the market share and selling about 2.6 million live birds per month. The Group is placing more focus on its poultry processed products.
- (iii) The production issue was mainly due to the quality of feed that had affected the feed conversion ratio (“FCR”) and increased the mortality rate of DOC. The quality of the raw material for the feed was not consistent and the Management is working on ways to resolve the quality issue of the raw material. Having said that, the hot and humid weather that affected the quality of the raw material was beyond human control.
- (iv) The current cycle days for production of broilers are 51 days including cleaning of the chicken houses.
- (v) A total investment of RM500 million is allocated for the expansion of the poultry processing plant by constructing a new state-of-the-art plant using the advanced German technology. Due to compliance with stringent production requirements, the Group would not outsource its production to other poultry processing plant.

(4) Shareholder, Mr Muniandy A/L Karishnan raised the following questions:-

- (i) Is the Group’s profit before tax included the one-off insurance recovery of RM4.2 million?
- (ii) It is noted that the Group has 7 dormant subsidiaries. What is the reason of keeping these subsidiaries?

- (iii) The Group has reserves amounting to RM457 million. Will there be any form of rewards for the shareholders out of the reserves?

Chief Financial Officer, Mr Cheang Kiat Cheong responded as follows:-

- (i) The Group's profit before tax of RM96.5 million included the one-off insurance recovery of RM4.2 million.
- (ii) The Management is currently evaluating these dormant subsidiaries for its future use as some of these subsidiaries have tax credit which is yet to be utilised.
- (iii) The Management would review its return to the shareholders.

(5) Shareholder, Mr Shak Kum Choy raised the following questions:-

- (i) What is the percentage of flour being sold for the production of instant noodle in Vietnam?
- (ii) With the expansion of the poultry processing plant, will the new plant be targeting the export market?

Executive Director cum Head of Flour Division of Vietnam, Mr Lim Pang Boon responded as follows:-

- (i) In Vietnam, approximately 30% of the flour was being used in the production of instant noodle.

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

- (ii) The new poultry processing plant would meet the British retail standards which enable its products to be exported. The new plant is to meet the local demands as well as to expand its export.

(6) Shareholder, Madam Lim Loon Lian raised the following questions:-

- (i) What is the reason for the substantial increase in the borrowing?

Chief Financial Officer, Mr Cheang Kiat Cheong responded as follows:-

- (i) The increase in borrowing was mainly attributed to the capital expenditure for the expansion of the poultry processing plant. In addition, the Group had increased its USD borrowing for grains purchases.

After the clarification session, the Audited Financial Statements for the year ended 31 December 2017 together with the Directors' and Auditors' Reports thereon were declared received and noted.

4. **ORDINARY RESOLUTION 1**
RE-ELECTION OF DATO' WIRA ZAINAL ABIDIN BIN MAHAMAD ZAIN WHO RETIRES BY ROTATION IN ACCORDANCE WITH ARTICLE 111 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The resolution on the re-election of Dato' Wira Zainal Abidin bin Mahamad Zain who retires by rotation in accordance with Article 111 of the Company's Articles of Association was tabled.

The resolution was duly proposed by Ms Tan Hoe Eng and seconded by Ms Lye Sook Lin.

The Chairman informed the Meeting that Ordinary Resolution 1 would be put to vote by poll upon completion of the remaining businesses of the AGM.

5. **ORDINARY RESOLUTION 2**
RE-ELECTION OF MR PRAKASH A/L K.V.P MENON WHO RETIRES BY ROTATION IN ACCORDANCE WITH ARTICLE 111 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The resolution on the re-election of Mr Prakash A/L K.V.P Menon who retires by rotation in accordance with Article 111 of the Company's Articles of Association was tabled.

The resolution was duly proposed by Mr Quah Ban Lee and seconded by Ms Chan Chui Yoke.

The Chairman informed the Meeting that Ordinary Resolution 2 would be put to vote by poll upon completion of the remaining businesses of the AGM.

6. **ORDINARY RESOLUTION 3**
RE-ELECTION OF MR QUAH POH KEAT WHO RETIRES IN ACCORDANCE WITH ARTICLE 98 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The resolution on the re-election of Mr Quah Poh Keat who retires in accordance with Article 98 of the Company's Articles of Association was tabled.

The resolution was duly proposed by Mr Wo Kah Keat and seconded by Ms Ernie Yong.

The Chairman informed the Meeting that Ordinary Resolution 3 would be put to vote by poll upon completion of the remaining businesses of the AGM.

7. **ORDINARY RESOLUTION 4**
RE-ELECTION OF PROF. DATIN PADUKA DATO' DR AINI BINTI IDERIS WHO RETIRES IN ACCORDANCE WITH ARTICLE 98 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The resolution on the re-election of Prof. Datin Paduka Dato' Dr Aini binti Ideris who retires in accordance with Article 98 of the Company's Articles of Association was tabled.

The resolution was duly proposed by Mr Muniandy A/L Karishnan and seconded by Mr Chew Hem Poo.

The Chairman informed the Meeting that Ordinary Resolution 4 would be put to vote by poll upon completion of the remaining businesses of the AGM.

8. **ORDINARY RESOLUTION 5**
RE-ELECTION OF MR LIM PANG BOON WHO RETIRES IN ACCORDANCE WITH ARTICLE 98 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The resolution on the re-election of Mr Lim Pang Boon who retires in accordance with Article 98 of the Company's Articles of Association was tabled.

The resolution was duly proposed by Mr Shak Kum Choy and seconded by Mr Lim Pin Yeong.

The Chairman informed the Meeting that Ordinary Resolution 5 would be put to vote by poll upon completion of the remaining businesses of the AGM.

9. **ORDINARY RESOLUTION 6**
PROPOSED PAYMENT OF DIRECTORS' FEES OF RM880,439 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The resolution on the proposed payment of Directors' fees of RM880,439 for the financial year ended 31 December 2017 was tabled.

Shareholder, Mr Chew Hem Poo enquired on how the Company benchmarked the proposed Directors' fees. The Chairman informed that there was a minimum fixed fee payable to the Non-Executive Directors. Any additional variable fee would be based on the profit achieved by the Group.

The resolution was duly proposed by Mr Muniandy A/L Karishnan and seconded by Mr Chew Hem Poo.

The Chairman informed the Meeting that Ordinary Resolution 6 would be put to vote by poll upon completion of the remaining businesses of the AGM.

10. **ORDINARY RESOLUTION 7**
PROPOSED PAYMENT OF AN AMOUNT OF UP TO RM320,000 AS BENEFITS PAYABLE TO THE DIRECTORS FOR THE PERIOD FROM THE CONCLUSION OF THE 58TH AGM UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY

The resolution on the proposed payment of an amount of up to RM320,000 as benefits payable to the Directors for the period from the conclusion of the 58th AGM until the conclusion of the next AGM of the Company was tabled.

The resolution was duly proposed by Mr Shak Kum Choy and seconded by Mr Chew Hem Poo.

The Chairman informed the Meeting that Ordinary Resolution 7 would be put to vote by poll upon completion of the remaining businesses of the AGM.

11. **ORDINARY RESOLUTION 8**
RE-APPOINTMENT OF MESSRS KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2018 AND AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The resolution on the re-appointment of Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration was tabled.

The resolution was duly proposed by Mr Lim Pin Yeong and seconded by Ms Lye Sook Lin.

The Chairman informed the Meeting that Ordinary Resolution 8 would be put to vote by poll upon completion of the remaining businesses of the AGM.

12. **ORDINARY RESOLUTION 9**
AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

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

The resolution was duly proposed by Mr Muniandy A/L Karishnan and seconded by Ms Tan Hoe Eng.

The Chairman informed the Meeting that Ordinary Resolution 9 would be put to vote by poll upon completion of the remaining businesses of the AGM.

13. **ORDINARY RESOLUTION 10**
PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE PURSUANT TO PARAGRAPH 10.09 OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

The resolution on the proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature pursuant to Paragraph 10.09 of Bursa Malaysia Securities Berhad Main Market Listing Requirements was tabled.

The resolution was duly proposed by Mr Ang Pun Heng and seconded by Mr Shak Kum Choy.

The Chairman informed the Meeting that Ordinary Resolution 10 would be put to vote by poll upon completion of the remaining businesses of the AGM.

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

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

The resolution was duly proposed by Mr Wo Kah Keat and seconded by Mr Muniandy A/L Karishnan.

The Chairman informed the Meeting that Ordinary Resolution 11 would be put to vote by poll upon completion of the remaining businesses of the AGM.

15. **SPECIAL RESOLUTION**
PROPOSED ALTERATION OF EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION IN ITS ENTIRETY AND SUBSTITUTING WITH A NEW CONSTITUTION OF THE COMPANY

The resolution on the proposed Alteration of existing Memorandum and Articles of Association in its entirety and substituting with a new Constitution of the Company was tabled.

The resolution was duly proposed by Ms Lye Sook Lin and seconded by Madam Lim Loon Lian.

The Chairman informed the Meeting that the Special Resolution would be put to vote by poll upon completion of the remaining businesses of the AGM.

16. **ANY OTHER BUSINESS**

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

With that, the Chairman declared that all the items on the Agenda have been tabled and discussed and would now be put to vote by way of e-polling.

17. **CLOSE OF REGISTRATION**

In order to facilitate the voting process, the Chairman declared that the registration for attendance at the Meeting closed at 11.55 a.m.

18. **e-POLLING PROCESS**

Before the Meeting proceeded to conduct the poll, the Company Secretary was invited to brief the Meeting on the e-polling procedures. The Chairman then informed that the e-polling process and verification of the votes would take about 20 minutes to complete.

With the consent of the members, the Chairman declared the Meeting adjourned and to be resumed at 12.20 p.m. or until the completion of the compilation and verification of the votes.

19. **DECLARATION OF RESULTS**

At 12.25 p.m., the Chairman called the Meeting to order for the declaration of results. He informed that he had received the poll results, attached as Appendix 1, which were verified by the Scrutineers, Symphony Corporatehouse Sdn Bhd.

The Chairman then read out the poll results to the members and proxies present.

Ordinary Resolution 1

Re-election of Dato' Wira Zainal Abidin bin Mahamad Zain who retires by rotation in accordance with Article 111 of the Company's Articles of Association.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,183,141	99.9922	18,000	0.0078

The Chairman declared Ordinary Resolution 1 was duly passed as follows:-

RESOLVED that Dato' Wira Zainal Abidin bin Mahamad Zain, a Director who retires by rotation in accordance with Article 111 of the Company's Articles of Association and has offered himself for re-election, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 2

Re-election of Mr Prakash A/L K.V.P Menon who retires by rotation in accordance with Article 111 of the Company's Articles of Association.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,094,141	99.9537	107,000	0.0463

The Chairman declared Ordinary Resolution 2 was duly passed as follows:-

RESOLVED that Mr Prakash A/L K.V.P Menon, a Director who retires by rotation in accordance with Article 111 of the Company's Articles of Association and has offered himself for re-election, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 3

Re-election of Mr Quah Poh Keat who retires in accordance with Article 98 of the Company's Articles of Association.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,006,141	99.9157	195,000	0.0843

The Chairman declared Ordinary Resolution 3 was duly passed as follows:-

RESOLVED that Mr Quah Poh Keat, a Director who retires in accordance with Article 98 of the Company's Articles of Association and has offered himself for re-election, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 4

Re-election of Prof. Datin Paduka Dato' Dr Aini binti Ideris who retires in accordance with Article 98 of the Company's Articles of Association.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,183,141	99.9922	18,000	0.0078

The Chairman declared Ordinary Resolution 4 was duly passed as follows:-

RESOLVED that Prof. Datin Paduka Dato' Dr Aini binti Ideris, a Director who retires in accordance with Article 98 of the Company's Articles of Association and has offered herself for re-election, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 5

Re-election of Mr Lim Pang Boon who retires in accordance with Article 98 of the Company's Articles of Association.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,094,141	99.9537	107,000	0.0463

The Chairman declared Ordinary Resolution 5 was duly passed as follows:-

RESOLVED that Mr Lim Pang Boon, a Director who retires in accordance with Article 98 of the Company's Articles of Association and has offered himself for re-election, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 6

Proposed payment of Directors' Fees of RM880,439 for the financial year ended 31 December 2017.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,183,141	99.9922	18,000	0.0078

The Chairman declared Ordinary Resolution 6 was duly passed as follows:-

RESOLVED that the payment of Directors' fees of RM880,439 for the financial year ended 31 December 2017 be and is hereby approved.

Ordinary Resolution 7

Proposed payment of an amount of up to RM320,000 as benefits payable to the Directors for the period from the conclusion of the 58th AGM until the conclusion of the next AGM of the Company.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,183,141	99.9922	18,000	0.0078

The Chairman declared Ordinary Resolution 7 was duly passed as follows:-

RESOLVED that the payment of an amount of up to RM320,000 as benefits payable to the Directors for the period from the conclusion of the 58th AGM until the conclusion of the next AGM of the Company be and is hereby approved.

Ordinary Resolution 8

Re-appointment of Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2018 and authorise the Directors to fix their remuneration.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,183,141	99.9922	18,000	0.0078

The Chairman declared Ordinary Resolution 8 was duly passed as follows:-

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

Ordinary Resolution 9

Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,183,141	99.9922	18,000	0.0078

The Chairman declared Ordinary Resolution 9 was duly passed as follows:-

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

Ordinary Resolution 10

Proposed renewal of and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature pursuant to Paragraph 10.09 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
157,876,854	99.9886	18,000	0.0114

The Chairman declared Ordinary Resolution 10 was duly passed as follows:-

RESOLVED that subject to the Companies Act 2016, the provisions of the Articles of Association of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and approvals of all relevant authorities, approval be and is hereby given to Malayan Flour Mills Berhad ("Company") and its subsidiary companies ("Malayan Flour Mills Group") to enter into recurrent transactions with Dindings Soya & Multifeeds Sdn Berhad, the nature of which is set out in Section 2 of the Circular to Shareholders dated 23 April 2018 for the purposes of paragraph 10.09 of Bursa Securities Main Market Listing Requirements, subject to the following:-

- (a) the transactions are carried out in the ordinary course of business, at arm's length, on normal commercial terms and on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;

- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall continue in force, unless revoked or varied by Ordinary Resolution of the Company in a general meeting and will subject to renewal thereat, expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution or at the expiration of the period within which the next Annual General Meeting of the Company is required to be held under the Companies Act 2016 (excluding any extension of such period as may be allowed under the Companies Act 2016); and
- (c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

Ordinary Resolution 11

Proposed renewal of authority for share buy-back.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,183,141	99.9922	18,000	0.0078

The Chairman declared Ordinary Resolution 11 was duly passed as follows:-

RESOLVED:-

THAT subject to the Companies Act 2016, the provisions of the Memorandum and Articles of Association 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 ten per cent (10%) of the total number of issued shares of the Company as at the point of purchase and that an amount not exceeding the Company’s retained profits at the time of the purchase(s) will be allocated by the Company for the Proposed Share Buy-back;

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

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

whichever occurs first;

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

Special Resolution

Proposed alteration of existing Memorandum and Articles of Association in its entirety and substituting with a new Constitution of the Company.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
231,183,141	99.9922	18,000	0.0078

The Chairman declared the Special Resolution was duly passed as follows:-

RESOLVED:-

THAT approval be and is hereby given to alter or amend the whole of the existing Memorandum and Articles of Association of the Company by the replacement thereof with a new Constitution of the Company as set out in Appendix II of the Circular to Shareholders dated 23 April 2018;

AND THAT the Directors of the Company be and are hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing.

20. **CLOSE OF MEETING**

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

The Meeting ended at 12.40 p.m.

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Chairman