

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 accordance with Clause 93 of the Company's Constitution.

The Company had appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the polling process and Boardroom Corporate Services 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 2018 TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

The Audited Financial Statements for the year ended 31 December 2018 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.

Amongst the salient questions raised by the shareholders/proxies which were responded by the Board and Management accordingly were as follows:-

(1) Shareholder, Mr Sang Eng Soon raised the following question:-

- (i) Will the Company maintain the dividend pay-out ratio to shareholders?

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

- (i) The Company did not have any dividend policy. So far, the Company had been declaring and paying consistent dividends to its shareholders.

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

- (i) The Group had recorded the lowest profit in 5 years from 2014 to 2018 mainly due to challenges in poultry integration segment and joint venture in Indonesia. What measures would the Company take to counter the challenges in the joint venture in Indonesia to stabilise the profit?
- (ii) What were the "other expenses" incurred in 2018 amounting to RM18.808 million recorded in the Income Statements?
- (iii) Based on the List of Properties of the Group, there were many vacant lands and the last revaluation was carried out in 2014. The Company intended to dispose of a piece of land located along Jalan Tun Razak. What is the need in disposing the land and how would the proceeds from the disposal to be utilised?

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

- (i) Our joint-venture in Indonesia, PT Bungasari Flour Mills Indonesia, while was running at near full production capacity, was adversely impacted by the unexpected significant depreciation of the Indonesian Rupiah coupled with the fact that the market leader started a price war to recapture lost market share, limit the whole industry ability to pass on cost inflation to the customers hence resulted in severe losses suffered throughout the Indonesia flour milling industry. Efforts were already in place to institute price increases in flour and the Indonesian Rupiah had appreciated in 1st quarter of 2019.

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

- (ii) The “other expenses” amounting to RM18.808 million recorded in the Income Statements were mainly due to downward adjustment of the fair value on biological assets by RM16.6 million.
- (iii) The Group was not in the property development industry. Most of our lands were for the construction of poultry farms thus revaluation exercise was not carried out on a regular basis.

The Company decided to dispose of the land located along Jalan Tun Razak as there was no intention to develop the land. The proceeds would be utilised for other investment/capital expenditure of the Group.

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

- (i) Poultry Integration incurred a loss for financial year ended 31 December 2018. What would be the direction of the poultry business going forward?
- (ii) The valuation of parent stock was identified a key audit matter based on the professional judgement of the Auditors, Messrs KPMG PLT (“KPMG”). How the Management and KPMG did the valuation of the parent stock and broiler inventories?
- (iii) What is the balance of the Rights Issue proceeds and the details of the utilisation of proceeds?
- (iv) There were not many “Dindings” brand products observed on the shelf in supermarkets. What are the branding and marketing plans of the Group to promote “Dindings” brand awareness in supermarkets?
- (v) What is the cost of production of day-old-chicks (“DOC”) as compared with the purchase from external party?

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

- (i) The loss suffered in the poultry integration for year 2018 was mainly due to the Inclusion Body Hepatitis (“IBH”) disease which was not easily detected in both the breeder and broiler farms. Despite the dip in the poultry integration segment performance in 2018, efforts are undertaken to improve feeds quality, day-old chicks and broiler production volume, reduce production costs through better feed conversion ratio and lower mortality. Disease had been successfully contained.

With these concerted efforts and dedication from the team, we expect the performance of the poultry integration segment to improve significantly in 2019.

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

- (ii) In measuring the fair value of biological assets, the Management would need to give the estimates and judgments on the expected number of DOC produced by each parent stock; expected hatchability of the hatching eggs; expected salvage value of parent stock; expected selling price of broilers; mortality of parent stock and broilers; feed consumption costs and feed costs; and other estimated costs to be incurred for the remaining life of the biological assets and at the point of sales.

Madam Teresa Chong of KPMG explained the valuation technique based on the inputs used and significant unobservable inputs. The inter-relationship between the significant unobservable inputs and fair value measurements were also highlighted.

- (iii) As at 29 March 2019, the balance of the Rights Issue proceeds unutilised was RM31.392 million out of the total proceeds raised of RM275.142 million. The details of the utilisation of proceeds were described in the Abridged Prospectus dated 27 December 2018 which is available at the website of the Company at www.mfm.com.my.

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

- (iv) The current production capacity of the poultry processing plant was at its maximum level. With the completion of the new processing plant expected in 4th quarter of 2019, the Group could increase its production and there would be more “Dindings” products in the market.

Our products were well received in the market of which quick service restaurants had indicated that they would want us to provide more supply to them. Currently, the poultry processing plant is supplying mainly to intermediate customers.

- (v) The cost of production of DOC comprised various components. The major costs were the supply of parent stock and feed cost. On top of the cost, biosecurity factors have to be taken into account. As the quality of raw material for the feed determines the quality of DOC, the Management exercised caution in procuring the raw material to ensure freshness of the corn and soybean meal.

(4) Shareholder, Mr Rien Hashim raised the following questions:-

- (i) Will the Company declare the dividend in 2019 at the same rate as in 2017?
- (ii) Any measures to prevent the IBH disease from recurring?
- (iii) With the on-going US-China trade war, what would be the outlook of the grains pricing?
- (iv) What is the foreign exchange exposure of the Group?
- (v) Are there any Research & Development (“R&D”) initiatives by the Group?

- (vi) What is the debt to equity ratio? Is the Company comfortable with the current ratio?

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

- (i) The Company did not adopt a policy governing the declaration of dividend in view of the volatile business that the Group was operating. So far, the Company had been declaring and paying consistent dividends to its shareholders. The Company would try to declare at least 50% of the profits generated by the Group as dividends.

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

- (ii) The IBH disease had been successfully contained with vaccine provided by Universiti Putra Malaysia (UPM). The DOC was infected through the IBH infected parent stocks. Based on this experience, the Management would exercise more caution in the procurement in future.
- (iii) The market uncertainty arising from the US-China trade war and technological war were beyond the control of the Company.
- (iv) The volatility and high risk of foreign exchange manageable through engagement of professional bankers.
- (v) One of the R&D initiatives taken by the Group was the investment in composting plant. In the composting process, various microorganisms including bacteria and fungi would break down the organic matter into simpler substances for resale.

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

- (vi) The net gearing of the Group was 64% as at 31 March 2019. The Management was comfortable with the ratio as it was within the healthy level.

After the clarification session, the Audited Financial Statements for the year ended 31 December 2018 together with the Directors' and Auditors' Reports thereon were declared received and noted.

4. **ORDINARY RESOLUTION 1**
RE-ELECTION OF TAN SRI DATO' SERI UTAMA ARSHAD BIN AYUB WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

The resolution on the re-election of Tan Sri Dato' Seri Utama Arshad bin Ayub who retires by rotation in accordance with Clause 132 of the Constitution of the Company was tabled.

The resolution was duly proposed by Mr Ong Kin Tuck and seconded by Madam Tan Swee Yong.

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 TEH WEE CHYE WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

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

The resolution was duly proposed by Mr Muniandy A/L Karishnan and seconded by Mr Sang Eng Soon.

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 AZHARI ARSHAD WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

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

The resolution was duly proposed by Mr Lim Pin Yeong and seconded by Mr Muniandy A/L Karishnan.

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**
PROPOSED PAYMENT OF DIRECTORS' FEES OF RM965,984 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The resolution on the proposed payment of Directors' fees of RM965,984 for the financial year ended 31 December 2018 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**
PROPOSED PAYMENT OF AN AMOUNT OF UP TO RM320,000 AS BENEFITS PAYABLE TO THE DIRECTORS FOR THE PERIOD FROM THE CONCLUSION OF THE 59TH 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 59th AGM until the conclusion of the next AGM of the Company was tabled.

The resolution was duly proposed by Mr Ong Kin Tuck and seconded by Madam Tan Swee Yong.

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**
RE-APPOINTMENT OF MESSRS KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019 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 2019 and to authorise the Directors to fix their remuneration was tabled.

The resolution was duly proposed by Mr Lim Pin Yeong and seconded by Mr Muniandy A/L Karishnan.

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**
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 Madam Tan Swee Yong.

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**
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 Chew Hem Poo and seconded by Mr Muniandy A/L Karishnan.

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. **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.

13. **CLOSE OF REGISTRATION**

In order to facilitate the voting process, the Chairman declared that the registration for attendance at the Meeting closed at 11.50 a.m.

14. **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 12.10 p.m. or until the completion of the compilation and verification of the votes.

15. **DECLARATION OF RESULTS**

At 12.10 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, Boardroom Corporate Services Sdn Bhd.

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

Ordinary Resolution 1

Re-election of Tan Sri Dato' Seri Utama Arshad bin Ayub who retires by rotation in accordance with Clause 132 of the Constitution of the Company.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
376,259,885	99.939254	228,700	0.060746

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

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

Ordinary Resolution 2

Re-election of Mr Teh Wee Chye who retires by rotation in accordance with Clause 132 of the Constitution of the Company.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
365,865,485	97.178374	10,623,100	2.821626

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

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

Ordinary Resolution 3

Re-election of Mr Azhari Arshad who retires by rotation in accordance with Clause 132 of the Constitution of the Company.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
376,488,485	99.999973	100	0.000027

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

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

Ordinary Resolution 4

Proposed payment of Directors' Fees of RM965,984 for the financial year ended 31 December 2018.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
376,477,985	99.997185	10,600	0.002815

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

RESOLVED that the payment of Directors' fees of RM965,984 for the financial year ended 31 December 2018 be and is hereby approved.

Ordinary Resolution 5

Proposed payment of an amount of up to RM320,000 as benefits payable to the Directors for the period from the conclusion of the 59th AGM until the conclusion of the next AGM of the Company.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
376,488,485	99.999973	100	0.000027

The Chairman declared Ordinary Resolution 5 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 59th AGM until the conclusion of the next AGM of the Company be and is hereby approved.

Ordinary Resolution 6

Re-appointment of Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2019 and authorise the Directors to fix their remuneration.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
376,401,785	99.976945	86,800	0.023055

The Chairman declared Ordinary Resolution 6 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 7

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	%
376,477,985	99.997185	10,600	0.002815

The Chairman declared Ordinary Resolution 7 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 10% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

Ordinary Resolution 8

Proposed renewal of authority for share buy-back.

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
376,488,585	100	0	0

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

RESOLVED:-

THAT subject to the Companies Act 2016, the provisions of the Constitution of the Company, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company (“Proposed Share Buy-back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company as at the point of purchase and that an amount not exceeding the Company’s retained profits at the time of the purchase(s) will be allocated by the Company for the Proposed Share Buy-back;

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

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

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

16. **CLOSE OF MEETING**

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

The Meeting ended at 12.30 p.m.

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Chairman