

## MALAYAN FLOUR MILLS BERHAD

Registration No. 196101000210 (4260-M)

(Incorporated in Malaysia)

Minutes of the Virtual Sixty-First Annual General Meeting of Malayan Flour Mills Berhad held at the Broadcast Venue at M5, Mezzanine Floor, Wisma MCA, 163 Jalan Ampang, 50450 Kuala Lumpur on Friday, 28 May 2021 at 10.00 a.m.

Present:	Tun Arshad bin Ayub (Present at Broadcast Venue)	(Chairman and Shareholder/Proxy)
	Teh Wee Chye (Present at Broadcast Venue)	(Managing Director and Shareholder/Corporate Representatives)
	Prakash A/L K.V.P Menon (Present at Broadcast Venue)	(Director and Shareholder)
	Azhari Arshad (Present at Broadcast Venue)	(Executive Director and Shareholder)
	*Datuk Oh Chong Peng	(Director and Shareholder)
	*Dato' Wira Zainal Abidin bin Mahamad Zain	(Director and Shareholder)
	*Quah Poh Keat	(Director)
	*Prof. Datin Paduka Setia Dato' Dr. Aini binti Ideris	(Director)
	*Dato' Maznah binti Abdul Jalil	(Director)
	*Lim Pang Boon	(Executive Director and Shareholder)
	399 Shareholders/Proxies 3 Corporate Representatives	

In Attendance: Mah Wai Mun (Company Secretary)  
Clementine Tan Suet Cheng (Group Financial Controller)  
\*Teresa Chong Dee Shiang (External Auditors-Messrs KPMG PLT)  
Boardroom Share Registrars Sdn Bhd (Poll Administrator)  
Boardroom Corporate Services Sdn Bhd (Scrutineers)

\* *Attended the meeting remotely*

### 1. WELCOME ADDRESS

The Chairman of the Meeting, Tun Arshad bin Ayub, welcomed all the attendees to the Meeting. The Chairman extended his appreciation to all the valued shareholders and proxies, as well as the fellow Directors for participating in the virtual meeting remotely from various locations.

The Chairman informed that the Annual General Meeting (“AGM”) was conducted in fully virtual manner in view of the ongoing movement control order (“MCO”) requirement on

safety distancing and restriction on mass gathering to curb the spread of the COVID-19 and for the well-being and safety of participants.

The Chairman informed that majority of the Board members were attending the AGM remotely. Thereafter, the Chairman introduced each and every member of the Board of Directors, Group Financial Controller and Company Secretary who were in attendance.

## 2. **QUORUM, NOTICE OF MEETING AND VOTING PROCEDURE**

At the request of the Chairman, the Secretary confirmed that a quorum was present and that shareholders of 208,109,084 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 Managing Director, Mr Teh Wee Chye presented the performance of the Group in year 2020.

The Chairman 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 as the Meeting was the principal forum for dialogue with the shareholders, shareholders were encouraged to participate at the Meeting by submitting their questions in real time by clicking on the messaging icon. Questions could be submitted throughout the Meeting until the announcement on the closure of the Q&A (Questions and Answers) session. Due to time constraint, the questions received would be moderated to avoid repetition and may also be summarised for reasons of brevity.

The Chairman informed that the voting 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.

A slide presentation on the e-polling process was presented by the Poll Administrator.

Thereafter, the Chairman announced that the poll was opened and shareholders may start to cast their votes for all the 8 resolutions until the poll was declared closed by the Chairman.

The Chairman then presented the Agenda of the Meeting.

## 3. **AGENDA 1** **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS**

The Audited Financial Statements for the year ended 31 December 2020 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.

4. **ORDINARY RESOLUTION 1**  
**RE-ELECTION OF MR QUAH POH KEAT WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY**

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

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

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

The resolution on the re-election of Prof. Datin Paduka Setia Dato' Dr Aini binti Ideris who retires by rotation in accordance with Clause 132 of the Constitution of the Company was tabled.

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

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

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

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

7. **ORDINARY RESOLUTION 4**  
**PROPOSED PAYMENT OF DIRECTORS' FEES OF RM960,000 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The resolution on the proposed payment of Directors' fees of RM960,000 for the financial year ended 31 December 2020 was tabled.

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

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 61<sup>ST</sup> 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 61<sup>st</sup> AGM until the conclusion of the next AGM of the Company was tabled.

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

9. **ORDINARY RESOLUTION 6**  
**RE-APPOINTMENT OF MESSRS KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021 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 2021 and to authorise the Directors to fix their remuneration was tabled.

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

10. **ORDINARY RESOLUTION 7**  
**AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

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

The resolution was duly proposed by the Managing Director and seconded by the Secretary.

11. **ORDINARY RESOLUTION 8**  
**PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

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

The resolution was duly proposed by the Managing Director and seconded by the Secretary.

12. **ANY OTHER BUSINESS**

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

13. **Q & A SESSION**

After tabling of all resolutions, the Chairman announced that the Meeting was opened for Q & A session.

The Chairman informed that the Company had received questions prior to the AGM from a shareholder, Mr Chew Hem Poo.

A summary of questions by Mr Chew Hem Poo and other shareholders together with the summarised responses by the Company was annexed hereto and marked as Annexure A.

14. **e-POLLING**

The Chairman informed the shareholders to cast their votes if they had not submitted their votes earlier.

The Chairman announced that the voting session would be closed in 10 minutes.

The counting of votes and the validation by Scrutineers would take about 10 minutes to complete.

The Chairman declared the Meeting adjourned and to be resumed in 20 minutes for the declaration of the poll results.

## 15. ANNOUNCEMENT OF POLL RESULTS

At 10.50 a.m., the Chairman reconvened the Meeting for the declaration of results. The Chairman informed that the poll results, which were verified by the Scrutineers, Boardroom Corporate Services Sdn Bhd were ready.

The Scrutineer was invited to read out the poll results and based on the poll results, the Chairman declared that all resolutions tabled at the Meeting were duly carried as follows:-

### Ordinary Resolution 1

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
476,597,384	99.9627	177,903	0.0373

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

### Ordinary Resolution 2

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
476,214,016	99.8821	562,261	0.1179

**RESOLVED** that Prof. Datin Paduka Setia Dato' Dr Aini binti Ideris, a Director who retires by rotation in accordance with Clause 132 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

### Ordinary Resolution 3

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
422,225,930	99.9453	231,249	0.0547

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

### Ordinary Resolution 4

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
476,288,730	99.8986	483,551	0.1014

**RESOLVED** that the payment of Directors' fees of RM960,000 for the financial year ended 31 December 2020 be and is hereby approved.

#### Ordinary Resolution 5

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
475,500,736	99.7334	1,270,991	0.2666

**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 61<sup>st</sup> AGM until the conclusion of the next AGM of the Company be and is hereby approved.

#### Ordinary Resolution 6

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
476,737,429	99.9919	38,846	0.0081

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

#### Ordinary Resolution 7

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
475,000,667	99.6305	1,761,564	0.3695

**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

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
476,587,750	99.9576	202,031	0.0424

#### **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.

17. **CLOSE OF MEETING**

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

The Meeting ended at 11.05 a.m.

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Chairman

## **Annexure A**

### **a) Questions from shareholder, Mr Chew Hem Poo received prior to the AGM**

1. The Company has an Aquaculture Division being managed by Mr Lee Low who has vast experience in the aquaculture industry as outlined in the Key Senior Management Profile. Currently, the Aquaculture Division has been producing and selling aqua feeds. In this respect, whether the Company has any plan of enhancing and venturing into aquaculture business such as fishing farming moving forward. Mr Chairman please deliberate this matter at the forthcoming AGM on how to execute its plan to turnaround around the Company moving forward.

The Company responded to the above questions, as follows:-

1. The Aqua Feed segment continues to face intense competition. Our current focus is in producing and selling aqua feed. Once COVID-19 circumstances improve, we will re-visit the aquaculture expansion plan for freshwater fish farming, as well as marine shrimp farming.

### **b) Question from shareholder, Ms Teh Sue Leng**

1. How much did the Company spend on the virtual AGM? Would the Board kindly consider to give shareholders e-voucher as a token of appreciation for attending the remote participation voting (“RPV”)?

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

1. The expenditure in conducting the virtual AGM was approximately RM60,000. Door gifts and meal vouchers were goodwill gestures to encourage attendance at the physical AGM. In the current situation, the Company decided that the focus of the Company would be to emphasis on maximising shareholders’ value through the continuity of consistent dividend payout. We encourage shareholders to take a natural and genuine interest in the wellbeing of the Company.

### **c) Question from shareholder, Mr Ho Wing Seng**

1. Why is the Company holding an AGM and extraordinary general meeting (“EGM”) within such a short span of time? The EGM was held just very recently. The money saved could be utilised more wisely, maybe as a form of e-vouchers to all attendees of the meeting instead of spending money unnecessary during these hard times. Could you please provide a more meaningful explanation?

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

1. The Company held its EGM on 11 May 2021 to obtain the shareholders’ approval for the proposed strategic partnership with Tyson International Holding Company (“Tyson”). Upon the approval, the Company would still need to fulfill other conditions precedent of the Share Purchase Agreement (“SPA”) prior to the mutually agreed completion timeline of 31 May 2021. As such, having consulted the Chairman and the Board members, it was prudent to hold the EGM earlier to meet the completion timeline.

Based on a video conference with Tyson early this morning, it was confirmed that the SPA is now unconditional. It is hopeful that shareholders understand the reason and appreciate the efforts of the Management.



**d) Questions from shareholder, Mr Ho Xi Wen**

1. How is the MCO 3.0 impacting the flour and poultry businesses and to what extent?
2. What is the current utilisation of the poultry processing plant? Could shareholders expect a better result (narrowed losses) as compared to last year?
3. Based on the past few years result, it seems that the Group was not affected by the volatility of raw material price. Could the Company share what is the strategy behind?

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

1. Certainly, the MCO 3.0 had its impact on the Group. We hope that the MCO curve would be flattened soon but in reality, we foresee the Government may extend the period of MCO as we are going through a very crucial phase. With the economic contraction of 0.5% for the first quarter, we anticipated that the financial results for the second quarter would not have much improvement. Hopefully with the on-going vaccination program being implemented at a higher pace, the second half of the year would bring better results.
2. In the first quarter of 2021, the poultry processing plant achieved an average of 45% capacity utilisation. If in the second half of the year the vaccination progresses beyond the threshold of 30% to 40%, the performance of the Group would improve. Prior to the COVID-19, the consumption of chicken per capital was approximately 52 kg. Assuming the market demand had dropped 30%, there is a huge upside on recovery.
3. In term of raw material cycle, the last few years especially 2019 and 2020, the raw material price was trending low. However, the trend began to change at the end of 2020 and the first quarter of 2021 as the new president of U.S.A. had increased the quantitative easing of US1.9 trillion. With more quantitative easing to come, there are plenty of fund in U.S.A. as the interest rate in USD is 0.05%.

As a result, there had been a lot of speculation in the stock market hence raising the commodity price of corn, soybean, soybean meal and wheat. For wheat, the price increase was more than 30% while corn, soybean and soybean meal, the price increase were more than 50% to 60%. We are experiencing now the challenge in passing on the cost to consumers due to the economic contraction not just in Malaysia but also in Indonesia. Fortunately, Vietnam has managed this challenge better than Malaysia due to its better economic performance.