

MALAYAN FLOUR MILLS BERHAD

Registration No. 196101000210 (4260-M)
(Incorporated in Malaysia)

Minutes of the Sixty-Fifth Annual General Meeting of Malayan Flour Mills Berhad
held at Ballroom 1, Level 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur
on Monday, 19 May 2025 at 10.00 a.m.

- Present: Board of Directors
- | | |
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| Datuk Oh Chong Peng | (Chairman and Shareholder/Proxy) |
| Teh Wee Chye | (Executive Deputy Chairman cum
Managing Director and
Shareholder/Corporate
Representatives) |
| Dato' Seri Zainal Abidin bin
Mahamad Zain | (Director and Shareholder) |
| Prakash A/L K.V.P Menon | (Director and Shareholder) |
| Quah Poh Keat | (Director) |
| Datin Paduka Setia Dato' Dr.
Aini binti Ideris | (Director) |
| Dato' Maznah binti Abdul Jalil | (Director) |
| Azhari Arshad | (Executive Director and Shareholder) |
| Lim Pang Boon | (Director and Shareholder) |
- Shareholders/Proxies/Corporate Representatives (as listed in the attendance sheet)
- In Attendance: Alan Yau Tee Peng (Chief Financial Officer)
Mah Wai Mun (Company Secretary)
Boardroom Share Registrars Sdn Bhd (Poll Administrator)
Boardroom Corporate Services Sdn Bhd (Scrutineers)
- By Invitation: Teresa Chong Dee Shiang (External Auditors-Messrs KPMG PLT)
Members of Senior Management

1. **WELCOME ADDRESS**

The Chairman of the Meeting, Datuk Oh Chong Peng, welcomed all the shareholders, proxies and invitees to the Meeting.

The Chairman introduced the members of the Board of Directors, Chief Financial Officer 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 249,991,176 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 Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye presented the performance of the Group for financial year 2024 and its business outlook.

After the presentation, the Chairman stated that as the Notice convening the Meeting had been sent to all the shareholders and published in the press on 18 April 2025 in accordance with the Constitution of the Company and with the consent of the meeting, the Notice of the Meeting be taken as read.

The Chairman informed that the voting for all the 8 ordinary resolutions as set out in the Notice of the Meeting 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 polling process, obtain the results tabulation generated by the e-Polling System and perform such other necessary duties for the Meeting.

In order to manage the time of the Meeting efficiently, the polling process for all the resolutions would be conducted upon completion of the deliberations of all items to be transacted at the Meeting.

The Chairman requested the Secretary to read the items on the Agenda.

3. **AGENDA 1**
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

The Audited Financial Statements for the year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon, were laid before the Meeting.

The Secretary 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 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 Ms Tan Hoe Eng and seconded by Madam Carol Chan Chui Yoke.

5. **ORDINARY RESOLUTION 2**
RE-ELECTION OF DATO' SERI ZAINAL ABIDIN BIN MAHAMAD ZAIN WHO RETIRES BY ROTATION IN ACCORDANCE WITH CLAUSE 132 OF THE CONSTITUTION OF THE COMPANY

The resolution on the re-election of Dato' Seri Zainal Abidin bin Mahamad Zain who retires by rotation in accordance with Clause 132 of the Constitution of the Company was tabled.

The resolution was duly proposed by Ms Tan Hoe Eng and seconded by Madam Carol Chan Chui Yoke.

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 Ms Tan Hoe Eng and seconded by Ms Ernie Yong.

7. **ORDINARY RESOLUTION 4**
PROPOSED PAYMENT OF DIRECTORS' FEES AMOUNTING TO RM280,000 PER ANNUM FOR THE NON-EXECUTIVE CHAIRMAN AND RM140,000 PER ANNUM FOR EACH OF THE NON-EXECUTIVE DIRECTORS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The resolution on the proposed payment of Directors' fees amounting to RM280,000 per annum for the Non-Executive Chairman and RM140,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2024 was tabled.

The resolution was duly proposed by Ms Tan Hoe Eng and seconded by Mr Wong Kok Wai.

8. **ORDINARY RESOLUTION 5**
PROPOSED PAYMENT OF AN AMOUNT OF UP TO RM350,000 AS BENEFITS PAYABLE TO THE NON-EXECUTIVE DIRECTORS FOR THE PERIOD FROM THE CONCLUSION OF THE 65TH AGM UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY

The resolution on the proposed payment of an amount of up to RM350,000 as benefits payable to the Non-Executive Directors for the period from the conclusion of the 65th AGM until the conclusion of the next AGM of the Company was tabled.

The resolution was duly proposed by Ms Tan Hoe Eng and seconded by Madam Carol Chan Chui Yoke.

9. **ORDINARY RESOLUTION 6**
RE-APPOINTMENT OF MESSRS KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025 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 2025 and to authorise the Directors to fix their remuneration was tabled.

The resolution was duly proposed by Ms Tan Hoe Eng and seconded by Madam Carol Chan Chui Yoke.

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 Ms Tan Hoe Eng and seconded by Ms Ernie Yong.

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 Ms Tan Hoe Eng and seconded by Ms Ernie Yong.

12. **ANY OTHER BUSINESS**

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

13. **QUESTIONS & ANSWERS (“Q & A”) SESSION**

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

After the Q & A session, the Chairman declared that all the items on the Agenda had been tabled and discussed and would now be put to vote by way of e-polling.

The list of questions raised by the shareholders/proxies and the responses by the Company was annexed hereto and marked as Annexure A.

14. **CLOSE OF REGISTRATION**

In order to facilitate the voting process, the Chairman declared that the registration for attendance at the Meeting be closed at 11.35 a.m.

15. **e-POLLING**

Before the Meeting proceeded to conduct the poll, the Company Secretary briefed the Meeting on the e-polling procedures. The Chairman then informed that the e-polling process and verification of the votes would take about 25 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.

16. **ANNOUNCEMENT OF POLL RESULTS**

At 12.10 p.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 Chairman read out the poll results and declared that all resolutions tabled at the Meeting were duly carried as follows:-

Ordinary Resolution 1

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
550,486,299	100	0	0

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 2

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
545,191,480	99.0382	5,294,819	0.9618

RESOLVED that Dato' Seri Zainal Abidin bin Mahamad Zain, 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	%
547,614,680	99.4783	2,871,619	0.5217

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

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
550,229,899	99.9534	256,400	0.0466

RESOLVED that the payment of Directors' fees amounting to RM280,000 per annum for the Non-Executive Chairman and RM140,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2024 be and is hereby approved.

Ordinary Resolution 5

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
550,177,599	99.9439	308,700	0.0561

RESOLVED that the payment of an amount of up to RM350,000 as benefits payable to the Non-Executive Directors for the period from the conclusion of the 65th 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	%
523,417,107	95.0827	27,069,192	4.9173

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	%
504,512,699	91.6485	45,973,600	8.3515

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 (“General Mandate”) and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Companies Act 2016 read together with the Company’s Constitution, approval be given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company **AND THAT** the Board is exempted from the obligation to offer such new shares first to the existing shareholders of the Company in respect of the allotment and issuance of new shares pursuant to the General Mandate.

AND FURTHER THAT the new shares to be issued pursuant to the General Mandate, shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares.”

Ordinary Resolution 8

FOR		AGAINST	
Number of Shares	%	Number of Shares	%
550,482,999	99.9994	3,300	0.0006

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**

The Chairman thanked the shareholders and proxies for their attendance and declared the Meeting closed.

The Meeting ended at 12.15 p.m.

.....
Chairman

Annexure A

1) Question from shareholder

- a. **The price of raw material is volatile. When the commodity price goes up, the Group increases the flour price to have a better margin. In contrast, when the raw material cost comes down, will the Company adjust the selling price accordingly? Please elaborate on how the Company manages it.**

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The flour milling industry is characterised by relatively inelastic demand, meaning that changes in price do not significantly affect the quantity of flour demanded by consumers. This is because flour is a staple food item that people consume regardless of price changes, unless there is a substantial price increase or a significant change in purchasing power.

Hence, economies of scale and efficiency are critical to the business besides strong risk mitigation process. We compete with other flour millers in Malaysia. Over the years, we expanded to Vietnam and Indonesia and the total production capacity of the Group had exceeded 10,000 tons of wheat per day.

We are working towards automation as well as supply chain management. We have 3 pillars of businesses, i.e. flour, poultry integration and aquaculture. We have raw material trading as well with our joint venture partner, Toyota Tsusho Corporation to import and trade corn and soybean meal (“SBM”). With these three businesses, MFM Group can leverage on the economies of scale to have competitive advantage against the competitors.

2) Question from shareholder, Kow Lih Shi

- a. **The Government has removed the flour and poultry subsidy. How would it affect the business of the Group?**

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The flour subsidy had been removed since 2021 except for the 1kg general purpose flour. Generally, the Company prefers to compete in an environment with no subsidy to enable the industry players to compete more effectively and healthily. The flour business in Vietnam and Indonesia did not have any subsidy.

Fortunately, the flour business was not interrupted during COVID as people did more homecooked meals and baking while being contained at home.

However, poultry business was adversely affected during COVID as travelling was restricted and the Government had stopped a lot of distribution chain. In 2023, the Government provided subsidy to farmers to support broiler production, as part of efforts to ensure food security. That was a measure to bolster domestic poultry production and reduce reliance on import.

Subsequently, the subsidy for poultry was discontinued in November 2023 after the removal of the ceiling price of chicken. Fortunately, the price of wheat, corn and SBM had stabilised.

When the Government removed the chicken subsidy, they also allowed more chicken import. When supply was more than demand, the selling price dropped.

Recently, lesser chicken is imported to Malaysia as many countries in Southeast Asia are facing shortage of chicken.

Brazil is the world's largest poultry exporter. A recent outbreak of Highly Pathogenic Avian Influenza (HPAI) in a commercial poultry farm in Brazil has triggered global concern and prompted trade restrictions from several countries. This outbreak, which occurred in a commercial poultry breeding facility in the southern part of the country, has led to bans on Brazilian poultry imports by the European Union and China.

3) Questions from shareholder

- a. **In 2024, the Company registered a higher profit before tax (“PBT”) but the revenue was lower. Please explain the reason for lower revenue i.e. due to less volume or low selling price?**

Chief Financial Officer, Mr Alan Yau responded as follows:-

The volume of sales has gone up substantially, but the revenue generated from that volume was reduced due to the drop in the average selling price of flour in tandem with the decline in price of wheat. The selling price of flour was adjusted downwards to remain competitive.

- b. **PT Bungasari Flour Mills Indonesia (“PT Bungasari”) is loss-making. Will the Management consider exiting the Indonesian market if the prospect is not good?**

Chief Financial Officer, Mr Alan Yau responded as follows:-

As compared to 31 December 2023, PT Bungasari has recorded an improvement in performance in 2024 with the share of loss reduced from RM19.947 million to RM9.001 million. For the first quarter of 2025, PT Bungasari has a positive turnaround. Shareholders may refer to the disclosure in the quarterly financial results of the Company after it is released to Bursa Malaysia.

- c. **What is the business outlook for 2025?**

Chief Financial Officer, Mr Alan Yau responded as follows:-

Flour milling in Malaysia and Vietnam are performing well and we expect the momentum to continue.

- d. **The Company has better financial performance for 2024 as compared to 2023. However, there was no increase in the dividend rate. The stagnant dividend payout rate may affect the share price of the Company.**

Chief Financial Officer, Mr Alan Yau responded as follows:-

As highlighted in the presentation on the performance of the Group for financial year 2024 and its business outlook earlier, the Company had declared and paid the dividend of 3 sen per ordinary share consistently for the financial years ended 31 December 2022 to 31 December 2024.

Although the Company registered a much higher profit before tax (“PBT”) in 2024 as compared to 2023, the PBT was adjusted by an impairment of RM42.068 million on the investment in PT Bungasari.

The Company had paid a significant payout ratio based on the actual earnings per share at about 4.8 sen compared to 3 sen.

The Management is taking a more conservative approach by conserving cash flow in view of the uncertainty in the global market after the announcement of the reciprocal tariffs.

On the share price, Mr Teh Wee Chye said that the U.S. stock market accounted for 70% of the global trading. Arising from the reciprocal tariffs, some foreign funds are moving away from the Malaysian stock market which affected the share prices in the market. The volatility of U.S. stock market is a concern.

4) Question from shareholder

- a. The Company is exposed to foreign exchange (“forex”) risk. What is the mitigation measure to reduce the forex losses?**

Chief Financial Officer, Mr Alan Yau responded as follows:-

It is inevitable that MFM Group needs to trade in USD, being the global currency for the purchase of wheat, corn and SBM. Nonetheless, the Management continues to monitor the forex fluctuations and lock in the position beneficial to us.

5) Question from shareholder, Shak Kum Choy

- a. Will the Company consider listing Vimaflour Ltd in Vietnam?**

Chief Financial Officer, Mr Alan Yau responded as follows:-

Before the listing, the Management needs to consider two critical points. Firstly, the listing requirements in Vietnam. Secondly, there would be dilution in the shareholdings at the Company level and we are required to share the profits with other Vietnamese investors.

Instead of short-term gain on the share performance, the Management is looking for a long-term sustainable growth in the investment in Vietnam that would contribute positively to MFM Group.

Chairman, Datuk Oh added that the Company only holds 70% stake in Vimaflour Ltd.

6) Questions from shareholder

- a. Please share the hedging strategy of the Company.**

Chief Financial Officer, Mr Alan Yau responded as follows:-

MFM Group hedges the forex by locking in certain positions to secure the margin for the futures. There will be prior discussion and assessments before decisions are made among the key personnel.

Mr Teh Wee Chye said that Bank Negara Malaysia recently lowered the Statutory Reserve Requirement ratio from 2% to 1%, effective 16 May 2025 instead of reducing the interest rate. This move, aimed at boosting liquidity in the financial system, would strengthen the Ringgit.

- b. Will the Company consider rebranding “Dindings” for its poultry business to a more modern name instead of a local name?**

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The brand “Dindings” carried meaningful words in Chinese as “Destined by Heaven”. Our joint venture partner, Tyson US, also prefers to retain this brand name that was established since 1977.

7) Question from shareholder

- a. What is the capacity utilisation of the flourmills in Malaysia, Vietnam and Indonesia?**

Executive Deputy Chairman cum Managing Director, Mr Teh Wee Chye responded as follows:-

The capacity utilisation for flourmills in Malaysia and Vietnam are on par while Indonesia is catching up.

8) Questions from shareholder, Tan Chooi Ping

- a. Please update on the Notice of Decision issued by the Malaysia Competition Commission (“MyCC”) pursuant to Section 36 of the Competition Act 2010 (“the Decision”).**

Chief Financial Officer, Mr Alan Yau responded as follows:-

The hearing date for Dindings Poultry Development Centre Sdn Bhd's appeal against the Decision took place on 29 April 2025 before the Tribunal. The next hearing date had been fixed on 16 June 2025.

For the time being, the case is status quo and has no impact to the Group.

- b. There was no update on the revaluation value of the Property, Plant and Equipment (“PPE”) of the Group. Please explain further on this.**

In addition, please also update the land use rights with buildings of Vimaflour Ltd, which expired on 31 August 2024.

Chief Financial Officer, Mr Alan Yau responded as follows:-

MFM Group adopts a Cost Policy instead of Revaluation Model for the PPE.

Under the Cost Policy, the accounting for the assets at their original purchase price, adjusted for depreciation and any accumulated impairment losses, rather than at fair value. This is one of two permitted methods for accounting for PPE, the other being the revaluation model where assets are carried at fair value.

Otherwise, the Company is required to conduct revaluation exercise every three years, which is costly.

The land use rights with buildings of Vimaflour Ltd have been renewed to 2044 without any interruption to the business.

- c. The Group has high cost of borrowings at the rate of 4.4% to 8%. Will the Management consider refinancing the fixed assets to lower the cost of borrowings?**

Chief Financial Officer, Mr Alan Yau responded as follows:-

The Management continues to monitor and streamline the interest. For instance, most of the borrowings in Vietnam has been shifted to VND, a cheaper borrowing cost.