

SUSTAINABILITY REPORT 2025



Contents

31 ABOUT THIS REPORT

- 31 Scope & Boundaries
- 32 Basis for preparation
- 32 Sustainability-related Index
- 32 Assurance

33 SUSTAINABILITY GOVERNANCE

34 KEY STAKEHOLDERS ENGAGEMENT

35 MATERIAL SUSTAINABILITY MATTERS

- 35 Review of Material Matters

39 APPROACH TO SUSTAINABILITY

41 SUSTAINABLE BUSINESS PERFORMANCE

- 41 Food Security, Safety and Halal
- 44 Biosecurity
- 45 Business Growth, Customer Satisfaction, Brand and Reputation
- 48 Data Security/Data Leakage
- 49 Supply Chain Management

51 ENVIRONMENTAL

- 51 Energy and Emissions Management
- 54 Water Management
- 55 Waste Management

57 SOCIAL

- 57 Workforce & Workplace Environment
- 58 Our People Strategy
- 59 Developing Future-Ready Leaders and Workforce
- 66 Fostering Workforce Well-being, Belonging and Engagement
- 67 Creating a Positive Impact on Society and the Environment
- 72 Occupational Safety & Health

75 GOVERNANCE

- 75 Corporate Governance and Business Ethics

77 SUSTAINABILITY PERFORMANCE DATA



ABOUT THIS REPORT





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

Scope & Boundaries

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

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

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

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

Basis for preparation

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

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

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



Sustainability-related Index

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

Assurance

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



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

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

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

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

KEY STAKEHOLDERS ENGAGEMENT

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

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

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

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

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

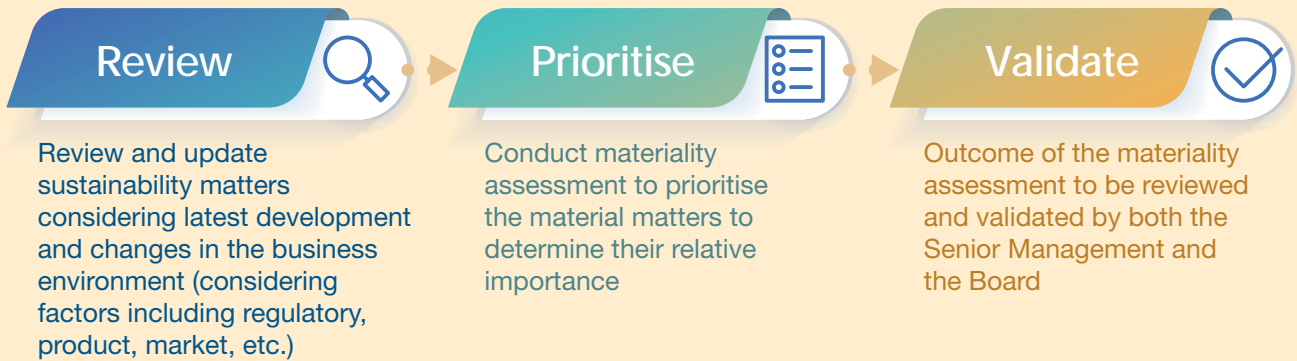


MATERIAL SUSTAINABILITY MATTERS

Review of Material Matters

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

Materiality Assessment



Review of Sustainability Matters

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

Prioritisation of Material Matters

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

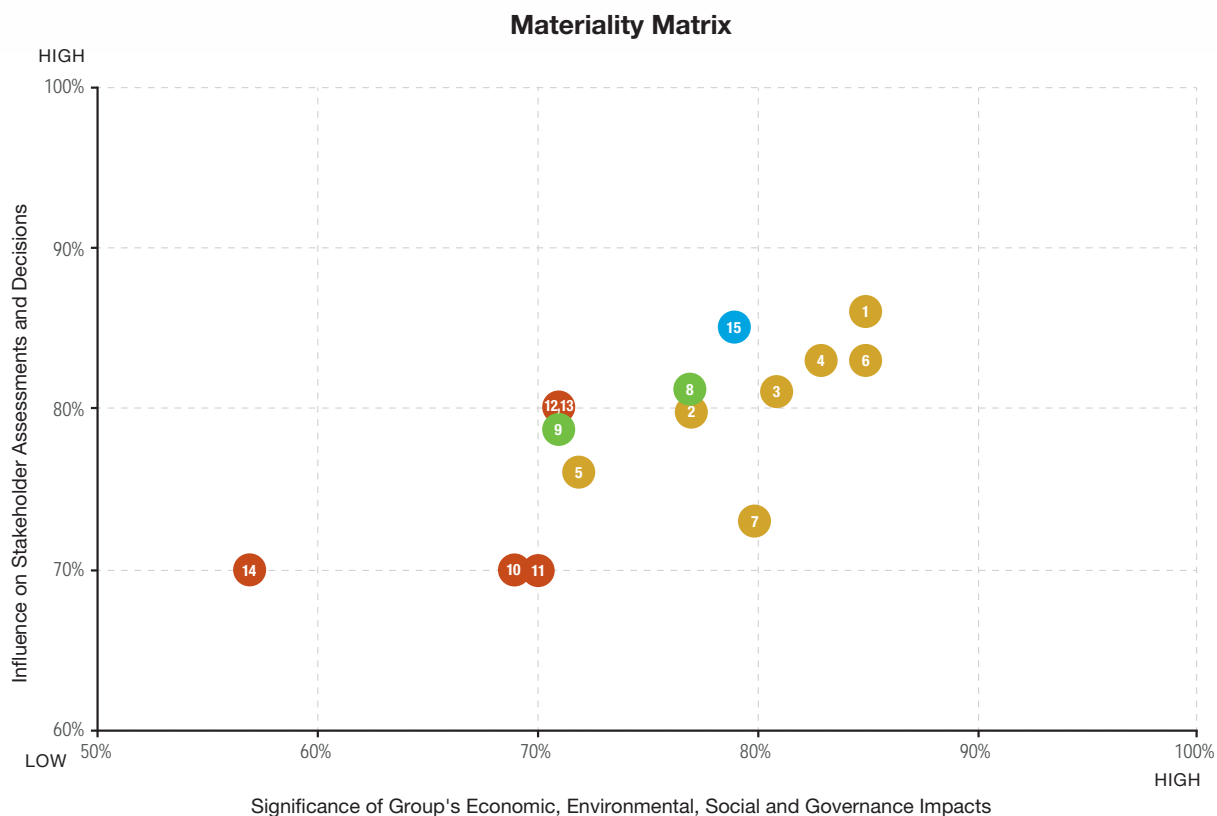
Validation of Materiality Assessment

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

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

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

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



ECONOMIC

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

ENVIRONMENTAL

- 8 Environmental compliance
- 9 Emissions and Water Security

SOCIAL




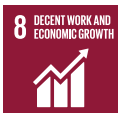
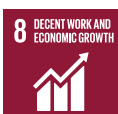

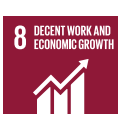
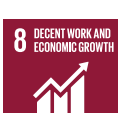



- 10 Employee education & development
- 11 Talent attraction & retention
- 12 Fair Labour Practices
- 13 Occupational Safety & Health (OSHA)
- 14 Community Relationship





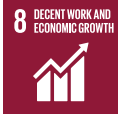





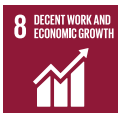

GOVERNANCE

- 15 Corporate Governance and Business Ethics



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

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

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

APPROACH TO SUSTAINABILITY



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

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

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

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



Vision

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



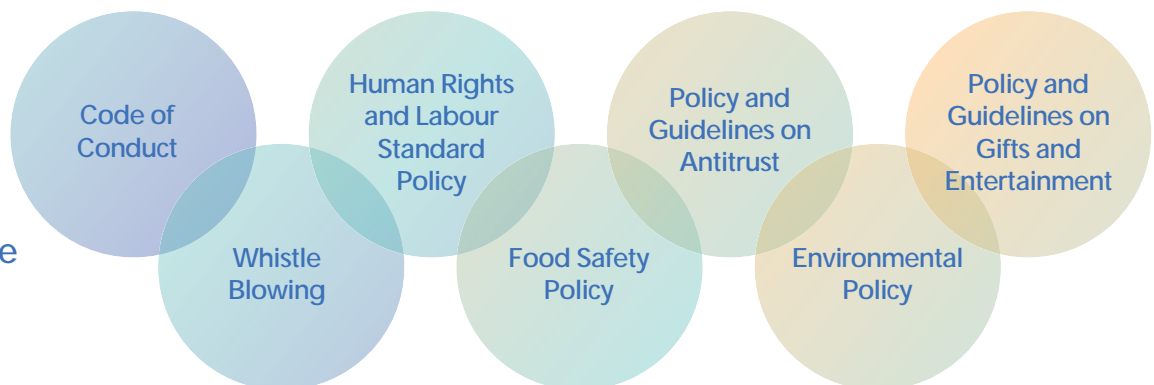
Mission

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

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

We add value to stakeholders by growing economies of scale.

High-level, Group-wide policies



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

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



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



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



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



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



SUSTAINABLE BUSINESS PERFORMANCE

SUSTAINABILITY
REPORT 2025



Food Security, Safety and Halal

Our Commitment to Food Safety & Quality

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Training on Food Safety and Quality Assurance

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

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



Commitment to Halal Compliance

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

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

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

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

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

Feedback channel and recall process

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

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



Product Labelling

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

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

Food Security

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

Biosecurity

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

Biosecurity Infrastructure and Measures

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

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

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

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

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

Responsible Antibiotic Stewardship and Responsible Use of Antimicrobial

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



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

Recognition, Certifications, and Assurance

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

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

Business Growth, Customer Satisfaction, Brand and Reputation

Business Growth

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

Business performance

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

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

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

Technology and Skills Development

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

Customer-centric Business and Customer Satisfaction

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

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

Our customer satisfaction strategy broadly focuses on the following aspects:

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

Value-based business relationship

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

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

Highlights

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

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

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



Products

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

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

Highlights

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

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

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

Knowledge and skills

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

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

Highlights

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

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

Customer Satisfaction Survey

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

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

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

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

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

Branding and Marketing

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

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

Data Security/Data Leakage

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

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



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

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

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

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

Supply Chain Management

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

Procurement Policy

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

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

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

Supply Chain Practices

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

Reliability

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

Sustainable agriculture

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

Traceability

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

Social responsibilities

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

Logistics planning and road safety

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

Other supply chain-related sustainability practices

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

Local procurement

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

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

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

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



ENVIRONMENTAL



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

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

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

Compliance with environmental laws and regulations

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

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

Energy and Emissions Management

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

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

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

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

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

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

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

Renewable Energy

Solar Photovoltaic (“PV”) systems

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

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

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

Clean energy in our Value Chain

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

Energy Efficiency

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



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

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

Conversion of Diesel Forklift to Battery-Powered (Rechargeable)

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

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

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

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

Energy-saving Lighting and Fittings

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

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

Optimising the efficiency of machinery and equipment

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

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

Leveraging monitoring systems/software

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

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

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

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

Water Management

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

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

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

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

Wastewater Treatment Plant at Poultry Processing Plant

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

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

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

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

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



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

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

Waste Management

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

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

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

Hazardous Waste

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

Chemical Waste Management

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

Non-hazardous Waste

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

Flour milling operations

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

Rendering of poultry by-products

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

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

Biogas generation from organic sludge

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

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

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

Waste Management Data

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

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



SOCIAL



Workforce & Workplace Environment

Cultivating a Human-Centred Workplace

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

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

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

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



Industry Leadership & Engagement

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

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

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



Our People Strategy

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

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

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



Developing Future-Ready Leaders and Workforce

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

Employee Education and Development

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

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

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

Our Achievements on Learning & Development are:

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

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

Leadership Development and Strategy Training

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

During the year, the key programmes delivered included:



KPI Setting & Cascading Workshop

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



Mastering the Essentials Coaching & Mentoring for Effective Guidance Workshop

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



Paradox & Team Dynamics Workshop

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



Fostering Accountability & Ownership Workshop

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



Workplace Dishonesty: Problems, Detection & Prevention

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



Technical Competency Development

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

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



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



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



MFM-Ceva In-House Training & Knowledge Development Programme



Safety Culture, Food Safety & Quality Culture Training

External Training & Global Learning

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

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



China Training Visit: Poultry House Equipment Evaluation and Technical Learning



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

Campus-to-Career Pipeline

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

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

Our Campus-to-Career ecosystem includes partnerships with:

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



Career Fair at UTAR



Plant Visit from UTAR students



Sponsorship for UPM Students



Career Talk at USM



Plant Visit from USM students



Sponsorship for SMJK Nan Hwa



Participation in Kuala Lumpur Engineering Science Fair in collaboration with UTAR



Talent Attraction and Retention

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

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

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

Turnover

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

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

Fair Labour Practices

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

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

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

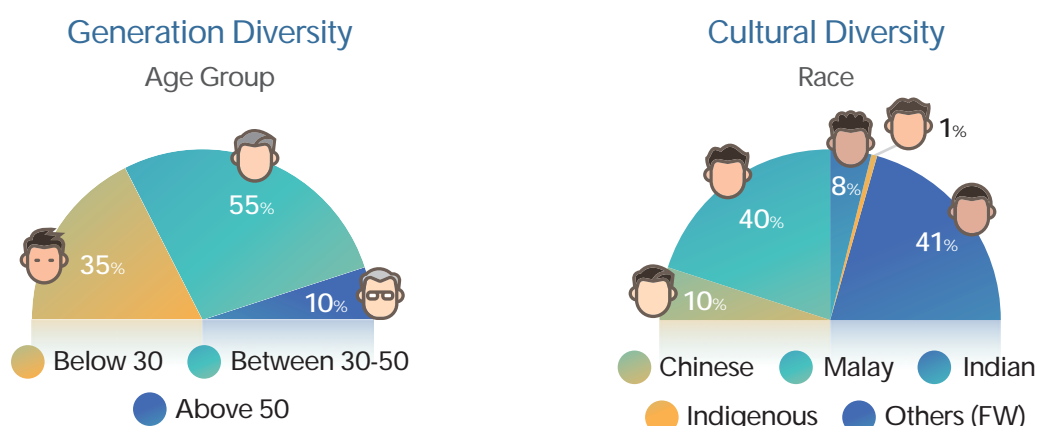
Note:

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

Workforce Diversity and Equity

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

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



Note: Cultural diversity data only cover operations in Malaysia

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

Gender Diversity

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

Note: M – Male; F – Female



Open Communication

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



Human Rights & Labour Standards Policy

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

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

The key focus areas of the policy include:

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

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

Sexual Harassment Policy

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

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

Reporting of Violation of Labour Practices and Human Rights

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

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

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

Fostering Workforce Well-being, Belonging and Engagement

Holistic Wellness Programmes

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

Programmes conducted included:

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

Mental and Emotional Wellness Activities



Break Free from Burnout



Self-care for Success



Understanding Mental Health

Financial and Digital Security Awareness



Financial Security Awareness Talk



Cybersecurity Awareness Talk



Scam Awareness Talk



Lifestyle and Healthy Living Activities



Traditional Chinese Medicine (TCM) booth



Creative Crackers Making Activity



Breadventure Snack Activity

Workforce Lifestyle, Engagement and Belonging

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

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



Creating a Positive Impact on Society and the Environment

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

Corporate Social Responsibility Towards Workplace



Annual Dinner and Sporty Activities

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



Team Building

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



Vietnamese Women's day

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



Fun Run

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



Vnextress Marathon Ha Long 2025

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



New Year's Trip

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



Chinese New Year Celebration

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



Health Screening Program

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



Clean Culture Starts from Me Campaign

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

Corporate Social Responsibility Towards Community (Community Relationship)

Donation and Financial Aids



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



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



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



Community Support After the Typhoon

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



Blood Donation Campaign

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



Contribution to Welfare House

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

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

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

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

Occupational Safety & Health

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

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

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

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

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

Safety and Health Governance and Management System

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

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

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

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

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

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



Prevention and Corrective Actions

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

- Employee Training and Engagement**

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

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

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

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

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

Safety & Health Programs

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

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

Safety and Health Training

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

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

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

FY2025 Safety Performance

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

Notes:

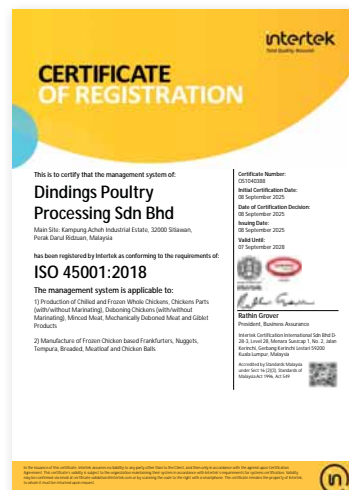
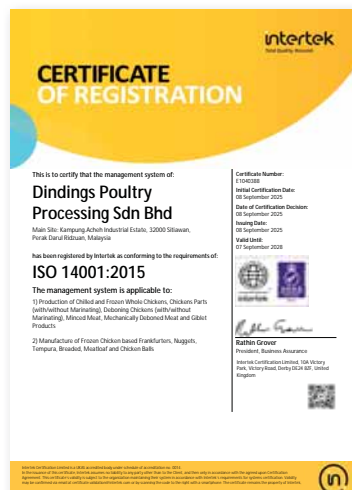
LTIR of the Group is derived based on the incident which results in the employee having to take minimum of four working days away from work ("MC").

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

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

New Certifications for Environmental and Safety Management System

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





GOVERNANCE



Corporate Governance and Business Ethics

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

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

Business Ethics to Enhance Reputation and Brand Value

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

MFM is committed to an ethical business approach through:



Code of Conduct

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

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

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

Anti-Corruption

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

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

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

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

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

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

Whistle Blowing Policy

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

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

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

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

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

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

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

Other Governance Policies/Guidelines

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

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

SUSTAINABILITY PERFORMANCE DATA



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

Malayan Flour Mills Berhad
BMLR Transition Period

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

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

Page 1 of 5

SUSTAINABILITY PERFORMANCE DATA (cont'd)

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

Malayan Flour Mills Berhad
BMLR Transition Period

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

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

Page 2 of 5



SUSTAINABILITY PERFORMANCE DATA (cont'd)



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

Malayan Flour Mills Berhad
BMLR Transition Period

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

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

Page 3 of 5

SUSTAINABILITY PERFORMANCE DATA (cont'd)

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

Malayan Flour Mills Berhad
BMLR Transition Period

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

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

Page 4 of 5

SUSTAINABILITY PERFORMANCE DATA (cont'd)



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

Malayan Flour Mills Berhad
BMLR Transition Period

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

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

Page 5 of 5