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**Board of Directors**

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<td>Tan Sri Dato' Seri Utama Arshad bin Ayub</td>
<td>Chairman and Non-Independent Non-Executive Director</td>
</tr>
<tr>
<td>Teh Wee Chye</td>
<td>Managing Director</td>
</tr>
<tr>
<td>Dato' Wira Zainal Abidin bin Mahamad Zain</td>
<td>Independent Non-Executive Director</td>
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<tr>
<td>Prakash A/L K.V.P Menon</td>
<td>Non-Independent Non-Executive Director</td>
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<tr>
<td>Quah Poh Keat</td>
<td>Independent Non-Executive Director</td>
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**Audit & Risk Management Committee**

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<th>Position</th>
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<tr>
<td>Dato' Wira Zainal Abidin bin Mahamad Zain</td>
<td>Independent Non-Executive Director</td>
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<tr>
<td>Azhari Arshad</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Lim Pang Boon</td>
<td>Executive Director</td>
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**Nomination Committee**

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<td>Non-Independent Non-Executive Director</td>
</tr>
<tr>
<td>Prof. Datin Paduka Setia Dato' Dr Aini binti Ideris</td>
<td>Independent Non-Executive Director</td>
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MALACCA
No. 1, Jalan PM3
Taman Perindustrian Merdeka
75350 Batu Berendam, Melaka

JOHOR
Lot 133, Jalan Pukal
Pasir Gudang Industrial Estate
81700 Pasir Gudang, Johor Darul Takzim

KELANTAN
Lot 4045, Blok C, No. 4 Jalan 1/44
Pengkalan Chepa, Mukim Panchor
Daerah Kemumin
16100 Kota Bharu, Kelantan Darul Naim

PAHANG
B-5, Lorong Padang Lallang
14, Jalan Tanjung Api
25050 Kuantan, Pahang Darul Makmur

Subsidiaries
Vimaflour Ltd
MFM International Ltd
Mekong Flour Mills Ltd
MFM Ltd
Dindings Soya & Multifeeds Sdn Berhad
Registration No. 197701003866 (34884-U)
MFM Feedmill Sdn Bhd
Registration No. 198801005258 (172615-X)
Dindings Poultry Processing Sdn Bhd
Registration No. 198501012354 (144808-P)
Dindings Poultry Development Centre Sdn Bhd
Registration No. 198901002738 (180044-A)
Premier Grain Sdn Bhd
Registration No. 200601034320 (754079-T)
Semakin Dinamik Sdn Bhd
Registration No. 198901008231 (185533-V)
Dindings Broiler Breeder Farm Sdn Bhd
Registration No. 198801005243 (172600-T)
Syarikat Pengangkutan Lumut Sdn Bhd
Registration No. 197901007050 (61335-M)
Muda Fibre Manufacturing Sdn Bhd
Registration No. 197901004586 (48785-V)
Dindings Grand Parent Farm Sdn Bhd
Registration No. 198501012507 (144962-W)
MFM Property Sdn Bhd
Registration No. 198801009334 (176691-P)
AVIOTA Sdn Bhd
Registration No. 201601042871 (1213813-D)

Principal Bankers
Alliance Bank Malaysia Berhad
Registration No. 198201008390 (88103-W)
Bangkok Bank Berhad
Registration No. 199401014060 (299740-W)
MUFG Bank (Malaysia) Berhad
Registration No. 199401016638 (302316-U)
Coöperatieve Rabobank U.A. Labuan Branch
Registration No. 153401000022 (97141-X)
HSBC Bank Malaysia Berhad
Registration No. 198401015221 (127776-V)
Malayan Banking Berhad
Registration No. 196001000142 (3813-K)
OCBC Bank (Malaysia) Berhad
Registration No. 199401009721 (295400-W)
AmBank Islamic Berhad
Registration No. 199401009897 (295576-U)
Sumitomo Mitsui Banking Corporation Malaysia Berhad
Registration No. 201001042446 (926374-U)

Stock Exchange Listing
Bursa Malaysia Securities Berhad
Registration No. 200301033577 (635998-W)
Sector: Consumer Products & Services
Sub Sector: Food & Beverages
Stock Name: MFLOUR
Stock Code: 3662

Solicitors
Isharidah, Ho, Chong & Menon

Auditors
KPMG PLT
BOARD OF DIRECTORS

From top left: Mr Azhari Arshad, Mr Quah Poh Keat, Mr Lim Pang Boon, Mr Prakash A/L K.V.P Menon, Dato’ Wira Zainal Abidin bin Mahamad Zain

From bottom left: Prof. Datin Paduka Setia Dato’ Dr Aini binti Ideris, Mr Teh Wee Chye, Tan Sri Dato’ Seri Utama Arshad bin Ayub, Datuk Oh Chong Peng, Dato’ Maznah binti Abdul Jalil
DIRECTORS’ PROFILE

Tan Sri Dato’ Seri Utama Arshad bin Ayub
(Non-Independent Non-Executive Chairman)

Tan Sri Dato’ Seri Utama Arshad bin Ayub (Male), aged 91, a Malaysian, was appointed to the Board of the Company on 30 August 2002 and is presently the Chairman of the Company. He is also the Chairman of the Remuneration Committee as well as member of the Audit & Risk Management and Nomination Committees of the Company. He graduated with a Diploma in Agriculture in 1954 from College of Agriculture, Serdang and pursued his Bachelor of Science Degree in Economics with Statistics at the University College of Wales, Aberystwyth in the United Kingdom in 1958 and also Diploma in Business Administration (IMEDE), Lausanne, Switzerland in 1964. He has a distinguished career in the Malaysian Civil Service. Among the top posts he held were First Director, Mara Institute of Technology (1965-1975), Deputy Governor of Bank Negara Malaysia (1975-1977), Deputy Director-General in the Economic Planning Unit of the Prime Minister’s Department (1977-1978) and Secretary-General in the Ministry of Primary Industries (1978), Ministry of Agriculture (1979-1981) and Ministry of Land and Regional Development (1981-1983). His current directorships in public companies and listed issuers include Tomypak Holdings Berhad, Bistari Johor Berhad and Karex Berhad. Mr Azhari Arshad who is an Executive Director of the Company is his son. He has no family relationship with the other Directors and/or major shareholder of the Company.

He has attended all the 6 Board meetings held during the financial year. He has no conflict of interest with the Company.

Mr Teh Wee Chye
(Managing Director)

Mr Teh Wee Chye (Male), aged 66, a Malaysian, was appointed to the Board as an Executive Director of the Company on 19 June 1989 and is presently the Managing Director of the Company. He is also a member of the Remuneration Committee of the Company. He holds a Bachelor of Science Degree in Naval Architect and Marine Engineering and a Master’s Degree in Ship Building and Shipping Management from the Massachusetts Institute of Technology, USA. In the summer of 1974, he received his training at the American Bureau of Shipping Research & Development Department, New York. Upon graduation in 1975 he was employed as an Engineer with Eastern Steamship (S) Pte Ltd, Singapore. He joined Malayan Flour Mills Berhad in 1976 as the Deputy Mill Manager and was promoted as the Plant Manager in 1978. He was appointed as the Project Manager in 1979 in charge of the Company’s entire expansion plans. He is also a director of Seu Teck Sean Tong Charitable Organisation Berhad. He is a major shareholder of the Company.

He has attended all the 6 Board meetings held during the financial year. He is deemed interested in various related party transactions with the Group.
Datuk Oh Chong Peng
(Senior Independent Non-Executive Director)

Datuk Oh Chong Peng (Male), aged 75, a Malaysian, was appointed to the Board of the Company on 20 August 2008 and is presently the Chairman of the Audit & Risk Management Committee and a member of the Nomination and Remuneration Committees of the Company. He is a Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”) as well as a member of the Malaysian Institute of Certified Public Accountants (“MICPA”) and the Malaysian Institute of Accountants (“MIA”).

He joined Coopers & Lybrand (now known as PricewaterhouseCoopers) in London in 1969 and in Malaysia in 1971. He was a Partner of Coopers & Lybrand Malaysia from 1974 and retired as a Senior Partner of Coopers & Lybrand in 1997.

Presently, he sits on the Board of WCE Holdings Berhad, Dialog Group Berhad, Saujana Resort (M) Berhad and PUC Berhad.

Datuk Oh is a Government appointed member of the Labuan Financial Services Authority (since 1996). He is also a trustee of the UTAR Education Foundation (2002) and a council member of University Tunku Abdul Rahman.


He has attended 5 out of the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.
Dato’ Wira Zainal Abidin bin Mahamad Zain
(Independent Non-Executive Director)

Dato’ Wira Zainal Abidin bin Mahamad Zain (Male), aged 70, a Malaysian, was appointed to the Board of the Company on 1 September 2009 and is presently the Chairman of the Nomination Committee and a member of the Audit & Risk Management Committee of the Company. He holds a Bachelor of Arts (Hons-International Relations) Degree from University of Malaya.

He has a distinguished career in the Malaysian Civil Service. His past appointments include being appointed to the Administrative and Diplomatic Service of Malaysia as Assistant Secretary at the Ministry of Foreign Affairs (1973), Second Secretary of the Embassy of Malaysia in Jakarta, Indonesia (1974), Assistant Secretary of Ministry of Foreign Affairs (1977), Charge d’Affaires of the Embassy of Malaysia in Tehran, Iran (1979-1982), Principal Assistant Secretary of Ministry of Foreign Affairs (1982), Charge d’Affaires of Embassy of Malaysia in Abu Dhabi, United Arab Emirates (1984), Consul General of the Consulate General Malaysia in Jeddah (1986), Under Secretary (West Asia, Africa & OIC) of Ministry of Foreign Affairs (1989), Consul General of the Consulate General Malaysia in Vancouver, Canada (1991), Ambassador of Malaysia to Brazil (1995), Ambassador of Malaysia to Vietnam (1998), Under Secretary (South East Asia & Pacific) of Ministry of Foreign Affairs (2001), Malaysia’s First Director General [Southeast Asia Regional Centre for Counter Terrorism (SEARCCT)], Ministry of Foreign Affairs (2003-2005), Ambassador of Malaysia to the Republic of Indonesia (2005-2009), Malaysia’s First ASEAN Permanent Representative ad-interim Republic of Indonesia (March 2009-July 2009) and Special Envoy of the Prime Minister of Malaysia to The Islamic Republic of Afghanistan (2010-2014).

He has retired as the Independent Non-Executive Chairman of CIMB Bank (Vietnam) Ltd and CIMB Bank PLC in Cambodia on 20 March 2020 pursuant to the policy that the maximum tenure of an Independent Non-Executive Director shall be 9 years as well as the retirement age of 70 years old as set by Bank Negara Malaysia.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.
Mr Prakash A/L K.V.P Menon
(Non-Independent Non-Executive Director)

Mr Prakash A/L K.V.P Menon (Male), aged 61, a Malaysian, was appointed to the Board of the Company on 24 May 2011 and is presently a member of the Nomination and Remuneration Committees of the Company. He is a barrister-at-law (Lincoln's Inn, London) having graduated with LLB (Hons) from University of Manchester.

He was admitted to the English Bar in 1983 and being bestowed the qualification as a Barrister. Upon completion of the term of pupillage, he was called to the Malaysian Bar and was admitted as an Advocate and Solicitor of the High Court of Malaya on 18 June 1984.

Since his admission to the Malaysian Bar, he has been in private practice and is a Senior Partner in the firm of Isharidah, Ho, Chong & Menon and is actively involved in the area of litigation. He has been in active practice for more than 30 years. He is not a director of any other public company and listed issuer.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.

Mr Azhari Arshad
(Executive Director)

Mr Azhari Arshad (Male), aged 58, a Malaysian, was appointed to the Board as a Non-Executive Director on 16 August 2012 and was subsequently appointed as a Business Development & Corporate Affairs Director on 5 May 2015. He holds a Bachelor of Science Degree in Economics from University of Buckingham (UK).

He has more than 20 years’ experience in business development and marketing. In 1988, he joined Shell Malaysia Trading as a Senior Marketing Executive. Thereafter, he joined Pennzoil Malaysia as a Marketing Country Manager in 1993. In 1996, he was with Conoco Philips Malaysia as a Marketing Director in Malaysia. From 2002 until 2006, he was the Business Development and Marketing Strategy Consultant for Petronas downstream sector companies i.e. Petronas Dagangan Berhad and Petronas Holdings respectively. Subsequently, he was the Business Strategy, Marketing & Project Development Consultant for South-East Asia in US Management & Marketing Consultancy.

He is not a director of any other public company and listed issuer. He is the son of the Chairman of the Company, Tan Sri Dato’ Seri Utama Arshad bin Ayub.

He has attended all the 6 Board meetings held during the financial year. He has no conflict of interest with the Company.
Mr Quah Poh Keat
(Independent Non-Executive Director)

Mr Quah Poh Keat (Male), aged 67, a Malaysian, was appointed to the Board of the Company on 25 May 2017 and is presently a member of the Audit & Risk Management Committee of the Company. He is a member of the Malaysian Institute of Accountants ("MIA"), Fellow of the Malaysian Institute of Taxation ("MIT"), member of the Malaysian Institute of Certified Public Accountants ("MICPA"), member of the Chartered Institute of Management Accountants ("CIMA") and a Fellow of the Association of Chartered Certified Accountants ("FCCA").

He was a partner of KPMG Malaysia since 1 October 1982 and was the Senior Partner of the firm from 1 October 2000 until 30 September 2007. Prior to taking up the position of Senior Partner, he was in charge of the Tax Practice and the Japanese Practice in KPMG Malaysia. He was also a member of the KPMG Japanese Practice Council which is the governing body within KPMG International which looks after the Japanese Practices in the KPMG world. He was also a member of KPMG Asia Pacific Board and a member of KPMG International Council. He retired from KPMG Malaysia on 31 December 2007.

He had served as an Independent Non-Executive Director of Public Bank Berhad Group from 30 July 2008 to 1 October 2013 until his appointment as the Deputy Chief Executive Officer of Public Bank Berhad from 1 October 2013 until 31 December 2015. Prior to that, he was an Independent Non-Executive Director of IOI Properties Berhad, PLUS Expressways Berhad, IOI Corporation Berhad and Telekom Malaysia Berhad.

Presently, he sits on the Board of Public Mutual Berhad, LPI Capital Berhad, Lonpac Insurance Berhad, Kuala Lumpur Kepong Berhad and Paramount Corporation Berhad.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.
Prof. Datin Paduka Setia Dato’ Dr Aini binti Ideris
(Independent Non-Executive Director)

Prof. Datin Paduka Setia Dato’ Dr Aini binti Ideris (Female), aged 66, a Malaysian, was appointed to the Board of the Company on 25 May 2017 and is presently a member of the Nomination Committee of the Company. She holds a Doctor of Veterinary Medicine (“DVM”) in 1979 from Universiti Pertanian Malaysia (“UPM”) (currently, Universiti Putra Malaysia), Masters of Veterinary Science (MVSc) in 1981 from University of Liverpool, England, Doctor of Philosophy (PhD) (Avian Medicine) in 1989 from UPM. She had attended a Postdoctoral training from 1990 to 1992 at University of California Davis, USA and a Postdoctoral training in 1993 at Cornell University, USA.

She is actively involved in Malaysian College of Veterinary Specialists (“MCVS”); a member of the Board of Governance of International Medical University (“IMU”) and International Medical College (“IMC”); a Board Member of Yayasan Putra Business School and UPM Education & Training; a Council Member of Malaysian Cancer Research Institute (“MCRI”) and Executive Member of National Cancer Council (“MAKNA”). She was a Council Member of Academy of Sciences Malaysia until 2017. She is the Founding Chairman of the Board of Directors of UPM Holdings Sdn Bhd.

She is actively involved in research on avian respiratory and immunosuppressive diseases, development of conventional and genetically engineered vaccines. In 2011, she received the National Academic Award (AAN) 2010 for the Innovation and Product Commercialisation Award Category. Her research group also won the Innovation Award in Public and Private Sector Research (2008) in which she was the co-researcher and several other National and International awards.

She is the Coordinator for the National Centre of Excellence for Swiftlets, under the Ministry of Agriculture and Agro-based Industry (“MOA”) and Vice President of the World Veterinary Poultry Association (“WVPA”). She has extensive administrative experience other than in the field of teaching and learning. She was the Acting Head of the Department of Veterinary Clinical Studies, Chairman of the Veterinary Teaching Hospital, Deputy Dean of the Faculty of Veterinary Medicine, Dean of the Graduate School and Chairman of the Deans of Graduate Studies, Public Institutions of Higher Learning Council, Malaysia.

She was the Deputy Vice-Chancellor (Academic and International) of UPM from December 2008 to 2013 and was Chairman of Deputy Vice-Chancellors’ Committee/Rector (Academic and International) during that period. In October 2015, she was appointed as the first Director of Corporate Strategy & Communications Office (CoSComm), UPM until her appointment as the 8th Vice-Chancellor of UPM on 1 January 2016. Presently, she sits on the Board of QL Resources Berhad.

She has attended 5 out of the 6 Board meetings held during the financial year. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company.
Mr Lim Pang Boon (Male), aged 64, a Malaysian, was appointed to the Board as an Executive Director of the Company on 1 January 2018. He holds a Bachelor of Science Degree in Electrical Engineering from University of Arkansas, USA.

He was a Project/Site Engineer of Tenaga Ewbank Consulting Engineers prior to joining the Company as an Electrical Engineer at its Lumut Plant from 1990 to 1992 and was promoted to Plant Manager of MFM Feedmill Sdn Bhd at Pasir Gudang from 1993 to 2000. He was the Project Manager for the setting up of Vimaflour Ltd in Vietnam from 1996 to 1998. Subsequently, he was appointed as the General Director and Authorised Representative of the Members’ Council of Vimaflour Ltd in 2002. He retired as the General Director on 31 August 2019.

He was also appointed as the Deputy General Director and Authorised Representative of the Member’s Council of Mekong Flour Mills Ltd in 2000 and 2006 respectively. He was later promoted as the General Director in 2008. He is not a director of any other public company and listed issuer.

He has attended all the 6 Board meetings held during the financial year. He has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest with the Company.
Dato’ Maznah binti Abdul Jalil
(Independent Non-Executive Director)

Dato’ Maznah binti Abdul Jalil (Female), aged 66, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 10 December 2019. She holds a Bachelor of Science Degree in Business Administration (Finance) from Northern Illinois University and a Master's Degree in Business Administration (Finance) from Central Michigan University, USA.

She joined Master-Carriage (Malaysia) Sdn Bhd as Director of Corporate Affairs in 1992. Prior to that, she was with Amanah Merchant Bank Berhad as a Manager in Corporate Finance and Advisory for 13 years. In 1997, she was appointed as Vice President of DRB-HICOM Berhad Group of Companies. She was formerly Chairman of Prestariang Berhad, Uni.Asia General Insurance Berhad and Uni.Asia Life Assurance Berhad. She had also previously served on the Board of UOB Bank (Malaysia) Berhad, Edaran Otomobil Nasional Berhad, EON Capital Berhad, EON Bank Berhad, Gadek (Malaysia) Berhad, HICOM Holdings Berhad, Proton Holdings Berhad, Horsedale Development Berhad, Labuan Reinsurance (L) Ltd, Malaysian International Merchant Bankers Berhad and several private limited companies under DRB-HICOM. Thereafter, she joined Hong Leong Financial Group Berhad as Executive Vice President, Corporate Finance & Principal Investment prior to her appointment as Executive Vice President, Investment Banking at Kenanga Investment Bank Berhad where she served until 2011. She was also formerly a Director of Universiti Teknologi MARA (UiTM).

Presently, she is a board member of Pavilion Real Estate Investment Trust, Boustead Heavy Industries Corporation Berhad, InNature Berhad, Felcra Berhad, Lembaga Tabung Angkatan Tentera and Opus Asset Management Sdn Bhd as well as the Chairman of SCS Global Advisory Sdn Bhd.

She has not attended any Board meeting during the financial year as there was no meeting held subsequent to her appointment. She has no family relationship with any Director and/or major shareholder of the Company. She has no conflict of interest with the Company.
Mr Teh Wee Chye
(Managing Director)
Aged 66, Male, Malaysian
Mr Teh Wee Chye was appointed to the Board as an Executive Director of the Company on 19 June 1989 and is presently the Managing Director of the Company. His profile is listed in the Directors’ Profile on page 5 of this Annual Report.

Mr Lim Pang Boon
(Executive Director cum Head of Flour Division - Mekong Flour Mills Ltd, Vietnam)
Aged 64, Male, Malaysian
Mr Lim Pang Boon was appointed to the Board as an Executive Director of the Company on 1 January 2018 and is presently the General Director of Mekong Flour Mills Ltd in Vietnam. His profile is listed in the Directors’ Profile on page 11 of this Annual Report.

Mr Azhari Arshad
(Director, Business Development & Corporate Affairs)
Aged 58, Male, Malaysian
Mr Azhari Arshad was appointed to the Board as the Business Development & Corporate Affairs Director on 5 May 2015. His profile is listed in the Directors’ Profile on page 8 of this Annual Report.
Mr Ho Hau Chieh  
(Head of Flour Division - Malaysia)  
_Aged 50, Male, Malaysian_

Mr Ho Hau Chieh joined the Company on 3 July 2017 as the General Manager of Flour Division of Malaysia.

He holds a Bachelor’s Degree in Economics (major in Business Administration) from University of Malaya. He has more than 22 years of experience in fast moving consumer goods industry.

Mr Huynh Duc Chinh  
(Head of Flour Division – Vimaflour Ltd, Vietnam)  
_Aged 48, Male, Vietnamese_

Mr Huynh Duc Chinh joined Vimaflour Ltd on 5 September 1995 as a Project Administrator. He undertook various positions in the Company Secretarial, Procurement and Sales & Marketing Departments before being promoted as Vimaflour Ltd’s Branch Manager in Danang in 2003. From 2004 till 2007, he worked for International Financial Corporation – World Bank as Business Development Officer. He rejoined Vimaflour Ltd on 26 February 2007 as Sales and Marketing Manager and was promoted to the current position on 1 September 2019.

He holds a Master’s Degree in Management from Solvay Business School and Université libre de Bruxelles, a French-speaking private research university in Brussels, Belgium.

He has more than 20 years of experience in flour business in Vietnam.

Mr Yap Fan Yee  
(General Manager, Flour)  
_Aged 76, Male, Malaysian_

Mr Yap Fan Yee joined the Company on 18 February 1965. He is a pioneer in the Company and was promoted to the current position in 1991.

He holds a Flour Milling Full Technological Certificate from City and Guilds. He has more than 54 years of experience in flour milling.
KEY SENIOR MANAGEMENT PROFILE

(CONT’D)

POULTRY INTEGRATION DIVISION

Mr Wong Kok Wai
(General Manager, Supply Chain)
Aged 50, Male, Malaysian

Mr Wong Kok Wai joined the Company on 25 September 2017 as the Financial Controller of the Company. On 18 February 2020, he assumed a new position of General Manager, Supply Chain to drive the supply chain strategies for the Poultry Integration.

He is a member of the Chartered Institute of Management Accountants (“CIMA”) and a member of the Malaysian Institute of Accountants (“MIA”).

He is an experienced Accountant of over 20 years in various industries such as hospitality, manufacturing, food & beverage and fast moving consumer goods.

Dr Chay Seong Hoe
(General Manager, Integrated Quality Management System)
Aged 48, Male, Malaysian

Dr Chay Seong Hoe joined the Group on 1 May 2009 as a Farm Operations Manager and was promoted as General Manager, Breeder and Hatchery on 1 January 2012. He assumed the current new position on 1 February 2020.

He holds a Doctor of Veterinary Medicine Degree from Universiti Putra Malaysia. He has more than 22 years of experience in poultry farming.

Mr Pornsak Saksucharit
[General Manager, Breeder & Broiler Division (Farm Management)]
Aged 60, Male, Thai

Mr Pornsak Saksucharit joined the Group on 19 August 2019 as Group Poultry Technical Specialist and Head, Broiler Division. He was promoted to the current position on 1 February 2020.

He holds a Bachelor of Science Degree in Agriculture (major in Animal Science) from University of Khon Kaea, Thailand. He has more than 38 years of experience in poultry integration production, plant design, production planning, farmhouse design and farmhouse ventilation design.
Mr Lee Low
(General Manager, Aquaculture)
Aged 56, Male, Malaysian
Mr Lee Low joined the Group on 15 June 2017 as the General Manager of Aquaculture.
He holds a Bachelor of Science Degree in Fisheries from Universiti Putra Malaysia and is an active member of the Malaysia Aquaculture Development Association (“MADA”).
He has over 30 years of experience in aquaculture industry managing the marine shrimp hatchery, shrimp farming, shrimp processing plant, a few species of marine & freshwater fish farming and aquafeed marketing.

Mr Hideki Oya
(Chief Executive Officer, Premier Grain Sdn Bhd cum General Manager, Purchasing)
Aged 40, Male, Japanese
Mr Hideki Oya joined the Company on 1 April 2018 as the General Manager, Purchasing. In addition, he was appointed as an Executive Director and the Chief Executive Officer of Premier Grain Sdn Bhd on 19 February 2020.
He holds a Degree in Human Science from Waseda University, Japan.
He has over 17 years of experience in grains trading industry, ocean freight and grains logistics. He was with Toyota Tsusho Corporation from 2002 to 2017. From 2013 to 2017, he was the Director and Controller of Procurement and Sales of Premier Grain Sdn Bhd.

Mr Kong Pak Cheong
(Executive Director, Premier Grain Sdn Bhd cum General Manager, Contract Farming, Open Market & Poultry Live Bird Commercial)
Aged 75, Male, Malaysian
Mr Kong Pak Cheong joined the Company on 6 March 1966. He is a pioneer in the Company and was promoted as the Executive Director of Premier Grain Sdn Bhd in 2010. He also assumed the role as the General Manager, Contract Farming, Open Market & Poultry Live Bird Commercial on 1 February 2020.
He holds a Flour Milling Full Technological Certificate from City and Guilds.
He has more than 53 years of experience in flour milling and animal feed production. He was transferred to Premier Grain Sdn Bhd on 1 April 2010 and is responsible for the sales and marketing of the raw material trading business. On 1 February 2020, he was assigned additional responsibilities to oversee the Contract Farming, Open Market & Poultry Live Bird Commercial.
KEY SENIOR MANAGEMENT PROFILE
(CONT’D)

SUPPORT DIVISION

Mdm Carol Chan Chui Yoke
(General Manager, Group Human Resources)
Aged 48, Female, Malaysian

Mdm Carol Chan Chui Yoke joined the Company on 2 June 2014 as the General Manager, Group Human Resources.

She holds a Master of Business Administration from University of Missouri, Kansas City, USA.

She has more than 22 years of experience in full spectrum of Human Capital functions with more than 11 years’ experience in senior position in driving human resources strategies that support the Company’s overall business plans and strategies.

Mr Alex Yap Kien Tiong
(General Manager, Group Internal Audit and Risk Management)
Aged 52, Male, Malaysian

Mr Alex Yap Kien Tiong joined the Company on 9 July 2018 as the General Manager, Group Internal Audit and Risk Management.

He holds a Bachelor’s Degree in Economics from La Trobe University, Australia and is a Fellow of CPA Australia. He is also a member of Malaysian Institute of Accountants (“MIA”).

He has over 27 years of experience in external & internal audit and managing aftersales business operations (continuous improvement). He gained his experience working in audit firms for 6 years, including 4 years with an international accounting firm. Subsequently, he joined the local conglomerates for more than 20 years in various capacities.

Mr Horace Tee Kok Choy
(Chief Information Officer)
Aged 41, Male, Malaysian

Mr Horace Tee Kok Choy joined the Company on 7 August 2018 as the Chief Information Officer.

He holds a Bachelor of Science Degree in Microelectronic from Campbell University as well as a Post Graduate Diploma in Business Administration from University of Wales.

He has over 19 years of experience in information technology from his various positions in the consulting, manufacturing, shared services and telecommunication industries.
Mr Chua Kiat Hwa  
(Senior General Manager, Purchasing cum Director of Premier Grain Sdn Bhd)  
Aged 57, Male, Malaysian  
Mr Chua Kiat Hwa joined the Company on 16 March 1992 and was promoted as Senior General Manager, Purchasing on 1 January 2016. He was also appointed as a Director of Premier Grain Sdn Bhd on 31 March 2010.  
He holds a Master of Business Administration from Hawaii Pacific University, Honolulu, Hawaii and a Bachelor’s Degree in Arts from Universiti Kebangsaan Malaysia.  
He has more than 22 years of commodity trading experience, having constant dealings with large international commodity brokers and grains institutions.

Ir Beh Men Huat  
(General Manager, Group Engineering Services & Projects)  
Aged 63, Male, Malaysian  
Ir Beh Men Huat joined the Company on 5 December 2008 as the Senior Manager, Group Engineering Services & Projects and was subsequently promoted to be General Manager in 2012.  
He holds a Bachelor of Science Degree in Civil Engineering (First Class Honours) from University of Strathclyde, United Kingdom and a Master of Finance from RMIT University, Australia. He is also a Professional Engineer registered with the Board of Engineers.  
He has more than 37 years of working experience in both the public and private sectors, primarily in the field of water privatisation concession, planning, design, construction supervision, contract administration and project management in building, civil, infrastructure works in Malaysia and overseas.

Dr Tan Leong Chee  
(General Manager, Group Engineering Services & Projects)  
Aged 56, Male, Malaysian  
Dr Tan Leong Chee joined the Company on 10 November 2014 as the General Manager, Group Engineering Services & Projects.  
He holds a Doctor of Philosophy from Nanyang Technological University, Singapore, a Master of Engineering from National University of Singapore and a Bachelor’s Degree in Civil Engineering from University of Malaya.  
He has more than 32 years of experience in managing projects for the construction of jetty, industrial building, power plants, airport, high-rise building, residential and infrastructure works for highways. He was also involved in the conceptual stage, pre-contract administration, post-contract administration and closure of the projects.

Additional Information:
1. Save for Mr Teh Wee Chye, Mr Azhari Arshad and Mr Lim Pang Boon, none of the other Key Senior Management members have any directorship in public companies and listed issuers.
2. Save for Mr Teh Wee Chye and Mr Azhari Arshad, none of the other Key Senior Management members have any family relationship with any Director and/or major shareholder of the Company.
3. Save for Mr Teh Wee Chye, none of the other Key Senior Management members have any conflict of interest in business transactions with the Company.
On behalf of the Board of Directors, I am pleased to present the Annual Report of Malayan Flour Mills Berhad (“MFM”) for the financial year ended 31 December 2019.

Review of Performance

MFM Group (“Group”) recorded a revenue of RM2.68 billion for the financial year 2019, representing a 10.6% growth over the previous financial year. The Group’s profit before tax for the year improved significantly to RM78.30 million as compared to RM39.93 million in the previous year mainly due to favourable margin in flour and grains trading segment and a turnaround to profitability from the equity accounted joint venture amidst challenges in poultry integration segment.

The revenue of flour and grains trading segment constituted 73.8% of our Group’s revenue. The revenue for this segment increased by 14.4% to RM1.98 billion as compared to previous year primarily due to higher sales volume and favourable margins from flour and grains operations in Malaysia and Vietnam. Operating profit of the segment stood at RM114.69 million, representing a 74.0% improvement from a year earlier due to margin improvement in the flour business and favourable gains on future and option contracts and foreign exchange. This segment contributed significantly to the Group’s operating profit.

Our joint venture in Indonesia, PT Bungasari Flour Mills Indonesia (“BFMI”), had delivered significant volume growth of flour sales in 2019 as compared to the previous year due to strong momentum in sales and operations coupled with stronger demand for flour. This accentuated the Group’s share of profit in 2019 to RM14.12 million as compared to the previous year’s share of loss of RM6.91 million, due to improved operating margins, strengthening of the Indonesian Rupiah against the United States Dollar and political stability in Indonesia.

The poultry integration segment had recorded marginally higher revenue of RM701.52 million primarily due to higher volume of live birds trading market. This segment incurred RM31.94 million of operating loss compared to RM0.93 million loss from a year earlier. This exceptional loss is mainly due to an excessive supply of live birds inducing a downward pressure on live bird selling prices.

Our Group is embarking on investment/expansion in the poultry integration segment further downstream to create stability and enhance its future earnings growth.
Corporate Development

The Group had successfully completed its rights issue of 5-year 5% redeemable convertible unsecured loan stocks ("RCULS") ("Rights Issue of RCULS") and rights issue of new MFM shares ("Rights Issue of Shares") on 28 January 2019 with proceeds of RM275.14 million. The proceeds have been used to fund the new poultry processing plant, aqua feed milling plant, extension of the existing jetty and repayment of revolving credit loans.

The Group had also invested additional RM53.80 million in BFMI to expand its production capacity and meet the growing demand for flour in Indonesia.

Dividend

The Board of Directors had declared an interim dividend of 1.20 sen per ordinary share for financial year ended 31 December 2019 which was paid on 13 September 2019.

The Board of Directors had further declared a second interim dividend of 1.80 sen per ordinary share for financial year ended 31 December 2019 which will be paid on 27 March 2020.

Director

We are pleased to announce that Dato’ Maznah binti Abdul Jalil has been appointed to the Board of Directors on 10 December 2019. We warmly welcome her appointment and look forward to her contribution to the Group.

Appreciation

I would like to extend my sincere appreciation to my fellow Directors, the management and employees at all levels in the Group for their steadfast and unwavering effort, support and commitment in the midst of the headwinds faced by the Group in 2019.

Equally important, I would also like to thank you, our shareholders, as well as our customers, suppliers, bankers, business associates, government agencies and regulatory authorities, for the unrelenting support, trust and confidence in the Group during the year.

Outlook for 2020

Commodity prices and foreign exchange rates remain volatile amid an uncertain global economic environment arising from the impact of COVID-19 outbreak. Due to these challenges, the Board will be taking the following measures to mitigate the uncertainties on the Group’s performance in 2020:

• Development of the new primary poultry processing plant is completed and able to process any excess supply of broilers into value-added products;

• Undertake direct delivery of wheat, corn meal and soya meal with the extension of the jetty to drive cost efficiencies in flour milling; and

• Progressive efforts to improve feeds quality, better farm-house hygiene and higher bio-security controls to mitigate future spread of diseases and reduce production costs through optimum feed conversion ratio and lower mortality rate.

Tan Sri Dato’ Seri Utama Arshad bin Ayub
Chairman
History and Milestones

Malayan Flour Mills Berhad (“MFM”) incorporated in 1961, is pioneer in the flour milling industry in Malaysia with 2 flour mills in Lumut and Pasir Gudang. It is now a regional flour player with operations in North of Vietnam (since 1994), South of Vietnam (since 2000) and West Java, Indonesia through a tri-partite joint venture (since 2011). MFM’s operations throughout the region produced and sold over 1 million metric tons of flour every year.

Beyond flour milling, MFM has also expanded into the poultry industry in Malaysia since 1983. Its poultry businesses are vertically integrated, encompass feed mills, hatchery, breeder farms, broiler farms and poultry processing plant. Every year, MFM Group (“Group”) produces approximately 60 million broiler chicken for consumption by Malaysians. Our Group owns one of the biggest closed-house broiler farms in the country, intending to ramp up the capacity to over 100 million by 2023. The upgrading of its poultry primary processing plant with daily slaughtering capacity of 240,000 birds, which is 3 times of the existing capacity, has been completed.

Since 2010, MFM expanded into the trading of raw material for animal feeds in Malaysia through a 51% owned joint venture company with Toyota Tsusho Corporation Group.

Group Strategy and Objective

Financial year 2019 had been a challenging year for MFM with a relatively robust year for flour milling in the region but we encountered significant headwinds in the poultry industry in Malaysia.

Our key strengths as a group lies in our transparency with key stakeholders and good manufacturing practices in which we have diligently honed over the past 50 years in agri-food production. By leveraging our core competencies in mass production, economies of scale, technical know-hows and standardisation of best practices, we have been able to replicate our good manufacturing practices beyond our core in the flour milling business in Malaysia into the poultry integration business and beyond the shores of Malaysia into Vietnam and Indonesia.

We remained committed to invest up to RM1.10 billion in the State of Perak and always look out for strategic investments around the region to realise our long-term vision of becoming a trusted and leading food manufacturing corporation in ASEAN, and we remained steadfast in that pursuit despite the temporary headwinds affecting the poultry industry.

Financial Performance Review

In financial year 2019, we realised improvements in the flour milling business in MFM, where revenue had increased by 10.6% to RM2.68 billion from RM2.42 billion, whilst profit before tax (“PBT”) had recovered significantly to RM78.30 million from RM39.93 million, a 96.1% turnaround.

Significant turnaround in the flour milling segment from our subsidiaries in Vietnam and joint venture in Indonesia had contributed positively to mitigate continued challenges and competition in poultry integration segment. Operating results were significantly better with operating profit growing 74.0% to RM114.69 million on the back of RM1.98 billion in revenue. This was mainly attributed to favourable margin from flour and grains trading segment as a result of better pricing and improved production efficiency.

Strong headwinds continued in the poultry integration as revenue was marginally higher at RM701.52 million compared to previous year. The poultry integration operating loss widened to RM31.94 million compared to an operating loss of RM0.93 million in the previous year.

Interest expenses amounted to RM29.68 million and interest income amounted to RM11.30 million, at a similar level to the previous year.
As at 31 December 2019, our Group's total assets stood at RM2.58 billion with cash and cash equivalents of RM330.75 million. Our Group's EBITDA increased by 43.1% to RM165.69 million in the current financial year as compared to RM115.78 million previously.

**Review of Operation**

In 2019, our Group's revenue from flour and grains trading grew robustly on the back of higher volume with favourable margin and better production efficiency. The Vietnamese Dong (“VND”) was more stable in 2019 at VND23,200 to a United States Dollar compared to the previous year, enabling better contribution margin. Overall dampened sentiment in poultry integration segment due to significant drop in live bird selling prices had impacted the profitability of this segment.

The Group's profitability had improved significantly in the flour and grains trading segment in the third and fourth quarters despite significant headwinds in the poultry integration segment in the second and fourth quarters of the year.

The flour and grains trading segment experienced a year-on-year growth of 14.4% to RM1.98 billion from RM1.73 billion due to higher volume, better pricing and favorable margin. The segment registered a 74.0% increase in operating profit to RM114.69 million from RM65.90 million mainly attributable to better selling prices, favourable margin and net realised gain on future and option contracts and foreign exchange which offset higher wheat costs. Our subsidiaries in Vietnam, VimafLOUR Ltd and Mekong Flour Mills Ltd are operating at optimum plant capacity and improved their production contribution margin compared to the previous year.

Our joint venture in Indonesia, PT Bungasari Flour Mills Indonesia (“BFMI”), is now running at optimum production capacity, was able to capitalise on the strengthening of Indonesian Rupiah (“IDR”), favourable margin and stronger local demand to turn around its operating loss in the previous year.

On a positive note, the Group was able to record a share of profit of equity accounted joint venture amounting to RM14.12 million compared to a share of loss of RM6.91 million in the previous year.

Amidst positive progress in the flour and grains trading segment, we will continue our efforts to drive production efficiency through better flour extraction and blending process.

The poultry integration segment recorded a revenue increase of 1.2% to RM701.52 million in 2019 as compared to RM692.90 million in the preceding year due to higher volume of live birds trading segment despite lower selling price of live birds. This segment incurred an exceptional operating loss of RM31.94 million in 2019 as compared to an operating loss of RM0.93 million posted in the preceding year. The loss was mainly due to an excessive supply of live birds being traded which induced a downward trend in live bird selling prices coupled with higher depreciation of property, plant and equipment from the commissioning of our new aqua feed mill in Lumut and rendering plant in Sitiawan. There was also a lower fair value loss on biological assets of RM1.09 million in 2019 as compared to a loss of RM8.41 million in 2018.

Despite the immense challenges in the poultry integration segment in 2019, we are continuously implementing progressive efforts to improve feeds quality, better farm-house hygiene and higher bio-security controls to mitigate future spread of diseases and improve broilers quality. With the improvements on track, we will be able to reduce production costs through optimum feed conversion ratio and lower mortality rate. With the commissioning of our new poultry processing plant in Sitiawan, processing capacity will increase by 3 times to slaughter live chickens and further process into higher value-added products for a wider industry base, retailers and consumers. This would reduce the segment’s exposure to the volatile prices in live bird trading and generate better profitability from value-added products.
Anticipated or Known Risks

Food safety and compliance to standards are top priorities for us as a food manufacturer as usage of flour and poultry is very wide and diverse and it cut across different cultural background, race and religion. To ensure our customers and consumers can use products produced by us without any worry or doubt, we have implemented Hazard Analysis and Critical Control Points (“HACCP”) in all our manufacturing facilities. At the same time, all our products are halal certified by Department of Islamic Development Malaysia (“JAKIM”) and are subject to annual compliance audit.

Due to the nature of the poultry industry which faces inherent risk of avian diseases outbreak, we are always vigilant in managing our farms with comprehensive bio-security measures in place.

In summary, we are confident that based on our track record and leading position in the flour and poultry industries, our Group will be able to mitigate such risks with our proactive and preventive measures put in place.

Outlook and Prospects for 2020

As food manufacturing is our core business, we are responsible to feed people in the countries in which we operate but challenges of uncertain global economic environment, volatile commodity prices and foreign exchange rates arising from COVID-19 outbreak will have an impact on the Group’s performance.

Due to these challenges, the Board will be taking proactive and preventive measures to mitigate the uncertainties on the Group’s performance in 2020.
"ACHIEVING GREATER HEIGHTS IN OUR DRIVE TO MANAGE SUSTAINABILITY"
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MFM GROUP
BUSINESS DIVISIONS

Our Sustainability Report will be reported for three business divisions: flour division, poultry integration division and aqua feeds division.

- MALAYAN FLOUR MILLS BERHAD (MFM)
- VIMAFLOUR LTD
- MEKONG FLOUR MILLS LTD
- PT BUNGASARI FLOUR MILLS INDONESIA

- DINDINGS POULTRY DEVELOPMENT CENTRE SDN. BHD. (DPDC)
- DINDINGS POULTRY PROCESSING SDN. BHD. (DPP)

- DINDINGS SOYA & MULTIFEEDS SDN. BERHAD (DSM)
MANAGING DIRECTOR'S MESSAGE

Dear Stakeholders,

Greetings.

On behalf of MFM, we are glad to share the sustainability initiatives we have employed in 2019. Sustainability is the key to delivering long-term value to our stakeholders. We fully endorse United Nations Sustainable Development Goals (UN SDGs) in achieving holistic development and creating sustainable values.

Economic, Environment and Social (EES)
In achieving economies of scale, and creating more value for stakeholders, MFM has successfully commissioned its state-of-the-art poultry primary processing plant. It is supported with rendering and wastewater treatment plants. Industry experts who have visited touted the facility “the best in class”.

Our passion lies in fulfilling people’s bowls and appetite.

We will continue to embrace the culture of improvement around our core values – “Qualitas”, “Consilium” and “Progressus”.

In improving the environmental performance of our operations, we invest in waste management, dust management, wastewater treatment, bio-security and others.

The contributing spirit to society is embedded in MFM culture. In order to achieve sustainable business growth, we also build strategic relationships with local and foreign learning institutions, colleges, technical and public schools. The collective effort and hard work from everyone have placed MFM where it is today.

I would like to take this opportunity to thank all our employees, management and fellow directors for their dedication, contribution and continuous support to the Group.

To our esteemed shareholders, suppliers, customers, service providers and others, please accept our heartfelt gratitude for your continued support, confidence and trust in MFM. We will continue to work hard to deliver better value to each and every one of you.

TEH WEE CHYE
MANAGING DIRECTOR