



Malayan Flour Mills Berhad

(4260-M)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of Malayan Flour Mills Berhad ("MFLOUR" or "Company") will be held at the Auditorium, 3rd Floor, Wisma MCA, 163 Jalan Ampang, 50450 Kuala Lumpur on Friday, 26 October 2018 at 3.00 p.m., for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO RM165,085,617 IN NOMINAL VALUE OF 5-YEAR REDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("RCULS") AT 100% OF ITS NOMINAL VALUE OF RM1.00 ON THE BASIS OF 3 RCULS FOR EVERY 10 EXISTING ORDINARY SHARES OF MFLOUR ("MFLOUR SHARES" OR "SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") TOGETHER WITH UP TO 82,542,808 NEW MFLOUR SHARES ("BONUS SHARES A") ON THE BASIS OF 1 BONUS SHARE A FOR EVERY 2 RCULS SUBSCRIBED AND UP TO 82,542,808 FREE DETACHABLE WARRANTS ("FREE WARRANTS A") ON THE BASIS OF 1 FREE WARRANT A FOR EVERY 2 RCULS SUBSCRIBED ("PROPOSED RIGHTS ISSUE OF RCULS")

THAT, subject to the passing of the Ordinary Resolution 2 and all relevant approvals being obtained from the relevant authorities and/or parties (if required), approval be and is hereby given to the Board of Directors of MFLOUR ("Board") for the following:

- (i) to allot and issue by way of a renounceable rights issue of up to RM165,085,617 in nominal value of RCULS at 100% of its nominal value of RM1.00 on the basis of 3 RCULS for every 10 existing MFLOUR Shares held on the Entitlement Date together with up to 82,542,808 Bonus Shares A on the basis of 1 Bonus Share A for every 2 RCULS subscribed and up to 82,542,808 Free Warrants A on the basis of 1 Free Warrant A for every 2 RCULS subscribed by the entitled shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date ("**Entitled Shareholders**") and/or their renounee(s);
- (ii) to create and issue the RCULS and Free Warrants A based on the salient terms of the RCULS and Free Warrants as set out in **Appendix I** and **Appendix II** of the circular to the shareholders of the Company dated 11 October 2018 ("**Circular**") respectively and in accordance with the provisions of a trust deed constituting the RCULS to be executed by the Company and AmanahRaya Trustees Berhad, who acts for the benefit of the RCULS Holders ("**Trust Deed**") and the deed poll constituting the Free Warrants A to be executed by the Company ("**Deed Poll**") respectively;
- (iii) to determine the final conversion price of the RCULS and the final exercise price of the Free Warrants A after taking into consideration the basis and justification for determining such prices, as set out in **Section 2.4** of the Circular;
- (iv) wherein each of the Free Warrant A will carry the right to subscribe, subject to any adjustment in accordance with the Deed Poll, at any time during the exercise period, for 1 new MFLOUR Share at an exercise price to be determined and fixed at a later date by the Board;
- (v) to allot and issue such number of new MFLOUR Shares upon the conversion of the RCULS during the conversion period and at the final conversion price of the RCULS in accordance with the provisions of the Trust Deed and/or upon the exercise of the Free Warrants A during the exercise period of the Free Warrants A in accordance with the provisions of the Deed Poll;
- (vi) to allot and issue such further new MFLOUR Shares as may be required or permitted to be issued and allotted as a consequence of the adjustments under the provisions of the Trust Deed; and
- (vii) to allot and issue such further Free Warrants A and new MFLOUR Shares upon the exercise of such further Free Warrants A as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/or as may be required by the relevant authorities.

THAT the Bonus Shares A shall be issued as fully paid without any consideration and without capitalisation of the Company's reserves; **THAT** the RCULS which are not subscribed or validly subscribed shall be made available for excess applications by other Entitled Shareholders and/or their renounee(s) in such manner as the Board shall determine in a fair and equitable manner on a basis to be determined by the Board;

THAT fractional entitlement of the RCULS, Bonus Shares A and Free Warrants A arising from the Proposed Rights Issue of RCULS, if any, will be disregarded and shall be dealt with in such manner and on such terms and conditions as the Board shall in its sole and absolute discretion deem fit or expedient and in the best interest of the Company;

THAT the Bonus Shares A and the new MFLOUR Shares to be issued upon the conversion of the RCULS and/or exercise of the Free Warrants A will, upon allotment and issuance, rank equally in all respects with the then existing MFLOUR Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions of which the entitlement date is prior to the allotment date of the Bonus Shares A and new MFLOUR Shares to be issued upon the conversion of the RCULS and/or the exercise of the Free Warrants A;

THAT the Board be and is hereby authorised to use the proceeds raised from the Proposed Rights Issue of RCULS for the purposes as set out in **Section 2.8** of the Circular and the Board be authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary or expedient subject to (where applicable) the approval of the relevant authorities;

THAT the Board be and is hereby authorised to enter into and execute the Trust Deed and the Deed Poll and to do all acts, deeds and things as it may deem fit or expedient in order to implement, finalise and give effect to the aforesaid Trust Deed and Deed Poll;

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities (including, without limitation, any changes to the conditions relating to the RCULS, Bonus Shares A and the Free Warrants A), and to take all steps and to enter into all such agreement, arrangement, undertaking, indemnity, transfer, assignment and guarantee with any party or persons and to carry out any other matters as may be required to implement, finalise and give full effects to the Proposed Rights Issue of RCULS."

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW MFLOUR SHARES ("RIGHTS SHARES") TOGETHER WITH BONUS SHARES ("BONUS SHARES B") AND FREE DETACHABLE WARRANTS ("FREE WARRANTS B") TO RAISE GROSS PROCEEDS OF UP TO RM110.06 MILLION OF WHICH THE ENTITLEMENT BASIS WILL BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF SHARES")

THAT, subject to the passing of the Ordinary Resolution 1 and all relevant approvals being obtained from the relevant authorities and/or parties (if required), approval be and is hereby given to the Board for the following:

- (i) to allot and issue by way of a renounceable rights issue, such number of Rights Shares to raise gross proceeds of up to RM110.06 million, together with such number of Bonus Shares B and Free Warrants B to the Entitled Shareholders and/or their renounee(s), to be credited as fully paid-up upon full payment, on an entitlement basis and at an issue price to be determined and announced later by the Board;
- (ii) to create and issue the Rights Shares and Free Warrants B based on the salient terms of the Free Warrants as set out in **Appendix II** of the Circular and based on the entitlement basis to be determined later by the Board and in accordance with the provisions of the Deed Poll to be executed by the Company;
- (iii) to determine the final exercise price of the Free Warrants B after taking into consideration the basis and justification for determining such price as set out in **Section 2.4** of the Circular;
- (iv) wherein each of the Free Warrant B will carry the right to subscribe, subject to any adjustment in accordance with the Deed Poll, at any time during the exercise period, for 1 new MFLOUR Share at an exercise price to be determined and fixed at a later date by the Board;
- (v) to allot and issue such number of new MFLOUR Shares upon the exercise of the Free Warrants B during the exercise period of the Free Warrants B in accordance with the provisions of the Deed Poll; and
- (vi) to allot and issue such further Free Warrants B and new MFLOUR Shares upon the exercise of such further Free Warrants B as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/or as may be required by the relevant authorities.

THAT the Bonus Shares B shall be issued as fully paid without any consideration and without capitalisation of the Company's reserves; **THAT** the Rights Shares which are not subscribed or validly subscribed shall be made available for excess applications by other Entitled Shareholders and/or their renounee(s) in such manner as the Board shall determine in a fair and equitable manner on a basis to be determined by the Board;

THAT fractional entitlement of the Rights Shares, Bonus Shares B and Free Warrants B arising from the Proposed Rights Issue of Shares, if any, will be disregarded and shall be dealt with in such manner and on such terms and conditions as the Board shall in its sole and absolute discretion deem fit or expedient and in the best interest of the Company;

THAT the Rights Shares, Bonus Shares B and the new MFLOUR Shares to be issued upon the exercise of the Free Warrants B will, upon allotment and issuance, rank equally in all respects with the then existing MFLOUR Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions of which the entitlement date is prior to the allotment date of the Rights Shares, Bonus Shares B and new MFLOUR Shares to be issued upon the exercise of the Free Warrants B;

THAT the Board be and is hereby authorised to use the proceeds raised from the Proposed Rights Issue of Shares for the purposes as set out in **Section 2.8** of the Circular and the Board be authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary or expedient subject to (where applicable) the approval of the relevant authorities;

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll and to do all acts, deeds and things as it may deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll;

AND THAT the Board be and is hereby authorised to do all acts and things as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities (including, without limitation, any changes to the conditions relating to the Rights Shares, Bonus Shares B and Free Warrants B), and to take all steps and to enter into all such agreement, arrangement, undertaking, indemnity, transfer, assignment and guarantee with any party or persons and to carry out any other matters as may be required to implement, finalise and give full effects to the Proposed Rights Issue of Shares."

By Order of the Board

Mah Wai Mun (MAICSA 7009729)

Company Secretary

Kuala Lumpur
11 October 2018

Notes:

1. A member of the Company entitled to attend, speak and vote at the EGM is entitled to appoint not more than 2 proxies to attend, speak and to vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holding to be represented by each proxy.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.
4. Notwithstanding the above, an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**Omnibus Account**"), may appoint multiple proxies in respect of each Omnibus Account held.
5. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or the hand of the attorney duly authorised.
6. **The Form of Proxy shall not be treated as valid unless the Form is received or the Form is deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. The Company will not accept any photocopies of the form of proxy in place of the original signed copy.**
7. For the purpose of determining a member who shall be entitled to attend this EGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 83 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 19 October 2018. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and vote on his/her behalf.