

SUMMARY OF KEY MATTERS DISCUSSED AT THE 15TH ANNUAL GENERAL MEETING

VENUE : **LOT 129351, JALAN SUNGAI PINANG 4/19,
TAMAN PERINDUSTRIAN PULAU INDAH,
SELANGOR HALAL HUB, FASA 2C, 42920, PULAU
INDAH, SELANGOR DARUL EHSAN, MALAYSIA**

DATE : **FRIDAY, 31 MAY 2019**

TIME : **10.00 A.M.**

CHAIRMAN

The Chairman of the Board of Directors (the “Board”), Gan Thiam Chai presided as Chairman of the Meeting and welcomed all shareholders, proxies and guests to the Fifteen Annual General Meeting of the Company.

QUORUM

Ms Tai Yuen Ling, the Company Secretary, confirmed that a quorum was present and the Chairman called the Meeting to order at 10.00 a.m. The Chairman then proceeded to introduce himself, the Company Secretary and the Members of the Board to the shareholders.

At the invitation of the Chairman, Mr Timothy Tan Heng Han, the Managing Director of the Company, presented the business operations and results of the Company for the financial year ended 31 December 2018 to the Meeting.

NOTICE

With the consent of the members present, the Notice convening the Meeting having been circulated for the prescribed period was taken as read.

As part of good governance, the Chairman reported that the Company had received total One Hundred and One (“101”) proxy forms for a total of Two Hundred Fifty Million Eight Hundred Twenty Two Thousand One Hundred and Thirty Nine (“250,822,139”) ordinary shares, representing 69.77% of the issued and paid-up share capital of the Company.

Out of those, there were Ten (“10”) shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented are Five Million Six

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Hundred Forty Five Thousand Five Hundred and Sixty Five (“5,645,565”) representing 1.57% of the issued and paid-up share capital of the Company.

POLLING

The Chairman declared that in accordance with Para 8.29A of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in the Notice of the Meeting will be voted on by poll. The Chairman, in his capacity as Chairman of the Meeting, demanded for a poll to be taken on all resolutions set out in the Notice convening the Meeting, pursuant to the Company’s Constitution.

The Chairman informed the Meeting that the poll would be conducted electronically by using the Boardroom e-Vote application. The Company had appointed Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd), the Company’s Share Registrar as Poll Administrator to conduct the electronic polling process and Malaysian Issuing House Sdn Bhd as Scrutineer to verify the poll results.

After a brief explanation by the Poll Administrator on how the electronic poll voting would be conducted and the house keeping rules for the electronic poll voting process, the Chairman proceeded with the business of the Annual General Meeting.

QUESTION AND ANSWER SESSION

The Chairman invited questions from the floor and queries in relation to the following issues were duly responded to by the Managing Director:-

- Strategic direction for RTE business.

Kawan’s response:

The Company is going to start a café and would employ sales staff to sell the Company’s products. Furthermore, when the Company started its e-commerce platform, approximately 80% of the revenue generated was from the food service sector. Therefore, the Company foresees that there is still a lot of potential in the RTE division.

- Strategy to increase the market share or enter into new market with new product.

Kawan’s response:

There are a lot of opportunities for the Company to introduce their products to different countries especially countries that the Company have yet to entered. Therefore, the company has confidence that it would be able to continue to increase its sales volume and market share.

- Research and Development cost incurred by the Company and innovation taken by the Company to increase the sales of the Company’s product.

Kawan’s response:

The Company had spent hundreds of thousands in Ringgit on Research and Development to develop new products. Any employee of the Company could present their innovative

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ideas to increase sales of the Company and their ideas would be treated seriously by the Company.

- The causes for the profit after tax to drop by 60% during the 1st Quarter of 2019.

Kawan's response:

It's mainly due to higher than anticipated depreciation and the Company had incurred additional depreciation of approximately RM1 million each month during 2019. However, the Company was not worried about the decreasing profit after tax as the revenue and sales volume of the Company had increased and the cash flow of the Company had shown a positive trend.

- Impact of the trade war between China and United States to Kawan Food Berhad

Kawan's response:

Since the Company has factories in multiple locations, the Company can export its products to the United States from Malaysia instead of from China and this is one of the advantages of the Company for being a multinational company.

- The countries which the Company exports its products to from China.

Kawan's response:

The Company exports its product from China to Europe, Middle East and United States. However, due to trade war between China and United States, the Company has exported its products to the United States from Malaysia.

- Distribution model of different countries

Kawan's response:

The Company choose its distributor to distribute its product based on the target market of the product. For example, the Company would appoint a Chinese distributor to distribute Chinese food and an Indian distributor to distributing Indian Food even though both Chinese and Indian food are exported to the same country. The Chinese and Indian food would also be marketed under different brands.

VOTING RESULTS

The following resolutions tabled at the 15th Annual General Meeting of the Company were duly passed by the shareholders of the Company:-

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 1 To approve the Directors' Fees and benefits payable to the Directors of the Company of up to RM1 Million for the financial year	244,421,417	100	0	0	Carried

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ending 31 December 2019					
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It was RESOLVED:-

That the Directors' fees and benefits payable to the Directors of the Company of up to RM 1 million for the financial year ending 31 December 2019 be and is hereby approved.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 2 Re-election of Mr. Gan Thiam Chai as Director.	244,421,417	100	0	0	Carried

It was RESOLVED:-

That the re-election of Mr. Gan Thiam Chai who is retiring under Article 80 of the Articles of Association of the Company be and is hereby approved.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 3 Re-election of Mr. Lim Hun Soon @ David Lim as Director	244,421,417	100	0	0	Carried

It was RESOLVED:-

That the re-election of Mr. Lim Hun Soon @ David Lim who is retiring under Article 80 of the Articles of Association of the Company be and is hereby approved.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 4 Re-election of En. Abdul Razak bin Shakor as Director	115,321,472	86.0144	18,750,748	13.9856	Carried

It was RESOLVED:-

That the re-election of En. Abdul Razak bin Shakor who is retiring under Article 80 of the Articles of Association of the Company be and is hereby approved.

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RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 5 Re-election of Mr. Eugene Hon Kah Weng as Director	176,298,217	72.1288	68,123,200	27.8712	Carried

It was RESOLVED:-

That the re-election of Mr. Eugene Hon Kah Weng who is retiring under Article 85 of the Articles of Association of the Company be and is hereby approved.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 6 Re-appointment of Messrs ChengCo PLT as Auditors of the Company and to authorised the Directors to fix their remuneration	244,421,417	100	0	0	Carried

It was RESOLVED:-

That the retiring Auditors, Messrs ChengCo PLT having signified their consent to act, be hereby re-appointed as Auditors at a fee to be fixed by the Directors.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 7 Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Shana Foods Limited and Rubicon Food Products Limited	176,298,217	100	0	0	Carried

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On the Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Shana Foods Limited and Rubicon Food Products Limited, Mr. Nareshchandra Gordhandas Nagrecha has declared his interest and has undertaken to ensure that persons connected to him have abstained from voting on the resolution, deliberating and approving the Proposed Renewal Shareholders' Mandate at the AGM.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 8 Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Food Valley Sdn. Bhd.	119,177,581	100	0	0	Carried

On the Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Food Valley Sdn Bhd, Mr. Gan Thiam Chair, Mdm Kwan Sok Kay, Mr. Gan Thiam Hock and Mr. Timothy Tan Heng Han have declared their interest and have undertaken to ensure that persons connected to them have abstained from voting on the resolution, deliberating and approving the Proposed Renewal Shareholders' Mandate at the AGM.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 9 Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with K.C. Belight Food Industry (M) Sdn. Bhd. and MH Delight Sdn. Bhd.	221,554,918	100	0	0	Carried

On the Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with K.C. Belight Food Industry (M) Sdn. Bhd. and MH Delight Sdn Bhd., Mr. Gan Thiam Hock has declared their interest and have undertaken to ensure that persons

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connected to him has abstained from voting on the resolution, deliberating and approving the Proposed Renewal Shareholders' Mandate at the AGM.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 10 Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Hot & Roll Sdn. Bhd.	141,739,714	100	0	0	Carried

On the Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Hot & Roll Sdn. Bhd., Mr. Gan Thiam Chair, Mdm Kwan Sok Kay and Mr. Timothy Tan Heng Han have declared their interest and have undertaken to ensure that persons connected to them have abstained from voting on the resolution, deliberating and approving the Proposed Renewal Shareholders' Mandate at the AGM.

It was RESOLVED:-

THAT approval be and is hereby given to the Company, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as "Recurrent Transactions") with the related parties as set out the above and as stated in Section 2.4 of the Circular to Shareholders dated 30 April 2019 which are necessary for the Company's day-to-day operations subject further to the following:

- (i) the Recurrent Transactions contemplated are in the ordinary course of business and on terms which are not more favourable to related parties than those generally available to the public, and are not to the detriment of the minority shareholders;
- (ii) the approval is subject to annual renewal and shall only continue to be in force until:
 - a) the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting of the Company at which the Proposed Shareholders' Mandate is approved, at which time it will lapse unless by a resolution passed at the Annual General Meeting the mandate is again renewed;
 - b) the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
 - c) revoked or varied by resolution passed by the shareholders in general meeting, whichever

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is the earlier; and

- d) the disclosure of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Proposed Shareholders' Mandate in the Annual Report of the Company based on the following information:
- i. the type of Recurrent Transactions entered into; and
 - ii. the names of the related parties involved in each type of the Recurrent Transactions entered into and their relationship with the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all acts and things to give full effect to the Recurrent Transactions contemplated and/or authorised by this resolution, as the Directors of the Company, in their absolute discretion, deem fit.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Ordinary Resolution 11 Authority to issue shares Pursuant to Section 76 of the Companies Act 2016.	175,558,717	71.8262	68,862,700	28.1738	Carried

It was RESOLVED:-

That pursuant to Section 76 of the Companies Act, 2016, the Directors be and are hereby authorized to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Constitution of the Company and approval of all the relevant regulatory bodies being obtained for such allotment and issue.

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
Special Resolution Proposed Adoption of New Constitution of the Company	244,421,417	100	0	0	Carried

It was RESOLVED:-

That the existing Memorandum of Association and Articles of Association of the Company be and are hereby deleted in its entirety and that the new Constitution as set out in Part B of the Circular to shareholders dated 30 April 2019 be and is hereby approved and adopted as the new Constitution of the Company.

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Note:

- 1) Mr Lim Peng @ Lim Pang Tun has expressed his intention not to seek re-election and accordingly has retired at the conclusion of the 15th AGM.

CONCLUSION

There being no other business to be transacted, the Meeting concluded at 12.00 a.m. with a vote of thanks to the Chair.