



SUMMARY OF KEY MATTERS DISCUSSED AT THE 16TH ANNUAL GENERAL MEETING

- VENUE** : **BROADCAST VENUE AT TRICOR BUSINESS CENTRE, MANUKA 2 & 3 MEETING ROOM, UNIT 29-01, LEVEL 29, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI 59200 KUALA LUMPUR, MALAYSIA**
- DATE** : **FRIDAY, 19 JUNE 2020**
- TIME** : **10.30 A.M.**

CHAIRMAN

The Chairman, Gan Thiam Chai, extended a warm welcome to the shareholders, proxies and guests present at the Company's Sixteenth Annual General Meeting ("16th AGM"), the first Annual General Meeting ("AGM") of the Company conducted through live streaming and online remote participation by using Remote Participation and Voting Facilities, which is in compliance with Section 327 of the Companies Act 2016 ("Act").

QUORUM

As part of good governance, the Company Secretary reported that the Company had received total 40 proxy forms from the shareholders for a total of 133,652,455 ordinary shares representing 37.18% of the total number of issued shares capital of the Company.

Out of these, there were 9 shareholders who have appointed the Chairman of the Meeting as proxy to vote on their behalf and the shares so represented stood at 8,228,015, which represented 2.29% of the total number of issued shares of the Company.

The Company Secretary confirmed that a quorum was present and the Chairman called the Meeting to order at 10.30 a.m.

INTROUCTION OF BOARD MEMBERS

The Chairman informed that majority of the Directors, the Company Secretary and the External Auditors, Messrs RSM Malaysia will be participating in the Meeting remotely. The Chairman then proceeded to introduced himself and Board of Directors to the shareholders.

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

POLLING

The Chairman declared that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions set out in the Notice of the Meeting must be voted by poll. Accordingly, the Chairman directed that all the resolutions set forth in the Notice of the 16th AGM be conducted by way of electronic polling.

The Chairman further informed that the Company has appointed the Special Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd to conduct the poll voting electronically and Asia Securities Sendirian Berhad as the scrutineer to verify the poll results. Polling is opened at the commencement of the AGM and members/proxies/corporate representatives could start to cast their votes. The results of the poll voting will be announced after the scrutineer has verified the poll results upon closure of the voting session.

Shareholders were then briefed on the voting procedures by a representative of the poll administrator.

BUSINESS OF THE AGM

At the invitation of the Chairman, Mr Timothy Tan Heng Han ("Mr Timothy"), the Managing Director of the Company, presented the overview on the result of the Company for the financial year ended 31 December 2019 to the Meeting.

Thereafter, the Chairman went through each of the motion set out in the Notice of the AGM.

QUESTION AND ANSWER SESSION

Mr Timothy informed the meeting that the Company had not received any question from Minority Shareholders Watchdog Group and invited questions from the floor and queries in relation to the following issues were duly responded to by Mr Timothy:-

- Provision of e-vouchers to shareholders who had attended the AGM

Kawan's response:

As a token of appreciation to the shareholders, the Company will be giving out RM50 e-vouchers to shareholders who had attended the AGM, which could be utilized to purchase products from the Company's online store

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- Future direction of the Company with regards to its sustainability efforts in terms of disclosure and the environment

Kawan's response:

The construction of the new factory in Pulau Indah from the ground up has provided an opportunity for the Company to plan its sustainability effort ahead. This is evident when the electricity usage of the Company does not increase drastically even after moving to the new factory, which is much bigger than the previous factory, indicating that power usage per square foot has been reduced. Moving forward, the Company will embrace new technologies to aid the Company in its sustainability efforts, especially on the production floor where power consumption is the highest. These new technologies will be able to provide the data and information necessary for the Company to reduce power usage. The Company recognizes that being sustainable is the way forward as doing so improves the bottom line of the Company.

- Sales demand for the Company's product in the United States (a key market of the Company) in 2020 with higher unemployment rate and lower income and action plan taken to mitigate the impact

Kawan's response:

Sales demand for the Company's products in the United States have been improving and the Management foresee that demand for the Company's products will continue to improve. This is because the Company is selling staple food, which is a necessity to the consumers. Besides that, some products such as Paratha is a comfort food for the South Asean diaspora in the United States.

- Plans to expand the Ready-to-Eat ("RTE") food segment such as selling to convenience stores or petrol stations or booths at MRT stations

Kawan's response:

The Company has plans to expand the selling of RTE food at more sales point. However, the Company realizes that consumers may be working from home or is weary of eating out. Therefore, RTE food is also available on the Company's online store to enable customers to purchase RTE food without the need to leave their home.

- Plans to grow the Company's sales through e-commerce

Kawan's response:

Before the implementation of the Movement Control Order ("MCO"), the Company works with third-party e-commerce platforms to sell its products. However, these platforms have a specific service level that the Company has to adhere to such as delivery of products to customers must be made within 48 hours. Realizing that once demand for the Company's products increase drastically upon the implementation of MCO, the Company will not be able to adhere to the service level specified by the third-party e-commerce platforms. Furthermore, the Company need to pay commission to these platforms as a fee for utilizing their platforms. Therefore, the Company had ceased cooperation with these platforms during MCO and only operate e-commerce through its own online platform, which had limited its delivery area to Klang valley. In order to give back to society, the Company had provided free delivery to consumers regardless of the amount spent during MCO. Upon the easing of the MCO, the Company has resumed cooperation with third-party e-commerce platforms to deliver its products to consumers in other states in Malaysia.

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- Increase in volume of production and sales of more than 13% but corresponding increase in revenue of only around 7% as sales proceeds from exports should increase due to the depreciation of Ringgit Malaysia against the US Dollar

*Kawan's response:**The value of exported products may differ due to different product mix, which could result in the increase in the sales volume but not a corresponding increase in sales proceeds.*

- Focus of the Company after MCO

*Kawan's response**The Company will continue to focus on introducing new products and expansion to new markets. Expansion to new markets does not necessarily mean expansion to a new country. Previously, the Company's target market was the ethnic Chinese and ethnic Indian around the world. However, the Company's products has started to become mainstream through promotion and educating consumers and wholesalers. For example, two of the Company's products are available at 400 Coles outlet in Australia. The Company's products are also available in Restaurant Depot, which is the supplier for the restaurants in United States. Moving forward, the Company will market its products to appeal to mainstream European and American markets.*

- Outlook of the Company post Covid-19

*Kawan's response**The Management is confident with the outlook of the Company post Covid-19. The Management is also confident that the results for the second quarter of the financial year ending 31 December 2020 ("FYE 2020") will be better than the first quarter of the FYE 2020. Based on past experiences, when there are uncertainties in the economy and a recession, the Company's performance will thrive.***VOTING RESULTS**

The results of the polls tabled at the 16th AGM of the Company as follows:-

RESOLUTION	VOTES FOR		VOTES AGAINST		RESU LT
	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 ending 31 December 2020.	273,022,995	99.995	14,059	0.005	Carried

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Ordinary Resolution 2 To re-elect Madam Kwan Sok Kay who is retiring under Clause 115(1) of the Constitution of the Company.	273,032,055	99.998	4,999	0.002	Carried
Ordinary Resolution 3 To re-elect Mr. Timothy Tan Heng Han who is retiring under Clause 115(1) of the Constitution of the Company.	273,031,955	99.998	5,099	0.002	Carried
Ordinary Resolution 4 To re-elect Mr. Nareshchandra Gordhandas Nagrecha who is retiring under Clause 115(1) of the Constitution of the Company.	728,403	1.005	71,748,015	98.995	Not Carried
Ordinary Resolution 5 To re-elect Dr. Nik Ismail Bin Nik Daud who is retiring under Clause 115(1) of the Constitution of the Company.	273,032,055	99.998	4,999	0.002	Carried
Ordinary Resolution 6 To re-appoint Messrs. RSM Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration.	273,032,255	99.998	4,799	0.002	Carried
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.	200,937,895	99.998	4,959	0.002	Carried
Ordinary Resolution 8 Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or	62,943,060	46.610	72,099,159	53.390	Not Carried

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Trading Nature with Food Valley Sdn Bhd.					
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.	249,821,596	99.998	4,959	0.002	Carried
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.	157,943,393	99.997	4,959	0.003	Carried
Ordinary Resolution 11 Authority under Section 75 and 76 of the Companies Act, 2016 for the Directors to allot and issue shares.	272,653,445	99.850	408,609	0.150	Carried
Ordinary Resolution 12 Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares.	273,032,095	99.989	29,959	0.011	Carried

Based on the results of the poll voting, the Chair declared the following resolutions as **CARRIED:-**

RESOLUTION 1

“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 2020 be and is hereby approved.”

RESOLUTION 2

“That the re-election of Madam Kwan Sok Kay who is retiring under Clause 115(1) of the Constitution of the Company be and is hereby approved.”

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*- Summary of Key Matters Discussed at the 16th Annual General Meeting***RESOLUTION 3**

“That the re-election of Mr Timothy Tan Heng Han who is retiring under Clause 115(1) of the Constitution of the Company be and is hereby approved.”

RESOLUTION 5

“That the re-election of Dr Nik Ismail Bin Nik Daud who is retiring under Clause 115(1) of the Constitution of the Company be and is hereby approved.”

RESOLUTION 6

“That the retiring Auditors, Messrs RSM Malaysia having signified their consent to act, be hereby re-appointed as Auditors at a fee to be fixed by the Directors”

RESOLUTIONS 7, 9 AND 10

“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 Shana Foods Limited, Rubicon Food Products Limited, K.C. Belight Food Industry (M) Sdn Bhd, MH Delight Sdn Bhd and Hot & Roll Sdn Bhd as stated in Section 2.4 of the Circular to Shareholders dated 28 May 2020 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 AGM of the Company following the forthcoming AGM of the Company at which the Proposed Renewal of Shareholders’ Mandate is approved, at which time it will lapse unless by a resolution passed at the AGM the mandate is again renewed;
 - (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier; and
- (iii) the disclosure of the breakdown of the aggregate value of the Recurrent Transactions conducted pursuant to the Proposed Renewal of Shareholders’ Mandate in the Annual Report of the Company based on the following information:

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- (a) the type of Recurrent Transactions entered into; and
- (b) 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 11

“That pursuant to Section 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM 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 12

“That subject to the the Act, the Constitution of the Company, the Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the audited retained profits as at 31 December 2019 to purchase such amount of ordinary shares in the Company (“Proposed Renewal of Share Buy-Back Authority”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company.

That an amount not exceeding the Company’s retained profits be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

That authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

That the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

- (i) the conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the

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- Company, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

And that the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.”

Based on the results of the poll voting, the Chair declared the following resolutions as **NOT CARRIED:-**

RESOLUTION 4

“That the re-election of Mr Nareshchandra Gordhandas Nagrecha who is retiring under Clause 115(1) of the Constitution of the Company be and is hereby rejected.”

RESOLUTION 8

“That the Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Food Valley Sdn Bhd be and is hereby rejected.”

CONCLUSION

There being no other business to be transacted, the Meeting concluded at 12.40 p.m. with a vote of thanks to the Chair.