

**KAWAN FOOD BERHAD**  
Registration No. 200401001942 (640445-V)

MINUTES OF THE EIGHTEENTH ANNUAL GENERAL MEETING OF KAWAN FOOD BERHAD (“KAWAN” OR “THE COMPANY”) HELD FULLY VIRTUAL THROUGH THE ONLINE MEETING PLATFORM OF TIIH ONLINE AT [HTTPS://TIIH.ONLINE](https://tiih.online) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD ON THURSDAY, 9 JUNE 2022 AT 10.30 A.M.

---

**PRESENT:-**

-----  
**DIRECTORS**

Mr Gan Thiam Chai	- Chairman, also a Shareholder and proxy for shareholders set out in the Attendance Summary attached
Mr Gan Thiam Hock	- Also a Shareholder
Mdm Kwan Sok Kay	- Also a Shareholder
Ms Gan Ka Bien	- Also a Shareholder
Dr Nik Ismail Bin Nik Daud	
Mr Lim Hun Soon @ David Lim	- Also a Shareholder
Mr Eugene Hon Kah Weng	
Encik Abdul Razak Bin Shakor	

**IN ATTENDANCE**

-----

Ms Tai Yuen Ling	- Company Secretary
------------------	---------------------

**BY INVITATION**

-----

Mr Ng Hooi Khai	- Group Chief Executive Officer
Ms Chay Wai Yee	- Group Financial Controller
Ms Lee Lai Peng	- Corporate Affairs Manager
Mr Yeoh Kian Tek	- RSM Malaysia PLT
Ms Josephine Lim	- Messrs Tricor Axcelasia Sdn Bhd

**Note:**

\* All participants participated vide video conferencing

The list of shareholders and proxies who attended the Meeting is set out in the Attendance Lists attached and shall form an integral part of this Minutes.

**1. CHAIRMAN**

-----  
The Chairman, Mr Gan Thiam Chai, extended a warm welcome to the shareholders, proxies and guests present at the Company’s Eighteenth Annual General Meeting

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

*- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022*

(“18th AGM”). The Chairman informed that the 18th AGM is held in a fully virtual manner in line with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia.

The Chairman informed that this Annual General Meeting of the Company conducted through live streaming and online remote participation by using Remote Participation and Voting Facilities (“RPV”), which is in compliance with Section 327 of the Companies Act 2016 (“Act”) and Guidance Note. The Guidance Note has also mandated all meeting participants including the Chairman of the meeting, board members, senior management and shareholders to participate via the meeting online platform. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 if the online platform is located in Malaysia.

## **2. INTROUCTION OF BOARD MEMBERS**

-----

The Meeting was informed that the Board of Directors, Company Secretary and the representative of the Internal and External Auditors were participating in the Meeting via the online meeting platform. The Chairman then introduced the Board of Directors, Company Secretary, the Internal Auditors, Messrs Tricor Axcelasia Sdn Bhd and the External Auditors, RSM Malaysia PLT to the Meeting. The Chairman also informed the Meeting that in the event that his internet connection is poor, Mr Lim Hun Soon @ David Lim, the Independent Non-Executive Director will be appointed to chair the Meeting.

The Meeting was also informed that attendance of the 18th AGM is restricted to shareholders, proxies, authorised representatives of corporate shareholders and participants who are authorized to join the AGM and any visual or audio recording whilst the 18th AGM is conducted is strictly prohibited unless prior written consent from the Company has been obtained.

The Meeting was reminded that the quality of the connectivity to the virtual meeting portal for live webcast as well as for remote online voting is highly dependent on the bandwidth and stability of the internet connection available at the location of the remote users.

## **3. QUORUM & SUMMARY OF PROXIES RECEIVED**

-----

The Company Secretary informed that based on the report by the Special Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”), the Company had received in total 78 proxy forms from the shareholders for a total of 115,815,354 ordinary shares representing 32.29% of the total number of issued shares of the Company.

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

Out of those, there were 7 shareholders who have appointed the Chairman of the Meeting as their proxy to vote on their behalf and the shares so represented stood at 2,698,300, representing 0.75% of the total number of issued shares of the Company.

The Company Secretary confirmed that a quorum was present. With the requisite quorum being present, the Meeting was called to order at 10.37 a.m.

**4. NOTICE**

-----  
The Meeting noted that the Company had on 29 April 2022 issued the Notice of the 18th AGM. The Notice of the Meeting, having been circulated within the stipulated time frame, was taken as read.

The Chairman further invited shareholders and proxies to raise questions in real time by submitting their questions via the query box and the Directors will respond to the questions.

**5. VOTING PROCEDURES**

-----  
The Meeting noted that all resolutions set out in the Notice of the 18th AGM must be voted by poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). Accordingly, the Chairman directed that all the resolutions set forth in the Notice of the 18th AGM be conducted by way of electronic polling.

The Chairman further informed that the Company has appointed Tricor to conduct the poll voting electronically and Asia Securities Sdn Berhad as the scrutineer to verify the poll results. Polling was opened at the commencement of the AGM and members/proxies/corporate representatives could start to cast their votes. The results of the poll voting were to 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.

**6. WELCOME ADDRESS AND SPEECH BY THE GROUP CHIEF EXECUTIVE OFFICER**

-----  
At the invitation of the Chairman, the Group Chief Executive Officer of the Company, Mr Ng Hooi Khai (“Mr Ng”), gave an overview on the results of the Company as well as the operation and financial performance for the financial year ended 31 December 2021.

*KAWAN FOOD BERHAD*

*Registration No. 200401001942 (640445-V)*

*- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022*

Mr Ng briefed the Meeting on the financial performance of the Company for the financial year 2021. Despite the Revenue earned for the financial year 2021 has only come closed to the amount earned in financial year 2020, with effort, efficiency and proper spending planning, he stated that it was remarkable that the Profit After Tax (“PAT”) of the Company for the financial year 2021 was able to surpass its previous PAT record in the financial year 2020.

Mr Ng further stated that notwithstanding the difficulties encountered during the past 2 years, the Company managed to bounce back and is on a steady growth, standing at 8.84 sen for Earnings Per Share, 3.00 sen for Dividend Per Share, and RM177.22 million for Retained Earnings for the financial year ended 2021.

He informed the Meeting that the key barriers for the financial year 2021 include worldwide container shortage causing the shipping delays, rising freight costs, the resurgence of COVID-19 cases resulting in movement restriction, supply chain disruptions, raw materials cost hike, labour constraints and rising of wage.

Mr Ng reported to the Meeting that the export market has plummeted from RM128.4 million to RM117 million, a decrease of 8.9% whilst the domestic marketing has increased from RM111.3 million to RM121.6 million, an increase of 9.3%, thus resulting better PAT.

He briefed the Meeting on the market footprint of the Company that the top 5 export customers by nations are USA, UK, UAE, Canada and France and the Paratha remained as the most popular export item among the others. On a separate note, the domestic market comprising of retailers, food services and e-commerce, has a solid and steady growth. The top products such as Paratha, Spring Roll Pastry, Bun & Bakery, Frozen Vege are still the core products of the Company.

Mr Ng further briefed the Meeting that for financial year 2022, it was projected that the economic outlook in Malaysia will impact the Company positively given that a positive growth of Malaysia’s Gross Domestic Products was forecasted. Mr Ng further stated that in spite of the challenging global conditions, growth prospects of the Company for the year 2022 remained viable but subject to the impacts such as COVID-19’s impacts, elevated costs pressures, ongoing geopolitical conflicts and labour shortages.

Mr Ng stressed that inflation of price trend for key raw materials will impact the finished goods' product cost, which also could be comprehended as an impact to the profit margin of the Company of 3% to 4% for the upcoming months. Thus, it was inevitable that the Company has to conduct detailed studies to raise the price of its products while taking into consideration of the valuable customers and the business’ sustainability.

*KAWAN FOOD BERHAD*

*Registration No. 200401001942 (640445-V)*

*- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022*

Mr Ng updated that for the new markets and products expansion, the Company will be focusing on the mainstream market and trading items as part of the growth strategy. Additionally on the Merger & Acquisition and new category, the Company intend to focus on food security as it was anticipated as an important matter in 10 years' time, thus the Company plans to look into potential upstream expansion with suitable business partners. Moving forward to product innovation, Mr Ng stressed that plant-based and meat-free products are one crucial direction of the Company as they are beneficial to both the planet's sustainability and the consumers' health. As for E-commerce, Mr Ng stated that it was challenging to focus on business to consumer approach. As a result, the Company would be making an adjustment and focus on B2B approach as it allows the Company to leverage the deployment of products efficiently.

Mr Ng also stated that a detailed 10 years Environmental, Social and Corporate Governance ("ESG") road map can be referred from the 2021 Annual Report. Mr Ng informed that the Roundtable on Sustainable Palm Oil ("RSPO") which the Company has become a member since last year, and recently a US mainstream customer was willing to pay more in order to kick start the RSPO ingredient product in the US market.

Mr Ng stressed on the ESG roadmap, where consultants were engaged to develop the Company's ESG framework and objectives. It was highlighted that for year 2021 to 2025, the Company intends to close the gap of ESG requirement by meeting the basic requirements. Subsequently, from year 2026 to 2030, the Company intends to enhance the adoption of ESG effectively. As for year 2030 onward, the Company is expected to be the top leader in the market championing the adoption of ESG among the corporate governance practice in food industry.

He further stated that balance score card framework will be implemented. It was also mentioned that centralised labour quarter/temporary labour quarter were also being considered to stabilise the workforce dynamic.

Mr Ng then took the Meeting to focus on operation excellence of the Company. He informed that continuous technological enhancement has significantly contributed values across the Company's operation which yield better result in operational efficiencies and cost reduction.

Mr Ng stated that Industry 4.0 consists of technology advancement and digitalisation project, such as digitization transformation, overall equipment effectiveness, computerized maintenance management system, integrated control system and lean manufacturing. All these projects are driven by the Company's senior's factory manager and consultants. It was also stated that results of such initiatives are expected to surface in the next year.

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

**7. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

-----  
The Chairman informed the Meeting that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors' and Auditors' thereon.

The Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors' and Auditors' having been circulated within the prescribed period was with the permission of the Meeting taken as read.

The Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2021 tabled were meant for discussion only as provision under Section 340 of the Companies Act, 2016 does not require approval of shareholders.

Thereafter, the Chairman went through each of the motion set out in the Notice of the 18th AGM.

**8. DIRECTORS' FEES AND BENEFITS PAYABLE**

*- Ordinary Resolution 1*

-----  
The Chairman informed that Ordinary Resolution 1 was to approve the payment of Directors' Fees and benefits payable to the Directors of the Company of up to Ringgit Malaysia One Million Five Hundred Thousand only (RM1,500,000) from 1 January 2022 until the conclusion of the next AGM of the Company.

**9. RE-ELECTION OF DIRECTOR – MR LIM HUN SOON @ DAVID LIM, MR EUGENE HON KAH WENG AND ENCIK ABDUL RAZAK BIN SHAKOR**

*- Ordinary Resolutions 2 to 4*

-----  
The Chairman informed that Ordinary Resolutions 2 to 4 are the re-election of Mr Lim Hun Soon @ David Lim, Mr Eugene Hon Kah Weng and Encik Abdul Razak Bin Shakor respectively as Directors of the Company pursuant to Clause 115(1) of the Constitution of the Company and all Directors being eligible, have offered themselves for re-election.

**10. RE-APPOINTMENT OF AUDITORS - Ordinary Resolution 5**

-----  
The Chairman informed that Ordinary Resolution 5 was to re-appoint RSM Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. The retiring Auditors, RSM Malaysia had signified their consent to continue to act as Auditors of the Company.

KAWAN FOOD BERHAD

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

**11. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") WITH SHANA FOODS LIMITED AND RUBICON FOOD PRODUCTS LIMITED - Ordinary Resolution 6**

---

Having concluded in ordinary business of the 18<sup>th</sup> AGM, the Chairman informed the meeting shall move on to Special Business in the Agenda. The Chairman informed that Ordinary Resolution 6 was to seek Shareholders' approval on the proposed renewal of shareholders' mandate for RRPT of a Revenue or Trading Nature with Shana Foods Limited and Rubicon Food Products Limited.

The Meeting noted that the details of the RRPT had been set out in the Circular to Shareholders dated 29 April 2022.

The Chairman further informed that the interested major shareholder namely, Mr Nareshchandra Gordhandas Nagrecha and the persons connected to him as set out in Section 2.4 of the Circular have abstained from voting on this resolution.

**12. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") WITH MH DELIGHT SDN BHD - Ordinary Resolution 7**

---

The Chairman informed that Ordinary Resolution 7 was to seek Shareholders' approval on the proposed renewal of shareholders' mandate for RRPT of a Revenue or Trading Nature with MH Delight Sdn Bhd.

The Meeting noted that the details of the RRPT had been set out in the Circular to Shareholders dated 29 April 2022.

The Chairman further informed that the interested Director and major shareholder namely, Mr Gan Thiam Hock and the persons connected to him as set out in Section 2.4 of the Circular have abstained from voting on this resolution.

**13. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") WITH HOT & ROLL SDN BHD - Ordinary Resolution 8**

---

The Chairman informed that he is deemed interested in Ordinary Resolution 8. Hence, he invited Mr David Lim to take over the Chair for the deliberation of this resolution.

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

Mr David Lim informed that Ordinary Resolution 8 was to seek Shareholders' approval on the proposed renewal of shareholders' mandate for RRPT of a Revenue or Trading Nature with Hot & Roll Sdn Bhd.

The Meeting noted that the details of the RRPT had been set out in the Circular to Shareholders dated 29 April 2022.

Mr David Lim further informed that the interested Directors and major shareholders namely, Mr Gan Thiam Chai, Mdm Kwan Sok Kay, Ms Gan Ka Bien and the persons connected to them as set out in Section 2.4 of the Circular have abstained from voting on this resolution. After tabling this Agenda item, Mr David Lim handed back the chair to the Chairman.

**14. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT, 2016 - Ordinary Resolution 9**

-----

The Chairman informed that the next Special Business of the Agenda, Ordinary Resolution 9 was to obtain shareholders' approval for the Directors to issue and allot new shares when the need arises up to a maximum amount of 10% of the total number of issued shares of the Company. This will eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the Shareholders' for such issuance of shares.

**15. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES - Ordinary Resolution 10**

-----

The Chairman informed that Ordinary Resolution 10 was to obtain shareholders' approval for the proposed renewal of authority for the Company to purchase its own ordinary shares not exceeding 10% of the total number of issued shares of the Company at any point in time of purchase.

The Meeting noted that the details of the share buy-back had been set out in the Statement to Shareholders dated 29 April 2022.

**16. PROPOSED ALLOCATION OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OPTIONS TO NG HOOI KHAI, THE CHIEF EXECUTIVE OFFICER OF THE COMPANY – Ordinary Resolution 11**

-----

The Chairman informed that the next Special Business of the Agenda, Ordinary Resolution 11 was to obtain shareholders' approval for the proposed allocation of ESOS options to Mr Ng Hooi Khai, the Group Chief Executive Officer of KAWAN.



**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

Subsequent to the approval for the establishment of an ESOS being obtained at the Extraordinary General Meeting of the Company held on 31 May 2018, approval be and is hereby given to the Board of Directors to authorise ESOS Committee, to offer and grant to the Group Chief Executive Officer of KAWAN, Options to subscribe for up to 500,000 new ordinary shares of Kawan under the ESOS.

As Mr Ng Hooi Khai will be entitled to the allocation under the ESOS and is deemed interested in this Agenda item, Mr Ng Hooi Khai and person connected to him shall accordingly abstain from voting on this resolution in respect of his direct and indirect shareholdings in the Company.

**17. PROPOSED AMENDMENTS TO THE COMPANY'S CONSTITUTION ("PROPOSED AMENDMENTS") – Special Resolution**

-----  
 The Chairman informed that the next Agenda of the AGM is a Special Resolution to seek shareholders' approval for the proposed amendments to the Company's constitution. The rationale for the proposed amendment to the Company's Constitution is to allow the Company to leverage the use of technology in conducting general meetings and facilitate communication and engagements with shareholders electronically.

The details for the Proposed Amendments to the Constitution are set out in the Circular to Shareholders dated 29 April 2022.

**18. QUESTIONS AND ANSWERS**

-----  
 Thereafter, the Chairman invited Mr Ng to read out the questions and answer it accordingly.

Before proceeded with the questions and answers, Mr Ng informed that as a token of appreciation for shareholders continued support to the Company, a cooler bag and microwaveable food pouch will be distributed to the shareholders who logged in during this AGM and the notification on the gift redemption will be sent via email.

In summary, the following are queries raised by the members/proxies and responses from Mr Ng:-

- Will Kawan manufacture Beyond Meat in future?

Kawan's response:

*Plant based product will be manufactured in future as it was part of the Company's strategic plan.*

## KAWAN FOOD BERHAD

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

- What is the purpose of purchasing 5 parcels of vacant land?

Kawan's response:

*The Company learnt from the pandemic and flood incidents and believes that to grow steadily and operate without disruptions, apart from the base in Pulau Indah, it is important to diversify the supply storage for frozen foods. It was identified that Shah Alam has ideal infrastructure and is a good location to build production line and warehouse. It was estimated that the due diligence will be completed by end of year 2022 and it was anticipated that at least 3 years' time is required to complete the construction project, as part of the Company's Master Plan.*

- Why was the revenue exported to Europe dropped around RM20mil in 2018-2021 after achieving RM58mil in 2017 and never recover?

Kawan's response:

*The Company's sale to Europe was not entirely negative as the Company was able to maintain a margin of 10% to 11% out of the total revenue during the pandemic as well as the supply chain disruption which has occurred last year. As of now, it was shown that the business is getting back on track.*

- Is the Group needs to bear the escalated freight cost due to containers' shortage?

Kawan's response:*The Company not required to bear the escalated freight cost due to containers' shortage as the Company sell most of its product in a free on board manner. However, the burden of such cost may be shifted towards the customers thus possibly deteriorating the market.*

- Is the Group going to revise the selling price this year to pass on the additional cost to customers due to hike in commodity prices?

Kawan's response:

*The Company inevitably has to request the customers to share some of the costs as there were another cost hike in quarter 1. However, the Company will take detailed and thorough consideration into the timing of implementation of price increase, as well the market competition prior to making such adjustment.*

- How long does it need for Pulau Indah plant to be fully utilised?

Kawan's response:

*The Pulau Indah plant is currently running at a 55% utilisation. However, with the new product lines implementation and new market shares available, it is projected that the utilisation may be geared up to over 85% in three years' time.*

- How long can the Group enjoy lower effective tax rate at below 24%?

Kawan's response:

*Based on the reinvestment allowance, it was projected that the Company will be allowed to enjoy the benefit for another 3 years.*

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

- Door Gift/ E-voucher

Kawan's response:

*The Company truly appreciate the shareholders' effort and initiative in participating the AGM and the Company has been looking into the best way to reward the shareholders by sending door gift comprising Kawan's E-Commerce accessory as well as the microwavable pouch as a token of appreciation to the shareholders.*

- Can Kawan Food export to Middle East? That brings more revenue income due to currency. Weak in Ringgit.

Kawan's response:

*The Company exports to Middle East customers which fairly contributed to the group revenue.*

- With the increasing raw material prices, will it affects Kawan's 2022 profit?

Kawan's response:

*The increase of raw material prices will certainly impact the Company. The management team is taking effort to enhance the productivity and efficiency in spite of the impact. Additionally, the Company also hedged some key ingredients purchases to mitigate the impact. However, the Company may not be able to completely dilute the total effect of such negative impact.*

- Q1, May I know what is the Company's future outlook? Q2, Will the Board consider giving door gift such as e-voucher or e-wallets for those participating in this AGM as a token of appreciation?

Kawan's response:

*The Company's future outlook is very positive as statistically shown that the 2<sup>nd</sup> Quarter was better than 1<sup>st</sup> Quarter, obtaining a revenue of over 17% to 18% higher compared to previous quarter. The Company will also keep it in mind to provide better rewards to shareholders in years to come.*

- How much does the Company spend on this virtual AGM? Would the Board of Directors kindly consider giving shareholder e-voucher to redeem the Company products, which are very nice, and also during the current difficult period whereby every shareholders are facing. Mr Chairman, please reconsider our request for Kawan e-voucher.

Kawan's response:

*The cost of the virtual AGM is approximately RM25,000.*

- Online Shopping for the Penang area seems not available anymore, any plan to resume this option?

Kawan's response:

*The Company has built an e-commerce platform in Penang, Ipoh, and Kelantan. However, the Company very much focus on business-to-business ("B2B") approach*

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

*given that last mile delivery to customer door-step is challenging. Thus, the Company has made adjustment and decided to put more emphasis on B2B approach and this has proven to be much more effective in the current year.*

- Any working plan for the next 2 to 5 years in these economic situation?

*Kawan's response:*

*The Company has on December 2021 conducted a detailed research and studies on the future plan for the next 2 to 5 years. Several action plans have been executed such as acquisition of lands and develop mainstream customers. The Board of Directors' and management team have been working together to create a better future and will continue to thrive to improve the performance of the Company.*

- The Company announced the acquisition of 5 parcels of industrial land in Shah Alam in April 2022:
  - (1) Kawan has already invested more than RM100 million in its Pulau Indah Plant. What is the current utilisation at Pulau Indah plant?
  - (2) What about other 3 factories in Shah Alam and is it used for current operations?
  - (3) Expected total investment in the 5 new industrial lands.

*Kawan's response:*

*Where question 1 and 3 were explained earlier, as for question 2, the land will be using for production & warehousing purposes.*

- Any plan to expand products range to frozen chicken with various sauces or frozen meat products / sauce paste?

*Kawan's response:*

*The Company at this juncture does not look into any chicken or duck-based products. Nevertheless, riding on strong foundation on the cold chain and logistic, the Company is open to expand into any other categories of frozen products.*

- (1) In FY19 AR, it show HORECA channel constituted 13% of Company sales. Will this represent part of good service sector as this HORECA include caterers? How much improvement in foodservice sector since FY19? What will be the % target to reach in FY22?
- (2) In FY22, group intend to review and improve employee remuneration packages, will this increase adm cost in FY22 and impact bottom line? If yes, in what extent?

*Kawan's response:*

*The HORECA food service business has been growing steadily. However, due to the pandemic, the HORECA food service business was closed down. The Company on the other hand has concurrently kick-started e-commerce in place of HORECA food service business, in a B2B approach, contributing approximately 5% of group revenue. The Company is enhancing productivity by implementing the balance score card framework among the employees.*

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

- May I know when the Company is going to reward the shareholders with bonus issues?

*Kawan's response:*

*The Company is always looking at its profitability and the timing. The board has been closely reviewing this matter.*

- The gross profit margin of the group has reduced from 38% to 36% in FY2021. The latest 1<sup>st</sup> Quarter Result for F2022 reported a further decline to 34%.
- (1) based on current operational costs etc will Kawan be able to sustain its profit margins for remaining quarters FY2022?
- (2) Has the Group been increasing its products' prices to pass on costs?

*Kawan's response:*

*The Company has suffered from a reduction of gross profit margin from 38% to 36% due to challenges such as labour shortage and increase in raw material prices. However, with the improvement on productivity, the Company expects to get back on track very soon.*

- For dividends paid to shareholders by cheques (non-dividend), is there SOP for share registrar to issue replacement cheque (incl time frame) if the original is not last through post or other reasons: & Subsequently reported to share registrar?

*Kawan's response:*

*The Company is currently looking into these misplaced cheques to resolve the issues.*

After the Question and Answer session, the Chairman informed that the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' and the Auditors' Reports thereon were deemed properly laid and duly received at the AGM.

**19. VOTING**

After having addressed all the questions raised, the Chairman proceeded to voting. The Chairman placed on record that several shareholders have appointed him to be their proxy and he will vote according to their instructions. The Chairman also informed that the verification of the votes by the scrutineer would take approximately 20 to 30 minutes and the Meeting will resume once the results is ready for the declaration of voting results. The Chairman declared that the voting session will be closed in 5 minutes time.

**20. POLL RESULTS**

The Meeting resumed at 11.47 a.m. and after obtaining the report from the scrutineer, the scrutineer announced the results of the poll as follows:-

## KAWAN FOOD BERHAD

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

RESOLUTION	VOTES FOR		VOTES AGAINST		RESULT
	No. of shares	%	No. of shares	%	
<b>Ordinary Resolution 1</b> To approve the Directors' fees and benefit payable to the Directors of the Company of up to RM1.5 Million from 1 January 2022 until the conclusion of the next Annual General Meeting of the Company.	269,535,055	99.9910	24,193	0.0090	Carried
<b>Ordinary Resolution 2</b> To re-elect Lim Hun Soon @ David Lim who is retiring pursuant to Clause 115(1) of the Constitution of the Company.	269,523,483	99.9855	38,964	0.0145	Carried
<b>Ordinary Resolution 3</b> To re-elect Eugene Hon Kah Weng who is retiring pursuant to Clause 115(1) of the Constitution of the Company.	269,544,984	99.9935	17,464	0.0065	Carried
<b>Ordinary Resolution 4</b> To re-elect Abdul Razak Bin Shakor who is retiring pursuant to Clause 115(1) of the Constitution of the Company.	269,546,106	99.9939	16,342	0.0061	Carried
<b>Ordinary Resolution 5</b> To re-appoint RSM Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	269,536,706	99.9905	25,542	0.0095	Carried

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

<b>Ordinary Resolution 6</b> 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.	192,542,305	99.9902	18,942	0.0098	Carried
<b>Ordinary Resolution 7</b> Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with MH Delight Sdn Bhd.	244,483,206	99.9916	20,443	0.0084	Carried
<b>Ordinary Resolution 8</b> Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Hot & Roll Sdn Bhd.	143,598,002	99.9858	20,443	0.0142	Carried
<b>Ordinary Resolution 9</b> Authority under Section 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares.	267,337,305	99.1455	2,304,143	0.8545	Carried
<b>Ordinary Resolution 10</b> Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares.	269,624,285	99.9936	17,164	0.0064	Carried
<b>Ordinary Resolution 11</b>	269,475,183	99.9392	164,064	0.0608	Carried

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

Proposed Allocation of ESOS Options to Ng Hooi Khai, the Chief Executive Officer of the Company.					
<b>Special Resolution</b> Proposed Amendments to the Company's Constitution.	269,542,692	99.9928	19,342	0.0072	Carried

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

**RESOLUTION 1**

“That the Directors’ fees and benefits payable to the Directors of the Company of up to RM1.5 Million from 1 January 2022 until the conclusion of the next Annual General Meeting of the Company be and is hereby approved.”

**RESOLUTION 2**

“That the re-election of Mr Lim Hun Soon @ David Lim who is retiring pursuant to Clause 115(1) of the Constitution of the Company be and is hereby approved.”

**RESOLUTION 3**

“That the re-election of Mr Eugene Hon Kah Weng who is retiring pursuant to Clause 115(1) of the Constitution of the Company be and is hereby approved.”

**RESOLUTION 4**

“That the re-election of Encik Abdul Razak Bin Shakor who is retiring pursuant to Clause 115(1) of the Constitution of the Company be and is hereby approved.”

**RESOLUTION 5**

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



**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

### **RESOLUTIONS 6, 7 AND 8**

“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, MH Delight Sdn Bhd and Hot & Roll Sdn Bhd as stated in Section 2.4 of the Circular to Shareholders dated 29 April 2022 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 Companies Act, 2016 (“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:
  - (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 9**

“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

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

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 10**

“That subject to the Companies Act, 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of 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 2021 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 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).

**KAWAN FOOD BERHAD**

Registration No. 200401001942 (640445-V)

- Minutes of 18th Annual General Meeting held on Thursday, 9 June 2022

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.”

**RESOLUTION 11**

"That the Proposed Allocation of ESOS Options to Ng Hooi Khai, the Chief Executive Officer of the Company to subscribe for up to 500,000 new ordinary shares of Kawan be and is hereby approved."

**SPECIAL RESOLUTION**

“That the Proposed Amendment to the Company’s Constitution as set out in the Circular to Shareholders dated 29 April 2022 be and is hereby approved.

And that, the Directors of the Company be and are hereby authorised to assent to any conditions, variations, modifications and/or amendments as may be required by any relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Amendment for and on behalf of the Company.”

**21. CONCLUSION**

-----

There being no other business to be transacted, the Meeting concluded at 11.49 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD

- SIGNED -

.....  
CHAIRMAN

Date: