



KaWan

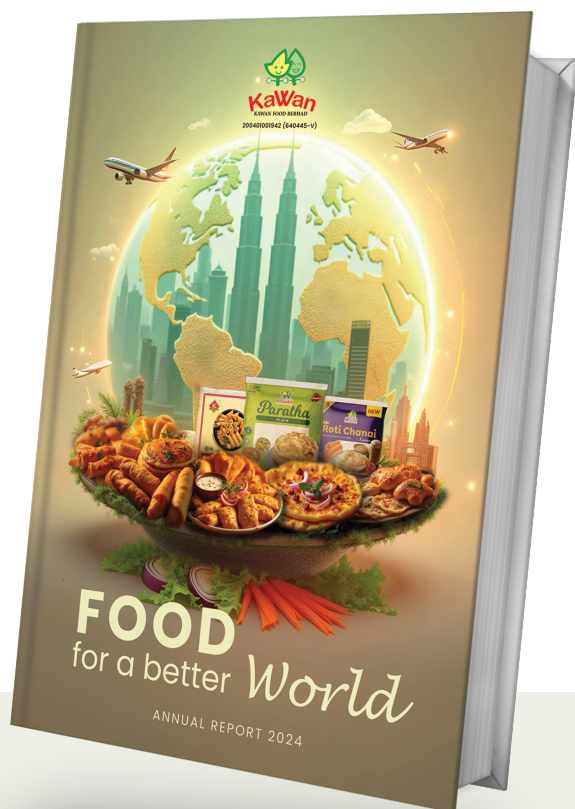
KAWAN FOOD BERHAD

200401001942 (640445-V)



FOOD
for a better *World*

ANNUAL REPORT 2024



Food For A Better World

We are proud to be in businesses that help to make this world a better and safer place for us and our future generations to live in.

Growing the vision is an aspiration at Kawan Food to create a better world for all of us to live in.

INSIDE



KAWAN AT A GLANCE

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21st ANNUAL GENERAL MEETING

Monday, 23rd June 2025

10:30 a.m.



Scan the QR code to visit
Kawan Food Berhad's website
for our latest annual report



THIS REPORT



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KAWAN AT A GLANCE

Kawan Food, established in the 1960s, is a leading Malaysian manufacturer and exporter of frozen Asian food products.

We specialise in the production, sale, and distribution of frozen food with over 60 years of industry experience.



We operate a manufacturing plant in **Pulau Indah, Malaysia**, with a workforce of 907. Our product range includes paratha, flatbread, pastries, and more, sold primarily under kaWan & KG Pastry brands. **Exporting to 40 countries**, we utilise various distribution channels including distributorships, direct sales, e-commerce, and retail/wholesale partnerships.

Revenue
RM317.55
million

2023: RM287.22 million

Profit Before Taxation
RM41.54
million

2023: RM34.27 million

Profit After Taxation
RM31.42
million

2023: RM30.13 million

Net Assets Per Share
RM1.07

2023: RM1.08

Dividend Per Share
9.00 sen

2023: 3.60 sen

Earnings Per Share
9.03 sen

2023: 8.37 sen

Employees
907 people

2023: 928 people

Manufacturing facility
1 facility

2023: 2 facilities

* Closure of Kawan Food Nantong factory as announced on 30 September 2024

OUR CORPORATE PROFILE

VISION

Food for a Better World

PURPOSE

Making family food traditions more enjoyable and accessible than ever, by nurturing a greener, more wholesome, and connected world for our children.

CORE VALUES



RESPONSIBILITY

We take ownership and responsibility of our results.



TEAMWORK

We work together as a team to achieve our mission by having open communication, mutual respect, and sharing of knowledge.



INTEGRITY

We are committed to be fair & honest in all our dealings, and adhere to the highest ethical standards.



DISCIPLINE

We are dedicated and committed to achieve higher efficiency and effectiveness.



INNOVATIVE

We embrace new ideas and are constantly changing to meet our customers' needs.

OUR PRESENCE

40
countries

OUR PRODUCTS



CORPORATE INFORMATION

Board of Directors

LIM HUN SOON @ DAVID LIM

Non-Independent Non-Executive Chairman
(Re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Chairman on 16 October 2024)

GAN THIAM CHAI

Chairman Emeritus and Acting Group Managing Director
(Retired as Executive Chairman and bestowed the honorary title as Chairman Emeritus on 16 October 2024, subsequently appointed as the Acting Group Managing Director on 9 April 2025)

GAN KA BIEN

Executive Director

DR. NIK ISMAIL BIN NIK DAUD

Senior Independent Non-Executive Director

EUGENE HON KAH WENG

Independent Non-Executive Director

ABDUL RAZAK BIN SHAKOR

Non-Independent Non-Executive Director

NOOR ALINA BINTI MOHAMAD FAIZ

Independent Non-Executive Director
(Appointed on 1 October 2024)

GAN KA HUI

Non-Independent Non-Executive Director
(Appointed on 1 October 2024)

GAN MENG HOI

Non-Independent Non-Executive Director
(Appointed on 1 October 2024)

GAN KA OOI

Non-Independent Non-Executive Director
(Appointed on 16 October 2024)

NEEL NARESH NAGRECHA

Non-Independent Non-Executive Director
(Appointed on 24 February 2025)

GAN THIAM HOCK

Executive Director
(Retired on 1 October 2024)

KWAN SOK KAY

Executive Director
(Retired on 1 October 2024)

Audit Committee

Eugene Hon Kah Weng

Chairman
(Re-designated from Member to Chairman on 16 October 2024)

Dr. Nik Ismail Bin Nik Daud

Member

Noor Alina Binti Mohamad Faiz

Member
(Appointed on 1 October 2024)

Lim Hun Soon @ David Lim

Chairman
(Ceased as Chairman in view of being re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Chairman on 16 October 2024)

Nominating Committee

Noor Alina Binti Mohamad Faiz

Chairperson
(Appointed on 1 October 2024, subsequently re-designated from Member to Chairperson on 24 February 2025)

Eugene Hon Kah Weng

Member
(Re-designated from Chairman to Member on 24 February 2025)

Remuneration Committee

Dr. Nik Ismail Bin Nik Daud

Chairman

Eugene Hon Kah Weng

Member

Noor Alina Binti Mohamad Faiz

Member
(Appointed on 1 October 2024)

Lim Hun Soon @ David Lim

Member
(Ceased as Member in view of being re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Chairman on 16 October 2024)

Dr. Nik Ismail Bin Nik Daud

Member

Lim Hun Soon @ David Lim

Member
(Ceased as Member in view of being re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Chairman on 16 October 2024)

Registered Office

Boardroom Corporate Services Sdn. Bhd.

(Registration No. 196001000110 (3775-X))
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
T +603 7890 4800 **F** +603 7890 4650
E boardroom-kl@boardroomlimited.com

Share Registrar

Boardroom Share Registrars Sdn. Bhd.

(Registration No. 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
T +603 7890 4700 **F** +603 7890 4670

Management Office

Lot 129351, Jalan Sungai Pinang 4/19
Taman Perindustrian Pulau Indah
Selangor Halal Hub, Fasa 2C
42920 Pulau Indah
Selangor Darul Ehsan, Malaysia
T +603 3099 1188 **F** +603 3099 1028
E info@kawanfood.com

Secretaries

TAI YIT CHAN

(MAICSA 7009143/ SSM Practicing Certificate No. 202008001023)

TAI YUEN LING

(LS 0008513/ SSM Practicing Certificate No. 202008001075)

Auditors

RSM Malaysia PLT

(202206000002(LLP0030276-LCA) & AF 0768)
5th Floor, Penthouse, Wisma RKT
Block A, No 2, Jalan Raja Abdullah
Off Jalan Sultan Ismail
50300 Kuala Lumpur, Malaysia
T +603 2610 2888 **F** +603 2698 6600

Principal Bankers

HSBC Bank Malaysia Berhad

(Registration No. 198401015221 (127776-V))

Malayan Banking Berhad

(Registration No. 196001000142 (3813-K))

RHB Bank Berhad

(Registration No. 196501000373 (6171-M))

United Overseas Bank (Malaysia) Bhd

(Registration No. 199301017069 (271809-K))

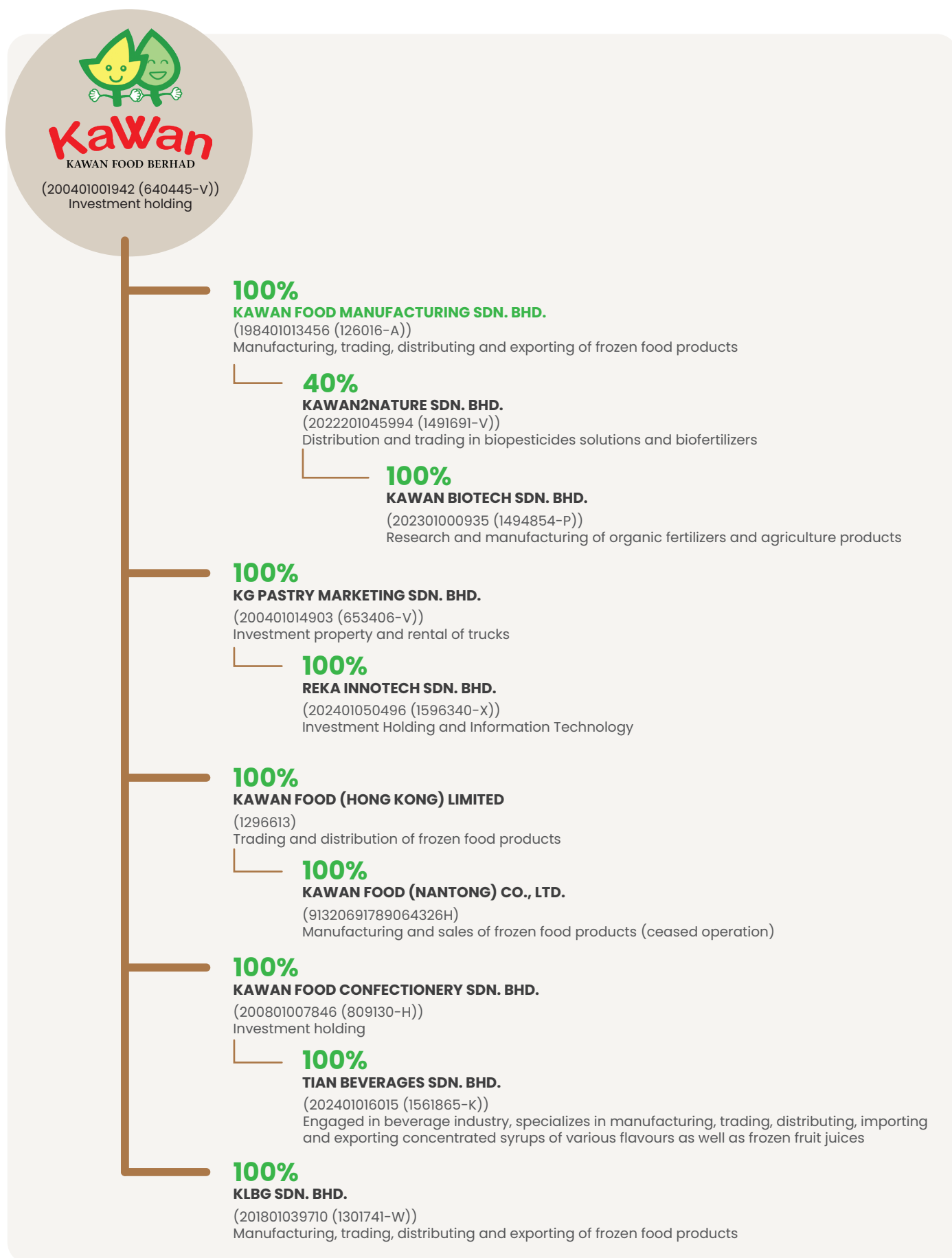
Stock Exchange Listing

MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD


Stock Name : KAWAN
Stock Code: 7216

Website : www.kawanfood.com

CORPORATE STRUCTURE



MANAGEMENT DISCUSSION AND ANALYSIS



As we reflect on 2024, I am proud to report that this has been a year of strategic transformation and resilient progress for our company.

Amidst a dynamic operating environment, we remained steadfast in our mission to deliver high-quality frozen food products while laying the groundwork for a stronger, more sustainable future.

A key milestone was the modernisation of our plant, where we adopted National Industrial Revolution 4.0 initiatives. The integration of automation, robotics, and IoT has improved our production efficiency and optimised operational costs.

Our commitment to sustainability remains a core focus. Guided by Environmental, Social and Governance ("ESG") principles, we have contributed meaningfully to the economic, environmental, and social pillars of our business, aligning our initiatives with the United Nations Sustainable Development Goals.

We also prioritised our workforce, enhancing compensation and benefits to retain talent and improve productivity. At the same time, we continued applying LEAN manufacturing tools to drive efficiency and reduce waste.

These initiatives have strengthened our operations and positioned us for continued growth. As we move forward, we remain committed to operational excellence, innovation, and sustainable value creation.

I extend my deepest gratitude to our employees, whose hard work, commitment, and belief in our purpose have driven us forward. To our partners and shareholders, thank you for your continued trust and support as we navigate this exciting new chapter.

Lim Hun Soon @ David Lim
Chairman of the Board

Performance Overview

FY2024 was a year of strategic transformation and resilient progress for Kawan Food Berhad ("KFB"). Building on our past momentum, we focused on consolidating operations, addressing legacy challenges, and laying a stronger foundation for sustainable growth.

Despite navigating global uncertainties and cost pressures, we delivered steady performance through disciplined cost management, and targeted investments in efficiency and innovation.

We are thrilled to report an impressive 10.6% revenue growth, reaching RM317.55 million – a clear testament to the robust demand for our products and the success of our operational refinements. Our export sales surged to RM181.56 million, reflecting our growing global footprint and effective market strategies. Meanwhile, domestic revenue grew by a steady 4.8% to RM135.99 million, reaffirming the enduring trust of our loyal domestic customers.

On the profitability front, we saw a strong rebound, with profit before tax climbing to RM41.54 million—our highest record. Despite foreign exchange volatility, we successfully navigated challenges through cost discipline, streamlined production at our Pulau Indah facility, and strategic exits from non-core markets.

Revenue

RM317.55
million

2023: RM287.22 million

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Resilience and Financial Performance

We saw a healthy rebound in export sales, which were supported by streamlined production at our Pulau Indah facility. The facility efficiently absorbed capacity after the strategic closure of our Nantong, China operations. We had a realignment of production levels with demand which addressed prior overstocking challenges and is contributing to healthy order growth.

Our strategic focus on key export markets has yielded impressive results, with total sales increasing by 10.6% from RM287.22 million in FY2023 to RM317.55 million in FY2024. While we are proud that Malaysia continues to be our largest revenue contributor, at 42.8% of total sales, with domestic revenue growing steadily by 4.8% to RM135.99 million, we are particularly excited about our growth in other regions.

A special acknowledgment goes to our Export team, particularly for their exceptional focus on North America, achieving a remarkable 34.9% surge in sales to RM75.68 million, driven by strong market demand and successful expansion initiatives. Europe also performed strongly, with revenue increasing by 24.6% to RM43.06 million, reflecting our expanding market presence and growing brand acceptance.

In FY2024, the effective tax rate (24%) is higher than previous year due to full utilisation of reinvestment allowances.

Importantly, our investments in new production lines and automations have enhanced output capabilities, demonstrating our commitment to operational excellence and ESG commitments. These investments have positioned us for better success in future.

Malaysia
RM135.99
million

North America
RM75.68
million

Europe
RM43.06
million

MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Realignments and Risk Mitigation

The Board's decision to consolidate production underscores our focus on core competencies and agility. Additionally, workforce reviews were initiated to align headcount with evolving wage policies, ensuring cost efficiency ahead of Malaysia's minimum wage increase in February 2025.

We remain vigilant about emerging risks, including rising commodity prices, geopolitical shifts, and foreign exchange volatility. To address these, we are deepening partnerships with long-term suppliers, executing currency hedging strategies, and exploring alternative raw materials. Additionally, we are strengthening environmental and climate resilience through energy-efficient upgrades and sustainable sourcing practices.

Forward-Looking Strategies for Growth

Looking ahead, KFB is committed to strengthening export resilience and expanding market reach. We aim to penetrate new regions in ASEAN and Europe. Affordable product lines tailored to cost-conscious consumers will complement this effort, supported by targeted marketing campaigns.

Cost optimisation remains central to our strategy. Automation investments will offset labour cost pressures.

Our governance structure has been revitalised with a dynamic leadership team, blending seasoned expertise with fresh perspectives. Training programs will also play a crucial role in upskilling our workforce in automation and sustainability, ensuring we are future-ready.



Outlook and Confidence in the Future

The global appetite for frozen foods—valued for affordability and convenience—continues to grow. This positions KFB favourably for long-term success. While margin pressures from commodity costs and taxes persist, our investments in automation, market diversification, and ESG-aligned practices will bolster competitiveness edge. We are excited about the commissioning of new advanced paratha equipment in Q2 FY2025, alongside plans for affordable product launches, all of which support our growth ambitions.

With a revitalised governance structure, a robust domestic base, and a clear roadmap for export, KFB is poised to navigate challenges and deliver sustained value to stakeholders. We extend our gratitude to employees, partners, and shareholders for their unwavering support as we build a resilient, forward-looking enterprise.

Dividend

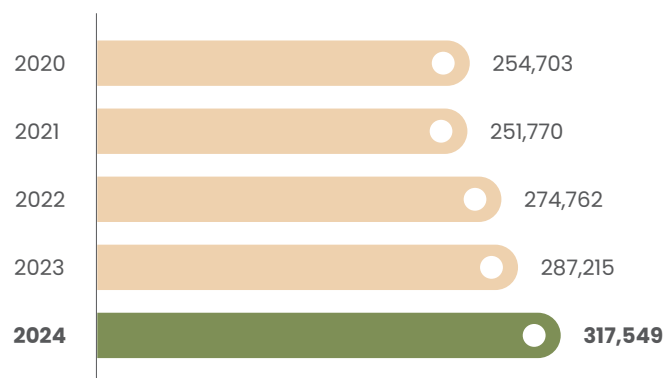
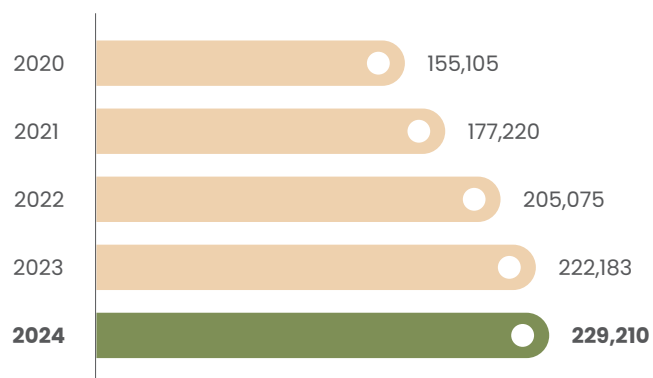
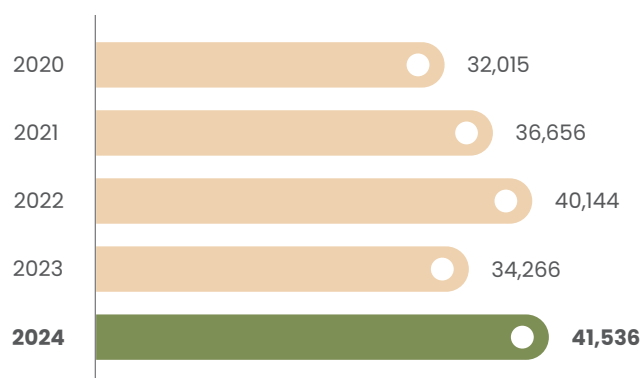
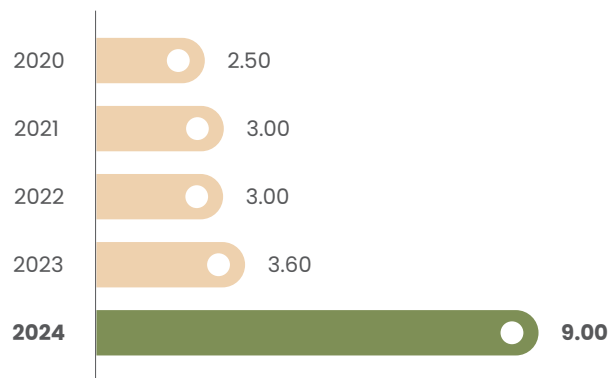
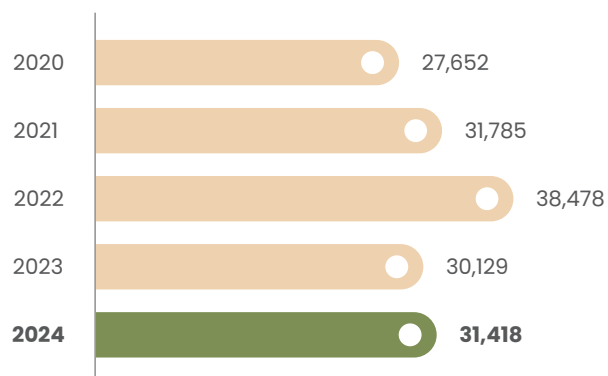
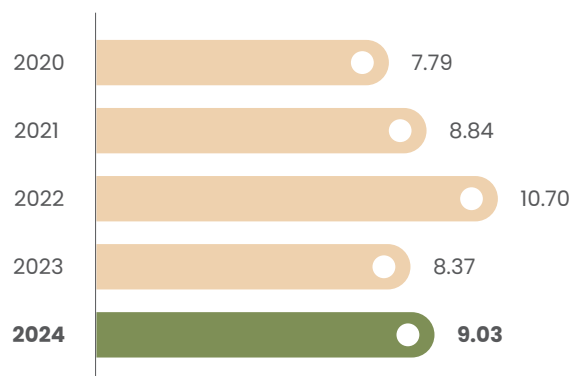
In FY2024, KFB reaffirmed its commitment to delivering consistent value to shareholders by distributing RM24.39 million in dividends (RM0.07 per share), paid across two tranches in April 2024 (RM14.70 million) and December 2024 (RM9.69 million). Building on this momentum, the Board of Directors, during its recent meeting, resolved to declare a final dividend of RM0.02 per ordinary share for FY2024, payable in March 2025. This brings the total dividend for FY2024 to RM0.09 per share, reflecting our confidence in the Group's financial resilience and long-term growth trajectory.

Based on the closing share price of RM1.63 (as of 31 December 2024), the total dividend declared translates to an attractive dividend yield at 5.52%, significantly outpacing Malaysia's average fixed deposit rate of 3.70%. This performance underscores our balanced approach to rewarding shareholders while reinvesting in sustainable business expansion.



MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL REVIEW

Revenue
(RM'000)Retained Earnings
(RM'000)Profit Before Tax
(RM'000)Dividend Declared Per Share ("DPS")
(sen)Profit After Tax
(RM'000)Earnings Per Share ("EPS")
(sen)

MANAGEMENT DISCUSSION AND ANALYSIS

STATEMENTS OF PROFIT & LOSS (RM'000)

	2020	2021	2022	2023	2024
Revenue	254,703	251,770	274,762	287,215	317,549
Profit Before Tax	32,015	36,656	40,144	34,266	41,536
Taxation	4,363	4,871	1,666	4,137	10,118
Profit After Tax	27,652	31,785	38,478	30,129	31,418
Non-Controlling Interests	(365)	-	(21)	-	-
Dividends paid	8,988	10,786	10,769	13,021	24,391
Retained Earnings (opening)	136,076	155,105	177,720	205,075	222,183
Retained Earnings (closing)	155,105	177,220	205,075	222,183	229,210

STATEMENTS OF FINANCIAL POSITION (RM'000)

	2020	2021	2022	2023	2024
Issued and Paid-up Share Capital	179,760	179,760	184,889	184,889	187,531
Share Option Reserve	-	-	-	2,190	3,618
Treasury Shares	-	-	(1,345)	(24,245)	(38,381)
Non-Distributable Reserve	10,143	11,364	8,248	8,148	7,673
Retained Earnings	155,105	177,220	205,075	222,183	229,210
Shareholders' Fund	345,008	368,344	396,867	393,165	389,651
Non-Controlling Interests	659	658	-	-	-
Deferred Tax Liabilities	9,220	13,618	12,703	13,006	16,019
Long Term Borrowings	5,736	2,113	-	-	-
	360,623	384,733	409,570	406,171	405,670
Property, Plant and Equipment, Investment Properties, Right-of-use assets, Prepaid Lease Payments, Investment in a Joint Venture	254,185	246,047	237,007	223,187	221,484
Deferred Tax Assets	486	464	464	464	-
Net Current Assets	105,952	138,222	172,099	182,520	184,186
	360,623	384,733	409,570	406,171	405,670

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RATIOS

	2020	2021	2022	2023	2024
Revenue growth (%)	18.97	(1.15)	9.13	4.53	10.56
Current ratio (times)	2.89	3.75	4.36	4.34	4.55
Cash ratio (times)	1.42	1.76	1.92	1.91	1.38
P/E ratio (times)	26.69	18.55	20.75	21.56	18.89
Debt to Equity ratio	-	-	-	-	-
Basic earnings per share (sen)	7.79	8.84	10.70	8.37	9.03
Dividend declared per share (sen)	2.50	3.00	3.00	3.60	9.00
Net assets per share attributable to shareholders of the Company (RM)	0.96	1.03	1.09	1.08	1.07
Share Price – High (RM)	2.88	2.16	2.41	2.30	1.91
Share Price – Low (RM)	0.82	1.57	1.43	1.70	1.62
Share price at 31 December	2.08	1.64	2.22	1.80	1.63
Company market capitalisation (RM'000)	747,801	589,612	804,932	649,252	593,380

FIVE YEAR DIVIDEND PAYMENT AS % OF PROFIT AFTER TAX

	2020	2021	2022	2023	2024
Profit After Tax (RM'000)	27,652	31,785	38,478	30,129	31,418
Dividend Paid (RM'000)	8,988	10,786	10,769	13,021	24,391
Dividend Payment as % of Profit after Tax	33%	34%	28%	43%	78%



SUSTAINABILITY STATEMENT

About This Sustainability Statement

Kawan Food Berhad ("Kawan" or "the Company") and its subsidiaries ("the Group," "we," or "our") are committed to responsibly managing their Economic, Environmental, Social, and Governance (EESG) impacts across operations in Malaysia. Aspiring to be the leading global company offering products that create value and enhance customers' lifestyles, we acknowledge our crucial role in shaping the environment and influencing society.

This Sustainability Statement ("the Statement") aims to transparently convey our strong commitment to sustainable practices across our operations. Our objective is to create a positive and lasting impact on the communities we serve, significantly contributing to a more sustainable future for our Group.



SUSTAINABILITY STATEMENT

Reporting Standards

This Statement was prepared in accordance with the following regulatory and guidance:

- Practice Note 9 of the Main Market Listing Requirements
- Sustainability Reporting Guide, 3rd Edition ("SRG") issued by Bursa Malaysia Security Berhad ("Bursa Malaysia"), 2022
- FTSE4Good Bursa Malaysia Index and other local and international sustainability ratings
- Global Reporting Initiative ("GRI"), 2021
- International Organisation for Standardisation ("ISO") 2600:2010 Guidance on Social Responsibility
- The United Nations Sustainable Development Goals ("UNSDG")
- Malaysia Code of Corporate Governance, Updated April 2021

Reporting Scope and Boundary

Our report covers the financial year ended ("FYE") 31 December 2024 ("FY2024"), spanning from 1 January 2024 to 31 December 2024.

This sustainability statement encompasses Kawan Food Manufacturing Sdn Bhd, our active subsidiary involved in the production and sale of frozen food products.

Feedback

We appreciate your feedback on this Report and the topics discussed within. For inquiries, comments, or suggestions regarding the content of this Report, please contact:

Kawan Food Berhad

Lot 129351, Jalan Sungai Pinang 4/19
Taman Perindustrian Pulau Indah
Selangor Halal Hub, Fasa 2C
42920 Pulau Indah
Selangor Darul Ehsan,
Malaysia

T +603-3099 1188

F +603-3099 1028

Email: sustainability@kawanfood.com

SUSTAINABILITY STATEMENT

Sustainability Governance Structure

The Group prioritises sustainable development through effective governance, integrating economic, social, and environmental considerations into decision-making. Our inclusive governance framework involves the Board of Directors, the Sustainability Steering Committee (“SSC”) which chaired by the Chief Operating Officer (COO) and supported by the Senior Managers, and the Group’s Head of Departments & Managers, ensuring thorough oversight of sustainability issues.



The diagram below outlines the roles and responsibilities at each structural level, highlighting our dedication to principled and effective sustainability practices:

BOARD OF DIRECTORS

- Oversees Kawan’s sustainability, including climate change matters, risk, and opportunities, and is ultimately accountable for the Company’s long-term success.
- The Executive Director of Marketing and ESG, assisted by the Sustainability Steering Committee and Sustainability Working Committee, is responsible for facilitating and overseeing sustainability matters within the Group.

SUSTAINABILITY STEERING COMMITTEE (SSC)

- Chaired by Chief Operating Officer, supported by Senior Managers within the Company.
- Facilitating and overseeing sustainability matters.
- Reports to the Board, drives sustainability, reviews strategies and targets, and manages resource allocation for implementing sustainability.

SUSTAINABILITY WORKING COMMITTEE (SWC)

- Represented by various Department Heads/Managers.
- Executes and implements strategies on a day-to-day basis, and reports all sustainable activities to the Sustainability Committee.
- Analyses available data to assess the Group’s sustainability progress.

At Kawan, we highly value transparency and effective communication. We hold regular meetings to discuss relevant matters. These discussions outline action plans, and set deadlines for resolving issues. This commitment ensures our team works cohesively, stays well-informed, and fosters a culture of accountability and prompt decision-making.

SUSTAINABILITY STATEMENT

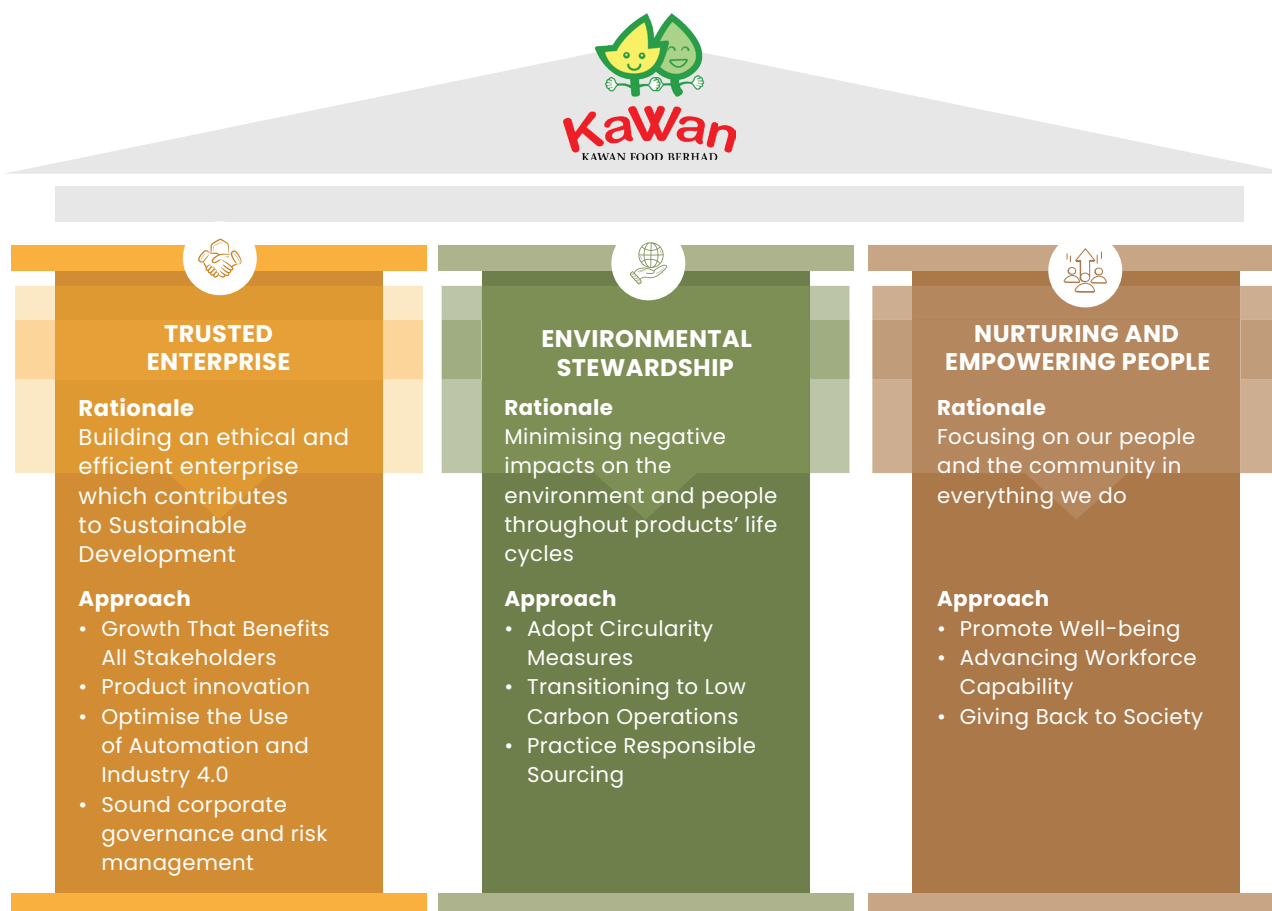
Sustainability Policy

Our FY2022 Sustainability Policy demonstrates our ongoing dedication to advancing sustainability within the frozen food sector across our operating markets. We are currently reviewing relevant data to establish data-driven targets for progressive ESG enhancements.

We are committed to setting measurable objectives aligned with internationally recognised standards, thereby focusing our efforts on addressing key sustainability impacts. This Policy centres on the following objectives:



Kawan's dedication to sustainability is an integral part of its ongoing sustainability journey, built around three core pillars outlined below:



Our Sustainability Policy incorporates the principles of trustworthy business practices, the empowerment and advancement of people, and a strong commitment to environmental stewardship.

This comprehensive approach establishes our dedication to responsible and ethical business conduct, the well-being and growth of our people, and the protection of our environment.

SUSTAINABILITY STATEMENT

We recognise that sustainability is not a standalone initiative, but rather an integral component of our business strategy. Our Sustainability Policy is deliberately aligned with other corporate policies, ensuring the integration and reinforcement of sustainability principles across all facets of our operations. This unified approach demonstrates our commitment to a comprehensive and impactful sustainability framework within the Group. The following policies and guidelines reflect this integrated approach:

 Anti-Bribery & Anti-Corruption Policy	 Responsible Marketing Policy
 Whistleblowing Policy	 Diversity Policy
 Code of Conduct	 Environmental Policy
 Employee’s Handbook	 Fit and Proper Policy
 Human Rights Policy	 Product Health & Nutrition Policy
 Occupational Safety & Health Policy	 Energy Management Policy
 Water Policy	 Conflict of Interest Policy
 Sustainable Supply Chain & Procurement Policy	

Notwithstanding the above, our Sustainability Policy is guided by these principles and standards:

- a) Fair Trade principles.
- b) International Labour Organisation Standards.
- c) UN Guiding Principles on Business and Human Rights; and
- d) UN Sustainability Development Goals.

We encourage our customers, employees, suppliers, and contractors to familiarise themselves with and adhere to our Policies, supporting their contribution to our commitment to sustainability in the frozen food sector. Our Sustainability Policy can be accessed at <https://kawanfood.com/index.php/our-company/investor-relations/>






STAKEHOLDER ENGAGEMENT

We hold our stakeholders in high esteem, acknowledging their critical role in achieving our sustainability goals, as their experiences are directly or indirectly shaped by our business operations. At Kawan, we are committed to understanding the needs and concerns of our stakeholders, working to create mutually beneficial outcomes that promote economic, social, and environmental sustainability.

The Group engages with stakeholders through various channels, including:

Methods of Engagement	Frequency	Focus Area	Approach
<div> Customers (distributors, key accounts, retailers and consumers)</div>			
<ul style="list-style-type: none">• Surveys• Corporate events• Meetings	Ongoing	<ul style="list-style-type: none">• Customers	<ul style="list-style-type: none">• Quality, Safe & Accessible Food Choice, page 43• Customer Satisfaction, page 27
Quarterly/Yearly			
<div> Industrial Affiliates/Industry and Trade Associations</div>			
<ul style="list-style-type: none">• Association Meetings• Training• Exhibitions	Ad-hoc	<ul style="list-style-type: none">• Knowledge and information sharing• Adherence to affiliates' charter and code• Participation and support in programmes	<ul style="list-style-type: none">• Economic Contribution to Society, page 26
<div> External Goods and Service Providers</div>			
<ul style="list-style-type: none">• Regular Meetings	Yearly	<ul style="list-style-type: none">• Fair and transparent contract• Fair pricing• Responsive and timely communication• Supplier management process	<ul style="list-style-type: none">• Ingredients Sourcing & Use, page 29
<ul style="list-style-type: none">• Contractual/ Annual Review	Quarterly/Yearly		
<ul style="list-style-type: none">• Supplier Evaluation Audits	Ad-hoc		
<div> Government and Regulators</div>			
<ul style="list-style-type: none">• Statutory Submissions	Monthly/Quarterly/Yearly	<ul style="list-style-type: none">• Compliance with legal requirements• Support for national plans• Timely and responsive communication and action	<ul style="list-style-type: none">• Ethical Business Practices, page 28
<ul style="list-style-type: none">• Meetings/Workshops• Site Visits/Conferences	Ad-hoc		
<div> Financial Institutions</div>			
<ul style="list-style-type: none">• Quarterly announcements	Quarterly	<ul style="list-style-type: none">• Sustainable business relationship• Management of risks	<ul style="list-style-type: none">• Economic Contribution to Society, page 26• Ethical Business Practices, page 28
<ul style="list-style-type: none">• Meetings	Ad-hoc		

STAKEHOLDER ENGAGEMENT

Methods of Engagement	Frequency	Focus Area	Approach
<div> Employees</div>			
<ul style="list-style-type: none">• Policies and Procedures	Yearly	<ul style="list-style-type: none">• Safe and healthy workplace• Fair and equal treatment• Competitive remuneration• Career advancement opportunity• Workplace diversity• Job security and workplace representation	<ul style="list-style-type: none">• Diversity and Inclusivity, page 39• Local Employment and Sourcing, page 41• Labour Matters & Worker Rights, page 38• Occupational Health & Safety, page 37• Employee Development, page 42
<ul style="list-style-type: none">• Sports & Social Club• Events such as the Annual Dinner and Festive Celebrations• Team Building• Townhall meetings• Department meetings	Ad-hoc/On-going		
<div> Local Communities</div>			
<ul style="list-style-type: none">• Corporate Social Responsibility Activities	Ad-hoc	<ul style="list-style-type: none">• Community engagement	<ul style="list-style-type: none">• Economic Contribution to Society, page 45• Environment, page 31
<div> Media</div>			
<ul style="list-style-type: none">• Interviews/ Press Releases• Advertisements• New Products Launches	Ad-hoc	<ul style="list-style-type: none">• News and ongoing• Timely and responsive communication	<ul style="list-style-type: none">• Economic Contribution to Society, page 26
<div> Non-Governmental Organisations (NGOs)</div>			
<ul style="list-style-type: none">• Corporate Social Responsibility and collaboration activities	Ad-hoc	<ul style="list-style-type: none">• Support of NGO's objectives	<ul style="list-style-type: none">• Economic Contribution to Society, page 45
<div> Learning Institutions</div>			
<ul style="list-style-type: none">• Training and internship programmes	Ad-hoc	<ul style="list-style-type: none">• Potential internship opportunities• Knowledge and information sharing• Opportunities for collaboration	<ul style="list-style-type: none">• Employee Development, page 42

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

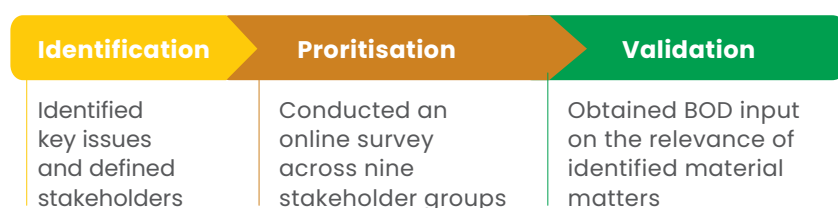
In FY2024, we refined our material matters from 16 to 12. This revision reflects the dynamic business environment, our evolving organisational priorities, and key national and global sustainability trends. To ensure this update was comprehensive, we considered performance data, insights from key management and the Board of Directors, and stakeholder feedback gathered through a survey assessing the needs to revise the materiality matter accordingly.

The assessment incorporated emerging regulatory requirements, including the National Sustainability Reporting Framework (NSRF) and Bursa Malaysia's proposed reporting amendments aligned with IFRS Sustainability Disclosure Standards. We also

factored in legislative updates, such as amendments to the Environmental Quality Act and the Occupational Safety and Health Act, as well as Malaysia's sustainability commitments under the 12th Malaysia Plan and Net Zero 2050 target.

To enhance strategic focus, our 12 material matters have been categorised into three key areas, enabling us to better manage risks and opportunities, set targets, allocate resources, and implement effective sustainability initiatives.

The steps in this process are shown below.



The following table highlights our material sustainability matters and the mapping of our sustainability matters to UNSDGs:

Sustainability matters		UNSDG reference
ECONOMIC		
Economic Contribution to Society	Contribution to economic growth and development through wages, dividends, tax payments, business transactions, and community support	  
Ethical Business Practices	Management of ethical issues such as corruption, anti-competitive behaviour and unfair procurement practices within the operations and supply chain	 
Production Technology & Innovation	Enhancing production processes through technology and innovation to maximise Kawan's operational efficiency and manage its sustainability impacts	
Ingredients Sourcing & Use	Management of Kawan's ingredients suppliers and their environmental, social and ethical performance in the supply chain	 
ENVIRONMENT		
Energy, Emission & Climate Change	Management of Kawan's greenhouse gas and other emissions throughout its operations and supply chain plus the energy consumption	 
Water	Management of water consumption and effluents throughout Kawan's operations	 
Waste Management	Management of land pollution from Kawan's operations, including liquid and solid waste	  
Packaging Material Use	Minimising environmental and social impacts of Kawan's products through sourcing of packaging and other materials, taking into consideration the product lifecycle	
SOCIAL		
Occupational Health & Safety	Providing a healthy and safe work environment for Kawan's employees and those working on its behalf	 
Labour Matters & Worker Rights	Ensuring employee satisfaction by upholding the rights of Kawan's employees through fair treatment practices	 
Employee Development	Empowering Kawan's employees by providing training and education to advance their skills and competence and support their career development	
Quality, Safe & Accessible Food Choice	Enhancing Kawan's product health, safety, and quality while ensuring compliance with standards, diverse dietary needs, transparent marketing, and customer data privacy.	  

SHORT, MEDIUM & LONG-TERM COMMITMENTS

We are dedicated to achieving our sustainability goals by FY2030 through well-defined strategies and key performance indicators (KPIs). Our approach involves continuous monitoring and evaluation of sustainability performance to ensure meaningful progress. In alignment with the three pillars of EESG, we have identified and implemented relevant initiatives to ensure steady advancement toward the successful achievement of these KPIs.



Fulfilled with Ongoing Commitment



In Progress

Short-term Commitments (2022 – 2024)	2024 Progress	Status
TRUSTED ENTERPRISE		
Improve customer satisfaction <ul style="list-style-type: none"> To improve satisfaction rating To reduce customer complaints by 10% 	<ul style="list-style-type: none"> Maintained 100% satisfaction rating for export customers and 95% of local sales satisfying rate In FY2024, there is an increase of 2.1% in the total cases received, made it up to 196 cases related to manufactured products 	
Maintain zero incidents of corruption <ul style="list-style-type: none"> Conduct a risk assessment for corruption in operations, including existing and new business partners 	<ul style="list-style-type: none"> Zero incidents of corruption 	
Maintain HALAL certification <ul style="list-style-type: none"> To have a robust HALAL Assurance System 	<ul style="list-style-type: none"> Halal Assurance System is effectively maintained 	
Minimise food safety incidents <ul style="list-style-type: none"> Maintain BRC certification grade Reduce total number of notices of food safety and quality violation received <ul style="list-style-type: none"> 10% reduction of complaints per million units ("CPMU") within one year 	<ul style="list-style-type: none"> Obtained BRC Certification Grade A. Revised calculation method of CPMU is based on complaints received on manufacturing date instead of receiving date. This adjustment accounts for the 2-year shelf life of our products, addressing the lag effect and hence providing a more accurate measurement 	
NURTURING AND EMPOWERING PEOPLE		
Enhance skills in business automation and IR 4.0 <ul style="list-style-type: none"> Increase training programmes focusing on technology adoption 	<ul style="list-style-type: none"> IR 4.0 – Lean Manufacturing training was provided during 2023 	
Establish sustainability-related learning in employees' competence development <ul style="list-style-type: none"> Minimum of two training hours in sustainability topics 	<ul style="list-style-type: none"> 14 hours of ESG training was provided to Head of Departments, Managers and Person-In-Charge 	
Achieve zero workplace accidents <ul style="list-style-type: none"> To reduce the lost time injury (LTI) by 30% Obtain ISO 45001 certification 	<ul style="list-style-type: none"> LTI has increased by 10% to 3.99 in FY2024 Maintained ISO 45001 certification 	
Enhance the nutritional value of Kawan's products <ul style="list-style-type: none"> Attain healthier choice standards for products 	<ul style="list-style-type: none"> Working on the nutrition profile for mantou range to meet the healthier choice logo certification requirement. 	

SHORT, MEDIUM & LONG-TERM COMMITMENTS



Fulfilled with Ongoing Commitment



In Progress

Short-term Commitments (2022 – 2024)	2024 Progress	Status
 ENVIRONMENTAL STEWARDSHIP		
Achieve zero environmental legal non-compliance	<ul style="list-style-type: none"> Zero environmental non-compliance 	
Obtain ISO 14001 certification	<ul style="list-style-type: none"> Maintained ISO 14001 certification 	
To reduce non-hazardous waste to landfills from production facilities by 20%	<ul style="list-style-type: none"> The non-hazardous waste has increased to 314.37 metric tonnes in FY2024 due to high production output, on-going factory 2 project(s) and improvement on proper weighing of non-hazardous waste. 	
To establish a water monitoring and management system and to reduce water use	<ul style="list-style-type: none"> Continuous water consumption monitoring process as some water devices are broken. Water consumption has increased by 2.9% to 60,771m³ compared to FY2023 due to higher production in FY2024. 	
Medium Term Commitments (2025 – 2027)	2024 Progress	Status
 TRUSTED ENTERPRISE		
Increase locally procured products/services	<ul style="list-style-type: none"> Increased 1% from FY2023 to 91% of products/services were sourced locally in FY2024. 	
Establish policies on stakeholder engagement and human rights	<ul style="list-style-type: none"> Policies on human rights, sustainable supply chain and procurement, responsible marketing, product health & nutrition and the environmental policy were established in FY2023. Additional policies such as Energy Management Policy and Water Policy were established in FY2024. 	
 NURTURING AND EMPOWERING PEOPLE		
Conduct annual sustainability-focused engagements and community programmes	<ul style="list-style-type: none"> Contributed RM668 K to non-profit organisations to support various community projects. 	
 ENVIRONMENTAL STEWARDSHIP		
Reduce absolute GHG emissions and intensity	<ul style="list-style-type: none"> A total of 2,799 tonnes of CO₂ have been avoided to date through energy efficiency measures and using renewable energy. 	
Increase the use of renewable energy for electricity at production facilities based on a quantitative target set at the end of FY2023	<ul style="list-style-type: none"> Solar panels generated 3.59 GWh of solar energy, resulting in cost savings of RM1.27 million 	


SHORT, MEDIUM & LONG-TERM COMMITMENTS



Fulfilled with Ongoing Commitment



In Progress

Long Term Commitments (2028–2030)	2024 Progress	Status
 TRUSTED ENTERPRISE		
Attained membership in sustainability-related initiatives, such as RSPO and UN Global Compact	<ul style="list-style-type: none"> An ordinary member of the RSPO since 20 April 2021 	
Establish an in-house platform for idea generation and onward product development and commercialisation	<ul style="list-style-type: none"> Management has already implemented alternative platforms for idea generation, and onward product development and commercialisation 	
Increase business automation with a focus on energy efficiency	<ul style="list-style-type: none"> Commissioned a heat recovery system in October 2022 to recover waste heat from compressors to preheat the boiler feedwater 	
 NURTURING AND EMPOWERING PEOPLE		
Recruit underserved committees such as other marginalised groups <ul style="list-style-type: none"> Setting a target for at least one individual 	<ul style="list-style-type: none"> Hired a person with disability since FY2021, which is aligned with our commitment to provide employment opportunities for local communities, including underserved communities 	
Achieve a minimum score of 85% for overall employee satisfaction	<ul style="list-style-type: none"> Achieved 72.4% for overall employee satisfaction score in FY2024 	
Provide attractive remuneration packages aligned with sector and work situation	<ul style="list-style-type: none"> Employee benefits were revised effective 1 July 2024 after benchmarking and comparison against local employment market in FY2024. Result of salary benchmarking will be used for FY2025 annual increment exercise 	
 ENVIRONMENTAL STEWARDSHIP		
Determine product carbon footprint <ul style="list-style-type: none"> Conducting a Life Cycle Assessment (LCA) for a selected product 	<ul style="list-style-type: none"> Management is considering the applicability of the LCA on the products 	
Improve the sustainability performance of packaging material <ul style="list-style-type: none"> Increase the use of recycled packaging or sustainable material 	<ul style="list-style-type: none"> Sourcing sustainable packaging options to reduce the plastic usage, including recyclable packaging materials 	
Use sustainably sourced ingredients, especially high-volume ingredients such as sugar, flour, fats and oils	<ul style="list-style-type: none"> Sourcing for sustainable main ingredients such as flour, margarine and dough fats from suppliers 	
Increase the use of Certified Sustainable Palm Oils ("CSPO") in the Company's products	<ul style="list-style-type: none"> Seeking to use CSPO in products in an economical manner 	

FY2024 KEY SUSTAINABILITY HIGHLIGHTS

The following are the key highlights in sustainability performance and initiatives at Kawan in FY2024:

3.59 GWh
of Solar energy generated

91 %
of local suppliers

Total training hours:

8,460

ZERO

Corruption cases reported in FY2024

Scope 1 emissions:

645 tCO₂e

Scope 2 emissions:

11,824 tCO₂e

Scope 3 emissions:

937 tCO₂e

RISKS AND OPPORTUNITIES

Strategic identification of key material matters is essential for driving informed decision-making. By proactively addressing these matters through targeted action plans and future goals, we enhance our capacity to navigate economic shifts and market dynamics. This approach enables us to capitalise on opportunities and mitigate risks, ultimately strengthening our resilience and long-term strategic position.

Below is a summary of the opportunities and risks associated with our material matters, along with our plans to address them.

ECONOMIC CONTRIBUTION TO SOCIETY	
RISKS <ul style="list-style-type: none">• Loss of reputation and stakeholder trust• Reduced market share and financial underperformance• Higher employee turnover and operational inefficiencies	OPPORTUNITIES <ul style="list-style-type: none">• Growing the business in line with changing market sentiment and creating viable alternative for "green" investors.• Enhance efficiency and manage costs effectively.
ETHICAL BUSINESS PRACTICES	
RISKS <ul style="list-style-type: none">• Corruption and unethical practices can lead to penalties, reputational damage, and lower employee morale.	OPPORTUNITIES <ul style="list-style-type: none">• Transparent pricing enhances market fairness and reflects true production costs.
INGREDIENT SOURCING & USE	
RISKS <ul style="list-style-type: none">• Risk of overreliance on specific suppliers• Risk of rising ingredient prices• Risk of unsustainable raw materials used that affects the environment	OPPORTUNITIES <ul style="list-style-type: none">• Collaborating with numbers of suppliers• Sourcing ingredients locally to reduce transportation emissions
PACKAGING MATERIAL USE	
RISKS <ul style="list-style-type: none">• Use of unsustainable packaging may harm brand reputation and competitiveness.• Dependence on fossil-based and non-recyclable materials may conflict with sustainability expectations.	OPPORTUNITIES <ul style="list-style-type: none">• Sustainable packaging attracts environmentally conscious consumers.• Investing in biodegradable and recyclable materials enhances market positioning.• Collaboration with universities on packaging R&D fosters innovation and sustainability.
ENERGY, EMISSION & CLIMATE CHANGE	
RISKS <ul style="list-style-type: none">• Dependence on non-renewable energy increases costs and resource scarcity.• GHG emissions contribute to climate change, risking reputational damage and regulatory penalties.• Climate change raises production costs through raw material price hikes and adaptation expenses.	OPPORTUNITIES <ul style="list-style-type: none">• Proactively adapting to environmental changes strengthens stakeholder trust and resilience.• Early awareness of climate risks enables better planning for sustainable growth.• Investing in high-efficiency machinery reduces energy consumption and long-term costs.

FY2024 RISKS AND OPPORTUNITIES

WASTE**RISKS**

- Poor waste management can lead to fines, reputational damage, and loss of investors.

OPPORTUNITIES

- Sustainable waste management enhances compliance and minimises environmental impact.

WATER**RISKS**

- Overconsumption of water may disrupt production and affect product quality.

OPPORTUNITIES

- Early awareness of water scarcity enables planning for alternative water sources.

LABOUR MATTERS & WORKER RIGHTS**RISKS**

- Poor employee management may lead to low morale, high turnover, and reduced work quality.
- Increased costs from delays, fines, and reputational damage due to employee dissatisfaction.

OPPORTUNITIES

- Investing in employee well-being fosters commitment and long-term company growth.
- Building a high-performing workforce enhances productivity and business sustainability.

PRODUCTION TECHNOLOGY & INNOVATION**RISKS**

- Lagging in technological advancements can lead to higher costs and reduced product quality.
- Inability to adapt to evolving consumer preferences may result in loss of competitiveness.

OPPORTUNITIES

- Staying ahead in technology allows for agile responses to market changes.
- Implementing an IR 4.0 roadmap enhances efficiency and innovation.

OCCUPATIONAL HEALTH & SAFETY**RISKS**

- Poor OHS management may lead to workplace injuries, delays, fines, and reputational damage.
- Increased operating costs due to compensation, penalties, and loss of business opportunities.

OPPORTUNITIES

- Safe and healthy work environment will reduce wastage, loss time and attract a more qualified workforce.

QUALITY, SAFE & ACCESSIBLE FOOD CHOICE**RISKS**

- Poor quality and safety standards may harm consumers, leading to fines, litigation, and reputational damage.
- Failure to meet diverse consumer demands may result in loss of competitive advantage and investor interest.
- False labelling or misleading product information can lead to recalls, penalties, and loss of stakeholder trust.

OPPORTUNITIES

- Adapting to changing consumer preferences strengthens market presence and competitiveness.
- Developing nutritious products caters to health-conscious consumers
- Enhancing food safety boosts consumer confidence, brand loyalty, and long-term value.

EMPLOYEE DEVELOPMENT**RISKS**

- Poor learning and development management may reduce work quality, causing delays and higher operational costs.

OPPORTUNITIES

- Skilled employees drive business growth through market and product expansion.

ECONOMIC

Economic Contribution to Society

As one of Malaysia's leading exporters and manufacturers of frozen Asian food delicacies globally, we are committed to creating sustainable value for our stakeholders through strong financial performance, market presence, adherence to sound business ethics, and a dedication to delivering exceptional quality products and services.



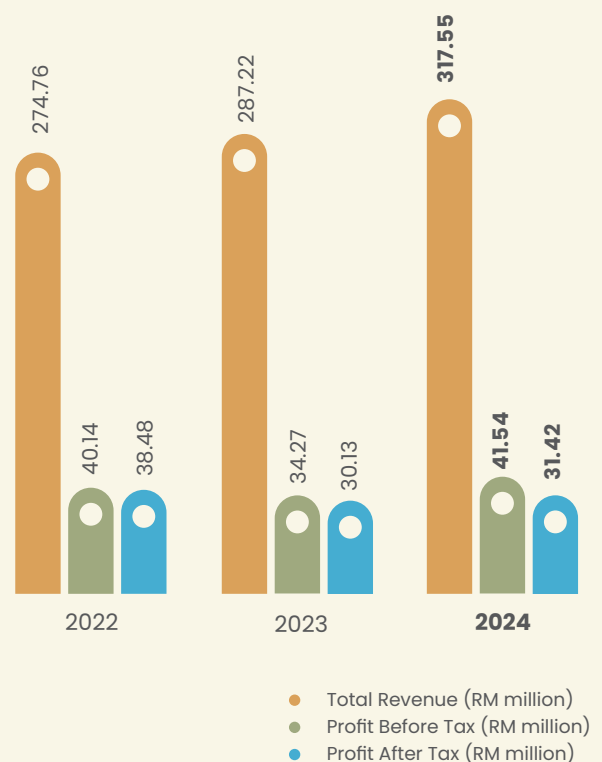
Direct Economic Impact: Economic Presence and Sustainable Profitability

Recognising the increasing importance of global sustainability, Kawan has strategically recalibrated its business focus to align with sustainable practices across our operations. Our FY2024 financial results demonstrate the effectiveness of this strategic adaptation, with a total revenue of RM317.55 million, a profit before tax of RM41.54 million, and a profit after tax of RM31.42 million. This performance underscores our ability to achieve sustainable profitability while navigating economic complexities and positions us for continued growth in a rapidly changing market.

TOTAL REVENUE

Financial Year (FY)	FY2022	FY2023	FY2024
Total Revenue (RM million)	274.76	287.22	317.55
Profit Before Tax (RM million)	40.14	34.27	41.54
Profit After Tax (RM million)	38.48	30.13	31.42

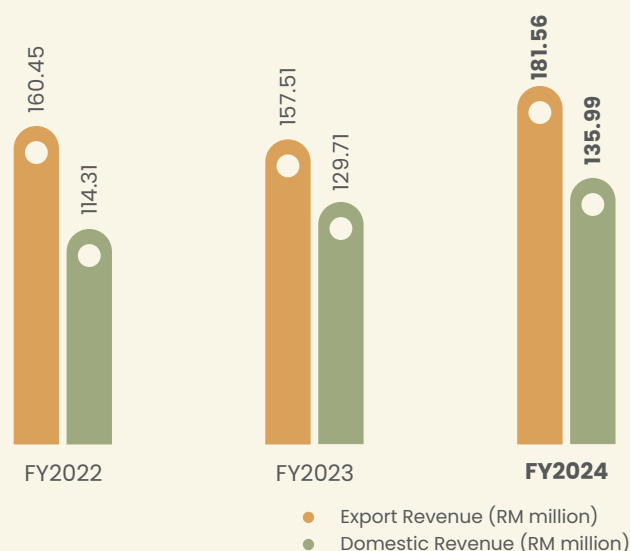
Financial Performance (FY2022–FY2024)



ECONOMIC

MARKET REVENUE

Export VS Domestic Revenue (FY2022–FY2024)



Financial Year (FY)	FY2022	FY2023	FY2024
Export Revenue (RM million)	160.45	157.51	181.56
Domestic Revenue (RM million)	114.31	129.71	135.99

review, allowing us to refine our customer engagement strategies and enhance overall satisfaction.

Customer satisfaction is a key priority for Kawan. While most feedback is positive, we recognise areas for improvement and have taken steps to enhance the customer experience. These include increasing promotional activities such as roadshows and sampling, providing food presentation training to improve product knowledge, and monitoring service levels to ensure consistent client support.

For a comprehensive understanding of our financial landscape, kindly refer to the Management Discussion and Analysis section in our Annual Report.

Financial Year (FY)	FY2022	FY2023	FY2024
Export Market (%)			
Fully Satisfied	100	100	100
Neutral	0	0	0
Local Market (%)			
Excellent	37.75	43.42	45.69
Very Good	43.85	39.15	37.48
Good	18.11	16.32	15.37
Fair	0.25	0.68	0.83
Poor	0.04	0.43	0.63

Customer Satisfaction

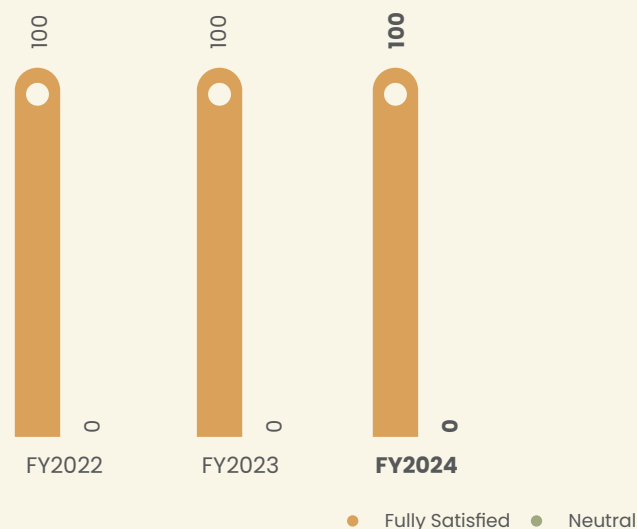
At Kawan, we place customer satisfaction at the heart of our operations. We foster open communication through daily consultations and responsive channels, ensuring timely and genuine resolution of customer concerns. Our commitment to exceeding expectations is reflected in our annual customer satisfaction surveys, where we consistently achieve measurable improvements year after year.

In the first quarter of the new financial year, we conduct our customer satisfaction feedback exercise to gather valuable insights for further improvement. This initiative focuses on gathering in-depth insights from our top 10 distributors and customers, ensuring that the voices of our key stakeholders are heard and valued.

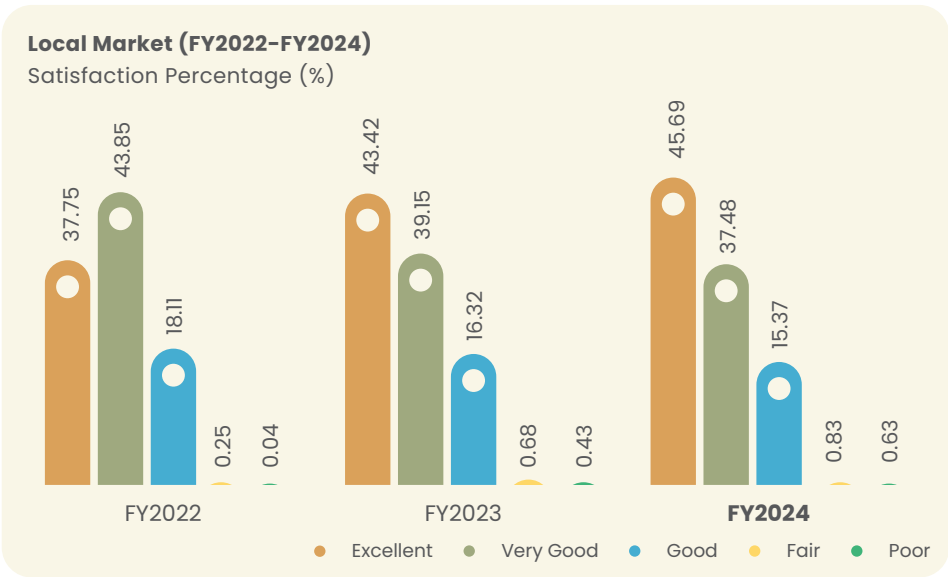
For consistency and efficiency, non-respondents will be excluded from the analysis. The findings from this feedback will be reviewed during our annual committee

Export Market (FY2022–FY2024)

Satisfaction Percentage (%)



ECONOMIC



Ethical Business Practices

We acknowledge that our actions have significant impacts on various stakeholders and communities. We are committed to conducting our business in an ethical, sustainable, and responsible way, striving to set a standard of excellence that not only reflects our core values but also promotes a culture of responsibility across our Group.

The table below outlines the framework and policies for responsible business practices within the Group.

FRAMEWORK / POLICIES	DESCRIPTION
Code of Conduct and Ethics	<p>Kawan upholds a Code of Ethical Conduct and Conflict of Interest, as outlined in the Employee Handbook, to ensure ethical standards are maintained for all employees, directors, and management, including permanent, part-time, contract, and temporary staff. This commitment underscores the importance of economic sustainability and high ethical standards across all operations.</p>
Anti-Bribery and Anti-Corruption Policy	<p>Kawan is committed to upholding integrity and ensuring strict adherence to relevant laws, including the Malaysian Anti-Corruption Commission Act ("MACC"). This commitment is outlined in our Anti-Bribery and Anti-Corruption ("ABC") Policy & Guidelines, dated 10 September 2020.</p> <p>Our Board of Directors reinforces this commitment, and both members and department heads undergo anti-corruption training as part of a thorough induction process.</p> <p>In FY2024, 93 Executives and 390 Non-Executives received in-depth training on ABC compliance. For more information, the ABC Policy is available on our corporate website at Kawan Food Investor Relations.</p>
Whistleblowing Policy	<p>Kawan has established a Whistleblowing Policy, on 10 Sep 2020, that allows stakeholders to report concerns about misconduct or illegal activities within the Company. This Policy covers complaints related to unethical behaviour, fraud, corruption, and the misuse of company resources. It also ensures whistleblower protection against retaliation and maintains the confidentiality of those who come forward.</p> <p>The Whistleblowing Policy is available on our corporate website at Kawan Food Investor Relations.</p> <p>In FY2024, zero incidents were reported. Reports can be submitted through various channels, including directly to the Chairman of the Remuneration Committee:</p> <div><div>a)</div><div>Letter/Document/Report marked "STRICTLY PRIVATE AND CONFIDENTIAL TO BE OPENED BY THE ADDRESSEE ONLY" addressed to the Chairman of the Remuneration Committee.</div><div>Kawan Food Berhad Lot 129351, Jalan Sungai Pinang 4/19, Taman Perindustrian Pulau Indah Selangor Halal Hub, Fasa 2C, 42920 Pulau Indah</div><div>b)</div><div>Report via email to dr_nikismail@kawanfood.com</div></div>

We strive to uphold our record of zero bribery and corruption cases in the next reporting period.

ECONOMIC

Data Privacy

We prioritise the privacy of our customers, employees, and stakeholders. Guided by the Board of Directors, we adhere to company-wide practices aimed at safeguarding information assets through a robust IT policy framework. This policy outlines guidelines for responsible data management, supporting our commitment to trust, transparency, and ethical business practices. By embedding these principles into our operations, we strive to maintain a secure and sustainable business environment.

Production Technology & Innovation

Kawan is dedicated to continuously improving production efficiency and service quality through advanced technology, automation, and digitalisation. Our strategic allocation of capital expenditure towards upgrading equipment and modernising production lines is fully aligned with Industry 4.0 standards, ensuring we remain at the forefront of industry advancements.

These forward-thinking investments underscore Kawan's unwavering commitment to product innovation, placing a strong emphasis on functionality, quality, sustainability, and affordability. We aim to enhance the long-term value of our products and plan to launch new innovative products in FY2024.

Information Systems and Cybersecurity

We prioritise information and cybersecurity by implementing measures to safeguard our critical technology and information assets. Guided by our Incident Response Policy & Procedures, we maintain a structured approach to detecting, responding to, and mitigating potential threats effectively.

Our robust information technology infrastructure supports daily operations, internal communications, and interactions with customers and suppliers. Through proactive risk management, we have implemented information security management system and planning to invest in cybersecurity measures to prevent unauthorised access.

To cultivate a vigilant workforce, Kawan provides security awareness trainings for new and existing employees, covering emerging threats and global cybersecurity challenges. This commitment highlights our dedication to creating a secure business environment, which plays a crucial role in the long-term sustainability of our operations.

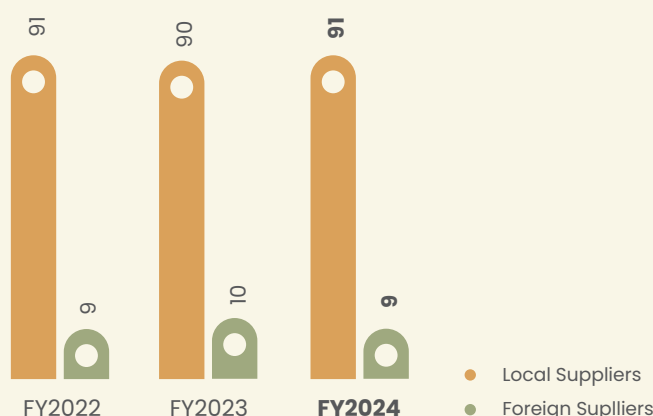
Ingredients Sourcing & Use

At Kawan, we uphold ethical and transparent procurement practices to ensure the highest standards in ingredient sourcing. Our Procurement Policy, introduced in 2024, reinforces our commitment to responsible sourcing, sustainability, and supplier diversity.

In FY2024, 91% of our suppliers were local, while 9% were international, reflecting our dedication to supporting local industries and reducing our carbon footprint.

Local vs Foreign Suppliers (FY2022–2024)

Percentage (%)



As a leading frozen food company, Kawan places strong emphasis on sustainability throughout our supply chain. We conduct regular audits and assessments of our suppliers to ensure compliance with:

Quality and safety standards

Ethical sourcing and fair labour practices

Environmental risk management and sustainable practices

To enhance supply chain resilience, we are expanding our supplier base, enabling us to select from a broader pool of suppliers. This approach ensures better supply continuity, competitive pricing, and flexibility in sourcing high-quality ingredients.

Our Supplier Sustainability Policy can be accessed on Kawan's corporate website: [Kawan Food Investor Relations](#).

By integrating sustainability and transparency into our sourcing strategy, we continue to uphold our commitment to quality, ethical procurement, and environmental responsibility.

ECONOMIC

Sustainable Logistic and Transportation

We prioritise efficient and sustainable logistics to enhance our distribution network while minimising our environmental footprint. By optimising delivery routes, adopting energy-efficient transportation methods, and collaborating with logistics partners, we strive to reduce emissions and improve overall efficiency in our supply chain.

To ensure seamless delivery of our frozen paratha products across Malaysia, we employ a hybrid fleet management approach:

Owned Fleet:

14 trucks (ranging from 1 to 21 tonnes) dedicated to local supply within Malaysia.

Outsourced Fleet:

7 outsourced trucks to support wider distribution and manage peak demand.

Outstation Deliveries:

We collaborate with stockists to streamline deliveries to clients in remote areas.

Enhancing Efficiency Through Technology

In FY2024, we tracked and managed delivery routes. However, beginning 1 January 2025, we will transition to a route planning system, improving delivery efficiency, reducing travel time, and lowering fuel consumption. One of the applications under evaluation is Routing 24, a digital tool that helps optimise delivery schedules, track vehicle performance, and provide real-time route adjustments to minimise delays and fuel usage.

Through the ongoing refinement of our logistics strategies and the implementation of advanced digital route planning tools, Kawan is committed to driving operational efficiency and actively reducing our environmental impact.

Inventory Management

At Kawan, we maintain an inventory management system to reduce waste and improve resource efficiency. By leveraging NetSuite ERP system, Warehouse Management System and data-driven insights, we ensure optimal stock levels, minimising overproduction while enhancing storage efficiency.

With a shelf life of 24 months, our inventory strategy adopting sales and operation planning (S&OP), which is designed to balance demand forecasting, production planning, and stock rotation to prevent excess inventory and ensure product freshness. These practices align with our sustainability commitment while maintaining the highest quality standards for our customers.



ENVIRONMENT

Energy, Emission & Climate Change

Electricity consumption represents a significant portion of our total energy usage, with the majority sourced from coal-fired power generation. Recognising the associated environmental impacts, including greenhouse gas emissions and the depletion of non-renewable resources, we are committed to improving our energy efficiency.



While our overall energy consumption has increased steadily from FY2022 to FY2024, primarily due to heightened production levels, our energy intensity – energy consumed per kilogram of output – has decreased compared to the previous year, despite the hike of production output. This improvement reflects our ongoing efforts to optimise power usage and demonstrates our commitment to sustainable practices.

To further minimise our environmental footprint, we have initiated the installation of additional solar panels covering 1,932.26 m² at our Pulau Indah plant and Shah Alam office. This investment in renewable energy is a key component of our broader strategy to reduce energy consumption and promote a more sustainable future.

Total Energy Consumption

Financial Year (FY)	FY2022	FY2023	FY2024
Total Energy Consumption (GWh)	16.42	15.74	17.89
Electrical Consumption (GWh)	14.21	13.49	15.24
Solar energy generated (GWh)	3.22	3.55	3.59
Energy intensity (energy/kg)	0.85	0.85	0.76

Detail	FY2022	FY2023	FY2024
Solar Energy Generated (c=a+b) (kWh)	3,220,844	3,548,034	3,589,035
Energy Export to Tenaga Nasional Berhad ("TNB") (a) (kWh)	1,011,265	1,295,395	935,631
Solar Energy Consumption (b) (kWh)	2,209,579	2,252,639	2,653,404

ENVIRONMENT

Detail	FY2022	FY2023	FY2024
Saving from Own Consumption of Solar-Generated Energy (RM)	784,400.44	799,686.73	941,958.33
Saving from Export Energy to TNB (RM)	358,999.10	459,865.26	332,149.05
Total Saving (RM)	1,143,399.54	1,259,551.99	1,274,107.38

The differences in figure for FY2022 and FY2023 compared to the previous annual report are due to enhanced data consolidation efforts. In previous years, data collection was still being refined, particularly across different office locations. This year, we have adopted a more consistent and comprehensive approach, ensuring that energy consumption from all relevant locations is included. This adjustment provides a more accurate and transparent assessment of our overall energy usage, allowing for better tracking and management of our sustainability performance.

Optimising Energy Use

At Kawan, we are committed to promoting energy-efficient practices that contribute to reducing overall emissions and environmental impact. Through our social media awareness campaigns, we have shared practical tips to help consumers optimise energy use in their daily food storage and cooking habits.

One of our key initiatives focuses on freezer efficiency. A fully stocked freezer consumes less energy compared to a half-empty one, as the frozen items help maintain a stable temperature, reducing the workload on the compressor. To maximise space, we recommend using newspapers or ziplock bags to fill gaps, ensuring optimal cooling efficiency. Additionally, Kawan’s packaging is designed for easy stacking and compact arrangement, making it a convenient and energy-saving choice for consumers.

We have also highlighted methods to cook with less energy while enjoying our products. These include:

Batch Baking Pastries

Baking multiple portions at once reduces repeated oven usage, minimising energy consumption.

Microwaving for Efficient Reheating

Microwaves use less energy than stovetops or ovens, making them a more sustainable choice for reheating food.

Cooking Without Defrosting

Many Kawan products can be cooked straight from frozen, eliminating the need for thawing, which saves time.

By implementing these small yet impactful changes, consumers can contribute to energy conservation while enjoying the quality and convenience of Kawan products.

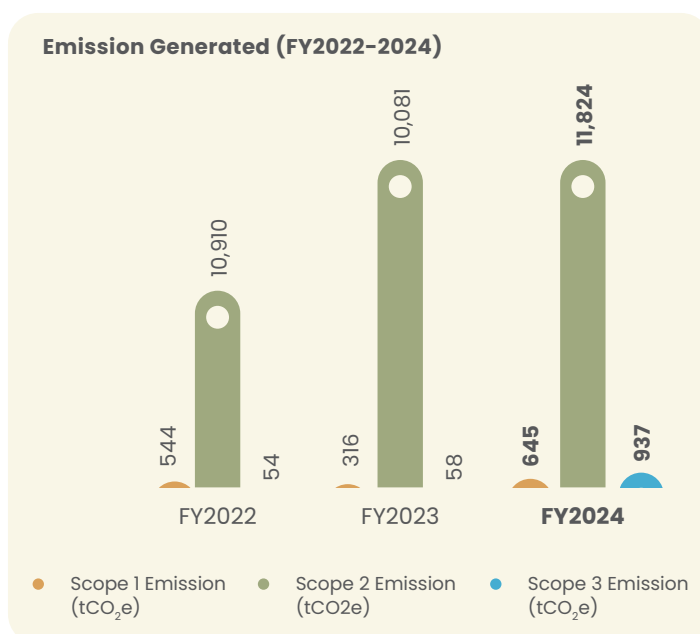


ENVIRONMENT

Emissions

Aligned with COP29's call to accelerate low-emission technologies and triple renewable energy, Kawan is actively reducing our greenhouse gas emissions across our operations and supply chain. Our installation of solar panels at the Pulau Indah plant and Shah Alam office has already resulted in the avoidance of 2,799 tonnes of CO₂. Led by our Executive Director, our management team is driving these initiatives and providing regular progress updates to the Board.

In FY2024, we prioritised establishing measurable targets and key performance indicators (KPIs) to enhance our sustainability and emissions management efforts. We have also initiated the monitoring of Scope 3 emissions related to employee commuting and business travel, with the findings for FY2024 illustrated on the right:



Total Emissions Generated

Type of Emission	Elements Involved	FY2022	FY2023	FY2024
Scope 1 Emissions (tCO₂e)	<ul style="list-style-type: none"> Natural Gas Petrol Diesel Direct Discharge of CO₂ from the refrigerant Total COD removed from the wastewater treatment plant 	544	316	645
Scope 2 Emissions (tCO₂e)	<ul style="list-style-type: none"> The amount of emissions reduced through solar Emissions from the electricity consumption 	10,910	10,081	11,824
Scope 3 Emissions (tCO₂e)	<ul style="list-style-type: none"> Water usage Waste generated Employee commuting Business travels 	54	58	937

The rise in our FY2024 Scope 3 emissions is attributed to the initial inclusion of employee commuting and business travel data, which was previously not recorded consistently. This now offers a more complete picture of our environmental impact. In parallel, Scope 1 emissions increased to 645 tCO₂e, and Scope 2 emissions reached 11,824 tCO₂e.

Moving forward, we are committed to continuous monitoring and proactive management of emissions across all scopes, with a strong emphasis on identifying opportunities for reduction.

ENVIRONMENT

Water

In pursuit of optimal water use, we have installed a monitoring system, including a consumption meter at our main water entry point for better management.

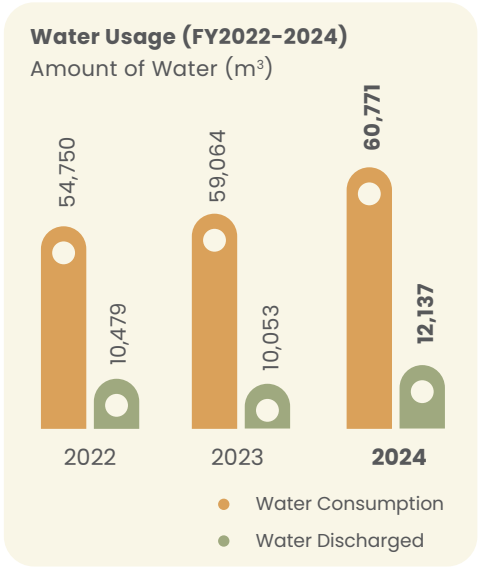
While Kawan does not operate in water-stressed regions, we actively enhance water efficiency through initiatives like rainwater harvesting, which contributed 6,117 m³ in FY2024. This water supports cleaning, cooling tower operations, and toilet flushing.

We are committed to efficient water management as part of our sustainability efforts. While total water consumption has increased from 54,750 m³ in FY2022 to 60,771 m³ in FY2024, this aligns with higher production output. Despite the rise in consumption, water intensity (water consumption per kg of production output) has fluctuated, improving from 0.00320 in FY2023 to 0.00258 in FY2024, indicating better water efficiency.

In FY2024, we also introduced rainwater harvesting, utilising 6,117 m³ of rainwater to further reduce reliance on freshwater sources. Moving forward, we will continue to explore water conservation initiatives to optimize efficiency while ensuring sustainable production growth.

Total Water Usage

Financial Year (FY)	FY2022	FY2023	FY2024
Water Consumption (m³)	54,750	59,064	60,771
Water Discharged (m³)	10,479	10,053	12,137
Water Intensity (Water Consumption/ kg)	0.00284	0.00320	0.00258
Rainwater Usage Amount (m³)	N/A	N/A	6,117



Waste Management

Improper disposal of chemical-rich effluents and poor waste management can harm water quality, marine life, and overall environmental health. Additionally, excessive manufacturing waste strains natural resources, leading to long-term environmental damage.

At Kawan, we maintain strict standards for effluent and waste management to minimise our environmental impact, complying with key regulations. While total waste through the entire Group increased by 379.13 metric tonnes or 54.63% from FY2022 to FY2023 and 359.13 metric tonnes or 33.46% from FY2023 to FY2024, mainly due to Production department, we remain dedicated to sustainability.

Our waste segregation system successfully diverted 1,112.15 metric tonnes from landfills through recycling in FY2024. We also leverage digital tools like Microsoft 365 to reduce paper consumption and promote efficiency.



ENVIRONMENT

We actively support a circular economy approach to plastic waste, emphasising sustainable packaging solutions. Employees are encouraged to participate in our "Reduce, Reuse, Recycle" ("3R") initiatives, with strategically placed recycling bins in the office to promote responsible waste disposal.

Kawan remains dedicated to reducing waste impact and enhancing operational efficiency. Our waste and effluent management complies with the following regulations:

**The Environmental
Quality (Scheduled Wastes)
Regulations 2014**

**The Environmental Quality
(Industrial Effluent)
Regulations 2009**

**Relevant local
government
regulations**

Kawan Waste Management Approaches are listed as below:

**Domestic Waste**

Sent to landfill by a licensed solid waste contractor

**Recycled Waste**

Sold to authorised recycling contractors

**Scheduled Waste**

Disposed of by Department of Environment licensed contractors

**Water Effluents**

Treated with IETS procedure and discharged into drainage system

Total Waste

Financial Year (FY)	FY2022	FY2023	FY2024
Total Non-Hazardous Waste			
Domestic Waste (MT)	132.00	129.00	314.37
Total Water Effluents Discharged			
Water Effluents (MT)	N/A	N/A	N/A
Total Scheduled Waste			
Used Compressor Oil (MT)	0.60	0.40	2.60
Pathogen Waste (MT)	1.49	1.42	2.97
Used Hydraulic Oil (MT)	0.40	0.80	0.21
Mineral Oil (MT)	N/A	N/A	N/A
Waste Diverted From Landfill Which Was Recycled			
Cans (MT)	1.54	2.30	3.73
Drums Size 20 Litre (MT) - Chemical	0.86	0.57	0.59
Plastic (MT)	9.30	10.11	21.98
Broken Cartons (MT)	38.46	34.49	57.85
Flour (MT)	483.67	878.57	980.11
Flour Sacks (MT)	3.03	2.23	35.46
Used Cooking Oil (MT)	22.69	13.28	12.43
Total	694.04	1,073.17	1,432.30

ENVIRONMENT

Packaging Material Use

Kawan is dedicated to minimising our environmental impact through a holistic approach to sustainable material use and packaging. In addition to prioritising responsible sourcing and waste reduction in our production processes, we have initiated efforts to minimise unnecessary packaging material usage. One example is the removal of inner plastic bags from our Roti Boom packaging, which reflects our dedication to reducing plastic consumption without compromising product quality.



We have successfully **reduced 28.8% of plastic material used** in Roti Boom (formerly known as Roti Chanai Malaysian Style) per packaging and intend to continue to do so with our core products within the next 2 years.

We have also eliminated unnecessary use of sticker labels and actively seeking for eco-friendly packaging solutions. This initiative balances the quality, convenience, and sustainability for our consumers and the environment.

SOCIAL

Occupational Health and Safety ("OHS")

Kawan prioritises workforce well-being through our Occupational Safety and Health Policy 2023. This commitment to OHS is reinforced by our OHS Policy and Integrated Management System Manual, encompassing ISO 9001, ISO 14001, and ISO 45001, effective 1 April 2023, ensuring a safe and healthy working environment for all employees.



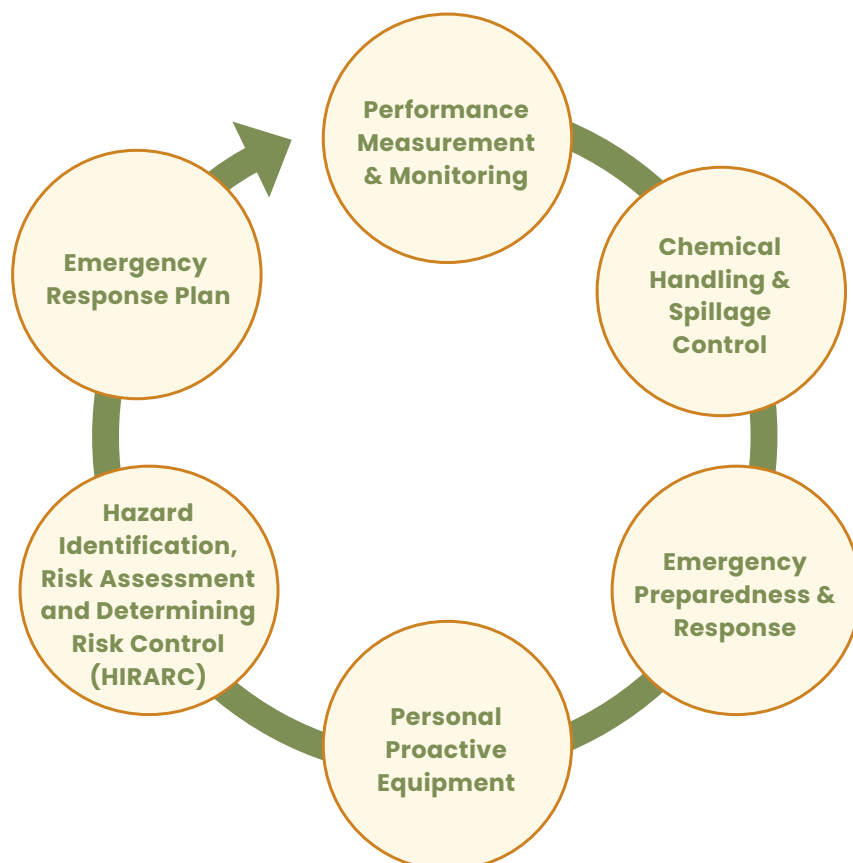
We maintain a safe workplace by conducting monthly toolbox meetings, aligned with ISO 45001:2018 standards, covering key safety topics such as fall prevention and proper PPE usage. Our Health, Safety, and Environment Committee, led by the Chairman and including management and employee representatives, provides quarterly oversight to ensure a strong safety culture.

To further strengthen our OHS practices, and ensure continual improvement, we successfully achieved ISO 45001 certification in FY2024 through developing manuals, training, and planning audits.

As part of our workplace safety commitment, we conducted an internal fire safety drill to enhance emergency preparedness, in September FY2024. This drill educates employees on evacuation procedures, fire extinguisher use, and emergency response protocols, reinforcing swift and coordinated actions during a fire.

In FY2024, the lost time incident rate increased from 2.67 to 3.99, reflecting a rise in the severity of workplace incidents. One notable case involved a worker sustaining an injury from a moving conveyor part, contributing to the overall increase in lost workdays.

Recognising this trend, we have strengthened our mitigation strategies, including heightened safety awareness, enhanced competencies, stricter legislative compliance, and routine safety checks. Through tools like Hazard Identification, Risk Assessment, and Risk Control ("HIRARC"), we identify and mitigate risks, fostering an initiative-taking approach.



SOCIAL

Health and Safety Performance

Financial Year (FY)	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	0
Total man hours worked (Hours in million)	1.83	2.25	2.78
Lost time incident (injury) rate*	8.20	2.67	3.99
Severity rate	73.70	4.00	19.05
Frequency rate	13.10	6.23	8.63

* Based on DOSH Malaysia JKJP8 per 1,000,000 hours

Labour Matters & Worker Rights

As a responsible employer, Kawan prioritises a positive work environment through proactive employee engagement initiatives, enhancing employee satisfaction. Recognizing the importance of our diverse workforce, including foreign workers, we provide dedicated representatives to support their integration and well-being, fostering an inclusive and supportive workplace. We maintain fair compensation practices through salary benchmarking and annual reviews, ensuring compliance with local labour laws.

Additionally, we provide an in-house cafeteria featuring our RTE products and a wellness clinic for medical care. These initiatives reflect our commitment to a healthy and supportive workplace that boosts employee satisfaction and productivity.

Competitive Benefits

- Medical & Hospitalisation Leave
- Maternity Leave
- Compassionate Leave
- Examination Leave
- Paternity Leave



- Night Shift Allowance
- Call Back Allowance



- Outpatient medical consultation & treatment under panel clinics



- Hospital & Surgical Insurance
- Personal Accident Insurance



- KPI Incentive
- Annual Bonuses
- Employee Share Option Scheme (ESOS)
- Long Service Award



SOCIAL

Human Rights

Kawan cares about human rights. We have a Human Rights Policy that aligns with the UN Declaration of Human Rights, Ethical Trading Initiative (ETI) Base Code and the relevant human rights related laws and regulations. Our Code of Conduct helps everyone, including our partners, understand and follow these rules. We check our work to find ways to improve and make sure we are doing things right.

Our team works hard to solve human rights problems, especially for foreign workers and to stop forced labour. We partner with ethical recruitment agencies to ensure workers are treated fairly, have safe jobs, and good places to live. At Kawan, we want everyone's human rights to be respected.

Kawan's Commitment to Labour Principles

**Freely Chosen Employment****Respecting Freedom of Association and Rights to Collective Bargaining****No Child Labour****Safe and Hygienic Working Conditions****Paying Living Wages****Non-Excessive Working Hours****Non-Discrimination****No Harsh or Inhuman Treatment**

Diversity and Inclusivity

Our commitment to community support is reflected in our local hiring approach, with our workforce made up more than half with local talent, ensuring a sustainable operational footprint. In line with our principles of diversity and equal opportunity, we strictly adhere to local labour laws and actively support underprivileged groups through targeted initiatives. At Kawan, diversity is central to our sustainable development goals, and we are dedicated to fostering an inclusive, discrimination-free workplace.

Guided by 'Safety First, Quality Always' mindset, our workforce demonstrated remarkable resilience in FY2024. We fully comply with Malaysian employment regulations and the International Labour Organisation, ILO's principles, with our Code of Conduct enforcing fair and rigorous employment standards. No instances of non-compliance were recorded during the reporting period.

With the implementation of our Diversity Policy in 2024, along with our Anti-Harassment Policy, Human Rights Policy, dated 24 December 2022, and Non-Discrimination Policy, we actively promote equality and inclusivity at all levels. Our commitment to diversity reflects the communities we serve, and we continuously strive to foster a workplace culture that supports growth, fairness, and employee well-being.

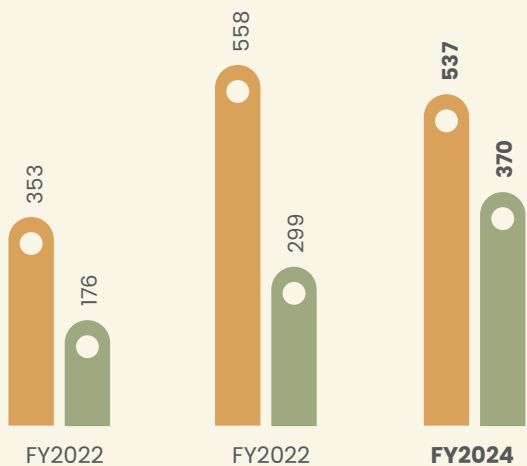
With the recent changes in the corporate structure, Kawan has strengthened its commitment to good governance by enhancing the diversity and effectiveness of its BOD. Notably, the female representation on the Board exceeds the minimum 30% recommended by the Malaysian Code on Corporate Governance (MCCG), reflecting the Group's dedication to promoting gender diversity and inclusivity at the highest level. This alignment with MCCG best practices underscores Kawan's broader objective of fostering ethical leadership, balanced decision-making, and long-term value creation for stakeholders.

SOCIAL

	FY2022	FY2023	FY2024
Total Number of Employees	529	857	907
Number of New Employee Hires	146	462	231
Workforce Breakdown by Employment Category			
Executives	167 (31.57%)	190 (22.17%)	214 (23.59%)
Non-Executives	362 (68.43%)	667 (77.83%)	693 (76.41%)
Workforce Breakdown by Gender			
Female	176 (33.27%)	299 (34.89%)	370 (40.79%)
Male	353 (66.73%)	558 (65.11%)	537 (59.21%)
Workforce Breakdown by Age Group			
<30 years old	210 (39.70%)	416 (48.54%)	416 (45.87%)
30-50 years old	272 (51.98%)	401 (46.79%)	446 (49.17%)
>50 years old	44 (8.32%)	40 (4.67%)	45 (4.96%)
Number of Disabled Employees	1	1	1
Workforce Breakdown by Gender and Age Group for Each Employee Category			
Executives			
Male	91	105	110
Female	76	85	104
<30 years old	39	40	51
30-50 years old	112	134	142
>50 years old	16	16	21
Non-Executives			
Male	262	453	427
Female	100	214	266
<30 years old	171	376	365
30-50 years old	163	267	304
>50 years old	28	24	24
Female Representation in the Management			
% Woman in Management	40.43	42.86	43.06
% Women in Top Management	36.36	36.36	36.36
Board of Directors Diversity			
Breakdown of Directors by Gender			
Total of Directors	8	8	9
Female	2	2	4
Male	6	6	5
Breakdown of Directors by Age Group			
<30 years old	0	0	0
30-50 years old	1	1	5
>50 years old	7	7	4

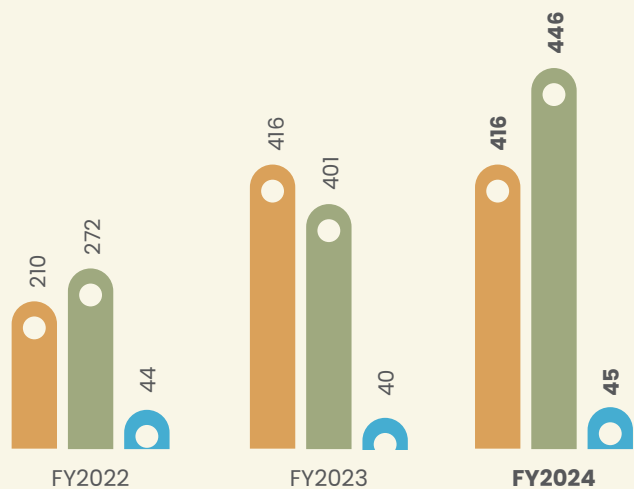
SOCIAL

Employee Gender Breakdown



● Male ● Female

Employee Age Group Breakdown



● <30 ● 30-50 ● >50

Local Employment and Sourcing

Kawan strictly follows local labour laws in its recruitment process, prioritising the hiring of local candidates. In FY2024, 52% of our total employees are Malaysian. We recognise that workplace diversity drives innovation, tolerance, and overall performance. Committed to equal employment opportunities, we ensure that race, gender, religion, age, or disability is never a barrier to hiring. Our non-discrimination policy is upheld at every stage of the recruitment process.

As of 31 December 2024, individuals with disabilities made up 0.1% of our workforce, specifically in the Production Executive role. More details on our social performance, including workforce composition, are available in the Sustainability Performance Data table.

SOCIAL

Employee Development

We invest significantly in internal and external training programs, offering both mandatory and voluntary components that enable employees to earn relevant certifications.

In FY2024, our commitment to continuous learning ensured steady progress, with total training hours remaining stable at 8,460 hours. Employees received an average of 9.33 training hours, with a total investment of RM523,907. This strategic approach underscores the importance of a skilled and adaptable workforce in driving organisational excellence.



Our training programs in FY2024 are designed to focus on key areas essential to our operations and growth, as outlined in the table below:

Categories	No of Training	Training Hours	No of Participant
Awareness	39	996.00	1,133
Compulsory (HR Training)	113	1,513.00	712
Food Safety	4	623.00	53
Soft Skills	18	2,891.15	249
Team Building	6	257.50	515
Technical	66	2,179.45	403

By prioritising these training initiatives, we equip our employees with the necessary skills and knowledge needed to excel in their roles and drive the organisation's success.

Additionally, our Lunch & Learn sessions maximise break time by blending learning with convenience. While enjoying free cafeteria meals, employees can join online business conferences, gaining valuable insights in a relaxed setting. This initiative fosters continuous growth, keeping our workforce informed, engaged, and always learning.

Training Development

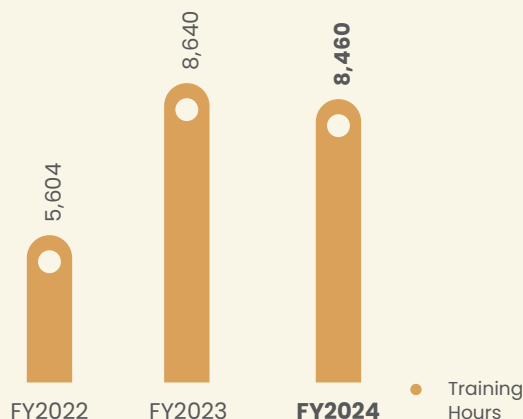
Financial Year (FY)	FY2022	FY2023	FY2024
Average hours of training per year per employee by category			
HODs and Managers (Hours)	45.13	52.98	35.91
Executives (Hours)	16.94	27.61	26.80
Non-Executives (Hours)	3.15	2.27	2.84
Total (Hours)	10.60	10.08	9.33
Average days per year per employee (Days)	1.3	1.3	1.2

SOCIAL

Total Training Hours

Total Training Hours (FY2022-FY2024)

Training Time (Hrs)



Quality, Safe & Accessible Food Choices

Kawan remains committed to supporting good nutrition by optimising our core product range, including parathas, buns, and bakery items, to enhance efficiency and reduce costs. In FY2024, we prioritised rationalisation efforts to strengthen our key offerings while ensuring affordability for our consumers.

To provide better value, we continue to encourage heavy consumers to opt for lower price-per-kilogram options through larger pack formats, such as the launch of our 15's value pack Roti Chanai. Additionally, we are actively pursuing Healthier Choice Logo (HCL) certification for our products further demonstrating our commitment to consumer well-being.

Packaging & Labelling

As a trusted food provider, Kawan is committed to helping customers make informed and healthy choices by providing clear labels with nutrition facts, cooking instructions, and allergy warnings in full compliance with regulations. Additionally, we continue to explore ways to improve our packing configuration to minimise waste while maintaining product quality and safety.

We actively work to reduce unnecessary plastic use through initiatives that optimise our packaging materials, including elimination of unnecessary packaging layer and reducing thickness of plastic where applicable. This approach helps minimise plastic consumption while ensuring product integrity, reinforcing our commitment to environmental responsibility.



Shelf Life

To maintain the freshness and quality of our products, Kawan employs flash freezing technology and rigorous quality control measures to optimise shelf life. This not only ensures natural prolonged product freshness but also helps reduce food waste. By extending shelf life without compromising taste or nutritional value, we are aligned with our mission to deliver safe, nutritious, and sustainable food to our customers.

In addition, we conduct monthly tests to ensure our products meet the highest standards of quality and safety. These tests help identify and address any potential issues early, maintaining consistency in taste, texture, and nutritional value. By implementing strict quality control measures, we reinforce our commitment to delivering safe, high-quality food that consumers can trust.



SOCIAL

Product Quality & Safety

We maintain a strict focus on product quality and safety, through rigorous testing under MS ISO/IEC 17025 accredited laboratory and adhering to BRCGS (Brand Reputation Compliance Global Standard) food safety standards. Our quality assurance team employs the Hazard Analysis Critical Control Point (HACCP) system to manage safety throughout the product lifecycle.

Our Pulau Indah facility is certified in BRCGS Food Safety, MS 1480 HACCP, MS 1514 GMP, FDA BTA & FSMA, MeSTI, VHM Certification, HALAL Certification, as well as ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), and ISO 9001 (Quality Management System for Food).

We extend our commitment to food safety and quality to our supply chain partners through annual reviews and independent audits ensuring stringent compliance with our HALAL, quality, and safety assurance systems.

In FY2024, we audited 16 suppliers, achieving an average score of 87%, with a strong focus on continuous improvement. To ensure consumer safety, we implement allergen labelling and declarations, particularly to protect vulnerable groups.

Notably, during the recent ISO 9001 audit, a non-conformance (NC) related to skipped calibration was identified, resulting to a slight measurement deviation. As a corrective measure, we have recalibrated the walk-in chiller and freezer to restore accuracy and maintain compliance.

However, we experienced a product recall in China due to non-compliance with HS Code regulations, specifically concerning excessive use of humectants, colouring, and



preservatives, and the inability to verify pandanus amaryllifolius extract (pandan extract) as a recognized food ingredient.

Despite this challenge, we remain committed to food safety and quality, continuously refining our processes to meet regulatory standards and uphold consumer trust.

Responsible Marketing

At Kawan, we uphold responsible marketing practices that align with industry standards and international guidelines, including the Garis Panduan Pengiklanan Makanan (KKM), the ICC's Advertising and Marketing Communication Practice Code, and FDA regulations. Our food packaging and labels clearly display nutrition facts and allergy information, enabling consumers to make informed, healthy choices with details on allergens and nutritional content.

We are dedicated to allergen awareness and protection, ensuring transparent labelling to safeguard vulnerable groups. Continuous monitoring and evaluation, supported by metrics like customer satisfaction and compliance, drive our ongoing improvement efforts. For us, responsible marketing is not just a practice but a core aspect of our commitment to fostering a healthier society and environment. It helps build trust and encourages responsible consumer choices.

SOCIAL

Economic Contribution to Society

As a responsible corporate citizen, Kawan's financial strength enables us to create value beyond business growth. In FY2024, our contributions through revenue generation, tax payments, and international trade supported national economic development. This strong financial foundation also allows us to reinvest in the community through initiatives like KawanCare, aligning our success with meaningful social impact.

Kawan cares about our community. We've started programs that let customers help community causes, and we support those in need. We donated a total of RM668,521.

Through our KawanCare initiative, we align community investment with our 'Food For A Better World' strategy. In FY2024, KawanCare donated to non-profit organisations and partnered with Yayasan Muhibbah for Kelantan Flood Relief initiative. We actively engage our employees in community programs, valuing their volunteerism as a vital aspect of our corporate responsibility. Our community engagement reflects our mission to enrich lives and contribute to economic, social, and environmental development.

The table below shows the charity programme done by Kawan and the amount that we have donated through those programmes:

Name of Programme	Amount (RM)
Project Love	43,633.00
Food Donation	518,543.00
Montford Boy School Sponsorship	30,000.00
UCSI Hospitality Charity	3,107.00
Kawan X Yayasan Muhibbah	73,238.00

**GOING FORWARD**

Through innovation, collaboration, and responsible sourcing, we aim to create a more sustainable future for generations to come. Our efforts concentrate on reducing waste, optimising energy consumption, and supporting local communities, all while delivering high-quality frozen food products to our customers. Together, we are making significant strides towards a more sustainable and resilient food system.

SUSTAINABILITY PERFORMANCE DATA

Description	2022	2023	2024
ECONOMIC			
Supply Chain			
Total Procurement Spent (RM)	173.6m	164.5m	201.6m
Percentage of local suppliers	91%	90%	91%
Percentage of foreign suppliers	9%	10%	9%
Anti-Corruption			
Percentage of operations assessed for corruption-related risks	100%	100%	100%
Confirmed incidents of corruption	0	0	0
Number of Employees Who have Received Training an Anti-Corruption by Employment Category			
Executive	60 (33.71%)	69 (12.40%)*	93 (19.26%)
Non-executive	118 (66.29%)	457 (87.60%)*	390 (80.74%)
ENVIRONMENTAL			
Total Energy Consumption (GWh)	16.42	15.74*	17.89
Electricity consumption (GWh)	14.21	13.49	15.24
Solar energy generated (GWh)	3.22	3.55	3.59
Diesel consumption (genset) (litre)	20	20	N/A
Energy Intensity (energy/kg)	0.85	0.85	0.76
Diesel consumed by Company-owned vehicles (litre)	298,458	342,688	313,061
Water consumption (m³)	54,750	56,064*	60,771
Water discharged (m³)	10,479	10,053	12,137
Water intensity (water consumption/kg)	0.00284	0.00320	0.00258
Scope 1 emissions (tCO ₂ e)	544	316	645
Scope 2 emissions (tCO ₂ e)	10,910	10,081	11,824
Scope 3 emissions (tCO ₂ e)	54	58	937
Total Waste (MT)	694.04	1,073.17	1,432.30
Total non-hazardous waste (MT)	132.00	129.00	314.37
Domestic waste (MT)	132.00	129.00	314.37
Total scheduled waste (MT)	2.49	2.62	5.78
Used compressor oil (MT)	0.60	0.40	2.60
Pathogen waste (MT)	1.49	1.42	2.97
Used hydraulic oil (MT)	0.40	0.80	0.21
Mineral oil (MT)	N/A	N/A	N/A
Waste diverted from landfill which was recycled	595.55	941.55	1,112.15
Cans (MT)	1.54	2.30	3.73
Drums size 20 Litre (MT) – chemical	0.86	0.57	0.59
Plastic (MT)	9.30	10.11	21.98
Broken cartons (MT)	38.46	34.49	57.85
Flour (MT)	483.67	878.57	980.11
Flour sacks (MT)	3.03	2.23	35.46
Used cooking Oil (MT)	22.69	13.28	12.43

* The 2023 figure has been restated following a data cleanup exercise completed in year 2024.

SUSTAINABILITY PERFORMANCE DATA

Description	2022	2023	2024
SOCIAL			
Diversity			
Total number of employees	529	857	907
Number of new employee hires	146	462	231
Workforce Breakdown by Nationality			
Malaysians	349 (65.97%)	378 (44.11%)	473 (52.15%)
Non-Malaysians	180 (34.03%)	479 (55.89%)	434 (47.85%)
Workforce Breakdown by Ethnicity			
Malay	194 (36.68%)	240 (28.00%)	256 (28.22%)
Chinese	90 (17.01%)	97 (11.32%)	109 (12.02%)
Indian	29 (5.48%)	35 (4.09%)	41 (4.52%)
Others	216 (40.83%)	485 (56.59%)	501(55.24%)
Workforce Breakdown by Employment Contract			
Permanent Staff	527 (99.62%)	836 (97.55%)	892 (98.35%)
Contract/part-time staff	2 (0.38%)	21 (2.45%)	15 (1.65%)
Percentage of contractors/temporary staff (%)	0.38%	2.45%	1.65%
Workforce Breakdown by Employment Category			
Executives	167 (31.57%)	190 (22.17%)	214 (23.59%)
Non-Executives	362 (68.43%)	667 (77.83%)	693 (76.41%)
Workforce Breakdown by Gender			
Female	176 (33.27%)	299 (34.89%)	370 (40.79%)
Male	353 (66.73%)	558 (65.11%)	537 (59.21%)
Workforce Breakdown by Age Group			
<30 years old	210 (39.70%)	416 (48.54%)*	416 (45.87%)
30-50 years old	275 (51.98%)	401 (46.79%)*	446 (49.17%)
>50 years old	44 (8.32%)	40(4.67%)*	45 (4.96%)
Number of Disabled Employees	1	1	1
Workforce Breakdown by Gender and Age Group for Each Employee Category			
Executives			
Male	91	105*	110
Female	76	85*	104
<30 years old	39	40*	51
30-50 years old	112	134*	142
>50 years old	16	16*	21
Non-Executives			
Male	262	453*	427
Female	100	214*	266
<30 years old	171	376*	365
30-50 years old	163	267*	304
>50 years old	28	24*	24

* The 2023 figure has been restated following a data cleanup exercise completed in year 2024.

SUSTAINABILITY PERFORMANCE DATA

Description	2022	2023	2024
SOCIAL (CONTINUED)			
Female Representation in the Management			
% Women in Management	40.43	42.86	43.06
% Women in Top Management	36.36	36.36	36.36
Board of Directors Diversity			
Breakdown of Directors by Gender			
Total of Directors	8	8	9
Female	2	2	4
Male	6	6	5
Breakdown of Directors by Age Group			
<30 years old	0	0	0
30–50 years old	1	1	5
>50 years old	7	7	4
Breakdown of Directors by Ethnicity			
Malay	2	2	3
Chinese	6	6	6
Indian	0	0	0
Non-Malaysian	0	0	0
Human Rights			
Number of complaints concerning human rights violations	0	0	0
Health and Safety			
Number of work-related fatalities	0	0	0
Total man-hours worked (million)	1.83	2.25	3.01
Lost time incident rate	8.20	2.67*	3.99
Frequency rate	13.10	6.23	8.63
Training			
Total Training Hours (hour)	5,604	8,640*	8,460
Average hours of training per year per employee by category (hour)	10.60	10.08*	9.33
Head of Departments and Managers (hour)	45.13	52.98*	35.91
Executive (hour)	16.94	27.61*	26.80
Non-Executive (hour)	3.15	2.27*	2.84
Customer Satisfaction			
Customer complaints (number)	155	192	196
% Customer complaints	–22.30	25.50	2.08
Resolution rate (%)	100	100	100

* The 2023 figure has been restated following a data cleanup exercise completed in year 2024.

BURSA SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	1.48 *	7.66
Executive	Percentage	10.92 *	11.60
Non-executive/Technical Staff	Percentage	26.05 *	30.64
General Workers	Percentage	61.55 *	50.10
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	268,680.00	668,521.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5	6
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	4.05 *	8.43
Management Between 30-50	Percentage	77.03 *	72.29
Management Above 50	Percentage	18.92 *	19.28
Executive Under 30	Percentage	31.90 *	33.59
Executive Between 30-50	Percentage	66.38 *	62.60
Executive Above 50	Percentage	1.72 *	3.82
Non-executive/Technical Staff Under 30	Percentage	45.60 *	47.85
Non-executive/Technical Staff Between 30-50	Percentage	49.45 *	48.33
Non-executive/Technical Staff Above 50	Percentage	4.95 *	3.83
General Workers Under 30	Percentage	60.41	54.75
General Workers Between 30-50	Percentage	36.50 *	41.94
General Workers Above 50	Percentage	3.09 *	3.31
Gender Group by Employee Category			
Management Male	Percentage	58.11 *	57.83
Management Female	Percentage	41.89 *	42.17
Executive Male	Percentage	53.45 *	47.33
Executive Female	Percentage	46.55 *	52.67
Non-executive/Technical Staff Male	Percentage	63.74 *	66.51
Non-executive/Technical Staff Female	Percentage	36.26 *	33.49
General Workers Male	Percentage	69.48	59.50
General Workers Female	Percentage	30.52	40.50
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	75.00	55.56
Female	Percentage	25.00	44.44
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	12.50	55.56
Above 50	Percentage	87.50	44.44
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	15,743.00 *	17,892.00
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.67 *	3.99
Bursa C5(c) Number of employees trained on health and safety standards	Number	110 *	40

BURSA SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2023	2024
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	3,921 *	2,980
Executive	Hours	3,203 *	3,511
Non-executive/Technical Staff	Hours	524 *	1,142
General Workers	Hours	992 *	827
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.45	1.65
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	5 *	32
Executive	Number	34	35
Non-executive/Technical Staff	Number	28 *	42
General Workers	Number	39 *	39
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.00	91.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	59.060000 *	60.770000

Internal assurance

External assurance

No assurance

(*)Restated

GRI CONTENT INDEX REFERENCE

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION / STATUS	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 2: General Disclosures 2021			
1. The organisation and its reporting practice			
2-1	Organisation details	KAWAN at a Glance	2
2-2	Entities included in the organisation's sustainability reporting	Reporting Scope and Boundary	13
2-3	Reporting period, frequency and contact point	Reporting Scope and Boundary	13
2-4	Restatement of information	Materiality Assessment and Key Sustainability Matters * There is a change in material matters due to the reassessment of key material matters during the reporting year.	19
2-5	External assurance	There is no external assurance performed for KAWAN as of yet.	N/A
2. The organisation and its reporting practice			
2-6	Activities, value chain and other business relationship	KAWAN at a Glance	2
2-7	Employees	Diversity and Inclusivity	39 – 41
2-8	Workers who are not employees	Sustainability Performance Data: Social – Workforce Breakdown by Employment Contract * Contract workers are hired based on stages and requirements of the ongoing projects.	47
3. Governance			
2-9	Governance structure and composition	Sustainability Governance Structure	14
2-10	Nomination and selection of highest governance body	Corporate Governance Overview Statement: • Principle A Board Leadership and Effectiveness	73 – 75, 78, 79
2-11	Chair of the highest governance body	Corporate Governance Overview Statement: • Board Composition	72 – 73
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure	14
2-13	Delegation of responsibility for managing impacts	Sustainability Governance Structure	14
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance Structure	14
2-15	Conflict of interest	• Code of Conduct and Ethics • Conflict of Interest	28, 72

GRI CONTENT INDEX REFERENCE

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION / STATUS	REFERENCE PAGES(S) IN ANNUAL REPORT
2-16	Communication of critical concerns	<ul style="list-style-type: none"> Whistleblowing Policy 	28, 72
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement: <ul style="list-style-type: none"> Board Training and Development 	76 -77
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement: <ul style="list-style-type: none"> Board Evaluation 	74
2-19	Remuneration policies	Corporate Governance Overview Statement: <ul style="list-style-type: none"> Remuneration Packages 	79
2-20	Process to determine remuneration	Corporate Governance Overview Statement: <ul style="list-style-type: none"> RC Activities In FY2024 	79
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Going Forward	45
2-26	Mechanism for seeking advice and raise concerns	<ul style="list-style-type: none"> Whistleblowing Policy 	28, 72
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> Anti-Bribery and Anti-Corruption Policy Environmental Compliance Occupational Health and Safety 	28, 35, 37, 72
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	17 - 18
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Materiality Assessment and Key Sustainability Matters	19
3-2	List of material topics	Materiality Assessment and Key Sustainability Matters	19
3-3	Management of material topics	<ul style="list-style-type: none"> Economic Environment Social 	19
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Direct Economic Impact: Economic Presence and Sustainable Profitability	26
201-2	Financial implications and other risks and opportunities due to climate change	Gathering and analysing the necessary data to support climate-related disclosures in alignment with current sustainability reporting requirements	N/A

GRI CONTENT INDEX REFERENCE

GRI STANDARD / OTHER SOURCE	DISCLOSURE ITEM	DISCLOSURE DESCRIPTION / STATUS	REFERENCE PAGES(S) IN ANNUAL REPORT
GRI 203: Indirect Economic Impacts 2016			
203-2	Significant indirect economic impacts	Indirect Economic Impact	N/A
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Ingredients Sourcing & Use	29
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	• Anti-Bribery and Anti-Corruption Policy	28
205-3	Confirmed incidents of corruption and actions taken	• Anti-Bribery and Anti-Corruption Policy	28
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Total Energy Consumption	31 – 32
GRI 303: Water and Effluents 2016			
303-5	Water consumption	Water	34
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Waste Management	34 – 35
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Sustainability Performance Data: Social – Diversity	47
401-2	Benefit provided to full-time employees that are not provided to temporary or part-time employees	Competitive Benefits	38
401-3	Parental leave	Competitive Benefits	38
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Occupational Health & Safety	37 – 38
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Training Development	42
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development	42
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Diversity and Inclusivity	39 – 41

BOARD AT



A GLANCE

The Board, under the leadership of the Chairman, is responsible for determining the overall strategy of the Group and providing oversight of the senior management.

1 LIM HUN SOON @ DAVID LIM

Non-Independent Non-Executive Chairman

Board

2 GAN THIAM CHAI

Chairman Emeritus and Acting
Group Managing Director

Board

3 GAN KA BIEN

Executive Director

Board

4 DR. NIK ISMAIL BIN NIK DAUD

Senior Independent Non-Executive Director

Board

AC

NC

RC

5 EUGENE HON KAH WENG

Independent Non-Executive Director

Board

AC

NC

RC

6 NOOR ALINA BINTI MOHAMAD FAIZ

Independent Non-Executive Director

Board

AC

NC

RC

7 ABDUL RAZAK BIN SHAKOR

Non-Independent Non-Executive Director

Board

8 GAN KA OOI, AMY

Non-Independent Non-Executive Director

Board

9 GAN KA HUI

Non-Independent Non-Executive Director

Board

10 GAN MENG HOI, DEREK

Non-Independent Non-Executive Director

Board

11 NEEL NARESH NAGRECHA

Non-Independent Non-Executive Director

Board

BOARD OF DIRECTORS' PROFILES



LIM HUN SOON@ DAVID LIM

Non-Independent Non-Executive Chairman

Date of Appointment:

21 October 2015

Board Meeting

7/7

Lim Hun Soon @ David Lim ("Mr. David Lim") was appointed to the Board on 21 October 2015. He was the Chairman of the Audit Committee, a member of Remuneration Committee and Nominating Committee of the Company. On 16 October 2024, he was re-designated from Independent Non-Executive Director to Non-Independent Non-Executive Chairman of the Company, and ceased as Chairman of Audit Committee, member of Nominating Committee and Remuneration Committee.

Mr. David Lim graduated with a Bachelor of Arts in Economics from the University of Leeds in 1978 and subsequently joined Peat Marwick Mitchell (now known as KPMG) in the United Kingdom ("UK") in 1978. He qualified as a member of the Institute of Taxation, UK in 1981 and as a Chartered Accountant in England and Wales in 1982. He returned to Malaysia in 1982 to continue his service with KPMG, and was admitted as a member of the Malaysian Institute of Accountants ("MIA") and the Malaysian Association of Certified Public Accountants (now known as the Malaysian Institute of Certified Public Accountants ("MICPA")) in 1982 and 1984 respectively.

Mr. David Lim had an extensive career serving as an Auditor in KPMG, spanning thirty-three (33) years. During his career with KPMG, he was admitted as Partner of the firm in 1990 and served in the Management Committee of the firm from 1997 to 2001 and in KPMG's Partnership Supervisory Council from 2002 to 2010. He was also the Asian Anchor Practice representative for Marketing from 2000 to 2001, in which role he gained extensive and insightful knowledge from KPMG Global counterparts worldwide.

In 2006, he was tasked to start up the Audit Committee Institute, Malaysia, which is a virtual worldwide initiative sponsored by KPMG to assist independent directors in enhancing their awareness and ability to implement effective board processes. Mr. David Lim actively served as an examiner for Company Law examinations conducted by the MICPA for over a period of ten (10) years. He was the Chairman of the MICPA Code of Ethics Committee and a member of the MIA Code of Ethics Committee, both from 2002 to 2004. He retired from KPMG in 2011.

In 2013, he was appointed as a Council member of The Institute of Chartered Accountants in England & Wales ("ICAEW"). This was the first time that ICAEW, in its illustrious history had granted Malaysia a seat in the Council. The position was for a term of two (2) years till 2015. He was reappointed for a further two terms till March 2019 (being the maximum permitted tenure).

Mr. David Lim serves on the Board of several public listed companies, including Malaysian Rating Corporation Berhad as an Independent Non-Executive Director, having been recently appointed in March 2025. He is also the Independent Non-Executive Chairman of TSA Group Berhad and Press Metal Aluminium Holdings Berhad. Additionally, he holds directorships in Public Investment Bank Berhad and Rockwills Trustee Berhad, where he serves as the Independent Non-Executive Chairman.

Mr. David Lim does not have any family relationship with any Director and/or major shareholder of the Company. He attended all seven (7) Board Meetings held during the financial year ended 31 December 2024.

BOARD OF DIRECTORS'
PROFILES**GAN THIAM CHAI****Chairman Emeritus And Acting Group
Managing Director****Date of Appointment:**
9 April 2025**Board Meeting**

Gan Thiam Chai ("Mr. T.C. Gan") was appointed to the Board on 1 June 2005 and was the Executive Chairman since 1 March 2010. Following his retirement from the Board on 16 October 2024, he was bestowed the title of Chairman Emeritus and stayed on as Adviser to provide guidance to support the continued growth of Kawan Food Berhad and its Group of Companies. Subsequently, he was appointed as Acting Group Managing Director of the Company on 9 April 2025 to facilitate leadership continuity. He will assume this role while continuing as Chairman Emeritus of the Company.

Mr. T.C. Gan has accumulated more than 30 years of experience in the food processing industry. After leaving school in 1971, he joined Behn Meyer Industries Sdn. Bhd. as a Technical Assistant. He left the company in 1976 and set up Kian Guan Trading Co. in 1977. In 1984, he founded Kawan Food Manufacturing Sdn. Bhd. ("KFM"). The growth of KFM from small business to an award-winning enterprise is attributable to his efforts.

His business acumen and sound technical knowledge in the food industry is an invaluable asset to the Group. He is responsible for the overall business planning and development, product research and development, transformation and modernisation of food production process through automation, formulation of companies' strategic plans and policies.

Mr. T.C. Gan is the husband of Madam Kwan Sok Kay and the brother of Mr. Gan Thiam Hock. Both have served as Executive Directors in the past and remain substantial shareholders of the Company. Mr. T.C. Gan is the father of Ms. Gan Ka Bien, the Executive Director, and Ms. Gan Ka Hui and Ms. Gan Ka Ooi, the Non-Independent Non-Executive Directors of the Company.

He does not hold any directorship in other public companies or listed issuers. He attended all five (5) Board Meetings until his retirement on 16 October 2024.

BOARD OF DIRECTORS' PROFILES



GAN KA BIEN

Executive Director

Date of Appointment:

24 November 2020

Board Meeting

6/7

Gan Ka Bien ("Ms. K.B. Gan") was appointed to the Board on 24 November 2020. She has over 15 years of experience in marketing.

Ms. K.B. Gan graduated with a Bachelor of Business from the University of Technology in Sydney, Australia in 2002. She also obtained a Diploma in Marketing Research from Marketing Research Society of Australia. In 2017, she becomes a licensed Master Practitioner of Neuro-Linguistic Programming. In 2022, she was recognized as a Certified Sustainability Reporting Specialist (CSRS) by the Institute of Certified Sustainability Practitioners.

In 2003, Ms. K.B. Gan started her career as a Business Manager with Kawan Food Manufacturing Sdn Bhd ("KFM"). She was involved in promoting products to overseas and domestic markets. She was subsequently promoted as a Senior Business Manager of KFM in 2012, during which she has success in launching multiple products.

In 2019, Ms. K.B. Gan was appointed as the Head of Marketing, managing the Group's entire marketing initiatives in creating a differentiated Kawan brand for all of the Group's products with long term strategies. In 2021, she is entrusted with overseeing the Group's sustainability strategy and initiatives, ensuring that sustainability commitments are effectively executed, monitored, and aligned with the United Nations Sustainable Development Goals and the expectations of stakeholders. In 2023, she took on the leadership of Quality Assurance, Research & Development, and Laboratory operations, overseeing product innovation and quality standards to support the Group's growth and commitment to excellence in the frozen food industry.

Ms. K.B. Gan is the daughter of Mr. T.C. Gan, the Acting Group Managing Director of Kawan Food Berhad and Madam Kwan Sok Kay who has served as Executive Director in the past and remain substantial shareholder of the Company. Ms. K.B. Gan is the sister of Ms. Gan Ka Hui and Ms. Gan Ka Ooi, the Non-Independent Non-Executive Directors of the Company.

Ms. K.B. Gan does not hold any directorship in other public companies nor listed issuers. She attended six (6) out of seven (7) Board Meetings held during the financial year ended 31 December 2024.

BOARD OF DIRECTORS'
PROFILES

DR. NIK ISMAIL BIN NIK DAUD

**Senior Independent Non-Executive
Director**

Date of Appointment:
2 January 2017

Board Meeting



Dr. Nik Ismail Bin Nik Daud (Dr. Nik) was appointed to the Board on 2 January 2017. He was appointed by the Board as Senior Independent Non-Executive Director on 8 April 2019. He is also the Chairman of the Remuneration Committee and a member of both the Audit Committee and Nominating Committee of the Company.

Dr. Nik graduated with a Bachelor of Agricultural Science (Hons) from Universiti Malaya in 1975. Subsequently, he obtained a Postgraduate Diploma in Food Science from the Catholic University of Leuven, Belgium in 1976, a Master of Science in Food Science & Microbiology from University of Strathclyde, Scotland in 1978, a PhD in Food Science from University of London, United Kingdom in 1983 and a Master of Business Administration from Universiti Kebangsaan Malaysia ("UKM") in 1987.

He began his career as a lecturer in 1978 at UKM, on various subjects including food quality and safety systems, food microbiology, food analysis, new product development, food legislation and operations management, biotechnology management and entrepreneurship in science and technology, at both undergraduate and graduate levels. Since 1983, he has conducted workshops for numerous food companies and government agencies on food technology and industry-related topics. His industry experience includes holding positions in food companies. He served as Managing Director of UKM Holdings Sdn Bhd from 2006 to 2014.

Dr. Nik had been a member of various committees, including the National HACCP and Audit Committee, Technical Advisory Committee on Malaysian Food Regulations, 1985, Technical Committee of the National Food Safety Council, Malaysia, Member of National Food Safety and Nutrition Council, Malaysia, National Codex Alimentarius Committee, Malaysian Standards (MS) on Coffee, Beverages, Flour, Starches and Food Safety, and Industrial Standard of Food and Food Products. Currently, he chairs the drafting of the revised MS on coffee and coffee products.

Dr. Nik was the President of the Malaysian Institute of Food Technology for 18 years until 2014 and was also the former President of the Federation of Institute Food Science and Technology, Association of South East Asian Nations (FIFSTA). He is a Fellow of the International Academy of Food Science and Technology and a member of the IUFOST Codex Committee.

He is a member of the Board of Governors of Kolej Yayasan UEM and the Board of Trustees of the Renong Group Scholarship Trust Fund.

Dr. Nik does not have any family relationship with any Director and/or major shareholder of the Company. He does not hold any directorship in other public companies or listed issuers. He attended all seven (7) Board Meetings held during the financial year ended 31 December 2024.

BOARD OF DIRECTORS' PROFILES



66



EUGENE HON KAH WENG

Independent Non-Executive Director

Date of Appointment:
22 November 2018

Board Meeting



Eugene Hon Kah Weng ("Mr. Eugene") was appointed to the Board on 22 November 2018. He was re-designated from a member to Chairman of the Audit Committee on 16 October 2024 and from Chairman to a member of the Nominating Committee on 24 February 2025. He is also a member of Remuneration Committee of the Company.

Mr. Eugene started his training in accountancy in 1979 with a reputable accounting firm and qualified as a Certified Public Accountant in 1985 with the Malaysian Association of Certified Public Accountants (now renamed as the Malaysian Institute of Certified Public Accountants). He was also admitted into the Malaysian Institute of Accountants as a Chartered Accountant.

Mr. Eugene left the accountancy profession in 1991 and assumed a senior position with a large financial services group covering businesses of merchant banking, finance, insurance, leasing, money broking and consumer financing. In 2011, he joined the Central Bank as Finance Director. While with these organisations, he gained extensive experience in management, finance, risk management and corporate governance. At the Central Bank, Mr. Eugene acquired invaluable leadership skills and gained extensive experience in corporate governance and risk management relating to central banking operations.

Over the years, Mr. Eugene held key management positions, was a key member of various group committees and also served as a nominee director on the boards of various group companies of the financial services group. At the Central Bank, Mr. Eugene was a key member of the financial risk management committee, crisis management committee and served on the board of trustees for the trust funds of the Bank.

Mr. Eugene sits on the board of Affin Hwang Investment Bank Berhad as an Independent Non-Executive Director since 1 March 2021.

Mr. Eugene does not have any family relationship with any Director and/or major shareholder of the Company. He attended all seven (7) Board Meetings held during the financial year ended 31 December 2024.

BOARD OF DIRECTORS'
PROFILES**NOOR ALINA BINTI
MOHAMAD FAIZ****Independent Non-Executive Director****Date of Appointment:**
1 October 2024**Board Meeting****2/3**

Noor Alina Binti Mohamad Faiz (“Pn. Noor Alina”) was appointed to the Board on 1 October 2024. She is also a member of the Audit Committee, Remuneration Committee and Nominating Committee of the Company. On 24 February 2025, she was re-designated from a member to the Chairperson of the Nominating Committee.

Pn. Noor Alina is a lawyer by profession and read law at the University of Leicester, United Kingdom. She is a member of the Middle Temple and was called to the Bar of England and Wales in 1998. Upon being called to the Malaysian Bar in 1999, she began her legal career with Messrs Lee, Perara & Tan, specialising mainly in Corporate Law. She left the firm in 2009 and worked as in-house counsel between 2010 and 2015, where she was the Legal & Secretarial Group General Manager for a public listed company and subsequently as Head of Department of the legal and secretarial department of a large non-public listed company. In 2016, she provided legal and secretarial consultancy services for various companies before resuming practise in 2017 as the sole proprietor of the Chambers of Noor Alina Faiz. In 2021, she returned to Messrs Lee, Perara & Tan as a Partner.

Pn. Noor Alina sits on the board of several public listed companies, namely Press Metal Aluminium Holdings, PMB Technology Berhad and Unisem (M) Berhad.

Pn. Noor Alina does not have any family relationship with any Director and/or major shareholder of the Company. She attended two (2) out of three (3) Board Meetings held during the financial year ended 31 December 2024 since her appointment on 1 October 2024.

BOARD OF DIRECTORS' PROFILES



Abdul Razak Bin Shakor ("En. Abdul Razak") was appointed to the Board on 16 August 2016.

En. Abdul Razak attended Institut Teknologi MARA, Malaysia (now known as Universiti Teknologi MARA), majoring in Insurance. He obtained a Certificate from Lloyd's of London, Chartered Insurance Institute (Cert. CII), United Kingdom ("UK") and a Certificate from the Institute of Risk Management (Cert. IRM), UK. He is also a Fellow of the Asian Insurance Institute (FAII).

He has forty-five (45) years of experience in risk management, insurance and the financial services sector, both in Malaysia and internationally. He has held key regional management positions in Southeast Asia, the Middle East and North Africa for multinational and international organisations.

Currently, En. Abdul Razak is the Founder and Managing Director of Esperanza Management Advisors Sdn Bhd, a specialist risk management consulting firm; Chairman of Sentinel Insurance Brokers Sdn Bhd, a Bank Negara-licensed insurance, reinsurance and takaful insurance broking company; Executive Director of Heron Talent Management, a training firm offering the Chartered Insurance Institute UK qualification courses and an independent non-executive director of Medinique Sdn. Bhd., a company which owned and operates numerous dialysis centres throughout Peninsular Malaysia under the brand name of Pusat Harmoni Hemodialisis.

En. Abdul Razak does not have any family relationship with any Director and/or major shareholder of the Company. He does not hold any directorship in other public companies or listed issuers. He attended all seven (7) Board Meetings held during the financial year ended 31 December 2024.

ABDUL RAZAK BIN SHAKOR

Non-Independent Non-Executive Director

Date of Appointment:

16 August 2016

Board Meeting

7/7

BOARD OF DIRECTORS'
PROFILES**GAN KA OOI, AMY**
Non-Independent Non-Executive Director**Date of Appointment:**
16 October 2024**Board Meeting****1/2**

Gan Ka Ooi ("Ms. Amy Gan") was appointed to the Board on 16 October 2024.

Ms. Amy Gan graduated with a Bachelor of Science (Hons) in Food Science & Technology from The University of New South Wales in 2008. Subsequently, she obtained Master of Nutrition & Dietetics from The University of Sydney in 2010. She attended Chief Strategy Officer Programme at the National University of Singapore Business School in 2023. She is an Accredited Practising Dietitian by Dietitian Australia.

Ms. Amy Gan began her career in 2011 as a Research Technologist at George Weston Foods Ltd., where she coordinated cereal applications development and contributed to the industry's wheat quality analysis database. In the same year, she worked part-time as a Private Practice Dietitian in Sydney, helping patients manage chronic diseases like diabetes and obesity through nutrition assessment and consultations. She also conducted menu assessments and redevelopment for aged care facilities and organised community health talks to promote healthy eating.

In 2012, Ms. Amy Gan joined KFM as Research & Development Manager, leading new product development projects, including the first of its kind healthier choice Low GI Indian Flat Breads, and improving production processes for food safety compliance. In 2017, Ms. Amy Gan took on the role of Analytical Laboratory Manager; where she designed and commissioned an ISO/IEC 17025 accredited analytical laboratory to meet Kawan Food's internal analytical needs.

Since 2020, Ms. Amy Gan served as the Operations & Compliance Manager at Food Valley Sdn. Bhd., enhancing operational efficiency and achieving ISO 22000 certification. She was appointed as Director at Food Valley Sdn. Bhd. in year 2023.

Currently, Ms. Amy Gan is the Head of Research & Development of Kawan Food. She focuses on driving product innovation and food safety.

Ms. Amy Gan is the daughter of Mr. T.C. Gan, the Acting Group Managing Director of Kawan Food Berhad and Madam Kwan Sok Kay who has served as Executive Director in the past and remain substantial shareholder of the Company. Ms. Amy Gan is the sister of Ms. K.B. Gan, the Executive Director and Ms. Gan Ka Hui, the Non-Independent Non-Executive Director of the Company. She is the spouse of Mr. Andy Yeap Chee Keong, the Chief Operating Officer of the Company.

Ms. Amy Gan does not hold any directorship in other public companies nor listed issuers. She attended one (1) out of two (2) Board Meetings held during the financial year ended 31 December 2024 since her appointment on 16 October 2024.

BOARD OF DIRECTORS' PROFILES



GAN KA HUI

Non-Independent Non-Executive Director

Date of Appointment:

1 October 2024

Board Meeting



Gan Ka Hui ("Ms. K.H. Gan") was appointed to the Board on 1 October 2024.

Ms. K.H. Gan graduated with a Bachelor of Science (Hons) in Food Science from The University of Nottingham, United Kingdom, in 2007. She also attended Chief Strategy Officer Programme at the National University of Singapore Business School in 2023.

Ms. K.H. Gan began her career as a Quality Assurance and Quality Control Executive at Safe Food Corporation (M) Sdn Bhd, where she played a crucial role in maintaining high product standards and achieving key certifications. Her early experiences laid the foundation for her subsequent roles in marketing and business development at KFM, where she helped grow sales pipelines and led multiregional marketing strategies.

Since 2018, Ms. K.H. Gan has served as the Managing Director of Food Valley Sdn Bhd. Under her leadership, the company underwent a successful business transformation and achieved remarkable growth. She led the company to ISO 22000:2018 certification within nine months and established a Health & Safety Team to promote best practices. By enhancing production processes, she significantly reduced customer complaints and increased production capacity.

Her strategic vision has driven digitalization initiatives, including cloud-based IT infrastructure and ERP implementation, which have greatly improved operational efficiency.

Ms. K.H. Gan is the daughter of Mr. T.C. Gan, the Acting Group Managing Director of Kawan Food Berhad and Madam Kwan Sok Kay who has served as Executive Director in the past and remain substantial shareholder of the Company. Ms. K.H. Gan is the sister of Ms. K.B. Gan, the Executive Director and Ms. Amy Gan, the Non-Independent Non-Executive Director of the Company.

Ms. K.H. Gan does not hold any directorship in other public companies nor listed issuers. She attended all three (3) Board Meetings held during the financial year ended 31 December 2024 since her appointment on 1 October 2024.

BOARD OF DIRECTORS'
PROFILES**GAN MENG HOI,
DEREK****Non-Independent Non-Executive Director****Date of Appointment:**
1 October 2024**Board Meeting****3/3**

Gan Meng Hoi ("Mr. Derek") was appointed to the Board on 1 October 2024.

Mr. Derek graduated with a Bachelor of Science (Hons.) in Accounting and Finance from Sunway University in affiliation with Lancaster University in 2013. He obtained professional qualification in Association of Chartered Certified Accountants in 2017 and was admitted as fellow member since 2022.

Mr. Derek began his career as an auditor at Ernst & Young PLT where he obtained experience in audit, financial statement preparation, data analytics, tax and budgeting. He was also the pioneer in the application of data analytics in revenue and receivables program. Mr. Derek constantly stays up to date with financial knowledge.

Mr. Derek joined MH Delight Sdn Bhd in year 2017 to 2019 managing a group of businesses overseeing production, logistics and marketing. He has successfully improved the operational efficiency of the group of companies, leading also the implementation of Goods and Services Tax and transition to Sales and Service Tax.

In 2019, Mr. Derek took on the role of Enterprise Resource Planning ("ERP") project manager in KFM where he has successfully implemented Oracle ERP to Kawan group of companies. He was promoted to Business Process Improvement Manager in year 2020 focusing on data analytics to improve sales operations.

Mr. Derek was in January 2023 promoted to National Sales Head, responsible to transform the Domestic Sales team and execute business strategies to accelerate sales growth. Managing a team of 55 sales staff, his emphasis is on coaching, analytics, and adoption of new technologies to improve sales performance.

Mr. Derek is the son of Mr Gan Thiam Hock, who has served as Executive Director in the past and remain substantial shareholder of the Company. Mr. Derek does not hold any directorship in other public companies nor listed issuers. He attended all three (3) Board Meetings held during the financial year ended 31 December 2024 since his appointment on 1 October 2024.

BOARD OF DIRECTORS' PROFILES



NEEL NARESH
NAGRECHA

Non-Independent Non-Executive Director

Date of Appointment:
24 February 2025

Board Meeting

N/A

Neel Naresh Nagrecha ("Mr. Neel") was appointed to the Board on 24 February 2025.

Mr. Neel is a dynamic leader in the global beverage industry. He oversees business operations and strategic direction at Rubicon Food Products Limited ("Rubicon"), ensuring its continued success and expansion into international markets. Since assuming leadership of Rubicon's Rest of World division in 2018, Mr. Neel has demonstrated innovative and visionary thinking. Under his guidance, Rubicon has experienced significant growth, particularly in the Gulf Cooperation Council and Canadian markets. His creative strategies have enabled the development of a five-year brand strategy focused on entering and expanding into the United States, Africa, and Asia.

Mr. Neel's expertise goes beyond traditional business management, including ingenuity, strategic planning, and business development. His leadership has driven Rubicon's revenue growth by 300% over the past three years. Additionally, Mr. Neel provides corporate advisory assistance to the Shana Foods Limited management team, focusing on strategy, new product development, and business growth.

Mr. Neel is the son of Madam Veena Nagrecha, being the beneficiary of the Narvee F'dation, one of the major shareholders of the Company. He does not hold any directorship in other public companies nor listed issuers. Since he was appointed on 24 February 2025, he has not attended any Board Meetings held during the financial year ended 31 December 2024.

Notes to the Board of Directors's Profile

None of the Directors have:

1. any conflict of interest or potential conflict of interest, including interest in any competing business with Kawan Food Berhad or its subsidiaries (other than the related party transactions which have been disclosed in the Circular to Shareholders dated 30 April 2025);
2. any conviction for offences within the past five (5) years other than traffic offences, if any; and
3. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY MANAGEMENT'S PROFILES

ADAM PANDIAN

Group Chief Executive Officer

Age: 62 | Gender: Male | Nationality: Singaporean

Appointment to current position: January 2024

Qualification

- Bachelor of Business Administration, National University of Singapore

Training

- Advanced Management Programme by Prof Peter Doyle, University of Warwick
- Creating Competitive Advantage by Prof Karl Moore, Oxford University
- Strategic Management for HiPos, by Saatchi & Saatchi
- Leaders Developing Leaders Program, Kellogg Leadership Academy
- Kellogg Leadership Coaching; Howard Epstein (New York) and Graham Richardson (Sydney)

Working Experience:

- Joined Kawan Food Group as the Advisor to the Executive Chairman and Head of Transformation and was subsequently appointed as Group Chief Executive Officer in January 2024.
- More than 35 years of management experience in commercial, supply chain and corporate roles, developing and implementing transformation strategies across various industries and organisations with a foundation in fast-moving consumer goods.
- He started his career at Procter & Gamble in brand management and he moved on to several senior positions including Account Director for Leo Burnett, Regional Account Director for Saatchi & Saatchi, General Manager and Commercial Director for Keebler, and Managing Director for Greater China and Southeast Asia for Kellogg.
- Before joining Kawan in April 2023, he held Chief Operating Officer roles in various divisions within the Hap Seng Group and corporate roles within the Group MD's office where he served in change management, business turnarounds and driving group synergy across operating divisions.

Mr. Adam Pandian stepped down as Group Chief Executive Officer of the Company, effective 9 April 2025, to focus on personal interests. He, however, agreed to continue as an Adviser to the Acting Group Managing Director, to providing strategic guidance. He does not have any family relationship with any Director and/or major shareholder of the Company. He has a direct interest of 3,330,000 ordinary shares in the securities of the Company.

YEAP CHEE KEONG, ANDY

Chief Operating Officer

Age: 40 | Gender: Male | Nationality: Malaysian

Appointment to current position: July 2022

Qualification

- Master of Business Administration (Executive), Australian Graduate School of Management, University of New South Wales
- First Class Honours degree in Bachelor of Electrical Engineering, University of New South Wales
- Professional Technologist, Malaysia Board of Technologists

Working Experience:

- Over 15 years of experience in procurement, management, design, implementation and commissioning of factories, cold storage, machinery, control systems and electrical systems in food, power and water industries.
- Responsible for driving factory modernisation through Industry 4.0 transformations, manufacturing excellence and sustainability initiatives.
- Experienced in leading the design, procurement and construction of a state-of-the-art frozen food manufacturing and storage facility with highly automated production lines, efficient refrigeration systems, automated storage and retrieval systems, rainwater harvesting systems and solar photovoltaic systems.
- Joined Kawan in April 2013 as Production Manager and was promoted to Senior Factory Manager in March 2014. He was promoted to Chief Operating Officer in July 2022.

Other Positions:

- Committee Member of The Federation of Malaysian Manufacturers (FMM) KL Selangor Branch
- Chairman of The Federation of Malaysian Manufacturers (FMM) Klang Regional Committee
- Deputy Secretary General of The Malaysian Consortium of Mid-Tier Companies (MCMTC)

He is the spouse of Ms. Amy Gan, the Non-Independent Non-Executive Director of the Company, and the son-in-law of Mr. T.C. Gan, the Acting Group Managing Director of the Company, and Madam Kwan Sok Kay, who has served as Executive Director in the past and remain substantial shareholder of the Company. He is also the brother-in-law of Ms. K.B. Gan, the Executive Director and Ms. K.H. Gan, the Non-Independent Non-Executive Director of the Company.

KEY MANAGEMENT'S PROFILES

TS. DR. KUAN YAU HOONG

Factory Manager

Age: 40 | Gender: Male | Nationality: Malaysian

Appointment to current position: May 2022

Qualification

- Doctor of Philosophy in Food Technology (Food Biopolymers), Universiti Sains Malaysia
- Master of Science in Food Technology (Food Biopolymers), Universiti Sains Malaysia
- Bachelor of Science (Hons) in Food Science and Nutrition, Universiti Malaysia Sabah
- Professional Technologist, Malaysia Board of Technologists
- Trend Scout, SIRIM Malaysia
- Professional Member, Research Chef Association, USA
- Professional Member, Malaysian Institute of Food Technology
- Professional Member, Malaysian Association for the Study of Obesity

Working Experience:

- More than 10 years of experience in the areas of food, oleochemicals, home and personal care industry, and as an academic in large food manufacturing, multinational corporations and renowned universities.
- He started his career with Seberang Flour Mill as a food technologist where he optimised flour formulations to enhance product performance for flour-based products at lower costs.
- As a lecturer and part of the Strategic Research Initiative of Taylor's University, he was responsible for growing and driving research in the area of food biopolymers and colloids chemistry. He won a food development competition held in the United States twice. He led the development and execution of projects related to his area of expertise and obesity with research grants of more than RM1 million. He has contributed to the academic community by producing high-impact research papers and articles that showcase his knowledge and expertise in the field.
- Prior to joining Kawan in 2022, he was the Principal Researcher for Home and Personal Care at KLK Oleo, overseeing and leading the development of innovative high-value applications for globally renowned consumer brands.

LEE FUI MENG, ESTHER

Group Financial Controller

Age: 47 | Gender: Female | Nationality: Malaysian

Appointment to current position: August 2022

Qualification

- Chartered Accountant, Member of the Malaysian Institute of Accountants

Working Experience:

- More than 20 years of working experience in the areas of external auditing, finance operations, tax compliance and planning, investment banking and corporate reporting. Prior to joining the Group, she worked with Ernst & Young, and in several public listed companies including in investment banking, manufacturing, and the food and beverage industry.

He does not have any family relationship with any Director and/or major shareholder of the Company.

She does not have any family relationship with any Director and/or major shareholder of the Company.

KEY MANAGEMENT'S
PROFILES**KHOO BOO SENG,
RAYMOND***Head of Export*

Age: 55 | Gender: Male | Nationality: Malaysian

Appointment to current position: March 2017

Qualification

- SPM

Working Experience:

- More than 20 years of experience in the areas of domestic and export sales of fast-moving consumer goods, having worked in various companies that specialise in distributorship.
- He joined Kawan in May 2010 as Business Manager and was promoted to Head of Export in 2017.

Notes to the Key Management's Profiles

None of the Key Managements have:

1. held any directorship in public companies or listed issuers;
2. any conflict of interest or potential conflict of interest, including interest in any competing business with Kawan Food Berhad or its subsidiaries (other than the related party transactions which have been disclosed in the Circular to Shareholders dated 30 April 2025);
3. any conviction for offences within the past five (5) years other than traffic offences, if any; and
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He does not have any family relationship with any Director and/or major shareholder of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Kawan Food Berhad (“Kawan” or “the Company”) advocates the principles of good corporate governance. Throughout the financial year ended 31 December 2024 (“FY2024”), the Board and the Company continue to enhance its corporate governance processes to ensure that the Company and its subsidiaries (“the Group”) are aligned with best practices.

The Corporate Governance Overview Statement (“CG Overview Statement”) explains how the Company has applied the following three (3) key principles set out in the Malaysian Code on Corporate Governance (“MCCG”) during the FY2024:



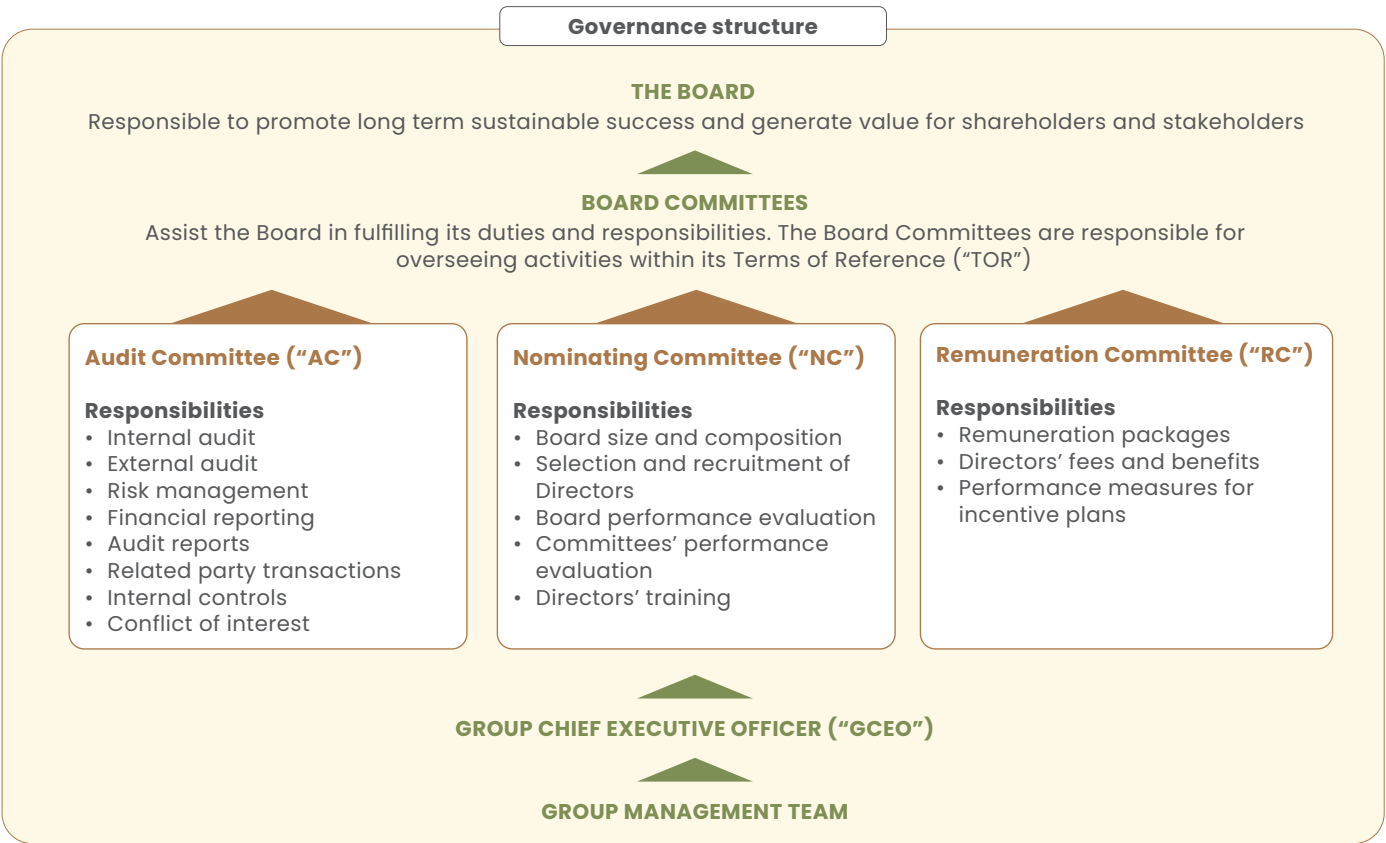
This statement is prepared in compliance with Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and to be read together with the Corporate Governance Report for detailed disclosures of the Company’s application of the principles in the MCCG, which is available on the Company’s website at www.kawanfood.com.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is collectively responsible for setting strategic directions of the Group and oversees the business affairs of the Group to ensure long-term success. The Board’s role and responsibilities, authorities and schedule of matters reserved for the Board are detailed in the Board Charter which is available for reference on the Company’s website at www.kawanfood.com.

In order to ensure effective discharge of the responsibilities of the Board, the Board has delegated some of its authority and powers to its committees, namely, Audit Committee, Nominating Committee and Remuneration Committee (“Board Committees”).



CORPORATE GOVERNANCE OVERVIEW STATEMENT

**BOARD KEY FOCUS
AREAS IN FY2024****Review Group
strategies,
plans and
budget****Acquisitions
and Joint
Venture****Re-constitution
of Board
and Board
Committees****Board Activities in FY2024**

- Reviewed and approved the Audited Financial Statements of the Company and Group for the financial year ended 31 December 2023;
- Discussed the proposed joint venture business(es) to establish a joint venture company(ies);
- Discussed and approved the closure of Kawan Food Nantong Co., Ltd;
- Received report on the conflict of interest declared by the Directors and Key Management personnel;
- Approved annual business plan and budget;
- Received updates and reports from the Chair of the NC and RC Committees;
- Received updates and reports from the Chair of the AC on its oversight of financial performance, related party transactions, internal controls, risks and management on the work undertaken by each committee;
- Received reports and updates from GCEO on operational and financial performance of the Group and other key matters;
- Received updates on the progress of Environmental, Social and Governance ("ESG") Project implementation;
- Reviewed and approved ESG related policies:
 - Energy Management Policy
 - Water Policy
- Reviewed and approved the revised whistleblowing policy;
- Reviewed and approved revised Organisational Chart;
- Reviewed and approved the Limit of Authority;
- Approved the investment of a new paratha line and an upgraded of existing paratha line;
- Approved the investment of Factory 2 expansion plan;
- Received new business development on Kawan2Nature Sdn Bhd and Tian Beverages Sdn Bhd;
- Deliberated and approved the budget for Financial Year Ending 31 December 2025;
- Approved the Company's full year and interim results;
- Approved the proposed interim single-tier dividend and final dividend;
- Discussed updates on corporate governance and regulatory matters;
- Recommended the proposed authority for the Company to purchase its own ordinary shares for shareholders' approval;
- Recommended the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature;
- Reviewed and approved the overall content of the annual report;
- Discussed and approved the offer of ESOS for FY2024; and
- Discussed and approved the appointments and re-constitution of Board and Board Committees.

Division of responsibilities

The details of Board's responsibilities are set out in the Board Charter which are available online at www.kawanfood.com.

Non-Independent Non-Executive Chairman ("NINEC")

The roles of the Chairman and GCEO are separate and distinct. There is a clear division of responsibilities between the two roles. The Chairman is responsible for providing leadership and instilling good corporate governance and effectiveness of the Board.

Executive Director ("ED")

The ED is responsible for day-to-day management of the business operations.

GCEO

The GCEO is primarily responsible for the day-to-day management of the Group's business within a set of authorities, Group's strategies, policies and business plans approved and delegated by the Board.

Senior Independent Non-Executive Director ("SINED")

The SINED acts as a sounding board for the Chairman and to serve as an intermediary for other Directors when necessary. He is also the point of contact for major shareholders and other stakeholders as well as a liaison for whistleblowing.

Independent Non-Executive Directors ("INEDs")

The INEDs are responsible for providing insights, unbiased and independent views, advice and judgement to the Board and to ensure effective checks and balances on the Board. The INEDs are essential for protecting the interest of shareholders, in particular minority shareholders, and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

Non-Independent Non-Executive Directors ("NINEDs")

The NINEDs utilise their skills, expertise and experience to contribute to the development of the Group as a whole.

The Board members have unrestricted access to the information pertaining to the Company to discharge their duties and responsibilities. The Board also has access to the advice and services of the Company Secretaries and may obtain independent professional advice at the Company's expense as and when necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE **A** BOARD LEADERSHIP AND EFFECTIVENESS

Board Charter

The Board has adopted a Board Charter that serves as a structured guide on matters relating to the Board. The Board Charter is designed to provide guidance and clarity to Directors and Management with regards to the roles of the Boards and its Board Committees, the role of the Chairman and Independent Directors, GCEO, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices. It also serves as a reference point for Board activities.

The Board will review and update the Board Charter from time to time to reflect the changes to the Company's policies and procedures to ensure the Board Charter remains consistent with the Board's objectives, current laws and practices. The Board Charter is available on the Company's website at www.kawanfood.com.

Code of Conduct and Ethics

The Company has put in place a Code of Conduct and Ethics ("CoCE") to ensure transparent and ethical conduct that permeates throughout the Group. The CoCE is available on the Company's website at www.kawanfood.com.

Whistleblowing Policy

The Company has put in place a Whistleblowing Policy to provide avenues for employees and external party to raise legitimate concerns relating to potential breaches of business conduct, non-compliance with legal and regulatory requirements as well as other malpractices. The Whistleblowing Policy is available on the Company's website at www.kawanfood.com.

Anti-Bribery and Anti-Corruption Policy ("ABC Policy")

With the implementation of Section 17A Malaysia Anti-Corruption Commission Act coming into force in June 2020, the ABC Policy was established and updated to manage risk in relation to fraud, bribery and corruption practices. Additionally, Whistleblowing Policy was revised to provide avenues for employees and other stakeholders to disclose concerns relating to violations or improper conduct or wrongdoings or non-compliance with legal and regulations requirements within the Group. The ABC Policy is available on the Company's website at www.kawanfood.com.

Directors' Fit and Proper Policy

The Company has adopted a Directors' Fit and Proper Policy to ensure a formal and transparent process for the appointment and re-election of Directors and the appointment of Key Senior Management of the Company. The execution is delegated to the Nominating Committee, which will be reviewed and approved by the Board. The Board reviews the Fit and Proper Policy periodically, which is available on the Company's website at www.kawanfood.com.

Conflict of Interest Policy ("COI")

The COI Policy outlines the disclosure obligations of each Director and Key Senior Management with respect to conflict of interest, and the procedures to be followed when a conflict of interest arises or potentially arises to ensure systematic identification, disclosure, and management of conflict of interest in an effective and timely manner.

Any Director who identifies a conflict of interest, potential conflict, material personal interest, or relationship that could reasonably influence their decision-making must immediately disclose it to the Board and abstain from discussions or voting on the relevant matter.

The objective of this policy aims to ensure that conflict of interest is handled appropriately, promoting transparency, foster a culture of honesty and accountability, and good governance within the Group. Disclosure should occur as soon as practicable after the relevant facts have come to the knowledge of the individual and should be reported on a half yearly basis, including at all Board and the AC meetings.

The COI Policy is available on the Company's website at www.kawanfood.com.

Board Composition

As at 31 December 2024, the Board has nine (9) Directors comprising one (1) NINEC, one (1) ED, one (1) SINED, two (2) INEDs and four (4) NINEDs. Of the nine (9) Directors, four (4) are women.

The NC reviewed the Board and Board Committees composition in FY2024 on an annual basis. The composition of the Board comprises an appropriate balance of representation from relevant key areas that supports the sustainability efforts

CORPORATE GOVERNANCE OVERVIEW STATEMENT

in the business taking into consideration the complexity and nature of the Group's businesses.

The Board composition complied with paragraph 15.02 of the MMLR of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are independent.

Changes to the Composition of Board during financial year under review

On 1 October 2024, Madam Kwan Sok Kay and Mr Gan Thiam Hock retired from their positions as EDs. Both have been recognised for their invaluable contributions to the Company. As part of the succession planning, their respective children, Ms Gan Ka Hui (daughter of Mr Gan Thiam Chai and Madam Kwan Sok Kay) and Mr Gan Meng Hoi (son of Mr Gan Thiam Hock) were appointed as NINEDs on 1 October 2024 to succeed their positions.

Puan Noor Alina Binti Mohamad Faiz was appointed as INED on 1 October 2024. She brings a wealth of experience in corporate law and governance, having served in various legal and executive roles in private sectors.

On 16 October 2024, Mr Gan Thiam Chai retired from his role as Executive Chairman. He was bestowed the honorary title of Chairman Emeritus and continued to serve as an Adviser to the Company. As part of the succession planning, Ms Gan Ka Ooi, the daughter of Mr Gan Thiam Chai, was appointed as NINED on 16 October 2024.

Mr Lim Hun Soon @ David Lim was re-designated from INED to NINEC on 16 October 2024 given his tenure of an INED has reached 9 years.

Changes to the Composition of Board in 2025

On 24 February 2025, Mr Neel Naresh Nagrecha was appointed as NINED. Subsequently, on 9 April 2025, Mr Gan Thiam Chai was appointed as Acting Group Managing Director ("AGMD") of the Company. The appointments increased the total number of Directors to eleven (11) as of the report date. Details of the Directors are set out in Board of Directors' Profiles of this annual report.

In conjunction with the appointment of Mr Neel Naresh Nagrecha (act as a nominee of Narvee F'dation, one of the

major shareholders of the Company) as the NINED of the Company on 24 February 2025, Encik Abdul Razak Bin Shakor will be retiring at the forthcoming Annual General Meeting ("AGM") to be held in 2025. Mr Neel Naresh Nagrecha brings with him a deep understanding of the family's legacy and a commitment to continuing the strategic vision set forth by his overseas experiences. His appointment ensures that Narvee F'dation's interests are well-represented on the Board, fostering a strong alignment with the Group's long-term goals and values.

To facilitate leadership continuity, the Board had appointed Mr Gan Thiam Chai as AGMD on 9 April 2025. Mr Gan Thiam Chai will assume this role while continuing as Chairman Emeritus of the Company. Mr Adam Pandian stepped down as GCEO of the Company, effective 9 April 2025, to focus on personal interests. He has, however, continued as an Adviser to the AGMD, to provide strategic guidance.

These changes mark the involvement of the second generation of the founding family in the leadership of the Company. The new directors bring fresh perspectives and a commitment to uphold the Company's values and drive its future growth.

Board Independence

The Board recognises that independence and objective judgement are crucial and imperative in decision-making process. The INEDs play a significant role in providing an unbiased and independent view, advice and judgement taking into account the interest of relevant stakeholders including minority shareholders of the Group.

Pursuant to Practice 5.3 of the MCCG, the tenure of an Independent Director does not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director.

However, the retention of Independent Directors after serving a cumulative term of nine (9) years shall be subjected to annual assessment by the NC, regarding the independence and contributions; and annual shareholders' approval in a general meeting, where the Board provides valid justification on the recommendation in the explanatory notes to the resolution in the notice of a general meeting. Notwithstanding the above, the tenure of Independent Director should not exceed a cumulative term of twelve (12) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Dr Nik Ismail Bin Nik Daud will serve on the Board as INED for a cumulative term of nine (9) years on 1 January 2026. The Board, after considering the recommendation of the NC and without the participation of Dr Nik Ismail Bin Nik Daud, resolved to retain him as Independent Directors as he brings a wealth of knowledge and experience to the Company. In addition, he provides effective checks and balances in Board proceedings and continues to exercise his independence and objective judgment in Board deliberations and Board Committee meetings.

As to-date, the tenure of other Independent Directors is less than nine (9) years of service. The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their tenure of service. The Board believes that their continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company should be the predominant factors to determine the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement during Board deliberations and decision making.

Diversity

The Board acknowledges the importance of having diversity of Board, Management and employees in terms of skills, expertise, gender, age and ethnicity. The Company has put in place a Diversity Policy as the Company's commitment to diversity at all levels.

During the financial year under review, there were significant changes to the Company's Board composition. As of 31 December 2024, the Board comprised nine (9) Directors, including four (4) female Directors, which accounted for 44% representation of women on the Board. With the appointment of new Directors on 24 February 2025 and 9 April 2025, the total number of Directors increased to eleven (11), resulting in a 36% representation of women on the Board.

The Board has achieved the country's aspirational target of 30% representation of women directors in line with Practice 5.9 of MCCG 2021 and will remain committed to considering a diverse range of candidates, including female representation, in all future recruitment and selection processes.

The Diversity Policy is available on the Company's website at www.kawanfood.com.



Board Evaluation

The Board through its NC also undertakes an annual review of performance and effectiveness of the Board and Board Committees as well as the contribution of each individual Directors to the Board and Board Committees.

The Board Evaluation Report indicated that the Board, Board Committees and individual Directors continue to be highly effective in providing oversight of the Company and its governance.

Following the FY2024 Board evaluation, the Board is satisfied that the SINED and INEDs are independent to discharge their duties and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Time Commitment

The Board meets once quarterly with additional meetings being convened whenever necessary, to discharge their responsibilities effectively. The Senior Management are also invited to meetings for presentation, if required.

The attendance of the Directors at Board and its Committee meetings for FY2024 are as follows:

Member(s)	Board	AC	NC	RC
Lim Hun Soon @ David Lim <i>Non-Independent Non-Executive Chairman^(a)</i>	7/7	4/4	4/4	2/2
Gan Thiam Chai <i>Chairman Emeritus and AGMD^(b)</i>	5/5			
Gan Thiam Hock <i>Executive Director^(c)</i>	4/4			
Kwan Sok Kay <i>Executive Director^(c)</i>	4/4			
Gan Ka Bien <i>Executive Director</i>	6/7			
Dr. Nik Ismail Bin Nik Daud <i>Senior Independent Non-Executive Director</i>	7/7	7/7	4/5	3/3
Eugene Hon Kah Weng <i>Independent Non-Executive Director^(d)</i>	7/7	7/7	5/5	3/3
Noor Alina Binti Mohamad Faiz <i>Independent Non-Executive Director^{(e) (f)}</i>	2/3	3/3	1/1	1/1
Abdul Razak Bin Shakor <i>Non-Independent Non-Executive Director</i>	7/7			
Gan Meng Hoi <i>Non-Independent Non-Executive Director^(e)</i>	3/3			
Gan Ka Hui <i>Non-Independent Non-Executive Director^(e)</i>	3/3			
Gan Ka Ooi <i>Non-Independent Non-Executive Director^(g)</i>	1/2			
Neel Naresh Nagrecha <i>Non-Independent Non-Executive Director^(h)</i>				

Remarks:

- (a) Re-designated from INED to NINEC on 16 October 2024, and ceased as AC Chairman, NC and RC member on 16 October 2024.
- (b) Retired on 16 October 2024 and was bestowed the honorary title of Chairman Emeritus; subsequently appointed as AGMD on 9 April 2025.
- (c) Retired on 1 October 2024.
- (d) Re-designated from AC member to AC Chairman on 16 October 2024, and re-designated from NC Chairman to member on 24 February 2025.
- (e) Appointed on 1 October 2024.
- (f) Appointed as AC, NC and RC member on 1 October 2024, and re-designated to NC Chairperson on 24 February 2025.
- (g) Appointed on 16 October 2024.
- (h) Appointed on 24 February 2025.

Board Training and Development

The Board acknowledges the importance of continuous education and training programmes for Directors to discharge its responsibilities effectively and to be apprised of the changes to regulatory requirements and the impact such regulatory requirements will have on the Group. The Company Secretaries circulate and brief the relevant guidelines on statutory and regulatory requirements from time to time and for the Board's reference.

All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by the MMLR of Bursa Securities, except for the newly appointed Director, who will complete it within four (4) months from the date of appointment. Additionally, most Directors have completed MAP Part II on sustainability, which is also a required programme to be completed in 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE **A** BOARD LEADERSHIP AND EFFECTIVENESS

The Directors of the Company had attended the following training programmes, workshops, briefing and seminars during FY2024:

Board of Directors' Training 2024

Name	Courses/Seminar/Conference	Date	Organiser
Lim Hun Soon @ David Lim	Fireside Chat with Former Central Bank Governors: 'Central Banking in an Evolving International Financial System'	6 February	FIDE FORUM
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
	PBB In-House Training: Virtual Talk on 'The Global Landscape: Near-Term Volatility'	4 March	Professor Pushan Dutt, INSEAD
	PBB In-House Training: Virtual Talk on 'Generative AI: What Comes Next After ChatGPT? Predicting the Next 5 Gen AI Tools!'	15 March	Professor Amit Joshi, IMD
	Directors Masterclass Series: 'What Directors Must Know: Recent Developments in Climate Science'	17 April	FIDE FORUM
	Engagement Session with FIDE FORUM Members on BNM Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2023	30 May	FIDE FORUM in collaboration with BNM
	PBB In-House Training: Virtual Talk on 'ABAC and AML: Senior Management and the Board's Responsibilities and Perspective'	5 June	Chionh Chye Kit, Cynopsis Solutions
	Sustainability Training Programme for Board of Directors (Online)	1 July	
	IFCTF 2024 Masterclass Programme: 'Combatting Financial Crime and the AML/CFT/CPF: A Technical Deep Dive'	19 August	Asian Institute of Chartered Bankers
Gan Thiam Chai	Case Studies: Wirecard's Reluctant Whistleblower and Other Financial Deceptions	15 October	Securities Industry Development Corporation (SIDC)
	Directors' Remuneration Report Launch	11 November	FIDE FORUM
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
Gan Ka Bien	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
Dr. Nik Ismail Bin Nik Daud	Carbon Markets: What Directors Need to Know	12 June	Asia School of Business
	Webinar: Food Safety Standards and Its Challenges	16 January	SIRIM Academy
	Webinar: Keperluan Perlindungan Makanan Terkini PPM PUA 209 (Pindaan No. 4 2020)	29 January	Food Safety and Quality Division, Ministry of Health
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
	Precision Nutrition and Food Science Strategies to Combat Persistent Metabolic Challenges Associated with Long-COVID	29 February	International Union of Food Science and Technology
	Cyber and Director's and Officers Insurance	13 March	BoardRoom in collaboration with Aeon Insurance Brokers
	Interdisciplinary Approach Towards Global Food and Nutrition Security of Sustainable Development Goals	28 March	International Union of Food Science and Technology
Eugene Hon Kah Weng	Cybersecurity Awareness (Physical)	29 November	
	The Anti-Money Laundering Act (AMLA)	14 February	Affin Hwang Investment Bank
	Conflict of Interest and Related Party Transactions	15 February	Affin Bank Group
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name	Courses/Seminar/Conference	Date	Organiser
	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
	Cybersecurity and Data Privacy: The Fight Against Financial Crime	2 April	Securities Industry Development Corporation (SIDC)
	Responsibility Mapping with Directors of Financial Institutions	24 April	Financial Institutions Directors Education (FIDE)
	Bespoke Workshop: 'Cultivating Strategic Thinking Competence'	25 May	Institute of Corporate Directors Malaysia (ICDM)
	Climate Governance Malaysia (CGM) Masterclass Series 2024: 'Latest Developments in Climate: Aligned Executive Compensation'	17 July	FIDE Asia School of Business
	Preventing Fraud: The Board's Roles and Responsibilities	8 August	Financial Institutions Directors Education (FIDE)
	Strategic Insights: Navigating Islamic Finance and Climate Change	3 October	Affin Bank Group
	Directors Remuneration Survey Report	11 November	Financial Institutions Directors Education (FIDE)
	Economic Outlook and Post Budget 2025 Forum	14 November	Financial Institutions Directors Education (FIDE)
	Bespoke Workshop: 'A Delicate Balance: Board and Management Relationship'	7 December	Institute of Corporate Directors Malaysia (ICDM)
Noor Alina Binti Mohamad Faiz	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
	Future Proofing Your Business: What You Need to Know About the "S" in "ESG"	6 March	Asia School of Business
	Board Oversight of Climate Risks and Opportunities	23 April	Asia School of Business
	Carbon Markets: What Directors Need to Know	12 June	Asia School of Business
	SIDC Sustainable and Responsible Investment Conference 2024	20 June	Securities Commission
	ESG and Internal Audit: Strengthening the Third Line of Defence	1 July	Boardroom Corporate Services Sdn. Bhd.
	ESG/Impact Investigating: What Are Investors Looking For?	19 August	Asia School of Business
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	9 to 10 October	Institute of Corporate Directors Malaysia
Abdul Razak Bin Shakor	Cybersecurity Awareness Training	29 November	Boardroom Corporate Services Sdn. Bhd.
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
Gan Ka Ooi, Amy	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
Gan Ka Hui	Mandatory Accreditation Programme (MAP Part 1)	11 to 12 November	Institute of Corporate Directors Malaysia
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd
Gan Meng Hoi, Derek	Mandatory Accreditation Programme (MAP Part 1)	11 to 12 November	Institute of Corporate Directors Malaysia
	Launch of Bursa Malaysia ESG Reporting Platform for Mandatory ESG Reporting	22 February	Boardroom Corporate Services Sdn Bhd
	Amendments to Bursa Malaysia Main Market Listing Requirements in relation to commodity futures structured warrants	22 February	Boardroom Corporate Services Sdn Bhd

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE **A** BOARD LEADERSHIP AND EFFECTIVENESS**NC**

Members

- 1 Noor Alina Binti Mohamad Faiz**
Independent Non-Executive Director
Chairperson^(a)
- 2 Eugene Hon Kah Weng**
Independent Non-Executive Director
Member^(b)
- 3 Dr. Nik Ismail Bin Nik Daud**
Senior Independent Non-Executive Director
Member
- 4 Lim Hun Soon @ David Lim**
Non-Independent Non-Executive Director
Member^(c)

Remarks:

- ^(a) Appointed as NC member on 1 October 2024, and re-designated to NC Chairperson on 24 February 2025.
- ^(b) Re-designated from NC Chairman to member on 24 February 2025.
- ^(c) Ceased as NC Member on 16 October 2024 in view of his redesignation from INED to NINEC of the Board.

**Roles:**

- Oversee the Board appointment process including the nomination and selection of Directors and key senior management of Kawan.
- Recommend new Directors' nomination to the Board and key senior management of Kawan.
- Review Board training programmes and making recommendations thereof.
- Assess the performance and effectiveness of individual Directors, Board and Board Committees, which includes assessing the fit and properness of Directors who are due for retirement by rotation at the forthcoming AGM.
- Assess and review the Board composition (ie. size, experience, diversity etc) and organisation structure of Kawan.
- Oversee the succession planning for the Board and key senior management of Kawan.

**FOCUS AREAS IN
FY2024****Succession
Planning for
Management****Assessment
of Board
effectiveness****Appointments
and Re-
constitution
of the Board
Committees****NC Activities in FY2024**

- Reviewed performance and effectiveness of the Board and Board Committees as well as contribution of each individual Directors to the Board and Board Committees in FY2024;
- Discussed and reviewed Succession Planning for Management;
- Reviewed the composition of the Board in meeting necessary skills, experience and competency of the Board;
- Recommended the re-constitution of the Board;
- Conducted mid-year Key Performance Indicators and assessment with respective Senior Management;
- Reviewed the performance of GCEO;
- Reviewed and recommended the appointment of new Directors;
- Reviewed and assessed the term of office and performance of the AC and each of its members;
- Assessed Directors' training needs to receive suitable orientation and training programmes;
- Reviewed the Directors' retirement by rotation at the Twentieth ("20th") AGM of the Company held on 26 June 2024;
- Discussed the management structure of the Company; and
- Reviewed the revised organisational structure.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

RC

Members

- 1 Dr. Nik Ismail Bin Nik Daud**
Senior Independent Non-Executive Director
Chairman
- 2 Eugene Hon Kah Weng**
Independent Non-Executive Director
Member
- 3 Noor Alina Binti Mohamad Faiz**
Independent Non-Executive Director
Member^(a)
- 4 Lim Hun Soon @ David Lim**
Non-Independent Non-Executive Director
Member^(b)

Remarks:

- (a) Appointed as RC member on 1 October 2024.
(b) Ceased as RC member on 16 October 2024 in view of his redesignation from INED to NINEC of the Board.

Roles:

- Assess, review and recommend to the Board the remuneration packages of individual Directors, GCEO/AGMD and Key Senior Management.
- Review and approve performance measures for incentive plans recommended by the Management.

- Assess the performance and recommend to the Board for approval the total remuneration packages of GCEO/AGMD, ED, Non-Executive Directors ("NEDs") and Key Senior Management.

Remuneration packages

The remuneration packages for the ED and Key Senior Management comprises basic salary, benefits in kind, bonus and allowances which reflect their roles and performance for the year. The NED's remuneration package comprises Directors' fees, benefits in kind and meeting allowances which reflects individual's role and responsibilities. The Board remuneration is reviewed by benchmarking against peer companies.

The Chairman of the AC, RC and NC receives higher fees in respect of their service as a chairman of the respective committee. The Directors will receive an additional fee if they are members of the Board Committees. The fees for Directors are determined by the Board with approval from shareholders at AGM.

The interested Directors abstained from deliberation and voting on their own remuneration at the Board meetings.

The remuneration of the Directors and GCEO on a named basis for FY2024 are disclosed in the CG Report which is available on the Company's website at www.kawanfood.com.

FOCUS AREAS IN
FY2024Performance
Management
& Reward
SystemRemuneration
Package for
Directors and
GCEORemuneration
Package for
Chairman
Emeritus, Finance
Director and
Sales Director.

RC activities in FY2024:

- Reviewed and recommended to the Board's approval the Directors fees and benefits payable to the Directors (including allowances) for recommendation to the shareholders for approval at the AGM;
- Reviewed and deliberated on the Balance Scorecard, Key Performance Indicators and Performance Management and Reward System;
- Reviewed and recommended to the Board's approval the remuneration/benefit payable in 2024 for the following:
 - Executive Directors' remuneration packages and benefits payable (including allowances).
 - Key Management's salary packages.
- Reviewed and recommended to the Board's approval the management incentives (supervisor and above) and final bonus for the following:
 - Executive Directors
 - Key Managements
 - Employees
- Reviewed and recommended to the Board the revised Performance Management and Reward System; and
- Reviewed and recommended to the Board the contract terms, remuneration and benefits for Chairman Emeritus, Finance Director and Sales Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

AC

The AC of the Company comprises one (1) SINED and two (2) INEDs. Collectively, the AC members are financially literate, possess commercial expertise skills and experience to enable them to discharge their duties and responsibilities pursuant to the AC’s TOR.

Based on the recommendation of MCCG, the AC requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

The AC assists the Board in fulfilling its statutory and fiduciary responsibilities on financial reporting, compliance with applicable financial reporting standards and other legal requirements, internal audit, external audit functions and risk management of the Group.

On an annual basis, the AC reviews and evaluates the suitability, objectivity and independence of the External Auditors taking into consideration the following:

- Technical competencies
- Independence and objectivity
- Audit scope and planning
- Adequacy of technical support
- Time commitment
- Audit and non-Audit fees

The details on the roles of the AC are set out in AC report of this annual report.

Sound Risk Management and Internal Control

The Board acknowledges their overall responsibilities in maintaining an effective risk management and internal control system to safeguard stakeholders’ investments and the Group’s assets. The AC assists the Board in the oversight of proper implementation of risk management and control system.

The Group has established a robust risk management framework as an approach to identify, assess, report and monitor risks facing the Group. Kawan maintains a risk register comprises Group wide risks specific to the business activities was reviewed and updated every quarter.

The Group has outsourced the Internal Audit function to a professional service firm which is independent of the activities and operations of the Group. The outsourced Internal Auditors report directly to the AC. The Internal Audit function is primarily responsible in assessing and improving the effectiveness of the risk management, internal control systems and governance processes within the Group.

The statement on Risk Management and Internal Control set out in this annual report provides a detailed description of the state of risk management and internal controls.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**Communications with Stakeholders**

The Board recognises the importance of effective communication between the Company, investors, shareholders, stakeholders and public at large to provide timely, accurate, and equal access to material information on the Group's performance and operations.

Kawan engages with its stakeholders by way of announcements via Bursa Securities and press releases. All financial results, notice of dividend and ad-hoc announcements are available on the Bursa Securities' website. Investor relation section which is available on the Company's corporate website at www.kawanfood.com contains information on Kawan such as corporate profile, annual reports, Board of Directors, AGM etc for both existing and potential shareholders. The stakeholders can reach out to Kawan should they require further information or assistance.

Kawan also organised meetings with analysts, institutional fund managers, shareholders and potential investors. Our discussion generally involves financial and business performance, outlook and strategic direction of the Group.

General Meetings

The 20th AGM of the Company was conducted virtually through live streaming and online remote participation by using Remote Participation and Electronics Voting ("RPEV")

Facilities, which is in compliance with Section 327(2) of the Companies Act 2016. The virtual AGM provides an avenue for the shareholders to seek clarification and insights into the operations and financial performance of the Group. The Chairman took the chair of the AGM and the Chief Operating Officer ("COO") gave a presentation to the shareholders covering the results of the Company as well as the operation and financial performance for the FYE 31 December 2023. During the Question-and-Answer session of the AGM, its shareholders were invited to post their questions to the Board. The COO was presented to answer shareholders' queries and concerns.

Notice of AGM sets out the resolutions together with the Company's Annual Report was circulated to shareholders at least twenty-eight (28) days prior to the meeting to provide shareholders with sufficient time for considerations and to make informed decisions. Shareholders who are unable to attend are allowed to appoint proxies to attend, speak and vote on their behalf. The voting at the 20th AGM was conducted through electronic poll voting of which the votes cast was validated by an independent scrutineer. The outcome of all resolutions proposed at the AGM is to be announced to Bursa Securities at the end of the meeting day while the minutes of the AGM shall be circulated to the shareholders not later than 30 business days after the meeting.

This Statement was approved by the Board on 14 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“The Board”) is pleased to present the Statement on Risk Management and Internal Control of Kawan Food Berhad (“the Company” or “Kawan”) and its subsidiaries (“the Group”), outlining the nature of risk management and internal control for the financial year ended 31 December 2024. This statement has been prepared in accordance with paragraph 15.26 (b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”) and by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Malaysian Code of Corporate Governance (“MCCG”).

Board responsibilities

The Board acknowledges its overall responsibility for the Group’s system of risk management and internal control. It remains committed to maintaining an ongoing process to review the adequacy and integrity of these systems to safeguard shareholders’ investments and the Group’s assets.

The Board has delegated responsibilities to the Audit Committee (“AC”), which provides oversight of the Group’s risk management and internal control systems. The adequacy and effectiveness of these systems were reviewed by the AC, taking into consideration conducted by internal and external auditors during the year.

Nevertheless, the Board recognises that these systems are designed to manage rather than eliminate the risks of failure. Therefore, they can only provide a reasonable, rather than absolute assurance against material misstatements or losses.

Risk culture

The risk culture is driven from the top and reinforced by middle Management, serving as the foundation of a robust risk management framework.

Risk management updates are continuously communicated and reinforced throughout the Group to enhance the identification, assessment and mitigation of risks. The Group has instilled a culture where the Board, Management and employees are committed to strengthening processes and controls in managing business activities.

Risk Management (“RM”) Framework

BOARD OF DIRECTORS

- Accountable for the governance of the Group’s risk management and internal control systems.

AC

- Oversees the implementation of risk management framework, policies and procedures in identifying and managing risks across the Group;
- Reviews and monitors the effectiveness of the Group’s risk management.

RISK MANAGEMENT WORKING COMMITTEE (“RMWC”)

- Provides adequate support to AC with regards to risk management;
- Chaired by the CEO and supported by Head of Departments/Functional Heads;
- Identifies, assesses and monitors the Group’s risks;
- Oversees the quarterly report on risk exposures and risk management activities to facilitate understanding and determination of appropriate risk responses, including follow-up on risk mitigation actions. The risk management report is reported to AC on a quarterly basis for review and discussion.

1st line of defence

Business Units

Risk management on a day-to-day basis through effective controls.

2nd line of defence

Risk Management

Provide oversight and support to first line of defence by identifying, managing, and monitoring risk including policies, procedures and training.

3rd line of defence

Internal and External Audit

Provide independent assurance to the AC and Board on the effectiveness and adequacy of the risk management framework and internal control system.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Process

The Group has in place a risk management process that provides a structured approach to ensure that there is an on-going process to identify, prioritise, and manage risks exposure, as illustrated below :



Managing risks within the Group involves an on-going assessment process to identify, evaluate and manage significant risks. This process has been in place for the year under review and up to the date of approval of this statement.

The Risk Register is maintained to support risk management activities and is reviewed and updated quarterly by RMWC. A Group Risk Management Report is then prepared, highlighting significant and emerging risks, corresponding mitigation measures and the status of follow-up actions. This report is presented to the AC every quarter for review and deliberation to ensure that risk exposures remain within acceptable levels and that appropriate mitigation measures are in place. The AC Chairman subsequently reports the updates to the Board.

The following table highlights the key risks deliberated by the AC in FY2024:

FOCUS AREAS	IMPACT	MITIGATION MEASURES
Competitiveness Risk	Risk of a challenging business environment driven by increasing competition from new market entrants, geopolitical shifts, market volatility, rising commodity and operational costs, cost pressures and intense market investment by industry peers, potentially impacting profit sustainability and market position.	<ul style="list-style-type: none"> Expand market reach and diversify revenue streams Refine business processes and resource allocation to maximise efficiency and profitability Pursue cost leadership by implementing key initiatives to optimise resource utilisation and minimise expenditure
Foreign Exchange Risk	Risk of foreign currency fluctuations, especially the U.S. dollar, may lead to lower ringgit realisation on exports, exposing Group's export revenue to earnings volatility.	<ul style="list-style-type: none"> Implement foreign exchange strategies based on prevailing market conditions to enable proactive hedging Monitor exchange rate trends through market outlook discussions with financial institutions Hedge key foreign currency exposures to minimise risk
Human Capital Risk	Risk that arise from challenges in attracting and retaining competent talent, as well as optimising workforce efficiency, may impact the effective implementation of the Group's strategies.	<ul style="list-style-type: none"> Conduct remuneration and benefits reviews Offer compensation incentive schemes, including the Employees' Share Option Scheme and annual bonuses, to enhance retention Streamline operations processes to enhance productivity

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT

The Group's Internal Audit function ("GIA") comprises both an outsourced team and a newly established in-house Internal Audit team, which reports independently to the AC. The GIA provides risk-based and objective assurance on the adequacy, efficiency, and effectiveness of risk management, control, and governance. The selection of audit areas is based on an annual audit plan approved by the AC, which is developed through risk assessments of Kawan Group.

During the financial year, the GIA conducted reviews to assess the adequacy of controls over the following areas:

- **Strategic Planning:** Reviewed strategic risks and the adequacy of action plans, including the reasonableness of key performance indicators (KPIs) to monitor progress toward the Group's mission, vision, and objectives.
- **Recurrent Related Party Transactions:** Reviewed compliance with RRPT procedures and shareholders' mandate, including management's monitoring against approved limits.
- **Sales and Customer Management:** Reviewed controls over advertisement and promotion expenses, sales discounts, customer returns, and customer payment processes.
- **Procurement and Supply Chain:** Reviewed procurement management on raw and packaging material, as well as transportation management, with a focus on in-house vehicle utilisation and the effectiveness of outsourced delivery services.
- **Inventory Management:** Reviewed the effectiveness of spare parts and packaging material management for accuracy and proper inventory control.
- **Asset Management and Maintenance:** Reviewed the management of machinery and equipment, along with the effectiveness of maintenance activities, including preventive, corrective, and predictive measures.
- **Cybersecurity Control:** Reviewed the effectiveness of security defense strategies, network controls, and data protection measures.

Upon completion of each audit assignment, the GIA provides an audit report which covers the scope of work performed, evaluation of internal control systems, detailed audit observations, management responses and timeline for implementing the GIA's recommendation. All significant and material findings are reported to the AC for review and deliberation. The AC then assesses the overall adequacy and effectiveness of the internal control systems and reports its deliberations and material findings to the Board.

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control system are as follows:

The AC and the Board

The Board has delegated its authority in overseeing the adequacy and operating effectiveness of the Group's risk management and internal control systems to the AC. The AC has oversight of the independence, scope of work and resources of the Internal Audit. The AC meets quarterly to review audit and investigations reports prepared by IA. The effectiveness of the internal control system is monitored and evaluated by the AC on an ongoing basis.

Further details on AC activities can be found on AC report.

Organisation Structure & Authority Limits

The Group has a formal organisation structure with clearly defined accountabilities, reporting lines and authority in order to align to its business and operational changes and needs.

The Limit of Authority clearly outlines the Board and Management's limits and approval authorities across various key processes. The delegation of authorities is duly approved by the Board and subject to review and update to reflect business and operational changes and needs.

Annual Budget and Financial Projections

The Group's annual budget is deliberated and approved by the Board on an annual basis. Actual performances are reviewed against the approved budget with explanations of major variances and presented to the Board.

Group Policies and Procedures

The Group has put in place documented policies and procedures which covers a wide range of areas including food safety, security, product quality assurance, human resource, and purchasing to provide guidance for the employees. These policies are subject to review as and when required to ensure its relevance to the Group's operations and continue to support the Group's business activities as it continues to grow.

Human Resource Policies and Procedures

The HR Policies and Procedures of the Group incorporates policies and guidelines on human resource management in the Group. These policies and procedures are reviewed as and when the need arises and are communicated to employees via email.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Whistleblowing Policy (“WBP”)

WBP provides internal and external parties with accessible channels to raise concerns or disclose information regarding suspected or known malpractices, misconducts or wrongdoings within the Group without fear of any form of victimisation, harassment, retribution or retaliation.

Our Senior Independent Non-Executive Director has oversight over the access to the whistleblowing cases and the whistleblowing processes. The WBP is available on the Group’s website.

Anti-Bribery and Anti-Corruption Policy (“ABC”)

The Group’s ABC sets out principles and clear procedures for all donations, sponsorships, hospitality and gifting activities of the Group. The ABC also provide guidance to all employees on how to deal with improper solicitation, bribery and other corrupt activities.

This policy applies to all stakeholders and employees of Kawan and the Group. All employees are required to declare that they have read, understood and will abide by the Policy. Training on ABC including mandatory onboarding sessions for new employees and annual refresher sessions for existing employees, is conducted to foster a culture of zero tolerance for bribery and corruption and to raise awareness on corporate liability.

People Development

A succession planning has been established to strengthen the Group’s talent and succession. In respect of this, the Group has identified the potential talent within the organisation and has provided structured leadership development programme and coaching in making this talent ready for future leadership. The Group will continue to develop its human capital by improving talent management, learning and development, organisation design, and remuneration and performance management.

Information and Communication

The Group has in place effective communication of critical information channels across the Group. Matters that require Board and Senior Management’s attention are highlighted for review, deliberation and decision making on a timely basis.

Monitoring and Review

Monthly management reports comprising key financial results and operational performance are reviewed and monitored by the management team. Quarterly financial statements are presented to the AC and Board for their review, consideration and approval.

Business Continuity Management (“BCM”)

BCM is part of our commitment in enhancing business resilience throughout our Group. The Group adopts a BCM Policy to provide a systematic approach and consistent practices to build organisational resilience with adequate capability mechanism to ensure continuation of business and operations. The BCM System is periodically reviewed and tested accordingly to ensure effectiveness and relevance to the current business environment.

Certifications and Compliance Standards

The Group continues to adopt relevant safety, quality, HALAL and Occupational Health and Safety certification systems.

Our manufacturing site undergoes independent third-party audit under the BRCGS Global Food Safety Standard and ensures strict product quality and safety through certifications such as MS1480 HACCP, MS1514 GMP, MeSTI, VHM, and HALAL certification. Additionally, the Group complies with the FDA BTA and FSMA to meet international food safety and regulatory requirements.

Beyond food safety, the Group adopts an Integrated Management System encompassing ISO 9001, ISO 14001, and ISO 45001, ensuring compliance with best practices in quality, environmental management, and occupational health and safety.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITOR

Pursuant to Paragraph 15.23 of the Bursa Malaysia Securities Berhad’s MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the FY2024 Annual Report. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respect, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Directors of Listed Issuers to be set out, or is factually inaccurate.

CONCLUSION

The Chief Operating Officer and Group Financial Controller have provided assurance to the Board that the Group’s risk management and internal control systems are operating adequately and effectively, in all material aspects.

The Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies, nor uncertainties that would require separate disclosure in the Group’s annual report. Nevertheless, the Board shall continue to take the appropriate and necessary measures to continuously improve the Group’s risk management and internal control system to meet the Group’s corporate objectives.

This statement was approved by the Board on 14 April 2025.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Non-Executive Directors ("INED"):

- 1 Eugene Hon Kah Weng***
Independent Non-Executive Director
Chairman^(a)
- 2 Dr. Nik Ismail Bin Nik Daud**
Senior Independent Non-Executive Director
Member
- 3 Noor Alina Binti Mohamad Faiz**
Independent Non-Executive Director
Member^(b)
- 4 Lim Hun Soon @ David Lim***
Non-Independent Non-Executive Director
Chairman^(c)

* Member of the Malaysian Institute of Accountants (MIA).

Remarks:

- ^(a) Re-designated from AC member to Chairman on 16 October 2024.
- ^(b) Appointed as AC member on 1 October 2024.
- ^(c) Ceased as AC Chairman on 16 October 2024 in view of his redesignation from INED to NINEC of the Board.

On 16 October 2024, Mr Lim Hun Soon @ David Lim was re-designated from INED to Non-Independent Non-Executive Chairman ("NINEC") of the Board. Consequently, he ceased to be the Chairman of the AC on the same day. In compliance with paragraph 15.19 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Mr Eugene Hon Kah Weng was re-designated from a member to the Chairman of the AC.

The AC's composition meets the MMLR of Bursa Securities which requires that at least one member of the AC must fulfil the financial expertise requisite of paragraph 15.09(1) (c) of MMLR of Bursa Securities. The AC Chairman is member of the MIA and the Malaysian Institute of Certified Public Accountants (MICPA).

For the financial year under review, the Board of Directors ("Board") evaluated the performance and effectiveness of the AC via the Nominating Committee's review of the term of office and performance of the AC and its members and was satisfied that the AC members were able to and had discharged their functions and responsibilities in accordance with the Terms of Reference ("TOR") of the AC.

The role, scope and responsibilities of the AC are set out in its TOR which are accessible on the Company's website at www.kawanfood.com.

Further details on the experience and qualifications of the AC members are available in the Annual Report under the Board of Directors' Profiles.

MEETINGS

The AC conducted seven (7) meetings during the financial year ended 31 December 2024 ("FY2024"), details of which are set out as follows:

Name	No. of Meetings Attended
Eugene Hon Kah Weng	7/7
Dr. Nik Ismail bin Nik Daud	7/7
Noor Alina Binti Mohamad Faiz	3/3
Lim Hun Soon @ David Lim	4/4

The Group Chief Executive Officer ("GCEO"), Company Secretaries, Financial Controller and Management were invited to attend the meetings to present their reports and provide appropriate information as well as clarification to relevant items on the agenda. The Internal Auditors were invited to present the internal audit reports to the AC during the AC meetings to present specific issues arising from audit findings. The External Auditors also attended the AC meeting to present their annual audit plan, annual financial statements and other matters deemed relevant.

The AC Chairman reported to the Board activities and significant matters discussed at each AC meeting. Deliberations during the AC meetings were recorded. Minutes of the AC meetings were tabled for confirmation at the following AC meeting and subsequently tabled to the Board for notation.

KEY ACTIVITIES IN FY2024

Financial Reporting

- Reviewed and recommended to the Board for approval:
 - quarterly unaudited financial results including announcements to Bursa Securities; and
 - audited financial statements of the Company and its subsidiaries ("the Group") to reflect the true and fair view of the business results and financial position of the Group and that the financial statements were prepared in compliance with Malaysian Financial Reporting Standards (MFRS).
- Deliberated all key accounting matters arose during the year; and
- Reviewed and deliberated on audit issues raised by the External Auditors and the action plans required to address them.

External Audit ("EA")

- Reviewed and approved the external audit plan including scope of works and approach for FY2024;

AUDIT COMMITTEE REPORT

- Had two (2) meetings with the External Auditors without the presence of the Management to discuss relevant issues and concerns arising from the audits;
- Reviewed and recommended to the Board, the re-appointment of External Auditors, taking into consideration their competencies, commitments, independence and objectivity; and
- Assessed the independence and objectivity of the External Auditors and recommended to the Board the audit and non-audit fees payable to External Auditors.

Internal Audit ("IA")

- Reviewed and approved the risk-based annual audit plan to ensure adequate scope and coverage of the Company's and the Group's activities;
- Reviewed internal audit reports on a quarterly basis, assessed internal control issues, evaluated management's response to audit recommendations, and monitored the implementation of corrective actions;
- Reviewed follow-up audit reports to ensure the proper implementation of corrective actions by management and deliberated on outstanding issues to drive resolution and strengthen internal controls;
- Held private sessions with the Internal Auditors without the presence of Management to discuss relevant issues and concerns arising from the audits; and
- Reviewed effectiveness of the Internal Auditors by assessing their performance, adequacy of resources, independence, and competencies of the Internal Auditors.

Risk Management and Internal Control

- Reviewed the Group's top risk profiles and deliberated on the significant threats and opportunities on a quarterly basis;
- Reviewed quarterly risk management reports on risk management activities, exposure and mitigating actions;
- Reviewed, tracked and monitored, on an ongoing basis, the effectiveness of the Group's risk management systems; and
- Reviewed and recommended enhancement on the Whistleblowing Policy, Conflict of Interest Policy and Anti-Bribery and Anti-Corruption Policy, where relevant.

Related Party Transactions ("RPTs") and Conflict of Interest ("COI")

- Reviewed all RPTs on quarterly basis to ensure RPTs were carried out on an arm's length basis and on normal commercial terms, consistent with the Company and the Group's usual business practices and policies, which are not more favourable than those generally available to the third parties/public and are not to the detriment of the minority shareholders;
- Reviewed and deliberated on RPTs, COI and potential COI and reported to the Board any COI or potential COI situation including measures to resolve, eliminate or mitigate such conflicts, if any; and

- Reviewed and recommended for Board's approval the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of revenue or trading nature.

Other Matters

- Be apprised of updates on key governance matters and observations in regards of the provisions set out in the Malaysian Code on Corporate Governance 2021 pursuant to the MMLR of Bursa Securities;
- Reviewed and recommended for the Board's approval, the Statement to Shareholders in relation to the proposed renewal of authority for the Company to purchase its own ordinary shares;
- Reviewed the proposed dividend payout taking into consideration the cash flow requirements before recommending for Board's approval; and
- Reviewed and recommended for the Board's approval, the Audited financial statement, Management Discussion and Analysis, Sustainability Statement, Statement on Risk Management and Internal Control, Audit Committee Report, Corporate Governance Overview Statement and Corporate Governance Report for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is carried out jointly by both an outsourced team and a newly established in-house internal audit team to provide independent and objective assurance on the adequacy, efficiency and effectiveness of internal controls.

The outsourced internal audit function is handled by Tricor Axcelasia Sdn Bhd, led by Ms. Sarine Loo ("Ms. Sarine"), a professional member of the Institute of Internal Auditors Malaysia ("IIAM") with over 25 years of experience in risk management, internal audit, and corporate governance advisory services. The number of staff deployed for internal audit reviews ranges from four (4) to five (5) per visit, including the Engagement Director. These auditors hold professional qualifications and/or university degrees, with some being members of IIAM.

To strengthen internal oversight, the Group established an in-house Internal Audit team headed by Ms. Ong Ying Yee, a Chartered Member of the Malaysian Institute of Accountants with over 12 years of internal audit experience in the manufacturing industry. She is supported by an auditor with a university degree, and together they work in coordination with the outsourced internal audit function to enhance audit effectiveness.

All the internal audit staff, both outsourced and in-house, are free from any relationships or conflict of interest, which could impair their objectivity and independence.

AUDIT COMMITTEE REPORT

In accordance with the annual internal audit plan approved by the AC, the audited areas during FY2024 include strategic planning, recurrent related party transaction, asset management and maintenance, sales and customer management, procurement and supply chain, inventory management and cybersecurity control. Details of these audit areas are presented in the Statement of Risk Management and Internal Control within this Annual Report.

The audits were performed using a risk-based approach and guidance from the International Professional Practice Framework. The internal audit results comprising progress of previous auditable processes action plan were presented by the IA and reviewed by the AC.

The total costs incurred for the IA function of the Group for the FY2024 was RM349,700.

Further details of the internal audit functions are available in the Annual Report under the Statement on Risk Management and Internal Control.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year ended or which were entered into since the end of the previous financial year (not being contracts entered into in the ordinary course of business) except as disclosed below and in Notes 35 to the financial statements under "Related Parties" on pages 168 to 169 of this Annual Report.

AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2024, the amount of audit and non-audit fees paid and payable by the Company and the Group to the external auditors are as follows:

	Company (RM)	Group (RM)
Audit services rendered	60,000	288,896
Non-audit services rendered	8,000	8,000
Total	68,000	296,896

UTILISATION OF PROCEEDS

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 December 2024.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

At the Twentieth Annual General Meeting ("AGM") held on Wednesday, 26 June 2024, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature. The disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2024 is set out on pages 168-169 of the Annual Report.



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STATEMENT ON DIRECTORS' RESPONSIBILITY

The Board of Directors is required under Paragraph 15.26(a) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining the Board's responsibility in preparing the annual financial statements.

In preparing the annual financial statements of the Company and the Group, the Directors are collectively responsible to ensure that these financial statements have been properly drawn up in accordance with the applicable approved Malaysian Financial Reporting Standard issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 2016 ("the Act") so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the financial results and the cash flows of the Group and of the Company for the financial year ended on that date.

In preparing the financial statements for the year ended 31 December 2024, the Directors have:

- i) adopted appropriate accounting policies and applied them consistently;
- ii) made judgements and estimates that are reasonable and prudent;
- iii) prepared financial statements on the going concern basis; and
- iv) ensured applicable accounting standards have been followed, subject to any material departure and explained in the financial statements.

The Directors have responsibility for ensuring that the proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 14 April 2025.

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are manufacturing, sale, exporting, trading and distribution of frozen food products, investment property, investment holding activities, rental of trucks, engaged in the beverage industry, specialises in manufacturing, trading, distributing, importing and exporting concentrated syrups of various flavors as well as frozen fruit juices and information technology.

RESULTS

	Group RM	Company RM
Profit for the financial year	31,417,999	40,874,262

In the opinion of the directors, the financial results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

The amount of dividends paid by the Company since the end of previous financial year were as follows:

In respect of the financial year ended 31 December 2024, an interim single tier dividend of 4.2 sen per ordinary share totalling RM14,703,023 was declared on 6 March 2024 and paid on 2 April 2024.

In respect of the financial year ended 31 December 2024, a second interim single tier dividend of 2.8 sen per ordinary share totalling RM9,687,351 was declared on 20 November 2024 and paid on 20 December 2024.

Subsequent to the end of the current financial year, the Board of Directors has approved a final single tier dividend of 2.0 sen per ordinary share totalling RM6,802,080 was declared on 24 February 2025 and paid on 27 March 2025 in respect of the financial year ended 31 December 2024.

The final dividend will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid up share capital of the Company was increased from RM184,889,706 to RM187,531,472 by way of an issue of 1,454,852 ordinary shares pursuant to the Company's Employees' Share Options Scheme at an exercise price of RM1.65 per ordinary share.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any new debentures during the financial year.

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

At an extraordinary general meeting held on 31 May 2018, the Company's shareholders approved the establishment of the ESOS of not more than 15% of the issued share capital of the Company to eligible employees of the Group and of the Company.

The salient features of the ESOS are, inter alia, as follows:

- (i) The ESOS shall be in force for a period of five (5) years commencing from the effective date on or before the expiry thereof, the Board of Directors shall have the sole and absolute discretion upon recommendation of the ESOS Committee, without the Company's shareholders' approval in a general meeting, to extend in writing the tenure of the ESOS for another five (5) years, or such shorter period as it deems fit immediately from the expiry of the first five (5) years, the ESOS shall not in aggregate exceed ten (10) years from the effective date of 2 October 2018 or such longer period as may be allowed by the relevant authorities;

On 20 March 2023, the Company had announced the extension of the duration of the ESOS for another 5 years from 2 October 2023 to 1 October 2028.

- (ii) As of the date of offer, an employee who fulfils the following conditions shall be eligible to participate in the ESOS:
 - (a) has attained eighteen (18) years of age;
 - (b) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (c) must have been confirmed in service and have served at least six (6) months in the employment of the Group and of the Company;
 - (d) the employee is under an employment contract, which the contract is for a duration of at least one (1) year and shall have not expired within three (3) months from the date of offer; and
 - (e) has fulfilled any other criteria as may be imposed by the ESOS Committee from time to time.
- (iii) The exercise price shall be determined by ESOS Committee and shall be based on the five (5)-day Volume Weighted Average Market Price ("VWAMP") of the Company's shares immediately preceding the date of offer, with a discount, if any, the such discount shall not be more than ten percent (10%);
- (iv) The shares issued and allocated pursuant to the exercise of the options shall, upon issuance and allotment rank pari-passu in all respects with the then existing shares and be entitled to all rights (including voting, dividend, allotment, distribution, transfer and other rights, as well as those arising on a liquidation of the Company) attaching to the then existing shares, save and except that new shares so issued and allocated will not be entitled to any dividends, rights, allotments or other forms of distribution which may be declared, made or paid, for which entitlement date is prior to the date allotment of such new shares; and
- (v) The eligible employees shall be entitled to exercise such number of the vested options within the option period and they shall have no right to exercise all or any of the options that have been granted but not vested to them.

DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES (CONTINUED)

The salient features of the Scheme are, inter alia, as follows: (continued)

The options offered to take up unissued ordinary shares is as follows:

Date of grant	Expiry date	Number of options over ordinary shares				At 31.12.2024
		At 1.1.2024	Granted	Exercised	Recycled	
28.7.2023	25.1.2024	250,000	-	(250,000)	-	-
16.10.2023	31.12.2026	27,960,000	-	(1,204,852)	(4,014,000)	22,741,148
18.12.2023	31.12.2026	1,800,000	-	-	-	1,800,000
19.9.2024	31.12.2027	-	2,835,000	-	-	2,835,000
		30,010,000	2,835,000	(1,454,852)	(4,014,000)	27,376,148

DIRECTORS OF THE COMPANY

The directors of the Company who held office during the financial year until the date of this report are:

Lim Hun Soon @ David Lim

Gan Thiam Chai

(retired on 16 October 2024 and re-appointed on 9 April 2025)

Gan Ka Bien

Dr. Nik Ismail Bin Nik Daud

Abdul Razak Bin Shakor

Eugene Hon Kah Weng

Gan Ka Hui

(appointed on 1 October 2024)

Gan Meng Hoi

(appointed on 1 October 2024)

Noor Alina Binti Mohamad Faiz

(appointed on 1 October 2024)

Gan Ka Ooi

(appointed on 16 October 2024)

Neel Naresh Nagrecha

(appointed on 24 February 2025)

Gan Thiam Hock

(retired on 1 October 2024)

Kwan Sok Kay

(retired on 1 October 2024)

DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of directors of the subsidiaries during the financial year and up to the date of this report, excluding those who are already listed above are:

Gan Thiam Hock

Kwan Sok Kay

Lau Wing Hon

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than the benefits shown under directors' remuneration) by reason of a contract made by the Company or a related corporation with a director or with a firm of which a director is a member or with a company in which the director has a substantial financial interest, other than certain directors, and the spouse of a director and children of certain directors who have significant financial interests in companies which traded with certain companies within the Group in the ordinary course of business as disclosed in Note 37 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follows:

	Number of ordinary shares			At 31.12.2024/ date of retirement
	At 1.1.2024/ date of appointment	Acquired	(Disposed)	
THE COMPANY				
Direct interest				
Lim Hun Soon @ David Lim	10,137,028	-	-	10,137,028
Gan Ka Bien	-	242,440	-	242,440
Gan Meng Hoi	462,000	-	-	462,000
Gan Thiam Hock	22,462,133	-	-	22,462,133
Deemed interest				
Gan Thiam Chai	126,257,402	-	-	126,257,402
Gan Thiam Hock	3,010,666	18,000	-	3,028,666
Kwan Sok Kay	126,257,402	-	-	126,257,402

DIRECTORS' REPORT

	Number of share options over ordinary shares			
	At 1.1.2024 /date of appointment	Granted	Exercised	At 31.12.2024
THE COMPANY				
Direct Interest				
Lim Hun Soon @ David Lim	450,000	-	-	450,000
Abdul Razak Bin Shakor	450,000	-	-	450,000
Dr. Nik Ismail Bin Nik Daud	450,000	-	-	450,000
Eugene Hon Kah Weng	450,000	-	-	450,000
Gan Ka Bien	4,800,000	-	(242,440)	4,557,560
Gan Meng Hoi	102,000	-	-	102,000

By virtue of their interests in the shares of the Company, the directors are also deemed to be interested in the shares of all the subsidiaries to the extent that the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations.

DIRECTORS' REMUNERATION

The amount of remuneration of the directors or past directors of the Company comprising remuneration received/receivable from the Company and the subsidiaries during the financial year are as follows:

	Group RM	Company RM
Executive directors		
Fees	293,750	293,750
Salaries and bonuses	3,297,256	-
Defined contribution benefits	398,254	-
Benefits-in-kind	314,273	4,000
Meeting allowances	43,000	43,000
	4,346,533	340,750
Non-executive directors		
Fees	536,623	536,623
Salaries and bonuses	499,554	-
Defined contribution benefits	58,347	-
Benefits-in-kind	24,642	23,950
Meeting allowances	167,500	167,500
	1,286,666	728,073
	5,633,199	1,068,823

DIRECTORS' REPORT

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and the officers of the Group and of the Company are RM20,000,000 and RM37,810 respectively.

No indemnity has been given to or insurance premium paid, during or since the end of financial year, for the auditors of the Group and of the Company.

SUBSIDIARY COMPANIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

AUDITORS' REMUNERATION

The amounts paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

	Group RM	Company RM
Auditor's remuneration:		
- audit fees	288,896	60,000
- non-audit fees	8,000	8,000
	296,896	68,000

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that the current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) which would require the write off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the Group's and the Company's financial statements misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONTINUED)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the results of the operations of the Group and of the Company for the current financial year.

AUDITORS

The auditors, RSM Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

GAN THIAM CHAI

GAN KA BIEN

Selangor

14 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Note					
ASSETS					
Non-current assets					
Property, plant and equipment	6	194,939,750	195,999,221	-	-
Right-of-use assets	7	16,748,863	16,886,380	-	-
Investment properties	8	7,556,253	7,702,092	-	-
Investments in subsidiaries	9	-	-	63,685,397	65,317,252
Investment in an associate	10	-	-	-	-
Investment in a joint venture	11	2,238,674	2,600,000	-	-
Other investments	12	-	-	122,000,000	122,000,000
Deferred tax assets	13	-	464,119	-	-
Total non-current assets		221,483,540	223,651,812	185,685,397	187,317,252
Current assets					
Other investments	12	8,377,211	9,240,224	-	-
Trade and other receivables	14	110,797,926	78,682,061	5,325,532	5,225,465
Inventories	15	37,399,506	36,429,562	-	-
Current tax assets		1,358,585	3,106,097	503,053	1,527,130
Prepayments		6,550,387	5,345,260	40,326	21,648
Cash and cash equivalents and short-term investments	16	71,520,511	104,301,693	9,896,601	12,492,614
Total current assets		236,004,126	237,104,897	15,765,512	19,266,857
TOTAL ASSETS		457,487,666	460,756,709	201,450,909	206,584,109
EQUITY AND LIABILITIES					
Equity					
Share capital	17	187,531,472	184,889,706	187,531,472	184,889,706
Treasury shares	18	(38,380,837)	(24,244,909)	(38,380,837)	(24,244,909)
Reserves	19	240,501,003	232,520,964	49,992,651	32,081,395
TOTAL EQUITY		389,651,638	393,165,761	199,143,286	192,726,192

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
LIABILITIES					
Non-current liability					
Deferred tax liabilities	13	16,018,769	13,005,719	-	-
Total non-current liability		16,018,769	13,005,719	-	-
Current liabilities					
Loans and borrowings	20	2,766,717	3,560,015	-	-
Trade and other payables	21	49,050,542	50,833,424	2,307,623	13,857,917
Current tax liabilities		-	191,790	-	-
Total current liabilities		51,817,259	54,585,229	2,307,623	13,857,917
TOTAL LIABILITIES		67,836,028	67,590,948	2,307,623	13,857,917
TOTAL EQUITY AND LIABILITIES		457,487,666	460,756,709	201,450,909	206,584,109

The annexed notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
	Note				
Revenue	22	317,548,594	287,215,315	44,365,099	18,181,788
Cost of sales		(218,488,321)	(205,148,099)	-	-
Gross profit		99,060,273	82,067,216	44,365,099	18,181,788
Other income	23	6,683,999	6,555,293	-	13,495
Selling and distribution expenses		(28,511,923)	(25,084,818)	-	-
Administrative expenses		(34,409,514)	(32,000,844)	(2,796,258)	(2,401,342)
Net(loss)/gain on foreign exchange		(2,020,826)	2,336,759	(728,149)	1,273,656
Net gain/(loss) on impairment of financial assets		207,114	(92,795)	-	-
Profit from operating activities		41,009,123	33,780,811	40,840,692	17,067,597
Finance income	24	1,199,590	1,165,003	98,535	112,935
Finance costs	25	(311,215)	(207,781)	(53,832)	-
Share of loss of a joint venture	11	(361,326)	-	-	-
Share of loss of associate	10	-	(471,711)	-	-
Profit before taxation	26	41,536,172	34,266,322	40,885,395	17,180,532
Taxation	27	(10,118,173)	(4,137,689)	(11,133)	-
Profit for the financial year		31,417,999	30,128,633	40,874,262	17,180,532

**STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
OTHER COMPREHENSIVE LOSS, NET OF TAX:					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	28	(474,954)	(100,530)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		30,943,045	30,028,103	40,874,262	17,180,532
		2024 sen	2023 sen		
EARNINGS PER ORDINARY SHARE:					
- Basic	29	9.03	8.37		
- Diluted	29	8.42	8.18		

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the Company					
		Non-distributable			Distributable		
	Note	Share capital RM	Translation reserve RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
Group							
Balance as at 1.1.2023		184,889,706	8,248,271	-	(1,345,429)	205,075,276	396,867,824
Profit for the financial year		-	-	-	-	30,128,633	30,128,633
Other comprehensive loss for the financial year		-	(100,530)	-	-	-	(100,530)
Total comprehensive (loss)/income for the financial year		-	(100,530)	-	-	30,128,633	30,028,103
Contributions by and distributions to owners							
- dividend to owners of the Company	30	-	-	-	-	(13,021,188)	(13,021,188)
- share options granted under ESOS	19	-	-	2,190,502	-	-	2,190,502
- share buy-back	18	-	-	-	(22,899,480)	-	(22,899,480)
Total transactions with owners of the Company		-	-	2,190,502	(22,899,480)	(13,021,188)	(33,730,166)
Balance as at 31.12.2023/1.1.2024		184,889,706	8,147,741	2,190,502	(24,244,909)	222,182,721	393,165,761
Profit for the financial year		-	-	-	-	31,417,999	31,417,999
Other comprehensive loss for the financial year		-	(474,954)	-	-	-	(474,954)
Total comprehensive (loss)/income for the financial year		-	(474,954)	-	-	31,417,999	30,943,045
Contributions by and distributions to owners							
- dividend to owners of the Company	30	-	-	-	-	(24,390,374)	(24,390,374)
- issuance of ordinary shares pursuant to ESOS	17	2,641,766	-	-	-	-	2,641,766
- share options granted under ESOS	19	-	-	1,427,368	-	-	1,427,368
- share buy-back	18	-	-	-	(14,135,928)	-	(14,135,928)
Total transactions with owners of the Company		2,641,766	-	1,427,368	(14,135,928)	(24,390,374)	(34,457,168)
Balance as at 31.12.2024		187,531,472	7,672,787	3,617,870	(38,380,837)	229,210,346	389,651,638

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Non-distributable		Distributable	
		Share capital	Share option reserve	Treasury shares	Retained earnings
	Note	RM	RM	RM	RM
Company					
Balance as at 1.1.2023		184,889,706	-	(1,345,429)	25,731,549
Profit and total comprehensive income for the financial year		-	-	-	17,180,532
Contributions by and distributions to owners					
- dividend to owners of the Company	30	-	-	-	(13,021,188)
- share options granted under ESOS	19	-	2,190,502	-	-
- share buy-back	18	-	-	(22,899,480)	-
Total transactions with owners of the Company		-	2,190,502	(22,899,480)	(13,021,188)
Balance as at 31.12.2023/1.1.2024		184,889,706	2,190,502	(24,244,909)	29,890,893
Profit and total comprehensive income for the financial year		-	-	-	40,874,262
Contributions by and distributions to owners					
- dividend to owners of the Company	30	-	-	-	(24,390,374)
- issuance of ordinary shares pursuant to ESOS	17	2,641,766	-	-	-
- share options granted under ESOS	19	-	1,427,368	-	-
- share buy-back	18	-	-	(14,135,928)	-
Total transactions with owners of the Company		2,641,766	1,427,368	(14,135,928)	(24,390,374)
Balance as at 31.12.2024		187,531,472	3,617,870	(38,380,837)	46,374,781

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Note					
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		41,536,172	34,266,322	40,885,395	17,180,532
Adjustments for:					
Depreciation of investment properties	8	145,839	145,838	-	-
Depreciation of property, plant and equipment	6	18,407,353	19,162,255	-	-
Depreciation of right-of-use assets	7	338,638	338,613	-	-
Property, plant and equipment written off	26	1,451,034	905,647	-	-
Dividends income	22	-	-	(44,365,099)	(18,181,788)
Employees' share options scheme expenses	26	1,427,368	2,190,502	1,427,368	2,190,502
Interest income	24	(1,199,590)	(1,165,003)	(98,535)	(112,935)
Impairment loss on investment in subsidiaries	9	-	-	1,001,571	-
Impairment loss on trade receivables	26	396,188	267,593	-	-
Reversal of impairment loss on trade receivables	26	(603,302)	(174,798)	-	-
Provision for slow moving inventories	15	4,603,496	5,073,310	-	-
Provision for slow moving inventories no longer required	15	(2,713,547)	(2,963,925)	-	-
Inventories written off	15	3,052,750	2,404,240	-	-
Interest expense	25	117,318	207,781	-	-
Loss/(Gain) on disposal of property, plant and equipment	26	1,912,371	(34,496)	-	-
Loss on disposal of investment in quoted shares	26	385,380	-	-	-
Loss from disposal of an associate	26	-	544,203	-	-
Fair value loss on financial assets	26	477,633	558,812	-	-
Unrealised (gain)/loss on foreign exchange	26	(1,199,356)	(1,178,362)	728,149	(1,273,656)
Share of loss in a joint venture	26	361,326	-	-	-
Share of loss in an associate	26	-	471,711	-	-
Operating profit/(loss) before working capital changes		68,897,071	61,020,243	(421,151)	(197,345)
Movement in inventories		(5,970,254)	1,090,617	-	-
Movement in trade and other receivables, prepayments and other financial assets		(32,896,889)	(8,514,758)	(46,580)	10,600,395
Movement in trade and other payables		(67,785)	7,002,203	(92,367)	13,625,752
Cash generated from/(used in) operations		29,962,143	60,598,305	(560,098)	24,028,802
Dividends received		-	-	44,365,099	13,021,188
Income tax paid		(7,061,258)	(3,199,936)	(71,056)	(116,050)
Income tax refunded		1,120,751	1,638,571	1,084,000	1,076,819
Interest paid	25	(117,318)	(207,781)	-	-
Interest received	24	1,199,590	1,165,003	98,535	112,935
Net cash generated from operating activities		25,103,908	59,994,162	44,916,480	38,123,694

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiaries		-	-	(72,165)	-
Repayment from subsidiaries		-	-	(11,457,927)	-
Investment in a joint venture		-	(2,500,000)	-	-
Proceeds from disposal of property, plant and equipment		2,974,318	611,928	-	-
Proceeds from disposal of an associate		-	600,000	-	-
Purchase of property, plant and equipment		(25,659,715)	(5,824,333)	-	-
Placement in other investments		-	(7,000,000)	-	-
Net cash used in investing activities		(22,685,397)	(14,112,405)	(11,530,092)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to owners of the Company		(24,390,374)	(13,021,188)	(24,390,374)	(13,021,188)
Issuance of new shares		2,641,766	-	2,641,766	-
Repayment of loans and borrowings		(634,517)	(2,914,361)	-	-
Share buy-back		(14,135,928)	(22,899,480)	(14,135,928)	(22,899,480)
Net cash used in financing activities		(36,519,053)	(38,835,029)	(35,884,536)	(35,920,668)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(34,100,542)	7,046,728	(2,498,148)	2,203,026
Effect of foreign exchange differences		1,319,360	(1,326,697)	(97,865)	63,655
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		104,301,693	98,581,662	12,492,614	10,225,933
CASH AND CASH EQUIVALENTS CARRIED FORWARD	16	71,520,511	104,301,693	9,896,601	12,492,614

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

NOTES TO THE STATEMENTS OF CASH FLOWS

The reconciliation of liabilities arising from financing activities is as follows:

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
Term loans					
At 1 January		3,560,015	6,398,772	-	-
<i>Cash flows:</i>					
Interest paid	25	(117,318)	(207,781)	-	-
Repayments of borrowings		(634,517)	(2,914,361)	-	-
<i>Non-cash changes:</i>					
Interest charged during the financial year	25	117,318	207,781	-	-
Effect of movements in exchange rate		(158,781)	75,604	-	-
At 31 December		2,766,717	3,560,015	-	-
Cash outflows for leases as lessee					
<i>Included in net cash from operating activities:</i>					
Payment relating to short-term leases	26	993,422	1,021,839	-	-
Total cash outflows for leases		993,422	1,021,839	-	-

The annexed notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

1. PRINCIPAL ACITIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are manufacturing, sale, exporting, trading and distribution of frozen food products, investment property, investment holding activities, rental of trucks, engaged in the beverage industry, specialises in manufacturing, trading, distributing, importing and exporting concentrated syrups of various flavors as well as frozen fruit juices and information technology.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention.

The preparation of financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5. Although these estimates and assumptions are based on the directors' best knowledge of events and actions, actual results could differ from those estimates.

(b) Basis of consolidation

(i) Subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Associate

Associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of comprehensive income of the associate. On acquisition of the investment, the associate's identifiable assets and liabilities are measured at fair value. Any excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill and included in the carrying amount of the investment. Goodwill is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(b) Basis of consolidation (continued)****(ii) Associate (continued)**

The Group's share of its associate's post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Distributions received from an investee reduce the carrying amount of the investment.

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group does not provide for additional losses, unless it has incurred obligations or made payments on behalf of the associate.

Profits or losses on Group transactions with associate is eliminated to the extent of the Group's interest in the relevant associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investment in associate is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as equity accounted investee or as a financial asset at FVPL depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Basis of consolidation (continued)

(v) Joint arrangements

A joint arrangement (i.e. either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the Group is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Jointly controlled entities are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution (or included in a disposal group that is classified as held for sale or distribution). The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted joint ventures, after adjustments, if any, to align the accounting policies with those of the Group, from the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

Joint venture is an entity over which the Group has the power to participate in its financial and operating policy decisions, but which is not control or joint control. Joint venture is accounted for using the equity method of accounting.

Investment in a joint venture is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the owners of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(c) Foreign currency****(i) Foreign currency transaction**

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Group and of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Financial instruments

(i) Financial assets

For the purpose of subsequent measurement, the Group or the Company classify financial assets into two measurement categories, namely: (i) financial assets at amortised cost ("AC") and (ii) financial assets at fair value through profit or loss ("FVPL"). The classification is based on the Group's and the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets, as follows:

(i) Financial assets at AC

A financial asset is measured at AC if: (a) it is held within the Group's and the Company's business objective to hold the asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(ii) Financial assets at FVPL

A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC model.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3(j)(i).

(ii) Financial liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for:

Financial guarantee contracts is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of: (a) the amount of the loss allowance; and (b) the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 *Revenue from Contracts with Customers*.

(iii) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(d) Financial instruments (continued)****(iv) Equity investments**

The Group measures all equity investments at fair value. For equity investments at FVPL, changes in fair value are recognised in profit or loss. Where the Group has elected to present the changes in fair value in other comprehensive income, the amounts presented are not subsequently transferred to profit or loss when the equity investments are derecognised. The cumulative gains or losses is transferred to retained profits instead. The election is made on an instrument-by-instrument basis and it is irrevocable. The amount presented in other comprehensive income includes the related foreign exchange gains or losses.

Dividend income from equity investments at FVPL and fair value through other comprehensive income ("FVOCI") is recognised in profit or loss as other income when the Group's right to receive payment has been established.

Changes in the fair value of equity investments at FVPL are recognised in other income or expenses, as applicable, in the profit or loss. Impairment losses or reversal of impairment losses on equity instruments measured at FVOCI are recognised in other comprehensive income and are not reported separately from other changes in fair value.

(e) Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "administrative expenses" respectively in profit or loss.

(ii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives of other property, plant and equipment for the current and previous years are as follows:

Buildings	40 to 50 years
Apartments	50 years
Motor vehicles	5 to 10 years
Furniture, fittings and office equipment	3 to 10 years
Plant and machinery	10 years
Renovation	10 years
Signage	10 years

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Property, plant and equipment (continued)

(ii) Depreciation (continued)

Capital work in progress is not depreciated until the assets are ready for their intended use.

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(f) Leases

(i) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(f) Leases (continued)****(i) Recognition and initial measurement (continued)****(b) As a lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

(ii) Subsequent measurement**(a) As a lessee**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on straight-line basis over the lease term as part of "other income".

(iii) Depreciation

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Leasehold lands are amortised over the remaining lease periods ranging from 64 to 80 years.

The estimated useful life of leased assets for the current and previous years are as follows:

Prepaid lease payment

33 years

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Investment properties

(i) Investment properties carried at cost

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a lease held for a currently undetermined future use. Properties that are occupied by the Group are accounted for as owner-occupied rather than as investment properties. Investment properties are measured at cost are accounted for similarly to property, plant and equipment.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

An investment property is derecognised on disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings and over the remaining lease periods of 83 years for leasehold land. Freehold land is not depreciated.

(ii) Determination of fair value

The directors estimate the fair values of the Group's investment properties without the involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash with insignificant risk of changes in fair value.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(j) Impairment****(i) Financial assets**

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit losses, except for cash and bank balance. Loss allowances for trade receivables is always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12 months expected losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experiences.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generated sufficient cash flows to repay the amounts subject to write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amount of the other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Impairment (continued)

(ii) Other assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units (groups of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Share-based payments

Share-based payments of the Group and of the Company are equity-settled share options granted to employees, for which an option pricing model is used to estimate the fair value at grant date. That fair value is charged on a straight-line basis as an expense in the profit or loss over the period that the employee becomes unconditionally entitled to the options (vesting period), with a corresponding increase in equity.

The number of such options is adjusted annually to reflect best estimates of those expected to vest (ignoring purely market-based conditions) with consequent changes to the expense. Equity is also increased by the proceeds receivable, as and when employees choose to exercise their options.

If the Group and the Company modify the terms and conditions on which the equity instruments were granted, as a minimum, the services received measured at the grant date fair value of the equity instruments granted (unless those equity instruments do not vest because of failure to satisfy a vesting condition other than a market condition) are charged to the profit or loss.

Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore the unrecognised remaining amount is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**(I) Revenue and other income****(i) Revenue**

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the assets.

The Group transfers control of goods or services at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue is measured as the amount of consideration which the Group expects to receive, based on the list price applicable to a given distribution channel after deduction of returns, trade discounts, rebates and price promotions to consumers. The level of discounts, allowances and promotional rebates is recognised as a deduction from revenue at the time that the related sales are recognised or when the rebate is offered to the customer (or consumer if applicable). They are estimated using judgements based on historical experience and the specific terms of the agreements with the customers.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

(iii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(iv) Finance income

Finance income is recognised as it accrues using the effective interest method in profit or loss except for finance income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with accounting policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS

4.1 Amendments to MFRSs adopted

For the preparation of the financial statements, the following amendments to the MFRSs issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2024:

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures – Supplier Finance Arrangements*

The adoption of the above-mentioned amendments to MFRSs has no significant impact on the financial statements of the Group and of the Company.

4.2 New MFRSs and amendments to MFRSs not yet effective

The following are new MFRSs and amendments to the MFRSs that have been issued by the MASB up to the date of the issuance of the Group's and the Company's financial statements but have not been adopted by the Group and the Company:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Amendments to MFRS effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*
- Annual Improvement to MFRS Accounting Standards – Volume 11

New MFRSs effective for annual periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONTINUED)**4.2 New MFRSs and amendments to MFRSs not yet effective (continued)****Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed**

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above-mentioned new MFRSs and amendments will be adopted by the Group and the Company when they become effective.

The initial application of the new MFRSs and amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group and of the Company.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Group and the Company have made significant judgements, estimates and assumptions that impact on the carrying value of certain assets, liabilities, income and expenses as well as other information reported in the notes. The Group and the Company periodically monitor such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgements made in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of non-financial assets

The Group and the Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amount may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The carrying amount of the non-financial assets are disclosed in Notes 6 to 11 respectively.

(b) Loss allowances of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency, significant financial difficulties of the receivables, default or significant delay in payments, current economic trends and forward-looking information that is available.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(c) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is written down to their estimated realisable value when their cost may no longer be recoverable such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. In any case, the realisable value represents the best estimate of the recoverable amount, is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of write-downs to net realisable value include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and may materially affect the carrying amount of inventories at the reporting date (as reflected in Note 15).

(d) Rebates and promotions accruals

Rebates and promotions accruals of approximately RM8.1 million (2023: RM6.2 million), which consists primarily of conditional rebates and promotions, are based on agreed trading terms and promotional activities with trade customers and distributors. Accruals are recognised under the terms of these agreements, to reflect the expected rebates, promotional activities and historical experience based on estimated sales volume. These accruals are reported within trade and other payables (Note 21). The estimates for these accruals are regularly reviewed by senior management of the Company.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Apartments	Motor vehicles	Furniture, fittings and office equipment	Plant and machinery	Renovations	Signage	Capital work in progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group									
Cost									
At 1 January 2023	120,844,476	515,912	5,985,130	15,489,924	170,591,973	8,588,466	287,029	4,264,837	326,567,747
Additions	-	-	1,010,822	517,958	3,718,125	-	-	577,428	5,824,333
Disposals	-	-	(162,095)	(10,350)	-	-	-	(577,428)	(749,873)
Written off	-	-	-	-	(277,504)	-	-	(628,143)	(905,647)
Effect of movements in exchange rates	504,024	-	26,429	355,141	237,997	-	-	-	1,123,591
Reclassification	-	-	-	53,255	3,164,373	-	-	(3,217,628)	-
At 31 December 2023/ 1 January 2024	121,348,500	515,912	6,860,286	16,405,928	177,434,964	8,588,466	287,029	419,066	331,860,151
Additions	-	-	-	498,863	24,262,927	896,425	1,500	-	25,659,715
Disposals	-	-	(1,437,002)	-	(15,730,068)	-	-	-	(17,167,070)
Written off	-	-	(460,714)	(165,673)	(7,261,458)	-	-	-	(7,887,845)
Effect of movements in exchange rates	(1,199,356)	-	(62,889)	(128,166)	(1,277,442)	-	-	-	(2,667,853)
Reclassification	-	-	-	-	341,990	-	-	(341,990)	-
At 31 December 2024	120,149,144	515,912	4,899,681	16,610,952	177,770,913	9,484,891	288,529	77,076	329,797,098

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RM	Apartments RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Plant and machinery RM	Renovations RM	Signage RM	Capital work in progress RM	Total RM
Group									
Accumulated depreciation									
At 1 January 2023	14,617,855	188,872	3,590,654	9,079,562	81,896,157	6,189,576	139,903	-	115,702,579
Charge for the financial year	2,423,004	10,741	1,080,773	1,701,563	13,553,211	368,240	24,723	-	19,162,255
Disposals	-	-	(162,092)	(10,349)	-	-	-	-	(172,441)
Effect of movements in exchange rates	126,881	-	22,592	34,975	382,135	-	-	-	566,583
Transfer from right-of-use assets	-	-	-	119,339	-	-	-	-	119,339
At 31 December 2023/ 1 January 2024	17,167,740	199,613	4,531,927	10,925,090	95,831,503	6,557,816	164,626	-	135,378,315
Charge for the financial year	2,197,523	10,741	869,918	1,301,981	13,628,857	373,611	24,722	-	18,407,353
Disposals	-	-	(1,384,803)	-	(10,895,578)	-	-	-	(12,280,381)
Written off	-	-	(403,084)	(129,824)	(5,903,903)	-	-	-	(6,436,811)
Reclass of impairment loss	-	-	-	-	458,226	-	-	-	458,226
Effect of movements in exchange rates	(69,012)	-	(40,164)	52,957	(726,443)	-	-	-	(782,662)
Transfer from right-of-use assets	-	-	-	113,308	-	-	-	-	113,308
At 31 December 2024	19,296,251	210,354	3,573,794	12,263,512	92,392,662	6,931,427	189,348	-	134,857,348

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RM	Apartments RM	Motor vehicles RM	Furniture, fittings and office equipment RM	Plant and machinery RM	Renovations RM	Signage RM	Capital work in progress RM	Total RM
Group									
Accumulated impairment loss									
At 1 January 2023	-	-	-	-	472,366	-	-	-	472,366
Effect of movements in exchange rates	-	-	-	-	10,249	-	-	-	10,249
At 31 December 2023/ 1 January 2024	-	-	-	-	482,615	-	-	-	482,615
Reclass of impairment loss	-	-	-	-	(458,226)	-	-	-	(458,226)
Effect of movements in exchange rates	-	-	-	-	(24,389)	-	-	-	(24,389)
At 31 December 2024	-	-	-	-	-	-	-	-	-

Carrying amounts

At 31 December 2023	104,180,760	316,299	2,328,359	5,480,838	81,120,846	2,030,650	122,403	419,066	195,999,221
At 31 December 2024	100,852,893	305,558	1,325,887	4,347,440	85,378,251	2,553,464	99,181	77,076	194,939,750

(a) Apartments

The strata title for apartments with net carrying amount of RM142,597 (2023: RM147,586) have yet to be issued to a subsidiary.

(b) Security

Buildings with net carrying amount of RM17,142,311 (2023: RM18,054,702) have been charge to licensed banks for banking facilities granted to subsidiaries (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

7. RIGHT-OF-USE ASSETS

	Leasehold lands RM	Prepaid lease payments RM	Total RM
Group			
Cost			
At 1 January 2023	16,737,790	4,052,209	20,789,999
Effect of movements in exchange rates	-	87,922	87,922
At 31 December 2023/1 January 2024	16,737,790	4,140,131	20,877,921
Effect of movements in exchange rates	-	(209,221)	(209,221)
At 31 December 2024	16,737,790	3,930,910	20,668,700
Accumulated depreciation			
At 1 January 2023	2,442,500	1,296,708	3,739,208
Charge for the financial year	201,066	137,547	338,613
Transfer to property, plant and equipment	-	(119,339)	(119,339)
Effect of movements in exchange rates	-	33,059	33,059
At 31 December 2023/1 January 2024	2,643,566	1,347,975	3,991,541
Charge for the financial year	201,068	137,570	338,638
Transfer to property, plant and equipment	-	(113,308)	(113,308)
Effect of movements in exchange rates	-	(297,034)	(297,034)
At 31 December 2024	2,844,634	1,075,203	3,919,837
Carrying amounts			
At 31 December 2023	14,094,224	2,792,156	16,886,380
At 31 December 2024	13,893,156	2,855,707	16,748,863

(a) Lands

The lands are wholly related to leasehold lands with unexpired lease period of more than 50 years.

(b) Prepaid lease payments

The prepaid lease payments are wholly related to a leasehold land with unexpired lease period of less than 50 years. The prepaid lease payments are not transferable and have a remaining tenure of 32 years (2023: 33 years).

(c) Security

Certain leasehold lands and certain prepaid lease payments with net carrying amount of RM15,403,943 (2023: RM15,514,316) have been charged to licensed banks banking facilities granted to subsidiaries (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

8. INVESTMENT PROPERTIES

	Group	
	2024 RM	2023 RM
Cost		
At 1 January/31 December	10,491,946	10,491,946
Accumulated depreciation		
At 1 January	2,789,854	2,644,016
Charge for the financial year	145,839	145,838
At 31 December	2,935,693	2,789,854
Carrying amounts		
At 31 December	7,556,253	7,702,092
Represented by:		
Leasehold land with unexpired lease period of more than 50 years	5,649,436	5,730,845
Buildings	1,906,817	1,971,247
	7,556,253	7,702,092

Investment properties comprise two (2023: two) commercial properties that are leased to third parties. The leases are renewable on yearly basis. No contingent is charged.

The fair value of the investment properties are as follows:

	Group	
	2024 RM	2023 RM
At 31 December	24,365,100	24,365,100

The Group estimates the fair value of its investment properties based on the comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities.

The disclosure of fair value above was measured at the reporting date using the following method:

Significant unobservable inputs (Level 2)

The valuation of commercial property is based on market comparable approach. The significant unobservable input is yield adjustment based on directors' assumptions. The yield adjustments are made for any difference in the nature, location or condition of the specific property.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

8. INVESTMENT PROPERTIES (CONTINUED)

Significant unobservable inputs (Level 2) (continued)

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2024 RM	2023 RM
Rental income	(1,563,908)	(1,608,096)
Direct operating expenses	129,806	129,806

Investment properties of the Group amounting to RM7,556,253 (2023: RM7,702,092) has been charged to a licensed bank for credit facilities granted to a subsidiary (Note 20).

The operating lease payments to be received are as follows:

	Group	
	2024 RM	2023 RM
Less than one year	1,471,052	1,566,284
One to two years	1,142,784	2,709,068
More than two years	1,047,552	1,047,552
Total undiscounted lease payments	3,661,388	5,322,904

9. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares – at cost	37,578,006	37,578,006
Less: Impairment loss		
At 1 January	-	-
Impairment loss recognised for the financial year	(1,001,571)	-
At 31 December	(1,001,571)	-
	36,576,435	37,578,006
Capital contribution	20,730,322	20,730,322
Effect of movements in exchange rates	6,378,640	7,008,924
	63,685,397	65,317,252

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

9. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Subsidiaries of the Company	Effective ownership interest		Country of incorporation	Principal activities
	2024 %	2023 %		
Kawan Food Manufacturing Sdn. Bhd.	100	100	Malaysia	Manufacturing and sale of frozen food products.
KG Pastry Marketing Sdn. Bhd.	100	100	Malaysia	Investment property and rental of trucks.
Kawan Food Confectionery Sdn. Bhd.	100	100	Malaysia	Investment holding.
Kawan Food (Hong Kong) Limited**	100	100	Hong Kong	Trading and distribution of frozen food products.
KLBG Sdn. Bhd.	100	100	Malaysia	Manufacturing and exporting of frozen food products.
Subsidiary of Kawan Food (Hong Kong) Limited				
Kawan Food (Nantong) Co., Ltd.®	100	100	The People's Republic of China	Manufacturing and trading of frozen food delicacies.
Subsidiary of Kawan Food Confectionery Sdn. Bhd.				
Tian Beverages Sdn. Bhd.	100	-	Malaysia	Engaged in the beverage industry, specialises in manufacturing, trading, distributing, importing and exporting concentrated syrups of various flavors as well as frozen fruit juices.
Subsidiary of KG Pastry Marketing Sdn. Bhd.				
Reka Innotech Sdn. Bhd. (Dormant)	100	-	Malaysia	Investment holding and information technology.

* Audited by other member firms of RSM International.

The capital contribution to Kawan Food (Hong Kong) Limited are interest free and are determined to form part of the Company's net investment in the subsidiary, hence are deemed as quasi-equity.

@ Not audited by member firms of RSM International.

During the financial year, Tian Beverages Sdn. Bhd. and Reka Innotech Sdn. Bhd. were incorporated on 24 April 2024 and 28 November 2024 respectively and held via its wholly own subsidiaries.

As certain subsidiaries reported continuous operating losses, the Company has determined that there is indicator of impairment and subsequently assessed the recoverable amount. As a result of this assessment, management has concluded that the recoverable amount of its investment in KLBG Sdn. Bhd. as of 31 December 2024 is lower than its carrying amount. Hence, an impairment loss of RM1,001,571 has been recognised for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

10. INVESTMENT IN AN ASSOCIATE

In the previous financial year, the Group disposed its entire 32.5% equity interest in Kejap Food Sdn. Bhd., for a total cash consideration of RM600,000. As at 31 December 2023, the amount was held by the solicitor as a stakeholder, pursuant to the shares sale and purchase agreement. This amount was subsequently received from the solicitor on 16 April 2024.

The associate was accounted for using the equity method by the Group based on management accounts as at 30 September 2023.

The following table summarises the unaudited information of the Group's material associate:

	Kejap Food Sdn. Bhd. 2023 RM
Summarised financial information	
As at 30 September	
Non-current assets	1,896,831
Current assets	4,379,949
Non-current liabilities	(463,853)
Current liabilities	(852,916)
Net assets	4,960,011
As at 30 September	
Revenue	2,140,560
Loss and total comprehensive loss for the financial year	(1,659,578)
Group's share of results	
As at 30 September	
Group's share of loss and total comprehensive other comprehensive loss for the financial year	(471,711)

11. INVESTMENT IN A JOINT VENTURE

	Group	
	2024 RM	2023 RM
Unquoted shares – at cost	2,600,000	2,600,000
Share of post-acquisition loss	(361,326)	–
	2,238,674	2,600,000

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AS AT 31 DECEMBER 2024

11. INVESTMENT IN A JOINT VENTURE (CONTINUED)

Details of the joint venture are as follows:

Joint venture of the Group	Effective ownership interest		Country of incorporation	Principal activities
	2024 %	2023 %		
Kawan2Nature Sdn. Bhd. ^{*^#}	40	40	Malaysia	Venture into biocompost business

^{*} On 9 November 2023, the Group has subscribed 2,500,000 redeemable preference shares in Kawan Biotech Sdn. Bhd. for a total cash consideration of RM2,500,000. Kawan Biotech Sdn. Bhd. is the subsidiary of Kawan2Nature Sdn. Bhd.

[^] On 16 December 2022, the Group has established and registered a joint venture company with Good2Nature Sdn. Bhd. On 20 January 2023, the Group had via one of its wholly own subsidiaries, entered into a Joint Venture Agreement with Good2Nature Sdn. Bhd., which is the counterparty of the joint venture.

[#] No summarised financial information has been disclosed as the directors of the Group regarded the financial information as immaterial to the Group.

12. OTHER INVESTMENTS

	Shares quoted in Malaysia RM
Group	
2024	
Current	
Financial assets at fair value through profit or loss	8,377,211
Market value of quoted investments	8,377,211
2023	
Current	
Financial assets at fair value through profit or loss	9,240,224
Market value of quoted investments	9,240,224

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

12. OTHER INVESTMENTS (CONTINUED)

	Company	
	2024 RM	2023 RM
Non-current		
At cost		
Redeemable Cumulative Preference Shares (Unquoted shares)	122,000,000	122,000,000
Dividends recognised in profit or loss	5,294,800	5,160,600

13. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Group						
Property, plant and equipment	-	-	(19,867,016)	(17,000,691)	(19,867,016)	(17,000,691)
Provisions	4,210,157	3,510,945	-	-	4,210,157	3,510,945
Others	(361,910)	948,146	-	-	(361,910)	948,146
Deferred tax assets/(liabilities)	3,848,247	4,459,091	(19,867,016)	(17,000,691)	(16,018,769)	(12,541,600)
Set off	(3,848,247)	(3,994,972)	3,848,247	3,994,972	-	-
Net deferred tax assets/(liabilities)	-	464,119	(16,018,769)	(13,005,719)	(16,018,769)	(12,541,600)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the financial year:

	At 1.1.2023 RM	Recognised in profit or loss (Note 27) RM	Recognised in other comprehensive loss (Note 28) RM	At 31.12.2023/ 1.1.2024 RM	Recognised in profit or loss (Note 27) RM	Recognised in other comprehensive income (Note 28) RM	At 31.12.2024 RM
Group							
Property, plant and equipment	(19,952,205)	2,951,564	-	(17,000,641)	(3,159,803)	-	(20,160,444)
Provisions	3,269,766	241,179	-	3,510,945	(1,722,535)	-	1,788,410
Others	4,443,850	(3,495,704)	(50)	948,096	1,405,141	28	2,353,265
	(12,238,589)	(302,961)	(50)	(12,541,600)	(3,477,197)	28	(16,018,769)

As at 31 December 2024, the Group has the following deferred tax assets which are not recognised in the financial statements due to uncertainty in the availability of future taxable income:

	Group	
	2024 RM	2023 RM
Property, plant and equipment	(939)	(2,489)
Unabsorbed capital allowances	114,880	114,339
Unutilised tax losses	311,751	283,612
	425,692	395,462

As at 31 December 2024, the Group has unabsorbed capital allowances and unutilised tax losses of approximately RM478,667 (2023: RM476,413) and RM1,298,963 (2023: RM1,181,716) respectively, which are available to set off against future chargeable income.

The unabsorbed capital allowances are available indefinitely for offset against future taxable profits.

With effect from year of assessment ("YA") 2019, the period for unutilised tax losses carried forward is limited to 10 consecutive YAs. Any balance of unutilised tax losses after the end of the period of 10 consecutive YAs is to be disregarded.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

13. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

		Group	
		2024 RM	2023 RM
YA2019	Disregarded from YA2029	300,817	300,817
YA2020	Disregarded from YA2030	532,821	532,821
YA2021	Disregarded from YA2031	106,248	106,248
YA2022	Disregarded from YA2032	177,611	177,611
YA2023	Disregarded from YA2033	64,219	64,219
YA2024	Disregarded from YA2034	117,247	-
		1,298,963	1,181,716

Deferred tax assets have not been recognised in respect of these items because it is not probable that the subsidiaries will be able to generate sufficient taxable profits to utilise them.

14. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Note					
Trade					
Trade receivables	(a)	110,368,688	77,431,605	-	-
Less: Impairment loss					
- Individual impairment losses		(887,327)	(1,122,348)	-	-
- Collective impairment losses		(629,947)	(555,269)	-	-
Effect of movements in exchange rates		38,470	(46,771)	-	-
		108,889,884	75,707,217	-	-
Non-trade					
Amount due from subsidiaries	(b)	-	-	5,295,630	5,223,465
Other receivables		1,908,042	2,974,844	29,902	2,000
		1,908,042	2,974,844	5,325,532	5,225,465
		110,797,926	78,682,061	5,325,532	5,225,465

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is amount of RM20,022,142 (2023: RM12,400,369) due from companies in which certain directors have interests and held directorship.

(b) Amount due from subsidiaries

Amount due from subsidiaries is unsecured, interest free and receivable on demand.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

15. INVENTORIES

	Group	
	2024 RM	2023 RM
At cost		
Raw materials	4,365,987	3,795,723
Packing materials	3,552,059	5,126,210
Finished goods	27,562,507	23,996,626
Spare parts	6,032,605	5,920,669
Goods-in-transit	489,844	303,881
	42,003,002	39,143,109
Less: Allowance for slow moving inventories		
At beginning of the financial year	(2,713,547)	(604,162)
Allowance during the financial year	(4,603,496)	(5,073,310)
Allowance no longer required	2,713,547	2,963,925
At end of the financial year	(4,603,496)	(2,713,547)
	37,399,506	36,429,562
Recognised in profit or loss:		
Inventories recognised as cost of sales	191,425,234	177,720,492
Inventories written off	3,052,750	2,404,240

16. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Money market funds with licensed fund management companies				
- redeemable at call	412,787	452,180	211,107	206,545
- redeemable upon 1 day notice	15,694,839	40,562,580	2,072,987	1,870,672
	16,107,626	41,014,760	2,284,094	2,077,217
Cash and bank balances	55,412,885	63,286,933	7,612,507	10,415,397
	71,520,511	104,301,693	9,896,601	12,492,614

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
<i>Issued and fully paid with no par value</i>				
At 1 January	362,581,760	362,581,760	184,889,706	184,889,706
Issued for cash under Employees' Share Option Scheme	1,454,852	-	2,641,766	-
At 31 December	364,036,612	362,581,760	187,531,472	184,889,706

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

During the financial year, the issued and paid up share capital of the Company was increased from RM184,889,706 to RM187,531,472 by way of an issue of 1,454,852 ordinary shares pursuant to the Company's Employees' Share Options Scheme at an exercise price of RM1.65 per ordinary share.

The new ordinary shares issued during the financial year rank pari-passu in all respects with the existing ordinary shares of the Company.

18. TREASURY SHARES

	Group and Company	
	2024 RM	2023 RM
At cost		
At 1 January	(24,244,909)	(1,345,429)
Acquired during the financial year	(14,135,928)	(22,899,480)
At 31 December	(38,380,837)	(24,244,909)

The shares purchased can be retained as treasury shares, distributed as dividend, transferred, resold or subsequently cancelled in accordance with Section 127 of the Companies Act 2016.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

18. TREASURY SHARES (CONTINUED)

During the financial year, the Company repurchased its shares of 8,188,300 (2023: 12,275,100) ordinary shares with total consideration of RM14,135,928 (2023: RM22,899,480) as follows:

Date	Number of shares	Purchase price	Total consideration paid (RM)
24 January 2024	26,500	1.8312	48,527
26 January 2024	13,300	1.8200	24,206
31 January 2024	31,500	1.8486	58,231
5 February 2024	20,300	1.8170	36,885
6 February 2024	25,500	1.8456	47,063
8 February 2024	90,300	1.8494	167,001
2 April 2024	59,000	1.8003	106,218
3 April 2024	103,900	1.8260	189,721
4 April 2024	50,600	1.8300	92,598
5 April 2024	118,100	1.8297	216,088
8 April 2024	93,700	1.8297	171,443
9 April 2024	191,800	1.8274	350,495
12 April 2024	100,000	1.8298	182,980
15 April 2024	105,600	1.8295	193,195
16 April 2024	70,900	1.8288	129,662
17 April 2024	33,000	1.8297	60,380
19 April 2024	130,600	1.8242	238,241
22 April 2024	257,400	1.8220	468,983
24 April 2024	26,300	1.8083	47,558
10 May 2024	111,300	1.7967	199,973
10 May 2024	225,000	1.7984	404,640
10 May 2024	282,700	1.7958	507,673
10 May 2024	96,000	1.7879	171,638
7 June 2024	46,300	1.7857	82,678
18 June 2024	292,100	1.7809	520,201
27 June 2024	183,000	1.7676	323,471
11 July 2024	20,000	1.7700	35,400
12 July 2024	21,800	1.7769	38,736
15 July 2024	204,000	1.7686	360,794
16 July 2024	1,000	1.7700	1,770
25 July 2024	68,800	1.7425	119,884
31 July 2024	68,500	1.7329	118,704
1 August 2024	30,000	1.7368	52,104
2 August 2024	52,300	1.7300	90,479
5 August 2024	171,100	1.6913	289,381
6 August 2024	51,400	1.6995	87,354
7 August 2024	36,600	1.6957	62,063
8 August 2024	7,700	1.6851	12,975
14 August 2024	22,200	1.7200	38,184
16 August 2024	4,200	1.7000	7,140
19 August 2024	9,200	1.7100	15,732

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

18. TREASURY SHARES (CONTINUED)

Date	Number of shares	Purchase price	Total consideration paid (RM)
20 August 2024	8,200	1.7200	14,104
21 August 2024	2,200	1.7300	3,806
23 August 2024	19,300	1.7000	32,810
26 August 2024	9,500	1.7200	16,340
27 August 2024	15,500	1.6993	26,339
28 August 2024	18,800	1.7000	31,960
29 August 2024	44,600	1.6922	75,472
2 September 2024	22,200	1.6881	37,476
6 September 2024	31,400	1.6728	52,526
9 September 2024	23,200	1.6813	39,006
12 September 2024	51,600	1.6791	86,642
13 September 2024	20,200	1.6784	33,904
17 September 2024	20,800	1.6825	34,996
18 September 2024	42,900	1.6877	72,402
20 September 2024	140,000	1.6886	236,404
23 September 2024	12,100	1.6900	20,449
25 September 2024	16,000	1.7100	27,360
27 September 2024	1,200	1.7100	2,052
30 September 2024	500	1.7100	855
1 October 2024	27,000	1.7100	46,170
3 October 2024	1,900	1.7100	3,249
4 October 2024	9,700	1.7100	16,587
7 October 2024	6,000	1.7100	10,260
9 October 2024	5,000	1.7200	8,600
10 October 2024	5,200	1.7200	8,944
16 October 2024	48,000	1.6986	81,533
22 October 2024	54,000	1.7103	92,356
24 October 2024	112,900	1.7021	192,167
25 October 2024	3,500	1.7120	5,992
28 October 2024	210,000	1.6995	356,895
29 October 2024	2,900	1.7000	4,930
6 November 2024	70,400	1.6970	119,469
11 November 2024	17,000	1.6970	28,849
12 November 2024	6,000	1.6970	10,182
21 November 2024	34,500	1.6970	58,547
22 November 2024	11,800	1.6970	20,025
26 November 2024	15,600	1.6970	26,473
2 December 2024	28,500	1.7000	48,450
3 December 2024	177,000	1.7000	300,900
4 December 2024	812,700	1.6984	1,380,290
5 December 2024	15,000	1.6933	25,400
6 December 2024	600,000	1.6773	1,006,380
9 December 2024	365,200	1.6552	604,479
10 December 2024	268,600	1.6598	445,822

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AS AT 31 DECEMBER 2024

18. TREASURY SHARES (CONTINUED)

Date	Number of shares	Purchase price	Total consideration paid (RM)
12 December 2024	182,000	1.6582	301,792
17 December 2024	8,000	1.6500	13,200
18 December 2024	224,700	1.6496	370,665
19 December 2024	206,400	1.6500	340,560
23 December 2024	25,400	1.6500	41,910
24 December 2024	229,500	1.6500	378,675
30 December 2024	236,100	1.6300	384,843
31 December 2024	114,100	1.6300	185,983
	8,188,300		14,135,928

At the reporting date, the number of outstanding shares in issue after setting off the treasury shares against equity was 342,691,112 (2023: 349,424,560).

19. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<i>Non-distributable:</i>				
Foreign currency translation reserve	7,672,787	8,147,741	-	-
ESOS share options reserve	3,617,870	2,190,502	3,617,870	2,190,502
	11,290,657	10,338,243	3,617,870	2,190,502
<i>Distributable:</i>				
Retained earnings	229,210,346	222,182,721	46,374,781	29,890,893
	240,501,003	232,520,964	49,992,651	32,081,395

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than Ringgit Malaysia ("RM").

	Group	
	2024 RM	2023 RM
At 1 January	8,147,741	8,248,271
Foreign currency translation during the financial year	(474,954)	(100,530)
At 31 December	7,672,787	8,147,741

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

19. RESERVES (CONTINUED)

Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Share-based payments arrangementShare option programme (equity settled)

On 31 May 2018, the shareholders of the Company approved the Employees' Share Options Scheme. In accordance with this programme, holders of vested options are entitled to purchase shares at the market price of the shares at the date of grant.

The terms and conditions related to the grant of the share option scheme are as follows; all options are to be settled by physical delivery of shares:

Grant date/employee entitled	Number of options	Contractual life of options	Exercisable period
2024			
Option granted to eligible employees on 19 September 2024	945,000	3 years	1 January 2025 to 31 December 2027
Option granted to eligible employees on 19 September 2024	945,000	2 years	1 January 2026 to 31 December 2027
Option granted to eligible employees on 19 September 2024	945,000	1 year	1 January 2027 to 31 December 2027
Total share options	2,835,000		
2023			
Option granted to eligible employees on 28 July 2023	250,000	0.5 year	28 July 2023 to 25 January 2024
Option granted to eligible employees on 16 October 2023	9,320,000	3 years	1 January 2024 to 31 December 2026
Option granted to eligible employees on 16 October 2023	9,320,000	2 years	1 January 2025 to 31 December 2026
Option granted to eligible employees on 16 October 2023	9,320,000	1 year	1 January 2026 to 31 December 2026
Option granted to eligible employees on 18 December 2023	1,800,000	3 years	18 December 2023 to 31 December 2026
Total share options	30,010,000		

No vesting conditions for options offered.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

19. RESERVES (CONTINUED)***Share-based payments arrangement (continued)***Share option programme (equity settled) (continued)

The number and weighted average exercise process of shares options are as follows:

	2024 Number of options	2023 Number of options
Outstanding at 1 January	30,010,000	-
Granted during the financial year	2,835,000	30,010,000
Exercised during the financial year	(1,454,852)	-
Recycled during the financial year	(4,014,000)	-
Outstanding at 31 December	27,376,148	30,010,000
Exercisable at 31 December	8,631,148	2,050,000

During the financial year, the share options granted have an exercise price of RM1.65 to RM1.69 (2023: RM1.660 to RM1.6925) and contractual life of 3 years (2023: 0.5 to 3 years).

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using trinomial option pricing model, with the following inputs:

	2024 RM	2023 RM
Fair value of share options and assumptions		
Fair value at grant date	0.1754	0.1911 to 0.1978
Weighted average share price	1.681	1.866 to 1.872
Share price at grant date	1.65 to 1.69	1.66 to 1.69
Expected volatility (weighted average volatility)	16.99%	25.17% to 27.00%
Options life (expected weighted average life)	3 years	0.50 to 3 years
Expected dividends	2.49%	1.92% to 1.94%
Risk-free interest rate (based on Malaysia Government Securities)	3.334%	3.333% to 3.636%

Value of employee services received for issue of share options:

	Group and Company	
	2024 RM	2023 RM
Share options granted	1,427,368	2,190,502
Total expenses recognised as shared-based payments	1,427,368	2,190,502

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20. LOANS AND BORROWINGS

	Group	
	2024 RM	2023 RM
Term loans		
Classified as:		
- current liability	2,766,717	3,560,015
Present value of term loans		
Analysed as follows:		
- not later than 1 year	2,766,717	3,560,015

The Group's term loans are secured over certain leasehold lands and certain buildings of subsidiaries and subject to interest at rates ranging from 1.15% to 1.34% (2023: 1.15% to 1.34%) per annum (Notes 6, 7 and 8).

21. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Trade					
Trade payables	(a)	20,932,194	27,090,602	-	-
Non-trade					
Other payables		7,044,914	7,618,974	28,972	154,127
Accruals		21,073,434	16,123,848	135,868	103,080
Amount due to a subsidiary	(b)	-	-	2,142,783	13,600,710
		28,118,348	23,742,822	2,307,623	13,857,917
		49,050,542	50,833,424	2,307,623	13,857,917

(a) Trade payables

- (i) Credit terms of trade payables are ranging from 30 to 60 days (2023: 30 to 60 days).
- (ii) Included in trade payables of the Group is an amount of RM420,502 (2023: RM288,788) due to companies in which certain directors have interests.

(b) Amount due to a subsidiary

Amount due to a subsidiary is unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

22. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers	317,548,594	287,215,315	-	-
Others				
- dividends	-	-	44,365,099	18,181,788
	317,548,594	287,215,315	44,365,099	18,181,788
Revenue from contracts with customers in primary geographical markets				
Malaysia	135,986,336	129,706,320	44,365,099	18,181,788
North America	75,679,728	56,117,961	-	-
Rest of Asia	47,034,541	50,947,926	-	-
Europe	43,058,442	34,545,789	-	-
Oceania	14,372,644	14,059,173	-	-
Africa	1,416,903	1,838,146	-	-
	317,548,594	287,215,315	44,365,099	18,181,788
Timing of recognition				
At a point in time	317,548,594	287,215,315	44,365,099	18,181,788

Nature of goods	Timing of recognition	Significant payment terms	Variable element in consideration	Obligation for returns or refund	Warranty
Frozen food products	Revenue is recognised upon transfer of significant risk and reward of ownership of the goods to the customer	Local sales: Credit period of 30 to 90 days from invoice date Export sales: Telegraphic transfer at sight and telegraphic transfer 90 days from bill of lading date	Discounts, rebates and incentives are given to customers on a case-by case basis.	Not applicable	Not applicable

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

23. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental income	4,704,956	4,983,610	-	-
Other income	1,979,043	1,571,683	-	13,495
	6,683,999	6,555,293	-	13,495

24. FINANCE INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income of financial assets calculated using the effective interest method that are at fair value through profit or loss:				
- money market funds with licensed fund management companies	1,199,590	1,165,003	98,535	112,935

25. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- term loans, secured	117,318	207,781	-	-
Bank charges	193,897	-	53,832	-
	311,215	207,781	53,832	-

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

26. PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditor's remuneration:				
- audit fees	288,896	271,537	60,000	56,500
- non-audit fees	8,000	8,000	8,000	8,000
Depreciation of investment properties	145,839	145,838	-	-
Depreciation of property, plant and equipment	18,407,353	19,162,255	-	-
Depreciation of right-of-use assets	338,638	338,613	-	-
	18,891,830	19,646,706	-	-
Employees' share option scheme expenses	1,427,368	2,190,502	1,427,368	2,190,502
Fair value loss on financial assets	477,633	558,812	-	-
Loss/(Gain) on disposal of property, plant and equipment	1,912,371	(34,496)	-	-
Loss from disposal of an associate	-	544,203	-	-
Loss on disposal of investment in quoted shares	385,380	-	-	-
Impairment loss on investment in subsidiaries	-	-	1,001,571	-
Impairment loss/(Reversal of impairment loss) on trade receivables:				
- collective impairment loss	396,188	162,239	-	-
- individual impairment loss	-	105,354	-	-
- collective impairment loss	(455,313)	-	-	-
- individual impairment loss	(147,989)	(174,798)	-	-
	(207,114)	92,795	-	-
Personnel expenses (including key management personnel):				
- contributions to state plans	3,920,875	3,000,658	-	-
- wages, salaries and others	53,167,675	42,512,899	210,500	54,000
Property, plant and equipment written off	1,451,034	905,647	-	-
Provision for slow moving inventories	4,603,496	5,073,310	-	-
Provision for slow moving inventories no longer required	(2,713,547)	(2,963,925)	-	-
Rental expenses (#) in respect of:				
- coldroom	637	35,094	-	-
- storage	48,245	94,645	-	-
- hostel	944,540	892,100	-	-
	993,422	1,021,839	-	-
Rental income from:				
- investment properties	(1,563,908)	(1,739,044)	-	-
- office and factory	(441,972)	(441,613)	-	-
- coldroom	(2,699,076)	(2,802,953)	-	-
	(4,704,956)	(4,983,610)	-	-

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

26. PROFIT BEFORE TAXATION (CONTINUED)

Profit before taxation is arrived after charging/(crediting): (continued)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Inventories written off	3,052,750	2,404,240	-	-
(Gain)/Loss on foreign exchange:				
- unrealised	(1,199,356)	(1,178,362)	728,149	(1,273,656)
- realised	3,220,182	(1,158,397)	-	-
	2,020,826	(2,336,759)	728,149	(1,273,656)
Share of loss of a joint venture	361,326	-	-	-
Share of loss of associate	-	471,711	-	-

For short-term leases with lease term of 12 months or less and for leases of low value assets, the Group has availed the exemption in MFRS 16 not to recognise the right-of-use assets and lease liabilities. Instead, payments made for these leases are recognised as expense when incurred.

27. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax				
Malaysia				
- current	6,874,225	4,415,410	-	-
- (over)/under provision in prior financial years	(266,902)	-	11,133	-
Overseas				
- current	33,653	19,174	-	-
- underprovision in prior financial year	-	6,066	-	-
	6,640,976	4,440,650	11,133	-
Deferred tax				
- original and reversal of temporary differences	1,738,915	(3,495,704)	-	-
- underprovision in prior financial years	1,738,282	3,192,743	-	-
	3,477,197	(302,961)	-	-
Total tax expense	10,118,173	4,137,689	11,133	-

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

27. TAXATION (CONTINUED)

A reconciliation of income tax expenses applicable to profit before taxation within the applicable statutory income tax rate is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation	41,536,172	34,266,322	40,885,395	17,180,532
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)	9,968,681	8,223,917	9,812,495	4,123,327
Tax effects in respect of:				
Non-deductible expenses	1,527,635	1,322,996	859,084	570,131
Non-taxable income	(307)	(297,164)	(307)	(305,677)
Tax exempt income	(612,284)	(382,510)	(10,671,272)	(4,387,781)
Recognition of reinvestment allowance incentive previously not recognised	-	(897,462)	-	-
Reinvestment allowance incentive	(2,200,395)	(5,784,149)	-	-
Double deduction on qualifying expenditure	-	(1,084,093)	-	-
Effect of deferred tax assets not recognised	30,230	6,968	-	-
Others	(66,767)	(169,623)	-	-
	8,646,793	938,880	-	-
(Over)/Under provision:				
- current tax	(266,902)	6,066	11,133	-
- deferred tax	1,738,282	3,192,743	-	-
	10,118,173	4,137,689	11,133	-

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

28. OTHER COMPREHENSIVE LOSS

	Group	
	2024 RM	2023 RM
Foreign currency translation loss for foreign operations during the financial year	(474,982)	(100,480)
Less: Tax income/(expense)	28	(50)
Net of tax	(474,954)	(100,530)

29. EARNINGS PER ORDINARY SHARE**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share at 31 December 2024 was based on the profit attributable to owners of the Company of RM31,417,999 (2023: RM30,128,633) and a weighted average number of ordinary shares outstanding of 347,760,049 (2023: 359,813,534).

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 December 2024 was based on the profit attributable to owners of the Company of RM31,417,999 (2023: RM30,128,633) and a weighted average number of ordinary shares outstanding of 373,101,211 (2023: 368,315,507) after adjustment for the effect of dilutive potential ordinary shares relating to Employees' Share Option Scheme ("ESOS").

30. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM	Date of payment
2024			
Interim 2024 ordinary - single tier	4.2	14,703,023	2 April 2024
Second interim 2024 ordinary - single tier	2.8	9,687,351	20 December 2024
		24,390,374	
2023			
Interim 2022 ordinary - single tier	3.6	13,021,188	31 March 2023

Subsequent to the end of the current financial year, the Board of Directors has approved a final single tier dividend of 2.0 sen per ordinary share totalling RM6,802,080 was declared on 24 February 2025 and paid on 27 March 2025 in respect of the financial year ended 31 December 2024.

The final dividend will be accounted for in the shareholders' equity as appropriation of retained earnings in the financial year ending 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

31. OPERATING SEGMENTS

The Group's reportable segments are organised in accordance with the Group entities, which are the Group's strategic business units. The strategic business units offer products to different markets and managed separately because they require different marketing strategies. For each of the strategic business units, the Chief Executive Officer (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

Performance is measured based on segment profit before tax, interest and depreciation, as included in the internal management reports that are reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment total assets are used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provide regularly to the Chief Executive Officer. Hence no disclosure is made on segment liabilities.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and intangible assets other than goodwill.

	Manufacturing and trading	
	2024	2023
	RM	RM
Group		
Reporting segment profit	102,482,419	65,151,096
Included in the measure of segment profit are:		
- revenue from external customers	317,548,594	287,215,315
- inter-company revenue	206,453,294	148,538,360
Not included in the measure of reporting segment profit but provided to Chief Executive Officer:		
- depreciation (Note 26)	(18,891,830)	(19,646,706)
- finance costs	(311,215)	(207,781)
- finance income	1,199,590	1,165,003
- income tax expense	(10,118,173)	(4,137,689)
Segment assets		
Included in the measure of segment assets are:		
- additions to non-current assets other than financial instruments and deferred tax assets	25,659,715	5,824,333

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

31. OPERATING SEGMENTS (CONTINUED)

Reconciliation of reportable segment revenues, profit or loss, assets and other material items:

	Group	
	2024 RM	2023 RM
Profit or loss		
Total profit or loss for reportable segments	102,482,419	65,151,096
Elimination of inter-segment profits	(42,942,792)	(12,195,290)
Depreciation (Note 26)	(18,891,830)	(19,646,706)
Finance income	1,199,590	1,165,003
Finance costs	(311,215)	(207,781)
Consolidated profit before tax	41,536,172	34,266,322

	External revenue RM	Depreciation RM	Finance costs RM	Finance income RM	Segment assets RM
2024					
Total reportable segments	524,001,888	(18,891,830)	(311,215)	1,199,590	879,344,141
Elimination of inter-segment transactions or balances	(206,453,294)	-	-	-	(421,856,475)
Consolidated	317,548,594	(18,891,830)	(311,215)	1,199,590	457,487,666
2023					
Total reportable segments	435,753,675	(19,646,706)	(207,781)	1,165,003	802,978,599
Elimination of inter-segment transactions or balances	(148,538,360)	-	-	-	(342,221,890)
Consolidated	287,215,315	(19,646,706)	(207,781)	1,165,003	460,756,709

Geographical segments

The manufacturing of frozen food products is carried out solely in Malaysia and China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

Geographical information

The geographical information is shown in Note 22.

Major customer

The Group has one (2023: one) major customer contributing approximately 16% (2023: 12%) of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

32. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments of the Group and of the Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Assets				
<i>Financial assets at amortised cost</i>				
- Other investments	-	-	122,000,000	122,000,000
- Trade and other receivables	110,797,926	78,682,061	5,325,532	5,225,465
- Cash and bank balances	55,412,885	63,286,933	7,612,507	10,415,397
	166,210,811	141,968,994	134,938,039	137,640,862
<i>Financial assets at fair value through profit or loss</i>				
- Other investments	8,377,211	9,240,224	-	-
- Short-term investments	16,107,626	41,014,760	2,284,094	2,077,217
	24,484,837	50,254,984	2,284,094	2,077,217
Liabilities				
<i>Financial liabilities at amortised cost</i>				
- Loans and borrowings	2,766,717	3,560,015	-	-
- Trade and other payables	49,050,542	50,833,424	2,307,623	13,857,917
	51,817,259	54,393,439	2,307,623	13,857,917

(b) Net (losses)/gains arising from financial instruments

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Net (losses)/ gains on:				
Financial instruments at fair value through profit or loss				
Other investments – recognised in profit or loss	(477,633)	(558,812)	-	-
Short-term investments – recognised in profit or loss	1,199,590	1,165,003	98,535	112,935
	721,957	606,191	98,535	112,935

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT

The Group and the Company have exposure to the following risks from its use of financial instruments:

- (a) **Credit risk**
- (b) **Liquidity risk**
- (c) **Market risk**

(a) **Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, cash and cash equivalents and other investments.

(i) **Receivables**

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of the Company are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables is credit impaired.

The gross carrying amount of credit impaired trade receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to write off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

At the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

When an account is more than 90 days past due, the credit risk is considered to have increased significantly since the initial recognition. The Group and the Company identify as a default account if it is more than 90 days past due and the customer is having significant financial difficulties (analysed by financial measures of reported losses, negative cash flows, and qualitative evaluation of the customer's characteristics). The Group and the Company classify an impaired receivable when a customer is in default, in liquidation or other financial reorganisation.

For each receivable, the lifetime Expected Credit Loss ("ECL") is recognised using the probability of default technique. The inputs used are: (i) the percent chance of default, and (ii) the expected cash shortfalls. The lifetime ECL is measured at the probability-weighted expected cash shortfalls by reference to the Group's past experience, current conditions and forecast of future economic benefits.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Credit risk (continued)****(i) Receivables (continued)*****Concentration of credit risk***

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was as follows:

	Group	
	2024 RM	2023 RM
Malaysia	31,198,501	28,010,543
North America	38,406,451	22,316,090
Europe	18,017,571	10,364,846
Rest of Asia	15,212,234	11,202,829
Oceania	5,416,436	3,347,664
Africa	638,691	465,245
	108,889,884	75,707,217

At the end of the reporting period, the Group has no significant concentration of credit risk except for the amount due from one customer (2023: one customer) representing 23% (2023: 19%) of total trade receivables of the Group. The Group does not anticipate the carrying amount recorded at the end of each reporting period to be significantly different from the value that would eventually be received.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(i) Receivables (continued)

Impairment losses

The ageing analysis of trade receivables as at the end of the reporting period was:

	Gross amount RM	Individual impairment RM	Collective impairment RM	Effect of movements in exchange rates RM	Net amount RM
Group					
2024					
Not past due	77,618,957	-	(569)	22,294	77,640,682
Past due 1-30 days	14,631,501	-	(1,469)	4,413	14,634,445
Past due 31-90 days	11,968,737	-	(3,592)	4,528	11,969,673
Past due more than 90 days	6,149,493	(887,327)	(624,317)	7,235	4,645,084
Total past due	32,749,731	(887,327)	(629,378)	16,176	31,249,202
	110,368,688	(887,327)	(629,947)	38,470	108,889,884
2023					
Not past due	47,712,344	-	(59,940)	(1,813)	47,650,591
Past due 1-30 days	13,670,669	-	(123,181)	(5,218)	13,542,270
Past due 31-90 days	13,060,423	-	(241,469)	(10,775)	12,808,179
Past due more than 90 days	2,988,169	(1,122,348)	(130,679)	(28,965)	1,706,177
Total past due	29,719,261	(1,122,348)	(495,329)	(44,958)	28,056,626
	77,431,605	(1,122,348)	(555,269)	(46,771)	75,707,217

For balances which are past due but not impaired, management is monitoring individual balances closely and is confident of repayment based on subsequent collections after year end past repayment trends of these customers.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Credit risk (continued)****(i) Receivables (continued)*****Impairment losses (continued)***

The allowance account is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The impairment loss as at end of reporting period was:

	Group	
	2024 RM	2023 RM
At 1 January	1,724,388	1,584,822
Impairment loss recognised:		
- Individual impairment loss	-	105,354
- Collective impairment loss	396,188	162,239
Impairment loss no longer required:		
- Individual impairment loss	(147,989)	(174,798)
- Collective impairment loss	(455,313)	-
Effect of movements in exchange rates	(38,470)	46,771
At 31 December	1,478,804	1,724,388

(ii) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risk. Consequently, the Group and the Company are of the view that the loss allowances are not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (continued)

(iii) Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured financial guarantees to third parties and banks in respect of banking facilities granted to subsidiaries.

Exposure to credit risk, credit quality and collateral

The table below summarised the maximum exposure to credit risk of the Group and of the Company as at the end of the reporting period:

	Group	
	2024 RM	2022 RM
Corporate guarantees issued in favour of third parties	2,036,158	1,884,306

	Company	
	2024 RM	2022 RM
Corporate guarantees to licensed banks for banking facilities granted to subsidiaries, representing the outstanding loan amounts of the subsidiaries (Note 20)	2,766,717	3,560,015

(iv) Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Advances are only provided to subsidiaries which are wholly owned by the Company.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Credit risk (continued)****(iv) Inter-company advances (continued)*****Recognition and measurement of impairment losses***

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advances to be credit impaired when:

- the subsidiary is unlikely to repay its advance to the Company in full;
- the subsidiary's advance is overdue for more than 365 days; or
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

As at the end of the reporting period, there was no indication that the advance to the subsidiaries are not recoverable.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, corporate guarantees, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Less than 1 year RM
Group				
2024				
<i>Non-derivative financial liabilities</i>				
Loans and borrowings	2,766,717	1.15% - 1.34%	2,803,791	2,803,791
Trade and other payables	49,050,542	-	49,050,542	49,050,542
	51,817,259		51,854,333	51,854,333
Financial guarantees* (Note 33(a)(iii))	-	-	2,036,158	2,036,158
2023				
<i>Non-derivative financial liabilities</i>				
Loans and borrowings	3,560,015	1.15% - 1.34%	3,607,719	3,607,719
Trade and other payables	50,833,424	-	50,833,424	50,833,424
	54,393,439		54,441,143	54,441,143
Financial guarantees* (Note 33(a)(iii))	-	-	1,884,306	1,884,306

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)**(b) Liquidity risk (continued)*****Maturity analysis (continued)***

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (continued)

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Less than 1 year RM
Company				
2024				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	2,307,623	-	2,307,623	2,307,623
Financial guarantees* (Note 33(a)(iii))	-	-	2,766,717	2,766,717
2023				
<i>Non-derivative financial liabilities</i>				
Trade and other payables	13,857,917	-	13,857,917	13,857,917
Financial guarantees* (Note 33(a)(iii))	-	-	3,560,015	3,560,015

* As at end of the reporting period, there was no indication that the subsidiaries would default on repayment. Hence, the financial guarantees have not been recognised. The disclosure represents the maximum amount that is required to be settled in the event of the triggering event.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's and the Company's financial position or cash flows.

(i) Currency risk

The Group and the Company are exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australia Dollar ("AUD"), Euro ("EURO"), British Pound Sterling ("GBP"), Hong Kong Dollar ("HKD"), Renminbi ("RMB"), Singapore Dollar ("SGD") and United States Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group and the Company manage its foreign currency exposure by matching as far as possible receipts and payments in each individual currency. The Group's and the Company's exposure to foreign currency risk is monitored on an ongoing basis. The Group and the Company enter into forward exchange contracts in the normal course of business, where appropriate, to manage its exposure against foreign currency fluctuations on sales and purchase transactions denominated in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(i) Currency risk (continued)

Exposure to foreign currency risk

The Group's and the Company's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts at the end of the reporting period was:

	AUD RM	EURO RM	GBP RM	HKD RM	RMB RM	SGD RM	USD RM
2024							
Group							
Trade and other receivables	-	-	-	-	731	1,213,887	3,283,769
Cash and cash equivalents	-	21,120	-	370,201	830,360	1,720,173	7,275,818
Trade and other payables	-	(141,780)	-	-	(47,967)	(6,623)	(1,029,172)
	-	(120,660)	-	370,201	783,124	2,927,437	9,530,415
2023							
Trade and other receivables	-	-	-	-	(58,102)	1,413,845	2,003,818
Cash and cash equivalents	-	22,842	-	363,415	796,516	402,939	15,971,676
Trade and other payables	(6,123)	(1,519)	(263)	-	-	(1,605,575)	(24,504,957)
	(6,123)	21,323	(263)	363,415	738,414	211,209	(6,529,463)
Company							
2024							
Cash and cash equivalents	-	-	-	-	-	-	1,423,022
2023							
Cash and cash equivalents	-	-	-	-	-	-	1,459,306

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Market risk (continued)****(i) Currency risk (continued)*****Currency risk sensitivity analysis***

A 10% (2023: 10%) strengthening of the following currencies against the Ringgit Malaysia ("RM") at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant.

	Group		Company	
	Profit or loss		Profit or loss	
	2024	2023	2024	2023
	RM	RM	RM	RM
AUD	-	(465)	-	-
EURO	(9,170)	1,621	-	-
GBP	-	(20)	-	-
HKD	28,135	27,620	-	-
RMB	59,517	56,119	-	-
SGD	222,485	16,052	-	-
USD	724,312	(496,239)	108,150	110,907
	1,025,279	(395,312)	108,150	110,907

A 10% (2023: 10%) weakening of the above currencies against the Ringgit Malaysia at the end of the reporting period would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(ii) Interest rate risk

The Group's fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of changes in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's exposure to interest rate risk mainly arises from its short-term funds, fixed deposits and borrowings and is managed through effective negotiation with financial institutions for best available rates.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period were:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Floating rate instruments				
Financial assets	16,107,626	41,014,760	2,284,094	2,077,217
Financial liabilities	(2,766,717)	(3,560,015)	-	-

*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

	Group Profit or loss		Company Profit or loss	
	100 bp increase RM	100 bp decrease RM	100 bp increase RM	100 bp decrease RM
2024				
Financial assets	122,418	(121,418)	17,359	(17,359)
Financial liabilities	(21,027)	21,027	-	-
2023				
Financial assets	311,712	(311,712)	15,787	(15,787)
Financial liabilities	(27,056)	27,056	-	-

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Market risk (continued)****(ii) Interest rate risk (continued)*****Cash flow sensitivity analysis for variable rate instruments (continued)***

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown above. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(iii) Price risk

Price risk is the risk that the fair value or future cash flow of the financial statements will fluctuate because of changes in market prices (other than currency or interest rate).

The Group and the Company are exposed to equity securities price risk arising from the investments held by the Group and the Company which are classified on the statements of financial position as fair value through profit or loss. These securities are listed in Malaysia. The Group and the Company are not exposed to commodity price risk. To manage its price risk arising from investments in equity, the Group and the Company diversify their portfolio.

A 5% (2023: 5%) decrease in share price at the end of the reporting period would have decreased profit by RM418,861 (2023: RM462,011) for quoted investments classified as fair value through profit or loss. A 5% (2023: 5%) increased in share price would have had equal but opposite effect on equity and profit respectively.

(d) Fair value of financial instruments**(i) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amount are a reasonable approximation of fair value**

The Group's financial assets and liabilities include cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings.

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, because these are short-term in nature or that they are floating rate instruments that are repriced to market interest rates on or near to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value of financial instruments (continued)

(ii) Financial assets and liabilities measured at fair value

	Level 1 RM	Level 2 RM	Level 3 RM
Group			
2024			
Financial assets			
Investment in shares quoted in Malaysia	8,377,211	-	-
Short-term investments	16,107,626	-	-
2023			
Financial assets			
Investment in shares quoted in Malaysia	9,240,224	-	-
Short-term investments	41,014,760	-	-
Company			
2024			
Financial asset			
Short-term investments	2,284,094	-	-
2023			
Financial asset			
Short-term investments	2,077,217	-	-

The fair values of these financial assets that are quoted in an active market are determined by reference to the quoted closing bid price at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

33. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Fair value of financial instruments (continued)****(iii) Policy of transfer between levels**

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2023: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Valuation processes applied by the Group and the Company for Level 3 fair value

The Group and the Company use discounted cash flows in respect of the measurement of fair values of financial instruments. The management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

34. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a capital base adequate to safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by equity attributable to owners of the Company. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and cash equivalents.

The debt-to-equity ratio of the Group at the end of the reporting period is as follows:

	Group	
	2024 RM	2023 RM
Loans and borrowings	2,766,717	3,560,015
Trade and other payables	49,050,542	50,833,424
	51,817,259	54,393,439
Less: Cash and cash equivalents	(71,520,511)	(104,301,693)
Net debt	(19,703,252)	(49,908,254)
Equity attributable to owners of the Company (excluding treasury shares)	428,032,475	417,410,670
Debt-to-equity ratio	-	-

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group and the Company are not subject to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

35. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
<u>Capital expenditure commitments</u>		
Property, plant and equipment		
Authorised but not contracted for	-	16,507,000
Contracted but not provided for:		
Within one year	3,138,324	3,157,515

36. DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received and receivable by the directors of the Group and of the Company during the financial year are as follows:

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors					
Fees		293,750	340,000	293,750	340,000
Salaries and bonuses		3,297,256	3,519,680	-	-
Defined contribution benefits		398,254	425,732	-	-
Benefits-in-kind		314,273	68,599	4,000	-
Meeting allowances	(a)	43,000	81,000	43,000	81,000
		4,346,533	4,435,011	340,750	421,000
Non-executive directors					
Fees		536,623	415,000	536,623	415,000
Salaries and bonuses		499,554	-	-	-
Defined contribution benefits		58,347	-	-	-
Benefits-in-kind		24,642	7,918	23,950	7,918
Meeting allowances	(a)	167,500	157,500	167,500	157,500
		1,286,666	580,418	728,073	580,418
		5,633,199	5,015,429	1,068,823	1,001,418

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

36. DIRECTORS' REMUNERATION (CONTINUED)

The number of directors of the Company whose income falls within the following bands are:

	Executive directors		Non-executive directors	
	2024 RM	2023 RM	2024 RM	2023 RM
RM150,000 and below	-	-	3	2
RM150,001 to RM200,000	-	-	4	2
RM200,001 to RM500,000	-	-	1	-
RM500,001 to RM1,000,000	2	2	-	-
RM1,000,001 and above	2	2	-	-
Total	4	4	8	4

- (a) Meeting allowances vary from one director to another, depending on the number of committees they sit on and the number of meetings attended during the financial year.

37. RELATED PARTIES**Identity of related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Group or of the Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third party and the other entity is an associate of the third party.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the Company).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

The Group has related party relationship with its subsidiaries, jointly controlled entity, companies which certain directors have interest and key management personnel.

AS AT 31 DECEMBER 2024

Significant related party transactions

[illegible]

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

38. OTHER INFORMATION

(a) The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

(b) The registered office of the Company is located at:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor

(c) The principal place of business of the Company is located at:

Lot 129351, Jalan Sungai Pinang 4/19
Taman Perindustrian Pulau Indah
Selangor Halal Hub, Fasa 2C
42920 Pulau Indah
Selangor Darul Ehsan

(d) The financial statements are expressed in Ringgit Malaysia, which is also the Group's and the Company's functional currency.

39. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 14 April 2025.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the directors of **KAWAN FOOD BERHAD (Registration No. 200401001942 (640445-V))** do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

GAN THIAM CHAI

Director

Selangor

14 April 2025

GAN KA BIEN

Director

STATUTORY DECLARATION

Pursuant to Section 251(2) of the Companies Act 2016

I, **LEE FUI MENG**, being the officer primarily responsible for the financial management of **KAWAN FOOD BERHAD (Registration No. 200401001942 (640445-V))** do solemnly and sincerely declare that the accompanying financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

LEE FUI MENG

(MIA no. 31056)

Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in the Federal Territory on 14 April 2025

Before me

INDEPENDENT AUDITORS' REPORT

To the Members of Kawan Food Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kawan Food Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 99 to 170.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To the Members of Kawan Food Berhad

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><u>Significant estimates in revenue recognition arising from rebates and promotions given to customers</u></p> <p><i>Refer to Note 22 – Revenue</i></p> <p>The Group's revenue is recognised net of rebates and promotions. Rebates and discounts recognised are based on the expected entitlement earned up to reporting date under each customer trading agreement and promotions run.</p> <p>The Group has two categories of rebates and promotions where estimates are used:</p> <ul style="list-style-type: none"> – Conditional rebates – Promotions <p>Conditional rebates and promotions are triggered when certain conditions are met. The amount committed based on conditions achieved, multiplied by rates contracted with each customer in their trading agreements.</p> <p>During the financial year, the Group incurred conditional rebates and promotions totalling RM24.2 million. A total of approximately RM8.1 million of these rebates and discounts were included in accruals as at 31 December 2024.</p> <p>We focused on this area because of the high volume of transactions incurred during the financial year and estimation involved in determining the appropriate amount of accruals as at financial year end and especially in relation to those promotions and campaigns that were still ongoing at the financial year end and those in which the actual data with regards the conditions to be met have not been confirmed.</p>	<p><i>The details of our work performed are as follows:</i></p> <ul style="list-style-type: none"> • We have assessed and evaluated the appropriateness of the design and implementation of the controls in rebates and promotions given to customers cycle; • We have assessed and evaluated the operating effectiveness on the relevant controls identified within the rebates and promotions given to customers cycle; • We have reviewed the rebates and promotions arrangements entered into with customers, on a sampling basis, to obtain an understanding of the specific terms and conditions; • We have tested that the rebates and promotions committed were appropriately accrued for in the current year by checking to the credit notes issued to customers subsequent to reporting date; and • We have performed re-computation of rebates and promotions, on a sampling basis, based on the entitlement criteria.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

To the Members of Kawan Food Berhad

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To the Members of Kawan Food Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

RSM Malaysia PLT

202306000002 (LLP0030276-LCA) & AF 0768
Chartered Accountants

Kuala Lumpur

14 April 2025

Har Hou Wei

03665/05/2026 J
Chartered Accountant

LIST OF PROPERTIES

Location/ Title details	Description/ Existing use	Tenure of Lease	Approx. age of building	Date of Acquisition	Approx. Land Area/Built-up Area	Issuance of Certificate of Fitness	Net Book Value RM
* Held under H.S. (D) No. 135852, PT129351, Mukim dan Daerah Klang, Negeri Selangor, with address at Lot 96, Section 4, Phase 2C, Selangor Halal-Hub, Pulau Indah, Selangor Darul Ehsan	Factory cum office	Leasehold interest for a term of 99 years expiring on 24 February 2097	6 years	12 October 2011	63,079.9 sq. metres/ 49,404.82 sq. metres	18 May 2018	93,946,209
* Held under H.S. (D) No. 98527, Bandar Shah Alam, Daerah Petaling, Negeri Selangor, with address at Lot 20, Jalan Pengapit 15/19, 40200 Shah Alam, Selangor Darul Ehsan	Factory cum office	Leasehold interest for a term of 99 years expiring on 6 August 2074	44 year	28 May 2004	7,337.24 sq. metres/ 6,417.91 sq. metres	23 May 2007	4,301,945
* Held under H.S. (D) 98490, P.T. No. 617, Seksyen 16, Bandar Shah Alam, Negeri Selangor, with address at Lot 4, Jalan Lada Hitam 16/12A, 40000 Shah Alam, Selangor Darul Ehsan	Factory cum office	Leasehold interest for a term of 99 years expiring on 20 July 2094	34 years	28 June 1999	4,484 sq. metres/ 3,149.43 sq. metres	24 September 1990	1,462,162
* Held under H.S. (D) 98500 for P.T. No. 714, Seksyen 16, Bandar Shah Alam, Negeri Selangor, with address at Lot 2A, Persiaran Kemajuan, Seksyen 16, 40000 Shah Alam, Selangor Darul Ehsan	Factory cum office	Leasehold interest for a term of 99 years expiring on 20 July 2094	34 years	25 May 2005	21,796 sq. metres/ 3,584.91 sq. metres	7 May 1990	6,094,090
* Parcel No. 2F-41C with address at 41C-2F, Jalan Datuk Dagang 31, Taman Sentosa, 41200 Klang, Selangor Darul Ehsan	Shop apartment occupied as staff hostel	Freehold	24 years	16 May 2003	67.85 sq. metres	27 March 2003	36,935
Held under Master Title H.S. (D) 56067 PT 59174 in the Mukim of Klang, District of Klang, State of Selangor Darul Ehsan							
* Parcel No. 2B-41D with address at 41D-2B, Jalan Datuk Dagang 31, Taman Sentosa, 41200 Klang, Selangor Darul Ehsan	Shop apartment occupied as staff hostel	Freehold	24 years	29 July 2003	67.85 sq. metres	27 March 2003	34,363
Held under Master Title H.S. (D) 56067 PT 59174 in the Mukim of Klang, District of Klang, State of Selangor Darul Ehsan							

LIST OF PROPERTIES

Location/ Title details	Description/ Existing use	Tenure of Lease	Approx. age of building	Date of Acquisition	Approx. Land Area/Built-up Area	Issuance of Certificate of Fitness	Net Book Value RM
* Parcel No. 2F-31C with address at 31C-2F, Jalan Datuk Dagang 31, Taman Sentosa, 41200 Klang, Selangor Darul Ehsan Held under Master Title H.S. (D) 56062 PT 59169 in the Mukim of Klang, District of Klang, State of Selangor Darul Ehsan	Shop apartment occupied as staff hostel	Freehold	24 years	16 May 2003	67.85 sq. metres	27 March 2003	36,935
* Parcel No. 2B-21D with address at 21D-2B, Jalan Datuk Dagang 31, Taman Sentosa, 41200 Klang, Selangor Darul Ehsan Held under Master Title H.S. (D) 56057 PT 59164 in the Mukim of Klang, District of Klang, State of Selangor Darul Ehsan	Shop apartment occupied as staff hostel	Freehold	24 years	29 July 2003	67.85 sq. metres	27 March 2003	34,363
* Shop Apartment Parcel No. B3/3F with address at 57-3A, Jalan Bendahara 13, Taman Sri Sentosa, Jaya Business Park, 41200 Klang, Selangor Darul Ehsan Held under Strata Title H.S. (D) 67208 Lot No. P.T. No. 65663 in the Mukim Klang, District of Klang, State of Selangor Darul Ehsan	Shop apartment occupied as staff hostel	Freehold	23 years	21 February 2001	69.52 sq. metres	26 October 2004	32,595
* Shop Apartment Parcel No. B4/3F with address at 55-3A, Jalan Bendahara 13, Taman Sri Sentosa, Jaya Business Park, 41200 Klang, Selangor Darul Ehsan Held under Strata Title H.S. (D) 67207 Lot No. P.T. No. 65652 in the Mukim Klang, District of Klang, State of Selangor Darul Ehsan	Shop apartment occupied as staff hostel	Freehold	23 years	21 February 2001	69.52 sq. metres	26 October 2004	32,595
* Shop Apartment Parcel No. D4/3F with address at 57-3A, Jalan Bendahara 13, Taman Sri Sentosa, Jaya Business Park, 41200 Klang, Selangor Darul Ehsan Held under Strata Title H.S. (D) 67208 Lot No. P.T. No. 65663 in the Mukim Klang, District of Klang, State of Selangor Darul Ehsan	Shop apartment occupied as staff hostel	Freehold	23 years	21 February 2001	69.52 sq. metres	26 October 2004	32,595

LIST OF PROPERTIES

Location/ Title details	Description/ Existing use	Tenure of Lease	Approx. age of building	Date of Acquisition	Approx. Land Area/Built-up Area	Issuance of Certificate of Fitness	Net Book Value RM
* Shop Apartment Parcel No. D3/3F with address at 55-3A, Jalan Bendahara 13, Taman Sri Sentosa, Jaya Business Park, 41200 Klang, Selangor Darul Ehsan Held under Strata Title H.S. (D) 67207 Lot No. P.T. No. 65652 in the Mukim Klang, District of Klang, State of Selangor Darul Ehsan	Shop apartment occupied as staff hostel	Freehold	23 years	21 February 2001	69.52 sq. metres	26 October 2004	32,595
* Shop Apartment Parcel No. D2/3F with address at 57-3A, Jalan Bendahara 13, Taman Sri Sentosa, Jaya Business Park, 41200 Klang, Selangor Darul Ehsan Held under Strata Title H.S. (D) 67208 Lot No. P.T. No. 65663 in the Mukim Klang, District of Klang, State of Selangor darul Ehsan	Shop apartment occupied as staff hostel	Freehold	23 years	21 February 2001	69.52 sq. metres	26 October 2004	32,595
** Industrial Land at 13, Kexing Road North, Nantong Economic & Technology Development Area ("NETDA"), China Held under Lot No. 03-10-(001)-338, Land Registry No. 35.45-92.10	Factory cum office	Leasehold interest for a term of 50 years expiring on 25 December 2056	14 years	26 December 2006	40,773.90 sq. metres/ 16,000 sq. metres	N/A	18,132,691

* Held under Kawan Food Manufacturing Sdn Bhd

** Held under Kawan Food (Nantong) Co., Ltd.

ANALYSIS ON SHAREHOLDINGS

as per record of depositors as at 28 March 2025

Issued Share Capital : 364,036,612 Ordinary Shares (including 24,015,000 Treasury Shares)
 Class of Shares : Ordinary Shares
 Voting Rights : One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	406	9.39	6,375	0.00
100 – 1,000	1,470	33.98	707,562	0.21
1,001 – 10,000	1,744	40.31	7,370,168	2.17
10,001 – 100,000	571	13.20	17,587,138	5.17
100,001 to less than 5% of issued shares	132	3.05	104,058,167	30.60
5% and above of issued shares	3	0.07	210,292,202	61.85
Total	4,326	100.00	340,021,612	100.00

SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 28 March 2025

Name of Substantial Shareholders	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
1. Gan Thiam Chai	1,021,000	0.30	126,257,402 ⁽²⁾	37.13
2. Kwan Sok Kay	-	-	126,257,402 ⁽²⁾	37.13
3. Gan Thiam Hock	22,462,133	6.61	3,028,666 ⁽³⁾	0.89
4. GFG (L) Foundation	126,257,402	37.13	-	-
5. Narvee F'dation	62,001,200	18.23	-	-

⁽¹⁾ Based on the total number of issued shares of 340,021,612 Kawan Shares (excluding 24,015,000 Treasury Shares).

⁽²⁾ Deemed interested pursuant to Section 8 of the Companies Act 2016 ("the Act") by virtue of his/her substantial shareholdings in GFG (L) Foundation.

⁽³⁾ Deemed interested in the shares by virtue of Section 59 of the Act, held through his children, namely Gan Meng Hoi, Gan Meng Yeow, Gan Meng Hoo and Gan Kha Yee who holds 462,000, 344,000, 344,300 and 344,000 ordinary shares respectively and his spouse, Lam Saw Kuan who holds 1,534,366 ordinary shares representing a total of 0.89% in the shareholdings of the Company.

ANALYSIS ON SHAREHOLDINGS

as per Record of Depositors as at 28 March 2025

DIRECTORS' SHAREHOLDINGS

as per Register of Directors' shareholdings as at 28 March 2025

Name of Directors	Direct		Indirect	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
1. Lim Hun Soon @ David Lim	10,137,028	2.98	-	-
2. Gan Ka Bien	242,440	0.07	-	-
3. Dr. Nik Ismail Bin Nik Daud	-	-	-	-
4. Eugene Hon Kah Weng	-	-	-	-
5. Noor Alina Binti Mohamad Faiz	-	-	-	-
6. Abdul Razak Bin Shakor	-	-	-	-
7. Gan Ka Ooi	-	-	-	-
8. Gan Meng Hoi	462,000	0.14	-	-
9. Gan Ka Hui	-	-	-	-
10. Neel Naresh Nagrecha	-	-	-	-

⁽¹⁾ Based on the total number of issued shares of 340,021,612 Kawan Shares (excluding 24,015,000 Treasury Shares).

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

as at 28 March 2025

No.	Name of Shareholders	No. of Shares	% ⁽¹⁾
1.	GFG (L) FOUNDATION	126,257,402	37.13
2.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (SG PVB CL AC)	62,001,200	18.23
3.	GAN THIAM HOCK	22,033,600	6.48
4.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SOON @ DAVID LIM	6,500,000	1.91
5.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	6,434,100	1.89
6.	KONG POH YIN	5,834,100	1.72
7.	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	4,865,900	1.43
8.	HLIB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WU, CHUNG-CHEN (CCTS)	4,810,000	1.42
9.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	3,330,000	0.98
10.	LIM HUN SOON @ DAVID LIM	3,317,028	0.98
11.	HLIB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEN, TSAI-TIEN (CCTS)	2,970,466	0.87
12.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	2,639,900	0.78

ANALYSIS ON SHAREHOLDINGS

as per Record of Depositors as at 28 March 2025

No.	Name of Shareholders	No. of Shares	% ⁽ⁱ⁾
13.	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC STRATEGIC SMALLCAP FUND</i>	2,618,000	0.77
14.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR YOONG KAH YIN</i>	2,616,000	0.77
15.	CITIGROUP NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)</i>	2,370,500	0.70
16.	HLIB NOMINEES (ASING) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WU, CHIA-LUNG (CCTS)</i>	2,191,182	0.64
17.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SHAH KAMAL KANT ZAVERCHAND</i>	2,168,382	0.64
18.	KONG POH YIN	2,000,000	0.59
19.	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC SELECT TREASURES EQUITY FUND</i>	1,930,000	0.57
20.	AMANAHRAYA TRUSTEES BERHAD <i>PUBLIC ISLAMIC GROWTH BALANCED FUND</i>	1,472,333	0.43
21.	LAM SAW KUAN	1,464,366	0.43
22.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD</i>	1,418,500	0.42
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)</i>	1,418,500	0.42
24.	AMANAH RAYA BERHAD <i>KUMPULAN WANG BERSAMA</i>	1,369,800	0.40
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)</i>	1,293,100	0.38
26.	KOON POH TAT	1,200,000	0.35
27.	GAN THIAM CHUAN	1,149,300	0.34
28.	HLIB NOMINEES (TEMPATAN) SDN BHD <i>HONG LEONG BANK BHD FOR GAN THIAM CHAI</i>	1,021,000	0.30
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR KOON POH TAT (8062495)</i>	1,019,600	0.30
30.	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEW KUAN FAH</i>	1,000,000	0.29
Total		280,714,259	82.56

⁽ⁱ⁾ Based on the total number of issued shares of 340,021,612 Kawan Shares (excluding 24,015,000 Treasury Shares).

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty-First Annual General Meeting ("21st AGM") of Kawan Food Berhad ("**Kawan**" or "**the Company**") will be held at Lot 129351, Jalan Sungai Pinang 4/19, Taman Perindustrian Pulau Indah, Selangor Halal Hub, Fasa 2C, 42920 Pulau Indah, Selangor Darul Ehsan, Malaysia on Monday, 23 June 2025 at 10.30 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | |
|---|---|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors' and Auditors' thereon. | Please Refer To Explanatory Note 1 |
| 2. To approve the Directors' fees and benefits payable to the Directors of the Company of up to RM1,625,000 for the period from 24 June 2025 until the conclusion of the Twenty-Second AGM. | Ordinary Resolution 1 |
| 3. To re-elect Eugene Hon Kah Weng who is retiring under Clause 115(1) of the Constitution of the Company. | Ordinary Resolution 2 |
| 4. To re-elect the following Directors who are retiring under Clause 122 of the Constitution of the Company: | |
| (i) Gan Thiam Chai | Ordinary Resolution 3 |
| (ii) Noor Alina Binti Mohamad Faiz | Ordinary Resolution 4 |
| (iii) Gan Meng Hoi | Ordinary Resolution 5 |
| (iv) Gan Ka Hui | Ordinary Resolution 6 |
| (v) Gan Ka Ooi | Ordinary Resolution 7 |
| (vi) Neel Naresh Nagrecha | Ordinary Resolution 8 |
| * En. Abdul Razak Bin Shakor has expressed his intention not to seek re-election as a Non-Independent Non-Executive Director and shall accordingly retire after the conclusion of the forthcoming 21 st AGM. | |
| 5. To re-appoint RSM Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 9 |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:

- | | |
|--|-------------------------------|
| 6. Continuation in office as Senior Independent Non-Executive Director – Dr. Nik Ismail Bin Nik Daud | |
| <p>"THAT approval be and is hereby given to Dr. Nik Ismail Bin Nik Daud, who will serve as an Independent Director of the Company for a cumulative term of nine (9) years on 1 January 2026, to continue to act as Senior Independent Non-Executive Director of the Company."</p> | Ordinary Resolution 10 |

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

7. Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with the following related parties ("Proposed Renewal of Shareholders' Mandate"):

(i) Shana Foods Limited and Rubicon Food Products Limited

Ordinary Resolution 11

(ii) MH Delight Sdn Bhd

Ordinary Resolution 12

(iii) Hot & Roll Holdings Sdn Bhd

Ordinary Resolution 13

(Collectively referred to as "Related Parties")

"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 above Related Parties as stated in Section 2.4 of the Circular to Shareholders dated 30 April 2025 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."

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

8. Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares.

“THAT pursuant to Sections 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.

THAT pursuant to Section 85 of the Act, read together with Clause 64 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued Kawan shares arising from issuance of new shares pursuant to this Mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

Ordinary Resolution 14

9. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares.

“THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“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 2024 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;

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

- (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."

Ordinary Resolution 15

- 10. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
SSM PC No.: 202008001023

TAI YUEN LING (LS 0008513)
SSM PC No.: 202008001075

Company Secretaries
Selangor Darul Ehsan

Date: 30 April 2025

EXPLANATORY NOTES:

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Ordinary Resolutions 2 – 8 – Re-election of Directors

The retiring Directors under Ordinary Resolution 2 pursuant to Clause 115(1) of the Company's Constitution and Ordinary Resolutions 3 – 8 pursuant to Clause 122 of the Company's Constitution ("Retiring Directors"), being eligible, have offered themselves for re-election.

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at this 21st AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance 2021, the Nominating Committee ("NC") has reviewed and assessed the Retiring Directors from the annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual Directors' fitness and propriety with reference to the Directors' Fit and Proper Policy for the financial year under review.

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

The NC had recommended that, the re-election of the Retiring Directors to be based on the following:

- (i) satisfactory performance and have met Board's expectation in discharging his/her duties and responsibilities with due care and in a commendable manner;
- (ii) met the fit and proper criteria in discharging his/her roles as director of the Company;
- (iii) level of independence demonstrated by the Independent Director; and
- (iv) his/her ability to act in the best interest of the Company in decision-making and developing the Group's business strategies.

The Board had endorsed the recommendation of the NC on the re-election of the Retiring Directors.

The profiles of the Retiring Directors are set out in the Board of Directors' Profiles of the Annual Report 2024 of the Company.

3. Ordinary Resolution 10 – Continuing in Office as Senior Independent Non-Executive Director – Dr. Nik Ismail Bin Nik Daud

The proposed Ordinary Resolution 10 is to seek shareholders' approval on the retention of Dr. Nik Ismail Bin Nik Daud who will serve as Independent Director in the Company for a cumulative term of nine (9) years on 1 January 2026.

The NC has assessed the independence of Dr. Nik Ismail Bin Nik Daud and recommended him to continue to act as Senior Independent Non-Executive Director of the Company based on the following justifications:-

- (i) He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and thus, he would be able to provide check and balance and bring an element of objectivity to the Board;
- (ii) He is familiar with the Company's business operations and is able to advise the Board diligently on business matters;
- (iii) He provides a check and balance and brings an element of objectivity to the Board;
- (iv) He has devoted sufficient time and attention to their professional obligations for informed and balanced decision making by actively participating in board discussion and providing an independent voice to the Board; and
- (v) He has exercised his due care during his tenure as a Senior Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders.

4. Ordinary Resolutions 11, 12 & 13 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolutions 11, 12 & 13 proposed, if passed, will empower the Directors from the date of the 21st AGM, to deal with the related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations. These recurrent related party transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders.

This authority unless revoked or varied at a general meeting, will expire at the next AGM of the Company and subject always to provision (ii) of the resolution.

For further information on Ordinary Resolutions 11, 12 & 13, please refer to the Circular to Shareholders dated 30 April 2025 accompanying the Annual Report of the Company for the financial year ended 31 December 2024.

5. Ordinary Resolution 14 – Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares

The Ordinary Resolution 14 proposed under item 8 of the Agenda seeks the shareholders' approval of a general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

The Company did not allot and issue any shares pursuant to the general mandate granted by the shareholders at the previous AGM.

6. Ordinary Resolution 15 – Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

The proposed Ordinary Resolution 15, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company is required by law to be held.

For further information on Ordinary Resolution 15, please refer to the Statement to Shareholders dated 30 April 2025 accompanying the Annual Report of the Company for the financial year ended 31 December 2024.

Notes:

1. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 17 June 2025**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM.
2. A member entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting and the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
5. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.

a. In hard copy form

In the case of an appointment made in hard copy form, the original proxy form must be deposited with the Share Registrar's office, Boardroom Share Registrars Sdn Bhd ("Boardroom") of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

b. By electronic means

The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please follow the procedures set out in the Administrative Details for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at bsr.helpdesk@boardroomlimited.com.

6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
7. Last date and time for lodging the proxy form is **Saturday, 21 June 2025 at 10.30 a.m.**
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

9. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
- a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
10. Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADMINISTRATIVE DETAILS

For the Twenty-First Annual General Meeting (“21st AGM”) of Kawan Food Berhad

Day and Date : **Monday, 23 June 2025**
Time : **10.30 a.m.**
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

Dear Valued Shareholders,

1. REGISTRATION

- Registration will start at **9.30 a.m.** at the Meeting Venue and will end at a time directed by the Chairman of the AGM.
- Please produce your original MyKad/Passport (for foreigners) at the registration counter for verification and registration. Only original MyKad/Passport will be accepted for the purpose of identity verification.
- Please ensure to collect your MyKad/Passport thereafter.
- Please note that no person will be allowed to register on behalf of another person even with the original MyKad/Passport of that person.
- Upon completion of the registration process, you will be given an identification barcode wristband to enter the meeting hall. **Please be reminded that there will be no replacement in the event that you lose or misplace the barcode wristband.**
- Please vacate the registration area immediately after registration and proceed to the meeting hall.
- Please note that you will not be allowed to enter the meeting hall without wearing the barcode wristband.
- The registration counter will handle only verification of identity and registration. If you have any enquiries, please proceed to the Help Desk.

2. HELP DESK

- Please proceed to the Help Desk for any clarification or enquiries.
- The Help Desk will also handle the revocation of proxy appointments.

3. ENTITLEMENT TO PARTICIPATE IN THE AGM

- Only members whose names appear on the General Meeting Record of Depositors as at **17 June 2025** will be entitled to attend, speak and vote at the AGM or appoint a proxy to attend, speak and vote on his/her behalf.

4. ANNUAL REPORT 2024

- The Company's Annual Report 2024 is available at the website of the Company, <http://kawanfood.com/index.php/our-company/investor-relations/> and Bursa Malaysia Securities Berhad, www.bursamalaysia.com.
- If you wish to request a printed copy of the Annual Report 2024 prior to the AGM, please forward your request by completing the Request Form provided. **However, we hope you would consider the environmental and sustainability concerns, and refrain from requesting a printed copy of the Annual Report 2024.**

5. APPOINTMENT OF PROXY, CORPORATE SHAREHOLDERS, AUTHORISED NOMINEE AND EXEMPT AUTHORISED NOMINEE

- A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- A Member shall be entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend, speak and vote at the same AGM on his/her behalf. If you are unable to attend the AGM and wish to appoint a proxy/attorney/ authorized representative to vote on your behalf, please submit your proxy form in accordance with the notes and instructions stated in the notice of AGM.

APPOINTMENT OF PROXY

- You may submit your original proxy form to the office of the Share Registrar of our Company, **Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia** or by email to bsr.helpdesk@boardroomlimited.com, not less than **forty-eight (48) hours** before the time appointed for holding of meeting or adjourned meeting and in default the instrument of proxy shall not be treated as valid.
- The proxy form may also be lodged electronically via **Boardroom Smart Investor Portal (“BSIP”)** at <https://investor.boardroomlimited.com>. For further information, kindly refer to Table 1 below for proxy appointment via BSIP.

ADMINISTRATIVE DETAILS

For the Twenty-First Annual General Meeting ("21st AGM") of Kawan Food Berhad

APPOINTMENT OF CORPORATE SHAREHOLDERS, AUTHORISED NOMINEE AND EXEMPT AUTHORISED NOMINEE

- For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia**. The certificate of appointment of authorised representative should be executed in the following manner:
 - (a) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (b) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- You may write in to bsr.helpdesk@boardroomlimited.com by providing the name of member, CDS account number accompanied with the certificate of appointment of corporate representative or proxy form (as the case may be) to submit the request latest by **21 June 2025 at 10.30 a.m.**
- Please provide a copy of the corporate representative's or proxy's MyKad (front and back) or passport, as well as his/her email address.
- The appointment of authorized representative may also be lodged electronically via **BSIP** at <https://investor.boardroomlimited.com>. For further information, kindly refer to **Table 1** below for proxy appointment via BSIP.

Step 1 – Register Online with BSIP (for first-time registration only)	<p>Note: If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2.</p> <ul style="list-style-type: none"> • Access the website at https://investor.boardroomlimited.com. • Click "Register" to sign up as a user. • Complete registration with all the required information. Upload and attach a softcopy of your MyKad (front and back) or Passport. Click "Register". • You will receive an email from BSIP Online for email address verification. Click on "Verify Email Address" from the email received to continue with the registration. • Once your email address is verified, you will be re-directed to BSIP Online for verification of your mobile number. • Click on "Request OTP Code" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP code and click "Enter" to complete the process. • Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. • An email will be sent to you to inform the approval of your BSIP account within one (1) business day. Subsequently, you can log in at https://investor.boardroomlimited.com with the email address and password filled up by you during the registration to proceed.
Step 2 – Appointment of Proxy	<p>For Individual and Corporate holders.</p> <ul style="list-style-type: none"> • Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. • Click "Meeting Event" and select from the list of companies "KAWAN FOOD BERHAD TWENTY-FIRST ANNUAL GENERAL MEETING" and click "Enter". • Click "Submit eProxy form". • For Corporate holders, please select the companies (if you are representing more than 1 company). • Enter your CDS account number and the number of shares held. • Select your proxy – either the Chairman of the meeting or an individual named proxy(ies). • Read and accept the General Terms and Conditions and click "Next". • Enter the particulars of your proxy(ies) and click "Next". • Indicate your voting instructions – FOR or AGAINST or ABSTAIN. If you wish to have your proxy(ies) to act upon his/her discretion, please indicate DISCRETIONARY. • Review and confirm your proxy appointment. Click "Apply". Download or print the eProxy form as an acknowledgement.

ADMINISTRATIVE DETAILS

For the Twenty-First Annual General Meeting ("21st AGM") of Kawan Food Berhad**For Authorised Nominee and Exempt Authorised Nominee**

- Log in to <https://investor.boardroomlimited.com> using your user ID and password from Step 1 above.
- Click "Meeting Event" and select from the list of companies "**KAWAN FOOD BERHAD TWENTY-FIRST ANNUAL GENERAL MEETING**" and click "**Enter**".
- Click "**Submit eProxy form**".
- Select the nominee(s)/company(ies) that you represent.
- Download the file format for "**Submission of Proxy Form**".
- Prepare the file for appointment of proxy(ies) by inserting the required data.
- Upload the duly completed proxy appointment file
- Review and confirm your proxy appointment.
- Download or print the eProxy form as an acknowledgement.

- If you wish to attend the AGM yourself, please do not submit any proxy form. You will not be allowed to attend the AGM together with a proxy appointed by you.
- If you have submitted your proxy form prior to the AGM and subsequently decided to attend the AGM yourself, please proceed to the Help Desk to revoke the appointment of your proxy.

6. REVOCATION OF PROXY

If you have submitted your Proxy Form prior to the AGM and subsequently decide to appoint another person or wish to participate in the AGM yourself, please write in to bsr.helpdesk@boardroomlimited.com or via electronic means (as the case may be) to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the AGM or proceed to the Help desk counter on the AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the AGM. In such event, you should advise your proxy(ies) accordingly.

7. POLL VOTING

The voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. All resolutions set out in the Notice of the 21st AGM will be put to a vote by way of poll. A Poll Administrator will be appointed to conduct the polling process and Independent Scrutineers will be appointed to verify the results of the poll.

8. DOOR GIFT

Door gift will be provided to shareholders/proxies in the following manner:

- One (1) door gift for one (1) shareholder.
- For a shareholder who has been appointed as a proxy by another shareholder, he/she is only entitled to one (1) door gift.
- For a shareholder who appoints more than one (1) proxy, door gift will be provided to both two (2) proxies, unless they have not been entitled.
- If a proxy represents more than one (1) shareholder, he/she is entitled to one (1) door gift only.
- If the proxy/proxies has/have collected the door gift earlier, shareholders who decided to attend and request to revoke the proxy appointment will not be given any door gift.

9. ENQUIRIES

If you have any queries prior to the AGM, please contact Boardroom during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Share Registrar**Boardroom Share Registrars Sdn. Bhd.**

Tel : +603-7890 4700

Fax : +603-7890 4670

Email : bsr.helpdesk@boardroomlimited.com



KAWAN FOOD BERHAD
<http://www.kawanfood.com>
Registration No. 200401001942 (640445-V)
(Incorporated in Malaysia)

No. of ordinary shares held	CDS account no. of holder

Proxy Form

I/We, _____ (name of shareholder as per NRIC/Passport, in capital letters)

NRIC No./ Passport No./Registration No. _____ Tel: _____ of _____

_____ (full address)

being a *member/members of **KAWAN FOOD BERHAD** hereby appoint(s):-

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

* and/ or (delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address	Contact No.		

or failing *him/her, the Chairman of the meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the **Twenty-First Annual General Meeting ("21st AGM")** of Kawan Food Berhad ("Kawan" or "the Company") to be held at Lot 129351, Jalan Sungai Pinang 4/19, Taman Perindustrian Pulau Indah, Selangor Halal Hub, Fasa 2C, 42920, Pulau Indah, Selangor Darul Ehsan, Malaysia on Monday, 23 June 2025 at 10.30 a.m. and at any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below.

Item No.	Agenda	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors' and Auditors' thereon.			
2.	To approve the Directors' fees and benefits payable to the Directors of the Company of up to RM1,625,000 for the period from 24 June 2025 until the conclusion of the Twenty-Second AGM.	Ordinary Resolution 1		
3.	To re-elect Eugene Hon Kah Weng who is to retire pursuant to Clause 115(1) of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 2		
4.	To re-elect Gan Thiam Chai who is to retire pursuant to Clause 122 of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 3		
5.	To re-elect Noor Alina Binti Mohamad Faiz who is to retire pursuant to Clause 122 of the Company's Constitution and being eligible, has offered herself for re-election.	Ordinary Resolution 4		
6.	To re-elect Gan Meng Hoi who is to retire pursuant to Clause 122 of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 5		
7.	To re-elect Gan Ka Hui who is to retire pursuant to Clause 122 of the Company's Constitution and being eligible, has offered herself for re-election.	Ordinary Resolution 6		
8.	To re-elect Gan Ka Ooi who is to retire pursuant to Clause 122 of the Company's Constitution and being eligible, has offered herself for re-election.	Ordinary Resolution 7		
9.	To re-elect Neel Naresh Nagrecha who is to retire pursuant to Clause 122 of the Company's Constitution and being eligible, has offered himself for re-election.	Ordinary Resolution 8		
10.	To re-appoint RSM Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 9		
Special Business				
11.	Continuation in office as Senior Independent Non-Executive Director – Dr. Nik Ismail Bin Nik Daud.	Ordinary Resolution 10		
12.	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.	Ordinary Resolution 11		
13.	Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with MH Delight Sdn Bhd.	Ordinary Resolution 12		
14.	Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with Hot & Roll Holdings Sdn Bhd.	Ordinary Resolution 13		
15.	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares.	Ordinary Resolution 14		
16.	Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares.	Ordinary Resolution 15		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

- * Strike out whichever is not applicable.
- * if you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words “the Chairman of the Meeting or failing him/her” and insert the name(s) of the person(s) desired.

Signature/Common Seal of Shareholder

Date:

Notes:

1. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 17 June 2025**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM.
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 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
10. Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of any general meeting will be put to vote by poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2025.

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AFFIX
STAMP

KAWAN FOOD BERHAD
Registration No. 200401001942 (640445-V)
c/o Boardroom Share Registrars Sdn Bhd
Registration No. 199601006647 (378993-D)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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WWW.KAWANFOOD.COM

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Taman Perindustrian Pulau Indah, Selangor Halal Hub, Fasa 2C, 42920 Pulau Indah,
Selangor Darul Ehsan, Malaysia.