

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of Kawan Food Berhad 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 Friday, 31 May 2019 at 10.00 a.m. for the following purposes:

## AGENDA

### As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 1 of the Explanatory Notes)
- To approve the Directors' fees and benefits payable to the Directors of the Company of up to RM1 Million for the financial year ending 31 December 2019. **Ordinary Resolution 1**
- To re-elect the following Directors who are retiring under Article 80 of the Articles of Association of the Company:
  - Mr. Gan Thiam Chai **Ordinary Resolution 2**
  - Mr. Lim Hun Soon @ David Lim **Ordinary Resolution 3**
  - En. Abdul Razak bin Shakor **Ordinary Resolution 4**
- To re-appoint Messrs ChengCo PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

### As Special Business

To consider and, if thought fit, to pass the following resolutions:

- 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"):
  - Shana Foods Limited and Rubicon Food Products Limited **Ordinary Resolution 6**
  - Food Valley Sdn Bhd **Ordinary Resolution 7**
  - K.C. Belight Food Industry (M) Sdn Bhd and MH Delight Sdn Bhd **Ordinary Resolution 8**
  - Hot & Roll Sdn Bhd **Ordinary Resolution 9**
 (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 2019 which are necessary for the Company's day-to-day operations subject further to the following:

- 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;
- the approval is subject to annual renewal and shall only continue to be in force until:
  - the conclusion of the next Annual General Meeting of the Company following the forthcoming Annual General Meeting 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 Annual General Meeting the mandate is again renewed;

- the expiration of the period within which the next Annual General Meeting of the Company after the date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier; and
- 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:
  - the type of Recurrent Transactions entered into; and
  - 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."

- Authority under Section 76 of the Companies Act, 2016 for the Directors to allot and issue shares  
 "THAT pursuant to Section 76 of the Companies Act, 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at the time of issue, subject to the Constitution of the Company and approval of all the relevant regulatory bodies being obtained for such allotment and issue." **Ordinary Resolution 10**
- Proposed Adoption of New Constitution of the Company  
 "THAT the existing Memorandum of Association and Articles of Association of the Company be and are hereby deleted in its entirety and that the new Constitution as set out in Part B of the Circular to Shareholders dated 30 April 2019 be and is hereby adopted as the new Constitution of the Company." **Special Resolution**
- To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)

TAI YUEN LING (LS 0008513)

Company Secretaries

Date: 30 April 2019

## NOTES:

- A member entitled to attend and vote at the meeting is entitled to appoint more than one (1) proxy to attend, participate, speak and vote in his/her stead. A proxy may but need not be a member of the Company.
- Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- 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.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited with the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. (formerly known as Symphony Share Registrars Sdn. Bhd.) at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the meeting or any adjournment thereof. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the Annual General Meeting or Adjourned Annual General Meeting.
- 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.
- If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 24 May 2019 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

## EXPLANATORY NOTE:

### 1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340 of the Companies Act, 2016 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 6, 7, 8 & 9 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Ordinary Resolutions 6, 7, 8 & 9 proposed, if passed, will empower the Directors from the date of the Fifteenth Annual General Meeting, 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 Annual General Meeting of the Company and subject always to provision (ii) of the resolution.

For further information on Ordinary Resolutions 6, 7, 8 & 9, please refer to the Circular to Shareholders dated 30 April 2019 accompanying the Annual Report of the Company for the financial year ended 31 December 2018.

### 3. Ordinary Resolution 10 - Authority under Section 76 of the Companies Act, 2016 for the Directors to allot and issue shares

The Ordinary Resolution 10 proposed under item 6 of the Agenda seeks the shareholders' approval of a general mandate for issuance of shares by the Company under Section 76 of the Companies Act, 2016. 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 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 Annual General Meeting.

At this juncture, there is no decision to issue new shares. 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 Annual General Meeting.

### 4. Special Resolution - Proposed Adoption of New Constitution of the Company.

The proposed Special Resolution, if passed, will align the Constitution with the Act, which came into force on 31 January 2017, the Main Market Listing Requirement of Bursa Securities, and prevailing statutory and regulatory requirements as well as to render clarity and consistency throughout. Details of which as set out in Part B of the Circular to Shareholders dated 30 April 2019.

### 5. Mr. Lim Peng @ Lim Pang Tun has expressed his intention not to seek re-appointment as an Independent Non-Executive Director.

### 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.