



**KAWAN FOOD BERHAD**  
(Company No. 640445-V)

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of Kawan Food Berhad will be held at Topas Room, The Saujana Hotel, Jalan Lapangan Terbang SAAS, 40150 Selangor Darul Ehsan, Malaysia on Thursday, 31 May 2018 at 10.00 a.m. for the following purposes:

**A G E N D A**

**As Ordinary Business**

- To receive the Audited Financial Statements for the financial year ended 31 December 2017 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 2018.  
**Ordinary Resolution 1**
- To re-elect the following Directors who are retiring under Article 80 of the Articles of Association of the Company:  
(i) Mr Gan Thiam Hock  
(ii) Mr Lim Peng @ Lim Pang Tun  
**Ordinary Resolution 2**  
**Ordinary Resolution 3**  
Mr Chen Seng Chong who retires pursuant to Article 80 of the Articles of Association of the Company and has expressed his intention not to seek re-election.
- To re-appoint Messrs Cheng & Co as Auditors of the Company and to authorise the Directors to fix their remuneration.  
**Ordinary Resolution 4**

**As Special Business**

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

- Retention of Mr Lim Peng @ Lim Pang Tun as Independent Non-Executive Director of the Company.  
"THAT approval be and is hereby given to Mr Lim Peng @ Lim Pang Tun who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."  
**Ordinary Resolution 5**

- 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 ("Proposed Renewal of Shareholders' Mandate").

"THAT approval be and is hereby given to the Company, to enter and give effect to the recurrent related party transactions of a revenue or trading nature (hereinafter to be referred to as "Recurrent Transactions") with Shana Foods Limited and Rubicon Food Products Limited as stated in Section 2.4 of the Circular to Shareholders dated 30 April 2018 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."

**Ordinary Resolution 6**

- Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions of a Revenue or Trading Nature with K.C. Belight Food Industry (M) Sdn Bhd, Food Valley Sdn Bhd, Hot & Roll Sdn Bhd and MH Delight Sdn Bhd ("Proposed Renewal of Shareholders' Mandate").

"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 K.C. Belight Food Industry (M) Sdn Bhd, Food Valley Sdn Bhd, Hot & Roll Sdn Bhd and MH Delight Sdn Bhd as stated in Section 2.4 of the Circular to Shareholders dated 30 April 2018 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."

**Ordinary Resolution 7**

- 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 8**

- 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 2018

**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, Symphony Share Registrars Sdn. Bhd. at Level 6, Symphony House Block D13, 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 22 May 2018 (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 NOTES:**

- 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.

- Ordinary Resolution 5 – Retention of Mr Lim Peng @ Lim Pang Tun as Independent Non-Executive Director**

Mr Lim Peng @ Lim Pang Tun was appointed as an Independent Director on 16 May 2005. Mr Lim Peng @ Lim Pang Tun has served the Company for more than twelve (12) years as at the date of the notice of this Annual General Meeting. However, Mr Lim Peng @ Lim Pang Tun has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board recommends Mr Lim Peng @ Lim Pang Tun to remain as an Independent Director of the Company based on the following justifications:-

- he fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities, and therefore was able to bring independent and objective judgment to the Board's deliberations;
- his experience enable him to provide the Board with a diverse set of experience, expertise, skills and competence;
- he has been with the Company for long and therefore understand the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Remuneration Committee, Nomination Committee, Audit Committee and Board meetings;
- he has contributed sufficient time and efforts and attended all the Remuneration Committee, Nomination Committee, Audit Committee and Board meetings for informed and balanced decision making; and
- he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

- Ordinary Resolutions 6 and 7 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The Ordinary Resolutions 6 and 7 proposed, if passed, will empower the Directors from the date of the Fourteenth 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. The details of the recurrent related party transactions are set out in the Circular to the Shareholders dated 30 April 2018, which is dispatched together with this Annual Report.

- Ordinary Resolution 8 - Authority under Section 76 of the Companies Act, 2016 for the Directors to allot and issue shares**

The Ordinary Resolution 8 proposed under item 8 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.

**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.