



KAWAN FOOD BERHAD
(Company No: 640445-V)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("EGM") of Kawan Food Berhad ("Kawan" or "Company") will be held at Topas Room, The Saujana Hotel, Jalan Lapangan Terbang SAAS, 40150 Selangor Darul Ehsan on Thursday, 31 May 2018 at 11.00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Fourteenth Annual General Meeting of the Company to be held at the same venue and on the same day at 10.00 a.m., whichever is later, or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:-

ORDINARY RESOLUTION 1

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME OF UP TO FIFTEEN PERCENT (15%) OF THE ISSUED SHARE CAPITAL OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) TO THE ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES ("PROPOSED ESOS")

"THAT subject to the approvals of all relevant regulatory authorities and/or parties (where required) being obtained, approval be and is hereby given to the Directors of the Company to:-

- establish, implement and administer the Proposed ESOS, for the benefit of all eligible employees and Executive Directors of the Company and its subsidiaries (excluding subsidiaries which are dormant) ("**Kawan Group**") ("**Eligible Persons**"), in accordance with the provisions of the by-laws for the Proposed ESOS set out in Appendix I of the Circular to Shareholders dated 16 May 2018 ("**By-Laws**") and to give effect to the Proposed ESOS with full power to consent to and to adopt such conditions, modifications, variations, and/or amendments as it may deem fit and/or as may be required by the relevant regulatory authorities;
- allot and issue such number of new ordinary shares of Kawan ("**Kawan Shares**") from time to time as may be required pursuant to the exercise of the options under the Proposed ESOS ("**Options**") provided that the aggregate number of new Kawan Shares to be allotted and issued shall not at any point in time in aggregate exceed fifteen percent (15%) of the issued share capital of the Company (excluding treasury shares, if any) and such new Kawan Shares shall, upon issuance and allotment *pari passu* in all respects with the then existing issued shares of the Company, except that the new Kawan Shares so issued and allotted will not be entitled to any dividends, rights, allotments or other forms of distribution, for which the entitlement date is prior to the date of allotment of such new Kawan Shares;
- amend and/or modify all or any part of the Proposed ESOS from time to time as may be required/permitted by the authorities or deemed necessary by the Board of Directors ("**Board**") or any committee of the Proposed ESOS established or appointed by the Board ("**ESOS Committee**") provided that such modifications and/or amendments are effected and permitted in accordance with the provisions of the By-Laws relating to the modification and/or amendments and to do all such acts, deeds and things and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to such modifications and/or amendments;
- make such applications as may be necessary at the appropriate time or times to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new Kawan Shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the Options to be granted under the Proposed ESOS; and
- do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds and undertakings and to make such rules or regulations or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed ESOS and terms of the By-Laws."

ORDINARY RESOLUTION 2

PROPOSED ALLOCATION OF ESOS OPTIONS TO GAN THIAM CHAI

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Gan Thiam Chai, the Executive Chairman of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to him, other Executive Directors and senior management of Kawan Group; and
- he must not be allowed to participate in the deliberation or discussion of his own allocation of ESOS Options to be issued to him under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 3

PROPOSED ALLOCATION OF ESOS OPTIONS TO TIMOTHY TAN HENG HAN

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Timothy Tan Heng Han, the Managing Director of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to him, other Executive Directors and senior management of Kawan Group; and
- he must not be allowed to participate in the deliberation or discussion of his own allocation of ESOS Options to be issued to him under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 4

PROPOSED ALLOCATION OF ESOS OPTIONS TO GAN THIAM HOCK

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Gan Thiam Hock, the Non-Independent Executive Director of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to him, other Executive Directors and senior management of Kawan Group; and
- he must not be allowed to participate in the deliberation or discussion of his own allocation of ESOS Options to be issued to him under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 5

PROPOSED ALLOCATION OF ESOS OPTIONS TO KWAN SOK KAY

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Kwan Sok Kay, the Non-Independent Executive Director of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to her, other Executive Directors and senior management of Kawan Group; and
- she must not be allowed to participate in the deliberation or discussion of her own allocation of ESOS Options to be issued to her under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to her from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 6

PROPOSED ALLOCATION OF ESOS OPTIONS TO GAN THIAM CHUAN

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Gan Thiam Chuan, person connected to the Executive Directors and substantial shareholders of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to him, other Executive Directors and senior management of Kawan Group; and
- he must not be allowed to participate in the deliberation or discussion of his own allocation of ESOS Options to be issued to him under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 7

PROPOSED ALLOCATION OF ESOS OPTIONS TO GAN CHWEE TENG

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Gan Chwee Teng, person connected to the Executive Directors and substantial shareholders of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to him, other Executive Directors and senior management of Kawan Group; and
- he must not be allowed to participate in the deliberation or discussion of his own allocation of ESOS Options to be issued to him under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 8

PROPOSED ALLOCATION OF ESOS OPTIONS TO GAN KA BIEN

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Gan Ka Bien, person connected to the Executive Directors and substantial shareholders of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with her, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to her, other Executive Directors and senior management of Kawan Group; and
- she must not be allowed to participate in the deliberation or discussion of her own allocation of ESOS Options to be issued to her under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to her from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 9

PROPOSED ALLOCATION OF ESOS OPTIONS TO GAN KA OOI

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Gan Ka Ooi, person connected to the Executive Directors and substantial shareholders of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with her, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to her, other Executive Directors and senior management of Kawan Group; and
- she must not be allowed to participate in the deliberation or discussion of her own allocation of ESOS Options to be issued to her under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to her from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 10

PROPOSED ALLOCATION OF ESOS OPTIONS TO GAN MENG HOO

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Gan Meng Hoo, person connected to the Executive Directors and substantial shareholders of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to him, other Executive Directors and senior management of Kawan Group; and
- he must not be allowed to participate in the deliberation or discussion of his own allocation of ESOS Options to be issued to him under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such ESOS Options."

ORDINARY RESOLUTION 11

PROPOSED ALLOCATION OF ESOS OPTIONS TO YEAP CHEE KEONG

"THAT subject to the passing of Ordinary Resolution 1 above and for so long as this approval remains in force, approval be and is hereby given to the ESOS Committee appointed by the Board to administer the Proposed ESOS, at any time and from time to time, to offer and to grant to Yeap Chee Keong, person connected to the Executive Directors and substantial shareholders of the Company, Options to subscribe for such number of new Kawan Shares under the Proposed ESOS PROVIDED THAT:

- not more than ten percent (10%) of the new Kawan Shares available under the Proposed ESOS shall be allocated to any individual Eligible Person, who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more of the issued share capital (excluding treasury shares, if any) of the Company;
- not more than eighty percent (80%) of the Options available under the Proposed ESOS shall be allocated, in aggregate to him, other Executive Directors and senior management of Kawan Group; and
- he must not be allowed to participate in the deliberation or discussion of his own allocation of ESOS Options to be issued to him under the Proposed ESOS;

AND subject always to such terms and conditions of the Proposed ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the Proposed ESOS;

AND THAT the authority be further given to the Company to allot and issue such number of new Kawan Shares pursuant to the Proposed ESOS to him from time to time pursuant to the exercise of such ESOS Options."

By Order of the Board

KAWAN FOOD BERHAD

TAI YIT CHAN (MAICSA 7009143)

TAI YUEN LING (LS 0008513)

Company Secretaries

16 May 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 (1) 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 forty-eight (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 Extraordinary General Meeting or Adjourned Extraordinary 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 appointer 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.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM 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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.