

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of KAWAN FOOD BERHAD (Company No.: 640445-V) will be held at Garuda 1 & 2, Golf Club, Holiday Inn Kuala Lumpur Glenmarie, 1, Jalan Usahawan U1/8, 40250 Shah Alam, Selangor Darul Ehsan on Tuesday, 15 June 2010 at 2.00 p.m. for the following purposes:-

AGENDA**ORDINARY BUSINESS:-**

1. To receive the Audited Financial Statements for the year ended 31 December 2009 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees for the year ended 31 December 2009.
3. To re-elect the following Directors who are retiring in accordance with Article 80 of the Company's Articles of Association:-
 - 3.1 Mr. Lim Peng @ Lim Pang Tun
 - 3.2 Mr. Gan Thiam Hock
4. To re-elect the following Directors who are retiring in accordance with Article 85 of the Company's Articles of Association:-
 - 4.1 Mr. Nareshchandra Gordhandas Nagrecha
 - 4.2 Mr. Jayendra Janardan Ved
5. To re-appoint Messrs KPMG as the Company's Auditors and to authorise the Board of Directors to fix their remuneration.

Resolution 1

Resolution 2
Resolution 3Resolution 4
Resolution 5

Resolution 6

SPECIAL BUSINESS:-

To consider and, if thought fit, pass with or without modifications, the following Resolutions:-

Ordinary Resolution

6. **Authority to Directors to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965.**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and 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 of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities."

Resolution 7

Ordinary Resolution

7. **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

"THAT the Company and/or its subsidiaries be and are hereby authorised to enter into Recurrent Related Party Transactions of a revenue or trading nature as specified in Section 2.2 of the Circular to Shareholders dated 24 May 2010, provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and on prices and terms which are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company.

Resolution 8

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Shareholders' Mandate.

AND THAT such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such Proposed Shareholders' Mandate was passed, at which time it will lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting, whichever is the earlier."

Special Resolution

8. **Proposed Amendment to the Articles of Association of the Company**

"THAT the existing Article 128 in the Articles of Association of the Company be deleted in its entirety and the following be substituted in lieu thereof:

Resolution 9

New Article 128 – Dividend payable

Any dividend or other money payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or, if several persons are entitled in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct or by directly crediting the dividend entitlement into the member's bank account as provided to the Central Depository from time to time. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or such person as the holder may direct and payment of the cheque or the direct crediting to the member's bank account shall be a good discharge to the Company. Every such cheque or warrant shall be sent or directly credited at the risk of the person entitled to the money represented thereby. Where the members have provided to the Central Depository the relevant contact details for purposes of electronic notifications, the Company shall notify them electronically once the Company has paid the cash dividends into the member's bank accounts."

ANY OTHER BUSINESS:-

9. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

Resolution 10

BY ORDER OF THE BOARD**NG YIM KONG (LS0009297)**

Company Secretary

24 May 2010

Selangor Darul Ehsan

Notes:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. 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 at the Registered Office at Strategy Corporate Secretariat Sdn Bhd, Unit 07-02, Level 7, Menara Luxor, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. **Explanatory Notes on Special Business of the Agenda**

Resolution pursuant to the Authority for Directors to Allot and Issue Shares

The Proposed Ordinary Resolution 7 under item 6 above, if passed, will empower the Directors of the Company from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company and also to empower Directors to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for additional shares issued. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The general mandate sought to grant authority to Directors to allot and issue of shares is a renewal of the mandate that was approved by the shareholders at the Fifth Annual General Meeting held on 17 June 2009. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Fifth Annual General Meeting because there were no investment(s), acquisition(s) or working capital that required fund raising activity.

Resolution pursuant to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions

The Proposed Ordinary Resolution 8 under item 7 above, if passed, will enable the Company and its subsidiaries ("the Group") to enter into the specified Recurrent Related Party Transactions as set out in Section 2.2 of the Circular to Shareholders dated 24 May 2010 with the specified classes of the Related Parties mentioned therein which are necessary for the Group's day-to-day operations. For further information on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, please refer to the Circular to Shareholders dated 24 May 2010 enclosed together with the Company's 2009 Annual Report.

Special Resolution pursuant to the Proposed Amendment to the Articles of Association

The Proposed Special Resolution will render the Company's Articles of Association to be in line with the Main Market Listing Requirements and to enable the Company to implement the Electronic Dividend payment ("eDividend").