

KAMDAR GROUP (M) BERHAD

(Company No: 577740 A)

(Incorporated in Malaysia)

MINUTES of the 17th Annual General Meeting of the Company duly convened and held at Royal Selangor Club, Grand Ballroom, 1st Floor, Jalan Raja, 50704 Kuala Lumpur on Wednesday, 11 September 2019 at 10.00 a.m.

BOARD OF DIRECTORS : Mr. Kamal Kumar Kishorchandra Kamdar (Chairman)
Mr. Simon @ Flam Fernandez
Ms. Chia Lee Hoon
Mr. Vicknaraj A/L Jayaraj
Ms. Pragna A/P K M Kamdar

IN ATTENDANCE : Mr. M. Chandrasegaran (Company Secretary)
Ms. Wong Swee Min (Assistant to Company Secretary)

SHAREHOLDERS : As per attendance list

PROXY HOLDERS : As per attendance list

BY INVITATION : As per attendance list

1. CHAIRMAN

The Chairman, Mr. Kamal Kumar Kishorchandra Kamdar on behalf of the Board welcomed all those present at the 17th AGM of the Company and called the meeting to order.

2. QUORUM

The Secretary confirmed that a quorum was present. The Chairman declared the meeting duly convened.

3. NOTICE

The Secretary confirmed that the Notice of the Meeting together with the Annual Report dated 31 July 2019 have been duly despatched to the members within the requisite statutory period. There being no objection from the floor, the notice convening the meeting was taken as read.

The Chairman briefed the meeting on the procedure to be followed in tabling and approving resolutions in a General Meeting.

The Chairman informed the meeting that since all resolutions will be voted by way of poll the proposer and seconder will be dispensed with.

4. BUSINESS OF THE MEETING

4.1 REPORTS AND FINANCIAL STATEMENTS

The Audited Financial Statements together with the Directors' and Auditors' Reports thereon for the year ended 31 March 2019 having been circulated to the members were tabled before the meeting.

The Chairman invited those present to raise any question in relation to the Reports and Audited Financial Statements.

The detailed Questions and Answers ("Q&A") is as attached herein in Appendix I.

There being no further question pertaining to the Audited Financial Statements for the year ended 31 March 2019, the Chairman declared that the Audited Financial Statements for the financial year ended 31 March 2019 and the Reports of the Directors and Auditors thereon be duly received.

4.2 DIRECTORS' FEES

The following motion was duly put forward for voting: -

Ordinary Resolution 1

"To approve the payment of Directors' fees and benefits totaling to RM159,217.00 for the financial year ended 31 March 2019".

Ordinary Resolution 2

"To approve the payment of Directors' fees and benefits of up to RM256,750.00 for the period from 1 April 2019 until the next AGM to be held in year 2020 and the Directors' Fees be payable monthly in arrears."

4.3 RE-ELECTION OF DIRECTOR – Ordinary Resolution 3

The following motion was duly put forward for voting: -

"To re-elect the director, Mr. Simon @ Flam Fernandez retiring pursuant to Article 102 of the Company's Articles of Association".

4.4 RE-ELECTION OF DIRECTOR – Ordinary Resolution 4

The following motion was duly put forward for voting: -

"To re-elect the director, Mr. Vicknaraj A/L Jayaraj retiring pursuant to Article 109 of the Company's Articles of Association".

4.5 RE-APPOINTMENT OF AUDITORS – Ordinary Resolution 5

The following motion was duly put forward for voting: -

"To re-appoint Messrs PKF Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration".

4.6 AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTION 75 (1) (a) OF THE COMPANIES ACT, 2016 – Ordinary Resolution 6

The following motion was duly put forward for voting: -

"That pursuant to Section 75 (1) of the Companies Act, 2016 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company thereat **AND THAT** such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company **AND THAT** the Directors be and are hereby also authorised to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so allotted."

4.7 PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY IN PLACE OF THE EXISTING MEMORANDUM & ARTICLES OF ASSOCIATION ("PROPOSED NEW CONSTITUTION") - Special Resolution

The following motion was duly put forward for voting:-

"THAT approval be and is hereby given to abolish the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix II of the Circular to Shareholders dated 31 July 2019 accompanying the Company's Annual Report for the financial year ended 31 March 2019 be and is hereby adopted as the Constitution of the Company **AND THAT** the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

There being no other matters, the meeting was adjourned for 20 minutes for votes count.

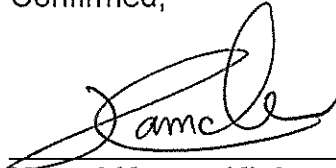
Upon receipt of the results from the Scrutineers, Mega Business Consultancy, the Chairman resumed the meeting and declared all 6 Ordinary Resolutions CARRIED except for the Special Resolution which was NOT CARRIED as detailed below:-

No	Ordinary Resolution	Voted For		Voted Against		Results
		No. Of Shares	%	No. Of Shares	%	
1	To approve the payment of Directors' fees and benefits totaling to RM159,217.00 for the financial year ended 31 March 2019.	101,726,561	59.22	70,039,785	40.78	Carried
2	To approve the payment of Directors' fees and benefits of up to RM256,750.00 for the period from 1 April 2019 until the next AGM to be held in year 2020 and the Directors' Fees be payable monthly in arrears.	101,716,461	59.22	70,049,885	40.78	Carried
3	To re-elect Mr. Simon @ Flam Fernandez who retires pursuant to Article 102 of the Company's Articles of Association.	104,228,649	60.68	67,537,697	39.32	Carried
4	To re-elect Mr. Vicknaraj A/L Jayaraj who retires pursuant to Article 109 of the Company's Articles of Association.	104,228,960	60.69	67,537,386	39.32	Carried
5	To Re-Appoint Messrs PKF Malaysia as Auditors of the Company and to Authorised The Board of Directors to Fix their Remuneration	104,242,770	60.68	67,523,576	39.31	Carried
6	Authority to Allot Shares	104,228,469	60.68	67,537,877	39.32	Carried
7	Proposed Adoption of a New Constitution of the Company in place of the Existing Memorandum & Articles of Association	104,238,369	60.69	67,527,375	39.31	Not Carried

5. CONCLUSION

There being no further matters the meeting concluded at 12.15 p.m. with a vote of thanks to the Chair.

Confirmed,

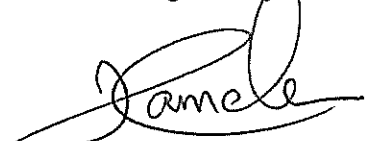


Kamal Kumar Kishorchandra Kamdar
Chairman

Dated: 26 November 2019

APPENDIX 1

This is the APPENDIX 1 attached to the Minutes of the 17th Annual General Meeting of Kamdar Group (M) Berhad duly held at Royal Selangor Club, Grand Ballroom, 1st Floor, Jalan Raja, 50704 Kuala Lumpur on Wednesday, 11 September 2019 at 10.00 a.m. and signed by me.



Kamal Kumar Kishorchandra Kamdar
Chairman

QUESTIONS RAISED BY THE SHAREHOLDERS/PROXIES IN RELATION TO KAMDAR GROUP (M) BERHAD'S AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

1) Agenda 1 – Reports and Financial Statements

	Questions	Answers
1.	Reference was made to page 109 of the AR 2019. Why is there an increase in inventories by RM2.0 million when there is a decrease in turnover by RM58.0 million as compared to previous Financial Year End 31 March 2018?	Mr Simon replied that the increase in stock was mainly due to the Hari Raya peak period, hence need to reserve extra stock. The increase in turnover in previous year was because its for 15 months versus 12 months turnover only for this year.
2.	Reference was made to page 135 of the AR 2019. Why are the inventories written down reduced dramatically from 3.8 million in Financial Year End 2018 to 1.04 million in Financial Year End 2019? Is there any change of inventory policy or depreciation policy?	Mr. Simon replied in the affirmative that there has been a change in inventory and depreciation policy as the Group now is following the normal accounting policy / methodology i.e. based on net realisable value and lower of cost in the previous year and this year. The Chairman clarified that previously the practice was to write stock down based on age.
3.	Based on the quarterly unaudited report of Gross Profit Margin ("GP") for 1/1/2019 – 31/3/2019 was 46.3%	As noted on Question 2 above the stock write down for the previous/prior Financial Year End 2018 of RM3.8 million has been reduced to RM1.04 million in Financial Year End 2019.

	<p>compared to GP for the last six quarterly report ranging from 31.3% to 40.4% which is an increase 15% of GP.</p> <p>Please clarify the spike of 15% increase of GP and spike of 13% decrease in the previous quarter?</p>	<p>The application of the net realisable value and lower of cost methodology for Financial Year End 2019 has not for this year been further depreciated by any additional general provision as net realisable value or lower of cost has already been arrived at.</p>
4.	<p>Reference is made on pages 126 and 127 of the AR 2019.</p> <p>What is this guarantee and who are the directors of the joint and several guarantees by Directors?</p>	<p>The Chairman replied that there is only one old facility namely, bankers' acceptance, bank overdrafts and term loans which were joint and severally guaranteed by the previous directors.</p> <p>For all other facilities, the guarantees by directors have been replaced by corporate guarantees.</p> <p>Only this one facility the previous CEO forgot to get the guarantees replaced by corporate guarantee after the listing exercise.</p> <p>The previous directors who stood as guarantors joint and severally are Bipinchandra A/L Balvantrai, Hamendra A/L B.M. Kamdar and Rajnikant A/L B.M Kamdar.</p>
5.	<p>The Company was involved in litigation with Ex-Chairman, Ex-CEO and others. What is the total sum paid out to the defendants in costs and interest and where and when have these been recorded and accounted for?</p> <p>What was the total cost incurred by the Company and based on last paragraph of page 27 of AR 2019, was there any independent legal advice sought before embarking on this expensive course of action.</p>	<p>The Chairman replied that since the aforesaid litigation is a fraud issue, Bursa wanted the Company to carry out a Special Audit ("SA") hence, there is an extra cost incurred on the SA and litigation.</p> <p>Ms. Chia responded that the legal cost and expenditures are included under Administrative Expenses.</p> <p>Litigation was thereafter conducted on the advice of the Independent Legal Advisor as well as on the advice of Bursa Malaysia officers.</p>
6.	<p>Reference is made on pages 23 & 35 and the Corporate Governance Report on page 24 & Practice 6.1 on page 20.</p> <p>Is there a formalised</p>	<p>Mr. Vicknaraj replied that he believes that in so far as the remuneration of the Company's key management and Executive Directors are concerned, there is no change in the remuneration policy.</p> <p>So far, there is no formalised Remuneration Policy.</p>

	Remuneration policy?	However, we do look into the need to remunerate our staff properly in order to retain them. We will consider the suggestion of having a formalised Remuneration Policy.
7.	Why is the performance of the Company getting worse?	<p>The Chairman apologised for the bad performance of the Company and its group mainly because of the deteriorating business environment.</p> <p>He explained that we have put in lots of effort to rejuvenate the brand but at this age with the internet evolution the textile industry has been a challenging industry.</p>
8.	Why is there no past 5-years financial highlight?	The Chairman replied we will provide the same in next year's Annual Report.
9.	Why is the inventory higher than revenue?	<p>The Chairman replied that we have expanded the retail operations with a new store in Shah Alam.</p> <p>We need additional inventory in accordance with sales forecast.</p> <p>We also need to maintain a certain amount of inventory in all outlets and constantly need new goods and extra stock for Hari Raya.</p> <p>The figure stated in Annual Report 2019 as inventory also includes this extra stock in anticipation of Hari Raya sales.</p> <p>Since sales did not achieve the expected levels, hence, inventory remained high.</p>
10.	What is the loan structure?	The Chairman replied that we are constantly looking into getting the cheapest loans from the banks. He added that overdraft facility remain part of business requirements.
11.	Why are there so many impairments?	The External Auditor, Pn Sharinah replied the impairments are in relation to the investment in subsidiaries which are highlighted as key audit matters in page 57 of AR2019.
12.	What are the plans for the properties?	<p>The Chairman replied that with regard to the Shah Alam property, we are exploring to have a joint venture development on it or to sell the land.</p> <p>With regard to Kuantan property, we are in the midst</p>

		<p>of renovating it however, we had issues with the architects and engineers and soil test needed to be conducted and design to remedy the sprinkler system and structure of the building. So we needed to appoint a new architect hence, lot of time was wasted but finally we have got the report.</p> <p>With regard to the usage of the 3rd floor of the property on a hotel, since the occupancy rate is low, we have to re-think what to do with it.</p>
13.	What is the percentage ratio for disposal a property which requires shareholders' approval?	The Company Secretary, Mr. Chandrasegaran replied that if the percentage ratio is 25% and more of the Net Assets of the Company then it requires shareholders' approval.
14.	Clarification on the payment of Directors' fee and benefits for the Ordinary Resolution 1 and Ordinary Resolution 2. Why so much of difference?	The Company Secretary, Mr. Chandrasegaran explained that for Ordinary Resolution 1 the amount stated of RM159,217.00 is for a period of 12 months and for Ordinary Resolution 2 the amount stated of RM256,756.00 is for a period of 17 months i.e. from 1 April 2019 to 31 August 2020.