

**KAMDAR GROUP (M) BERHAD**  
Registration No. 200201010077 (577740-A)  
Incorporated in Malaysia

MINUTES of the Fully Virtual 18<sup>th</sup> Annual General Meeting of the Company held at the Broadcast Venue, at Board Room, 7<sup>th</sup> Floor, No 113, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur on Tuesday, 29 September 2020 at 10.00 a.m.

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- 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  
(Participated Remotely)
- IN ATTENDANCE : Mr. M. Chandrasegaran (Company Secretary)  
Mr. Alex Hau Yean Chang (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 thanked the shareholders and proxies for participating remotely from various locations through live streaming. The Chairman informed that the AGM was conducted in a virtual manner in adherence to the guidelines issued by the Securities Commission and the advice of the health authorities with regards to the practice of preventive measures to stem the spread of the COVID-19 virus. Thereafter, the Chairman proceeded to introduce the members of the Board of Directors and the Company Secretary who were seated with him and a Board member who was attending the meeting remotely via Webinar.

**1. QUORUM**

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

**2. NOTICE**

The Notice of the AGM dated 28 August 2020, together with Annual Report for the financial year ended 30 March 2020 having been circulated to the shareholders within the prescribed statutory period and released to Bursa Malaysia on 28 August 2020 was taken as read.

**1. MEETING PROCEDURE**

The Chairman informed that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company must ensure that any

resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company must appoint at least 1 scrutineer to validate the votes cast at the general meeting. Such scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process.

In this regard, the Chairman informed that the Company has appointed Niche Unity Consultants Sdn Bhd as the Poll Administrator to conduct the polling process, and SLCC Networks Sdn Bhd as Scrutineer to verify the poll results.

Shareholders were informed that for good administrative purposes the polling process for all the resolutions will be conducted upon completion of the deliberation of all items to be transacted at the AGM.

## **2. BUSINESS OF THE MEETING**

### **2.1 REPORTS AND FINANCIAL STATEMENTS**

The Chairman proceeded to the business of the meeting and informed that the First Agenda was to receive the Audited Financial Statements for the financial year ended 31 March 2020 together with the Reports of the Directors and Auditors thereon. He added that the First Agenda was meant for discussion only in accordance with the provisions of Section 251(1)(a) of the Companies Act 2016 and would not be put forward for voting.

The Chairman invited questions from the floor on the reports and accounts.

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

After the questions raised by the members/proxy holders were answered, the Chairman declared that the Audited Financial Statements for the year ended 31 March 2020 and the Reports of the Directors and Auditors thereon duly received.

#### **1.1 DIRECTORS' FEES – Ordinary Resolution 1**

The following motion was duly put forward for voting: -

“To approve the payment of Directors' fees, Meeting Allowance and benefits of up to RM186,750.00 for the period from 30 September 2020 until the next AGM to be held in year 2021 and the Directors' Fees be payable monthly in arrears”.

#### **1.2 RE-ELECTION OF DIRECTOR – Ordinary Resolution 2**

The following motion was duly put forward for voting: -

“To re-elect the director, Ms Chia Lee Hoon retiring pursuant to Article 102 of the Company's Articles of Association”.

#### **1.3 RE-ELECTION OF DIRECTOR – Ordinary Resolution 3**

The following motion was duly put forward for voting: -

"To re-elect the director, Ms Pragna A/P K M Kamdar retiring pursuant to Article 102 of the Company's Articles of Association".

#### **1.4 RE-APPOINTMENT OF AUDITORS – Ordinary Resolution 4**

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".

#### **1.5 AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTION 75 (1) AND SECTION 76 (1) OF THE COMPANIES ACT 2016 – Ordinary Resolution 5**

The following motion was duly put forward for voting: -

"That pursuant to Section 75 (1) and Section 76 (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 20% 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."

#### **1.6 PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY - Special Resolution**

The following motion was duly put forward for voting:-

"That the Constitution of the Company be and is hereby amended in the manner as set out in Appendix I of the Company's Annual Report 2020 to be in line with the Companies Act 2016 and Bursa Malaysia Securities Berhad MAIN Market Listing Requirements.

AND THAT the Directors 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 Proposed Amendment to the Constitution of the Company."

#### **5.8 POINTS RAISED BY THE MINORITY SHAREHOLDER WATCHDOG GROUP ("MSWG")**

Before proceeding with the Questions from Shareholders/Proxies, the Chairman informed the meeting that they have received points raised by MSWG in relation to Strategic and Financial matters and Corporate Governance matters at this AGM.

The Company Secretary then read out the points raised by MSWG and the answers to the points raised which are attached herein in Appendix II.

There being no other matter, the meeting then proceeded to vote and was adjourned to give time for the Poll Administrators and the scrutineer to conduct the polling process and verify the poll results respectively.

Upon receipt of the results from the Scrutineers, SLCC Networks Sdn Bhd, the Chairman resumed the meeting and declared all 5 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, Meeting Allowance and benefits	97,899,648	59.18	67,523,555	40.82	Carried
2	To re-elect Ms. Chia Lee Hoon who retires pursuant to Article 102 of the Company's Articles of Association.	97,899,673	59.18	67,523,655	40.82	Carried
3	To re-elect Ms. Pragna A/P K M Kamdar who retires pursuant to Article 102 of the Company's Articles of Association.	97,899,783	59.18	67,523,665	40.82	Carried
4	To re-appoint Messrs PKF Malaysia as Auditors of the Company and to authorised the Board of Directors to fix their remuneration	97,899,483	59.18	67,523,655	40.82	Carried
5	Authority to allot shares	97,899,568	59.18	67,523,655	40.82	Carried
	Special Resolution					
	Proposed Amendment to the Constitution of the Company	97,899,573	59.18	67,523,655	40.82	Not Carried

## 2. CONCLUSION

There being no further matters the meeting concluded at 12.00 noon with a vote of thanks to the Chair.

Confirmed,



**Kamal Kumar Kishorchandra Kamdar**  
Chairman

Dated: 25 November 2020

## APPENDIX I

This is the questions raised by the shareholders/proxies as attached to the Minutes of the 18<sup>th</sup> Annual General Meeting of Kamdar Group (M) Berhad duly held at Broadcast Venue at Board Room, 7<sup>th</sup> Floor, No. 113, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur on Tuesday, 29 September 2020 at 10.00 a.m. and signed by me.



**Kamal Kumar Kishorchandra Kamdar**  
Chairman

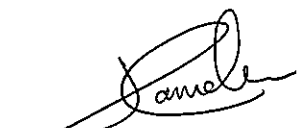
### QUESTIONS RAISED BY THE SHAREHOLDERS/PROXIES AT KAMDAR GROUP (M) BERHAD'S 18<sup>TH</sup> AGM

	Questions	Answers
1.	What is the Group Strategy moving forward due to Covid-19 pandemic?	The Chairman replied that they have addressed the same in the Annual Report 2020 ("AR 2020) on page 17 of the Chairman Statement and they have also addressed the same in the reply to the points raised by the Minority Shareholder Watchdog Group (MSWG) in Appendix II.
2.	Chow Kit Property is still not operating and may I ask what renovation are you referring to?	The Chairman replied that they did engage Consultants i.e. Architect, Engineer and Designer to draw up plan for submission to the local authority to conduct renovation to the property. However, while waiting for the approval, City Hall came up with a new master plan and hence they needed to renovate according to the new master plan which is restrictive and they have to figure out how to work around it. But due to Covid-19 they have suspended the renovation for the time being.  Meanwhile, the property is still marketed for sale and hope to sell it.
3.	What is the status of the Kuantan Property?	The Chairman replied that they have engaged consultants for renovations and thereafter began work on the renovations but there were problems due to errors by the architect and engineer regarding the roof tank. As such, they had to rework the plan. Further the original plan was to operate a hotel on the top floor but due to the slow down in the hotel business, they had to reconsider the usage of the premises. At this moment, they are actively looking for tenants for some of the shoplots as they may not

		require all the shoplots considering the slowdown in business over the last few years.
4.	Does the Company have any e-platform for online purchase?	<p>The Chairman replied that they have their own e-platform website for online shopping.</p> <p>He added that they have participated on other market platforms such as Zalora, Lazada, Shopee and they have had a very good response, in fact beyond their expectation during the Movement Control Order since people were not able to come to their stores to do their purchasing and customers did buy online just before Hari Raya.</p> <p>The Chairman further added that, they are upscaling the operation to handle the additional volume of incoming sales as well as using more aggressive strategy for online sales to be able to capture market position.</p>

## APPENDIX II

This is the questions raised by the Minority Shareholder Watchdog Group (MSWG) as attached to the Minutes of the 18<sup>th</sup> Annual General Meeting of Kamdar Group (M) Berhad duly held at Broadcast Venue at Board Room, 7<sup>th</sup> Floor, No. 113, JalanTuanku Abdul Rahman, 50100 Kuala Lumpur on Tuesday, 29 September 2020 at 10.00 a.m. and signed by me.



**Kamal Kumar Kishorchandra Kamdar**  
Chairman

### QUESTIONS RAISED BY THE MSWG AT KAMDAR GROUP (M) BERHAD'S 18<sup>TH</sup> AGM

#### STRATEGY & FINANCIAL MATTERS

##### QUESTION 1

Notwithstanding lacklustre performance of Kamdar for FY20, the total remuneration of executive directors comprising of chairman and managing director Mr Kamal Kumar Kishorchandra Kamdar and executive director Ms. Chia Lee Hoon was high, at shown below:

	Revenue (RM000')	Net profit/loss (RM000')	Total remuneration of executive directors (RM000')	Total remuneration of non-executive directors (RM000')
FY19	116,737	223	1,797	124
FY20	108,503	(2,499)	1,953	174

\* total remuneration consists of salaries/fees and other emoluments, contribution to defined contribution plan

Source: Kamdar's Annual Reports

- a) Net loss of Kamdar for FY20 amounted to RM2.5 million (FY19: net profit of RM223,000). Given the substantial losses for FY20, what is the justification for the substantial remuneration received by executive directors especially the chairman and MD, Mr. Kamal Kumar who received RM1.43 million in FY20 (page 31 of Annual Report 2020)?

#### ANSWER Q1(a)

The Executive Directors are paid an appropriate remuneration as fair and adequate compensation for the duties they assume and for the work done throughout the year. In addition to the running of the existing Business they have to constantly adapt the business to a changing Retail Landscape which is increasingly challenging particularly in light of the Digitalisation of the Retail Sector through E commerce. Additionally, they are tasked with embarking on new business opportunities. In the last few years we have started doing B2B business supplying to Hospitals and Hotels and Consignment counters in several Hypermarkets. In spite of the increasing workload, the monthly remuneration for Mr Kamal Kumar Kishorchandra Kamdar and Ms Chia Lee Hoon have not in fact been increased since 2015.

If the company does well and shows healthy profits, they could be paid a bonus by the Board of Directors upon the recommendation of the Remuneration Committee as was the case in the past. However, since the company has not been doing well for the last few years the Executive Directors have not been paid any Bonus.

The Revenue decline in 2019-2020 is attributable to a decline of RM6.10million in Kamdar Sdn. Bhd. and RM1.90 Million for Kesar Sdn. Bhd. The decline is mostly due to the temporary closure of the branches during the MCO that began during the last 2 weeks of March which fall within the last quarter of FY 2019. Please note that during this MCO lockdown all the directors, Executive and non-executive voluntarily took no pay or fees considering the situation the company faced. Nevertheless, the Executive Directors have been working tirelessly to ensure the sustainability of the company in these very turbulent and uncertain times.

- b) On page 18 of AR2020, it is stated that the directors of the Group voluntarily took a reduction in salaries and fees between 50% and 70% for several months when Movement Control Order (MCO) was lifted and the shops reopened.

Is the salaries/fees reduction measure on directors still in place?

**ANSWER Q1(b)**

The quantum of salary reduction after the lockdown is still in place till the end of September.

- c) Why was the RM153,226 directors' fees paid to the three NEDs (page 31 of AR2020) not included under the "Directors' remuneration" disclosure on page 79 of AR2020?

Is it stated on page 79 that total remuneration to non-executive directors amounted to only RM20,525 as compared to RM123,800 in FY19.

**ANSWER Q1(c)**

The Directors fee is not shown in page 79 but is disclosed in Note 29 on page 98 instead as part of compensation of Key Management Personnel.

- d) How would the Company address shareholders' key concern on declining revenue and profitability?

**ANSWER Q1(d)**

In light of the current Covid-19 and MCO and RMCO business is very much down. Margins are challenged due to increased competition and general slowdown in retail spending that is prompting discounting and clearance sales. Revenue and Profitability is declining due to this and it will be some time before things turn around. As the outlook on the Pandemic is uncertain we are unable to make any projections with any level of certainty for now. However, we are confident that once the Covid-19 Pandemic ends the business will improve and revenue and profitability will go up.

**QUESTION 2**

Kamdar expects outlook for the coming year will be challenging and a slew of measures will be undertaken to streamline its operations and reduce cost.

Such measures include closing down unprofitable stores and loss-making divisions, revamping and expanding online store operations to reach more markets.

- a) How many stores will be affected under the rationalization exercise? How much is the expected saving from these exercises? How much is the expected saving from this exercise?



**ANSWER Q2(a)**

We target to close 3 stores and the savings are estimated at around RM 500,000 in annual losses.

8 other stores will have reduction of Retail Divisions and the savings from manpower and other operating costs as well as trading losses is expected to be RM 600,000 per year.

Further from the above there will be a gradual reduction in inventory required for these stores and divisions of approximately RM 7.5 million and there will be a resulting reduction in Financing cost for this inventory.

**b) Are online store operations sufficient to offset the loss of sales from unprofitable stores and loss-making division?**

**ANSWER Q2(b)**

Online stores sales are presently insufficient to offset the loss of sales from unprofitable stores and loss making divisions.

**QUESTION 3**

**The Company is striving to expand its B to B business and is actively looking for strategic partners and domestic retail opportunities in different market segments (page 17 of AR2020).**

**What does this business strategy entail? What are the different market segments that the Company plans to venture into?**

**ANSWER Q3**

The B2B expansion has been targeted towards Hotels, Hospitals and other retail stores where we set up Consignment Counters or Store-in-Store. Thus far we have started counters in Aeon Big and Lulu. Due to the prolonging of the Covid 19 Pandemic we are cautious about entering into any new strategic partnerships for now. In any event this is Price Sensitive information and can only be announced once things firm up and any agreements are signed.

**QUESTION 4**

**Kamdar has made an impairment on investment in subsidiaries amounted to RM62.5 million in FY19 on subsidiaries namely – PusatMembeli-Belah Kamdar Sdn Bhd, PusatMembeli-Belah Kamdar (PG) Sdn Bhd and Kamdar (South) Sdn Bhd (page 57 of AR2019) due to lower recoverable value than the net assets value of the subsidiaries.**

**Further to this, the Company made additional impairment on subsidiaries worth RM14.11 million in FY20 (page 88 of AR2020).**

**What caused the lower recoverable value of the subsidiaries' net tangible asset?**

**ANSWER Q4**

The lower recoverable value of the subsidiaries' NTA is caused by losses in some subsidiaries for certain years and declaration of dividend by subsidiary companies to the holding company KGMB in FY2019.

## QUESTION 5

The Group's total capital commitments authorised and contracted for relating to shop/office building amounted to RM610,000 in FY20 (FY19: RM608,825) (page 117, AR2020)

What is the nature of this capital commitment? What is it for?

### ANSWER Q5

Capital expenditure contracted consists of renovation of Kuantan and Chow Kit properties.

## CORPORATE GOVERNANCE MATTERS

### QUESTION 1

Based on the Corporate Governance (CG) report of the Company on the application of the Practices under the Malaysian Code on Corporate Governance (MCCG), please provide clarification on the following:

a) Practice 1.3: The positions of Chairman and CEO are held by different individuals.

Kamdar's response: Departure. The position of chairman and CEO/MD are held by same person as the Board believes that for its current size, it is more expedient for the two roles to be held by the same person.

The Board is of the view that the significant contribution of Non-Executive Directors which is made up of 60% of the current Board's size, provides for the relevant checks and balance.

MSWG's comment: Mr. Kamal Kumar Kishorchandra Kamdar currently holds both the roles of Chairman and Managing Director.

The separation of the positions of the Chairman and MD/CEO is to promote accountability, where the Chairman provides collective oversight of management, while the MD/CEO focuses on the business and day-to-day management of the company.

Notwithstanding that Kamdar's current Board comprises 60% of non-executive director, is a sibling to Mr. Kamal and has family relationship with substantial shareholders of Kamdar.

The family relationship between Ms. Pragna and Mr. Kamal may inherently suggest non-independence when it comes to decision-making at the Board level.

In addition, Ms. Pragna only attended 3 out of 5 board meetings held in FY20. Thus, the two independent directors only make up 40% of the current Board size and may not be sufficient to provide adequate checks and balance.

### ANSWER Q1(a)

The Board is actively looking for a suitable candidate to take up the position of an additional independent director and also the position of the Chairman.

In any event the requirement for 1/3 representation on the board by independent directors is being met as well as the requirement for minimum of 3 non-executive directors on the audit committee which must include 2 independent directors.

For Questions CGM 1(b) to (d) the answer is the same, so I will read out questions 1(b) to (d) then I will read out the answer.

- b) Practice 2.1: The board has a board charter which is periodically reviewed and published on the company's website.

Kamdar's response: Applied. The Board Charter is periodically reviewed by the Board as and when required and is made publicly available on the Company's website at <http://www.kamdar.com.my>.

MSWG's comment: As at 15 September 2020, the Board Charter of Kamdar was not available on its corporate website. The Company has departed from the Practice.

- c) Practice 3.1: The Code of Conduct and Ethics is published on the Company's website.

Kamdar's response: Applied. The Code of Ethics and Code of Conduct are periodically reviewed by the Board as and when required and is made publicly available on the Company's website at <http://www.kamdar.com.my>.

MSWG's comment: As at 15 September 2020, the Code of Ethics and Code of Conduct of Kamdar was not available on its corporate website. The Company has departed from the Practice.

- d) Practice 6.2: The Committee has written Terms of Reference (of Remuneration Committee) which deals with its authority and duties and these Terms are disclosed on the company's website.

Kamdar's response: Applied. The Terms of Reference (TOR) of the Remuneration Committee is made publicly available on the Company's website at <http://www.kamdar.com.my>.

MSWG's comment: As at 15 September 2020, the TOR of the Remuneration Committee of Kamdar was not available on its corporate website. The Company has departed from the Practice.

#### **ANSWER Q1(b) to (d)**

The earlier IT Service Provider was unable to upload the same on the Company's website, however, they have resolved the problem and now it has been uploaded.

#### **QUESTION 2**

Ms. Pragna A/P K M Kamdar, a non-independent non-executive director and a member of the Audit Committee of Kamdar attended only 3 out of 5 board meetings in FY20 (an attendance rate of 50%). Why was Ms. Pragna not able to attend all the Board and Committee meetings since the schedule of Board and Committee meetings are usually circulated to all directors in advance to allow them to make proper planning on their schedule?

#### **ANSWER Q2**

At times the Board Meeting had to be rescheduled due to unforeseen circumstances due to which Ms. Pragna was unable to attend rescheduled meeting. Nevertheless, the Board and the Audit Committee does confer with her on matters under discussion over phone calls and video calls when she is unable to attend in person.

### QUESTION 3

The cost of internal audit services for FY20 was RM26,932 (page 35 of AR2020).

- a) Given the Company's revenue of over RM100 million during the year, the internal audit fee is considered low, i.e. about RM2,200 a month.

How does the audit committee assure itself that the low internal audit fees provide adequate coverage and that the internal audit function is effective?

#### ANSWER Q3 (a)

The Audit Committee and the Board are satisfied with the qualifications and the quality and service of the Internal Auditor appointed in-house. The salary for the Internal Auditor is in Fact in excess of RM 4,000 per month. Nevertheless, we seek continuous improvement in the efficacy of our procedures among other things through the effective operation of our internal audit function.

- b) What were the areas covered by the internal audits during FY20?

#### ANSWER Q3 (b)

The key areas considered and investigated by the Auditor are the processes of stock movement and inventory controls in the warehouse and the branches. The main focus of the internal audit function was on Inventory Management. This is in line with the external auditors also reporting Inventory as one of the Key Audit matters they dealt with for the year.

- c) How many internal audit reports were issued during FY20? What are some of the significant findings of the internal audit and key risks identified?

#### ANSWER Q3(c)

Over the year there were several preliminary Internal Audit reports leading up to the final formal Report and the significant areas covered are delineated under "Internal Audit Function" (Pg 35 of the Annual Report). There was one major report prepared and the key risk areas were as follows:

- i. Accuracy of Stock Takes and Variances against POS inventory records.
- ii. Pilferage and Theft of goods
- iii. Compliance with Standard Operating Procedures
- iv. Training and Competency of Staff

While there were some moderate risks the company has been taking steps to address these problem areas.

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For Questions CGM Q4 (a) to (c) the answer is the same, so will read out questions Q4 (a) to (c) then I will read out the answer.

#### QUESTION 4

The Company has breached the following Bursa Malaysia's Main Market Listing Requirements (MMLR):

- a) Chapter 9, Paragraph 9.21(2) of the MMLR requires companies to publish a summary of the key matters discussed (KMD) at the AGM onto the Company's website soon after the conclusion of the general meeting.

As at 15 September 2020, the summaries of KMD at Kamdar's AGM held in 2019 and 2018 were not available on the Company's website – <https://kamdar.com.my/>

- b) Chapter 15, Paragraph 15.08 A (2) of the MMLR states that the written TOR of Nominating Committee must be made available on the listed issuer's website.

As at 15 September 2020, the TOR of the Nominating Committee of Kamdar was not available on its corporate website – <https://www.kamdar.com.my/>

- c) Chapter 15, Paragraph 15.11 A (2) of the MMLR states that an audit committee must have written TOR which deal with its authority and duties, and such information must be made available on the listed issuer's website.

As at 15 September 2020, the TOR of the Audit Committee of Kamdar was not available on its corporate website – <https://kamdar.com.my/>

#### ANSWER Q4 (a) to (c)

The earlier IT Service Provider was unable to upload the same on the Company's website, however, they have resolved the problem and now it has been uploaded.