

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

MINUTES of the Fully Virtual 19th Annual General Meeting of the Company held at the Broadcast Venue, at Board Room, 7th Floor, No 113, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur on Thursday, 9 December 2021 at 3.00 p.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
(Participated Remotely)
- IN ATTENDANCE : Mr. M. Chandrasegaran (Company Secretary)
Mr. Alex Hau (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 regard 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 and the Auditors who were seated with him and a Board member who was attending the meeting remotely.

2. QUORUM

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

3. NOTICE

The Notice of the AGM dated 29 October 2021, together with Annual Report for the financial year ended 30 June 2021 having been circulated to the shareholders within the prescribed statutory period and released to Bursa Malaysia on 29 October 2021 was taken as read.

4. MEETING VOTING PROCEDURE

The Secretary 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. In this regard, the Secretary informed that the Company has appointed

Mega Corporate Services Sdn Bhd as the Poll Administrator to conduct the polling process, and Cygnus Technology Solutions Sdn Bhd as the Independent 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.

The Secretary then informed the meeting on the voting procedure.

5. POINTS RAISED BY THE MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”)

Before proceeding with the Business of the Meeting, the Chairman informed the meeting that they have received points raised by MSWG in relation to Strategic and Financial matters and Corporate Governance matters for 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 I.

6. BUSINESS OF THE MEETING

6.1 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 period ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. He added that this 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 II.

After the questions raised by the members/proxy holders were answered, the Chairman declared that the Audited Financial Statements for the financial period ended 30 June 2021 and the Reports of the Directors and Auditors thereon duly received.

6.2 DIRECTORS’ FEES – Ordinary Resolution 1

The following motion was duly put forward for voting: -

“To approve the payment of Directors’ fees and Meeting Allowance for the Non-Executive Directors of the Company of up to RM138,000.00 for the period from 30 September 2021 until the next AGM to be held in December 2022 and the Directors’ Fees be payable monthly in arrears”.

6.3 RE-ELECTION OF DIRECTOR – Ordinary Resolution 2

The following motion was duly put forward for voting : -

“To re-elect the director, Mr Kamal Kumar Kishorchandra Kamdar retiring pursuant to Article 102 of the Company’s Articles of Association”.

6.4 RE-ELECTION OF DIRECTOR – Ordinary Resolution 3

The Chairman informed the meeting that he would like to withdraw the following Ordinary Resolution 3 as Mr Simon @ Flam Fernandez has decided not to stand for re-election. The Board of Directors would like to thank Mr Simon @ Flam Fernandez for his years of services to the Board of Directors and helping and guiding the Company.

“To re-elect the director, Mr Simon @ Flam Fernandez retiring pursuant to Article 102 of the Company’s Constitution”.

The Chairman then informed the meeting that since Ordinary Resolution 3 has been withdrawn from voting, the Independent Non-Executive Director, Mr Simon @ Flam Fernandez shall be taken as retired at the end of this 19th AGM of the Company AND THAT he shall also cease as a member of all the Board Committees.

6.5 RE-APPOINTMENT OF AUDITORS – Ordinary Resolution 4

The following motion was duly put forward for voting: -

“To re-appoint Messrs TGS TW PLT as Auditors of the Company and to authorise the Directors to fix their remuneration”.

6.6 AUTHORITY TO ALLOT SHARES 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 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.”

6.7 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 2021 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.”

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.

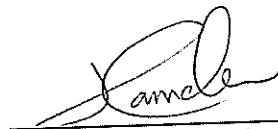
Upon receipt of the results from the Scrutineers, Cygnus Technology Solutions Sdn Bhd, the Chairman resumed the meeting and declared 4 (Four) Ordinary Resolutions i.e., Ordinary Resolutions 1, 2, 4 and 5 DULY CARRIED, Ordinary Resolution 3 which is to re-elect Mr Simon @Flam Fernandez WITHDRAWN and the Special Resolution 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 Meeting Allowance	92,257,552	58.82	64,586,195	41.18	Carried
2	Re-election of Director, Kamal Kumar Kishorchandra Kamdar	102,178,968	61.27	64,578,035	38.73	Carried
3	Re-election of Director, Simon @ Flam Fernandez	0	0	0	0	Withdrawn
4	To re-appoint Messrs TGS TW PLT as Auditors of the Company	102,173,670	61.27	64,577,833	38.73	Carried
5	Authority to allot shares	102,178,807	61.27	64,578,196	38.73	Carried
6.	Special Resolution					
	Amendments to the Constitution	102,187,804	61.28	64,569,199	38.72	Not Carried

2. CONCLUSION

There being no further matters the meeting concluded at 4.00 p.m. with a vote of thanks to the Chair.

Confirmed,



Kamal Kumar Kishorchandra Kamdar
Chairman
Dated: 28.02.2022

APPENDIX I

This is the questions raised by the Minority Shareholder Watch Group (MSWG) as attached to the Minutes of the 19th Annual General Meeting of Kamdar Group (M) Berhad duly held at Broadcast Venue at Board Room, 7th Floor, No. 113, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur on Thursday, 9 December 2021 at 3.00 p.m. and signed by me.



Kamal Kumar Kishorchandra Kamdar
Chairman

QUESTIONS RAISED BY THE MSWG AT KAMDAR GROUP (M) BERHAD'S 19TH AGM

OPERATIONAL & FINANCIAL MATTERS

QUESTION 1

Covid-19 and movement control orders have had a very dep adverse impact on the Group's turnover and profitability. The Group's recorded loss after tax of RM5.5 million for the financial period ended 30 June 2021 ("FPE 2021") compared to a loss of RM2.8 million in FY2020, was mainly due to the lockdown restrictions (page 19 & 21 of Annual Report (AR) 2021).

- a) **What are the structural /permanent changes in the retail industry (for textiles, furnishing fabrics and and clothing apparel) arising from the pandemic? How will the Group prepare itself for a post-pandemic environment to ensure timely business recovery and sustainability?**

ANSWER Q1(a)

Most malls and retail stores have seen decreased footfalls of approximately 30 to 50 percent from pre-covid times. There is increased shopping online and consumers have grown comfortable with online shopping and are still uncomfortable with in-store shopping. We are hopeful that there will be some strong recovery for in-store sales once the pandemic is over.

Our key product categories are of textiles and home furnishings. We will reformat some of our stores to focus more on these products where most customers still need to come and see and feel the fabrics.

- b) **Several cost cutting measures were undertaken by the Group to mitigate and reduce the losses (page 19 of AR 2021). What are the costs that the Group has reduced and how much was saved in FPE 2021?**

ANSWER Q1(b)

The costs that the Group had reduced are staff cost, directors' fee, directors' remuneration, utilities, upkeep of office/shops, transportation, advertisement, travelling expenses, packing materials and other selling & distribution and administrative expenses. Total costs was saved in FPF 2021 are approximately RM11,833,549.

- c) **Going forward, the Group's strategy is to streamline operations and undertake further cost reductions (page 20 of AR 2021). How much cost savings can the Group achieve from further cost cuttings and optimisation of operations?**

ANSWER Q1(c)

We are unable to give any estimate as we are still in discussions with our Landlords.

- d) **Given that the market conditions are expected to remain challenging, how does the Company intend to increase its sales and restore the profitability of the Group? What are some of the opportunities available to the Group in the next 12 months?**

ANSWER Q1(d)

We will increase consignment counters for sales in other retail shops and also set up pop-up stores. We are in discussions with several malls and are exploring various options.

QUESTION 2

The pandemic has forced the Group to rationalize its business and face a harsh reality of a changing business landscape that has digitalized, and online trading has taken over much of the retail space (page 18 of AR 2021).

- a) **What is the recovery in footfall and in sales of retail stores since the easing of covid-19 restrictions in August 2021?**

ANSWER Q2(a)

The recovery in footfall traffic and sales have been slow. From Sept to Nov we have achieved 77 percent of the sales we saw in 2020.

- b) **How successful is the Group's E-Commerce business such as its own online platform and online stores on Shoppe, Lazada and Zalora in attracting retail customers to make purchase online? How much online sales accounted for the Group's total sales in FPE 2021? Please elaborate on the traction and results from your online platforms.**

ANSWER Q2(b)

Whilst it is registering a growth it is still not good. The amount generated in sales is RM900,084 which is 1% of the total sales.

- c) **What is the proportion of the online vs traditional sales turnover that the Group is expecting in the consumer's landscape, going forward?**

ANSWER Q2(c)

It is premature for us to make any estimations at this time.

- d) **The Group continues to explore modern online business platforms and to develop new marketing strategies to capture the attention of the younger demographics (page 20 of AR 2021). Please elaborate further on your digital strategy. How does the Group intend to penetrate the younger consumer market?**

ANSWER Q2(d)

As we mentioned we are still exploring and in discussions with a few parties. It is premature to make any statements at this point.

QUESTION 3

The Group has recognized in its financial statement, a write down of inventories amounting to RM3.9 million in FPE 2021 (FY2020: RM0.7 million) (Note 8, page 97 AR 2021).

a) What type of inventories have been written down in FPE 2021?

ANSWER Q3(a)

Older stocks as well as out of season stocks which have been lowered in price to clear the stocks have been written down when the sale price is lowered below their cost price.

b) What factors had triggered the need to write down the value of the inventories?

ANSWER Q3(b)

Some inventories that have not been sold due to obsolescence or due to not being favoured by consumers need to be cleared and so written down.

c) With the economic uncertainties resulting from the pandemic which may impact the saleability of inventories, are further write down of inventories expected in the FY2022?

ANSWER Q3(c)

YES

d) Has the Company adapted to any Covid 19 related changes in customer preferences and trend and further finetuned the Group's inventory policy?

ANSWER Q3(d)

YES

QUESTION 4

The Group's accumulated impairment losses on trade receivables increased to RM1.07 million in FPE 2021 (FY2020: RM0.74 million) (Note 9, page 97 of AR 2021).

a) What actions have been taken to recover the said amount?

ANSWER Q4(a)

We hold discussions with the debtors to attempt to recover the said amount.

b) What is the probability of recovering the impaired amount?

ANSWER Q4(b)

We are unable to make a complete assessment. The economic impact has been harsh on everyone. We hope that eventually some will pay back.

c) To-date, how much of the impaired trade receivables have been recovered?

ANSWER Q4(c)

As to-date, the amount have been recovered was RM78,693.

CORPORATE GOVERNANCE MATTERS

QUESTION 5

On page 6 of the Corporate Governance Report 2021, the Company states that it has departed from practice 1.3 of the Malaysian Code of Corporate Governance (“MCCG”) as Mr. Kamal Kumar Kishorchandra Kamdar is currently holding both the Chairman and CEO/MD positions. Kamdar board believes that for its current size, it is more expedient for the two roles to be held by the same person.

Practice 1.3 of MCCG that stipulates that the positions of Chairman and CEO are held by different individuals to promote accountability and facilitate the division of responsibilities between them. In this regard, no one individual can influence the board’s discussion and decision-making. The responsibilities of the Chairman should include leading the board in its collective oversight of management, while the CEO focuses on business and day-to-day management of the Company.

Based on the Company’s reply letter dated 28 September 2020 to MSWG letter dated 17 September 2020, the Company responded that the board is actively looking for suitable candidate to take up the position of the Chairman.

What are the challenges that the Company is facing in identifying a suitable candidate for replacement? What is the Company’s action plan and targeted timeline for the appointment of a chairman?

ANSWER Q5

The group is looking for a suitable candidate who has had some experience in the Retail Industry and is retired from his/her career or alternatively does not have a conflict of interest with Kamdar.

The existing directors have been reluctant as well to take up the position of Chairman for their own reasons.

QUESTION 6

Paragraph 15.29(2) of the Main Market Listing Requirements requires companies to publish its policy on anti-corruption onto the Company’s corporate website.

As of 1 December 2021, the Company’s anti-corruption policy was not available on the Company’s corporate website-

<https://www.kamdar.com.my/corporate/corporate-2/charters-code-of-conduct-and-others/>

why was the anti-corruption policy not uploaded onto Kamdar’s corporate website?

ANSWER Q6

The anti corruption policy was not uploaded as we are in the midst of finalising the policy which was delayed due to the disruption in workflow caused by Covid 19 and the MCO and shutdowns mandated by the Government.

QUESTION 7

The total cost incurred for the internal audit service for FPE 2021 (1 April 2020 to 30 June 2021) was RM8,050 (FY2020: RM26,932.47) (page 39 of AR 2021).

- a) Given that the fee is very small (approximately RM536.37 per month), how does the Audit Committee assure itself that there would be adequate coverage and that the audit function is effective?

ANSWER Q7(a)

RM16,102 spent on the in-house auditor who unfortunately passed away before the reporting period ended was inadvertently left out of the total reported under this heading. With it's inclusion the figure is comparable with the total spent on internal audit in previous year.

- b) During the FPE 2021, the Group's internal audit function was outsourced to an independent professional firm namely, Smart Focus to review and improve the Group's existing internal control process and to assist in identifying and managing the Group's risks and the control procedures to manage those risks and to assist the Audit Committee in obtaining the assurance quality in relation to the effectiveness of the system of internal control implemented by the Management. This also includes the review and report on financial function (page 39 of AR 2021).

What were some of the key findings by the internal audit? Did the internal auditor make any recommendations to the Audit Committee? If so, have the recommendations been implemented?

ANSWER Q7(a)

The scope of the Internal audit covered the finance areas and the key findings are as follows:

Improvement of SOP of the Finance Department as well as Implementation of a disaster recovery plan.

Improvement of Credit control and management of stock inventory.

These recommendations are in the process of being implemented. Some have been completed whilst others are ongoing.

APPENDIX II

This is the questions raised by the shareholders/proxies as attached to the Minutes of the 19th Annual General Meeting of Kamdar Group (M) Berhad duly held at Broadcast Venue at Board Room, 7th Floor, No. 113, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur on Thursday, 9 December 2021 at 3.00 p.m. and signed by me.


Kamal Kumar Kishorchandra Kamdar
Chairman

QUESTIONS RAISED BY THE SHAREHOLDERS/PROXIES AT KAMDAR GROUP (M) BERHAD'S 19TH AGM

	Questions	Answers
1.	Kindly give us Kamdar vouchers to spend at your Kamdar stores.	We are not prepared for this but we will consider this request and take appropriate action.
2.	May I know, what is the company's future Outlook?	The Chairman replied that the Company's future outlook is stated in the Management Discussion and Analysis pages 19 to 20 in the Annual Report.
3.	How much is the impact due to MCO?	The Chairman replied that the impact of the MCO is stated in the Chairman's Statement page 18 of the Annual Report.
4.	What is the cost saving of conducting a virtual Agm as compared to a physical one?	The Chairman replied they have not made a study on the cost saving of conducting a virtual AGM as compared to a physical AGM hence, we have no comments.
5.	Will the Board consider giving door gift such as e-voucher or e-wallets for those participating in this Agm?	The Chairman replied that they will consider the request and will come up with something appropriate.
6.	Kamdar's business/financial performance has been poor and current years losses is easily blamed on Covid-19 pandemic. Has our company addressed the management and integrity issues that has plagued our company and what is the BOARD's business initiatives going forward to really put sustainable	Chairman replied that he does not think there is any integrity issues however Management issues depends on the business environment and the Board of Directors business initiatives going forward to put sustainable profitability which has also been addressed in the Annual Report but would like to reiterate that in addition to having cost cutting measures they have also explored more cost efficient business like getting into consignment counters and setting – up pop-up stores, margin based stores and re-evaluating the size of the stores to ensure that they

	profitability ?	do not have too large retail space and keeping in line with the expectation of turnover that they anticipate in different markets. Different parts of Malaysia have responded differently to situations, some are increasing and some areas are declining and relocation is necessary in some niche places. So all of these that they are addressing and is a constant ongoing process and can't say that it could be over and done with in one or two years. Every year they evaluate and try to be in line with consumer shopping patterns. So these are the steps they have taken to ensure they have sustainable profitability.
7.	Kindly advise the procurement processes? Is the delay in anti corruption policy online affecting or going to be diluting the process of procurement.	The Chairman replied that the anti-corruption policy does not affect the procurement process as it is got lot more to do with whether the Company is going out there to give bribes to secure business which is not the case.
8.	How about your properties that are not generating profits or are even not operating?	The Chairman replied that the Company is looking into renting out or selling these properties. We have entered into some arrangements and rented out 2 properties and more discussions are ongoing and some are in the process.