

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005

	Individual Quarter		Cumulative Quarter	
	Current Year Fourth Quarter 31/12/2005 RM'000 (Unaudited)	Preceding year Corresponding Quarter 31/12/2004 RM'000 (Unaudited)	Current Year to date 31/12/2005 RM'000 (Unaudited)	Preceding year Corresponding period 30/12/2004 RM'000 (Audited)
Revenue	63,179	67,238	179,042	184,602
Cost of sales	<u>(36,634)</u>	<u>(41,786)</u>	<u>(112,073)</u>	<u>(116,473)</u>
Gross profit	26,545	25,452	66,969	68,129
Other operating income	460	412	1,324	3,656
Selling and distribution expenses	(788)	-	(3,144)	(2,977)
Administrative expenses	(11,528)	(12,395)	(41,455)	(37,034)
Other operating expenses	<u>(884)</u>	<u>(929)</u>	<u>(4,733)</u>	<u>(2,822)</u>
Profit from operation	13,805	12,540	18,961	28,952
Finance cost	(1,531)	(1,484)	(5,917)	(2,810)
Profit before tax	<u>12,274</u>	<u>11,056</u>	<u>13,044</u>	<u>26,142</u>
Taxation	(4,519)	(3,352)	(6,954)	(7,051)
Profit after tax	<u>7,755</u>	<u>7,704</u>	<u>6,090</u>	<u>19,091</u>
Pre-acquisition profit	<u>-</u>	<u>(2,501)</u>	<u>-</u>	<u>(2,501)</u>
Net profit for the year	<u><u>7,755</u></u>	<u><u>5,203</u></u> #	<u><u>6,090</u></u>	<u><u>16,590</u></u>
Basic earnings per share (sen)	6.16	4.18	4.85	13.32
Diluted earnings per share (sen)	3.81	4.06	3.27	12.30

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005

	AS AT END OF CURRENT QUARTER 31/12/2005 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2004 RM'000 (Audited)
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	165,667	155,820
DEFERRED EXPENDITURE	-	3,114
DEFERRED TAX ASSETS	1,971	2,414
GOODWILL	434	434
	<u>168,072</u>	<u>161,782</u>
CURRENT ASSETS		
Inventories	97,050	96,628
Trade receivables	8,459	9,996
Other receivables, deposits and prepayments	6,030	8,704
Taxation recoverable	2,343	1,839
Fixed deposits with a licensed bank	2,346	4,516
Cash and bank balances	6,714	8,309
	<u>122,942</u>	<u>129,992</u>
CURRENT LIABILITIES		
Trade payables	7,677	8,035
Other payables & accruals	7,265	9,194
Hire purchase creditors	295	-
Short term borrowings	39,004	50,810
Taxation	282	477
Bank overdrafts	2,484	60
	<u>57,007</u>	<u>68,576</u>
NET CURRENT ASSETS	<u>65,935</u>	<u>61,416</u>
	<u>234,007</u>	<u>223,198</u>
FINANCED BY:		
SHARE CAPITAL	125,990	124,430
SHARE PREMIUM	110	110
CAPITAL RESERVES	824	824
RESERVE ON CONSOLIDATION	2,784	2,784
MERGER RESERVES	(176,580)	(176,580)
IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS		
ICULS (EQUITY COMPONENT)	65,791	65,791
Unappropriated Profit/(loss)	120,080	113,990
TOTAL SHAREHOLDERS' EQUITY	<u>138,999</u>	<u>131,349</u>
LONG TERM LIABILITIES		
BOND	60,000	60,000
ICULS	5,464	7,234
Deferred taxation	3,181	3,181
Term loans	25,578	21,434
Hire purchase creditor	785	-
	<u>95,008</u>	<u>91,849</u>
	<u>234,007</u>	<u>223,198</u>
Net assets per share (sen)	110	106

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2005



	ICULS							Total
	Share Capital	Share Premium	(equity component)	Capital Reserve	Merger Reserve	Reserve on Consolidation	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2004	-	-	-	-	-	-	(6)	(6)
Issue of ordinary shares	124,430	-	-	-	-	-	-	124,430
Issue of ICULS (equity component)	-	-	65,791	-	-	-	-	65,791
Merger deficit arising from acquisition of subsidiary companies	-	-	-	-	(176,580)	-	100,075	(76,505)
Reserve on consolidation arising from acquisition of subsidiary companies	-	-	-	-	-	2,784	-	2,784
Capital reserves through merger of subsidiary companies	-	110	-	824	-	-	-	934
Dividends	-	-	-	-	-	-	(2,669)	(2,669)
Net profit for the period	-	-	-	-	-	-	16,590	16,590
At 31 December 2004	124,430	110	65,791	824	(176,580)	2,784	113,990	131,349

	ICULS							Total
	Share Capital	Share Premium	(equity component)	Capital Reserve	Merger Reserve	Reserve on Consolidation	Retained Profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2005	124,430	110	65,791	824	(176,580)	2,784	113,990	131,349
Net loss for the period	-	-	-	-	-	-	6,090	6,090
Issuance of shares pursuant to acquisition of subsidiary	1,560	-	-	-	-	-	-	1,560
At 31 December 2005	125,990	110	65,791	824	(176,580)	2,784	120,080	138,999

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005
(Company No. 577740-A)

	12 months ended 31 Dec 2005 RM'000 <u>(Unaudited)</u>	12 months ended 31 Dec 2004 RM'000 <u>(Audited)</u>
1. Cashflow from operating activities		
Profit before tax	13,044	23,640
Adjustment for:		
Bad debts written off	-	123
Depreciation	3,989	2,269
Gain on disposal of property, plant and equipment	(280)	(2,301)
Gain on disposal of other investments	-	(170)
Loss on disposal of property, plant and equipment	523	-
Loss on disposal of investment in subsidiary	1,560	-
Interest expenses	5,586	2,655
Listing expenses	3,114	-
Interest income	(118)	(142)
	<hr/>	<hr/>
Operating profit before working capital changes	27,418	26,074
Directors	-	(61)
Inventories	(422)	(1,874)
Payables	(2,341)	(11,321)
Receivables	4,210	4,402
	<hr/>	<hr/>
Cash generated from operations	28,865	17,220
Interest received	118	142
Interest paid	(7,175)	(2,224)
Tax paid	(7,390)	(12,926)
Tax refund	181	82
	<hr/>	<hr/>
Net cash generated from operating activities	14,599	2,294
2. Cashflow from investing activities		
Proceeds from disposal of other investments	-	670
Net cash from acquisition of subsidiary companies	-	423
Dividend paid	-	(12,763)
Proceed from disposal of property, plant and equipment	1,581	3,471
Purchase of property, plant and equipment	(14,393)	(1,570)
	<hr/>	<hr/>
Net cash used in investing activities	(12,812)	(9,769)
3. Cashflow from financing activities		
Bankers' acceptances	1,125	6,173
Bills payables	(1,267)	(1,183)
Drawdown of short term loans	14,000	5,000
Drawdown of term loans	8,200	-
Revolving credit	(700)	-
Repayment of hire purchase creditors	(188)	-
Repayment of term loans	(29,146)	(1,501)
	<hr/>	<hr/>
Net cash (used in)/generated from financing activities	(7,976)	8,489
Cash and cash equivalents		
Net changes	(6,189)	1,015
Brought forward	12,765	-
Cash and cash equivalents acquired through merger	-	11,750
Carried forward (A)	<hr/> <u>6,576</u>	<hr/> <u>12,765</u>
A . Cash and cash equivalents comprise of:		
Fixed deposits with a licensed bank	2,346	4,516
Cash and bank balances	6,714	8,309
Bank overdrafts	(2,484)	(60)
	<hr/> <u>6,576</u>	<hr/> <u>12,765</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD (Company no: 577740-A)
(Incorporated in Malaysia)

Quarterly Report On Results For The Fourth Quarter Ended 31 December 2005

NOTES TO INTERIM FINANCIAL REPORT

1. Accounting Policies and Method of Computation

The interim financial report for the financial quarter ended 31 December 2005 is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting (previously known as MASB 26) issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004

The accounting policies and methods of computation are followed in the financial statements for the year ended 31 December 2004

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2004 was not qualified.

3. Seasonal or Cyclical Factors

Market demand for consumer goods always exists throughout the year. However, sales tend to be higher in certain months due to festive seasons, particularly during Hari Raya Aidilfitri and Deepavali

4. Exceptional/Extraordinary Items

There were no exceptional and extraordinary items during the financial period ended 31 December 2005 except for the loss on disposal of investment in subsidiary, Woo Hing Brothers (Malaya) Berhad ('WHB') amounting to RM1.560 million.

5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

6. Debt and Equity Securities

There were no cancellations, repurchases, resale and repayment of debt and equity securities during the financial period ended 31 December 2005 except for the Company increased its issued and paid up share capital from RM124,430,002 to RM125,990,002 by way of the issuance of 1,560,000 ordinary shares of RM1 each to exchange with the 15,600,000 ordinary shares of RM1 each representing 100% equity interest in WHB on the basis of one (1) new ordinary share for ten (10) existing ordinary shares of RM1 each held in WHB.

7. Dividends Paid

No dividend has been paid during the financial quarter ended 31 December 2005.

8. Segmental Information

No segment report is prepared as the principal activities of the Group are predominantly carried out in Malaysia and are engaged in a single business segment of retailing textile and textile based products within the retailing industry.

9. Carrying Amount of Revalued Assets

The group does not have any carrying amount of revalued assets.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter.

11. Changes in the Composition of the Company

There were no changes in the composition of the Group during the current quarter.

12. Changes in Contingent Liabilities and Contingent Assets

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 December 2005:

	31 December 2005 (RM'000)
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	30,500 =====

13. Capital Commitments

As at 31 December 2005, the Group has capital commitments in respect of property, plant and equipment as follows:

Approved and contracted for	RM'000 4,300
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14. Performance Review

A.

	Individual Quarter 3 months ended 31 December 2005 RM'000 (Unaudited)	Cumulative Quarter 12 months ended 31 December 2005 RM'000 (Unaudited)
Revenue	63,179	179,042
Profit before taxation	12,274	13,044

The performances of the business are further elaborated in Section B below.

B.

The revenue of the Group in the fourth quarter of 2005 is RM63.179 million as compared to RM49.425 million in the third quarter of 2005, an increase of 27.8%. The increase in sales is attributed to seasonal factors of the business. With the increase in revenue, the Group achieved profit before tax of RM12.274 million in the fourth quarter of 2005 as compared to profit before tax of RM4.789 million in the third quarter of 2005.

15. Comparison of results

For the financial year ended 31 December 2005, the Group recorded revenues of approximately RM179.04 million as compared to approximately RM184.60 million in the previous financial year, a decrease of 3.01%. The Group achieved a PBT of approximately RM13.04 million for the financial year ended 31 December 2005 as compared to approximately RM26.14 in the previous year, a decrease of 50.01%, mainly due the listing expenses of RM3.63 million, loss on disposal of WH of RM1.56 million, an increase in finance cost of RM3.10 million and the loss of RM0.50 million on the disposal of furniture and fittings and or the closure of outlets.

16. Commentary on Prospects

The retail sector is expected to see measured improvement in consumer and business confidence. Thus, the Group's future prospects look encouraging.

17. Profit Forecast

Not applicable.

18. Taxation

	Individual Quarter	Cumulative Quarter
	31 Dec 2005 RM'000	31 Dec 2005 RM'000
Current taxation - Malaysian		
- Current year's provision	4,075	6,510
- Deferred tax	444	444
	<u>4,519</u>	<u>6,954</u>

The effective tax rate for the Group for the quarter ended 31 December 2005 and the financial year ended 31 December 2005 were higher than the statutory tax rate mainly due to non availability of the Group tax relief in respect of losses suffered by certain companies and certain expenses which are not deductible for tax purposes.

19. Sale of Unquoted Investments and Properties

There were no sales of unquoted securities or properties except for the disposal of unquoted shares of WHB on 3 May 2005 which resulted in a loss on disposal of RM1.560 million.

20. Marketable Securities

There were no disposals of quoted securities for the current quarter under review.

21. Corporate Proposals

There were no corporate proposals announced but not completed as at 31 December 2005.

22. Borrowings

As at 31 December 2005, the total borrowings of KGMB Group were follows:

	31 December 2005 RM'000
Short Term Borrowings	
Secured	23,270
Unsecured	18,513
	<u>41,783</u>
Long term Borrowings	
Secured	25,578
Unsecured	66,249
	<u>91,827</u>

The above borrowings are denominated in Ringgit Malaysia.

23. Off Balance Sheet Financial instruments

The Group does not have any off balance sheet financial instruments including foreign currency contracts nor has it entered into any during the current quarter and financial year-to-date.

24. Changes in Material Litigation

The Group was not engaged in any material litigation nor had there been any legal proceedings against the Group which would adversely affect the activities and performance of the Group or give rise to any contingent liabilities which would affect the position and business of the Group except for the charge by Indah Water Consortium Sdn Bhd, of approximately RM0.8 million, of which accruals have been provided for in the financial statements for the year ended 31 December 2004.

25. Dividends

The Directors do not recommend any interim dividend for the year ended 31 Dec 2005.

26. Earnings Per Share

(a) Basic

Basic earnings per share are calculated by dividing the profit after tax by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter	Cumulative Quarter
	31 December 2005	31 December 2005
Profit after tax (RM'000)	7,755	6,090
Weighted average number of ordinary shares in issue ('000)	125,990	125,605
Basic earnings per share (sen)	6.16	4.85

26. Earnings Per Share (cont'd)

(b) Diluted

For the purpose of calculating diluted earnings per share for the current and cumulative quarter, the net profit for the current and cumulative quarter and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Irredeemable Convertible Unsecured Loan Stocks ("ICULS") and Warrants.

	Individual Quarter	Cumulative Quarter
	31 Dec 2005	31 Dec 2005
Profit after tax (RM'000)	7,755	6,090
After tax effect of interest on ICULS (RM'000)	166	682
Adjusted net profit (RM'000)	<u>7,921</u>	<u>6,772</u>
Weighted average number of ordinary shares in issue ('000)	125,990	125,605
Effect of dilution:		
ICULS ('000)	72,000	72,000
Warrants ('000)	9,677	9,349
Adjusted weighted average number of ordinary shares in issue and issuable	<u>207,667</u>	<u>206,954</u>
Diluted earnings per share (sen)	<u>3.81</u>	<u>3.27</u>

27. Others

The relevant approval of the MPPJ for the renovation on property, bearing the address of No. 61 Jalan SS2/64, 47300 Petaling Jaya, Selangor had been issued by the relevant authorities.

28. Authorization of issue

The interim financial statements were authorized for release by the Board in accordance with the directive from the Board of Directors.

By order of the Board

Lim Seck Wah
Company Secretary