

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2007

	Individual Quarter		Cumulative Quarter	
	Current Year First Quarter 31/3/07 RM'000 <u>(Unaudited)</u>	Preceding year Corresponding Quarter 31/3/06 RM'000 <u>(Unaudited)</u>	Current Year to date 31/3/07 RM'000 <u>(Unaudited)</u>	Preceding year Corresponding period 31/3/06 RM'000 <u>(Unaudited)</u>
Revenue	29,332	30,099	29,332	30,099
Cost of sales	<u>(18,592)</u>	<u>(19,558)</u>	<u>(18,592)</u>	<u>(19,558)</u>
Gross profit	10,740	10,541	10,740	10,541
Other income	309	290	309	290
Selling and distribution expenses	(459)	(803)	(459)	(803)
Administrative expenses	(10,122)	(10,244)	(10,122)	(10,244)
Finance costs	<u>(1,325)</u>	<u>(1,310)</u>	<u>(1,325)</u>	<u>(1,310)</u>
Loss before tax	(857)	(1,526)	(857)	(1,526)
Taxation	(765)	(627)	(765)	(627)
Loss for the period	<u>(1,622)</u>	<u>(2,153)</u>	<u>(1,622)</u>	<u>(2,153)</u>
Attributable to: Equity holders of the parent	<u>(1,622)</u>	<u>(2,153)</u>	<u>(1,622)</u>	<u>(2,153)</u>
Earnings per share attributable to equity holders of the parent:				
Basic loss per share (sen)	(1.29)	(1.71)	(1.29)	(1.71)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 ST MARCH 2007

	AS AT END OF CURRENT QUARTER 31/3/07 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/06 RM'000 (Audited)
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	153,200	154,059
PREPAID LAND AND BUILDING LEASE PAYMENT	18,387	18,464
DEFERRED TAX ASSETS	1,655	1,655
GOODWILL	434	434
FIXED DEPOSITS WITH LICENSED BANKS	2,436	2,386
	<u>176,112</u>	<u>176,998</u>
CURRENT ASSETS		
Inventories	82,826	87,342
Trade receivables	7,416	8,481
Other receivables, deposits and prepayments	5,004	4,328
Taxation recoverable	2,800	3,260
FIXED DEPOSITS WITH LICENSED BANKS	-	1,500
Cash and bank balances	8,387	9,535
Total current assets	<u>106,433</u>	<u>114,446</u>
CURRENT LIABILITIES		
Trade payables	5,823	6,353
Other payables & accruals	6,817	6,469
Dividend payable	-	-
Short term borrowings	25,543	42,496
Finance payables	356	320
Taxation	35	414
Bank overdrafts	5,093	135
Total current liabilities	<u>43,667</u>	<u>56,187</u>
NET CURRENT ASSETS	<u>62,766</u>	<u>58,259</u>
	<u>238,878</u>	<u>235,257</u>
FINANCED BY:		
SHARE CAPITAL	126,022	125,999
SHARE PREMIUM	110	110
CAPITAL RESERVES	824	824
RESERVE ON CONSOLIDATION	-	-
MERGER DEFICIT	(176,580)	(176,580)
IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ICULS (EQUITY COMPONENT)	65,759	65,782
Retained Profits	120,049	121,671
TOTAL SHAREHOLDERS' EQUITY	<u>136,184</u>	<u>137,806</u>
LONG TERM LIABILITIES		
BOND	60,000	60,000
ICULS	3,975	3,892
Deferred tax liabilities	3,980	3,980
Term loans	34,044	28,776
Finance payables	695	803
	<u>102,694</u>	<u>97,451</u>
	<u>238,878</u>	<u>235,257</u>
Net assets per share attributable to ordinary equity holder of the parent (sen)	108	109

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 MARCH 2007
(Company No. 577740-A)

	3 Months ended 31 Mar 2007 RM'000 <u>(Unaudited)</u>	3 Months ended 31 Mar 2006 RM'000 <u>(Unaudited)</u>
1. Cashflows from operating activities		
Loss before tax	(857)	(1,526)
Adjustments for:		
Depreciation	1,351	966
Amortisation of prepaid land and building lease payment	78	90
Gain on disposal of property, plant and equipment	(2)	(61)
Interest expenses	1,321	1,225
Interest income	(84)	-
Property, plant and equipment written off	-	10
	<u>1,807</u>	<u>704</u>
Operating profit before working capital changes	1,807	704
Inventories	4,516	4,782
Payables	(397)	(1,044)
Receivables	389	(1,083)
	<u>6,315</u>	<u>3,359</u>
Cash generated from operations	6,315	3,359
Interest received	84	-
Interest paid	(1,211)	(444)
Tax paid	(683)	(1,624)
Tax refund	-	-
	<u>4,505</u>	<u>1,291</u>
Net cash generated from operating activities	4,505	1,291
2. Cashflows from investing activities		
Placement of fixed deposits	(50)	-
Proceed from disposal of property, plant and equipment	(45)	97
Purchase of property, plant and equipment	(232)	(2,372)
	<u>(327)</u>	<u>(2,275)</u>
Net cash used in investing activities	(327)	(2,275)
3. Cashflows from financing activities		
Bankers' acceptances	(14,314)	(11,878)
Drawdown of term loans	7,000	5,000
Repayment of finance payables	(71)	(57)
Repayment of term loans	(1,369)	(997)
Revolving credit	(3,000)	500
Trust receipts	(30)	(21)
	<u>(11,784)</u>	<u>(7,453)</u>
Net cash used in financing activities	(11,784)	(7,453)
Cash and cash equivalents		
Net changes	(7,606)	(8,437)
Brought forward	10,900	4,150
Carried forward	(A) <u>3,294</u>	<u>(4,287)</u>
A . Cash and cash equivalents comprise of:		
Cash and bank balances	8,387	3,336
Bank overdrafts	(5,093)	(7,623)
	<u>3,294</u>	<u>(4,287)</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 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 First Quarter Ended 31 March 2007

NOTES TO INTERIM FINANCIAL REPORT

1. Accounting Policies and Method of Computation

The interim financial report of the Group is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting 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 2006.

2. Changes in Accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following revised Financial Reporting Standards ("FRS") effective for financial period beginning on 1 January 2006:

FRS 117 - Leases

FRS 124 - Related Party Disclosure

Amendment to FRS 119₂₀₀₄ - Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of FRS 124 and FRS 119₂₀₀₄ did not have any significant financial impact on the Group.

FRS 117 - Leases

The adoption of the revised FRS 117 - Leases has resulted in a change in the accounting policy relating to the classification of leases of land and buildings.

Prior to 1 January 2007, leasehold land and buildings held for own use were classified as property, plant and equipment and were stated at cost less accumulated depreciation and impairment loss. FRS 117 requires that leasehold land and buildings be classified as operating or finance leases in the same way as leases of other assets.

The Group has applied the change in accounting policy with respect to leasehold land and building in accordance with the transitional provisions of FRS 117. The reclassification of leasehold land and building as prepaid land and building lease payments has been accounted for retrospectively. Certain comparatives within the consolidation balance sheets as at 31 December 2006 have been restated as set out below. There were no effects on the income statement of the Group for the quarter ended 31 March 2007.

3. Changes in Accounting policies (Cont'd)

The following comparative amounts have been restated due to adoption of FRS 117:

	As previously reported RM'000	FRS 117 RM'000	As restated RM'000
Balance Sheet as at 31 December 2006			
Property, plant and equipment	172,523	(18,464)	154,059
Prepaid land and building lease payments	-	18,464	18,464

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

5. Seasonal or Cyclical Factors

The business of the Group is generally affected by the festive seasons.

6. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2007.

7. Changes in Estimates

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

8. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities except for 13,000 and 10,000 ICULS converted into ordinary shares in the Company on the basis of one new ordinary share for every one ICULS exercised on 5 March 2007 and 13 March 2007 respectively.

9. Dividends Paid

No dividend has been paid during the financial quarter under review.

10. 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.

11. Carrying Amount of Revalued Assets

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

12. Subsequent Events

There were no material events subsequent to the end of the current quarter except on 20 April 2007, the Board of Directors of the Company proposed a final dividend in respect of the year ended 31 December 2006, of 4% less 28% taxation for shareholders' approval at the forthcoming Annual General Meeting.

13. Changes in the Composition of the Group

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

14. Changes in Contingent Liabilities and Contingent Assets

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 Mar 2007 :

	31 Mar 2007 (RM'000)
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	31,700
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Stores Sdn Bhd	10,440
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Holdings Sdn Bhd	<u>16,000</u>
	<u>58,140</u>

15. Capital Commitments

Not applicable.

16. Performance Review

A.

	Individual Quarter 3 months ended 31 March 2007 RM'000 (Unaudited)	Cumulative Quarter 3 months ended 31 March 2006 RM'000 (Unaudited)
Revenue	29,332	30,099
Loss before taxation	(857)	(1,526)

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

B.

The Group's revenue for the current financial period ended 31 Mar 2007 was RM29.332 million compared to RM30.099 million in the prior financial period ended 31 Mar 2006, a decrease of 2.5%. The Group's loss before taxation has decreased from RM1.526 million for the prior financial period ended 31 Mar 2006 to RM0.857 million for the current financial period ended 31 March 2007, a decrease of 43.8% was due to better sales margins and lower promotion costs.

17. Material changes in the quarterly results compared with immediate preceding quarter

For the current quarter ended 31 March 2007, the Group recorded revenues of approximately RM29.332 million as compared to approximately RM56.333 million in the preceding quarter ended 31 Dec 2006, decrease of RM27.001 million. The Group's loss before taxation for the current quarter ended 31 Mar 2007 was RM0.857 million as compared to a profit before tax of RM8.257 million in the preceding quarter ended 31 Dec 2006. This decrease in Group's revenue is due to the seasonal nature of the industry.

18. Commentary on Prospects

The retail sector continues to operate in a very challenging environment but the Group's strategy has begun to bear fruit. Thus, the Group's future prospects remain cautiously optimistic.

19. Profit Forecast

Not applicable.

20. Taxation

	Current Quarter 31 March 2007 RM'000	Current Year To Date 31 March 2007 RM'000
Current taxation - Malaysian - current year's provision	765	765

Taxation for the current quarter was mainly due to provisions on profitable subsidiaries although the Group incurred loss before tax during the quarter.

21. Sale of Unquoted Investments and Properties

There were no sales of unquoted securities or properties for the financial period to date.

22. Marketable Securities

There were no disposals of quoted securities for the financial period to date.

23. Corporate Proposals

There were no corporate proposals announced and completed as at 31 March 2007.

24. Borrowings

As at 31 March 2007, the total borrowings of KGMB Group were as follows:

	As at 31/03/2007 RM000	As at 31/12/2006 RM000
Short term borrowings:		
Secured	19,299	21,792
Unsecured	11,693	21,160
	<hr/>	<hr/>
	30,992	42,952
	<hr/>	<hr/>
Long term borrowings:		
Secured	34,739	29,579
Unsecured	63,975	63,892
	<hr/>	<hr/>
	98,714	93,471
	<hr/>	<hr/>

The above borrowings are denominated in Ringgit Malaysia.

25. 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 period-to-date.

26. 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 following : -

- (i) 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 financial period ended 31 March 2007.

27. Dividend

The directors do not recommend any interim dividend for the financial quarter under review.

28. Loss Per Share

(a) Basic

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

	Individual Quarter 31 March 2007	Cumulative Quarter 31 March 2007
Loss after tax (RM'000)	(1,622)	(1,622)
Weighted average number of Ordinary shares in issue ('000)	126,005	126,005
Basic loss per share (sen)	1.29	1.29

(b) Diluted

Computation of diluted loss per share is not applicable for the current quarter and financial period to date as the conversion of all potential ordinary shares is anti-dilutive which will cause a decrease in loss per share.

28. Authorization of issue

The interim financial statements were authorized for release by the Board in accordance with a resolution of the Directors on 21 March 2007.

By order of the Board

Lim Seck Wah
Company Secretary