

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2008

| | AS AT END OF CURRENT FINANCIAL QUARTER 31 Mar 08 RM'000 (Unaudited) | AS AT PRECEDING FINANCIAL YEAR ENDED 31 Dec 07 RM'000 (Audited) |
|--|--|---|
| NON-CURRENT ASSETS | | |
| PROPERTY, PLANT AND EQUIPMENT | 153,877 | 154,585 |
| PREPAID LAND LEASE PAYMENTS | 7,054 | 7,074 |
| DEFERRED TAX ASSETS | 1,129 | 1,129 |
| GOODWILL | 434 | 434 |
| FIXED DEPOSITS WITH LICENSED BANKS | 2,510 | 2,486 |
| | 165,004 | 165,708 |
| CURRENT ASSETS | | |
| Inventories | 88,790 | 88,670 |
| Trade receivables | 8,695 | 8,348 |
| Other receivables, deposits and prepayments | 5,629 | 4,367 |
| Taxation recoverable | 2,897 | 2,712 |
| Cash and bank balances | 8,008 | 19,744 |
| Total current assets | 114,019 | 123,841 |
| CURRENT LIABILITIES | | |
| Trade payables | 5,480 | 7,547 |
| Other payables & accruals | 6,917 | 6,729 |
| Short term borrowings | 33,571 | 44,143 |
| Finance payables | 414 | 391 |
| Taxation | 552 | 449 |
| Bank overdrafts | 4,492 | 871 |
| Total current liabilities | 51,426 | 60,130 |
| NET CURRENT ASSETS | 62,593 | 63,711 |
| | 227,597 | 229,419 |
| FINANCED BY: | | |
| SHARE CAPITAL | 126,143 | 126,143 |
| SHARE PREMIUM | 110 | 110 |
| CAPITAL RESERVES | 2,290 | 2,290 |
| MERGER RESERVES | (176,580) | (176,580) |
| IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ICULS (EQUITY COMPONENT) | 65,638 | 65,638 |
| Retained Profits | 125,711 | 125,910 |
| TOTAL SHAREHOLDERS' EQUITY | 143,312 | 143,511 |
| LONG TERM LIABILITIES | | |
| BOND | 60,000 | 60,000 |
| ICULS | 2,075 | 2,030 |
| Deferred tax liabilities | 2,314 | 2,314 |
| Term loans | 19,319 | 20,854 |
| Finance payables | 577 | 710 |
| | 84,285 | 85,908 |
| | 227,597 | 229,419 |
| Net assets per share attributable to ordinary equity holder of the parent (sen) | 114 | 114 |

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008

| | Individual Quarter | | Cumulative Quarter | |
|---|---|--|---|---|
| | Current Financial Year First Quarter 31 Mar 2008 RM'000 (Unaudited) | Preceding Financial Year Corresponding Quarter 31 Mar 2007 RM'000 (Unaudited) | Current Financial Year to date 31 Mar 2008 RM'000 (Unaudited) | Preceding Financial Year Corresponding period 31 Mar 2007 RM'000 (Unaudited) |
| Revenue | 32,810 | 29,332 | 32,810 | 29,332 |
| Cost of sales | <u>(20,381)</u> | <u>(18,592)</u> | <u>(20,381)</u> | <u>(18,592)</u> |
| Gross profit | 12,429 | 10,740 | 12,429 | 10,740 |
| Other income | 452 | 309 | 452 | 309 |
| Selling and distribution expenses | (647) | (459) | (647) | (459) |
| Administrative expenses | (10,545) | (10,122) | (10,545) | (10,122) |
| Finance costs | <u>(1,082)</u> | <u>(1,325)</u> | <u>(1,082)</u> | <u>(1,325)</u> |
| Profit/(loss) before tax | 607 | (857) | 607 | (857) |
| Taxation | (806) | (765) | (806) | (765) |
| Loss for the financial period | <u><u>(199)</u></u> | <u><u>(1,622)</u></u> | <u><u>(199)</u></u> | <u><u>(1,622)</u></u> |
| Attributable to: | | | | |
| Equity holders of the parent | <u><u>(199)</u></u> | <u><u>(1,622)</u></u> | <u><u>(199)</u></u> | <u><u>(1,622)</u></u> |
| Earnings per share attributable to equity holders of the parent: | | | | |
| Basic earnings/(loss) per share (sen) | (0.16) | (1.29) | (0.16) | (1.29) |
| Diluted earnings/(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 to the statements for the financial year ended 31 December 2007 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 FINANCIAL PERIOD ENDED 31 MARCH 2008

| | ←----- Reserves -----→ | | | | | | Total |
|--|---------------------------------|------------------|--------------------------------|----------------------------|-------------------|------------------|----------------|
| | ←----- Non distributable -----→ | | | ----- Distributable -----→ | | | |
| | Share Capital | Share Premium | ICULS (equity component) | Capital Reserve | Merger Deficit | Retained Profits | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2007 | 125,999 | 110 | 65,782 | 824 | (176,580) | 121,671 | 137,806 |
| Issuance of shares arising from conversion of ICULS | 23 | - | (23) | - | - | - | - |
| Net loss for the financial period | - | - | - | - | - | (1,622) | (1,622) |
| At 31 Mar 2007 | <u>126,022</u> | <u>110</u> | <u>65,759</u> | <u>824</u> | <u>(176,580)</u> | <u>120,049</u> | <u>136,184</u> |

| | ←----- Reserves -----→ | | | | | | Total |
|-----------------------------------|---------------------------------|------------------|--------------------------------|----------------------------|-------------------|------------------|----------------|
| | ←----- Non distributable -----→ | | | ----- Distributable -----→ | | | |
| | Share Capital | Share Premium | ICULS (equity component) | Capital Reserve | Merger Reserve | Retained Profits | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2008 | 126,143 | 110 | 65,638 | 2,290 | (176,580) | 125,910 | 143,511 |
| Net loss for the financial period | - | - | - | - | - | (199) | (199) |
| At 31 March 2008 | <u>126,143</u> | <u>110</u> | <u>65,638</u> | <u>2,290</u> | <u>(176,580)</u> | <u>125,711</u> | <u>143,312</u> |

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008
(Company No. 577740-A)

| | 3 Months ended 31 Mar 2008 RM'000 <u>(Unaudited)</u> | 3 Months ended 31 Mar 2007 RM'000 <u>(Unaudited)</u> |
|---|---|---|
| 1. Cashflows from operating activities | | |
| Profit / (loss) before tax | 607 | (857) |
| Adjustments for: | | |
| Depreciation | 815 | 1,351 |
| Amortisation of prepaid land and building lease payment | 20 | 78 |
| Gain on disposal of property, plant and equipment | - | (2) |
| Interest expenses | 1,078 | 1,321 |
| Interest income | (77) | (84) |
| Property, plant and equipment written off | <u>5</u> | <u>-</u> |
| Operating profit before working capital changes | 2,448 | 1,807 |
| Inventories | (120) | 4,516 |
| Payables | (2,266) | (397) |
| Receivables | <u>(1,609)</u> | <u>389</u> |
| Cash (used in)/ generated from operations | (1,547) | 6,315 |
| Interest received | 77 | 84 |
| Interest paid | (402) | (1,211) |
| Tax paid | <u>(887)</u> | <u>(683)</u> |
| Net cash (used in)/ generated from operating activities | (2,759) | 4,505 |
| 2. Cashflows from investing activities | | |
| Placement of fixed deposits | (24) | (50) |
| Proceed from disposal of property, plant and equipment | - | (45) |
| Purchase of property, plant and equipment | (324) | (232) |
| Net cash used in investing activities | <u>(348)</u> | <u>(327)</u> |
| 3. Cashflows from financing activities | | |
| Bankers' acceptances | (10,608) | (14,314) |
| Drawdown of term loans | - | 7,000 |
| Repayment of finance payables | (110) | (71) |
| Repayment of term loans | (1,535) | (1,369) |
| Revolving credit | - | (3,000) |
| Trust receipts | 2 | (30) |
| Net cash used in financing activities | <u>(12,251)</u> | <u>(11,784)</u> |
| Cash and cash equivalents | | |
| Net changes | (15,358) | (7,606) |
| Brought forward | 18,874 | 10,900 |
| Carried forward | (A) <u>3,516</u> | <u>3,294</u> |
| A . Cash and cash equivalents comprise of: | | |
| Fixed deposits with a licensed bank | 500 | - |
| Cash and bank balances | 7,508 | 8,387 |
| Bank overdrafts | (4,492) | (5,093) |
| | <u>3,516</u> | <u>3,294</u> |

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 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 Financial Quarter Ended 31 Mar 2008

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 financial year ended 31 December 2007.

2. Changes in Accounting policies

The accounting policies used in the preparation of interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the financial year ended 31 December 2007 save for the adoption of all the new/revised Financial Reporting Standards ("FRSs") issued by MASB that are relevant to its operations and effective for financial periods beginning on or after 1 July 2007 as follows:

| | |
|---------|--|
| FRS 107 | Cash Flow Statement |
| FRS 112 | Income Taxes |
| FRS 118 | Revenue |
| FRS 134 | Interim Financial Reporting |
| FRS 137 | Provisions, Contingent Liabilities and Contingent Assets |

The adoption of the abovementioned new/revised FRSs has not resulted in principal changes in accounting policies of the Group and does not have any material financial effect on the results of the Group for the current and prior financial years.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not qualified.

4. Seasonal or Cyclical Factors

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

5. 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 31Mar 2008.

6. Changes in Estimates

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

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in current quarter.

8. Dividends Paid

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

9. 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.

10. Carrying Amount of Revalued Assets

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

11. Subsequent Events

There were no material events subsequent to the end of the current quarter except on 21 April 2008, the Board of Directors of the Company proposed a final dividend in respect of the financial year ended 31 December 2007, of 5% less 26% taxation for shareholders' approval at the forthcoming Annual General Meeting.

12. Changes in the Composition of the Group

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

13. 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 2008 :

| | 31 Mar 2008 (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>14,000</u> |
| | <u>56,140</u> |

14. Capital Commitments

Not applicable.

15. Performance Review

A.

| | Individual Quarter 3 months ended 31 Mar 2008 RM'000 (Unaudited) | Cumulative Quarter 3 months ended 31 Mar 2007 RM'000 (Unaudited) |
|-------------------------------|--|--|
| Revenue | 32,810 | 29,332 |
| Profit/(Loss) before taxation | 607 | (857) |

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 2008 is RM32.810 million as compared to RM29.332 million in the prior financial period ended 31 Mar 2007, an increase of 11.86%. The Group's loss before taxation has decreased from RM0.857 million for the prior financial period ended 31 Mar 2007 to a profit of RM0.607 million for the current financial period ended 31 Mar 2008, an increase of 170.83% due to the increase in turnover and improved gross margins.

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

For the current financial quarter ended 31 Mar 2008, the Group recorded a revenue of approximately RM32.810 million as compared to approximately RM54.236 million in the preceding financial quarter ended 31 Dec 2007, a decrease of RM21.426 million. The Group's profit before taxation for the current quarter ended 31 Mar 2008 was RM0.607 million as compared to a profit before tax of RM7.534 million in the preceding financial quarter ended 31 Dec 2007. This decrease in the Group's profit is due to the seasonal nature of the industry.

17. Commentary on Prospects

The retail sector continues to operate in a very challenging environment even if the Group's future prospects remain cautiously optimistic.

18. Profit Forecast

Not applicable.

19. Taxation

| | Current Quarter 31 Mar 2008 RM'000 | Current Year To Date 31 Mar 2008 RM'000 |
|--|--|---|
| Current taxation - Malaysian - current financial quarter/ year provision | 806 | 806 |

Taxation for the current financial quarter was mainly due to provisions on profitable subsidiaries of the Group.

20. Sale of Unquoted Investments and Properties

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

21. Marketable Securities

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

22. Corporate Proposals

There were no corporate proposals announced and completed as at 31 Mar 2008.

23. Borrowings

As at 31 Mar 2008, the total borrowings of KGMB Group were as follows:

| | As at 31/03/2008 RM000 | As at 31/12/2007 RM000 |
|------------------------|------------------------------|------------------------------|
| Short term borrowings: | | |
| Secured | 36,160 | 43,145 |
| Unsecured | 1,902 | 1,869 |
| | <hr/> | <hr/> |
| | 38,062 | 45,014 |
| | <hr/> | <hr/> |
| Long term borrowings: | | |
| Secured | 19,319 | 20,854 |
| Unsecured | 62,073 | 62,030 |
| | <hr/> | <hr/> |
| | 81,394 | 82,884 |
| | <hr/> | <hr/> |

The above borrowings are denominated in Ringgit Malaysia.

24. 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.

25. 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 RM0.2 million which has been provided for in the financial statements for the period ended 31 Dec 2007.

26. Dividend

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

27. Earning 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 31 Mar 2008 | Cumulative Quarter 31 Mar 2008 |
|---|-----------------------------------|-----------------------------------|
| Loss after tax (RM'000) | (199) | (199) |
| Weighted average number of Ordinary shares in issue ('000) | 126,143 | 126,143 |
| Basic loss per share (sen) | (0.16) | (0.16) |

(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 27 May 2008.

By order of the Board

Lim Seck Wah
Company Secretary