

KAMDAR GROUP (M) BERHAD  
(Company No. 577740-A)  
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 SEPT 2008

	AS AT END OF CURRENT QUARTER 30 Sept 2008 RM'000 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR ENDED 31 Dec 07 RM'000 (Audited)
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	154,984	154,585
PREPAID LAND LEASE PAYMENTS	7,014	7,074
DEFERRED TAX ASSETS	1,129	1,129
GOODWILL	434	434
FIXED DEPOSITS WITH LICENSED BANKS	2,529	2,486
	<u>166,090</u>	<u>165,708</u>
<b>CURRENT ASSETS</b>		
Inventories	102,916	88,670
Trade receivables	8,700	8,348
Other receivables, deposits and prepayments	6,967	4,367
Taxation recoverable	2,414	2,712
Cash and bank balances	21,880	19,744
Total current assets	<u>142,877</u>	<u>123,841</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	9,148	7,547
Other payables & accruals	8,105	6,729
Short term borrowings	56,925	44,143
Finance payables	428	391
Taxation	476	449
Bank overdrafts	756	871
Total current liabilities	<u>75,838</u>	<u>60,130</u>
NET CURRENT ASSETS	<u>67,039</u>	<u>63,711</u>
	<u>233,129</u>	<u>229,419</u>
<b>FINANCED BY:</b>		
SHARE CAPITAL	126,235	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)	65,546	65,638
Retained Profits	131,413	125,910
TOTAL SHAREHOLDERS' EQUITY	<u>149,014</u>	<u>143,511</u>
<b>LONG TERM LIABILITIES</b>		
BOND	60,000	60,000
ICULS	2,156	2,030
Deferred tax liabilities	2,314	2,314
Term loans	19,264	20,854
Finance payables	381	710
	<u>84,115</u>	<u>85,908</u>
	<u>233,129</u>	<u>229,419</u>
Net assets per share attributable to ordinary equity holder of the parent (sen)	118	114

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the 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 THIRD QUARTER ENDED 30 SEPT 2008

	Individual Quarter		Cumulative Quarter	
	Current Year Third Quarter 30 Sept 2008 RM'000 (Unaudited)	Preceding year Corresponding Quarter 30 Sept 2007 RM'000 (Unaudited)	Current Year to date 30 Sept 2008 RM'000 (Unaudited)	Preceding year Corresponding period 30 Sept 2007 RM'000 (Unaudited)
Revenue	63,844	56,324	133,049	122,380
Cost of sales	<u>(42,559)</u>	<u>(37,285)</u>	<u>(85,770)</u>	<u>(81,150)</u>
Gross profit	21,285	19,039	47,279	41,230
Other income	406	1,801	1,035	2,370
Selling and distribution expenses	(949)	(669)	(2,370)	(1,660)
Administrative expenses	(12,048)	(10,956)	(33,214)	(31,981)
Finance costs	<u>(1,181)</u>	<u>(1,320)</u>	<u>(3,519)</u>	<u>(3,992)</u>
Profit/(loss) before tax	7,513	7,895	9,211	5,967
Taxation	(2,012)	(1,520)	(3,708)	(3,117)
Profit/(Loss) for the period	<u>5,501</u>	<u>6,375</u>	<u>5,503</u>	<u>2,850</u>
Attributable to:				
Equity holders of the parent	<u>5,501</u>	<u>6,375</u>	<u>5,503</u>	<u>2,850</u>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic earnings/(loss) per share (sen)	4.36	5.06	4.36	2.26
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 statements for the 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 PERIOD ENDED 30 SEPT 2008  
(Company No. 577740-A)

Note	9 Months ended 30 Sept 2008 RM'000 (Unaudited)	9 Months ended 30 Sept 2007 RM'000 (Unaudited)
<b>1. Cashflows from operating activities</b>		
Profit before tax	9,211	5,967
Adjustments for:		-
Depreciation	3,074	2,294
Bab debts written off	-	-
Amortisation of prepaid land and building lease payment	56	235
Gain on disposal of property, plant and equipment	(18)	(1,558)
Loss on disposal of property, plant and equipment	-	41
Interest expenses	3,517	3,990
Interest income	(107)	(103)
Property, plant and equipment written off	79	198
Operating profit before working capital changes	15,812	11,064
Inventories	(14,246)	(8,159)
Payables	1,421	6,964
Receivables	(2,953)	(3,105)
Cash generated from operations	34	6,764
Interest received	107	103
Interest paid	(1,481)	(1,858)
Tax paid	(2,976)	(4,062)
Tax refund	-	249
Net cash generated from operating activities	(4,316)	1,196
<b>2. Cashflows from investing activities</b>		
Placement of fixed deposits	(43)	(62)
Proceed from disposal of property, plant and equipment	81	9,726
Purchase of property, plant and equipment	(4,264)	(1,113)
Net cash generated from / (used in) investing activities	(4,226)	8,551
<b>3. Cashflows from financing activities</b>		
Bankers' acceptances	12,192	14,572
Drawdown of term loans	2,625	7,000
Dividend paid	-	(3,680)
Repayment of finance payables	(292)	(357)
Repayment of term loans	(4,038)	(6,945)
Revolving credit	200	(7,200)
Trust receipts	105	(71)
Net cash (used in)/generated from financing activities	10,792	3,319

Cash and cash equivalents

Net changes		2,250	13,066
Brought forward		18,874	10,900
Carried forward	(A)	<u>21,124</u>	<u>23,966</u>

A . Cash and cash equivalents comprise of:

Fixed deposits with a licensed bank		4,350	1,450
Cash and bank balances		17,530	22,877
Bank overdrafts		<u>(756)</u>	<u>(361)</u>
		<u>21,124</u>	<u>23,966</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the 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 Third Quarter Financial Ended 30 September 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 30 Sept 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.

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 30 Sept 2008 :

	30 Sept 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	14,000
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kesar Sdn Bhd	9,990
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Pusat Membeli- belah Kamdar (Penang) Sdn Bhd	2,700
	<hr/>
	<u>68,830</u>

#### 14. Capital Commitments

Not applicable.

#### 15. Performance Review

A.

	Individual Quarter 3 months ended 30 Sept 2008 RM'000 (Unaudited)	Cumulative Quarter 9 months ended 30 Sept 2008 RM'000 (Unaudited)
Revenue	63,844	133,049
Profit/(Loss) before taxation	7,513	9,211

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

B.

The Group's revenue for the current financial period ended 30 Sept 2008 is RM63.844 million as compared to RM56.324 million in the prior financial period ended 30 Sept 2007, an increase of 13.35%. The Group's profit before taxation has decreased from RM7.895 million for the prior financial period ended 30 Sept 2007 to a profit of RM7.513 million for the current financial period ended 30 Sept 2008, a decrease of 4.84% due to the following:-

- (i) for the quarter ended 30 Sept 2007, there was a gain on disposal amounting to RM1.558 million; and
- (ii) an increase in administrative expenses of approximately RM1.2 million due to operational expenses incurred in the opening of 3 new outlets.

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

For the current financial quarter ended 30 Sept 2008, the Group recorded a revenue of approximately RM63.844 million as compared to approximately RM36.395 million in the preceding financial quarter ended 30 June 2008, an increase of RM27.449 million. The Group's profit before taxation for the current quarter ended 30 Sept 2008 was RM7.513 million as compared to a profit before tax of RM1.091 million in the preceding financial quarter ended 30 June 2008. This increase in the Group's profit is due to the increase in turnover.

#### 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 30 Sept 2008 RM'000	Current Year To Date 30 Sept 2008 RM'000
Current taxation - Malaysian - current financial quarter/ Year Provision	2,012	3,708

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 30 Sept 2008.

23. Borrowings

As at 30 Sept 2008, the total borrowings of KGMB Group were as follows:

	As at 30/09/2008 RM000	As at 31/12/2007 RM000
Short term borrowings:		
Secured	55,704	43,145
Unsecured	1,977	1,869
	<hr/>	<hr/>
	57,681	45,014
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Long term borrowings:		
Secured	19,264	20,854
Unsecured	62,156	62,030
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	81,420	82,884
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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.

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 30 Sept 2008	Cumulative Quarter 30 Sept 2008
Profit after tax (RM'000)	5,501	5,503
Weighted average number of Ordinary shares in issue ('000)	126,235	126,235
Basic profit per share (sen)	4.36	4.36

(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 25 Nov 2008.

By order of the Board

Lim Seck Wah  
Company Secretary