

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

Quarterly Report On Results For The First Quarter Financial Ended 31 March 2009

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 2008.

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 2008.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2008 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 31 Mar 2009.

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 31 Mar 2009 :

	31 Mar 2009 (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
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Mint Saga (M) Sdn Bhd	5,900
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	<u>74,730</u>

14. Capital Commitments

Not applicable.

15. Performance Review

A.

	Individual Quarter 3 months ended 31 Mar 2009 RM'000 (Unaudited)	Cumulative Quarter 3 months ended 31 Mar 2008 RM'000 (Unaudited)
Revenue	35,750	32,810
Profit/(Loss) before taxation	1,148	607

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 2009 is RM35.750 million as compared to RM32.810 million in the prior financial period ended 31 Mar 2008, an increase of 8.96%. The Group's profit before taxation has increased from RM0.607 million for the prior financial period ended 31 Mar 2008 to a profit of RM1.148 million for the current financial period ended 31 Mar 2009, an increase of 89.13% due to the increase in turnover.

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

For the current financial quarter ended 31 Mar 2009, the Group recorded a revenue of approximately RM35.750 million as compared to approximately RM49.368 million in the preceding financial quarter ended 31 Dec 2008, a decrease of RM13.618 million. The Group's profit before taxation for the current quarter ended 31 Mar 2009 was RM1.148 million as compared to a profit before tax of RM5.763 million in the preceding financial quarter ended 31 Dec 2008. 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 2009 RM'000	Current Year To Date 31 Mar 2009 RM'000
Current taxation - Malaysian - current financial quarter/ Year Provision	713	713

The effective tax rate for the Group for the current quarter was higher than the statutory tax rate mainly due to non availability of the Group tax relief in respect of losses suffered by certain companies.

20. Sale of Unquoted Investments and Properties

There were no sales of unquoted securities or properties for the financial period to date except on 14 May 2009, the company announced that Kamdar Sdn Bhd (a wholly-owned subsidiary) has entered into a Sale and Purchase Agreement with Sum Weng Kwong on 22 April 2009 to dispose of a three and half (3 1/2) storey shop known as No. 61 Jalan SS2/64, 47300 Petaling Jaya, Selangor Darul Ehsan held under H.S. (D) 161279, Lot No. 25500, Bandar Petaling Jaya, District of Petaling, State of Selangor Darul Ehsan for a sale price of RM3.2 million and Kesar Sdn Bhd (a wholly-owned subsidiary) has entered into a Sale and Purchase Agreement with Ramanie Stores (Malaysia) Sendirian Berhad on 27 April 2009 for the disposal of all that piece of land known as GRN 36807, Lot No. 304 (formerly held under T.S. 20) seksyen 20, Bandar Georgetown, Daerah Timor Laut, Negeri Pulau Pinang bearing assessment address No. 33 China Street/No. 20, Che Em Lane, 10200 Penang for a sale price of RM2.5 million.

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 2009.

23. Borrowings

As at 31 Mar 2009, the total borrowings of KGMB Group were as follows:

	As at 31/03/2009 RM000	As at 31/12/2008 RM000
Short term borrowings:		
Secured	43,081	45,447
Unsecured	62,075	62,035
	<hr/>	<hr/>
	105,156	107,482
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Long term borrowings:		
Secured	18,982	19,626
Unsecured	0	0
	<hr/>	<hr/>
	18,982	19,626
	<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.

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 2009	Cumulative Quarter 31 Mar 2009
Profit after tax (RM'000)	435	435
Weighted average number of Ordinary shares in issue ('000)	126,242	126,242
Basic profit per share (sen)	0.34	0.34

(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").

	Individual Quarter 31 Mar 2009	Cumulative Quarter 31 Mar 2009
Profit after tax (RM'000)	435	435
After tax effect of interest on ICULS (RM'000)	40	40
	475	475
Weighted average number of Ordinary shares in issue ('000)	126,242	126,242
Effect of dilution: ICULS (000')	71,854	71,854
Adjusted weighted average number of Ordinary share in issue and issuable	198,096 =====	198,096 =====
Diluted earnings per share (sen)	0.24	0.24

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 Mar 2009.

By order of the Board

Lim Seck Wah
Company Secretary