

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

Quarterly Report On Results For The Fourth Quarter Financial Ended 31 Dec 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 Dec 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 except its wholly owned subsidiary Kamdar South Sdn Bhd has on 29 May 2009 entered into a Shareholders's Agreement with Shah Ameet Jaykant through a joint venture company in South Africa known as Forlor (Pty) Ltd.

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 Dec 2009 :

	31 Dec 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 Dec 2009 RM'000 (Unaudited)	Cumulative Quarter 12 months ended 31 Dec 2009 RM'000 (Unaudited)
Revenue	51,875	193,297
Profit before taxation	15,405	26,642

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

B.

The Group's revenue for the current financial period ended 31 Dec 2009 is RM193.297 million as compared to RM182.417 million in the prior financial period ended 31 Dec 2008, an increase of 5.96%. The Group's profit before taxation has increased from RM15.053 million for the prior financial period ended 31 Dec 2008 to a profit of RM26.642 million for the current financial period ended 31 Dec 2009, an increase of 76.99% due to the following:

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- (i) Increase in turnover;
- (ii) Gains on disposal of properties of RM3.891million; and
- (iii) Discount received on the redemption of Bonds.

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

For the current financial quarter ended 31 Dec 2009, the Group recorded a revenue of approximately RM51.875 million as compared to approximately RM61.993 million in the preceding financial quarter ended 30 Sept 2009, a decrease of RM10.118 million. The Group's profit before taxation for the current quarter ended 31 Dec 2009 was RM15.405 million as compared to a profit before tax of RM6.986 million in the preceding financial quarter ended 30 Sept 2009. This increase in the Group's profit is due to the increase in turnover, gains on the disposal of properties and discount received on the redemption of Bonds.

17. Commentary on Prospects

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

18. Profit Forecast

Not applicable.

19. Taxation

	Current Quarter 31 Dec 2009 RM'000	Current Year To Date 31 Dec 2009 RM'000
Current taxation - Malaysian - current financial quarter/ Year Provision	2,367	6,583

The effective tax rate for the Group for the current quarter and the cumulative financial period ended 31 Dec 2009 was lower than the statutory tax rate mainly due to capital gains which are not subject to tax.

20. Sale of Unquoted Investments and Properties

There was no other sale of unquoted securities or properties for the financial period ended 31 Dec 2009.

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 Dec 2009.

23. Borrowings

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

	As at 31/12/2009 RM000	As at 31/12/2008 RM000
Short term borrowings:		
Secured	56,093	45,447
Unsecured	0	62,035
	<hr/>	<hr/>
	56,093	107,482
	<hr/>	<hr/>
Long term borrowings:		
Secured	40,995	19,626
Unsecured	0	0
	<hr/>	<hr/>
	40,995	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 Dec 2009	Cumulative Quarter 31 Dec 2009
Profit after tax (RM'000)	13,038	20,059
Weighted average number of Ordinary shares in issue ('000)	197,823	197,823
Basic profit per share (sen)	6.59	10.14

(b) Diluted

N/A

28. Authorization of issue

The interim financial statements were authorized for release by the Board in accordance with a resolution of the Directors on 22 Dec 2009.

By order of the Board

Lim Seck Wah
Company Secretary