

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	AS AT 31 Mar 2010 RM'000 (Unaudited)	AS AT 31 Dec 2009 RM'000 (Audited)
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	153,620	153,980
PREPAID LAND LEASE PAYMENTS	6,497	6,516
DEFERRED TAX ASSETS	251	251
GOODWILL	374	374
FIXED DEPOSITS WITH LICENSED BANKS	4,652	4,639
	<u>165,394</u>	<u>165,760</u>
CURRENT ASSETS		
Inventories	98,083	97,731
Trade receivables	7,806	8,017
Other receivables, deposits and prepayments	5,408	4,562
Amount due from an associate co	663	713
Taxation recoverable	661	661
Cash and bank balances	8,013	12,437
Non-current asset held for sale	-	162
	<u>120,634</u>	<u>124,283</u>
TOTAL ASSETS	<u>286,028</u>	<u>290,043</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL	197,990	197,990
SHARE PREMIUM	110	110
CAPITAL RESERVES	2,290	2,290
MERGER RESERVES	(176,580)	(176,580)
FOREIGN CURRENCY TRANSLATION RESERVES	*	-
Retained Profits	148,440	147,735
TOTAL EQUITY	<u>172,250</u>	<u>171,545</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,755	2,755
Term loans	39,506	41,673
Finance payables	533	506
	<u>42,794</u>	<u>44,934</u>
CURRENT LIABILITIES		
Trade payables	7,057	7,158
Other payables & accruals	6,443	6,561
Short term borrowings	47,203	50,569
Finance payables	212	270
Amount owing to director	3,160	3,192
Taxation	363	932
Bank overdrafts	6,546	4,882
	<u>70,984</u>	<u>73,564</u>
TOTAL LIABILITIES	<u>113,778</u>	<u>118,498</u>
TOTAL EQUITY AND LIABILITIES	<u>286,028</u>	<u>290,043</u>

* less than thousand

Net assets per share attributable to ordinary
equity holder of the parent (sen)

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The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MAR 2010

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Mar 2010 RM'000 (Unaudited)	Preceding year Corresponding Quarter 31 Mar 2009 RM'000 (Unaudited)	Current Year To date 31 Mar 2010 RM'000 (Unaudited)	Preceding year Corresponding Period 31 Mar 2009 RM'000 (Unaudited)
Revenue	39,205	35,750	39,205	35,750
Cost of sales	<u>(23,914)</u>	<u>(21,916)</u>	<u>(23,914)</u>	<u>(21,916)</u>
Gross profit	15,291	13,834	15,291	13,834
Other income	263	294	263	294
Selling and distribution expenses	(673)	(499)	(673)	(499)
Administrative expenses	(12,595)	(11,339)	(12,595)	(11,339)
Finance costs	(802)	(1,142)	(802)	(1,142)
Profit before tax	<u>1,484</u>	<u>1,148</u>	<u>1,484</u>	<u>1,148</u>
Taxation	(779)	(713)	(779)	(713)
Profit for the period	<u><u>705</u></u>	<u><u>435</u></u>	<u><u>705</u></u>	<u><u>435</u></u>
Attributable to:				
Equity holders of the parent	705	435	705	435
Minority interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>705</u>	<u>435</u>	<u>705</u>	<u>435</u>
Earnings per share attributable to equity holders of the parent:				
Basic earnings per share (sen)	0.35	0.34	0.35	0.34
Diluted earnings per share (sen)	N/A	0.24	N/A	0.24

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 QUARTER ENDED 31 MARCH 2010

←────────────────────────────────── Reserves ───────────────────────────────────→
←────────────────────────────────── Non distributable ───────────────────────────────────→ Distributable

	Share Capital RM'000	Share Premium RM'000	ICULS (equity component) RM'000	Capital Reserve RM'000	Merger Deficit RM'000	Foreign currency translation reserve RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2009	126,235	110	65,545	2,290	(176,580)	-	134,392	151,992
Issuance of shares arising from conversion of ICULS	8	-	(8)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	435	435
At 31 March 2009	<u>126,243</u>	<u>110</u>	<u>65,537</u>	<u>2,290</u>	<u>(176,580)</u>	<u>-</u>	<u>134,827</u>	<u>152,427</u>

	Share Capital RM'000	Share Premium RM'000	ICULS (equity component) RM'000	Capital Reserve RM'000	Merger Reserve RM'000	Foreign currency translation reserve RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2010	197,990	110	-	2,290	(176,580)	-	147,735	171,545
Total comprehensive income for the period	-	-	-	-	-	-	705	705
At 31 March 2010	<u>197,990</u>	<u>110</u>	<u>-</u>	<u>2,290</u>	<u>(176,580)</u>	<u>-</u>	<u>148,440</u>	<u>172,250</u>

The unaudited Condensed Consolidated Statements of Changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 MAR 2010

	3 Months ended 31 Mar 2010 RM'000 <u>(Unaudited)</u>	3 Months ended 31 Mar 2009 RM'000 <u>(Unaudited)</u>
Cash flows from operating activities		
Profit before tax	1,484	1,148
Adjustment for :		
Depreciation	1,043	1,098
Amortisation of prepaid land and building lease payment	19	20
Gain on disposal of property, plant and equipment	(26)	-
Interest expenses	802	1,142
Interest income	<u>(26)</u>	<u>(57)</u>
Operating profit before changes in working capital	3,296	3,351
Inventories	(352)	(5,369)
Associates	50	
Payables	(219)	117
Receivables	<u>(636)</u>	<u>(923)</u>
Cash generated from/(used in) operations	2,139	(2,824)
Interest received	26	57
Interest paid	(802)	(510)
Tax paid	<u>(1,347)</u>	<u>(1,168)</u>
	-	-
Net cash from/(used in) operating activities	16	(4,445)
2. Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	185	-
Purchase of property, plant and equipment	<u>(589)</u>	<u>(111)</u>
Net cash used in investing activities	<u>(404)</u>	<u>(111)</u>
3. Cash flows from financing activities		
Bankers' acceptances	563	(5,568)
Placement of fixed deposits	(13)	(36)
Repayment of finance payables	(122)	(113)
Repayment of term loans	(2,095)	(1,343)
Revolving credit	(4,000)	200
Trust receipts	-	47
Advance from directors	<u>(33)</u>	<u>-</u>
Net cash used in financing activities	<u>(5,700)</u>	<u>(6,813)</u>
Net changes in Cash and Cash Equivalents	(6,088)	(11,369)
Cash and cash equivalents at 1 January	<u>7,555</u>	<u>12,031</u>
Cash and cash equivalents at 31 March	<u><u>1,467</u></u>	<u><u>662</u></u>
Cash and cash equivalents at the end of financial period comprise the following:		
	3 Months ended 31 Mar 2010 RM'000 <u>(Unaudited)</u>	3 Months ended 31 Mar 2009 RM'000 <u>(Unaudited)</u>
Cash and bank balance	8,013	5,910
Bank Overdraft	<u>(6,546)</u>	<u>(5,248)</u>
	<u><u>1,467</u></u>	<u><u>662</u></u>

The unaudited Condensed Consolidated Statement of Cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 Financial Ended 31 March 2010

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 2009 except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”), Amendments to FRs and Interpretations that are effective from 1 January 2010:

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
- FRS 101 Presentation of financial statements
- FRS 123 Borrowing costs
- FRS 139 Financial instruments: Recognition and Measurement
- FRS 140 Investment property
- Amendments to FRS 1 and FRS 127 First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRSs Improvements to FRSs (2009)

The adoption of the above standards and interpretations did not have any significant effect on the interim financial performance of the Group and the Company except for those discussed below:

a) FRS7: Financial Instruments

The adoption of FRS 7 requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reports profit or equity.

However, FRS 7 disclosures are not required in the interim financial statements, and hence no further disclosures have been made in these interim financial statements.

- b) **FRS 8: Operating Segments**
FRS 8, which replaces FRS 114: Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. As this is a disclosure standard, there will be no impact on the financial position or results of the Group for the period.
- c) **FRS 101: Presentation of Financial Statements (Revised)**
The revised FRS 101 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income. In addition, the standard introduces the statement of comprehensive income which presents income and expense recognized in the period. The statement may be presented in one single statement, or two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group.
- d) **FRS 139: Financial Instruments - Recognition and Measurement**
With the adoption of FRS 139, the Company classified all its financial assets and financial liabilities recognized and unrecognized in the prior year into categories that would conform to the FRS. The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS139 in the current quarter.

At initial recognition, all financial assets and financial liabilities are measured at its fair value, plus, in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of financial asset or financial liability.

Subsequent to the initial recognition, the financial assets and liabilities are measured as follows:

Category	Measurement Basis
1. Financial Instruments at fair value through profit and loss	At fair value through profit and loss
2. Loans and Receivables	At amortised cost using effective interest Method

FRS 139 provides for the exception in that, for a first time adopter, to apply the requirements of the Standard prospectively. The Company apply the transitions specified, which do not permit retrospective application, but generally requires changes or adjustments to the recognition and measurement bases at the beginning of the financial year in which the Standard is initially applied.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2009 was not qualified.

3. Seasonal or Cyclical Factors

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

4. 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 2010.

5. Changes in Estimates

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

6. Debt and Equity Securities

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

7. Dividends Paid

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

8. 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.

9. Carrying Amount of Revalued Assets

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

10. Subsequent Events

There were no material events subsequent to the end of the current quarter.

11. Changes in the Composition of the Group

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

12. 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 2010:

	31 Mar 2010 (RM'000)
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	34,650
- 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	4,600
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Mint Saga (M) Sdn Bhd	5,900
	<u>69,590</u>

13. Capital Commitments

Not applicable.

14. Performance Review

A.

	Individual Quarter 3 months ended 31 Mar 2010 RM'000 (Unaudited)	Cumulative Quarter 3 months ended 31 Mar 2009 RM'000 (Unaudited)
Revenue	39,205	35,750
Profit before taxation	1,484	1,148

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 2010 is RM39.205 million as compared to RM35.750 million in the prior financial period ended 31 Mar 2009, an increase of 9.66%. The Group's profit before taxation has increased from RM1.148 million for the prior financial period ended 31 Mar 2009 to a profit of RM1.484 million for the current financial period ended 31 Mar 2010, an increase of 29.2% due to the increase in turnover.

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

For the current financial quarter ended 31 Mar 2010, the Group recorded a revenue of approximately RM39.205 million as compared to approximately RM51.875 million in the preceding financial quarter ended 31 Dec 2009, a decrease of RM12.67 million. The Group's profit before taxation for the current quarter ended 31 Mar 2010 was RM1.484 million as compared to a profit before tax of RM15.405 million in the preceding financial quarter ended 31 Dec 2009. This decrease in the Group's profit is due to the seasonal nature of the industry.

16. Commentary on Prospects

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

17. Profit Forecast

Not applicable.

18. Taxation

	Current Quarter 31 Mar 2010 RM'000	Current Year To Date 31 Mar 2010 RM'000
Current taxation - Malaysian - Current financial period	779	779

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.

19. Sale of Unquoted Investments and Properties

There was no other sale of unquoted securities or properties for the financial period ended 31 March 2010.

20. Marketable Securities

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

21. Corporate Proposals

There were no corporate proposals announced and completed as at 31 Mar 2010.

22. Borrowings

As at 31 March 2010, the total borrowings of KGMB Group were as follows:

	As at 31/03/2010 RM'000	As at 31/12/2009 RM'000
Secured:		
Short term	53,749	55,451
Long term	39,506	41,673
	<hr/>	<hr/>
	93,255	97,124
	<hr/>	<hr/>

The above borrowings are denominated in Ringgit Malaysia.

23. 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.

24. 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.

25. Dividend

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

26. 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 2010	Cumulative Quarter 31 Mar 2010
Profit after tax (RM'000)	705	705
Weighted average number of Ordinary shares in issue ('000)	197,990	197,990
Basic profit per share (sen)	0.35	0.35

(b) Diluted

Not applicable.

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 2010.

By order of the Board

Lim Seck Wah
Company Secretary