

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

	AS AT 31 Dec 2010 RM'000 (Unaudited)	AS AT 31 Dec 2009 RM'000 (Audited)
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	151,213	153,980
PREPAID LAND LEASE PAYMENTS	6,439	6,516
DEFERRED TAX ASSETS	145	251
GOODWILL	374	374
FIXED DEPOSITS WITH LICENSED BANKS	4,714	4,639
	<u>162,885</u>	<u>165,760</u>
CURRENT ASSETS		
Inventories	99,735	97,731
Trade receivables	8,624	8,017
Other receivables, deposits and prepayments	5,182	4,562
Amount due from an associate company	696	713
Taxation recoverable	24	661
Cash and bank balances	19,660	12,437
Non-current asset held for sale	441	162
	<u>134,362</u>	<u>124,283</u>
TOTAL ASSETS	<u>297,247</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	(4)	(1)
RETAINED PROFITS	157,770	147,735
TOTAL EQUITY	<u>181,576</u>	<u>171,544</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	2,755	2,755
Term loans	36,357	41,673
Finance payables	988	507
	<u>40,100</u>	<u>44,935</u>
CURRENT LIABILITIES		
Trade payables	5,998	7,158
Other payables & accruals	5,765	6,561
Short term borrowings	54,833	50,569
Finance payables	286	270
Amount owing to director	-	3,192
Dividend payable	3,960	-
Taxation	1,149	932
Bank overdrafts	3,580	4,882
	<u>75,571</u>	<u>73,564</u>
TOTAL LIABILITIES	<u>115,671</u>	<u>118,499</u>
TOTAL EQUITY AND LIABILITIES	<u>297,247</u>	<u>290,043</u>
Net assets per share attributable to ordinary equity holder of the parent (sen)	92	87

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 DEC 2010

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2010 RM'000 (Unaudited)	Preceding year Corresponding Quarter 31 Dec 2009 RM'000 (Unaudited)	Current Year To date 31 Dec 2010 RM'000 (Unaudited)	Preceding year Corresponding Period 31 Dec 2009 RM'000 (Audited)
Revenue	56,233	51,875	206,599	193,748
Cost of sales	<u>(32,675)</u>	<u>(31,302)</u>	<u>(126,743)</u>	<u>(122,530)</u>
Gross profit	23,558	20,573	79,856	71,218
Other income	1,029	9,535	2,613	12,274
Selling and distribution expenses	(1,574)	(725)	(4,542)	(3,252)
Administrative expenses	(14,969)	(15,250)	(54,167)	(52,100)
Finance costs	(749)	1,272	(3,021)	(2,034)
Share of loss of associate co	-	-	-	(94)
Profit before tax	<u>7,295</u>	<u>15,405</u>	<u>20,739</u>	<u>26,012</u>
Taxation	(2,357)	(2,367)	(6,744)	(6,477)
Profit for the period	<u><u>4,938</u></u>	<u><u>13,038</u></u>	<u><u>13,995</u></u>	<u><u>19,535</u></u>
Attributable to:				
Owners of the company	4,938	13,038	13,995	19,553
Minority interests	-	-	-	(18)
	<u>4,938</u>	<u>13,038</u>	<u>13,995</u>	<u>19,535</u>
Earnings per share attributable to owners of the company :				
Basic earnings per share (sen)	2.49	7.67	7.07	11.50
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

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 DECEMBER 2010

Attributable to equity holders of the Company

← 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	Minority interest RM'000	Total equity RM'000
At 1 January 2009	126,235	110	65,545	2,290	(176,580)	-	134,392	151,992	-	151,992
Issue of ordinary shares	71,755	-	(65,545)	-	-	-	-	6,210	-	6,210
Issuance of shares by a subsidiary company to minority interest	-	-	-	-	-	-	-	-	18	18
Conversion of ICULS	-	-	-	-	-	-	(6,210)	(6,210)	-	(6,210)
Currency translation difference	-	-	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the period	-	-	-	-	-	-	19,553	19,553	(18)	19,535
At 31 Dec 2009	197,990	110	-	2,290	(176,580)	(1)	147,735	171,544	-	171,544

	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	Minority interest	Total equity
At 1 January 2010	197,990	110	-	2,290	(176,580)	(1)	147,735	171,544	-	171,544
Dividends	-	-	-	-	-	-	(3,960)	(3,960)	-	(3,960)
Currency translation difference	-	-	-	-	-	(3)	-	(3)	-	(3)
Total comprehensive income for the period	-	-	-	-	-	-	13,995	13,995	-	13,995
At 31 December 2010	197,990	110	-	2,290	(176,580)	(4)	157,770	181,576	-	181,576

* less than thousand

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 DEC 2010

	12 Months ended 31 Dec 2010 RM'000 <u>(Unaudited)</u>	12 Months ended 31 Dec 2009 RM'000 <u>(Audited)</u>
Cash flows from operating activities		
Profit before tax	20,739	26,012
Adjustment for :		
Allowance for obsolete inventories no longer required	-	(1,874)
Amortisation of prepaid land and building lease payment	77	77
Allowance for doubtful debts		88
Bad debts written off	99	14
Wavier of bond	-	(5,000)
Depreciation	4,095	4,998
Goodwill written off	-	60
(Gain)/loss on disposal of property, plant and equipment	(381)	(3,757)
Interest expenses	3,021	2,034
Interest income	(111)	(157)
Inventories written off	-	3,575
Property, plant and equipment written off	325	3
Share of loss of investment in associate company	-	94
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Operating profit before changes in working capital	27,864	26,167
Inventories	(2,004)	(1,069)
Associates	17	(713)
Payables	(1,956)	1,776
Receivables	(1,327)	793
	<hr/>	<hr/>
Cash generated from operations	22,594	26,954
Interest received	99	157
Interest paid	(3,020)	(2,034)
Tax paid	(5,899)	(4,431)
Tax refund	115	-
	<hr/>	<hr/>
Net cash generated from operating activities	13,889	20,646
Cash flows from investing activities		
Proceed from disposal of property, plant and equipment	1,543	6,476
Purchase of property, plant and equipment	(1,795)	(3,778)
Investment in associate company	-	(94)
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Net cash used in investing activities	(252)	2,604
Cash flows from financing activities		
Drawdown of term loan	2475	30,000
Bankers' acceptances	9,050	488
Placement of fixed deposits	(64)	(2,088)
Payment of ICULS	-	(2,034)
Repayment of finance payables	(803)	(556)
Repayment of term loans	(8,575)	(6,121)
Redemption of Bonds	-	(55,000)
Revolving credit	(4,000)	4,400
Trust receipts	-	(6)
Advance from directors	(3,192)	3,192
	<hr/>	<hr/>
Net cash generated from financing activities	(5,109)	(27,725)
Net changes in Cash and Cash Equivalents	8,528	(4,475)
Cash and cash equivalents at 1 January	7,556	12,031
	<hr/>	<hr/>
Cash and cash equivalents at 31 Dec	16,084	7,556
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Cash and cash equivalents at the end of financial period comprise the following:		
	12 Months ended 31 Dec 2010 RM'000 <u>(Unaudited)</u>	12 Months ended 31 Dec 2009 RM'000 <u>(Unaudited)</u>
Cash and bank balance	19,660	12,437
Bank Overdraft	(3,580)	(4,882)
Effect of exchange rate changes	4	1
	<hr/>	<hr/>
	16,084	7,556
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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 Fourth Quarter Financial Ended 31 Dec 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 FRSs and IC Interpretations that are effective from 1 January 2010:

FRSs, Amendments to FRSs and IC interpretations	
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment-Vesting Conditions and Cancellations
FRS 4	Insurance Contracts
Amendments to FRS 5	Non-Current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures
Amendments to FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
Amendments to FRS 8	Operating Segments
FRS 101	Presentation of financial statements (Revised)
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 123	Borrowing Costs (Revised)
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 128	Investment in Associates
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies
Amendment to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial instruments: Presentation
Amendments to FRS 134	Interim financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
FRS 139	Financial instruments: Recognition and Measurement
Amendments to FRS 139	Financial instruments: Recognition and Measurement
Amendments to FRS 140	Investment property
IC Interpretation 9	Reassessment of Embedded Derivatives

IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

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 Dec 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 Dec 2010:

	31 Dec 2010 (RM'000)
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	54,950
- 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	16,600
- Corporate guarantee given by the Company to licensed bank for credit facilities granted to Mint Saga (M) Sdn Bhd	5,900
	<u>101,890</u>
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13. Capital Commitments

Not applicable.

14. Performance Review

A.

	Individual Quarter 3 months ended 31 Dec 2010 RM'000 (Unaudited)	Cumulative Quarter 12 months ended 31 Dec 2010 RM'000 (Unaudited)
Revenue	56,233	206,599
Profit before taxation	7,295	20,739

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 2010 is RM206.599 million as compared to RM193.748 million in the prior financial period ended 31 Dec 2009, an increase of 6.63%. The Group's profit before taxation has decreased from RM26.012 million for the prior financial period ended 31 Dec 2009 to a profit of RM20.739 million for the current financial period ended 31 Dec 2010, a decrease of 20.27% due to the following :

- (i) Gains on disposal of properties of RM3.891 million in preceding year; and
- (ii) Discount received on the redemption of Bonds of RM5.0 million in preceding year.

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

For the current financial quarter ended 31 Dec 2010, the Group recorded a revenue of approximately RM56.233 million as compared to approximately RM63.751 million in the preceding financial quarter ended 30 Sept 2010, a decrease of RM7.518 million. The Group's profit before taxation for the current quarter ended 31 Dec 2010 was RM7.295 million as compared to a profit before tax of RM7.491 million in the preceding financial quarter ended 30 Sept 2010. This decrease in the Group's profit is due to the decrease in turnover.

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 Dec 2010 RM'000	Current Year To Date 31 Dec 2010 RM'000
Current taxation - Malaysian - Current financial period	2,357	6,744

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 sale of unquoted securities for the financial period ended 31 Dec 2010.

On 29 Nov 2010, Kamdar Sdn Bhd (a wholly-owned subsidiary) had entered into a Sale and Purchase Agreement with Hang Ah Jee @ Huang Ah Jee and Wong Chee Sean @ Wong Sean to dispose of all that unit parcel known as Unit No.03, Floor A 22, Tower A, Aloha Tower, Jalan Kolam Air, 80100 Johor Bahru, Johor held under Master Title CT 1821 loot 3214 Township of Johor Bahru, District of Johor Bahru, State of Johor, now held under strata title GN40177/M2/22/86 Lot 3214 with accessory parcel No A216, Bandar Johor Bahru, Daerah Johor Bahru for a total consideration of Ringgit Malaysia Four Hunderad And Eighty Thousand Only (RM480,000.00).

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 Dec 2010.

22. Borrowings

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

	As at 31/12/2010 RM'000	As at 31/12/2009 RM'000
Secured:		
Short term	58,413	55,451
Long term	36,357	41,673
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	94,770	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

An interim Single Tier dividend of 2% per ordinary share of RM1.00 each for the financial year ending 31 Dec 2010 was declared and payable on 21 Feb 2011.

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 Dec 2010	Cumulative Quarter 31 Dec 2010
Profit after tax (RM'000)	4,938	13,995
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Weighted average number of Ordinary shares in issue ('000)	197,990	197,990
Basic profit per share (sen)	2.49	7.07
(b) Diluted		
Not applicable.		

27. Disclosure of Realised and Unrealised Profits

	Current Financial Year 31 Dec 2010 RM'000
Total retained profits of the Group:	
- Realised	160,562
- Unrealised	(2,698)
	<u>157,864</u>
Total share of retained profits from associated companies:	
- Realised	(94)
- Unrealised	<u>-</u>
	<u>157,770</u>
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28. Authorization of issue

The interim financial statements were authorized for release by the Board in accordance with a resolution of the Directors on 18 Feb 2011.

By order of the Board

Lim Seck Wah
Company Secretary