

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

The Board of Directors of Kamdar Group (M) Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 June 2019 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter 30.06.2019 RM'000 (unaudited)	Preceding Year Quarter 30.06.2018 RM'000 (unaudited)	Changes %	Current Year To Date 30.06.2019 RM'000 (unaudited)	Preceding Year To Date 30.06.2018 RM'000 (unaudited)	Changes %
Revenue	34,887	36,997	-5.7	34,887	36,997	-5.7
Cost of sales	(20,619)	(22,022)	-6.4	(20,619)	(22,022)	-6.4
Gross profit	14,268	14,975	-4.7	14,268	14,975	-4.7
Other income	741	279	>100	741	279	>100
Selling and distribution expenses	(736)	(814)	-9.6	(736)	(814)	-9.6
Administrative expenses	(11,379)	(10,968)	3.7	(11,379)	(10,968)	3.7
Finance costs	(802)	(876)	-8.4	(802)	(876)	-8.4
Other expenses	(127)	(8)	>100	(127)	(8)	>100
Profit before tax	1,965	2,588	-24.1	1,965	2,588	-24.1
Tax expense	(849)	(848)	-0.1	(849)	(848)	-0.1
Profit for the financial period	1,116	1,740	-35.9	1,116	1,740	-35.9
Other comprehensive income for the financial period, net of tax	-	-	-	-	-	-
Total comprehensive income for the financial period	1,116	1,740	-35.9	1,116	1,740	-35.9
Income for the financial period attributable to:						
Owners of the Company	1,116	1,740	-35.9	1,116	1,740	-35.9
Total comprehensive income for the financial period attributable to:						
Owners of the Company	1,116	1,740	-35.9	1,116	1,740	-35.9
Earnings per ordinary share attributable to equity holders of the Company						
Basic and Diluted (sen)	0.56	0.88	-35.9	0.56	0.88	-35.9

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.2019 RM'000 (unaudited)	As at 31.03.2019 RM'000 (audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	118,828	120,085
Investment properties	53,260	53,260
Prepaid land lease payment	8,331	8,453
Goodwill	374	374
Deferred tax assets	158	158
Total non-current assets	180,951	182,330
Current Assets		
Inventories	121,652	121,619
Trade receivables	3,640	4,252
Other receivables	2,804	3,278
Tax recoverable	2,042	2,394
Fixed deposits with licensed banks	1,638	1,636
Cash and bank balances	8,436	6,373
Total current assets	140,212	139,552
TOTAL ASSETS	321,163	321,882
EQUITY AND LIABILITIES		
EQUITY		
Equity Attributable to Owners of the Company		
Share capital	197,990	197,990
Reserves	25,687	24,571
Total equity	223,677	222,561
LIABILITIES		
Non-Current Liabilities		
Long term borrowings	45,952	47,930
Deferred tax liabilities	1,905	1,827
Finance lease liabilities	594	598
Total non-current liabilities	48,451	50,355
Current Liabilities		
Trade payables	4,647	6,423
Other payables	5,935	7,726
Short term borrowings	37,982	34,364
Finance lease liabilities	219	284
Tax payables	252	169
Total current liabilities	49,035	48,966
Total liabilities	97,486	99,321
TOTAL EQUITY AND LIABILITIES	321,163	321,882
Net Assets Per Share (sen)	113	112

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	[-----NON-DISTRIBUTABLE-----]			DISTRIBUTABLE	
	Share capital RM'000	Merger deficit RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 April 2019	197,990	(176,470)	6,424	194,617	222,561
Total comprehensive income for the financial period	-	-	-	1,116	1,116
As at 30 June 2019 (unaudited)	197,990	(176,470)	6,424	195,733	223,677
As at 1 April 2018	197,990	(176,470)	6,424	194,393	222,337
Total comprehensive income for the financial period	-	-	-	1,740	1,740
As at 30 June 2018 (unaudited)	197,990	(176,470)	6,424	196,133	224,077

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 30.06.2019 RM'000 (unaudited)	Preceding Year To Date 30.06.2018 RM'000 (unaudited)
Operating activities		
Profit before tax	1,965	2,588
Adjustments for:-		
Amortisation of prepaid lease payments	122	31
Depreciation on property, plant and equipment	1,528	774
Gain on disposal of property, plant and equipment	-	(10)
Interest expenses	1,205	1,117
Interest income	(58)	(6)
Property, plant and equipment written off	124	-
	<u>4,886</u>	<u>4,494</u>
Operating profit before working capital changes	4,886	4,494
Changes in working capital:-		
Inventories	(33)	2,792
Payables	(3,565)	1,581
Receivables	1,086	(101)
	<u>2,374</u>	<u>8,766</u>
Cash generated from operations	2,374	8,766
Tax paid	(336)	(461)
Interest paid	(403)	(242)
	<u>1,635</u>	<u>8,063</u>
Net cash from operating activities	1,635	8,063
Investing activities		
Interest received	58	6
Proceeds from disposal of property, plant and equipment	22	13
Purchase of property, plant and equipment	(417)	(334)
	<u>(337)</u>	<u>(315)</u>
Net cash used in investing activities	(337)	(315)
Financing activities		
Drawdown/(Repayment) of bankers' acceptance	5,975	(2,470)
Interest paid	(791)	(869)
Repayment of finance lease liabilities	(81)	(52)
Repayment of terms loans	(1,321)	(1,518)
Placement of fixed deposits	(3)	(40)
	<u>3,779</u>	<u>(4,949)</u>
Net cash from/(used in) financing activities	3,779	(4,949)
CASH AND CASH EQUIVALENTS		
Net changes	5,077	2,799
Brought forward	(721)	2,053
	<u>4,356</u>	<u>4,852</u>
Carried forward	4,356	4,852
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	8,436	9,542
Fixed deposits with licensed banks	1,638	5,691
Bank overdraft	(4,080)	(4,690)
	<u>5,994</u>	<u>10,543</u>
Less: Fixed deposits with licensed banks	(1,638)	(5,691)
	<u>4,356</u>	<u>4,852</u>

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2019

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134: Interim Financial Reporting and Chapter 9 Appendix 9B of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2019.

The accounting policies and methods of computation used in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2019 except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial periods beginning on or after 1 April 2019.

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

MFRS effective 1 January 2021

MFRS 17 *Insurance Contracts*#

Amendments to MFRSs (deferred effective dates to be announced by MASB)

Amendments to MFRS *Sale or Contribution of Assets between an Investor and its Associate or*
10 and MFRS 128 *Joint Venture*#

Not applicable to Group’s existing operations

The possible impact on adoption of the above pronouncements in the period of initial application cannot be determined at present.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the latest audited financial statements for the financial year ended 31 March 2019 was not subject to any audit qualification.

A3. Seasonal or Cyclical Factors of Interim Operations

The Group’s performances are generally affected by the festive seasons.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter.

A5. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years, which may have a material effect in the current financial quarter results.

A6. Issues, Repurchases, and Repayments of Debt and Equity Securities

There were no issues, repurchases, and repayments of debts and equity securities of the Group during the current financial quarter.

A7. Dividend Paid

There was no dividend paid in respect of the current financial quarter.

A8. Segmental Information

For management purposes, the Group is organised into two major business units based on their products and services, which comprises the following:-

- (i) Textile – Retailing textile and textile based products within the retailing industry.
- (ii) Investment and management – Investment holding company and providing management services.

	Trading activities 30.06.2019 RM'000	Investment 30.06.2019 RM'000	Elimination 30.06.2019 RM'000	Total 30.06.2019 RM'000
Revenue				
External revenue	34,812	75	-	34,887
Inter-segment revenue	3,010	2,195	(5,205)	-
Total revenue	37,822	2,270	(5,205)	34,887
Results				
Interest income	6	52	-	58
Finance costs	(554)	(651)	-	(1,205)
Depreciation & amortisation	(209)	(60)	(1,381)	(1,650)
Other non-cash expenses	(125)	-	-	(125)
Income tax expenses	(420)	(352)	(78)	(850)
Segmental gain/(loss)	1,861	1,424	(1,023)	2,262
Assets				
Additional to non-current assets other than deferred tax assets	-	-	-	-
Segment assets	164,956	493,945	(339,937)	318,964
Liabilities				
Segment liabilities	36,486	16,736	(42,637)	10,585

A9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current financial quarter.

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

A10. Material Events Subsequent to the End of the Quarter

There were no material events subsequent to the end of the current financial quarter up to 23 August 2019.

A11. Changes in the Composition of the Group

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

A12. Changes in Contingent Liabilities and Contingent Assets

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 30 June 2019:

	30.06.2019 RM'000
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	24,831
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Pusat Membeli-belah Kamdar Sdn Bhd	330
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Pusat Membeli-belah Kamdar (Penang) Sdn Bhd	732
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Beauty Gallant Sdn Bhd	6,094
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Stores Sdn Bhd	16,895
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Holdings Sdn Bhd	14,171
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kesar Sdn Bhd	6,859
Total	69,912

A13. Signification Related Party Transactions

The Group's recurrent related party transactions in the current quarter and the cumulative period to date ended 30 June 2019 are as follows:

	Sale of goods RM'000	Purchase of goods RM'000	Total RM'000
Current quarter: Aum Fabrics Pte Ltd ⁽¹⁾	18	-	18
Total	18	-	18
Cumulative period: Aum Fabrics Pte Ltd ⁽¹⁾	18	-	18
Total	18	-	18

⁽¹⁾ a company where the director, Ms Pragna A/P K M Kamdar has substantial interest.

A14. Capital Commitments

Capital commitments not provided for in the financial statement as at 30 June 2019 are as follows:

	As at 30.06.2019 (unaudited) RM'000	As at 31.03.2019 (audited) RM'000
Authorised and contracted for:- Property, plant and equipment	609	609

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2019****EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING
REQUIREMENT OF BURSA SECURITIES****B1. Review of Performance****Statement of Profit & Loss and Other Comprehensive Income**

	Current Year Quarter 30.06.2019 (unaudited) RM'000	Preceding Year Quarter 30.06.2018 (unaudited) RM'000
Revenue	34,887	36,997
Gross profit	14,268	14,975
Profit before tax	1,965	2,588

The Group registered revenue of RM34.9 million for the three (3) months ended 30 June 2019. It was decreased 5.7% or RM2.1 million as compared to preceding year quarter due to in the current economic climate there has been a further slowdown in the local and global economy. This has led to reduced consumption and with consumer spending primarily focused on food and essentials in supermarkets and hypermarkets, many sectors of business including ours are experiencing challenges dealing with decline in business turnover. Margins are being squeezed through intense discounting especially by low price models of business like hypermarkets and through hefty clearance sales all around. Increased labour wages and other operation costs are affecting profitability.

The revenue was largely generated from Kamdar Sdn. Bhd. and Kesar Sdn. Bhd. on retailing textile and textile-based products within the retailing industry.

Statement of Financial Position

	As at 30.06.2019 (unaudited) RM'000	As at 31.03.2019 (audited) RM'000
Total assets	321,163	331,882
Total liabilities	97,486	99,321

Non-current assets largely constituted of property, plant and equipment and investment properties, which marginally decreased to RM181.0 million as at 30 June 2019 from RM182.3 million as at 31 March 2019. This was mainly due to the depreciation and amortisation charges of RM1.7 million and partially offset by the additions of property, plant and equipment amounted RM0.4 million during the reporting period.

Total liabilities mainly comprising borrowings, trade and other payables, and deferred tax liabilities, which decreased by 1.8% to RM97.5 million as at 30 June 2019 comparing to RM99.3 million as at 31 March 2019. The decrease was largely due to the repayment of trade payables and other payables during the reporting period.

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

Statement of Cash Flows

	As at 30.06.2019 (unaudited) RM'000	As at 30.06.2018 (unaudited) RM'000
Operating activities	1,635	8,063
Investing activities	(337)	(315)
Financing activities	3,779	(4,949)
Net changes in cash and cash equivalents	5,077	2,799

Our Group's net cash and cash equivalents increased by RM5.1 million as of 30 June 2019, largely contributed by the RM1.6 million from operating activities and the RM3.8 million from financing activities constituted mainly from the drawdown of bankers' acceptance of RM6.0 million partially offset by the repayment of term loans and interest paid of RM1.3 million and RM0.8 million respectively.

B2. Material Changes in the Profit Before Taxation for the Quarter Compared with Immediate Preceding Quarter

	Current Year Quarter 30.06.2019 (unaudited) RM'000	Immediate Preceding Quarter 31.03.2019 (unaudited) RM'000
Revenue	34,887	27,398
Profit before tax	1,965	1,190

For current year quarter, the Group's revenue increased by 27.3% to RM34.9 million as compared to RM27.4 million in the previous quarter ended 31 March 2019. This increase in turnover is largely attributable to the school holiday and Hari Raya fell under the reporting period which resulting the sales in current year quarter higher than the previous.

B3. Commentary on Prospects

Trading condition remains tough for retailers during the period. Moreover, the recovery of retail sales is highly dependence on external economic demand and ringgit performance for the rest of the year. Notwithstanding the above, retailers in the fashion and fashion accessories sector expect their businesses to recover with a positive growth in the subsequent years. Despite the retail sales in Malaysia are supported by increased tourism, consumer confidence is also increasing on higher disposable income stemming from the economic reforms undertaken by the government. Efforts to digitalise the Malaysian economy are also expected to benefit the retail sector.

This sustained growth underpins our prospects for the coming years, and we aim to capture the opportunities in the local and regional markets. On top of that, our Group has also taken various initiatives to improve our financial performance.

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

B4. Variation on Revenue or Profit Estimate, Forecast, Projection or Internal Targets

Not applicable.

B5. Variance of Actual Profit After Tax and Minority Interest and the Forecast Profit after Tax and Minority Interest

Not applicable.

B6. Shortfall in the Profit Guarantee

Not applicable.

B7. Tax Expense

	Current Year Quarter 30.06.2019 RM'000 (unaudited) RM'000	Cumulative Year To Date 30.06.2019 RM'000 (unaudited) RM'000
Income tax:		
- Current	771	771
Deferred tax:	78	78
	849	849

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 and non-allowable tax expenses.

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

B8. Status of Corporate Proposals

There were no corporate proposals announced and completed as at 23 August 2019.

B9. Utilisation of Proceeds Raised from Corporate Proposal

There were no proceeds raised from corporate proposal as at 23 August 2019.

B10. Borrowings and Debts Securities

As at 30 June 2019 (unaudited)			
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Bankers' acceptance	-	28,273	28,273
Bank overdrafts	-	4,080	4,080
Term loans	45,952	5,629	51,581
Total	45,952	37,982	83,934

As at 31 March 2019 (audited)			
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
Bankers' acceptance	-	22,298	22,298
Bank overdrafts	-	7,094	7,094
Term loans	47,930	4,972	52,902
Total	47,930	34,364	82,294

B11. Material Litigation

There were no material changes in the material litigation as at 23 August 2019.

B12. Dividends

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

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

B13. Earnings Per Share

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		Cumulative Quarter	
	Current Year Quarter 30.06.2019	Preceding Year Quarter 30.06.2018	Current Year Quarter 30.06.2019	Preceding Year Quarter 30.06.2018
Profit attributable to ordinary shareholders of the Company (RM'000)	1,116	1,740	1,116	1,740
Number of ordinary shares in issued	197,990	197,990	197,990	197,990
Basic and diluted earnings per share (sen)	0.56	0.88	0.56	0.88

B14. Note to the Statements of Profit or Loss and Other Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2019 RM'000 (unaudited)	Preceding Year Quarter 30.06.2018 RM'000 (unaudited)	Current Year Quarter 30.06.2019 RM'000 (unaudited)	Preceding Year Quarter 30.06.2018 RM'000 (unaudited)
Loss from operations from the period is arrived at after charging:				
Amortisation of prepaid land lease payment	122	31	122	31
Depreciation on property, plant and equipment	1,528	774	1,528	774
Interest expenses	1,205	1,117	1,205	1,117
Property, plant and equipment written off	124	-	124	-
And after crediting:				
Gain on disposal of property, plant and equipment	-	10	-	10
Interest income	58	6	58	6

Save for the above, the other items as required under Chapter 9 Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B15. Foreign Currency Risk Management

The Group does not enter into any foreign currency contracts during the current financial quarter.

KAMDAR

KAMDAR GROUP (M) BERHAD

Company No. 577740-A
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2019

B16. Trade Receivables

	As at 30.06.2019 (unaudited) RM'000	As at 31.03.2019 (audited) RM'000
Neither past due nor impaired	1,736	1,811
Past due but not impaired:		
1-30 days	350	340
31-120 days	1,110	-
More than 120 days	444	2,101
Past due and impaired	1,043	1,139
	4,683	5,391

B17. Material Impairment of Assets

There was no material impairment of assets during the current financial quarter.

By order of the Board

Lim Seck Wah (MAICSA 0799845)

M. Chandrasegaran A/L S.Murugasu (MAICSA 0781031)

Company Secretaries

30 August 2019