

KAMDAR

KAMDAR GROUP (M) BERHAD

Registration No.: 200201010077 (577740-A)

(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

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 2020 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2020 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 30.06.2020 RM'000 (unaudited)	Preceding Year Quarter 30.06.2019 RM'000 (audited)	Changes %	Current Year To Date 30.06.2020 RM'000 (unaudited)	Preceding Year To Date 30.06.2019 RM'000 (audited)	Changes %
Revenue	14,233	34,887	-59.2	14,233	34,887	-59.2
Cost of sales	(8,456)	(20,619)	-59.0	(8,456)	(20,619)	-59.0
Gross profit	5,777	14,268	-59.5	5,777	14,268	-59.5
Other income	350	741	-52.8	350	741	-52.8
Selling and distribution expenses	(153)	(736)	-79.2	(153)	(736)	-79.2
Administrative expenses	(6,198)	(11,379)	-45.5	(6,198)	(11,379)	-45.5
Finance costs	(718)	(802)	-10.5	(718)	(802)	-10.5
Other expenses	-	(127)	-100.0	-	(127)	-100.0
(Loss)/Profit before tax	(942)	1,965	>-100.0	(942)	1,965	>-100.0
Tax expense	(36)	(849)	-95.8	(36)	(849)	-95.8
(Loss)/Profit for the financial period	(978)	1,116	>-100.0	(978)	1,116	>-100.0
Other comprehensive income for the financial period, net of tax	-	-	-	-	-	-
Total comprehensive (loss)/income for the financial period	(978)	1,116	>-100.0	(978)	1,116	>-100.0
(Loss)/Profit for the financial period attributable to:-						
Owners of the Company	(978)	1,116	>-100.0	(978)	1,116	>-100.0
Total comprehensive (loss)/income for the financial period attributable to:-						
Owners of the Company	(978)	1,116	>-100.0	(978)	1,116	>-100.0
(Losses)/Earnings per share attributable to equity holders of the Company						
Basic and Diluted (sen)	(0.49)	0.56	>-100.0	(0.49)	0.56	>-100.0

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.2020 RM'000 (unaudited)	As at 31.03.2020 RM'000 (audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	116,862	117,555
Right-of-use assets	8,733	9,152
Investment properties	53,490	53,490
Prepaid land lease payment	8,301	8,331
Goodwill	374	374
Deferred tax assets	61	61
Total non-current assets	187,821	188,963
Current Assets		
Inventories	130,283	132,165
Trade receivables	2,482	2,711
Other receivables	3,434	3,962
Tax recoverable	1,695	1,397
Fixed deposits with licensed banks	1,672	1,669
Cash and bank balances	3,933	2,344
Total current assets	143,499	144,248
TOTAL ASSETS	331,320	333,211
EQUITY AND LIABILITIES		
EQUITY		
Equity Attributable to Owners of the Company		
Share capital	197,990	197,990
Reserves	20,685	21,663
Total equity	218,675	219,653
LIABILITIES		
Non-Current Liabilities		
Long term borrowings	43,646	42,927
Deferred tax liabilities	1,024	1,095
Lease liabilities	8,089	8,422
Total non-current liabilities	52,759	52,444
Current Liabilities		
Trade payables	10,475	8,658
Other payables	7,375	6,861
Short term borrowings	40,220	43,621
Lease liabilities	1,741	1,854
Tax payables	75	120
Total current liabilities	59,886	61,114
Total liabilities	112,645	113,558
TOTAL EQUITY AND LIABILITIES	331,320	333,211
Net Assets Per Share (sen)	110	111

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	[-----NON-DISTRIBUTABLE-----]			DISTRIBUTABLE	
	Share capital	Merger deficit	Revaluation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 April 2020 (audited)	197,990	(176,470)	6,424	191,709	219,653
Total comprehensive loss for the financial period	-	-	-	(978)	(978)
As at 30 June 2020 (unaudited)	197,990	(176,470)	6,424	190,731	218,675
As at 1 April 2019 (audited)	197,990	(176,470)	6,424	194,617	222,561
Total comprehensive loss for the financial period	-	-	-	1,116	1,116
As at 30 June 2019 (unaudited)	197,990	(176,470)	6,424	195,733	223,677

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 30.06.2020 RM'000 (unaudited)	Preceding Year To Date 30.06.2019 RM'000 (unaudited)
Operating activities		
(Loss)/Profit before tax	(942)	1,965
Adjustments for:-		
Amortisation of prepaid lease payment	30	122
Depreciation on property, plant and equipment	704	1,528
Depreciation on right-of-use assets	419	-
Interest expenses	836	1,205
Interest income	(3)	(58)
Property, plant and equipment written off	-	124
Operating profit before working capital changes	1,044	4,886
Changes in working capital:-		
Inventories	1,882	(33)
Payables	2,331	(3,565)
Receivables	757	1,086
Cash generated from operations	6,014	2,374
Net tax paid	(450)	(336)
Interest paid	(118)	(403)
Net cash from operating activities	5,446	1,635
Investing activities		
Interest received	3	58
Proceeds from disposal of property, plant and equipment	-	22
Purchase of property, plant and equipment	(11)	(417)
Net cash used in investing activities	(8)	(337)
Financing activities		
(Repayment)/Drawdown of bankers' acceptance	(112)	5,975
Interest paid	(711)	(791)
Drawdown/(Repayment) of terms loans	207	(1,321)
Repayment of lease liabilities	(453)	(81)
Placement of fixed deposits	(3)	(3)
Net cash (used in)/from financing activities	(1,072)	3,779
CASH AND CASH EQUIVALENTS		
Net changes	4,366	5,077
Brought forward	(4,895)	(721)
Carried forward	(529)	4,356
Cash and cash equivalents at the end of the financial period comprise the following:-		
Cash and bank balances	3,933	8,436
Fixed deposits with licensed banks	1,672	1,638
Bank overdraft	(4,462)	(4,080)
	1,143	5,994
Less: Fixed deposits with licensed banks	(1,672)	(1,638)
	(529)	4,356

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2020**

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 2020 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 2020.

A2. Accounting policies

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 2020 except for the changes in accounting policies and presentation resulting from the adoption of the new and revised Malaysian Financial Reporting Standards (“MFRSs”), Amendments to MFRSs and Issues Committee Interpretations (“IC Interpretations”) that are effective and relevant to the Group for financial year beginning 1 April 2020.

The adoption of the new and revised MFRSs, Amendments to MFRSs and IC Interpretations are not expected to have any material financial impact to the Group.

The Group has not early adopted new or revised MFRSs, Amendments to MFRSs and IC Interpretations that have been issued but are not yet effective for the accounting period beginning 1 April 2020.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the latest audited financial statements for the financial year ended 31 March 2020 was not subject to any audit qualification.

A4. Seasonal or Cyclical Factors of Interim Operations

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

A5. 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.

A6. 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 results of the current financial quarter.

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A7. 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.

A8. Dividend Paid

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

A9. 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	Investment	Elimination	Total
	30.06.2020	30.06.2020	30.06.2020	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	14,106	127	-	14,233
Inter-segment revenue	1,439	892	(2,331)	-
Total revenue	15,545	1,019	(2,331)	14,233
Results				
Interest income	3	-	-	3
Finance costs	(361)	(475)	-	(836)
Depreciation & amortisation	(754)	(25)	(374)	(1,153)
Income tax expenses	(13)	(94)	71	(36)
Segmental (loss)/gain	(94)	522	(573)	(145)
Assets				
Addition to non-current assets other than deferred tax assets	11	-	-	11
Segment assets	197,585	478,694	(346,715)	329,564
Liability				
Segment liabilities	62,303	18,053	(62,505)	17,851

A10. Valuation of Property, Plant and Equipment

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

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A11. 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 21 August 2020.

A12. Changes in the Composition of the Group

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

A13. 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 2020:-

	30.06.2020 RM'000
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	30,315
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Pusat Membeli-belah Kamdar (Penang) Sdn Bhd	700
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Beauty Gallant Sdn Bhd	5,652
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Stores Sdn Bhd	15,558
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Holdings Sdn Bhd	12,291
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kesar Sdn Bhd	5,151
Corporate guarantee given by the Company to supplier in favour of credit terms granted to Kamdar Sdn Bhd	1,317
Total	70,984

There was no contingent asset as at 30 June 2020.

A14. Significant Related Party Transactions

The Group's recurrent related party transactions in the current quarter and the cumulative year to date ended 30 June 2020 are as follows:-

	Current Year Quarter 30.06.2020 (unaudited) RM'000	Cumulative Year To Date 30.06.2020 (unaudited) RM'000
Sales of goods:- - Aum Fabrics Pte Ltd ⁽¹⁾	*	*

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

* Less than RM1,000

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A15. Capital Commitments

Capital commitments not provided for in the financial statement as at 30 June 2020 are as follows:-

	As at 30.06.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Authorised and contracted for:- - Property, plant and equipment	619	619

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2020

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 30.06.2020 (unaudited) RM'000	Preceding Year Quarter 30.06.2019 (unaudited) RM'000
Revenue	14,233	34,887
Gross profit	5,777	14,268
(Loss)/Profit before tax	(942)	1,965

The Group registered a revenue of RM14.2 million for the three (3) months ended 30 June 2020, representing a decrease of RM20.7 million or 59.3% as compared to RM34.9 million in the preceding year corresponding quarter. This was mainly attributed to temporary closure of business operations for the entire month of April up to 3 May 2020, following the implementation of Movement Control Order (“MCO”) by the Malaysian Government in its efforts to contain the Covid-19 pandemic. Accordingly, the Group recorded a loss before tax of RM0.9 million from a profit before tax of RM2.0 million in the preceding year corresponding quarter, in tandem with decline in revenue and gross profit contributions, which was insufficient to cover the operating costs.

The Group’s revenue was mainly contributed by Kamdar Sdn. Bhd. and Kesar Sdn. Bhd. on retailing textile and textile-based products within the retailing industry.

Statement of Financial Position

	As at 30.06.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Total assets	331,320	333,211
Total liabilities	112,645	113,558

Non-current assets which largely constituted of property, plant and equipment and investment properties, decreased to RM187.8 million as at 30 June 2020 from RM189.0 million as at 31 March 2020. This was mainly due to depreciation and amortisation charges of RM1.2 million during the reporting period.

Total liabilities which mainly comprise of borrowings, lease liabilities, trade and other payables, decreased by RM1.0 million to RM112.6 million as at 30 June 2020 when compared with RM113.6 million as at 31 March 2020. The decrease was largely due to lower utilisation of borrowings during the reporting period.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2020

B1. Review of Performance (cont'd)**Statement of Cash Flows**

	As at 30.06.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Operating activities	5,446	(3,285)
Investing activities	(8)	(265)
Financing activities	(1,072)	(624)
Net changes in cash and cash equivalents	4,366	(4,174)

The Group's net cash and cash equivalents increased by RM4.4 million as of 30 June 2020, mainly attributable to lower inventory holding level and capital expenditure incurred as compared to 31 March 2020.

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

	Current Year Quarter 30.06.2020 (unaudited) RM'000	Immediate Preceding Quarter 31.03.2020 (unaudited) RM'000
Revenue	14,233	22,965
Loss before tax	(942)	(3,195)

For current year quarter, the Group's revenue decreased by 38.2% to RM14.2 million as compared to RM23.0 million in the preceding quarter ended 31 March 2020. This was mainly due to operation interruption for the entire month of April up to 3 May 2020 resulted from the MCO. Despite the decrease in revenue, its loss before tax narrowed by RM2.3 million when compared with the loss before tax of RM3.2 million in the preceding quarter, mainly due to the Group's cost optimisation exercise to align its cost structure to cope with the level of operations during this challenging business conditions.

B3. Commentary on Prospects

The global economy is forecasted to go into a deeper recession in 2020 despite major economies have entered the economic recovery stage post Covid-19. The downside risks brought about by the unprecedented Covid-19 pandemic to the global business environment remains highly uncertain and challenging, especially if a resurgence in the pandemic necessitates the reintroduction of containment measures.

The Malaysian economy is projected to contract by 3.1% in 2020 despite the resumption of its economic activities. Private consumption is estimated to grow slower with consumer spending increasingly skewed towards staple products as opposed to discretionary items in the face of weak labor market and job prospect uncertainties.

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B3. Commentary on Prospects (cont'd)

In view of this, the Group maintains a cautious outlook of its performance in the near term as the overall subdued market sentiments as well as cautious consumer spending is expected to persist particularly, once the six-month loan moratorium expires end-September this year. Nevertheless, the Group is also hoping that the incentives such as My30 unlimited travel pass and RM750mil e-wallet credits under Penjana in the recent economic stimulus plans may increase the disposable income of households and boost consumer spendings which in turn may benefit the Group's retailing business.

In light of this challenging times ahead, the Group will continue its efforts in managing its online platform and digital environment while at the same time, remains prudent in resource management as well as cashflow and inventory management to ensure cost optimisation, risk planning and assessment so as to better manage the economic impact of Covid-19 on the Group's operating margin.

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 30.06.2020 (unaudited) RM'000	Cumulative Year To Date 30.06.2020 (unaudited) RM'000
Income tax:-		
- Current	107	107
Deferred tax:-	(71)	(71)
Total	36	36

Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

B8. Status of Corporate Proposals

There were no corporate proposals announced and completed as at 21 August 2020.

B9. Utilisation of Proceeds Raised from Corporate Proposal

There were no proceeds raised from corporate proposal as at 21 August 2020.

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B10. Borrowings and Debts Securities

	As at 30.06.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Current		
Secured:-		
- Bankers' acceptance	31,485	31,597
- Bank overdrafts	4,462	7,239
- Term loans	4,273	4,785
Total current	40,220	43,621
Non-current		
Secured:-		
- Term loans	43,646	42,927
Total non-current	43,646	42,927
Total	83,866	86,548

B11. Material Litigation

There were no material changes in the material litigation as at 21 August 2020.

B12. Dividends

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

B13. (Losses)/Earnings Per Share

Basic (losses)/earnings per share are calculated by dividing the loss after tax by the weighted average number of ordinary shares in issue during the financial year.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2020 (unaudited)	Preceding Year Quarter 30.06.2019 (unaudited)	Current Year Quarter 30.06.2020 (unaudited)	Preceding Year Quarter 30.06.2019 (unaudited)
(Loss)/Profit attributable to ordinary shareholders of the Company (RM'000)	(978)	1,116	(978)	1,116
Number of ordinary shares in issued ('000)	197,990	197,990	197,990	197,990
Basic and diluted (losses)/earnings per share (sen)	(0.49)	0.56	(0.49)	0.56

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2020

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

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	Quarter	Quarter
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss)/Profit from operations from the period is arrived at after charging:-				
Amortisation of prepaid land lease payment	30	122	30	122
Depreciation on property, plant and equipment	704	1,528	704	1,528
Depreciation on right-of-use assets	419	-	419	-
Interest expenses	836	1,205	836	1,205
Property, plant and equipment written off	-	124	-	124
Realised loss on foreign exchange	-	3	-	3
Rental expenses	437	895	437	895
And after crediting:-				
Interest income	3	58	3	58
Rental income	238	234	238	234

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 did not enter into any foreign currency contracts during the current financial quarter.

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B16. Trade Receivables

	As at 30.06.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Neither past due nor impaired	313	599
Past due but not impaired:		
1-30 days	194	420
31-120 days	1,973	713
More than 120 days	2	979
Past due and impaired	715	736
Total trade receivables, gross	3,197	3,447

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

28 August 2020