



KAMDAR GROUP (M) BERHAD

Registration No.: 200201010077 (577740-A)

(Incorporated in Malaysia)

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 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 30.09.2020 RM'000 (unaudited)	Preceding Year Quarter 30.09.2019 RM'000 (audited)	Changes %	Current Year To Date 30.09.2020 RM'000 (unaudited)	Preceding Year To Date 30.09.2019 RM'000 (audited)	Changes %
Revenue	19,515	21,621	-9.7	33,748	56,508	-40.3
Cost of sales	(12,097)	(12,986)	-6.8	(20,553)	(33,605)	-38.8
Gross profit	7,418	8,635	-14.1	13,195	22,903	-42.4
Other income	148	262	-43.5	498	1,003	-50.3
Selling and distribution expenses	(247)	(388)	-36.3	(400)	(1,124)	-64.4
Administrative expenses	(8,241)	(9,162)	-10.1	(14,439)	(20,541)	-29.7
Finance costs	(779)	(717)	8.6	(1,497)	(1,519)	-1.4
Other expenses	-	-	-	-	(127)	-100.0
(Loss)/Profit before tax	(1,701)	(1,370)	24.2	(2,643)	595	>-100.0
Tax expense	(229)	63	>-100.0	(265)	(786)	-66.3
Loss for the financial period	(1,930)	(1,307)	47.7	(2,908)	(191)	>100.0
Other comprehensive income for the financial period, net of tax	-	-	-	-	-	-
Total comprehensive loss for the financial period	(1,930)	(1,307)	47.7	(2,908)	(191)	>100.0
Loss for the financial period attributable to:-						
Owners of the Company	(1,930)	(1,307)	47.7	(2,908)	(191)	>100.0
Total comprehensive loss for the financial period attributable to:-						
Owners of the Company	(1,930)	(1,307)	47.7	(2,908)	(191)	>100.0
Losses per ordinary share attributable to equity holders of the Company						
Basic and Diluted (sen)	(0.97)	(0.66)	47.0	(1.47)	(0.10)	>100.0

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2020 RM'000 (unaudited)	As at 31.03.2020 RM'000 (audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	116,270	117,555
Right-of-use assets	8,313	9,152
Investment properties	53,490	53,490
Prepaid land lease payment	8,271	8,331
Goodwill	374	374
Deferred tax assets	61	61
Total non-current assets	186,779	188,963
Current Assets		
Inventories	121,936	132,165
Trade receivables	2,415	2,711
Other receivables	3,439	3,962
Tax recoverable	1,585	1,397
Fixed deposits with licensed banks	1,079	1,669
Cash and bank balances	4,762	2,344
Total current assets	135,216	144,248
TOTAL ASSETS	321,995	333,211
EQUITY AND LIABILITIES		
EQUITY		
Equity Attributable to Owners of the Company		
Share capital	197,990	197,990
Reserves	18,755	21,663
Total equity	216,745	219,653
LIABILITIES		
Non-Current Liabilities		
Long term borrowings	43,899	42,927
Deferred tax liabilities	1,050	1,095
Lease liabilities	8,089	8,422
Total non-current liabilities	53,038	52,444
Current Liabilities		
Trade payables	8,035	8,658
Other payables	5,070	6,861
Short term borrowings	37,742	43,621
Lease liabilities	1,273	1,854
Tax payables	92	120
Total current liabilities	52,212	61,114
Total liabilities	105,250	113,558
TOTAL EQUITY AND LIABILITIES	321,995	333,211
Net Assets Per Share (sen)	109	111

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 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	-	-	-	(2,908)	(2,908)
As at 30 September 2020 (unaudited)	197,990	(176,470)	6,424	188,801	216,745
As at 1 April 2019 (audited)	197,990	(176,470)	6,424	194,617	222,561
Total comprehensive loss for the financial period	-	-	-	(191)	(191)
As at 30 September 2019 (unaudited)	197,990	(176,470)	6,424	194,426	222,370

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 30.09.2020 RM'000 (unaudited)	Preceding Year To Date 30.09.2019 RM'000 (unaudited)
Operating activities		
(Loss)/Profit before tax	(2,643)	595
Adjustments for:-		
Amortisation of prepaid lease payment	60	61
Bad debts written off	-	6
Depreciation on property, plant and equipment	1,345	1,339
Depreciation on right-of-use assets	839	-
Impairment loss on receivables no longer required	-	(60)
Interest expenses	1,806	2,167
Interest income	(44)	(65)
Gain on disposal of property, plant and equipment	-	(1)
Property, plant and equipment written off	-	124
Operating profit before working capital changes	1,363	4,166
Changes in working capital:-		
Inventories	10,229	(589)
Payables	(2,414)	(2,062)
Receivables	819	1,131
Cash generated from operations	9,997	2,646
Net tax paid	(526)	(539)
Interest paid	(309)	(648)
Net cash from operating activities	9,162	1,459
Investing activities		
Interest received	44	65
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(60)	(422)
Net cash used in investing activities	(16)	(356)
Financing activities		
Repayment of bankers' acceptance	(726)	(8)
Interest paid	(1,485)	(1,498)
Drawdown/(Repayment) of terms loans	394	(2,780)
Repayment of lease liabilities	(926)	(164)
Withdrawal/(Placement) of fixed deposits	590	(6)
Net cash used in financing activities	(2,153)	(4,456)
CASH AND CASH EQUIVALENTS		
Net changes	6,993	(3,353)
Brought forward	(4,895)	(721)
Carried forward	2,098	(4,074)
Cash and cash equivalents at the end of the financial period comprise the following:-		
Cash and bank balances	4,762	2,997
Fixed deposits with licensed banks	1,079	1,642
Bank overdraft	(2,664)	(7,071)
	3,177	(2,432)
Less: Fixed deposits with licensed banks	(1,079)	(1,642)
	2,098	(4,074)

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 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.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2020

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
	30.09.2020	30.09.2020	30.09.2020	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	33,460	288	-	33,748
Inter-segment revenue	2,508	2,389	(4,897)	-
Total revenue	35,968	2,677	(4,897)	33,748
Results				
Interest income	5	39	-	44
Finance costs	(681)	(1,125)	-	(1,806)
Depreciation & amortisation	(1,506)	(49)	(689)	(2,244)
Income tax expenses	-	(310)	45	(265)
Segmental (loss)/gain	(1,704)	1,337	(779)	(1,146)
Assets				
Addition to non-current assets other than deferred tax assets	60	-	-	60
Segment assets	187,771	479,387	(346,809)	320,349
Liability				
Segment liabilities	56,864	18,662	(62,421)	13,105

A10. Valuation of Property, Plant and Equipment

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

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 18 November 2020.

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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 September 2020:-

	30.09.2020 RM'000
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	29,539
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Pusat Membeli-belah Kamdar (Penang) Sdn Bhd	303
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Beauty Gallant Sdn Bhd	5,591
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Stores Sdn Bhd	15,590
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	3,861
Total	67,175

There was no contingent asset as at 30 September 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 September 2020 are as follows:-

	Current Year Quarter 30.09.2020 (unaudited) RM'000	Cumulative Year To Date 30.09.2020 (unaudited) RM'000
Sales of goods:- - Aum Fabrics Pte Ltd ⁽¹⁾	2	2

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

A15. Capital Commitments

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

	As at 30.09.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Authorised and contracted for:- - Property, plant and equipment	604	619

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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 30.09.2020 (unaudited) RM'000	Preceding Year Quarter 30.09.2019 (unaudited) RM'000
Revenue	19,515	21,621
Gross profit	7,418	8,635
Loss before tax	(1,701)	(1,370)

The Group registered a revenue of RM19.5 million for the three (3) months ended 30 September 2020, representing a decrease of RM2.1 million or 9.7% as compared to RM21.6 million in the preceding year corresponding quarter. This was mainly attributed to weaker demand for textile and textile-based products with consumer spending increasingly skewed towards staple products as opposed to discretionary items in the face of slow economic momentum and rising cost of living. The subdued consumer sentiment was aggravated by the fear of infection of Covid-19 and strict compliance of health and safety standard operating procedures during the current period of Conditional Movement Control Order ("MCO"). Accordingly, the Group recorded a loss before tax of RM1.7 million from RM1.4 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 30.09.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Total assets	321,995	333,211
Total liabilities	105,250	113,558

Non-current assets which largely constituted of property, plant and equipment, investment properties and right-of-use assets, decreased to RM186.8 million as at 30 September 2020 from RM189.0 million as at 31 March 2020. This was mainly due to depreciation and amortisation charges of RM2.2 million during the reporting period.

Total liabilities which mainly comprise of borrowings, lease liabilities, trade and other payables, decreased by RM8.4 million to RM105.2 million as at 30 September 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 SEPTEMBER 2020

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

	As at 30.09.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Operating activities	9,162	(3,285)
Investing activities	(16)	(265)
Financing activities	(2,153)	(624)
Net changes in cash and cash equivalents	6,993	(4,174)

The Group's net cash and cash equivalents increased by RM7.0 million as of 30 September 2020, mainly attributable to lower inventory holding level 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 30.09.2020 (unaudited) RM'000	Immediate Preceding Quarter 30.06.2020 (unaudited) RM'000
Revenue	19,515	14,233
Loss before tax	(1,701)	(942)

For current year quarter, the Group's revenue increased by 37.3% to RM19.5 million as compared to RM14.2 million in the preceding quarter ended 30 June 2020. This was mainly due to rebound of the lower base in the preceding quarter as a result of operation interruption resulted from the MCO. Despite the increase in revenue, its loss before tax widened by RM0.8 million when compared with the loss before tax of RM0.9 million in the preceding quarter, mainly due to insufficient gross profit contributions to cover its operating costs.

B3. Commentary on Prospects

The global economic recovery remains subdued in the remaining period of 2020 with a projected global economic growth of 5.2% in 2021 as many countries have slowed reopening while some are reinstating partial lockdowns to protect susceptible populations, given the Covid-19 pandemic continuing to spread. A stronger resurgence of the virus or slower-than-expected progress on vaccines is expected to continue to heighten the economic uncertainties and further delay the ongoing growth recovery.

In Malaysia, its growth forecast was downward revised from -4.5% to -5% recently prompted by its third wave of the Covid-19 pandemic, with the resurgence of new virus infection cases in end-September. On 7 November 2020, the Malaysian Government had announced that Conditional MCO ("CMCO") to be reinstated in all but three states in Peninsular Malaysia from 9 November 2020 to 6 December 2020.

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B3. Commentary on Prospects (cont'd)

Following the resumption of the CMCO and stricter containment measures nationwide, many business sectors, including retail business are severely affected by the movement restrictions. Additionally, the elevated unemployment rate is expected to weigh on private consumption and reduce consumer spending which in turn could slow down the recovery rate of the Group's business operation. In view of this, the Group maintains a cautious outlook of its performance in the near term albeit that there may still be an acceleration in new virus cases and extended lockdowns. Nevertheless, the Group is also hoping that the consumers have progressively adapted to the new normal business environment, whilst the stimulus packages implemented by the Government to have spillover effects and to provide additional boost in consumer spending 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 with extensive marketing to reach out the younger generation segment of the markets so as to better respond to the changing business landscape. While at the same time, the Group will continue its proactive measures including resource management as well as cashflow and inventory management to ensure cost optimisation, risk planning and assessment 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 30.09.2020 (unaudited) RM'000	Cumulative Year To Date 30.09.2020 (unaudited) RM'000
Income tax:-		
- Current	113	220
Deferred tax:-	116	45
Total	229	265

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 18 November 2020.

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B9. Utilisation of Proceeds Raised from Corporate Proposal

There were no proceeds raised from corporate proposal as at 18 November 2020.

B10. Borrowings and Debts Securities

	As at 30.09.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Current		
Secured:-		
- Bankers' acceptance	30,871	31,597
- Bank overdrafts	2,564	7,239
- Term loans	4,207	4,785
Total current	37,642	43,621
Non-current		
Secured:-		
- Term loans	43,899	42,927
Total non-current	43,899	42,927
Total	81,541	86,548

B11. Material Litigation

There were no material changes in the material litigation as at 18 November 2020.

B12. Dividends

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

B13. Losses Per Share

Basic losses per share are calculated by dividing the loss after tax by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2020 (unaudited)	Preceding Year Quarter 30.09.2019 (unaudited)	Current Year Quarter 30.09.2020 (unaudited)	Preceding Year Quarter 30.09.2019 (unaudited)
Loss attributable to ordinary shareholders of the Company (RM '000)	(1,930)	(1,307)	(2,908)	(191)
Number of ordinary shares in issued ('000)	197,990	197,990	197,990	197,990
Basic and diluted losses per share (sen)	(0.97)	(0.66)	(1.47)	(0.10)

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 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
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss)/Profit from operations from the period is arrived at after charging:-				
Amortisation of prepaid land lease payment	30	31	60	61
Bad debts written off	-	6	-	6
Depreciation on property, plant and equipment	641	756	1,345	1,339
Depreciation on right-of-use assets	420	-	839	-
Interest expenses	970	962	1,806	2,167
Property, plant and equipment written off	-	-	-	124
Rental expenses	613	2,943	1,050	6,033
And after crediting:-				
Gain on disposal of property, plant and equipment	-	-	-	1
Impairment loss on receivables no longer required	-	60	-	60
Interest income	41	7	44	65
Realised gain on foreign exchange	13	3	13	-
Rental income	273	314	511	548

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 30.09.2020 (unaudited) RM'000	As at 31.03.2020 (audited) RM'000
Neither past due nor impaired	614	599
Past due but not impaired:		
1-30 days	122	420
31-120 days	902	713
More than 120 days	777	979
Past due and impaired	703	736
Total trade receivables, gross	3,118	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

25 November 2020