



KAMDAR GROUP (M) BERHAD

Registration No.: 200201010077 (577740-A)

(Incorporated in Malaysia)

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

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 2021 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2021 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 30.09.2021 RM'000 (unaudited)	Preceding Year Quarter 30.09.2020 RM'000 *	Changes %	Current Year To Date 30.09.2021 RM'000 (unaudited)	Preceding Year To Date 30.09.2020 RM'000 *	Changes %
Revenue	3,897	N/A	N/A	3,897	N/A	N/A
Cost of sales	(2,263)	N/A	N/A	(2,263)	N/A	N/A
Gross profit	1,634	N/A	N/A	1,634	N/A	N/A
Other income	1,380	N/A	N/A	1,380	N/A	N/A
Selling and distribution expenses	(52)	N/A	N/A	(52)	N/A	N/A
Administrative expenses	(4,053)	N/A	N/A	(4,053)	N/A	N/A
Finance costs	(660)	N/A	N/A	(660)	N/A	N/A
Other expenses	(15)	N/A	N/A	(15)	N/A	N/A
Net gain on impairment of financial assets	35	N/A	N/A	35	N/A	N/A
Loss before tax	(1,731)	N/A	N/A	(1,731)	N/A	N/A
Tax expense	(34)	N/A	N/A	(34)	N/A	N/A
Loss for the financial period	(1,765)	N/A	N/A	(1,765)	N/A	N/A
Other comprehensive income for the financial period, net of tax	-	N/A	N/A	-	N/A	N/A
Total comprehensive loss for the financial period	(1,765)	N/A	N/A	(1,765)	N/A	N/A
Loss for the financial period attributable to:-						
Owners of the Company	(1,765)	N/A	N/A	(1,765)	N/A	N/A
Total comprehensive loss for the financial period attributable to:-						
Owners of the Company	(1,765)	N/A	N/A	(1,765)	N/A	N/A
Losses per ordinary share attributable to equity holders of the Company						
Basic and Diluted (sen)	(0.89)	N/A	N/A	(0.89)	N/A	N/A

* There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from 31 March to 30 June.

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2021 RM'000 (unaudited)	As at 30.06.2021 RM'000 (audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	125,101	125,099
Investment properties	53,370	53,370
Goodwill on consolidation	374	374
Total non-current assets	178,845	178,843
Current Assets		
Inventories	102,639	104,129
Trade receivables	1,069	1,385
Other receivables	3,887	4,016
Tax recoverable	1,741	1,611
Fixed deposits with licensed banks	1,097	1,097
Cash and bank balances	3,505	3,848
Total current assets	113,938	116,086
TOTAL ASSETS	292,783	294,929
EQUITY AND LIABILITIES		
EQUITY		
Equity Attributable to Owners of the Company		
Share capital	197,990	197,990
Reserves	14,424	16,189
Total equity	212,414	214,179
LIABILITIES		
Non-Current Liabilities		
Loan and borrowings	42,131	41,840
Lease liabilities	2,017	1,947
Deferred tax liabilities	97	77
Total non-current liabilities	44,245	43,864
Current Liabilities		
Trade payables	3,291	3,627
Other payables	6,755	5,942
Loan and borrowings	23,670	24,855
Lease liabilities	1,760	1,817
Tax payable	648	645
Total current liabilities	36,124	36,886
Total liabilities	80,369	80,750
TOTAL EQUITY AND LIABILITIES	292,783	294,929
Net Assets Per Share (sen)	107	108

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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 July 2021	197,990	(176,470)	6,424	186,235	214,179
Total comprehensive loss for the financial period	-	-	-	(1,765)	(1,765)
As at 30 September 2021 (unaudited)	197,990	(176,470)	6,424	184,470	212,414
As at 1 July 2020	N/A	N/A	N/A	N/A	N/A
Total comprehensive loss for the financial period	N/A	N/A	N/A	N/A	N/A
As at 30 September 2020*	N/A	N/A	N/A	N/A	N/A

* There are no comparative figures disclosed for the cumulative period-to-date results following the change in the financial year end from 31 March to 30 June.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 30.09.2021 RM'000 (unaudited)	Preceding Year To Date 30.09.2020 RM'000 *
Operating activities		
Loss before tax	(1,731)	N/A
Adjustments for:-		
Depreciation and amortisation on property, plant and equipment	63	N/A
Impairment loss on receivables no longer required	(36)	N/A
Impairment loss on receivables	1	N/A
Inventories written down	1,043	N/A
Inventories written off	61	N/A
Interest expenses	729	N/A
Property, plant and equipment written off	15	N/A
Operating profit before working capital changes	145	N/A
Changes in working capital:-		
Inventories	386	N/A
Payables	477	N/A
Receivables	480	N/A
Bill payables	(5,910)	N/A
Cash used in operations	(4,422)	N/A
Net tax paid	(141)	N/A
Interest paid	(69)	N/A
Net cash used in operating activities	(4,632)	N/A
Investing activity		
Acquisition of property, plant and equipment	(80)	N/A
Net cash used in investing activity	(80)	-
Financing activities		
Interest paid	(660)	N/A
Net drawdown of terms loans	2,158	N/A
Net addition of lease liabilities	13	N/A
Net cash from financing activities	1,511	N/A
Net decrease in cash and cash equivalents	(3,201)	N/A
Cash and cash equivalents at the beginning of the financial period	895	N/A
Cash and cash equivalents at the end of the financial period	(2,306)	N/A
Cash and cash equivalents at the end of the financial period comprise the following:-		
Cash and bank balances	3,505	N/A
Fixed deposits with licensed banks	1,097	N/A
Bank overdraft	(5,811)	N/A
	(1,209)	N/A
Less: Fixed deposits pledged with licensed banks	(1,097)	N/A
	(2,306)	N/A

*There are no comparative figures disclosed for the cumulative period-to-date results following the change in the financial year end from 31 March to 30 June.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

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 period ended 30 June 2021 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 period ended 30 June 2021.

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 period ended 30 June 2021 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 July 2021.

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 July 2021.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the latest audited financial statements for the financial period ended 30 June 2021 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.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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.

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 30.09.2021 RM'000	Investment 30.09.2021 RM'000	Elimination 30.09.2021 RM'000	Total 30.09.2021 RM'000
Revenue				
External revenue	3,467	430	-	3,897
Inter-segment revenue	2,561	25	(2,586)	-
Total revenue	6,028	455	(2,586)	3,897
Results				
Finance costs	(319)	(410)	-	(729)
Depreciation & amortisation	(492)	(293)	722	(63)
Other non-cash (expenses)/income	(1,119)	35	-	(1,084)
Tax expense	-	(14)	(20)	(34)
Segmental (loss)/profit	(1,936)	(16)	916	(1,036)
Assets				
Addition to non-current assets other than deferred tax assets	80	-	-	80
Segment assets	272,384	370,803	(352,145)	291,042
Liability				
Segment liabilities	58,819	19,770	(68,543)	10,046

A10. Valuation of Investment Properties

The Group adopts fair value model for its investment properties.

The Group did not revalue any of its investment properties 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 22 November 2021.

A12. Changes in the Composition of the Group

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

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A13. Changes in Contingent Liabilities and Contingent Assets

Save as disclosed below and the contingent liabilities arising from the material litigation as disclosed in Note B.11, the Company is not aware of any other contingent liabilities as at 30 September 2021:-

	30.09.2021
	RM'000
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	17,238
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Pusat Membeli-belah Kamdar (Penang) Sdn Bhd	385
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Beauty Gallant Sdn Bhd	5,112
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Stores Sdn Bhd	14,798
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Holdings Sdn Bhd	12,405
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kesar Sdn Bhd	1,377
Total	51,315

There was no contingent asset as at 30 September 2021.

A14. Significant Related Party Transactions

There were no related party transactions for the current quarter and the cumulative year to date ended 30 September 2021.

A15. Capital Commitments

Capital commitments not provided for in the financial statements as at 30 September 2021 are as follows:-

	As at	As at
	30.09.2021	30.06.2021
	(unaudited)	(audited)
	RM'000	RM'000
Authorised and contracted for:-		
- Property, plant and equipment	551	554

This interim financial report has been reviewed by the External Auditors of the Company in accordance with International Standard on Review Engagement 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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 30.09.2021 (unaudited) RM'000	Preceding Year Quarter 30.09.2020 * RM'000
Revenue	3,897	N/A
Gross profit	1,634	N/A
Loss before tax	(1,731)	N/A

* There are no comparative figures disclosed following the change in the financial year end from 31 March to 30 June.

The Group registered a loss before tax of RM1.7 million from its revenue of RM3.9 million for the three (3) months ended 30 September 2021 which mainly derived from its textile business. Its loss before tax for the current quarter had also taken into account of inventories written down and written off. There was no financial result for the preceding year corresponding quarter following the change in the financial year end from 31 March to 30 June.

Statement of Financial Position

	As at 30.09.2021 (unaudited) RM'000	As at 30.06.2021 (audited) RM'000
Total assets	292,783	294,929
Total liabilities	80,369	80,750

Total assets decreased by RM2.1 million to RM292.8 million as at 30 September 2021 when compared with RM294.9 million as at 30 June 2021. This was mainly due to decrease in current assets attributable to inventories written down and written off in addition to lower credit sales recorded for the period.

Total liabilities which mainly comprise of borrowings, lease liabilities, trade and other payables, decreased by RM0.4 million to RM80.4 million as at 30 September 2021 when compared with RM80.8 million as at 30 June 2021 mainly due to repayments of borrowings.

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B1. Review of Performance (cont'd)

Statement of Cash Flows

	As at 30.09.2021 (unaudited) RM'000	As at 30.09.2020 * RM'000
Operating activities	(4,632)	N/A
Investing activities	(80)	N/A
Financing activities	1,511	N/A
Net changes in cash and cash equivalents	(3,201)	N/A

* There are no comparative figures disclosed following the change in the financial year end from 31 March to 30 June.

The Group's net cash and cash equivalents decreased by RM3.2 million as of 30 September 2021, mainly attributed to net cash used in operating activities, but partially compensated by net cash from financing activities.

The net changes in cash and cash equivalents were mainly due to repayment of bill payables utilised for working capital purpose in addition to conversion of short-term bill payable to long-term term loan.

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

	Current Year Quarter 30.09.2021 (unaudited) RM'000	Immediate Preceding Quarter 30.06.2021 (unaudited) RM'000
Revenue	3,897	19,581
Gross profit	1,634	7,320
Loss before tax	(1,731)	(905)

For current year quarter, the Group's revenue dropped by RM15.7 million or 80.1%, reversing from a higher base of RM19.6 million in the preceding quarter ended 30 June 2021 which was backed by the seasonally robust Hari Raya Aidilfitri festive sales. The Group's revenue for the current quarter was severely impacted by the reinstatement of nationwide full movement control order commencing 1 June 2021, leading to the temporary closure of stores, where gradual relaxations were subsequently granted by the Government on 16 August 2021 for the resumption of non-essential economy sectors under four progressive phases.

Accordingly, the Group's gross profit ("GP") decreased in line with lower revenue. Despite lower sales and GP, gross profit margin ("GP margin") for the current quarter increased to 41.9% from 37.4% in the immediately preceding quarter mainly due to lower amount of inventories written down recorded in comparison to the immediately preceding quarter. Despite significantly lower revenue, the Group's loss before tax reflected a drop of RM0.8 million from RM0.9 million recorded in the preceding quarter as its loss before tax was cushioned by other income from the Government's wage subsidy programme of RM1.4 million (30.06.2021: RM0.7 million).

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

B3. Commentary on Prospects

The International Monetary Fund reported, in an update to its World Economic Outlook, that the global economy is projected to grow 5.9% in 2021 and 4.9% in 2022, from a previous forecast of 6.0% mainly due to supply disruptions from advanced economies and worsening pandemic situation in developing countries. Rapid spread of Delta and the threat of new virus variants remain the key uncertainties to the outlook for global health and economic growth.

In Malaysia, the systematic reopening of its economic sectors via various stages of the National Recovery Plan and the implementation of various stimulus packages and government aid programmes have successfully paved a way in containing the pandemic, improving its global trade, stabilizing its commodity prices and boosting up the consumer and business confidence to stimulate economic activity and social stability.

In light of this, the Group is hopeful that, for the remaining period of 2021, the Malaysian economic recovery may benefit the Group's retailing business as it continues to improve the overall domestic demand, given all social and economic activities had begun to operate at full capacity and back to normality post-September 2021.

Going forward, the Group's strategies are to streamline its operations and undertake further cost reductions by shutting down unprofitable stores. The Group is also determined to explore new locations and business models to adapt to the changing market tastes, while at the same time, will continue its ongoing efforts to explore modern online business platforms, to form strategic partnerships and develop new marketing strategies to capture a greater market share and particularly, the younger demographics, so as to weather the economic impact of Covid-19 on the Group's operating margin and to improve the financial performance of the Group.

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.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021

B7. Tax Income

	Current Year Quarter 30.09.2021 (unaudited) RM'000	Cumulative Year To Date 30.09.2021 (unaudited) RM'000
Income tax	14	14
Deferred tax	20	20
Total	34	34

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 22 November 2021.

B9. Utilisation of Proceeds Raised from Corporate Proposal

There were no proceeds raised from corporate proposal as at 22 November 2021.

B10. Borrowings and Debts Securities

	As at 30.09.2021 (unaudited) RM'000	As at 30.06.2021 (audited) RM'000
Current		
Secured:-		
- Bankers' acceptance	9,623	15,533
- Bank overdrafts	5,811	2,953
- Term loans	8,236	6,369
Total current	23,670	24,855
Non-current		
Secured:-		
- Term loans	42,131	41,840
Total non-current	42,131	41,840
Total	65,801	66,695

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B11. Material Litigation

There were no material changes in the material litigation since the latest audited financial statements for the financial period ended 30 June 2021 up to 22 November 2021.

B12. Dividends

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

B13. Losses Per Share

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 30.09.2021 (unaudited)	Preceding Year Quarter 30.06.2021 *	Current Year Quarter 30.09.2021 (unaudited)	Preceding Year Quarter 30.06.2021 *
Loss attributable to ordinary shareholders of the Company (RM'000)	(1,765)	N/A	(1,765)	N/A
Number of ordinary shares in issued ('000)	197,990	N/A	197,990	N/A
Basic and diluted losses per share (sen)	(0.89)	N/A	(0.89)	N/A

* There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from 31 March to 30 June.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2021 (unaudited)	Preceding Year Quarter 30.09.2020 *	Current Year Quarter 30.09.2021 (unaudited)	Preceding Year Quarter 30.09.2020 *
Loss from operations from the period is arrived at after charging:-				
Depreciation and amortisation on property, plant and equipment	63	N/A	63	N/A
Impairment loss on receivables	1	N/A	1	N/A
Interest expenses	729	N/A	729	N/A
Inventories written down	1,043	N/A	1,043	N/A
Inventories written off	61	N/A	61	N/A
Property, plant and equipment written off	15	N/A	15	N/A
Rental of equipment	8	N/A	8	N/A
Rental expenses	448	N/A	448	N/A
And after crediting:-				
Impairment loss on receivables no longer required	(36)	N/A	(36)	N/A
Rental income	(430)	N/A	(430)	N/A

* There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from 31 March to 30 June.

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.

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B15. Foreign Currency Risk Management

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

B16. Trade Receivables

	As at 30.09.2021 (unaudited) RM'000	As at 30.06.2021 (audited) RM'000
Neither past due nor impaired	5	215
Past due but not impaired:		
Less than 30 days	113	107
31 to 60 days	34	269
61 to 90 days	29	92
More than 90 days	888	702
Past due more than 90 days and impaired	1,019	1,075
Total trade receivables, gross	2,088	2,460

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

29 November 2021