

KAMDAR

KAMDAR GROUP (M) BERHAD

Registration No.: 200201010077 (577740-A)

(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

The Board of Directors of Kamdar Group (M) Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 December 2023 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2023 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 31.12.2023 RM'000 (unaudited)	Preceding Year Quarter 31.12.2022 RM'000 (unaudited)	Changes %	Current Year To Date 31.12.2023 RM'000 (unaudited)	Preceding Year To Date 31.12.2022 RM'000 (unaudited)	Changes %
Revenue	14,842	17,252	-14%	26,487	31,821	-17%
Cost of sales	(8,453)	(9,981)	-15%	(15,259)	(18,282)	-17%
Gross profit	6,389	7,271	-12%	11,228	13,539	-17%
Other income	129	52	148%	385	173	123%
Selling and distribution expenses	(373)	(219)	70%	(569)	(453)	26%
Administrative expenses	(7,580)	(7,256)	4%	(15,129)	(14,289)	6%
Finance income	19	20	-5%	38	41	-7%
Finance costs	(652)	(668)	-2%	(1,245)	(1,222)	2%
Other income/(expenses)	8	(2)	-500%	(5)	(384)	-99%
Net gain on impairment of financial assets	1	1	0%	3	5	-40%
Loss before tax	(2,059)	(801)	157%	(5,294)	(2,590)	104%
Tax expense	(118)	(196)	-40%	(148)	(560)	-74%
Loss for the financial year	(2,177)	(997)	118%	(5,442)	(3,150)	73%
Other comprehensive income for the financial year, net of tax	-	-	-	-	-	-
Total comprehensive loss for the financial year	(2,177)	(997)	118%	(5,442)	(3,150)	73%
Loss for the financial year attributable to:-						
Owners of the Company	(2,177)	(997)	118%	(5,442)	(3,150)	73%
Total comprehensive loss for the financial year attributable to:-						
Owners of the Company	(2,177)	(997)	118%	(5,442)	(3,150)	73%
Losses per ordinary share attributable to equity holders of the Company						
Basic and Diluted (sen)	(1.10)	(0.50)	120%	(2.75)	(1.59)	73%

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2023 RM'000 (unaudited)	As at 30.06.2023 RM'000 (audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	96,750	98,119
Investment properties	84,770	84,770
Goodwill on consolidation	374	374
Total non-current assets	181,894	183,263
Current Assets		
Inventories	81,514	81,723
Trade receivables	378	653
Other receivables	2,748	2,949
Tax recoverable	3,586	2,854
Fixed deposits with licensed banks	2,144	6,657
Short-term investments	3,268	-
Cash and bank balances	5,601	8,998
Total current assets	99,239	103,834
TOTAL ASSETS	281,133	287,097
EQUITY AND LIABILITIES		
EQUITY		
Equity Attributable to Owners of the Company		
Share capital	197,990	197,990
Reserves	22,151	27,593
Total equity	220,141	225,583
LIABILITIES		
Non-Current Liabilities		
Loan and borrowings	35,180	37,308
Lease liabilities	1,729	1,692
Total non-current liabilities	36,909	39,000
Current Liabilities		
Trade payables	4,888	4,422
Other payables	3,719	4,181
Loan and borrowings	14,753	12,389
Lease liabilities	649	1,462
Tax payable	74	60
Total current liabilities	24,083	22,514
Total liabilities	60,992	61,514
TOTAL EQUITY AND LIABILITIES	281,133	287,097
Net Assets Per Share (sen)	111	114

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital RM'000	Merger deficit RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 July 2023	197,990	(176,470)	17,605	186,458	225,583
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(5,442)	(5,442)
As at 31 December 2023 (unaudited)	197,990	(176,470)	17,605	181,016	220,141
As at 1 July 2022	197,990	(176,470)	17,605	191,681	230,806
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(3,150)	(3,150)
As at 31 December 2022 (unaudited)	197,990	(176,470)	17,605	188,531	227,656

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31.12.2023 RM'000 (unaudited)	Preceding Year To Date 31.12.2022 RM'000 (unaudited)
Operating activities		
Loss before tax	(5,294)	(2,590)
Adjustments for:-		
Depreciation and amortisation of property, plant and equipment	1,753	1,701
Deposits written off	-	2
Fair value gain on short-term investments	(68)	-
Impairment loss on trade receivables no longer required	(3)	(5)
Inventories written down	3,705	2,618
Interest expenses	1,245	1,222
Interest income	(38)	(41)
Gain on disposal of property, plant and equipment	(18)	(4)
Property, plant and equipment written off	5	382
Unrealised gain on foreign exchange	(2)	-
Operating profit before working capital changes	1,285	3,285
Changes in working capital:-		
Inventories	(3,496)	(2,065)
Payables	6	(1,032)
Receivables	479	11,602
Cash (used in)/generated from operations	(1,726)	11,790
Net tax paid	(866)	(771)
Net cash (used in)/from operating activities	(2,592)	11,019
Investing activities		
Acquisition of property, plant and equipment	(411)	(414)
Purchase of short-term investments	(3,200)	-
Interest received	38	41
Withdrawal/(placement) of fixed deposits pledged with licensed banks	3,400	(11)
Proceeds from disposal of property, plant and equipment	40	61
Net cash used in investing activities	(133)	(323)
Financing activities		
Interest paid	(1,245)	(1,222)
Net repayment of lease liabilities	(776)	(444)
Net repayment of terms loans	(1,971)	(2,995)
Net drawdown of bankers' acceptance	686	4,984
Net cash (used in)/from financing activities	(3,306)	323
Net (decrease)/increase in cash and cash equivalents	(6,031)	11,019
Cash and cash equivalents at the beginning of the financial year	11,120	7,635
Cash and cash equivalents at the end of the financial year	5,089	18,654

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Current Year To Date 31.12.2023 RM'000 (unaudited)	Preceding Year To Date 31.12.2022 RM'000 (unaudited)
Cash and cash equivalents at the end of the financial year comprise the following:-		
Cash and bank balances	5,601	18,916
Fixed deposits with licensed banks	2,144	1,119
Bank overdraft	(1,521)	(262)
	<hr/> 6,224	<hr/> 19,773
Less: Fixed deposits pledged with licensed banks	(1,135)	(1,119)
	<hr/> <hr/> 5,089	<hr/> <hr/> 18,654

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

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 30 June 2023 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 30 June 2023.

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 30 June 2023 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 2023.

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 2023.

A3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the latest audited financial statements for the financial year ended 30 June 2023 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.

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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 on 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	Investment	Elimination	Total
	31.12.2023	31.12.2023	31.12.2023	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	25,167	1,320	-	26,487
Inter-segment revenue	13,126	90	(13,216)	-
Total revenue	38,293	1,410	(13,216)	26,487
Results				
Interest income	38	103	(103)	38
Finance costs	(490)	(858)	103	(1,245)
Depreciation & amortisation	(2,220)	(318)	785	(1,753)
Other non-cash expenses	(3,619)	-	-	(3,619)
Tax expense	(54)	(94)	-	(148)
Segmental (loss)/profit	(4,648)	609	(196)	(4,235)
Assets				
Addition to non-current assets other than deferred tax assets	411	-	-	411
Segment assets	193,907	384,495	(301,640)	276,762
Liability				
Segment liabilities	67,023	42,847	(48,952)	60,918

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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 28 February 2024.

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 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 31 December 2023:-

	31.12.2023
	RM'000
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd	10,642
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Beauty Gallant Sdn Bhd	3,213
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Stores Sdn Bhd	13,398
Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Holdings Sdn Bhd	9,822
Total	37,075

There was no contingent asset as at 31 December 2023.

A14. Capital Commitments

Capital commitments not provided for in the financial statements as at 31 December 2023 are as follows:-

	As at 31.12.2023 (unaudited)	As at 30.06.2023 (audited)
	RM'000	RM'000
Authorised and contracted for:- - Property, plant and equipment	578	580

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2023**

**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 31.12.2023 (unaudited) RM'000	Preceding Year Quarter 31.12.2022 (unaudited) RM'000
Revenue	14,842	17,252
Gross profit	6,389	7,271
Loss before tax	(2,059)	(801)

The Group registered a revenue of RM14.8 million for the quarter ended 31 December 2023, decreased by RM2.5 million or 14.5% as compared to RM17.3 million in the preceding year corresponding quarter. The revenue in the preceding year corresponding quarter was comparatively higher due to a rebound in demand and spending for textile and textile-based products, after two years of COVID-19 related disruptions. There was continuous expansion in consumer spending as consumers became less price sensitive and were willing to spend more on non-essential products. However, consumer demand has decreased over time. Given the rising cost of living, consumers spending have increasingly skewed towards staple products as opposed to discretionary items. Hence, resulting in lower revenue recorded in the current quarter compared to the preceding year corresponding quarter.

Consequently, the Group recorded a higher loss before tax of RM2.1 million for the current quarter as compared to RM0.8 million in the preceding year corresponding quarter, in line with lower revenue, coupled with higher operating expenses. The loss before tax for the current quarter had also taken into account of inventories written down of RM2.4 million (31.12.2022: RM0.9 million).

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B1. Review of Performance (cont'd)

Statement of Financial Position

	As at 31.12.2023 (unaudited) RM'000	As at 30.06.2023 (audited) RM'000
Total assets	281,133	287,097
Total liabilities	60,992	61,514

Total assets decreased by RM6.0 million to RM281.1 million as at 31 December 2023 when compared with RM287.1 million as at 30 June 2023. This was mainly due to utilisation of cash and bank balances for its financing activities, in addition to inventories written down of RM3.7 million and depreciation and amortisation charges of RM1.7 million arising from property, plant and equipment.

Total liabilities which mainly comprise of loans and borrowings, lease liabilities and trade and other payables, decreased by RM0.5 million, from RM61.5 million as at 30 June 2023 to RM61.0 million as at 31 December 2023. This was mainly due to repayments of term loans and lease liabilities.

Statement of Cash Flows

	As at 31.12.2023 (unaudited) RM'000	As at 31.12.2022 (unaudited) RM'000
Operating activities	(2,592)	11,019
Investing activities	(133)	(323)
Financing activities	(3,306)	323
Net changes in cash and cash equivalents	(6,031)	11,019

The Group's net cash and cash equivalents decreased by RM6.0 million as of 31 December 2023, mainly due to cash outflows used in operating, investing and financing activities.

The cash outflows used in operating activities were mainly due to higher inventory holding levels as a result of the increase in purchases. The net cash used in investing activities was mainly for addition of property, plant and equipment, whilst the net cash used in financing activities was due to repayments of loans and borrowings and lease liabilities, including interest.

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

	Current Year Quarter 31.12.2023 (unaudited)	Immediate Preceding Quarter 30.09.2023 (unaudited)
	RM'000	RM'000
Revenue	14,842	11,645
Gross profit	6,389	4,839
Loss before tax	(2,059)	(3,235)

For current year quarter, the Group's revenue increased by RM3.2 million or 27.6% to RM14.8 million, from RM11.6 million in the preceding quarter ended 30 September 2023, mainly driven by surge in demand and spending for textile and textile-based products during festive season and school holidays.

Correspondingly, the Group recorded improved gross profit and lower loss before tax for the current quarter, in tandem with higher revenue. The loss before tax for the current quarter had also taken into account of inventories written down of RM2.4 million (30.09.2023: RM1.3 million), as well as fair value gain on short-term investments of RM0.1 million (30.09.2023: RMNil).

B3. Commentary on Prospects

While global condition remains weak and volatile, steep inflation coupled with weakening of Ringgit Malaysia and interest-rate hikes have affected the consumers in the retail textile industry.

Going forward, the Group will be more prudent in its financial and cost control and will continue looking into ways to improve its revenue.

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.

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B7. Tax Expense

	Current Year Quarter 31.12.2023 (unaudited) RM'000	Cumulative Year To Date 31.12.2023 (unaudited) RM'000
Income tax - Current	118	148
Total	118	148

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 pending completion as at 28 February 2024.

B9. Utilisation of Proceeds Raised from Corporate Proposal

There were no proceeds raised from corporate proposal as at 28 February 2024.

B10. Borrowings and Debts Securities

	As at 31.12.2023 (unaudited) RM'000	As at 30.06.2023 (audited) RM'000
Current		
Secured:-		
- Bankers' acceptance	9,121	8,435
- Bank overdrafts	1,521	-
- Term loans	4,111	3,954
Total current	14,753	12,389
Non-current		
Secured:-		
- Term loans	35,180	37,308
Total non-current	35,180	37,308
Total	49,933	49,697

B11. Material Litigation

There were no material changes in the material litigation since the latest audited financial statements for the financial year ended 30 June 2023 up to 28 February 2024.

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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 year.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2023 (unaudited)	Preceding Year Quarter 31.12.2022 (unaudited)	Current Year Quarter 31.12.2023 (unaudited)	Preceding Year Quarter 31.12.2022 (unaudited)
Losses attributable to ordinary shareholders of the Company (RM'000)	(2,177)	(997)	(5,442)	(3,150)
Number of ordinary shares in issued ('000)	197,990	197,990	197,990	197,990
Basic and diluted losses per share (sen)	(1.10)	(0.50)	(2.75)	(1.59)

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

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	Quarter	Quarter
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RM'000	RM'000	RM'000	RM'000
Loss from operations from the year is arrived at after charging:-				
Depreciation and amortisation of property, plant and equipment	929	862	1,753	1,701
Deposits written off	-	2	-	2
Interest expenses	652	668	1,245	1,222
Inventories written down	2,425	856	3,705	2,618
Lease expenses related to:				
- short-term leases	423	420	812	793
- low value assets	7	8	14	15
Property, plant and equipment written off	1	-	5	382
And after crediting:-				
Fair value gain on short-term investments	(77)	-	(68)	-
Gain on disposal of property, plant and equipment	-	-	(18)	(4)
Impairment loss on trade receivables no longer required	(1)	(1)	(3)	(5)
Interest income	(19)	(20)	(38)	(41)
Rental income	(35)	(44)	(70)	(93)
Unrealised gain on foreign exchange	(1)	-	(2)	-

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 31.12.2023 (unaudited) RM'000	As at 30.06.2023 (audited) RM'000
Neither past due nor impaired	59	43
Past due but not impaired:		
Less than 30 days	43	255
31 to 60 days	17	102
61 to 90 days	68	58
More than 90 days	191	195
Past due more than 90 days and impaired	1,089	1,092
Total trade receivables, gross	1,467	1,745

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)
Tang Chi Hoe (Kevin) (MAICSA 7045754)
Company Secretaries
28 February 2024