

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2005

| | Individual Quarter | | Cumulative Quarter | |
|-----------------------------------|--|---|---|--|
| | Current Year Fourth Quarter 31/12/2005 RM'000 (Unaudited) | Preceding year Corresponding Quarter 31/12/2004 RM'000 (Unaudited) | Current Year to date 31/12/2005 RM'000 (Unaudited) | Preceding year Corresponding period 30/12/2004 RM'000 (Audited) |
| Revenue | 63,179 | 67,238 | 179,042 | 184,602 |
| Cost of sales | <u>(36,634)</u> | <u>(41,786)</u> | <u>(112,073)</u> | <u>(116,473)</u> |
| Gross profit | 26,545 | 25,452 | 66,969 | 68,129 |
| Other operating income | 460 | 412 | 1,324 | 3,656 |
| Selling and distribution expenses | (788) | - | (3,144) | (2,977) |
| Administrative expenses | (11,528) | (12,395) | (41,455) | (37,034) |
| Other operating expenses | <u>(884)</u> | <u>(929)</u> | <u>(4,733)</u> | <u>(2,822)</u> |
| Profit from operation | 13,805 | 12,540 | 18,961 | 28,952 |
| Finance cost | (1,531) | (1,484) | (5,917) | (2,810) |
| Profit before tax | <u>12,274</u> | <u>11,056</u> | <u>13,044</u> | <u>26,142</u> |
| Taxation | (4,519) | (3,352) | (6,954) | (7,051) |
| Profit after tax | <u>7,755</u> | <u>7,704</u> | <u>6,090</u> | <u>19,091</u> |
| Pre-acquisition profit | <u>-</u> | <u>(2,501)</u> | <u>-</u> | <u>(2,501)</u> |
| Net profit for the year | <u><u>7,755</u></u> | <u><u>5,203</u></u> | <u><u>6,090</u></u> | <u><u>16,590</u></u> |
| | | # | | |
| Basic earnings per share (sen) | 6.16 | 4.18 | 4.85 | 13.32 |
| Diluted earnings per share (sen) | 3.81 | 4.06 | 3.27 | 12.30 |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2005

| | AS AT END OF CURRENT QUARTER 31/12/2005 RM'000 (Unaudited) | AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2004 RM'000 (Audited) |
|--|--|--|
| NON-CURRENT ASSETS | | |
| PROPERTY, PLANT AND EQUIPMENT | 165,667 | 155,820 |
| DEFERRED EXPENDITURE | - | 3,114 |
| DEFERRED TAX ASSETS | 1,971 | 2,414 |
| GOODWILL | 434 | 434 |
| | 168,072 | 161,782 |
| CURRENT ASSETS | | |
| Inventories | 97,050 | 96,628 |
| Trade receivables | 8,459 | 9,996 |
| Other receivables, deposits and prepayments | 6,030 | 8,704 |
| Taxation recoverable | 2,343 | 1,839 |
| Fixed deposits with a licensed bank | 2,346 | 4,516 |
| Cash and bank balances | 6,714 | 8,309 |
| | 122,942 | 129,992 |
| CURRENT LIABILITIES | | |
| Trade payables | 7,677 | 8,035 |
| Other payables & accruals | 7,265 | 9,194 |
| Hire purchase creditors | 295 | - |
| Short term borrowings | 39,004 | 50,810 |
| Taxation | 282 | 477 |
| Bank overdrafts | 2,484 | 60 |
| | 57,007 | 68,576 |
| NET CURRENT ASSETS | 65,935 | 61,416 |
| | 234,007 | 223,198 |
| FINANCED BY: | | |
| SHARE CAPITAL | 125,990 | 124,430 |
| SHARE PREMIUM | 110 | 110 |
| CAPITAL RESERVES | 824 | 824 |
| RESERVE ON CONSOLIDATION | 2,784 | 2,784 |
| MERGER RESERVES | (176,580) | (176,580) |
| IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ICULS (EQUITY COMPONENT) | 65,791 | 65,791 |
| Unappropriated Profit/(loss) | 120,080 | 113,990 |
| TOTAL SHAREHOLDERS' EQUITY | 138,999 | 131,349 |
| LONG TERM LIABILITIES | | |
| BOND | 60,000 | 60,000 |
| ICULS | 5,464 | 7,234 |
| Deferred taxation | 3,181 | 3,181 |
| Term loans | 25,578 | 21,434 |
| Hire purchase creditor | 785 | - |
| | 95,008 | 91,849 |
| | 234,007 | 223,198 |
| Net assets per share (sen) | 110 | 106 |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD
(Company No. 577740-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2005



| | ICULS | | | | | | | Total RM'000 |
|---|----------------------------|----------------------------|--------------------------------|------------------------------|-----------------------------|---------------------------------------|----------------------------|-----------------|
| | Share Capital RM'000 | Share Premium RM'000 | (equity component RM'000 | Capital Reserve RM'000 | Merger Reserve RM'000 | Reserve on Consolidation RM'000 | Retained Profits RM'000 | |
| At 1 January 2004 | - | - | - | - | - | - | (6) | (6) |
| Issue of ordinary shares | 124,430 | - | - | - | - | - | - | 124,430 |
| Issue of ICULS (equity component) | - | - | 65,791 | - | - | - | - | 65,791 |
| Merger deficit arising from acquisition of subsidiary companies | - | - | - | - | (176,580) | - | 100,075 | (76,505) |
| Reserve on consolidation arising from acquisition of subsidiary companies | - | - | - | - | - | 2,784 | - | 2,784 |
| Capital reserves through merger of subsidiary companies | - | 110 | - | 824 | - | - | - | 934 |
| Dividends | - | - | - | - | - | - | (2,669) | (2,669) |
| Net profit for the period | - | - | - | - | - | - | 16,590 | 16,590 |
| At 31 December 2004 | 124,430 | 110 | 65,791 | 824 | (176,580) | 2,784 | 113,990 | 131,349 |

| | ICULS | | | | | | | Total RM'000 |
|---|----------------------------|----------------------------|--------------------------------|------------------------------|-----------------------------|---------------------------------------|----------------------------|-----------------|
| | Share Capital RM'000 | Share Premium RM'000 | (equity component RM'000 | Capital Reserve RM'000 | Merger Reserve RM'000 | Reserve on Consolidation RM'000 | Retained Profits RM'000 | |
| At 1 January 2005 | 124,430 | 110 | 65,791 | 824 | (176,580) | 2,784 | 113,990 | 131,349 |
| Net loss for the period | - | - | - | - | - | - | 6,090 | 6,090 |
| Issuance of shares pursuant to acquisition of subsidiary | 1,560 | - | - | - | - | - | - | 1,560 |
| At 31 December 2005 | 125,990 | 110 | 65,791 | 824 | (176,580) | 2,784 | 120,080 | 138,999 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2005
(Company No. 577740-A)

| | 12 months ended 31 Dec 2005 RM'000 <u>(Unaudited)</u> | 12 months ended 31 Dec 2004 RM'000 <u>(Audited)</u> |
|--|--|--|
| 1. Cashflow from operating activities | | |
| Profit before tax | 13,044 | 23,640 |
| Adjustment for: | | |
| Bad debts written off | - | 123 |
| Depreciation | 3,989 | 2,269 |
| Gain on disposal of property, plant and equipment | (280) | (2,301) |
| Gain on disposal of other investments | - | (170) |
| Loss on disposal of property, plant and equipment | 523 | - |
| Loss on disposal of investment in subsidiary | 1,560 | - |
| Interest expenses | 5,586 | 2,655 |
| Listing expenses | 3,114 | - |
| Interest income | (118) | (142) |
| | <u>27,418</u> | <u>26,074</u> |
| Operating profit before working capital changes | 27,418 | 26,074 |
| Directors | - | (61) |
| Inventories | (422) | (1,874) |
| Payables | (2,341) | (11,321) |
| Receivables | 4,210 | 4,402 |
| | <u>28,865</u> | <u>17,220</u> |
| Cash generated from operations | 28,865 | 17,220 |
| Interest received | 118 | 142 |
| Interest paid | (7,175) | (2,224) |
| Tax paid | (7,390) | (12,926) |
| Tax refund | 181 | 82 |
| | <u>14,599</u> | <u>2,294</u> |
| Net cash generated from operating activities | 14,599 | 2,294 |
| 2. Cashflow from investing activities | | |
| Proceeds from disposal of other investments | - | 670 |
| Net cash from acquisition of subsidiary companies | - | 423 |
| Dividend paid | - | (12,763) |
| Proceed from disposal of property, plant and equipment | 1,581 | 3,471 |
| Purchase of property, plant and equipment | (14,393) | (1,570) |
| | <u>(12,812)</u> | <u>(9,769)</u> |
| Net cash used in investing activities | (12,812) | (9,769) |
| 3. Cashflow from financing activities | | |
| Bankers' acceptances | 1,125 | 6,173 |
| Bills payables | (1,267) | (1,183) |
| Drawdown of short term loans | 14,000 | 5,000 |
| Drawdown of term loans | 8,200 | - |
| Revolving credit | (700) | - |
| Repayment of hire purchase creditors | (188) | - |
| Repayment of term loans | (29,146) | (1,501) |
| | <u>(7,976)</u> | <u>8,489</u> |
| Net cash (used in)/generated from financing activities | (7,976) | 8,489 |
| Cash and cash equivalents | | |
| Net changes | (6,189) | 1,015 |
| Brought forward | 12,765 | - |
| Cash and cash equivalents acquired through merger | - | 11,750 |
| Carried forward (A) | <u>6,576</u> | <u>12,765</u> |
| A . Cash and cash equivalents comprise of: | | |
| Fixed deposits with a licensed bank | 2,346 | 4,516 |
| Cash and bank balances | 6,714 | 8,309 |
| Bank overdrafts | (2,484) | (60) |
| | <u>6,576</u> | <u>12,765</u> |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to the interim financial statements.

KAMDAR GROUP (M) BERHAD (Company no: 577740-A)
(Incorporated in Malaysia)

Quarterly Report On Results For The Fourth Quarter Ended 31 December 2005

NOTES TO INTERIM FINANCIAL REPORT

1. Accounting Policies and Method of Computation

The interim financial report for the financial quarter ended 31 December 2005 is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134: Interim Financial Reporting (previously known as MASB 26) issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2004

The accounting policies and methods of computation are followed in the financial statements for the year ended 31 December 2004

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2004 was not qualified.

3. Seasonal or Cyclical Factors

Market demand for consumer goods always exists throughout the year. However, sales tend to be higher in certain months due to festive seasons, particularly during Hari Raya Aidilfitri and Deepavali

4. Exceptional/Extraordinary Items

There were no exceptional and extraordinary items during the financial period ended 31 December 2005 except for the loss on disposal of investment in subsidiary, Woo Hing Brothers (Malaya) Berhad ('WHB') amounting to RM1.560 million.

5. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter results.

6. Debt and Equity Securities

There were no cancellations, repurchases, resale and repayment of debt and equity securities during the financial period ended 31 December 2005 except for the Company increased its issued and paid up share capital from RM124,430,002 to RM125,990,002 by way of the issuance of 1,560,000 ordinary shares of RM1 each to exchange with the 15,600,000 ordinary shares of RM1 each representing 100% equity interest in WHB on the basis of one (1) new ordinary share for ten (10) existing ordinary shares of RM1 each held in WHB.

7. Dividends Paid

No dividend has been paid during the financial quarter ended 31 December 2005.

8. Segmental Information

No segment report is prepared as the principal activities of the Group are predominantly carried out in Malaysia and are engaged in a single business segment of retailing textile and textile based products within the retailing industry.

9. Carrying Amount of Revalued Assets

The group does not have any carrying amount of revalued assets.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter.

11. Changes in the Composition of the Company

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

12. Changes in Contingent Liabilities and Contingent Assets

Save as disclosed below, the Company is not aware of any other contingent liabilities as at 31 December 2005:

| | 31 December 2005 (RM'000) |
|---|------------------------------|
| - Corporate guarantee given by the Company to licensed bank for credit facilities granted to Kamdar Sdn Bhd | 30,500 ===== |

13. Capital Commitments

As at 31 December 2005, the Group has capital commitments in respect of property, plant and equipment as follows:

| | |
|-----------------------------|-----------------|
| Approved and contracted for | RM'000 4,300 |
|-----------------------------|-----------------|

14. Performance Review

A.

| | Individual Quarter 3 months ended 31 December 2005 RM'000 (Unaudited) | Cumulative Quarter 12 months ended 31 December 2005 RM'000 (Unaudited) |
|------------------------|--|---|
| Revenue | 63,179 | 179,042 |
| Profit before taxation | 12,274 | 13,044 |

The performances of the business are further elaborated in Section B below.

B.

The revenue of the Group in the fourth quarter of 2005 is RM63.179 million as compared to RM49.425 million in the third quarter of 2005, an increase of 27.8%. The increase in sales is attributed to seasonal factors of the business. With the increase in revenue, the Group achieved profit before tax of RM12.274 million in the fourth quarter of 2005 as compared to profit before tax of RM4.789 million in the third quarter of 2005.

15. Comparison of results

For the financial year ended 31 December 2005, the Group recorded revenues of approximately RM179.04 million as compared to approximately RM184.60 million in the previous financial year, a decrease of 3.01%. The Group achieved a PBT of approximately RM13.04 million for the financial year ended 31 December 2005 as compared to approximately RM26.14 in the previous year, a decrease of 50.01%, mainly due the listing expenses of RM3.63 million, loss on disposal of WH of RM1.56 million, an increase in finance cost of RM3.10 million and the loss of RM0.50 million on the disposal of furniture and fittings and or the closure of outlets.

16. Commentary on Prospects

The retail sector is expected to see measured improvement in consumer and business confidence. Thus, the Group's future prospects look encouraging.

17. Profit Forecast

Not applicable.

18. Taxation

| | Individual Quarter | Cumulative Quarter |
|------------------------------|-----------------------|-----------------------|
| | 31 Dec 2005 RM'000 | 31 Dec 2005 RM'000 |
| Current taxation - Malaysian | | |
| - Current year's provision | 4,075 | 6,510 |
| - Deferred tax | 444 | 444 |
| | 4,519 | 6,954 |
| | 4,519 | 6,954 |

The effective tax rate for the Group for the quarter ended 31 December 2005 and the financial year ended 31 December 2005 were 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 certain expenses which are not deductible for tax purposes.

19. Sale of Unquoted Investments and Properties

There were no sales of unquoted securities or properties except for the disposal of unquoted shares of WHB on 3 May 2005 which resulted in a loss on disposal of RM1.560 million.

20. Marketable Securities

There were no disposals of quoted securities for the current quarter under review.

21. Corporate Proposals

There were no corporate proposals announced but not completed as at 31 December 2005.

22. Borrowings

As at 31 December 2005, the total borrowings of KGMB Group were follows:

| | 31 December 2005 RM'000 |
|-----------------------|----------------------------|
| Short Term Borrowings | |
| Secured | 23,270 |
| Unsecured | 18,513 |
| | 41,783 |
| Long term Borrowings | |
| Secured | 25,578 |
| Unsecured | 66,249 |
| | 91,827 |
| | 91,827 |

The above borrowings are denominated in Ringgit Malaysia.

23. Off Balance Sheet Financial instruments

The Group does not have any off balance sheet financial instruments including foreign currency contracts nor has it entered into any during the current quarter and financial year-to-date.

24. Changes in Material Litigation

The Group was not engaged in any material litigation nor had there been any legal proceedings against the Group which would adversely affect the activities and performance of the Group or give rise to any contingent liabilities which would affect the position and business of the Group except for the charge by Indah Water Consortium Sdn Bhd, of approximately RM0.8 million, of which accruals have been provided for in the financial statements for the year ended 31 December 2004.

25. Dividends

The Directors do not recommend any interim dividend for the year ended 31 Dec 2005.

26. Earnings Per Share

(a) Basic

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 |
|---|-----------------------|-----------------------|
| | 31 December 2005 | 31 December 2005 |
| Profit after tax (RM'000) | 7,755 | 6,090 |
| Weighted average number of ordinary shares in issue ('000) | 125,990 | 125,605 |
| Basic earnings per share (sen) | 6.16 | 4.85 |

26. Earnings Per Share (cont'd)

(b) Diluted

For the purpose of calculating diluted earnings per share for the current and cumulative quarter, the net profit for the current and cumulative quarter and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. Irredeemable Convertible Unsecured Loan Stocks ("ICULS") and Warrants.

| | Individual Quarter | Cumulative Quarter |
|--|-----------------------|-----------------------|
| | 31 Dec 2005 | 31 Dec 2005 |
| Profit after tax (RM'000) | 7,755 | 6,090 |
| After tax effect of interest on ICULS (RM'000) | 166 | 682 |
| Adjusted net profit (RM'000) | <u>7,921</u> | <u>6,772</u> |
| | | |
| Weighted average number of ordinary shares in issue ('000) | 125,990 | 125,605 |
| | | |
| Effect of dilution: | | |
| ICULS ('000) | 72,000 | 72,000 |
| Warrants ('000) | 9,677 | 9,349 |
| Adjusted weighted average number of ordinary shares in issue and issuable | <u>207,667</u> | <u>206,954</u> |
| | | |
| Diluted earnings per share (sen) | <u>3.81</u> | <u>3.27</u> |

27. Others

The relevant approval of the MPPJ for the renovation on property, bearing the address of No. 61 Jalan SS2/64, 47300 Petaling Jaya, Selangor had been issued by the relevant authorities.

28. Authorization of issue

The interim financial statements were authorized for release by the Board in accordance with the directive from the Board of Directors.

By order of the Board

Lim Seck Wah
Company Secretary