

Notes In Compliance with FRS 134 2004

A1. Accounting Policies

The quarterly financial statement have been prepared in accordance with FRS 134²⁰⁰⁴ - Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Listing Requirements.

The same accounting policies and methods of computation are followed in the quarterly financial statements as compared with the annual financial statements for the year ended 31 March 2007.

A2. Audit report of previous annual financial report

The audit report of the immediate preceding annual financial statements for the year ended 31 March 2007 was not qualified.

A3. Seasonal or Cyclical Factors

The Group's operations for the current quarter and the financial year-to-date were not affected significantly by any seasonal or cyclical factors.

A4. Unusual items

There were no items affecting assets, liabilities, equities, net income or cash flows that are unusual because of their nature, size or incidence during the current quarter and the financial year-to-date.

A5. Nature and Amount of Changes in Estimates

There were no changes in the estimates of amounts reported in previous financial years which have a material effect in the current quarter and the financial year-to-date.

A6. Issuance and Repayment of Debt and Equity Securities

There is no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and the financial year-to-date.

A7. Dividend Paid

There were no dividends paid during the current quarter and the financial year-to-date.

A8. Segmental Information

Segmental information is presented in respect of the Group's business and geographical segments.

Segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The main business segments of the Group comprise the following:

- a) Property development - Property development and construction of properties.
- b) Leisure & tourism - Resorts, golf club and travel agency services.
- c) Trading - Trading of wood products.
- d) Investment holdings - Investment holding, venture capital and management services.
- e) Others - Not of a sufficient size to be disclosed separately.

Segment by activity

<u>Current Quarter/ Financial year- to-date 30/06/2007</u>	<u>Property Development</u> RM'000	<u>Leisure & Tourism</u> RM'000	<u>Trading</u> RM'000	<u>Investment Holdings and Others</u> RM'000	<u>Consolidated</u> RM'000
Revenue					
External sales	8,104	17,909	4,102	66	30,181
Results					
Segment profit / (loss)	664	2,724	112	(620)	2,880
Depreciation/Amortisation	(506)	(2,862)	(23)	(134)	(3,525)
Segment result	158	(138)	89	(754)	(645)
Interest expenses					(8,268)
Share of associated companies results					(128)
Taxation					-
Loss after taxation					(9,041)

Segment by geographical

<u>Current Quarter/ Financial year- to-date 30/06/2007</u>	<u>Malaysia</u> RM'000	<u>Singapore</u> RM'000	<u>Others</u> RM'000	<u>Consolidated</u> RM'000
Revenue				
External sales	26,079	4,102	-	30,181

A9. Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Material subsequent events

There were no material subsequent events from 30 June 2007 to 21 August 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) that have not been reflected in the financial statements for the current quarter and the financial year-to-date.

A11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current quarter and the financial year-to-date.

A12. Changes in contingent liabilities or contingent assets

Other than corporate guarantees extended by the Company in support of banking facilities of its subsidiaries, there were no contingent liabilities or contingent assets as at 30 June 2007 (31 March 2007 : nil).

Notes in compliance with BMSB Listing Requirements

B1. Review of the Performance of the Company and Its Principal Subsidiaries

The Group registered revenue of RM 30.2 million for the financial year-to-date ended 30 June 2007 as compared to RM 29.4 million for the preceding year corresponding period ended 30 June 2006, representing an increase of 2.7%.

For the current financial year-to-date ended 30 June 2007, the Group registered a pre-tax loss of RM 9 million as compared to RM 7 million in the same period of last financial year. The decrease was due to the lower finance charges incurred in the corresponding period ending 30 June 2006 as a result of concessions given during the restructuring period of the Company's previous Bond.

In the opinion of the Directors, the results for the current quarter and financial year-to-date have not been affected by any transaction or event of a material and unusual nature which has arisen between 30 June 2007 and 21 August 2007 (the latest practicable date which is not more than 7 days from the date of this Quarterly Report).

B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

For the current financial quarter, the Group registered a pre-tax loss of RM 9 million as compared to RM 8.4 million in the immediate preceding quarter. The marginal decrease was mainly due to the normal seasonal pattern of the leisure & tourism segment during the current quarter.

B3. Current Year Prospects

The Group continues its focus in the leisure & tourism and property development segments. The Group is optimistic that barring any unforeseen circumstances, the Group would continue to benefit from the performance of these two segments.

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B4. Profit Forecast / Profit Guarantee

Not applicable in this Quarterly Report.

B5. Taxation

There is no tax charge for the current quarter and the financial year-to-date as the Group is in a loss position.

B6. Profit/ (Loss) on Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and properties for the current quarter and the financial year-to-date.

B7. Quoted Securities

There were no purchases or sales of quoted securities for the current quarter and the financial year-to-date and there were no investments in quoted securities at the end of the current quarter.

B8. Status of Corporate Proposals Announced But Not Completed as at 21 August 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

There were no corporate proposals announced but not completed as at the date of this announcement.

B9. Borrowings and Debt Securities

(a) <u>Short Term Borrowings</u>	<u>RM'000</u>
Secured	
Term Loan I (USD5.42Million)	18,133
Term Loan II	39,613
Term Loan III	7,500
Revolving Credits	12,000
Unsecured	
Hire Purchase Creditors	2,937
Total	<u>80,183</u>
(b) <u>Long Term Borrowings</u>	<u>RM'000</u>
Secured	
Term Loan III	285,000
Promissory Note	133,277
Unsecured	
Hire Purchase Creditors	1,736
Total	<u>420,013</u>

B9. Borrowings and Debt Securities

Save for Term Loan I which is denominated in United States Dollars, the borrowings of the Group are denominated in Ringgit Malaysia.

B10. Off Balance Sheet Financial Instruments

As at 21 August 2007 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group did not enter into any contract involving financial instruments with off balance sheet risk.

B11. Material Litigation

The Group is engaged in the following material litigations as at the date of this report.

- (a) A minority shareholder of a subsidiary company, First Travel and Tours (M) Sdn. Bhd. ("FTT"), has presented a legal petition against FTT, the Company and a director of the Company to wind-up FTT pursuant to Section 181 of the Act on allegation that the affairs of FTT were being conducted in a manner oppressive to him and in disregard of this interest as shareholder. The high court has fixed the hearing date on 28 November 2007.

No provision has been made for possible losses arising from the above legal proceedings as the legal proceedings are still pending and has no material impact to the Group.

- (b) The PT Bank Mandiri. (Persero) Tbk, Singapore branch ("the Petitioner"), has presented a winding-up petition against the Company as a corporate guarantor in respect of the alleged sum of USD5,357,151/- owing by Sunnyland Industries Ltd., a wholly-owned subsidiary company of the Company to the Petitioner. High Court of Sabah and Sarawak at Kota Kinabalu had on 20 June 2007 dismissed the Winding-up Petition with costs and further ordered that the said Petitioner pay damages to be assessed to the Company. No provision has been made for possible losses arising from the above legal proceedings as a matter of prudence the alleged sum has been fully accounted for in the Group's financial statements.

B12. Dividend

No dividend is recommended for the current quarter and the current financial year-to-date.

B13. Loss per Share

Basic Loss per share

	Current Quarter Ended <u>30/06/2007</u> RM'000	Comparative Quarter Ended <u>30/06/2006</u> RM'000	Current Financial Year-to-date Ended <u>30/06/2007</u> RM'000	Preceding Financial Year-to-date Ended <u>30/06/2006</u> RM'000
Loss after taxation attributable to the equity holders of the parent used as numerator in the calculation of basic EPS	(9,041)	(7,173)	(9,041)	(7,173)
Weighted average number of shares used as denominator in the calculation of basic EPS ('000)	2,030,060	2,030,060	2,030,060	2,030,060

By order of the Board

Lim Tiong Jin
 Chief Financial Officer
 Kota Kinabalu, Sabah
 21 August 2007