

KARAMBUNAI CORP BHD (6461-P)
QUARTERLY REPORT

Condensed Consolidated Balance Sheets
As at 30 June 2009

	(Unaudited) As at 30/06/2009 RM'000	(Audited) As at 31/03/2009 RM'000
Assets		
Non-Current Assets		
Property, Plant and Equipment	284,674	287,298
Land held for property development	803,656	803,622
Interest In Associated Companies	125	125
Other Investments	520	520
Capital Work-In-Progress	46,056	46,056
Long Term Prepaid Leases	434,022	434,490
Deferred Tax Assets	9	9
Goodwill on Consolidation	19,059	19,059
	<u>1,588,121</u>	<u>1,591,179</u>
Current Assets		
Property development costs	53,941	54,658
Inventories	4,328	4,462
Receivables, Deposits and Prepayments	119,453	124,604
Cash, Bank Balances and Deposits	9,644	14,642
	<u>187,366</u>	<u>198,366</u>
Total Assets	<u><u>1,775,487</u></u>	<u><u>1,789,545</u></u>
Equity and Liabilities		
Equity		
Share Capital	1,015,030	1,015,030
Reserves	(224,219)	(209,370)
Total Equity	<u>790,811</u>	<u>805,660</u>
Liabilities		
Non-Current Liabilities		
Long Term Liabilities		
Borrowings	281,356	290,577
Other deferred liabilities	125,953	125,953
	<u>407,309</u>	<u>416,530</u>
Current Liabilities		
Payables, Deposits and Accruals	238,983	232,136
Short Term Borrowings	197,701	194,702
Taxation	140,683	140,517
	<u>577,367</u>	<u>567,355</u>
Total Liabilities	<u>984,676</u>	<u>983,885</u>
Total Equity and Liabilities	<u><u>1,775,487</u></u>	<u><u>1,789,545</u></u>
Net Assets Per Share (sen)	<u>39</u>	<u>40</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Income Statements
For Financial Period Ended 30 June 2009
(The figures have not been audited.)

	Current quarter ended <u>30/06/2009</u> RM'000	Preceding year corresponding quarter ended <u>30/06/2008</u> RM'000	Current year-to-date ended <u>30/06/2009</u> RM'000	Preceding year-to-date ended <u>30/06/2008</u> RM'000
Revenue	22,298	44,481	22,298	44,481
Operating expenses	(28,595)	(40,441)	(28,595)	(40,441)
Other operating income	1,173	2,951	1,173	2,951
(Loss) / Profit from operations	(5,124)	6,991	(5,124)	6,991
Finance costs	(9,155)	(9,162)	(9,155)	(9,162)
Share of associated companies results	-	131	-	131
Loss before taxation	(14,279)	(2,040)	(14,279)	(2,040)
Taxation	(330)	(469)	(330)	(469)
Loss after taxation	(14,609)	(2,509)	(14,609)	(2,509)
Attributable to :-				
Equity holders of the parent	(14,609)	(2,509)	(14,609)	(2,509)
Minority interest	-	-	-	-
Loss after taxation	(14,609)	(2,509)	(14,609)	(2,509)
Loss per share (sen)				
Basic	(0.72)	(0.12)	(0.72)	(0.12)
Fully diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Statement of Changes in Equity
For Financial Period Ended 30 June 2009
(The figures have not been audited.)

	Share Capital	Share Premium	Other Reserves	Accumulated Losses	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 01/04/2008	1,015,030	111,536	1,022	(286,468)	841,120	-	841,120
Movement during the year	-	-	(435)	(2,509)	(2,944)	-	(2,944)
Balance as at 30/06/2008	1,015,030	111,536	587	(288,977)	838,176	-	838,176
Balance as at 01/04/2009	1,015,030	111,536	958	(321,865)	805,659	-	805,659
Movement during the period	-	-	(239)	(14,609)	(14,848)	-	(14,848)
Balance as at 30/06/2009	1,015,030	111,536	719	(336,474)	790,811	-	790,811

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Cash Flow Statements
For Financial Period Ended 30 June 2009
(The figures have not been audited.)

	Current period-to-date ended 30-06-2009 <u>RM'000</u>	Corresponding period-to-date ended 30-06-2008 <u>RM'000</u>
Loss before taxation	(14,279)	(2,040)
Adjustments for :-		
Non-cash items	10,399	9,581
Operating (Loss) / Profit before working capital changes	<u>(3,880)</u>	<u>7,541</u>
Changes in working capital :-		
Net change in current assets	4,849	(2,121)
Net change in current liabilities	5,054	7,063
Net change in development expenditure	683	(7,346)
Cash flows generated from operations	6,706	5,137
Income tax paid	(371)	(400)
Interest paid	(2,845)	(3,418)
Interest received	52	145
Net cash flows generated from operating activities	<u>3,542</u>	<u>1,464</u>
Investing activities		
Purchase of property, plant & equipment	(170)	(732)
Net cash flows used in investing activities	<u>(170)</u>	<u>(732)</u>
Financing activities		
Repayment of borrowings	(8,131)	(9,623)
Net cash flows used in financing activities	<u>(8,131)</u>	<u>(9,623)</u>
Net change in cash & cash equivalents	(4,759)	(8,891)
Cash & cash equivalents at beginning of the period	14,642	18,161
Translation exchange difference	(239)	(435)
Cash & cash equivalents at end of the period	<u><u>9,644</u></u>	<u><u>8,835</u></u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.)

Notes In Compliance with FRS 134**A1. Accounting Policies**

The quarterly financial statements have been prepared in accordance with FRS 134 - Interim Financial Reporting and Appendix 9B part A 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 2009 except for the adoption of the following new / revised Financial Reporting Standards ("FRS") and Issues Committee Interpretations ("ICI") effective for the financial year ending 31 March 2009:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The effects of Changes in Foreign Exchange Rates – Net investment in foreign operation
FRS 126	Accounting and Reporting by Retirement Benefits Plans
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
ICI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
ICI 2	Members' Shares in Co-operative Entities and Similar Instruments
ICI 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
ICI 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
ICI 7	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies
ICI 8	Scope of FRS 2

The adoption of the above new / revised FRSs and ICIs do not have any significant impact on the results of the Group for the current quarter and the current financial year.

A2. Audit report of previous annual financial report

The audit report of the immediate preceding annual financial statements for the year ended 31 March 2009 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 current 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 current financial year-to-date.

A7. Dividend Paid

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

A8. Segmental Information

The primary segment of the Group is in respect of business activities.

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 activities

<u>Current Quarter / Financial year-to-date 30/06/2009</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	6,051	14,044	2,177	26	22,298
Results					
Segment (loss) / profit	(1,883)	1,540	(205)	(1,313)	(1,861)
Depreciation/Amortisation	(545)	(2,482)	(6)	(230)	(3,263)
Segment result	(2,428)	(942)	(211)	(1,543)	(5,124)
Interest expenses					(9,155)
Share of associated companies results					-
Taxation					(330)
Loss after taxation					(14,609)
<u>Previous Quarter / Financial year-to-date 30/06/2008</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	25,524	16,123	2,690	144	44,481
Results					
Segment profit / (loss)	9,355	2,217	(206)	(998)	10,368
Depreciation/Amortisation	(559)	(2,541)	(5)	(272)	(3,377)
Segment result	8,796	(324)	(211)	(1,270)	6,991
Interest expenses					(9,162)
Share of associated companies results					131
Taxation					(469)
Loss after taxation					(2,509)

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 2009 to 27 August 2009 (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 current 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 current 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 subsidiary companies, there were no contingent liabilities or contingent assets as at 30 June 2009 (31 March 2009 : nil).

Notes in compliance with BMSB Main Market Listing Requirements

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

The global recession had affected the Group negatively as the property development segment experienced a rapid slowdown in property sales and the current phases of its property projects are reaching the completion stage whilst the leisure & tourism segment saw a reduction in its occupancy and room rates. As a result, the Group registered revenue of RM22.3 million for the financial quarter ended 30 June 2009 as compared to RM44.5 million for the preceding year corresponding quarter ended 30 June 2008.

In the current financial quarter, the Group reported an operating loss of RM5.1 million as compared to an operating profit of RM7.0 million in the preceding year corresponding quarter ended 30 June 2008. At pre-tax level, the Group recorded a pre-tax loss of RM14.3 million as compared to a pre-tax loss of RM2.0 million in the preceding year corresponding quarter.

The Group recorded an after-tax loss of RM14.6 million after taking into account financing costs of RM9.2 million for the current quarter (as compared to an after-tax loss of RM2.5 million in the previous corresponding period).

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 2009 and 27 August 2009 (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

The Group recorded a loss after taxation of RM14.6 million in the current quarter (as compared to RM41.2 million loss after tax in the immediate preceding quarter). The poorer performance in the preceding quarter as compared to the current quarter was mainly due to impairment loss recognised and allowance for doubtful debts made in the quarter ending 31 March 2009.

B3. Current Year Prospects

The current global financial crisis has resulted in a very challenging environment for many businesses. Amidst the tough operating conditions, the Group is cautiously managing its business operations with focus on revenue sustainability and cashflow management. The Group also intends to leverage on its world-class assets whilst divesting non-strategic assets to generate cashflows.

B4. Profit Forecast / Profit Guarantee

Not applicable in this Quarterly Report.

B5. Taxation

The breakdown of tax charge for the current quarter and current financial year-to-date ended 30 June 2009 are as follows:

Tax Charge	Current Quarter RM'000	Current Financial Year-to-date RM'000
Current tax	(330) =====	(330) =====

The provision of taxation despite of the loss generated by the Group for the current quarter and financial year-to-date was mainly due to certain expenses being disallowed for taxation purpose and insufficient group relief available for losses incurred by certain subsidiaries to be set off against the taxable profits of other subsidiaries.

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 current financial year-to-date.

B7. Quoted Securities

There were no purchases or sales of quoted securities for the current quarter and the current 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 27 August 2009 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

On 24 July 2009, the Board announced the proposed disposal of approximately 8,790 square metres of leasehold land held under H.S. (M) 19319, P.T. 16028, Mukim Petaling, Daerah Petaling, Negeri Selangor for a cash consideration of RM1,655,000 by FACB Land Sdn Bhd, a wholly-owned subsidiary of the Company to PTB Horticulture Farm Sdn Bhd, a wholly-owned subsidiary of Petaling Tin Berhad.

The proposed disposal will not have any effect on the share capital and substantial shareholders' shareholding in the Company.

The announcement to Bursa Malaysia for the same was made on the even date.

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	303
Term Loan III	18,000
Term Loan IV	12,000
Promissory Note	146,294
Unsecured	
Hire Purchase Creditors	2,971
Total	<u>197,701</u>
(b) <u>Long Term Borrowings</u>	<u>RM'000</u>
Secured	
Term Loan III	244,500
Term Loan IV	35,271
Unsecured	
Hire Purchase Creditors	1,585
Total	<u>281,356</u>

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 27 August 2009 (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

There is no material litigation at the date of this announcement.

B12. Dividend

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

B13. Loss per Share

	Current Quarter Ended <u>30/06/2009</u> RM'000	Comparative Quarter Ended <u>30/06/2008</u> RM'000	Current Financial Year-to-date <u>30/06/2009</u> RM'000	Preceding Financial Year-to-date <u>30/06/2008</u> RM'000
Loss after taxation attributable to the equity holders of the parent used as numerator in the calculation of basic EPS	(14,609)	(2,509)	(14,609)	(2,509)
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
27 August 2009