

**KARAMBUNAI CORP BHD (6461-P)**  
**QUARTERLY REPORT**

**Condensed Consolidated Balance Sheets**  
**As at 30 September 2009**

	(Unaudited) As at 30/09/2009 RM'000	(Audited) As at 31/03/2009 RM'000
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	284,454	287,298
Land held for property development	801,408	803,622
Interest In Associated Companies	125	125
Other Investments	520	520
Capital Work-In-Progress	46,056	46,056
Long Term Prepaid Leases	433,555	434,490
Deferred Tax Assets	9	9
Goodwill on Consolidation	19,059	19,059
	<u>1,585,186</u>	<u>1,591,179</u>
<b>Current Assets</b>		
Property development costs	53,617	54,658
Inventories	4,477	4,462
Receivables, Deposits and Prepayments	115,305	124,604
Cash, Bank Balances and Deposits	8,123	14,642
	<u>181,522</u>	<u>198,366</u>
<b>Total Assets</b>	<u><u>1,766,708</u></u>	<u><u>1,789,545</u></u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share Capital	1,015,030	1,015,030
Reserves	(227,760)	(209,370)
<b>Total Equity</b>	<u>787,270</u>	<u>805,660</u>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Long Term Liabilities		
Borrowings	281,153	290,577
Other deferred liabilities	125,953	125,953
	<u>407,106</u>	<u>416,530</u>
<b>Current Liabilities</b>		
Payables, Deposits and Accruals	238,582	232,136
Short Term Borrowings	199,325	194,702
Taxation	134,425	140,517
	<u>572,332</u>	<u>567,355</u>
<b>Total Liabilities</b>	<u>979,438</u>	<u>983,885</u>
<b>Total Equity and Liabilities</b>	<u><u>1,766,708</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 September 2009**  
(The figures have not been audited.)

	Current quarter ended <u>30/09/2009</u> RM'000	Preceding year corresponding quarter ended <u>30/09/2008</u> RM'000	Current year-to-date ended <u>30/09/2009</u> RM'000	Preceding year-to-date ended <u>30/09/2008</u> RM'000
Revenue	38,148	67,151	60,446	111,632
Operating expenses	(33,135)	(59,909)	(61,730)	(100,350)
Other operating income	619	7,815	1,792	10,766
Profit from operations	5,632	15,057	508	22,048
Finance costs	(8,759)	(7,668)	(17,914)	(16,830)
Share of associated companies results	-	64	-	195
(Loss) / Profit before taxation	(3,127)	7,453	(17,406)	5,413
Taxation	(432)	(1,635)	(762)	(2,104)
(Loss) / Profit after taxation	(3,559)	5,818	(18,168)	3,309
Attributable to :-				
Equity holders of the parent	(3,559)	5,818	(18,168)	3,309
Minority interest	-	-	-	-
(Loss) / Profit after taxation	(3,559)	5,818	(18,168)	3,309
(Loss) / Earnings per share (sen)				
Basic	(0.18)	0.29	(0.89)	0.16
Fully diluted	N/A	0.29	N/A	0.16

(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 September 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 period	-	-	(299)	3,309	3,010	-	3,010
Balance as at 30/09/2008	1,015,030	111,536	723	(283,159)	844,130	-	844,130
Balance as at 01/04/2009	1,015,030	111,536	958	(321,865)	805,659	-	805,659
Movement during the period	-	-	(221)	(18,168)	(18,389)	-	(18,389)
Balance as at 30/09/2009	1,015,030	111,536	737	(340,033)	787,270	-	787,270

(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 September 2009**  
(The figures have not been audited.)

	Current year-to-date ended 30-09-2009 RM'000	Corresponding year-to-date ended 30-09-2008 RM'000
(Loss) / Profit before taxation	(17,406)	5,413
Adjustments for :-		
Non-cash items	20,752	15,479
Operating Profit before working capital changes	<u>3,346</u>	<u>20,892</u>
Changes in working capital :-		
Net change in current assets	1,527	(3,311)
Net change in current liabilities	2,910	1,235
Net change in development expenditure	<u>3,255</u>	<u>3,897</u>
Cash flows generated from operations	11,038	22,713
Income tax paid	(432)	(1,219)
Interest paid	(4,826)	(10,058)
Interest received	53	194
Net cash flows generated from operating activities	<u>5,833</u>	<u>11,630</u>
Investing activities		
Purchase of property, plant & equipment	(2,846)	(1,269)
Proceed from disposal of property, plant & equipment	-	13,000
Net cash flows (used in)/generated from investing activities	<u>(2,846)</u>	<u>11,731</u>
Financing activities		
Drawdown of borrowings	-	33,348
Repayment of borrowings	(9,285)	(59,222)
Net cash flows used in financing activities	<u>(9,285)</u>	<u>(25,874)</u>
Net change in cash & cash equivalents	(6,298)	(2,513)
Cash & cash equivalents at beginning of the period	14,642	18,161
Translation exchange difference	(221)	(299)
Cash & cash equivalents at end of the period	<u>8,123</u>	<u>15,349</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.

The MASB has issued the following new and revised FRSs, Amendments to FRSs and Interpretations that have not been early adopted in preparing these financial statements:-

		<b>For financial period beginning on or after</b>
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting	1 January 2010
	Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

By virtue of the exemption in FRS 4, 7 and 139, the impact of applying the respective FRSs on these financial statements upon their first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

The adoption of the other FRSs, Amendments to FRSs and Interpretations is not expected to have any significant impact on the results and financial position of the Group and of the Company.

**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**

**Current Financial year-  
to-date 30/09/2009**

	<u>Property Development</u> RM'000	<u>Leisure &amp; Tourism</u> RM'000	<u>Trading</u> RM'000	<u>Investment Holdings and Others</u> RM'000	<u>Consolidated</u> RM'000
<b>Revenue</b>					
External sales	22,387	32,703	5,008	348	60,446
<b>Results</b>					
Segment (loss) / profit	(648)	6,436	(473)	1,818	7,133
Depreciation/Amortisation	(1,163)	(4,990)	(11)	(461)	(6,625)
Segment result	(1,811)	1,446	(484)	1,357	508
Interest expenses					(17,914)
Share of associated companies results					-
Taxation					(762)
Loss after taxation					(18,168)

**Preceding Financial year-  
to-date 30/09/2008**

	<u>Property Development</u> RM'000	<u>Leisure &amp; Tourism</u> RM'000	<u>Trading</u> RM'000	<u>Investment Holdings and Others</u> RM'000	<u>Consolidated</u> RM'000
<b>Revenue</b>					
External sales	70,123	36,133	5,183	193	111,632
<b>Results</b>					
Segment profit / (loss)	17,019	8,049	(400)	4,778	29,446
Depreciation/Amortisation	(1,850)	(4,999)	(35)	(514)	(7,398)
Segment result	15,169	3,050	(435)	4,264	22,048
Interest expenses					(16,830)
Share of associated companies results					195
Taxation					(2,104)
Profit after taxation					3,309

**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 September 2009 to 24 November 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 September 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 weak economic condition had affected the Group negatively as the property development segment experienced a slowdown in property sales and the leisure & tourism segment also saw a reduction in its occupancy and room rates. As a result, the Group registered revenue of RM60.4 million for the financial period ended 30 September 2009 as compared to RM111.6 million for the preceding year corresponding period ended 30 September 2008.

In the current financial quarter, the Group reported an operating profit of RM5.6 million as compared to of RM15.1 million in the preceding year corresponding quarter ended 30 September 2008. At pre-tax level, the Group recorded a pre-tax loss of RM3.1 million as compared to a pre-tax profit of RM7.5 million in the preceding year corresponding quarter.

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 September 2009 and 24 November 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 before taxation of RM3.6 million in the current quarter (as compared to RM14.3 million loss before tax in the immediate preceding quarter). The improved financial performance in the current quarter was mainly contributed by the property development segment as the current phase of its property projects are reaching the completion stage.

**B3. Current Year Prospects**

Whilst certain economic indicators are showing signs of an early economic recovery, the Group remains cautious over the economic prospects in the coming months. As such, the Group will continue to manage 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 September 2009 are as follows:

Tax Charge	Current Quarter RM'000	Current Financial Year-to-date RM'000
Current tax	(432)	(762)
	=====	=====

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 24 November 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 Majurama Developments 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) <b><u>Short Term Borrowings</u></b>	<b><u>RM'000</u></b>
<b>Secured</b>	
Term Loan I (USD5.42Million)	18,133
Term Loan II	425
Term Loan III	18,000
Term Loan IV	12,000
Promissory Note	147,933
<b>Unsecured</b>	
Hire Purchase Creditors	2,834
<b>Total</b>	<u>199,325</u>
(b) <b><u>Long Term Borrowings</u></b>	<b><u>RM'000</u></b>
<b>Secured</b>	
Term Loan III	244,500
Term Loan IV	35,244
<b>Unsecured</b>	
Hire Purchase Creditors	1,409
<b>Total</b>	<u>281,153</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 24 November 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.

**KARAMBUNAI CORP BHD (6461-P)****Unaudited Quarterly Report on the Consolidated Results for the Financial Quarter Ended 30 September 2009****B13. (Loss) / Earnings per Share**

	Current Quarter Ended <u>30/09/2009</u> RM'000	Comparative Quarter Ended <u>30/09/2008</u> RM'000	Current Financial Year-to-date <u>30/09/2009</u> RM'000	Preceding Financial Year-to-date <u>30/09/2008</u> RM'000
(Loss) / Profit after taxation attributable to the equity holders of the parent used as numerator in the calculation of basic / diluted EPS	(3,559)	5,818	(18,168)	3,309
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**

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**Lim Tiong Jin**  
Chief Financial Officer  
Kota Kinabalu, Sabah  
24 November 2009