

KARAMBUNAI CORP BHD (6461-P)
QUARTERLY REPORT

Condensed Consolidated Balance Sheets
As at 31 December 2009

	(Unaudited) As at 31/12/2009 RM'000	(Audited) As at 31/03/2009 RM'000
Assets		
Non-Current Assets		
Property, Plant and Equipment	282,832	287,298
Land held for property development	801,924	803,622
Interest In Associated Companies	125	125
Other Investments	520	520
Capital Work-In-Progress	46,056	46,056
Long Term Prepaid Leases	433,087	434,490
Deferred Tax Assets	9	9
Goodwill on Consolidation	19,059	19,059
	<u>1,583,612</u>	<u>1,591,179</u>
Current Assets		
Property development costs	51,368	54,658
Inventories	4,632	4,462
Receivables, Deposits and Prepayments	124,379	124,604
Cash, Bank Balances and Deposits	9,723	14,642
	<u>190,102</u>	<u>198,366</u>
Total Assets	<u><u>1,773,714</u></u>	<u><u>1,789,545</u></u>
Equity and Liabilities		
Equity		
Share Capital	1,015,030	1,015,030
Reserves	(229,834)	(209,370)
Total Equity	<u>785,196</u>	<u>805,660</u>
Liabilities		
Non-Current Liabilities		
Long Term Liabilities		
Borrowings	280,536	290,577
Other deferred liabilities	125,953	125,953
	<u>406,489</u>	<u>416,530</u>
Current Liabilities		
Payables, Deposits and Accruals	264,523	232,136
Short Term Borrowings	191,387	194,702
Taxation	126,119	140,517
	<u>582,029</u>	<u>567,355</u>
Total Liabilities	<u>988,518</u>	<u>983,885</u>
Total Equity and Liabilities	<u><u>1,773,714</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 31 December 2009
(The figures have not been audited.)

	Current quarter ended <u>31/12/2009</u> RM'000	Preceding year corresponding quarter ended <u>31/12/2008</u> RM'000	Current year-to-date ended <u>31/12/2009</u> RM'000	Preceding year-to-date ended <u>31/12/2008</u> RM'000
Revenue	38,213	57,736	98,659	169,368
Operating expenses	(38,239)	(46,876)	(99,969)	(147,226)
Other operating income	875	1,225	2,667	11,991
Profit from operations	849	12,085	1,357	34,133
Finance costs	(10,862)	(8,865)	(28,776)	(25,695)
Share of associated companies results	-	(1,036)	-	(841)
(Loss) / Profit before taxation	(10,013)	2,184	(27,419)	7,597
Taxation	7,955	(788)	7,193	(2,892)
(Loss) / Profit after taxation	(2,058)	1,396	(20,226)	4,705
Attributable to :-				
Equity holders of the parent	(2,058)	1,396	(20,226)	4,705
Minority interest	-	-	-	-
(Loss) / Profit after taxation	(2,058)	1,396	(20,226)	4,705
(Loss) / Earnings per share (sen)				
Basic	(0.10)	0.07	(1.00)	0.23
Fully diluted	N/A	0.07	N/A	0.23

(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 31 December 2009

(The figures have not been audited.)

	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance as at 01/04/2008	1,015,030	111,536	1,022	(286,468)	841,120	-	841,120
Arising from additional investment in subsidiary company	-	-	-	(300)	(300)	-	(300)
Movement during the period	-	-	(398)	4,705	4,307	-	4,307
Balance as at 31/12/2008	1,015,030	111,536	624	(282,063)	845,127	-	845,127
Balance as at 01/04/2009	1,015,030	111,536	958	(321,865)	805,659	-	805,659
Movement during the period	-	-	(237)	(20,226)	(20,463)	-	(20,463)
Balance as at 31/12/2009	1,015,030	111,536	721	(342,091)	785,196	-	785,196

(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 31 December 2009
(The figures have not been audited.)

	Current year-to-date ended 31-12-2009 RM'000	Corresponding year-to-date ended 31-12-2008 RM'000
(Loss) / Profit before taxation	(27,419)	7,597
Adjustments for :-		
Non-cash items	33,799	23,560
Operating Profit before working capital changes	<u>6,380</u>	<u>31,157</u>
Changes in working capital :-		
Net change in current assets	(520)	43,311
Net change in current liabilities	23,934	(69,322)
Net change in development expenditure	<u>(2,651)</u>	<u>12,591</u>
Cash flows generated from operations	27,143	17,737
Income tax paid	(319)	(1,941)
Interest paid	(6,897)	(11,685)
Interest received	113	244
Net cash flows generated from operating activities	<u>20,040</u>	<u>4,355</u>
Investing activities		
Acquisition of subsidiary companies, net of cash acquired	-	(2,568)
Acquisition of additional interest in subsidiary company	-	(300)
Purchase of property, plant & equipment	(3,927)	(522)
Proceed from disposal of property, plant & equipment	-	13,265
Net cash flows (used in)/generated from investing activities	<u>(3,927)</u>	<u>9,875</u>
Financing activities		
Drawdown of borrowings	-	45,000
Repayment of borrowings	<u>(20,795)</u>	<u>(60,446)</u>
Net cash flows used in financing activities	<u>(20,795)</u>	<u>(15,446)</u>
Net change in cash & cash equivalents	(4,682)	(1,216)
Cash & cash equivalents at beginning of the period	14,642	18,161
Translation exchange difference	(237)	(398)
Cash & cash equivalents at end of the period	<u><u>9,723</u></u>	<u><u>16,547</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 MASB has issued the following new and revised FRSs, Amendments to FRSs and Interpretations that are not yet effective and have not been early adopted in preparing these financial statements:-

	For financial periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations	1 July 2010
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
FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 132 Financial Instruments: Presentation	1 January 2010
Amendments to FRS 138 Intangible Assets	1 July 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
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"	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 12 Service Concession Arrangements	1 July 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
IC Interpretation 15 Arrangements for the Construction of Real Estate	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010

KARAMBUNAI CORP BHD (6461-P)
Unaudited Quarterly Report on the Consolidated Results for the Financial Quarter Ended 31 December 2009

A1. Accounting Policies

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 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 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 31/12/2009**

	<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	39,015	52,136	7,065	443	98,659
Results					
Segment profit / (loss)	2,876	11,806	(866)	(2,429)	11,387
Depreciation/Amortisation	(1,803)	(7,522)	(14)	(691)	(10,030)
Segment result	1,073	4,284	(880)	(3,120)	1,357
Interest expenses					(28,776)
Share of associated companies results					-
Taxation					7,193
Loss after taxation					(20,226)

**Preceding Financial year-
to-date 31/12/2008**

	<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	106,491	54,307	8,319	251	169,368
Results					
Segment profit / (loss)	29,775	11,888	(765)	3,276	44,174
Depreciation/Amortisation	(1,727)	(7,555)	(16)	(743)	(10,041)
Segment result	28,048	4,333	(781)	2,533	34,133
Interest expenses					(25,695)
Share of associated companies results					(841)
Taxation					(2,892)
Profit after taxation					4,705

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 31 December 2009 to 25 February 2010 (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 31 December 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

During the period under review, the Group registered revenue of RM98.7 million for the financial period ended 31 December 2009 as compared to RM169.4 million for the preceding year corresponding period ended 31 December 2008. The lower revenue registered was mainly due to lower contribution from its property segment as some of the development projects have reached the completion stage and hence recorded lower revenue as compared to the previous corresponding period. The Group is currently in the final stages of preparing for its new property projects in Sabah and intends to launch the projects at the right time to ride on the improving sentiments of the property market.

In the current financial quarter, the Group reported an operating profit of RM0.8 million as compared to of RM12.1 million in the preceding year corresponding quarter ended 31 December 2008. At pre-tax level, the Group recorded a pre-tax loss of RM10.0 million as compared to a pre-tax profit of RM2.2 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 31 December 2009 and 25 February 2010 (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 RM10.0 million in the current quarter (as compared to RM3.1 million loss before tax in the immediate preceding quarter). The weaker financial performance in the current quarter was mainly attributable to the lower overall profit contribution from its subsidiaries and increased finance charges.

B3. Current Year Prospects

The Group remains cautious over the economic prospects in the coming months due to the uncertainties in the global economic conditions. As such, the Group will continue to manage its business operations prudently with focus on revenue sustainability and cashflow management.

The Group is currently in the final stages of preparing for its new property projects in Sabah and will launch the development projects at the right time to capitalize on the improved property outlook. 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.

KARAMBUNAI CORP BHD (6461-P)
Unaudited Quarterly Report on the Consolidated Results for the Financial Quarter Ended 31 December 2009

B5. Taxation

The breakdown of tax charge for the current quarter and current financial year-to-date ended 31 December 2009 are as follows:

Tax Charge	Current Quarter RM'000	Current Financial Year-to-date RM'000
Current tax	1,564	2,326
Overprovision in prior year	(9,519)	(9,519)
	<u>(7,955)</u>	<u>(7,193)</u>

The provision of taxation despite of the loss generated by the Group 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.

The overprovision in prior year is in relation to the reversal of tax charge following the revocation and termination of a land sale.

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 25 February 2010 (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 announcement to Bursa Malaysia for the same was made on the even date.

KARAMBUNAI CORP BHD (6461-P)
Unaudited Quarterly Report on the Consolidated Results for the Financial Quarter Ended 31 December 2009

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	537
Term Loan III	9,000
Term Loan IV	12,000
Promissory Note	149,571
Unsecured	
Hire Purchase Creditors	2,146
Total	<u>191,387</u>
(b) <u>Long Term Borrowings</u>	<u>RM'000</u>
Secured	
Term Loan III	244,500
Term Loan IV	34,575
Unsecured	
Hire Purchase Creditors	1,461
Total	<u>280,536</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 25 February 2010 (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 31 December 2009****B13. (Loss) / Earnings per Share**

	Current Quarter Ended <u>31/12/2009</u> RM'000	Comparative Quarter Ended <u>31/12/2008</u> RM'000	Current Financial Year-to-date <u>31/12/2009</u> RM'000	Preceding Financial Year-to-date <u>31/12/2008</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	(2,058)	1,396	(20,226)	4,705
Weighted average number of shares used as denominator in the calculation of basic / diluted 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

25 February 2010