

KARAMBUNAI CORP BHD (6461-P)
QUARTERLY REPORT

Condensed Consolidated Statement of Financial Position
As at 31 December 2011

	(Unaudited) As at 31/12/2011 RM'000	(Audited) As at 31/03/2011 RM'000
Assets		
Non-Current Assets		
Property, Plant and Equipment	1,122,320	1,119,015
Land held for property development	396,209	391,537
Available For Sale financial assets	130	200
Deferred Tax Assets	9	9
Goodwill on Consolidation	14,937	14,937
	<u>1,533,605</u>	<u>1,525,698</u>
Current Assets		
Property development costs	7,437	24,006
Inventories	13,269	10,017
Receivables, Deposits and Prepayments	57,519	83,609
Cash, Bank Balances and Deposits	72,598	71,122
	150,823	188,754
Non-current assets held for sales	110,000	121,937
Total Assets	<u><u>1,794,428</u></u>	<u><u>1,836,389</u></u>
Equity and Liabilities		
Share Capital	1,015,030	1,015,030
Reserves	(357,877)	(316,251)
Equity attributable to owners of the parent	657,153	698,779
Non-controlling interests	(11)	-
Total Equity	657,142	698,779
Liabilities		
Non-Current Liabilities		
Borrowings	223,590	245,745
Other deferred liabilities	223,039	225,762
	446,629	471,507
Current Liabilities		
Payables, Deposits and Accruals	318,867	289,373
Short Term Borrowings	248,364	254,090
Taxation	123,426	122,640
	690,657	666,103
Total Liabilities	1,137,286	1,137,610
Total Equity and Liabilities	<u><u>1,794,428</u></u>	<u><u>1,836,389</u></u>
Net Assets Per Share (sen)	<u>32</u>	<u>34</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Statement of Comprehensive Income
For Financial Period 9 Months Ended 31 December 2011
(The figures have not been audited.)

	3 months ended		9 months ended	
	<u>31/12/2011</u>	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2010</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	49,113	40,380	121,233	95,361
Operating expenses	(69,503)	(44,153)	(136,750)	(107,842)
Other income	437	8,939	1,712	9,869
(Loss) / Profit from operations	(19,953)	5,166	(13,805)	(2,612)
Finance costs	(8,931)	(8,161)	(26,406)	(25,268)
Loss before tax	(28,884)	(2,995)	(40,211)	(27,880)
Income tax expense	4,493	(596)	435	(1,876)
Loss for the period	(24,391)	(3,591)	(39,776)	(29,756)
Attributable to :-				
Owners of the parent	(24,381)	(3,591)	(39,765)	(29,756)
Non-controlling interests	(10)	-	(11)	-
Loss for the period	(24,391)	(3,591)	(39,776)	(29,756)
Loss per share (sen)				
Basic	(1.20)	(0.18)	(1.96)	(1.47)
Fully diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Statement of Comprehensive Income (Cont'd)
For Financial Period 9 Months Ended 31 December 2011
(The figures have not been audited.)

	3 months ended		9 months ended	
	<u>31/12/2011</u>	<u>31/12/2010</u>	<u>31/12/2011</u>	<u>31/12/2010</u>
	RM'000	RM'000	RM'000	RM'000
Loss for the period	(24,391)	(3,591)	(39,776)	(29,756)
Other Comprehensive Income				
Foreign currency translation differences for foreign operations	(2,012)	(494)	(1,861)	(21)
Other comprehensive income for the period, net of tax	(2,012)	(494)	(1,861)	(21)
Total comprehensive income for the period	(26,403)	(4,085)	(41,637)	(29,777)
Total comprehensive income				
Attributable to :-				
Owners of the parent	(26,393)	(4,085)	(41,626)	(29,777)
Non-controlling interests	(10)	-	(11)	-
	(26,403)	(4,085)	(41,637)	(29,777)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011 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 9 Months Ended 31 December 2011**

(The figures have not been audited.)

	← Attributable to equity holders of the Company →						
	← Non-distributable →						
	Share Capital	Share Premium	Other Reserves	Accumulated Losses	Total	Non-controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 01/04/2011	1,015,030	111,536	306,107	(733,894)	698,779	-	698,779
Total comprehensive income for the period	-	-	(1,861)	(39,765)	(41,626)	(11)	(41,637)
Transfer from revaluation reserve	-	-	(3,547)	3,547	-	-	-
As at 31/12/2011	<u>1,015,030</u>	<u>111,536</u>	<u>300,699</u>	<u>(770,112)</u>	<u>657,153</u>	<u>(11)</u>	<u>657,142</u>
As at 01/04/2010	1,015,030	111,536	668	(357,622)	769,612	-	769,612
Total comprehensive income for the period	-	-	(21)	(29,756)	(29,777)	-	(29,777)
As at 31/12/2010	<u>1,015,030</u>	<u>111,536</u>	<u>647</u>	<u>(387,378)</u>	<u>739,835</u>	<u>-</u>	<u>739,835</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Statement of Cash Flows
For Financial Period 9 Months Ended 31 December 2011
(The figures have not been audited.)

	9 months ended	
	31/12/2011	31/12/2010
	RM'000	RM'000
Loss before tax	(40,211)	(27,880)
Adjustment for :-		
Non-cash items		
- Interest expenses	28,085	24,377
- Depreciation & amortisation	18,146	10,648
- Unrealised gain on foreign exchange	3,774	-
- Bad debts written-off	-	4,486
- impairment loss on trade receivables	7,614	-
- Gain on disposal of subsidiaries	-	(8,634)
- others	1,425	3,255
Operating Profit before working capital changes	<u>18,833</u>	<u>6,252</u>
Changes in working capital :-		
Net change in current assets	(26,263)	(17,564)
Net change in current liabilities	12,672	8,412
Net change in development expenditure	36,611	20,143
Cash flows generated from operations	<u>41,853</u>	<u>17,243</u>
Income tax paid	(1,483)	(1,320)
Interest paid	(10,961)	(8,367)
Interest received	33	39
Net cash flows generated from operating activities	<u>29,442</u>	<u>7,595</u>
Investing activities		
Proceeds from disposal of non-current asset held for sale	11,937	-
Purchase of property, plant & equipment	(962)	(582)
Net cash flows generated from / (used in) investing activities	<u>10,975</u>	<u>(582)</u>
Financing activity		
Repayment of borrowings	(38,941)	(8,198)
Net cash flows used in financing activity	<u>(38,941)</u>	<u>(8,198)</u>
Net change in cash & cash equivalents	1,476	(1,185)
Cash & cash equivalents at beginning of the period	7,895	7,061
Translation exchange difference	-	(21)
Cash & cash equivalents at end of the period	<u>9,371</u>	<u>5,855</u>
The cash & cash equivalents consist of the following:		
Deposits with licensed banks	67,125	3,899
Cash in hand and at banks	5,473	1,956
	<u>72,598</u>	<u>5,855</u>
Less: Cash under escrow	(60,500)	-
Cash under lien	(2,727)	-
	<u>9,371</u>	<u>5,855</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.)

Notes In Compliance with FRS 134

A1. Accounting Policies

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad, except for the adoption of the following new and revised Financial Reporting Standards (“FRS”), Amendments to FRSs Issue Committee (“IC”) Interpretations and Technical Release (“TR”) as disclosed below:

FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3 Business Combinations (Revised)
FRS 127 Consolidated and Separate Financial Statements (Revised)
Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
(Amendment to FRS 1)
Additional Exemptions for First-time Adopters (Amendments to FRS 1)
Improving Disclosures about Financial Instruments (Amendments to FRS 7)
Amendments to FRS 5 Non-current Assets Held for Sales and Discontinued Operations
Amendments to FRS 132 Financial Instruments : Presentation
Amendments to FRS 138 Intangible Assets
Amendments to FRSs contained in the document entitled “Improvements to FRSs (2010)”
IC Interpretation 4 Determining whether an Arrangement contains a Lease
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
IC Interpretation 18 Transfers of Assets from Customers
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
Improvements to FRSs (2010)

The adoption of the above new and revised FRSs, IC Interpretations and TR do not have significant impact on the results of the Group for the current quarter and the current financial year, except as described below:

FRS 3, Business Combinations (Revised) and FRS 127, Consolidated and Separate Financial Statements (Revised)

The revised FRS 3 introduces a number of significant changes to the accounting for business combinations with greater use of fair value. These changes include recognising all acquisition-related costs as expense, measuring any pre-existing interest at fair value and allowing measurement of non-controlling interest (previously known as minority interest) at either fair value or at its proportionate share of the acquiree’s net identifiable assets. The revised FRS 127 requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interests to be absorbed by minority shareholders instead of by the parent even if the losses exceed the non-controlling interests in the subsidiary’s equity. The Group has applied the changes of revised FRS 3 and FRS 127 prospectively.

Amendments to FRS 3 [Improvements to FRSs (2010)]

The amendment clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree’s net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interests are measured at fair value unless another measurement basis is required by FRS.

A1. Accounting Policies

Amendments to FRS 3 [Improvements to FRSs (2010)](Cont'd)

The amendment also clarifies that the amendments to FRS 7, FRS 132 and FRS 139 that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of FRS 3 (2010). Those contingent consideration arrangements are to be accounted for in accordance with the guidance in FRS 3 (2005).

Amendments to FRS 7 [Improvements to FRSs (2010)]

The amendment clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

Amendments to FRS 101 [Improvements to FRSs (2010)]

The amendment clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. There is no financial impact on the financial statements of the Group for the current financial year other than the presentation of statement of changes in equity.

MFRS Framework, new and revised FRSs, Amendments to FRSs and IC Interpretation issued but not yet effective

On 19 November 2011, MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework") in conjunction with the MASB's plan to converge with International Financial Reporting Standards ("IFRS") in 2012. The MFRS Framework comprises Standards as issued by the International Accounting Standards Board ("IASB") that are effective on 1 January 2012 and new/revised Standards that will be effective after 1 January 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein referred as "Transitioning Entities"). The adoption of the MFRS Framework by Transitioning Entities is deferred by another year and hence, will be mandatory only for annual financial period beginning on or after 1 January 2013.

The Group is a transitioning entity, elected to continue preparing its financial statements in accordance with the FRS framework for annual financial periods beginning before 1 January 2013. As such, the Group will prepare its first financial statements using the MFRS framework for the financial year ending 31 December 2013. In presenting its first MFRS financial statements, the Group may be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework.

The Group is currently in the process of determining the financial impact arising from the adoption of the MFRS Framework.

A1. Accounting Policies

At the date of authorisation of these financial statements, MASB has also issued the following revised FRS, Amendments to FRSs and IC Interpretation that are not yet effective and have not been early adopted in preparing these financial statements:

	For financial periods beginning on or after
FRS 124 Related Party Disclosures (Revised)	1 January 2012
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to FRS 1)	1 January 2012
Disclosures – Transfers of Financial Assets (Amendments to FRS 7)	1 January 2012
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Deferred tax: Recovery of Underlying Assets (Amendments to FRS 112)	1 January 2012
Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)	1 July 2011

The Group will adopt the above FRS, Amendment to FRSs and IC Interpretation for financial year beginning on 1 January 2012 but do not expect the adoption to have any significant impact on the financial statements of the Group upon its initial application except for the followings:

Revised FRS 124 Related Party Disclosures

The revised FRS 124 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The Revised FRS 124 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. If a government controlled or significantly influenced an entity, the entity requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to users. This balance is achieved by requiring disclosure about these transactions only if they are individually or collectively significant. As this is a disclosure standard, the standard will have no impact on the financial position and performance of the Group when implemented. The Group expects to reduce related party disclosures in respect of transactions and balances with government-related entities upon adoption of this Standard.

Disclosures – Transfers of Financial Assets (Amendments to FRS 7)

The amendment addresses the disclosures surrounding the derecognition of financial assets. The amendment removes the extant requirements and adds new disclosure requirements for; transferred financial assets which do not qualify for derecognition and those transferred financial assets that are derecognised in its entirety but the entity has continuing involvement in them. The amendment is effective for annual periods beginning on or after 1 July 2011. Comparative information will not be required on initial application

The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial report.

A2. Audit report of previous annual financial report

The audit report of the immediate preceding annual financial statements for the year ended 31 March 2011 was not qualified.

A3. Seasonal or Cyclical Factors

The Group's operations for the current period under review 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 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 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

	Current 9-months ended		Preceding 9-months ended	
	<u>31/12/2011</u>	<u>31/12/2011</u>	<u>31/12/2010</u>	<u>31/12/2010</u>
	<u>Revenue</u>	<u>Operating Profit/(Loss)</u>	<u>Revenue</u>	<u>Operating Profit/(Loss)</u>
	RM'000	RM'000	RM'000	RM'000
Property Development	74,506	2,951	42,735	(4,709)
Leisure & Tourism	46,727	(27,408)	52,412	(6,667)
Trading	-	555	-	(569)
Investment Holdings and Others	-	(16,309)	214	(15,935)
	<u>121,233</u>	<u>(40,211)</u>	<u>95,361</u>	<u>(27,880)</u>

A8. Segmental Information

	Quarter ended		Quarter ended	
	<u>31/12/2011</u>	<u>31/12/2011</u>	<u>31/12/2010</u>	<u>31/12/2010</u>
	<u>Revenue</u>	<u>Operating Profit/(Loss)</u>	<u>Revenue</u>	<u>Operating Profit/(Loss)</u>
	RM'000	RM'000	RM'000	RM'000
Property Development	33,259	(1,545)	21,351	4,163
Leisure & Tourism	15,854	(19,164)	18,940	(1,890)
Trading	-	555	-	-
Investment Holdings and Others	-	(8,730)	89	(5,268)
	<u>49,113</u>	<u>(28,884)</u>	<u>40,380</u>	<u>(2,995)</u>

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 2011 to 29 February 2012 (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 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 2011 (31 March 2011 : nil).

Notes in compliance with BMSB Main Market Listing Requirements

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

The Group registered revenue of RM124.1 million for nine months ended 31 December 2011 as compared to RM95.4 million for the preceding year corresponding period ended 31 December 2010. Meanwhile, the pre-tax loss recorded is RM40.7 million (as compared to a pre-tax loss of RM27.9 million in the preceding year corresponding period) after taking into account financing costs of RM26.4 million for the current financial year-to-date.

For three months ended 31 December 2011, the Group recorded revenue of RM52.0 million as compared to RM40.4 million for the preceding year corresponding period ended 31 December 2010. Pre-tax loss increased to RM28.9 million as compared to RM3.0 million in the preceding year corresponding period.

The detailed analysis of the business segment as below:

(a) Property Development Segment

For nine months ended 31 December 2011, the revenue increased by 74.5% to RM74.5 million (31 December 2010 : RM42.7 million) and a pre-tax profit of RM2.9 million recorded (31 December 2010 : pre-tax loss of RM4.7 million) mainly attributable to the sales of its land held for property development and the finalization of its main project, Nexus Residence Karambunai.

For three months ended 31 December 2011, the revenue increase by 55.6% to RM33.2 million (31 December 2010 : RM21.4 million) following the finalization of its main project, Nexus Residence Karambunai. However, pre-tax loss of RM1.5 million was recorded (31 December 2010 : pre-tax profit of RM4.2 million) due to the sale of its land held for property development in the preceding year corresponding period.

(b) Leisure & Tourism Segment

For nine months ended 31 December 2011, the revenue decreased to RM46.7 million (31 December 2010 : RM52.4 million), representing 10.9% drop following the downsizing in its travel and tours businesses. A pre-tax loss of RM27.4 million registered (31 December 2010 : RM6.7 million), mainly attributable to the lower revenue as well as the impairment loss on trade receivables of RM7.6 million and the higher depreciation charge on the revalued land.

For three months ended 31 December 2011, the revenue decrease by 15.9% to RM15.9 million (31 December 2010 : RM18.9 million) and a pre-tax loss of RM19.2 million recorded (31 December 2010 : RM1.9 million) due to the downsizing in its travel and tours businesses as well as the impairment loss on trade receivables of RM7.6 million and the higher depreciation charge on the revalued land.

(c) Trading, Investments Holdings and Other Segments

For nine months ended 31 December 2011, there has been no contribution of revenue from these segments. However, there is a slight decrease in pre-tax loss to RM15.7 million (31 December 2010 : RM16.5 million).

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 2011 and 29 February 2012 (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 pre-tax loss of RM28.9 million in the current quarter (as compared to RM13.9 million loss before tax in the immediate preceding quarter). The variance was mainly attributable to the the impairment loss on trade receivables of RM7.6 million and the higher depreciation charge on the revalued land in the current quarter under review.

B3. Prospects For Year 2012

Under the Economic Transformation Program (“ETP”) led by PEMANDU, the Karambunai peninsular (“Karambunai”) has been identified as one of the Entry Point Project (“EPP”) under the Tourism National Key Economic Area (“NKEA”) whereby Karambunai is to be developed into an eco-integrated resort. The Group is optimistic that the new development will bring positive prospects to the Company as the project is located on the Group’s landbank in Karambunai.

B4. Profit Forecast / Profit Guarantee

Not applicable in this Quarterly Report.

B5. Income Tax Expense

The breakdown of tax charge for the current quarter and current financial year-to-date ended 31 December 2011 are as follows:

	3-months ended		9-months ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM	RM	RM	RM
Income tax:				
- Current provision	(1,207)	596	2,260	1,876
Deferred tax:				
- Relating to origination and reversal of timing differences	(3,286)	-	(2,695)	-
Total income tax (income) / expense	(4,493)	596	(435)	1,876

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period.

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. Status of Corporate Proposals Announced But Not Completed as at 29 February 2012 (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.

B7. Borrowings and Debt Securities

(a) <u>Short Term Borrowings</u>	<u>RM'000</u>
Secured	
Term Loan I	15,190
Term Loan II	11,220
Term Loan IV	63,587
Promissory Note	157,571
Hire Purchase Creditors	<u>796</u>
Total	<u>248,364</u>
(b) <u>Long Term Borrowings</u>	<u>RM'000</u>
Secured	
Term Loan II	210,000
Term Loan III	11,665
Hire Purchase Creditors	<u>1,925</u>
Total	<u>223,590</u>

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

We refer to the Promissory Notes ("PN") issued by the Company to Abrar Discounts Berhad ("ADB"). The Company is now in an advanced stage of negotiation with ADB for the settlement of the PN and will make the necessary announcements in due course.

B8. Material Litigation

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

B9. Dividend

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

B10. Realised and Unrealised Losses

The breakdown of accumulated losses of the Group at the reporting date, into realised and unrealised losses is as follows:

	31/12/2011 RM'000	31/03/2011 RM'000
Total accumulated losses of the Group:-		
Realised	(1,208,141)	(1,209,683)
Unrealised	<u>(14,260)</u>	<u>(14,001)</u>
	(1,222,401)	(1,223,684)
Less : Consolidation adjustments	452,289	489,790
	<u>(770,112)</u>	<u>(733,894)</u>

KARAMBUNAI CORP BHD (6461-P)**Unaudited Quarterly Report on the Consolidated Results for the Financial Quarter Ended 31 December 2011****B11. Outstanding Derivatives**

There were no outstanding derivatives (including instruments designated as hedging instruments) in the financial quarter under review.

B12. Fair Value Changes of Financial Liabilities

As at 31 December 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

B13. Loss per Share

	3-months ended		9-months ended	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM	RM	RM	RM
Loss after taxation attributable to the owners of the parent	(24,381)	(3,591)	(39,765)	(29,756)
Weighted average number of ordinary shares in issue	2,030,060	2,030,060	2,030,060	2,030,060
Basic EPS (sen)	(1.20)	(0.18)	(1.96)	(1.47)

By order of the Board

Lim Tiong Jin

Executive Director – Corporate Affairs

Kota Kinabalu, Sabah

29 February 2012