

KARAMBUNAI CORP BHD (6461-P)
Condensed Statement of Comprehensive Income
For Financial Year Ended 31 March 2013
(The figures have not been audited.)

	Current quarter ended <u>31/03/2013</u> RM'000	Preceding year corresponding quarter ended <u>31/03/2012</u> RM'000	Current year-to-date ended <u>31/03/2013</u> RM'000	Preceding year-to-date ended <u>31/03/2012</u> RM'000
Revenue	28,971	27,925	92,964	149,158
Operating expenses	(64,664)	(36,296)	(145,461)	(173,046)
Other income	-	1,462	60,488	3,174
(Loss) / Profit from operations	(35,693)	(6,909)	7,991	(20,714)
Finance costs	(422)	(6,385)	(17,896)	(32,791)
Loss before tax	(36,115)	(13,294)	(9,905)	(53,505)
Income tax	(8,706)	11,330	(9,106)	10,895
Loss for the period / year	<u>(44,821)</u>	<u>(1,964)</u>	<u>(19,011)</u>	<u>(42,610)</u>
Attributable to :-				
Equity holders of the Company	(44,819)	(1,961)	(19,007)	(42,596)
Non-controlling interests	(2)	(3)	(4)	(14)
Loss for the period / year	<u>(44,821)</u>	<u>(1,964)</u>	<u>(19,011)</u>	<u>(42,610)</u>
Loss per share (sen)				
Basic	(2.21)	(0.10)	(0.94)	(2.10)
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 2012 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 Year Ended 31 March 2013
(The figures have not been audited.)

	Current quarter ended <u>31/03/2013</u> RM'000	Preceding year corresponding quarter ended <u>31/03/2012</u> RM'000	Current year-to-date ended <u>31/03/2013</u> RM'000	Preceding year-to-date ended <u>31/03/2012</u> RM'000
Loss for the period / year	(44,821)	(1,964)	(19,011)	(42,610)
Other comprehensive income				
Foreign currency translation difference	(104)	(461)	(104)	(310)
Impairment loss on land and buildings	-	(118,337)	-	(118,337)
Income tax relating to components of other comprehensive income	-	33,766	-	33,766
Other comprehensive income, net of tax	(104)	(85,032)	(104)	(84,881)
Total comprehensive income for the period / year	(44,925)	(86,996)	(19,115)	(127,491)
Total comprehensive income Attributable to :-				
Owners of the parent	(44,923)	(86,993)	(19,111)	(127,477)
Non-controlling interests	(2)	(3)	(4)	(14)
	(44,925)	(86,996)	(19,115)	(127,491)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
QUARTERLY REPORT

Condensed Consolidated Statement of Financial Position
As at 31 March 2013

	(Unaudited) As at 31/03/2013	(Audited) As at 31/03/2012
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	993,494	1,001,044
Land held for property development	491,128	317,184
Available for sale financial assets	130	130
Capital work-in-progress	-	2,413
Deferred tax assets	892	892
Goodwill on consolidation	14,937	14,937
	<u>1,500,581</u>	<u>1,336,600</u>
Current Assets		
Property development costs	797	12,936
Inventories	10,026	12,663
Receivables, deposits and prepayments	30,644	29,034
Cash and bank balances	15,009	8,726
	<u>56,476</u>	<u>63,359</u>
Non-current assets classified as held for sales	38,755	189,476
Total Assets	<u><u>1,595,812</u></u>	<u><u>1,589,435</u></u>
EQUITY AND LIABILITIES		
Share capital	1,015,030	1,015,030
Reserves	(462,839)	(443,728)
Equity attributable to owners of the parent	<u>552,191</u>	<u>571,302</u>
Non-controlling interests	(18)	(14)
Total Equity	552,173	571,288
Non-Current Liabilities		
Bank borrowings	572	8,078
Other deferred liabilities	234,349	179,123
	<u>234,921</u>	<u>187,201</u>
Current Liabilities		
Payables and accruals	715,578	326,204
Bank borrowings	15,590	380,684
Taxation	77,550	124,058
	<u>808,718</u>	<u>830,946</u>
Total Liabilities	1,043,639	1,018,147
Total Equity and Liabilities	<u><u>1,595,812</u></u>	<u><u>1,589,435</u></u>
Net Assets Per Share (sen)	<u>27</u>	<u>28</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2012 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 Year Ended 31 March 2013**

(The figures have not been audited.)

	← Attributable to equity holders of the Company →						
	← Non-distributable →			Accumulated Losses	Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Other Reserves				
As at 01/04/2012	1,015,030	111,536	221,226	(776,490)	571,302	(14)	571,288
Comprehensive income							
Loss for the year	-	-	-	(19,007)	(19,007)	(4)	(19,011)
Other comprehensive income							
Foreign currency translation difference	-	-	(9,570)	9,466	(104)	-	(104)
Total comprehensive income	-	-	(9,570)	(9,541)	(19,111)	(4)	(19,115)
As at 31/03/2013	1,015,030	111,536	211,656	(786,031)	552,191	(18)	552,173
As at 01/04/2011	1,015,030	111,536	306,107	(733,894)	698,779	-	698,779
Comprehensive income							
Loss for the year	-	-	-	(42,596)	(42,596)	(14)	(42,610)
Other comprehensive income							
Foreign currency translation difference	-	-	(310)	-	(310)	-	(310)
Impairment loss on land and building	-	-	(84,571)	-	(84,571)	-	(84,571)
	-	-	(84,881)	-	(84,881)	-	(84,881)
As at 31/03/2012	1,015,030	111,536	221,226	(776,490)	571,302	(14)	571,288

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Statement of Cash Flows
For Financial Year Ended 31 March 2013
(The figures have not been audited.)

	Current financial year ended 31/03/2013 <u>RM'000</u>	Corresponding financial year ended 31/03/2012 <u>RM'000</u>
Loss before tax	(9,905)	(53,505)
Adjustment for :-		
Non-cash items		
- Write-back of promissory note liability	(56,916)	-
- Gain on disposal of non-current assets classified as held for sale	-	(13,832)
- Interest expenses	17,896	23,286
- Depreciation of property, plant and equipment	13,840	22,378
- Unrealised loss on foreign exchange	50	518
- Impairment loss on receivables	1,714	1,448
- Reversal of impairment loss on land held for property development	(23,674)	-
- Written-off of bad debts	-	8,367
- Gratitude sum	26,695	-
- Others	12,082	2,238
Operating loss before working capital changes	<u>(18,218)</u>	<u>(9,102)</u>
Changes in working capital :-		
Net change in current assets	2,338	47,062
Net change in current liabilities	24,963	7,228
Net change in development expenditure	8,032	10,637
Cash flows generated from operations	<u>17,115</u>	<u>55,825</u>
Income tax paid	(399)	(1,442)
Interest paid	(11,697)	(21,768)
Interest received	33	87
Net cash flows generated from operating activities	<u>5,052</u>	<u>32,702</u>
Investing activities		
Proceeds from disposal of non-current asset classified as held for sale	-	34,600
Additions to land held for property development	-	(14,689)
Proceeds from disposal of property, plant and equipment	-	5
Withdrawal of cash deposits	-	63,227
Purchase of property, plant & equipment	(2,888)	(29,452)
Net cash flows (used in) / generated from investing activities	<u>(2,888)</u>	<u>53,691</u>
Financing activities		
Advances from a director	112,599	27,909
Repayment of borrowings	(108,376)	(113,161)
Net cash flows generated from / (used in) financing activities	<u>4,223</u>	<u>(85,252)</u>
Net change in cash & cash equivalents	6,387	1,141
Cash & cash equivalents at beginning of the year	8,726	7,895
Foreign currency translation difference	(104)	(310)
Cash & cash equivalents at end of the year	<u>15,009</u>	<u>8,726</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.)

Notes In Compliance with MFRS 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.

The quarterly consolidated financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2012. The explanatory notes attached to the quarterly consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2012.

The significant accounting policies and methods of computation adopted for the quarterly consolidated financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2012 save for the adoption of the following:

FRS 124 (revised)	Related Party Disclosures
Amendment to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendment to FRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets
Amendment to FRS 112	Income Taxes - Deferred Tax : Recovery of Underlying Assets
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

The adoption of the above revised FRSS, amendments to FRSs and Interpretations does not have any material impact on the financial statements of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual 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 venture (herein called "Transitioning Entities").

On 30 June 2012, MASB announced that the Transitioning Entities will be allowed to defer the adoption of the new MFRS Framework from the previous adoption date of 1 January 2013 to 1 January 2014. Consequently, the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2014. As such, the Group will prepare its first financial statements using the MFRS framework for the financial year ending 31 March 2015. 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.

A2. Audit report of previous annual financial report

The audit report of the immediate preceding annual financial statements for the year ended 31 March 2012 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

Save for the gratitude sum of RM26.7 million, 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 financial year ended 31 March 2013.

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 financial year ended 31 March 2013.

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 financial year ended 31 March 2013.

A7. Dividend Paid

There were no dividends paid during the current quarter and financial year ended 31 March 2013.

A8. Segmental Information

	Current 12 months ended		Preceding 12 months ended	
	<u>31/03/2013</u>	<u>31/03/2013</u> <u>(Loss) / Profit</u>	<u>31/03/2012</u>	<u>31/03/2012</u> <u>(Loss) / Profit</u>
	<u>Revenue</u>	<u>Before Tax</u>	<u>Revenue</u>	<u>Before Tax</u>
	RM'000	RM'000	RM'000	RM'000
Property Development	32,601	(12,483)	85,673	(3,300)
Leisure & Tourism	59,788	(15,702)	63,272	(31,345)
Trading	-	471	155	(394)
Investment Holdings and others	575	17,809	58	(18,466)
	<u>92,964</u>	<u>(9,905)</u>	<u>149,158</u>	<u>(53,505)</u>

A8. Segmental Information (Cont'd)

	Quarter ended		Quarter ended	
	<u>31/03/2013</u>	<u>31/03/2013</u> <u>(Loss) / Profit</u>	<u>31/03/2012</u>	<u>31/03/2012</u> <u>(Loss) / Profit</u>
	<u>Revenue</u>	<u>Before Tax</u>	<u>Revenue</u>	<u>Before Tax</u>
	RM'000	RM'000	RM'000	RM'000
Property Development	9,333	(2,171)	11,167	14,746
Leisure & Tourism	19,085	(1,330)	16,538	(24,635)
Trading	-	13	155	(949)
Investment Holdings and others	553	(32,627)	65	(2,456)
	<u>28,971</u>	<u>(36,115)</u>	<u>27,925</u>	<u>(13,294)</u>

A9. Material subsequent events

There were no material subsequent events from 1 April 2013 to 25 May 2013 (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 financial year ended 31 March 2013.

A10. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current quarter and financial year ended 31 March 2013 except the following:

- i) Sunnyland Corporation Limited (“SCL”), a company incorporated in Hong Kong which is a wholly-owned subsidiary company of Karambunai Corp Bhd (“KCB”) was, by a notice published on 12 April 2013, deregistered pursuant to Section 291 AA (9) of the Companies Ordinance, Hong Kong; and
- ii) Sahara Red Incorporated (“SRI”), a company incorporated in British Virgin Islands (“BVI”) which is an indirect wholly-owned subsidiary company of KCB, was struck off from the BVI Government Register on 1 May 2013.

Both SCL and SRI are dormant companies.

A11. Changes in contingent liabilities or contingent assets

Save as disclosed below, there were no material changes in contingent liabilities or contingent assets as at 31 March 2013.

Corporate guarantee given by KCB to financial institutions, contractors and suppliers for banking facilities and credit granted to subsidiaries amounted to RM67.89 million (31 March 2012: RM266.07 million).

Notes in compliance with BMSB Main Market Listing Requirements

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

For the current quarter ended 31 March 2013, the Group's revenue grew 3.7% to RM29.0 million from RM27.9 million recorded in the preceding year corresponding period. The revenue for Leisure & Tourism division grew 15% while the revenue for Property Development division dropped 16%. The loss before tax for the current quarter was at RM36.1 million, a higher loss when compared to the RM13.3 million loss before tax recorded in the preceding year corresponding period. The higher loss for the current quarter was attributed largely to one-off expenses such as gratitude sum, impairment loss on receivables and additional costs incurred in the Property Development division off-set by the reversal of impairment loss on land held for property development.

For the financial year ended 31 March 2013, the Group registered revenue of RM93.0 million. A decrease of RM56.2 million from the RM149.2 million recorded in the previous financial year ended 31 March 2012. The drop in revenue came mainly from the Property Development division which is more fully described in the review of segmental results below. The Group's loss before tax for the financial year was at RM9.9 million, a significant improvement when compared to the registered loss before tax of RM53.5 million in the previous financial year ended 31 March 2012. The better performance was attributed to the write-back of a portion of a promissory note liability following a full and final settlement of the promissory note in September 2012 (as reported in the previous quarter), lower finance costs, reversal of impairment loss on land held for property development, off-set by some one-off expenses as mentioned above.

Review of segmental performance:

(a) Property Development Segment

For the current quarter ended 31 March 2013, revenue slipped 16% to RM9.3 million from RM11.2 million recorded in the preceding year corresponding period due mainly to lower activities during the quarter under review. The loss before tax was at RM2.1 million as compared to a profit before tax of RM14.7 million registered in the preceding year corresponding period. The loss in the current quarter was attributed mainly to the additional cost incurred and lower development activities.

For the financial year ended 31 March 2013, revenue decreased 62% to RM32.6 million from RM85.7 million achieved in the previous financial year ended 31 March 2012. The loss before tax for the financial year ended 31 March 2013 was at RM12.5 million as compared to a loss before tax of RM3.3 million registered in the previous financial year ended 31 March 2012. The better performance recorded in the previous financial year was attributed mainly to a land sale of RM34.6 million.

(b) Leisure & Tourism Segment

For the current quarter ended 31 March 2013, revenue grew 15.4% to RM19.1 million from RM16.5 million recorded in the preceding year corresponding period. The improvement reflects the management's efforts in enhancing the revenue management of its hotel operation - Nexus Resort & Spa Karambunai. Leisure & Tourism division recorded a significant improvement in its operation by registering only a loss before tax of RM1.3 million when compared to preceding year corresponding period of RM24.6 million. The better performance was attributed to higher revenue, and lower depreciation charge, finance costs and impairment loss on trade receivables.

For the financial year ended 31 March 2013, revenue decreased 5.5% to RM59.8 million from RM63.3 million achieved in the previous financial year ended 31 March 2012. The drop was attributed mainly to the slight drop in hotel room rate and occupancy rate. The loss before tax for the year was at RM15.7 million, a 50% improvement when compared to the loss before tax of RM31.3 million registered in the previous financial year ended 31 March 2012. The improvement was attributed to lower depreciation charge, finance costs and impairment loss on trade receivables.

B1. Review of the Performance of the Company and Its Principal Subsidiaries (Cont'd)

(c) Investment Holdings & Others Segment

For the current quarter ended 31 March 2013, the Investment Holding segment recorded a loss before tax of RM32.6 million, an increase of RM30 million. This was attributed mainly to the one-off gratitude sum expense of RM26.7 million.

For the financial year 31 March 2013, this segment recorded a profit before tax profit of RM17.8 million as compared to a loss before tax of RM18.5 million recorded in the previous financial year. The improvement was attributed to the write-back of a portion of the promissory note liability following a full and final settlement of the promissory note in September 2012 (as reported in the previous quarter) off-set by the one-off gratitude sum of RM26.7 million.

In the opinion of the Directors, the results for the current quarter and financial year have not been affected by any transaction or event of a material and unusual nature which has arisen between 1 April 2013 and 25 May 2013 (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 loss before tax for the current quarter was RM36.1 million as compared to RM8.5 million loss before tax recorded in the immediate preceding quarter. The higher loss was contributed mainly by some one-off expenses such as gratitude sum, impairment loss on receivables and additional costs incurred in the Property Development division off-set by the reversal of impairment loss on land held for property development.

B3. Current Year Prospects

Going forward, the Group will continue to maintain its competitive position as the leading tourism player in Sabah, Malaysia, with its world-class resorts known as Nexus Resort & Spa Karambunai. The Group has planned to refurbish and modernise Nexus Resort & Spa Karambunai to strengthen its position as the destination of choice for the overseas tourists. Focus will be placed on yield management where the Group will continue to refine the market mix of its customers and to strategically price its room rates. The future performance of the Group's hotel and resort hinges on its ability to attract more visitors. The outlook for the tourism industry is expected to be positive, supported by the Government's strong commitment in making Malaysia the world's top tourists destination. The Visit Malaysia Year 2014 campaign is expected to significantly boost tourist arrivals and the Group is confident that it will stand to benefit from such campaign.

On Karambunai Peninsula, which is another flagship asset, the Group plans for an integrated resort, known as Karambunai Integrated Resort City ("KIRC"). Karambunai Peninsular lies within 3,835 acres of eco-sanctuary, nestled by South China Sea on one end, rolling hills in the center and a natural cove on the other end. It is a natural perfection of the white sandy beach, wetland, crystal blue cove, flatland, highland, rainforest and river. This project will continue to strengthen the competitive advantage of the Group as a leading tourism player in Sabah as well as contributing to tourist arrivals and receipts.

B4. Profit Forecast / Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

B5. Income Tax

The breakdown of tax charge for the current quarter and financial year ended 31 March 2013 are as follows:

	3-months ended		12-months ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current provision	857	(2,079)	1,920	181
- Under/(over)provision in prior year	7,849	(16)	7,849	(16)
	<u>8,706</u>	<u>(2,095)</u>	<u>9,769</u>	<u>165</u>
Deferred tax:				
- Relating to origination and reversal of timing differences	-	(9,235)	(663)	(11,060)
Income tax	<u>8,706</u>	<u>(11,330)</u>	<u>9,106</u>	<u>(10,895)</u>

The effective tax rate of the Group for the current quarter and current financial year ended 31 March 2013 is higher than the statutory tax rate because of profit generated from profitable subsidiaries cannot be set-off against tax losses in other subsidiaries.

B6. Status of Corporate Proposals Announced But Not Completed as at 25 May 2013 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report)

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this announcement.

On 6 December 2012, the Company ("KCB") proposes to undertake the following proposals:

- i. Proposed capital reconstruction involving the cancellation of RM0.40 of the par value of every existing ordinary share of RM0.50 each in the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Companies Act, 1965 and the credit arising therefrom to be offset against the accumulated losses of the Company ("Proposed Capital Reconstruction");
- ii. Proposed renounceable rights issue of up to 507,514,920 new ordinary shares of RM0.10 each in the Company ("KCB share(s)" or "Share(s)") ("Rights Share(s)") on the basis of one (1) Rights Share for every four (4) existing KCB shares held on an entitlement date to be determined later after the Proposed Capital Reconstruction, together with up to 1,015,029,840 free detachable warrants ("Warrants") on the basis of two (2) Warrants for every one (1) Rights Share subscribed ("Proposed Rights Issue with Warrants");
- iii. Proposed settlement of debt owing to Tan Sri Dr Chen Lip Keong ("TSCLK") via the issuance of new KCB shares ("Settlement Share(s)") ("Proposed Capitalisation to TSCLK");
- iv. Proposed settlement of debt owing to FACB Industries Incorporated Berhad ("FACBII") via the issuance of Settlement Shares ("Proposed Capitalisation to FACBII");
- v. Proposed exemption under paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 to TSCLK and the parties acting in concert with him from the obligation to undertake a mandatory take-over offer for all the remaining KCB shares not already held by them pursuant to the Proposed Rights Issue with Warrants, the Proposed Capitalisation to TSCLK and the Proposed Capitalisation to FACBII ("Proposed Exemption"); and
- vi. Proposed amendments to the Memorandum and Articles of Association of KCB.

Items (i) to (vi) above are hereinafter referred to as the Proposals.

B6. Status of Corporate Proposals Announced But Not Completed as at 25 May 2013 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report) (Cont'd)

Approvals for the Proposals have been obtained from:-

- i. Bursa Malaysia Securities Berhad (“Bursa Securities”) vide its letter dated 10 May 2013, for the following:-
 - a) Admission to the Official List, listing of and quotation for the Warrants on the Main Market of Bursa Securities; and
 - b) Listing of the Rights Shares to be issued pursuant to the Proposed Rights Issue with Warrants;
 - c) Listing of the Settlement Shares to be issued pursuant to the Proposed Capitalisation to TSCLK and the Proposed Capitalisation to FACBII; and
 - d) Listing of the new KCB Shares to be issued arising from the exercise of the Warrants
- ii. The Controller of Foreign Exchange (via Bank Negara Malaysia) vide its letter dated 18 February 2013, for the issuance of the Warrants to the entitled non-resident shareholders of KCB.

The Proposals are now subject to the following approvals / confirmation being obtained:-

- i. Shareholders of KCB;
- ii. High Court of Malaya, pursuant to Section 64(1) of the Act for the Proposed Capital Reconstruction; and
- iii. The Securities Commission, for the Proposed Exemption.

B7. Bank Borrowings

	31/03/2013 RM'000	31/03/2012 RM'000
(a) <u>Short Term Borrowings</u>		
Secured		
Term Loan I	14,899	14,899
Term Loan II	-	210,031
Promissory Note	-	154,192
Hire Purchase Creditors	691	1,562
Total	15,590	380,684
(b) <u>Long Term Borrowings</u>		
Secured		
Term Loan III	-	7,297
Hire Purchase Creditors	572	781
Total	572	8,078

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

B8. Material Litigation

There is no material litigation as at 25 May 2013 (being the latest practicable date which is not more than 7 days from the date of this Quarterly Report).

B9. Dividend

No dividend is recommended for the current quarter and financial year ended 31 March 2013.

B10. Loss for the period

	Current Quarter Ended 31/03/2013 RM'000	Preceding Period Corresponding Quarter Ended 31/03/2012 RM'000	Current Year-to- date Ended 31/03/2013 RM'000	Preceding Year-to-date Ended 31/03/2012 RM'000
Loss before taxation is arrived at after charging / (crediting):-				
Depreciation of property, plant and equipment	3,644	4,433	13,840	22,378
Interest expenses	422	7,507	17,896	23,286
(Gain) / loss on foreign exchange				
- realised	(2)	(8)	(33)	(94)
- unrealised	23	355	50	518
Impairment loss on receivables	1,714	238	1,714	1,448
Impairment loss on property, plant and equipment	-	174	-	174
Gratitude sum	26,695	-	26,695	-
Gain on disposal of:				
- non-current assets classified as held for sale	-	-	-	(13,832)
- property, plant and equipment	-	-	-	(5)
Written-off of:				
- bad debts	-	378	-	8,367
- property, plant and equipment	-	-	-	350
Interest income	(27)	(53)	(61)	(87)
Reversal of impairment loss on land held for property developmet	(23,674)	-	(23,674)	-
Write-back of promissory note liability	-	-	(56,916)	-

B11. Realised and Unrealised Losses

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

	31/03/2013 RM'000	31/03/2012 RM'000
Total accumulated losses of the Group:-		
Realised	(720,402)	(766,086)
Unrealised	(65,629)	(10,404)
	<u>(786,031)</u>	<u>(776,490)</u>

B12. Outstanding Derivatives

There were no outstanding derivatives (including instruments designated as hedging instruments) in the current quarter and financial year ended 31 March 2013.

B13. Fair Value Changes of Financial Liabilities

The Group does not have any financial liabilities measured at fair value through profit or loss as at 31 March 2013.

B14. Loss per Share

	3 months ended		12 months ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Loss after taxation attributable to the owners of the parent (RM'000)	(44,819)	(1,961)	(19,007)	(42,596)
Weighted average number of ordinary shares in issue ('000)	2,030,060	2,030,060	2,030,060	2,030,060
Basic EPS (sen)	(2.21)	(0.10)	(0.94)	(2.10)

By order of the Board

Chang Yuet Mei
Yew Nyuk Kwei
Company Secretaries

Kota Kinabalu
31 May 2013