



KARAMBUNAI CORP BHD (6461-P)

Condensed Statement of Comprehensive Income
For Financial Year Ended 31 March 2016
(The figures have not been audited.)

| | Current quarter ended <u>31/3/2016</u> RM'000 | Preceding year corresponding quarter ended <u>31/3/2015</u> RM'000 | Current year-to-date ended <u>31/3/2016</u> RM'000 | (Audited) Preceding year-to-date ended <u>31/3/2015</u> RM'000 |
|---|---|--|--|---|
| Revenue | 12,107 | 14,534 | 51,856 | 50,661 |
| Cost of sales | (7,466) | (19,482) | (35,494) | (52,177) |
| Gross profit/(loss) | 4,641 | (4,948) | 16,362 | (1,516) |
| Other income | 504 | 519 | 2,200 | 3,947 |
| Operating expenses | (10,988) | (7,260) | (42,704) | (45,788) |
| Loss from operations | (5,843) | (11,689) | (24,142) | (43,357) |
| Finance costs | - | (10) | (93) | (141) |
| Loss before tax | (5,843) | (11,699) | (24,235) | (43,498) |
| Income tax (expense) / credit | 2,711 | (1,088) | 2,098 | 2,240 |
| Loss for the year | (3,132) | (12,787) | (22,137) | (41,258) |
| Other comprehensive income | | | | |
| - Impairment loss of land and buildings | (18,487) | - | (18,487) | - |
| - Income tax relating to components of other comprehensive income | 4,437 | - | 4,437 | - |
| - Foreign currency translation differences | (17) | 1,211 | 11 | - |
| - Acquisition of non-controlling interest | - | 33 | - | - |
| Total comprehensive income for the year | (17,199) | (11,543) | (36,176) | (41,258) |
| Loss for the period attributable to :- | | | | |
| Owners of the parent | (3,132) | (12,787) | (22,137) | (41,258) |
| Non-controlling interest | - | - | - | - |
| | (3,132) | (12,787) | (22,137) | (41,258) |
| Total comprehensive income attributable to :- | | | | |
| Owners of the parent | (17,199) | (11,543) | (36,176) | (41,258) |
| Non-controlling interest | - | - | - | - |
| | (17,199) | (11,543) | (36,176) | (41,258) |
| Loss per share (sen) | | | | |
| Basic | (0.05) | (0.22) | (0.38) | (0.71) |
| 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 2015 and the accompanying explanatory notes attached to the interim financial statements.)

KARAMBUNAI CORP BHD (6461-P)
Condensed Consolidated Statement of Financial Position
As at 31 March 2016

| | (Unaudited) As at 31/3/2016 <u>RM'000</u> | (Audited) As at 31/3/2015 <u>RM'000</u> |
|--|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 948,997 | 982,885 |
| Land held for property development | 435,237 | 435,805 |
| Available-for-sale financial assets | 60 | 60 |
| Deferred tax assets | - | 9 |
| Goodwill on consolidation | 14,937 | 14,937 |
| | <u>1,399,231</u> | <u>1,433,696</u> |
| Current Assets | | |
| Property development costs | 4,816 | 10,764 |
| Inventories | 6,062 | 6,126 |
| Receivables, deposits and prepayments | 13,689 | 10,396 |
| Cash and bank balances | 18,812 | 18,732 |
| | <u>43,379</u> | <u>46,018</u> |
| TOTAL ASSETS | <u><u>1,442,610</u></u> | <u><u>1,479,714</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 577,659 | 577,659 |
| Reserves | 249,414 | 280,717 |
| | <u>827,073</u> | <u>858,376</u> |
| Non-controlling interest | - | - |
| TOTAL EQUITY | <u><u>827,073</u></u> | <u><u>858,376</u></u> |
| Non-Current Liabilities | | |
| Finance lease liabilities | 304 | 815 |
| Bank borrowings | 17,394 | 17,947 |
| Deferred tax liabilities | 227,332 | 239,725 |
| | <u>245,030</u> | <u>258,487</u> |
| Current Liabilities | | |
| Payables and accruals | 321,058 | 309,498 |
| Finance lease liabilities | 658 | 1,033 |
| Bank borrowings | 1,583 | - |
| Taxation | 47,208 | 52,320 |
| | <u>370,507</u> | <u>362,851</u> |
| TOTAL LIABILITIES | <u><u>615,537</u></u> | <u><u>621,338</u></u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>1,442,610</u></u> | <u><u>1,479,714</u></u> |
| NET ASSETS PER SHARE (SEN) | <u>14.32</u> | <u>14.86</u> |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015 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 2016
(The figures have not been audited.)

| | ← Attributable to owners of the parent → | | | | | | | ← Non-distributable → | | | | | |
|---|--|---------------|----------------|---------------|----------------|------------------|------------------|-----------------------|----------|----------------|-------|-----------------|-------|
| | Share | Share | Capital | Warrant | Asset | Foreign Currency | Accumulated | | | | Total | Non-controlling | Total |
| | Capital | Premium | Reserves | Reserves | Revaluation | Translation | Losses | | | | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | | | |
| As at 01/04/2015 | 577,659 | 77,959 | 269,918 | 69,529 | 207,629 | (2,873) | (341,445) | 858,376 | - | 858,376 | | | |
| Loss for the year | - | - | - | - | - | - | (22,137) | (22,137) | - | (22,137) | | | |
| Impairment loss of land and buildings | - | - | - | - | (18,487) | - | - | (18,487) | - | (18,487) | | | |
| Income tax relating to components of other comprehensive income | - | - | - | - | 4,437 | - | - | 4,437 | - | 4,437 | | | |
| Effect of change in tax rate | - | - | - | - | 4,873 | - | - | 4,873 | - | 4,873 | | | |
| Foreign currency translation differences | - | - | - | - | - | 11 | - | 11 | - | 11 | | | |
| As at 31/3/2016 | <u>577,659</u> | <u>77,959</u> | <u>269,918</u> | <u>69,529</u> | <u>198,452</u> | <u>(2,862)</u> | <u>(363,582)</u> | <u>827,073</u> | <u>-</u> | <u>827,073</u> | | | |
| As at 01/04/2014 | 577,659 | 77,959 | 269,918 | 69,529 | 207,629 | (2,872) | (300,154) | 899,668 | (33) | 899,635 | | | |
| Loss for the year | - | - | - | - | - | - | (41,258) | (41,258) | - | (41,258) | | | |
| Realisation upon striking off of subsidiary companies | - | - | - | - | - | (1) | - | (1) | - | (1) | | | |
| Acquisition of non-controlling interest | - | - | - | - | - | - | (33) | (33) | 33 | - | | | |
| As at 31/3/2015 | <u>577,659</u> | <u>77,959</u> | <u>269,918</u> | <u>69,529</u> | <u>207,629</u> | <u>(2,873)</u> | <u>(341,445)</u> | <u>858,376</u> | <u>-</u> | <u>858,376</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 2015 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 2016
(The figures have not been audited.)

| | Current year-to-date ended 31/3/2016 RM'000 | Corresponding year-to-date ended 31/3/2015 RM'000 |
|--|---|---|
| Loss before tax | (24,235) | (43,498) |
| Adjustment for non-cash items:- | | |
| Depreciation of property, plant and equipment | 15,629 | 17,925 |
| Loss / (Gain) on disposal of property, plant and equipment | 27 | (135) |
| Impairment loss on receivables | 613 | 8 |
| Impairment loss on available-for-sale financial assets | - | 70 |
| Interest expenses | 93 | 141 |
| Interest income | (506) | (873) |
| Reversal of impairment loss on receivables | (216) | (962) |
| Realisation upon striking off of subsidiary companies | | |
| - foreign currency translation | - | (1) |
| Unrealised loss on foreign exchange | 1,125 | 2,225 |
| Utilisation of employees' benefits, net | (62) | (142) |
| Write-off of: | | |
| - bad debts | 342 | 189 |
| - deposits | - | 7 |
| - inventories | 8 | 6 |
| - land held for property development | 825 | - |
| - property, plant and equipment | 27 | 204 |
| Operating loss before working capital changes | (6,330) | (24,836) |
| Changes in working capital :- | | |
| Net change in current assets | (3,950) | 20,181 |
| Net change in current liabilities | 4,890 | (36,551) |
| Net change in development expenditure | 5,692 | (803) |
| Cash generated from / (used in) operations | 302 | (42,009) |
| Income tax paid | (6,098) | (8,929) |
| Interest paid | (93) | (141) |
| Interest received | 506 | 873 |
| Net cash used in operating activities | (5,383) | (50,206) |
| Investing activities | | |
| Additions to land held for property development | (26) | (191) |
| Purchase of property, plant & equipment | (410) | (1,103) |
| Proceeds from disposal of property, plant and equipment | 128 | 161 |
| Net cash used in investing activities | (308) | (1,133) |
| Financing activities | | |
| Advances from a Director, net | 6,739 | 30,970 |
| Repayment of finance lease liabilities | (979) | (869) |
| Net cash generated from financing activities | 5,760 | 30,101 |
| Net change in cash & cash equivalents | 69 | (21,238) |
| Cash & cash equivalents at beginning of the period | 18,732 | 39,970 |
| Foreign currency translation differences | 11 | - |
| Cash & cash equivalents at end of the period | 18,812 | 18,732 |

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.)

Part A - Notes In Compliance with FRS 134**A1. Basis of Preparation and Accounting Policies**

The quarterly consolidated financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2015. 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 2015.

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 Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to FRS 119 Defined Benefits Plans: Employee Contributions
Annual Improvements to FRSs 2010 – 2012 Cycle
Annual Improvements to FRSs 2011 – 2013 Cycle

Adoption of above amendments to FRSs did not have any significant impact on the financial statements of the Group and the Company.

Standards issued but not yet effective

Financial reporting standards under the existing FRS Framework that have yet to be adopted in presenting this quarterly consolidated financial statements are disclosed below. These adoptions will not result in any significant changes to the Group's accounting policies, results and financial position.

| | | Effective for financial periods beginning on or after |
|---|--|--|
| FRS 14 | Regulatory Deferral Accounts | 1 January 2016 |
| Amendments to FRS 11 | Accounting for Acquisitions of Interests in Joint Operations | 1 January 2016 |
| Amendments to FRS 101 | Disclosure Initiative | 1 January 2016 |
| Amendments to FRS 116 and FRS 138 | Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| Amendments to FRS 127 | Equity Method in Separate Financial Statements | 1 January 2016 |
| Annual Improvements to FRSs 2012 – 2014 Cycle | | 1 January 2016 |

A1. Basis of Preparation and Accounting Policies (Cont'd)

Effective for financial periods
beginning on or after

| | | |
|--|---|-----------------|
| Amendments to FRS 10, FRS 12 and FRS 128 | Investment Entities: Applying the Consolidation Exception | 1 January 2016 |
| FRS 9 | Financial Instruments (IFRS 9 issued by IASB in July 2014) | 1 January 2016 |
| Amendments to FRS 10 and FRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be announced |

The adoption of the above applicable standards and amendments to published standards are not expected to have a material impact on the financial statements of the Group except for FRS 9 as explained in the Group's 2015 audited annual financial statements.

New Malaysian Financial Reporting Standards (“MFRS Framework”) issued but not yet effective

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 the Construction of Real Estate, including its parent, significant investor and venturer (herein called “Transitioning Entities”).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing Financial Reporting Standards (“FRS Framework”). The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

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 2017. As such, the Group will prepare its first financial statements using the MFRS Framework for the financial year ending 31 March 2019. 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 2015 was not qualified.

A3. Seasonal or Cyclical Factors

The Group's leisure and tourism business segment are subject to seasonal fluctuations, generally performs better with higher sales during festive seasons and holidays.

A4. Unusual Items

Save as disclosed in note B10, there were no items affecting assets, liabilities, equities, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and twelve months ended 31 March 2016.

A5. Nature and Amount of Changes in Estimates

There were no material changes in estimates of amounts reported in previous financial years which have a material effect for the current quarter and twelve months ended 31 March 2016.

A6. Issuance and Repayment of Debt and Equity Securities

There were 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 twelve months ended 31 March 2016.

A7. Dividend Paid

No dividend has been paid for the current quarter and twelve months ended 31 March 2016.

A8. Segmental Information

| | 3 months ended | | | |
|--|----------------|---------------|-----------|---------------|
| | 31/3/2016 | 31/3/2016 | 31/3/2015 | 31/3/2015 |
| | Revenue | Operating | Revenue | Operating |
| | RM'000 | (Loss)/Profit | RM'000 | (Loss)/Profit |
| | | RM'000 | | RM'000 |
| Property development and construction | 1,737 | (3,754) | 4,562 | (7,840) |
| Leisure and tourism | 10,342 | (2,676) | 9,944 | (4,009) |
| Management services, venture capital and investment holdings | 28 | 587 | 28 | 150 |
| | 12,107 | (5,843) | 14,534 | (11,699) |

| | 12 months ended | | | |
|--|-----------------|-----------------|-----------|-----------------|
| | 31/3/2016 | 31/3/2016 | 31/3/2015 | 31/3/2015 |
| | Revenue | Profit / (Loss) | Revenue | Operating |
| | RM'000 | RM'000 | RM'000 | Profit / (Loss) |
| | | RM'000 | | RM'000 |
| Property development and construction | 16,339 | (12,948) | 12,975 | (14,748) |
| Leisure and tourism | 35,421 | (7,830) | 37,569 | (20,689) |
| Management services, venture capital and investment holdings | 96 | (3,457) | 117 | (8,061) |
| | 51,856 | (24,235) | 50,661 | (43,498) |

A9. Valuation of Property, Plant and Equipment

The Group carried out independent valuation on certain parcel of land held under property, plant and equipment during the financial year ended 31 March 2016. The net fair value impairment loss arising from the valuation was recognized in the statement of comprehensive income for the financial year ended 31 March 2016.

Save as disclosed above, there were no changes to the valuation of property, plant and equipment brought forward from the last audited financial statements for the financial year ended 31 March 2015.

A10. Material Subsequent Events

There were no material subsequent events occurred between 1 April 2016 and 25 May 2016 (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 this interim financial report.

A11. Changes in the Composition of the Group

Save as disclosed below, there were no material changes in the composition of the Group for the twelve months ended 31 March 2016:

- a) Ikhlas Perdana Sdn Bhd, a wholly-owned dormant subsidiary of the Company, has been struck off from the Registry of Companies Commission of Malaysia on 28 January 2016.

A12. Changes in Contingent Liabilities or Contingent Assets

Save as disclosed below, there were no material changes in contingent liabilities or contingent assets since the financial year ended 31 March 2015:

- a) Corporate guarantee given by the Company to financial institutions for banking facilities and credit granted to subsidiaries amounted to RM18.98 million as at 31 March 2016 (31 March 2015: RM19.80 million).

Part B - Notes in compliance with BMSB Main Market Listing Requirements

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

The Group registered RM12.11 million revenue for the three months ended 31 March 2016, as compared to RM14.53 million recorded in the same period last year. The drop of RM2.42 million was attributed mainly to the lower revenue recorded in the property development and construction segment offset by higher revenue in the leisure and tourism segment. The loss before tax of the Group for the three months ended 31 March 2016 narrowed to RM5.84 million from RM11.70 million loss a year ago, attributed mainly to the continuous improvement in the leisure and tourism segment, and the lower loss in the property development and construction segment.

The Group's revenue for the twelve months ended 31 March 2016 stands at RM51.86 million, as compared to RM50.67 million revenue recorded in the preceding year corresponding period. The increase derived mainly from the property development and construction segment which recorded an increase of RM3.36 million in revenue, attributed to the higher recognition of attributable revenue from the Bandar Sierra project and the disposal of land in Bandar Sierra. The loss before taxation for the twelve months ended 31 March 2016 narrowed to RM24.24 million from RM43.50 million loss a year ago, attributed mainly to better performance in the leisure and tourism segment as a result of better management of operating cost, lower foreign currency translation loss, and the one-off gain from the disposal of land in Bandar Sierra.

B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

The Group's current quarter loss before tax was at RM5.84 million, as compared to RM7.42 million loss reported in the preceding quarter, a decrease of RM1.58 million loss attributed mainly to the better performance in the property development and construction segment of RM2.39 million offset by a higher loss of RM1.34 million in the leisure and tourism segment attributed mainly to the impairment loss on receivables of RM0.55 million.

B3. Prospects

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. Currently, the Group is refurbishing its resort and hotel in stages. The refurbishment exercise will enable the Group to enhance the quality and appeal of Nexus Resort & Spa Karambunai to a broader range of international leisure travellers. The Group will focus on yield and cost management so as to improve its financial performance and to stay competitive. The business outlook for the leisure and tourism remains challenging as the travel sentiment remains negative following the three unfortunate airline tragedies in year 2014 and the kidnapping tourist incidents in Sabah. The future performance of the Group's hotel and resort hinges on its ability to attract more visitors.

On Karambunai Peninsula, the Group plans for the development of an eco-nature integrated resort. Karambunai Peninsula 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 development 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. Taxation

The taxation charges for the current quarter and the twelve months ended 31 March 2016 are as follows:

| | 3 months ended | | 12 months ended | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31/3/2016 RM'000 | 31/3/2015 RM'000 | 31/3/2016 RM'000 | 31/3/2015 RM'000 |
| Current taxation | (337) | (7) | (1,048) | (863) |
| Deferred taxation | 3,083 | (798) | 3,074 | (798) |
| | 2,746 | (805) | 2,026 | (1,661) |
| Over/(Under)provision in prior years | (35) | (283) | 72 | 3,901 |
| | 2,711 | (1,088) | 2,098 | 2,240 |

B6. Status of Corporate Proposals Announced But Not Completed as at 25 May 2016 (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.

B7. Bank Borrowings

The details of the Group's bank borrowings are as set out below:

| | 31/3/2016 RM'000 | 31/3/2015 RM'000 |
|--------------------------|---------------------|---------------------|
| <u>Long Term</u> | | |
| Secured: | | |
| Syndicated Term Loan | 17,394 | 17,947 |
| <u>Short Term</u> | | |
| Secured: | | |
| Syndicated Term Loan | 1,583 | - |

The Syndicated Term Loan is a US Dollar loan with an outstanding sum of USD4,838,631.

B8. Material Litigation

As at 25 May 2016 (being the latest practicable date which is not more than 7 days from the date of this Quarterly Report), save as disclosed below, there are no significant developments and changes in material litigations:

- i) As disclosed in the last audited financial statements for the financial year ended 31 March 2015, a group of 122 purchasers and owners of units (“Claimants”) of a development known as Precinct Dillenia has on 10 December 2012 initiated an arbitration claim against Clear Sky Development Sdn Bhd (the “Respondent”), an indirect wholly-owned subsidiary of the Company, for an alleged outstanding lease rental of RM18,550,801 and overdue interest of RM8,571,605 pursuant to the hotel sub-lease agreements entered into between the respective Claimants and the Respondent. The arbitration hearings were held on 9 March 2015, 10 March 2015 and 25 May 2015 and the parties are still awaiting for a date for further submission. As at 31 March 2016, there are 10 units owners left in the arbitration with a total outstanding lease rental claim and overdue interest of approximately RM4,817,000.

B9. Dividend

No dividend has been proposed or declared for the current quarter and twelve months ended 31 March 2016.

B10. Loss for the year

| | 3 months ended | | 12 months ended | |
|---|----------------|-----------|-----------------|-----------|
| | 31/3/2016 | 31/3/2015 | 31/3/2016 | 31/3/2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loss before taxation is arrived at after charging / (crediting):- | | | | |
| Depreciation of property, plant and equipment | 4,150 | 4,643 | 15,629 | 17,925 |
| Loss / (Gain) on disposal of property, plant and equipment | 75 | (87) | 27 | (135) |
| Impairment loss on receivables | 564 | 8 | 613 | 8 |
| Impairment loss on available-for-sale financial assets | - | - | - | 70 |
| Interest expenses | - | 10 | 93 | 141 |
| Interest income | (264) | (182) | (506) | (873) |
| Reversal of impairment loss on receivables | (122) | (22) | (216) | (962) |
| Realisation upon striking off of subsidiaries companies: | | | | |
| - foreign currency translation | - | - | - | (1) |
| Unrealised (gain) / loss on foreign exchange | (1,929) | 1,198 | 1,125 | 2,225 |
| Utilisation of employees' benefits, net | (62) | (142) | (62) | (142) |
| Write-off of: | | | | |
| - bad debts | (12) | 122 | 342 | 189 |
| - deposits | - | - | - | 7 |
| - development expenditure | - | (1,728) | 825 | - |
| - inventories | 4 | 2 | 8 | 6 |
| - property, plant and equipment | 27 | 204 | 27 | 204 |

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:

| | 31/3/2016 RM'000 | 31/03/2015 RM'000 |
|---|---------------------|----------------------|
| Total accumulated losses of the Group:- | | |
| - Realised | (176,328) | (152,265) |
| - Unrealised | (64,487) | (64,846) |
| | <u>(240,815)</u> | <u>(217,111)</u> |
| Less : Consolidation adjustments | (122,767) | (124,334) |
| | <u>(363,582)</u> | <u>(341,445)</u> |

B12. Outstanding Derivatives

There are no outstanding derivatives (including instruments designated as hedging instruments) as at 31 March 2016.

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 2016.

B14. Loss per share

| | 3 months ended | | 12 months ended | |
|---|----------------|---------------|-----------------|---------------|
| | 31/3/2016 | 31/3/2015 | 31/3/2016 | 31/3/2015 |
| <u>Basic loss per share</u> | | | | |
| Loss after taxation attributable to owners of parent (RM'000) | (3,132) | (12,787) | (22,137) | (41,258) |
| Weighted average number of ordinary shares in issue | 5,776,587,696 | 5,776,587,696 | 5,776,587,696 | 5,776,587,696 |
| Basic loss per share (sen) | (0.05) | (0.22) | (0.38) | (0.71) |

Diluted earnings per share

The Group has no dilution in its earnings per share as there is no dilutive potential on ordinary shares.

B15. Other matters

On 28 April 2016, the Board of Directors of Karambunai Corp Bhd ("KCB") (the "Board") announced that KCB has on even date received a notice of unconditional voluntary take-over offer from RHB Investment Bank Berhad ("RHBIB") on behalf of Tan Sri Dr Chen Lip Keong (the "Offeror"), to acquire all the remaining securities as follows:-

1. all the remaining ordinary shares of RM0.10 each in KCB ("KCB Share(s)") not already held by the Offeror;
 2. all the remaining outstanding warrants 2013/2023 in KCB ("Warrant(s)") not already held by the Offeror ("Offer Warrant(s)"); and
 3. any new KCB Shares that may be issued prior to the closing date of the Offer (as defined below) arising from the exercise of the outstanding Warrants,
- (item no. 1 and no. 3 are collectively referred to as the "Offer Share(s)") at a cash consideration of RM0.05 per Offer Share and RM0.02 per Offer Warrant, respectively (the "Offer"). The Offer Shares and the Offer Warrants shall be collectively referred to as the "Offer Securities".

On 3 May 2016, the Board (save for Tan Sri Dr Chen Lip Keong and Chen Yiy Fon) announced that it does not intend to seek an alternative person to make a take-over offer for the Offer Securities. In accordance with the Malaysian Code on Take-Overs and Mergers, 2010, the Board (save for Tan Sri Dr Chen Lip Keong and Chen Yiy Fon) also announced that Inter-Pacific Securities Sdn Bhd has been appointed to act as the Independent Adviser to advise the non-interested Directors and holders of the Offer Securities, and provides its comments, opinions, information and recommendation on the Offer.

On 19 May 2016, the Board announced that KCB has received a press notice from RHBIB, on behalf of the Offeror, informing that the offer document dated 19 May 2016, which sets out the details, terms and conditions of the Offer together with the Form of Acceptance and Transfer enclosed therein, has been despatched to the shareholders and warrant holders of KCB on even date.

On 25 May 2016, the Board announced that KCB has received a press notice from RHBIB, on behalf of the Offeror, informing that the percentage of public shareholding spread of the Company as at 25 May 2016 is 23.85%. Consequently KCB is deemed not in compliance with the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements which stipulates that a listed issuer must ensure at least 25% of the total listed shares (excluding treasury shares, if any) are in the hands of public shareholders, and that the Offeror does not intend to revise the Offer Price for the Offer Securities.

By order of the Board

Yew Nyuk Kwei (MACS 01247)
Company Secretary

Kota Kinabalu
31 May 2016