



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

**Condensed Consolidated Statement of Comprehensive Income**  
**For Financial Period Ended 30 June 2019**  
(The figures have not been audited.)

	Current quarter ended <u>30/6/2019</u> RM'000	Preceding year corresponding quarter ended <u>30/6/2018</u> RM'000	Current year-to-date ended <u>30/6/2019</u> RM'000	Preceding year-to-date ended <u>30/6/2018</u> RM'000
Revenue	13,985	13,648	13,985	13,648
Cost of sales	(5,728)	(6,174)	(5,728)	(6,174)
Gross profit	8,257	7,474	8,257	7,474
Other income	561	7,579	561	7,579
Operating expenses	(11,633)	(14,361)	(11,633)	(14,361)
(Loss)/profit from operations	(2,815)	692	(2,815)	692
Finance costs	(53)	(3)	(53)	(3)
(Loss)/profit before taxation	(2,868)	689	(2,868)	689
Taxation	(36)	288	(36)	288
(Loss)/profit after taxation	(2,904)	977	(2,904)	977
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
- Foreign currency translation differences	(255)	-	(255)	-
Total other comprehensive income for the period	(255)	-	(255)	-
Total comprehensive income for the period	(3,159)	977	(3,159)	977
(Loss)/profit after taxation attributable to :-				
Owners of the Company	(2,904)	977	(2,904)	977
Non-controlling interest	-	-	-	-
	(2,904)	977	(2,904)	977
Total comprehensive income attributable to :-				
Owners of the Company	(3,159)	977	(3,159)	977
Non-controlling interest	-	-	-	-
	(3,159)	977	(3,159)	977
(Loss)/earnings per share (sen)				
Basic	(0.05)	0.02	(0.05)	0.02
Diluted	(0.05)	0.02	(0.05)	0.02

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.)

**KARAMBUNAI CORP BHD (6461-P)**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2019**

	(Unaudited) As at 30/6/2019 RM'000	(Audited) As at 31/3/2019 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	854,724	858,117
Land held for property development	439,753	439,753
Financial asset at fair value through other comprehensive income	60	60
Goodwill on consolidation	14,937	14,937
	1,309,474	1,312,867
<b>Current Assets</b>		
Inventories	3,516	3,479
Trade receivables	1,111	1,851
Other receivables	5,027	4,854
Fixed deposits with licensed banks	6,377	6,154
Cash and bank balances	18,174	19,081
Short term investment funds	7,910	7,842
	42,115	43,261
<b>TOTAL ASSETS</b>	1,351,589	1,356,128
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	655,618	655,618
Reserves	204,883	208,042
<b>TOTAL EQUITY</b>	860,501	863,660
<b>Non-Current Liabilities</b>		
Lease liabilities	2,341	2,341
Contract liabilities	1,167	1,167
Amount owing to a shareholder	241,039	241,039
Deferred tax liabilities	208,250	208,250
	452,797	452,797
<b>Current Liabilities</b>		
Trade payables	25,350	24,827
Other payables	11,422	13,127
Lease liabilities	450	607
Contract liabilities	21	28
Taxation	1,048	1,082
	38,291	39,671
<b>TOTAL LIABILITIES</b>	491,088	492,468
<b>TOTAL EQUITY AND LIABILITIES</b>	1,351,589	1,356,128
<b>NET ASSETS PER SHARE (SEN)</b>	14.90	14.95

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.)

**KARAMBUNAI CORP BHD (6461-P)**  
**Condensed Consolidated Statement of Changes in Equity**  
**For Financial Period Ended 30 June 2019**  
(The figures have not been audited.)

	← Attributable to owners of the parent →							
	← Non-distributable →							
	Share Capital	Share Premium	Capital Reserves	Warrant Reserves	Asset Revaluation Reserves	Foreign Currency Translation Reserves	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 01/4/2019	655,618	-	269,918	69,529	164,181	(4,062)	(291,524)	863,660
Loss for the period	-	-	-	-	-	-	(2,904)	(2,904)
Other comprehensive income:								
Foreign currency translation differences	-	-	-	-	-	(255)	-	(255)
As at 30/6/2019	<u>655,618</u>	<u>-</u>	<u>269,918</u>	<u>69,529</u>	<u>164,181</u>	<u>(4,317)</u>	<u>(294,428)</u>	<u>860,501</u>
As at 01/4/2018	655,618	-	269,918	69,529	182,203	(2,851)	(301,004)	873,413
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	-	977	977
As at 30/6/2018	<u>655,618</u>	<u>-</u>	<u>269,918</u>	<u>69,529</u>	<u>182,203</u>	<u>(2,851)</u>	<u>(300,027)</u>	<u>874,390</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 2019 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 Ended 30 June 2019**

(The figures have not been audited.)

	Current year-to-date ended 30/6/2019 RM'000	Corresponding year-to-date ended 30/6/2018 RM'000
(Loss)/profit before tax	(2,868)	689
Adjustment for non-cash items:-		
Bad debts recovered	(2)	-
Depreciation and amortisation	3,542	3,614
Finance costs	53	3
Gain on disposal of property, plant and equipment	-	(1)
Impairment loss on receivables	13	-
Interest income	(171)	(247)
Reversal of impairment loss on receivables	(19)	(21)
Unrealised gain/(loss) on foreign exchange	(255)	226
Write-off of inventories	-	2
Operating profit before working capital changes	<u>293</u>	<u>4,265</u>
Changes in working capital :-		
Inventories	(37)	14
Receivables	575	(4,805)
Payables	(934)	(1,034)
Cash used in operations	<u>(103)</u>	<u>(1,560)</u>
Income tax paid	(70)	(1,644)
Interest paid	(53)	(3)
Interest received	171	247
<b>Net cash used in operating activities</b>	<u>(55)</u>	<u>(2,960)</u>
Investing activities		
Withdrawal/(additions) of pledged fixed deposits	279	(30)
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant & equipment	(148)	(97)
<b>Net cash generated from/(used in) investing activities</b>	<u>131</u>	<u>(126)</u>
Financing activities		
Advances from a shareholder	-	3,000
Payment of finance lease liabilities	(55)	(61)
Payment of lease liabilities	(102)	-
<b>Net cash (used in)/generated from financing activities</b>	<u>(157)</u>	<u>2,939</u>
Net change in cash and cash equivalents	(81)	(147)
Cash and cash equivalents at beginning of the period	28,796	33,658
Foreign currency translation differences	(255)	-
Cash and cash equivalents at end of the period	<u>28,460</u>	<u>33,511</u>
Cash and cash equivalents at end of the period consist of:		
Fixed deposits with licensed banks	6,377	12,252
Cash and bank balances	18,174	19,535
Short term investment funds	7,910	6,016
	<u>32,461</u>	<u>37,803</u>
Less : fixed deposits pledged	(4,001)	(4,292)
	<u>28,460</u>	<u>33,511</u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.)

**KARAMBUNAI CORP BHD (6461-P)**  
**Unaudited Quarterly Report on the Consolidated Results for the First Quarter Ended 30 June 2019**

**Part A - Notes In Compliance with MFRS 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 2019. 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 2019.

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 MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**a) Adoption of new and amended standards**

The Group and the Company have adopted the following amendments to MFRSs and IC Interpretations ("IC") issued by the Malaysian Accounting Standards Board that are mandatory for annual financial periods beginning on or after 1 January 2019.

**Description**

Amendments to MFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to MFRS 119	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to MFRS 128	<i>Long-term Interests in Associates and Joint Ventures</i>
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>
Amendments to MFRSs	<i>Annual Improvements to MFRSs 2015 – 2017 Cycle</i>

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group and the Company.

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

### b) Standards and Amendments in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments, which were in issue but not yet effective and not early adopted by the Group are as listed below.

Description		Effective for annual periods beginning on or after
Amendments to MFRS 3	<i>Definition of a Business</i>	1 January 2020
MFRS 17	<i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 101 and MFRS 108	<i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020

The Directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

## A2. Audit Report of Previous Financial Statements

The audit report of previous financial statements for the year ended 31 March 2019 was not subject to any qualification.

## 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

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 ended 30 June 2019.

## 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 ended 30 June 2019.

## 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 ended 30 June 2019.

**A7. Dividend Paid**

No dividend has been paid for the current quarter ended 30 June 2019.

**A8. Segmental Information**

	3 months ended			
	30/6/2019	30/6/2019	30/6/2018	30/6/2018
	Revenue	Operating Profit / (Loss)	Revenue	Operating Profit / (Loss)
	RM'000	RM'000	RM'000	RM'000
Leisure and tourism	13,849	(124)	13,506	(2,316)
Property development and construction	135	(2,537)	141	3,640
Management services	1	(207)	1	(635)
	13,985	(2,868)	13,648	689

**A9. Valuation of Property, Plant and Equipment**

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 2019.

**A10. Material Subsequent Events**

There were no material subsequent events occurred between 1 July 2019 and 20 August 2019 (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**

There were no changes in the composition of the Group for the current quarter ended 30 June 2019.

**A12. Changes in Contingent Liabilities or Contingent Assets**

There were no material changes in contingent liabilities or contingent assets of the Group and the Company since the financial year ended 31 March 2019.

## Part B - Notes in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad

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

The Group recorded RM13.99 million in revenue for the three months ended 30 June 2019, representing marginal increase of 2.5% from RM13.65 million recorded a year ago, mainly attributed to the increase in the Leisure and Tourism segment revenue.

On profitability, the Group recorded a loss before taxation of RM2.87 million for the three months ended 30 June 2019 as compared to a profit before taxation of RM0.69 million a year earlier, excluding some one-off income registered in last year corresponding period, the Group has performed better with lower loss before taxation.

Leisure and Tourism segment reported an improved performance with lower loss before taxation of RM0.12 million, as compared to RM2.32 million a year ago, on lower revenue and a non-recurring expenditure on room refurbishment of RM4.1 million in last year corresponding period.

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

	Current quarter ended <u>30/6/2019</u> RM'000	Immediate preceding quarter ended <u>31/3/2019</u> RM'000	Changes  RM'000
Revenue	13,985	19,684	(5,699)
Cost of sales	(5,728)	(7,475)	1,747
Gross profit	8,257	12,209	(3,952)
Other income	561	10,596	(10,035)
Operating expenses	(11,633)	(11,507)	(126)
(Loss)/profit from operations	(2,815)	11,298	(14,113)
Finance costs	(53)	(39)	(14)
(Loss)/profit before tax	(2,868)	11,259	(14,127)

The revenue for the current quarter dropped by 29.0%, on lower revenue recorded by the Leisure and Tourism segment. The drop is primarily driven by the decrease in revenue of Nexus Resort & Spa Karambunai on lower room occupancy and average room rate, which is in line with market condition in Kota Kinabalu.

Other income dropped by RM10.0 million, mainly due to an one-off reversal of liability no longer required amounted to RM9.2 million which was classified as other income in the immediate preceding quarter, which has also contributed to the variance of the (loss)/profit before tax.

### B3. Prospects

The Group strives 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 travelers and business meetings. The future performance of the Group's leisure and tourism business hinges on its ability to attract more visitors.



**B4. Profit Forecast / Profit Guarantee**

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

**B5. Taxation**

The taxation charges for current quarter ended 30 June 2019 are as follows:

	3 months ended	
	30/6/2019	30/6/2018
	RM'000	RM'000
Current taxation	(13)	(16)
(Under)/overprovision in prior years	(23)	304
	<u>(36)</u>	<u>288</u>

The effective tax rate of the Group for the three months ended 30 June 2019 was higher than the statutory tax rate mainly due to the taxable profits in certain subsidiaries cannot be set-off against the tax losses incurred by the Company and other subsidiaries.

**B6. Status of Corporate Proposals Announced But Not Completed as at 20 August 2019 (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**

There were no bank borrowings as at 30 June 2019.

**B8. Material Litigation**

There were no unresolved material litigations as at 20 August 2019 (being the latest practicable date which is not more than 7 days from the date of this Quarterly Report).

**B9. Dividend**

No dividend has been proposed or declared for the current quarter ended 30 June 2019.

**B10. (Loss)/Profit Before Taxation**

	3 months ended	
	30/6/2019	30/6/2018
	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after charging / (crediting):-		
Bad debts recovered	(2)	-
Depreciation and amortisation	3,542	3,614
Finance costs	53	3
Gain on disposal of property, plant and equipment	-	(1)
(Gain)/loss on foreign exchange		
- realised	(16)	(18)
- unrealised	(255)	226
Impairment loss on receivables	13	-
Interest income	(171)	(247)
Reversal of impairment loss on receivables	(19)	(21)
Write-off of inventories	-	2

**B11. Outstanding Derivatives**

There are no outstanding derivatives (including instruments designated as hedging instruments) as at 30 June 2019.

**B12. Fair Value Changes of Financial Liabilities**

The Group does not have any material financial liabilities measured at fair value through profit or loss as at 30 June 2019.

**B13. (Loss)/Earnings per Share**

	3 months ended	
	30/6/2019	30/6/2018
<u>Basic (loss)/earnings per share</u> (Loss)/profit after taxation attributable to owners of parent (RM'000)	(2,904)	977
Weighted average number of ordinary shares in issue	5,776,587,696	5,776,587,696
Basic (loss)/earnings per share (sen)	(0.05)	0.02

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there is no dilutive potential on ordinary shares.

By order of the Board

Yew Nyuk Kwei (MACS 01247)  
Company Secretary

Kota Kinabalu  
26 August 2019