**CONDENSED INTERIM FINANCIAL REPORT FOR THE 1st FINANCIAL QUARTER ENDED 30 JUNE 2016**

# NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL REPORT

1. **Basis of Preparation**

The condensed interim financial report is unaudited and has been prepared in accordance with all applicable Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Paragraph 9.22 and Appendix 9B of Chapter 9 Part K of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The condensed interim financial report is to be read in conjunction with the audited financial report of the Group for the financial year ended 31 March 2016.

1. **Auditors’ Report on Preceding Annual Financial Statements**

The most recent annual audited financial statements for the financial year ended 31 March 2016 was not subject to any audit qualification.

1. **Seasonal and Cyclical Factors**

All business segments of the Group are generally exposed to the effects of the economic and seasonal cycles.

1. **Items or Incidence of an Unusual Nature**

The Directors are not aware of any items or incidence of an unusual nature not otherwise dealt with in this report which may or has substantially affected the value of assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review and the financial period to date.

1. **Effects of Changes in Estimates**

There were no material changes in estimates of amounts reported in the current financial quarter or changes in estimates of amounts reported in prior financial years that may have a material effect in the current financial quarter under review and the financial period to date.

1. **Changes in Debt and Equity Securities**

There were no issuance, repurchase and repayments of debt and equity securities for the current financial quarter under review and the financial period to date.

1. **Dividends**

There were no dividends paid for the current financial quarter under review and the financial period to date.

# NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL REPORT (Cont’d)

1. **Segmental Reporting**

The Group is generally organised into two distinct business segments:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| * Tourism services - | Hospitality services, inbound and outbound tours and ticketing services and related retail businesses | | | | |
| * Others - | Comprises of investment holding, trading, processing and trading of timber products and other services, neither of which is of a sufficient size to be reported separately. | | | | |
| * Primary reporting format –business segments | | | | | | |
| Financial period ended 30.6.16 | | |  | Tourism Services | Others | Group |
|  | | |  | RM’000 | RM’000 | RM’000 |
| Revenue | | |  |  |  |  |
| Total revenue | | |  | 14,514 | 127 | 14,641 |
| Intersegment revenues | | |  | (105) | - | (105) |
| Total external revenue | | |  | 14,409 | 127 | 14,536 |
| Results | | |  |  |  |  |
| Segment results (external) | | |  | (662) | (212) | (874) |
| Share of profit from associate | | |  |  |  | - |
| Loss from ordinary activities before taxation | | |  |  |  | (874) |
| Taxation | | |  |  |  | - |
| Loss from ordinary activities after taxation | | |  |  |  | (874) |
| Non-controlling interest | | |  |  |  | 1 |
| Loss attributable to Owners of the Company | | |  |  |  | (875) |
|  | | |  |  |  |  |
| Other information | | |  |  |  |  |
| Segment assets | | |  | 45,124 | 53,397 | 98,521 |
| Segment liabilities | | |  | 14,312 | 2,030 | 16,342 |
| Capital expenditure | | |  | 32 | - | 32 |
| Depreciation and amortization | | |  | 778 | 156 | 934 |

No geographical analysis has been prepared as the Group operates wholly in Malaysia.

1. **Material Events after the Reporting Period**

On 13 July 2016, the Company completed the Private Placement of 52,240,000 new ordinary shares of RM0.10 each at a placement price of RM0.115 each. The placement shares raised a total capital of RM6,007,600 for the Company and shall be allocated and utilised in accordance with the approved utilisation plan. Following the conclusion of this the Company also announced that that it has completed all its corporate proposals.

There were no other material subsequent events as at 19 August 2016 (being the latest practicable date which is no earlier than 7 days from the date of issue of this quarterly report) that may affect the financial results of the Group for the current financial quarter under review and the financial period to date.

# NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL REPORT (Cont’d)

1. **Changes in Composition of the Group**

There were no changes in the composition of the Group during the current financial quarter under review and the financial period to date.

1. **Contingent Assets or Liabilities**

There were no contingent assets or liabilities as at 19 August 2016 (being the latest practicable date which is no earlier than 7 days from the date of issue of this quarterly report) that will or may affect the financial results of the Group for the current financial quarter under review and the financial period to date.

1. **Additional Information Pursuant to Appendix 9B of the MMLR of Bursa Securities** 
   1. **Group Performance Review**

The Group recorded revenue of RM14.54 million for the current financial quarter and financial period to date as compared to RM11.35 million recorded in the preceding period corresponding financial quarter and period to date. The higher volume of tourist arrivals for the Group mainly contributed towards the higher revenue recorded during the reporting quarter. The increased revenue helped reduce the Group’s losses for the reporting quarter. The Group’s loss before tax for the current financial quarter and financial period to date stood at RM0.87 million as compared to the loss before tax of RM1.63 million registered in the preceding period corresponding financial quarter and period to date.

* 1. **Comparison with Immediate Preceding Quarter Results**

The Group’s pre-tax loss of RM0.87 million for the 1st quarter of the current financial period was significantly lower as compared to the pre-tax loss of RM5.60 million registered in the immediate preceding quarter. The higher revenue derived helped reduce the pre-tax loss for the current financial quarter, whereas the impairment losses on Property, Plant and Equipment mainly contributed to the higher pre-tax loss for the immediate preceding financial quarter.

* 1. **Prospects for the Current Financial Year**

The Board of Directors is aware of the current challenges in the global economic and financial landscape and the possible setbacks that may arise due to its uncertainties. The Board is of the opinion that the Group will be able to weather the storm by remaining resilient and continue to work towards improving its operational efficiency and financial performances. The Group will also continue working towards diversifying its business and venturing into property development and investment.

# NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL REPORT (Cont’d)

* 1. **Profit Forecast**

The Company did not issue any profit forecast or guarantee during the current financial quarter under review and the financial period to date.

* 1. **Corporate Proposals**

There were no corporate proposals announced but not completed as at 19 August 2016 (being the latest practicable date which is no earlier than 7 days from the date of issue of this quarterly report) that may affect the financial results for the current financial quarter under review and the financial period to date.

* 1. **Taxation**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Quarter**  **ended**  **30/06/16** |  | Quarter  ended  30/06/15 |  | **Period**  **ended**  **30/06/16** |  | Period  ended  30/06/15 |
|  | **RM’000** |  | RM’000 |  | **RM’000** |  | RM’000 |
| In respect of current period: |  |  |  |  |  |  |  |
| Income tax | **-** |  | - |  | **-** |  | - |
| Deferred tax | **-** |  | - |  | **-** |  | - |
|  | **-** |  | - |  | **-** |  | - |
| Overprovision in respect of  previous period: |  |  |  |  |  |  |  |
| Income tax | **-** |  | - |  | **-** |  | - |
| Deferred tax | **-** |  | - |  | **-** |  | - |
|  | **-** |  | - |  | **-** |  | - |

* 1. **Material Litigations**

There are no pending material litigations involving the Group as at 19 August 2016 (being the latest practicable date which is no earlier than 7 days from the date of issue of this quarterly report) that may affect the financial results for the current financial quarter under review and the financial period to date.

**12.8 Group Borrowings**

The details of the secured borrowings of the Group are as follows:-

|  |  |  |  |
| --- | --- | --- | --- |
|  | **As at 30/06/15** |  | As at 30.06.15 |
|  | **RM’000** |  | RM’000 |
| Non-current: |  |  |  |
| Term Loan | **4,005** |  | 4,200 |
|  | **4,005** |  | 4,200 |
|  |  |  |  |
|  |  |  |  |
| Current: |  |  |  |
| Hire Purchase | **-** |  | 193 |
| Term Loan | **201** |  | 201 |
|  |  |  |  |
|  | **201** |  | 394 |

There were no unsecured borrowings outstanding as at the end of the current financial quarter under review and the financial period to date.

# NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL REPORT (Cont’d)

* 1. **Proposed Dividends**

No dividend has been declared or proposed since the end of the previous financial year.

* 1. **Loss Per Share**

The basic loss per share of the Group is calculated by dividing the loss for the period attributable to owners of the Company with the number of shares in issue during the reporting period.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | INDIVIDUAL PERIOD | | **CUMULATIVE PERIOD** | |
|  | **Quarter Ended**  **30/06/16** | Quarter Ended  30/06/15 | **Period**  **Ended**  **30/06/16** | Period Ended 30/06/15 |
| Loss after taxation attributable to  owners of the Company (RM’000) | **(875)** | (1,629) | **(875)** | (1,629) |
|  |  |  |  |  |
| Number of Shares in issue (’000) | **174,134** | 174,134 | **174,134** | 174,134 |
|  |  |  |  |  |
| Basic Loss per share (sen) | **(0.50)** | (0.94) | **(0.50)** | (0.94) |

**12.11 Loss Before Tax**

Loss before tax is arrived at after (crediting)/charging:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | INDIVIDUAL QUARTER | | **CUMULATIVE PERIOD** | |
|  | **Current Quarter Ended**  **30/06/16**  **(Unaudited)** | Comparetive Quarter Ended  30/06/15  (Audited) | **Current**  **Year**  **Ended**  **30/06/16**  **(Unaudited)** | Comparetive Year  Ended  30/06/15  (Audited) |
|  | **RM’000** | RM’000 | **RM’000** | RM’000 |
| Interest income | **(100)** | (115) | **(100)** | (115) |
| Other income including investment income | **-** | - | **-** | - |
| Net (gain)/loss on foreign exchange | **(28)** | (28) | **(28)** | (28) |
| Interest expense | **95** | 103 | **95** | 103 |
| Depreciation | **875** | 889 | **875** | 889 |
| Amortisation of prepaid lease payments | **59** | 59 | **59** | 59 |
| Impairment losses on receivables | **-** | - | - | - |
| Impairment or write off of inventories | **-** | - | - | - |
| (Gain)/loss on disposal of quoted or unquoted investments or properties | **-** | - | - | - |
| Impairment losses on investment properties | **-** | - | - | - |
| Impairment losses on property, plant and equipment | **-** | - | - | - |
| (Gain)/loss on derivatives | **-** | - | - | - |
| Exceptional items | **-** | - | - | - |

# NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL REPORT (Cont’d)

**12.12 Disclosure of Realised and Unrealised Profits/(Losses)**

|  |  |  |
| --- | --- | --- |
|  | **As at**  **30/06/16**  **RM’000** | As at  30/06/15  RM’000 |
| Total retained profits/(accumulated losses) of the Group:   * Realised * Unrealised | **(22,503)**  **(3,605)** | (159,419)  (2,889) |
|  | **(26,108)** | (162,308) |
| Consolidation adjustments | **52,520** | 41,722 |
| Total retained profits/(accumulated losses) | **26,412** | (120,586) |

By Order of the Board

### SANBUMI HOLDINGS BERHAD

Molly Gunn Chit Geok

Company Secretary Date: 26 August 2016