

SANBUMI HOLDINGS BERHAD
(8386-P)

CONDENSED INTERIM FINANCIAL REPORT

FOR THE

**4th FINANCIAL QUARTER
&
FINANCIAL YEAR ENDED**

31 MARCH 2018

STRICTLY PRIVATE & CONFIDENTIAL
[FOR MANAGEMENT PURPOSES ONLY]

SANBUMI HOLDINGS BERHAD (8386-P)

Condensed Interim Financial Report for the 4th financial quarter and financial year ended 31 March 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 31/03/18 (Unaudited) RM'000	Comparative Quarter Ended 31/03/17 (Audited) RM'000	Current Year Ended 31/03/18 (Unaudited) RM'000	Comparative Year Ended 31/03/17 (Audited) RM'000
Revenue	10,152	10,759	48,144	45,142
Cost of Sales	(9,049)	(9,820)	(39,898)	(36,753)
Gross Profit	1,103	939	8,246	8,389
Other Income	900	1,688	1,386	2,260
Operating Expenses	(5,120)	(5,464)	(13,611)	(15,833)
Finance Costs	(83)	(83)	(336)	(360)
Loss Before Tax	(3,200)	(2,920)	(4,315)	(5,544)
Tax Expense	(269)	(319)	(273)	(324)
Loss After Tax	(3,469)	(3,239)	(4,588)	(5,868)
Other Comprehensive Income	1,663	1,476	1,663	1,476
Total Comprehensive Expenses	(1,806)	(1,763)	(2,925)	(4,392)
Loss After Tax attributable to:				
Owners of the Company	(3,469)	(3,238)	(4,591)	(5,870)
Non-controlling Interest	-	(1)	3	2
	(3,469)	(3,239)	(4,588)	(5,868)
Total Comprehensive Expenses attributable to:				
Owners of the Company	(1,806)	(1,762)	(2,928)	(4,394)
Non-controlling Interest	-	(1)	3	2
	(1,806)	(1,763)	(2,925)	(4,392)
Loss Per Share attributable to owners of the Company (sen):				
i) Basic	(1.53)	(1.43)	(2.03)	(2.59)
ii) Diluted	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for financial year ended 31 March 2017.

SANBUMI HOLDINGS BERHAD (8386-P)**Condensed Interim Financial Report for the 4th financial quarter and financial year ended 31 March 2018****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AS AT 31/03/18 (Unaudited)	AS AT 31/03/17 (Audited)
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	48,500	71,111
Investment Properties	6,720	6,120
Prepaid lease Payments	507	740
	<u>55,727</u>	<u>77,971</u>
Current Assets		
Inventories	2,149	1,918
Development Cost	26,357	-
Trade & Other Receivables	6,540	11,119
Deposits, cash and bank balances	8,243	9,576
	<u>43,289</u>	<u>22,613</u>
TOTAL ASSETS	<u>99,016</u>	<u>100,584</u>
EQUITY AND LIABILITIES		
Share Capital	22,637	22,637
Retained Profits	16,826	21,417
Revaluation and Other Reserves	42,473	40,525
Equity Attributable to Equity Holders of the Company	<u>81,936</u>	<u>84,579</u>
Non-controlling Interests	(114)	89
Total Equity	<u>81,822</u>	<u>84,668</u>
Non-current Liabilities		
Borrowings	3,574	3,818
Deferred taxation	3,880	3,747
	<u>7,454</u>	<u>7,565</u>
Current Liabilities		
Trade & Other Payables	9,227	7,990
Provision for tax	273	134
Borrowings	240	227
	<u>9,740</u>	<u>8,351</u>
Total Liabilities	<u>17,194</u>	<u>15,916</u>
TOTAL EQUITY AND LIABILITIES	<u>99,016</u>	<u>100,584</u>
Net Asset Per Share (RM)	<u>0.36</u>	<u>0.37</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2017.

SANBUMI HOLDINGS BERHAD (8386-P)

Condensed Interim Financial Report for the 4th financial quarter and financial year ended 31 March 2018

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital		Non-distributable		Distributable		Total	Non-controlling Interests	Total Equity
	Ordinary shares	Treasury Shares	Treasury Shares	Revaluation and other reserves	Retained profits				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cumulative Current Period (Unaudited)									
At 1.4.2017	22,637	-	-	40,525	21,417	84,579	89	84,668	
Recognised income and expense for the year:									
Loss after taxation	-	-	-	-	(4,591)	(4,591)	3	(4,588)	
Other comprehensive income for the year:									
Revaluation of properties net of tax	-	-	-	1,948	-	1,948	-	1,948	
Adjustment arising from changes in non-controlling interest in a subsidiary	-	-	-	-	-	-	(206)	(206)	
At 31.03.2018	22,637	-	-	42,473	16,826	81,936	(114)	81,822	
	Share capital	Treasury Shares	Non-distributable	Revaluation and other reserves	Distributable	Total	Non-controlling Interests	Total Equity	
	Ordinary shares	Shares	Treasury Shares	Revaluation and other reserves	Retained profits				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Cumulative Preceding Period (Audited)									
At 1.4.2016	17,413	-	-	38,266	27,287	82,966	87	83,053	
Recognised income and expense for the year:									
Loss after taxation	-	-	-	-	(5,870)	(5,870)	2	(5,868)	
Other comprehensive income for the year:									
Revaluation of properties net of tax	-	-	-	1,476	-	1,476	-	1,476	
Issue of new ordinary shares	5,224	-	-	-	-	5,224	-	5,224	
Premium from issue of new ordinary shares	-	-	-	783	-	783	-	783	
At 31.3.2017	22,637	0	0	40,525	21,417	84,579	89	84,668	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2017.

SANBUMI HOLDINGS BERHAD (8386-P)**Condensed Interim Financial Report for the 4th financial quarter and financial year ended 31 March 2018****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Cumulative Period	
	Year Ended 31/03/18 <u>Unaudited</u> RM'000	Year Ended 31/03/17 <u>Audited</u> RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES:		
Loss before taxation	(4,315)	(5,544)
Adjustments for:		
Non-cash items	2,045	3,885
Non-operating items	112	(41)
Operating loss before changes in working capital	<u>(2,158)</u>	<u>(1,700)</u>
(Increase)/Decrease in current assets	4,348	(2,804)
Increase/(Decrease) in current liabilities	1,237	44
Cash flows from operations	<u>3,427</u>	<u>(4,460)</u>
Net Income tax refunded/(paid)	(134)	(286)
Interest received	224	401
Net cash flows from operating activities	<u>3,517</u>	<u>(4,345)</u>
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES:		
Property, plant and equipment	(29)	(4,050)
Development cost	(4,104)	-
Investments in subsidiaries	(150)	-
Net cash flows for investing activities	<u>(4,283)</u>	<u>(4,050)</u>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES:		
Interest paid	(336)	(360)
Proceeds from issue of new shares	-	6,007
Net borrowings	(231)	(228)
Net cash flows for financing activities	<u>(567)</u>	<u>5,419</u>
Net increase/(decrease) in cash & cash equivalent	(1,333)	(2,976)
Cash & cash equivalent at beginning of the financial period	9,576	12,552
Cash & cash equivalent at end of the financial period	<u>8,243</u>	<u>9,576</u>
Cash & cash equivalent consists of:	RM'000	RM'000
Deposits, cash and bank balances	8,243	9,576
Bank overdrafts	-	-
	<u>8,243</u>	<u>9,576</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2017.

CONDENSED INTERIM FINANCIAL REPORT FOR THE 4th FINANCIAL QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2018

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 the Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) 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 2017.

The accounting policies, methods of computation and the basis of consolidation used in the preparation of this interim financial report are consistent with those applied in the most recent audited annual financial statements for the year ended 31 March 2017. During the financial year, the following new accounting standards and/or interpretations issued by the MASB were adopted:

MFRS 107	Disclosure Initiative
MFRS 112	Recognition of Deferred Tax Asset for Unrealised Losses
Amendments to MFRS 12	Clarification of the Scope of Standard
MFRS 9	Financial Instruments

The adoption of the above MFRSs did not have any material impact on the interim financial report of the Group.

2. Auditors’ Report on Preceding Annual Financial Statements

The most recent annual audited financial statements for the financial year ended 31 March 2017 was not subject to any audit qualification.

3. Seasonal and Cyclical Factors

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

4. 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 year to date.

5. 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 year to date.

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

6. Changes in Debt and Equity Securities

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

7. Dividends

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

8. 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

<i>Financial period ended 31.3.18</i>	Tourism Services RM'000	Others RM'000	Group RM'000
Revenue			
Total revenue	47,720	494	48,214
Intersegment revenues	(70)	-	(70)
Total external revenue	47,650	494	48,144
Results			
Segment results	(2,894)	(1,085)	(3,979)
Finance costs	(336)	-	(336)
Share of profit from associate	-	-	-
Profit/(Loss) before tax	(3,230)	(1,085)	(4,315)
Income Tax	(256)	(17)	(273)
Profit/(Loss) after tax	(3,486)	(1,102)	(4,588)
Non-controlling interest	-	3	3
Loss attributable to Owners of the Company	(3,486)	(1,105)	(4,591)
Other information			
Segment assets	39,824	59,192	99,016
Segment liabilities	15,190	2,004	17,194
Capital expenditure	24	5	29
Depreciation and amortization	2,234	120	2,354

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

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

9. Changes in Composition of the Group

On 30 June 2017, the Company entered into an agreement to acquire the remaining 360,000 ordinary shares representing approximately 21.52% of total issued and paid-up share capital of EMC Cranes (KL) Sdn Bhd (EMCKL) from Tat Hong HeavyEquipment (Pte) Ltd for a total cash consideration of RM150,000.00. Following this acquisition, EMCKL has become a wholly-owned subsidiary of the Company.

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

10. Material Events after the Reporting Period

There were no material subsequent events as at 18 May 2018 (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 year to date.

11. Contingent Assets or Liabilities

There were no contingent assets or liabilities as at 18 May 2018 (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 year to date.

12. Additional Information Pursuant to Appendix 9B of the MMLR of Bursa Securities

12.1 Group Performance Review

	INDIVIDUAL QUARTER ENDED			CUMULATIVE YEAR ENDED		
	Current	Comparative	Changes	Current	Comparative	Changes
	31/3/18	31/3/17	Inc/(Dec)	31/3/18	31/3/17	Inc/(Dec)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	10,152	10,759	(5.64)	48,144	45,142	6.65
Operating Profit	1,103	939	17.47	8,246	8,389	(1.70)
Loss Before Interest and Tax	(3,117)	(2,837)	9.87	(3,979)	(5,184)	(23.24)
Loss Before Tax	(3,200)	(2,920)	9.59	(4,315)	(5,544)	(22.17)
Loss After Tax	(3,469)	(3,239)	7.10	(4,588)	(5,868)	(21.81)
Loss Attributable to Owners of the Company	(3,469)	(3,238)	7.13	(4,591)	(5,870)	(21.79)

- The Group's revenue for the current financial quarter declined marginally by 5.64% as compared to the preceding year corresponding financial quarter. The drop in volume of tourist arrivals registered by the Group during the current financial quarter mainly attributed to the decline in revenue. (Current quarter: 47,907 pax; Comparative quarter: 54,025 pax)

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

- The Group's revenue for the cumulative current financial year improved by 6.65% as compared to the preceding corresponding cumulative financial year. The higher cumulative volume of tourist arrivals registered by the Group during the current financial year mainly attributed to the increased revenue. (Current year: 254,982 pax; Comparative year: 219,263 pax)
- The Group's operating profit for the current financial quarter increased by 17.47% as compared to the preceding year corresponding financial quarter. The lower direct operating costs incurred by certain subsidiary companies mainly contributed to the higher operating profit of the Group for the current reporting quarter.
- The Group's cumulative operating profit for the current financial year registered a marginal decline of 1.70% as compared to the preceding corresponding cumulative financial year.
- The Group's loss before interest and tax for the current financial quarter was higher by 9.87% as compared to the preceding year corresponding financial quarter. The recognition of impairment losses on certain property, plant and equipment as well as receivables mainly contributed towards the higher loss before interest and tax.
- The Group's cumulative loss before interest and tax for the current financial year registered a significant reduction of 23.24% as compared to the preceding corresponding cumulative financial year. The notable decline in the administration costs as a result of the business rearrangements made to certain components of the tourism segment mainly contributed to the lower cumulative loss before interest and tax for the current financial year.

12.2 Comparison with Immediate Preceding Quarter Results

	Current Quarter Ended 31/3/18 RM'000	Preceding Quarter Ended 31/12/17 RM'000	Changes Inc/(Dec) %
Revenue	10,152	11,489	(11.64)
Operating Profit	1,103	2,273	(51.47)
Profit/(Loss) Before Interest and Tax	(3,117)	212	(1570.28)
Profit/(Loss) Before Tax	(3,200)	44	(7372.73)
Profit/(Loss) After Tax	(3,469)	44	(7984.09)
Profit/(Loss) Attributable to Owners of the Company	(3,469)	44	(7984.09)

- The Group's revenue for the current financial quarter declined by 11.64% as compared to the immediate preceding quarter. This decline was mainly attributed by the significant drop in volume of tourist arrivals (Current quarter: 47,907 pax; Preceding Quarter: 54,025 pax).

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

- The Group's operating profit for the current financial quarter declined by 51.47% as compared to the immediate preceding quarter. The effects of the lower revenue and the higher fixed operating cost resulted in a lower margins and relatively reducing operating profit.
- The Group recorded a loss before and after tax for the current financial quarter as compared to the profits in the immediate preceding quarter. The lower operating profit coupled with the significantly higher indirect operating expenses as a result of the recognition of impairments on assets and receivables mainly contributed to the significant losses registered.

12.3 Prospects for the Next Financial Year

In view of the extremely challenging business environment and continued poor financial performances of the core tourism business segment, the Company has embarked on a critical review and rationalisation exercise on the current business model of its tourism segment. The Company is of the view that upon completion of this exercise, the tourism segment is anticipated to be on a better footing and be able to bring improvements to the financial performance of the Group.

With the smooth changes in the domestic political landscape, the Company is of the view that this stability will drive the domestic economy to improve. The Company hopes that these positive vibes will also spur the sentiments in the property market and contribute to its growth. On this note, the Company shall continue monitoring indicators/sentiments in the property market as well as the progress of the Group's maiden venture into the property development so as to be in a position to move forward as soon as the property market shows positive improvements.

12.4 Profit Forecast

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

12.5 Corporate Proposals

There were no corporate proposals announced but not completed as at 18 May 2018 (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 year to date.

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

12.6 Utilisation of Proceeds Raised from Corporate Proposal

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 total capital raised from the placement of shares amounted to RM6,007,600 and the proceeds are to be allocated and utilised in accordance with the approved utilisation plan. The status of the utilisation as at 31 March 2018 are as follows:

Purpose	Utilisation		Intended Timeframe for Utilisation	Deviation	
	Proposed RM'000	Actual RM'000		RM'000	%
Expenses in relation to Corporate Proposals	300	298	Within 1 month	2	0.7
Funding for Proposed Development	5,000	3,818	Within 24 months		
Working capital requirements of the group	708	710	Within 12 months	(2)	(0.3)
	<u>6,008</u>	<u>4,826</u>			

12.7 Taxation

	Quarter ended 31/3/18 RM'000	Quarter ended 31/3/17 RM'000	Year ended 31/3/18 RM'000	Year ended 31/3/17 RM'000
In respect of current year:				
Income tax	239	247	243	252
Deferred tax	30	14	30	14
	<u>269</u>	<u>261</u>	<u>273</u>	<u>266</u>
Under/(Over) provision in respect of previous year:				
Income tax	-	58	-	58
Deferred tax	-	-	-	-
	<u>-</u>	<u>58</u>	<u>-</u>	<u>58</u>
	<u>269</u>	<u>319</u>	<u>273</u>	<u>324</u>

The tax charge for the financial period to date is principally due to insufficient losses that are available to set-off the potential tax liabilities of certain subsidiaries.

12.8 Material Litigations

There are no pending material litigations involving the Group as at 18 May 2018 (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 year to date.

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

12.9 Group Borrowings

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

	As at 31/3/18 RM'000	As at 31/3/17 RM'000
Non-current:		
Term Loan	3,574	3,818
	<u>3,574</u>	<u>3,818</u>
Current:		
Hire Purchase	-	-
Term Loan	240	227
	<u>240</u>	<u>227</u>

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

12.10 Proposed Dividends

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

12.11 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.

	<u>INDIVIDUAL PERIOD</u>		<u>CUMULATIVE PERIOD</u>	
	Quarter Ended 31/3/18	Quarter Ended 31/3/17	Year Ended 31/3/18	Year Ended 31/3/17
Loss after taxation attributable to owners of the Company (RM'000)	<u>(3,469)</u>	<u>(3,238)</u>	<u>(4,591)</u>	<u>(5,870)</u>
Number of Shares in issue ('000)	<u>226,373</u>	<u>226,373</u>	<u>226,373</u>	<u>226,373</u>
Basic Loss per share (sen)	<u>(1.53)</u>	<u>(1.43)</u>	<u>(2.03)</u>	<u>(2.59)</u>

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

12.12 Loss Before Tax

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 31/3/18 (Unaudited) RM'000	Comparative Quarter Ended 31/3/17 (Audited) RM'000	Current Year Ended 31/3/18 (Unaudited) RM'000	Comparative Year Ended 31/3/17 (Audited) RM'000
Interest income	(115)	(74)	(224)	(401)
Other income including investment income	-	-	-	-
Net (gain)/loss on foreign exchange	(25)	(40)	(157)	(177)
Interest expense	83	83	336	360
Depreciation	597	1,244	2,121	3,112
Amortisation of prepaid lease payments	58	57	233	233
Impairment losses on receivables	2,795	513	2,751	513
Impairment or write off of inventories	-	217	-	217
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment losses on investment properties	(570)	(285)	(570)	(285)
Impairment losses on property, plant and equipment	316	226	316	226
(Gain)/loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

12.13 Disclosure of Realised and Unrealised Profits/(Losses)

	As at 31/3/18 RM'000	As at 31/3/17 RM'000
Total retained profits/(accumulated losses) of the Group:		
- Realised	(33,502)	(29,627)
- Unrealised	(3,880)	(3,747)
	(37,382)	(33,374)
Consolidation adjustments	54,208	54,791
Total retained profits	16,826	21,417

By Order of the Board
SANBUMI HOLDINGS BERHAD
 Lim Choo Tan
 Chew Siew Cheng
 Company Secretaries
 Date: 25 May 2018