

**CONDENSED INTERIM FINANCIAL REPORT FOR THE 1<sup>st</sup> FINANCIAL QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2019**

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**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 2019.

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 2019.

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

The most recent annual audited financial statements for the financial year ended 31 March 2019 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 period 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 period to date.

**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 period to date.

# SANBUMI HOLDINGS BERHAD (Company No.8386-P)

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

### 7. Dividends

There were no dividends declared or paid for the current financial quarter under review and the financial period 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, and other services, neither of which is of a sufficient size to be reported separately.

#### ◆ Primary reporting format –business segments

*Financial period ended 30.6.19*

	Tourism Services RM'000	Others RM'000	Group RM'000
<i>Revenue</i>			
Total revenue	2,338	137	2,475
Intersegment revenues	-	-	-
Total external revenue	<u>2,338</u>	<u>137</u>	<u>2,475</u>
<i>Results</i>			
Segment results	1,605	(150)	1,455
Finance costs	(79)	-	(79)
Share of profit from associate	-	-	-
Profit/(Loss) before tax	<u>1,526</u>	<u>(150)</u>	<u>1,376</u>
Income Tax	(65)	-	(65)
Profit/(Loss) after tax	<u>1,461</u>	<u>(150)</u>	<u>1,311</u>
Non-controlling interest	-	-	-
Loss attributable to Owners of the Company	<u>1,461</u>	<u>(150)</u>	<u>1,311</u>
<i>Other Information</i>			
Segment assets	29,554	53,627	83,181
Segment liabilities	7,751	2,423	10,174
Capital expenditure	-	134	134
Depreciation and amortization	<u>106</u>	<u>17</u>	<u>123</u>

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

### 9. 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.

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

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

On 2 April 2019, the Company announced that it wishes to undertake a Multiple Proposal comprising the following:

- a) Proposed Joint Venture (JV) via a JV agreement entered between Iconic Maison Sdn Bhd (formerly known as Sanbumi Sawmill Sdn Bhd) ("IMSB") and Iconic Development Sdn Bhd ("IDSB") to jointly develop a mixed development project to be known as "Iconic Point" in Seberang Perai Selatan;
- b) Proposed Issuance of 57,324,840 new Redeemable Convertible Preference Shares ("RCPS") of the Company to IDSB pursuant to the JV agreement ("Proposed Issuance of RCPS");
- c) Proposed Special Issue of up to 74,703,000 new ordinary shares in the Company to independent third party investor(s) to be identified at an issue price to be determined at a later date ("Proposed Special Issue"); and
- d) Proposed amendments to the Constitution of the Company to comply with the Companies Act 2016 and facilitate the issuance of the RCPS.

On 2 May 2019, the Company announced the Proposed Change of Name from "Sanbumi Holdings Berhad" to "Iconic Worldwide Berhad" subject to the approval of the shareholders of the Company at a General Meeting to be convened at a date to be determined later. The new name, upon approval by the shareholders, will take effect from the date of issuance of the Notice of Registration of New Name.

On 26 July 2019, the Company announced that Bursa Securities, vide its letter dated 25 July 2019, approved the listing and quotation of the shares to be issued pursuant to the Proposed Issuance of RCPS and the Proposed Special Issue.

On 31 July 2019, the Company announced that an Extraordinary General Meeting to seek the approval of the shareholders on the above mentioned Multiple Proposals and the Proposed Change of Name will be held on 28 August 2019.

There were no other material subsequent events as at 21 August 2019 (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.

**11. Contingent Assets or Liabilities**

There were no contingent assets or liabilities as at 21 August 2019 (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.

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

**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
	30/6/19	30/6/18	Inc/(Dec)	30/6/19	30/6/18	Inc/(Dec)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	2,475	8,043	(69.23)	2,475	8,043	(69.23)
Operating Profit	558	611	(8.67)	558	611	(8.67)
Profit/(Loss) Before Interest and Tax	1,455	(895)	>100	1,455	(895)	>100
Profit/(Loss) Before Tax	1,376	(977)	>100	1,376	(977)	>100
Profit/(Loss) After Tax	1,311	(977)	>100	1,311	(977)	>100
Profit/(Loss) Attributable to Owners of the Company	1,311	(977)	>100	1,311	(977)	>100

- The Group's revenue for the current financial quarter and the cumulative current financial period declined by 69.23% respectively as compared to the preceding year corresponding financial periods. The drop in revenue is mainly attributed by the decline in the volume of tourist arrivals as a result the ongoing critical review and reorganization of the loss making tourism business segment. The management views this setback as temporary but necessary and is confident that the contributions will improve once this exercise is concluded.
- The Group's operating profit for the current financial quarter and the cumulative current financial period registered a small decline of 8.67% as compared to the preceding year corresponding financial periods. Despite the significant drop in revenue as a result of the ongoing critical review of the tourism business, the group managed to register an improved operating profit margin of 22.55% for current financial quarter and the cumulative current financial period as compared to the 7.60% registered in the preceding year corresponding financial periods.
- The Group registered a profit before interest and tax (PBIT) of RM1.46 million for the current financial quarter and the cumulative current financial period as compared to the loss before interest and tax of RM0.90 million registered in the preceding year corresponding financial periods. The recognition of gains arising from the disposal of motor vehicles of approximately RM1.03 million and the write-back of impairment loss on receivables of approximately RM0.65 million mainly contributed to the significant improvements in PBIT for the current financial quarter and the cumulative current financial period
- The Group registered a profit before tax (PBT) of RM1.38 million and profit after tax (PAT) of RM1.31 million for the current financial quarter and the cumulative current financial period. This was a significant improvement as compared to the loss before tax (LBT) of RM0.98 million registered in the preceding year corresponding financial periods.

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

**12.2 Comparison with Immediate Preceding Quarter Results**

	Current Quarter Ended 30/6/19	Preceding Quarter Ended 31/3/19	Changes Inc/(Dec)
	RM'000	RM'000	%
Revenue	2,475	2,414	2.53
Operating Profit/(Loss)	558	(826)	>100
Profit/(Loss) Before Interest and Tax (PBIT/(LBIT))	1,455	(12,137)	>100
Profit/(Loss) Before Tax (PBT/(LBT))	1,376	(12,245)	>100
Profit/(Loss) After Tax (PAT/(LAT))	1,311	(12,025)	>100
Profit/(Loss) Attributable to Owners of the Company	1,311	(12,025)	>100

- The Group's revenue for the current financial quarter marginally improved by 2.56% as compared to the immediate preceding quarter. The positive impact from the ongoing critical review and reorganization of the tourism business segment has contributed to the improved revenue.
- The Group registered an operating profit for the current financial quarter as compared to the operating loss registered in the immediate preceding quarter. The ongoing critical review and reorganization mainly contributed to the significant drop in direct operating costs and as a result improved the operating results of the Group.
- The Group registered a PBIT (RM1.45 million), PBT (RM1.38 million) and PAT (RM1.31 million) for the current financial quarter as compared to the LBIT (RM12.14 million), LBT (RM12.24 million) and LAT (RM12.02 million) registered in the immediate preceding quarter. The significantly higher losses registered in the immediate preceding quarter were mainly attributed by the effects of the lower revenue compounded by the impact of high staff costs (RM2.24 million), the impairment losses on development costs (RM6.82 million), receivables (RM2.21 million) and PPE (RM1.42 million).

**12.3 Prospects for the Current Financial Year**

The Group is optimistic that the ongoing critical review and reorganization of the loss making tourism business segment will improve its operations and continue to contribute positively to the financial performance of the Group.

Moving forward, the Group believes that the Multiple Proposals and the Proposed Change of Name, once approved by the shareholders, will pave the way for the Group to aggressively venture into the robust property development business and accelerate the future prospects and financial performance of the Group.

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

**12.4 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.

**12.5 Corporate Proposals**

On 26 July 2019, the Company announced that Bursa Securities, vide its letter dated 25 July 2019, approved the listing and quotation of the shares to be issued pursuant to the Proposed Issuance of RCPS and the Proposed Special Issue. Following this, on 31 July 2019, the Company announced that an Extraordinary General Meeting to seek the approval of the shareholders on the pending Multiple Proposals and the Proposed Change of Name, details of which are as disclosed in Note 10 of this report, will be held on 28 August 2019.

Other than the above, there were no other corporate proposals announced but not completed as at 21 August 2019 (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.

**12.6 Utilisation of Proceeds Raised from Corporate Proposal**

On 9 January 2019, the Company completed Private Placement of 22,637,384 new ordinary shares at a placement price of RM0.173 each. The total capital raised from the placement of shares amounted to RM3,916,267.43 and the proceeds are to be allocated and utilised in accordance with the approved utilisation plan. The status of the utilisation as at 30 June 2019 are as follows:

Purpose	Utilisation		Intended Timeframe for Utilisation	Deviation	
	Proposed RM'000	Actual RM'000		RM'000	%
Expenses in relation to Corporate Proposals	180	180	Within 2 month	-	-
Working capital and/or future business projects(s)/ investment(s)	3,736	1,864	Within 12 months		
	<u>3,916</u>	<u>2,044</u>			

**12.7 Taxation**

	Quarter ended 30/6/19 RM'000	Quarter ended 30/6/18 RM'000	Year ended 30/6/19 RM'000	Year ended 30/6/18 RM'000
In respect of current period:				
Income tax	-	-	-	-
Deferred tax	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Under/(Over) provision in respect of previous period:				
Income tax	65	-	65	-
Deferred tax	-	-	-	-
	<u>65</u>	<u>-</u>	<u>65</u>	<u>-</u>

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

**12.8 Material Litigations**

There are no pending material litigations involving the Group as at 21 August 2019 (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.

**12.9 Group Borrowings**

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

	As at 30/6/19 RM'000	As at 30/6/18 RM'000
Non-current:		
Term Loan	3,256	3,546
Hire Purchase	78	-
	3,334	3,546
Current:		
Term Loan	258	239
Hire Purchase	20	-
	278	239

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

**12.10 Proposed Dividends**

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

**12.11 Earnings/(Loss) Per Share**

The basic earnings/(loss) per share of the Group is calculated by dividing the profit/(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 30/6/19	Quarter Ended 30/6/18	Period Ended 30/6/19	Period Ended 30/6/18
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	1,311	(977)	1,311	(977)
Number of Shares in issue ('000)	249,011	249,011	249,011	249,011
Basic Earnings/(Loss) per share (sen)	0.53	(0.43)	0.53	(0.43)

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

**12.12 Profit/(Loss) Before Tax**

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 30/6/19 (Unaudited) RM'000	Comparative Quarter Ended 30/6/18 (Unaudited) RM'000	Current Year Ended 30/6/19 (Unaudited) RM'000	Comparative Year Ended 30/6/18 (Unaudited) RM'000
Interest income	(11)	(69)	(11)	(69)
Other income including investment income	-	-	-	-
Net (gain)/loss on foreign exchange	-	-	-	-
Interest expense	78	82	78	82
Depreciation	123	364	123	364
Amortisation of prepaid lease payments	-	60	-	60
Impairment losses on receivables	(647)	-	(647)	-
Impairment or write off of inventories	(32)	-	(32)	-
(Gain)/loss on disposal of quoted or unquoted investments or properties	(1,032)	-	(1,032)	-
Impairment losses on investment properties	-	-	-	-
Impairment losses on property, plant and equipment	-	-	-	-
(Gain)/loss on derivatives	-	-	-	-
Exceptional items	-	-	-	-

By Order of the Board  
**SANBUMI HOLDINGS BERHAD**  
 Lim Choo Tan  
 Chew Siew Cheng  
 Company Secretaries

Date: 28 August 2019