

**SAND NISKO CAPITAL BERHAD (339810-A)**

(Formerly known as Len Cheong Holding Berhad)

Financial Year End : 31/12/2017  
 Quarter : First Quarter

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter (Unaudited) 31/03/2017 RM'000	Preceding Year Corresponding Quarter (Audited) 31/3/2016 RM'000	Current Year To Date (Unaudited) 31/03/2017 RM'000	Preceding Year Corresponding Period (Audited) 31/3/2016 RM'000
Revenue	6,825	7,392	6,825	7,392
Cost of sales	(6,157)	(6,422)	(6,157)	(6,422)
Gross profit	668	970	668	970
Other operating income	218	14	218	14
Operating expenses	(861)	(857)	(861)	(857)
Profit from continuing operations	25	127	25	127
Finance cost	-	-	-	-
Profit before taxation	25	127	25	127
Taxation expense	-	-	-	-
Net profit for the period attributable to:				
- owners of the company	25	127	25	127
- non-controlling interests	-	-	-	-
Other Comprehensive Income, net of Tax	-	-	-	-
Total comprehensive profit for the period attributable to:				
- owners of the company	25	127	25	127
- non-controlling interest	-	-	-	-
EPS - Basic (sen)	0.04	0.19	0.04	0.19
EPS - Fully diluted (sen)	NA	NA	NA	NA

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**SAND NISKO CAPITAL BERHAD (339810-A)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As At End Of Current Quarter (Unaudited) 31/03/2017 RM'000</b>	<b>As At Preceding Financial Year End (Audited) 31/12/2016 RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	33,983	34,382
	<u>33,983</u>	<u>34,382</u>
<b>Current assets</b>		
Inventories	2,530	2,655
Trade receivables	3,398	4,725
Other receivables, deposits & prepayments	1,863	2,011
Cash and bank balances	857	808
Fixed deposit	3,590	40
	<u>12,238</u>	<u>10,239</u>
<b>Total Assets</b>	<u><u>46,221</u></u>	<u><u>44,621</u></u>
<b>EQUITY</b>		
Share Capital	6,600	6,600
Share premium	1,516	1,516
Revaluation reserve	16,758	16,758
Retained earnings	6,100	6,075
<b>Total Equity</b>	<u>30,974</u>	<u>30,949</u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred Taxation	5,292	5,292
	<u>5,292</u>	<u>5,292</u>
<b>Current Liabilities</b>		
Trade payables	937	1,875
Amount owing to a director	3,500	-
Other payables & accruals	5,498	6,485
Tax payables	20	20
	<u>9,955</u>	<u>8,380</u>
<b>Total Liabilities</b>	<u>15,247</u>	<u>13,672</u>
<b>Total Equity and Liabilities</b>	<u><u>46,221</u></u>	<u><u>44,621</u></u>
Net assets per share (sen)		
calculated based on issued and fully paid-up 66,000,000 ordinary shares	<u>47</u>	<u>47</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements)

**SAND NISKO CAPITAL BERHAD (339810-A)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Cumulative Current Year To Date (Unaudited) 31/03/2017 RM'000</b>	<b>Cumulative Preceding Year Period (Audited) 31/12/2016 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	25	432
Adjustments for:-		
Depreciation	408	1,616
Inventories written-off	-	700
Unrealised loss on foreign exchange	-	51
Interest income	(51)	(3)
Operating profit before working capital changes	<u>382</u>	<u>2,796</u>
Inventories	125	187
Receivables	1,475	(938)
Payables	(1,925)	(1,621)
Director account	<u>3,500</u>	<u>-</u>
Cash generated from operations	3,557	424
Net interest received	<u>51</u>	<u>3</u>
<b>Net cash generated from operating activities</b>	<u>3,608</u>	<u>427</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	<u>(9)</u>	<u>(125)</u>
<b>Net cash used in investing activities</b>	<u>(9)</u>	<u>(125)</u>
<b>Net increase in cash &amp; cash equivalents</b>	3,599	302
<b>Cash &amp; cash equivalents brought forward</b>	848	499
<b>Effect of changes in exchange rates</b>	-	47
<b>Cash &amp; cash equivalents carried forward</b>	<u><u>4,447</u></u>	<u><u>848</u></u>
<b>*Cash &amp; cash equivalents carried forward are represented by:-</b>		
Cash and bank balances	857	808
Fixed deposit	<u>3,590</u>	<u>40</u>
	<u><u>4,447</u></u>	<u><u>848</u></u>

(The Condensed Consolidated Statement of Cash Flows for the financial quarter ended 31 March 2017 should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

**SAND NISKO CAPITAL BERHAD (339810-A)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Share capital RM'000	Share premium RM'000	Revaluation reserves RM'000	Retained earnings RM'000	Total equity RM'000
<b>3 months ended</b>					
<b>31 March 2017</b>					
As at 1 January 2017 (audited)	6,600	1,516	16,758	6,075	30,949
Profit for the period	-	-	-	25	25
As at 31 March 2017 (unaudited)	<u>6,600</u>	<u>1,516</u>	<u>16,758</u>	<u>6,100</u>	<u>30,974</u>
<b>12 months ended</b>					
<b>31 December 2016</b>					
As at 1 January 2016 (audited)	6,600	1,516	17,299	4,966	30,381
Profit for the financial year	-	-	-	580	580
Realisation of revaluation surplus upon depreciation	-	-	(529)	529	-
Effect of changes in tax rate on revaluation reserve	-	-	(12)	-	(12)
As at 31 December 2016 (audited)	<u>6,600</u>	<u>1,516</u>	<u>16,758</u>	<u>6,075</u>	<u>30,949</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

**EXPLANATORY NOTES - FIRST QUARTER ENDED 31 MARCH 2017**

**1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the attached explanatory notes. The explanatory notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group for the financial quarter ended 31 March 2017.

**2. Changes in accounting policies**

During the financial quarter the Group and the Company have adopted the following new MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year. Adoption of the following new MFRS and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisition of Interests in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012 - 2014 Cycle	
Amendments to MFRS 10, MFRS 12 and MFRS128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRS 2014-2016 cycle	
- Amendments to MFRS 12	Disclosure of Applying the Consolidation Exception

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by MASB but are not yet effective for the Group and the Company. The Group and the Company intend to adopt the following MFRSs when they become effective.

<b>MFRSs</b>		<b>Effective date for the financial periods <u>beginning on or after</u></b>
Annual Improvements to MFRS 2014-2016 cycle - Amendments to MFRS 128	Investments in Associates and Joint Ventures	1-Jan-18
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1-Jan-18
MFRS 15	Revenue from Contracts with Customers, and Clarifications to MFRS 15	1-Jan-18
Amendments to MFRS 2	Classification and measurement of share-based payment transactions	1-Jan-18
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance contract	1-Jan-18*
MFRS 16	Leases	1-Jan-19
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 140	Transfer of investment Property	1-Jan-18
IC Interpretation 22	Foreign currency transactions and advance consideration	1-Jan-18

\* Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

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**EXPLANATORY NOTES - CONTINUED**

**3. Qualification of Preceding Annual Financial Statements**

The auditors' report of the preceding financial year was not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The Group's business is not materially affected by seasonal or cyclical factors.

**5. Nature, Size or Incidence of Unusual Items**

There were no unusual items in the current financial quarter under review.

**6. Material Changes in Estimates**

There were no changes in estimates that have had a material effect in the current financial quarter.

**7. Issues, Repurchase and Repayment of Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities share-buy-back, share cancellation, share held as treasury shares and resale of treasury shares, for the current financial quarter under review.

**8. Dividend Paid**

No dividends were paid during the current quarter under review.

**9. Segmental Information**

Segment information was provided based on three (3) major segments, i.e. investment holding, furniture manufacturing and trading and timbers and logs trading. Business segments in revenue and results of the Group for the current quarter ended 31 March 2017 were as follows:-

**31 March 2017 (unaudited)**

Business Segments	Investment holding RM'000	Furniture Manufacturing & trading RM'000	Timbers & logs trading RM'000	Adjustment & Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
External sales					
- overseas	-	6,402	-	-	6,402
- local	-	402	21	-	423
Inter-segment	-	38	-	(38)	-
	-	6,842	21	(38)	6,825
Results	(42)	130	(63)	-	25
Finance cost					-
Profit before taxation					25
Taxation					-
Net profit for the period					25

**31 March 2016 (audited)**

<b>Revenue</b>					
External sales					
- overseas	-	5,057	-	-	5,057
- local	-	415	1,920	-	2,335
Inter-segment	-	28	-	(28)	-
	-	5,500	1,920	(28)	7,392
Results	(57)	199	(15)	-	127
Finance cost					-
Profit before taxation					127
Taxation					-
Net profit for the period					127

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**EXPLANATORY NOTES - CONTINUED**

**10. Valuations of Property, Plant and Equipment**

Valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the financial year ended 31 December 2016.

**11. Subsequent Events**

There were no material events subsequent to the end of the current financial quarter under review to the date of this announcement.

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

There were no changes in the composition of the Group in the current financial quarter under review.

**13. Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or assets to be disclosed for the Group.

**14. Review of Performance**

	<u>Individual Quarter</u>	<u>Preceding Year</u>
	Current Year Quarter (Unaudited) 31/03/2017 RM'000	Corresponding Quarter (Audited) 31/03/2016 RM'000
Revenue	6,825	7,392
Profit before taxation	25	127

Revenue for the current quarter decreased to RM 6.825 million from RM 7.392 million in the previous year's corresponding quarter.

The Group registered a profit before taxation of RM 0.025 million in this quarter as against profit of RM 0.127 million in the previous year's corresponding quarter.

**15. Comparison with Immediate Preceding Quarter's Results**

	<u>Individual Quarter</u>	<u>Immediate</u>
	Current Year Quarter (Unaudited) 31/03/2017 RM'000	Preceding Quarter (Audited) 31/12/2016 RM'000
Revenue	6,825	9,862
Loss before taxation	25	(170)

For the current quarter, the Group's revenue decreased to RM 6.825 million as compared to RM 9.862 million in the preceding quarter due to lower volume sales/trading of logs. The Group registered a profit of RM 0.025 million as compared a loss of RM 0.170 million in the preceding quarter.

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**EXPLANATORY NOTES - CONTINUED**

**16. Current Year Prospects**

The Group acknowledged the uncertainty of current worldwide market condition of the furniture industry and the economic impact towards the industry. The management had made concerted effort to reduce the production cost and securing overseas orders with higher gross profit margins.

**17. Profit Forecast**

There was no profit forecast issued for the current financial quarter under review.

**18. Taxation**

	<b><u>Individual Quarter</u></b>	<b>Immediate</b>
	<b>Current Year</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Quarter</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31/03/2017</b>	<b>31/12/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Taxation expenses estimated for:		
Current period	-	(18)
Reversal of deferred taxation	-	166
	<u>-</u>	<u>148</u>

**19. Sale of Investments and/or Properties**

There were no sale of investments and/or properties for the current quarter ended 31 March 2017.

**20. Quoted Securities**

There was no purchase or disposal of quoted securities for the current quarter ended 31 March 2017.

**21. Status of Corporate Proposals**

There were no other corporate proposals announced for the financial period under review save and except that on 22 April 2016, the Board of Directors of Len Cheong Holding Berhad ("LCH") announced that the Company will undertake the following proposals:-

- (i) proposed joint venture ("JV") between Len Cheong Resources Sdn Bhd ("LCR"), a wholly-owned subsidiary of LCH and Goldpeace Corporation Sdn Bhd ("GCSB") to agree with LCR to jointly develop a parcel of freehold agricultural land known as Lot No: 5205 (*formerly known as Lot No: 1409*) held in Mukim Bukit Lintang, District of Melaka Tengah, State of Melaka Tengah, State of Melaka Bandaraya Bersejarah held under title no: GMM 2700 (*formerly known as GMM 651*) owned by GCSB into a housing development scheme ("Proposed JV")
- (ii) proposed diversification of the existing business of LCH and its subsidiaries ("Group") to include property development, construction and property investment ("Property Business") ("Proposed Diversification").

Collectively referred to as "Proposals".

The Proposals had been implemented during the previous preceding financial year.

**22. Off Balance Sheet Financial Instruments**

The Group did not have any financial instruments with off balance sheet risk as at 31 December 2016.



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**EXPLANATORY NOTES - CONTINUED**

**23. Material Litigations**

The Group was not engaged in any litigation or arbitration, either as plaintiff or defendant, which had material effect on the financial position of the Company or its subsidiary companies and the Board did not know of any proceedings pending or threatened or any act likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiary companies.

**24. Dividend Proposed**

No dividend was proposed for the current financial quarter under review.

**25. Earnings per share**

The basic earnings per share of the Group was calculated by dividing the net profit/(loss) for the period by 66,000,000 ordinary shares in issue.

**26. Disclosure of Realised and Unrealised Retained Earnings**

	<b>Group (Unaudited) As at 31/03/2017 RM'000</b>	<b>Group (Audited) As at 31/12/2016 RM'000</b>
Total retained earnings		
- Realised	766	690
- Unrealised	(5,292)	(5,241)
	<u>(4,526)</u>	<u>(4,551)</u>
Less : Consolidation adjustments	10,626	10,626
	<u>6,100</u>	<u>6,075</u>
	<u><u>6,100</u></u>	<u><u>6,075</u></u>

**27. Profit for the period**

	<b>Current Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>(Unaudited) 31/03/2017 RM'000</b>	<b>(Audited) 31/12/2016 RM'000</b>	<b>(Unaudited) 31/03/2017 RM'000</b>	<b>(Audited) 31/12/2016 RM'000</b>
<b>Profit for the period was arrived at after charging/ (crediting) :</b>				
Depreciation	408	391	408	1,616
Foreign exchange (gain)/loss				
- unrealised	-	51	-	51
- realised	(4)	(238)	(4)	(238)
Interest income	(51)	(3)	(51)	(3)
Inventories written-off	-	-	-	700