

SAND NISKO CAPITAL BERHAD (339810-A)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>Current Year Quarter (Unaudited) 31/12/2017 RM'000</u>	<u>Preceding Year Corresponding Quarter (Audited) 31/12/2016 RM'000</u>	<u>Changes Increase/ (decrease) RM'000</u>	<u>Current Year To Date (Unaudited) 31/12/2017 RM'000</u>	<u>Preceding Year Corresponding Period (Audited) 31/12/2016 RM'000</u>	<u>Changes Increase/ (decrease) RM'000</u>
Revenue	6,703	9,862	(3,159)	26,075	45,680	(19,605)
Cost of sales	(8,741)	(9,055)	314	(27,099)	(41,663)	14,564
Gross (loss)/profit	(2,038)	807	(2,845)	(1,024)	4,017	(5,041)
Other operating income	290	829	(539)	747	940	(193)
Operating expenses	(328)	(1,806)	1,478	(3,556)	(4,525)	969
(Loss)/profit from continuing operations	(2,076)	(170)	(1,906)	(3,833)	432	(4,265)
Finance cost	-	-	-	-	-	-
(Loss)/profit before taxation	(2,076)	(170)	(1,906)	(3,833)	432	(4,265)
Taxation expense	168	148	20	185	148	37
Net (loss)/profit for the period attributable to:						
- owners of the company	(1,908)	(22)	(1,886)	(3,648)	580	(4,228)
- non-controlling interests	-	-	-	-	-	-
Other Comprehensive loss, net of Tax	-	(12)	12	-	(12)	12
Total comprehensive (loss)/profit for the period attributable to:						
- owners of the company	(1,908)	(34)	(1,874)	(3,648)	568	(4,216)
- non-controlling interest	-	-	-	-	-	-
EPS - Basic (sen)	(2.89)	(0.03)		(5.53)	0.88	
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)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter (Unaudited) 31/12/2017 RM'000	As At Preceding Financial Year End (Audited) 31/12/2016 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	33,402	34,382
	<u>33,402</u>	<u>34,382</u>
Current assets		
Inventories	3,128	2,655
Trade receivables	2,261	4,725
Other receivables, deposits & prepayments	1,568	1,901
Cash and bank balances	419	808
Fixed deposit	110	150
	<u>7,486</u>	<u>10,239</u>
Total Assets	<u><u>40,888</u></u>	<u><u>44,621</u></u>
EQUITY		
Share Capital	8,116	6,600
Share premium	-	1,516
Revaluation reserve	16,230	16,758
Retained earnings	2,955	6,075
Total Equity	<u>27,301</u>	<u>30,949</u>
LIABILITIES		
Non-Current Liabilities		
Deferred Taxation	5,125	5,292
	<u>5,125</u>	<u>5,292</u>
Current Liabilities		
Trade payables	1,982	1,875
Amount owing to a director	184	-
Other payables & accruals	6,295	6,485
Tax payables	1	20
	<u>8,462</u>	<u>8,380</u>
Total Liabilities	<u>13,587</u>	<u>13,672</u>
Total Equity and Liabilities	<u><u>40,888</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>41</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)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date (Unaudited) 31/12/2017 RM'000	Preceding Year Period (Audited) 31/12/2016 RM'000
Cash Flows From Operating Activities		
(Loss)/profit before taxation	(3,833)	432
Adjustments for:-		
Impairment of Inventories	200	700
Interest income	(2)	(3)
Other receivable written-off	600	-
Property, plant and equipment		
- depreciation	1,514	1,616
- gain on disposal	(246)	-
Unrealised loss on foreign exchange	60	51
Operating (loss)/profit before working capital changes	(1,707)	2,796
(Increase)/decrease in working capital		
Inventories	(673)	187
Receivables	2,137	(828)
Payables	(83)	(1,621)
Amount owing to a director	184	-
Cash (used)/generated from operations	(142)	534
Taxation paid	(1)	-
Net interest received	2	3
Net cash (used)/generated from operating activities	(141)	537
Cash Flows From Investing Activities		
Property, plant and equipment		
- purchase	(534)	(125)
- sales proceed	246	-
Net cash used in investing activities	(288)	(125)
Net (decrease)/increase in cash & cash equivalents	(429)	412
Cash & cash equivalents brought forward (1 Jan 2017/2016)	958	499
Effect of change translation difference on cash and cash equivalents	-	47
Cash & cash equivalents carried forward (31 Dec 2017/2016)	529	958
*Cash & cash equivalents carried forward are represented by:-		
Cash and bank balances	419	808
Fixed deposit	110	150
	<u>529</u>	<u>958</u>

(The Condensed Consolidated Statement of Cash Flows for the financial quarter ended 31 December 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)
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
12 months ended					
31 December 2017					
As at 1 January 2017 (audited)	6,600	1,516	16,758	6,075	30,949
Realisation of revaluation reserves upon depreciation	-	-	(528)	528	-
Reclassification (see note 27)	1,516	(1,516)	-	-	-
Loss for the period	-	-	-	(3,648)	(3,648)
As at 31 December 2017 (unaudited)	<u>8,116</u>	<u>-</u>	<u>16,230</u>	<u>2,955</u>	<u>27,301</u>
12 months ended					
31 December 2016					
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 reserves 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 - FOURTH QUARTER ENDED 31 DECEMBER 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 December 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.

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	Investment Entities: 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.

MFRSs	Effective date for the financial periods beginning on or after
Annual Improvements to MFRS 2014-2016 cycle	
- Amendments to MFRS 1	First-time adoption of MFRSs
- Amendments to MFRS 128	Investments in Associates and Joint Ventures
	1-Jan-18
	1-Jan-18
Annual Improvements to MFRS 2015-2017 cycle	
- Amendments to MFRS 3	Business Combinations
- Amendments to MFRS 11	Accounting for Acquisition of Interests in Joint Operations
- Amendments to MFRS 112	Recognition of Deferred Tax - Assets for Unrealised Losses
- Amendments to MFRS 123	Borrowing Costs
	1-Jan-19
	1-Jan-19
	1-Jan-19
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 Contracts
	1-Jan-18*
MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
	1-Jan-18
Amendments to MFRS 9	Prepayment Features with Negative Compensation
	1-Jan-19
MFRS 15	Revenue from Contracts with Customers, and Clarifications to MFRS 15
	1-Jan-18
MFRS 16	Leases
	1-Jan-19
MFRS 17	Insurance Contracts
	1-Jan-21
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 128	Long-term interests in Associates and Joint Ventures
	1-Jan-19
Amendments to MFRS 140	Transfers of Investment Property
	1-Jan-18
IC Interpretation 22	Foreign currency transactions and advance consideration
	1-Jan-18
IC Interpretation 23	Uncertainty over income tax treatments
	1-Jan-19

* 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 manufacturing & trading business is not 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 December 2017 were as follows:-

31 December 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
Revenue					
External sales					
- overseas	-	6,036	-	-	6,036
- local	-	399	268	-	667
Inter-segment	-	178	-	(178)	-
	-	6,613	268	(178)	6,703
Results	(199)	(1,623)	(254)	-	(2,076)
Finance cost					-
Loss before taxation					(2,076)
Taxation					168
Net loss for the period					(1,908)

31 December 2016 (Audited)

Revenue					
External sales					
- overseas	-	8,807	-	-	8,807
- local	-	722	333	-	1,055
Inter-segment	-	-	-	-	-
	-	9,529	333	-	9,862
Results	(136)	(76)	30	-	(182)
Finance cost					-
Loss before taxation					(182)
Taxation					148
Net loss for the period					(34)

SAND NISKO CAPITAL BERHAD (339810-A)

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. Trade receivables

Aging analysis of financial assets:

	<u>Individual Quarter</u>	
	As at 31 December 2017 (Unaudited) RM'000	As at 31 December 2016 (Audited) RM'000
Up to 60 days	1,498	3,041
> 61 to 90 days	-	250
> 91 to 120 days	-	37
> 120 days	763	1,397
Total amount	2,261	4,725

12. Subsequent Events

There were no material events subsequent to the end of the current financial quarter under review to the date of this announcement except as disclose in note 24.

13. Changes in the Composition of the Group

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

14. Contingent Liabilities or Contingent Assets

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

15. Review of Performance

	<u>Individual Quarter</u>		Changes Increase/(decrease) RM'000
	Current Year Quarter (Unaudited) 31/12/2017 RM'000	Preceding Year Corresponding Quarter (Audited) 31/12/2016 RM'000	
Revenue	6,703	9,862	(3,159)
Loss before taxation	(2,076)	(170)	(1,906)

Revenue for the current quarter decreased to RM 6.703 million from RM 9.862 million in the previous year's corresponding quarter due to decreased furniture manufacturing and trading, and lower timber and logs tradings in the current quarter under review (see note 9). The group registered a loss before taxation of RM 2.076 million in the current quarter compared to a loss of RM 0.170 million in the previous year's corresponding quarter.

16. Comparison with Immediate Preceding Quarter's Results

	<u>Individual Quarter</u>		Changes Increase/(decrease) RM'000
	Current Year Quarter (Unaudited) 31/12/2017 RM'000	Immediate Preceding Quarter (Unaudited) 30/09/2017 RM'000	
Revenue	6,703	6,714	(11)
Loss before taxation	(2,076)	(1,170)	(906)

For the current quarter, the Group's revenue was RM 6.703 million and comparable to RM 6.714 million in the preceding quarter but higher costs of manufacturing and trading furnitures resulted in the Group registering a loss of RM 2.076 million as compared to a loss of RM 1.170 million in the preceding quarter.

SAND NISKO CAPITAL BERHAD (339810-A)**EXPLANATORY NOTES - CONTINUED****17. 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 continued to make concerted effort to reduce the production cost and securing overseas orders with higher gross profit margins.

18. Profit Forecast

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

19. Taxation

	As at 31/12/2017 (Unaudited) RM'000	As at 31/12/2016 (Audited) RM'000
Income tax:		
Current provision	(1)	(18)
Reversal of deferred taxation	166	166
Over provision of tax in respect of previous years	20	-
	<u>185</u>	<u>148</u>

20. Sale of Investments and/or Properties

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

21. Quoted Securities

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

22. Corporate Proposals

There was no corporate proposal announced for the financial quarter under review.

23. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 31 December 2017.

24. 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, except as already disclosed in the reports in the preceding two quarters.

SAND NISKO CAPITAL BERHAD (339810-A)

EXPLANATORY NOTES - CONTINUED

25. Dividend Proposed

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

26. 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.

27. Share capital

	Number of shares		As at	As at
	2017	2016	31/12/2017	31/12/2016
	Units	Units	(Unaudited)	(Audited)
			RM'000	RM'000
Issued and fully paid ordinary shares				
As at 1 January	66,000	66,000	6,600	6,600
Reclassification from share premium	-	-	1,516	-
As at 31 December	<u>66,000</u>	<u>66,000</u>	<u>8,116</u>	<u>6,600</u>

Pursuant to Companies Act 2016 effective from 31 January 2017, the concepts of authorised share capital and par value have been abolished. Amount standing to the credit of share premium account/capital redemption reserve is transferred to share capital as at that date.

Ordinary shares of the Company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The new shares issued rank pari passu in respect of the distribution of dividends and repayment of capital with the existing shares.

28. Disclosure of Realised and Unrealised Retained Earnings

	As at	As at
	31/12/2017	31/12/2016
	(Unaudited)	(Audited)
	RM'000	RM'000
Total retained earnings		
- Realised	(2,486)	690
- Unrealised	(5,185)	(5,241)
	<u>(7,671)</u>	<u>(4,551)</u>
Less : Consolidation adjustments	10,626	10,626
Total group retained earnings	<u>2,955</u>	<u>6,075</u>

29. (Loss)/profit for the period

	Individual		Cummulative	
	Quarter Ended		Quarter Ended	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit for the period was arrived at after charging/ (crediting) :				
Foreign exchange (gain)/loss				
- unrealised	60	(51)	60	(51)
- realised	115	211	244	238
Impairment of inventory	200	-	200	700
Interest income				
- earned	-	-	(2)	-
- over recording in previous quarters	91	-	-	-
Other receivables written-off	600	-	600	-
Property, plant and equipment				
- depreciation	349	391	1,514	-
- gain on disposal	(246)	-	(246)	-
	<u>(246)</u>	<u>-</u>	<u>(246)</u>	<u>-</u>