

SAND NISKO CAPITAL BERHAD (339810-A)

Financial Year End : 31/12/2018
 Quarter : First Quarter

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>Current Year Quarter (Unaudited) 31/3/2018 RM'000</u>	<u>Preceding Year Corresponding Quarter (Unaudited) 31/3/2017 RM'000</u>	<u>Changes Increase/ (decrease) RM'000</u>	<u>Current Year To Date (Unaudited) 31/3/2018 RM'000</u>	<u>Preceding Year Corresponding Period (Unaudited) 31/3/2017 RM'000</u>	<u>Changes Increase/ (decrease) RM'000</u>
Revenue	5,097	6,825	(1,728)	5,097	6,825	(1,728)
Cost of sales	(4,463)	(6,157)	1,694	(4,463)	(6,157)	1,694
Gross profit	634	668	(34)	634	668	(34)
Other operating income	173	218	(45)	173	218	(45)
Operating expenses	(1,064)	(861)	(203)	(1,064)	(861)	(203)
(Loss)/profit from continuing operations	(257)	25	(282)	(257)	25	(282)
Finance cost	-	-	-	-	-	-
(Loss)/profit before taxation	(257)	25	(282)	(257)	25	(282)
Taxation expense	-	-	-	-	-	-
Net (loss)/profit for the period attributable to:						
- owners of the company	(257)	25	(282)	(257)	25	(282)
- non-controlling interests	-	-	-	-	-	-
Other Comprehensive loss, net of Tax	-	-	-	-	-	-
Total comprehensive (loss)/profit for the period attributable to:						
- owners of the company	(257)	25	(282)	(257)	25	(282)
- non-controlling interest	-	-	-	-	-	-
EPS - Basic (sen)	(0.39)	0.04		(0.39)	0.04	
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 2017 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) 31/03/2018 RM'000	As At Preceding Financial Year End (Audited) 31/12/2017 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	33,061	33,411
	<u>33,061</u>	<u>33,411</u>
Current assets		
Inventories	3,268	3,150
Trade receivables	2,360	2,261
Other receivables, deposits & prepayments	1,092	1,667
Cash and bank balances	377	419
	<u>7,097</u>	<u>7,497</u>
Total Assets	<u><u>40,158</u></u>	<u><u>40,908</u></u>
EQUITY		
Share Capital	8,116	8,116
Revaluation reserve	16,230	16,230
Retained earnings	2,603	2,860
Total Equity	<u>26,949</u>	<u>27,206</u>
LIABILITIES		
Non-Current Liabilities		
Deferred Taxation	5,125	5,125
	<u>5,125</u>	<u>5,125</u>
Current Liabilities		
Trade payables	2,825	1,982
Other payables & accruals	5,259	6,594
Tax payables	-	1
	<u>8,084</u>	<u>8,577</u>
Total Liabilities	<u>13,209</u>	<u>13,702</u>
Total Equity and Liabilities	<u><u>40,158</u></u>	<u><u>40,908</u></u>
Net assets per share (sen) calculated based on issued and fully paid-up 66,000,000 ordinary shares	<u><u>41</u></u>	<u><u>41</u></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 2017 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) 31/03/2018 RM'000	Preceding Year Period (Audited) 31/12/2017 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(257)	(3,929)
Adjustments for:-		
Inventories written-off	-	165
Interest income	-	(3)
Other receivable written-off	-	600
Property, plant and equipment		
- depreciation	351	1,504
- gain on disposal	(82)	(246)
- written-off	-	1
Unrealised (income)/loss on foreign exchange	(60)	13
Operating loss before working capital changes	(48)	(1,895)
(Increase)/decrease in working capital		
Inventories	(118)	(660)
Receivables	539	2,086
Payables	(492)	216
Cash used from operations	(119)	(253)
Taxation paid	(4)	(1)
Net interest received	-	3
Net cash used from operating activities	(123)	(251)
Cash Flows From Investing Activities		
Property, plant and equipment		
- purchase	(1)	(534)
- sales proceed	82	246
Net cash generated/(used) in investing activities	81	(288)
Net decrease in cash & cash equivalents	(42)	(539)
Cash & cash equivalents brought forward (1 Jan 2018/2017)	419	958
Cash & cash equivalents carried forward (31 Mar 2018/31 Dec 2017)	377	419
*Cash & cash equivalents carried forward are represented by:-		
Cash and bank balances	377	419
	<u>377</u>	<u>419</u>

(The Condensed Consolidated Statement of Cash Flows for the financial quarter ended 31 March 2018 should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 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
3 months ended					
31 March 2018					
As at 1 January 2018 (audited)	8,116	-	16,230	2,860	27,206
Loss for the period	-	-	-	(257)	(257)
As at 31 March 2018 (unaudited)	<u>8,116</u>	<u>-</u>	<u>16,230</u>	<u>2,603</u>	<u>26,949</u>
12 months ended					
31 December 2017					
As at 1 January 2017 (audited)	6,600	1,516	16,758	6,075	30,949
Loss for the financial year	-	-	-	(3,743)	(3,743)
Realisation of revaluation reserves upon depreciation	-	-	(528)	528	-
Transition to no-par value regime	1,516	(1,516)	-	-	-
As at 31 December 2017 (audited)	<u>8,116</u>	<u>-</u>	<u>16,230</u>	<u>2,860</u>	<u>27,206</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 2017 and the accompanying explanatory notes attached to the interim financial statements.)

EXPLANATORY NOTES - FIRST QUARTER ENDED 31 MARCH 2018**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 2017 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 2018.

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.

Annual Improvements to MFRS 2014-2016 cycle		
- Amendments to MFRS 1	First-time adoption of MFRSs	1-Jan-18
- Amendments to MFRS 128	Investments in Associates and Joint Ventures	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 Contracts	1-Jan-18
MFRS 9	Financial Instruments (IFRS 9 as 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 140	Transfers of Investment Property	1-Jan-18
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1-Jan-18

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 2015-2017 cycle		
- Amendments to MFRS 3	Business Combinations	1-Jan-19
- Amendments to MFRS 11	Accounting for Acquisition of Interests in Joint Operations	1-Jan-19
- Amendments to MFRS 112	Recognition of Deferred Tax - Assets for Unrealised Losses	1-Jan-19
- Amendments to MFRS 123	Borrowing Costs	1-Jan-19
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1-Jan-19
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 119	Plan amendment, curtailment or settlement	1-Jan-19
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures	1-Jan-19
Amendments to MFRS 2	Share-based Payment	1-Jan-20
Amendments to MFRS 3	Business Combinations	1-Jan-20
Amendments to MFRS 6	Exploration for and Evaluation of Mineral Resources	1-Jan-20
Amendments to MFRS 14	Regulatory Deferral Accounts	1-Jan-20
Amendments to MFRS 101	Presentation of Financial Statements	1-Jan-20
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1-Jan-20
Amendments to MFRS 134	Interim Financing Reporting	1-Jan-20
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1-Jan-20
Amendments to MFRS 138	Intangible Assets	1-Jan-20
IC Interpretation 23	Uncertainty over income tax treatments	1-Jan-19
Amendments to IC Interpretation 12	Service Concession Agreements	1-Jan-20
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1-Jan-20
Amendments to IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1-Jan-20
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1-Jan-20
Amendments to IC Interpretation 132	Intangible Assets - Website Cost	1-Jan-20
MFRS 17	Insurance Contracts	1-Jan-21

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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 March 2018 were as follows:-

31 March 2018 (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	-	4,401	516	-	4,917
- local	-	180	-	-	180
	-	4,581	516	-	5,097
Results	(125)	(316)	184	-	(257)
Finance cost					-
Loss before taxation					(257)
Taxation					-
Net loss for the period					(257)

31 March 2017 (Unaudited)

Revenue					
External sales					
- overseas	-	6,402	21	-	6,423
- local	-	402	-	-	402
Inter-segment	-	38	-	(38)	-
	-	6,842	21	(38)	6,825
Results	(42)	130	(63)	-	25
Finance cost					-
Loss before taxation					25
Taxation					-
Net loss for the period					25

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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 2017.

11. Trade receivables

Aging analysis of financial assets:

	<u>Individual Quarter</u>	
	As at 31 March 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
Up to 60 days	902	1,283
> 61 to 90 days	768	236
> 91 to 120 days	-	-
> 120 days	690	742
Total amount	2,360	2,261

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) 31/03/2018 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31/3/2017 RM'000	
Revenue	5,097	6,825	(1,728)
(Loss)/profit before taxation	(257)	25	(282)

Revenue for the current quarter decreased to RM 5.097 million from RM 6.825 million in the previous year's corresponding quarter due to decreased furniture manufacturing and trading in the current quarter under review (see note 9). The group registered a loss before taxation of RM 0.257 million in the current quarter compared to a profit of RM 0.025 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) 31/03/2018 RM'000	Immediate Preceding Quarter (Audited) 31/12/2017 RM'000	
Revenue	5,097	6,694	(1,597)
Loss before taxation	(257)	(2,172)	1,915

For the current quarter, the Group's revenue was RM 5.097 million and decreased from RM 6.694 million in the preceding quarter due to decreased furniture manufacturing and trading. The group registered a loss before taxation of RM 0.257 million as compared to a loss of RM 2.172 million in the preceding quarter.

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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 31/3/2018 (Unaudited) RM'000	As at 31/12/2017 (Audited) RM'000
Income tax:		
Current provision	-	(1)
Reversal of deferred taxation	-	166
Over provision of tax in respect of previous years	-	20
	<u>-</u>	<u>185</u>

20. Sale of Investments and/or Properties

There was no sale of investments and/or properties for the current quarter ended 31 March 2018.

21. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter ended 31 March 2018.

22. Corporate Proposals

Per Company's announcement to Bursa Malaysia on 13 April 2018, the Board of Directors of SNC announced that the Company shall be seeking shareholders' approval for the following proposals at the forthcoming Annual General Meeting of SNC:

- (i) To adopt a new Constitution, by amending the relevant provisions in the existing Memorandum and Articles of Association (M&A) to primarily be in line with the new Companies Act 2016, the updated provisions of Bursa Malaysia Securities Berhad's Main Market Listing Requirements and any prevailing statutory and regulatory requirements, to render clarity and consistency throughout the document. Thereafter the M&A shall be replaced in its entirety with the new Constitution ("Proposed Adoption");
- (ii) Proposed renewal of shareholders' mandate for the Company to enable SNC to purchase up to ten percent(10%) of its issued share capital at any point of time ("Proposed Share Buy-Back"); and
- (iii) Proposed renewal of existing shareholders' mandate and proposed new shareholders' mandate for the recurrent related party transactions of a revenue and/or trading nature ("Proposed Shareholders' Mandate").

The above proposals will be tabled at SNC's Twenty Third (23rd) Annual General Meeting (AGM) on 20 June 2018.

The Circular dated 30 April 2018 pertaining to the Proposed Adoption, Proposed Share Buy-Back and Proposed Shareholders' Mandate had been despatched to the shareholders of SNC.

23. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 31 March 2018.

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 previous year's quarterly reports.

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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
	2018	2017	31/3/2018	31/12/2017
	'000 Units	'000 Units	(Unaudited)	(Audited)
			RM'000	RM'000
Issued and fully paid ordinary shares				
As at 1 January	66,000	66,000	8,116	6,600
Reclassification from share premium	-	-	-	1,516
As at 31 March/December	<u>66,000</u>	<u>66,000</u>	<u>8,116</u>	<u>8,116</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
	31/3/2018	31/12/2017
	(Unaudited)	(Audited)
	RM'000	RM'000
Total retained earnings		
- Realised	(2,958)	(2,628)
- Unrealised	(5,065)	(5,138)
	(8,023)	(7,766)
Less : Consolidation adjustments	10,626	10,626
Total group retained earnings	<u>2,603</u>	<u>2,860</u>

29. (Loss)/profit for the period

	Individual		Cummulative	
	Quarter Ended		Quarter Ended	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31/3/2018	31/12/2017	31/3/2018	31/12/2017
	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)	13	(60)	13
- realised	129	162	129	291
Interest income	-	90	-	(3)
Inventory written-off	-	165	-	165
Other receivables written-off	-	600	-	600
Property, plant and equipment				
- depreciation	351	339	351	1,504
- gain on disposal	(82)	(246)	(82)	(246)
- written-off	-	1	-	1
	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>