

SAND NISKO CAPITAL BERHAD (339810-A)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>Current Year Quarter (Unaudited) 31/12/2018 RM'000</u>	<u>Preceding Year Corresponding Quarter (Audited) 31/12/2017 RM'000</u>	<u>Changes Increase/ (decrease) RM'000</u>	<u>Current Year To Date (Unaudited) 31/12/2018 RM'000</u>	<u>Preceding Year Corresponding Period (Audited) 31/12/2017 RM'000</u>	<u>Changes Increase/ (decrease) RM'000</u>
Revenue	3,447	6,694	(3,247)	14,633	26,066	(11,433)
Cost of sales	(4,709)	(8,815)	4,106	(14,410)	(27,173)	12,763
Gross (loss)/profit	(1,262)	(2,121)	859	223	(1,107)	1,330
Other operating income	611	460	151	1,348	917	431
Operating expenses	(735)	(511)	(224)	(4,504)	(3,738)	(766)
Loss before taxation	(1,386)	(2,172)	786	(2,933)	(3,928)	995
Taxation	113	169	(56)	113	185	(72)
Net loss for the period attributable to:						
- owners of the company	(1,273)	(2,003)	730	(2,820)	(3,743)	923
- non-controlling interests	-	-	-	-	-	-
Total comprehensive loss for the period attributable to:						
- owners of the company	(1,273)	(2,003)	730	(2,820)	(3,743)	923
- non-controlling interest	-	-	-	-	-	-
EPS - Basic (sen)	(1.93)	(3.03)		(4.27)	(5.67)	
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) 31/12/2018 RM'000	As At Preceding Financial Year End (Audited) 31/12/2017 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	10,864	33,411
Investment properties	19,300	-
	<u>30,164</u>	<u>33,411</u>
Current assets		
Inventories	2,785	3,150
Trade receivables	3,185	2,261
Other receivables, deposits & prepayments	1,731	1,667
Cash and bank balances	504	419
	<u>8,205</u>	<u>7,497</u>
Total Assets	<u><u>38,369</u></u>	<u><u>40,908</u></u>
EQUITY		
Share Capital	8,116	8,116
Revaluation reserve	14,363	16,230
Retained earnings	398	2,860
Total Equity	<u>22,877</u>	<u>27,206</u>
LIABILITIES		
Non-Current Liabilities		
Deferred Taxation	4,535	5,125
	<u>4,535</u>	<u>5,125</u>
Current Liabilities		
Trade payables	3,421	1,982
Other payables & accruals	7,536	6,594
Tax payable	-	1
	<u>10,957</u>	<u>8,577</u>
Total Liabilities	<u>15,492</u>	<u>13,702</u>
Total Equity and Liabilities	<u><u>38,369</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>35</u>	<u>41</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) 31/12/2018 RM'000	Preceding Year Period (Audited) 31/12/2017 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(2,933)	(3,928)
Adjustments for:-		
Bad debts written-off	666	-
Interest income	(1)	(3)
Inventories written-off	379	165
Other receivable written-off	-	600
Property, plant and equipment		
- depreciation	1,326	1,504
- gain on disposal	(362)	(246)
- written-off	-	1
Unrealised (income)/loss on foreign exchange	(60)	12
Operating loss before working capital changes	(985)	(1,895)
(Increase)/decrease in working capital		
Inventories	(14)	(660)
Receivables	(1,650)	2,163
Payables	2,441	267
Cash used from operations	(208)	(125)
Taxation paid	(5)	(1)
Net interest received	1	3
Net cash used in operating activities	(212)	(123)
Cash Flows From Investing Activities		
Property, plant and equipment		
- purchase	(1,590)	(534)
- sales proceed	1,887	246
Net cash generated/(used) in investing activities	297	(288)
Cash Flows From Financing Activities		
Withdraw/(Placement) of fixed deposit pledged with licensed bank, representing net cash from/(used) in financing activities	-	40
Net cash generated in financing activities	-	40
Net increase/(decrease) in cash & cash equivalents	85	(371)
Cash & cash equivalents brought forward (1 Jan 2018/2017)	419	808
Effect of exchange translation difference on cash and cash equivalents	-	(18)
Cash & cash equivalents carried forward (31 Dec 2018/2017)	504	419
*Cash & cash equivalents carried forward are represented by:-		
Cash and bank balances	504	419
	<u>504</u>	<u>419</u>

(The Condensed Consolidated Statement of Cash Flows 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
Year ended					
31 December 2018					
As at 1 January 2018 (audited)	8,116	-	16,230	2,860	27,206
Realisation of revaluation reserves upon depreciation	-	-	(358)	358	-
Fair value loss on investment properties	-	-	(1,509)	-	(1,509)
Loss for the financial year	-	-	-	(2,820)	(2,820)
As at 31 December 2018 (unaudited)	<u>8,116</u>	<u>-</u>	<u>14,363</u>	<u>398</u>	<u>22,877</u>
Year 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 - FOURTH QUARTER ENDED 31 DECEMBER 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 December 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 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	Joint Arrangements	1-Jan-19
- Amendments to MFRS 112	Income taxes	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 Costs	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 December 2018 were as follows:-

Quarter ended 31 December 2018 (unaudited)

Business Segments	Investment holding RM'000	Furniture Manufacturing & trading RM'000	Timbers & logs trading RM'000	Building construction RM'000	Adjustment & Elimination RM'000	Consolidated RM'000
Revenue						
External sales						
- overseas	-	2,846	-	-	-	2,846
- local	-	341	(105)	365	-	601
Inter-segment	-	-	-	-	-	-
	-	3,187	(105)	365	-	3,447
Results	(114)	(900)	(428)	56	-	(1,386)
Finance cost						-
Loss before taxation						(1,386)
Taxation						113
Net loss for the period						<u>(1,273)</u>

Quarter ended 31 December 2017 (Audited)

Revenue						
External sales						
- overseas	-	6,036	-	-	-	6,036
- local	-	390	268	-	-	658
Inter-segment	-	178	-	-	(178)	-
	-	6,604	268	-	(178)	6,694
Results	(199)	(1,719)	(254)	-	-	(2,172)
Finance cost						-
Loss before taxation						(2,172)
Taxation						169
Net loss for the period						<u>(2,003)</u>

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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 except that a subsidiary company's real properties with fair valuation of RM19.3m as per TA Valuers Sdn Bhd's valuation reports dated 23 October 2018 (Cost:RM21.286m) were reclassified to investment properties.

11. Trade receivables

Aging analysis of financial assets:

	<u>Individual Quarter</u>	
	As at 31 December 2018 (Unaudited) RM'000	As at 31 December 2017 (Audited) RM'000
Up to 60 days	1,259	1,283
> 61 to 90 days	382	236
> 91 to 120 days	249	-
> 120 days	1,295	742
Total amount	<u>3,185</u>	<u>2,261</u>

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.

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
	Current Year Quarter (Unaudited) 31/12/2018 RM'000	Preceding Year Corresponding Quarter (Audited) 31/12/2017 RM'000	Increase/(decrease) RM'000
Revenue	3,447	6,694	(3,247)
Loss before taxation	(1,386)	(2,172)	786

Revenue for the current quarter decreased to RM 3.447 million from RM 6.694 million in the previous year's corresponding quarter was due to decreased furniture manufacturing and trading (see note 9). The group registered a loss before taxation of RM 1.386 million in the current quarter as compared to a loss of RM 2.172 million in the previous year's corresponding quarter.

16. Comparison with Immediate Preceding Quarter's Results

	<u>Individual Quarter</u>		Changes
	Current Year Quarter (Unaudited) 31/12/2018 RM'000	Immediate Preceding Quarter (Unaudited) 30/09/2018 RM'000	Increase/(decrease) RM'000
Revenue	3,447	3,084	363
Loss before taxation	(1,386)	(354)	(1,032)

For the current quarter, the Group's revenue was RM 3.447 million and comparable to RM 3.084 million in the preceding quarter. The group registered a loss before taxation of RM 1.386 million as compared to a loss of RM 0.354 million in the preceding quarter was due mainly to write-off of bad debts, impairment of inventories and fair value loss on investment properties.

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

	Current Year To Date (Unaudited) 31/12/2018 RM'000	Preceding Year Corresponding Period (Audited) 31/12/2017 RM'000
Income tax:		
Current provision	-	(1)
Reversal of deferred taxation	113	166
Over provision of tax in respect of previous years	-	20
	<u>113</u>	<u>185</u>

20. Sale of Investments and/or Properties

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

21. Quoted Securities

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

22. Corporate Proposals

There were no corporate proposals 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 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 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 loss for the period by 66,000,000 ordinary shares in issue.

27. Share capital

	Number of shares		As at	As at
	2018	2017	31/12/2018	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 December	<u>66,000</u>	<u>66,000</u>	<u>8,116</u>	<u>8,116</u>

28. Disclosure of Realised and Unrealised Retained Earnings

	As at	As at
	31/12/2018	31/12/2017
	(Unaudited)	(Audited)
	RM'000	RM'000
Total retained earnings		
- Realised	(5,753)	(2,628)
- Unrealised	<u>(4,475)</u>	<u>(5,138)</u>
	(10,228)	(7,766)
Less : Consolidation adjustments	10,626	10,626
Total group retained earnings	<u>398</u>	<u>2,860</u>

29. Loss for the period

	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
Loss for the period was arrived at after charging/ (crediting) :				
Bad debts written-off	222	-	666	-
Foreign exchange loss				
- realised	-	162	(60)	291
- unrealised	-	13	90	13
Fair value loss on investment properties	1,986	-	1,986	-
Impairment of inventory	129	200	379	165
Interest income				
- earned	-	-	(1)	(3)
- over recording in previous quarters	-	90	-	-
Other receivables written-off	-	600	-	600
Property, plant and equipment				
- depreciation	304	339	1,326	1,504
- gain on disposal	(64)	(246)	(362)	(246)
- written-off	-	1	-	1
Rental				
- income	(406)	(108)	(748)	(108)
- expense	15	666	60	666