

SAND NISKO CAPITAL BERHAD (339810-A)

Financial Year End : 31/12/2019
Quarter : First Quarter

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>	
	Current Year Quarter (Unaudited) 31/3/2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31/3/2018 RM'000	Changes Increase/ (decrease) RM'000	Current Year To Date (Unaudited) 31/3/2019 RM'000	Preceding Year Corresponding Period (Unaudited) 31/3/2018 RM'000
Revenue	5,529	5,097	432	5,529	5,097
Cost of sales	(5,517)	(4,463)	(1,054)	(5,517)	(4,463)
Gross profit	12	634	(622)	12	634
Other operating income	742	173	569	742	173
Operating expenses	(587)	(1,064)	477	(587)	(1,064)
Profit/(loss) from continuing operations	167	(257)	424	167	(257)
Fair value loss on investment properties	-	-	-	-	-
Profit/(loss) before taxation	167	(257)	424	167	(257)
Taxation	-	-	-	-	-
Net profit/(loss) for the period attributable to:					
- owners of the company	167	(257)	424	167	(257)
- non-controlling interests	-	-	-	-	-
Other Comprehensive loss, net of Tax	-	-	-	-	-
Total comprehensive income/(loss) for the period attributable to:					
- owners of the company	167	(257)	424	167	(257)
- non-controlling interest	-	-	-	-	-
EPS - Basic (sen)	0.25	(0.39)		0.25	(0.39)
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 2018 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) 31/3/2019 RM'000	As At Preceding Financial Year End (Audited) 31/12/2018 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	10,688	10,812
Investment properties	19,300	19,300
	<u>29,988</u>	<u>30,112</u>
Current assets		
Inventories	2,604	3,085
Contract assets	26	42
Trade receivables	3,730	1,674
Other receivables, deposits & prepayments	2,795	2,890
Cash and bank balances	278	505
	<u>9,433</u>	<u>8,196</u>
Total Assets	<u><u>39,421</u></u>	<u><u>38,308</u></u>
EQUITY		
Share Capital	8,116	8,116
Retained earnings	14,890	14,723
Total Equity	<u>23,006</u>	<u>22,839</u>
LIABILITIES		
Non-Current Liabilities		
Deferred Taxation	4,482	4,482
	<u>4,482</u>	<u>4,482</u>
Current Liabilities		
Trade payables	5,306	3,197
Other payables & accruals	6,624	7,786
Tax payable	3	4
	<u>11,933</u>	<u>10,987</u>
Total Liabilities	<u>16,415</u>	<u>15,469</u>
Total Equity and Liabilities	<u><u>39,421</u></u>	<u><u>38,308</u></u>
Net assets per share (sen)		
calculated based on issued and fully paid-up 66,000,000 ordinary shares	<u>35</u>	<u>35</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 2018 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) 31/3/2019 RM'000	Preceding Year Period (Audited) 31/12/2018 RM'000
Cash Flows From Operating Activities		
Profit/(loss) before taxation	167	(3,017)
Adjustments for:-		
Bad debts written-off	-	666
Interest income	-	(1)
Inventories written-off	-	379
Property, plant and equipment		
- depreciation	126	1,378
- gain on disposal	(48)	(255)
Unrealised loss/(income) on foreign exchange	7	(1)
Operating profit/(loss) before working capital changes	252	(851)
(Increase)/decrease in working capital		
Inventories	481	(313)
Contract assets	16	(42)
Receivables	(1,962)	(1,308)
Payables	940	2,415
Cash used in operations	(273)	(99)
Taxation - paid	-	(5)
Net interest received	-	1
Net cash used in operating activities	(273)	(103)
Cash Flows From Investing Activities		
Property, plant and equipment		
- purchase	(2)	(65)
- sales proceed	48	255
Net cash generated from investing activities	46	190
Net (decrease)/increase in cash & cash equivalents	(227)	87
Cash & cash equivalents brought forward (1 Jan 2019/2018)	505	418
Cash & cash equivalents carried forward (31 Mar 2019/31 Dec 2018)	278	505
*Cash & cash equivalents carried forward are represented by:-		
Cash and bank balances	278	505
	<u>278</u>	<u>505</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 2018 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	Revaluation reserves RM'000	Retained earnings RM'000	Total equity RM'000
3 months ended				
31 March 2019				
As at 1 January 2019 (audited)	8,116	14,192	531	22,839
Profit for the current quarter	-	-	167	167
As at 31 March 2019 (unaudited)	<u>8,116</u>	<u>14,192</u>	<u>698</u>	<u>23,006</u>
12 months ended				
31 December 2018				
As at 1 January 2018 (audited)	8,116	16,230	2,860	27,206
Loss for the financial year	-	-	(2,857)	(2,857)
Revaluation of land and buildings	-	(1,510)	-	(1,510)
Realisation of revaluation surplus upon depreciation	-	(528)	528	-
As at 31 December 2018 (audited)	<u>8,116</u>	<u>14,192</u>	<u>531</u>	<u>22,839</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 2018 and the accompanying explanatory notes attached to the interim financial

EXPLANATORY NOTES - FIRST QUARTER ENDED 31 MARCH 2019**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 2018 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 2019.

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 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
IC Interpretation 23	Uncertainty over Income Tax Treatments	1-Jan-19

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
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
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 March 2019 were as follows:-

Quarter ended 31 March 2019 (Unaudited)

Business Segments

	Investment holding RM'000	Furniture Manufacturing & trading RM'000	Timbers, logs trading & construction RM'000	Adjustment & Elimination RM'000	Consolidated RM'000
Revenue					
External sales					
- overseas	-	2,708	-	-	2,708
- local	-	69	2,752	-	2,821
	-	2,777	2,752	-	5,529
Results	(111)	205	73	-	167
Finance cost					-
Profit before taxation					167
Taxation					-
Net profit for the period					167

Quarter ended 31 March 2018 (Unaudited)

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)

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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 2018.

11. Trade receivables

Aging analysis of financial assets:

	<u>Individual Quarter</u>	
	As at 31 March 2019 (Unaudited) RM'000	As at 31 December 2018 (Audited) RM'000
Up to 60 days	2,927	889
> 61 to 90 days	178	670
> 91 to 120 days	15	-
> 120 days	610	115
Total amount	<u>3,730</u>	<u>1,674</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 Increase/(decrease) RM'000
	Current Year Quarter (Unaudited) 31/3/2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 31/3/2018 RM'000	
Revenue	5,529	5,097	432
Profit/(loss) before taxation	167	(257)	424

Revenue for the current quarter increased to RM 5.529 million from RM 5.097 million in the previous year's corresponding quarter was due to increased timber and log trading (see note 9). The group registered a profit before taxation of RM 0.167 million in the current quarter as compared to a loss of RM 0.257 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) 31/3/2019 RM'000	Immediate Preceding Quarter (Audited) 31/12/2018 RM'000	
Revenue	5,529	3,479	2,050
Profit/(loss) before taxation	167	(1,310)	1,477

For the current quarter, the Group's revenue was RM 5.529 million and comparable to RM 3.479 million in the preceding quarter. The group registered a profit before taxation of RM 0.167 million as compared to a loss of RM 1.310 million in the preceding quarter resulted from the 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) 31/3/2019 RM'000	Preceding Year Corresponding Period (Audited) 31/12/2018 RM'000
Income tax:		
Current provision	-	6
Under provision of tax in respect of previous years	-	1
Reversal of deferred taxation	-	(167)
	<u>-</u>	<u>(160)</u>

20. Sale of Investments and/or Properties

There was no sale of investments and/or properties for the current financial quarter ended 31 March 2019.

21. Quoted Securities

There was no purchase or disposal of quoted securities for the current financial quarter ended 31 March 2019.

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 March 2019.

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 profit for the period by 66,000,000 ordinary shares in issue.

27. Share capital

	Number of shares		As at	As at
	2019	2018	31/3/2019	31/12/2018
	'000 Units	'000 Units	(Unaudited) RM'000	(Audited) RM'000
Issued and fully paid ordinary shares				
As at 1 January	66,000	66,000	8,116	8,116
Reclassification from share premium	-	-	-	-
As at 31 March/December	<u>66,000</u>	<u>66,000</u>	<u>8,116</u>	<u>8,116</u>

28. Profit/(loss) for the period

	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31/3/2019	31/12/2018	31/3/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period was arrived at after charging/ (crediting) :				
Bad debts written-off	-	222	-	666
Foreign exchange loss				
- realised	21	-	21	29
- unrealised	7	(1)	7	(1)
Inventory written-off	-	129	-	379
Interest income	-	-	-	(1)
Property, plant and equipment				
- depreciation	126	356	126	1,378
- gain on disposal	(48)	43	(48)	(255)
Rental				
- income	(176)	(406)	(176)	(748)
- expense	-	151	-	612