

SAND NISKO CAPITAL BERHAD (339810-A)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	Current Year Quarter (Unaudited) 30/06/2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30/06/2018 RM'000	Changes Increase/ (decrease) RM'000	Current Year To Date (Unaudited) 30/06/2019 RM'000	Preceding Year Corresponding Period (Unaudited) 30/06/2018 RM'000	Changes Increase/ (decrease) RM'000
Revenue	3,918	3,005	913	9,447	8,102	1,345
Cost of sales	(3,628)	(2,904)	(724)	(9,145)	(7,367)	(1,778)
Gross profit	290	101	189	302	735	(433)
Other operating income	990	140	850	1,732	313	1,419
Operating expenses	(1,432)	(1,177)	(255)	(2,019)	(2,241)	222
(Loss)/profit from continuing operations	(152)	(936)	784	15	(1,193)	1,208
Fair value loss on investment properties	-	-	-	-	-	-
(Loss)/profit before taxation	(152)	(936)	784	15	(1,193)	1,208
Taxation	-	-	-	-	-	-
Net (loss)/profit for the period attributable to:						
- owners of the company	(152)	(936)	784	15	(1,193)	1,208
- non-controlling interests	-	-	-	-	-	-
Other Comprehensive loss, net of tax	-	-	-	-	-	-
Total comprehensive (loss)/income for the period attributable to:						
- owners of the company	(152)	(936)	784	15	(1,193)	1,208
- non-controlling interests	-	-	-	-	-	-
EPS - Basic (sen)	(0.23)	(1.42)		0.02	(1.81)	
EPS - Fully diluted (sen)	NA	NA		NA	NA	

(The Unaudited 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) 30/06/2019 RM'000	As At Preceding Financial Year End (Audited) 31/12/2018 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	10,563	10,812
Investment properties	19,300	19,300
	<u>29,863</u>	<u>30,112</u>
Current Assets		
Inventories	2,700	3,085
Contract assets	58	42
Trade receivables	3,430	1,674
Other receivables, deposits & prepayments	3,151	2,890
Cash and bank balances	624	505
	<u>9,963</u>	<u>8,196</u>
Total Assets	<u><u>39,826</u></u>	<u><u>38,308</u></u>
EQUITY		
Share capital	8,116	8,116
Reserves	14,738	14,723
Total Equity	<u>22,854</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	4,621	3,197
Other payables & accruals	7,865	7,786
Tax payable	4	4
	<u>12,490</u>	<u>10,987</u>
Total Liabilities	<u>16,972</u>	<u>15,469</u>
Total Equity and Liabilities	<u><u>39,826</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 Unaudited 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) 30/06/2019 RM'000	Preceding Year Period (Audited) 31/12/2018 RM'000
Cash Flows From Operating Activities		
Profit/(loss) before taxation	15	(3,017)
Adjustments for:-		
Bad debts written-off	-	666
Interest income	(1)	(1)
Inventories written-off	-	379
Property, plant and equipment - depreciation	251	1,378
- gain on disposal	(48)	(255)
Unrealised income on foreign exchange	-	(1)
Operating profit/(loss) before working capital changes (Increase)/decrease in working capital	<u>217</u>	<u>(851)</u>
Inventories	385	(313)
Contract assets	(16)	(42)
Receivables	(2,017)	(1,308)
Payables	<u>1,503</u>	<u>2,415</u>
Cash generated from/(used in) operations	72	(99)
Taxation - paid	-	(5)
Net interest received	<u>1</u>	<u>1</u>
Net cash generated from/(used in) operating activities	73	(103)
Cash Flows From Investing Activities		
Property, plant and equipment - purchase	(2)	(65)
- sales proceed	48	255
Net cash generated from investing activities	<u>46</u>	<u>190</u>
Net increase in cash & cash equivalents	119	87
Cash & cash equivalents brought forward (1 January 2019/2018)	<u>505</u>	<u>418</u>
Cash & cash equivalents carried forward (30 June 2019/31 December 2018)	<u><u>624</u></u>	<u><u>505</u></u>
*Cash & cash equivalents carried forward (30 June 2019/31 December 2018) are represented by:-		
Cash and bank balances	<u>624</u>	<u>505</u>
	<u><u>624</u></u>	<u><u>505</u></u>

(The Unaudited 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

	Attributable to owners of the Company			
	Non-distributable		Distributable	
	Share capital RM'000	Revaluation reserves RM'000	Retained earnings RM'000	Total equity RM'000
6 months ended				
30 June 2019				
As at 1 January 2019 (audited)	8,116	14,192	531	22,839
Profit for the period	-	-	15	15
As at 30 June 2019 (unaudited)	<u>8,116</u>	<u>14,192</u>	<u>546</u>	<u>22,854</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 Unaudited 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 statements.)

EXPLANATORY NOTES - FIRST QUARTER ENDED 30 JUNE 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 unaudited 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 30 June 2019.

2. Changes in accounting policies

As in the previous financial quarter, the Group and the Company have adopted the new MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year.

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 3	Definition of a Business	01-Jan-20
Amendments to MFRS 101	Definition of material	01-Jan-20
Amendments to MFRS 108	Definition of material	01-Jan-20
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	01-Jan-20
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	01-Jan-20
Amendments to IC Interpretation 132	Intangible Assets - Website Costs	01-Jan-20
MFRS 17	Insurance Contracts	01-Jan-21
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 operations are 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 material 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 issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial quarter under review.

8. Dividend Paid

No dividends were paid during the current financial quarter under review.

EXPLANATORY NOTES - CONTINUED**9. Segmental Information**

Segment information was provided based on four (4) major segments, i.e. investment holding, furniture manufacturing and trading, timbers and logs trading and construction. Business segments in revenue and results of the Group for the current quarter ended 30 June 2019 were as follows:-

Quarter ended 30 June 2019 (Unaudited)

Business Segments

	Investment holding RM'000	Furniture Manufacturing & trading RM'000	Timbers, logs & trading RM'000	Construction RM'000	Adjustment & Elimination RM'000	Consolidated RM'000
Revenue						
External sales						
- overseas	-	2,291	-	-	-	2,291
- local	-	115	-	1,512	-	1,627
Inter-segment	-	-	-	-	-	-
		<u>2,406</u>		<u>1,512</u>		<u>3,918</u>
Results	(504)	332		20	-	(152)
Finance cost						-
Loss before taxation						(152)
Taxation						-
Net loss for the period						<u>(152)</u>

Quarter ended 30 June 2018 (Unaudited)

Revenue						
External sales						
- overseas	-	2,393	-	-	-	2,393
- local	-	612	-	-	-	612
		<u>3,005</u>				<u>3,005</u>
Results	(118)	(365)	(453)	-	-	(936)
Finance cost						-
Loss before taxation						(936)
Taxation						-
Net loss for the period						<u>(936)</u>

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:

	Individual Quarter	
	As at 30 June 2019 (Unaudited) RM'000	As at 31 December 2018 (Audited) RM'000
Up to 60 days	2,105	889
> 61 to 90 days	62	670
> 91 to 120 days	726	-
> 120 days	537	115
Total amount	<u>3,430</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.

EXPLANATORY NOTES - CONTINUED**15. Review of Performance**

	<u>Individual Quarter</u>		
	Current Year Quarter (Unaudited) 30/06/2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30/06/2018 RM'000	Changes Increase/(decrease) RM'000
Revenue	3,918	3,005	913
Loss before tax	(152)	(936)	784

Revenue for the current financial quarter increased to RM 3.918 million from RM 3.005 million in the previous year's corresponding quarter was due to construction income (see note 9). The Group registered a loss before taxation of RM 0.152 million in the current financial quarter as compared to a loss of RM 0.936 million in the previous year's corresponding financial quarter due to improved margin and other operating income.

16. Comparison with Immediate Preceding Quarter's Results

	<u>Individual Quarter</u>		
	Current Year Quarter (Unaudited) 30/06/2019 RM'000	Immediate Preceding Quarter (Unaudited) 31/03/2019 RM'000	Changes Increase/(decrease) RM'000
Revenue	3,918	5,529	(1,611)
(Loss)/profit before tax	(152)	167	(319)

For the current financial quarter, the Group's revenue was RM 3.918 million compared to RM 5.529 million in the immediate preceding financial quarter due to decrease in revenue from furniture manufacturing and trading and construction. The Group registered a loss before taxation of RM 0.152 million compared to a profit before taxation of RM 0.167 million in the immediate preceding financial quarter.

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

There was no income tax estimated for the current financial quarter ended 30 June 2019.

20. Sale of Investments and/or Properties

There was no sale of investments and/or properties for the current financial quarter ended 30 June 2019.

21. Quoted Securities

There was no purchase or disposal of quoted securities for the current financial quarter ended 30 June 2019.

SAND NISKO CAPITAL BERHAD (339810-A)**EXPLANATORY NOTES - CONTINUED****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 30 June 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.

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	30/06/2019	31/12/2018
	'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	8,116
Reclassification from share premium	-	-	-	-
As at 30 June/31 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)	(Unaudited)	(Unaudited)	(Unaudited)
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period was arrived at after charging/ (crediting) :				
Bad debts written-off	-	222	-	222
Foreign exchange loss/(income)				
- realised	(23)	(114)	(2)	15
- unrealised	(7)	-	-	(60)
Inventory written-off	-	125	-	125
Interest income	(1)	(1)	(1)	(1)
Property, plant and equipment				
- depreciation	125	345	251	696
- (gain)/loss on disposal	-	-	(48)	(82)
Rental				
- income	(215)	(47)	(391)	(47)
- expense	5	-	20	-
	<u>5</u>	<u>-</u>	<u>20</u>	<u>-</u>

BY ORDER OF THE EXECUTIVE DIRECTOR

Dated: 30 August 2019