

SAND NISKO CAPITAL BERHAD (339810-A)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>Current Year Quarter (Unaudited) 30/09/2019 RM'000</u>	<u>Preceding Year Corresponding Quarter (Unaudited) 30/09/2018 RM'000</u>	<u>Changes Increase/ (decrease) RM'000</u>	<u>Current Year To Date (Unaudited) 30/09/2019 RM'000</u>	<u>Preceding Year Corresponding Period (Unaudited) 30/09/2018 RM'000</u>	<u>Changes Increase/ (decrease) RM'000</u>
Revenue	5,890	3,084	2,806	15,337	11,186	4,151
Cost of sales	(5,754)	(2,334)	(3,420)	(14,899)	(9,701)	(5,198)
Gross profit	136	750	(614)	438	1,485	(1,047)
Other operating income	725	424	301	2,457	737	1,720
Operating expenses	(909)	(1,528)	619	(2,928)	(3,769)	841
Loss from continuing operations	(48)	(354)	306	(33)	(1,547)	1,514
Fair value loss on investment properties	-	-	-	-	-	-
Loss before taxation	(48)	(354)	306	(33)	(1,547)	1,514
Taxation	-	-	-	-	-	-
Net loss for the period attributable to:						
- owners of the company	(48)	(354)	306	(33)	(1,547)	1,514
- non-controlling interests	-	-	-	-	-	-
Other Comprehensive loss, net of tax	-	-	-	-	-	-
Total comprehensive loss for the period attributable to:						
- owners of the company	(48)	(354)	306	(33)	(1,547)	1,514
- non-controlling interests	-	-	-	-	-	-
EPS - Basic (sen)	(0.07)	(0.54)		(0.05)	(2.34)	
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) 30/09/2019 RM'000	As At Preceding Financial Year End (Audited) 31/12/2018 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	10,445	10,812
Investment properties	19,300	19,300
	<u>29,745</u>	<u>30,112</u>
Current Assets		
Inventories	2,404	3,085
Contract assets	2,217	42
Trade receivables	7,006	1,674
Other receivables, deposits & prepayments	2,259	2,890
Cash and bank balances	995	505
	<u>14,881</u>	<u>8,196</u>
Total Assets	<u><u>44,626</u></u>	<u><u>38,308</u></u>
EQUITY		
Share capital	8,116	8,116
Reserves	14,690	14,723
Total Equity	<u>22,806</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	8,627	3,197
Other payables & accruals	8,711	7,786
Tax payable	-	4
	<u>17,338</u>	<u>10,987</u>
Total Liabilities	<u>21,820</u>	<u>15,469</u>
Total Equity and Liabilities	<u><u>44,626</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><u>35</u></u>	<u><u>35</u></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) 30/09/2019 RM'000	Preceding Year Period (Audited) 31/12/2018 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(33)	(3,017)
Adjustments for:-		
Bad debts written-off	-	666
Interest income	(1)	(1)
Inventories written-off	-	379
Property, plant and equipment		
- depreciation	377	1,378
- gain on disposal	(48)	(255)
Unrealised income on foreign exchange	-	(1)
Operating profit/(loss) before working capital changes	<u>295</u>	<u>(851)</u>
(Increase)/decrease in working capital		
Inventories	681	(313)
Contract assets	(2,175)	(42)
Receivables	(4,700)	(1,308)
Payables	<u>6,355</u>	<u>2,415</u>
Cash generated from/(used in) operations	456	(99)
Taxation - paid	(5)	(5)
Net interest received	<u>1</u>	<u>1</u>
Net cash generated from/(used in) operating activities	452	(103)
Cash Flows From Investing Activities		
Property, plant and equipment		
- purchase	(10)	(65)
- sales proceed	48	255
Net cash generated from investing activities	38	190
Net increase in cash & cash equivalents	490	87
Cash & cash equivalents brought forward (1 January 2019/2018)	505	418
Cash & cash equivalents carried forward (30 Sept 2019/31 December 2018)	<u>995</u>	<u>505</u>
*Cash & cash equivalents carried forward (30 Sept 2019/31 December 2018) are represented by:-		
Cash and bank balances	<u>995</u>	<u>505</u>
	<u>995</u>	<u>505</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
9 months ended				
30 September 2019				
As at 1 January 2019 (audited)	8,116	14,192	531	22,839
Loss for the period	-	-	(33)	(33)
As at 30 September 2019 (unaudited)	<u>8,116</u>	<u>14,192</u>	<u>498</u>	<u>22,806</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 SEPTEMBER 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 September 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
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.

SAND NISKO CAPITAL BERHAD (339810-A)

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 September 2019 were as follows:-

Quarter ended 30 September 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	-	2,150	-	-	-	2,150
- local	-	121	-	3,619	-	3,740
Inter-segment	252	-	-	-	(252)	-
	<u>252</u>	<u>2,271</u>	<u>-</u>	<u>3,619</u>	<u>(252)</u>	<u>5,890</u>
Results	138	(218)	-	32	-	(48)
Finance cost						-
Loss before taxation						<u>(48)</u>
Taxation						-
Net loss for the period						<u><u>(48)</u></u>

Quarter ended 30 September 2018 (Unaudited)

Revenue						
External sales						
- overseas	-	2,291	-	-	-	2,291
- local	-	575	218	-	-	793
Inter-segment	-	2,906	-	-	(2,906)	-
	<u>-</u>	<u>5,772</u>	<u>218</u>	<u>-</u>	<u>(2,906)</u>	<u>3,084</u>
Results	(136)	150	(261)	-	(107)	(354)
Finance cost						-
Loss before taxation						<u>(354)</u>
Taxation						-
Net loss for the period						<u><u>(354)</u></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:

	<u>Individual Quarter</u>	
	As at 30 Sept 2019 (Unaudited) RM'000	As at 31 December 2018 (Audited) RM'000
Up to 60 days	4,161	889
> 61 to 90 days	184	670
> 91 to 120 days	1,229	-
> 120 days	1,432	115
Total amount	<u>7,006</u>	<u>1,674</u>

Increased trade receivables is in line with increased revenue from construction.

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.

SAND NISKO CAPITAL BERHAD (339810-A)**EXPLANATORY NOTES - CONTINUED****15. Review of Performance**

	<u>Individual Quarter</u>		Changes Increase/(decrease) RM'000
	Current Year Quarter (Unaudited) 30/09/2019 RM'000	Preceding Year Corresponding Quarter (Unaudited) 30/09/2018 RM'000	
Revenue	5,890	3,084	2,806
Loss before tax	(48)	(354)	306

Revenue for the current financial quarter increased to RM 5.890 million from RM 3.084 million in the previous year's corresponding quarter was mainly due to revenue from construction activities.

The Group registered a loss before taxation of RM 0.048 million in the current financial quarter as compared to a loss of RM 0.354 million in the previous year's corresponding financial quarter due to slight improvement in profits from furniture trading and construction, and reduction of operating expenses from investments and timber logging segments.

16. Comparison with Immediate Preceding Quarter's Results

	<u>Individual Quarter</u>		Changes Increase/(decrease) RM'000
	Current Year Quarter (Unaudited) 30/09/2019 RM'000	Immediate Preceding Quarter (Unaudited) 30/06/2019 RM'000	
Revenue	5,890	3,918	1,972
Loss before tax	(48)	(152)	104

For the current financial quarter, the Group's revenue was RM 5.890 million compared to RM 3.918 million in the immediate preceding financial quarter due to increased in revenue from construction activities.

The Group registered a loss before taxation of RM 0.048 million compared to a loss before taxation of RM 0.152 million in the immediate preceding financial quarter.

17. Current Year Prospects

The Group acknowledged the uncertainty of current economic and market conditions of the furniture and construction industries. The management had continued to make concerted effort to control construction costs and to secure overseas furniture 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 September 2019.

20. Investments and/or Properties

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

21. Quoted Securities

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

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EXPLANATORY NOTES - CONTINUED

22. Corporate Proposals

On 27.9.2019, the Company announced the following multiple corporate proposals which are not yet completed as at the date of this report:

- (i) Proposed Disposal of a wholly-owned subsidiary, Len Cheong Furniture Sdn Bhd, to DPS Realty Sdn Bhd (DPSR) for a total cash consideration of RM10 million;
- (ii) Proposed Private Placement of up to 13,200,000 new ordinary shares in the Company, representing up to 20% of the issued share capital of the Company to independent third party investor(s) to be identified later;
- (iii) Proposed Special Issue of 6,600,000 new ordinary shares in the Company, representing up to 10% of the issued share capital of the Company to Dato' Seri (Dr) Sow Chin Chuan, JP; and
- (iv) Proposed establishment of an Employee Share Option Scheme involving up to 15% of the enlarged issued share capital of the Company (after (ii) and (iii) above) to eligible directors and employees of the Company and its subsidiaries.

23. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 30 September 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	30/09/2019	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 30 September/31 December	<u>66,000</u>	<u>66,000</u>	<u>8,116</u>	<u>8,116</u>

28. Loss for the period

	Individual Quarter Ended		Cumulative Quarter Ended	
	(Unaudited) 30/09/2019	(Unaudited) 30/09/2018	(Unaudited) 30/09/2019	(Unaudited) 30/09/2018
	RM'000	RM'000	RM'000	RM'000
Loss for the period was arrived at after charging/ (crediting) :				
Bad debts written-off	-	222	-	444
Foreign exchange loss/(income)				
- realised	3	75	1	90
- unrealised	-	-	-	(60)
Inventory written-off	-	125	-	250
Interest income	-	-	(1)	(1)
Property, plant and equipment				
- depreciation	126	326	377	1,022
- (gain)/loss on disposal	-	(216)	(48)	(298)
Rental				
- income	(175)	(295)	(566)	(342)
- expense	-	-	20	-
	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>