

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2020
(The figures have not been audited)

	Individual Quarter		Changes Increase/ (decrease) RM'000	Cumulative Quarter		Changes Increase/ (decrease) RM'000
	Unaudited Current Year Quarter 31.03.2020 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2019 RM'000		Unaudited Current Year To Date 31.03.2020 RM'000	Unaudited Preceding Year 31.03.2019 RM'000	
Revenue	7,556	5,529	2,027	7,556	5,529	2,027
Cost of sales	(7,554)	(5,517)	(2,037)	(7,554)	(5,517)	(2,037)
Gross profit	2	12	(10)	2	12	(10)
Operating expenses	(934)	(587)	(347)	(934)	(587)	(347)
Other operating income	367	742	(375)	367	742	(375)
(Loss)/profit from operations	(565)	167	(732)	(565)	167	(732)
Finance cost	-	-	-	-	-	-
(Loss)/profit before tax	(565)	167	(732)	(565)	167	(732)
Taxation	-	-	-	-	-	-
(Loss)/profit from continued operations	(565)	167	(732)	(565)	167	(732)
Assets held for sale operations						
Profit from assets held for sale	156	-	156	156	-	156
Net (loss)/profit for the period	(409)	167	(576)	(409)	167	(576)
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	(409)	167	(576)	(409)	167	(576)
Number of Ordinary shares issued ('000s)	66,000	66,000		66,000	66,000	
(Loss)/profit per share (sen)						
- Basic	(0.62)	0.25		(0.62)	0.25	
- Diluted #	N/A	N/A		N/A	N/A	

Note :

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

SAND NISKO CAPITAL BERHAD
(Company No. 339810-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020
(The figures have not been audited)

	Unaudited As at End Of Current Quarter 31.03.2020 RM'000	Audited As at Preceding Financial Year End 31.12.2019 RM'000
Non-current assets		
Property, plant and equipment	11,984	12,089
	<u>11,984</u>	<u>12,089</u>
Current assets		
Inventories	701	2,178
Contract assets	656	1,682
Trade receivable	5,779	8,481
Other receivable, deposits & prepayments	3,827	823
Cash and bank balances	9,446	2,108
	<u>20,409</u>	<u>15,272</u>
Assets held for sale	21,314	20,955
	<u>41,723</u>	<u>36,227</u>
Total Assets	<u>53,707</u>	<u>48,316</u>
EQUITY		
Share capital	8,116	8,116
Reserves	15,373	15,782
Total equity	<u>23,489</u>	<u>23,898</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liability	1,873	1,873
	<u>1,873</u>	<u>1,873</u>
Current liabilities		
Trade payables	4,861	7,021
Other payables and accruals	13,553	4,441
	<u>18,414</u>	<u>11,462</u>
Liabilities directly associated with assets classified as held for sale	9,931	11,083
	<u>28,345</u>	<u>22,545</u>
Total Liabilities	<u>30,218</u>	<u>24,418</u>
Total Equity And Liabilities	<u>53,707</u>	<u>48,316</u>
Number of ordinary shares ('000)	66,000	66,000
Net Tangible Assets per share attributable to Owner of the Company (RM)	<u>0.36</u>	<u>0.36</u>

Note :

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)

SAND NISKO CAPITAL BERHAD
(Company No. 339810-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2020
(The figures have not been audited)

	Non-Distributable		Distributable	Total RM'000
	Share Capital RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
Balance as at 31 December 2018	8,116	14,192	531	22,839
Loss for the year	-	-	(616)	(616)
Revaluation increase	-	1,675	-	1,675
Total comprehensive income/ (loss) for the year	-	1,675	(616)	1,059
Realisation of revaluation surplus upon depreciation	-	(137)	137	-
Balance as at 31 December 2019	8,116	15,730	52	23,898
Total comprehensive loss for the year	-	-	(409)	(409)
Balance as at 31 March 2020	8,116	15,730	(357)	23,489

Note :

(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 2019 and the accompanying explanatory notes attached to the interim financial statement)

SAND NISKO CAPITAL BERHAD
(Company No. 339810-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020
(The figures have not been audited)

	Current Year To Date 31.03.2020 RM'000	Preceding Year Period (Audited) 31.12.2019 RM'000
Net cash inflow from operating activities	16,263	1,565
Net cash inflow from investing activities	70	38
Net cash (outflow) from financing activities	(8,995)	-
Net increase in cash and cash equivalents	<u>7,338</u>	<u>1,603</u>
Cash and bank balances as at 1 January	2,108	505
	<u>9,446</u>	<u>2,108</u>
Effect of exchange translation differences on cash and cash equivalents	-	-
Cash and cash equivalents as at 31 March	<u><u>9,446</u></u>	<u><u>2,108</u></u>
<u>Reconciliation :</u>		
Cash and bank balances	846	2,108
Fixed deposit with licensed bank	<u>8,600</u>	-
Cash and cash equivalents as at 31 March	<u><u>9,446</u></u>	<u><u>2,108</u></u>

The unaudited Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

A1 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 Requirement of Bursa Malaysia Securities Berhad.

The interim unaudited financial statement should be read in conjunction with the audited financial statement for the year ended 31 December 2019 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 2019.

A2 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 <u>beginning on or after</u>
Amendments to MFRS 3	Definition of a Business	1-Jan-20
Amendments to MFRS 101	Definition of material	1-Jan-20
Amedments to MFRS 108	Definition of material	1-Jan-20
MFRS 17	Insurance Contracts	1-Jan-21
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A3 Qualification of Preceding Annual Financial Statements

The auditors report of the preceding financial year was not subject to any qualification

A4 Seasonal or Cyclical Factors

The Group's operations are not affected by seasonal or cyclical factors

A5 Nature, Size or Incidence of Unusual Items

There were no unusual items in the current financial quarter under review

A6 Material Changes in Estimates

There were no material changes in estimates that have had a material effects in the current financial quarter

A7 Issuance or Repayment of Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the current financial quarter under review

A8 Dividend Paid

No dividends were paid during the current financial quarter under review

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.

A9 Segmental Information

Segment information was provided based on four (4) major segments, i.e. investment holding, furniture manufacturing & trading, timber, log trading and construction. Business segments in revenue and results of the Group for the current quarter ended 31 March 2020 were as follows:-

Quarter ended 31 March 2020 (Unaudited)

Business Segments	Investment	Furniture	Timbers, logs	Construction	Adjustments/ Eliminations	Consolidated financial statement
	Holding	& trading	trading			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External Sales						
-overseas	-	2,067	-	-	-	2,067
-local	-	-	-	5,489	-	5,489
Inter-segment	84	-	-	-	(84)	-
Total Revenue	84	2,067	-	5,489	(84)	7,556
Results :						
Segment results	(213)	(822)	-	470	-	(565)
Finance cost						-
Loss before tax						(565)
Taxation						-
Loss from continuing operation						(565)
Profit from assets held for sale						156
Net loss for the period						(409)

Quarter ended 31 March 2019 (Unaudited)

Business Segments	Investment	Furniture	Timbers, logs	Construction	Adjustments/ Eliminations	Consolidated financial statement
	Holding	& trading	trading			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External Sales						
-overseas	-	2,708	-	-	-	2,708
-local	-	69	2,752	-	-	2,821
Inter-segment	-	-	-	-	-	-
Total Revenue	-	2,777	2,752	-	-	5,529
Results :						
Segment results	(111)	205	73	-	-	167
Finance cost						-
Profit before tax						167
Taxation						-
Net profit for the period						167

A10. Valuations of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial year ended 31 December 2019.

A11. Subsequent Events

There were no other material events during the current quarter of 31 March 2020 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

A12. Changes in Composition of the Group

There are no changes in the composition of the Group during the quarter under review.

A13. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 December 2019.

A14. Capital Commitments

There are no capital expenditure commitments contracted and not provided for in the interim financial statements as at 31 March 2020.

PART B: ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B1 Review of Performance for Comparison with Current Quarter to Corresponding Quarter of Last Year

Our Group's revenue was increased/(decreased) as follows:

	Current Year Quarter 31.03.2020 RM'000	Preceding Year Corresponding Quarter after prior period adjustment 31.03.2019 RM'000	Increased/ (Decreased) RM'000
<u>REVENUE</u>			
Manufacturing and trading	2,067	2,777	(710)
Construction	5,489	2,752	2,737
Total	<u>7,556</u>	<u>5,529</u>	<u>2,027</u>

Revenue for the current quarter is RM2,027 thousand higher compared to preceding year corresponding quarter mainly due to increase in construction sector. We will continue to reschedule and strategise for construction and manufacturing and trading business. We are in full force of construction. We expect to have higher sales in next two quarters.

B2 Review of Performance for Comparison with Immediate Preceding Quarter's Results

	Current Year Quarter 31.03.2020 RM'000	Immediate Preceding Quarter 31.12.2019 RM'000	Increased/ (Decreased) RM'000
<u>REVENUE</u>			
Manufacturing and trading	2,067	1,607	460
Construction	5,489	7,453	(1,964)
Total	<u>7,556</u>	<u>9,060</u>	<u>(1,504)</u>
Cost Of Sales	<u>(7,554)</u>	<u>(9,664)</u>	<u>2,110</u>
Gross profit/(loss)	<u>2</u>	<u>(604)</u>	<u>606</u>
<u>LOSS BEFORE TAX ("LBT")</u>			
Manufacturing and trading	(822)	(1,130)	308
Construction	470	(94)	564
Investment holdings	(213)	(176)	(37)
Total	<u>(565)</u>	<u>(1,400)</u>	<u>835</u>

For the current quarter, the revenue of the Group is RM7.556m (31.12.19 : RM9.060m), the revenue decrease by 16.60% as compared to the preceding quarter due to slow down of the construction progress as infected by Covid-19 pandemic. The Group registered a loss of RM0.565m (31.12.19 : RM1.4m loss).

B3 Commentary on Prospects

The Board is of the view that the future prospects of our furniture products are encouraging and the Group will potentially benefit from the outlook of the global furniture industry which is expected to improve our financial performance.

Meanwhile, the Group will also focus on developing affordable housing projects to drive its growth and the Group's profitability. Barring any unforeseen circumstances, our Board is confident that the Group will continue to be resilient and remain profitable in the financial year ended 31 December 2020.

B4 Profit Forecast or Profit Guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

B5 Notes to Consolidated Statement of Comprehensive Income

	Individual Quarter Ended		Cumulative Quarter Ended	
	(Unaudited) 31.03.2020 RM'000	(Audited) 31.12.2019 RM'000	(Unaudited) 31.03.2020 RM'000	(Audited) 31.12.2019 RM'000
(Loss)/profit for the period is arrived at after charging/ (crediting) :				
Auditors' remuneration	20	12	20	48
Foreign exchange loss/(income)				
-realised	(23)	14	(23)	14
-unrealised	-	16	-	16
Impairment of				
-obsolete inventories	574	637	-	638
-plant and machineries	-	311	-	311
Interest income	(3)	(1)	(3)	(1)
Property, plant and equipment				
-depreciation	117	114	117	455
-(gain)/loss on disposal	(70)	(48)	(70)	(48)
Provision for doubtful debts	(300)	300	(300)	300
Rental				
-income	(176)	(64)	(176)	(297)
-expenses	-	20	-	20

B6 Taxation

	Current Year Quarter (Unaudited) RM'000	Preceding Year Corresponding Quarter (Audited) RM'000
Malaysian income tax		
- current year provision	-	-
- under/(over) provision in prior year	-	-
Deferred tax	-	-
Tax for the financial period	-	-

B7 Status of Corporate Proposals

(a) On 21.02.2020, the Company announced that the circular pertaining to the following multiple corporate proposals, approved by the Bursa Malaysia Securities Bhd on 07.02.2020 were circulated to the shareholders on 21.02.2020:

(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.

(b) On 21.2.2020, the Company announced that the circular pertaining to the following proposals, approved by the Bursa Malaysia Securities Bhd on 11.2.2020, were circulated to the shareholders on 21.02.2020:

(i) Proposed Joint Venture ("Proposed JV") between Len Cheong Resources Sdn. Bhd. ("LCR" or "Developer"), a wholly - owned subsidiary of the Company and Goldpeace Corporation Sdn. Bhd. ("GCSB" or "Landowner") to jointly develop a parcel of freehold land known as Lot No. 5205 (formerly known as Lot No. 1409) held in Mukim Bukit Lintang, District of Melaka Tengah, State of Melaka Bandaraya Bersejarah held under Title No. GMM2700 (formerly known as GMM 651) owned by GCSB, and

(ii) Proposed Diversification of the existing business of the Company and its subsidiaries ("SNCB Group" or "Group") to include property development, construction and property investment.

B8 Material Litigation

Sand Nisko Capital Berhad (Formerly known as Len Cheong Holding Berhad) ("SNC" or "the Company") Notice Pursuant To Section 465(1)(E) Read Together With Section 466(1)(A) of the Companies Act 2016 by Mr Loh Siow Chan @ Loo Su Cheong ("LSC") against SNC

Further to the Company's announcements made on 27 July 2017, 2 August 2017 and 30 November 2017 in relation to the Material Litigation ("Announcements"). Unless otherwise defined, the definitions set out in the Announcements shall apply herein.

The case has been disputed and the same can be referred to the previous Announcements.

The Board of Directors of SNC wishes to announce that at the upcoming Annual General Meeting (AGM) the Board had decided to revoke the resolution dated 7 January 2004 for the repayment of the advance by LSC to LCF.

In light of the development of the abovementioned matter, the Company had on 1 April 2020 disposed of LCF. The board of directors have also appointed the lawyer to review on what is the next course of action to be taken to protect the best interest of the company.

The Company will announce further developments on the above matter in due course.

B9 Proposed Dividend

No dividend has been declared or paid during the current quarter under review and financial year-to-date.

B10 Earnings per Share

a) Basic

Basic earnings per ordinary share is calculated by dividing the net profit for the financial period attributable to owner of the company by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter Current Year 31.03.2020 RM'000	Preceding Year Corresponding Quarter 31.03.2019 RM'000	Cumulative Quarter Current Year To Date 31.03.2020 RM'000	Preceding Year Corresponding Quarter 31.03.2019 RM'000
(Loss)/profit attributable to ordinary equity holders of the parent (RM'000)	<u>(409)</u>	<u>167</u>	<u>(409)</u>	<u>167</u>
Number of ordinary shares in issue	<u>66,000</u>	<u>66,000</u>	<u>66,000</u>	<u>66,000</u>
Basic (loss)/profit per share (sen)	<u>(0.62)</u>	<u>0.25</u>	<u>(0.62)</u>	<u>0.25</u>

b) Diluted

The fully diluted earnings per ordinary share for the Group for the current financial period is not presented as the warrants would be anti-dilutive as the exercise price is higher than the fair value of the Company's shares.

B11 Authority For Issue

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

B12 Assets Held For Sales

The Assets held for sale and liabilities directly associated with assets held for sale are as follows:

	Current Year To Date (Unaudited) 31.03.2020 RM'000	Preceding Year Corresponding Period (Audited) 31.12.2019 RM'000
Assets		
Investment property	19,870	19,870
Property, plant and equipment	113	124
Trade and other receivables	700	720
Cash and bank balances	631	240
Tax recoverable	-	1
Assets classified as held for sale	<u>21,314</u>	<u>20,955</u>
Liabilities		
Trade and other payables	6,837	7,989
Deferred taxation	3,094	3,094
Liabilities classified as held for sale	<u>9,931</u>	<u>11,083</u>
Net assets classified as held for sale	<u>11,383</u>	<u>9,872</u>
Reserve		
Resvaluation reserve	<u>9,798</u>	<u>9,798</u>
Company		
Investment in subsidiary company	<u>7,598</u>	<u>7,598</u>

B12 Assets Held For Sales (Con't)

The results of the assets held for sale operations are as follows:

Revenue	-	2,373
Cost of sales	-	(2,386)
Gross loss	-	(13)
Operating expenses	(302)	(1,572)
Other operating income	458	2,373
Profit before tax	156	788
Taxation	-	-
Profit from assets held for sale operations	156	788