

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 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 30.06.20 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.19 RM'000		Unaudited Current Year To Date 30.06.20 RM'000	Unaudited Preceding Year 30.06.19 RM'000	
Revenue	6,674	3,918	2,756	14,230	9,447	4,783
Cost of sales	(6,149)	(3,628)	(2,521)	(13,703)	(9,145)	(4,558)
Gross profit	525	290	235	527	302	225
Operating expenses	(198)	(1,432)	1,234	(1,132)	1,732	(2,864)
Other income	2,202	990	1,212	2,569	(2,019)	4,588
Profit/(loss) from operations	2,529	(152)	2,681	1,964	15	1,949
Finance cost	-	-	-	-	-	-
Profit/(loss) before tax	2,529	(152)	2,681	1,964	15	1,949
Taxation	-	-	-	-	-	-
Profit/(loss) from continued operations	2,529	(152)	2,681	1,964	15	1,949
<b>Assets held for sale operations</b>						
Profit from assets held for sale	216	-	216	371	-	371
Net profit/(loss) for the period	2,745	(152)	2,897	2,335	15	2,320
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	2,745	(152)	2,897	2,335	15	2,320
Number of Ordinary shares issued ('000s)	66,000	66,000		66,000	66,000	
Profit/(Loss) per share (sen)						
- Basic	4.16	(0.23)		3.54	0.02	
- 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 30 JUNE 2020**  
**(The figures have not been audited)**

	Unaudited As at End Of Current Quarter 30.06.2020 RM'000	Audited As at Preceding Financial Year End 31.12.2019 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	11,867	12,089
	<u>11,867</u>	<u>12,089</u>
<b>Current assets</b>		
Inventories	701	2,178
Contract assets	684	1,682
Trade receivable	9,946	8,481
Other receivable, deposits & prepayments	5,091	823
Cash and bank balances	8,058	2,108
	<u>24,480</u>	<u>15,272</u>
Assets held for sale	-	20,955
	<u>24,480</u>	<u>36,227</u>
<b>Total Assets</b>	<u>36,347</u>	<u>48,316</u>
<b>EQUITY</b>		
Share capital	8,116	8,116
Reserves	16,958	15,782
<b>Total equity</b>	<u>25,074</u>	<u>23,898</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	1,873	1,873
	<u>1,873</u>	<u>1,873</u>
<b>Current liabilities</b>		
Trade payables	6,386	7,021
Other payables and accruals	3,014	4,441
	<u>9,400</u>	<u>11,462</u>
Liabilities directly associated with assets classified as held for sale	-	11,083
	<u>9,400</u>	<u>22,545</u>
<b>Total Liabilities</b>	<u>11,273</u>	<u>24,418</u>
<b>Total Equity And Liabilities</b>	<u>36,347</u>	<u>48,316</u>
Number of ordinary shares ('000)	66,000	66,000
<b>Net Tangible Assets per share attributable to Owner of the Company (RM)</b>	<b>0.38</b>	<b>0.36</b>

**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 SECOND QUARTER ENDED 30 JUNE 2020**  
(The figures have not been audited)

	Non-Distributable		Distributable	
	Share Capital RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000
<b>Balance as at 31 December 2018</b>	<b>8,116</b>	<b>14,192</b>	<b>531</b>	<b>22,839</b>
Total comprehensive income/ (loss) for the year	-	1,675	(616)	1,059
Realisation of revaluation surplus upon depreciation	-	(137)	137	-
<b>Balance as at 31 December 2019</b>	<b>8,116</b>	<b>15,730</b>	<b>52</b>	<b>23,898</b>
Total comprehensive profit for the year	-	-	2,335	2,335
Disposal of subsidiary	-	(9,798)	8,639	(1,159)
<b>Balance as at 30 June 2020</b>	<b>8,116</b>	<b>5,932</b>	<b>11,026</b>	<b>25,074</b>

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 SECOND QUARTER ENDED 30 JUNE 2020**  
**(The figures have not been audited)**

	Current Year To Date 30.06.2020 RM'000	Preceding Year Period (Audited) 31.12.2019 RM'000
<b>Net cash inflow from operating activities</b>	6,175	1,565
<b>Net cash inflow from investing activities</b>	7,669	38
<b>Net cash (outflow) from financing activities</b>	(7,894)	-
<b>Net increase in cash and cash equivalents</b>	<u>5,950</u>	<u>1,603</u>
<b>Cash and bank balances as at 1 January</b>	2,108	505
	<u>8,058</u>	<u>2,108</u>
Effect of exchange translation differences on cash and cash equivalents	-	-
<b>Cash and cash equivalents as at 30 June</b>	<u><u>8,058</u></u>	<u><u>2,108</u></u>
<b><u>Reconciliation :</u></b>		
Cash and bank balances	558	2,108
Fixed deposit with licensed bank	<u>7,500</u>	-
<b>Cash and cash equivalents as at 30 June</b>	<u><u>8,058</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 16	Covid-19-Related Rent Concessions	01-Jun-20
MFRS 17	Insurance Contracts	01-Jan-21
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	01-Jan-22
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-		01-Jan-22
Amendments to MFRS 3	Reference to the Conceptual Framework	01-Jan-22
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before	01-Jan-22
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	01-Jan-22
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

**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 five (5) 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 30 June 2020 were as follows:-

### Quarter ended 30 June 2020 (Unaudited)

Business Segments	Rental of	Investment	Furniture		Construction	Adjustments/ Eliminations	Consolidated financial statement
	Building with Comprehensive Services RM'000		Manufacturing	Timbers, logs trading			
<b>Revenue</b>							
External Sales							
-overseas	-	-	1,612	-	-	-	1,612
-local	216	-	-	-	4,846	-	5,062
Inter-segment	-	79	-	-	-	(79)	-
Total Revenue	216	79	1,612	-	4,846	(79)	6,674
<b>Results :</b>							
Segment results	216	2,185	11	-	117	-	2,529
Finance cost							-
Profit before tax							2,529
Taxation							-
Profit from continuing operation							2,529
Profit from assets held for sale							216
Net profit for the period							2,745

### Quarter ended 30 June 2019 (Unaudited)

Business Segments	Investment	Furniture		Construction	Adjustments/ Eliminations	Consolidated financial statement
		Holding	Manufacturing			
<b>Revenue</b>						
External Sales						
-overseas	-	-	2,291	-	-	2,291
-local	-	-	115	-	1,512	1,627
Inter-segment	-	-	-	-	-	-
Total Revenue	-	-	2,406	-	1,512	3,918
<b>Results :</b>						
Segment results	(504)	332	-	20	-	(152)
Finance cost						-
Loss before tax						(152)
Taxation						-
Net loss for the period						(152)

## 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 30 June 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 is a disposal of its 100% owned subsidiary, Len Cheong Furniture Sendirian Berhad from 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 30 June 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 30.06.2020 RM'000	Preceding Year Corresponding Quarter after prior period adjustment 30.06.2019 RM'000	Increased/ (Decreased) RM'000
<b>REVENUE</b>			
Manufacturing and trading	1,612	2,291	(679)
Construction	4,846	1,627	3,219
Rental income with comprehensive services	216	-	216
<b>Total</b>	<b>6,674</b>	<b>3,918</b>	<b>2,756</b>

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

	Current Year Quarter 30.06.2020 RM'000	Immediate Preceding Quarter 31.03.2020 RM'000	Increased/ (Decreased) RM'000
<b>REVENUE</b>			
Manufacturing and trading	1,612	2,067	(455)
Construction	4,846	5,489	(643)
Rental income with comprehensive services	216	-	216
<b>Total</b>	<b>6,674</b>	<b>7,556</b>	<b>(882)</b>
Cost Of Sales	(6,149)	(7,554)	1,405
<b>Gross profit/(loss)</b>	<b>525</b>	<b>2</b>	<b>523</b>
<b>PROFIT / (LOSS) BEFORE TAX ("P/LBT")</b>			
Manufacturing and trading	11	(822)	833
Construction	117	470	(353)
Rental income with comprehensive services	216	-	216
Investment holdings	2,185	(213)	2,398
<b>Total</b>	<b>2,529</b>	<b>(565)</b>	<b>3,094</b>

For the current quarter, the revenue of the Group is RM6.674m (31.03.20 : RM7.556m), the revenue decrease by 11.67% as compared to the preceding quarter due to decrease in revenue from construction and furniture activities due to Covid 19 pandemic which affect the progress of constructions and manufacturing. The Group registered a profit of RM2.529m (31.03.20 : RM0.565m loss) due to disposal of a subsidiary (Len Cheong Furniture Sendirian Berhad)

**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		Cumulative	
	Quarter Ended		Quarter Ended	
	(Unaudited) 30.06.2020 RM'000	(Audited) 30.06.2019 RM'000	(Unaudited) 30.06.2020 RM'000	(Audited) 30.06.2019 RM'000
<b>Profit/(Loss) for the period is arrived at after charging/ (crediting) :</b>				
Auditors' remuneration	15	19	35	39
Bad debts written-off				
Foreign exchange loss/(income)				
-realised	5	(23)	(18)	(2)
-unrealised	-	(7)	-	-
Impairment of				
-obsolete inventories	-	-	574	-
Interest income	(59)	(1)	(62)	(1)
Property, plant and equipment				
-depreciation	116	125	233	251
-(gain)/loss on disposal	(1)	-	(71)	(48)
Gain on disposal of subsidiary	(2,402)	-	(2,402)	-
Provision for doubtful debts	-	-	(300)	-
Rental				
-income	-	(215)	-	(391)
-expenses	-	5	-	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 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 Board of Directors of SNC wishes to announce that on the 18 August 2020, the shareholders of SNC have approved the ordinary resolution 10 which are:-

- (i) to dispute the alleged debt amounting to RM4,652,951.22 ("Alleged Debt") by way of guarantee to LCF;
- (ii) to revoke DCR 2004 on the mode of settlement of the Alleged Debt approved by Board of Directors of SNC on 7 January 2004;
- (iii) to authorise the Board to appoint a firm of solicitors to take relevant and necessary actions in all related matters.

In light of the development of the abovementioned matter, the board of directors wishes to announce that a firm of solicitors have been appointed to take relevant and necessary actions to protect the best interest of the company.

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

**B8 Proposed Dividend**

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



## B9 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		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	Quarter
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss)attributable to ordinary equity holders of the parent (RM'000)	2,745	(152)	2,335	15
Number of ordinary shares in issue	66,000	66,000	66,000	66,000
Basic profit/(loss) per share (sen)	4.16	(0.23)	3.54	0.02

### 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.

## B10 Authority For Issue

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

## B11 Assets Held For Sales

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

	Current Year	Preceding Year
	To Date	Corresponding
	(Unaudited)	Period
	30.06.2020	31.12.2019
	RM'000	RM'000
<b>Assets</b>		
Investment property	-	19,870
Property, plant and equipment	-	124
Trade and other receivables	-	720
Cash and bank balances	-	240
Tax recoverable	-	1
Assets classified as held for sale	-	20,955
<b>Liabilities</b>		
Trade and other payables	-	7,989
Deferred taxation	-	3,094
Liabilities classified as held for sale	-	11,083
Net assets classified as held for sale	-	9,872
<b>Reserve</b>		
Revaluation reserve	-	9,798
<b>Company</b>		
Investment in subsidiary company	-	7,598

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

Revenue	717	2,373
Cost of sales	-	(2,386)
Gross loss	717	(13)
Operating expenses	(346)	(1,572)
Other operating income	-	2,373
Profit before tax	371	788
Taxation	-	-
Profit from assets held for sale operations	371	788