

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30.09.20 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.19 RM'000		Unaudited Current Year To Date 30.09.20 RM'000	Unaudited Preceding Year 30.09.19 RM'000	
<b>Continuing operations</b>						
Revenue	6,738	5,357	1,381	21,036	14,297	6,739
Cost of sales	(6,737)	(5,160)	(1,577)	(20,595)	(13,858)	(6,737)
Gross profit	1	197	(196)	441	439	2
Operating expenses	(9)	(416)	407	(1,054)	(1,652)	598
Other operating income	51	267	(216)	218	1,533	(1,315)
Profit/(loss) from continuing operations	43	48	(5)	(395)	320	(715)
Finance cost	-	-	-	-	-	-
Profit/(loss) before tax	43	48	(5)	(395)	320	(715)
Taxation	-	-	-	-	-	-
<b>Profit/(loss) from continued operations</b>	43	48	(5)	(395)	320	(715)
<b>Net (loss)/profit from discontinued operations</b>	-	(96)	96	371	(353)	724
<b>Gain on disposal of a subsidiary (net of tax)</b>	(1,159)	-	(1,159)	1,243	-	1,243
Net (loss)/profit for the period	(1,116)	(48)	(1,279)	1,219	(33)	1,252
Other comprehensive income, Net of Tax	9,798	-	9,798	9,798	-	9,798
Total comprehensive income/(loss) for the period	8,682	(48)	8,730	11,017	(33)	11,050
Weighted Average Number of Ordinary shares issued ('000)	72,504	66,000		72,504	66,000	
<b>Basic Earnings/(Loss) per share (sen)</b>						
Continuing operations	0.06	0.07		(0.55)	0.48	
Discontinued operations	(1.60)	(0.15)		2.23	(0.53)	
	(1.54)	(0.08)		1.68	(0.05)	
<b>Diluted Earnings/(Loss) per share (sen)</b>						
Continuing operations	N/A	N/A		N/A	N/A	
Discontinued operations	N/A	N/A		N/A	N/A	
	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.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
(The figures have not been audited)

	Unaudited As at End Of Current Quarter 30.09.2020 RM'000	Audited As at Preceding Financial Year End 31.12.2019 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	11,767	12,089
<b>Current assets</b>		
Inventories	701	2,178
Contract assets	599	1,682
Trade receivable	11,423	8,481
Other receivable, deposits & prepayments	2,233	819
Tax recoverable	4	4
Cash and bank balances	9,469	2,108
	24,429	15,272
Assets held for sale	-	20,955
	<u>24,429</u>	<u>36,227</u>
<b>Total Assets</b>	<u>36,196</u>	<u>48,316</u>
<b>EQUITY</b>		
Share capital	11,284	8,116
Reserves	17,001	15,782
<b>Total equity</b>	<u>28,285</u>	<u>23,898</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	1,873	1,873
<b>Current liabilities</b>		
Trade payables	4,821	7,021
Other payables and accruals	1,217	4,441
	6,038	11,462
Liabilities directly associated with assets classified as held for sale	-	11,083
	<u>6,038</u>	<u>22,545</u>
<b>Total Liabilities</b>	<u>7,911</u>	<u>24,418</u>
<b>Total Equity And Liabilities</b>	<u>36,196</u>	<u>48,316</u>
Number of ordinary shares ('000)	85,800	66,000
<b>Net Tangible Assets per share attributable to Owner of the Company (RM)</b>	<u>0.33</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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	
<b>Balance as at 31 December 2018 (audited)</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 (audited)</b>	<b>8,116</b>	<b>15,730</b>	<b>52</b>	<b>23,898</b>
Issue of ordinary shares	3,168	-	-	3,168
Disposal of a subsidiary	-	(9,798)	9,798	-
Total comprehensive profit for the year	-	-	1,219	1,219
<b>Balance as at 30 September 2020</b>	<b>11,284</b>	<b>5,932</b>	<b>11,069</b>	<b>28,285</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.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**  
(The figures have not been audited)

	Current Year To Date 30.09.2020 RM'000	Cumulative Preceding Year End 30.09.2019 RM'000
Net cash (outflow)/inflow from operating activities	(5,201)	452
Net cash inflow from investing activities	9,394	38
Net cash inflow from financing activities	3,168	-
Net increase in cash and cash equivalents	<u>7,361</u>	<u>490</u>
Cash and bank balances as at 1 January	2,108	505
Cash and cash equivalents as at 30 September	<u><u>9,469</u></u>	<u><u>995</u></u>
<b><u>Reconciliation :</u></b>		
Cash and bank balances	919	995
Fixed deposit with licensed bank	8,550	-
Cash and cash equivalents as at 30 September	<u><u>9,469</u></u>	<u><u>995</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.

Notes to the interim financial report for the financial quarter ended 30 September 2020

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements**

**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 30 September 2020.

**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 periods <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 Intended Use	01-Jan-22
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	01-Jan-22
Amendments to MFRS 10 and	Sales or Contribution of Assets between an Investor and its Associate	Deferred until
Deferred until MFRS 128	or Joint Venture	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.

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements (cont'd)****A9. Segmental Information**

Segment information was provided based on four (4) major segments:-

- i) investment holding
- ii) furniture manufacturing & trading
- iii) construction
- iv) Rental of building with comprehensive services

Business segments in revenue and results of the Group for the current quarter ended 30 September 2020 were as follows:-

**Quarter ended 30 September 2020 (Unaudited)**

<b>Business Segments</b>	<b>Investment Holding RM'000</b>	<b>Furniture Manufacturing &amp; trading RM'000</b>	<b>Construction RM'000</b>	<b>Rental of Building with Comprehensive Services RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Consolidated financial statement RM'000</b>
<b>Revenue</b>						
External Sales						
-overseas	-	2,873	-	-	-	2,873
-local	33	-	3,562	270	-	3,865
Inter-segment	36	-	-	-	(36)	-
<b>Total Revenue</b>	<b>69</b>	<b>2,873</b>	<b>3,562</b>	<b>270</b>	<b>(36)</b>	<b>6,738</b>
<b>Results :</b>						
<b>Continuing operations</b>						
Segment results	(106)	(48)	81	116	-	43
Finance cost						-
Loss before tax						43
Taxation						-
Net loss from continuing operations						43
<b>Discontinued operations</b>						
Net profit from discontinued operations						-
Loss on disposal of a subsidiary						(1,159)
						(1,159)
<b>Net loss for the period</b>						<b>(1,116)</b>

**Quarter ended 30 September 2019 (Unaudited)**

<b>Business Segments</b>	<b>Investment Holding RM'000</b>	<b>Furniture Manufacturing &amp; trading RM'000</b>	<b>Construction RM'000</b>	<b>Rental of Building with Comprehensive Services RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Consolidated financial statement RM'000</b>
<b>Revenue</b>						
External Sales						
-overseas	-	1,617	-	-	-	1,617
-local	-	121	3,619	-	-	3,740
Inter-segment	252	-	-	-	(252)	-
<b>Total Revenue</b>	<b>252</b>	<b>1,738</b>	<b>3,619</b>	<b>-</b>	<b>(252)</b>	<b>5,357</b>
<b>Results :</b>						
<b>Continuing operations</b>						
Segment results	138	(122)	32	-	-	48
Finance cost						-
Loss before tax						48
Taxation						-
Net profit from continuing operations						48
<b>Discontinued operations</b>						
Net loss from discontinued operations						(96)
<b>Net loss for the period</b>						<b>(48)</b>

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements (cont'd)**

**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 September 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 30 September 2020.

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B)**

**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 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000	Increased/ (Decreased) RM'000
<b>REVENUE</b>			
Investment Holding	33	-	33
Furniture manufacturing and trading	2,873	1,738	1,135
Construction	3,562	3,619	(57)
Rental of building with comprehensive services	270	-	270
Total Revenue from continuing operations	<u>6,738</u>	<u>5,357</u>	<u>1,381</u>

Comparing to 3Q FYE 2019, the Group has added new revenue streams, being income from management services provided to a related party, as well as rental of building with comprehensive services, adding a total of RM270,000 to the revenue in 3Q FYE 2020.

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)****B2. Review of Performance for Comparison with Immediate Preceding Quarter's Results**

	Current Year Quarter 30.09.2020 RM'000	Immediate Preceding Quarter 30.06.2020 RM'000	Increased/ (Decreased) RM'000
<b>REVENUE</b>			
Investment Holding	33	-	33
Manufacturing and trading	2,873	1,612	1,261
Construction	3,562	4,846	(1,284)
Rental of building with comprehensive services	270	216	54
Total Revenue	6,738	6,674	64
Cost of Sales	(6,737)	(6,149)	(588)
Gross profit	1	525	(524)
<b>(LOSS)/PROFIT BEFORE TAX ("L/PBT")</b>			
Investment holdings	(106)	2,185	(2,291)
Manufacturing and trading	(48)	11	(59)
Construction	81	117	(36)
Rental of building with comprehensive services	116	216	(100)
Total	43	2,529	(2,486)

FYE 2020 is a bumpy year for the Group, when business closure taken place from 18 March 2020 to 3 May 2020 under Movement Control Orders ("MCO") announced by the Government of Malaysia to curb the spread of novel coronavirus ("COVID-19"). Subsequently, Conditional MCO ("CMCO") was announced from 4 May 2020 to 9 June 2020 before Recovery MCO ("RMCO") that expected to last until 31 December 2020.

With recent surge of new COVID-19 cases, CMCO is reintroduced from 9 November 2020 to 6 December 2020 for all Malaysia, with exception to the states of Perlis, Pahang and Kelantan.

Fortunately, abovementioned RMCO and CMCO have not halted the construction and manufacturing activities of the Group. The Group has been adhering to new standard operating procedures ("SOP") delineates protocols, such as social distancing, maintaining high level of occupational safety and health, management of workforce, workers movement, transportation of workers, materials and supplies, company SOP, and implementation of COVID-19 preventive measures. Consequently, the Cost of Sales is higher and resulted in only RM1,000 gross profit in 3Q FYE 2020.

***Furniture Manufacturing and Trading segment***

Furniture manufacturing and trading segment was badly injured by MCO and lockdowns worldwide when MCO first announced on 18 March 2020. However, the revenue of 3Q FYE 2020 is better than 2Q FYE 2020 when the Group resumed the exports of furnitures along with increase of RM1.261 mil (78%).

***Construction Services segment***

Compared to 2Q FYE 2020, construction segment revenue decreased by RM1.284 mil (-26%) along with PBT decrease of RM0.036 mil (-31%). This is due to slow down in construction progress.

***Rental of Building with Comprehensive Services segment***

By rendering more comprehensive services to tenants and maintaing good occupancy rate, the Group is able to grow the revenue by RM0.54 mil (25%).

**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 continue in it's construction services. Barring any unforeseen circumstances, our Board is confident that the Group will continue to be resilient and be profitable in the financial year ending 31 December 2020.

**B4. Profit Forecast or Profit Guarantee**

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



**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)****B5. Notes to Consolidated Statement of Comprehensive Income**

	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	(Unaudited) 30.09.2020 RM'000	(Unaudited) 30.09.2019 RM'000	(Unaudited) 30.09.2020 RM'000	(Unaudited) 30.09.2019 RM'000
<b>Profit/(Loss) for the period is arrived at after charging/ (crediting) :</b>				
Auditors' remuneration	29	30	2	69
Foreign exchange loss/(income)				
-realised	(38)	3	-	1
Impairment of				
-obsolete inventories	-	-	574	-
Interest income	(9)	-	-	(1)
Property, plant and equipment				
-depreciation	111	126	-	377
-(gain)/loss on disposal	(1)	-	345	(48)
Provision for doubtful debts	-	-	70	-
Rental				
-income	(270)	(175)	-	(566)
-expenses	-	-	(1,473)	20

**B6. Taxation**

	Current Year Quarter (Unaudited) RM'000	Preceding Year Corresponding Quarter (Unaudited) 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.

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)****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	Corresponding	To Date	Corresponding
	30.09.2020	Quarter	30.09.2020	Quarter
	RM'000	30.09.2019	RM'000	30.09.2019
		RM'000	RM'000	RM'000
Loss attributable to ordinary equity holders of the Company (RM'000)				
From continuing operations	43	48	(395)	320
From discontinued operations	(1,159)	(96)	1,614	(353)
	<u>(1,116)</u>	<u>(48)</u>	<u>1,219</u>	<u>(33)</u>
Weighted average number of ordinary shares	<u>72,504</u>	<u>66,000</u>	<u>72,504</u>	<u>66,000</u>
Basic earnings/(loss) per share (sen)				
From continuing operations	0.06	0.07	(0.55)	0.48
From discontinued operations	(1.60)	(0.15)	2.23	(0.53)
	<u>(1.54)</u>	<u>(0.08)</u>	<u>1.68</u>	<u>(0.05)</u>

**b) Diluted**

The diluted earnings per ordinary share for the Group for the current financial period is not presented as there is no convertible instruments.

**B10. Net profit/(loss) from discontinued operation**

The results of the Discontinued operations are as follows:

	Current Year	Preceding Year
	To Date	To Date
	30.09.2020	30.09.2019
	RM'000	RM'000
Revenue	649	1,040
Cost of sales	(201)	(1,041)
Gross profit/(loss)	<u>448</u>	<u>(1)</u>
Operating expenses	(77)	(1,276)
Other operating income	-	924
Profit/(loss) before tax	<u>371</u>	<u>(353)</u>
Taxation	-	-
Net profit/(loss) from discontinued operation	<u><u>371</u></u>	<u><u>(353)</u></u>

**B11. Gain on disposal of a subsidiary (net of tax)**

In 2020, the Group completed the disposal of a subsidiary and generating a gain on disposal of RM1,242,667.

	Current Year
	To Date
	30.09.2020
	RM'000
Cash consideration	10,000
<u>Net assets of subsidiary disposed off</u>	
Property, plant and equipments	113
Investment Property	19,870
Trade and other receivables	699
Tax recoverable	1
Cash and bank balances	243
Fixed deposits	422
Trade and other payables	(9,497)
Deferred tax liabilities	(3,094)
Net assets	<u>8,757</u>
Gain on disposal before tax	1,243
Taxation	-
<b>Gain on disposal (net of tax)</b>	<u><u>1,243</u></u>

**B12 Authority For Issue**

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