

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**
(The figures have not been audited)

	Individual Quarter		Changes Increase/ (decrease) RM'000	Cumulative Quarter		Changes Increase/ (decrease) RM'000
	Unaudited Current Year Quarter 31.03.21 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.20 RM'000		Unaudited Current Year To Date 31.03.21 RM'000	Unaudited Preceding Year 31.03.20 RM'000	
Revenue	22,227	7,556	14,671	22,227	7,556	14,671
Cost of sales	(19,901)	(7,554)	(12,347)	(19,901)	(7,554)	(12,347)
Gross profit	<u>2,326</u>	<u>2</u>	2,324	<u>2,326</u>	<u>2</u>	2,324
Operating expenses	(716)	(934)	218	(716)	(934)	218
Other operating income	715	367	348	715	367	348
Profit/(loss) from operations	<u>2,325</u>	<u>(565)</u>	2,890	<u>2,325</u>	<u>(565)</u>	2,890
Finance cost	-	-	-	-	-	-
Profit/(loss) before tax	<u>2,325</u>	<u>(565)</u>	2,890	<u>2,325</u>	<u>(565)</u>	2,890
Taxation	-	-	-	-	-	-
Profit/(loss) from continued operations	<u>2,325</u>	<u>(565)</u>	2,890	<u>2,325</u>	<u>(565)</u>	2,890
Net profit from discontinued operations	-	156	(156)	-	156	(156)
Net profit/(loss) for the period	<u>2,325</u>	<u>(409)</u>	2,734	<u>2,325</u>	<u>(409)</u>	2,734
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	<u>2,325</u>	<u>(409)</u>	2,734	<u>2,325</u>	<u>(409)</u>	2,734
Number of Ordinary shares issued ('000s)	<u>85,800</u>	<u>66,000</u>		<u>85,800</u>	<u>66,000</u>	
Profit/(Loss) per share (sen)						
- Basic	<u>2.71</u>	<u>(0.62)</u>		<u>2.71</u>	<u>(0.62)</u>	
- Diluted [#]	<u>N/A</u>	<u>N/A</u>		<u>N/A</u>	<u>N/A</u>	

Note :

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

(The figures have not been audited)

	Unaudited As at End Of Current Quarter 31.03.2021 RM'000	Audited As at Preceding Financial Year End 31.12.2020 RM'000
Non-current assets		
Property, plant and equipment	13,308	13,391
Current assets		
Inventories	1,741	1,049
Contract assets	744	1,456
Trade receivable	20,981	15,580
Other receivable, deposits & prepayments	2,803	1,316
Tax recoverable	6	4
Cash and bank balances	5,304	4,438
	<u>31,579</u>	<u>23,843</u>
Total Assets	<u>44,887</u>	<u>37,234</u>
EQUITY		
Share capital	11,284	11,284
Reserves	17,690	15,366
Total equity	<u>28,974</u>	<u>26,650</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liability	1,815	1,815
Borrowings	63	1,370
	1,878	3,185
Current liabilities		
Trade payables	11,135	4,947
Other payables and accruals	2,856	2,113
Borrowings	44	339
	<u>14,035</u>	<u>7,399</u>
Total Liabilities	<u>15,913</u>	<u>10,584</u>
Total Equity And Liabilities	<u>44,887</u>	<u>37,234</u>
Number of ordinary shares ('000)	85,800	85,800
Net Tangible Assets per share attributable to Owner of the Company (RM)	<u>0.34</u>	<u>0.31</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**
(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 2019 (audited)	8,116	15,730	52	23,898
Private placement	3,168	-	-	3,168
Disposal of a subsidiary	-	(9,798)	9,798	-
Total comprehensive loss for the year	-	-	(417)	(417)
Realisation of revaluation surplus upon depreciation	-	(188)	188	-
Balance as at 31 December 2020(audited)	11,284	5,744	9,621	26,649
Total comprehensive profit for the year	-	-	2,325	2,325
Balance as at 31 March 2021	11,284	5,744	11,946	28,974

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 FIRST QUARTER ENDED 31 MARCH 2021**
(The figures have not been audited)

	Current Year To Date 31.03.2021 RM'000	Cumulative Preceding Year End 31.12.2020 RM'000
Net cash (outflow) from operating activities	(9,108)	(9,134)
Net cash inflow from investing activities	9,988	8,579
Net cash (outflow)/inflow from financing activities	(13)	2,885
Net increase in cash and cash equivalents	<u>867</u>	<u>2,330</u>
Cash and bank balances as at 1 January	4,437	2,108
Cash and cash equivalents as at 31 March	<u><u>5,304</u></u>	<u><u>4,438</u></u>
<u>Reconciliation :</u>		
Cash and bank balances	5,304	4,438
Fixed deposit with licensed bank	-	-
Cash and cash equivalents as at 31 March	<u><u>5,304</u></u>	<u><u>4,438</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 2020 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the interim financial report for the financial quarter ended 31 March 2021

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 2020 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 March 2021.

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>
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 Deferred until 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.

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 31 March 2021 were as follows:-

Quarter ended 31 March 2021 (Unaudited)

Business Segments	Investment Holding RM'000	Furniture Manufacturing & trading RM'000	Construction RM'000	Rental of Building with Comprehensive Services RM'000	Adjustments/ Eliminations RM'000	Consolidated financial statement RM'000
Revenue						
External Sales						
-overseas	-	4,062	-	-	-	4,062
-local	-	-	17,895	270	-	18,165
Inter-segment	137	-	-	-	(137)	-
Total Revenue	137	4,062	17,895	270	(137)	22,227
Results :						
Continuing operations						
Segment results	(165)	1,513	877	100	-	2,325
Finance cost						-
Profit before tax						2,325
Taxation						-
Net profit from continuing operations						2,325
Discontinued operations						
Net profit from discontinued operations						-
Loss on disposal of a subsidiary						-
Net profit for the period						2,325

Quarter ended 31 March 2020 (Unaudited)

Business Segments	Investment Holding RM'000	Furniture Manufacturing & trading RM'000	Construction RM'000	Rental of Building with Comprehensive Services RM'000	Adjustments/ Eliminations RM'000	Consolidated financial statement RM'000
Revenue						
External Sales						
-overseas	-	1,977	-	-	-	1,977
-local	-	-	5,489	90	-	5,579
Inter-segment	84	-	-	-	(84)	-
Total Revenue	84	1,977	5,489	90	(84)	7,556
Results :						
Continuing operations						
Segment results	(213)	(799)	470	(23)	-	(565)
Finance cost						-
Loss before tax						(565)
Taxation						-
Net loss from continuing operations						(565)
Discontinued operations						
Net profit from discontinued operations						156
Net loss for the period						(409)

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 2020.

A11. Subsequent Events

(a) On 7 January 2021 the Group's wholly-owned subsidiary Len Cheong Industries Sdn. Bhd. (LCI) entered a joint venture agreement (JVA) with integrated Biogranix Ventures Sdn. Bhd. to carry out the project of:

- harvesting of the existing secondary forest logs on the permanent forest reserves of Sokor Taku, State of Kelantan measuring in an area of approximately 5,434 hectares (equivalents to 13,445 acres) (the "Land"); and
- cultivation, terracing and planting as well as harvesting of the forest plantation of Eucalyptus species and/or agroforestry (hereinafter referred to as the "Forest Plantation") in the Land.

(b) On 12 April 2021, Company offered to eligible directors and employees to subscribe its employees' share option scheme. The Company had granted 12,870,000 unit, which the exercise price is RM0.264 per shares.

(c) On 12 April 2021, the Company issued 17,160,00 new ordinary shares at an issue price of RM0.264 each for a total consideration of RM4,530,240 by way of private placement.

(d) On 7 May 2021, the Company increased its issued and paid up capital through the issuance of 198,000 new ordinary shares pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at exercise price of RM0.264 per ordinary shares.

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 2020.

A14. Capital Commitments

There are no capital expenditure commitments contracted and not provided for in the interim financial statements as at 31 March 2021

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 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000	Increased/ (Decreased) RM'000
REVENUE			
Investment Holding	-	-	-
Furniture manufacturing and trading	4,062	2,067	1,995
Construction	17,895	5,489	12,406
Rental of building with comprehensive services	270	-	270
Total Revenue from continuing operations	<u>22,227</u>	<u>7,556</u>	<u>14,671</u>

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 31.03.2021 RM'000	Immediate Preceding Quarter 31.12.2020 RM'000	Increased/ (Decreased) RM'000
REVENUE			
Investment Holding	-	25	(25)
Manufacturing and trading	4,062	2,866	1,196
Construction	17,895	9,265	8,630
Rental of building with comprehensive services	270	270	-
Total Revenue	22,227	12,426	9,801
Cost of Sales	(19,901)	(11,360)	(8,541)
Gross profit	2,326	1,066	1,260
PROFIT/(LOSS) BEFORE TAX ("L/PBT")			
Investment holdings	(165)	(139)	(26)
Manufacturing and trading	1,513	(1,313)	2,826
Construction	877	(281)	1,158
Rental of building with comprehensive services	100	41	59
Total	2,325	(1,692)	4,017

For the current quarter, the revenue of the Group is RM22.227m (31.12.20 : RM12.426m), the revenue increased by 79% as compared to preceding quarter due to increase in volume of both construction and manufacturing and trading segment. The Group registered a profit of RM2.325m (31.12.20 : RM1.692 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 continue in its 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 Quarter Ended		Cumulative Quarter Ended	
	(Unaudited) 31.03.2021	(Unaudited) 31.03.2020	(Unaudited) 31.03.2021	(Unaudited) 31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period is arrived at after charging/ (crediting) :				
Auditors' remuneration	15	20	15	20
Foreign exchange loss/(income) -realised	(5)	(23)	(5)	(23)
Impairment of -obsolete inventories	-	574	-	-
Interest income	(22)	(3)	(22)	(3)
Property, plant and equipment -depreciation	105	117	105	117
-(gain)/loss on disposal	-	(70)	-	(70)
Provision for doubtful debts	-	(300)	-	(300)
Rental -income	(270)	(176)	(270)	(176)

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. Status of Corporate Proposals

On 12 March 2021, the Company announced a proposed private placement will be undertaken pursuant to the shareholders' mandate for the issuance of new ordinary shares in SNC ("SNC Share(s)" or "Share(s)") under Section 75 and 76 of the Companies Act 2016 ("Act") obtained at the Company's 25th Annual General Meeting ("AGM") convened on 18 August 2020 whereby the Board has been authorised to allot and issue new ordinary shares in SNC, not exceeding 20% of the issued ordinary shares of the Company ("General Mandate").

On 22 March 2021, TA Securities Sdn Bhd, on behalf of the Board of Directors of SNC announced that an additional listing application in relation to the Proposed Private Placement has been submitted to Bursa Securities on 22 March 2021.

On 26 March 2021, On behalf of SNC, TA Securities wishes to announce additional information in connection with the Proposed Private Placement. Further details are set out in the attachment.

On 30 March 2021, On behalf of SNC, TA Securities wishes to announce that Bursa Securities had, vide its letter dated 29 March 2021, resolved to approve the listing of and quotation for up to 17,160,000 Placement Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

- SNC and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- SNC and TA Securities are required to inform Bursa Securities upon completion of the Proposed Private Placement;
- SNC is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed;
- TA Securities is required to furnish Bursa Securities with details of the placees in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private
- in the event the Proposed Private Placement is not completed before the next annual general meeting, SNC is required to furnish a certified true copy of the resolution passed by SNC's shareholders for a general mandate under Sections 75 and 76 of the Companies Act 2016 at SNC's forthcoming annual general meeting.

On 30 April 2021, On behalf of SNC, TA Securities wishes to announce that the Board has on 12 April 2021 ("Price-fixing Date") fixed the issue price for 17,160,000 Placement Shares at RM0.264 each ("Issue Price").

The Issue Price of RM0.264 is at a discount of RM0.0283 or approximately 9.68% to the 5-day volume weighted average market price of SNC Shares up to and including 9 April 2021, being the last market day immediately preceding the Price-fixing Date of RM0.2923 per SNC Share. This announcement is dated 12 April 2021.

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

B8. Utilisation of Proceeds

On 27 September 2019, the Company had announced to Bursa Securities to undertake, amongst others, the following:

- (i) a private placement exercise for the issuance and allotment of new SNC Shares up to 20% of the total number of issued SNC Shares in the Company, which was approved by Bursa Securities on 21 January 2020 and the shareholders of the Company via an extraordinary general meeting on 11 March 2020 (“2020 Placement”). The 2020 Placement was completed on 3 July 2020; and
- (ii) a special issue of up to 6,600,000 new SNC Shares, representing up to 10% of the total number of issued SNC Shares to Dato’ Sri (Dr) Sow Chin Chuan, which was approved by Bursa Securities on 21 January 2020 and the shareholders of the Company via an extraordinary general meeting on 11 March 2020 (“Special Issue”). The Special Issue was completed on 7 July 2020.

The total proceeds raised from the 2020 Placement and Special Issue are as follows:

Description	Listing date	No. of SNC Shares issued	Issue price (RM)	Gross proceeds (RM)
2020 Placement	03-Jul-20	13,200,000	0.16	2,112,000
Special Issue	07-Jul-20	6,600,000	0.16	1,056,000
Total				3,168,000

The proceeds raised had been fully utilised for the following purposes:

Description	Original allocation (RM)	Amount utilised (RM)	Balance proceeds (RM)
Payment of trade & other creditors	8,000,000	8,000,000	-
Purchase of raw materials	3,179,000	3,179,000	-
Repair and maintenance of office & factory	800,000	800,000	-
Management, employees and marketing expenses	105,000	105,000	-
Development & construction of a parcel of freehold land	3,000,000	1,009,917	1,990,083
Estimated expenses in relation the proposals	500,000	335,491	164,509
Total	15,584,000	13,429,408	2,154,592

B9. 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 on the Company’s Annual General Meeting (AGM) Results made on 18 August 2020 and the Company’s Quarterly Results made on 28 August 2020 and 31 December 2020 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.

B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)**B10. Proposed Dividend**

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

B11. 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
	31.03.2021	Quarter	31.03.2021	Quarter
	RM'000	31.03.2020	RM'000	31.03.2020
		RM'000		RM'000
Profit/(Loss)attributable to ordinary equity holders of the parent (RM'000)	2,325	(409)	2,325	(409)
Number of ordinary shares in issue	85,800	66,000	85,800	66,000
Basic profit/(loss) per share (sen)	2.71	(0.62)	2.71	(0.62)

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.

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.