

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2022
(The figures have not been audited)

	Individual Quarter		Changes Increase/ (decrease) RM'000	Cumulative Quarter		Changes Increase/ (decrease) RM'000
	Unaudited Current Year Quarter 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2021 RM'000		Unaudited Current Year To Date 31.03.2022 RM'000	Unaudited Preceding Year 31.03.2021 RM'000	
Revenue	14,089	22,227	(8,138)	14,089	22,227	(8,138)
Cost of sales	(13,999)	(19,901)	5,902	(13,999)	(19,901)	5,902
Gross profit	90	2,326	(2,236)	90	2,326	(2,236)
Admin, maintenance & other operating expenses	(6,203)	(716)	(5,487)	(6,203)	(716)	(5,487)
Other operating income	67	715	(648)	67	715	(648)
(Loss)/profit from operations	(6,046)	2,325	(8,371)	(6,046)	2,325	(8,371)
Finance cost	-	-	-	-	-	-
(Loss)/profit before tax	(6,046)	2,325	(8,371)	(6,046)	2,325	(8,371)
Taxation	-	-	-	-	-	-
(Loss)/profit from continued operations	(6,046)	2,325	(8,371)	(6,046)	2,325	(8,371)
Net profit from discontinued operations	-	-	-	-	-	-
Gain on disposal of a subsidiary (net of tax)	-	-	-	-	-	-
Net (loss)/profit for the period	(6,046)	2,325	(8,371)	(6,046)	2,325	(8,371)
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	(6,046)	2,325	(8,371)	(6,046)	2,325	(8,371)
Number of Ordinary shares issued ('000s)	231,726	85,800		231,726	85,800	
(Loss)/profit per share (sen)						
- Basic	(2.61)	2.71		(2.61)	2.71	
- Diluted	(1.74)	2.71		(1.74)	2.71	

Note :

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022
(The figures have not been audited)

	Unaudited As at End Of Current Quarter 31.03.2022 RM'000	Audited As at Preceding Financial Year End 31.12.2021 RM'000
Non-current assets		
Property, plant and equipment	17,131	18,897
Right-of-use-assets	2,608	2,608
	<u>19,739</u>	<u>21,505</u>
Current assets		
Inventories	3,571	3,766
Contract assets	819	12,080
Trade receivable	18,367	9,543
Other receivable, deposits & prepayments	131	4,709
Tax recoverable	111	69
Deferred tax assets	34	-
Cash and bank balances	2,220	2,602
	<u>25,254</u>	<u>32,769</u>
Total Assets	<u>44,993</u>	<u>54,274</u>
EQUITY		
Share capital	20,056	20,025
Reserves	10,747	16,793
Total equity	<u>30,803</u>	<u>36,818</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	1,774	1,740
Lease liabilities	1,637	1,836
	<u>3,411</u>	<u>3,576</u>
Current liabilities		
Trade payables	8,555	11,677
Other payables and accruals	1,582	1,532
Lease liabilities	642	671
	<u>10,779</u>	<u>13,880</u>
Total Liabilities	<u>14,190</u>	<u>17,456</u>
Total Equity And Liabilities	<u>44,993</u>	<u>54,274</u>
Number of ordinary shares ('000)	231,726	231,660
Net Assets Per Share (RM)	<u>0.13</u>	<u>0.16</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

Net Assets Per Share is derived based on Sand Nisko Capital Berhad consolidated net assets of RM30,803,000 (FYE 31.12.2020: RM36,818,000) over the issued number of ordinary shares of 231,725,500 (FYE 31.12.2021: 231,660,000). The increase in issued number of ordinary shares was mainly due to issuance of additional 65,500 shares in two (2) tranches pursuant to conversion of warrants 2021/2024 ("warrants B") during the quarter under review.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**
(The figures have not been audited)

	Non-Distributable			Distributable	Total RM'000
	Share Capital RM'000	Employee Share Option Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
Balance as at 31 December 2020 (Audited)	11,284	-	5,744	9,622	26,650
Profit for the year	-	-	-	1,427	1,427
Issuance of shares upon exercise of employees' share option	3,398	-	-	-	3,398
Issue of shares pursuant to ESOS	-	812	-	-	812
Issue of shares pursuant to exercise of ESOS	812	(812)	-	-	-
Issue of shares pursuant to private placements	4,531	-	-	-	4,531
Balance as at 31 December 2021 (audited)	20,025	-	5,744	11,049	36,818
Loss for the year	-	-	-	(6,046)	(6,046)
Issue of shares pursuant to exercise of warrants	31	-	-	-	31
Balance as at 31 March 2022	20,056	-	5,744	5,003	30,803

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 2021 and the accompanying explanatory notes attached to the interim financial statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022
(The figures have not been audited)**

	Current Year To Date 31.03.2022 RM'000	Cumulative Preceding Year End 31.12.2021 RM'000
Cash Flows (used in) / generated from Operating Activities		
(Loss)/profit before tax	(6,046)	1,398
Adjustments: Non-cash items	317	1,208
Operating profit/(loss) before working capital changes	(5,729)	2,606
Changes in working capital:-	4,386	(4,355)
Cash (used in) operations	(1,343)	(1,749)
Interest paid	-	(106)
Interest received	-	86
Taxation paid	(43)	(110)
Net cash used in operating activities	(1,386)	(1,879)
Cash Flows generated from/(used in) Investing Activities		
Net cash generated from/(used in) investing activities	1,302	(8,068)
Cash Flows (used in)/generated from Financing Activities		
Net cash (used in)/generated from financing activities	(298)	8,112
Net decrease in cash and cash equivalents	(382)	(1,835)
Cash and bank balances as at 1 January	2,602	4,437
Cash and cash equivalents as at end of period	2,220	2,602
Reconciliation :		
Cash and bank balances	2,220	2,602
Fixed deposit with licensed bank	-	-
Cash and cash equivalents as at end of period	2,220	2,602

The unaudited Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the interim financial report for the financial quarter ended 31 March 2022

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

A1. Changes in accounting policies

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 Malaysia Securities Berhad.

The interim unaudited financial statement should be read in conjunction with the audited financial statement for the year ended 31 December 2021 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 since the financial year ended 31 December 2021.

During the financial year, the Group and the Company have adopted the following and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year as below:

Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	1-Apr-21
Amendments to MFRS 3	Reference to the Conceptual Framework	1-Jan-22
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use	1-Jan-22
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1-Jan-22
Annual Improvements to MFRSs Standards 2018 - 2020:		1-Jan-22
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		

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:

MFRS 17	Insurance Contracts	1-Jan-23
Amendments to MFRS 17	Insurance Contracts	1-Jan-23
	MFRS 17 and MFRS 19 - Comparative Information	1-Jan-23
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1-Jan-23
Amendments to MFRS 101	Disclosure of Accounting Policies	1-Jan-23
Amendments to MFRS 108	Definition of accounting Estimates	1-Jan-23
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1-Jan-23
Amendments to MFRS 10 and MFRS 1	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

A2. Qualification of Preceding Annual Financial Statements

The auditors report for the audited financial statements of the Company and its subsidiaries of the preceding financial year ended 31 December 2021 was not subject to any qualification.

A3. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any major seasonal or cyclical factors.

A4. Nature, Size or Incidence of Unusual Items

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows because of their nature, size or incidence during the current quarter under review.

A5. Material Changes in Estimates

There were no material changes in estimates that have had a material effects in the results of the current quarter under review.

A6. Issuance or Repayment of Debt and Equity Securities

Save for the issuance of additional 61,000 units of shares on 18 February 2022 and a further 4,500 units of shares on 9 March 2022 following the exercise of Warrants B by shareholder(s) of the Company at the exercise price of RM0.475 per share, there were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the financial quarter under review and up to the date of this report.

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

A7. Dividend Paid / Declared

No dividend has been declared or paid by the Company during the current financial quarter under review.

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

A8. Segmental Information

Segmental information is provided based on four (4) major segments as follows:-

- Construction
- Furniture manufacturing & trading
- Rental of building with comprehensive services
- Investment holding

Business segments in revenue and results of the Group for the current quarter ended 31 March 2022 were as follows:-

Quarter ended 31 March 2022 (Unaudited)

Business Segments	Construction RM'000	Furniture Manufacturing & trading RM'000	Rental of Building with Comprehensive Services RM'000	Investment Holding RM'000	Adjustments/ Eliminations RM'000	Consolidated financial statement RM'000
Revenue						
External Sales						
-local	9,160	1,521	270	-	-	10,951
-overseas	-	3,138	-	-	-	3,138
Inter-segment	-	-	-	137	(137)	-
Total Revenue	9,160	4,659	270	137	(137)	14,089
Results :						
Continuing operations						
Segment results	(3,396)	(1,099)	-	(1,551)	-	(6,046)
Finance cost						-
Loss before tax						(6,046)
Taxation						-
Net loss from continuing operations						(6,046)
Discontinued operations						
Gain on disposal of a subsidiary						-
Net loss for the period						(6,046)

Quarter ended 31 March 2021 (Unaudited)

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

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

A9. 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 2021.

A10. Subsequent Events

There were no material events subsequent to the current quarter of 31 March 2022 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

A11. Changes in Composition of the Group

On 1 March 2022, the Company undertook the disposal of 100% equity interests in Len Cheong Resources Sdn. Bhd. ("LCR") to Dato' Sri (Dr) Sow Chin Chuan ("Dato' Sri Sow") and Datin Sri Chu Kim Guek ("Datin Sri Chu") for a total cash consideration of RM1,294,039 ("Disposal Consideration"). The Disposal Consideration has been paid in full upon execution of the relevant transfer documents between SNC and Dato' Sri Sow and Datin Sri Chu on the same day. Following the completion of the disposal, LCR has ceased to be a subsidiary of the Company.

A12. 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 2021.

A13. Capital Commitments

There were no material capital commitments contracted but not provided for as at the end of the current quarter under review.

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

B1. Review of Performance (Comparison with Last Year Corresponding Quarter's Results)

	Current Year Quarter 31.03.2022 RM'000	Preceding Year Corresponding Quarter 31.03.2021 RM'000	Increase/ (Decrease) RM'000
REVENUE			
Construction	9,160	17,895	(8,735)
Furniture manufacturing and trading	4,659	4,062	597
Rental of building with comprehensive services	270	270	-
Investment holding	-	-	-
Total Revenue	14,089	22,227	(8,138)
Cost of Sales	(13,999)	(19,901)	5,902
Gross profit	90	2,326	(2,236)
(LOSS)/PROFIT BEFORE TAX ("PBT")			
Construction	(3,396)	877	(4,273)
Furniture manufacturing and trading	(1,099)	1,513	(2,612)
Rental of building with comprehensive services	-	100	(100)
Investment holding	(1,507)	(165)	(1,342)
Total	(6,002)	2,325	(8,327)

For the current quarter under review, the Group's revenue declined by RM8.14 million (36.62%) to RM14.09 million compared to preceding year corresponding quarter of RM22.23 million.

The lower revenue was mainly attributed to decline in construction segment revenue by RM8.74 million (48.81%) to RM9.16 million (Q1 2021: RM17.90 million), caused by the absence of contributions from a major project which was completed in the previous quarter. While the Group has re-deployed its resources to other projects; the said projects are mostly in the set-up / preliminary stages, leading to lower revenue recognition for the current quarter.

The Group recorded loss of RM6.00 million compared to Q1 2021's profit of RM2.33 million.

This was mainly caused by construction segment's swing of RM4.27 million from profit of RM0.88 million in Q1 2021 to loss of RM3.40 million in the current quarter as it contended with rising building materials costs and incurred one-off remedial work expenses in relation to a major project which was completed in the previous quarter. Similarly, the Group's furniture manufacturing and trading segment also was also impacted by rising costs, registering RM1.10 million loss as opposed to profit of RM1.51 million in the preceding year corresponding quarter.

B2. Review of Performance (Comparison with Immediate Preceding Quarter's Results)

	Current Year Quarter 31.03.2022 RM'000	Immediate Preceding Quarter 31.12.2021 RM'000	Increased/ (Decreased) RM'000
REVENUE			
Construction	9,160	8,049	1,111
Furniture manufacturing and trading	4,659	4,512	147
Rental of building with comprehensive services	270	270	-
Investment holding	-	-	-
Total Revenue	14,089	12,831	1,258
Cost of Sales	(13,999)	(12,328)	(1,671)
Gross profit	90	503	(413)
LOSS BEFORE TAX ("PBT")			
Construction	(3,396)	(1,991)	(1,405)
Furniture manufacturing and trading	(1,099)	(1,173)	74
Rental of building with comprehensive services	-	138	(138)
Investment holding	(1,507)	(128)	(1,379)
Total	(6,002)	(3,154)	(2,848)

For the current quarter, the Group's revenue increased by RM1.26 million (9.80%) to RM14.09 million compared to immediate preceding quarter's RM12.83 million. This was mainly attributed to construction segment's improvement of RM1.11 million in the progress of construction works to RM9.16 million (4Q 2021: RM8.05 million) as resources were re-deployed following the completion of a major project in the previous quarter. Meanwhile, contributions from furniture manufacturing and trading also increased slightly while the Group's rental income remained stable.

Despite the revenue hike, the Group recorded a wider net loss of RM6.00 million compared to immediate preceding quarter's net loss of RM3.15 million. This was primarily due to higher building material prices and remedial works done for a major project by the construction segment during the quarter, and vice-versa by one-off expenses in relation to termination of the Group's forest plantation joint venture project.

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

B3. Commentary on Prospects

The Group expects domestic economic activities to pick up following Malaysia's transition to the endemic stage in April 2022, while remaining cautious of the impact of global economic uncertainties such as supply chain bottlenecks following China's lockdowns, geopolitical tensions arising from war in Ukraine, weakening of local currency (MYR) against USD and rising commodity prices due to the factors above.

Moving forward, the Group will continue with resolute efforts to develop better cost efficiencies and effective cost management across all its business

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	
	31.03.2022 RM'000	31.03.201 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
(Loss)/profit for the period is arrived at after crediting:				
Gain on foreign exchange	-	(5)	-	(5)
Interest income	(7)	(22)	(7)	(22)
and after charging :				
Auditors' remuneration	17	15	17	15
Depreciation	-	105	-	105
Loss on disposal of property, plant and equipment	63	-	63	-
Realised loss on foreign exchange	11	-	11	-

B6. Taxation

	Current Year Quarter 31.03.2022 RM'000	Preceding Year Corresponding Quarter 31.03.2021 RM'000
Malaysian income tax		
- current year provision	-	-
- under/(over) provision in prior year(s)	-	-
Deferred tax	-	-
Tax for the financial period	-	-

B7. Status of Corporate Proposals

There are no corporate proposals announced but not completed as at the reporting date.

B8. Utilisation of Proceeds

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

(i) a disposal of its entire equity interest in Len Cheong Furniture Sdn Bhd, its wholly-owned subsidiary to DPS Realty Sdn Bhd for a total cash consideration of RM10,000,000 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 ("Disposal"). The Disposal was completed on 1 April 2020.

(ii) 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

(iii) 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.

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

B8. Utilisation of Proceeds (cont'd)

The total proceeds raised from the Disposal, 2020 Placement and Special Issue were as follows:

Description	Listing date	No. of SNC Shares issued	Issue price (RM)	Gross proceeds (RM)
Disposal				10,000,000
Settlement of net inter-company debts				2,416,000
2020 Placement	3-Jul-20	13,200,000	0.16	2,112,000
Special Issue	7-Jul-20	6,600,000	0.16	1,056,000
Total				15,584,000

On 25 May 2022, the Company had resolved to vary the utilisation of proceeds of the proposals above as follow:

Description	Proposed utilisation	Amount utilised	Balance unutilised	Variation	Revised Utilisation	Actual Utilisation (Revised)	Balance Unutilised (Revised)	Estimated timeframe for utilisation
(RM'000)								
General working capital and to finance the existing operations of the SNCB Group;								
Broken down into:	12,084	12,084	NIL	-	12,084	-	-	Within 12 months
- Payment of trade & other creditors	8,000	8,000	NIL	-	-	-	-	As above
- Purchase of raw materials	3,179	3,179	NIL	-	-	-	-	As above
- Repair and maintenance of office & factory	800	800	NIL	-	-	-	-	As above
- Management, employees and marketing exp	105	105	NIL	-	-	-	-	As above
Development & construction of a parcel of fre	3,000	1,104	1,896	(1,896)	1,104			Within 24 months
Estimated expenses in relation the proposals	500	335	165	(165)	335			Within 3 months
Sub-total	15,584	13,523	2,061	(2,061)	13,523	-	-	
Working Capital				2,061	2,061	(2,061)		Immediately
Total	15,584	13,523	2,061	-	15,584	(2,061)	-	

Notes:

(i) On 22 April 2016, the Company's wholly-owned subsidiary, Len Cheong Resources Sdn Bhd ("LCR") has entered into joint venture agreements with Goldpeace Corporation Sdn Bhd ("GCSB") to jointly develop a parcel of freehold land known as Lot No. 5205 held in Mukim Bukit Lintang, District of Melaka Tengah, State of Melaka held under Title No. GMM 2700 ("Land") ("the Project") strictly on the basis that GCSB shall contribute the Land and LCR shall contribute and bear the entire cost and expense of developing the development land in accordance with the relevant approvals, the layout and building plan, applying and obtaining the relevant approvals and licenses from the relevant authorities in connection with the property development project. As consideration to GCSB to jointly develop and jointly undertake the Project but at LCR's own cost and expenses, GCSB shall be entitled to receive 19% of the gross development value of the Project on the Land.

As at 28 February 2022, LCR has incurred expenses of RM1,104k on the development & construction of the Project, which consists of a residential development project comprising 18 units of double-storey semi-detached houses. Following the Company's disposal of 100% equity interests in LCR to Dato' Sri (Dr) Sow Chin Chuan and Datin' Sri Chu Kim Guek for a total cash consideration of RM1,294,039 on 1 March 2022, the Group is no longer obligated to fulfil LCR's obligations under the joint venture agreements with GCSB.

Accordingly, the excess amount of RM1,896k would be adjusted to General working capital and to finance the existing operations of the SNCB Group (for the purpose of payment of trade and other creditors) in accordance with Section 4 of the Circular.

(ii) The Company also managed to save RM165k from the estimated expenses in relation to the Proposals. Accordingly, the excess amount of RM165k would be adjusted to General working capital and to finance the existing operations of the SNCB Group (for the purpose of payment of trade and other creditors) in accordance with Section 4 of the Circular.

The combined unutilised sum from Notes (i) and (ii) above amounts to RM2,061k, representing 13.23% of the total proceeds raised by the Company of RM15,584k. Based on the percentage ratio of 13.23% above, which is less than 25%, the Variation does not constitute a material change to the utilisation of proceeds raised by the Company in accordance with Rule 8.22 of the Main Market Listing Requirements. Accordingly, the Variation is not subject to the approval of shareholders of SNCB.

Following the said Variation, the Group has fully utilised RM 2.06 million for working capital requirements for the purpose of payment of trade and other creditors. The utilisation of proceeds as disclosed should be read in conjunction with the Prospectus of the Company dated 06 May 2022.

b) On 12 March 2021, the Company had announced to Bursa Securities to undertake 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 shareholders of the Company via an annual general meeting on 18 August 2020 and subsequently by Bursa Securities on 29 March 2021 ("2021 Placement"). The 2021 Placement was completed on 22 Apr 2021.

The total proceeds raised from the 2021 Placement were as follows:

Description	Listing date	No. of SNC Shares issued	Issue price (RM)	Gross proceeds (RM)
2021 Placement	22-Apr-21	17,160,000	0.264	4,530,240
Total				4,530,240

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

B8. Utilisation of Proceeds (cont'd)

On 25 May 2022, the Company had resolved to vary the utilisation of proceeds of the proposals above as follow:

Description	Proposed utilisation	Amount utilised	Balance unutilised	Variation	Revised Utilisation	Actual Utilisation (Revised)	Balance Unutilised (Revised)	Estimated timeframe for utilisation
(RM'000)								
General working capital and to finance the existing operations of the SNCB Group;								
Broken down into:	4,465	4,465	NIL		4,465	-	-	Within 12 months
- Payment of trade payables:								
i) Sub-contractors for the Group's	3,215	3,215	NIL	-	3,215	-	-	As above
ii) Suppliers of raw materials for the Group's furniture manufacturing and trading segment	1,250	1,250	NIL	-	1,250	-	-	As above
Estimated expenses in relation the proposals	65	31	34	(34)	31	-	-	Within 24 months
Sub-total	4,530	4,496	34	(34)	4,496	-	-	
Working Capital				34	34	(34)	-	Immediately
Total	4,530	4,496	34	-	4,530	(34)	-	

Following the said Variation, the amount had been fully utilised during the quarter.

B9. Material Litigation

Sand Nisko Capital Berhad vs Loh Siow Chan @ Loo Su Cheong ("LSC").

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

On 18 July 2017, the Company received a notice from LSC to claim alleged debt amounting to RM4,652,951.22 ("Alleged Debt") by way of guarantee to Len Cheong Furniture Sdn Bhd ("LCF").

Pursuant to this claim, the shareholders of SNC have approved on 18 August 2020 a resolution authorizing the Company:-

- (i) to dispute the Alleged Debt amounting to RM4,652,951.22 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.

The Company has on 4.4.2022 filed a Writ of Summons and Statement of Claim against the executor of the estate of LSC ("the Defendant") vide Seremban High Court Suit No. NA-22NCVC-20-04/2022 for inter alia, the following relief:-

- (i) A declaration that the transactions with regard to the Purported Loan provided by LSC to the Company is illegal, invalid, null and void;
- (ii) A declaration that the Resolution of the Company dated 7.1.2004 is revoked and of no effect;
- (iii) A declaration that the sum of RM5,952,951.22 is not due and owing by the Company to LSC;
- (iv) An order that the estate of LSC pays the sum of RM 1,743,748.06 to the Company, being the amounts previously paid to LSC by the Company based on the Impugned Resolution;
- (v) Damages to be assessed;
- (vi) Interest;
- (vii) Costs; and

Further or other relief as the Court deems fit and proper.

The Writ of Summons and Statement of Claim was served on the solicitors for the Defendant, Messrs Dennis Nik & Wong ("DNW") on 14.4.2022. On 15.4.2022, DNW filed a memorandum of appearance on behalf of the Defendant.

The matter has now been fixed for case management by way of e-review on 23.5.2022. As on the case management on the 23.5.2022, the defendant had filed the striking out application instead of their defence. However, the Court had directed for the defendant to file their defence and for the Plaintiff to file the reply to the Defendant's striking out application. The next case management will be on the 27.6.2022.

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

Save for the above, the Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the company or its subsidiaries and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries as at the date of this report.

B10. Proposed Dividend

No dividend has been declared or paid during the current quarter and financial period under review.

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

B11. Earnings per Share

a) Basic

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2022 RM'000	Corresponding Quarter 31.03.2021 RM'000	Current Year To Date 31.03.2022 RM'000	Corresponding Quarter 31.03.2021 RM'000
Net (loss)/profit for the period attributable to ordinary equity holders (RM '000)	(6,046)	2,325	(6,046)	2,325
Weighted average number of ordinary shares in issue ('000)	231,690	85,800	231,690	85,800
Basic (loss)/earnings per ordinary share (sen)	(2.61)	2.71	(2.61)	2.71

b) Diluted

Diluted earnings per ordinary share is calculated by dividing the net profit for the financial period attributable to ordinary equity holders of the company by the weighted average number of ordinary shares that would have been in issue assuming full exercise of Employees' Share Options Scheme ("ESOS") Options, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Period ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Net (loss)/profit for the period attributable to ordinary equity holders (RM '000)	(6,046)	2,325	6,046	2,325
Weighted average number of ordinary shares in issue ('000)	231,690	85,800	231,690	85,800
Effect of dilution of warrants ('000)#	115,800	-	115,800	-
Weighted average number of ordinary shares in issue (Diluted) ('000)	347,490	85,800	347,490	85,800
Diluted (loss)/earnings per ordinary share (sen)	(1.74)	2.71	(1.74)	2.71

Computation of effect of dilution of warrants was in relation to the Company's 115,829,999 Warrant B which were listed and quoted on 16 December 2021.

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 dated 25 May 2022.

By order of the Board,

Emily Sow Mei Chet
Group Managing Director
Date : 25 May 2022