

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 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 30.06.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2021 RM'000		Unaudited Current Year To Date 30.06.2022 RM'000	Unaudited Preceding Year 30.06.2021 RM'000	
Revenue	6,867	12,526	(5,659)	20,956	34,753	(13,797)
Cost of sales	(7,632)	(10,120)	2,488	(21,631)	(30,021)	8,390
Gross (loss)/profit	(765)	2,406	(3,171)	(675)	4,732	(5,407)
Operating expenses	(1,684)	(970)	(714)	(7,887)	(1,686)	(6,201)
Other operating (loss)/income	(367)	66	(433)	(300)	782	(1,082)
(Loss)/profit from operations	(2,816)	1,502	(4,318)	(8,862)	3,828	(12,690)
Finance cost	-	-	-	-	-	-
(Loss)/profit before tax	(2,816)	1,502	(4,318)	(8,862)	3,828	(12,690)
Taxation	-	-	-	-	-	-
Net (loss)/profit for the period	(2,816)	1,502	(4,318)	(8,862)	3,828	(12,690)
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	(2,816)	1,502	(4,318)	(8,862)	3,828	(12,690)
(Loss)/profit per share (sen)						
- Basic	(1.22)	1.52		(3.82)	4.14	
- Diluted #	(0.81)	1.36		(2.55)	3.90	

**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  
FOR THE SECOND QUARTER ENDED 30 JUNE 2022

(The figures have not been audited)



	Unaudited As at End Of Current Quarter 30.06.2022 RM'000	Audited As at Preceding Financial Year End 31.12.2021 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	16,887	18,897
Right-of-use-assets	2,608	2,608
	<u>19,495</u>	<u>21,505</u>
<b>Current assets</b>		
Inventories	7,199	3,766
Contract assets	-	12,080
Trade receivable	10,385	9,543
Other receivable, deposits & prepayments	342	4,709
Tax recoverable	139	69
Deferred tax assets	34	-
Cash and bank balances	437	2,602
	<u>18,536</u>	<u>32,769</u>
<b>Total Assets</b>	<u>38,031</u>	<u>54,274</u>
<b>EQUITY</b>		
Share capital	20,056	20,025
Reserves	7,931	16,793
<b>Total equity</b>	<u>27,987</u>	<u>36,818</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	1,774	1,740
Lease liabilities	1,819	1,836
	<u>3,593</u>	<u>3,576</u>
<b>Current liabilities</b>		
Trade payables	5,081	11,677
Other payables and accruals	910	1,532
Lease liabilities	460	671
	<u>6,451</u>	<u>13,880</u>
<b>Total Liabilities</b>	<u>10,044</u>	<u>17,456</u>
<b>Total Equity And Liabilities</b>	<u>38,031</u>	<u>54,274</u>
Number of ordinary shares ('000)	231,660	231,660
<b>Net Tangible Assets per share attributable to Owner of the Company (RM)</b>	<u>0.12</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 RM27,987,000 (FYE 31.12.2021: RM36,818,000) over the issued number of ordinary shares of 231,660,000 (FYE 31.12.2021: 231,660,000).

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 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	
<b>Balance as at 31 December 2020(audited)</b>	<b>11,284</b>	-	<b>5,744</b>	<b>9,622</b>	<b>26,650</b>
Profit for the year	-	-	-	1,427	1,427
Issue of shares pursuant to ESOS	-	812	-	-	812
Issue of shares pursuant to exercise of ESOS	4,210	(812)	-	-	3,398
Issue of shares pursuant to private placements	4,531	-	-	-	4,531
<b>Balance as at 31 December 2021(audited)</b>	<b>20,025</b>	-	<b>5,744</b>	<b>11,049</b>	<b>36,818</b>
Loss for the year	-	-	-	(8,862)	(8,862)
Issue of shares pursuant to exercise of warrants	31	-	-	-	31
<b>Balance as at 30 June 2022</b>	<b>20,056</b>	-	<b>5,744</b>	<b>2,187</b>	<b>27,987</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 2021 and the accompanying explanatory notes attached to the interim financial statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2022**  
**(The figures have not been audited)**



	Current Year To Date 30.06.2022 RM'000	Cumulative Preceding Year End 31.12.2021 RM'000
<b>Cash Flows (used in) / generated from Operating Activities</b>		
(Loss)/profit before tax	(8,862)	1,398
Adjustments: Non-cash items	572	1,208
Operating (loss)/profit before working capital changes	(8,290)	2,606
Changes in working capital:-	5,102	(4,355)
Cash (used in)/generated from operations	(3,188)	(1,749)
Interest paid	-	(106)
Interest received	-	86
Taxation paid	(71)	(110)
Net cash used in operating activities	(3,259)	(1,879)
<b>Cash Flows generated from/(used in) Investing Activities</b>		
Net cash generated from/(used in) investing activities	1,292	(8,068)
<b>Cash Flows (used in)/generated from Financing Activities</b>		
Net cash (used in)/generated from financing activities	(198)	8,112
Net decrease in cash and cash equivalents	(2,165)	(1,835)
Cash and bank balances as at 1 January	2,602	4,437
Cash and cash equivalents as at end of period	437	2,602
<b><u>Reconciliation :</u></b>		
Cash and bank balances	437	2,602
Fixed deposit with licensed bank	-	-
Bank overdrafts	-	-
<b>Cash and cash equivalents as at end of period</b>	<b>437</b>	<b>2,602</b>

Notes to the interim financial report for the financial quarter ended 30 June 2022

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

**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
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract
Annual Improvements to MFRSs Standards 2018 - 2020:	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	

The Group and the Company have not applied in advance 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:

		Effective date for the financial periods beginning on or after
MFRS 17	Insurance Contracts	1-Jan-23
Amendments to MFRS 17	Insurance Contracts	1-Jan-23
	MFRS 17 and MFRS 19 - Comparative Information	
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 128	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**

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 30 June 2022 were as follows:-

**Quarter ended 30 June 2022 (Unaudited)**

<b>Business Segments</b>	<b>Construction RM'000</b>	<b>Furniture Manufacturing &amp; trading RM'000</b>	<b>Rental of Building with Comprehensive Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Consolidated financial statement RM'000</b>
<b>Revenue</b>						
External Sales						
-local	2,224	999	270	-	-	3,493
-overseas	-	3,374	-	-	-	3,374
Inter-segment	-	-	-	131	(131)	-
<b>Total Revenue</b>	<b>2,224</b>	<b>4,373</b>	<b>270</b>	<b>131</b>	<b>(131)</b>	<b>6,867</b>
<b>Results :</b>						
<b>Continuing operations</b>						
Segment results	(4,021)	1,616	250	(661)	-	(2,816)
Finance cost						-
Loss before tax						(2,816)
Taxation						-
<b>Net loss for the period</b>						<b>(2,816)</b>

**Quarter ended 30 June 2021 (Unaudited)**

<b>Business Segments</b>	<b>Construction RM'000</b>	<b>Furniture Manufacturing &amp; trading RM'000</b>	<b>Rental of Building with Comprehensive Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Consolidated financial statement RM'000</b>
<b>Revenue</b>						
External Sales						
-local	10,078	336	243	-	-	10,657
-overseas	-	1,869	-	-	-	1,869
Inter-segment	(1,705)	1,705	-	137	(137)	-
<b>Total Revenue</b>	<b>8,373</b>	<b>3,910</b>	<b>243</b>	<b>137</b>	<b>(137)</b>	<b>12,526</b>
<b>Results :</b>						
<b>Continuing operations</b>						
Segment results	711	633	187	(29)	-	1,502
Finance cost						-
Profit before tax						1,502
Taxation						-
<b>Net profit for the period</b>						<b>1,502</b>

**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 other material events during the current quarter ended 30 June 2022 and up to the date of this report, which is likely to substantially affect the results of the operations of the Company.

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

**A11. Changes in Composition of the Group**

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

**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 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Increase/ (Decrease) RM'000
<b>REVENUE</b>			
Construction	2,224	8,373	(6,149)
Furniture manufacturing and trading	4,373	3,910	463
Rental of building with comprehensive services	270	243	27
Investment holding	-	-	-
Total Revenue	6,867	12,526	(5,659)
Cost of Sales	(7,632)	(10,120)	2,488
Gross (loss)/profit	(765)	2,406	(3,171)
<b>(LOSS)/PROFIT BEFORE TAX ("L/PBT")</b>			
Construction	(4,021)	711	(4,732)
Furniture manufacturing and trading	1,616	633	983
Rental of building with comprehensive services	250	187	63
Investment holding	(661)	(29)	(632)
Total	(2,816)	1,502	(4,318)

For the current quarter under review, the Group's revenue declined by RM5.66 million (45.17%) to RM6.87 million compared to preceding year corresponding quarter of RM12.53 million.

The lower revenue was mainly attributed to decline in construction segment revenue by RM6.14 million (73.36%) to RM2.23 million (Q2 2021: RM8.37 million), caused by the absence of contributions from a major project which was completed in Q4 2021.

The Group recorded loss of RM2.82 million compared to Q2 2021's profit of RM1.50 million.

This was mainly caused by construction segment's swing of RM4.73 million from profit of RM0.71 million in Q2 2021 to loss of RM4.02 million in the current quarter as it contended with rising building materials costs and lower economies of scale due to absence of contributions from a major project as explained above. However, Furniture segment improved its performance with RM1.62 million profit as a result of improved production efficiencies compared to profit of RM0.63 million a year ago.

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

	Current Year Quarter 30.06.2022 RM'000	Immediate Preceding Quarter 31.03.2022 RM'000	Increased/ (Decreased) RM'000
<b>REVENUE</b>			
Construction	2,224	9,160	(6,936)
Furniture manufacturing and trading	4,373	4,659	(286)
Rental of building with comprehensive services	270	270	-
Investment holding	-	-	-
Total Revenue	6,867	14,089	(7,222)
Cost of Sales	(7,632)	(13,999)	6,367
Gross (loss)/profit	(765)	90	(855)
<b>LOSS BEFORE TAX ("LBT")</b>			
Construction	(4,021)	(3,396)	(625)
Furniture manufacturing and trading	1,616	(1,099)	2,715
Rental of building with comprehensive services	250	-	250
Investment holding	(661)	(1,507)	846
Total	(2,816)	(6,002)	3,186

For the current quarter, the Group's revenue dropped by RM7.22 million (51.24%) to RM6.87 million compared to immediate preceding quarter's RM14.09 million. The lower revenue was mainly attributed to decline in construction segment revenue by RM6.94 million (75.72%) to RM2.22 million (Q1 2022: RM9.16 million), caused by lower progress billings as the Group's projects near completion. Meanwhile, contributions from furniture manufacturing and trading also decreased slightly while the Group's rental income remained stable.

Despite the revenue decline, the Group recorded a narrower net loss of RM2.82 million compared to immediate preceding quarter's net loss of RM6.00 million. This was primarily due to positive contribution from the furniture segment with RM1.62 million profit as a result of improved production efficiencies compared to loss of RM1.10 million in the immediate preceding quarter.

**B3. Commentary on Prospects**

The Group expects general slowdown in global demand conditions in the wake of aggressive interest rate hikes to combat inflation. Lingering uncertainties over China's lockdowns coupled with geopolitical tensions in Ukraine and recently, Taiwan continues to affect supply chain and pricing of the Group's inputs.

In view of the challenges ahead, the Group will explore potential avenues to increase its income and profits while simultaneously continue the existing cost management efforts.

**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	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<b>(Loss)/profit for the period is arrived at after charging/ (crediting) :</b>				
Auditors' remuneration	33	20	33	35
Foreign exchange loss/(income) -realised	-	(5)	-	(5)
Interest income	(4)	(1)	(11)	(23)
Property, plant and equipment -depreciation	255	115	509	220



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

**B6. Taxation**

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

**B7. Status of Corporate Proposals**

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

**B8. 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.

During 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 Defendant has filed an application to strike out the Plaintiff’s Writ and Statement of Claim. The parties have filed their respective affidavits and written submissions. The hearing is fixed on 24.08.2022 at Seremban High Court.

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 (loss)/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 Preceding Year		Cumulative Quarter Preceding Year	
	Current Year Quarter 30.06.2022 RM'000	Corresponding Quarter 30.06.2021 RM'000	Current Year To Date 30.06.2022 RM'000	Corresponding Quarter 30.06.2021 RM'000
Net (loss)/profit for the period attributable to ordinary equity holders (RM '000)	<u>(2,816)</u>	<u>1,502</u>	<u>(8,862)</u>	<u>3,828</u>
Weighted average number of ordinary shares in issue ('000)	<u>231,721</u>	<u>99,120</u>	<u>231,705</u>	<u>92,497</u>
Basic (loss)/earnings per ordinary share (sen)	<u>(1.22)</u>	<u>1.52</u>	<u>(3.82)</u>	<u>4.14</u>

**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 Warrants B ("WB") Options, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Period ended	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Net (loss)/profit for the period attributable to ordinary equity holders (RM '000)	<u>(2,816)</u>	<u>1,502</u>	<u>(8,862)</u>	<u>3,828</u>
Weighted average number of ordinary shares in issue ('000)	<u>231,721</u>	<u>99,120</u>	<u>231,705</u>	<u>92,497</u>
Effect of dilution of share options ('000)	<u>115,769</u>	<u>11,195</u>	<u>115,785</u>	<u>5,628</u>
Weighted average number of ordinary shares in issue (Diluted) ('000)	<u>347,490</u>	<u>110,314</u>	<u>347,490</u>	<u>98,125</u>
Diluted (loss)/earnings per ordinary share (sen)	<u>(0.81)</u>	<u>1.36</u>	<u>(2.55)</u>	<u>3.90</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 dated 23 August 2022.

By order of the Board,

**LEE PING WEI**  
Executive Director

Date : 23 August 2022