

# **NAKAMICHI CORPORATION BERHAD**

(Company No: 301384-H)

(Incorporated in Malaysia)

## **QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE PERIOD ENDED MARCH 31, 2014**

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# Nakamichi Corporation Berhad

## Condensed unaudited consolidated statements of profit or loss and other comprehensive income for the three months period ended March 31, 2014

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	Current year quarter 31.03.2014 RM'000	Preceding year corresponding quarter 31.03.2013 RM'000	Current year-to- date 31.03.2014 RM'000	Preceding year corresponding period 31.03.2013 RM'000
Revenue	-	1,736	-	1,736
Operating expenses	(122)	(2,252)	(122)	(2,252)
Other operating (loss) / income	-	107	-	107
<b>Loss from operation</b>	<b>(122)</b>	<b>(409)</b>	<b>(122)</b>	<b>(409)</b>
Interest income	-	-	-	-
Finance costs	-	(61)	-	(61)
<b>Loss before tax</b>	<b>(122)</b>	<b>(470)</b>	<b>(122)</b>	<b>(470)</b>
Tax expenses	-	(44)	-	(44)
<b>Loss for the period</b>	<b>(122)</b>	<b>(514)</b>	<b>(122)</b>	<b>(514)</b>
Other comprehensive loss, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(122)</b>	<b>(514)</b>	<b>(122)</b>	<b>(514)</b>
<b>Loss/ Profit attributable to:</b>				
Ow ners of the Company	(122)	(422)	(122)	(422)
Non-controlling interest	-	(92)	-	(92)
	<b>(122)</b>	<b>(514)</b>	<b>(122)</b>	<b>(514)</b>
<b>Basic loss per ordinary share (sen)</b>	<b>(0.22)</b>	<b>(0.76)</b>	<b>(0.22)</b>	<b>(0.76)</b>

*(The condensed unaudited consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the Annual Financial Report for the year ended December 31, 2013)*

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## Condensed unaudited consolidated statement of financial position as at March 31, 2014

	As at current financial period end 31.03.2014 RM'000	As at preceding financial year ended 31.12.2013 RM'000
Receivables, deposits and prepayments	12	12
Cash and cash equivalents	<u>1</u>	<u>1</u>
<b>Current assets</b>	<b><u>13</u></b>	<b><u>13</u></b>
<b>TOTAL ASSETS</b>	<b><u><u>13</u></u></b>	<b><u><u>13</u></u></b>
Share capital	55,410	55,410
Share premium	38,452	38,452
Accumulated losses	(107,571)	(107,449)
Reserves	<u>-</u>	<u>-</u>
<b>Equity</b>	<b>(13,709)</b>	<b>(13,587)</b>
Payables and accruals	13,092	12,970
Amount due to related party, See Thoo Chan	626	626
Tax liabilities	4	4
Borrowings	<u>-</u>	<u>-</u>
<b>Current liabilities</b>	<b><u>13,722</u></b>	<b><u>13,600</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u><u>13</u></u></b>	<b><u><u>13</u></u></b>
Net asset/ (liabilities) per share	<u><u>(0.25)</u></u>	<u><u>(0.25)</u></u>

*(The condensed unaudited consolidated statement of financial position should be read in conjunction with the Annual Financial Report for the year ended December 31, 2013)*

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## Condensed unaudited consolidated statements of changes in equity for the period ended March 31, 2014

	Attributable to owners of the Company				Non-controlling interest RM'000	Total equity RM'000
	Non-distributable			Total RM'000		
	Share capital RM'000	Share premium RM'000	Accumulated losses RM'000			
At January 1, 2014	55,410	38,452	(107,449)	<b>(13,587)</b>	-	(13,587)
Total comprehensive loss for the period	-	-	(122)	<b>(122)</b>	-	(122)
At March 31, 2014	<b><u>55,410</u></b>	<b><u>38,452</u></b>	<b><u>(107,571)</u></b>	<b><u>(13,709)</u></b>	-	<b><u>(13,709)</u></b>

	Attributable to owners of the Company				Non-controlling interest RM'000	Total equity RM'000
	Non-distributable			Total RM'000		
	Share capital RM'000	Share premium RM'000	Accumulated losses RM'000			
At January 1, 2013	55,410	38,452	(67,831)	<b>26,031</b>	36,360	62,391
Total comprehensive loss for the period	-	-	(422)	<b>(422)</b>	(92)	(514)
At March 31, 2013	<b><u>55,410</u></b>	<b><u>38,452</u></b>	<b><u>(68,253)</u></b>	<b><u>25,609</u></b>	<b><u>36,268</u></b>	<b><u>61,877</u></b>

*(The condensed unaudited consolidated statement of changes in equity should be read in conjunction with the Annual Financial Report for the year ended December 31, 2013)*

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## Condensed unaudited consolidated statements of cash flow for the period ended March 31, 2014

	3 months ended 31.03.2014 RM	3 months ended 31.03.2013 RM
Loss before taxation	(122)	(470)
<b>Adjustments for:</b>		
Depreciation	-	134
Gain on disposal of fixed assets	-	(107)
Interest expense	-	61
<b>Operating loss before working capital changes</b>	<b>(122)</b>	<b>(382)</b>
<b>Changes in working capital:</b>		
Receivables, deposits and prepayments	-	(153)
Inventories	-	1,327
Payables and accruals	122	(743)
<b>Cash generated / (used in) operations</b>	<b>-</b>	<b>49</b>
Tax paid	-	(166)
<b>Net cash generated from operating activities</b>	<b>-</b>	<b>(117)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(268)
Proceeds from disposal of assets	-	182
<b>Net cash generated / (used in) investing activities</b>	<b>-</b>	<b>(86)</b>
<b>Cash flows from financing activities</b>		
Interest paid	-	(61)
Proceeds / (Repayment) of bank borrowings - net	-	71
<b>Net cash used in financing activities</b>	<b>-</b>	<b>10</b>
Net increase in cash and cash equivalents	-	(193)
Cash and cash equivalents at beginning of year	1	215
<b>Cash and cash equivalents at end of period</b>	<b>1</b>	<b>22</b>
<b>Cash and cash equivalents at end of period comprised:</b>		
Cash and bank balances	1	22

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## Explanatory notes

### **Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with FRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board and International Accounting Standard (“IAS”) 34 : Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”) and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the financial statements for the financial year ended December 31, 2013. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended December 31, 2013.

### **Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended December 31, 2013.

### **Audit report**

The audited financial statements for the year ended December 31, 2013 have not been finalised by the external auditors, Messrs. PKF as at the date of our announcement. We understand that the external auditors will issued a modified audit report moving forward.

### **Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter.

### **Changes in estimates**

There were no changes in the estimates of amounts which give a material effect for the current quarter.

### **Taxation**

There are no tax expenses incurred for the current quarter.

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## Explanatory notes (cont'd)

### **Valuation of property, plant and equipment**

There are no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

### **Borrowings**

The Group does not have borrowings as at the end of the current quarter.

### **Debt and equity securities**

There were no issuances, cancellations, repurchases and repayments of the Company's debt or equity securities for the period ended March 31, 2014.

### **Changes in composition of the Group**

There was no change in the composition of the Group for the financial period and up to the date of this report.

### **Material events subsequent to the period end**

There are no material events subsequent to the period end that have not been reflected in the financial statements of the Group.

### **Contingent liabilities/assets and material litigations**

There were no material changes to the contingent liabilities and assets of the Group as at March 31, 2014.



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## Explanatory notes (cont'd)

### **Material Litigation**

#### **Shah Alam Suit No. 24-1187-08/2013, Nakamichi Corporation Bhd v. Tamabina Sdn Bhd & Anor (Update - Enclosure 83)**

The Company had announced on 5 Feb 2014 that the High Court dismissed the Company's application via the Notice of Application dated 11 December 2013 today with costs of RM5,000.00. The said application was filed by the Company to pray for an order of committal to be given against Tamabina Sdn Bhd and its directors (namely, Lai Yun Fung and Lo Man Heng).

### **Capital commitments**

There were no capital commitments as at March 31, 2014.

### **Seasonal and cyclical factors**

There are no material seasonal or cyclical factors affecting the income and performance of the Group.

### **Segmental information**

Analysis by business segments were not performed as the primary timber segment has been de-consolidated from the Group in FY2013. The deconsolidation was mainly attributable to the lack of management control in Tamabina Sdn Bhd.

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## Review of performance

### **Revenue**

#### Analysis on Group basis

The Group has not recorded any revenue as its main business segment (timber) was deconsolidated from the Group in Financial Year 2013.

### **Results**

#### Analysis on Group basis

The Group's loss for the period declined by RM392k from RM514k to RM122k in the current quarter (Q1FY2014) as compared to the preceding year (Q1FY2013). This was mainly attributable to the deconsolidation of Tamabina Sdn Bhd. This was set-off by the operating and administrative expenses for the quarter.

### **Profit forecast and profit guarantee**

The Group did not publish any profit forecast.

### **Dividends**

The Board of Directors does not recommend any dividend in respect of the financial period ended March 31, 2014.