

# **NAKAMICHI CORPORATION BERHAD**

(Company No: 301384-H)

(Incorporated in Malaysia)

## **QUARTERLY UNAUDITED FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2014**

# Contents

	Page
Condensed unaudited consolidated statements of profit or loss and other comprehensive income	3
Condensed unaudited consolidated statement of financial position	4
Condensed unaudited consolidated statement of changes in equity	5
Condensed unaudited consolidated statements of cash flow	6
Explanatory notes	7
Review of performance	10

# Nakamichi Corporation Berhad

## Condensed unaudited consolidated statements of profit or loss and other comprehensive income for the three months period ended September 30, 2014

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	Current year	Preceding year	Current year-to-	Preceding year
	quarter 30.09.2014	quarter 30.09.2013	date 30.09.2014	period 30.09.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Operating expenses	(122)	(200)	(366)	(1,247)
Loss on deconsolidation	-	-	-	(37,844)
Other operating (loss) / income	-	-	-	17
<b>Loss from operation</b>	<b>(122)</b>	<b>(200)</b>	<b>(366)</b>	<b>(39,074)</b>
Interest income	-	-	-	-
Finance costs	-	(92)	-	(244)
<b>Loss before tax</b>	<b>(122)</b>	<b>(292)</b>	<b>(366)</b>	<b>(39,318)</b>
Tax expenses	-	-	-	(8)
<b>Loss for the period</b>	<b>(122)</b>	<b>(292)</b>	<b>(366)</b>	<b>(39,326)</b>
Other comprehensive loss, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(122)</b>	<b>(292)</b>	<b>(366)</b>	<b>(39,326)</b>
<b>Loss/ Profit attributable to:</b>				
Owners of the Company	(122)	(202)	(366)	(39,326)
Non-controlling interest	-	-	-	-
	<b>(122)</b>	<b>(202)</b>	<b>(366)</b>	<b>(39,326)</b>
<b>Basic loss per ordinary share (sen)</b>	<b>(0.22)</b>	<b>(0.36)</b>	<b>(0.66)</b>	<b>(70.97)</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)*

# Nakamichi Corporation Berhad

## Condensed unaudited consolidated statement of financial position as at September 30, 2014

	As at current financial period end 30.09.2014 RM'000	As at preceding financial year ended 31.12.2013 RM'000
Receivables, deposits and prepayments	12	12
Cash and cash equivalents	1	1
<b>Current assets</b>	<b>13</b>	<b>13</b>
<b>TOTAL ASSETS</b>	<b>13</b>	<b>13</b>
Share capital	55,410	55,410
Share premium	38,452	38,452
Accumulated losses	(107,815)	(107,449)
Reserves	-	-
<b>Equity</b>	<b>(13,953)</b>	<b>(13,587)</b>
Payables and accruals	13,336	12,970
Amount due to related party, See Thoo Chan	626	626
Tax liabilities	4	4
Borrowings	-	-
<b>Current liabilities</b>	<b>13,966</b>	<b>13,600</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13</b>	<b>13</b>
Net asset/ (liabilities) per share	<b>(0.25)</b>	<b>(0.25)</b>

*(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)*

# Nakamichi Corporation Berhad

## Condensed unaudited consolidated statements of changes in equity for the period ended September 30, 2014

	Attributable to owners of the Company				Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable		Total RM'000		
		Share premium RM'000	Accumulated losses RM'000			
At January 1, 2014	55,410	38,452	(107,449)	(13,587)	-	(13,587)
Total comprehensive loss for the period	-	-	(366)	(366)	-	(366)
At September 30, 2014	<u>55,410</u>	<u>38,452</u>	<u>(107,815)</u>	<u>(13,953)</u>	<u>-</u>	<u>(13,953)</u>

	Attributable to owners of the Company				Non-controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Non-distributable		Total RM'000		
		Share premium RM'000	Accumulated losses RM'000			
At January 1, 2013	55,410	38,452	(67,831)	26,031	36,360	62,391
Total comprehensive loss for the period	-	-	(39,326)	(39,326)	(36,360)	(75,686)
At September 30, 2013	<u>55,410</u>	<u>38,452</u>	<u>(107,157)</u>	<u>(13,295)</u>	<u>-</u>	<u>(13,295)</u>

*(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)*

# Nakamichi Corporation Berhad

## Condensed unaudited consolidated statements of cash flow for the period ended September 30, 2014

	9 months ended 30.09.2014 RM	9 months ended 30.09.2013 RM
Loss before taxation	(366)	(39,318)
<b>Adjustments for:</b>		
Depreciation	-	27
Loss on deconsolidation	-	37,844
Write off of fixed assets	-	50
Gain on disposal of fixed assets	-	(17)
<b>Operating loss before working capital changes</b>	<b>(366)</b>	<b>(1,414)</b>
<b>Changes in working capital:</b>		
Receivables, deposits and prepayments	-	67
Amount due to related party, See Thoo Chan	-	-
Payables and accruals	366	857
<b>Cash generated / (used in) operations</b>	<b>-</b>	<b>(490)</b>
Tax paid	-	(4)
<b>Net cash generated from operating activities</b>	<b>-</b>	<b>(494)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(72)
Deconsolidation of subsidiaries	-	(201)
Proceeds from disposal of assets	-	92
<b>Net cash generated / (used in) investing activities</b>	<b>-</b>	<b>(181)</b>
<b>Cash flows from financing activities</b>		
Advance from director	-	534
Repayment for hire purchase	-	(74)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>460</b>
Net increase in cash and cash equivalents	-	(215)
Cash and cash equivalents at beginning of year	1	216
<b>Cash and cash equivalents at end of period</b>	<b>1</b>	<b>1</b>
<b>Cash and cash equivalents at end of period comprised:</b>		
Cash and bank balances	1	1

# Nakamichi Corporation Berhad

## 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 audited financial statements for the financial year ended December 31, 2013. The explanatory notes attached to the interim 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 has 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.

# Nakamichi Corporation Berhad

## 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 September 30, 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 September 30, 2014.



# Nakamichi Corporation Berhad

## Explanatory notes (cont'd)

### Material Litigation

The Appeals was heard on the 22 July 2014 at the Court of Appeal against the the following matters:-

- i) Appeal No. 2439 - The Appellant's Appeal against the Shah Alam High Court order dated 8 November 2013 (OS Appeal).
- ii) Appeal No. 1035 - The Appellant's Appeal against the decision of the Shah Alam High Court in allowing NCB's application under Order 45 of the Rules of Court 2012 (Order 45 Appeal).
- iii) Appeal No. 349 - NCB's appeal against the High Court's decision in dismissing NCB's application to commit Lai Yun Fung and Lo Man Heng to prison for their breach of the High Court Order dated 8 November 2013 (Committal Appeal).

Both the Originating Summons Appeal and the Order 45 Appeal were allowed with costs of RM30,000.00.

Since the Originating Summons Appeal was allowed, the Committal Appeal was withdrawn with no order to cost

### **Court of Appeal Malaysia Civil No: B-02-2439-11/2013 between Nakamichi Corporation Berhad vs Tamabina Sdn Bhd & 1 other**

The Company had on 21 August 2014 filed an application for leave to the Federal Court to appeal against the decision of the Court of Appeal in allowing the appeal against the High Court of Kuala Lumpur Order dated 8 November 2013 and 28 May 2014.

### **Kuala Lumpur High Court Civil Suit No. 22NCVC-377-08/2014 Lo Man Heng vs Nakamichi Corporation Berhad**

On 12 August 2014 the Company has received a sealed copy of Writ of Summons and Statement of Claim both dated 7 August 2014 from Messrs. Gideon Tan Razali Zaini, the solicitors for Lo Man Heng ("Planitiff"). The Company is required within 14 days from the date of receipt of the Writ of Summons to enter appearance, failing which, the Plaintiff will proceed to obtain judgment against the Company.

Lo Man Heng had claimed that there was an alleged sum of RM1,660,217 advanced by Lo Man Heng and guaranteed by NCB ("Alleged RM1.66Million"). If NCB fails to defend this action, NCB will be liable for the alleged RM1.66Million.

### Capital commitments

There were no capital commitments as at September 30, 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.

# Nakamichi Corporation Berhad

## 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 Q3FY2015 declined by RM170k from RM292k to RM122k in the current quarter (Q3FY2014) as compared to the preceding year (Q4FY2013). This was mainly attributable to the decreased operating expenses in view that the Group has become a PN17 entity.

### **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 September 30, 2014.